



Chile



9M'21

Earnings Presentation



Important Information

Non-IFRS and alternative performance measures

This presentation contains, in addition to the financial information prepared in accordance with International Financial Reporting Standards ("IFRS") and derived from our financial statements, alternative performance measures ("APMs") as defined in the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority (ESMA) on 5 October 2015 (ESMA/2015/1415en) and other non-IFRS measures ("Non-IFRS Measures"). These financial measures that qualify as APMs and non-IFRS measures have been calculated with information from Santander Group; however those financial measures are not defined or detailed in the applicable financial reporting framework nor have been audited or reviewed by our auditors. We use these APMs and non-IFRS measures when planning, monitoring and evaluating our performance. We consider these APMs and non-IFRS measures to be useful metrics for our management and investors to compare operating performance between accounting periods, as these measures exclude items outside the ordinary course performance of our business, which are grouped in the "management adjustment" line and are further detailed in Section 3.2 of the Economic and Financial Review in our Directors' Report included in our Annual Report on Form 20-F for the year ended 31 December 2020. Nonetheless, these APMs and non-IFRS measures should be considered supplemental information to, and are not meant to substitute IFRS measures. Furthermore, companies in our industry and others may calculate or use APMs and non-IFRS measures differently, thus making them less useful for comparison purposes. For further details on APMs and Non-IFRS Measures, including its definition or a reconciliation between any applicable management indicators and the financial data presented in the consolidated financial statements prepared under IFRS, please see the 2020 Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission (the "SEC") on 26 February 2021, as updated by the Form 6-K filed with the SEC on 14 April 2021 in order to reflect our new organizational and reporting structure, as well as the section "Alternative performance measures" of the annex to the Banco Santander, S.A. ("Santander") Q3 2021 Financial Report, published as Inside Information on 27 October 2021. These documents are available on Santander's website (www.santander.com). Underlying measures, which are included in this presentation, are non-IFRS measures.

The businesses included in each of our geographic segments and the accounting principles under which their results are presented here may differ from the included businesses and local applicable accounting principles of our public subsidiaries in such geographies. Accordingly, the results of operations and trends shown for our geographic segments may differ materially from those of such subsidiaries.

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Santander advises that this presentation contains "forward-looking statements" as per the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These statements may be identified by words like "expect", "project", "anticipate", "should", "intend", "probability", "risk", "VaR", "RoRAC", "RoRWA", "TNAV", "target", "goal", "objective", "estimate", "future" and similar expressions. Found throughout this presentation, they include (but are not limited to) statements on our future business development, economic performance and shareholder remuneration policy. However, a number of risks, uncertainties and other important factors may cause actual developments and results to differ materially from our expectations. The following important factors, in addition to others discussed elsewhere in this presentation, could affect our future results and could cause materially different outcomes from those anticipated in forward-looking statements: (1) general economic or industry conditions of areas where we have significant operations or investments (such as a worse economic environment; higher volatility in the capital markets; inflation or deflation; changes in demographics, consumer spending, investment or saving habits; and the effects of the COVID-19 pandemic in the global economy); (2) exposure to various market risks (particularly interest rate risk, foreign exchange rate risk, equity price risk and risks associated with the replacement of benchmark indices); (3) potential losses from early repayments on our loan and investment portfolio, declines in value of collateral securing our loan portfolio, and counterparty risk; (4) political stability in Spain, the United Kingdom, other European countries, Latin America and the US (5) changes in legislation, regulations, taxes, including regulatory capital and liquidity requirements, especially in view of the UK exit of the European Union and increased regulation in response to financial crisis; (6) our ability to integrate successfully our acquisitions and related challenges that result from the inherent diversion of management's focus and resources from other strategic opportunities and operational matters; and (7) changes in our access to liquidity and funding on acceptable terms, in particular if resulting from credit spreads shifts or downgrade in credit ratings for the entire group or significant subsidiaries.

Important Information

Numerous factors could affect our future results and could cause those results deviating from those anticipated in the forward-looking statements. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements.

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profit forecast.

