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RISK FACTORS

An investment in the Notes is subject to risks and uncertainties. You should carefully consider the following risk factors, which should be read in conjunction with all the other information presented in this Base Prospectus, before making any investment decision. Additional risks and uncertainties that the Issuer does not know about or that it currently thinks are immaterial may also impair the Issuer's business operations. Any of the following risks, if they actually occur, could materially and adversely affect the Issuer's business, results of operations, prospects and financial condition.

Risk factors have been grouped as set out below:

(a) Risk Factors in Respect of the Issuer;

(b) Risk Factors in Respect of Chile; and

(c) Risk Factors in Respect of the Notes, including: (i) Risk Factors related to the structure of a particular issue of Notes, (ii) Risk Factors related to Notes generally and (iii) Risk Factors related to the market generally.

During the life of each Series of Notes, risks specified in each of the above sections may impact such Notes at different points in time and for different lengths of time. Each Series of Notes may have a risk profile that changes over time. Prospective investors should seek advice from a professional financial adviser in order to further discuss and understand how the risk profile of a particular Series of Notes will affect their overall investment portfolio.

More than one risk factor may have simultaneous effect with regard to the Notes such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No assurance can be given as to the effect that any combination of risk factors may have on the value of the Notes.

Terms used in this section and not otherwise defined shall have the meanings given to them in "Description of the Notes" on pages 55 to 84 of this Base Prospectus.

RISK FACTORS IN RESPECT OF THE ISSUER

Factors that may affect the Issuer's ability to fulfill its obligations under Notes issued under the Program.

Prospective investors should consider the section entitled "Risk Factors" provided in the Issuer's 2015 IFRS Annual Report (as defined in "Presentation of Financial Information" on page vi of this Base Prospectus).

The Issuer is vulnerable to disruptions and volatility in the global financial markets.

In the recent past, financial systems worldwide have experienced difficult credit and liquidity conditions and disruptions leading to less liquidity, greater volatility (such as volatility in spreads) and, in some cases, lack of price transparency on interbank lending rates. Global economic conditions deteriorated significantly between 2007 and 2009, and many countries fell into recession. Although most countries have begun to recover, this recovery may not be sustainable. Many major financial institutions, including some of the world's largest global commercial banks, investment banks, mortgage lenders, mortgage guarantors and insurance companies experienced, and some continue to experience, significant difficulties. Around the world, there have also been runs on deposits at several financial institutions, numerous institutions have sought additional capital or have been assisted by governments, and many lenders and institutional investors have reduced or ceased providing funding to borrowers (including to other financial institutions).

Increased disruption and volatility in the global financial markets could have a material adverse effect on the Issuer, including the Issuer's ability to access capital and liquidity on financial terms acceptable to the Issuer, if at all. If capital markets financing ceases to become available, or becomes excessively expensive, the Issuer may be forced to raise the rates it pays on deposits to attract more customers and become unable to maintain certain liability maturities. Any such increase in capital markets funding availability or costs or in deposit rates could have a material adverse effect on the Issuer's interest margins and liquidity.

In particular, the Issuer may face, among others, the following economic risks:

- Increased regulation of the Issuer's industry. Compliance with such regulation will increase the Issuer's costs and may affect the pricing for the Issuer's products and services and limit its ability to pursue business opportunities.

- Reduced demand for the Issuer's products and services.

- Inability of the Issuer's borrowers to timely or fully comply with their existing obligations.

- The process the Issuer uses to estimate losses inherent in the Issuer's credit exposure requires complex judgments, including forecasts of economic conditions and how these economic conditions might impair the ability of the Issuer's borrowers to repay their loans. The degree of uncertainty concerning economic conditions may adversely affect the accuracy of the Issuer's estimates, which may, in turn, impact the reliability of the process and the sufficiency of the Issuer's loan loss allowances.

- The value and liquidity of the portfolio of investment securities that the Issuer holds may be adversely affected.

- Any worsening of global economic conditions may delay the recovery of the international financial industry and impact the Issuer's financial condition and results of operations.

- The recoverability of the Issuer's retail loans in particular may be increasingly vulnerable to macroeconomic shocks that could negatively impact the household income of the Issuer's retail customers and result in increased loan losses.

Despite recent improvements in certain segments of the global economy, uncertainty remains concerning the future economic environment. There can be no assurance that economic conditions in these segments will continue to improve or that the global economic condition as a whole will improve significantly. Such economic uncertainty could have a negative impact on the Issuer's business and results of operations. Investors remain cautious. A slowing or failing of the economic recovery would likely aggravate the adverse effects of these difficult economic and market conditions on the Issuer and on others in the financial services industry.

If all or some of the foregoing risks were to materialize, this could have a material adverse effect on the Issuer.

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

Credit ratings affect the cost and other terms upon which the Issuer is able to obtain funding. Rating agencies regularly evaluate the Issuer and their ratings of the Issuer's long-term debt are based on a number of factors, including the Issuer's financial strength, conditions that affect the financial services industry generally and the economic environment in which the Issuer operates. In addition, due to the methodology of the main rating agencies, the Issuer's credit rating is affected by the rating of Chile's sovereign debt. If Chile's sovereign debt is downgraded, the Issuer's credit rating would also likely be downgraded by an equivalent amount.

In addition, the Issuer's ratings may be adversely affected by any downgrade in the ratings of the Issuer's parent company, Santander Spain. The long-term debt of Santander Spain is currently rated investment grade by the major rating agencies—A3 by Moody's Investors Service España, S.A., ("**Moody's**") A- by Standard & Poor's Ratings Services ("**S&P**") and A- by Fitch Ratings Ltd. ("**Fitch**")—all of which have a stable outlook due to the gradual economic improvement in Spain.

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

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

In addition, if the Issuer was required to cancel its derivatives contracts with certain counterparties and was unable to replace such contracts, its market risk profile could be altered.

In light of the difficulties in the financial services industry and the financial markets, there can be no assurance that the rating agencies will maintain the current ratings or outlooks. Failure to maintain favorable ratings and outlooks would likely increase the cost of funding to the Issuer and adversely affect interest margins, which could have a material adverse effect on the Issuer.

Increased competition and industry consolidation may adversely affect the Issuer's results of operations.

The Chilean market for financial services is highly competitive. The Issuer competes with other private sector Chilean and non-Chilean banks, with Banco del Estado de Chile, the principal government-owned sector bank, with department stores and with larger supermarket chains that make consumer loans and sell other financial products to a large portion of the Chilean population. The lower to middle-income segments of the Chilean population and the small- and mid- sized corporate segments have become the target markets of several banks and competition in these segments may increase. The Issuer also faces competition from non-bank (such as department stores, insurance companies, *cajas de compensación* and *cooperativas*) and non-finance competitors (principally department stores and larger supermarket chains) with respect to some of its credit products, such as credit cards, consumer loans and insurance brokerage. In addition, the Issuer faces competition from non-bank finance competitors, such as leasing, factoring and automobile finance companies, with respect to credit products, and from mutual funds, pension funds and insurance companies with respect to savings products. Increasing competition could require that the Issuer increase its rates offered on deposits or lower the rates it charges on loans, which could also have a material adverse effect on the Issuer, including its profitability. It may also negatively affect the Issuer's business results and prospects by, among other things, limiting its ability to increase its customer base and expand its operations and increasing competition for investment opportunities.

Non-traditional providers of banking services, such as Internet based e-commerce providers, mobile telephone companies and internet search engines may offer and/or increase their offerings of financial products and services directly to customers. These non-traditional providers of banking services currently have an advantage over traditional providers because they are not subject to banking regulation. Several of these competitors may have long operating histories, large customer bases, strong brand recognition and significant financial, marketing and other resources. They may adopt more aggressive pricing and rates and devote more resources to technology, infrastructure and marketing. New competitors may enter the market or existing competitors may adjust their services with unique product or service offerings or approaches to providing banking services. If the Issuer is unable to successfully compete with current and new competitors, or if the Issuer is unable to anticipate and adapt its offerings to changing banking industry trends, including technological changes, the Issuer's business may be adversely affected. In addition, the Issuer's failure to effectively anticipate or adapt to emerging technologies or changes in customer behavior, including among younger customers, could delay or prevent its access to new digital-based markets which would in turn have an adverse effect on the Issuer's competitive position and business.

The increase in competition within the Chilean banking industry in recent years has led to consolidation in the industry. The Issuer expects the trends of increased competition and consolidation to continue and to result in the formation of large new financial groups with which the Issuer must now compete. There can be no assurance that this increased competition will not adversely affect the Issuer's growth prospects, and therefore its operations.

In addition, if the Issuer's customer service levels were perceived by the market to be materially below those of its competitor financial institutions, the Issuer could lose existing and potential business. If the Issuer is not successful in retaining and strengthening customer relationships, it may lose market share, incur losses on some or all of its activities or fail to attract new deposits or retain existing deposits, which could have a material adverse effect on its operating results, financial condition and prospects.

The Issuer's ability to maintain its competitive position depends, in part, on the success of new products and services the Issuer offers its clients and its ability to continue offering products and services from third parties, and the Issuer may not be able to manage various risks it faces as it expands its range of products and services that could have a material adverse effect on it.

The success of the Issuer's operations and its profitability depends, in part, on the success of new products and services it offers its clients and its ability to continue offering products and services from third parties. However, the Issuer cannot guarantee that its new products and services will be responsive to client demands or successful once they are offered to its clients, or that they will be successful in the future. In addition, the Issuer's clients' needs or desires may change over time, and such changes may render the Issuer's products and services obsolete, outdated or unattractive and the Issuer may not be able to develop new products that meet its clients' changing needs. The Issuer's success is also dependent on its ability to anticipate and leverage new and existing technologies that may have an impact on products and services in the banking industry. Technological changes may further intensify and complicate the competitive landscape and influence client behavior. If the Issuer's products and services employ technology that is not as attractive to its clients as that employed by its competitors, if the Issuer fails to employ technologies desired by its clients before its competitors do so, or if the Issuer fails to execute effectively on targeted strategic technology initiatives, its business and results could be adversely affected. In addition, if the Issuer cannot respond in a timely fashion to the changing needs of its clients, the Issuer may lose clients, which could in turn materially and adversely affect the Issuer.

As the Issuer expands the range of its products and services, some of which may be at an early stage of development in the markets of certain regions where it operates, it will be exposed to new and potentially increasingly complex risks and development expenses in those markets, with respect to which the Issuer's experience and the experience of the Issuer's partners may not be sufficient. The Issuer's employees and the Issuer's risk management systems may not be adequate to handle or manage such risks. In addition, the cost of developing products that are not launched is likely to affect the Issuer's results of operations. Any or all of these factors, individually or collectively, could have a material adverse effect on the Issuer.

The Issuer's strong position in the credit card market is in part due to the Issuer's credit card co-branding agreement with Chile's largest airline. This agreement expires in August 2020 and no assurance can be given that it will be renewed, which may materially and adversely affect the Issuer's results of operations and financial condition in the credit card business.

Further, the Issuer's customers may issue complaints and seek redress if they consider that they have suffered loss from the Issuer's products and services, for example, as a result of any alleged mis-selling or incorrect application of the terms and conditions of a particular product. This could in turn subject the Issuer to risks of potential legal action by the Issuer's customers and intervention by the Issuer's regulators. For further detail on the Issuer's legal and regulatory risk exposures, please see the risk factor entitled "The Issuer is exposed to risk of loss from legal and regulatory proceedings."

The financial problems faced by the Issuer's customers could adversely affect the Issuer.

Market turmoil and economic recession could materially and adversely affect the liquidity, credit ratings, businesses and/or financial conditions of the Issuer's borrowers, which could in turn increase the Issuer's own non-performing loan ratios, impair the Issuer's loan and other financial assets and result in decreased demand for borrowings in general. In addition, the Issuer's customers may further significantly decrease their risk tolerance to non-deposit investments such as stocks, bonds and mutual funds, which would adversely affect the Issuer's fee and commission income. The Issuer may also be adversely affected by the negative effects of the heightened regulatory environment on the Issuer's customers due to the high costs associated with regulatory compliance and proceedings. Any of the conditions described above could have a material adverse effect on the Issuer's business, financial condition and results of operations.

The Issuer may generate lower revenues from fee and commission based businesses.

The fees and commissions that the Issuer earns from the different banking and other financial services that the Issuer provides represent a significant source of the Issuer's revenues. The Issuer's customers may significantly decrease their risk tolerance to non-deposit investments such as stocks, bonds and mutual funds for a number of reasons, including a market downturn, which would adversely affect the Issuer, including the Issuer's fee and commission income.

Banco Santander Chile sold its asset management business in 2013 and signed a management service agreement for a 10 year-period with the acquirer of this business in which the Issuer sells asset management funds on their behalf. Therefore, even in the absence of a market downturn, below-market performance by the mutual funds of the firm the Issuer brokers for may result in a reduction in revenue the Issuer receives from selling asset management funds and adversely affect the Issuer's results of operations.

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

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

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

If the Issuer is unable to effectively control the level of non-performing or poor credit quality loans in the future, or if the Issuer's loan loss reserves are insufficient to cover future loan losses, this could have a material adverse effect on the Issuer.

Risks arising from changes in credit quality and the recoverability of loans and amounts due from counterparties are inherent in a wide range of the Issuer's businesses. Non-performing or low credit quality loans have in the past and can continue to negatively impact the Issuer's results of operations. The Issuer cannot assure you that it will be able to effectively control the level of the impaired loans in its total loan portfolio. In particular, the amount of the Issuer's reported non-performing loans may increase in the future as a result of growth in the Issuer's total loan portfolio, including as a result of loan portfolios that it may acquire in the future, or factors beyond the Issuer's control, such as adverse changes in the credit quality of the Issuer's borrowers and counterparties or a general deterioration in economic conditions in Chile or global economic conditions, impact of political events, events affecting certain industries or events affecting financial markets and global economies.

As of December 31, 2015, the Issuer's non-performing loans were Ch$643,468 million, and the ratio of the Issuer's non-performing loans to total loans was 2.5%. As of December 31, 2015, the Issuer's allowance for loan losses was Ch$762,301 million, and the ratio of the Issuer's allowance for loan losses to total loans was 3.0%. For additional information on the Issuer's asset quality, see "Item 5. Operating and Financial Review and Prospects— C. Selected Statistical Information–Classification of Loan Portfolio Based on the Borrower's Payment Performance" in the Issuer's 2015 IFRS Annual Report.

The Issuer's current allowance for loan losses may not be adequate to cover an increase in the amount of non-performing loans or any future deterioration in the overall credit quality of the Issuer's total loan portfolio. The Issuer's allowance for loan losses is based on the Issuer's current assessment of and expectations concerning various factors affecting the Issuer, including the quality of the Issuer's loan portfolio. These factors include, among other things, the Issuer's borrowers' financial condition, repayment abilities and repayment intentions, the realizable value of any collateral, the prospects for support from any guarantor, Chile's economy, government macroeconomic policies, interest rates and the legal and regulatory environment. As the recent global financial crisis has demonstrated, many of these factors are beyond the Issuer's control. In addition, as these factors evolve, the models the Issuer uses to determine the appropriate level of allowance for loan losses and other assets require recalibration, which can lead to increased provision expense. See "Item 5. Operating and Financial Review and Prospects—A. Operating Results–Results of Operations for the Years ended December 31, 2015, 2014 and 2013—Provision for loan losses, net of recoveries" in the Issuer's 2015 IFRS Annual Report.

As a result, there is no precise method for predicting loan and credit losses, and the Issuer cannot assure you that its allowance for loan losses will be sufficient in the future to cover actual loan and credit losses. If the Issuer's assessment of and expectations concerning the above-mentioned factors differ from actual developments, if the quality of the Issuer's total loan portfolio deteriorates, for any reason, including the increase in lending to individuals and small and medium enterprises, the volume increase in the consumer loan portfolio and the introduction of new products, or if the future actual losses exceed the Issuer's estimates of incurred losses, the Issuer may be required to increase its provisions and allowance for loan losses, which may adversely affect the Issuer. If the Issuer is unable to control or reduce the level of its non-performing or poor credit quality loans, this could have a material adverse effect on the Issuer.

The value of the collateral securing the Issuer's loans may not be sufficient, and the Issuer may be unable to realize the full value of the collateral securing its loan portfolio.

The value of the collateral securing the Issuer's loan portfolio may significantly fluctuate or decline due to factors beyond the Issuer's control, including macroeconomic factors affecting Chile's economy. The value of the collateral securing the Issuer's loan portfolio may be adversely affected by force majeure events, such as natural disasters, particularly in locations where a significant portion of the Issuer's loan portfolio is composed of real estate loans. Natural disasters such as earthquakes and floods may cause widespread damage, which could impair the asset quality of the Issuer's loan portfolio and could have an adverse impact on Chile's economy. The real estate market is particularly vulnerable in the current economic climate and this may affect the Issuer, as real estate represents a significant portion of the collateral securing the Issuer's residential mortgage loan portfolio. The Issuer may also not have sufficiently recent information on the value of collateral, which may result in an inaccurate assessment for impairment losses of the Issuer's loans secured by such collateral. If this were to occur, the Issuer may need to make additional provisions to cover actual impairment losses of the Issuer's loans, which may materially and adversely affect the Issuer's results of operations and financial condition.

The growth of the Issuer's loan portfolio may expose the Issuer to increased loan losses. The Issuer's exposure to individuals and small and mid-sized businesses could lead to higher levels of past due loans, allowances for loan losses and charge-offs.

The further expansion of the Issuer's loan portfolio (particularly in the consumer, small- and mid-sized companies and real estate segments) can be expected to expose the Issuer to a higher level of loan losses and require the Issuer to establish higher levels of provisions for loan losses. See "Note 8—Interbank Loans" and "Note 9—Loans and Accounts Receivables from Customers" in the Issuer's 2015 IFRS Consolidated Financial Statements for a description and presentation of the Issuer's loan portfolio as well as "Item 5-Selected Statistical Information—Loan Portfolio" in the Issuer's 2015 IFRS Annual Report.

Retail customers represent 66.36% of the value of the total loan portfolio as of December 31, 2015. As part of its business strategy, the Issuer seeks to increase lending and other services to retail clients, which are more likely to be adversely affected by downturns in the Chilean economy. In addition, as of December 31, 2015, the Issuer's residential mortgage loan portfolio totaled Ch$7,812,850 million, representing 30.9% of its total loans. See "Note 9—Loans and Accounts Receivables from Customers" in the Issuer's 2015 IFRS Consolidated Financial Statements for a description and presentation of its residential mortgage loan portfolio. If the economy and real estate market in Chile experience a significant downturn, this could materially adversely affect the liquidity, businesses and financial conditions of the Issuer's customers, which may in turn cause the Issuer to experience higher levels of past-due loans, thereby resulting in higher provisions for loan losses and subsequent charge-offs. This may materially and adversely affect the Issuer's asset quality, results of operations and financial condition.

The Issuer's loan portfolio may not continue to grow at the same rate and economic turmoil may lead to a contraction in the Issuer's loan portfolio.

There can be no assurance that the Issuer's loan portfolio will continue to grow at similar rates to the historical growth rate described above. A reversal of the rate of growth of the Chilean economy, a slowdown in the growth of customer demand, an increase in market competition or changes in governmental regulations could adversely affect the rate of growth of the Issuer's loan portfolio and the Issuer's risk index and, accordingly, increase the Issuer's required allowances for loan losses. An economic turmoil could materially adversely affect the liquidity, businesses and financial condition of the Issuer's customers as well as lead to a general decline in consumer spending and a rise in unemployment. All this could in turn lead to decreased demand for borrowings in general.

The Issuer's financial results are constantly exposed to market risk. The Issuer is subject to fluctuations in interest rates and other market risks, which may materially and adversely affect the Issuer.

Market risk refers to the probability of variations in the Issuer's net interest income or in the market value of the Issuer's assets and liabilities due to volatility of interest rate, inflation, exchange rate or equity price. Changes in interest rates affect the following areas, among others, of the Issuer's business:

- net interest income;
- the volume of loans originated;
- volatility of credit spreads;
- the market value of the Issuer's securities holdings;
- gains from sales of loans and securities; and
- gains and losses from derivatives.

Variations in interest rates could affect the Issuer's net interest income, which comprises the majority of the Issuer's revenue. Interest rate variations could adversely affect the Issuer, including the Issuer's net interest income, reducing the Issuer's growth rate or even resulting in losses. When interest rates rise, the Issuer may be required to pay higher interest on its floating-rate borrowings while interest earned on the Issuer's predominately fixed-rate assets may not rise as quickly, which could cause profits to grow at a reduced rate or decline in some parts of the Issuer's portfolio. Interest rates are highly sensitive to many factors beyond the Issuer's control, including increased regulation of the financial sector, the reserve policies of the Central Bank, deregulation of the financial sector in Chile, monetary policies, domestic and international economic and political conditions and other factors.

Increases in interest rates may reduce the volume of loans the Issuer originates. Sustained high interest rates have historically discouraged customers from borrowing and have resulted in increased delinquencies in outstanding loans and deterioration in the quality of assets. Increases in interest rates may also reduce the propensity of the Issuer's customers to prepay or refinance fixed-rate loans. Increases in interest rates may reduce the value of the Issuer's financial assets and may reduce gains or require the Issuer to record losses on sales of its loans or securities.

If interest rates decrease, although this is likely to decrease the Issuer's funding costs, it is likely to adversely impact the income the Issuer receives from the Issuer's investments in securities as well as loans with similar maturities. In addition, the Issuer may also experience increased delinquencies in a low interest rate environment when such an environment is accompanied by high unemployment and recessionary conditions.

The market value of a security with a fixed interest rate generally decreases when the prevailing interest rates rise, which may have an adverse effect on the Issuer's earnings and financial condition. In addition, the Issuer may incur costs (which, in turn, will impact the Issuer's results) as the Issuer implements strategies to reduce future interest rate exposure. The market value of an obligation with a floating interest rate can be adversely affected when interest rates increase, due to a lag in the implementation of repricing terms or an inability to refinance at lower rates.

The Issuer is also exposed to foreign exchange rate risk as a result of mismatches between assets and liabilities denominated in different currencies. Fluctuations in the exchange rate between currencies may negatively affect the Issuer's earnings and value of the Issuer's assets and securities. Therefore, while the Issuer seeks to avoid significant mismatches between assets and liabilities due to foreign currency exposure, from time to time, it may have mismatches. "See Item 11. Quantitative and Qualitative Disclosure About Market Risks— E. Market Risks—Foreign exchange fluctuations" in the Issuer's 2015 IFRS Annual Report.

The Issuer is also exposed to equity price risk in its investments in equity securities in the banking book and in the trading portfolio. The performance of financial markets may cause changes in the value of the Issuer's investment and trading portfolios. The volatility of world equity markets due to the continued economic uncertainty and sovereign debt crisis has had a particularly strong impact on the financial sector. Continued volatility may affect the value of the Issuer's investments in equity securities and, depending on their fair value and future recovery expectations, could become a permanent impairment which would be subject to write-offs against the Issuer's results. To the extent any of these risks materialize, the Issuer's net interest income or the market value of the Issuer's assets and liabilities could be materially adversely affected.

Failure to successfully implement and continue to improve the Issuer's risk management policies, procedures and methods, including the Issuer's credit risk management system, could materially and adversely affect the Issuer, and the Issuer may be exposed to unidentified or unanticipated risks.

The management of risk is an integral part of the Issuer's activities. The Issuer seeks to monitor and manage the Issuer's risk exposure through a variety of separate but complementary financial, credit, market, operational, compliance and legal reporting systems. While the Issuer employs a broad and diversified set of risk monitoring and risk mitigation techniques, such techniques and strategies may not be fully effective in mitigating the Issuer's risk exposure in all economic market environments or against all types of risk, including risks that the Issuer fails to identify or anticipate.

Some of the Issuer's qualitative tools and metrics for managing risk are based upon the Issuer's use of observed historical market behavior. The Issuer applies statistical and other tools to these observations to arrive at quantifications of the Issuer's risk exposures. These qualitative tools and metrics may fail to predict future risk exposures. These risk exposures could, for example, arise from factors the Issuer did not anticipate or correctly evaluate in the Issuer's statistical models. This would limit the Issuer's ability to manage the Issuer's risks. The Issuer's losses thus could be significantly greater than the historical measures indicate. In addition, the Issuer's quantified modeling does not take all risks into account. The Issuer's more qualitative approach to managing those risks could prove insufficient, exposing the Issuer to material unanticipated losses. The Issuer could face adverse consequences as a result of decisions, which may lead to actions by management, based on models that are poorly developed, implemented or used, or as a result of the modelled outcome being misunderstood or the use of such information for purposes for which it was not designed. In addition, if existing or potential customers or counterparties believe the Issuer's risk management is inadequate, they could take their business elsewhere or seek to limit their transactions with the Issuer. This could harm the Issuer's reputation as well as its operating results, financial condition and prospects.

As a commercial bank, one of the main types of risks inherent in the Issuer's business is credit risk. For example, an important feature of the Issuer's credit risk management system is to employ an internal credit rating system to assess the particular risk profile of a customer. As this process involves detailed analyses of the customer, taking into account both quantitative and qualitative factors, it is subject to human or IT systems errors. In exercising their judgment on current or future credit risk behavior of its customers, the Issuer's employees may not always be able to assign an accurate credit rating, which may result in the Issuer's exposure to higher credit risks than indicated by the Issuer's risk rating system.

In addition, the Issuer continues to refine the Issuer's credit policies and guidelines to address potential risks associated with particular industries or types of customers. However, the Issuer may not be able to timely detect all possible risks before they occur, or due to limited tools available to the Issuer, the Issuer's employees may not be able to effectively implement them, which may increase the Issuer's credit risk. Failure to effectively implement, consistently follow or continuously refine the Issuer's credit risk management system may result in an increase in the level of non-performing loans and a higher risk exposure for the Issuer, which could have a material adverse effect on the Issuer.

The effectiveness of the Issuer's credit risk management is affected by the quality and scope of information available in Chile.

In assessing customers' creditworthiness, the Issuer relies largely on the credit information available from the Issuer's own internal databases, the SBIF, Dicom en Capital, a Chilean nationwide credit bureau, and other sources. Due to limitations in the availability of information and the developing information infrastructure in Chile, the Issuer's assessment of credit risk associated with a particular customer may not be based on complete, accurate or reliable information. In addition, although the Issuer has been improving the Issuer's credit scoring systems to better assess borrowers' credit risk profiles, the Issuer cannot assure you that its credit scoring systems will collect complete or accurate information reflecting the actual behavior of customers or that their credit risk can be assessed correctly. Without complete, accurate and reliable information, the Issuer will have to rely on other publicly available resources and its internal resources, which may not be effective. As a result, the Issuer's ability to effectively manage its credit risk and subsequently the Issuer's loan loss allowances may be materially adversely affected.

Liquidity and funding risks are inherent in the Issuer's business and could have a material adverse effect on the Issuer.

Liquidity risk is the risk that the Issuer either does not have available sufficient financial resources to meet the Issuer's obligations as they fall due or can secure them only at excessive cost. This risk is inherent in any retail and commercial banking business and can be heightened by a number of enterprise-specific factors, including over-reliance on a particular source of funding, changes in credit ratings or market-wide phenomena such as market dislocation. While the Issuer implements liquidity management processes to seek to mitigate and control these risks, unforeseen systemic market factors in particular make it difficult to eliminate completely these risks. Adverse and continued constraints in the supply of liquidity, including inter-bank lending, has affected and may materially and adversely affect the cost of funding the Issuer's business, and extreme liquidity constraints may affect the Issuer's current operations and its ability to fulfill regulatory liquidity requirements as well as limit growth possibilities.

Disruption and volatility in the global financial markets could have a material adverse effect on the Issuer's ability to access capital and liquidity on financial terms acceptable to the Issuer.

The Issuer's cost of obtaining funding is directly related to prevailing market interest rates and to the Issuer's credit spreads. Increases in interest rates and the Issuer's credit spreads can significantly increase the cost of the Issuer's funding. Changes in the Issuer's credit spreads are market-driven, and may be influenced by market perceptions of the Issuer's creditworthiness. Changes to interest rates and the Issuer's credit spreads occur continuously and may be unpredictable and highly volatile.

If wholesale markets financing ceases to become available, or becomes excessively expensive, the Issuer may be forced to raise the rates the Issuer pays on deposits, with a view to attracting more customers, and/or to sell assets, potentially at depressed prices. The persistence or worsening of these adverse market conditions or an increase in base interest rates could have a material adverse effect on the Issuer's ability to access liquidity and cost of funding.

The Issuer relies, and will continue to rely, primarily on commercial deposits to fund lending activities. The ongoing availability of this type of funding is sensitive to a variety of factors outside the Issuer's control, such as general economic conditions and the confidence of commercial depositors in the economy, in general, and the financial services industry in particular, and the availability and extent of deposit guarantees, as well as competition between banks for deposits. Any of these factors could significantly increase the amount of commercial deposit withdrawals in a short period of time, thereby reducing the Issuer's ability to access commercial deposit funding on appropriate terms, or at all, in the future. If these circumstances were to arise, this could have a material adverse effect on the Issuer's operating results, financial condition and prospects.

The Issuer anticipates that its customers will continue, in the near future, to make short-term deposits (particularly demand deposits and short-term time deposits), and the Issuer intends to maintain its emphasis on the use of banking deposits as a source of funds. As of December 31, 2015, 98.5% of the Issuer's customer deposits had remaining maturities of one year or less, or were payable on demand. A significant portion of the Issuer's assets have longer maturities, resulting in a mismatch between the maturities of liabilities and the maturities of assets. Historically, one of the Issuer's principal sources of funds has been time deposits. Time deposits represented 35.2% and 33.6% of the Issuer's total liabilities and equity as of December 31, 2015 and 2014, respectively. The Chilean time deposit market is concentrated given the importance in size of various large institutional investors such as pension funds and corporations relative to the total size of the economy. As of December 31, 2015, the Issuer's top 20 time deposits represented 39.6% of total time deposits, or 9.8% of total liabilities and equity, and totaled U.S.$6.8 billion. No assurance can be given that future economic stability in the Chilean market will not negatively affect the Issuer's ability to continue funding its business or to maintain its current levels of funding without incurring increased funding costs, a reduction in the term of funding instruments or the liquidation of certain assets. If this were to happen, the Issuer could be materially adversely affected.

The short-term nature of this funding source could cause liquidity problems for the Issuer in the future if deposits are not made in the volumes the Issuer expects or are not renewed. If a substantial number of the Issuer's depositors withdraw their demand deposits or do not roll over their time deposits upon maturity, the Issuer may be materially and adversely affected.

The Issuer is subject to regulatory capital and liquidity requirements that could limit its operations, and changes to these requirements may further limit and adversely affect the Issuer's operating results, financial condition and prospects.

Chilean banks are required by the General Banking Law to maintain regulatory capital of at least 8% of risk-weighted assets, net of required loan loss allowance and deductions, and paid-in capital and reserves ("basic capital") of at least 3% of total assets, net of required loan loss allowances. As the Issuer is the result of the merger between two predecessors with a relevant market share in the Chilean market, the Issuer is currently required to maintain a minimum regulatory capital to risk-weighted assets ratio of 11%. As of December 31, 2015, the ratio of the Issuer's regulatory capital to risk-weighted assets, net of loan loss allowance and deductions, was 13.4%. Certain developments could affect the Issuer's ability to continue to satisfy the current capital adequacy requirements applicable to the Issuer, including:

- the increase of risk-weighted assets as a result of the expansion of the Issuer's business or regulatory changes;
- the failure to increase the Issuer's capital correspondingly;
- losses resulting from a deterioration in the Issuer's asset quality;
- declines in the value of the Issuer's investment instrument portfolio;
- changes in accounting standards;
- changes in provisioning guidelines that are charged directly against the Issuer's equity or net income; and
- changes in the guidelines regarding the calculation of the capital adequacy ratios of banks in Chile.

Chilean banks are gradually being required to adopt the guidelines set forth under the Basel III Capital Accord with adjustments incorporated by the SBIF once these changes are approved by the Chilean Congress in 2015 or 2016. Following this approval, Chilean banks will most likely have to fully comply with Basel III requirements by 2018 or 2019. This could result in a different level of minimum capital required to be maintained by the Issuer. According to initial estimates of the impact of market risk on regulatory capital, published by the SBIF for informational purposes only, the Issuer's ratio of regulatory capital to risk-weighted assets, net of loan loss allowance and deductions, including an initial estimate of the adjustments for market risk was 12.0% as of December 31, 2015. No assurance can be given that the adoption of the Basel III capital requirements will not have a material impact on the Issuer's capitalization ratio.

The Issuer may also be required to raise additional capital in the future in order to maintain the Issuer's capital adequacy ratios above the minimum required levels. The Issuer's ability to raise additional capital may be limited by numerous factors, including: the Issuer's future financial condition, results of operations and cash flows; any necessary government regulatory approvals; the Issuer's credit ratings; general market conditions for capital raising activities by commercial banks and other financial institutions; and domestic and international economic, political and other conditions. If the Issuer requires additional capital in the future, the Issuer cannot assure you that it will be able to obtain such capital on favorable terms, in a timely manner or at all. Furthermore, the SBIF may increase the minimum capital adequacy requirements applicable to the Issuer. Accordingly, although the Issuer currently meets the applicable capital adequacy requirements, the Issuer may face difficulties in meeting these requirements in the future. If the Issuer fails to meet the capital adequacy requirements, the Issuer may be required to take corrective actions. These measures could materially and adversely affect the Issuer's business reputation, financial condition and results of operations. In addition, if the Issuer is unable to raise sufficient capital in a timely manner, the growth of the Issuer's loan portfolio and other risk-weighted assets may be restricted, and the Issuer may face significant challenges in implementing the Issuer's business strategy. As a result, the Issuer's prospects, results of operations and financial condition could be materially and adversely affected.

The SBIF and the Central Bank published new liquidity standards in 2015 and ratios that must be implemented and calculated by all banks. These will eventually replace the current regulatory limits imposed by the SBIF and the Central Bank described above. These new liquidity standards are in line with those established in Basel III. The most important liquidity ratios that will eventually be adopted by Chilean banks are:

- Liability concentration per institutional and wholesale counterparty. Banks will have to calculate the percentage of their liabilities coming from institutional and wholesale counterparties, including ratios regarding renovation, renewals, restructurings, maturity and product concentration of these counterparties.

- Liquidity coverage ratio (LCR), which measures the percentage of liquid assets over net cash outflows. The new guidelines also define liquid assets and the formulas for calculating net cash outflows.

- Net Stable Funding Ratio (NSFR) which will measure a bank's available stable funding relative to its required stable funding. Both concepts are also defined in the new regulations.

Beginning on March 30, 2016, banks must report these ratios to the Central Bank and the SBIF. The evolution of these indicators will be monitored for a 12 month period and adjustments to the required ratios could be made. The final limits and results should begin to be published in the second half of 2016. The initial limits banks must meet in order to comply with these new ratios have not been published yet. For this reason, the Issuer cannot yet determine the effect that the implementation of these models will have on its business. Such effect could be material and adverse if it materially increases the liquidity the Issuer is required to maintain.

The Issuer is subject to regulatory risk, or the risk of not being able to meet all of the applicable regulatory requirements and guidelines.

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

Changes in regulations may also cause the Issuer to face increased compliance costs and limitations on the Issuer's ability to pursue certain business opportunities and provide certain products and services. As some of the banking laws and regulations have been recently adopted, the manner in which those laws and related regulations are applied to the operations of financial institutions is still evolving. Moreover, to the extent these recently adopted regulations are implemented inconsistently in the various jurisdictions in which the Issuer operates, it may face higher compliance costs. No assurance can be given generally that laws or regulations will be adopted, enforced or interpreted in a manner that will not have a material adverse effect on the Issuer's business and results of operations.

Modifications to reserve requirements may affect the Issuer's business.

Deposits are subject to a reserve requirement of 9.0% for demand deposits and 3.6% for time deposits (with terms of less than one year). The Central Bank has statutory authority to require banks to maintain reserves of up to an average of 40.0% for demand deposits and up to 20.0% for time deposits (irrespective, in each case, of the currency in which these deposits are denominated) to implement monetary policy. In addition, to the extent that the aggregate amount of the following types of liabilities exceeds 2.5 times the amount of a bank's regulatory capital, a bank must maintain a 100% "technical reserve" against them: demand deposits, deposits in checking accounts, obligations payable on sight incurred in the ordinary course of business and, in general, all deposits unconditionally payable immediately. If the Central Bank were to increase reserve requirements, this could lead to lower loan growth and have a negative effect on the Issuer's business.

The Issuer's business could be affected if its capital is not managed effectively or if changes limiting the Issuer's ability to manage its capital position are adopted.

Effective management of the Issuer's capital position is important to the Issuer's ability to operate its business, to continue to grow organically and to pursue its business strategy. However, in response to the global financial crisis, a number of changes to the regulatory capital framework have been adopted or continue to be considered. As these and other changes are implemented or future changes are considered or adopted that limit the Issuer's ability to manage its balance sheet and capital resources effectively or to access funding on commercially acceptable terms, the Issuer may experience a material adverse effect on its financial condition and regulatory capital position.

The legal restrictions on the exposure of Chilean pension funds to different asset classes may affect the Issuer's access to funding.

Chilean regulations impose a series of restrictions on how Chilean pension fund management companies (*Administradora de Fondos de Pensión*, or "AFPs") may allocate their assets. In the particular case of financial issuers' there are three restrictions, each involving different assets and different limits determined by the amount of assets in each fund and the market and book value of the issuer's equity. As a consequence, limits vary within funds of AFPs and issuers. As of December 31, 2015, the AFP system had U.S.$3,630 million invested in the Issuer via equity, deposits and fixed income. According to the latest information published in December 2015, the AFPs still had the possibility of being able to invest another U.S.$11,066 million in the Bank. If the exposure of any AFP to Santander-Chile exceeds the regulatory limits, the Issuer would need to seek alternative sources of funding, which could be more expensive and, as a consequence, may have a material adverse effect on the Issuer's financial condition and results of operations.

The Issuer's financial statements are based in part on assumptions and estimates which, if inaccurate, could cause material misstatement of the results of the Issuer's operations and financial position.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Due to the inherent uncertainty in making estimates, actual results reported in future periods may be based upon amounts which differ from those estimates. Estimates, judgments and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. The accounting policies deemed critical to the Issuer's results and financial position, based upon materiality and significant judgments and estimates, include impairment of loans and advances, goodwill impairment, valuation of financial instruments, impairment of available-for-sale financial assets, deferred tax assets and provision for liabilities.

The valuation of financial instruments measured at fair value can be subjective, in particular where models are used which include unobservable inputs. Given the uncertainty and subjectivity associated with valuing such instruments it is possible that the results of the Issuer's operations and financial position could be materially misstated if the estimates and assumptions used prove to be inaccurate.

If the judgment, estimates and assumptions the Issuer uses in preparing its consolidated financial statements are subsequently found to be incorrect, there could be a material effect on the Issuer's results of operations and a corresponding effect on the Issuer's funding requirements and capital ratios.

Changes in accounting standards could impact reported earnings.

The accounting standard setters and other regulatory bodies periodically change the financial accounting and reporting standards that govern the preparation of the Issuer's consolidated financial statements. These changes can materially impact how the Issuer records and reports its financial condition and results of operations. In some cases, the Issuer could be required to apply a new or revised standard retroactively, resulting in the restatement of prior period financial statements.

The preparation of the Issuer's tax returns requires the use of estimates and interpretations of complex tax laws and regulations and is subject to review by taxing authorities.

The Issuer is subject to the income tax laws of Chile and certain foreign countries. These tax laws are complex and subject to different interpretations by the taxpayer and relevant governmental taxing authorities, and tax positions are sometimes subject to prolonged evaluation periods until a final resolution is reached. In establishing a provision for income tax expense and filing returns, the Issuer must make judgments and interpretations about the application of these inherently complex tax laws.

If the judgment, estimates and assumptions the Issuer uses in preparing its tax returns are subsequently found to be incorrect, there could be a material adverse effect on the Issuer's results of operations.

Disclosure controls and procedures over financial reporting may not prevent or detect all errors or acts of fraud.

Disclosure controls and procedures over financial reporting are designed to provide reasonable assurance that information required to be disclosed by the company in reports filed or submitted under the Securities Exchange Act is accumulated and communicated to management, and recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Any disclosure controls and procedures over financial reporting or internal controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

These disclosure controls and procedures have inherent limitations, which include the possibility that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by any unauthorized override of the controls. Consequently, the Issuer's businesses are exposed to risk from potential non-compliance with policies, employee misconduct or negligence and fraud, which could result in regulatory sanctions and serious reputational or financial harm. In recent years, a number of multinational financial institutions have suffered material losses due to the actions of 'rogue traders' or other employees. It is not always possible to deter employee misconduct and the precautions the Issuer takes to prevent and detect this activity may not always be effective. Accordingly, because of the inherent limitations in the control system, misstatements due to error or fraud may occur and not be detected.

