

E. Taxation

The following discussion summarizes certain Chilean tax and United States federal income tax consequences to beneficial owners arising from the ownership and disposition of our common stock or ADSs. The summary does not purport to be a comprehensive description of all potential Chilean and United States federal income tax considerations that may be relevant to a decision to own or dispose of our common stock or ADSs and is not intended as tax advice to any particular investor. This summary does not describe any tax consequences arising under the laws of any state, locality or other taxing jurisdiction other than Chile and the United States.

Prior to December 19, 2023, there was no income tax treaty effective between the United States and Chile. However, the Convention between the Government of the United States of America and the Government of the Republic of Chile for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital was signed on February 4, 2010, and it, along with the related Protocol (together, the “U.S.-Chile Double Tax Treaty”), entered into force on December 19, 2023. With respect to taxes withheld at source, the U.S.-Chile Double Tax Treaty will have effect for amounts paid or credited on or after February 1, 2024. For all other taxes, the U.S.-Chile Double Tax Treaty will have effect for taxable periods beginning on or after January 1, 2024. U.S. investors should consult their tax advisers as to the applicability of the U.S.-Chile Double Tax Treaty in their particular circumstances.

Material Tax Consequences of Owning Shares of Our Common Stock or ADSs

Chilean Taxation

The following is a summary of certain Chilean tax consequences of the ownership and disposition of shares of our common stock or of ADSs evidenced by ADRs of Foreign Holders (as defined herein). The summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to own or dispose of shares of our common stock or ADSs and does not purport to address the tax consequences applicable to all categories of investors, some of whom may be subject to special rules. Holders of shares of our common stock or ADSs are advised to consult their tax advisers concerning the Chilean and other tax consequences of the ownership and disposition of shares of our common stock or of ADSs evidenced by ADRs.

The description of Chilean tax laws set forth below is based on Chilean laws in force as of the date of this Annual Report and can be subject to any changes in such laws occurring after the date of this Annual Report. Although it is uncommon, legal changes can be made on a retroactive basis. However, changes in regulations or interpretations held by the Chilean tax authorities may not be used retroactively against taxpayers who acted in good faith relying on such modified regulations or interpretations.

For purposes of this summary, the term “Foreign Holder” means either (1) in the case of an individual, a person who is not resident or domiciled in Chile; or (2) in the case of a legal entity, a legal entity that is not organized under the laws of Chile, unless the shares of our common stock or ADSs are assigned to a branch or a permanent establishment of such entity in Chile. For purposes of Chilean taxation, (a) an individual holder is resident in Chile if he or she has remained in Chile for a period of more than 183 days in any 12-month period (which need not be consecutive), 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 (intention that can be evidenced by circumstances such as the acceptance of employment in Chile or the relocation to Chile of his or her family).

The Income Tax Law provides that a Foreign Holder is subject to income taxes on his or her Chilean-sourced income. For these purposes, Chilean source income means earnings from activities performed within Chilean territory or from sales, dispositions, or other transactions in connection with assets or goods located in Chile. Indirect sale regulations may also attribute Chilean sourced income.

Taxation of Dividends

Cash dividends paid by us with respect to shares of our common stock held by a Foreign Holder, including shares represented by ADSs, will be subject to a 35% Chilean Withholding Tax (“WHT”), which is withheld, filed and paid over by us. If we have paid Corporate Income Tax (“CIT”) on the income from which the dividend is paid, a credit for the CIT (reduced, in certain circumstances by a related fiscal debit, as described below) effectively reduces the rate of WHT. When a credit is available, the WHT is computed by applying the 35% rate to the pre-tax amount needed to fund the dividend and then subtracting from the tentative WHT so determined the amount of CIT actually paid on the pre-tax income. For determining the pre-tax amount of the dividend, the CIT credit will depend on the amounts accumulated in the Accumulated Credit Balance (SAC), at the date of withdrawal or distribution. In general, 35% of the CIT paid on the income from which a dividend is paid gives rise to a fiscal debit owed to the Chilean Treasury at the time the dividend distribution is made to a Foreign Holder. Accordingly, a Foreign Holder generally may apply a net credit equal to only 65% of the CIT to reduce WHT.