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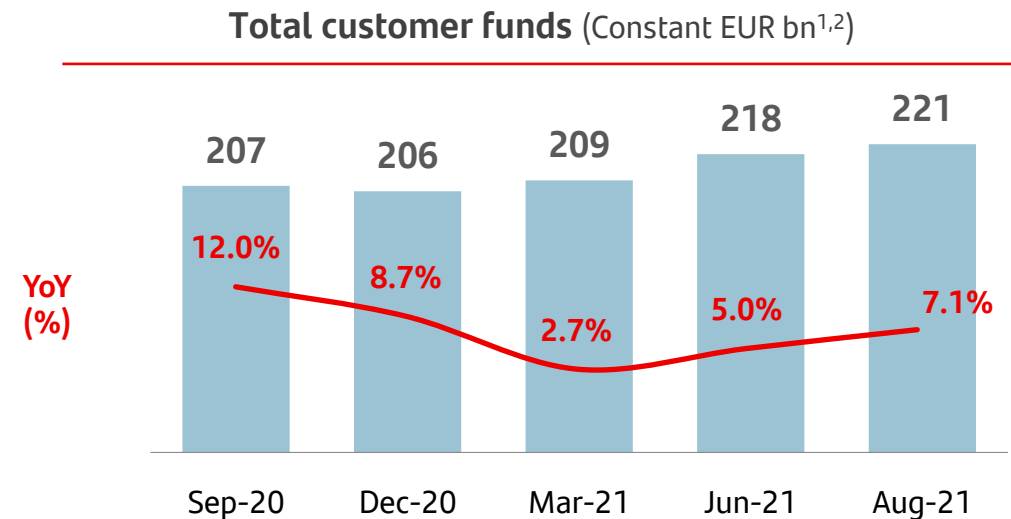
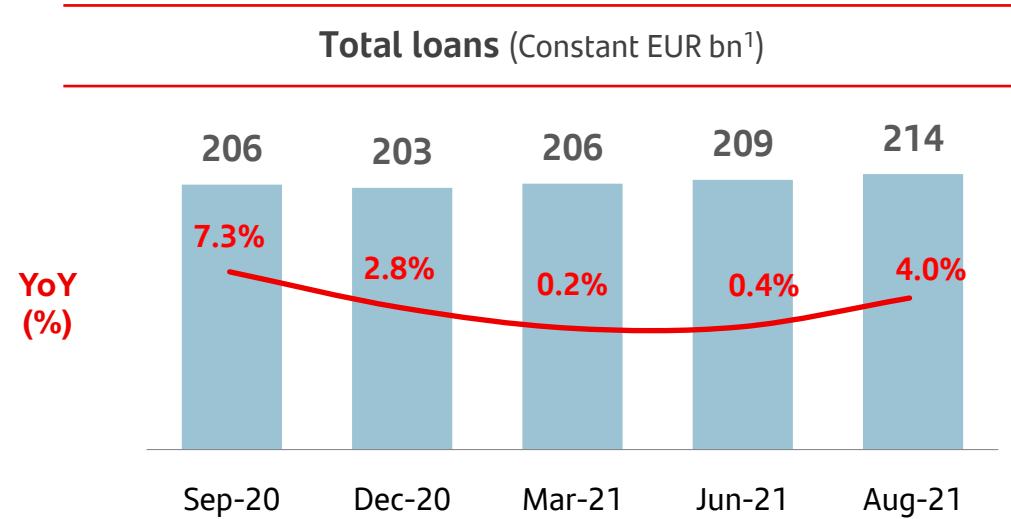


Appendix





Loan growth stabilizing after strong commercial demand in previous quarters. Liquidity in the system remains high



- ▶ After strong levels of commercial loan growth in 2020, due to the state-guaranteed loans available for SMEs, commercial lending has remained flat.
- ▶ Mortgages continued to grow steadily due to relatively low interest rates and high liquidity of our clients.
- ▶ Consumer lending in the system started to rise, with growth in credit cards. However, lending remains subdued due to the liquidity from the three pension fund withdrawals.
- ▶ NPL ratios remained stable in the system, with lower provisioning during the period with banks maintaining high coverage levels.
- ▶ High liquidity levels continued with the third round of pension fund withdrawals as well as further social aids from the government. Currently a fourth withdrawal from the pension funds is being debated and this could extend the liquidity further.
- ▶ The Monetary Policy Rate was raised to 1.5% in September with a further increase to 2.75% in October due to the higher inflation.

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Santander Chile is the nation's leading bank

KEY DATA	9M'21	YoY Var. ⁴
 Customer loans ¹	EUR 38.9 bn	+0.5%
 Customer funds ²	EUR 40.2 bn	+17.1%
 Underlying att. Profit	EUR 463 mn	+68.5%
 Underlying RoTE	18.5%	+7.5 pp
 Efficiency ratio	38.7%	-210 bps
 Loans market share ³	18.2%	-20 bps
 Deposits market share ³	19.1%	+117 bps
 Loyal customers	807 k	+11.0%
 Digital customers	1,934 k	+29.9%
 Branches	332	-6.2%
 Employees	10,570	-5.6%



STRATEGIC PRIORITIES

Maintain high customer satisfaction levels, increase the productivity of all channels and improve efficiency and profitability

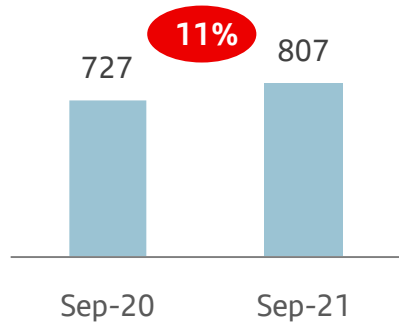
Transform the Bank into a platform that customers can use as a channel or software provider to develop their businesses (ex. Workcafé Community, Getnet)

Focus on mass market through Santander Life, Superdigital and Klare, our open platform insurance broker



Strong increase in digital and mobile customers. 1st in NPS in customer satisfaction driven by better quality of service and digital offering

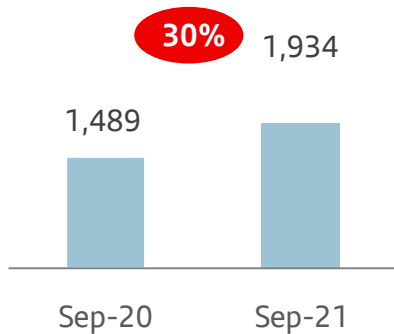
Loyal customers (k)



- ▶ Loyal middle-income customers rose 15% year-on-year due to higher customer attraction through our digital products, increasing current accounts by 69%
- ▶ We are #1 in NPS according to the latest market survey by *Activa*

Loyal / Active: 41% (-4 pp YoY)

Digital customers (k)



- ▶ Digital customers continued to grow strongly
- ▶ Mobile customers rose 31% YoY
- ▶ Digital framework: delivering efficiency and broadening the product range in digital channels. The Life programme and Superdigital continued to grow strongly, expanding our customer base through digital transactionality

Digital sales / total¹: 43% (+3 pp YoY)



Our digital offering continued to attract record new customers despite lockdowns

Initiative	Progress
	Fully launched in April 2020, >208,000 active customers
	Getnet was officially rolled out in February 2021, with >46 k PoS sold, of which 94% were sold to SMEs
	More than 797,000 customers, including 639,000 Cuenta Life customers
	Selling life, sports, health and dental insurance with 48 k visits per month
	All of which are supported by our WorkCafé Community
	

Acquiring network that uses a four-part model to operate, offering a payment solution to businesses



Instant payments

Customers will be able to receive money from their sales in a Santander account up to five times in one day, including holidays.