The Issuer engages in transactions with related parties that it believes are on an arm's-length basis but others may use different criteria for determining that a transaction is at arm's length.

The Issuer and its affiliates have entered into a number of services agreements pursuant to which the Issuer renders services, such as administrative, accounting, finance, treasury, legal services and others.

Chilean law applicable to public companies and financial groups and institutions and the Issuer's bylaws provide for several procedures designed to ensure that the transactions entered into with or among the Issuer's financial subsidiaries and/or affiliates do not deviate from prevailing market conditions for those types of transactions, including the requirement that the Issuer's board of directors approve such transactions. Furthermore, all significant related party transactions must be approved by the Audit Committee and the Board. These significant transactions are also reported in the Issuer's annual shareholders meeting. Please see note 34 of the Issuer's 2015 IFRS Consolidated Financial Statements and "Item 7. Major Shareholders and Related Party Transactions" in the Issuer's 2015 IFRS Annual Report.

The Issuer is likely to continue to engage in transactions with the Issuer's affiliates. Future conflicts of interests between the Issuer and any of its affiliates, or among the Issuer's affiliates, may arise, which conflicts are not required to be and may not be resolved in the Issuer's favor.

Operational risks, including risks relating to data collection, processing and storage systems and security are inherent in the Issuer's business.

Like other financial institutions with a large customer base, the Issuer manages and holds confidential personal information of customers in the conduct of its banking operations, as well as a large number of assets. Accordingly, the Issuer's businesses depend on the ability to process a large number of transactions efficiently and accurately, and on the Issuer's ability to rely on its digital technologies, computer and email services, software and networks, as well as on the secure processing, storage and transmission of confidential and other information in the Issuer's computer systems and networks. The proper functioning of financial control, accounting or other data collection and processing systems is critical to the Issuer's businesses and to its ability to compete effectively. Losses can result from inadequate personnel, inadequate or failed internal control processes and systems, or from external events that interrupt normal business operations. The Issuer also faces the risk that the design of the Issuer's controls and procedures proves to be inadequate or is circumvented. Although the Issuer works with its clients, vendors, service providers, counterparties and other third parties to develop secure transmission capabilities and prevent against information security risks and cyber-attacks, the Issuer routinely exchanges personal, confidential and proprietary information by electronic means, and the Issuer may be the target of attempted cyber-attacks. If the Issuer cannot maintain an effective data collection, management and processing system, the Issuer may be materially and adversely affected.

The Issuer takes protective measures and continuously monitors and develops its systems to protect its technology infrastructure and data from misappropriation or corruption, but its systems, software and networks nevertheless may be vulnerable to unauthorized access, misuse, computer viruses or other malicious code and other events that could have a security impact. An interception, misuse or mishandling of personal, confidential or proprietary information sent to or received from a client, vendor, service provider, counterparty or third party could result in legal liability, regulatory action and reputational harm. There can be no assurance that the Issuer will not suffer material losses from operational risk in the future, including those relating to cyber-attacks or other such security breaches. Further, as cyber-attacks continue to evolve, the Issuer may incur significant costs in its attempt to modify or enhance its protective measures or investigate or remediate any vulnerability. Any material disruption or slowdown of the Issuer's systems could cause information, including data related to customer requests, to be lost or to be delivered to the Issuer's clients with delays or errors, which could reduce demand for the Issuer's services and products and could materially and adversely affect the Issuer.

The Issuer has seen in recent years computer systems of companies and organizations being targeted, not only by cyber criminals, but also by activists and rogue states. The Issuer has been and continues to be subject to a range of cyberattacks, such as denial of service, malware and phishing. Cyber-attacks could give rise to the loss of significant amounts of customer data and other sensitive information, as well as significant levels of liquid assets (including cash). In addition, cyber-attacks could disable the Issuer's information technology systems used to service its customers. As attempted attacks continue to evolve in scope and sophistication, the Issuer may incur significant costs in its attempt to modify or enhance its protective measures against such attacks, to investigate or remediate any vulnerability or resulting breach, or to communicate with its customers about any such cyber-attacks to its customers. If the Issuer fails to effectively manage its cyber security risk, e.g. by failing to update its systems and processes in response to new threats, this could harm its reputation and adversely affect its operating results, financial condition and prospects through the payment of customer compensation, regulatory penalties and fines and/or through the loss of assets. In addition, it may also be subject to cyber-attacks against the critical infrastructure of Chile. The Issuer's information technology systems are dependent on such national critical infrastructure and any cyber-attack against such critical infrastructure could negatively affect its ability to service its customers. As the Issuer does not operate such national critical infrastructure, it has limited ability to protect its information technology systems from the adverse effects of such a cyber-attack.

The Issuer manages and holds confidential personal information of customers in the conduct of the Issuer's banking operations. Although the Issuer has procedures and controls to safeguard personal information in the Issuer's possession, unauthorized disclosures could subject the Issuer to legal actions and administrative sanctions as well as damages that could materially and adversely affect the Issuer's results of operations, financial condition and prospects.

In addition, the Issuer's businesses are exposed to risk from potential non-compliance with policies, employee misconduct or negligence and fraud, which could result in regulatory sanctions and serious reputational or financial harm. In recent years, a number of multinational financial institutions have suffered material losses due to the actions of 'rogue traders' or other employees. It is not always possible to deter or prevent employee misconduct and the precautions the Issuer takes to prevent and detect this activity may not always be effective. In addition, the Issuer may be required to report events related to information security issues (including any cyber security issues), events where customer information may be compromised, unauthorized access and other security breaches, to the regulatory authorities.

Any failure to effectively improve or upgrade the Issuer's information technology infrastructure and management information systems in a timely manner could have a material adverse effect on the Issuer.

The Issuer's ability to remain competitive depends in part on its ability to upgrade its information technology on a timely and cost-effective basis. The Issuer must continually make significant investments and improvements in its information technology infrastructure in order to remain competitive. The Issuer cannot assure you that in the future it will be able to maintain the level of capital expenditures necessary to support the improvement or upgrading of its information technology infrastructure. Any failure to effectively improve or upgrade its information technology infrastructure and management information systems in a timely manner could have a material adverse effect on the Issuer.

The Issuer relies on third parties for important products and services.

Third party vendors provide key components of the Issuer's business infrastructure such as loan and deposit servicing systems, internet connections and network access. Third parties can be sources of operational risk to the Issuer, including with respect to security breaches affecting such parties. The Issuer is also subject to risk with respect to security breaches affecting the vendors and other parties that interact with its third party vendors. As the Issuer's interconnectivity with these third parties increases, the Issuer increasingly faces the risk of operational failure with respect to their systems. The Issuer may be required to take steps to protect the integrity of its operational systems, thereby increasing its operational costs and potentially decreasing customer satisfaction. Any problems caused by these third parties, including as a result of their not providing the Issuer their services for any reason, their performing their services poorly or employee misconduct, could adversely affect the Issuer's ability to deliver products and services to customers and otherwise to conduct business. Replacing these third party vendors could also entail significant delays and expense.

Damage to the Issuer's reputation could cause harm to the Issuer's business prospects.

Maintaining a positive reputation is critical to the Issuer's attracting and maintaining customers, investors and employees. Damage to the Issuer's reputation can therefore cause significant harm to the Issuer's business and prospects. Harm to the Issuer's reputation can arise from numerous sources, including, among others, employee misconduct, litigation or regulatory outcomes, failure to deliver minimum standards of service and quality, compliance failures, unethical behavior, and the activities of customers and counterparties. Further, negative publicity regarding the Issuer, whether or not true, may result in harm to the Issuer's prospects.

Actions by the financial services industry generally or by certain members of, or individuals in, the industry can also affect the Issuer's reputation. For example, the role played by financial services firms in the financial crisis and the seeming shift toward increasing regulatory supervision and enforcement has caused public perception of the Issuer and others in the financial services industry to decline.

The Issuer could suffer significant reputational harm if the Issuer fails to properly identify and manage potential conflicts of interest. Management of potential conflicts of interest has become increasingly complex as the Issuer expands its business activities through more numerous transactions, obligations and interests with and among its clients. The failure to adequately address or the perceived failure to adequately address, conflicts of interest could affect the willingness of clients to deal with the Issuer, or give rise to litigation or enforcement actions against the Issuer. Therefore, there can be no assurance that conflicts of interest will not arise in the future that could cause material harm to the Issuer.

The Issuer relies on recruiting, retaining and developing appropriate senior management and skilled personnel.

The Issuer's continued success depends in part on the continued service of key members of its management team. The ability to continue to attract, train, motivate and retain highly qualified professionals is a key element of the Issuer's strategy. The successful implementation of the Issuer's growth strategy depends on the availability of skilled management, both at the Issuer's head office and at each of the

Issuer's business units. If the Issuer or one of the Issuer's business units or other functions fails to staff its operations appropriately or loses one or more of its key senior executives and fails to replace them in a satisfactory and timely manner, the Issuer's business, financial condition and results of operations, including control and operational risks, may be adversely affected.

In addition, the financial industry has and may continue to experience more stringent regulation of employee compensation, which could have an adverse effect on the Issuer's ability to hire or retain the most qualified employees. If the Issuer fails or is unable to attract and appropriately train, motivate and retain qualified professionals, the Issuer's business may also be adversely affected.

The Issuer may not be able to detect or prevent money laundering and other financial crime activities fully or on a timely basis, which could expose the Issuer to additional liability and could have a material adverse effect on the Issuer.

The Issuer is required to comply with applicable anti-money laundering ("AML"), anti-terrorism, sanctions and other laws and regulations in the jurisdictions in which it operates. These laws and regulations require the Issuer, among other things, to conduct full customer due diligence regarding sanctions and politically-exposed person screening, keep the Issuer's customer, account and transaction information up to date and have implemented effective financial crime policies and procedures detailing what is required from those responsible. The Issuer's requirements also include AML training for the Issuer's employees, reporting suspicious transactions and activity to appropriate law enforcement following full investigation by the Issuer's AML team.

Financial crime has become the subject of enhanced regulatory scrutiny and supervision by regulators globally. AML sanctions, laws and regulations are increasingly complex and detailed and have become the subject of enhanced regulatory supervision, requiring improved systems, sophisticated monitoring and skilled compliance personnel.

The Issuer has developed policies and procedures aimed at detecting and preventing the use of the Issuer's banking network for money laundering and other financial crime related activities. These require implementation and embedding within the Issuer's business effective controls and monitoring, which in turn requires on-going changes to systems and operational activities. Financial crime is continually evolving and subject to increasingly stringent regulatory oversight and focus. This requires proactive and adaptable responses from the Issuer so that the Issuer is able to effectively deter threats and criminality. Even known threats can never be fully eliminated, and there will be instances where the Issuer may be used by other parties to engage in money laundering and other illegal or improper activities. In addition, the Issuer relies heavily on its employees to assist the Issuer by spotting such activities and reporting them, and the Issuer's employees have varying degrees of experience in recognizing criminal tactics and understanding the level of sophistication of criminal organizations. Where the Issuer outsources any of its customer due diligence, customer screening or anti financial crime operations, the Issuer remains responsible and accountable for full compliance and any breaches. If the Issuer is unable to apply the necessary scrutiny and oversight, there remains a risk of regulatory breach.

If the Issuer is unable to fully comply with applicable laws, regulations and expectations, the Issuer's regulators and relevant law enforcement agencies have the ability and authority to impose significant fines and other penalties on the Issuer, including requiring a complete review of the Issuer's business systems, day-to-day supervision by external consultants and ultimately the revocation of the Issuer's banking license.

The reputational damage to the Issuer's business and global brand would be severe if the Issuer were found to have breached AML or sanctions requirements. The Issuer's reputation could also suffer if the Issuer is unable to protect the Issuer's customers or the Issuer's business from being used by criminals for illegal or improper purposes.

In addition, while the Issuer reviews its relevant counterparties' internal policies and procedures with respect to such matters, the Issuer, to a large degree, relies upon its relevant counterparties to maintain and properly apply their own appropriate anti-money laundering procedures. Such measures, procedures and compliance may not be completely effective in preventing third parties from using the Issuer's (and the Issuer's relevant counterparties') services as a conduit for money laundering (including illegal cash operations) without the Issuer's (and the Issuer's relevant counterparties') knowledge. If the Issuer is associated with, or even accused of being associated with, or becomes a party to, money laundering, then the Issuer's reputation could suffer and/or the Issuer could become subject to fines, sanctions and/or legal enforcement (including being added to any "black lists" that would prohibit certain parties from engaging in transactions with it), any one of which could have a material adverse effect on the Issuer's operating results, financial condition and prospects.

Any such risks could have a material adverse effect on the Issuer's operating results, financial condition and prospects.

The Issuer is exposed to risk of loss from legal and regulatory proceedings.

The Issuer faces risk of loss from legal and regulatory proceedings, including tax proceedings, that could subject the Issuer to monetary judgments, regulatory enforcement actions, fines and penalties. The current regulatory environment in the jurisdictions in which the Issuer operates reflects an increased supervisory focus on enforcement, combined with uncertainty about the evolution of the regulatory regime, and may lead to material operational and compliance costs.

The Issuer is from time to time subject to certain claims and party to certain legal proceedings incidental to the normal course of the Issuer's business, including in connection with conflicts of interest, lending activities, relationships with the Issuer's employees and other commercial or tax matters. In view of the inherent difficulty of predicting the outcome of legal matters, particularly where the claimants seek very large or indeterminate damages, or where the cases present novel legal theories, involve a large number of parties or are in the early stages of discovery, the Issuer cannot state with confidence what the eventual outcome of these pending matters will be or what the eventual loss, fines or penalties related to each pending matter may be. The Issuer believes that the Issuer has made adequate reserves related to the costs anticipated to be incurred in connection with these various claims and legal proceedings. See note 20 of the Issuer's 2015 IFRS Consolidated Financial Statements. However, the amount of these provisions is substantially less than the total amount of the claims asserted against the Issuer and in light of the uncertainties involved in such claims and proceedings, there is no assurance that the ultimate resolution of these matters will not significantly exceed the reserves currently accrued by the Issuer. As a result, the outcome of a particular matter may be material to the Issuer's operating results for a particular period, depending upon, among other factors, the size of the loss or liability imposed and the Issuer's level of income for that period.

The Issuer is subject to market, operational and other related risks associated with the its derivative transactions that could have a material adverse effect on the Issuer.

The Issuer enters into derivative transactions for trading purposes as well as for hedging purposes. The Issuer is subject to market, credit and operational risks associated with these transactions, including basis risk (the risk of loss associated with variations in the spread between the asset yield and the funding and/or hedge cost) and credit or default risk (the risk of insolvency or other inability of the counterparty to a particular transaction to perform its obligations thereunder, including providing sufficient collateral).

Market practices and documentation for derivative transactions in Chile may differ from those in other countries. For example, documentation may not incorporate terms and conditions of derivatives transactions as commonly understood in other countries. In addition, the execution and performance of these transactions depend on the Issuer's ability to maintain adequate control and administration systems and to hire and retain qualified personnel. Moreover, the Issuer's ability to adequately monitor, analyze and report derivative transactions continues to depend, to a great extent, on the Issuer's information technology systems. This factor further increases the risks associated with these transactions and could have a material adverse effect on the Issuer.

The Issuer is subject to counterparty risk in its banking business.

The Issuer is exposed to counterparty risk in addition to credit risks associated with lending activities. Counterparty risk may arise from, for example, investing in securities of third parties, entering into derivative contracts under which counterparties have obligations to make payments to the Issuer or executing securities, futures, currency or commodity trades from proprietary trading activities that fail to settle at the required time due to non-delivery by the counterparty or systems failure by clearing agents, clearing houses or other financial intermediaries.

The Issuer routinely transacts with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks, mutual funds, hedge funds and other institutional clients. Defaults by, and even rumors or questions about the solvency of, certain financial institutions and the financial services industry generally have led to market-wide liquidity problems and could lead to losses or defaults by other institutions. Many of the routine transactions the Issuer enters into expose the Issuer to significant credit risk in the event of default by one of the Issuer's significant counterparties.

The Issuer's loan and investment portfolios are subject to risk of prepayment, which could have a material adverse effect on the Issuer.

The Issuer's fixed rate loan and investment portfolios are subject to prepayment risk, which results from the ability of a borrower or issuer to pay a debt obligation prior to maturity. Generally, in a declining interest rate environment, prepayment activity increases, which reduces the weighted average lives of the Issuer's earning assets and could have a material adverse effect on the Issuer. The Issuer would also be required to amortize net premiums into income over a shorter period of time, thereby reducing the corresponding asset yield and net interest income. Prepayment risk also has a significant adverse impact on credit card and collateralized mortgage loans, since prepayments could shorten the weighted average life of these assets, which may result in a mismatch in the Issuer's funding obligations and reinvestment at lower yields. Prepayment risk is inherent to the Issuer's commercial activity and an increase in prepayments could have a material adverse effect on the Issuer.

Current economic conditions may make it more difficult for the Issuer to continue funding its business on favorable terms with institutional investors.

Large-denominations of funding from time deposits from institutional investors may, under some circumstances, be a less stable source of funding than savings and bonds, such as during periods of significant changes in market interest rates for these types of deposit products and any resulting increased competition for such funds. As of December 31, 2015 short-term funding from institutional investors totaled U.S.$3.0 billion or 6.1% of total liabilities and equity. The liquidity crisis triggered by the U.S. subprime market impacted global markets and affected sources of funding, including time deposits. Although the Issuer's results of operations and financial position have not suffered a significant impact as a consequence of the recent credit market instability in the U.S., future market instability in the U.S. or in European markets, and specifically the Spanish market, may negatively affect the Issuer's ability to continue funding its business or maintain its current levels of funding without incurring higher funding costs or having to liquidate certain assets.

If the Issuer is unable to manage the growth of its operations, this could have an adverse impact on the Issuer's profitability.

The Issuer allocates management and planning resources to develop strategic plans for organic growth, and to identify possible acquisitions and disposals and areas for restructuring its businesses. From time to time, the Issuer evaluates acquisition and partnership opportunities that the Issuer believes offer additional value to its shareholders and are consistent with its business strategy. However, the Issuer may not be able to identify suitable acquisition or partnership candidates, and the Issuer's ability to benefit from any such acquisitions and partnerships will depend in part on the Issuer's successful integration of those businesses. Any such integration entails significant risks such as unforeseen difficulties in integrating operations and systems and unexpected liabilities or contingencies relating to the acquired businesses, including legal claims. The Issuer can give no assurances that the Issuer's expectations with regards to integration and synergies will materialize. The Issuer also cannot provide assurance that the Issuer will, in all cases, be able to manage its growth effectively or deliver its strategic growth objectives. Challenges that may result from the Issuer's strategic growth decisions include the Issuer's ability to:

- manage efficiently the operations and employees of expanding businesses;
- maintain or grow the Issuer's existing customer base;
- assess the value, strengths and weaknesses of investment or acquisition candidates, including local regulation that can reduce or eliminate expected synergies;
- finance strategic investments or acquisitions;
- fully integrate strategic investments, or newly-established entities or acquisitions in line with its strategy;
- align the Issuer's current information technology systems adequately with those of an enlarged group;

- apply the Issuer's risk management policy effectively to an enlarged group; and

- manage a growing number of entities without over-committing management or losing key personnel.

Any failure to manage growth effectively, including relating to any or all of the above challenges associated with the Issuer's growth plans, could have a material adverse effect on the Issuer's operating results, financial condition and prospects.

In addition, any acquisition or venture could result in the loss of key employees and inconsistencies in standards, controls, procedures and policies.

Moreover, the success of the acquisition or venture will at least in part be subject to a number of political, economic and other factors that are beyond the Issuer's control. Any of these factors, individually or collectively, could have a material adverse effect on the Issuer.

The Issuer's controlling shareholder has a great deal of influence over the Issuer's business and its interests could conflict with yours.

Santander Spain, the Issuer's controlling shareholder, controls Santander-Chile through its holdings in Teatinos Siglo XXI Inversiones S.A. and Santander Chile Holding S.A., which are controlled subsidiaries. Santander Spain has control over 67.18% of the Issuer's shares and actual participation, excluding non-controlling shareholders that participate in Santander Chile Holding, S.A., of 67.12%.

Due to its share ownership, the Issuer's controlling shareholder has the ability to control the Issuer and its subsidiaries, including the ability to:

- elect the majority of the directors and exercise control over its company and subsidiaries;

- cause the appointment of its principal officers;

- declare the payment of any dividends;

- agree to sell or otherwise transfer its controlling stake in it; and

- determine the outcome of substantially all actions requiring shareholder approval, including amendments of its bylaws, transactions with related parties, corporate reorganizations, acquisitions and disposals of assets and issuance of additional equity securities, if any.

In December 2012, primarily in response to the requirements of the European Banking Authority, the Bank of Spain and regulators in various jurisdictions, Santander Spain adopted a corporate governance framework (*Marco de Gobierno Interno del Grupo Santander*). The purpose of the framework is to organize and standardize the corporate governance practices of Santander Spain and its most significant subsidiaries, including the Issuer. The Issuer's Board of Directors approved the adoption of this corporate governance framework in July 2013, subject to certain overarching principles, such as the precedence of applicable laws and regulations over the framework to the extent they are in conflict. See "Item 16G. Corporate Governance" in the Issuer's 2015 IFRS Annual Report. The Issuer's adoption of this framework may increase Santander Spain's control over the Issuer.

The Issuer operates as a stand-alone subsidiary within the Santander Group. Its controlling shareholder has no liability for the Issuer's banking operations, except for the amount of its holdings of the Issuer's capital stock. The interests of Santander Spain may differ from the Issuer's interests or those of the Issuer's other shareholders and the concentration of control in Santander Spain will limit other shareholders' ability to influence corporate matters. As a result, the Issuer may take actions that its other shareholders do not view as beneficial.

Risks Relating to Chile

Portions of the Issuer's loan portfolio are subject to risks relating to force majeure events and any such event could materially adversely affect the Issuer's operating results.

Chile lies on the Nazca tectonic plate, making it one of the world's most seismically active regions. The Issuer's financial and operating performance may be adversely affected by force majeure events, such as natural disasters, particularly in locations where a significant portion of the Issuer's loan portfolio is composed of real estate loans. Natural disasters such as earthquakes and floods may cause widespread damage which could impair the asset quality of the Issuer's loan portfolio and could have an adverse impact on the economy of the affected region.

Changes in taxes, including the corporate tax rate, in Chile may have an adverse effect on the Issuer and the Issuer's clients.

The Chilean Government enacted in 2014 and again in 2015 a reform to the tax and other assessment regimes to which the Issuer is subject in order to finance greater expenditure in education. The most important changes approved were:

1. A corporation such as Banco Santander Chile with a majority of shareholders that are incorporated entities is obliged to adhere to the sistema integrado parcial (SIP or partially integrated tax system). The statutory tax rate will rise to 25.5% in 2016 and 27% in 2017 and onward, with personal taxes paid on a dividend basis, therefore retaining some benefits for shareholders of companies that reinvest profits.

2. The Taxable Profits Fund (FUT), a mechanism that gives shareholders tax exemptions on reinvested profits, will be eliminated in fiscal 2018.

3. Decree-Law 600, which gives foreign investors certain tax and other guarantees, will be replaced by a new law, yet to be designed.

4. The maximum personal income tax rate will be reduced from 40% to 35%, starting in 2018.

5. An increase in stamp tax from 0.40% to 0.8% in 2016.

6. Lowering of VAT exemption for construction of houses up to 2,000 UF to 225 UF per dwelling.

7. Charge VAT tax on real estate transactions beginning in 2016. VAT tax is 19% in Chile.

8. Extension of certain tax benefits and simplified accounting for companies with annual sales lower than 50,000 UF.

9. Withholding tax on dividends paid to ADR holders remains unchanged at 35% with the statutory corporate tax rate paid by the company still available as credit to the withholding tax.

The Issuer cannot predict at this time if these reforms will have a material impact on its business or clients or if further tax reforms will be implemented in the future. Banco Santander Chile's effective corporate tax rate should rise in the future, which may have an adverse impact on the Issuer's results of operations. This may have an adverse effect on the growth rate of mortgage loans and could slow down the rate of economic growth if tax receipts are not spent efficiently or for their intended purposes.

The Issuer's growth, asset quality and profitability may be adversely affected by macroeconomic and political conditions in Chile.

A substantial amount of the Issuer's loans is to borrowers doing business in Chile. Chile's economy has experienced significant volatility in recent decades, characterized, in some cases, by slow or regressive growth, declining investment and hyperinflation. This volatility resulted in fluctuations in the levels of deposits and in the relative economic strength of various segments of the economies to which the Issuer lends. The Chilean economy may not continue to grow at similar rates as in the past or future developments may negatively affect Chile's overall levels of economic activity.

Negative and fluctuating economic conditions, such as slowing or negative growth and a changing interest rate and inflationary environment, impact the Issuer's profitability by causing lending margins to decrease

- Eliminate the ability of the employer to replace workers on strike and establishes minimum service guidelines that workers must respect.

- Establishes the current collective bargaining agreement as the bargaining floor for future collective bargaining agreements.

- Amplifies the matters that can be negotiated in collective bargaining.

- Greater hours for training of union representatives.

- Strengthen the participation of women in unions.

The Issuer currently has a high unionization level and good labor relations. At this time, the Issuer is unable to estimate the impact these new regulations will have on labor relations and costs. The current project may also suffer additional modification will being discussed in Congress.

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

The Issuer's corporate disclosure may differ from disclosure regularly published by issuers of securities in other countries, including the United States.

Issuers of securities in Chile are required to make public disclosures that are different from, and that may be reported under presentations that are not consistent with, disclosures required in the United States and other countries. In particular, as a Chilean regulated financial institution, the Issuer is required to submit to the SBIF on a monthly basis unaudited consolidated balance sheets and income statements, excluding any note disclosure, prepared in accordance with Chilean Bank GAAP and the rules of the SBIF. This disclosure differs in a number of significant respects from generally accepted accounting principles in the United States and information generally available in the United States with respect to U.S. financial institutions. In addition, as a foreign private issuer, the Issuer is not subject to the same disclosure requirements in the United States as a domestic U.S. registrant under the Exchange Act, including the requirements to prepare and issue quarterly reports, or the proxy rules applicable to domestic U.S. registrants under Section 14 of the Exchange Act or the insider reporting and short-swing profit rules under Section 16 of the Exchange Act. Accordingly, the information about the Issuer available to you will not be the same as the information available to shareholders of a U.S. company and may be reported in a manner that you are not familiar with.

Investors may find it difficult to enforce civil liabilities against the Issuer or the Issuer's directors, officers and controlling persons.

The Issuer is a Chilean corporation. None of the Issuer's directors are residents of the United States and most of the Issuer's executive officers reside outside the United States. In addition, a substantial portion of the Issuer's assets and the assets of the Issuer's directors and executive officers are located outside the United States. Although the Issuer has appointed an agent for service of process in any action against the Issuer in the United States with respect to the Issuer's Notes, none of the Issuer's directors, officers or controlling persons has consented to service of process in the United States or to the jurisdiction of any United States court. As a result, it may be difficult for investors to effect service of process within the United States on such persons.

It may also be difficult for holders of the Notes to enforce in the United States or in Chilean courts money judgments obtained in United States courts against the Issuer or the Issuer's directors and executive officers based on civil liability provisions of the U.S. federal securities laws. If a U.S. court grants a final money judgment in an action based on the civil liability provisions of the federal securities laws of the United States, enforceability of this money judgment in Chile will be subject to the obtaining of the relevant "exequatur" (*i.e.*, recognition and enforcement of the foreign judgment) according to Chilean civil procedure law currently in force, and consequently, subject to the satisfaction of certain factors. The most important of these factors are the existence of reciprocity, the absence of a conflicting judgment by a Chilean court relating to the same parties and arising from the same facts and circumstances and the Chilean courts' determination that the U.S. courts had jurisdiction, that process was appropriately served on the defendant and that enforcement would not violate Chilean public policy. Failure to satisfy any of such requirements may result in non-enforcement of your rights.

RISK FACTORS IN RESPECT OF THE NOTES

Notes issued under the Program may not be a suitable investment for all investors. Each potential investor in Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(a) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in such Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;

(b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such Notes will have on its overall investment portfolio;

(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including Notes with principal or interest payable in one or more Specified Currencies, or where the Specified Currency for principal or interest payments is different from the potential investor's usual currency for holding investments;

(d) understand thoroughly the terms of the relevant Notes and be familiar with the behavior of any relevant indices and financial markets; and

(e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment in the relevant Notes and its ability to bear the applicable risks.

RISKS RELATED TO THE NOTES GENERALLY

Set out below is a brief description of certain risks relating to the Notes generally:

There is no trading market for the Notes; you may be unable to sell your Notes if a trading market for the Notes does not develop.

Each Series of Notes will constitute a new issue of securities with no established trading market. Application has been made to the Irish Stock Exchange for Notes issued under the Program to be admitted to the Official List and trading on the Main Securities Market of the Irish Stock Exchange. The Issuer cannot assure you that an active trading market for the Notes will develop. If a trading market does not develop or is not maintained, holders of the Notes may experience difficulty in reselling the Notes or may be unable to sell them at all. Even if a market develops, the liquidity of any market for the Notes will depend on the number of holders of the Notes, the interest of securities dealers in making a market in the Notes and other factors. Accordingly, there can be no assurance as to the development or liquidity of any market for the Notes, the ability of holders to sell the Notes or the prices at which the Notes could be sold. Because the market for any Series of Notes may not be liquid, you may have to bear the economic risk of an investment in the Notes for an indefinite period of time. If an active trading market does not develop, the market price and liquidity of the Notes may be adversely affected. If the Notes are traded, they may trade at a discount from their initial offering price depending upon prevailing interest rates, the market for similar securities, general economic conditions, the Issuer's performance and business prospects and other factors.

Market price risk.

The market price of each Series of Notes depends on various factors, such as changes of interest rate levels, the policy of central banks, overall economic developments, inflation rates or the supply and demand for the relevant type of Note. The market price of each Series of Notes may also be negatively affected by an increase in the Issuer's credit spreads (*i.e.,* the difference between yields on the Issuer's debt and the yield of government bonds or swap rates of similar maturity). The Issuer's credit spreads are mainly based on its perceived creditworthiness but also influenced by other factors such as general market trends as well as supply and demand for such Series of Notes.

Exchange rate risk and exchange controls.

An investment in Notes that are denominated in, or the payment of which is to be or may be made in or related to the value of, a currency or composite currency other than the currency of the country in which the purchaser is a resident or the currency in which the purchaser conducts its business or activities (the "home currency") entails significant risks that are not associated with a similar investment in a security denominated in the home currency. Such risks include the possibility of significant changes in rates of exchange between the home currency and the various foreign currencies (or composite currencies) after the issuance of such Note and the possibility of the imposition or modification of foreign exchange controls by either the U.S. or foreign governments. Such risks generally depend on economic and political events over which each Issuer has no control. In recent years, rates of exchange between certain currencies have been highly volatile and such volatility may be expected to continue in the future. Fluctuations in any particular exchange rate that have occurred in the past are not necessarily indicative, however, of fluctuations in such rate that may occur during the term of any Note. Depreciation of the currency in which a Note is denominated against the relevant home currency would result in a decrease in the effective yield of such Note below its coupon rate and, in certain circumstances, could result in a loss to the investor on a home currency basis.

Foreign exchange rates can either be fixed by sovereign governments or float. Exchange rates of most economically developed nations are permitted to fluctuate in value relative to the U.S. Dollar. National governments, however, rarely voluntarily allow their currencies to float freely in response to economic forces. Governments in fact use a variety of techniques, such as intervention by a country's central bank or imposition of regulatory controls or taxes, to affect the exchange rate of their currencies. Governments may also issue a new currency to replace an existing currency, or alter the exchange rate or relative exchange characteristics by devaluation or revaluation of a currency. Thus, a special risk in purchasing non-home currency denominated Notes is that their home currency-equivalent yields could be affected by governmental actions, which could change or interfere with theretofore freely determined currency valuation, fluctuations in response to other market forces, and the movement of currencies across borders. There will be no adjustment or change in the terms of such Notes in the event that exchange rates should become fixed, or in the event of any devaluation or revaluation or imposition of exchange or other regulatory controls or taxes, or in the event of other developments affecting the U.S. Dollar or any applicable Specified Currency.

Governments have imposed from time to time, and may in the future impose, exchange controls which could affect exchange rates as well as the availability of a specified foreign currency at the time of payment of principal and of premium, if any, or interest, if any, on a Note. Even if there are no actual exchange controls, it is possible that the Specified Currency for any particular Note not denominated in U.S. Dollars would not be available at such Note's maturity. In that event, the Issuer would make required payments in U.S. Dollars on the basis of the market exchange rate on the date of such payment, or if such rate of exchange is not then available, on the basis of the market exchange rate as of the most recent practicable date. See "Special Provisions Relating to Foreign Currency Notes—Payments on Foreign Currency Notes."

Interest rate risk.

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Credit ratings may not reflect all risks, and the Issuer cannot assure you that such ratings will not be lowered, suspended or withdrawn by the rating agencies.

One or more independent credit rating agencies may assign credit ratings to the Notes. Where a Series of Notes is rated, such rating will not necessarily be the same as the rating assigned to the Notes to be issued under the Program. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. The credit ratings of the Notes may change after issuance. Such ratings are limited in scope, and do not address all material risks relating to an investment in the Notes, but rather reflect only the views of the rating agencies at the time the ratings are issued. An explanation of the significance of such ratings may be obtained from the rating agencies. The Issuer cannot assure you that such credit ratings will remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies, if, in the judgment of such rating agencies, circumstances so warrant. Any lowering, suspension or withdrawal of such ratings may have an adverse effect on the market price and marketability of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. Any ratings assigned to Notes as at the date of this Base Prospectus are not indicative of future performance of the Issuer's business or its future creditworthiness.

The Issuer's obligations under the Notes will be subordinated to certain statutory liabilities.

Under Chilean bankruptcy law, the Issuer's obligations under the Notes are subordinated to certain statutory preferences. In the event of the Issuer's liquidation, such statutory preferences, including claims for salaries, wages, secured obligations, social security, taxes and court fees and expenses related thereto, will have preference over any other claims, including claims by any investor in respect of the Notes.

Changes in Chilean tax laws could lead to the Issuer redeeming the Notes.

Payments of interest in respect of the Notes made by the Issuer to foreign holders will be subject to Chilean interest withholding tax currently assessed at a rate of 4.0%. Subject to certain exemptions, the Issuer will pay Additional Amounts (as defined in "Description of the Notes—Payment of Additional Amounts") so that the amount received by the holder after Chilean withholding tax will equal the amount that would have been received if no such taxes had been applicable. The Notes can be redeemable at the Issuer's option, subject to applicable Chilean law, in whole but not in part, at any time, at the principal amount thereof plus accrued and unpaid interest and any Additional Amounts due thereon if, as a result of changes in the laws or regulations affecting Chilean taxation, the Issuer becomes obligated to pay Additional Amounts on the Notes based on a rate of withholding or deduction in excess of 4.0%. The Issuer cannot assure you that an increase in withholding tax rate will not be presented to or enacted by the Chilean Congress. See "Description of the Notes—Redemption Prior to Maturity Solely for Taxation Reasons" and "Taxation—Chilean Taxation."

The Notes are subject to certain transfer restrictions.

The Notes have not been registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, the Notes may be transferred or resold only in a transaction registered under or exempt from the registration requirements of the Securities Act and in compliance with any other applicable securities law. See "Transfer and Selling Restrictions."

Holders of Notes may find it difficult to enforce civil liabilities against the Issuer or its directors, executive officers and controlling persons.

The Issuer is organized under the laws of Chile and its principal place of business (*domicilio social*) is in Santiago, Chile. None of its directors are residents of the United States, and most of its executive officers and controlling persons reside outside of the United States.

In addition, all or a substantial portion of the assets of the Issuer and its directors, executive officers and controlling persons are located outside of the United States. As a result, it may be difficult for holders of Notes to effect service of process within the United States on such persons or to enforce judgments against them, including in any action based on civil liabilities under the U.S. federal securities laws. Based on the opinion of the Issuer's Chilean counsel, there is doubt as to the enforceability against such persons in Chile, whether in original actions or in actions to enforce judgments of U.S. courts, of liabilities based solely on the U.S. federal securities laws. See "Service of Process and Enforcement of Civil Liabilities."

After December 31, 2018, the Issuer or other intermediaries may be required to withhold U.S. tax on payments made to certain non-U.S. financial institutions on certain Notes.

Provisions of U.S. tax law commonly referred to as the Foreign Account Tax Compliance Act, or FATCA, impose a 30% withholding tax on certain payments made to a foreign financial institution (such as the Issuer) unless the financial institution is a "participating foreign financial institution," or a PFFI, or otherwise exempt from FATCA. A PFFI is a foreign financial institution that has entered into an agreement with the U.S. Treasury Department, or an FFI agreement, pursuant to which it agrees to perform specified due diligence, reporting and withholding functions. Specifically, under its FFI agreement, a PFFI will be required to obtain and report to the IRS certain information with respect to financial accounts held by U.S. persons or U.S.-

owned foreign entities and to withhold 30% from “foreign passthru payments” (which term is not yet defined) that it makes to “recalcitrant” accountholders or to foreign financial institutions that are not PFFIs or otherwise exempt from FATCA on or after the later of January 1, 2019 and the date of publication of final Treasury regulations defining the term “foreign passthru payments.” No such withholding would apply to any payments made on debt obligations that are issued before (and not materially modified after) the date that is six months after the date on which final regulations defining the term “foreign passthru payments” are published. The United States and Chile have entered into an intergovernmental agreement to facilitate the implementation of FATCA pursuant to which Chilean financial institutions (such as the Issuer) will be directed by Chilean authorities to register with the IRS and fulfill obligations consistent with those required under an FFI agreement. The Issuer has registered with the IRS to become a PFFI. The United States has also entered into intergovernmental agreements with other jurisdictions. These intergovernmental agreements (including the intergovernmental agreement with Chile) do not address how the United States and the relevant jurisdictions (including Chile) will address “foreign passthru payments” or whether withholding on such payments will be required by financial institutions that are subject to a FATCA intergovernmental agreement.

RISKS RELATED TO THE STRUCTURE OF A PARTICULAR ISSUE OF NOTES

A wide range of Notes may be issued under the Program. Some Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the relevant Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact such investment will have on the potential investor’s overall investment portfolio. Certain Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

Notes subject to optional redemption by the Issuer.

Notes with an optional redemption are likely to have a limited market value. During any period when the Issuer may elect to redeem Notes, the market value of such Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Variable Rate Notes with a multiplier or other leverage factor.

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes.

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of such Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes.

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer’s ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favorable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

Notes issued at a substantial discount.

The market values of securities issued at a substantial discount from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the Notes, the greater the price volatility as compared to conventional interest-bearing Notes with comparable maturities.

Particular Tax Consequences of Holding Bearer Notes.

Any potential investor should consult its own independent tax adviser for more information about the tax consequences of acquiring, owning and disposing of Bearer Notes in its particular circumstances. See "Taxation." Bearer Notes generally may not be offered or sold in the United States or to United States persons. Unless an exemption applies, a United States person holding a Bearer Note or coupon will not be entitled to deduct any loss on the Bearer Note or coupon and must treat as ordinary income any gain realized on the sale or other taxable disposition of the Bearer Note or coupon.

GENERAL DESCRIPTION OF THE PROGRAM

GENERAL

Under this Program, the Issuer may from time to time issue Notes to one or more of the following Dealers: BNP Paribas, London Branch, BNP Paribas Securities Corp., Citigroup Global Markets Inc., Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank, Credit Suisse Securities (USA) LLC, Daiwa Capital Markets America Inc., Deutsche Bank Aktiengesellschaft, Deutsche Bank Securities Inc., Goldman, Sachs & Co., HSBC Securities (USA) Inc., J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Mizuho International plc, Mizuho Securities USA Inc., Santander Investment Securities Inc., Scotia Capital (USA) Inc., Standard Chartered Bank, UBS Securities LLC, UniCredit Bank AG, Wells Fargo Securities, LLC and any other Dealer appointed from time to time in accordance with the Fourth Amended and Restated Dealer Agreement which appointment may be for a specific issue or on an ongoing basis (each a "**Dealer**" and together the "**Dealers**"). References in this Base Prospectus to the "**relevant Dealer"** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to purchase such Notes.

