Banco Santander Chile

4Q2008 Earnings Report

Santander

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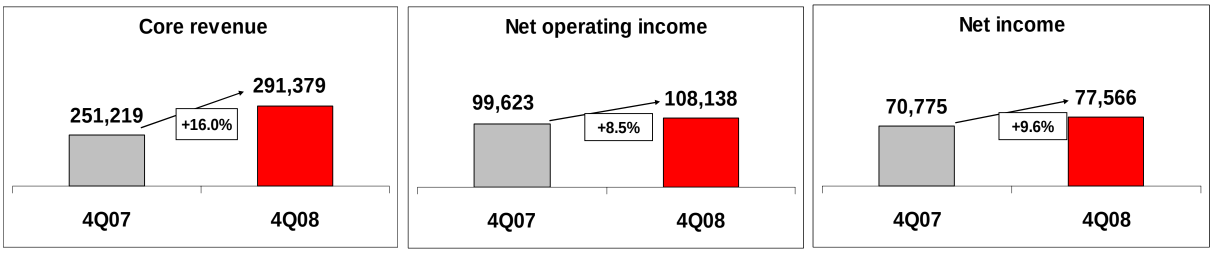
SECTION 1: SUMMARY OF RESULTS AND STRATEGY

Positive profitability trends



* Core revenue: Net interest income + fee income
** Net operating income: Core revenue + provision expense + operating expenses + market related income + other operating income, net

In 4Q08, net income attributable to shareholders totaled Ch$77,566 million (Ch$0.41 per share and US$0.68/ADR), increasing 9.6% compared to 4Q08 (from now on YoY). The YoY growth of net income was mainly driven by core revenues, that is, net interest income plus fee income. Core revenue increased 16.0% YoY, led by a 17.7% increase in net interest revenue and a 9.7% rise in fee income. Return on average equity attributable to shareholders reached 20.2% in 4Q08 compared to 19.9% in 4Q07.

In 4Q08, total loans increased 5.9% compared to 3Q08 (from now on QoQ) and 19.1% YoY. During the quarter, loan growth was mainly driven by the corporate segment, in line with our strategy of continuing to expand the loan book, but with a conservative approach to credit risk. Corporate lending increased a record 24.5% QoQ and 26.0% YoY. Total commercial loans increased 8.8% QoQ and 22.6% YoY in 4Q08.

The Bank's selective approach to lending was also apparent in loan growth to individuals in the quarter. Total loans to individuals increased 2.7% QoQ and 16.9% YoY. Residential mortgage lending increased 3.3% QoQ and 19.0% YoY. Consumer loans expanded 0.3% QoQ and 8.0% YoY. By segment, during 2008 loan growth to high income individuals was up 35.6% YoY compared to 4.4% YoY to middle income individuals and a decrease of 11.9% YoY to lower income segments.

The Bank also experienced a favorable evolution of deposit growth in the quarter. In 4Q08, Santander Chile's deposit base increased by a record 10.1% QoQ and 18.1% YoY, outpacing loan growth and reflecting our focus on liquidity and improving the funding mix. The Bank's market share of deposits increased from 20.4% as of September 2008 to 20.8% at year-end 2008. The growth of deposits was led by a 16.0% QoQ increase in time deposits. As of December 31, 2008, Santander Chile's loan to deposit ratio reached a healthy 94.1% improving from 100.2% as of September 2008 (excluding the portion of mortgage loans funded with long-term bonds).

As mentioned in previous earning releases, since 2007 the Bank has been focusing on spreads in order to sustain profitability in a period of lower economic growth and to compensate for higher funding costs and provisioning levels. Loan spreads to companies and individuals have been increasing as liquidity abroad has become scarcer and more expensive. Spreads earned over commercial loans reached 2.63% in 4Q08 and were up 30 basis points QoQ and 45 basis points YoY. Consumer loan spreads reached 18.78% in 4Q08 and increased 18 basis points QoQ and 75 basis points YoY in 4Q08. Deposit spreads have also benefited from the Bank's higher credit risk

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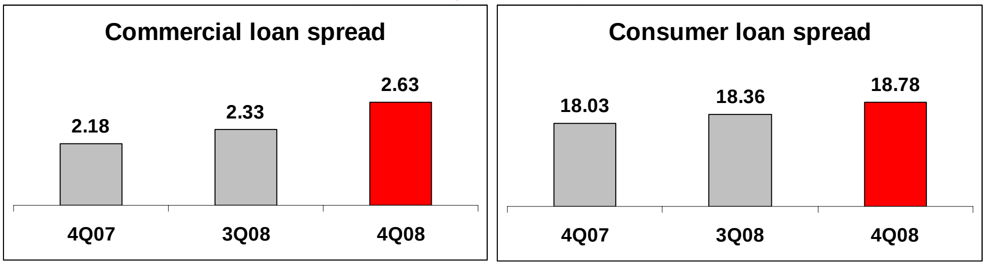
ratings.

Despite this positive evolution of spreads, the Bank's net interest margin reached 5.8% in the quarter compared to 6.2% in 4Q07 and 6.9% in 3Q08. This lower net interest margin was mainly due to the lower quarterly inflation in 4Q08 compared to 3Q08 and 4Q07.

Expanding client spreads



Spread = Interest earned on loan minus cost of funds

The impact of lower net interest margins were offset by the Bank's proactive management of the asset and funding mix, coupled with loan growth and rising spreads. As a result, in 4Q08 net interest income was up 17.7% YoY.

Capitalization ratios continued to improve in 4Q08. The Bank's BIS ratio as of December 31, 2008 reached a solid 13.8% with a Tier I ratio of 10.0%. The Bank has one of the highest BIS ratios among the major players in the Chilean financial system. During the quarter, the Bank issued US$40 million in subordinated bonds in the local market in order to further improve capitalization ratios.

In 4Q08, the Bank's net provision expense increased 14.4% QoQ and 50.6% YoY. As mentioned in previous earning reports, this rise was driven by higher charge-offs in consumer loans due to the economic slowdown, as well as an increase in provisions in the middle-market following negligible levels in the past three years. This rise in risk has been offset by a more selective loan growth towards less risky segments and higher spreads. As a result, net interest income after net provision expense increased 5.1% YoY in 4Q08 and 20.7% YoY in the twelve-month period ended December 31, 2008.

Net fee income increased 3.2% QoQ and 9.7% YoY in 4Q08 in line with the expansion of cross-selling and product usage. Santander Chile has the largest client base (excluding the state owned bank) in Chile. The total number of cross-sold clients increased 7.9% YoY. Fees from credit, debit and ATM cards increased 13.1% QoQ and 11.0% YoY.

The growth rate of operating expenses was curbed in the quarter as the Bank focused in cost control and limited the opening of new branches in order to maximize the profitability of the existing network. Operating expenses decreased 1.7% QoQ and increased 6.1% YoY in 4Q08. Administrative expenses in 4Q08 decreased 7.5% QoQ and increased 1.7% YoY. In 4Q08, the efficiency ratio reached 38.8% compared to 42.4% in 4Q07. We have the highest level of efficiency among the larger banks in Chile and among the best in emerging markets.

Banco Santander Chile: Summary of Quarterly Results

	Quarter			Change %	
(Ch$ million)	**4Q08**	**3Q08**	**4Q07**	**4Q08 / 4Q07**	**4Q08 / 3Q08**
Net interest income	233,455	253,221	198,403	17.7%	(7.8%)
Fee income	57,924	56,139	52,816	9.7%	3.2%
Core revenues	**291,379**	**309,360**	**251,219**	**16.0%**	**(5.8%)**
Market related income	16,802	33,933	9,280	81.1%	(50.5%)
Other operating income	3,309	(1,094)	7,751	(57.3%)	(402.5%)
Total operating income	**311,490**	**342,199**	**268,250**	**16.1%**	**(9.0%)**
Operating expenses	(120,830)	(122,967)	(113,839)	6.1%	(1.7%)
Provision expense	(82,522)	(72,128)	(54,788)	50.6%	14.4%
Net operating income	**108,138**	**147,104**	**99,623**	**8.5%**	**(26.5%)**
Net income	78,465	96,457	71,119	10.3%	(18.7%)
Minority interest	899	(39)	344	161.3%	(2405.1%)
Net income attributable to shareholders	**77,566**	**96,496**	**70,775**	**9.6%**	**(19.6%)**
Net income/share (Ch$)	0.41	0.51	0.38	9.6%	(19.6%)
Net income/ADR (US$)[1]	0.68	0.96	0.79	(13.6%)	(29.4%)
Total loans	14,604,840	13,791,128	12,258,457	19.1%	5.9%
Customer funds	14,905,245	14,074,217	13,391,127	11.3%	5.9%
Shareholders' equity	1,602,610	1,500,504	1,458,089	9.9%	6.8%
Net interest margin	5.8%	6.9%	6.2%		
Efficiency ratio	38.8%	35.9%	42.4%		
Return on average equity[2]	20.2%	27.5%	19.9%		
PDL / Total loans	1.1%	1.1%	1.0%		
Coverage ratio of PDLs	177.5%	181.0%	199.5%		
Expected loss[3]	2.0%	2.0%	1.9%		
BIS ratio	13.8%	13.1%	12.2%		
Branches[4]	477	472	464		
ATMs	1,958	1,997	2,004		
Employees	9,169	9,331	9,174		

1. The change in earnings per ADR may differ from the change in earnings per share due to the exchange rate.
2. Annualized Quarterly Earnings / Average Equity.
3. Allowance for loan losses / Total loans.
4. Includes SuperCaja and mini payment centers.