Different plans for different clients

Fixed or mobile PoS, both of which include an incorporated SIM card. Rebates for integrated plans with Santander, and insurance for "Protected Billing".



No more "Credit or debit?"

Cardholders will no longer need to answer what type of card they want to use, as the PoS will automatically detect it, making the shopping experience more seamless.

Accepts all cards, with the following brands:





Further embedding ESG to build a more responsible bank



Environmental: supporting the green transition

Helping customers go green

EUR 15.7 bn¹ Green Finance since 2019
EUR 120 mn² AuM Social Responsible Investment

EUR 130 mn Social Women SME Bonds issued in 9M'21
Carbon Neutral in our own operations

Aligning to International standards

1st SASB³ report



Social: building a more inclusive society

Talented & diverse team

#1⁴ company to work for
26% women in leadership positions

Financially empowering people⁵

c. 1.4 mn people since 2019

Supporting society⁵

246 k people helped since 2019
4.6 k scholarships granted since 2019



Governance: doing business the right way

A strong culture

Simple, Personal, Fair

Taking ESG criteria into account when determining **remuneration**

An independent, diverse Board

>64% Independent directors

22% women on Board

Governance embedded to deliver on **ESG**



Note: 9M'21 provisional data. Not audited

- (1) Includes ESG loans, green and sustainable bonds, project finance with ESG impact, up to Sep-21
- (2) Through Santander Go Global Stocks Fund, as of Sep-21
- (3) Sustainability Accounting Standards Board
- (4) Great Place to Work, for companies over 1,000 employees. 2020
- (5) Up to Sep-21



PRINCIPLES FOR RESPONSIBLE BANKING

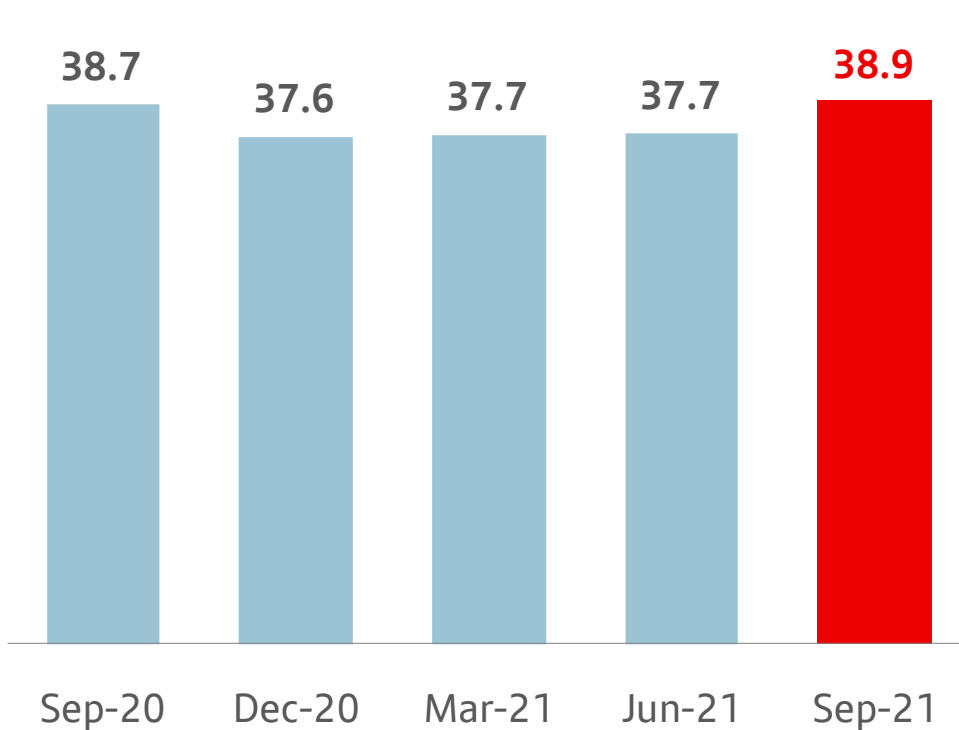


Member of **Dow Jones Sustainability Indices**
 Powered by the S&P Global CSA



Loans remained virtually flat YoY, as growth in mortgages offset the fall in corporates and CIB. QoQ increase underpinned by mortgages and corporates loans