Each Series of Notes is issued either in bearer form or in registered form and Notes comprising each such Series will be issued in each case in the nominal amount of the denomination specified (the "**Specified Denomination**") in the applicable final terms (the "**Final Terms**"). The maximum aggregate principal amount of all Notes from time to time outstanding under the Program will not exceed U.S.$5,500,000,000 (or its equivalent in other currencies calculated as described in the Fourth Amended and Restated Dealer Agreement), subject to increase in accordance with the terms of the Fourth Amended and Restated Dealer Agreement.

Notes will be issued by the Issuer through its head office in Santiago, Chile.

Notes may be distributed by way of public offer (in jurisdictions in which a public offer of the Notes is permitted) or private placement and, in each case, on a syndicated or non-syndicated basis. The method of distribution of each Tranche will be stated in the applicable Final Terms.

Notes will be issued on a continuous basis in tranches (each a "**Tranche**"), each Tranche consisting of Notes which are identical in all respects (including as to admission to trading and listing). One or more Tranches which are (i) expressed to be consolidated and forming a single series and (ii) identical in all respects (except for different issue dates, interest commencement dates, issue prices and dates for first interest payments) may form a series ("**Series**") of Notes. Further Notes may be issued as part of existing Series. The specific terms of each Tranche will be set forth in the applicable Final Terms.

Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) and as indicated in the applicable Final Terms. If the Notes are admitted to trading on a European Economic Area regulated market or other trading platform or offered to the public in a Relevant Member State in circumstances which would otherwise require the publication of a prospectus under the Prospectus Directive, the minimum Specified Denomination of the Notes will be Euro 100,000 (or, if the Notes are denominated in a currency other than the Euro, the equivalent amount in such currency) or such higher amount as may be allowed or required from time to time by the relevant Central Bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.

Notes may be issued at an issue price which is at par or at a discount to, or premium over, par, as specified in the applicable Final Terms.

References in this Base Prospectus to Notes which are intended to be listed (and all related references) shall mean that such Notes have been admitted to the Official List and trading on the Main Securities Market of the Irish Stock Exchange. The Program provides that Notes may be listed or admitted to trading on other or further stock exchanges including, but not limited to, the Luxembourg Stock Exchange, the Frankfurt Stock Exchange and the SIX Swiss Exchange, as may be agreed between the Issuer and the relevant Dealer(s) in relation to each issue. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

Prospective purchasers of Notes should ensure that they understand the nature of the relevant Notes and the extent of their exposure to risks and that they consider the suitability of the relevant

Notes as an investment in the light of their own financial situation. Certain issues of Notes involve a high degree of risk and potential investors should be prepared to sustain a loss of all or part of their investment. It is the responsibility of prospective purchasers to ensure that they have sufficient knowledge, experience and professional advice to make their own legal, financial, tax, accounting and other business evaluation of the merits and risks of investing in the Notes and are not relying on the advice of the Issuer or any Dealer in that regard. See "Risk Factors" on pages 1 to 30. In addition any applicable Final Terms may contain specific risk factors relating to the relevant issue of Notes.

Bearer Notes will be accepted for clearing through one or more Clearing Systems as specified in the applicable Final Terms. These Clearing Systems will include those operated by Clearstream Banking AG, Frankfurt ("**CBF**"), Clearstream Banking, *société anonyme*, Luxembourg ("**CBL**") and Euroclear Bank S.A./N.V. ("**Euroclear**").

Registered Notes will either (i) be deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company ("**DTC**"), (ii) be deposited with a common depositary for, and registered in the name of a common nominee of, Euroclear and CBL, or (iii) be deposited with a custodian or depositary for, and registered in the name of, a nominee of any other clearing system specified for a particular Tranche or Series of Notes, in each case, as specified in the applicable Final Terms. No beneficial owner of an interest in a Registered Note will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear and CBL, in each case to the extent applicable.

Bank of America, National Association, London Branch will act as fiscal agent (the "**Fiscal Agent**"), unless otherwise stated in the applicable Final Terms. Bank of America, National Association, London Branch (the "**Non-U.S. Transfer Agent**") and Bank of America, National Association (the "**U.S. Transfer Agent**") will act as transfer agents (the "**Transfer Agents**"). Bank of America, National Association, London Branch (the "**Non-U.S. Paying Agent**"), Bank of America, National Association (the "**U.S. Paying Agent**") and other institutions, all as indicated in the applicable Final Terms, will act as paying agents (the "**Paying Agents**"). McCann Fitzgerald Listing Services Limited will act as the Irish listing agent (the "**Irish Listing Agent**"). Bank of America, National Association will act as the U.S. registrar (the "**U.S. Registrar**") and Merrill Lynch Equity S.à.r.l. will act as the Luxembourg registrar (the "**Luxembourg Registrar**," and, together with the U.S. Registrar, the "**Registrars**"). Bank of America, National Association will act as exchange agent ("**Exchange Agent**"). The Fiscal Agent, the Transfer Agents, the Paying Agents, the Irish Listing Agent, the Registrars and the Exchange Agent are hereinafter referred to as the "**Agents**."

OVERVIEW OF THE PROGRAM

This overview must be read as an introduction to this Base Prospectus and is provided as an aid to investors when considering whether to invest in the Notes, but is not a substitute for the Base Prospectus. Any decision to invest in the Notes should be based on a consideration of the Base Prospectus as a whole, including the documents incorporated by reference.

Conditions for determining price to be included in the Base Prospectus

The price and amount of Notes to be issued under the Program will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

RISK FACTORS

There are certain factors that may affect the ability of the Issuer to fulfill its obligations under Notes issued under the Program. Such factors include liquidity, credit and event risks. In addition, there are certain factors that are material for the purpose of assessing the market risks associated with the Notes issued under the Program, including the structure of a particular issue of Notes and risks related to the market generally. See "**Risk Factors**" below.

THE NOTES AND THE PROGRAM

Issuer:	Banco Santander-Chile
Dealers:	BNP Paribas, London Branch
	BNP Paribas Securities Corp.
	Citigroup Global Markets Inc.
	Citigroup Global Markets Limited
	Crédit Agricole Corporate and Investment Bank
	Credit Suisse Securities (USA) LLC
	Daiwa Capital Markets America Inc.
	Deutsche Bank Aktiengesellschaft
	Deutsche Bank Securities Inc.
	Goldman, Sachs & Co.
	HSBC Securities (USA) Inc.
	J.P. Morgan Securities LLC
	Merrill Lynch, Pierce, Fenner & Smith Incorporated
	Mizuho International plc
	Mizuho Securities USA Inc.
	Santander Investment Securities Inc.
	Scotia Capital (USA) Inc.
	Standard Chartered Bank
	UBS Securities LLC
	UniCredit Bank AG
	Wells Fargo Securities, LLC
	Notes may also be issued to other dealers and to third parties other than dealers.

Fiscal Agent, Non-U.S. Paying Agent, Transfer Agent and Exchange Agent:	Bank of America, National Association, London Branch
Luxembourg Registrar:	Merrill Lynch Equity S.à.r.l.
Irish Listing Agent:	McCann Fitzgerald Listing Securities Limited
U.S. Paying Agent, U.S. Registrar and U.S. Transfer Agent:	Bank of America, National Association
Distribution:	Notes may be distributed (i) to qualified institutional buyers (as defined in Rule 144A under the Securities Act) and (ii) outside the United States to persons other than U.S. persons (as such terms are defined in Regulation S under the Securities Act) by way of private or public placement, in each case on a syndicated or non-syndicated basis, subject to the selling restrictions described under "*Transfer and Selling Restrictions.*"
Specified Currencies:	Subject to any applicable legal or regulatory restrictions, such currencies as may be agreed between the Issuer and the relevant Dealer(s) (as indicated in the applicable Final Terms).
Maximum Amount:	The aggregate principal amount of Notes outstanding at any time shall not exceed U.S.$5,500,000,000 or the approximate equivalent thereof in another currency calculated as at the issue date of the relevant Notes.
Maturities:	Notes may be issued in such maturities as may be agreed between the Issuer and the relevant Dealer (as indicated in the applicable Final Terms as the stated maturity), subject to such minimum or maximum term as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency (as defined herein).
Issue Price:	Notes may be issued at an issue price which is equal to, less than or more than their principal amount, as provided in the applicable Final Terms.
Form of Notes:	Notes will be issued in either registered or bearer form as specified in the applicable Final Terms. Each Bearer Note will be represented initially by a temporary global Note, without interest coupons, or a permanent global Note, to be deposited with either a Common Safekeeper (if the global Note is intended to be issued in new global note ("**NGN**") form) or a Common Depositary (if the global Note is not intended to be issued in NGN form) for Euroclear and Clearstream, Luxembourg, for credit to the account designated by or on behalf of the purchaser thereof. The interests of the beneficial owner or owners in a temporary global Note will be exchangeable after the Exchange Date (as defined under "*Description of the Notes – Forms of Notes*") for an interest in a permanent global Note to be held by either a Common Safekeeper (if the permanent global Note is intended to be issued in NGN form) or a Common Depositary (if the permanent global Note is not intended to be issued in NGN form) for Euroclear and Clearstream, Luxembourg, for credit to the account designated by or on behalf of the beneficial owner thereof, or for definitive Bearer Notes or for definitive Registered Notes (as defined below), as provided in the applicable Final Terms. The interests of the beneficial owner or owners in a permanent global Note will be exchangeable for definitive Bearer Notes or for definitive Registered Notes, as provided in the applicable Final Terms. If specified in the applicable Final Terms, Notes of each Tranche

will be in fully registered form ("**Registered Notes**"). The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold to non U.S. persons outside the United States, will initially be represented by a global note in registered form (a "**Regulation S Global Note**"). Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Notes, beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in the Supplement for Registered Notes.

The Registered Notes of each Tranche may only be offered and sold in the United States or to U.S. persons in private transactions to "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act ("**QIBs**"). The Registered Notes of each Tranche sold to QIBs will be represented by a global note in registered form (a "**Rule 144A Global Note**" and, together with a Regulation S Global Note, the "**Registered Global Notes**").

Fixed Rate Notes:	The Issuer will pay interest on Fixed Rate Notes on the dates specified in the applicable Final Terms. Fixed interest on Notes will be calculated on the basis of such Fixed Day Count Fraction (as defined under **"**Description of the Notes—Interest and Interest Rates") as may be set forth in the applicable Final Terms.
Floating Rate Notes:	The Issuer will pay interest on Floating Rate Notes on the dates specified in the applicable Final Terms. Each Series of Floating Rate Notes will have one or more interest rate bases as indicated in the applicable Final Terms. Interest on Floating Rate Notes will be calculated on the basis of such Floating Day Count Fraction (as defined under "Description of the Notes—Interest and Interest Rates") as may be set forth in the applicable Final Terms.
Interest Period(s) or Interest Payment Date(s) for Floating Rate Notes:	Such period(s) or date(s) as may be indicated in the applicable Final Terms.
Extendible Notes:	Notes may be issued with an Initial Maturity Date (as defined in "Description of the Notes—General) which may be extended from time to time upon the election of the holders on specified Election Date(s) (as defined in "Description of the Notes—Extendible Notes).
Redemption:	The Final Terms relating to each Tranche of Notes will indicate either that the Notes of that Series cannot be redeemed prior to its stated maturity, or that such Notes will be redeemable for taxation reasons or at the option of the Issuer and/or the Noteholders upon giving not more than 60 nor less than 30 days irrevocable notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as are indicated in the applicable Final Terms; provided, however, that Notes denominated in currencies other than U.S. Dollars may be subject to different restrictions on redemption as described in "Description of the Notes—Special Provisions Relating to Foreign Currency Notes—Minimum Denominations, Restrictions on Maturities, Repayment and Redemption."

Denomination of Notes:

Notes may be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) and as indicated in the applicable Final Terms. If the Notes are admitted to trading on a European Economic Area exchange or offered to the public in a Relevant Member State in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum Specified Denomination of the Notes will be Euro 100,000 (or, if the Notes are denominated in a currency other than the Euro, the equivalent amount in such currency) or such higher amount as may be allowed or required from time to time by the relevant Central Bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.

Taxation:

All payments with respect to the Notes will be made without withholding or deduction for or on account of any taxes or other charges imposed by any governmental authority or agency in the jurisdiction of the Issuer or other Relevant Taxing Jurisdiction (as defined herein), unless such withholding is required by law, in which case, subject to certain exceptions, the Issuer will generally pay Additional Amounts as described in "Description of the Notes—Payment of Additional Amounts." See also "Taxation."

Status of the Notes:

Each Note will be unsecured and will be either a senior or a subordinated debt obligation of the Issuer. Notes which are senior debt obligations will rank equally in right of payment with all other unsecured and unsubordinated obligations of the Issuer. Notes which are subordinated debt obligations will rank junior in right of payment to all senior indebtedness of the Issuer as specified in the applicable Final Terms, which will set forth the precise terms of such subordination. See "Description of the Notes—General."

Rating:

The Notes of each Tranche issued under the Program may be rated or unrated. Where the Notes of a Tranche are rated, such rating (i) will be set out in the Final Terms and (ii) will not necessarily be the same as the rating(s) assigned to the Program. Moreover, the Final Terms will set out whether the rating agency has been registered within the European Union. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Listing and admission to trading:

Each Series of Notes may be admitted to the Official List and trading on the Main Securities Market of the Irish Stock Exchange and/or listed or admitted to trading on or by such other or additional stock exchange(s), competent authority(ies) and/or market(s) or may be unlisted.

Clearing System:

As specified in the applicable Final Terms.

Governing Law:

State of New York.

Selling Restrictions:

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States to, or for the account or benefit of, U.S. persons except in accordance with Rule 144A or outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act or pursuant to another exemption from the registration requirements of the Securities Act. In addition, Notes issued in bearer form are subject to U.S. tax law requirements. For a description of certain restrictions on offers, sales and deliveries of Notes in the United States, the European Economic Area, Australia, Canada and certain other jurisdictions. See "Transfer

	and Selling Restrictions."
Risk Factors:	Prospective purchasers of the Notes should consider carefully all of the information set forth in this Base Prospectus or any supplement hereto and, in particular, the information set forth under the caption ''Risk Factors" on pages 1 to 30.

BANCO SANTANDER-CHILE

History and Development of the Issuer

Overview

The Issuer is organized under the laws of Chile and is the largest bank in Chile in terms of total assets and loans in monetary terms, based on data from the Superintendency of Banks and Financial Institutions. As of December 31, 2015, the Issuer had total assets of Ch$34,637,660 million (U.S.$48,937 million), outstanding loans, net of allowances for loan losses of Ch$24,538,456 million (U.S.$34,669 million), total deposits of Ch$19,538,888 million (U.S.$27,605 million) and equity of Ch$2,802,555 million (U.S.$3,960 million). The Issuer has a leading presence in all the major business segments in Chile, and the largest distribution network with national coverage spanning across all the country, including the only privately owned bank with a branch in Easter Island. The Issuer offers unique transaction capabilities to clients through its 471 branches and 1,536 ATMs. The Issuer's headquarters are located in Santiago and the Issuer operates in every major region of Chile.

The Issuer provides a broad range of commercial and retail banking services to the Issuer's customers, including Chilean peso and foreign currency denominated loans to finance a variety of commercial transactions, trade, foreign currency forward contracts and credit lines and a variety of retail banking services, including mortgage financing. The Issuer seeks to offer its customers a wide range of products while providing high levels of service. In addition to the Issuer's traditional banking operations, the Issuer offers a variety of financial services, including financial leasing, financial advisory services, mutual fund management, securities brokerage, insurance brokerage and investment management.

The legal predecessor of Santander-Chile was Banco Santiago ("Santiago"). Santiago was incorporated by public deed dated September 7, 1977 granted at the Notary Office of Alfredo Astaburuaga Gálvez. Santiago received its permission to incorporate and function as a bank by Resolution No. 118 of the SBIF on October 27, 1977. Santiago's by-laws were approved by Resolution No. 103 of the SBIF on September 22, 1977. In January 1997, Santiago merged with Banco O'Higgins, with Santiago being the surviving entity. In 1999, Santiago became a controlled subsidiary of Santander Spain. As of June 30, 2002, Santiago was the second-largest private sector bank in Chile in terms of total assets, deposits, loans and shareholders' equity.

Santander-Chile was established as a subsidiary of Santander Spain in 1978 ("**Old Santander-Chile**"). In 1982, Old Santander-Chile acquired a significant portion of the assets and liabilities of Banco Español-Chile, a domestic bank that had become insolvent. In July 1996, Old Santander-Chile was merged into Banco Osorno y la Unión, becoming "Banco Santander-Chile," the third-largest private bank in terms of outstanding loans at that date.

On August 1, 2002, Santiago and Old Santander Chile merged, whereby the latter ceased to exist and Santander-Chile (formerly known as Santiago) being the surviving entity. The Issuer's registration number is 037. It operates as a bank under Resolution No. 118.

The Issuer's principal executive offices are located at Bandera 140, 20th floor, Santiago, Chile. The Issuer's telephone number is +562-320-2000 and the Issuer's website is www.santander.cl. None of the information contained on the Issuer's website is incorporated by reference into, or forms part of, this Base Prospectus. The Issuer's agent for service of process in the United States is CT Corporation, located at 111 Eighth Avenue, 13th Floor, New York, New York 10011.

Relationship with Santander Spain

The Issuer believes that its relationship with its controlling shareholder, Santander Spain, offers the Issuer a significant competitive advantage over its peer Chilean banks. Santander Spain is one of the largest financial groups in Brazil and the rest of Latin America, in terms of total assets measured on a regional basis. It is the largest financial group in Spain and is a major player elsewhere in Europe, including the United Kingdom, Poland and Portugal, where it is the third-largest banking group. Through Santander Consumer, it also operates a leading consumer finance franchise in the United States, as well as in Germany, Italy, Spain, and several other European countries.

The Issuer's relationship with Santander Spain provides it with access to the group's client base, while its multinational focus allows the Issuer to offer international solutions to the Issuer's clients' financial needs. The Issuer also has the benefit of selectively borrowing from Santander Spain's product offerings in other countries, as well as of its know-how in systems management. The Issuer believes that the Issuer's relationship with Santander Spain will also enhance the Issuer's ability to manage credit and market risks by adopting policies and knowledge developed by Santander Spain. In addition, the Issuer's internal auditing function has been strengthened as a result of the addition of an internal auditing department that concurrently reports directly to the Issuer's Audit Committee and the audit committee of Santander Spain. The Issuer believes that this structure leads to improved monitoring and control of the Issuer's exposure to operational risks.

Santander Spain's support of Santander-Chile includes the assignment of managerial personnel to key supervisory areas of Santander-Chile, such as risks, auditing, accounting and financial control. Santander-Chile does not pay any management or other fees to Santander Spain in connection with these support services.

Organizational Structure

Santander Spain controls Santander-Chile through its holdings in Teatinos Siglo XXI Inversiones S.A. and Santander Chile Holding S.A. which are controlled subsidiaries. Santander Spain control over 67.18% of the Issuer's shares and actual participation when excluding non-controlling interests participating in Santander Chile Holding S.A. of 67.12%. Please see "Item 4. Information on the Company—C. Organizational Structure" and "—B. Business Overview—Operations through Subsidiaries" in the Issuer's 2015 IFRS Annual Report for further information on the Issuer's organizational structure.

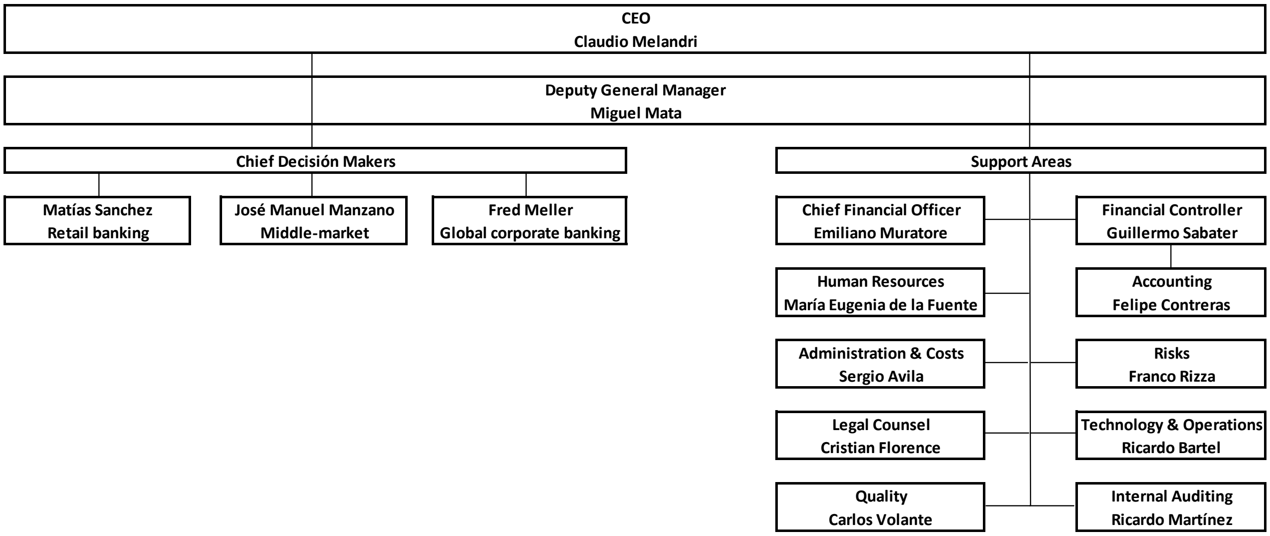
Major Shareholder	**Number of Shares**	**Percentage**
Santander Chile Holding S.A.	66,822,519,695	35.46%
Teatinos Siglo XXI Inversiones S.A.	59,770,481,573	31.72%

The remaining shareholders are diverse and have small holdings.

The capital stock of the Issuer is the amount of Ch$891,303 million, divided into 188,446,126,794 shares with no par value. As of December 31, 2015 the Issuer had 188,446,126,794 shares outstanding, no par value, all of which were fully paid.

Management Team

The chart below sets forth the names and areas of responsibility of the Issuer's senior managers as of the date of this Base Prospectus.



Business Overview

As of December 31, 2015, the Issuer had 471 total branches, 276 of which are operated under the Santander brand name, with the remaining branches under certain specialty brand names, including 67 under the Santander Banefe brand name, 53 under the Select brand name, 8 specialized branches for the Middle Market and 67 as auxiliary and payment centers. The Issuer provides a full range of financial services to corporate and individual customers. The Issuer divides its clients into the following groups: (i) Retail banking, (ii) Middle-market, (iii) Global Corporate Banking and (iv) Corporate Activities (“Other”).

The Issuer has the reportable segments noted below (see “Segmentation Criteria” for further information):

<u>Retail Banking</u>

Consists of individuals and small to middle-sized entities (SMEs) with annual sales less than Ch$2,000 million (U.S.$2.8 million). This segment gives customers a variety of services, including consumer loans, credit cards, auto loans, commercial loans, foreign exchange, mortgage loans, debit cards, checking accounts, savings products, mutual funds, stock brokerage, and insurance brokerage. Additionally, the SME clients are offered government-guaranteed loans, leasing and factoring.

<u>Middle-market</u>

This segment serves companies and large corporations with annual sales exceeding Ch$2,000 million (U.S,$2.8 million). It serves institutions such as universities, government entities, local and regional governments and companies engaged in the real estate industry who carry out projects to sell properties to third parties and annual sales exceeding Ch$800 million (U.S.$1.1 million) with no upper limit. The companies within this segment have access to many products including commercial loans, leasing, factoring, foreign trade, credit cards, mortgage loans, checking accounts, transactional services, treasury services, financial consulting, savings products, mutual funds, and insurance brokerage. Also companies in the real estate industry are offered specialized services to finance projects, chiefly residential, with the aim of expanding sales of mortgage loans.

<u>Global Corporate Banking</u>

This segment consists of foreign and domestic multinational companies with sales over Ch$10,000 million. The companies within this segment have access to many products including commercial loans, leasing, factoring, foreign trade, credit cards, mortgage loans, checking accounts, transactional services, treasury services, financial consulting, investments, savings products, mutual funds and insurance brokerage.

This segment also consists of a Treasury Division which provides sophisticated financial products, mainly to companies in the Middle-market segment and Global Corporate Banking. These include products such as short-term financing and fund raising, brokerage services, derivatives, securitization and other tailor-made products. The Treasury Division may broker transactions and also manages the Issuer's investment portfolio.

Corporate Activities ("Other")

This segment mainly includes the Issuer's Financial Management Division, which develops global management functions, including managing inflation rate risk, foreign currency gaps, interest rate risk and liquidity risk. Liquidity risk is managed mainly through wholesale deposits, debt issuances and the Issuer's available-for-sale portfolio. This segment also manages capital allocation by unit. These activities usually result in a negative contribution to income.

In addition, this segment encompasses all the intra-segment income and all the activities not assigned to a given segment or product with customers. The segments' accounting policies are those described in the summary of accounting policies. The Issuer earns most of its income in the form of interest income, fee and commission income and income from financial operations. To evaluate a segment's financial performance and make decisions regarding the resources to be assigned to segments, the Chief Operating Decision Maker (CODM) bases his assessment on the segment's interest income, fee and commission income, and expenses.

The tables below show the Issuer's results by reporting segment for the year ended December 31, 2015, in addition to the corresponding balances of loans and accounts receivable from customers:

	As of December 31, 2015						
	Loans and accounts receivable from customers (1)	**Net interest income**	**Net fee and commission income**	**Financial transactions, net (2)**	**Provision for loan losses**	**Support expenses (3)**	**Segment`s net contribution**
				Ch$mn			
Retail Banking	17,034,707	873,026	190,380	16,245	(332,657)	(533,086)	**213,908**
Middle-market	6,006,282	229,812	28,537	17,897	(26,147)	(77,261)	**172,838**
Global Corporate Banking	2,178,643	85,553	15,231	50,327	(28,426)	(49,533)	**73,152**
Other	81,125	66,815	3,479	61,030	(12,047)	(1,328)	**117,949**
Total	**25,300,757**	**1,255,206**	**237,627**	**145,499**	**(399,277)**	**(661,208)**	**577,847**
Other operating income							6,439
Other operating expenses and impairment							(58,750)
Income from investments in associates and other companies							2,588
Income tax expense							(76,395)
Net income for the year							**451,729**

(1) Corresponds to loans and accounts receivable from customers, without deducting their allowances for loan losses.

(2) Corresponds to the sum of the net income from financial operations and the foreign exchange profit or loss.

(3) Corresponds to the sum of personnel salaries and expenses, administrative expenses, depreciation and amortization.

Directors

The Issuer is managed by the Issuer's Board of Directors, which, in accordance with the Issuer's by-laws, consists of 11 directors and two alternates who are elected at the Issuer's ordinary shareholders' meetings. Except as noted below, the current members of the Board of Directors were elected by the shareholders in the ordinary shareholders' meeting held on April 26, 2016. Members of the Board of Directors are elected for three-year terms. Except as noted below, the term of each of the current board members expires in April of 2017. Cumulative voting is permitted for the election of directors. The Board of Directors may appoint replacements to fill any vacancies that occur during periods between elections. If any member of the Board of Directors resigns before his or her term has ended, and no other alternate director is available to take the position at the next annual ordinary shareholders' meeting a new replacing member will be elected. The Issuer's executive officers are appointed by the Board of Directors and hold office at its discretion. Scheduled meetings of the Board of Directors are held monthly. Extraordinary meetings can be held when called in one of three ways: by the Chairman of the Board of Directors, by three directors with the consent of the Chairman of the Board of Directors or by the majority of directors. None of the members of the Issuer's Board of Directors has a service contract which entitles any Director to any benefits upon termination of employment with Santander-Chile.

The business address of the Board of Directors is Banco Santander-Chile, Bandera 140, Santiago, Chile.

The Issuer's current directors are as follows:

Directors	Position	Committees	Term Expires
Vittorio Corbo Lioi	Chairman and Director	Asset and Liability Committee Human Resources Committee Market Committee Strategy Committee	April 2017
Oscar von Chrismar Carvajal	Co-Vice Chairman	Asset and Liability Committee Human Resources Committee Market Committee Risk Committee Strategy Committee	April 2017
Roberto Méndez Torres	Co-Vice Chairman	Risk Committee Strategy Committee	April 2017
Juan Pedro Santa Maria Perez	Director	Analysis and Resolution Committee Risk Committee	April 2017
Marco Colodro Hadjes	Director	Asset and Liability Committee Audit Committee Market Committee	April 2017
Mauricio Larraín Garcés	Director	Asset and Liability Committee Risk Committee Market Committee	April 2017
Roberto Zahler Mayanz	Director	Strategy Committee	April 2017
Lucía Santa Cruz Sutil	Director	Audit Committee	April 2017
Orlando Poblete Iturrate	Director	—	April 2017
Andreu Plaza	Director	—	April 2017
Ana Dorrego	Director	Human Resources Committee	April 2017

Directors	Position	Committees	Term Expires
Blanca Bustamante Bravo	Alternate Director	Asset and Liability Committee	April 2017
Raimundo Monge Zegers	Alternate Director	Risk Committee Strategy Committee	April 2017

Vittorio Corbo Lioi has been the Issuer's Chairman of the Board since April 2014. He is one of Chile's leading economists. From 2003 to 2007, Mr. Corbo was the President of Chile's Central Bank. Since the end of his tenure there, Mr. Corbo has been a Senior Research Associate at the Centro de Estudios Públicos (CEP), a local think tank. Mr. Corbo is also a member of the boards of Banco Santander Mexico, CCU Chile and SURA-Chile Insurance Company, and an economic consultant to several large corporations in Chile and abroad. He served in senior managerial positions at the World Bank in Washington, DC (1984-1991) and has been a professor of economics in Canada, the USA and Chile. Between 1991 and 1995, Mr. Corbo was an economic advisor to the Bank, and a member of its Board of Directors between 1995 and 2003. Between 2011 and 2014, he was a board member of Banco Santander SA in Spain. Mr. Corbo is the President of the Asset and Liability Committee, the Market Committee, the Strategy Committee and the Human Resource Committee. Mr. Corbo holds a commercial engineering degree (with highest distinction) from the Universidad de Chile and a Ph.D. in economics from MIT.

Oscar von Chrismar Carvajal became Co-Vice-Chairman of the Board on January 1, 2010 after having served as the chief executive officer of Santander-Chile since August 2003. Mr. Von Chrismar is a member of the Asset and Liability Committee, the Risk Committee, the Human Resources Committee, the Market Committee and Strategy Committee. Prior to assuming the chief executive officer post, he was the Manager of Global Banking. Prior to the merger, he was the former chief executive officer of Old Santander-Chile since September 1997, after being General Manager of Banco Santander-Peru since September 1995. Mr. von Chrismar is also a board member of Banco Santander Argentina and Banco Santander Peru. He is also the Alternate Director of Universia Chile S.A. Prior to that, Mr. von Chrismar was the manager of the Finance Division of Santander-Chile, a position that he had held since joining Santander-Chile in 1990. Mr. von Chrismar holds an Engineering degree from the Universidad de Santiago de Chile.

Roberto Méndez Torres is Co-Vice Chairman of the Board. He is a former member of the Board of Old Santander-Chile, to which he was appointed in 1996. He is a member of the Risk Committee and the Strategy Committee. He is a professor of Economics at Universidad Católica de Chile. He has been Advisor to Grupo Santander-Chile since 1989. Mr. Méndez is President and Director of Adimark Chile Gfk and on the Board of the Chilean and German Chamber of Commerce. He is also a Director of Enex S.A. and Vice-Chairman of Universia S.A. Mr. Méndez is also a member of the Council of Paz Ciudadana and was a former President of ICARE. He graduated with a degree in Business Administration from Universidad Católica de Chile, and holds an MBA and a Ph.D. from the Graduate School of Business at Stanford University.

Juan Pedro Santa María Pérez became a Director on July 24, 2012 after having served as Corporate Legal Director for Grupo Santander Chile and Legal Counsel for Santander-Chile. Mr. Santa María is on the Analysis and Resolution Committee and the Risk Committee. He is also a Director at Santander Asset Management S.A. Mr. Santa María joined Santander-Chile in 2002, after the merger with Banco Santiago. Previous to that he was Legal Counsel for Banco Santiago and Banco O'Higgins. He has also been President of the Legal Committee of the Asociación de Bancos e Instituciones Financieras de Chile for over 20 years and President Pro-Tempore of the Financial Law Committee of the Federación Latinoamericana de Bancos (FELABAN). Mr. Santa María holds a degree in Law from the Pontificia Universidad Católica de Chile.

Marco Colodro Hadjes became a Director on April 19, 2005. Mr. Colodro is a member of the Asset and Liability Committee, the Audit Committee and the Market Committee. He is a director of the Board of Telefónica Chile and a former director of Codelco. He is the former chairman of TVN (National Television Network) and the former vice chairman of Banco del Estado de Chile (State Bank of Chile). Prior to that, he was Foreign Trade Director at the Central Bank of Chile. Mr. Colodro holds a degree in Economics from the Universidad de Chile, and has done post-graduate studies at the École Pratique des Hautes Etudes of the University of Paris.

Mauricio Larraín Garcés became a Director in April 2014. Previously, he was Chairman of the Board for several years. He is a member of the Asset and Liability Committee and the Human Resources Committee and he is the financial expert of the Audit Committee. He is also the dean of the ESE Business School of the Los Andes University and a member of the board of the Institute for Religious Works (IOR) in the Vatican City State. Mr. Larraín began working at Santander-Chile in 1989. Previously, he was Deputy Superintendent of Banks, Manager of External Debt at the Central Bank of Chile, and Senior Finance Specialist at the World Bank, in Washington D.C. He holds law degrees from the Pontifical Catholic University of Chile and from Harvard University.

Roberto Zahler Mayanz became a Director in 2002. He is a member of the Asset and Liability Committee, the Market Committee and the Risk Committee. Currently, he is President of the consultancy firm Zahler & Co and serves as a consultant for the World Bank, IADB, IMF and BIS. He has been a member of the High Level Consulting Group to the IADB President, of LASFRC (Latin-American Shadow Financial Regulatory Committee) and of the Emerging Market Economies Eminent Persons Group (EMEEPG). He was President of the Board of Siemens-Chile and Director of Air Liquide-Chile and of Banco Santiago. He was also a visiting professor at the IMF's Research Department. Between 1991 and 1996, he was President of the Central Bank of Chile and Vice-President from 1989 to 1991. Prior to that he served as Chief Regional Adviser in Monetary and Financial Policy of the UN Economic Commission for Latin America and the Caribbean and was Lecturer and Researcher at the University of Chile's School of Economics.. Mr. Zahler has provided technical assistance to the central banks and finance ministries of Indonesia, Kosovo and most countries in Latin America. Mr. Zahler holds a degree in Economics from the Universidad de Chile and a Masters in Economics from the University of Chicago.

Lucía Santa Cruz Sutil became a Director on August 19, 2003. Ms. Santa Cruz is a member of the Strategy Committee. Ms. Santa Cruz holds a degree in History from King's College, London University and an M.Phil. in History from Oxford University and holds a Doctor Honoris Causa degree from King's College. She is a Member of the Board of the Universidad Adolfo Ibañez. Ms. Santa Cruz is also a Director of Universia Chile S.A. She is Vice President of the Board of Compañía de Seguros Generales y de Vida La Chilena Consolidada,(Zurich) and member of the Advisory Board of Nestle Chile She sits on the board of non-profit cultural organizations and is also a member of the Self-Regulation Committee for Insurance Companies in Chile. She is a Member of the Academy of Social, Political and Moral Sciences of the Institute of Chile.

Orlando Poblete Iturrate became a Director on April 25, 2015. He is a member of the Audit Committee. He previously became an Alternate Director on April 22, 2014. Since 1991 Mr. Poblete has been a professor at the Universidad Los Andes. Between 1997 and 2004, he was Dean of the Law School and since 2014 he has been Chancellor of the university. He is also a partner at the law firm Orlando Poblete & Company. He is an arbitrator of the Centro de Arbitraje y Mediación de la Cámara de Comercio de Santiago. Between 2012 and 2014, he was Chairman of Clínica Universidad de los Andes and is currently Member of the Board of the University of the Andes, Chairman of Transa Securitisadora S.A. and Director of Servihabit S.A. He has also been a Professor of Law at the University of Chile. Mr. Poblete is a lawyer from the University of Chile and has masters from the same university.

Andreu Plaza became a Director in March 2016. Mr. Plaza was appointed as senior executive vice-president of T&O Division in Santander Group on January 2015. He is Santander's Chief Technology Officer and a member of the Management Committee. Mr. Plaza joined the Group in 2012 as the technology and operations director for the retail and business banking segments in Santander UK. He has been a senior executive vice-president and member of the Management Committee of Caixa Catalunya since 1998 and is a member of the Boards of Servired and Aula Escola Europea. He has a graduate degree in Mathematics from the Universitat Autónoma de Barcelona. He also has Master's degrees in Finance and Banking from Stanford University, Insead, The Wharton School and ESAD.

Ana Dorrego became a Director in March 2016. She has been working at the Santander Group in the Financial Planning and Corporate Development department for the last 11 years, coordinating the Group planning processes. In this role, she has also been involved in following up on the different Santander Group units and projects. She is a board member of Santander Securities Services, S.A. She has also participated in acquisition, sales and integration projects during her time with the Group (ABN, SEB, US, Banesto, Spanish Cajas and Banif Portugal among others) and spent two years as e-business development director for the Santander Group. Prior to joining the Santander Group, she was a corporate clients relationship manager and commercial director of transactional banking at Bankinter. Ms. Dorrego holds a degree in Business Administration from the Pontifical University of Comillas ICAI-ICADE, a degree in General Management from IESE and Master's degrees in Business Administration from Deusto University – Bilbao, Spain, and Adolfo Ibañez, Miami/Chile.

Blanca Bustamante Bravo became an Alternate Director on April 28, 2015. In 1998, she joined Viña Concha y Toro as Head of Investor Relations with the responsibility to present business strategy and achievements of the company to the financial community, a position held until 2010. In parallel, in May 2001, she became Assistant Manager of Corporate Communications. In 2011, she became responsible for relations with the community in order to focus the efforts of the company in projects that create value for the community and the environment in which it operates. Since 2013, she is a director in the Center for Research & Innovation for Concha y Toro which focus is to develop technology and knowledge transfer to the industry. She holds a degree in business from Universidad Católica de Chile.

Raimundo Monge Zegers became an Alternate Director on April 29, 2003. He is currently a member of the Asset and Liability Committee, the Risk Committee and the Strategy Committee. He is Corporate Director of Strategic and Financial Planning for Grupo Santander-Chile and is CEO of Santander Chile Holding S.A. He is also President of Santander S.A. Sociedad Securitizadora and Santander Factoring S.A. He is a Director of Aurum S.A. and Bansa Santander S.A. Mr. Monge has a degree in business from the Universidad Católica de Chile and an MBA from the University of California, Los Angeles.

Major Shareholders

As of December 31, 2015, Santander-Chile's largest shareholders were the following:

Shareholder	Number of Shares	Percentage
Santander Chile Holding S.A.	66,822,519,695	35.46%
Teatinos Siglo XXI Inversiones S.A.	59,770,481,573	31.72%

Santander Spain controls Santander-Chile through its holdings in Teatinos Siglo XXI Inversiones S.A. and Santander Chile Holding S.A., which are controlled subsidiaries. Santander Spain has control over 67.18% of the Issuer's shares and actual participation, excluding non-controlling shareholders that participate in Santander Chile Holding, S.A. of 67.12%.

Santander Spain is in a position to cause the election of a majority of the members of Santander-Chile's Board of Directors, to determine its dividend and other policies and to determine substantially all matters to be decided by a vote of shareholders. Santander Spain holds ordinary shares to which no special voting rights are attached. Each share represents one vote and there are no shareholders with different voting rights.

Other than the information disclosed in this section, there are no arrangements to the knowledge of the Issuer that could result in a change of control of the Issuer.

Auditors

On April 26, 2016, the Issuer announced that the Board of Directors selected PricewaterhouseCoopers Consultores, Auditores y Compañía Limitada to be the Issuer's independent registered public accounting firm for the 2016 fiscal year. They are members of the *Asociación de Contadores Auditores* (Public Accountants Association). Their address is 2711 Andrés Bello Avenue, 5th floor, Las Condes, Santiago, Chile, and they are registered under number 005 in the Official Register of Auditors of the Chilean Superintendency of Securities and Exchange and under number 001 in the Superintendency of Banks and Financial Institutions.

The Issuer's former auditors, Deloitte Auditores y Consultores Limitada, independent registered public accountants, have audited the Issuer's consolidated financial statements as of December 31, 2015 and 2014 and for the years ended December 31, 2015, 2014 and 2013. They are members of the *Asociación de Contadores Auditores* (Public Accountants Association). Their address is RUT: 80.276.200-3, Rosario Norte 407, Las Condes, Santiago, Chile, and they are registered under number 001 in the Official Register of Auditors of the Chilean Superintendency of Securities and Exchange and under number 005 in the Superintendency of Banks and Financial Institutions. As of April 26, 2016, Deloitte Auditores y Consultores Limitada was dismissed and was not re-elected for another term as the Issuer's independent public accounting firm.