2007 figures have been re-categorized under the new format in order to make them more comparable, but the modification regarding minimum dividends has not been made to historical shareholders' equity.

Please note that this information is provided for comparative purposes only and that this re-categorization of line items 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. Re-classified historical figures have not been audited.

In this earnings report, quarterly 2007 figures have suffered minor reclassifications between line items compared to figures for these periods presented in previous earnings reports, especially between other operating income, other operating expenses and net gains from financial transactions. This did no affected total net income.

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12M08 RESULTS SUMMARY

In the twelve-month period ended December 31, 2008 (12M08), net income attributable to shareholders increased 6.3% YoY and totaled Ch$328,146 million (Ch$1.74/share and US$2.82/ADR). Growth was led by a 22.8% increase in core revenues. Net interest income increased 25.9% and fee income 11.8% YoY. The net interest margin in 12M08 reached a record level of 6.1% compared to 5.8% in 12M07. The efficiency ratio reached 38.0% in 12M08 compared to 39.4% in 12M07. Net operating income increased 11.4% in the same period. These higher operating results were partially offset by a 33.9% rise in non-operating losses, net which were negatively affected by higher losses from price level restatement. ROAE reached 23.0% in 12M08 compared to 23.7% in 12M07.

SECTION 2: BALANCE SHEET

LOANS

Selective loan growth with a focus on companies and upper and middle income individuals

Loans	**Quarter ended,**			**% Change**	
(Ch$ million)	**Dec-08**	**Sep-08**	**Dec-07 (reclassified)**	**Dec. 08 / 07**	**Dec. 08 / Sept. 08**
Total loans to individuals[1]	6,833,098	6,654,210	5,846,856	16.9%	2.7%
Consumer loans	2,248,996	2,241,163	2,082,579	8.0%	0.3%
Residential mortgage loans	3,981,347	3,853,088	3,345,493	19.0%	3.3%
SMEs	2,466,147	2,418,645	2,126,067	16.0%	2.0%
Institutional lending	227,464	216,212	210,357	8.1%	5.2%
Total retail lending	**9,526,709**	**9,289,066**	**8,183,281**	**16.4%**	**2.6%**
Middle-Market & Real estate	2,882,484	2,831,381	2,470,934	16.7%	1.8%
Corporate	2,052,089	1,648,671	1,628,192	26.0%	24.5%
Total loans [2,3]	**14,604,840**	**13,791,128**	**12,258,457**	**19.1%**	**5.9%**

1 Includes consumer and mortgage lending and other loan products to individuals
2 Includes past due loans in each category.
3 Excludes allowance for loan losses and interbank loans

The Bank's solid liquidity position and the higher spreads seen in the market helped to boost lending in the quarter. Total loans increased 5.9% QoQ In 4Q08 and 19.1% YoY. Corporate lending increased 24.5% QoQ and 26.0% YoY. During the quarter, the Bank, in line with its strategic objectives, focused its loan growth in Corporate lending as spreads have been rising and this segment better risk profile should help to control credit risk indicators going forward. Growth in the corporate segments was also driven by the 13.9% depreciation of the peso against the US$ dollar in the quarter, which resulted in a translation gain in dollar denominated loans. This partially explains the 26.3% QoQ rise in foreign trade lending in the quarter.

Lending to the middle market increased 1.8% QoQ and 16.7% YoY, mainly due to the 6.2% QoQ increase in foreign trade volumes in this segment. This was in part due to the translation gains produced by the depreciation of the peso in the quarter against the US$ dollar. The Bank's healthy dollar liquidity also improved its competitive advantage in foreign trade financing in the quarter.

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Commercial loans in the middle market segment grew 2.0% QoQ. Loan volume growth in 4Q08 in this segment was affected by the economic slowdown, but this was compensated by higher spreads.

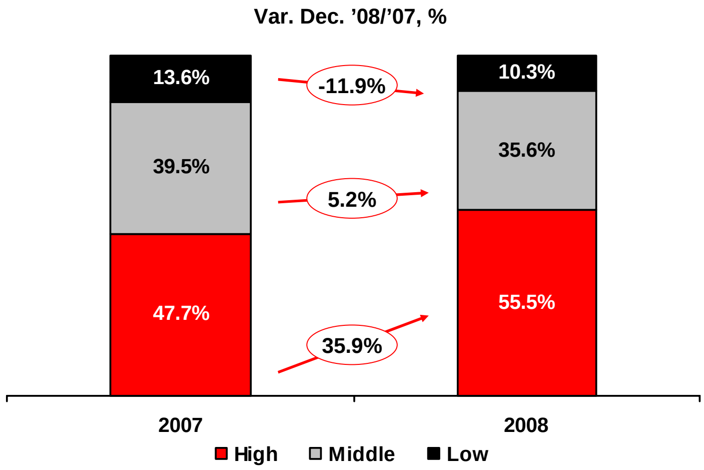
Lending to SMEs increased 2.0% QoQ and 16.0% YoY. Commercial loans to this segment grew 2.0% QoQ, which was a somewhat slower pace than previous periods, but at higher spreads. Foreign trade loans rose 16.0% QoQ in this segment driven by translation gains.

Total Commercial lending	Ch$ mn	% Change Dec. / Sept. 08
Commercial loans	5,345,941	7.3%
Foreign trade loans	1,396,596	26.3%
Lines of credit to companies	271,896	(1.3%)
Factoring	323,136	0.5%
Leasing	965,119	2.0%
Other commercial loans	71,811	10.1%
Total commercial lending	**8,374,498**	**8.8%**

Total loans to individuals increased 2.7% QoQ and 16.9% YoY. Residential mortgage lending increased 3.3% QoQ and 19.0% YoY. Consumer loans expanded 0.3% QoQ and 8.0% YoY. As mentioned in the previous earnings report, loan growth to individuals continues to be centered in middle and upper income segments for credit risk reasons. During 2008, loan growth to higher income individuals was up 35.6%, to the middle income segment loan growth increased 4.4% and to lower income segments loan growth decreased 11.9%.

Selective loan growth in individuals

Loans to individuals: distribution by segment* as of 12.31.08, %



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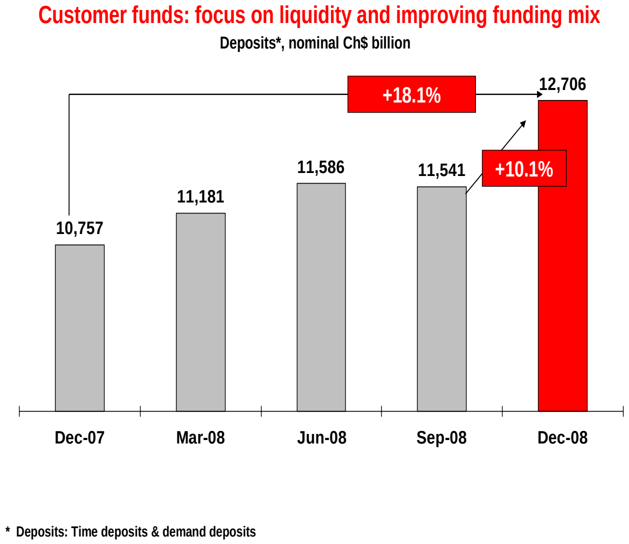
FUNDING

Strong deposit growth in the quarter

Customer funds	Quarter ended,			Change %	
(Ch$ million)	**Dec-08**	**Sep-08**	**Dec-07 (reclassified)**	**Dec. 08 / 07**	**Dec. 08 / Sept. 08**
Non-interest bearing deposits	2,949,757	3,132,432	2,868,769	2.8%	(5.8%)
Time deposits	9,756,266	8,408,557	7,887,897	23.7%	16.0%
Total customer deposits	**12,706,023**	**11,540,989**	**10,756,666**	**18.1%**	**10.1%**
Mutual funds	2,199,222	2,533,228	2,634,461	(16.5%)	(13.2%)
Total customer funds	**14,905,245**	**14,074,217**	**13,391,127**	**11.3%**	**5.9%**
Quarterly inflation rate	2.21%	3.63%	2.31%		
Avg. overnight interbank rate (nominal)	8.24%	7.58%	5.81%		
Avg. yield on 10 year Central Bank bonds (real)	3.22%	3.39%	2.97%		
Avg. yield on 10 year Central Bank bonds (nominal)	6.50%	7.74%	6.31%		

In 4Q08, Santander Chile's deposit base increased by 10.1% QoQ and 18.1% YoY outpacing loan growth and reflecting our focus on liquidity and improving the funding mix. The Bank's market share of deposits increased from 20.4% as of September 2008 to 20.8% at year-end 2008. The growth of deposits was led by a 16.0% QoQ increase in time deposits. The spread earned over time deposits also increased from 30 basis points in 4Q07 and 55 basis points in 3Q08 to 66 basis points in 4Q08. Non-interest bearing demand deposits decreased 5.8% QoQ and increased 2.8% YoY. The average balance of non-interest bearing checking accounts decreased 0.4% QoQ and increased 12.7% YoY. The higher inflation rate registered in the second half of 2008 resulted in lower growth of non-interesting bearing deposit.