However, if the Foreign Holder is a resident of a country with which Chile has a tax treaty for the avoidance of double taxation (a "Double Tax Treaty") in force, the Foreign Holder may be entitled to apply the entire CIT against WHT otherwise due. Moreover, if the Foreign Holder is a resident of a country with a signed Double Tax Treaty that has not entered into force as of January 1, 2020 (as in the case of the United States), the Foreign Holder would also be entitled to a 100% CIT credit, without reduction by any related fiscal debit, until December 31, 2026. If by such date the treaty has not entered into force, the Foreign Holder will be subject to the general rules, and hence entitled only to a net credit of 65% of the CIT as described above. Please note that the U.S.-Chile Double Tax Treaty came into effect as of January 1, 2024 for all taxes except those withheld at source, and for all taxes as of February 1, 2024.

In accordance with the above, upon the distribution of profits to Foreign Holders, a 35% WHT applies, and only 65% of the CIT is creditable against such WHT, with the remaining 35% being paid back to the Chilean Treasury; thus, the combined tax rate on profits earned in Chile amounts to 44.45%. However, if the Foreign Holder resides in a country with which Chile has a Double Tax Treaty in force, the full 27% CIT is creditable, resulting in combined tax rate of 35%.

To prove residency in a country with which Chile has a Double Tax Treaty, whether signed or in force, a Foreign Holder must produce a government-issued residence certificate, duly translated and apostilled or legalized, recognizing the taxpayer as a resident of the corresponding country and sign a corresponding sworn statement. Foreign Holders are urged to consult with their tax advisers regarding all requirements to be entitled to the 100% CIT credit.

The WHT applicable to withdrawals, remittances or distributions abroad must be determined taking into account an interim CIT credit, based on the corporate tax rate in force in the year of the remittance or distribution. Therefore, taxation of the withdrawal, remittance or distribution shall occur at year-end. Any withholding tax difference determined at year-end must: a) be paid in the annual tax return to be declared by the Chilean company in April of the following year or b) be requested as a refund by the Foreign Holder through an administrative process or through the annual tax return to be filed in April of the year following the distribution of the dividend.

The example below illustrates the effective Chilean WHT burden on a cash dividend received by a Foreign Holder, assuming a WHT rate of 35.0%, a statutory CIT rate of 27.0% and a distribution of all of the net proceeds available after payment of the CIT.

100% Credit available Taxable income	U.S.\$100
CIT (27.0% of U.S.\$100)	(27.0)
Net proceeds available	73.0
Dividend payment	73.0
Withholding Tax (35.0% of the sum of the dividend (U.S.\$73.0) and the available CIT credit (U.S.\$27.0))	35.0
CIT credit	(27.0)
Payable WHT	8.0
	65
Net dividend received	(73.0-8.0)
	11.0%
Effective dividend withholding tax rate	(8.0/73.0)

65% Credit available Taxable income	U.S.\$100
CIT (27.0% of U.S.\$100)	(27.0)
Net proceeds available	73.0
Dividend payment	73.0
Withholding Tax (35.0% of the sum of the dividend (U.S.\$73.0) and the available CIT credit (U.S.\$27.5))	35.0
CIT credit	(27.00)
CIT debt	9.45
Payable WHT	17.45
	55.55
Net dividend received	(73.0-17.45)
	24.0
Effective dividend withholding tax rate	(17.45/73.0)

Dividend distributions made in kind would be subject to the same Chilean tax rules as cash dividends. The U.S.-Chile Double Tax Treaty came into effect as of January 1, 2024, (with some provisions becoming effective on February 1, 2024); hence we recommend investors should consult their tax advisers as to the applicability of the treaty for their own circumstances.