Total customer loans (Constant EUR bn)¹

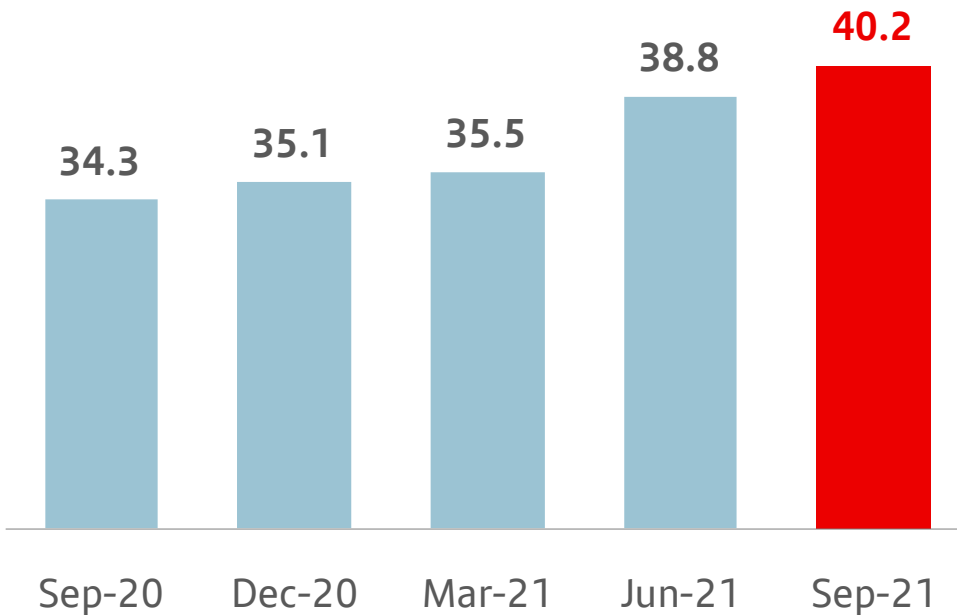


	Sep-21	Sep-20	YoY (%)	QoQ (%)
Individuals²	20.8	19.7	5.8	2.1
o/w Mortgages	15.4	14.0	10.1	3.0
o/w Cards & Consumer credit	4.1	4.3	-4.8	0.1
Consumer Finance	0.8	0.5	0.0	0.0
SMEs	5.1	5.2	-2.7	-2.4
Corporates & Institutions	8.9	9.3	-4.3	2.7
CIB	2.9	3.4	-13.4	28.9
Other	0.4	0.6	-37.4	-22.6
Total customer loans	38.9	38.7	0.5	3.2



Customer funds were 17% YoY higher, mainly boosted by demand deposits. In Q3, a change in funding mix resulting from higher rates led to a 10% rise in time deposits

Total customer funds (Constant EUR bn)¹



	Sep-21	Sep-20	YoY (%)	QoQ (%)
Demand	18.4	14.7	24.9	-1.4
Time	13.1	11.6	12.8	10.3
Total deposits	31.5	26.3	19.6	3.1
Mutual Funds	8.7	8.0	9.1	4.8
Total customer funds	40.2	34.3	17.1	3.5

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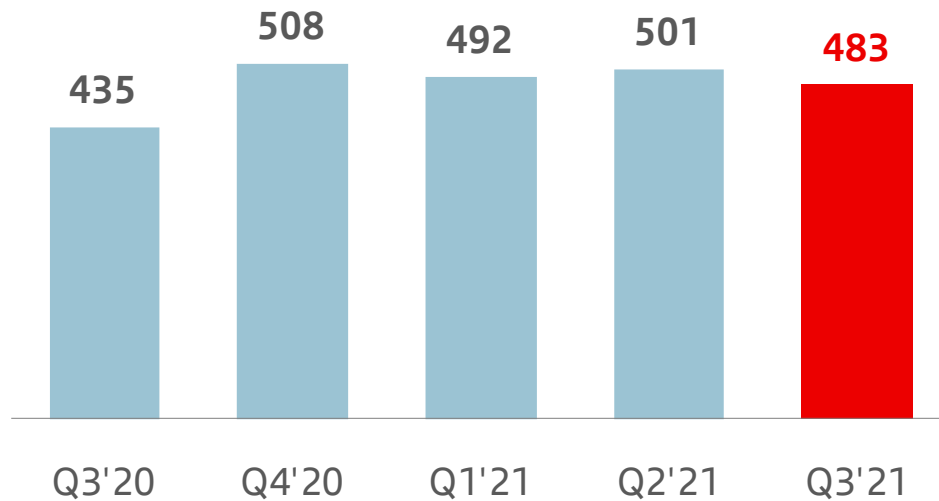
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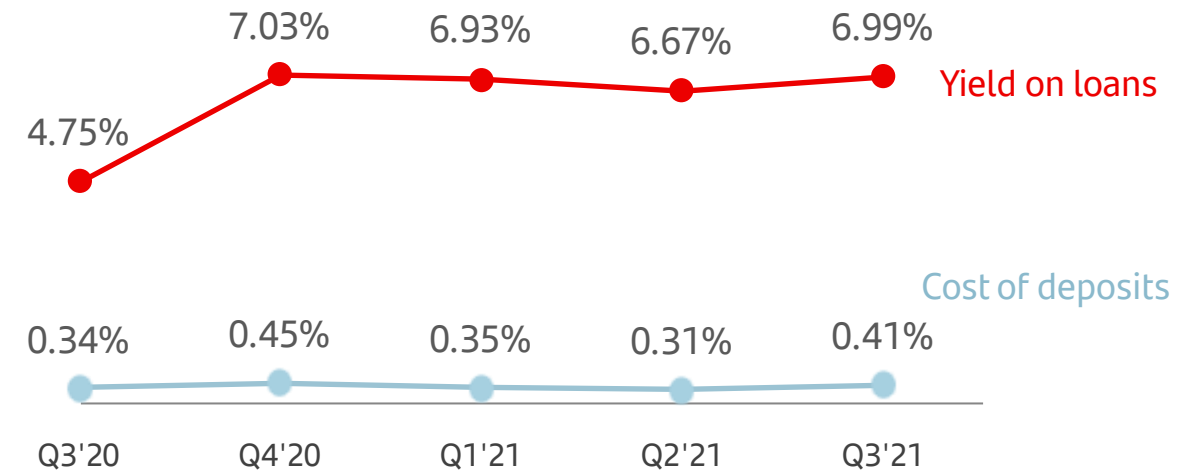