Trend Information (Outlook)

Please see "Item 5. Operating and Financial Review and Prospects" in the Issuer's 2015 IFRS Annual Report for a discussion of the Issuer's operating and financial review and prospects.

Conflicts of Interest

There are no material conflicts of interest between any duties to the Issuer by any of the members of either the Board of Directors or the management team in respect of their private or other duties.

Annual Reports

The Issuer's 2015 IFRS Annual Report on Form 20-F for the year ended December 31, 2015 filed on May 2, 2016 with the SEC (which includes the Issuer's audited consolidated financial statements as of December 31, 2015 and 2014 and for the fiscal years ended December 31, 2015, 2014 and 2013, prepared in accordance with IFRS), the Issuer's current report on Form 6-K filed on April 8, 2015 with the SEC (which includes the Issuer's audited consolidated financial statements for the fiscal years ended December 31, 2014 and 2013, prepared in accordance with Chilean Bank GAAP) and the Issuer's current report on Form 6-K filed on March 29, 2016 with the SEC (which includes the Issuer's audited consolidated financial statements for the fiscal years ended December 31, 2015 and 2014, prepared in accordance with Chilean Bank GAAP) are deemed incorporated into, and to form part of, this Base Prospectus as more fully described on pages 121 to 122.

DESCRIPTION OF CHILEAN FINANCIAL SECTOR

The Chilean financial services market consists of a variety of largely distinct sectors. The most important sector, commercial banking, includes a number of privately-owned banks and one public–sector bank, Banco del Estado de Chile (which operates within the same legal and regulatory framework as the private sector banks). The private-sector banks include local banks and a number of foreign-owned banks operating in Chile. The Chilean banking system is comprised of 24 banks, including one public-sector bank. The four largest banks accounted for 64.2% of all outstanding loans by Chilean financial institutions as of December 31, 2015 (excluding assets held abroad by Chilean banks).

The Chilean banking system has experienced increased competition in recent years, largely due to consolidation in the industry and new legislation. The Issuer also faces competition from non-bank and non-finance competitors, principally department stores, credit unions and cajas de compensación with respect to some of the Issuer's credit products, such as credit cards, consumer loans and insurance brokerage. In addition, the Issuer faces competition from non–bank finance competitors, such as leasing, factoring and automobile finance companies, with respect to credit products, and mutual funds, pension funds and insurance companies, with respect to savings products. Currently, banks continue to be the main suppliers of leasing, factoring and mutual funds, and the insurance sales business has grown rapidly.

DESCRIPTION OF CHILEAN BANKING REGULATORY SYSTEM

General

In Chile, only banks may maintain checking accounts for their customers, conduct foreign trade operations, and, together with non-banking financial institutions, accept time deposits. The principal authorities that regulate financial institutions in Chile are the SBIF and the Central Bank. Chilean banks are primarily subject to the General Banking Law, and secondarily subject, to the extent not inconsistent with this statute, the provisions of the Chilean Companies Law governing public corporations, except for certain provisions which are expressly excluded.

The modern Chilean banking system dates from 1925 and has been characterized by periods of substantial regulation and state intervention, as well as periods of deregulation. The most recent period of deregulation commenced in 1975 and culminated in the adoption of a series of amendments to General Banking Law. That law, amended most recently in 2001, granted additional powers to banks, including general underwriting powers for new issues of certain debt and equity securities and the power to create subsidiaries to engage in activities related to banking, such as brokerage, investment advisory and mutual fund services, administration of investment funds, factoring, securitization products and financial leasing services.

The Central Bank

The Central Bank is an autonomous legal entity created by the Chilean Constitution. It is subject to the Chilean Constitution and its own l*ey orgánica constitucional*, or organic constitutional law. To the extent not inconsistent with the Chilean Constitution or the Central Bank's organic constitutional law, the Central Bank is also subject to private sector laws (but in no event is it subject to the laws applicable to the public sector). It is directed and administered by a Board of Directors composed of five members designated by the President of Chile, subject to the approval of the Chilean Senate.

The legal purpose of the Central Bank is to maintain the stability of the Chilean peso and the orderly functioning of Chile's internal and external payment systems. The Central Bank's powers include setting reserve requirements, regulating the amount of money and credit in circulation, establishing regulations and guidelines regarding finance companies, foreign exchange (including the Formal Exchange Market) and banks' deposit-taking activities.

The Superintendency of Banks

Banks are supervised and controlled by the SBIF, an independent Chilean governmental agency. The SBIF authorizes the creation of new banks and has broad powers to interpret and enforce legal and regulatory requirements applicable to banks and financial companies. Furthermore, in cases of noncompliance with such legal and regulatory requirements, the SBIF has the ability to impose sanctions. In extreme cases, it can appoint, with the prior approval of the Board of Directors of the Central Bank, a provisional administrator to manage a bank. It must also approve any amendment to a bank's by-laws or any increase in its capital.

The SBIF examines all banks from time to time, generally at least once a year. Banks are also required to submit their financial statements monthly to the SBIF, and a bank's financial statements are published at least four times a year in a newspaper with countrywide coverage. In addition, banks are required to provide extensive information regarding their operations at various periodic intervals to the SBIF. A bank's annual financial statements and the opinion of its independent auditors must also be submitted to the SBIF.

Any person wishing to acquire, directly or indirectly, 10.0% or more of the share capital of a bank must obtain the prior approval of the SBIF. Absent such approval, the acquirer of shares so acquired will not have the right to vote. The SBIF may only refuse to grant its approval, based on specific grounds set forth in the General Banking Law.

According to Article 35*bis* of the General Banking Law, the prior authorization of the SBIF is required for:

- the merger of two or more banks;
- the acquisition of all or a substantial portion of a bank's assets and liabilities by another bank;

- the control by the same person, or controlling group, of two or more banks; or
- a substantial increase in the existing control of a bank by a controlling shareholder of that bank.

Such prior authorization is required solely when the acquiring bank or the resulting group of banks would own a significant market share in loans, defined by the SBIF to be more than 15.0% of all loans in the Chilean banking system. The intended purchase, merger or expansion may be denied by the SBIF; or, if the acquiring bank or resulting group would own a market share in loans determined to be more than 20.0% of all loans in the Chilean banking system, the purchase, merger or expansion may be conditioned on one or more of the following:

- that the bank or banks maintain regulatory capital higher than 8.0% and up to 14.0% of their risk-weighted assets;
- that the technical reserve established in Article 65 of the General Banking Law be applicable when deposits exceed one and a half times the resulting bank's paid-in capital and reserves; or
- that the margin for interbank loans be reduced to 20.0% of the resulting bank's regulatory capital

If the acquiring bank or resulting group would own a market share in loans determined by the SBIF to be more than 15% but less than 20%, the authorization will be conditioned on the bank or banks maintaining a regulatory capital not lower than 10% of their risks-weighted assets for the period specified by the SBIF, which may not be less than one year. The calculation of the risk-weighted assets is based on a five-category risk classification system applied to a bank's assets that is based on the Basel Committee recommendations.

Pursuant to the regulations of the SBIF, the following ownership disclosures are required:

- a bank is required to inform the SBIF of the identity of any person owning, directly or indirectly, 5.0% or more of such banks' shares;
- holders of ADSs must disclose to the Depositary the identity of beneficial owners of ADSs registered under such holders' names;
- the Depositary is required to notify the bank as to the identity of beneficial owners of ADSs which such Depositary has registered and the bank, in turn, is required to notify the SBIF as to the identity of the beneficial owners of the ADSs representing 5.0% or more of such banks' shares; and
- bank shareholders who individually hold 10.0% or more of a bank's capital stock and who are controlling shareholders must periodically inform the SBIF of their financial condition.

Limitations on Types of Activities

Chilean banks can only conduct those activities allowed by the General Banking Law: making loans, accepting deposits and, subject to limitations, making investments and performing financial services. Investments are restricted to real estate for the bank's own use, gold, foreign exchange and debt securities. Through subsidiaries, banks may also engage in other specific financial service activities such as securities brokerage services, equity investments, securities, mutual fund management, investment fund management, financial advisory and leasing activities. Subject to specific limitations and the prior approval of the SBIF and the Central Bank, Chilean banks may own majority or non-controlling interests in foreign banks.

Since June 1, 2002, Chilean banks are allowed to offer a new checking account product that pays interest. The SBIF also stated that these accounts may be subject to minimum balance limits and different interest rates depending on average balances held in the account and that banks may also charge fees for the use of this new product. For banks with a solvency score of less than A, the Central Bank has also imposed additional caps to the interest rate that can be paid.

On June 5, 2007, pursuant to Law 20.190, new regulations became effective authorizing banks to enter into transactions involving a wider range of derivatives, such as futures, options, swaps, forwards and other derivative instruments or contracts subject to specific limitations established by the Central Bank of Chile. Previously, banks were able to enter into transactions involving derivatives, but subject to more restrictive guidelines.

Deposit Insurance

The Chilean government guarantees up to 90.0% of the principal amount of certain time and demand deposits and savings accounts held by natural persons with a maximum value of UF120 per person (Ch$3,075,490 or U.S.$4,345 as of December 31, 2015) per calendar year in the entire financial system.

Reserve Requirements

Deposits are subject to a reserve requirement of 9.0% for demand deposits and 3.6% for time deposits (with terms of less than one year). For purposes of calculating the reserve obligation, banks are authorized to deduct daily from their foreign currency denominated liabilities, the balance in foreign currency of certain loans and financial investments held outside of Chile, the most relevant of which include:

- cash clearance account, which should be deducted from demand deposit for calculating reserve requirement;

- certain payment orders issued by pension providers; and

- the amount set aside for "technical reserve" (as described below), which can be deducted from reserve requirement.

The Central Bank has statutory authority to require banks to maintain reserves of up to an average of 40.0% for demand deposits and up to 20.0% for time deposits (irrespective, in each case, of the currency in which they are denominated) to implement monetary policy. In addition, to the extent that the aggregate amount of the following types of liabilities exceeds 2.5 times the amount of a bank's regulatory capital, a bank must maintain a 100% "technical reserve" against them: demand deposits, deposits in checking accounts, or obligations payable on sight incurred in the ordinary course of business, and in general all deposits unconditionally payable immediately but excluding interbank demand deposits.

Minimum Capital

Under the General Banking Law, a bank is required to have a minimum of UF800,000 (approximately Ch$20,503,272 million or U.S.$28.9 million as of December 31, 2015) of paid-in capital and reserves, calculated in accordance with Chilean GAAP, regulatory capital of at least 8% of its risk weighted assets, net of required allowances, and paid in capital and reserves of at least 3% of its total assets, net of required allowances, as calculated in accordance with Chilean GAAP.

Regulatory capital is defined as the aggregate of:

- a bank's paid-in capital and reserves, excluding capital attributable to subsidiaries and foreign branches or *capital básico*;

- its subordinated bonds, valued at their placement price (but decreasing by 20.0% for each year during the period commencing six years prior to maturity), for an amount up to 50.0% of its basic capital; and

- its voluntary allowances for loan losses for an amount of up to 1.25% of risk weighted-assets.

Capital Adequacy Requirements

According to the General Banking Law, each bank should have regulatory capital of at least 8.0% of its risk-weighted assets, net of required allowances. The calculation of risk weighted assets is based on a five-category risk classification system for bank assets that is based on the Basel Committee recommendations. The SBIF is expected to implement in 2016 the Basel III capital standards in Chile, which will include the implementation of capital limits with market risk and operational risk-weighted assets. These changes must be approved by the Chilean Congress, as it involves a modification to the General Banking Law.

Banks should also have *capital básico*, or basic capital, of at least 3.0% of their total assets, net of allowances. Basic capital is defined to include shareholders' equity.

Within the scope of Basel III in Chile, further changes in regulation may occur. See "Risk Factors—Risks Relating to Chile—Banking regulations may restrict the Issuer's operations and thereby adversely affect the Issuer's financial condition and results of operations."

Lending Limits

Under the General Banking Law, Chilean banks are subject to certain lending limits, including the following material limits:

- A bank may not extend to any entity or individual (or any one group of related entities), except for another financial institution, directly or indirectly, unsecured credit in an amount that exceeds 10.0% of the bank's regulatory capital, or in an amount that exceeds 30.0% of its regulatory capital if the excess over 10.0% is secured by certain assets with a value equal to or higher than such excess. These limits were raised from 5.0% and 25.0%, respectively, in 2007 by the *Reformas al Mercado de Capitales II* (also known as MK2). In the case of financing infrastructure projects built by government concession, the 10.0% ceiling for unsecured credits is raised to 15.0% if secured by a pledge over the concession, or if granted by two or more banks or finance companies which have executed a credit agreement with the builder or holder of the concession;

- a bank may not extend loans to another financial institution subject to the General Banking Law in an aggregate amount exceeding 30.0% of its regulatory capital;

- a bank may not directly or indirectly grant a loan whose purpose is to allow an individual or entity to acquire shares of the lender bank;

- a bank may not lend, directly or indirectly, to a director or any other person who has the power to act on behalf of the bank; and

- a bank may not grant loans to related parties (including holders of more than 1.0% of its shares) on more favorable terms than those generally offered to non-related parties. Loans granted to related parties are subject to the limitations described in the first bullet point above. In addition, the aggregate amount of loans to related parties may not exceed a bank's regulatory capital.

In addition, the General Banking Law limits the aggregate amount of loans that a bank may grant to its employees to 1.5% of its regulatory capital, and provides that no individual employee may receive loans in excess of 10.0% of this 1.5% limit. Notwithstanding these limitations, a bank may grant to each of its employees a single residential mortgage loan for personal use once during such employee's term of employment.

Allowance for Loan Losses

Chilean banks are required to provide to the SBIF detailed information regarding their loan portfolio on a monthly basis. The SBIF examines and evaluates each financial institution's credit management process, including its compliance with the loan classification guidelines. Banks are classified into four categories: 1, 2, 3 and 4. Each bank's category depends on the models and methods used by the bank to classify its loan portfolio, as determined by the SBIF. Category 1 banks are those banks whose methods and models are satisfactory to the SBIF. Category 1 banks will be entitled to continue using the same methods and models they currently have in place. A bank classified as a category 2 bank will have to maintain the minimum levels of reserves established by the SBIF while its Board of Directors will be made aware of the problems detected by the SBIF and required to take steps to correct them. Banks classified as categories 3 and 4 will have to maintain the minimum levels of reserves established by the SBIF until they are authorized by the SBIF to do otherwise. Santander-Chile is categorized as a "Category 1" bank.

A detailed description of the models established for determining loan loss allowances is set forth in "Item 5. Operating and Financial Review and Prospects—C. Selected Statistical Information—Classification of Loan Portfolio" of the 2015 IFRS Annual Report and in "Note 1—Summary of Significant Accounting Policies" of the 2015 IFRS Consolidated Financial Statements incorporated by reference herein.

New mortgage loan loss regulations

On December 30, 2014, the SBIF published new guidelines for provisioning a bank's residential mortgage loan portfolio. The regulations include:

- an expected loss model to calculate allowances for housing mortgage loans that explicitly considers loan delinquency and loan / collateral (LTV) ratios, in order to promote active management of credit risk; and

- proposal for a new way of evaluating collateral in the context of determining provisions, which would specify certain required conditions that would need to be met by an asset in order for it to be eligible to be used as collateral for mitigating credit risk, as well as more specific requirements of how collateral would be valued for purposes of setting loan loss levels.

These above changes have been implemented in 2016. The Issuer also expects the SBIF in 2016 to publish new expected loss models for consumer and commercial loans assessed on a group basis.

Capital Markets

Under the General Banking Law, banks in Chile may purchase, sell, place, underwrite and act as paying agents with respect to certain debt securities. Likewise, banks in Chile may place and underwrite certain equity securities. Bank subsidiaries may also engage in debt placement and dealing, equity issuance advice and securities brokerage, as well as in financial leasing, mutual fund and investment fund administration, investment advisory services and merger and acquisition services. These subsidiaries are regulated by the SBIF and, in some cases, also by the Superintendency of Securities and Insurance, the regulator of the Chilean securities market, open-stock corporations and insurance companies.

Legal Provisions Regarding Banking Institutions with Economic Difficulties

The General Banking Law provides that if specified adverse circumstances exist at any bank, its Board of Directors must correct the situation within 30 days from the date of receipt of the relevant financial statements. If the Board of Directors is unable to do so, it must call a special shareholders' meeting to increase the capital of the bank by the amount necessary to return the bank to financial stability. If the shareholders reject the capital increase, or if it is not effected within the term and in the manner agreed to at the meeting, or if the SBIF does not approve the Board of Directors' proposal, the bank will be barred from increasing its loan portfolio beyond that stated in the financial statements presented to the Board of Directors and from making any further investments in any instrument other than in instruments issued by the Central Bank. In such a case, or in the event that a bank is unable to make timely payment in respect of its obligations, or if a bank is under provisional administration of the SBIF, the General Banking Law provides that the bank may receive a two-year term loan from another bank. The terms and conditions of such a loan must be approved by the directors of both banks, as well as by the SBIF, but need not be submitted to the borrowing bank's shareholders for their approval. In any event, a creditor bank cannot grant interbank loans to an insolvent bank in an amount exceeding 25.0% of the creditor bank's regulatory capital. The Board of Directors of a bank that is unable to make timely payment of its obligations must present a reorganization plan to its creditors in order to capitalize the credits, extend their respective terms, condone debts or take other measures for the payment of the debts. If the Board of Directors of a bank submits a reorganization plan to its creditors and such arrangement is approved, all subordinated debt issued by the bank, whether or not matured, will be converted by operation of law into common stock in the amount required for the ratio of regulatory capital to risk-weighted assets to be not lower than 12.0%. If a bank fails to pay an obligation, it must notify the SBIF, which shall determine if the bank is solvent.

Dissolution and Liquidation of Banks

The SBIF may establish that a bank should be liquidated for the benefit of its depositors or other creditors when such bank does not have the necessary solvency to continue its operations. In such case, the SBIF must revoke a bank's authorization to exist and order its mandatory liquidation, subject to agreement by the Central Bank. The SBIF must also revoke a bank's authorization if the reorganization plan of such bank has been rejected twice. The resolution by the SBIF must state the reason for ordering the liquidation and must name a liquidator, unless the SBIF assumes this responsibility. When a liquidation is declared, all checking accounts and other demand deposits received in the ordinary course of business, are required to be paid by using existing funds of the bank, its deposits with the Central Bank or its investments in instruments that represent its reserves. If these funds are insufficient to pay these obligations, the liquidator may seize the rest of the bank's assets, as needed. If necessary and in specified circumstances, the Central Bank will lend the bank the funds necessary to pay these obligations. Any such loans are preferential to any claims of other creditors of the liquidated bank.

Obligations Denominated in Foreign Currencies

The Issuer must also comply with various regulatory and internal limits regarding exposure to movements in foreign exchange rates (see "Item 11. Quantitative and Qualitative Disclosures About Market Risk" of the 2015 IFRS Annual Report).

Loans and Investments in Foreign Securities

Under current Chilean banking regulations, banks in Chile may grant loans to foreign individuals and entities and invest in certain securities of foreign issuers. Banks may grant commercial loans and foreign trade loans, and can buy loans granted by banks abroad. Banks in Chile may also invest in debt securities traded in formal secondary markets. Such debt securities must be (1) securities issued or guaranteed by foreign sovereign states or their central banks or other foreign or international financial entities, and (2) bonds issued by foreign companies. If the sum of investment in foreign securities and loans granted outside of Chile surpasses 70% of regulatory capital, the amount that exceeds 70% is subject to a mandatory reserve of 100%.

Table 1

Rating Agency	**Short Term**	**Long Term**
Moody's	P2	Baa3
Standard and Poor's	A3	BBB-
Fitch	F2	BBB-
Dominion Bond Rating Service (DBRS)	R-2	BBB (low)

In the event that the sum of: (a) loans granted abroad that are not to subsidiaries of Chilean companies, and that have a rating of BB- or less and do not trade on a foreign stock exchange, and (b) the investments in foreign securities which have a rating that is below that indicated in Table 1 above, but is equal to or exceeds the ratings mentioned in the Table 2 below and exceeds 20% (and 30% for banks with a BIS ratio equal or exceeding 10% of the regulatory capital of such bank), the excess is subject to a mandatory reserve of 100%.

Table 2

Rating Agency	**Short Term**	**Long Term**
Moody's	P2	Ba3
Standard and Poor's	A-2	BB-
Fitch	F2	BB-
Dominion Bond Rating Service (DBRS)	R-2	BB (low)

In addition, banks may invest in foreign securities whose ratings are equal or exceeds those mentioned in Table 3 below for an additional amount equal to 70% of their regulatory capital. This limit constitutes an additional margin and is not subject to the 100% mandatory reserve.

Additionally, a Chilean bank may invest in foreign securities whose rating is equal to or exceeds those mentioned in Table 3 below in: (i) demand deposits with foreign banks, including overnight deposits in a single entity; and (ii) securities issued or guaranteed by sovereign states or their central banks or securities issued or guaranteed by foreign entities within the Chilean State, though investment will be subject to the limits by issuer up to 30% and 50%, respectively, of the regulatory capital of the Chilean bank that makes the investment. If these foreign securities do not have a rating, the individual limit will be 10% of regulatory capital.

Table 3

Rating Agency	Short Term	Long Term
Moody's	P1	Aa3
Standard and Poor's	A1+	AA-
Fitch	F1+	AA
DBRS	R-1 (high)	AA(low)

Moreover, the sum of all demand deposits with foreign banks, including overnight deposits to related parties, as defined by the Central Bank and the SBIF, cannot surpass 25% of a bank's regulatory capital. This limit excludes foreign branches of Chilean banks or their subsidiaries, but must include amounts deposited by these entities in related parties abroad.

Chilean banks may only invest in equity securities of foreign banks and certain other foreign companies which may be affiliates of the bank or which would be complementary to the bank's business if such companies were incorporated in Chile.

"Mortgage Bonds"

In 2012, the mortgage-covered bond legislation was approved by the Chilean Congress. These bonds, known as "mortgage bonds," are debt backed by the company that sells them, as well as by a pool of mortgages that in the event of insolvency the pool of mortgages are auctioned with the corresponding mortgage bond. Unlike covered bonds, they are not be limited to banks. These bonds, if bought by banks, are available for immediate liquidity in the Central Bank liquidity window and have other restrictions as to the type of mortgage they will be funding, i.e. mortgage loans with loan-to-values of maximum 80%.

U.S. Banking Regulation - Volcker Rule

On July 21, 2010, the United States enacted the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"), which provides a broad framework for significant regulatory changes that extend to almost every area of U.S. financial regulation. Within the Dodd-Frank Act, the Volcker Rule prohibits "banking entities" from engaging in certain forms of proprietary trading or from sponsoring, investing in or entering into certain credit-related transactions with related covered funds, in each case subject to certain limited exceptions. The term "covered fund" is defined very broadly to include traditional hedge funds, private equity funds, certain securitization vehicles and other entities that must rely on Section 3(c)(1) or 3(c)(7) of the U.S. Investment Company Act of 1940 for an exemption under that Act, as well as certain similar foreign funds. The Volcker Rule became effective in July, 2012 and in December, 2013 U.S. regulators issued final rules implementing the Volcker Rule. The statute and final rules also contain exclusions and certain exemptions for market-making, hedging, underwriting, trading in U.S. government and agency obligations as well as certain foreign government obligations, and trading solely outside the United States, and also permit certain ownership interests in certain types of funds to be retained. Banking entities such as Banco Santander Spain must bring their activities and investments worldwide into compliance with the requirements of the Volcker Rule by the end of the conformance period applicable to each requirement.

In general, all banking entities were required to conform to the requirements of the Volcker Rule, except for provisions related to certain funds, and to implement a compliance program by July 21, 2015. In December 2014, the Federal Reserve Board issued an order extending the Volcker Rule's general conformance period until July 21, 2016 for investments in and relationships with covered funds and certain foreign funds that were in place on or prior to December 31, 2013 ("legacy covered funds"), and stated its intention to grant a final one-year extension of the general conformance period, to July 21, 2017, for banking entities to conform ownership interests in and relationships with legacy covered funds. This extension of the conformance period does not apply to the July 21, 2015 imposition of the Volcker Rule's prohibitions on proprietary trading or to any investments in and relationships with covered funds put in place after December 31, 2013. Banco Santander Spain, including Santander Chile, has assessed how the final rules implementing the Volcker Rule affect the group's businesses and has adopted or is in the process of adopting the necessary measures to bring its activities into compliance with the rules and the applicable conformance period.

U.S. Anti-Money Laundering, Anti-Terrorist Financing, and Foreign Corrupt Practices Act Regulations

The Issuer, as a foreign private issuer whose securities are registered under the U.S. Securities Exchange Act of 1934, is subject to the U.S. Foreign Corrupt Practices Act (the "**FCPA**"). The FCPA generally prohibits such issuers and their directors, officers, employees and agents from using any means or instrumentality of U.S. interstate commerce in furtherance of any offer or payment of money to any foreign official or political party for the purpose of influencing a decision of such person in order to obtain or retain business. It also requires that the issuer maintain books and records and a system of internal accounting controls sufficient to provide reasonable assurance that accountability of assets is maintained and accurate financial statements can be prepared. Penalties, fines and imprisonment of the Issuer's officers and/or directors can be imposed for violations of the FCPA.

Furthermore, the Issuer is subject to a variety of U.S. anti-money laundering and anti-terrorist financing laws and regulations, such as the Bank Secrecy Act of 1970, as amended, and the USA PATRIOT ACT of 2001, as amended, and a violation of such laws and regulations may result in substantial penalties, fines and imprisonment of the Issuer's officers and/or directors.

DESCRIPTION OF THE NOTES

General

The Issuer may issue and have outstanding from time to time up to U.S.$5,500,000,000 principal amount in the aggregate of Medium-Term Notes (the "**Notes**") under this Program. The minimum specified denomination of the Notes will be Euro 100,000 (or, if the Notes are denominated in a currency other than the Euro, the equivalent amount in such currency) or such higher amount as may be allowed or required from time to time by the relevant Central Bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency. The Notes will have the terms described below, including, as described below, the terms specified in the Final Terms of the applicable Series of Notes, except that references below to interest payments and interest-related information do not apply to certain OID Notes (as defined in "Taxation").

The Notes are to be issued under a Fiscal and Paying Agency Agreement dated as of June 30, 2016 among the Issuer, Bank of America, National Association, London Branch as fiscal agent (in such capacity, the "**Fiscal and Paying Agent**"), paying agent and transfer agent, Bank of America, National Association, as U.S. paying agent, U.S. registrar and U.S. transfer agent, Merrill Lynch Equity S.à.r.l. as the Luxembourg Registrar, and the other paying agents and transfer agents named therein, as further amended and supplemented from time to time (the "**Fiscal Agency Agreement**"), in registered or bearer form as specified in the applicable Final Terms. The following description of certain provisions of the Fiscal Agency Agreement is subject to, and qualified in its entirety by reference to, all the provisions of the Fiscal Agency Agreement, including the definitions therein of certain terms.

The Issuer may, from time to time, re-open one or more series of Notes (each, a "**Series**") and issue Additional Notes (as defined below in "Additional Notes") with the same terms (including maturity and interest payment terms but excluding original issue date and public offering price) as Notes issued on an earlier date; provided that a Series of Notes may not comprise both Notes in bearer form and Notes in registered form. After such Additional Notes are issued they will be fungible with the previously issued Notes to the extent specified in the applicable Final Terms, provided further that if the Additional Notes are not fungible with the earlier Notes for United States federal income tax purposes, the Additional Notes will have a separate CUSIP number. Each such Series may contain one or more tranches of Notes (each, a "**Tranche**") having identical terms, including the original issue date and the public offering price; provided that a Tranche of Notes may not comprise both Notes in bearer form and Notes in registered form.

Each Note will be unsecured and will be either a senior or a subordinated debt obligation. Notes which are senior debt obligations will rank equally with all other unsecured and unsubordinated obligations of the Issuer thereof. Notes which are subordinated debt obligations will rank junior in right of payment to all senior indebtedness as specified in the applicable Final Terms, which will set forth the precise terms of such subordination.

The Final Terms relating to a Tranche of Notes issued by the Issuer will describe the following terms: (i) the currency or composite currency in which the Notes of such Tranche will be denominated (each such currency or composite currency, a "**Specified Currency**") and, if other than the Specified Currency, the currency or composite currency in which payments on the Notes of such Series will be made (and, if the Specified Currency or currency or composite currency of payment is other than U.S. Dollars, certain other terms relating to such Notes (a "**Foreign Currency Note**") and such Specified Currency or such currency or composite currency of payment); (ii) whether such Notes are Fixed Rate Notes or Floating Rate Notes (including whether such Notes are Regular Floating Rate Notes, Floating Rate/Fixed Rate Notes or Inverse Floating Rate Notes, each as defined below); (iii) the price at which such Notes will be issued (the "**Issue Price**"); (iv) the date on which such Notes will be issued (the "**Original Issue Date**"); (v) the date on which such Notes will mature; (vi) whether such notes are senior or subordinated and, if subordinated, the terms of the subordination; (vii) if such Notes are Fixed Rate Notes, the rate per annum at which such Notes will bear interest, if any; (viii) if such Notes are Floating Rate Notes, the base rate (the "**Base Rate**"), the initial interest rate (the "**Initial Interest Rate**"), the minimum interest rate (the "**Minimum Interest Rate**") (provided that if no Minimum Interest Rate is specified or if indicated that the Minimum Interest Rate is "not applicable," the Minimum Interest Rate shall be zero), the maximum interest rate (the "**Maximum Interest Rate**"), the Interest Payment Dates, the period to maturity of the instrument, obligation or index with respect to which the calculation agent will calculate the interest rate basis or bases (the "**Index Maturity**"), the Spread and/or Spread Multiplier (all as defined below), if any, (ix) whether such Notes may be redeemed at the option of the Issuer, or repaid at the option of the holder, prior to its stated maturity as described under "**Optional**

Redemption" and "**Repayment at the Noteholders' Option; Repurchase**" below and, if so, the provisions relating to such redemption or repayment; (x) any relevant tax consequences associated with the terms of the Notes which have not been described under "**Taxation—United States Federal Income Taxation**" below; and (xi) if such Notes are Additional Notes (as defined below), a description of the original issue date and aggregate principal amount of the prior Tranche of Notes having terms (other than the original issue date and public offering price) identical to such Additional Notes. In addition, each Final Terms with respect to a Tranche of Notes will identify the Dealer(s) participating in the distribution of such Notes. See "**Plan of Distribution**." Each Final Terms relating to Notes will be in, or substantially in, the relevant forms included under "**Form of Final Terms**" below.

If any Notes are to be issued as Foreign Currency Notes, the applicable Final Terms will specify the currency or currencies, which may be composite currencies, in which the purchase price of such Notes are to be paid by the purchaser, and the currency or currencies, which may be composite currencies, in which the principal at maturity or earlier redemption, premium, if any, and interest, if any, with respect to such Notes may be paid, if applicable. See "**Special Provisions Relating to Foreign Currency Notes**."

Subject to such additional restrictions as are described under "**Special Provisions Relating to Foreign Currency Notes**," Notes of each Tranche will mature on a day specified in the applicable Final Terms, as selected by the initial purchaser and agreed to by the Issuer. In the event that such maturity date of any Notes or any date fixed for redemption or repayment of any Notes (collectively, the "**Maturity Date**") is not a Business Day (as defined below), principal and interest payable at maturity or upon such redemption or repayment will be paid on the next succeeding Business Day with the same effect as if such Business Day were the Maturity Date. No interest shall accrue for the period from and after the Maturity Date to such next succeeding Business Day. Except as may be specified in the applicable Final Terms, all Notes will mature at par.

In the case of Fixed Rate Notes, the applicable Final Terms will specify the yield as of the Original Issue Date. The yield is calculated at the Original Issue Date on the basis of the Issue Price. It is not an indication of future yield.

"**Business Day**" means, unless otherwise specified in the applicable Final Terms, any day other than a Saturday or Sunday or any other day on which banking institutions are generally authorized or obligated by law or regulation to close in (i) the principal financial center of the country in which the Issuer is incorporated, (ii) the principal financial center of the country of the currency in which the Notes are denominated (if the Note is denominated in a Specified Currency other than Euro) and (iii) any additional financial center specified in the applicable Final Terms (as the case may be); provided, however, that with respect to Notes denominated in Euro, such day is a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open.

Forms of Notes

Bearer Notes

If specified in the applicable Final Terms, Notes of each Tranche will be in bearer form ("**Bearer Notes**") and will initially be represented by one or more temporary global Notes or permanent global Notes, without interest coupons attached and, in the case of definitive Notes, will be serially numbered and will:

(i) if any such global Note is intended to be issued in new global note ("**NGN**") form, as stated in the applicable Final Terms, be delivered to a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank S.A./N.V. as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**")(each an "**ICSD**" and together the "**ICSDs**"):

    (a) *records of the ICSDs*. The principal amount and/or number of each Note represented by the global Note shall be the amount from time to time entered in the records of both ICSDs, provided, however, that the aggregate principal amount of Notes represented by a global Note shall be as set forth on the face of such note. The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the principal amount and/or number of each Note represented by the global Note and, for these purposes, a statement (which statement shall be made available to the bearer upon request) issued by an ICSD stating the principal amount and/or number of Notes so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time;

(b) on any redemption or payment of an installment or interest being made in respect of, or purchase and cancellation of, any of the Notes represented by such global Note the Issuer shall procure that details of any redemption, payment, or purchase and cancellation (as the case may be) in respect of the global Note shall be entered pro rata in the records of the ICSDs and, upon any such entry being made, the principal amount and/or number of the Notes recorded in the records of the ICSDs and represented by the global Note shall be reduced by the aggregate principal amount and/or number of the Notes so redeemed or purchased and cancelled or by the aggregate amount of such installment so paid; and

(ii) if any such global Note is to be issued in classic global note form ("**CGN**"), be delivered to a common depositary (the "**Common Depositary**") for Euroclear and Clearstream, Luxembourg or any other recognized or agreed clearing system.

Bearer Notes in definitive form will be issued with coupons attached. Except as set out below, title to Bearer Notes and any coupons will pass by delivery. The Issuer, the Fiscal Agent and any Paying Agent (as defined below) may deem and treat the bearer of any Bearer Note or coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Note, without prejudice to the provisions set out in the next succeeding sentence. For so long as any of the Notes are represented by a global Note, each person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer, the Fiscal Agent and any Paying Agent as the holder of such principal amount of such Notes for all purposes other than with respect to the payment of principal or interest on the Notes, the right to which shall be vested, as against the Issuer, the Fiscal Agent and any Paying Agent solely in the bearer of the relevant global Note in accordance with and subject to its terms (and the expressions "**Noteholder**" and "**Holder of Notes**" and related expressions shall be construed accordingly). Notes which are represented by a global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear or of Clearstream, Luxembourg, as the case may be.

References herein to "**Bearer Notes**" shall, except where otherwise indicated, include interests in a temporary or permanent global Note as well as definitive Notes and any coupons attached thereto.

The applicable Final Terms will specify whether (i) United States Treasury Regulation §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form as such rules for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended), (the "TEFRA C Rules"), (ii) United States Treasury Regulation §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form as such rules for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended) (the "TEFRA D Rules") or (iii) if the Notes do not have a maturity of more than 365 days (including unilateral rights to rollover or extend), neither the TEFRA C Rules nor the TEFRA D Rules, are applicable to the Notes. If so specified in the applicable Final Terms, in the case of a Bearer Note to which the TEFRA D Rules have not been specified to apply, the Bearer Notes may be represented upon issue by one or more permanent global Notes.

Each Bearer Note having a maturity of more than 365 days (including unilateral rights to rollover or extend) and interest coupons pertaining to such Note, if any, will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code."

In general, Bearer Notes that are subject to the TEFRA C Rules or the TEFRA D Rules may not be offered, sold or delivered within the United States or to United States persons. In particular, if the applicable Final Terms specify that the TEFRA D Rules apply, the Bearer Notes may not be delivered, offered, sold or resold, directly or indirectly, in connection with their original issuance or during the Restricted Period (as defined below), in the United States (as defined below) or to or for the account of any United States person (as defined below), other than to certain persons as provided under United States Treasury Regulations. An offer or sale will be considered to be made to a person within the United States if the offeror or seller has an address within the United States for the offeree or purchaser with respect to the offer or sale. In addition, any underwriters, agents and dealers will represent that they have procedures reasonably designed to ensure that their employees or agents who are directly engaged in selling Bearer Notes are aware of the restrictions on the offering, sale, resale or delivery of Bearer Notes.

As used herein, "**United States**" means the United States (including the States and the District of Columbia), its territories and its possessions. "**United States person**" means (i) a citizen or individual resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States, any state thereof or the District of Columbia or (iii) an estate or a trust the income of which is subject to U.S. federal income taxation regardless of its source. "**Restricted Period**" with respect to each Tranche of Notes means the period which begins on the earlier of the settlement date (or the date on which the Issuer receives the proceeds of the sale of Bearer Notes of such Tranche), or the first date on which the Bearer Notes of such Tranche are offered to persons other than the Dealers, and which ends 40 days after the settlement date (or the date on which the Issuer receives the proceeds of the sale of such Bearer Notes); provided that with respect to a Bearer Note held as part of an unsold allotment or subscription, any offer or sale of such Bearer Note by the Issuer or any Dealer shall be deemed to be during the Restricted Period. An "**Ownership Certificate**" is a certificate (in a form to be provided), signed or sent by the beneficial owner of the relevant Bearer Note or by a financial institution or clearing organization through which the beneficial owner holds the Bearer Note providing certification that the beneficial owner is not a United States person or person who has purchased for resale to any United States person as required by United States Treasury Regulations.

Unless otherwise specified in the applicable Final Terms, each Bearer Note will be represented initially by a temporary global Note, without interest coupons which will (a) if the temporary global Note is intended to be issued in NGN form, as stated in the applicable Final Terms, be delivered on or prior to the Original Issue Date of the Tranche of Notes to a Common Safekeeper for Euroclear and Clearstream, Luxembourg or (b) if the temporary global Note is to be issued in CGN form, be delivered on or prior to the Original Issue Date of the Tranche of Notes to a Common Depositary for Euroclear and Clearstream, Luxembourg, or any other recognized or agreed clearing system in the case of a temporary global Note issued in CGN form. Upon deposit of each such temporary global Note, Euroclear or Clearstream, Luxembourg, as the case may be, will credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid. The interests of the beneficial owner or owners in a temporary global Note will be exchangeable after the expiration of the Restricted Period (the "**Exchange Date**") for an interest in a permanent global Note which will (a) if the permanent global Note is intended to be issued in NGN form, as stated in the applicable Final Terms, be delivered to a Common Safekeeper for Euroclear and Clearstream, Luxembourg or (b) if the permanent global Note is not intended to be issued in NGN form, be delivered to a Common Depositary for Euroclear and Clearstream, Luxembourg, for credit to the account designated by or on behalf of the beneficial owner thereof, or for definitive Bearer Notes or definitive Registered Notes, as provided in the applicable Final Terms; provided, however, that such exchange will be made only upon receipt of Ownership Certificates in the case of Bearer Notes to which the TEFRA D Rules have been specified to apply.

If so specified in the applicable Final Terms, in the case of a Bearer Note to which the TEFRA D Rules have not been specified to apply, the Bearer Notes may be represented upon issue by one or more permanent global Notes.

Registered Notes

If specified in the applicable Final Terms, Notes of each Tranche will be in fully registered form ("**Registered Notes**"). The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will be represented by a global note in registered form (a "**Regulation S Global Note**"). Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Notes, beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Regulation S Global Note will bear a legend regarding such restrictions on transfer.

The Registered Notes of each Tranche may only be offered and sold in the United States or to U.S. persons in private transactions to "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act ("**QIBs"**). The Registered Notes of each Tranche sold to QIBs will be represented by a global note in registered form (a "**Rule 144A Global Note**" and, together with a Regulation S Global Note, the "**Registered Global Notes**").

Registered Global Notes will either (i) be deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company ("**DTC**"), (ii) be deposited with a common depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms (and in either case the "**Register**"). Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

The Rule 144A Global Note will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will be made to the person shown on the Register as the registered holder of the Registered Global Notes. None of the Issuer, any Paying Agent or any Registrar (as defined below) will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will be made to the persons shown on the Register on the relevant Record Date (as defined below) immediately preceding the due date for payment in the manner provided in that paragraph.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without interest coupons, receipts or talons attached only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that (i) in the case of Notes registered in the name of a nominee for DTC, either DTC has notified the Issuer that it is unwilling or unable to continue to act as depositary for the Notes and no alternative clearing system is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act, (ii) in the case of Notes registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of fourteen days (other than by reason of holiday, statutory or otherwise) or have announced an intention to permanently cease business or have in fact done so and, in any such case, no successor clearing system is available or (iii) the Issuer is in default.