Taxation of Capital Gains

Gain realized on the sale, exchange, or other disposition by a Foreign Holder of ADSs should not be subject to direct or indirect Chilean taxation, provided that such sale or disposition occurs outside Chile and that the depositor is also a foreign party. Provided these requirements are met, these gains will be understood as foreign source gains. The deposit and withdrawal of shares of common stock in exchange for ADSs should also not be subject to any Chilean taxes as there will be no transfer of shares of common stock.

Gain recognized on a sale or exchange of shares of common stock (as distinguished from sales or exchanges of ADSs representing such shares of common stock) by a Foreign Holder will be subject to WHT. This tax must be withheld by the purchaser, with an interim rate of 10.0% of the total price without any deduction, unless the gain subject to taxation can be determined, in which case the withholding will be equal to 35.0% of the gain. Such 35.0% rate could be reduced either by the application of local provisions (e.g., exemptions on the sale of actively traded stock by institutional investors, reduced rates on the sale of actively traded stock) or if the provisions of a Double Tax Treaty were to apply (providing also for both exempted or lowered tax rates on certain capital gains).

Notwithstanding the above, if the seller shows evidence that no capital gain was generated, the WHT would not be applicable. The purchaser will be released of its withholding obligations only if a particular set of documents is kept for such purpose. For tax purposes, the capital gain shall be the difference between the sales price and the acquisition cost of the stock.

The tax basis of shares of common stock received in exchange for ADSs will be the acquisition value of such shares. The valuation procedure set forth in the deposit agreement states that the highest price at which shares of common stock were exchanged on the Santiago Stock Exchange on the date of the exchange generally will determine the acquisition value for this purpose. Consequently, the conversion of ADSs into shares of common stock and sale of such shares of common stock for the value established under the deposit agreement made on the date of the exchange will not generate a capital gain subject to taxation in Chile. In the case where ADSs were exchanged for shares and the subsequent sale of the shares is made at a valuation which is different from the one on which the exchange is recorded in the shareholders' registry of the issuer, capital gains subject to taxation in Chile may be generated, depending on the difference between the acquisition value and the sale price.

On October 1, 1999, the Chilean Internal Revenue Service issued Ruling N°3,708 whereby it allowed Chilean issuers of ADSs to amend the Deposit Agreements to which they are parties in order to include a clause that states that, in the case that the exchanged shares are sold by the ADSs' holder on a Chilean stock exchange, either on the same day on which the exchange is recorded in the shareholders' registry of the issuer or within the two prior business days to such date, the acquisition price of such exchanged shares shall be the price registered in the invoice issued by the stock broker that participated in the sale transaction.

Consequently, as we have included this clause in the form of ADRs attached to the deposit agreement, the capital gain that might be generated if the shares received in exchange for ADSs were sold within two days prior to the date on which the exchange is recorded in the shareholders' registry of the issuer, should not be subject to Chilean taxation. Distribution and exercise of preemptive rights relating to the shares of common stock will not be subject to Chilean taxation.

Cash amounts received in exchange for the shares or assignment of preemptive rights relating to the shares will be subject to both the CIT and the WHT (the former being creditable against the latter to the extent described above). In certain cases, and provided certain requirements are met, capital gains realized on the sale of actively traded stock of Chilean public companies by institutional investors may be exempt from Chilean income taxes.

Our stock is currently considered to be an actively traded stock in the Santiago Stock Exchange, and Foreign Holders of the stock who are institutional investors may qualify for an income tax exemption. Foreign Holders are urged to consult with their own tax advisers to determine whether an exemption applies to them.

The U.S.-Chile Double Tax Treaty came into effect as of January 1, 2024 (with some provisions becoming effective on February 1, 2024); hence we recommend investors should consult their tax advisers as to the applicability of the treaty in their circumstances.