As of December 31, 2008, Santander Chile's loan to deposit ratio reached a healthy 94.1% improving from 100.2% as of September 2008 (excluding portion of mortgage loan funded through bonds).

Assets under management decreased 13.2% QoQ and 16.5% YoY due to the fall in stock markets worldwide and the substitution of money market funds to time deposits.

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SHAREHOLDERS' EQUITY AND REGULATORY CAPITAL

Solid capitalization ratios. Year-end BIS ratio reached 13.8%

Shareholders' Equity	**Quarter**			**Change %**	
(Ch$ million)	**Dec-08**	**Sep-08**	**Dec-07 (reclassified)**	**Dec. 08 / 07**	**Dec. 08 / Sept. 08**
Capital	891,303	818,535	818,535	8.9%	8.9%
Reserves	51,539	133,429	47,331	8.9%	(61.4%)
Unrealized gain (loss) Available-for-sale financial assets	(7,552)	(31,204)	(9,475)	(20.3%)	(75.8%)
Retained Earnings:					
Retained earnings previous periods	413,053	381,030	273,004	51.3%	8.4%
Net income	328,146	250,580	308,647	6.3%	31.0%
Provision for mandatory dividend	(98,444)	(75,174)	0		
Minority Interest	24,565	23,308	20,047	22.5%	5.4%
Total Equity	**1,602,610**	**1,500,504**	**1,458,089**	**9.9%**	**6.8%**
Equity attributable to shareholders	**1,578,045**	**1,477,196**	**1,438,042**	**9.7%**	**6.8%**
ROE	**20.2%**	**27.5%**	**20.1%**		

* Starting in 2008, the Bank must provision for the minimum mandatory dividend of 30% of net income.

Shareholders' equity totaled Ch$1,602,610 million (US$2.5 billion) as of December 31, 2008. ROAE in 4Q08 reached 20.2%. The Bank's BIS ratio as of December 31, 2008 reached 13.8% with a Tier I ratio of 10.0%. During the quarter, the Bank issued US$40 million in subordinated bonds in the local market in order to further improve capitalization ratios. This is in line with our strategic objectives of focusing on liquidity, funding and capital.

Capital Adequacy	**Quarter ended**			**Change %**	
(Ch$ million)	**Dec-08**	**Sep-08**	**Dec-07**	**Dec. 08 / 07**	**Dec. 08 / Sept. 08**
Tier I	1,578,043	1,477,245	1,129,395	39.7%	6.8%
Tier II	588,657	514,005	473,037	24.4%	14.5%
Regulatory capital	**2,166,700**	**1,991,250**	**1,602,432**	**35.2%**	**8.8%**
Risk weighted assets	15,710,202	15,170,215	13,087,642	20.0%	3.6%
Tier I ratio	**10.0%**	**9.7%**	**8.6%**		
BIS ratio	**13.8%**	**13.1%**	**12.2%**		

* Tier I includes year-to-date net income in 2008, but not in 2007.

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__IFRS note:__ In 2009, and in line with IFRS standards being adopted by Chilean banks, the Bank's year-end 2008 Equity will be modified. The main changes will be: (i) the restatement for 2008 earnings, in which the main impact will be the reversal of 2008 price level restatement and (ii) the revaluation of fixed assets which were previously stated in Unidades de Fomento and are now valued at market prices.

SECTION 3: ANALYSIS OF QUARTERLY INCOME STATEMENT

NET INTEREST INCOME

Positive evolution of net interest income and spreads, but NIM driven down by lower inflation

Net Interest Income / Margin	**Quarter**			**Change %**	
(Ch$ million)	**4Q08**	**3Q08**	**4Q07 (reclassified)**	**4Q08 / 4Q07**	**4Q08 / 3Q08**
Net interest income	**233,455**	**253,221**	**198,403**	**17.7%**	**(7.8%)**
Average interest-earning assets	15,975,392	14,693,715	12,840,100	24.4%	8.7%
Average loans	14,311,395	13,456,903	11,908,379	20.2%	6.3%
Net interest margin (NIM)	**5.8%**	**6.9%**	**6.2%**		
Avg. equity + non-interest bearing demand deposits / Avg. interest earning assets	28.3%	31.4%	33.5%		
Quarterly inflation rate	2.21%	3.63%	2.31%		
Avg. overnight interbank rate (nominal)	8.24%	7.58%	5.81%		
Avg. yield on 10 year Central Bank bonds (real)	3.22%	3.39%	2.97%		

1. Annualized.
2. Inflation measured as the variation of the Unidad de Fomento in the quarter.

In 4Q08, net interest income was up 17.7% YoY. The main driver of the increase in net interest revenue was the 24.4% and 20.2% YoY rise in average interest earning assets and loans, respectively. At the same time, the rise in client spreads also helped to drive net interest income. A key part of the Bank's strategy has been to focus strongly on spreads in order to sustain profitability in a period of lower economic growth and to compensate for higher funding costs, lower inflation and higher credit risks. Loan spreads to companies and individuals have been increasing as liquidity abroad has become scarcer and more expensive. Spreads earned over commercial loans reached 2.63% in 4Q08 and were up 30 basis points QoQ and 45 basis points YoY. Consumer loan spreads reached 18.78% in 4Q08 and increased 18 basis points QoQ and 75 basis points YoY in 4Q08. Deposit spreads have also benefited from the Bank's higher credit risk ratings.

This rise in lending spreads was partially offset by lower inflation levels that affected net interest margins in the quarter, albeit remaining at high levels. The Bank's net interest margin reached 5.8% in the quarter compared to 6.2% in 4Q07 and 6.9% in 3Q08. The Bank maintains long-term assets (mainly medium and long-term financial investments and mortgage loans) that are denominated in Unidades de Fomento (UFs), an inflation indexed unit, which are partially funded with nominal or

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non-interest bearing peso short-term deposits. As the Bank maintains a positive gap between assets and liabilities indexed to inflation, a rise in inflation has a positive effect on net interest income and margins and vice-versa. The lower net interest margin in the quarter was partially offset by the lower loss from price level restatement.

Net interest income in 4Q08 decreased 7.8% QoQ and the NIM increased 110bp. This QoQ decline in margins was mainly due to the lower quarterly inflation rates. The lower margin was also due, in part, to higher loan growth in lower yielding, but less riskier corporate loans.

Going forward margins are expected to descend as inflation moderates and the asset mix shifts towards lower yielding and less risky loans. As mentioned above, this is being confronted by increasing spreads and actively managing the asset and liability mix.

PROVISION FOR LOAN LOSSES

Net provision expense rises as economic growth descends

Provision for loan losses	**Quarter**			**Change %**	
(Ch$ million)	**4Q08**	**3Q08**	**4Q07 (reclassified)**	**4Q08 / 4Q07**	**4Q08 / 3Q08**
Gross provisions	(16,260)	(13,054)	(11,766)	38.2%	24.6%
Charge-offs	(75,984)	(68,325)	(54,784)	38.7%	11.2%
Gross provisions and charge-offs	(92,244)	(81,379)	(66,551)	38.6%	13.4%
Loan loss recoveries	9,722	9,251	11,763	(17.4%)	5.1%
Net provisions for loan losses	**(82,522)**	**(72,128)**	**(54,788)**	**50.6%**	**14.4%**
Total loans	14,604,840	13,791,128	12,258,457	19.1%	5.9%
Total reserves (RLL)	(285,470)	(269,167)	(232,766)	22.6%	6.1%
Past due loans* (PDL)	160,824	148,709	116,654	37.9%	8.1%
Gross provision expense / Loans	2.53%	2.36%	2.17%		
Cost of credit**	2.26%	2.09%	1.79%		
PDL / Total loans	1.10%	1.08%	0.95%		
Expected loss (RLL / Total loans)	1.95%	1.95%	1.90%		
Coverage of past due loans***	**177.5%**	**181.0%**	**199.5%**		

* Past due loans: installments or credit lines more than 90 days overdue.
** Net provision expense / loans annualized.
*** RLL / Past due loans.

In 4Q08, the Bank's net provision expense increased 14.4% QoQ and 50.6% YoY. As mentioned in previous earning reports, this rise was driven by the growth in retail banking activities, higher charge-offs in consumer loans due to the economic slowdown and higher inflation and an increase in provisions in the middle-market segment following negligible levels in the past three years.