In the event of the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar requesting exchange. Any such exchange shall occur not later than ten days after the date of receipt of the first relevant notice by the relevant Registrar.

Exchange and Transfer of Notes

A temporary global Note will be exchangeable in whole but not in part for definitive Bearer Notes (i) if Euroclear and/or Clearstream, Luxembourg or any other agreed clearing system, as applicable, has informed the Issuer that it has or they have, as the case may be, ceased or will cease to act as the clearing system(s) in respect of the relevant temporary global Note or, (ii) if required by law; but only, in each case, in the case of Bearer Notes to which the TEFRA D Rules have been specified to apply, on or after the Exchange Date and upon delivery of Ownership Certificates. No definitive Bearer Note will be delivered in or to the United States or to a United States person, except as specifically provided by applicable United States Treasury Regulations. In the event that the relevant temporary global Note is not, in the case of (i) or (ii) above, duly exchanged for definitive Bearer Notes then the terms of such temporary global Note provide for relevant account holders with Euroclear and Clearstream, Luxembourg and any other agreed clearing system, as applicable, to be able to enforce against the Issuer all rights which they would have had if they had been holding definitive Bearer Notes of the relevant value at the time of such event. Payments by the Issuer to the relevant account holders will be considered as payments to the relevant Noteholder and operate as full and final discharge to the Issuer in this respect.

A permanent global Note will be exchangeable in whole but not in part for definitive Bearer Notes (i) if Euroclear and/or Clearstream, Luxembourg or any other agreed clearing system, as applicable, has informed the Issuer that it has or they have, as the case may be, ceased or will cease to act as the clearing system(s) in respect of the relevant permanent global Note or, (ii) if an Event of Default occurs, unless such event is remedied within seven days of its occurrence. In order to make such request the holder must, not less than 45 days before the date on which delivery of definitive Bearer Notes is required, deposit the relevant permanent global Note with the relevant Paying Agent (as defined below) at its specified office outside the United States for the purposes of the Notes with the form of exchange notice endorsed thereon duly completed. No definitive Bearer Note will be delivered in or to the United States or to a United States person, except as specifically provided by applicable United States Treasury Regulations. In the event that the relevant permanent global Note is not, in the case of (i) or (ii) above, duly exchanged for definitive Bearer Notes then the terms of such permanent global Note provide for relevant account holders with Euroclear and Clearstream, Luxembourg and any other agreed clearing system as applicable, to be able to enforce against the Issuer all rights which they would have had if they had been holding definitive Bearer Notes of the relevant value at the time of such event. Payments by the Issuer to the relevant account holders will be considered as payments to the relevant Noteholder and operate as full and final discharge to the Issuer in this respect.

If specified in the applicable Final Terms, and subject to the terms of the Fiscal Agency Agreement, definitive Bearer Notes (along with all unmatured coupons, and all matured coupons, if any, in default) will be exchangeable at the option of the holder into Registered Notes of any authorized denominations of like tenor and in an equal aggregate principal amount, in accordance with the provisions of the Fiscal Agency Agreement at the office of the relevant Registrar or at the office of any Transfer Agent outside the United States designated by the Issuer for such purpose. See "**Registrar and Transfer Agents**" below. Definitive Bearer Notes surrendered in exchange for Registered Notes after the close of business at any such office (i) on or after any record date for the payment of interest (a "**Regular Record Date**") on a Registered Note on an Interest Payment Date (as defined below) and before the close of business at such office on the date prior to the relevant Interest Payment Date, or (ii) on or after any record date to be established for the payment of defaulted interest on a Registered Note ("**Special Record Date**") and before the opening of business at such office on the related proposed date for payment of defaulted interest, shall be surrendered without the coupon relating to such date for payment of interest. Definitive Bearer Notes will be exchangeable for definitive Bearer Notes in other authorized denominations, in an equal aggregate principal amount, in accordance with the provisions of the Fiscal Agency Agreement and at the offices of any Paying Agent outside the United States appointed by the Issuer for such purpose. See "**Registrar and Transfer Agents**" below.

Registered Notes will be exchangeable for Registered Notes in other authorized denominations, in an equal aggregate principal amount upon surrender of any such Notes to be exchanged at the offices of the relevant Registrar or any transfer agent designated by the Issuer for such purpose. Registered Notes will not be exchangeable for Bearer Notes. Registered Notes may be presented for registration of transfer at the offices of the relevant Registrar or any transfer agent designated by the Issuer and for such purpose. See "**Registrar and Transfer Agents**" below. No service charge will be made for any registration of transfer or exchange of Notes but the Issuer may require payment of a sum sufficient to cover any transfer taxes payable in connection therewith. Except as described above, Bearer Notes and any coupons appertaining thereto will be transferable by delivery. See "**Forms of Notes—Bearer Notes**" above.

The Issuer shall not be required (i) to register the transfer of or exchange Notes to be redeemed for a period of fifteen calendar days preceding the first publication of the relevant notice of redemption, or if Registered Notes are outstanding and there is no publication, the mailing of the relevant notice of redemption, (ii) to register the transfer of or exchange any Registered Note selected for redemption or surrendered for optional repayment, in whole or in part, except the unredeemed or unpaid portion of any such Registered Note being redeemed or repaid, as the case may be, in part, (iii) to exchange any Bearer Note selected for redemption or surrendered for optional repayment, except that such Bearer Note may be exchanged for a Registered Note of like tenor, provided that such Registered Note shall be simultaneously surrendered for redemption or repayment, as the case may be, or (iv) to register transfer of or exchange any Notes surrendered for optional repayment, in whole or in part.

Payments and Paying Agents

Principal and premium, if any, and interest, if any, payable on a Bearer Note represented by a temporary global Note or any portion thereof in respect of an Interest Payment Date will be paid in the Specified Currency (unless otherwise specified in the applicable Final Terms) by the relevant Paying Agent to each of Euroclear and Clearstream, Luxembourg, as the case may be, with respect to that portion of such temporary global Note held for its account (upon presentation to the Non-U.S. Paying Agent of the temporary global Note, if the temporary global Note is not issued in NGN form) and, in the case of a Note to which the TEFRA D Rules have been specified to apply, upon delivery of an Ownership Certificate signed by Euroclear or Clearstream, Luxembourg, as the case may be, dated no earlier than such Interest Payment Date, which certificate must be based on Ownership Certificates provided to Euroclear or Clearstream, Luxembourg, as the case may be, by its member organizations. Each of Euroclear and Clearstream, Luxembourg, as the case may be, will in such circumstances credit any principal and interest received by it in respect of such temporary global Note or any portion thereof to the accounts of the beneficial owners thereof.

Principal and premium, if any, and interest, if any, payable on a Bearer Note represented by a permanent global Note in respect of an Interest Payment Date will be paid in the Specified Currency (unless otherwise specified in the applicable Final Terms) by the relevant Paying Agent to each of Euroclear and Clearstream, Luxembourg, as the case may be, with respect to that portion of such permanent global Note held for its account (upon presentation to the Non-U.S. Paying Agent of the permanent global Note if the permanent global Note is not issued in NGN form). Each of Euroclear and Clearstream, Luxembourg will in such circumstances credit any principal and interest received by it in respect of such permanent global Note to the respective accounts of the beneficial owners of such permanent global Note at maturity, redemption or repayment or on such Interest Payment Date, as the case may be. If a Registered Note is issued in exchange for a permanent global Note after the close of business at the office or agency where such exchange occurs (a) on or after any Regular Record Date and before the opening of business at such office or agency on the relevant Interest Payment Date, or (b) on or after any Special Record Date and before the opening of business at such office or agency on the related proposed date for payment of defaulted interest, any interest or defaulted interest, as the case may be, will not be payable on such Interest Payment Date or proposed date for payment, as the case may be, in respect of such Registered Note, but will be payable on such Interest Payment Date or proposed date for payment, as the case may be, only to Euroclear and Clearstream, Luxembourg, and Euroclear and Clearstream, Luxembourg will in such circumstances credit any such interest to the account of the beneficial owner of such permanent global Note on such Regular Record Date or Special Record Date, as the case may be. Payment of principal and of premium, if any, and any interest due at maturity, redemption or repayment (in the event, with respect to payment of interest, that any such maturity date or redemption or repayment date is other than an Interest Payment Date) in respect of any permanent global Note will be made to Euroclear and Clearstream, Luxembourg in immediately available funds.

Payments of principal and of premium, if any, and interest on definitive Bearer Notes will be made in immediately available funds in the Specified Currency (unless otherwise specified in the applicable Final Terms), subject to any applicable laws and regulations, only against presentation and surrender of such Note and any coupons at the offices of a Paying Agent outside the United States or, at the option of the holder by wire transfer of immediately available funds to an account maintained by the payee with a bank located outside the United States if appropriate wire instructions have been received by a Paying Agent not less than 10 calendar days prior to an applicable payment date. No payment with respect to any Bearer Note will be made at any office or agency of the Issuer in the United States or by wire transfer to an account maintained with a bank located in the United States, except as may be permitted under United States federal tax laws and regulations then in effect. Notwithstanding the foregoing, payments of principal and of premium, if any, and interest on Bearer Notes denominated and payable in U.S. Dollars will be made at the office of the paying agent of the Issuer, in the Borough of Manhattan, The City of New York, if and only if (i) payment of the full amount thereof in U.S. Dollars at all offices or agencies outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (ii) such paying agent in the Borough of Manhattan, The City of New York, under applicable law and regulations, would be able to make such payment.

Payment of principal and of premium, if any, and interest on Registered Notes at maturity or upon redemption or repayment will be made in immediately available funds in the Specified Currency (unless otherwise specified in the applicable Final Terms) against presentation of such Note at the office of the relevant Paying Agent. Payment of interest on Registered Notes will be made to the person in whose name such Note is registered at the close of business on the Regular Record Date next preceding the Interest Payment Date either by check mailed to the address of the person entitled thereto as such address shall appear in the security register or by wire transfer to an account selected by the person entitled thereto if appropriate wire instructions have been received by the relevant Paying Agent not less than 10 calendar days prior to the applicable payment date; provided, however, that (i) if the Issuer fails to pay such interest on such Interest Payment Date, such defaulted interest will be paid to the person in whose name such Note is registered at the close of business on the Special Record Date and (ii) interest payable at maturity, redemption or repayment will be payable to the person to whom principal shall be payable. The first payment of interest on any Registered Note originally issued between a Regular Record Date and an Interest Payment Date will be made on the Interest Payment Date following the next succeeding Regular Record Date to the registered owner on such next Regular Record Date. Interest rates and interest rate formulae are subject to change by the Issuer from time to time but no such change will affect any Note theretofore issued. Unless otherwise specified in the applicable Final Terms, the Interest Payment Dates and the Regular Record Dates for Fixed Rate Notes shall be as described below under "**Fixed Rate Notes**." The Interest Payment Dates for Floating Rate Notes shall be as indicated in the applicable Final Terms and in such Note, and, unless otherwise specified in the applicable Final Terms, each Regular Record Date for a Registered Floating Rate Note will be the calendar day (whether or not a Business Day) next preceding each Interest Payment Date.

Payments of principal, interest and any other amount in respect of the Registered Notes will, in the absence of provision to the contrary, be made to the person shown on the Register on the relevant Record Date (as defined below) as the registered holder of the Registered Notes. None of the Issuer, any Paying and Transfer Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. Payments of interest in respect of Registered Notes shall be made to the person shown on the Register at the close of business on the date specified in the applicable Final Terms (the "**Record Date**"). For the avoidance of doubt, the Record Date for Registered Notes that are held through an ICSD shall be the business day prior to each Interest Payment Date.

Pursuant to the Fiscal Agency Agreement, the Issuer has initially designated Bank of America, National Association, London Branch as its non-U.S. Paying agent (in such capacity, and including any successor non-U.S. paying agent appointed thereunder, the "**Non-U.S. Paying Agent**") and Bank of America, National Association as its U.S. paying agent for Notes sold within the United States, (in such capacity and including any successor U.S. paying agent appointed thereunder, the "U.S. Paying Agent," and together with the Non-U.S. Paying Agent and any other paying agents appointed by the Issuer, the "**Paying Agents**"). So long as any Notes are listed and/or admitted to trading on or by any stock exchange, competent authority and/or market, there will at all times be a Paying Agent with a specified office in each location, if any, required by the rules and regulations of the relevant stock exchange(s), competent authority(ies) and/or market(s) on or by which such Notes are listed and/or admitted to trading. So long as any Notes are listed and/or admitted to trading on or by any stock exchange, competent authority and/or market and the rules of such exchange, competent authority and/or market so require, the Issuer will notify the holders of its Notes in the manner specified under "**Notices**" below in the event that the Issuer appoints a Paying Agent with respect to such Notes other than the Paying Agents designated as such in this Base Prospectus or in the applicable Final Terms.

Any monies paid by the Issuer to any Paying Agent for the payment of principal of, premium, if any and interest (and Additional Amounts, if any) with respect to the Notes and remaining unclaimed at the end of one month after the date on which such monies first became payable shall be repaid to the Issuer and the holders of the Notes shall thereafter look only to the Issuer for payment. The Notes shall become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date therefor.

"**Entitlement**" is defined to include any distribution of cash or securities, being the payment due date, as determined by the terms and conditions, for cash or the settlement date for securities.

"**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of moneys payable has not been duly received by the Fiscal Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the holders of the Notes as described under "**Notices**" below.

Registrar and Transfer Agents

Pursuant to the Fiscal Agency Agreement, the Issuer has initially designated Bank of America, National Association as U.S. registrar in respect of the Rule 144A Global Notes and also the Regulation S Global Notes which are deposited with a custodian for, and registered in the name of a nominee of, DTC (in such capacity and including any successor U.S. registrar appointed thereunder, the "**U.S. Registrar**"). Additionally, the Issuer has initially designated Merrill Lynch Equity S.à.r.l., as Luxembourg registrar in respect of the Regulation S Global Notes which are deposited with a common depositary for, and registered in the name of a common nominee of Euroclear, Clearstream or any other clearing system (in such capacity and including any successor Luxembourg registrar appointed thereunder, the "**Luxembourg Registrar**," and, together with the U.S. Registrar and any other registrar appointed by the Issuer, the "**Registrars**"). The Issuer has initially designated Bank of America, National Association, London Branch as non-U.S. transfer agent in respect of the Notes (in such capacity and including any successor non-U.S. transfer agent appointed thereunder, the "**Non-U.S. Transfer Agent**"). Additionally, the Issuer has initially designated Bank of America, National Association as U.S. transfer agent in respect of the Notes (in such capacity and including any successor U.S. transfer agent in respect of the Notes, the "**U.S. Transfer Agent**" and, together with the Non-U.S. Transfer Agent and any other transfer agent appointed by the Issuer, the "**Transfer Agents**"). For so long as any Notes are listed and/or admitted to trading on or by any stock exchange, competent authority and/or market, the Issuer will maintain a Transfer Agent with a specified office in each location required by the rules and regulations of the relevant stock exchange, competent authority and/or market. Any initial designation by the Issuer of the Registrar or a Transfer Agent may be rescinded at any time. The Issuer may at any time designate additional Transfer Agents with respect to the Notes. So long as any Notes are listed and/or admitted to trading on or by any stock exchange, competent authority and/or market and the rules of such exchange, competent authority and/or market so require, the Issuer will notify the holders of its Notes in the manner specified under "**Notices**" below in the event that the Issuer appoints a Registrar or Transfer Agent with respect to such Notes other than the Registrar and Transfer Agents designated as such in this Base Prospectus or in the applicable Final Terms.

Optional Redemption

Each applicable Final Terms will indicate either that the relevant Tranche of Notes of a Series cannot be redeemed prior to maturity (other than as provided under "Redemption Prior to Maturity Solely for Taxation Reasons" below) or that the Notes will be redeemable at the option of the Issuer, and such Final Terms shall specify the price at which such Notes are to be redeemed, including, but not limited to, any USD Make Whole Amount or Non-USD Make Whole Amount, in each case as defined below (the "**Optional Redemption Price**") and the relevant date upon which such Notes will be so redeemed (each such date, an "**Issuer Optional Redemption Date**"); provided, however, that Notes denominated in currencies other than U.S. Dollars may be subject to different restrictions on redemption as set forth under "Special Provisions Relating to Foreign Currency Notes—Minimum Denominations, Restrictions on Maturities, Repayment and Redemption" herein. Notice of any redemption to holders of Bearer Notes shall be published as described under "Notices" below once in each of three successive calendar weeks, the first publication to be not less than 30 nor more than 60 calendar days prior to the Issuer Optional Redemption Date. Notice of any redemption to holders of Registered Notes shall be provided as described under "Notices" below at least 30 and not more than 60 calendar days prior to the Issuer Optional Redemption Date.

Optional Redemption by Issuer in Foreign Currency

The "**Non-USD Make Whole Amount**" per Note shall be an amount equal to the sum of: (i) the principal amount of the relevant Note to be redeemed; (ii) the Applicable Premium; and (iii) accrued interest thereon to the Issuer Optional Redemption Date and any Additional Amounts payable with respect thereto. "**Applicable Premium**" means the excess, if any, of (i) the present value, discounted with the Benchmark Yield plus a spread to be indicated in the applicable Final Terms, on such redemption date of (A) the principal amount per Note, plus (B) all remaining scheduled interest payments per Note to (but excluding interest accrued through the Issuer Optional Redemption Date), over (ii) the principal amount per Note. The "**Benchmark Yield**" shall be the yield to maturity at the Redemption Calculation Date of a benchmark security with a constant maturity (as compiled and published in a publicly available source of market data selected by the Issuer) most nearly equal to the period from the Issuer Optional Redemption Date to the Maturity Date; provided, however, that if the period from the Issuer Optional Redemption Date to the Maturity Date is not equal to the constant maturity of such benchmark security for which a weekly average yield is given, the Benchmark Yield shall be obtained by a linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of such benchmark security for which such yields are given, except that if the period from the Issuer Optional Redemption Date to the Maturity Date is less than one year, the weekly average yield on such actually traded benchmark security adjusted to a constant maturity of one year shall be used. "**Redemption Calculation Date**" means the sixth Business Day prior to the date on which the Notes are redeemed pursuant to this section.

Optional Redemption by Issuer in USD

The "**USD Make Whole Amount**" per Note shall be an amount equal to the greater of (i) 100% of the principal amount of the Notes and (ii) the sum of the present values of the remaining scheduled payments of principal and interest thereon (exclusive of interest accrued to the date of redemption) discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus an amount of basis points to be specified in the applicable Final Terms, plus, in each case, accrued interest thereon to the date of redemption and any Additional Amounts payable with respect thereto.

On and after the redemption date, interest on the Notes or any portion of the Notes called for redemption will cease to accrue (unless the Issuer defaults in the payment of the redemption price and accrued interest). On or before the redemption date, the Issuer will deposit with the relevant Paying Agent funds sufficient to pay the redemption price and accrued interest, through the redemption date, on the Notes subject to redemption. If the redemption date falls after a record date but on or prior to the corresponding interest payment date, the Issuer will pay accrued interest to the holder of record on the corresponding record date, which may or may not be the person who will receive payment of the redemption price (which will exclude such accrued interest). If less than all the Notes are to be redeemed, the Notes to be redeemed that are held through a clearing system will be selected in accordance with the procedures of such clearing system and Notes not held through a clearing system by lot or pro rata.

"**Comparable Treasury Issue**" means the United States Treasury security or securities selected by an Independent Investment Banker as having an actual or interpolated maturity comparable to the remaining term of the Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of the Notes.

"**Comparable Treasury Price**" means, with respect to any redemption date, (A) the average, as calculated by the Issuer, of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (B) if the Issuer obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

"**Independent Investment Banker**" means one of the Reference Treasury Dealers appointed by the Issuer.

"**Reference Treasury Dealer Quotations**" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Issuer, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Issuer by such Reference Treasury Dealer at 3:30 p.m. New York time on the third business day preceding such redemption date.

"**Treasury Rate**" means, with respect to any redemption date, the rate per annum equal to the semiannual equivalent yield to maturity or interpolated (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

"**Reference Treasury Dealer**" means each of the Dealers specified in the applicable Final Terms, or their respective affiliates or successors which are primary U.S. government securities Dealers, and no less than two other leading primary U.S. government securities Dealers in the City of New York reasonably designated by the Issuer; provided, however, that if any of the foregoing or their affiliates shall cease to be a primary U.S. government securities dealer in the City of New York (a "Primary Treasury Dealer"), the Issuer shall substitute therefor another Primary Treasury Dealer.

Repayment at the Noteholders' Option; Repurchase

If applicable, the Final Terms applicable to the Notes of a Tranche will indicate that such Notes will be repayable at the option of the holder on a date or dates specified prior to their stated maturity date (such option, "**Optional Repayment**" and each such date, a "**Noteholder Optional Redemption Date**") and, unless otherwise specified in the applicable Final Terms, at a price equal to 100% of the principal amount outstanding thereof, together with accrued interest to, but not including, the relevant Noteholder Optional Redemption Date; provided, however, that Notes denominated in currencies other than U.S. Dollars may be subject to different restrictions on repayment as set forth under "**Special Provisions Relating to Foreign Currency Notes—Minimum Denominations, Restrictions on Maturities, Repayment and Redemption**" herein. If no Noteholder Optional Redemption Date is included with respect to a Note, such Note will not be repayable at the option of the holder prior to its maturity.

In order for such a Note to be repaid, and unless provided otherwise in the applicable Final Terms, the relevant Paying Agent must receive at least 30 but not more than 60 calendar days prior to the Noteholder Optional Redemption Date, (i) the Note with the form entitled "**Option to Elect Repayment**" on the reverse of the Note duly completed or (ii) a telegram, facsimile transmission or letter from a commercial bank or trust company in Western Europe or the United States which must set forth the name of the holder of the Note (in the case of a Registered Note only), the principal amount of the Note, the principal amount of the Note to be repaid, the certificate number or a description of the tenor and terms of the Note, a statement that the option to elect repayment is being exercised thereby and a guarantee that the Note to be repaid, together with the duly completed form entitled "**Option to Elect Repayment**" on the reverse of the Note, will be received by the Paying Agent not later than the fifth Business Day after the date of such telegram, facsimile transmission or letter; provided, however, that such telegram, facsimile transmission or letter from a commercial bank or trust company in Western Europe or the United States shall only be effective in such case if such Note and form duly completed are received by the relevant Paying Agent by such fifth Business Day. In the case of Global Notes, holders who wish to tender their Notes will be required to comply with the operating procedures for the relevant clearing system where such Notes are deposited. Exercise of the repayment option by the holder of a Note will be irrevocable. The repayment option may be exercised by the holder of a Note for less than the entire principal amount of the Note but, in that event, the principal amount of the Note remaining outstanding after repayment must be an authorized denomination. Partial redemption with respect to Notes in NGN form will be reflected in the records of Euroclear and Clearstream, Luxembourg as either pool factor (whereby a percentage reduction is applied to the nominal amount) or reduction in nominal amount, at their discretion.

The Issuer may at any time purchase Notes at any price in the open market or otherwise. Notes purchased by the Issuer will be surrendered to the Fiscal Agent for cancellation.

Redemption Prior to Maturity Solely for Taxation Reasons

The Issuer may at its election, subject to applicable Chilean law, redeem any Series of the Notes in whole, but not in part, upon giving not less than 30 nor more than 60 days' notice to the holders of the Notes of such Series, at their principal amount outstanding, plus Additional Amounts (as defined in "—Payment of Additional Amounts"), if any, together with accrued but unpaid interest to the date fixed for redemption, if:

(i) the Issuer certifies to the Fiscal and Paying Agent and any other relevant Paying Agent immediately prior to the giving of such notice that the Issuer has or will become obligated to pay Additional Amounts with respect to such Series of Notes (in excess of the 4.0% withholding tax payable on payments of interest on such Series of Notes) as a result of any change in or amendment to the laws or regulations of a Relevant Taxing Jurisdiction (as defined below), or any change in the application or official interpretation of such laws or regulations, which change or amendment occurs after the date of issuance of such Series of Notes; and

(ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to the Issuer;

provided, however, that no such notice of redemption shall be given earlier than 60 days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts if a payment in respect of any such Series of Notes were then due. For the avoidance of doubt, a change in the jurisdiction of the Paying Agents shall be considered a reasonable measure.

Before giving notice of redemption, the Issuer shall deliver to the Fiscal and Paying Agent and any other relevant Paying Agent an officers' certificate stating that the Issuer is entitled to effect such redemption in accordance with the terms set forth in the Fiscal Agency Agreement and setting forth in reasonable detail a statement of the facts relating thereto. The statement will be accompanied by a written opinion of counsel to the effect, among other things, that:

(i) the Issuer has become obligated to pay the Additional Amounts as a result of a change or amendment described above;

(ii) the Issuer cannot avoid payment of the Additional Amounts by taking reasonable measures available to the Issuer; and

(iii) all governmental approvals necessary for the Issuer to effect the redemption have been obtained and are in full force and effect or specifying any such necessary approvals that as of the date of such opinion have not been obtained.

Interest and Interest Rates

General

Each Note will bear interest at either:

(a) a fixed rate; or

(b) a floating rate determined by reference to an interest rate basis, which may be adjusted by a Spread and/or Spread Multiplier (as defined below). Any Floating Rate Note may also have either or both of the following:

(i) a maximum interest rate limitation, or ceiling, on the rate at which interest may accrue during any interest period; and

(ii) a minimum interest rate limitation, or floor, on the rate at which interest may accrue during any interest period, provided that if no minimum interest rate is specified or if the Final Terms indicate that the minimum interest rate is "not applicable," then the minimum interest rate shall be zero.

The applicable Final Terms will designate:

(a) a fixed rate per annum, in which case such Notes will be "**Fixed Rate Notes**"; or

(b) one or more of the following interest rate bases as applicable to such Notes, in which case such Notes will be "**Floating Rate Notes**":

(i) the CD Rate, in which case such Notes will be "**CD Rate Notes**";

(ii) the Commercial Paper Rate, in which case such Notes will be "**Commercial Paper Rate Notes**";

(iii) the Eleventh District Cost of Funds Rate, in which case such Notes will be "**Eleventh District Cost of Funds Rate Notes**";

(iv) the Federal Funds Rate, in which case such Notes will be "**Federal Funds Rate Notes**";

(v) LIBOR, in which case such Notes will be "**LIBOR Notes**";

(vi) EURIBOR, in which case such Notes will be "**EURIBOR Notes**";

(vii) the Treasury Rate, in which case such Notes will be "**Treasury Rate Notes**"; or

(viii) the Prime Rate, in which case such Notes will be "**Prime Rate Notes**."

Each Note will bear interest from its date of issue or from the most recent date to which interest on such Note has been paid or duly provided for, at the annual rate, or at a rate determined pursuant to an interest rate formula, stated herein. Interest will accrue on a Note until the principal thereof is paid or made available for payment.

Interest will be payable on each Interest Payment Date and at maturity or on redemption or repayment, if any, except for:

(a) certain OID Notes; and

(b) Notes originally issued between a Regular Record Date and an Interest Payment Date.

The first payment of interest on any Registered Note originally issued between a Regular Record Date and an Interest Payment Date will be made on the Interest Payment Date following the next succeeding Regular

Record Date. Such interest will be payable by the Issuer to the registered owner on such next Regular Record Date.

Interest will be payable on a Registered Note on each Interest Payment Date to the person in whose name such Note is registered at the close of business on the Regular Record Date next preceding the Interest Payment Date; provided, however, that:

(a) if the Issuer fails to pay such interest on such Interest Payment Date, such defaulted interest will be paid to the person in whose name such Registered Note is registered at the close of business on the record date to be established for the payment of defaulted interest; and

(b) interest payable at maturity, redemption or repayment will be payable to the person to whom principal shall be payable.

Unless otherwise specified in the applicable Final Terms:

(a) for Fixed Rate Notes, the Interest Payment Dates and any Regular Record Dates shall be as described below under "**Fixed Rate Notes**"; and

(b) for Floating Rate Notes:

   (i) the Interest Payment Dates shall be as indicated in the applicable Final Terms and in such Note; and

   (ii) any Regular Record Date will be the Business Day next preceding each Interest Payment Date.

"LIBOR" means the London Inter-bank Offered Rate for deposits in a specified currency.

"Spread" means the number of basis points expressed as a percentage (one basis point equals one-hundredth of a percentage point) that the calculation agent will add or subtract from the related Interest Rate Basis or Bases applicable to a Floating Rate Note.

"Spread Multiplier" means the percentage of the related Interest Rate Basis or Bases applicable to a Floating Rate Note by which the calculation agent will multiply such Interest Rate Basis or Bases to determine the applicable interest rate on such Floating Rate Note.

Fixed Rate Notes

General. Each Fixed Rate Note will bear interest at the annual rate specified in the Note and in the applicable Final Terms (the "**Fixed Rate of Interest**"). Interest on the Fixed Rate Notes will be paid on the dates specified in the applicable Final Terms (each, a "**Fixed Interest Payment Date**"). The Regular Record Dates for Fixed Rate Notes in registered form will be on the dates specified in the applicable Final Terms. In the event that any Fixed Interest Payment Date or Maturity Date for any Fixed Rate Note is not a Business Day, interest on such Fixed Rate Note will be paid on the next succeeding Business Day without additional interest. If interest is required to be calculated for a period other than a Fixed Interest Period (as defined below), such interest shall be calculated by applying the Fixed Rate of Interest to each specified denomination of the Notes of such Series, multiplying such sum by the applicable Fixed Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards, or otherwise in accordance with applicable market convention.

Day Count Fraction. "**Fixed Day Count Fraction**" means:

(1) in the case of Notes denominated in a currency other than U.S. Dollars, "Actual/Actual (ICMA)," meaning:

   (a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Fixed Interest Payment Date (or, if none, the interest commencement date (the "Interest Commencement Date") (as specified in the applicable Final Terms)) to (but excluding) the relevant payment date (the "Calculation Period") is equal to or shorter than the

Determination Period (as defined below) during which the Calculation Period ends, the number of days in such Calculation Period divided by the product of (1) the number of days in such Determination Period and (2) the number of determination dates (each, a “Determination Date”) (as specified in the applicable Final Terms) that would occur in one calendar year; or

(b) in the case of Notes where the Calculation Period is longer than the Determination Period during which the Calculation Period ends, the sum of:

(i) the number of days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and

(ii) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(2) in the case of Notes denominated in U.S. Dollars “30/360,” meaning the number of days in the period from and including the most recent Fixed Interest Payment Date (or, if none, the Interest Commencement Date (as specified in the applicable Final Terms)) to but excluding the relevant payment date (such number of days being calculated on the basis of a year of 360 days with twelve 30-day months) divided by 360.

Where:

“**Determination Period**” means the period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date (as specified in the applicable Final Terms) or the final Fixed Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

“**Fixed Interest Period**” means the period from (and including) a Fixed Interest Payment Date (or, if none, the Interest Commencement Date (as specified in the applicable Final Terms)) to (but excluding) the next (or first) Fixed Interest Payment Date.

“**sub-unit**” means, with respect to any currency other than Euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to Euro, means one cent.

Floating Rate Notes

General. Floating Rate Notes generally will be issued as described below. Each applicable Final Terms will specify the following terms with respect to which such Floating Rate Note is being delivered:

(a) whether such Floating Rate Note is a Regular Floating Rate Note, a Floating Rate/Fixed Rate Note or an Inverse Floating Rate Note, each as defined below;

(b) the Interest Rate Basis or Bases, Initial Interest Rate, Interest Reset Dates, Interest Reset Period, Regular Record Dates (if any) and Interest Payment Dates;

(c) the Index Maturity;

(d) the Spread and/or Spread Multiplier, if any;

(e) the maximum interest rate and minimum interest rate, if any (provided that if no minimum interest rate is specified or if the Final Terms indicate that the minimum interest rate is “not applicable,” then the minimum interest rate shall be zero); and

(f) the Designated LIBOR Currency, if one or more of the specified Interest Rate Bases is LIBOR.

The Issuer may change the Spread, Spread Multiplier, Index Maturity and other variable terms of the Floating Rate Notes from time to time. However, no such change will affect any Floating Rate Note previously issued or as to which an offer has been accepted by the Issuer.

The interest rate in effect on each day shall be:

(a) if such day is an Interest Reset Date, the interest rate determined on the Interest Determination Date immediately preceding such Interest Reset Date; or

(b) if such day is not an Interest Reset Date, the interest rate determined on the Interest Determination Date immediately preceding the next preceding Interest Reset Date.

Regular Floating Rate Note; Floating Rate/Fixed Rate Note; Inverse Floating Rate Note

The Interest Rate Basis applicable to each Regular Floating Rate Note, Floating Rate/Fixed Rate Note and Inverse Floating Rate Note may be subject to a Spread or Spread Multiplier, provided that the interest rate on an Inverse Floating Rate Note will not be less than zero.

Regular Floating Rate Note. A Regular Floating Rate Note will bear interest at the rate determined by reference to the applicable Interest Rate Basis. The rate at which interest shall be payable shall be reset as of each Interest Reset Date commencing on the Initial Interest Reset Date. However:

(a) the interest rate in effect for the period from the Original Issue Date to the Initial Interest Reset Date will be the Initial Interest Rate; and

(b) the interest rate in effect for the ten calendar days immediately prior to a Maturity Date shall be that in effect on the tenth calendar day preceding such Maturity Date, unless otherwise specified in the applicable Final Terms.

Floating Rate/Fixed Rate Note. A Floating Rate/Fixed Rate Note will initially bear interest at the rate determined by reference to the applicable Interest Rate Basis. The rate at which interest shall be payable shall be reset as of each Interest Reset Date commencing on the Initial Interest Reset Date. However:

(a) the interest rate in effect for the period from the Original Issue Date to the Initial Interest Reset Date will be the Initial Interest Rate;

(b) the interest rate in effect for the 10 calendar days immediately prior to the fixed rate commencement date shall be that in effect on the tenth calendar day preceding the fixed rate commencement date, unless otherwise specified in the applicable Final Terms; and

(c) the interest rate in effect commencing on, and including, the fixed rate commencement date to the Maturity Date shall be the Fixed Interest Rate, if such rate is specified in the applicable Final Terms, or if no such Fixed Interest Rate is so specified and the Floating Rate/Fixed Rate Note is still outstanding on such day, the interest rate in effect thereon on the day immediately preceding the fixed rate commencement date.

Inverse Floating Rate Note. An Inverse Floating Rate Note will bear interest equal to the Fixed Interest Rate specified in the related Final Terms minus the rate determined by reference to the Interest Rate Basis. The rate at which interest is payable shall be reset as of each Interest Reset Date commencing on the Initial Interest Reset Date. However:

(a) the interest rate in effect for the period from the Original Issue Date to the Initial Interest Reset Date will be the Initial Interest Rate; and

(b) the interest rate in effect for the ten calendar days immediately prior to a Maturity Date shall be that in effect on the tenth calendar day preceding such Maturity Date, unless otherwise specified in the applicable Final Terms.

Interest Rate Bases

Each Floating Rate Note will have one or more of the following interest rate bases, as specified in the Final Terms:

(a) the CD Rate;

(b) the Commercial Paper Rate;

(c) the Eleventh District Cost of Funds Rate;

(d) the Federal Funds Rate;

(e) LIBOR;

(f) EURIBOR;

(g) the Treasury Rate;

(h) the Prime Rate; or

(i) the lowest of two or more Interest Rate Bases.

Date of Interest Rate Change

The interest rate on each Floating Rate Note may be reset daily, weekly, monthly, quarterly, semi-annually or annually, as specified in the applicable Final Terms (this period is the "**Interest Reset Period**" and the first day of each Interest Reset Period is the "**Interest Reset Date**").

If an Interest Reset Date for any Floating Rate Note falls on a day that is not a Business Day, it will be postponed to the following Business Day, except that if that Business Day is in the next calendar month, the Interest Reset Date will be the immediately preceding Business Day.

How Interest Is Calculated

General. The Issuer will appoint a calculation agent to calculate interest rates on the Floating Rate Notes. Unless otherwise specified in the applicable Final Terms, Bank of America, National Association, London Branch will be the calculation agent for each Series of Floating Rate Notes. Floating Rate Notes will accrue interest from and including the original issue date or the last date to which the Issuer has paid or provided for interest, to but excluding the applicable Interest Payment Date, as described below, or the Maturity Date, as the case may be. However, in the case of Registered Notes that are Floating Rate Notes on which the interest rate is reset daily or weekly, each interest payment will include interest accrued from and including the date of issue or from but excluding the last Regular Record Date on which, unless otherwise specified in the applicable Final Terms, interest has been paid, through and including the Regular Record Date next preceding the applicable Interest Payment Date, and provided further that the interest payments on Floating Rate Notes made on the Maturity Date will include interest accrued to but excluding such Maturity Date.

Day Count Fraction. The amount of interest (the "**Interest Amount**") payable on any Series of Floating Rate Notes shall be calculated with respect to each specified denomination of such Floating Rate Notes of such Series for the relevant Interest Reset Period. Each Interest Amount shall be calculated by applying the relevant Interest Rate Basis, Spread and/or Spread Multiplier to each specified denomination and multiplying such sum by the applicable Floating Day Count Fraction.

"Floating Day Count Fraction" means, in respect of the calculation of the Interest Amount for any Interest Reset Period:

if "**Actual/Actual**" or "**Actual/Actual (ISDA)**" is specified in the applicable Final Terms, the actual number of days in the Interest Reset Period divided by 365 (or, if any portion of that Interest Reset Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Reset Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Reset Period falling in a non-leap year divided by 365);

(a) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the Interest Reset Period divided by 365;

(b) if "**Actual/360**" is specified in the applicable Final Terms, the actual number of days in the Interest Reset Period divided by 360;

(c) if "**30/360**," "**360/360**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Reset Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Interest Reset Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Reset Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Reset Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Reset Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Reset Period, unless such number is 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Reset Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

(d) if "**30E/360**" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Reset Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Interest Reset Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Reset Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Reset Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Reset Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Reset Period, unless such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Reset Period, unless such number would be 31, in which case D2 will be 30; and

(e) if “30E/360 (ISDA)” is specified in the applicable Final Terms, the number of days in the Interest Reset Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Interest Reset Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day of the Interest Reset Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Interest Reset Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Reset Period falls;

“D1” is the first calendar day, expressed as a number, of the Interest Reset Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Interest Reset Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30.

Unless otherwise specified in the applicable Final Terms, the Day Count Fraction in respect of the calculation of the Interest Amount on any Floating Rate Note will (a) in the case of a Note denominated in U.S. Dollars be Actual/360 or (b) in the case of a Note denominated in any other Specified Currency, be Actual/Actual. Notes for which the interest rate may be calculated with reference to two or more Interest Rate Bases will be calculated in each period by selecting one such Interest Rate Basis for such period. For these calculations, the interest rate in effect on any Interest Reset Date will be the new reset rate.

The calculation agent will round all percentages resulting from any calculation of the rate of interest on a Floating Rate Note, to the nearest 1/100,000 of 1% (0.0000001), with five one-millionths of a percentage point rounded upward (e.g. 9.876545% (or 0.09876545) would be rounded to 9.87655% (or 0.0987655)) and the calculation agent will round all currency amounts used in or resulting from any calculation to the nearest one-hundredth of a unit (with 0.005 of a unit being rounded upward).

The calculation agent will promptly, and no later than the fourth Business Day, notify the Fiscal Agent and the Issuer of each determination of the interest rate. The calculation agent will also notify the relevant stock exchange, competent authority and/or market (in the case of Notes that are listed or admitted to trading on or by a stock exchange, competent authority and/or market) and the relevant Paying Agents of the interest rate, the interest amount, the interest period and the Interest Payment Date related to each Interest Reset Date as soon as such information is available, and no later than the first Business Day of the interest period. The relevant Paying Agents will make such information available to the holders of Notes. The Fiscal Agent will, upon the request of the holder of any Floating Rate Note, provide the interest rate then in effect and, if determined, the interest rate which will become effective as a result of a determination made with respect to the most recent Interest Determination Date relating to such Note.

So long as any Notes are listed on or by any exchange, competent authority and/or market and the rules of such exchange(s), competent authority(ies) and/or market(s) so require, the Issuer shall maintain a calculation agent for the Notes, and the Issuer will notify the holders of its Notes in the manner specified under “Notices” below in the event that the Issuer appoints a calculation agent with respect to such Notes other than the calculation agent designated as such in the applicable Final Terms.