Growth in NII YoY boosted by increased mortgage volumes, higher inflation and margin management. QoQ NII drop impacted by higher funding costs

Net interest income (Constant EUR mn)¹



Yields and Costs (%)



NIM²

2.47%	3.05%	3.02%	3.01%	2.74%
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Central Banks ST rate³

0.50%	0.50%	0.50%	0.50%	1.50%
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Inflation rate⁴

0.0%	1.3%	1.1%	1.1%	1.3%
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Differential

4.4 pp	6.6 pp	6.6 pp	6.4 pp	6.6 pp
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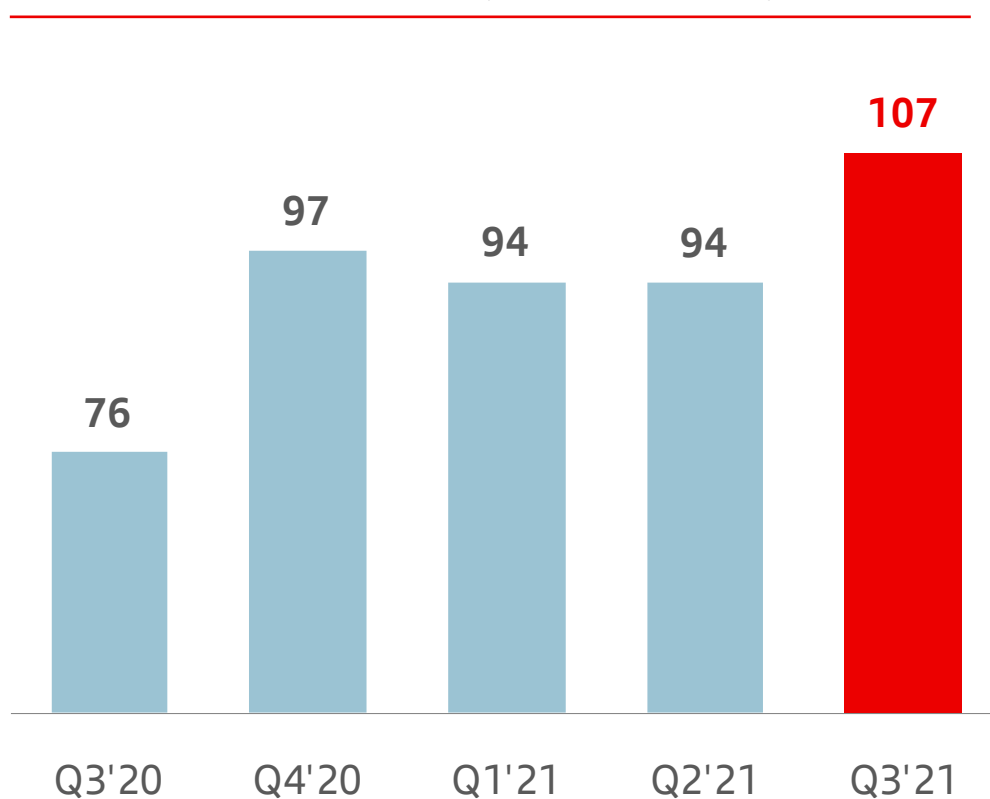


- (1) Average exchange rate as at 9M'21
- (2) Group criteria
- (3) Quarter-end
- (4) Unidad de Fomento quarter-end variation



Net fee income increased 20% YoY and 14% QoQ, boosted by higher transactional, investment & pension funds and insurance fees

Net fee income (Constant EUR mn)¹

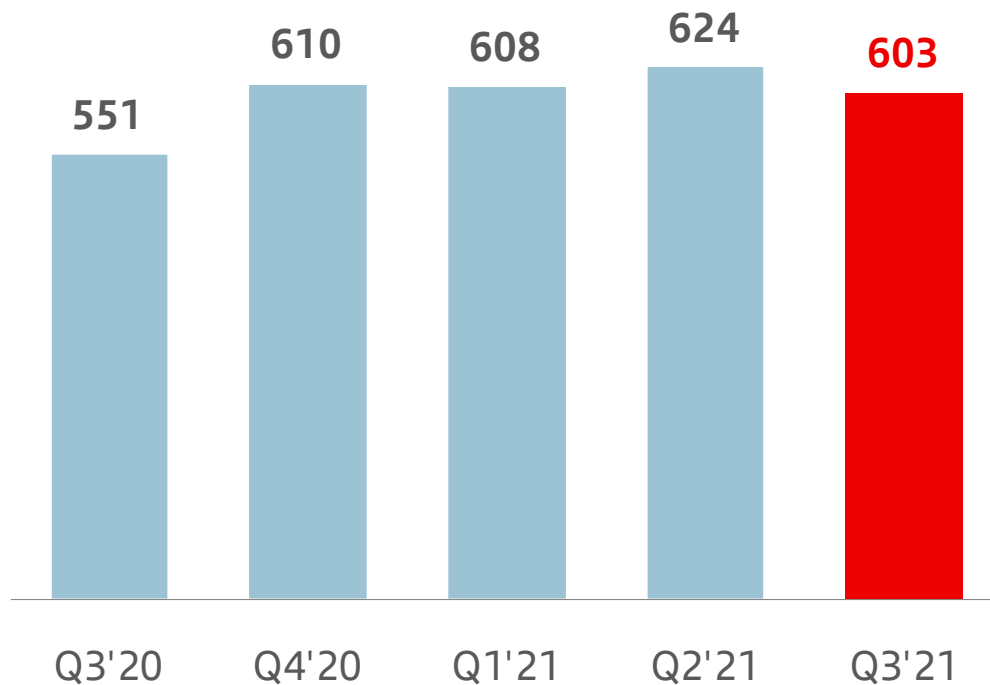


	9M'21	9M'20	YoY (%)	QoQ (%)
Transactional fees	174	150	16.1	13.5
Payment methods	89	66	34.2	15.8
Transfers, drafts, cheques and other orders	22	18	17.2	11.6
Account admin + Packs plans	35	32	8.6	6.5
Other transactional	28	33	-13.6	17.1
Investment and pension funds	55	53	4.3	10.6
Insurance	44	35	28.7	0.8
Securities and custody services	9	10	-8.2	-14.6
Other	12	(2)	-	-
Total net fee income	294	245	20.0	14.0