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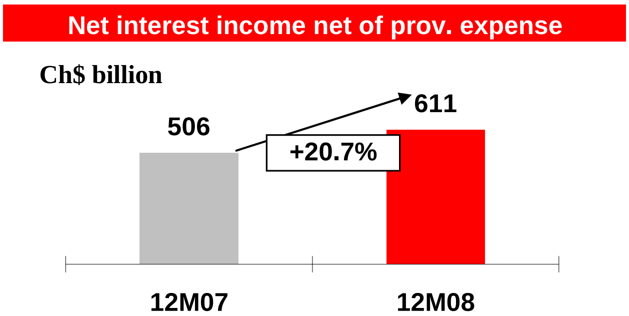
Net provisions for loan losses by segment	Quarter			Change %	
(Ch$ million)	4Q08	3Q08	4Q07 (reclassified)	4Q08 / 4Q07	4Q08 / 3Q08
Retail banking*	76,185	67,089	54,100	40.8%	13.6%
Middle-market	3,471	4,800	663	423.5%	(27.7%)
Corporate banking	566	65	55	929.1%	770.8%
Total net provisions for loan losses**	**80,222**	**71,954**	**54,818**	**46.3%**	**11.5%**

* Includes individuals, institutional lending and SMEs. Excludes subsidiaries.

In 4Q08, the Bank continued to focus loan growth in lower risk segments in order to reduce the growth of this expense. Spreads have also been increased to cover for this higher requirement. As a result of these measures, net interest income after net provision expense increased 5.1% YoY in 4Q08 and 20.7% YoY in the twelve-month period ended December 31, 2008.



The past due loan ratio (Past due installment >90 days / Total loans) as of December 2008 reached 1.10% compared to 1.08% in 3Q08 and 0.95% in 4Q07. Coverage of past due loans (Loan loss allowance / Past due loans) reached 177.5% as of December 2008 compared to 181% at September 2008 and 199.5% as of December 2007.

The expected loan loss ratio (Loan loss allowances / Total loans), which is a ratio that measures how much of the Bank's loan portfolio is at risk, remained steady QoQ and YoY at 1.95% due to the Bank's conservative charge-off policies. Going forward, the expected loan loss ratio and the cost of credit should rise given the expected lower economic growth.

IFRS note: *In 2009, and in line with IFRS standards being adopted by Chilean banks, non-performing loans will include the entire balance of loans, including the performing portions. As a result, the PDL ratio will be more in line with the expected loan loss levels and coverage ratios will fall. This does not affect the Bank's provisioning models, which still require the Bank to have 100% coverage over the expected loan loss level.*

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NET FEE INCOME

Focus on cross-selling

Fee Income	Quarter			Change %	
(Ch$ million)	**4Q08**	**3Q08**	**4Q07 (reclassified)**	**4Q08 / 4Q07**	**4Q08 / 3Q08**
Checking accounts & lines of credit	17,558	15,865	15,720	11.7%	10.7%
Credit, debit & ATM card fees	11,676	10,326	10,522	11.0%	13.1%
Collection fees	10,787	10,915	9,687	11.4%	(1.2%)
Asset management	5,853	7,622	8,296	(29.4%)	(23.2%)
Guarantees, pledges and other contingent operations	5,084	4,237	3,554	43.1%	20.0%
Insurance brokerage	3,619	3,879	3,464	4.5%	(6.7%)
Fees from brokerage and custody of securities	916	1,953	1,624	(43.6%)	(53.1%)
Other Fees	2,431	1,344	-50	--%	80.9%
Total fees	**57,924**	**56,139**	**52,816**	**9.7%**	**3.2%**

Net fee income increased 3.2% QoQ and 9.7% YoY in 4Q08 in line with the expansion of cross-selling and product usage. Santander Chile has the largest client base (excluding the state owned bank) in Chile. The total number of clients increased 8.8% YoY to 3.0 million in 4Q08 and the amount of cross-sold clients increased 7.9% in the same period. Going forward, the Bank is focusing on expanding cross-selling as a cost-efficient way to continue expanding fee income in a lower economic growth period.

Fees from checking accounts and lines of credit increased 10.7% QoQ and 11.7% YoY. Fee income from checking and lines of credit is expected to decline throughout 2009.

Fees from credit, debit and ATM cards increased 13.1% QoQ and 11.0% YoY. The usage of electronic means of payments continues to steadily grow in Chile, especially the usage of credit cards and ATMS. In the banking credit card business, Santander, with 33.9% of the credit card accounts, generated 33.7% of all transactions in 2008 and 35.2% of all purchases in the same period. In the ATM market, Santander, with approximately 30% of the ATMs installed in the country, generated 41% of the total transactions in 2008.

Collection fees were flat QoQ and increased 11.4% YoY. The main driver of fee growth in this line item is the collection of loan insurance policies on behalf of third parties which evolves with overall commercial activity.

Asset management fees were down 23.2% QoQ and 29.4% YoY. Assets under management decreased 13.2% QoQ and 16.5% due to unfavorable market conditions, especially in equity markets that affected valuations and asset management fees.

Fees from guarantees, pledges and other contingent operations increased 43.1% QoQ and 20.0% YoY, in line with higher commercial activity in the corporate segment and also driven by the depreciation of the peso in the quarter that positively impacted fees from stand-by letters of credit.

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Insurance brokerage fees decreased 6.7% QoQ and increased 4.5% YoY in 4Q08. The Bank's strength in cross-selling the client base by offering attractive insurance products through the Internet has been a key driver in this line item, but a slowdown of business volumes in line with decelerating economic growth is expected going forward.

Fees securities brokerage and custody decreased 53.1% QoQ and 43.6% YoY. The fall in stock market prices and volumes is the main factor behind this decline.

Other fees, that totaled Ch$2,431 million, were positively affected by higher gains from the Bank's foreign exchange business and financial advisory fees.

OPERATING EXPENSES AND EFFICIENCY

The Bank continues to tighten cost control

Operating Expenses	**Quarter**			**Change %**	
(Ch$ million)	**4Q08**	**3Q08**	**4Q07 (reclassified)**	**4Q08 / 4Q07**	**4Q08 / 3Q08**
Personnel expenses	(59,106)	(53,889)	(49,571)	19.2%	9.7%
Administrative expenses	(39,072)	(42,238)	(38,408)	1.7%	(7.5%)
Depreciation and amortization	(13,354)	(14,038)	(11,600)	15.1%	(4.9%)
Other operating expenses*	(9,298)	(12,802)	(14,260)	(34.8%)	(27.4%)
Operating expenses	**(120,830)**	**(122,967)**	**(113,839)**	**6.1%**	**(1.7%)**
Efficiency ratio**	**38.8%**	**35.9%**	**42.4%**		

* Certain items of other operating income and expenses were reclassified for 2007 in 4Q08. Therefore, these figures vary on a quarterly basis compared to previous earning reports, but the net result from other operating income and expenses remains the same.

** Operating expenses / Operating income. Operating income = Net interest income + Net fee income+ Market related income + Other operating income.

The growth rate of operating expenses was curbed in the quarter. Operating expenses decreased 1.7% QoQ and increased 6.1% YoY in 4Q08. Administrative expenses in 4Q08 decreased 7.5% QoQ and increased 1.7% YoY. In 4Q08, the efficiency ratio reached 38.8% compared to 42.4% in 4Q07.

Personnel expenses increased 9.7% QoQ and 19.2% YoY in 4Q08. This was mainly due to higher inflation and higher average headcount in 2008 compared to 2007. Going forward, and depending on the evolution of inflation, we expect a further moderation in the growth rate of personnel expenses.

The growth rate of administrative expenses was also controlled in the quarter, as the Bank has been limiting the opening of new branches. Since approximately 1/3 of the Bank's branches have been opened in the past three years, there is still ample room to sustain growth and improve efficiency by maximizing profitability of the existing network. Administrative expenses in 4Q08 decreased 7.5% QoQ and increased 1.7% YoY. As of December 2008, the Bank's distribution network totaled 477 offices. The 5 branches the Bank opened in 4Q08 were Banca Prime branches for upper income individuals where the Bank is rapidly expanding. The ATM network decreased 1.5% QoQ, totaling 1,958 ATMs.

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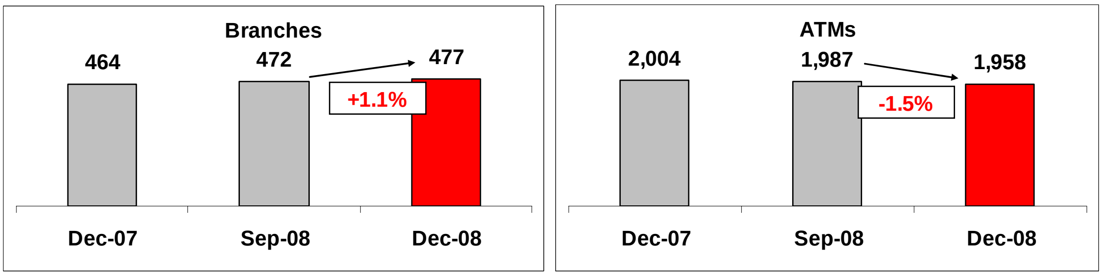
Stable distribution capabilities



The 4.9% QoQ decrease in depreciation expenses was also due to the optimization plan of the Bank's branch network in the second half of 2008. The 15.1% YoY rise in depreciation was mainly due to the 12 month growth of the Bank's distribution network.