When Interest Is Paid

The Issuer will pay interest on Floating Rate Notes on the dates specified in the applicable Final Terms. Each such date upon which the Issuer is required to pay interest is an "**Interest Payment Date**." The Issuer will also pay interest on the relevant Floating Rate Notes at the Maturity Date.

If an Interest Payment Date (other than the Maturity Date) for a Floating Rate Note falls on a day that is not a Business Day, the Issuer will postpone payment of interest to the following Business Day at which time the Issuer will pay additional interest that has accrued up to but excluding such following Business Day, except that if that Business Day would fall in the next calendar month, the Interest Payment Date will be the immediately preceding Business Day.

If the Maturity Date for a Floating Rate Note falls on a day that is not a Business Day, the Issuer will make the payment on the next Business Day, without additional interest.

Date of Interest Rate Determination

The interest rate for each Interest Reset Period commencing on the Interest Reset Date will be the rate determined on the relevant Interest Determination Date for such Interest Reset Date for the relevant type of Floating Rate Note, as set forth in the applicable Final Terms.

Types of Floating Rate Notes

CD Rate Notes

Each CD Rate Note will bear interest at a specified rate that will be reset periodically based on the CD Rate and any Spread and/or Spread Multiplier.

"**CD Rate**" means, with respect to any Interest Determination Date, the rate on that Interest Determination Date for negotiable certificates of deposit having the specified Index Maturity as published in H.15(519) under the heading "**CDs (secondary market)**."

The following procedures will apply if the rate cannot be set as described above:

(a) If the rate is not published in H.15(519) prior to 3:00 p.m., New York City time, on the Interest Determination Date, then the CD Rate will be the rate for negotiable certificates of deposit having the specified Index Maturity as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption "**CDs (secondary market)**."

(b) If the rate is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 p.m., New York City time, on the Interest Determination Date, the CD Rate will be the average of the secondary market offered rates, as of 10:00 a.m., New York City time, of three leading non-bank dealers of negotiable U.S. Dollar certificates of deposit in The City of New York selected by the calculation agent for negotiable certificates of deposit of major money market banks with a remaining maturity closest to the specified Index Maturity in a denomination of U.S.$5,000,000.

(c) If fewer than three dealers are providing quotes, the rate will be the same as the rate used in the prior interest period.

"**H.15(519)**" means the publication entitled "**Statistical Release H.15(519), Selected Interest Rates,**" or any successor publication published by the Board of Governors of the United States Federal Reserve System.

"**H.15 Daily Update**" means the daily update of H.15(519), available through the world-wide web site of the Board of Governors of the United States Federal Reserve System at http://www.federalreserve.gov/releases/H15/update/, or any successor service.

Commercial Paper Rate Notes

Each Commercial Paper Rate Note will bear interest at a specified rate that will be reset periodically based on the Commercial Paper Rate and any Spread and/or Spread Multiplier.

"**Commercial Paper Rate**" means, with respect to any Interest Determination Date, the Money Market Yield of the rate on that Interest Determination Date for commercial paper having the specified Index Maturity as published in H.15(519) under the heading "**Commercial Paper Nonfinancial**."

The following procedures will apply if the rate cannot be set as described above:

(a) If the rate is not published in H.15(519) prior to 3:00 p.m., New York City time, on the Interest Determination Date, then the Commercial Paper Rate will be the Money Market Yield of the rate for commercial paper having the specified Index Maturity as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption "**Commercial Paper Nonfinancial**."

(b) If the rate is not published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 p.m., New York City time, on the Interest Determination Date, the Commercial Paper Rate will be the Money Market Yield of the average for the offered rates, as of 11:00 a.m., New York City time, on that Interest Determination Date, of three leading dealers of commercial paper in The City of New York selected by the calculation agent for commercial paper having the specified Index Maturity placed for an industrial issuer whose bond rating is "AA," or the equivalent, by a nationally recognized rating agency.

(c) If fewer than three dealers are providing quotes, the rate will be the same as the rate used in the prior interest period.

"**Money Market Yield**" means a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Money Market Yield} = \frac{D \times 360}{360 - (D \times M)} \times 100$$

where "D" refers to the applicable per annum rate for commercial paper quoted on a bank discount basis and expressed as a decimal, and "M" refers to the actual number of days in the period for which interest is being calculated.

Eleventh District Cost of Funds Rate Notes

Each Eleventh District Cost of Funds Rate Note will bear interest at a specified rate that will be reset periodically based on the Eleventh District Cost of Funds Rate and any Spread and/or Spread Multiplier.

"**Eleventh District Cost of Funds Rate**" means, with respect to any Interest Determination Date, the rate equal to the monthly weighted average cost of funds for the calendar month preceding such Interest Determination Date as set forth under the caption "**11th District**" on Reuters Screen COFI/ARMS (or such other page as is specified in the applicable Final Terms) as of 11:00 a.m. San Francisco time, on such Interest Determination Date.

The following procedures will apply if the rate cannot be set as described above:

(a) If such rate does not appear on Reuters Screen COFI/ARMS, the Eleventh District Cost of Funds Rate shall be the monthly weighted average cost of funds paid by member institutions of the Eleventh Federal Home Loan Bank District that was most recently announced by the Federal Home Loan Bank of San Francisco as such cost of funds for the calendar month preceding the date of such announcement.

(b) If the Federal Home Loan Bank of San Francisco fails to announce such rate for the calendar month next preceding such Interest Determination Date, then the Eleventh District Cost of Funds Rate will be the same as the rate used in the prior interest period.

Federal Funds Rate Notes

Each Federal Funds Rate Note will bear interest at a specified rate that will be reset periodically based on the Federal Funds Rate and any Spread and/or Spread Multiplier.

"**Federal Funds Rate**" means, with respect to any Interest Determination Date unless otherwise specified in any applicable Final Terms, the rate on specified dates for federal funds published in H.15(519) prior to 11:00 a.m., New York City time, under the heading "**Federal Funds Effective**," as such rate is displayed on Reuters Screen FEDFUNDS1 Page (or any such other page as specified in the applicable Final Terms).

The following procedures will apply if the rate cannot be set as described above:

(a) If the rate does not appear on Reuters Screen FEDFUNDS1 Page (or any other pages as may replace such pages on such service) or is not published in H.15(519) prior to 11:00 a.m., New York City time, on the Interest Determination Date, then the Federal Funds Rate will be the rate on such Interest Determination Date published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption "**Federal Funds (Effective)**."

(b) If the rate does not appear on Reuters Screen FEDFUNDS1 Page (or any other pages as may replace such pages on such service) or is not published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 p.m., New York City time, on the Interest Determination Date, the Federal Funds Rate will be the average of the rates, as of 11:00 a.m., New York City time, on that Interest Determination Date, for the last transaction in overnight federal funds arranged by three leading brokers of federal funds transactions in The City of New York selected by the calculation agent.

(c) If fewer than three brokers are providing quotes, the rate will be the same as the rate used in the prior interest period.

LIBOR Notes

Each LIBOR Note will bear interest at a specified rate that will be reset periodically based on LIBOR and any Spread and/or Spread Multiplier.

The calculation agent will determine LIBOR on each Interest Determination Date as follows:

(a) With respect to any Interest Determination Date, LIBOR will be generally determined as either:

(i) If at least two offered rates appear on the Designated LIBOR Page, the average of the offered rates for deposits in the Designated LIBOR Currency having the specified Index Maturity beginning on the relevant Interest Reset Date, that appear on the Designated LIBOR Page as of 11:00 a.m., London time, on that Interest Determination Date; or

(ii) If fewer than two offered rates appear on the Designated LIBOR Page, the rate for deposits in the London interbank market in the Designated LIBOR Currency having the specified Index Maturity beginning on the relevant Interest Reset Date, that appears on the Designated LIBOR Page as of 11:00 a.m., London time, on that Interest Determination Date.

(iii) If no rate appears on the Designated LIBOR Page, LIBOR for that Interest Determination Date will be determined based on the rates on that Interest Determination Date at approximately 11:00 a.m., London time, at which deposits on that date in the Designated LIBOR Currency for the period of the specified Index Maturity beginning on the relevant Interest Reset Date are offered to prime banks in the London interbank market by four major banks (one of which may be an affiliate of the calculation agent) in that market selected by the calculation agent and in a Representative Amount. The calculation agent will request the principal London office of each of these banks to quote its rate. If the calculation agent receives at least two quotations, LIBOR will be the average of those quotations.

(b) If the calculation agent receives fewer than two quotations, LIBOR will be the average of the rates quoted at approximately 11:00 a.m., New York City time, on the Interest Determination Date by three major banks (one of which may be an affiliate of the calculation agent) in the principal financial center selected by the calculation agent. The rates will be for loans in the Designated LIBOR Currency to leading European banks having the specified Index Maturity beginning on the relevant Interest Reset Date and in a Representative Amount.

(c) If fewer than three banks provide quotes, the rate will be the same as the rate used in the prior interest period.

"**Designated LIBOR Currency**" means the currency (including composite currencies and Euro) specified in the Final Terms as to which LIBOR shall be calculated. If no such currency is specified in the Final Terms, the Designated LIBOR Currency shall be U.S. Dollars.

"**Designated LIBOR Page**" means Capital Markets Report Screen LIBOR01 of Reuters, or any other page as may replace such page on such service.

EURIBOR Notes

Each EURIBOR Note will bear interest at a specified rate that will be reset periodically based on EURIBOR and any Spread and/or Spread Multiplier.

"**EURIBOR**" means the European Interbank Offered Rate and, with respect to each Interest Determination Date, the rate for deposits in Euro having the Index Maturity beginning on the relevant Interest Reset Date that appears on the Designated EURIBOR Page as of 11:00 a.m., Brussels time, on that Interest Determination Date.

The following procedures will apply if the rate cannot be set as described above:

(a) If such rate does not appear on the Designated EURIBOR Page as of 11:00 a.m., Brussels time, on the related Interest Determination Date, then the calculation agent will request the principal offices of four major banks (one of which may be an affiliate of the calculation agent) in the Euro-zone selected by the calculation agent to provide such bank's offered quotation to prime banks in the Euro-zone interbank market for deposits in Euro having the Index Maturity beginning on the relevant Interest Reset Date as of 11:00 a.m., Brussels time, on such Interest Determination Date and in a Representative Amount. If at least two quotations are provided, EURIBOR for that date will be the average (if necessary rounded upwards) of the quotations.

(b) If fewer than two quotations are provided, EURIBOR will be the average (if necessary rounded upwards) of the rates quoted by major banks (which may include an affiliate of the calculation agent) in the Euro-zone, selected by the calculation agent, at approximately 11:00 a.m., Brussels time, on the Interest Determination Date for loans in Euro to leading European banks for a period of time corresponding to the Index Maturity beginning on the relevant Interest Reset Date and in a Representative Amount.

(c) If no rates are quoted by major banks, the rate will be the same as the rate used for the prior interest period.

"**Designated EURIBOR Page**" means Capital Markets Report Screen EURIBOR01 of Reuters, or any other page as may replace such page on such service.

Treasury Rate Notes

Each Treasury Rate Note will bear interest at a specified rate that will be revised periodically based on the Treasury Rate and any Spread and/or Spread Multiplier.

"**Treasury Rate**" means, with respect to any Interest Determination Date, the rate for the most recent auction of direct obligations of the United States ("**Treasury bills**") having the specified Index Maturity as it appears under the caption "**INVEST RATE**" on either Reuters Screen USAUCTION10 Page or Reuters Screen USAUCTION11 Page (or any other pages as may replace such pages on such service).

The following procedures will apply if the rate cannot be set as described above:

(a) If the rate is not so published by 3:00 p.m., New York City time, on the Interest Determination Date, the rate will be the auction average rate for such Treasury bills (expressed as a bond equivalent, on the basis of a year of 365 or 366 days as applicable, and applied on a daily basis) for such auction as otherwise announced by the U.S. Department of the Treasury.

(b) If the results of the auction of Treasury bills are not so published by 3:00 p.m., New York City time, on the Interest Determination Date, or if no such auction is held, the Treasury Rate will be the rate (expressed as a bond equivalent on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) on such Interest Determination Date of such Treasury bills having the specified Index Maturity as published in H.15(519) under the caption "**U.S. Government Securities/Treasury Bills/Auction high**."

(c) If such rate is not so published in H.15(519) by 3:00 p.m., New York City time, on the related Interest Determination Date, the rate on such Interest Determination Date of such Treasury bills will be as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption "**U.S. Government Securities/Treasury Bills/Auction high**."

(d) If such rate is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source, then the Treasury Rate will be a yield to maturity (expressed as a bond equivalent on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) of the average of the secondary market bid rates as of approximately 3:30 p.m., New York City time, on the Interest Determination Date, of three leading primary U.S. government securities dealers in The City of New York selected by the calculation agent for the issue of Treasury bills with a remaining maturity closest to the specified Index Maturity.

(e) If fewer than three dealers are providing quotes, the rate will be the same as the rate used in the prior interest period.

Prime Rate Notes

Each Prime Rate Note will bear interest at a specified rate that will be reset periodically based on the Prime Rate and any Spread and/or Spread Multiplier.

"**Prime Rate**" means, with respect to any Interest Determination Date, unless otherwise specified in any applicable Final Terms, the rate set forth on that Interest Determination Date in H.15(519) under the heading "**Bank Prime Loan**."

The following procedures will apply if the rate cannot be set as described above:

(a) If the rate is not published in H.15(519) by 3:00 p.m., New York City time, on the Interest Determination Date, then the Prime Rate will be the rate as published on such Interest Determination Date in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate under the caption "**Bank Prime Loan**."

(b) If the rate is not published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 p.m., New York City time, on the Interest Determination Date, then the Prime Rate will be the average (rounded upwards, if necessary, to the next higher one-hundred thousandth of a percentage point) of the rates publicly announced by each bank on the Reuters Screen USPRIME1 Page as its prime rate or base lending rate for that Interest Determination Date.

(c) If fewer than four, but more than one, rates appear on the Reuters Screen USPRIME1 Page, the Prime Rate will be the average of the prime rates (quoted on the basis of the actual number of days in the year divided by a 360-day year) as of the close of business on the Interest Determination Date by four major money center banks in The City of New York selected by the calculation agent.

(d) If fewer than two rates appear, the Prime Rate will be determined based on the rates furnished in The City of New York by the appropriate number of substitute banks or trust companies organized and doing business under the laws of the United States, or any State thereof, having total equity capital of at least U.S.$500 million and being subject to supervision or examination by a Federal or State authority, as selected by the calculation agent.

(e) If no banks are providing quotes, the rate will be the same as the rate used for the prior interest period.

Extendible Notes

Notes may be issued with an initial maturity date (the "**Initial Maturity Date**") which may be extended from time to time upon the election of the holders on specified dates (each, an "**Election Date**") up to a final maturity date (the "**Final Maturity Date**") as set forth in the applicable Final Terms ("**Extendible Notes**"). The Final Terms relating to each issue of Extendible Notes will set forth the terms of such Notes, including the Initial Maturity Date, the Final Maturity Date and the Election Dates, and will also describe the manner in which holders may elect to extend the Notes and such other terms and conditions as may apply to such issue.

Additional Notes

The Issuer may issue Notes from time to time having terms identical to a prior Tranche of Notes but for the original issue date and the public offering price ("**Additional Notes**"). Any such Additional Notes that are Regulation S Global Notes will be issued in the form of a temporary global Note which will be exchangeable for a beneficial interest in a permanent global Note on or after the Exchange Date specified in the applicable Final Terms relating to such Additional Notes. Additional Notes may be issued prior to or after the Exchange Date relating to such prior Tranche of Notes of the same Series. In the event Additional Notes are issued prior to the Exchange Date for the prior Tranche, the Exchange Date relating to such prior Tranche shall be moved to a date not earlier than 40 calendar days after the original issue date of the related Additional Notes; provided, however, in no event shall the Exchange Date for a Tranche of Notes be extended to a date more than 160 calendar days after the date such Tranche was issued. Once any Additional Notes have been issued, whether Regulation S Global Notes or Rule 144A Global Notes, such Additional Notes together with each prior and subsequent Tranche of Notes of the same Series, shall constitute one and the same Series of Notes for all purposes; provided, however, that in the case of Regulation S Global Notes, or Notes to which the TEFRA D Rules apply, such consolidation of Additional Notes issued after the Exchange Date will occur only following the exchange of interests in the temporary global Note for interests in the permanent global Note upon receipt of certificates described below; and provided further that if the Additional Notes are not fungible with the earlier Notes for United States federal income tax purposes, the Additional Notes will have a separate CUSIP number. The Final Terms relating to any Additional Notes will set forth matters related to the issuance, exchange and transfer of Additional Notes, including identifying the prior Tranche of Notes, their original issue date and aggregate principal amount. Any Additional Notes that are Bearer Notes will be subject to the same restrictions as are set forth under "**Forms of Notes—Bearer Notes**" above.

Covenants

The Issuer has agreed to restrictions on its activities for the benefit of holders of each Series of Notes. The following restrictions will apply separately to each Series of Notes:

Consolidation, Merger, Sale or Conveyance

The Issuer may not consolidate with or merge into any other corporation or convey or transfer its properties and assets substantially as an entirety to any person, unless:

(i) the corporation formed by such consolidation or into which the Issuer is merged or the person which acquires by conveyance or transfer the properties and assets of the Issuer substantially as an entirety shall be a corporation organized and existing under the laws of the Republic of Chile and shall expressly assume, by a supplemental Fiscal Agency Agreement, executed and delivered to the Fiscal and Paying Agent, in form satisfactory to the Fiscal and Paying Agent, the due and punctual payment of the principal of (and premium, if any) and interest on all the outstanding Notes and the performance of every covenant of the Fiscal Agency Agreement on the part of the Issuer to be performed or observed;

(ii) immediately after giving effect to such transaction, no Event of Default, and no event which, after notice or lapse of time or both would become an Event of Default, shall have happened and be continuing; and

(iii) The Issuer shall have delivered to the Fiscal Agent an officers' certificate and an opinion of counsel, each stating that such consolidation, merger, conveyance or transfer and such supplemental Fiscal Agency Agreement comply with the foregoing provisions relating to such transaction and all conditions precedent in the Fiscal Agency Agreement relating to such a transaction have been complied with.

(iv) In case of any such consolidation, merger, conveyance or transfer such successor corporation will succeed to and be substituted for the Issuer as obligor on each Series of Notes with the same effect as if it had issued such Series of Notes. Upon the assumption of its obligations by any such successor corporation in such circumstances subject to certain exceptions, the Issuer will be discharged from all obligations under the Notes and the Fiscal Agency Agreement.

Periodic Reports

The Fiscal Agency Agreement provides that if the Issuer is not required to file with the Securities and Exchange Commission information, documents, or reports pursuant to Section 13 or Section 15(d) of the Exchange Act, it will file with the Fiscal Agent and the Securities and Exchange Commission the supplementary and periodic information, documents and reports required pursuant to Section 13 of the Exchange Act in respect of a security of a "foreign private issuer" (as defined in Rule 3b-4 under the Exchange Act) listed and registered on a national securities exchange.

Events of Default

An "Event of Default," with respect to each Series of Notes is defined in the Fiscal Agency Agreement as:

(i) The Issuer's default in the payment of any principal of any of the Notes of such Series (including Additional Amounts), when due and payable, whether at maturity or otherwise; or

(ii) The Issuer's default in the payment of any interest or any Additional Amounts when due and payable on any of the Notes of such Series and the continuance of such default for a period of 30 days; or

(iii) The Issuer's default in the performance or observance of any other term, covenant, warranty, or obligation in respect of the Notes of such Series or the Fiscal Agency Agreement, not otherwise expressly defined as an Event of Default in (i) or (ii) above, and the continuance of such default for more than 60 days after written notice of such default has been given to the Issuer by the Fiscal and Paying Agent on behalf of the Noteholders, or the holders of at least 25% in aggregate principal amount of the Notes of such Series outstanding specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default"; or

(iv) if any of the Issuer's Indebtedness (as defined below) or that of its subsidiaries becomes due and repayable prematurely by reason of an event of default (however described) or the Issuer or any of its subsidiaries fails to make any payment in respect of any Indebtedness on the due date for such payment or within any originally applicable grace period or any security given by the Issuer or any of its subsidiaries for any Indebtedness becomes enforceable and steps are taken to enforce the same or if the Issuer or any of its subsidiaries default in making any payment when due (or within any originally applicable grace period in respect thereof) under any guarantee and/or indemnity given by the Issuer or such subsidiary (as the case may be) in relation to any Indebtedness of any other person, provided that no such event as aforesaid shall constitute an Event of Default unless such Indebtedness either alone or when aggregated with other Indebtedness in respect of which one or more of the events mentioned in this paragraph has occurred shall amount to at least U.S.$40,000,000 (or its equivalent in any other currency on the basis of the middle spot rate for any relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this paragraph operates); or

(v) the entry of an order for relief against the Issuer under any Bankruptcy Law by a court or regulatory entity having jurisdiction in the premises or a decree or order by a court or regulatory entity having jurisdiction in the premises adjudging the Issuer a bankrupt or insolvent under any other applicable law, or the entry of a decree or order approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Issuer under any Bankruptcy Law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official under any Bankruptcy Law, including a "síndico") of the Issuer or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days; or

(vi) the consent by the Issuer to the institution of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any Bankruptcy Law, or the consent by it to the filing of any such petition or to the appointment of a custodian, receiver, liquidator, assignee, trustee, sequestrator (or other similar official under any Bankruptcy Law, including a "síndico") of the Issuer or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by the Issuer in furtherance of any such action.

The term "**Bankruptcy Law**" as used in this Section means (i) articles 120 et seq. of the Chilean Banking Law (D.F.L. 3 of 1997, as amended), (ii) the Chilean "Ley de Quiebras" (Law No. 20,720, as amended) or (iii) any other applicable law that amends, supplements or supersedes the Chilean Banking Law and/or the Ley de Quiebras, and any applicable bankruptcy, insolvency, reorganization or other similar law of any applicable jurisdiction.

For purposes of the above, "Indebtedness" means (a) any liability of such person (1) for borrowed money or under any reimbursement obligation relating to a letter of credit, financial bond or similar instrument or agreement, (2) evidenced by a bond, note, debenture or similar instrument or agreement (including a purchase money obligation) given in connection with the acquisition of any business, properties or assets of any kind (other than a trade payable or a current liability arising in the ordinary course of business or a performance bond or similar obligation) or (3) for the payment of money relating to any obligations under any capital lease of real or personal property; (b) any liability of others described in the preceding clause (a) that the person has guaranteed or that is otherwise its legal liability; and (c) any amendment, supplement, modification, deferral, renewal, extension or refunding of any liability of the types referred to in clauses (a) and (b) above. For the purpose of determining any particular amount of Indebtedness under this definition, guarantees of (or obligations with respect to letters of credit or financial bonds supporting) Indebtedness otherwise included in the determination of such amount shall also not be included.

The Fiscal Agency Agreement provides that if an Event of Default with respect to any Series of Notes described in paragraph (i), (ii), (iii) and (iv) above occurs and is continuing with respect to the Notes of any Series, then and in each and every such case, unless the principal of all the Notes of such Series shall have already become due and payable, the holders of not less than 25% in aggregate principal amount of the Notes of such Series then outstanding hereunder (each such Series acting as a separate class), by notice in writing to the Issuer and to the Fiscal Agent, may declare the principal amount of all the Notes of such Series then outstanding and all accrued interest thereon to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in the Fiscal Agency Agreement or in the Notes of such Series contained to the contrary notwithstanding. If an Event of Default with respect to any Series of Notes described in paragraph (v) or (vi) of the above occurs and is continuing, then the principal amount of the Notes then outstanding and all accrued interest thereon shall, without any notice to the Issuer or any other act on the part of the Fiscal Agent or any holder of the Notes, become and be immediately due and payable, anything in the Chilean Banking Law, the Fiscal Agency Agreement or in the Notes contained to the contrary notwithstanding.

At any time after such a declaration of acceleration has been made with respect to the Notes of such Series, the holders of a majority in aggregate principal amount of the outstanding Notes of such Series, by written notice to the Issuer and the Fiscal Agent, may rescind and annul such declaration and its consequences if: (1) the Issuer has paid or deposited with the Fiscal and Paying Agent a sum sufficient to pay: (i) all overdue installments of interest on the outstanding Notes of such Series, (ii) the principal of (and premium, if any, on) any outstanding Notes of such Series which have become due otherwise than by such declaration of acceleration, and interest thereon at the rate or rates prescribed therefor by the terms of the Notes of such Series, to the extent that payment of such interest is lawful, (iii) interest upon overdue installments of interest at the rate or rates prescribed therefor by the terms of the Notes of such Series, to the extent that payment of such interest is lawful, and all sums paid or advanced by the Fiscal and Paying Agent hereunder and the reasonable compensation, expenses, disbursements and advances of the Fiscal and Paying Agent, its agents and counsel and all other amounts due the Fiscal and Paying Agent under Section 11(a); and (2) all Events of Default with respect to such Series of Notes, other than the nonpayment of the principal of the Notes of such Series which have become due solely by such acceleration, have been cured or waived. No such rescission shall affect any subsequent default or impair any right consequent thereon.

Payment of Additional Amounts

The Issuer is required to make all payments in respect of each Series of Notes free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, fines, penalties, assessments or other governmental charges (or interest on those taxes, duties, fines, penalties, assessments or other governmental charges) (collectively, "Taxes") imposed, levied, collected, withheld or assessed by, within or on behalf of the Republic of Chile (or any political subdivision or governmental authority thereof or therein having power to tax), or any other jurisdiction from or through which the Issuer makes any payment under a Series of Notes (or any political subdivision or governmental authority thereof or therein having power to tax) (each, a "**Relevant Taxing Jurisdiction**") unless such withholding or deduction is required by law. In that event the Issuer will pay to the Holders of such Series of Notes, or the relevant Paying Agent, as the case may be, such additional amounts ("**Additional Amounts**") as may be necessary to ensure that the net amounts received by the Holders of such Series of Notes or the relevant Paying Agent after such withholding or deduction shall not be less than the amounts of principal, interest and premium, if any, which would have been received in respect of such Series of Notes in the absence of such withholding or deduction, except that no such Additional Amounts shall be payable in respect of any Note:

(i) in the case of payments for which presentation of such Note is required, presented for payment more than 30 days after the later of:

  (a) the date on which such payment first became due, and

  (b) if the full amount payable has not been received in the place of payment by the relevant Paying Agent on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Holders by the relevant Paying Agent, except to the extent that the Holder would have been entitled to such Additional Amounts on presenting such Note for payment on the last day of such period of 30 days;

(ii) held by or on behalf of a Holder who is liable for Taxes or other governmental charges imposed in respect of such Note by reason of such Holder having some present or former direct or indirect connection with the taxing jurisdiction imposing such tax, other than the mere holding of such Note or the receipt of payments or the enforcement of rights in respect thereto;

(iii) with respect to Taxes imposed on a payment to a Holder that would not have been imposed but for the failure of the Holder to comply with certification, information or other reporting requirements concerning the nationality, residence or identity of the Holder, if compliance is required by statute or by regulation of a Relevant Taxing Jurisdiction as a precondition to relief or exemption from such Taxes;

(iv) with respect to Taxes imposed under: (a) Sections 1471 to 1474 of the Code (including regulations and official guidance thereunder), (b) any successor version thereof that is substantially comparable and not materially more onerous to comply with, (c) any agreement entered into pursuant to Section 1471(b) of the Code or (d) any law, regulation, rule or practice implementing an intergovernmental agreement entered into in connection with the implementation of such Sections of the Code;

(v) in the case of payments for which presentation of such Note is required, with respect to Taxes that would not have been imposed but for the presentation of such Note in the Relevant Taxing Jurisdiction, unless such Note could not have been presented for payment elsewhere;

(vi) with respect to any payment on a Note to a Holder who is a fiduciary, a partnership, a limited liability company or other than the sole beneficial owner of that payment to the extent that payment would be required by the laws of a Relevant Taxing Jurisdiction (or any political subdivision thereof) to be included in the income, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, a member of that partnership, an interestholder in a limited liability company or a beneficial owner who would not have been entitled to the Additional Amounts had that beneficiary, settlor, member or beneficial owner been the Holder; or

(vii) any combination of (i) through (vi).

As used in this section, a "Holder" shall mean, (a) with respect to any Registered Note, the person in whose name at the time such Registered Note is registered on the Register or (b) with respect to any Bearer Note, the bearer thereof.

References to principal, interest, premium or other amounts payable in respect of any Series of Notes also refer to any Additional Amounts that may be payable. Refunds, if any, of taxes with respect to which the Issuer pays Additional Amounts are for the Issuer's account.

Notwithstanding the foregoing, the limitations on the obligations of the Issuer to pay Additional Amounts set forth in clause (iii) will not apply if the provision of any certification, identification, information, documentation or other reporting requirement described in such clause (iii) would be materially more onerous, in form, in procedure or in the substance of information disclosed, to a Holder or beneficial owner of a note (taking into account any relevant differences between U.S. law, rules, regulations or administrative practice and the law, rules, regulations or administrative practice of the Relevant Taxing Jurisdiction) than comparable information or other reporting requirements imposed under U.S. tax law, regulations and administrative practice (such as Internal Revenue Service Forms W-8BEN and W-9).

Except as described in the Fiscal Agency Agreement, the Issuer will pay when due any present or future stamp, transfer, court or documentary taxes or any other excise or property taxes, charges or similar levies imposed by the Republic of Chile (or any political subdivision or governmental authority thereof or therein having power to tax) with respect to the initial execution, delivery or registration of each Series of Notes or any other document or instrument relating thereto.

Modification of Fiscal Agency Agreement and Notes

The Fiscal Agency Agreement may be amended by the Issuer and the Fiscal Agent, without the consent of the holder of any Note of a Series for the purposes, among others, of curing any ambiguity, or of correcting or supplementing any defective or inconsistent provisions contained therein or to effect any assumption of the Issuer's obligations thereunder and under the Notes of a Series under the circumstances described under "**Consolidation, Merger, Sale or Conveyance**" above or in any other manner which the Issuer and the Fiscal Agent may deem necessary or desirable and which, in the sole determination of the Issuer, will not adversely affect the interests of the holders of Notes of a Series outstanding on the date of such amendment. Nothing in the Fiscal Agency Agreement prevents the Issuer and the Fiscal Agent from amending the Fiscal Agency Agreement in such a manner as to only have a prospective effect on Notes issued on or after the date of such amendment.

Modifications and amendments to the Fiscal Agency Agreement and, to the terms and conditions of the Notes of a Series may also be made, and future compliance therewith or past Events of Default by the Issuer may be waived, by holders of a majority in aggregate principal amount of the Notes of such Series (or, in each case, such lesser amount as shall have acted at a meeting of holders of such Notes, as described below), provided, however, that no such modification or amendment to the Fiscal Agency Agreement, or to the terms and conditions of the Notes of a Series may, without the consent of the holders of each Note of such Series affected thereby, among other things, (a) change the stated maturity of the principal of any Note of such Series or extend the time for payment of interest thereon; (b) reduce the principal amount of any Note of such Series or reduce the amount of interest payable thereon or the amount payable thereon in the event of redemption or acceleration (or in the case of OID Notes, change the amount that would be due and payable upon an acceleration thereof); (c) change the currency of payment of principal of or any other amounts payable on any Note of such Series; (d) impair the right to institute suit for the enforcement of any such payment on or with respect to any Note of such Series; (e) reduce the above-stated percentage of the principal amount of Notes of such Series, the consent of whose holders is necessary to modify or amend the Fiscal Agency Agreement, the terms and conditions of the Notes or reduce the percentage of Notes of such Series required for the taking of action or the quorum required at any such meeting of holders of Notes of such Series; or (f) modify the foregoing requirements to reduce the percentage of outstanding Notes of such

Series necessary to waive any future compliance or past default. The persons entitled to vote a majority in principal amount of the Notes of a Series outstanding shall constitute a quorum at a meeting of Noteholders of such Series except as hereinafter provided. In the absence of such a quorum, a meeting of Noteholders called by the Issuer shall be adjourned for a period of not less than 10 days, and in the absence of a quorum at any such adjourned meeting, the meeting shall be further adjourned for another period of not less than 10 days, at which further adjourned meeting persons entitled to vote 25% in principal amount of Notes of a Series at the time outstanding shall constitute a quorum. Except for modifications or amendments in (a) to (f) above which require the consent of the holders of each Note of such series affected thereby, any modifications, amendments or waivers to the Fiscal Agency Agreement, the terms and conditions of the Notes of a Series at a meeting of Noteholders require a favorable vote of holders of the lesser of (i) a majority in principal amount of the outstanding Notes of such Series or (ii) 75% of the principal amount of Notes of such Series represented and voting at the meeting. Any such modifications, amendments or waivers will be conclusive and binding on all holders of Notes of such Series, whether or not they have given such consent or were present at such meeting and whether or not notation of such modifications, amendments or waivers is made upon the Notes, and on all future holders of Notes of such Series. Any instruments given by or on behalf of any holder of a Note of a Series in connection with any consent to any such modification, amendment or waiver will be irrevocable once given and will be conclusive and binding on all subsequent holders of such Note.

Replacement of Notes and Coupons

Any Notes or coupons that become mutilated, destroyed, lost or stolen or are apparently destroyed, lost or stolen will be replaced by the Issuer at the expense of the holder upon delivery of the Notes or coupons or satisfactory evidence of the destruction, loss or theft thereof to the Issuer and the Fiscal Agent. In each case, an indemnity satisfactory to the Issuer and the Fiscal Agent may be required at the expense of the holder of such Note or coupon before a replacement Note or coupon will be issued. For so long as the Notes are listed or admitted to trading on or by any other stock exchange, competent authority and/or market and the rules of such stock exchange(s), competent authority(ies) and/or market(s) so require, a noteholder shall be able to obtain a replacement Note or coupon at the offices of the paying agent located in each location required by the rules and regulations of such stock exchange(s), competent authority(ies) and/or market(s).

Applicable Law

The Fiscal Agency Agreement and the Notes will be governed by, and construed in accordance with, the laws of the State of New York, United States of America.

Notices

The Issuer shall ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or any other relevant authority on which the Notes are for the time being listed or by which they have been admitted to listing. Any notice so given will be deemed to have been validly given on the date of such publication (or, if published more than once, on the date of the first such publication).

Notices to holders of Registered Notes will also be given by mailing such notices to each holder by first class mail, postage prepaid, at the respective address of each holder as that address appears upon the books of the relevant Registrar.

So long as no definitive Bearer Notes are in issue in respect of a particular Series, there may, so long as the global Note(s) for such Series is or are held in its or their entirety on behalf of Euroclear and Clearstream, Luxembourg, and/or another clearance system, as the case may be, and the Notes for such Series are not listed and/or admitted to trading on a stock exchange, competent authority and/or market, or if so listed or admitted to trading, for so long as the relevant stock exchange, competent authority and/or market so permits, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg and/or such other clearance system for communication by them to the holders of the Notes. Any such notice shall be deemed to have been given to the holders of the Notes on the seventh day after the day on which the said notice was given to Euroclear, Clearstream, Luxembourg and/or such other clearance system.

Notices to be given by a Noteholder shall be in writing and given by lodging the same, together with the related Note or Notes, with the Fiscal Agent. While any Notes are represented by a global Note, such notice may be given by a Noteholder to the Fiscal Agent via Euroclear, Clearstream, Luxembourg, and/or such other clearance system, as the case may be, in such manner as the Fiscal Agent and Euroclear, Clearstream, Luxembourg and/or such other clearance system may approve for this purpose.

Consent to Service

The Issuer has designated CT Corporation System, presently located at 111 Eighth Avenue, 13th Floor, New York, New York, as authorized agent for service of process in any legal action or proceeding arising out of or relating to the Fiscal Agency Agreement or the Notes brought in any federal or state court in the Borough of Manhattan, the City of New York, State of New York.

Consent to Jurisdiction

(a) The Issuer irrevocably consents to the nonexclusive jurisdiction of any court of the State of New York or any United States Federal court sitting, in each case, in the Borough of Manhattan, The City of New York, New York, United States of America, and any appellate court from any thereof, and waives any immunity from the jurisdiction of such courts over any suit, action or proceeding that may be brought by the Fiscal and Paying Agent or a holder in connection with the Fiscal Agency Agreement or the Notes. The Issuer irrevocably waives, to the fullest extent permitted by law, any objection to any suit, action or proceeding that may be brought in connection with the Fiscal Agency Agreement or the Notes in such courts on the grounds of venue or on the ground that any such suit, action or proceeding has been brought in an inconvenient forum. The Issuer agrees that final judgment in any such suit, action or proceeding brought in such court shall be conclusive and binding upon the Issuer and may be enforced in any court to the jurisdiction of which the Issuer is subject by a suit upon such judgment; provided that service of process is effected upon the Issuer in the manner provided by the Fiscal Agency Agreement. Notwithstanding the foregoing, any suit, action or proceeding brought in connection with the Fiscal Agency Agreement or the Notes against the Issuer may be instituted in any competent court in the Chile.

(b) The Issuer agrees that service of all writs, process and summonses in any suit, action or proceeding brought in connection with the Fiscal Agency Agreement or the Notes against the Issuer in any court of the State of New York or any United States Federal court sitting, in each case, in the Borough of Manhattan, The City of New York, may be made upon CT Corporation System, presently located at 111 Eighth Avenue, 13th Floor, New York, New York.

(c) Nothing in this Section shall affect the right of any party to serve legal process in any other manner permitted by law or affect the right of any party to bring any action or proceeding against any other party or its property in the courts of other jurisdictions.

Judgment Currency

The Issuer agrees, to the fullest extent that it may effectively do so under applicable law, that (a) if for the purpose of obtaining judgment in any court it is necessary to convert the sum due in respect of the principal of, or premium or interest, if any, on the Notes of any Series (the "**Required Currency**") into a currency in which a judgment will be rendered (the "**Judgment Currency**"), the rate of exchange used shall be the rate at which, in accordance with normal banking procedures, the Fiscal and Paying Agent could purchase the Required Currency with the Judgment Currency and (b) its obligations under the Fiscal Agency Agreement to make payments in the Required Currency (i) shall not be discharged or satisfied by any tender, or any recovery pursuant to any judgment (whether or not entered in accordance with subsection (a)), in any currency other than the Required Currency, except to the extent that such tender or recovery shall result in the actual receipt, by the payee, of the full amount of the Required Currency expressed to be payable in respect of such payments, (ii) shall be enforceable as an alternative or additional cause of action for the purpose of recovering in the Required Currency the amount, if any, by which such actual receipt shall fall short of the full amount of the Required Currency so expressed to be payable and (iii) shall not be affected by judgment being obtained for any other sum due under the Fiscal Agency Agreement.

FORM OF FINAL TERMS

FINAL TERMS NO. [●]
Dated [●]

BANCO SANTANDER-CHILE (the "Issuer")
ISSUE OF MEDIUM-TERM NOTES
[●]% [Fixed Rate][Floating Rate] Notes Due [●]
Series No.: [●]

PART A CONTRACTUAL TERMS

This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the base prospectus dated June 30, 2016 [, together with the supplement(s) thereto dated [●]] ([collectively,] the "**Base Prospectus**"). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus has been, and these Final Terms will be, published on the website of the Central Bank of Ireland (www.centralbank.ie).