Other Chilean Taxes

No Chilean inheritance, donation or succession taxes apply to the transfer or disposition of the ADSs by a Foreign Holder, but such taxes generally will apply to the transfer at death or by donation of shares of our common stock by a Foreign Holder. No Chilean stamp, issue, registration or similar taxes or duties apply to Foreign Holders of shares or ADSs.

Withholding Tax Certificates

Upon request, we will provide to Foreign Holders appropriate documentation evidencing the payment of Withholding Taxes. For further information, the investor should contact: Cristian Vicuña, irelations@santander.cl. Dividends payable to holders of ADSs are net of foreign currency conversion expenses of the Depositary and will be subject to the Withholding Tax currently at the rate of 35% (subject to credits in certain cases as described above).

U.S. Federal Income Tax Considerations

The following is a discussion of material U.S. federal income tax consequences of owning and disposing of shares of our common stock or ADSs to U.S. holders described below, but it does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a particular person's decision to hold such common stock or ADSs. The discussion applies only if you are a U.S. holder holding shares of our common stock or ADSs as capital assets for U.S. federal income tax purposes. It does not address all aspects of U.S. federal income taxation that may be relevant to you in light of your particular circumstances, including the alternative minimum tax and the Medicare contribution tax, nor does it describe all tax consequences that may be relevant to U.S. holders subject to special rules, such as:

- certain financial institutions;
- insurance companies;
- dealers and traders in securities who use a mark-to-market method of tax accounting;
- persons holding shares or ADSs as part of a hedge, "straddle," conversion transaction, integrated transaction or similar transaction;
- persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- partnerships or other entities classified as partnerships for U.S. federal income tax purposes;

- tax-exempt entities, including “individual retirement accounts” or “Roth IRAs”;
- persons holding shares of our common stock or ADSs that own or are deemed to own ten percent or more of the voting power or value of our stock;
- persons who acquired shares of our common stock or ADSs pursuant to the exercise of any employee stock option plan or otherwise as compensation; or
- persons whose shares or ADSs are held in connection with a trade or business conducted outside the United States.

If an entity that is classified as a partnership for U.S. federal income tax purposes owns shares of our common stock or ADSs, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and upon the activities of the partnership. Partnerships owning shares of our common stock or ADSs and partners in such partnerships should consult their tax advisers as to the particular U.S. federal income tax consequences of owning and disposing of the shares of our common stock or ADSs.

This discussion is based on the Code, the U.S.-Chile Double Tax Treaty, administrative pronouncements, judicial decisions and final, temporary and proposed Treasury regulations, all as of the date hereof. These laws are subject to change, possibly on a retroactive basis. It is also based in part on representations by the Depositary and assumes that each obligation under the deposit agreement and any related agreement will be performed in accordance with its terms. In addition, this discussion does not address U.S. state, local and non-U.S. tax consequences. Please consult your tax advisers concerning the U.S. federal, state, local and non-U.S. tax consequences of owning and disposing of shares or ADSs in your particular circumstances.

As used herein, a “U.S. holder” is a person that for U.S. federal income tax purposes, is a beneficial owner of shares of our common stock or ADSs and 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, a 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.

In general, if you own ADSs, you will be treated as the owner of the underlying shares represented by those ADSs for purposes of the U.S.-Chile Double Tax Treaty and for U.S. federal income tax purposes. Accordingly, no gain or loss will be recognized if you exchange ADSs for the underlying shares represented by those ADSs.

This discussion assumes that we are not, and will not become, a passive foreign investment company, as described below.