Total income up 8% YoY driven by NII and strong growth in net fee income, offsetting lower gains on financial transactions

Total income (Constant EUR mn)¹

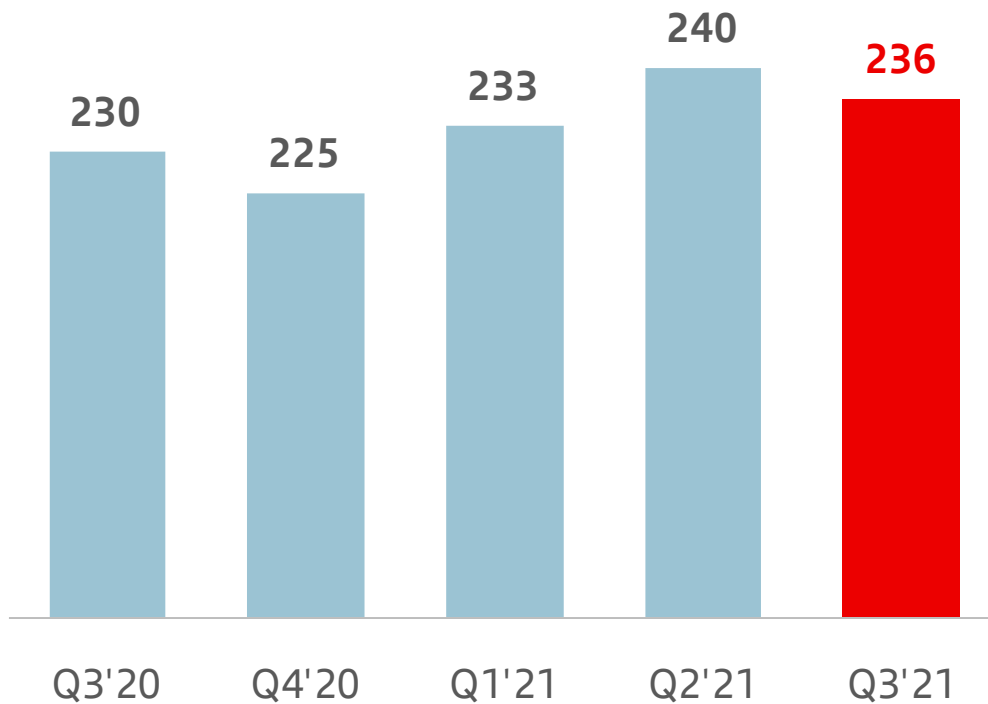


	9M'21	9M'20	YoY (%)	QoQ (%)
Net interest income	1,476	1,320	11.8	-3.5
Net fee income	294	245	20.0	14.0
Customer revenue	1,770	1,566	13.1	-0.8
Other ²	64	139	-53.6	-57.5
Total income	1,834	1,704	7.6	-3.5



Costs rose 2% YoY (below inflation) and decreased 2% QoQ, through efficient cost management

Operating expenses (Constant EUR mn)¹



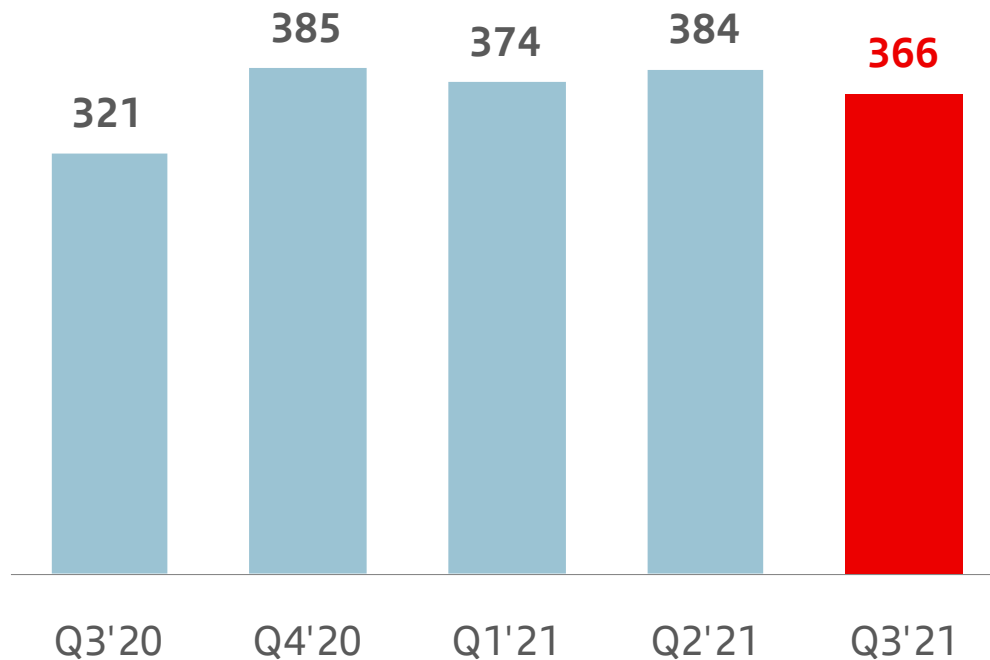
	9M'21	9M'20	YoY (%)	QoQ (%)
Operating Expenses	710	695	2.1	-1.6