1.	**General Information:**	
(i)	Series Number:	[●]
(ii)	Tranche Number:	[●] (*if fungible with an existing Series, provide details of that Series, including the date on which the Notes become fungible*)
(iii)	Trade Date:	[●]
(iv)	Settlement Date (Original Issue Date):	[●]
(v)	Maturity Date:	[●]
(vi)	Specified Currency:	[●]
(vii)	Principal Amount (in Specified Currency):	[●]
(viii)	Dealer's Discount or Commission:	[●]
(ix)	Issue Price:	[●]
(x)	Ranking:	[Senior][Subordinated]
2.	**Payment of Additional Amounts:**	[Applicable/Not applicable]
3.	**Authorization/Approval**	
(i)	Date Board approval for issuance of Notes obtained:	[●] [Not applicable]
4.	**Fixed Rate Notes Only Interest Rate:**	[Applicable/Not applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
(ii)	Fixed Interest Rate:	[●]
(iii)	Interest Payment Period:	[Annual] [Semi-Annual]

		[Quarterly] [Monthly]
(iv)	Fixed Interest Payment Dates:	Each [●], commencing [●]
(v)	Day Count Fraction:	[30/360] *[in the case of Notes denominated in U.S. Dollars]* [Actual/Actual (ICMA)] *[in the case of Notes denominated in a currency other than U.S. Dollars]*
(vi)	Regular Record Dates (if any):	[The 15th calendar day prior to each Interest Payment Date] [The business day prior to each Interest Payment Date]
(vii)	Determination Dates:	[Each [●]] [Not applicable] [relevant only to Registered Notes]
(viii)	Interest Commencement Date:	[●] [Not applicable]

5. Floating Rate Notes Only Interest Rate: [Applicable/Not applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*

(i)	Interest Calculation:	[Regular Floating Rate] [Floating Rate/Fixed Rate] [Inverse Floating Rate]
(ii)	Interest Rate Basis:	[CD Rate] [Commercial Paper Rate] [Eleventh District Cost of Funds Rate] [Federal Funds Rate] [LIBOR] [EURIBOR] [Treasury Rate] [Prime Rate]
(iii)	Spread (Plus or Minus):	[plus/minus [●]%]
(iv)	Spread Multiplier:	[●]
(v)	Index Maturity:	[●] Months
(vi)	Designated LIBOR Currency:	[●]
(vii)	Maximum Interest Rate:	[●]
(viii)	Minimum Interest Rate:	[●]
(ix)	Interest Payment Period:	[Daily/Monthly/Quarterly/Semi-annually]
(x)	Interest Payment Date:	Each [list interest payment dates]
(xi)	Initial Interest Rate Per Annum:	To be determined [●] Business Days prior to the Original Issue Date based upon [interest rate basis plus/minus the spread amount]
(xii)	Interest Reset Periods and Dates:	[Daily/monthly/quarterly/semi-annually] on each Interest Payment Date
(xiii)	Interest Determination Date:	[●] Business Days prior to each Interest Reset Date
(xiv)	Regular Record Dates (if any):	[The 15th calendar day prior to each Interest Payment Date] [The business day prior to each Interest Payment Date] [relevant only to Registered Notes] [Not

	applicable]
(xv) Day Count Fraction:	[Actual/Actual] [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)]
(xvi) Calculation Agent:	[Fiscal Agent] [Other][if Other, insert name]

6. <u>Repayment and Redemption:</u>

(i) Issuer Optional Redemption Date:	[Applicable/Not Applicable][if applicable, provide date]
(ii) Noteholder Optional Redemption Date:	[Applicable/Not Applicable][if applicable, provide date]
(iii) Redemption Price:	[●]
(iv) Make Whole Redemption:	[Applicable/Not applicable] [if applicable, specify agent calculating the Make Whole Amount] [if applicable, specify spread]
(v) Calculation Agent:	[Applicable/Not Applicable] [Fiscal Agent] [Other]

7. <u>Extendible Notes:</u>

(i) Initial Maturity Date:	[●]
(ii) Election Date:	[●]
(iii) Final Maturity Date:	[●]

8. <u>Form of Notes:</u>

(i) Temporary global Note to permanent global Note	[Applicable/Not applicable][Bearer/Registered]
(ii) Permanent global Note	[Applicable/Not applicable][Bearer/Registered]
(iii) Bearer Note	[Applicable/Not applicable]
(iv) Registered Notes	[Applicable/Not applicable]
(v) New global Note	[Applicable/Not applicable][Bearer]
(vi) Exchange of temporary global Notes into definitive Bearer Notes:	[Not applicable][Specify Exchange Date]
(vii) Exchange of permanent global Notes into definitive Bearer Notes:	[Not applicable] [Specify Exchange Date]
(viii) Exchange of definitive Bearer Notes into Registered Notes:	[Not applicable] [Specify Exchange Date]
(ix) Exchange of Registered Notes into Registered Notes in other authorized denominations:	[Not applicable] [Specify Exchange Date]

9. <u>U.S. Selling Restrictions:</u>	[Rule 144A restrictions on transfers and Regulation S Compliance Category 2]; [TEFRA C/TEFRA D/TEFRA not applicable]
10. <u>Distribution:</u>	[Rule 144A/Regulation S]
11. <u>Denominations:</u>	The Notes will be available in denominations of [●] and integral multiples

	of [●] in excess thereof.
12. <u>**Managers:**</u>	[●]: [●](*List all Managers (legal names)* (*List amount*)
(i) The Notes are being purchased[, on a several and not joint basis,] by the following financial institutions (each a "Manager" and collectively, the "Managers") in the respective amounts set forth next to the name of each Manager pursuant to a Terms Agreement between Issuer and the Managers dated [●], executed under the Dealer Agreement. To the extent that any of the Managers are not named as Dealers in the Dealer Agreement, Banco Santander Chile has appointed them as Dealers thereunder for this transaction pursuant to the relevant Terms Agreement.	Total: [●]
(ii) Stabilizing manager(s)	[●][Not applicable]

Part B Other Information

1. Admissions to Listing and Trading:

[(i) Application [has been][is expected to be] made by the Issuer (or on its behalf) for the Notes to be admitted to the Official List and trading on the Main Securities Market of the Irish Stock Exchange with effect from [•] [the Issue Date].]

[(ii) Application [has been][is expected to be] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the [regulated market of the Luxembourg Stock Exchange]/[[regulated market] [Freiverkehr] of the Frankfurt Stock Exchange]/[regulated market of the SIX Swiss Exchange] with effect from [•] [the Issue Date].]

[Estimated total expenses related to the admission to trading [•]]

2. Ratings:

The Notes to be issued [have been][are expected to be] rated:

(i) Moody's:	[●][Not applicable]
(ii) Standard & Poor's:	[●][Not applicable]
(iii) Fitch:	[●][Not applicable]
(iv) [Other]:	[●][*Insert the full legal name of credit rating agency*] [[*Insert the full legal name of credit rating agency*] is [not] incorporated in the European Union [or][and] registered under Regulation (EC) No 1060/2009, as amended by Regulation (EC) No 513/2011.]

3. Interests of Natural and Legal Persons Involved in the Issue:

[●]/[So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The Dealers and their affiliates have engaged, and/or may in the future engage, in investment banking and/or commercial banking transactions with, and/or may perform other services for, the Issuer and its affiliates in the ordinary course of business.]

4. Use of Proceeds, Estimated Net Proceeds and Total Expenses:

(i) Use of proceeds:	[General corporate purposes][●]
(ii) Estimated net proceeds to Banco Santander-Chile (in Specified Currency):	[●]
(iii) Estimated total expenses:	[●]

5. Fixed Rate Notes only Yield:

(i) Indication of yield as of the Original Issue Date:	[●][Not applicable]

6. Operational Information:

(i) ISIN:	[●]
(ii) Common Code:	[●]
(iii) Book-entry Clearing Systems:	[Euroclear Bank S.A./N.V.][Clearstream Banking, *société anonyme*][The Depository Trust Company]
(iv) Names and addresses of additional Paying Agent(s) (if any):	[Not applicable] [●]

7. Intended to be held in a manner which would allow Eurosystem eligibility:	[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][include this text for registered notes] . Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

TAXATION

Chilean Taxation

The following is a general overview of the principal consequences under Chilean tax law with respect to an investment in the Notes made by a Foreign Holder (as defined below). It is based on the tax laws of Chile as in effect on the date of this Base Prospectus, as well as regulations, rulings and decisions of Chile available on or before such date and now in effect. All of the foregoing are subject to change. Under Chilean law, provisions contained in statutes such as tax rates applicable to foreign investors, the computation of taxable income for Chilean purposes and the manner in which Chilean taxes are imposed and collected may be amended only by another law. In addition, the Chilean tax authorities enact rulings and regulations of either general or specific application and interpret the provisions of Chilean tax law. Chilean tax law may not be assessed retroactively against taxpayers who act in good faith relying on such rulings, regulations or interpretations, but Chilean tax authorities may change their rulings, regulations or interpretations prospectively. For purposes of this overview, the term "Foreign Holder" means either (1) in the case of an individual, a person who is not resident or domiciled in Chile (for purposes of Chilean taxation, (a) an individual holder is resident in Chile if he or she has remained in Chile for more than six months in one calendar year, or a total of more than six months in two consecutive fiscal years and (b) an individual is domiciled in Chile if he or she resides in Chile with the actual or presumptive intent of staying in Chile (such intention to be evidenced by circumstances such as the acceptance of employment in Chile or the relocation of one's family to Chile)); or (2) in the case of a legal entity, a legal entity that is not organized under the laws of Chile, unless the Notes are assigned to a branch or a permanent establishment of such entity in Chile.

Under the *Ley de Impuesto a la Renta* (the "**Income Tax Law**"), payments of interest or premium, if any, made to a Foreign Holder in respect of the Notes will generally be subject to a Chilean withholding tax currently at the rate of 4%. Under existing Chilean law and regulations, a Foreign Holder will not be subject to any Chilean taxes in respect of payments of principal made by the Issuer with respect to the Notes. The Issuer has agreed, subject to specific exceptions and limitations, to pay to the holders of the Notes Additional Amounts in respect of the Taxes mentioned above in order that the interest the Foreign Holder receives, net of such Taxes, equals the amount which would have been received by such Foreign Holder in the absence of such Taxes. If the Issuer pays Additional Amounts in respect of such Chilean withholding taxes, any refunds of such Additional Amounts will be for the account of the Issuer. See "Description of the Notes—Payment of Additional Amounts."

The Income Tax Law provides that a Foreign Holder is subject to income tax on his Chilean source income. For this purpose, Chilean source income means earnings from activities performed in Chile or from the sale, disposition or other transactions in connection with assets or goods located in Chile. As of this date, capital gain earned by a Foreign Holder on the sale or other disposition of a note issued abroad by a Chilean company will be considered foreign source income. Therefore, any capital gains realized on the sale or other disposition by a Foreign Holder of the Notes generally will not be subject to any Chilean taxes.

A Foreign Holder will not be liable for estate, gift, inheritance or similar taxes with respect to its holdings unless Notes held by a Foreign Holder are either located in Chile at the time of such Foreign Holder's death, or, if the Notes are not located in Chile at the time of a Foreign Holder's death, if such Notes were purchased or acquired with cash obtained from Chilean sources. A Foreign Holder will not be liable for Chilean stamp, registration or similar taxes.

The issuance of the Notes is subject to a maximum 0.8% stamp tax which will be payable by the Issuer. If the stamp tax is not paid when due, Chile's Stamp Tax Law imposes a penalty of three times the amount of the tax plus inflation adjustments and interest. Until such tax (and any penalty) is paid, Chilean courts will not enforce any action brought with respect to the Notes. The Issuer has agreed, subject to specific exceptions and limitations, to pay to the holders of the Notes, any present or future stamp, court or documentary taxes, charges or levies that arise in the Republic of Chile from the execution, delivery, enforcement or registration of the Notes or any other document or instrument in relation thereto and the Issuer has agreed to indemnify holders of Notes for any such taxes, charges or similar levies paid by holders. See "Description of the Notes—Payment of Additional Amounts."

United States Federal Income Taxation

The following is a discussion of certain U.S. federal income tax consequences of the ownership and disposition of Registered Notes. This disclosure does not address Bearer Notes, which generally may not be offered or sold in the United States or to U.S. Holders (as defined below). This discussion applies only to Notes that are:

- purchased by those initial holders who purchase the Notes at their "issue price," which generally will equal the first price to the public (not including bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) at which a substantial amount of the Notes is sold for money;

- held as capital assets (generally, property held for investment purposes); and

- beneficially owned by U.S. Holders.

This discussion does not describe all of the tax consequences, including Medicare Contribution Tax consequences, that may be relevant to a holder in light of its particular circumstances or to holders subject to special rules, such as:

- financial institutions;

- regulated investment companies;

- insurance companies;

- real estate investment trusts;

- dealers in securities;

- traders in securities that elect to use a mark-to-market method of tax accounting;

- persons holding Notes as part of a hedging transaction, straddle or other integrated transaction;

- persons whose functional currency is not the U.S. dollar;

- partnerships or other entities or arrangements classified as partnerships for U.S. federal income tax purposes;

- persons subject to the alternative minimum tax; or

- persons that own, or are deemed to own, ten percent or more of any class of the Issuer's stock.

If a partnership (or other entity or arrangement classified as a partnership for U.S. federal income tax purposes) holds Notes, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. Thus, partnerships holding Notes and partners therein should consult their tax advisers.

This discussion is based on the Internal Revenue Code of 1986, as amended (the "Code"), administrative pronouncements, judicial decisions and final, temporary and proposed Treasury regulations, changes to any of which subsequent to the date of this Base Prospectus may affect the tax consequences described herein, possibly with retroactive effect. Persons considering the purchase of Notes are urged to consult their tax advisers with regard to the application of the U.S. federal income tax laws to their particular situations, as well as any tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.

This discussion applies only to Notes that are classified as indebtedness for U.S. federal income tax purposes. This discussion does not apply to every type of Registered Note that may be issued under the Program, including certain Floating Rate Notes and Extendible Notes. In particular, this discussion does not address the tax consequences of any Notes that are treated under applicable Treasury regulations as providing for contingent payments and subject to special rules thereunder. Additional material U.S. federal income tax consequences of any such Notes will be addressed in an applicable supplement to this Base Prospectus.

As used herein, the term "**U.S. Holder**" means, for U.S. federal income tax purposes, a beneficial owner of a Note that is:

- a citizen or individual resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state thereof or the District of Columbia; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

Payments of Interest. Interest paid on a Note will be taxable to a U.S. Holder as ordinary interest income at the time it accrues or is received in accordance with the U.S. Holder's method of accounting for U.S. federal income tax purposes, provided that the interest is qualified stated interest (as defined below). Any amounts withheld with respect to interest paid on the Notes and any Additional Amounts paid with respect to interest will be treated as ordinary interest income. Interest income earned by a U.S. Holder with respect to a Note will constitute foreign-source income for U.S. federal income tax purposes, which may be relevant in calculating the U.S. Holder's foreign tax credit limitation. The limitation on foreign taxes eligible for credit is calculated separately with respect to two specific classes of income. For this purpose, interest income on the Notes generally will constitute "passive category income" or, in the case of certain holders, "general category income." The rules governing foreign tax credits are complex and, therefore, U.S. Holders should consult their own tax advisers regarding the availability of foreign tax credits in their particular circumstances. Instead of claiming a credit, a U.S. Holder may, at its election, deduct withheld taxes in computing its taxable income. An election to deduct foreign taxes instead of claiming foreign tax credits must apply to all applicable foreign taxes paid or accrued in the taxable year.

Special rules governing the treatment of interest paid with respect to OID Notes, including certain Variable Rate Notes and Foreign Currency Notes are described under "–Original Issue Discount" and " –Foreign Currency Notes" below.

Original Issue Discount. A Note that is issued at an issue price less than its "stated redemption price at maturity" will be considered to have been issued with original issue discount for U.S. federal income tax purposes (and will be referred to in this section as an "**OID Note**") unless the Note satisfies a *de minimis* threshold (as described below). The "stated redemption price at maturity" of a Note will equal the sum of all payments required under the Note other than payments of "qualified stated interest." "**Qualified stated interest**" is stated interest unconditionally payable as a series of payments in cash or property (other than in debt instruments of the Issuer) at least annually during the entire term of the Note and equal to the outstanding principal balance of the Note multiplied by a single fixed rate of interest or, subject to certain conditions, based on one or more floating rates or indices.

All stated interest on a Variable Rate Note (as defined below) will constitute qualified stated interest if the Note provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof that is unconditionally payable in cash or property (other than debt instruments of the Issuer) at least annually. Therefore, such a Variable Rate Note will not be treated as having been issued with original issue discount unless it is issued at a "true" discount (i.e., at a price below the Note's stated principal amount that equals or exceeds a specified *de minimis* amount). In general, a "**Variable Rate Note**" is a Note that provides for one or more qualified floating rates of interest, a single fixed rate and one or more qualified floating rates, a single objective rate, or a single fixed rate and a single objective rate that is a qualified inverse floating rate (as such terms are defined in applicable Treasury regulations), provided that the issue price of the Note does not exceed the total noncontingent principal payments due under the Note by more than an amount equal to the lesser of (x) 0.015 multiplied by the product of the total noncontingent principal payments and the number of complete years to maturity from the issue date and (y) 15% of the total noncontingent principal payments.

A "**qualified floating rate**" is any variable rate where variations in the value of such rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Variable Rate Note is denominated. An interest rate that is based on the product of a qualified floating rate, or that subjects a qualified floating rate to a cap, floor, governor or similar restriction, may also be treated as a qualified floating rate if certain conditions are satisfied. An "objective rate" is generally a rate that is determined using a single fixed formula and that is based on objective financial or economic information. If a Variable Rate Note provides for two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Note, the qualified floating rates together constitute a single qualified floating rate. Two or more qualified floating rates will be conclusively presumed to meet the requirements of the preceding sentence if the values of the applicable rates on the issue date are within 1/4 of one percent of each other. If interest on a debt instrument is stated at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period, and the value of the variable rate on the issue date is intended to approximate the fixed rate, the fixed rate and the variable rate together constitute a single qualified floating rate or objective rate. If, after application of these rules, a Variable Rate Note is treated as having been issued with interest other than qualified stated interest or as issued at a "true" discount, the U.S. federal income tax treatment of such Note will be more fully described in the applicable supplement to the base prospectus.

If the difference between a Note's stated redemption price at maturity and its issue price is less than a *de minimis* amount, i.e., 1/4 of one percent of the stated redemption price at maturity multiplied by the number of complete years to maturity (or weighted average maturity if any amount included in the stated redemption price at maturity is payable before maturity), then the Note will not be considered to have original issue discount.

Subject to the rules applicable to Short-Term Notes discussed below, a U.S. Holder of an OID Note will be required to include any qualified stated interest payments in income in accordance with the U.S. Holder's method of accounting for U.S. federal income tax purposes and will be required to include original issue discount in income for U.S. federal income tax purposes as it accrues, in accordance with a constant-yield method based on a compounding of interest. Under this method, U.S. Holders of OID Notes generally will be required to include in income increasingly greater amounts of original issue discount in successive accrual periods.

A U.S. Holder may make an election to include in gross income all interest that accrues on any Note (including stated interest and original issue discount or *de minimis* original issue discount, as adjusted by any amortizable bond premium) in accordance with a constant-yield method based on the compounding of interest (a "constant-yield election").

A Note that matures one year or less from its date of issuance (a "**Short-Term Note**") will be treated as being issued at a discount, and none of the interest paid on the Note will be treated as qualified stated interest. In general, a cash-method U.S. Holder of a Short-Term Note is not required to accrue the discount for U.S. federal income tax purposes unless it elects to do so. Holders who so elect and certain other U.S. Holders, including those who report income on the accrual method of accounting for U.S. federal income tax purposes, are required to include the discount in income as it accrues on a straight-line basis, unless another election is made to accrue the discount according to a constant-yield method based on daily compounding. A U.S. Holder who is not required and who does not elect to include the discount in income currently will treat any gain realized on the sale, exchange, retirement or other taxable disposition of the Short-Term Note as ordinary income to the extent of the discount accrued on a straight-line basis (or, if elected, according to a constant-yield method based on daily compounding) through the date of sale, exchange, retirement or other taxable disposition and will be required to defer deductions for any interest paid on indebtedness incurred to purchase or carry Short-Term Notes, in an amount not exceeding the accrued discount, until the accrued discount is included in income.

Under applicable Treasury regulations, if the Issuer or the U.S. Holders have an unconditional option to redeem a Note prior to its Maturity Date, this option will be presumed to be exercised if, by utilizing any date on which the Note may be redeemed as the maturity date and the amount payable on that date in accordance with the terms of the Note as the stated redemption price at maturity, (1) in the case of the Issuer's option, the yield on the Note would be lower than its yield to the Maturity Date or (2) in the case of the U.S. Holders' option, the yield on the Note would be higher than its yield to the Maturity Date. If this option is not in fact exercised, the Note would be treated, solely for purposes of calculating original issue discount, as if it were redeemed, and a new note were issued, on the presumed exercise date for an amount equal to the Note's adjusted issue price on that date.

Amortizable Bond Premium. If a U.S. Holder purchases a Note for an amount that is greater than the sum of all amounts payable on the Note other than qualified stated interest, the U.S. Holder will be considered to have purchased the Note with amortizable bond premium in an amount equal to such excess. In general, a U.S. Holder may elect to amortize this premium, using a constant-yield method, over the remaining term of the Note. Special rules may apply in the case of Notes that are subject to optional redemption. A U.S. Holder generally may use the amortizable bond premium allocable to an accrual period to offset qualified stated interest required to be included in the U.S. Holder's income with respect to the Note in that accrual period. A U.S. Holder who elects to amortize bond premium must reduce its tax basis in the Note by the amount of the premium allowable as an offset in any year. An election to amortize bond premium applies to all taxable debt obligations then owned and thereafter acquired by the U.S. Holder and may be revoked only with the consent of the Internal Revenue Service (the "**IRS**").

If a U.S. Holder makes a constant-yield election (as described under "—Original Issue Discount" above) for a Note with amortizable bond premium, that election will result in a deemed election to amortize bond premium for all of the U.S. Holder's debt instruments with amortizable bond premium, and may be revoked only with the permission of the IRS, and only with respect to debt instruments acquired after revocation.

Sale, Exchange, Retirement or Other Taxable Disposition of the Notes. Upon the sale, exchange, retirement or other taxable disposition of a Note, a U.S. Holder will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange, retirement or other taxable disposition and the U.S. Holder's adjusted tax basis in the Note. Gain or loss, if any, generally will be U.S.-source for purposes of computing a U.S. Holder's foreign tax credit limitation. For these purposes, the amount realized does not include any amount attributable to accrued qualified stated interest. Amounts attributable to accrued qualified stated interest are treated as interest as described under "—Payments of Interest" above. A U.S. Holder's adjusted tax basis in a Note generally will equal its initial investment in the Note increased by any original issue discount included in income and decreased by any bond premium previously amortized and any payments, other than qualified stated interest, previously received.

Except as described below, gain or loss realized on the sale, exchange, retirement or other taxable disposition of a Note will be capital gain or loss, which will be long-term capital gain or loss if at the time of sale, exchange, retirement or other taxable disposition, the Note has been held for more than one year. Long-term capital gain of a non-corporate U.S. Holder generally is taxed at preferential rates. The deductibility of capital losses is subject to limitations. An exception to this general rule applies in the case of a Short Term Note to the extent of any accrued discount not previously included in the holder's taxable income. See "Original Issue Discount" above. In addition, another exception to this general rule applies in the case of certain Foreign Currency Notes. See "—Foreign Currency Notes" below.

Foreign Currency Notes. The rules applicable to Notes issued in a currency other than U.S. dollars ("Foreign Currency Notes") could require some or all of the gain or loss on the sale, exchange or other taxable disposition of a Foreign Currency Note to be recharacterized as ordinary income or loss. The rules applicable to Foreign Currency Notes are complex, and their application may depend on the U.S. Holder's particular U.S. federal income tax situation. For example, various elections are available under these rules, and whether a U.S. Holder should make any of these elections may depend on the U.S. Holder's particular U.S. federal income tax situation. Holders are urged to consult their tax advisers regarding the U.S. federal income tax consequences of the ownership and disposition of Foreign Currency Notes.

A U.S. Holder who uses the cash method of accounting and who receives a payment of qualified stated interest (or who receives proceeds from a sale, exchange or other disposition attributable to accrued qualified stated interest) in a foreign currency with respect to a Foreign Currency Note will be required to include in income the U.S. dollar value of the foreign currency payment (determined based on a spot rate on the date the payment is received) regardless of whether the payment is in fact converted into U.S. dollars at that time, and this U.S. dollar value will be the U.S. Holder's tax basis in the foreign currency received.

An accrual-method U.S. Holder will be required to include in income the U.S. dollar value of the amount of interest income (including original issue discount, but reduced by amortizable bond premium to the extent applicable) that has accrued and is otherwise required to be taken into account with respect to a Foreign Currency Note during an accrual period. The U.S. dollar value of the accrued income will be determined by translating the income at the average rate of exchange for the accrual period or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within the taxable year. The U.S. Holder may recognize ordinary income or loss (which will not be treated as interest income or expense) with respect to accrued interest income on the date the interest payment or proceeds from the sale, exchange or other taxable disposition attributable to accrued interest is actually received. The amount of ordinary income or loss recognized will equal the difference between the U.S. dollar value of the foreign currency payment received (determined based on a spot rate on the date the payment is received) in respect of the accrual period and the U.S. dollar value of interest income that has accrued during the accrual period (as determined above). Rules similar to these rules apply in the case of cash-method U.S. Holders who are required to currently accrue original issue discount on a Foreign Currency Note. An accrual-method U.S. Holder (including a cash-method U.S. Holder with respect to original issue discount) may elect to translate interest income (including original issue discount) into U.S. dollars at the spot rate on the last day of the interest accrual period (or, in the case of a partial accrual period, the spot rate on the last day of the taxable year) or, if the date of receipt is within five business days of the last day of the interest accrual period, the spot rate on the date of receipt. A U.S. Holder that makes this election must apply it consistently to all debt instruments from year to year, and may not change the election without the consent of the IRS.

Original issue discount and amortizable bond premium on a Foreign Currency Note are determined in the relevant foreign currency. If an election to amortize bond premium is made, amortizable bond premium taken into account on a current basis will reduce interest income in units of the relevant foreign currency. Gain or loss attributable to fluctuations in exchange rates is realized on amortized bond premium with respect to any period by treating the bond premium amortized in the period in the same manner as it would have been treated on the sale, exchange, retirement or other taxable disposition of the Foreign Currency Note. Any such exchange gain or loss will be ordinary income or loss as described below. If the election is not made, any bond premium will be taken into account in determining the overall gain or loss on the Notes.

As discussed above under "—Sale, Exchange, Retirement or Other Taxable Disposition of a Note," a U.S. Holder generally will recognize gain or loss on the sale, exchange, retirement or other taxable disposition of a Note equal to the difference between the amount realized on the sale, retirement or other taxable disposition and the adjusted tax basis of the Note. A U.S. Holder's initial tax basis in a Foreign Currency Note generally will be determined by reference to the U.S. dollar cost of the Note. The U.S. dollar cost of a Foreign Currency Note generally will be the U.S. dollar value of the purchase price based on the spot rate in effect on the date of purchase (or if the Note is traded on an established securities market and the U.S. Holder is a cash-method U.S. Holder or an electing accrual-method U.S. Holder, on the settlement date). If this election is made by an accrual-method U.S. Holder it must be applied consistently from year to year and cannot be revoked without the consent of the IRS. The amount of any subsequent adjustment to the U.S. Holder's tax basis (including adjustments for original issue discount included as income and any bond premium previously amortized or principal payments received), will be the U.S. dollar value of the foreign currency amount paid for the Foreign Currency Note, and of the foreign currency amount of the adjustment, determined on the date of the adjustment.

The amount realized on a sale, exchange, retirement or other taxable disposition for an amount in foreign currency will be the U.S. dollar value of the amount of foreign currency received based on the spot rate in effect on the date of sale, exchange, retirement or other taxable disposition (or, in the case of a Foreign Currency Note traded on an established securities market, as defined in the applicable Treasury regulations, sold by a cash-method U.S. Holder, or an accrual-method U.S. Holder that so elects, on the settlement date). Such an election by an accrual-method U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

Gain or loss on the sale, exchange, retirement or other taxable disposition of a Foreign Currency Note that is attributable to fluctuations in currency exchange rates will be ordinary income or loss which will not be treated as interest income or expense. Gain or loss attributable to fluctuations in exchange rates generally will equal the difference between (i) the U.S. dollar value of the U.S. Holder's purchase price for the Foreign Currency Note (or if less, the principal amount of the Foreign Currency Note), determined on the date the payment is received or the Note is disposed of (or if the Note is traded on an established securities market, and the U.S. Holder is a cash-method U.S. Holder or an electing accrual-method U.S. Holder, on the settlement date); and (ii) the U.S. dollar value of the U.S. Holder's purchase price for the Foreign Currency Note (or if less, the principal amount of the Foreign Currency Note), determined on the date the U.S. Holder acquired the Note (or if the Note is traded on an established securities market and the U.S. Holder is a cash-method U.S. Holder or an electing accrual-method U.S. Holder, on the settlement date). Payments received attributable to accrued qualified stated interest will be treated in accordance with the rules applicable to payments of interest on Foreign Currency Notes described above. The foreign currency gain or loss (including any foreign currency gain or loss with respect to accrued interest on a disposition) will be recognized only to the extent of the total gain or loss realized by a U.S. Holder on the sale, exchange, retirement or other taxable disposition of the Foreign Currency Note. The foreign currency gain or loss for U.S. Holders will be U.S.-source. Any gain or loss in excess of the foreign currency gain or loss will be capital gain or loss (except in the case of a Short-Term Note, to the extent of any discount not previously included in income).

A U.S. Holder will have a tax basis in any foreign currency received on the sale, exchange, retirement or other taxable disposition of a Foreign Currency Note equal to the U.S. dollar value of the foreign currency, determined at the time of sale, exchange, retirement or other taxable disposition. As noted above, if the Foreign Currency Notes are traded on an established securities market, a cash-method U.S. Holder or an electing accrual-method U.S. Holder who buys or sells a Foreign Currency Note is required to translate units of foreign currency paid or received into U.S. dollars at the spot rate on the settlement date of the purchase or sale. Accordingly, no exchange gain or loss will result from currency fluctuations between the trade date and the settlement of the purchase or sale. Any gain or loss realized on a sale or other taxable disposition of foreign currency (including its exchange for U.S. dollars or its use to purchase Foreign Currency Notes) will be ordinary income or loss.

A U.S. Holder may be required to file a reportable transaction disclosure statement with its U.S. federal income tax return if it realizes a loss on the sale or other taxable disposition of a Foreign Currency Note that is greater than an applicable threshold amount, which depends on the status of the U.S. Holder. A U.S. Holder that claims a deduction with respect to a Foreign Currency Note should consult its tax adviser regarding the need to file a reportable transaction disclosure statement.

Backup Withholding and Information Reporting. Information returns may be filed with the IRS in connection with payments on the Notes and the proceeds from a sale or other taxable disposition of the Notes. A U.S. Holder may be subject to backup withholding on these payments if it fails to provide its taxpayer identification number and comply with certain certification procedures or otherwise establish an exemption. The amount of any backup withholding will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability, and may entitle the U.S. Holder to a refund, provided that the required information is timely furnished to the IRS.

Legislation enacted in 2010 requires certain U.S. Holders to report information relating to an interest in the Issuer's Notes, subject to certain exceptions (including an exception for Notes held in accounts maintained by certain financial institutions). U.S. Holders should consult their tax advisers regarding the effect, if any, of this legislation.

Potential U.S. FATCA withholding after December 31, 2018. Provisions of U.S. tax law commonly referred to as the Foreign Account Tax Compliance Act, or FATCA, impose a 30% withholding tax on certain payments made to a foreign financial institution (such as the Issuer) unless the financial institution is a "participating foreign financial institution," or a PFFI, or otherwise exempt from FATCA. A PFFI is a foreign financial institution that has entered into an agreement with the U.S. Treasury Department, or an FFI agreement, pursuant to which it agrees to perform specified due diligence, reporting and withholding functions. Specifically, under its FFI agreement, a PFFI will be required to obtain and report to the IRS certain information with respect to financial accounts held by U.S. persons or U.S.-owned foreign entities and to withhold 30% from "foreign passthru payments" (which term is not yet defined) that it makes to "recalcitrant" accountholders or to foreign financial institutions that are not PFFIs or otherwise exempt from FATCA on or after the later of January 1, 2019 and the date of publication of final Treasury regulations defining the term "foreign passthru payments." No such withholding would apply to any payments made on debt obligations that are issued before (and not materially modified after) the date that is six months after the date on which final regulations defining the term "foreign passthru payments" are published. The United States and Chile have entered into an intergovernmental agreement to facilitate the implementation of FATCA pursuant to which Chilean financial institutions (such as the Issuer) will be directed by Chilean authorities to register with the IRS and fulfill obligations consistent with those required under an FFI agreement. The Issuer has registered with the IRS to become a PFFI. The United States has also entered into intergovernmental agreements with other jurisdictions. These intergovernmental agreements (including the intergovernmental agreement with Chile) do not address how the United States and the relevant jurisdictions (including Chile) will address "foreign passthru payments" or whether withholding on such payments will be required by financial institutions that are subject to a FATCA intergovernmental agreement.

CERTAIN BENEFIT PLAN INVESTOR CONSIDERATIONS

The United States Employee Retirement Income Security Act of 1974, as amended, or ERISA, imposes fiduciary standards and certain other requirements on employee benefit plans subject to Title I of ERISA including separate accounts, (collectively, "ERISA Plans"), and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans and by the entities (such as collective investment funds) and accounts whose underlying assets are treated as the assets of such plans pursuant to U.S. Department of Labor "plan assets" regulation, 29 CFR Section 2510.3-101, as modified by Section 3(42) of ERISA are subject to ERISA's general fiduciary requirements, including the requirement of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the ERISA Plan. The prudence of a particular investment will be determined by the responsible fiduciary of an ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment including, but not limited to, the matters discussed in "Risk Factors" and the fact that in the future there may be no market in which the fiduciary will be able to sell or otherwise dispose of the Notes.

In addition, Section 406 of ERISA and Section 4975 of the U.S. Internal Revenue Code of 1986, as amended, (the "Code"), prohibit certain transactions involving the assets of an ERISA Plan (as well as those plans that are not subject to ERISA but which are subject to Section 4975 of the Code (together with ERISA Plans, "Plans")) and certain persons (referred to as "parties in interest" or "disqualified persons") having certain relationships to such Plans, unless a statutory or administrative exemption is applicable to the transaction. In particular, a sale or exchange of property or an extension of credit between a Plan and a "party in interest" or "disqualified person" may constitute a prohibited transaction. A party in interest or disqualified person who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code.

The Issuer, directly or through its affiliates, may be considered a party in interest or disqualified person with respect to many Plans. Prohibited transactions within the meaning of Section 406 of ERISA or Section 4975 of the Code may arise if Notes are acquired, held or disposed of by a Plan with respect to which the Issuer, the Arrangers, the Dealers or any of their respective affiliates is a party in interest or a disqualified person unless the Notes are acquired pursuant to and in accordance with an applicable exemption. Certain exemptions from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code may apply depending in part on the type of Plan fiduciary making the decision to acquire the Notes and the circumstances under which that decision is made. Included among these exemptions are Prohibited Transaction Class Exemption ("PTCE") 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by a "qualified professional asset manager"), PTCE 90-1 (relating to investments by insurance company pooled separate accounts), PTCE 95-60 (relating to investments by insurance company general accounts) and PTCE 96-23 (relating to transactions determined by an in-house asset manager). In addition, ERISA Section 408(b)(17) and Section 4975(d)(20) of the Code provide a limited exemption for the purchase and sale of securities and related lending transactions, provided that neither the issuer of the securities nor any of its affiliates have or exercise any discretionary authority or control or render any investment advice with respect to the assets of any Plan involved in the transaction, and provided further that the Plan pays no more than "adequate consideration" (within the meaning of ERISA Section 408(b)(17) and Section 4975(f)(10) of the Code) in connection with the transaction (the "service provider exemption"). There can be no assurance however that any of these exemptions or any other exemption will be available with respect to any particular transaction involving the Notes.

Governmental plans, certain church plans, non-U.S. plans, and other plans, while not subject to the fiduciary responsibility provisions of ERISA or the provisions of Section 4975 of the Code, may nevertheless be subject to federal, state, local, non-U.S., or other laws that are substantially similar to the foregoing provisions of ERISA and the Code. Fiduciaries of any such plans should consult with their counsel before purchasing the Notes.

Each purchaser of the Notes will be deemed to have represented and warranted that either: (i) no portion of the assets used by it to purchase and hold the Notes constitutes assets of (a) any employee benefit plan subject to Title I of ERISA, (b) any plan, individual retirement account or other arrangement subject to section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), (c) any entity whose underlying assets are considered to include "plan assets" (as defined in ERISA) of any such employee benefit, plan, account or arrangement or (d) any non-U.S., governmental or church plan subject to any federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the

Code ("Similar Law") and/or laws or regulations that provide that the assets of the Issuer could be deemed to include "plan assets" of such plan (each, an "Other Plan Investor"), or (ii) the purchase and holding of the Notes by such purchaser will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or, in the case of Other Plan Investors, will not result in a non-exempt violation of any applicable Similar Law and will not subject the Issuer to any laws, rules, or regulations applicable to such Other Plan Investor solely as the result of the investment in the Issuer by such Other Plan Investor.

Due to the complexity of these rules and the potential penalties for any non-exempt prohibited transactions, the Issuer would advise any persons considering purchasing the Notes on behalf of, or with the assets of, any Plan to consult with their counsel regarding these matters.

The foregoing discussion is general in nature and is not intended to be all-inclusive. Each Plan fiduciary should consult with its legal advisor concerning the potential consequences to the Plan under ERISA or the Code of an investment in the Notes.

The sale of the Notes to a Plan is in no respect a representation by the Issuer that such an investment meets all relevant legal requirements with respect to investment by Plans generally or any particular Plan, or that such an investment is appropriate for Plans generally or any particular Plan.

SPECIAL PROVISIONS RELATING TO FOREIGN CURRENCY NOTES

GENERAL

Unless otherwise specified in the applicable Final Terms, the following provisions shall apply to Foreign Currency Notes which are in addition to, and to the extent inconsistent therewith replace, the description of general terms and provisions of the Notes set forth elsewhere in this Base Prospectus.

PAYMENTS ON FOREIGN CURRENCY NOTES

Purchasers are required to pay for the Notes in the currency specified in the applicable Final Terms. In certain jurisdictions, there may be limited facilities for conversion of home currencies into foreign currencies, and vice versa. In addition, in certain jurisdictions, many banks may not offer foreign currency denominated checking or savings account facilities.

Payment of principal, premium, if any, and interest, if any, on each Note will be made in immediately available funds in the Specified Currency unless otherwise specified in the applicable Final Terms and except as provided under "Changing the Specified Currency of Foreign Currency Notes" below.

Unless otherwise specified in the applicable Final Terms, a holder of the equivalent of U.S.$1,000,000 or more aggregate principal amount of a definitive Registered Note denominated in a Specified Currency other than U.S. Dollars may elect subsequent to the issuance thereof that future payments be converted, or not be converted, as the case may be, at the Market Exchange Rate to U.S. Dollars by transmitting a written request for such payments to the relevant Paying Agent on or prior to the Regular Record Date or at least 16 days prior to maturity or earlier redemption or repayment, as the case may be. Such request shall include appropriate payment instructions and shall be in writing (mail or hand delivered) or by cable, telex or facsimile transmission. A holder may elect to receive all future payments of principal, premium, if any, and interest in either the Specified Currency or in U.S. Dollars, as specified in the written request, and need not file a separate election for each payment. Such election will remain in effect until revoked by a subsequent election made in the manner and at the times prescribed in this paragraph. Owners of beneficial interests in permanent global Notes or holders of definitive Bearer Notes should contact their broker or nominee to determine whether and how an election to receive payment in either U.S. Dollars or the Specified Currency may be made.

The **"Market Exchange Rate"** means, as of any time of determination which shall be two business days prior to payment date the Specified Currencies other than U.S. Dollars to U.S. dollar exchange rate as quoted by the Exchange Rate Agent for similar client driven orders.

All determinations made by the Exchange Rate Agent shall be at its sole discretion and, in the absence of manifest error, shall be conclusive for all purposes and binding on holders of the Notes and the Exchange Rate Agent shall have no liability therefor. Under no circumstances shall Banco Santander-Chile bear any responsibility for losses incurred by a holder due to fluctuations in the Market Exchange Rate.

Specific information about the Specified Currency in which a particular Foreign Currency Note is denominated will be set forth in the applicable Final Terms. Any information therein concerning exchange rates is furnished as a matter of information only and should not be regarded as indicative of the range of or trends in fluctuations in currency exchange rates that may occur in the future.

MINIMUM DENOMINATIONS, RESTRICTIONS ON MATURITIES, REPAYMENT AND REDEMPTION

General. Notes denominated in Specified Currencies other than U.S. Dollars shall have such minimum denominations and be subject to such restrictions on maturities, repayment and redemption as are set forth below or as are set forth in the applicable Final Terms in the event different restrictions on minimum denominations, maturities, repayment and redemption may be permitted or required from time to time by any relevant central bank or equivalent governmental body, however designated, or by such laws or regulations as are applicable to the Notes or the Specified Currency. Certain restrictions related to the distribution of Notes denominated in Specified Currencies other than U.S. Dollars are set forth under "Plan of Distribution" in this Base Prospectus. Any other restrictions applicable to Notes denominated in Specified Currencies other than U.S. Dollars will be set forth in the applicable Final Terms relating to such Notes.