Other operating expenses are mainly expense primarily relating to the Bank's call center, credit card related expenses, expenses related to repossessed assets and provisions for non-credit contingencies. The QoQ and YoY decrease in other operating expenses was mainly driven by lower provisions for non-credit contingencies.

OTHER OPERATING INCOME AND NET RESULTS FROM FINANCIAL TRANSACTIONS AND OPERATING INCOME

Positive results from client related treasury income despite market turmoil

Other Operating Income and Net Results from Financial Transactions	**Quarter**			**Change %**	
(Ch$ million)	**4Q08**	**3Q08**	**4Q07**	**4Q08 / 4Q07**	**4Q08 / 3Q08**
Other operating income*	**3,309**	**(1,094)**	**7,751**	**(57.3%)**	**--%**
Net gains from mark-to-market and trading	102,073	96,512	(50,685)	--%	5.8%
Exchange differences, net	(85,271)	(62,579)	59,965	--%	36.3%
Net results from financial transactions	**16,802**	**33,933**	**9,280**	**81.1%**	**(50.5%)**

* Certain items of other operating income and expenses were reclassified for 2007 in 4Q08. Therefore, these figures vary on a quarterly basis compared to previous earning reports, but the net result from other operating income and expenses remains the same.

Other operating income, which mainly includes the results from the sale and maintenance of repossessed assets, provisions released for non-credit contingencies and other results, totaled a gain of Ch$3,309 million in 4Q08. The QoQ rise was mainly due to the release of provisions for non-credit contingencies. The 57.3% YoY decrease in other operating income in 4Q08 compared to 4Q07 was mainly due to lower gain from the reversal of provisions for non-credit contingencies.

The net gains from mark-to-market and trading mainly includes the mark-to-market of financial investments held for trading, the interest revenue generated by this portfolio, any gain or loss from

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the sale of charged-off loans and the mark-to-market of derivatives. The results recorded as exchange differences, net mainly includes the translation gains or losses of assets and a liability denominated in foreign currency. In order to better understand these line items, we present the net results from financial transactions by business area in the table below.

Net result from financial transactions	**Quarter**			**Change %**	
(Ch$ million)	**4Q08**	**3Q08**	**4Q07 (reclassified)**	**4Q08 / 4Q07**	**4Q08 / 3Q08**
Treasury products for clients*	21,263	30,649	14,356	48.1%	(30.6%)
ALCO & Proprietary trading	(4,461)	3,285	(5,076)	(12.1%)	NM
Net results from financial transactions	**16,802**	**33,933**	**9,280**	**81.1%**	**(50.5%)**

* Santander Global Connect, market making & results from the sale of charged-off loans.

The 50.5% QoQ decrease in the net results from financial transactions was mainly due to a lower gain from our market-making business in 4Q08 compared to 3Q08, a loss in proprietary trading in the quarter of Ch$1,394 million and losses produced by the hedging of the Bank's US$ dollar liquidity position. The latter is partially offset by the net interest income produced by this liquidity cushion. This position has also become a competitive advantage for the Bank in a moment in which foreign funding has become more expensive. Compared to 4Q07, the net results from financial transactions rose 81.1% mainly due to the higher sales of treasury products for clients, which is a recurring and growing source of income for the Bank.

OTHER INCOME AND EXPENSES

Other Income and Expenses	**Quarter**			**Change %**	
(Ch$ million)	**4Q08**	**3Q08**	**4Q07 (Reclassified)**	**4Q08 / 4Q07**	**4Q08 / 3Q08**
Income attributable to investments in other companies	(206)	139	(92)	123.9%	--%
Price level restatement	(15,451)	(31,157)	(16,641)	(7.2%)	(50.4%)
Quarterly inflation rate*	2.21%	3.63%	2.31%		
Income tax	(14,016)	(19,629)	(11,771)	19.1%	(28.6%)

* Measured as the variation of the Unidad de Fomento in the quarter.

Price level restatement in the quarter totaled a loss of Ch$15,451 million. The Bank must adjust its capital and fixed assets for the variations in price levels. When inflation is positive, the Bank records a loss from price restatement, since the Bank's capital is larger than fixed assets. The inflation rate was 2.21% in 4Q08 compared to 3.63% in 3Q08 and 2.31% in 4Q07. The lower inflation rate compared to previous periods explains the lower loss from price level restatement.

***IFRS note**: In 2009, price level restatement will no longer be recognized. Capital will no longer be restated to reflect changes in CPI and fixed and other non-financial assets will not be adjusted for variation of the UF. Therefore, in a period of positive inflation results will be positively affected by this change, but in periods of deflation results under IFRS, all other factors equal, results would be lower.*

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SECTION 4: CREDIT RISK RATINGS

International ratings:

The Bank has credit ratings from three leading international agencies. We have the highest risk rating in Latin America.

Moody's	Rating
Long-term bank deposits	A2
Senior bonds	Aa3
Subordinated debt	Aa3
Bank Deposits in Local Currency	Aa2
Bank financial strength	B-
Short-term deposits	P-1

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

Fitch	Rating
Foreign Currency Long-term Debt	A+
Local Currency Long-term Debt	A+
Foreign Currency Short-term Debt	F1
Local Currency Short-term Debt	F1
Individual rating	B

Local ratings:

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

Local ratings	Fitch Ratings	Feller Rate
Shares	Level 2	1CN1
Short-term deposits	N1+	Level 1+
Long-term deposits	AAA	AAA
Mortgage finance bonds	AAA	AAA
Senior bonds	AAA	AAA
Subordinated bonds	AA+	AA+
Outlook	Stable	Stable

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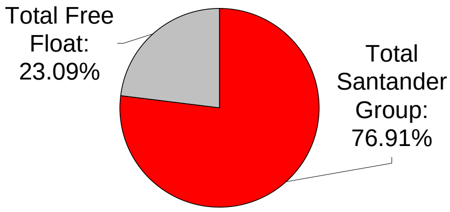
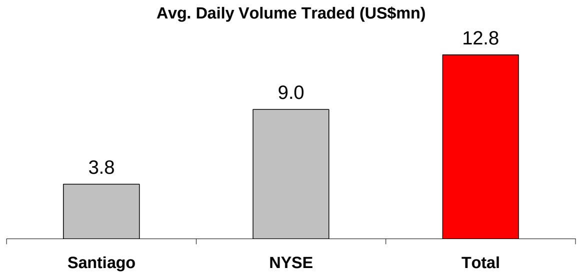
SECTION 5: SHARE PERFORMANCE

As of December 2008

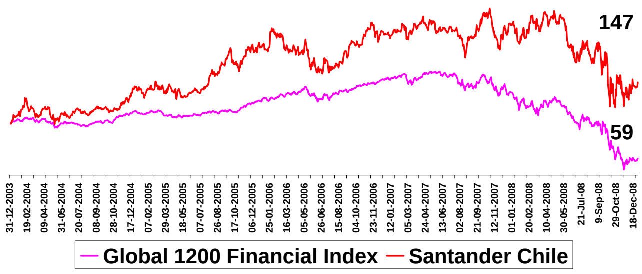
Ownership Structure:



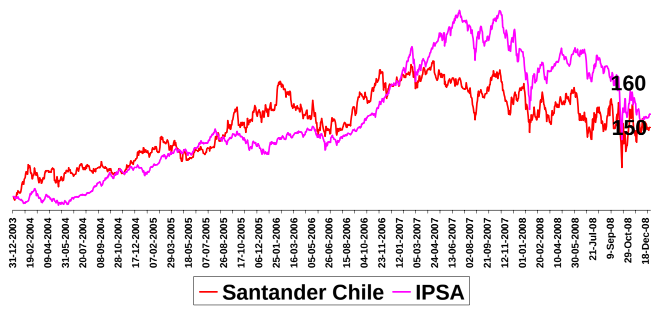
Daily traded volumes 4Q 2008



ADR Price Evolution
Santander ADR vs. Global 1200 Financial Index
(Base 100 = 12/31/2003)



Local Share Price Evolution
Santander vs IPSA Index
(Base 100 = 12/31/2003)



ADR price (US$) 2008

Year-end 2008:	35.03
Maximum (2008):	54.60
Minimum (2008):	28.16

Market Capitalization: US$6,353 million

P/E 12 month trailing:	11.8
P/BV (24/10/08):	2.45
Dividend yield*:	4.5%

* Based on closing price on record date of last dividend payment.

Local share price (Ch$) 2008

Year-end 2008:	20.49
Maximum (2008):	24.86
Minimum (2008):	16.51

Dividends:

Year paid	Ch$/share	% of previous year earnings
2005:	1.05	100%
2006:	0.83	65%
2007:	0.99	65%
2008:	1.06	65%

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SECTION 6: INSTITUTIONAL BACKGROUND

Institutional Background

As per the latest public records published by the Superintendency of Banks of Chile for December 2008, Banco Santander Chile was the largest bank 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 A2 by 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 76.91% of Banco Santander Chile.