Branches (#)	332	354	-6.2	0.0
Employees (#)	10,570	11,200	-5.6	-0.5



Positive YoY revenue performance and cost control efforts were reflected in net operating income and efficiency improvement

Net Operating Income (Constant EUR mn)¹

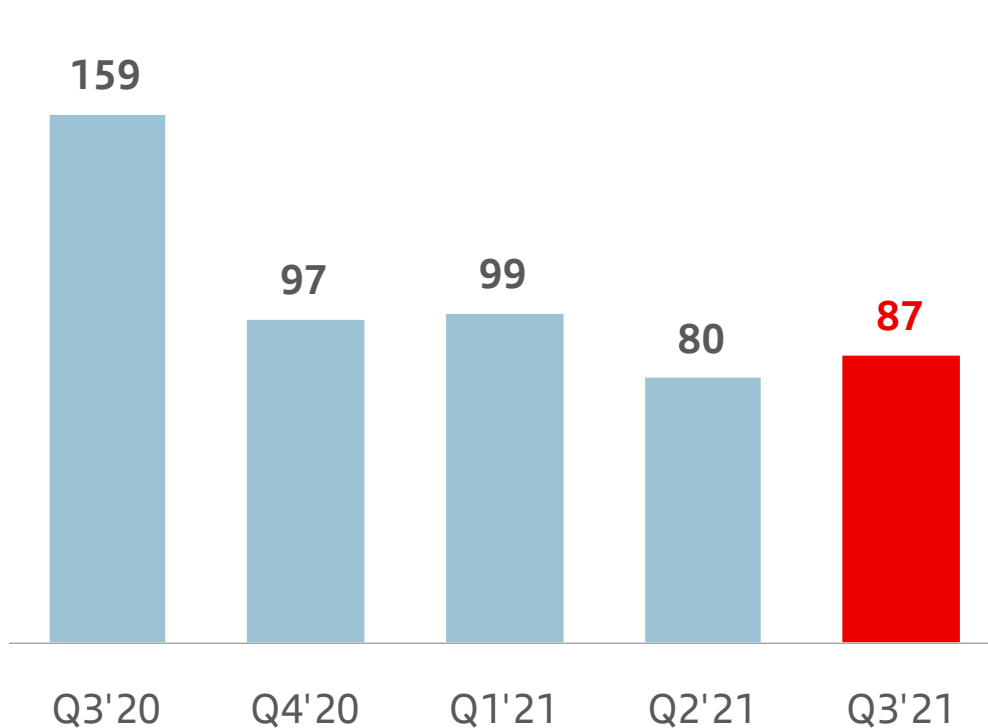


	9M'21	9M'20	YoY (%)	QoQ (%)
Total income	1,834	1,704	7.6	-3.5
Operating Expenses	(710)	(695)	2.1	-1.6
Net operating income	1,125	1,009	11.5	-4.7
Efficiency ratio	38.7%	40.8%	-210 bps	



LLPs dropped 48% YoY mainly due to covid-19 related charges in 2020. Credit quality indicators improved YoY and QoQ

Net LLPs (Constant EUR mn)¹



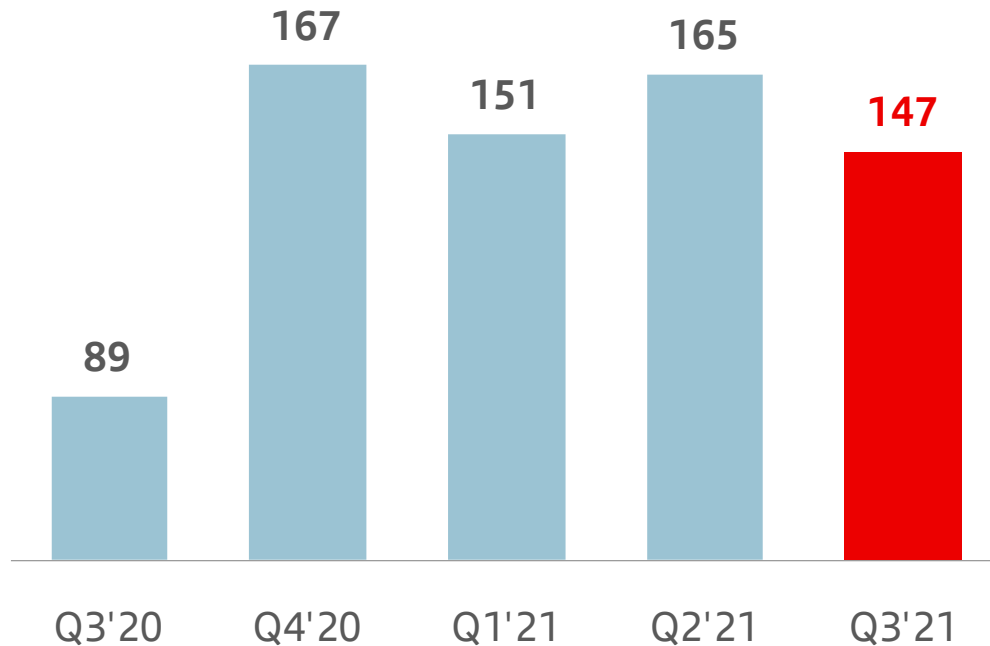
	9M'21	9M'20	YoY (%)	QoQ (%)
Net operating income	1,125	1,009	11.5	-4.7
Loan-loss provisions	(266)	(510)	-48.0	8.5
Net operating income after provisions	859	499	72.3	-8.1