Minimum Denominations. Unless permitted by then current laws, regulations and directives, Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are received by the Issuer in the United Kingdom and which have a maturity of less than one year will only be issued if (a) the redemption value of each such Note is at least £100,000 as determined at the time of issuance or an amount of equivalent value denominated wholly or partly in a currency other than Sterling, (b) no part of any Note may be transferred unless the redemption value of that part is at least £100,000, or such an equivalent amount, and (c) such Notes are issued to a limited class of professional investors, unless the relevant Note(s) can be issued and sold without contravention of Section 19 of the FSMA. See "Plan of Distribution."

Restrictions on Maturities, Repayment and Redemption. All Notes (irrespective of the Specified Currency in which they are denominated) will comply with applicable legal, regulatory and/or central bank requirements in respect of minimum required maturities and limitations on redemption by the Issuer or holder of such Note.

REDENOMINATION

The Issuer may, without the consent of holders of Notes denominated in a Specified Currency of a member state of the European Union, which on or after the issue date of such Notes participates in the European Economic and Monetary Union, on giving at least 30 days' prior notice (the "**Redenomination Notice**") to the holders of such Notes and on prior notice to the Fiscal Agent, and Euroclear, Clearstream, Luxembourg and/or any other relevant clearing system, elect that, with effect from the date specified in the Redenomination Notice (the "**Redenomination Date**"), such Notes shall be redenominated in Euro.

The election will have effect as follows:

(a) the Notes shall be deemed to be redenominated into Euro in the denomination of €0.01 with a nominal amount for each Note equal to the nominal amount of that Note in the Specified Currency, converted into Euro at the Established Rate (defined below); provided that, if the Issuer determines after consultation with the Fiscal Agent that the then market practice in respect of the redenomination into Euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the holders of Notes, any stock exchange on which the Notes may be listed, the Fiscal Agent and the relevant Paying Agents of such deemed amendments;

(b) save to the extent that an Exchange Notice (defined below) has been given in accordance with paragraph (d) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate nominal amount of Notes presented (or, as the case may be, in respect of which coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest €0.01;

(c) if definitive Notes are required to be issued after the Redenomination Date, they shall be issued, subject to compliance with all applicable laws and regulations, at the expense of the Issuer in the denominations of €1,000, €10,000, €100,000 and (but only to the extent of any remaining amounts less than €1,000 or such smaller denominations as the relevant Paying Agent may approve) €0.01 and such other denominations as the Issuer shall determine and notify to the Noteholders;

(d) if issued prior to the Redenomination Date, all unmatured coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the "**Exchange Notice**") that replacement Euro-denominated Notes and coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes so issued will also become void on that date although such Notes will continue to constitute valid exchange obligations of the Issuer. New Euro-denominated Notes and coupons, if any, will be issued in exchange for Notes and coupons, if any, denominated in the Specified Currency in such manner as the relevant Paying Agent may specify and as shall be notified to the holders of Notes in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;

(e) after the Redenomination Date, all payments in respect of the Notes and the coupons, if any, including payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in Euro as though references in the Notes to the Specified Currency were to Euro. Payments will be made in Euro by credit or transfer to a Euro account outside the United States (or any other account to which Euro may be credited or transferred) specified by the payee or, at the option of the payee, by a Euro check mailed to an address outside the United States;

(f) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated by applying the Fixed Interest Rate to each specified denomination, multiplying such sum by the applicable Fixed Day Count Fraction specified in the applicable Final Terms, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention;

(g) if the Notes are Floating Rate Notes, the applicable Final Terms will specify any relevant changes to the provisions relating to interest; and

(h) such other changes shall be made as the Issuer may decide, after consultation with the relevant Paying Agent and the calculation agent (if applicable), and as may be specified in the Redenomination Notice, to conform them to conventions then applicable to instruments denominated in Euro.

"**Established Rate**" means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Union regulations) into Euro established by the Council of European Union pursuant to Article 109L(4) of the treaty establishing the European Communities, as amended by the Treaty on European Union.

"**sub-unit**" means, with respect to any Specified Currency other than Euro, the lowest amount of such Specified Currency that is available as legal tender in the country of such Specified Currency and, with respect to Euro, means one cent.

CHANGING THE SPECIFIED CURRENCY OF FOREIGN CURRENCY NOTES

Payments of principal, premium, if any, and interest, if any, on any Note denominated in a Specified Currency other than U.S. Dollars shall be made in U.S. Dollars if, on any payment date, such Specified Currency (a) is unavailable due to imposition of exchange controls or other circumstances beyond the Issuer's control or (b) is no longer used by the government of the country issuing such Specified Currency or for the settlement of transactions by public institutions in that country or within the international banking community. Such payments shall be made in U.S. Dollars on such payment date and on all subsequent payment dates until such Specified Currency is again available or so used as determined by such Issuer.

Amounts so payable on any such date in such Specified Currency shall be converted into U.S. Dollars at a rate determined by the Exchange Rate Agent (as defined below) on the basis of the most recently available Market Exchange Rate. The "**Exchange Rate Agent**" at the date of this Base Prospectus is Bank of America, National Association Any payment required to be made on Foreign Currency Notes denominated in a Specified Currency that is instead made in U.S. Dollars under the circumstances described above will not constitute a default of any obligation of the Issuer under such Notes.

The provisions of the two preceding paragraphs shall not apply in the event of the introduction in the country issuing any Specified Currency of the Euro pursuant to the entry of such country into European Economic and Monetary Union. In such an event, payments of principal, premium, if any, and interest, if any, on any Note denominated in any such Specified Currency shall be effected in Euro at such time as is required by, and otherwise in conformity with, legally applicable measures adopted with reference to such country's entry into the European Economic and Monetary Union.

BOOK ENTRY CLEARANCE SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear, CBL or CBF (together, the "**Clearing Systems**") currently in effect. The information in this section concerning the Clearing Systems has been accurately reproduced and far as the Issuer is aware and able to ascertain from information published by such third-party Clearing Systems, no facts have been omitted that would render the reproduced information inaccurate or misleading. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. Neither the Issuer nor any other party to the Fiscal Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

BOOK-ENTRY SYSTEMS

DTC

DTC has advised the Issuer that it is a limited purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to section 17A of the Exchange Act. DTC holds securities that its participants ("**Participants**") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations ("**Direct Participants**"). DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC System is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**").

Under the rules, regulations and procedures creating and affecting DTC and its operations (the "**Rules**"), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC's book-entry settlement system ("**DTC Notes**") as described below and receives and transmits distributions of principal and interest on DTC Notes. The Rules are on file with the Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes ("**Owners**") have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC's records. The ownership interest of each actual purchaser of each DTC Note ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to DTC Notes. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Notes will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the due date for payment in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the due date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for definitive Registered Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Rule 144A Global Note, will be legended as set forth under "*Transfer and Selling Restrictions*."

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Notes, will be required to withdraw its Registered Notes from DTC as described below.

Euroclear, CBL and CBF

Euroclear, CBL and CBF each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear, CBL and CBF provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear, CBL and CBF also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear, CBL and CBF have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear, CBL and CBF customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear, CBL and CBF is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

BOOK-ENTRY OWNERSHIP OF AND PAYMENTS IN RESPECT OF DTC NOTES

The Issuer may apply to DTC in order to have any Tranche of Notes represented by a Registered Global Note accepted in its book-entry settlement system. Upon the issue of any such Registered Global Note, DTC or its custodian will credit, on its internal book-entry system, the respective principal amounts of the individual beneficial interests represented by such Registered Global Note to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer.

Ownership of beneficial interests in such a Registered Global Note will be limited to Direct Participants or Indirect Participants, including, in the case of any Regulation S Global Note, the respective depositories of Euroclear and CBL. Ownership of beneficial interests in a Registered Global Note accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Registered Global Note accepted by DTC will be made to the order of DTC or its nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. dollars, payment will be made to the Exchange Agent on behalf of DTC or its nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Registered Global Note in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Issuer also expects that payments by Participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the relevant Paying Agent, the relevant Registrar or the Issuer. Payment of principal, premium, if any, and interest, if any, on Notes to DTC is the responsibility of the Issuer.

TRANSFERS OF NOTES REPRESENTED BY REGISTERED GLOBAL NOTES

Transfers of any interests in Notes represented by a Registered Global Note within DTC, Euroclear and CBL will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of notes in definitive form. Consequently, the ability to transfer Notes represented by a Registered Global Note to such persons may depend upon the ability to exchange such Notes for Notes in definitive form. However, as discussed above, such exchanges will generally not be available. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Registered Global Note accepted by DTC to pledge such Notes to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by a Registered Global Note accepted by DTC to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a direct or indirect participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under "*Transfer and Selling Restrictions*," cross-market transfers between DTC, on the one hand, and directly or indirectly through CBL or Euroclear accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the relevant Registrar, the relevant Paying Agent and any custodian ("**Custodian**") with whom the relevant Registered Global Notes have been deposited.

On or after the Original Issue Date for any Series, transfers of Notes of such Series between accountholders in CBL and Euroclear and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in CBL or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and CBL and Euroclear, on the other, transfers of interests in the relevant Registered Global Notes will be effected through the relevant Registrar, the relevant Paying Agent and the Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or CBL accountholders and DTC participants cannot be made on a delivery versus payment basis. The notes will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, CBL and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes among participants and accountholders of DTC, CBL and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Agents nor any Dealer will be responsible for any performance by DTC, CBL or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

TRANSFER AND SELLING RESTRICTIONS

The Dealers have, in the Fourth Amended and Restated Dealer Agreement, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Description of the Notes.*" In the Fourth Amended and Restated Dealer Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Program and the issue of Notes under the Program and to indemnify the Dealers certain liabilities incurred by them in connection therewith.

Transfer Restrictions

As a result of the following restrictions, purchasers of Notes in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes. Each purchaser of Registered Notes or person wishing to transfer an interest from one Registered Note to another or from global to definitive form or vice versa, will be required to acknowledge, represent and agree as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

(a) that either: (i) it is a QIB, purchasing (or holding) the Notes for its own account or for the account of one or more QIBs and it is aware that any sale to it is being made in reliance on Rule 144A or (ii) it is outside the United States and is not a U.S. person;

(b) that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or any other applicable U.S. State securities laws and may not be offered, sold, pledged or otherwise transferred within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;

(c) that, unless it holds an interest in a Regulation S Global Note, the applicable distribution compliance period has elapsed and it is a person located outside the United States or is not a U.S. person, if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so only (i) to the Issuer or any affiliate thereof, (ii) inside the United States to a person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A and which takes delivery in the form of an interest in the Rule 144A Global Note, (iii) outside the United States in compliance with Rule 903 or Rule 904 under the Securities Act, (iv) pursuant to another available exemption from registration under the Securities Act or (v) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. State securities laws;

(d) that it will, and will require each subsequent holder to, notify any purchaser of the Notes from it of the resale restrictions referred to in paragraph (c) above, if then applicable;

(e) that Notes initially offered in the United States to QIBs will be represented by one or more Rule 144A Global Notes, and that Notes offered outside the United States in reliance on Regulation S will be represented by one or more Regulation S Global Notes;

(f) that the Notes, other than the Regulation S Global Notes, will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THE NOTES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE NOTES EXCEPT IN ACCORDANCE WITH THE FISCAL AGENCY AGREEMENT AND OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO

A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144A UNDER THE SECURITIES ACT FOR RESALE OF THIS NOTE.

THIS NOTE AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE FISCAL AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH NOTES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THIS NOTE TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO RESALES OR OTHER TRANSFERS OF RESTRICTED NOTES GENERALLY. THE HOLDER OF THIS NOTE SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS NOTE AND ANY NOTES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON)";

THIS LEGEND CAN ONLY BE REMOVED AT THE OPTION OF THE ISSUER.

(g) if it is outside the United States and is not a U.S. person, that if it should resell or otherwise transfer the Notes prior to the expiration of the 40-day distribution compliance period which commences upon completion of distribution of all the Notes of the Tranche of which the Notes being resold or otherwise transferred forms a part of the offering and the closing date with respect to the original issuance of the Notes), it will do so only (i) outside the United States in compliance with Rule 903 or 904 under the Securities Act and (ii) in accordance with all applicable U.S. State securities laws; and it acknowledges that the Regulation S Global Notes will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE FISCAL AGENCY AGREEMENT AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF FORTY DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE NOTES OF THE TRANCHE OF WHICH THIS NOTE FORMS PART.";

(h) that either: (i) no portion of the assets used by it to purchase and hold the Notes constitutes assets of (a) any employee benefit plan subject to Title I of ERISA, (b) any plan, individual retirement account or other arrangement subject to section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), (c) any entity whose underlying assets are considered to include "plan assets" (as defined in ERISA) of any such employee benefit, plan, account or arrangement or (d) any non-U.S., governmental or church plan subject to any federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code ("Similar Law") and/or laws or regulations that provide that the assets of the Issuer could be deemed to include "plan assets" of such plan (each, an "Other Plan Investor"), or (ii) the purchase and holding of the Notes by such purchaser will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or, in the case of Other Plan Investors, will not result in a non-exempt violation of any applicable Similar Law and will not subject the Issuer to any laws, rules, or regulations applicable to such Other Plan Investor solely as the result of the investment in the Issuer by such Other Plan Investor; and such purchaser acknowledges that the Notes will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"EACH PURCHASER OR TRANSFEREE OF THIS NOTE WILL BE DEEMED TO HAVE REPRESENTED AND WARRANTED THAT EITHER: (I) NO PORTION OF THE ASSETS USED BY IT TO PURCHASE AND HOLD the NOTES CONSTITUTES ASSETS OF (A) ANY EMPLOYEE BENEFIT PLAN SUBJECT TO TITLE I OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), (B) ANY PLAN, INDIVIDUAL RETIREMENT ACCOUNT OR OTHER ARRANGEMENT SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), (C) ANY ENTITY WHOSE UNDERLYING ASSETS ARE CONSIDERED TO INCLUDE "PLAN ASSETS" (AS DEFINED IN ERISA) OF ANY SUCH EMPLOYEE BENEFIT, PLAN, ACCOUNT OR ARRANGEMENT OR (D) ANY NON-U.S., GOVERNMENTAL OR CHURCH PLAN SUBJECT TO ANY FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAWS OR REGULATIONS THAT ARE SIMILAR TO SUCH PROVISIONS OF ERISA OR THE CODE ("SIMILAR LAW") AND/OR LAWS OR REGULATIONS THAT PROVIDE THAT THE ASSETS OF THE ISSUER COULD BE DEEMED TO INCLUDE "PLAN ASSETS" OF SUCH PLAN (EACH, AN "OTHER PLAN INVESTOR"), OR (II) THE PURCHASE AND HOLDING OF THE NOTES BY SUCH PURCHASER WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR, IN THE CASE OF OTHER PLAN INVESTORS, WILL NOT RESULT IN A NON-EXEMPT VIOLATION OF ANY APPLICABLE SIMILAR LAW AND WILL NOT SUBJECT THE ISSUER TO ANY LAWS, RULES, OR REGULATIONS APPLICABLE TO SUCH OTHER PLAN INVESTOR SOLELY AS THE RESULT OF THE INVESTMENT IN THE ISSUER BY SUCH OTHER PLAN INVESTOR;

(i) that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

No sale of Legended Notes in the United States to any one purchaser will be for less than U.S.$100,000 (or its foreign currency equivalent) principal amount and no Legended Note will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.$100,000 (or its foreign currency equivalent) of Registered Notes.

UNITED STATES

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

In connection with any Notes which are offered or sold outside the United States in reliance on the safe harbor from the registration requirements of the Securities Act provided under Regulation S ("**Regulation S Notes**"), each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it will not offer, sell or deliver such Regulation S Notes (a) as part of their distribution at any time or (b) otherwise until forty days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Regulation S Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Program will be required to agree, that it will send to each dealer to which it sells any Regulation S Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Regulation S Notes within the United States or to, or for the account or benefit of, U.S. persons.

Until forty days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Dealers, directly or through their respective U.S. broker dealer affiliates, may arrange for the resale of Notes to QIBs pursuant to Rule 144A and each such purchaser of Notes is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Notes which may be purchased by a QIB pursuant to Rule 144A is U.S.$150,000 (or the approximate equivalent thereof in any other Specified Currency). To the extent that the Issuer is not subject to or does not comply with the reporting requirements of section 13 or 15(d) of the Exchange Act or the information furnishing requirements of Rule 12g3-2(b) thereunder, the Issuer has agreed to furnish to holders of Notes and to prospective purchasers designated by such holders, upon request, such information as may be required by Rule 144A(d)(4) so long as the Notes are considered "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by United States Treasury Regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

The applicable Final Terms will specify whether the TEFRA C Rules or the TEFRA D Rules are applicable to the Bearer Notes, or whether neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

In the case of Bearer Notes to which the TEFRA D Rules have been specified to apply, the Notes may not be delivered, offered, sold or resold, directly or indirectly, in connection with their original issuance or during the Restricted Period in the United States to or for the account of any United States person, other than to certain persons as provided under United States Treasury Regulations. An offer or sale will be considered to be made to a person within the United States if the offeror or seller has an address within the United States for the offeree or purchaser with respect to the offer or sale. In addition, each Dealer has represented and agreed (and each further Dealer appointed under the Program will be required to represent and agree) that:

(a) except to the extent permitted under the TEFRA D Rules, (i) it has not offered or sold, and during the Restricted Period will not offer or sell, Notes in bearer form to a person who is within the United States or to a United States person, and (ii) such Dealer has not delivered and will not deliver within the United States definitive Notes in bearer form that are sold during the Restricted Period;

(b) it has and throughout the Restricted Period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or to a United States person, except as permitted by the TEFRA D Rules;

(c) if such Dealer is a United States person, it represents that it is acquiring the Notes in bearer form for purposes of resale in connection with their original issuance and, if such Dealer retains Notes in bearer form for its own account, it will only do so in accordance with the requirements of United States Treasury Regulation §1.163-5(c)(2)(i)(D)(6); and

(d) with respect to each affiliate (if any) that acquires from such Dealer Notes in bearer form for the purposes of offering or selling such Notes during the restricted period, such Dealer either (i) hereby represents and agrees on behalf of such affiliate (if any) to the effect set forth in sub-paragraphs (a), (b) and (c) of this paragraph or (ii) agrees that it will obtain from such affiliate (if any) for the benefit of the Issuer the representations and agreements contained in sub-paragraphs (a), (b) and (c) of this paragraph.

Where the TEFRA C Rules are specified in the applicable Final Terms as being applicable to any Tranche of Bearer Notes, such Notes must be issued and delivered outside the United States in connection with their original issuance. Accordingly, each Dealer has represented and agreed (and each additional Dealer appointed under the Program will be required to represent and agree) in respect of such Notes that it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, any such Notes within the United States in connection with the original issuance. Further, each Dealer has represented and agreed (and each further Dealer appointed under the Program will be required to represent and agree) in connection with the original issuance of such Notes in bearer form, that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such Dealer or such purchaser is within the United States or its possessions and will not otherwise involve the U.S. office of such Dealer in the offer and sale of Notes.

Each Dealer has agreed, and each further Dealer appointed under the Program will be required to agree, that it has not entered and will not enter into any contractual arrangements with respect to the distribution or delivery of Notes except with its affiliates (if any) or with the prior written consent of the Issuer.

Each Bearer Note having a maturity of more than 365 days (including unilateral rights to rollover or extend) and interest coupons pertaining to such Note, if any, will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code."

EUROPEAN ECONOMIC AREA

In relation to each member state of the European Economic Area (Iceland, Norway and Liechtenstein in addition to the member states of the European Union), each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive, as defined below, was implemented in each member state of the European Economic Area (the "Relevant Implementation Date") it has not made and will not make an offer of the Notes of any tranche to the public in that relevant member state of the European Economic Area except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that relevant member state of the European Economic Area:

(a) if the Final Terms in relation to such Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Member State (a "Non-exempt Offer"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(b) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the Dealers; or

(d) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to the Notes of any tranche in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for such Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, and the expression "Prospectus Directive" means Directive 2003/71/EC (as amended) and includes any relevant implementing measure in each Member State.

The above selling restriction is in addition to any other selling restrictions set out below.

UNITED KINGDOM

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that:

(a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer to sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their business or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent), for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

LUXEMBOURG

This Base Prospectus has not been approved by, and will not be submitted for approval to, the Luxembourg Financial Services Authority (*Commission de Surveillance du Secteur Financier*, or the "**CSSF**") or a competent authority of another EU Member State for notification to the CSSF, for purposes of a public offering or sale in the Grand Duchy of Luxembourg (**"Luxembourg**"). Accordingly, the Notes may not be offered or sold to the public in Luxembourg, directly or indirectly, and neither this Base Prospectus nor any other offering circular, prospectus, form of application, advertisement or other material may be distributed, or otherwise made available in, from or published in, Luxembourg, except in circumstances which do not constitute an offer of securities to the public requiring the publication of a prospectus in accordance with the Luxembourg Act of 10 July 2005 on prospectuses for securities, as amended, (the "**Prospectus Ac**t") and implementing the Directive 2003/71/EC of 4 November 2003, as amended. Consequently, this Base Prospectus and any other offering circular, prospectus, form of application, advertisement or other material may only be distributed to (i) Luxembourg qualified investors as defined in the Prospectus Act, (ii) no more than 149 prospective investors, which are not qualified investors and/or (iii) in any other circumstance contemplated by the Prospectus Act.

An "offer of notes to the public" in relation to any notes in Luxembourg means the communication in any form and by any means of sufficient information on the terms of the offering and the notes to be offered so as to enable an investor to decide to purchase or subscribe to the notes.

FRANCE

Each of the Dealers and the Issuer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that:

(a) offer to the public in France:

it has only made and will only make an offer of Notes to the public (offre au public) in France in the period (i) beginning (A) when a prospectus in relation to those Notes has been approved by the *Autorité des marchés financiers* ("**AMF**"), on the date of such publication or (B) when a prospectus has been approved by the competent authority of another Member State of the European Economic Area which has implemented the EU Directive 2003/71/EC, on the date of notification of such approval to the AMF and (ii) ending at the latest on the date which is twelve months after the date of approval of such prospectus – all in accordance with Articles L.412-1 and L.621-8 of the French Code *monétaire et financier* and the *Règlement général* of the AMF; or

(b) private placement in France:

in connection with their initial distribution, it has not offered or sold, and will not offer or sell, directly or indirectly, Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France this Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (i) provider of investment services relating to portfolio management for the account of third parties, and/or (ii) qualified investors (*investisseurs qualifiés*), other than individuals, all as defined in, and in accordance with, articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French Code *monétaire et financier*.

This Base Prospectus has not been submitted to the clearance procedure of the AMF.

ITALY

To the extent that the offering of the Notes has not been registered pursuant to Italian securities legislation and, therefore, no Notes may be offered, sold or delivered, nor may copies of this Base Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

(a) to qualified investors (*investitori qualificati*) as defined in Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time ("**Regulation No. 11971**"); or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy under (a) or (b) above must be:

(i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the "**Banking Act**"); and

(ii) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and

(iii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or any other Italian authority.

Please note that in accordance with Article 100-bis of the Financial Services Act, where no exemption from the rules on public offerings applies under (a) and (b) above, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and Regulation No. 11971. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors.

THE NETHERLANDS

Each Dealer has represented and agreed, and each further Dealer will be required to represent and agree, that any Notes with a maturity of less than twelve months and a denomination of less than Euro 50,000 will only be offered in the Netherlands to professional market parties as defined in the Financial Supervision Act and the decrees issued pursuant thereto.

JAPAN

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended; the "**Financial Instruments and Exchange Act**") and each Dealer has agreed and each further Dealer appointed under the Program will be required to agree that it has not offered or sold and it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Act (Law No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan.

HONG KONG

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (i) to persons whose ordinary business is to buy or sell shares or debentures (whether as principal or agent); or (ii) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (iii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

SINGAPORE

This Base Prospectus has not been registered as a Prospectus with the Monetary Authority of Singapore. Accordingly, this Base Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the securities may not be circulated or distributed, nor may the securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act (Chapter 289) (the "SFA"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. Where the securities are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, then securities, debentures and units of securities and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the securities under Section 275 except: (i) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (ii) where no consideration is given for the transfer; or (iii) by operation of law.

AUSTRALIA

No prospectus or other disclosure document (as defined by the Corporations Act 2001 of Australia (the "**Corporations Act**")) in relation to the Program or any Notes has been, or will be, lodged with the Australian Securities and Investments Commission ("**ASIC**").

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that unless the applicable Final Terms (or a supplement to this Base Prospectus) otherwise provides, it:

(a) has not made offers or invited applications (directly or indirectly), and will not make offers or invite applications, for the issue, sale or purchase of the Notes in Australia (including an offer or invitation which is received by a person in Australia); and

(b) has not distributed or published, and will not distribute or publish, this Base Prospectus, any Supplement, any other prospectus, any disclosure document, advertisement or other offering material relating to the Notes in Australia,

unless:

(i) the offeree is a “wholesale client” within the meaning of section 761G(4) of the Corporations Act;

(ii) the aggregate consideration payable by each offeree is at least A$500,000 (or its equivalent in any alternative currency but, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Parts 6D.2 or 7.9 of the Corporations Act;

(iii) such action complies with all applicable laws, regulations and directives (including, without limitation, the licensing requirements of Chapter 7 of the Corporations Act); and

(iv) such action does not require any document to be lodged with ASIC.

Section 708(19) of the Corporations Act provides that an offer of debentures for issue or sale does not need disclosure to investors under Part 6D.2 of the Corporations Act if the Issuer is an Australian ADI (as defined in the Corporations Act). As at the date of this Base Prospectus, Banco Santander-Chile is an Australian ADI for the purposes of the Corporations Act.

SWITZERLAND

The Dealers have agreed, and each further Dealer appointed under the Program will be required to agree, that it will comply with any laws, regulations or guidelines in Switzerland from time to time, including, but not limited to, any regulations made by the Swiss Federal Banking Commission and/or the Swiss National Bank (if any) in relation to the offer, sale, delivery or transfer of the Notes or the distribution of any offering material in Switzerland in respect of such Notes.

DUBAI

This Base Prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("DFSA"). This Base Prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Base Prospectus nor taken steps to verify the information set forth herein and has no responsibility for the Base Prospectus. The shares to which this Base Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this Base Prospectus you should consult an authorized financial advisor.

BRAZIL

The offer of Notes described in this Base Prospectus will not be carried out by any means that would constitute a public offering in Brazil under Law No. 6,385, of December 7, 1976, as amended, and under CVM Rule (Instrução) No. 400, of December 29, 2003, as amended. The offer and sale of the ADSs have not been and will not be registered with the Comissão de Valores Mobiliários in Brazil. The Notes have not been offered or sold, and will not be offered or sold in Brazil, except in circumstances that do not constitute a public offering or distribution under Brazilian laws and regulations.

PERU

In Peru, this offering will be considered a public offering directed exclusively to institutional investors under CONASEV Resolution No. 079-2008-EF/94.01.1.

The Notes and this Base Prospectus have been registered with the SMV in accordance with the procedure set forth in SMV Resolution No. 004-2011-EF/94.01.1, applicable to international offerings with a placement tranche in Peru executed in reliance with Rule 144A of the Act.

In order to purchase the Notes, institutional investors in Peru must sign a statement representing that they understand (i) differences which exist among the accounting and tax treatment in Peru and the country or countries where the Notes will be traded, and (ii) the terms and conditions of the Notes.

CHILE

The Notes will not be registered under Law 18,045, as amended, of Chile with the Superintendencia de Valores y Seguros (Chilean Securities Commission), and accordingly, they may be not be offered to persons in Chile, except in circumstances that do not constitute a public offering under Chilean law.

GENERAL

Each Dealer has represented and agreed and each further Dealer appointed under the Program will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other additional restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

GENERAL INFORMATION

USE OF PROCEEDS

The net proceeds from each issue of Notes will be used for financing the business of the Issuer, as the case may be. A substantial portion of the proceeds from the issue of certain Notes may be used to hedge market risk with respect to such Notes. If in respect of any particular issue there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

AUTHORIZATION

The establishment of the Program and the issue of Notes thereunder have been duly authorized by the Board of Directors of the Issuer.

The establishment of the Program is considered to be in the ordinary course of the Issuer's business and therefore was not authorized by board resolutions.

The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorizations in connection with the issue and performance of its obligations under the Notes.

LEGAL, GOVERNMENTAL AND ARBITRATION PROCEEDINGS

The Issuer is not, or during the last twelve months has not, been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had in the recent past, significant effects on the Issuer's financial position or profitability.

STATEMENT OF NO MATERIAL ADVERSE CHANGE

There has been no material adverse change in the prospects of the Issuer since December 31, 2015.

SIGNIFICANT CHANGE IN THE ISSUER'S FINANCIAL POSITION

There has been no significant change in the financial position of Santander Group since December 31, 2015.

CLEARING SYSTEMS

The relevant Final Terms will specify which clearing system or systems (including CBF, DTC, CBL and/or Euroclear) has/have accepted the relevant Notes for clearance and provide any further appropriate information.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium; the address of CBL is Clearstream Banking, 42 Avenue JF Kennedy, L-2967, Luxembourg; the address of CBF is Clearstream Banking AG, Frankfurt, Neue Börsenstrasse 1, 60487 Frankfurt, Germany; and the address of DTC is 55 Water Street, New York, NY 10041.

LISTING AND ADMISSION TO TRADING INFORMATION

Application has been made to the Irish Stock Exchange for Notes issued under the Program to be admitted to the Official List and to trading on the Main Securities Market.

The Program provides that Notes may be listed or admitted to trading on other or further stock exchanges, including but not limited to the Luxembourg Stock Exchange, the Frankfurt Stock Exchange and the SIX Swiss Exchange, as may be agreed between the Issuer and the relevant Dealer(s) in relation to each issue. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

For so long as the Notes are admitted to the Official List and to trading on the Main Securities Market of the Irish Stock Exchange, the Notes will be freely transferable and negotiable in accordance with the rules and requirements of the Irish Stock Exchange.

PLAN OF DISTRIBUTION

In connection with an offering of the Notes, one or more Dealers designated as Managers in the relevant Final Terms will initially propose to offer the Notes for resale at the issue price that appears in the relevant Final Terms. After the initial offering, the relevant Managers may change the offering price and any other selling terms. Managers may offer and sell Notes through certain of their affiliates.

In connection with any offering of Notes, the Managers may purchase and sell such Notes in the open market. These transactions may include short sales, purchases to cover positions created by short sales and stabilizing transactions.

Short sales involve the sale by a Manager of a greater principal amount of Notes than it is required to purchase in the offering. A Manager may close out any short position by purchasing Notes in the open market. A short position is more likely to be created if a Manager is concerned that there may be downward pressure on the price of the Notes in the open market prior to the completion of the offering.

Stabilizing transactions consist of various bids for or purchases of the Notes made by a Manager in the open market prior to the completion of the offering.

Purchases to cover a short position and stabilizing transactions may have the effect of preventing or slowing a decline in the market price of the Notes. Additionally, these purchases may stabilize, maintain or otherwise affect the market price of the Notes. As a result, the price of the Notes may be higher than the price that might otherwise exist in the open market. However, there is no assurance that the Managers will undertake stabilization transactions. If the Managers engage in stabilizing or short-covering transactions, they may discontinue them at any time, and if begun, must be brought to an end after a limited period. Any over-allotment stabilizing and short- covering transaction must be conducted by the relevant managers, or persons acting on their behalf, in accordance with applicable laws. These transactions may be effected in the over-the-counter market or otherwise.

Some of the Dealers and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer or its affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. If any of the Managers or their affiliates has a lending relationship with the Issuer, certain of those Managers or their affiliates routinely hedge, and certain other of those Managers or their affiliates may hedge, their credit exposure to the Issuer consistent with customary risk management policies. Typically, such Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer's securities, including potentially the Notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of any issuance of Notes. The Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

DOCUMENTS ON DISPLAY

So long as Notes are admitted to the Official List and trading on the Main Securities Market of the Irish Stock Exchange, copies of the following documents will be available for inspection in physical and electronic form from the registered office of the Issuer and from the specified office of the Fiscal Agent for the time being in London:

(a) the articles of association (with an English translation where applicable) of the Issuer;

(b) the Issuer's 2015 IFRS Annual Report on Form 20-F for the year ended December 31, 2015, filed on May 2, 2016 with the SEC (which includes the Issuer's audited consolidated financial statements as of December 31, 2015 and 2014 and for the three years ended December 31, 2015, prepared in accordance with IFRS);

(c) the Issuer's current report on Form 6-K filed on March 29, 2016 with the SEC (which includes the Issuer's audited consolidated financial statements for the fiscal years ended December 31, 2015 and 2014, prepared in accordance with Chilean Bank GAAP);

(d) the Issuer's current report on Form 6-K, filed with the SEC on April 8, 2015 (which includes the Issuer's audited consolidated financial statements for the fiscal years ended December 31, 2014 and 2013, prepared in accordance with Chilean Bank GAAP);

(e) the Issuer's current report on Form 6-K filed on June 21, 2016 with the SEC (which includes the Issuer's unaudited consolidated financial statements for the three months ended March 31, 2016, prepared in accordance with Chilean Bank GAAP);

(f) the Issuer's current report on Form 6-K filed on May 12, 2016 with the SEC (which includes the Issuer's unaudited earnings report for the three months ended March 31, 2016, prepared in accordance with Chilean Bank GAAP);

(g) the Fourth Amended and Restated Dealer Agreement, the Fiscal Agency Agreement and the forms of the Notes;

(h) a copy of this Base Prospectus; and

(i) any future supplements to this Base Prospectus and Final Terms to this Base Prospectus and any other documents incorporated herein or therein by reference.

DOCUMENTS INCORPORATED BY REFERENCE

Documents Incorporated by Reference

The following documents, which have previously been published or are published simultaneously with this Base Prospectus and have been filed with the Central Bank of Ireland, shall be deemed to be incorporated in, and to form part of, this Base Prospectus and approved by the Central Bank of Ireland for the purpose of the Prospectus Directive:

(a) the Issuer's Annual Report on Form 20-F for the year ended December 31, 2015, filed on May 2, 2016 with the SEC (which includes the Issuer's audited consolidated financial statements as of December 31, 2015 and 2014 and for the three years ended December 31, 2015, prepared in accordance with IFRS): http://phx.corporate-ir.net/phoenix.zhtml?c=71614&p=irol-SECText&TEXT=aHR0cDovL2FwaS50ZW5rd2l6YXJkLmNvbS9maWxpbmcueG1sP2lwYWdlPTEwOTA1NjM3JkRTRVE9MCZTRVE9MCZTUURFU0M9U0VDVElPTl9FTlRJUkUmc3Vic2lkPTU3;

(b) the Issuer's current report on Form 6-K filed on March 29, 2016 with the SEC (which includes the Issuer's audited consolidated financial statements for the fiscal years ended December 31, 2015 and 2014, prepared in accordance with Chilean Bank GAAP): http://phx.corporate-ir.net/phoenix.zhtml?c=71614&p=irol-SECText&TEXT=aHR0cDovL2FwaS50ZW5rd2l6YXJkLmNvbS9maWxpbmcueG1sP2lwYWdlPTEwODQyNTUyJkRTRVE9MCZTRVE9MCZTUURFU0M9U0VDVElPTl9FTlRJUkUmc3Vic2lkPTU3;

(c) the Issuer's current report on Form 6-K, filed with the SEC on April 8, 2015 (which includes the Issuer's audited consolidated financial statements for the fiscal years ended December 31, 2014 and 2013, prepared in accordance with Chilean Bank GAAP): http://phx.corporate-ir.net/phoenix.zhtml?c=71614&p=irol-SECText&TEXT=aHR0cDovL2FwaS50ZW5rd2l6YXJkLmNvbS9maWxpbmcueG1sP2lwYWdlPTEwMTk4NTE2JkRTRVE9MCZTRVE9MCZTUURFU0M9U0VDVElPTl9FTlRJUkUmc3Vic2lkPTU3;

(d) the Issuer's current report on Form 6-K filed on June 21, 2016 with the SEC (which includes the Issuer's unaudited consolidated financial statements for the three months ended March 31, 2016, prepared in accordance with Chilean Bank GAAP): http://phx.corporate-ir.net/phoenix.zhtml?c=71614&p=irol-SECText&TEXT=aHR0cDovL2FwaS50ZW5rd2l6YXJkLmNvbS9maWxpbmcueG1sP2lwYWdlPTExMDAzNDQ3JkRTRVE9MCZTRVE9MCZTUURFU0M9U0VDVElPTl9FTlRJUkUmc3Vic2lkPTU3; and

(e) the Issuer's current report on Form 6-K filed on May 12, 2016 with the SEC (which includes the Issuer's unaudited earnings report for the three months ended March 31, 2016, prepared in accordance with Chilean Bank GAAP): http://phx.corporate-ir.net/phoenix.zhtml?c=71614&p=irol-SECText&TEXT=aHR0cDovL2FwaS50ZW5rd2l6YXJkLmNvbS9maWxpbmcueG1sP2lwYWdlPTEwOTMzNDMxJkRTRVE9MCZTRVE9MCZTUURFU0M9U0VDVElPTl9FTlRJUkUmc3Vic2lkPTU3.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

Cross-reference List of Documents Incorporated by Reference

Page 1, Risk Factors in Respect of the Issuer: reference is made to pages 11 to 38 of the 2015 IFRS Annual Report filed with the SEC.

(1) *The following information is set forth in the 2015 IFRS Annual Report:*

(2) *The following information is set forth in the 2015 Chilean GAAP Financial Statements :*

(3) *The following information is set forth in the First Quarter 2016 Unaudited Consolidated Interim Chilean Bank GAAP Financial Statements 6-K:*

(4) *The following information is set forth in the First Quarter 2016 Chilean Bank GAAP Earnings Report 6-K:*

NAMES AND ADDRESSES

Issuer

Banco Santander-Chile
Bandera 140
Santiago
Chile

Arrangers

Deutsche Bank Aktiengesellschaft
Taumsanlage 12
60325 Frankfurt am Main
Germany

Santander Investment Securities Inc.
45 East 53rd Street
New York, NY 10022
United States

Dealers

BNP Paribas, London Branch
10 Harewood Avenue
London
United Kingdom
NW1 6AA

BNP Paribas Securities Corp.
787 Seventh Avenue
New York, NY 10019
United States

Citigroup Global Markets Inc.
388 Greenwich Street
New York, NY 10013
United States

Citigroup Global Markets Limited
Citigroup Centre
Canada Square
Canary Wharf
London, E14 5LB
United Kingdom

Crédit Agricole Corporate and Investment Bank
12, Place des Etats-Unis
CS 70052
92547 MONTROUGE CEDEX
France

Credit Suisse Securities (USA) LLC
11 Madison Avenue
New York, NY 10010
United States

Daiwa Capital Markets America Inc.
32 Old Slip
New York, NY 10005
United States

Deutsche Bank Aktiengesellschaft
Taumsanlage 12
60325 Frankfurt am Main
Germany

Deutsche Bank Securities Inc.
60 Wall Street
New York, NY 10005
United States

Goldman, Sachs & Co.
200 West Street
New York, NY 10282
United States

HSBC Securities (USA) Inc.
452 Fifth Avenue
New York, NY 10018
United States

J.P. Morgan Securities LLC
383 Madison Avenue
New York, NY 10179
United States

Merrill Lynch, Pierce, Fenner & Smith Incorporated
One Bryant Park
New York, NY 10036
United States

Mizuho International plc
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Mizuho Securities USA Inc.
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Santander Investment Securities Inc.
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Scotia Capital (USA) Inc.
250 Vesey Street
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United States

Standard Chartered Bank
1 Basinghall Avenue
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United Kingdom
EC2V 5DD

UBS Securities LLC
1285 Avenue of the Americas, 11th Floor
New York, NY 10019
United States

UniCredit Bank AG
Arabellastrasse 12
D-81925 Munich
Germany

Wells Fargo Securities, LLC
550 S. Tryon St, MAC D1086-051
Charlotte, NC 28202
United States

Fiscal Agent, Paying Agent, Transfer Agent and Exchange Agent

Bank of America, National Association, London Branch
2 King Edward Street
London EC1A 1HG
United Kingdom

Luxembourg Registrar

Merrill Lynch Equity S.à.r.l.
Atrium Business Park
33 Rue du Puits Romain
Betrange L-8070
Luxembourg

Irish Listing Agent

McCann Fitzgerald Listing Services Limited
Riverside One
Sir John Rogerson's Quay
Dublin 2
D02 X576
Ireland

U.S. Paying Agent, U.S. Registrar and U.S. Transfer Agent

Bank of America, National Association
135 South LaSalle Street
IL4-135-18-11
Chicago, Illinois 60603
United States

Legal Advisers

To the Issuer as to New York law

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450 Lexington Avenue
New York, NY 10017
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To the Dealers as to New York Law

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New York, NY 10022
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Chilean Counsel

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Las Condes, Santiago
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