Banco Santander, S.A., (SAN.MC, STD.N), headquartered in Madrid, engages primarily in commercial banking with complementary activities in global wholesale banking, cards, asset management and insurance. Santander had over EUR 1.168 trillion in funds under management at the close of 2008, from more than 80 million customers served through 13,390 offices – more branches than any other international bank. Founded in 1857, Santander is the largest financial group in Spain and Latin America and has a significant presence in Western Europe and in the United Kingdom. In 2008, Santander registered €8,876 million in attributable net profit, an increase of 9% from 2007, excluding capital gains.

In Latin America, Santander manages over US$200 billion in business volumes (loans, deposits, mutual funds, pension funds and managed funds) through 6,089 branches. In 2008, Santander reported EUR 2,945 million in net attributable income in Latin America, up 10% from the previous year.

For more information, see www.santander.com.

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ANNEX 1: BALANCE SHEET

Unaudited Balance Sheet	Dec-08	Dec-08	Sep-08	Dec-07	Dec. 2008 / 2007	Dec. / Sept. 2008
Assets	**US$ths**				**% Chg.**	
				(Reclassified)		
Cash and balances from Central Bank	1,333,081	854,838	854,097	1,108,444	(22.9%)	0.1%
Funds to be cleared	523,049	335,405	513,843	316,240	6.1%	(34.7%)
Financial assets held for trading	1,811,510	1,161,631	891,070	1,090,004	6.6%	30.4%
Investment collateral under agreements to repurchase	-	-	8,805	33,999	(100.0%)	(100.0%)
Derivatives	2,879,546	1,846,509	1,296,402	780,775	136.5%	42.4%
Interbank loans	148,926	95,499	76,015	45,961	107.8%	25.6%
Loans, net of reserves for loan losses	**22,330,402**	**14,319,370**	**13,521,962**	**12,028,054**	**19.0%**	**5.9%**
Available-for-sale financial assets	2,464,312	1,580,240	1,316,741	779,635	102.7%	20.0%
Held-to-maturity investments	-	-	-	-		
Investments in other companies	10,901	6,990	7,186	6,795	2.9%	(2.7%)
Intangible assets	113,979	73,089	69,534	56,187	30.1%	5.1%
Fixed assets	405,622	260,105	253,918	245,619	5.9%	2.4%
Current tax assets	28,521	18,289	12,275	1,933	846.1%	49.0%
Deferred tax assets	101,085	64,821	101,876	61,261	5.8%	(36.4%)
Other assets	811,459	520,348	668,294	474,091	9.8%	(22.1%)
Total Assets	**32,962,392**	**21,137,134**	**19,592,018**	**17,028,998**	**24.1%**	**7.9%**
Liabilities and Equity						
Total non-interest bearing deposits	4,600,011	2,949,757	3,132,432	2,868,769	2.8%	(5.8%)
Funds to be cleared	222,303	142,552	308,345	135,219	5.4%	(53.8%)
Investments sold under agreements to repurchase	878,338	563,234	741,043	308,651	82.5%	(24.0%)
Time deposits and savings accounts	15,214,450	9,756,266	8,408,557	7,887,897	23.7%	16.0%
Derivatives	2,291,967	1,469,724	1,122,579	778,217	88.9%	30.9%
Deposits from credit institutions	2,222,324	1,425,065	1,495,606	1,099,443	29.6%	(4.7%)
Marketable debt securities	4,134,693	2,651,372	2,372,389	2,154,996	23.0%	11.8%
Other obligations	161,057	103,278	101,998	147,868	(30.2%)	1.3%
Current tax liabilities	254	163	423	15,897		
Deferred tax liability	29,265	18,766	56,892	10,877	72.5%	(67.0%)
Provisions	252,889	162,165	132,216	46,376	249.7%	22.7%
Other liabilities	455,644	292,182	219,034	116,699	150.4%	33.4%
Total Liabilities	**30,463,195**	**19,534,524**	**18,091,514**	**15,570,909**	**25.5%**	**8.0%**
Equity						
Capital	1,389,946	891,303	818,535	818,535	8.9%	8.9%
Reserves	80,373	51,539	133,429	47,331	8.9%	(61.4%)
Unrealized gain (loss) Available-for-sale financial assets	(11,777)	(7,552)	(31,204)	(9,475)	(20.3%)	(75.8%)
Retained Earnings:	0	0	0	0		
Retained earnings previous periods	644,137	413,053	381,030	273,004	51.3%	8.4%
Net income	511,729	328,146	250,580	308,647	6.3%	31.0%
Provision for mandatory dividend	(153,519)	(98,444)	(75,174)	0		31.0%
Minority Interest	38,308	24,565	23,308	20,047	22.5%	5.4%
Total Equity	**2,499,197**	**1,602,610**	**1,500,504**	**1,458,089**	**9.9%**	**6.8%**
Total Liabilities and Equity	**32,962,392**	**21,137,134**	**19,592,018**	**17,028,998**	**24.1%**	**7.9%**

2007 figures have been re-categorized under the new format in order to make them more comparable, but the modification regarding minimum dividends has not been made to historical shareholders' equity.

Please note that this information is provided for comparative purposes only and that this re-categorization of line items 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. Re-classified historical figures have not been audited.

In this earnings report, 2007 figures have suffered minor reclassifications between line items compared to figures for these periods presented in previous earnings reports. This affected mainly net gains from financial transactions, other operating income and other operating expenses.

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ANNEX 2 : YTD INCOME STATEMENT

YTD Income Statement Unaudited	Dec-08 US$ths.	Dec-08	Dec-07	Dec. 2008 / 2007 % Chg.
		Ch$ million nominal	(reclassified)	
Interest revenue	3,214,210	2,061,112	1,589,303	29.7%
Interest expense	(1,815,315)	(1,164,071)	(876,879)	32.8%
Net interest revenue	**1,398,894**	**897,041**	**712,424**	**25.9%**
Fee income	431,085	276,433	245,131	12.8%
Fee expense	(82,402)	(52,840)	(45,060)	17.3%
Net fee income	**348,683**	**223,593**	**200,071**	**11.8%**
Net gains from mark-to-market and trading	425,862	273,084	24,608	1009.7%
Exchange differences, net	(291,683)	(187,042)	76,230	(345.4%)
Financial transactions, net	**134,179**	**86,042**	**100,838**	**(14.7%)**
Other operating income	25,750	16,512	26,112	(36.8%)
Total operating income	**1,907,506**	**1,223,188**	**1,039,444**	**17.7%**
Personnel expenses	(326,135)	(209,134)	(175,517)	19.2%
Administrative expenses	(252,596)	(161,977)	(151,170)	7.1%
Depreciation and amortization	(81,004)	(51,944)	(42,007)	23.7%
Other operating expenses	(65,901)	(42,259)	(40,908)	3.3%
Total operating expenses	**(725,636)**	**(465,314)**	**(409,601)**	**13.6%**
Provision expense	(445,931)	(285,953)	(206,325)	38.6%
Net operating income	**735,939**	**471,921**	**423,518**	**11.4%**
Income attributable to investments in other companies	1,327	851	(1,321)	--%
Price level restatement	(121,680)	(78,027)	(56,325)	38.5%
Net income before taxes	**615,587**	**394,745**	**365,873**	**7.9%**
Income tax	(99,381)	(63,728)	(55,170)	15.5%
Net income from ordinary activities	**516,206**	**331,017**	**310,702**	**6.5%**
Net income discontinued operations	0	0	0	
Net income attributable to:				
Minority interest	4,477	2,871	2,055	39.7%
Net income attributable to shareholders	**511,729**	**328,146**	**308,647**	**6.3%**

2007 figures have been re-categorized under the new format in order to make them more comparable, but the modification regarding minimum dividends has not been made to historical shareholders' equity.