NPL ratio	4.36%	4.76%	-40 bps	-20 bps
Cost of credit ²	0.89%	1.59%	-69 bps	-18 bps
Coverage ratio	64%	60%	4.4 pp	0.3 pp



Underlying attributable profit surged 68% due to lower LLPs and positive revenue performance

Underlying Attributable Profit (Constant EUR mn)¹



	9M'21	9M'20	YoY (%)	QoQ (%)
PBT	857	510	67.9	-11.1
Tax on profit	(183)	(109)	67.9	-11.1
Consolidated profit	674	401	68.0	-11.2
Minority interests	(211)	(126)	66.9	-11.5
Underlying attributable profit	463	275	68.5	-11.0
Effective tax rate	21.4%	21.4%	0.0 pp	

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Concluding remarks

Financial System

- ▶ Loan growth stabilizing after strong commercial demand in previous quarters.
- ▶ The Monetary Policy Rate was raised to 1.5% in September with a further increase to 2.75% in October, due to higher inflation.
- ▶ NPL ratios remained stable in the system and lower provisions during the period.
- ▶ High liquidity levels continued in the third quarter of the year.

Strategy & Business

- ▶ Life and Superdigital are showing solid growth, helping increase the customer base in these segments while containing risk.
- ▶ With the focus on digital banking, our customers are using our digital channels more and we reached #1 in NPS.
- ▶ Loans remained flat, as growth mortgages offset the fall in corporates and CIB.
- ▶ Customer funds were 17% YoY higher, mainly boosted by demand deposits. In the quarter, the change in the funding mix due to higher rates led to a 10% rise in time deposits.

Results

- ▶ Total income up 8% YoY driven by NII and strong growth in net fee income, offsetting lower gains on financial transactions.
- ▶ Costs rose below inflation through efficient cost management. The efficiency ratio improved 210 bps YoY to 38.7%.
- ▶ LLPs dropped YoY with credit quality indicators improving.
- ▶ Underlying attributable profit surged 68% YoY due to lower LLPs and the positive revenue performance.

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Balance sheet



Constant EUR million ¹	Sep-21	Sep-20	Variation	
			Amount	%
Loans and advances to customers	37,851	37,700	151	0.4
Cash, central banks and credit institutions	9,573	6,401	3,171	49.5
Debt instruments	9,682	6,501	3,180	48.9
Other financial assets	9,901	10,562	(662)	(6.3)
Other asset accounts	3,011	2,977	34	1.2
Total assets	70,017	64,142	5,876	9.2
Customer deposits	31,509	26,373	5,136	19.5
Central banks and credit institutions	12,903	12,310	593	4.8
Marketable debt securities	8,323	8,405	(82)	(1.0)
Other financial liabilities	10,683	11,230	(547)	(4.9)
Other liabilities accounts	2,230	1,236	994	80.4
Total liabilities	65,648	59,554	6,093	10.2
Total equity	4,370	4,587	(218)	(4.7)
Other managed customer funds	10,400	9,661	739	7.7
Mutual funds	8,684	7,958	726	9.1
Pension funds	—	—	—	—
Managed portfolios	1,716	1,702	14	0.8



Income statement

Constant EUR million ¹	Variation			
	9M'21	9M'20	Amount	%
Net interest income	1,476	1,320	155	11.8
Net fee income	294	245	49	20.0
Gains (losses) on financial transactions	110	159	(49)	(31.0)
Other operating income	(45)	(20)	(25)	126.0
Total income	1,834	1,704	130	7.6
Operating expenses	(710)	(695)	(14)	2.1
Net operating income	1,125	1,009	116	11.5
Net loan-loss provisions	(266)	(510)	245	(48.0)
Other gains (losses) and provisions	(2)	12	(14)	—
Underlying profit before tax	857	510	347	67.9
Tax on profit	(183)	(109)	(74)	67.9
Underlying profit from continuing operations	674	401	273	68.0
Net profit from discontinued operations	—	—	—	—
Underlying consolidated profit	674	401	273	68.0
Non-controlling interests	(211)	(126)	(84)	66.9
Underlying attributable profit to the parent	463	275	188	68.5



Quarterly income statement

Constant EUR million¹

	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21
Net interest income	450	435	435	508	492	501	483
Net fee income	93	76	76	97	94	94	107
Gains (losses) on financial transactions	13	93	52	19	32	47	30
Other operating income	(1)	(6)	(13)	(13)	(10)	(18)	(18)
Total income	555	598	551	610	608	624	603
Operating expenses	(232)	(234)	(230)	(225)	(233)	(240)	(236)
Net operating income	324	365	321	385	374	384	366
Net loan-loss provisions	(164)	(187)	(159)	(97)	(99)	(80)	(87)
Other gains (losses) and provisions	1	(2)	13	4	(1)	5	(5)
Underlying profit before tax	160	175	175	292	274	309	274
Tax on profit	(21)	(43)	(45)	(50)	(54)	(68)	(61)
Underlying profit from continuing operations	139	132	130	242	219	241	214
Net profit from discontinued operations	—	—	—	—	—	—	—
Underlying consolidated profit	139	132	130	242	219	241	214
Non-controlling interests	(42)	(44)	(41)	(75)	(69)	(75)	(67)
Underlying attributable profit to the parent	98	88	89	167	151	165	147

Thank You.

Our purpose is to help people and businesses prosper.

Our culture is based on believing that everything we do should be:

Simple Personal Fair