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ANNEX 3 : QUARTERLY INCOME STATEMENT

Unaudited Quarterly Income Statement	4Q08 US$ths.	4Q08	3Q08	4Q07 (Reclassified)	4Q08 / 4Q07 % Chg.	4Q08 / 3Q08 % Chg.
Interest revenue	842,704	540,384	624,222	470,193	14.9%	(13.4%)
Interest expense	(478,642)	(306,929)	(371,001)	(271,790)	12.9%	(17.3%)
Net interest revenue	**364,062**	**233,455**	**253,221**	**198,403**	**17.7%**	**(7.8%)**
Fee income	113,092	72,520	69,529	65,988	9.9%	4.3%
Fee expense	(22,762)	(14,596)	(13,390)	(13,172)	10.8%	9.0%
Net fee income	**90,330**	**57,924**	**56,139**	**52,816**	**9.7%**	**3.2%**
Net gains from mark-to-market and trading	159,178	102,073	96,512	(50,685)	--%	5.8%
Exchange differences, net	(132,976)	(85,271)	(62,579)	59,965	--%	36.3%
Total market related income	**26,202**	**16,802**	**33,933**	**9,280**	**81.1%**	**(50.5%)**
Other operating income	5,160	3,309	(1,094)	7,751	(57.3%)	-%
Total operating income	**485,754**	**311,490**	**342,199**	**268,250**	**16.1%**	**(9.0%)**
Personnel expenses	(92,173)	(59,106)	(53,889)	(49,571)	19.2%	9.7%
Administrative expenses	(60,931)	(39,072)	(42,238)	(38,408)	1.7%	(7.5%)
Depreciation and amortization	(20,825)	(13,354)	(14,038)	(11,600)	15.1%	(4.9%)
Other operating expenses	(14,500)	(9,298)	(12,802)	(14,260)	(34.8%)	(27.4%)
Total operating expenses	**(188,429)**	**(120,830)**	**(122,967)**	**(113,839)**	**6.1%**	**(1.7%)**
Provision expense	(128,689)	(82,522)	(72,128)	(54,788)	50.6%	14.4%
Net operating income	**168,636**	**108,138**	**147,104**	**99,623**	**8.5%**	**(26.5%)**
Income attributable to investments in other companies	(321)	(206)	139	(92)	123.9%	--%
Price level restatement	(24,095)	(15,451)	(31,157)	(16,641)	(7.2%)	(50.4%)
Net income before taxes	**144,220**	**92,481**	**116,086**	**82,890**	**11.6%**	**(20.3%)**
Income tax	(21,857)	(14,016)	(19,629)	(11,771)	19.1%	(28.6%)
Net income from ordinary activities	122,363	78,465	96,457	71,119	10.3%	(18.7%)
Net income discontinued operations	0	0	0	0		
Net income attributable to:						
Minority interest	1,402	899	(39)	344	161.3%	--%
Net income attributable to shareholders	**120,961**	**77,566**	**96,496**	**70,775**	**9.6%**	**(19.6%)**

2007 figures have been re-categorized under the new format in order to make them more comparable, but the modification regarding minimum dividends has not been made to historical shareholders' equity.

Please note that this information is provided for comparative purposes only and that this re-categorization of line items 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. Re-classified historical figures have not been audited.

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ANNEX 4 : QUARTERLY EVOLUTION OF MAIN RATIOS AND OTHER INFORMATION

Annex (Ch$ millions)	Mar-07 (Reclassified)	Jun-07 (Reclassified)	Sep-07 (Reclassified)	Dec-07 (Reclassified)	Mar-08	Jun-08	Sep-08	Dec-08
Loans								
Consumer loans	1,911,570	1,931,833	1,988,434	2,082,579	2,158,563	2,205,135	2,241,163	2,248,996
Residential mortgage loans	2,947,857	3,068,067	3,202,566	3,345,493	3,454,383	3,637,108	3,853,088	3,981,347
Commercial loans	6,193,586	6,098,230	6,454,812	6,830,385	6,822,116	7,374,565	7,696,877	8,374,497
Total loans	**11,053,013**	**11,098,130**	**11,645,812**	**12,258,457**	**12,435,062**	**13,216,808**	**13,791,128**	**14,604,840**
Allowance for loan losses	(200,011)	(211,112)	(221,070)	(232,766)	(243,982)	(256,183)	(269,167)	(285,470)
Total loans, net of allowances	**10,853,002**	**10,887,018**	**11,424,742**	**12,025,691**	**12,191,080**	**12,960,625**	**13,521,961**	**14,319,370**
Loans by segment								
Individuals	5,214,822	5,376,224	5,576,602	5,846,856	6,051,080	6,397,456	6,654,210	6,833,098
SMEs	1,864,258	1,905,480	2,013,521	2,126,067	2,200,282	2,314,975	2,418,645	2,466,147
Institutional lending	192,168	191,410	198,446	210,357	218,446	231,156	216,212	227,464
Total retail lending	**7,271,248**	**7,473,114**	**7,788,569**	**8,183,281**	**8,469,808**	**8,943,587**	**9,289,066**	**9,526,709**
Middle-Market & Real estate	2,348,975	2,302,678	2,355,899	2,470,934	2,516,708	2,703,058	2,831,381	2,882,484
Corporate	1,376,704	1,275,726	1,452,592	1,628,192	1,500,669	1,573,148	1,648,671	2,052,089
Customer funds								
Demand deposits	2,491,571	2,589,161	2,598,294	2,868,769	2,773,548	3,195,906	3,132,432	2,949,757
Time deposits	7,281,003	7,343,085	7,273,079	7,887,897	8,089,285	8,390,418	8,408,557	9,756,266
Total deposits	**9,772,574**	**9,932,246**	**9,871,373**	**10,756,666**	**10,862,833**	**11,586,324**	**11,540,989**	**12,706,023**
Mutual funds (Off balance sheet)	2,283,807	2,577,630	2,867,438	2,634,461	2,670,163	3,033,103	2,533,228	2,199,222
Total customer funds	**12,056,381**	**12,509,876**	**12,738,811**	**13,391,127**	**13,532,996**	**14,619,427**	**14,074,217**	**14,905,245**
Average balances								
Avg. interest earning assets	11,590,544	11,931,595	12,343,716	12,840,100	13,547,248	14,252,583	14,693,715	15,975,392
Avg. loans	10,965,469	11,121,879	11,345,844	11,908,379	12,285,523	12,817,994	13,456,903	14,311,395
Avg. assets	14,159,366	14,749,993	15,384,017	16,368,066	17,590,786	15,303,413	14,693,715	15,975,392
Avg. demand deposits	2,495,549	2,601,153	2,557,742	2,659,541	2,807,769	3,020,504	3,009,071	2,998,047
Avg equity	1,287,034	1,246,390	1,305,862	1,420,607	1,397,778	1,353,730	1,402,847	1,533,373
Avg. free funds	3,808,756	3,817,214	3,946,456	4,306,811	4,171,730	4,546,485	4,609,628	4,527,802
Capitalization								
Risk weighted assets	11,741,425	11,851,230	12,364,773	13,087,642	13,593,098	14,066,367	15,170,215	15,710,202
Tier I	1,244,996	1,075,377	1,110,290	1,129,395	1,398,183	1,350,580	1,477,245	1,578,043
Tier II	470,099	467,469	440,432	473,037	415,905	461,436	514,005	588,657
Regulatory capital	1,715,095	1,542,846	1,550,722	1,602,432	1,814,088	1,812,016	1,991,250	2,166,700
BIS ratio	14.6%	13.0%	12.5%	12.2%	13.3%	12.9%	13.1%	13.8%
Profitability & Efficiency								
Net interest margin	4.9%	5.8%	6.4%	6.2%	5.6%	6.2%	6.9%	5.8%
Efficiency ratio	37.8%	38.8%	38.4%	42.4%	39.0%	38.8%	35.9%	38.8%
Avg. Free funds / interest earning assets	32.9%	32.0%	32.0%	33.5%	30.8%	31.9%	31.4%	28.3%
Return on avg. equity	22.4%	25.8%	26.1%	19.9%	21.6%	23.2%	27.5%	20.2%
Return on avg. assets	2.0%	2.2%	2.2%	1.7%	1.7%	2.1%	2.6%	1.9%
Asset quality								
Past due loans	97,937	105,668	112,130	116,654	135,354	147,874	148,709	160,824
PDL / total loans	0.89%	0.95%	0.96%	0.95%	1.09%	1.12%	1.08%	1.10%
Coverage ratio	204.2%	199.8%	197.2%	199.5%	180.3%	173.2%	181.0%	177.5%
Expected loss (Loan loss allowances / Loans)	1.81%	1.90%	1.90%	1.90%	1.96%	1.94%	1.95%	1.95%
Cost of credit (prov. expense / loans)	2.15%	1.62%	1.62%	1.79%	1.96%	2.13%	2.09%	2.26%
Network								
Branches	422	428	436	464	466	468	472	477
ATMs	1,635	1,744	1,808	2,004	1,989	2,016	1,997	1,958
Employees	8,691	8,913	9,057	9,174	9,177	9,230	9,331	9,169
Market information (period-end)								
Net income per share (Ch$)	0.38	0.43	0.45	0.38	0.40	0.42	0.51	0.41
Net income per ADR (US$)	0.74	0.84	0.92	0.79	0.95	0.83	0.96	0.68
Stock price	25.9	25.2	24.8	24.5	21.9	21.4	21.9	20.5
ADR price	49.9	49.5	50.6	51.0	52.3	43.0	42.8	35.0
Market capitalization (US$mn)	9,045	8,985	9,172	9,248	9,479	7,801	7,761	6,353
Shares outstanding	188,446.1	188,446.1	188,446.1	188,446.1	188,446.1	188,446.1	188,446.1	188,446.1
ADRs (1 ADR = 1,039 shares)	181.4	181.4	181.4	181.4	181.4	181.4	181.4	181.4
Other Data								
Quarterly inflation rate**	0.20%	1.00%	2.98%	2.31%	1.02%	2.17%	3.63%	2.21%
Avg. overnight interbank rate (nominal)	5.09%	5.08%	5.45%	5.81%	6.22%	6.39%	7.58%	8.24%
Avg. 10 year Central Bank yield (real)	2.69%	2.90%	3.08%	2.97%	2.84%	3.06%	3.39%	3.22%
Avg. 10 year Central Bank yield (nominal)	5.48%	5.94%	6.38%	6.31%	6.46%	6.98%	7.74%	6.50%
Observed Exchange rate (Ch$/US$) (period-end	539.4	527.5	511.7	495.8	439.1	520.1	552.5	629.1

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ANNEX 5 : QUARTERLY EVOLUTION OF BALANCE SHEET

Unaudited Balance Sheets **Assets**	**Mar-07** (Reclassified)	**Jun-07** (Reclassified)	**Sep-07** (Reclassified)	**Dec-07** (Reclassified)	**Mar-08**	**Jun-08**	**Sep-08**	**Dec-08**
Cash and balances from Central Bank	864,270	861,227	717,875	1,108,444	647,473	1,280,336	854,097	854,838
Funds to be cleared	364,106	361,098	339,010	316,240	626,731	487,591	513,843	335,405
Financial assets held for trading	821,657	743,955	890,385	1,090,004	715,729	893,938	891,070	1,161,631
Investment collateral under agreements to repurcha	46,691	31,112	39,192	33,999	4,655	11,697	8,805	-
Derivatives	377,628	417,871	584,999	780,775	1,427,176	1,233,562	1,296,402	1,846,509
Interbank loans	168,554	350,393	182,051	45,961	118,139	150,406	76,015	95,499
Loans, net of loan loss allowances	**10,853,002**	**10,887,018**	**11,424,742**	**12,028,054**	**12,189,933**	**12,960,626**	**13,521,962**	**14,319,370**
Available-for-sale financial assets	360,745	674,293	807,492	779,635	1,457,900	1,080,216	1,316,741	1,580,240
Held-to-maturity investments	-	-	-	-	-	-	-	-
Investments in other companies	7,026	5,681	5,847	6,795	6,181	6,865	7,186	6,990
Intangible assets	42,479	49,856	52,883	56,187	58,071	61,458	69,534	73,089
Fixed assets	223,906	228,351	237,603	245,619	247,348	248,906	253,918	260,105
Current tax assets	1,115	878	1,451	1,933	4,229	17,824	12,275	18,289
Deferred tax assets	40,024	46,808	55,592	61,261	57,386	62,721	101,876	64,821
Other assets	319,806	416,320	430,797	474,091	656,981	593,299	668,294	520,348
Total Assets	**14,491,009**	**15,074,861**	**15,769,919**	**17,028,998**	**18,217,932**	**19,089,445**	**19,592,018**	**21,137,134**
Liabilities and Equity								
Total non-interest bearing deposits	2,491,571	2,589,161	2,598,294	2,868,769	2,773,548	3,195,906	3,132,432	2,949,757
Funds to be cleared	239,256	202,897	194,630	135,219	381,921	297,611	308,345	142,552
Investments sold under agreements to repurchase	374,022	230,344	403,471	308,651	410,921	295,494	741,043	563,234
Time deposits and savings accounts	**7,281,003**	**7,343,085**	**7,273,079**	**7,887,897**	**8,089,285**	**8,390,418**	**8,408,557**	**9,756,266**
Derivatives	375,290	363,622	568,581	778,217	1,540,408	1,081,784	1,122,579	1,469,724
Deposits from credit institutions	620,535	1,168,506	1,192,736	1,099,443	1,013,573	1,505,176	1,495,606	1,425,065
Marketable debt securities	1,573,763	1,718,795	1,894,377	2,154,996	2,196,889	2,405,006	2,372,389	2,651,372
Other obligations	70,047	52,409	118,870	147,868	86,697	138,185	101,998	103,278
Current tax liabilities	7,836	21,834	28,666	15,897	3,247	797	423	163
Deferred tax liability	478	476	540	10,877	14,321	23,549	56,892	18,766
Provisions	41,356	38,359	41,278	46,376	151,109	88,971	132,216	162,165
Other liabilities	81,202	99,460	87,923	116,699	136,745	293,352	219,034	292,182
Total Liabilities	**13,156,359**	**13,828,948**	**14,402,445**	**15,570,909**	**16,798,664**	**17,716,249**	**18,091,514**	**19,534,524**
Equity								
Capital	761,853	761,853	761,853	818,535	818,535	818,535	818,535	891,303
Reserves	46,915	65,096	99,437	47,331	58,797	89,057	133,429	51,539
Unrealized gain (loss) Available-for-sale financial asse	- 2,272	- 4,445	- 3,873	- 9,475	- 21,155	- 45,900	- 31,204	- 7,552
Retained Earnings:						-	-	-
Retained earnings previous periods	438,501	252,872	252,872	273,004	581,651	381,030	381,030	413,053
Net income	72,189	152,676	237,872	308,647	75,643	154,083	250,580	328,146
Provision for mandatory dividend	-	-	-	-	- 115,288	- 46,225	- 75,174	- 98,444
Minority Interest	17,464	17,861	19,313	20,047	21,085	22,616	23,308	24,565
Total Equity	**1,334,650**	**1,245,913**	**1,367,474**	**1,458,089**	**1,419,268**	**1,373,196**	**1,500,504**	**1,602,610**
Total Liabilities and Equity	**14,491,009**	**15,074,861**	**15,769,919**	**17,028,998**	**18,217,932**	**19,089,445**	**19,592,018**	**21,137,134**

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ANNEX 6 : QUARTERLY EVOLUTION OF INCOME STATEMENT

Unaudited Income Statement	1Q07 (Reclassified)	2Q07 (Reclassified)	3Q07 (Reclassified)	4Q07 (Reclassified)	1Q08	2Q08	3Q08	4Q08
Interest revenue	278,271	363,074	477,765	470,193	397,943	498,563	624,222	540,384
Interest expense	(136,348)	(188,867)	(279,874)	(271,790)	(209,029)	(277,112)	(371,001)	(306,929)
Net interest revenue	**141,923**	**174,207**	**197,891**	**198,403**	**188,914**	**221,451**	**253,221**	**233,455**
Fee income	57,097	59,440	62,606	65,988	65,657	68,727	69,529	72,520
Fee expense	(10,257)	(10,563)	(11,068)	(13,172)	(12,073)	(12,781)	(13,390)	(14,596)
Net fee income	**46,840**	**48,877**	**51,538**	**52,816**	**53,584**	**55,946**	**56,139**	**57,924**
Net gains from mark-to-market and trading	46,297	33,339	(4,342)	(50,685)	(88,693)	163,192	96,512	102,073
Exchange differences, net	161	(11,995)	28,099	59,965	101,981	(141,173)	(62,579)	(85,271)
Total market related income	**46,458**	**21,344**	**23,757**	**9,280**	**13,288**	**22,019**	**33,933**	**16,802**
Other operating income	3,912	7,184	7,264	7,751	9,448	4,849	(1,094)	3,309
Total operating income	**239,133**	**251,612**	**280,450**	**268,250**	**265,234**	**304,265**	**342,199**	**311,490**
Personnel expenses	(37,518)	(42,742)	(45,686)	(49,571)	(44,339)	(51,800)	(53,889)	(59,106)
Administrative expenses	(34,921)	(37,275)	(40,566)	(38,408)	(38,698)	(41,969)	(42,238)	(39,072)
Depreciation and amortization	(9,394)	(10,013)	(11,000)	(11,600)	(11,474)	(13,078)	(14,038)	(13,354)
Other operating expenses	(8,548)	(7,590)	(10,510)	(14,260)	(8,894)	(11,265)	(12,802)	(9,298)
Total operating expenses	**(90,381)**	**(97,620)**	**(107,762)**	**(113,839)**	**(103,405)**	**(118,112)**	**(122,967)**	**(120,830)**
Provision expense	**(59,440)**	**(44,900)**	**(47,197)**	**(54,788)**	**(60,929)**	**(70,374)**	**(72,128)**	**(82,522)**
Net operating income	**89,312**	**109,092**	**125,491**	**99,623**	**100,900**	**115,779**	**147,104**	**108,138**
Income attributable to investments in other companies	134	(728)	(635)	(92)	(262)	1,180	139	(206)
Price level restatement	(2,149)	(13,633)	(23,902)	(16,641)	(8,873)	(22,546)	(31,157)	(15,451)
Net income before taxes	**87,297**	**94,731**	**100,954**	**82,890**	**91,765**	**94,413**	**116,086**	**92,481**
Income tax	(14,569)	(13,964)	(14,867)	(11,771)	(15,242)	(14,841)	(19,629)	(14,016)
Net income from ordinary activities	**72,728**	**80,767**	**86,087**	**71,119**	**76,523**	**79,572**	**96,457**	**78,465**
Net income discontinued operations	0	0	0	0	0	0	0	0
Net income attributable to:								
Minority interest	540	281	889	344	879	1,132	(39)	899
Net income attributable to shareholders	**72,188**	**80,486**	**85,198**	**70,775**	**75,644**	**78,440**	**96,496**	**77,566**

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