Taxation of Distributions

Distributions paid on shares of our common stock or ADSs, other than certain pro rata distributions of common shares or rights, will be treated as dividends to the extent paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Because we do not maintain calculations of our earnings and profits under U.S. federal income tax principles, it is expected that distributions generally will be reported to U.S. holders as dividends. Subject to applicable limitations, certain dividends paid by “qualified foreign corporations” to certain non-corporate U.S. holders may be taxable at rates applicable to long-term capital gains. A foreign corporation is treated as a qualified foreign corporation with respect to dividends paid on stock that is readily tradable on a securities market in the United States, such as the NYSE where our ADSs are traded. A foreign corporation may also qualify as a qualified foreign corporation with respect to dividends if it is eligible for benefits of a comprehensive income tax treaty with the United States that has been determined by the U.S. Secretary of the Treasury to be satisfactory and that includes an exchange of information program. On December 28, 2023, the U.S. Internal Revenue Service (the “IRS”) released a notice adding the U.S.-Chile Double Tax Treaty to the list of current treaties between the U.S. and various countries that meet both of these requirements. You should consult your tax advisers to determine whether favorable rates may apply to dividends you receive and whether you are subject to any special rules that limit your ability to be taxed at such favorable rates. The amount of the dividend will include any amounts withheld by us or our paying agent in respect of Chilean taxes at the effective rate (after credit for CIT) as described above under “Material Tax Consequences of Owning Shares of Our Common Stock or ADSs—Chilean Taxation—Taxation of Dividends.” The amount of the dividend will be treated as foreign-source dividend income to you and will not be eligible for the dividends-received deduction generally allowed to U.S. corporations under the Code.

Dividends will be included in your income on the date of your (or in the case of ADSs, the Depositary's) receipt of the dividend. The amount of any dividend income paid in Chilean pesos will be the U.S. dollar amount calculated by reference to the exchange rate in effect on the date of receipt regardless of whether the payment is in fact converted into U.S. dollars. If the dividend is converted into U.S. dollars on the date of receipt, you should not be required to recognize foreign currency gain or loss in respect of the dividend income. You may have foreign currency gain or loss if the dividend is converted into U.S. dollars after the date of receipt.

Subject to applicable limitations that may vary depending upon your circumstances, Chilean taxes withheld from cash dividends on shares of our common stock or ADSs, reduced by the credit for any CIT, as described above under "—Chilean Taxation—Taxation of Dividends," might be creditable against your U.S. federal income tax liability. On December 28, 2021, new Treasury regulations pertaining to foreign tax credits (the "Final Treasury Regulations") were released that impose significant new limitations on the non-U.S. taxes (including withholding taxes) for which a foreign tax credit can be claimed. Corrections with respect to the Final Treasury Regulations were published on July 27, 2022, and the IRS has released a series of notices, most recently on December 11, 2023, which modify and, in some cases, indefinitely defer the application of certain aspects of the Final Treasury Regulations. We have not determined whether these limitations will prevent a U.S. Holder from claiming a foreign tax credit with respect to any withholding tax imposed on dividends on ADRs or shares of our common stock. As discussed above, the U.S.-Chile Double Tax Treaty entered into force on December 19, 2023. During periods of its applicability, Chilean income taxes withheld from dividends on shares or ADSs in excess of the rate provided in the U.S.-Chile Double Tax Treaty will not be creditable by a U.S. holder who is eligible for the benefits of the U.S.-Chile Double Tax Treaty. The rules governing foreign tax credits, including the Final Treasury Regulations, are complex and you should consult your tax advisers to determine whether they may limit your ability to make effective use of foreign tax credits. Instead of claiming a credit, you may, at your election, deduct such Chilean taxes in computing your taxable income, subject to generally applicable limitations under U.S. law. An election to deduct foreign taxes instead of claiming foreign tax credits must apply to all foreign taxes paid or accrued in the taxable year.

Sale or Other Disposition of Shares or ADSs

For U.S. federal income tax purposes, gain or loss you realize on the sale or other disposition of shares of our common stock or ADSs generally will be capital gain or loss, and will be long-term capital gain or loss if you held the shares of our common stock or ADSs for more than one year. The amount of your gain or loss will be equal to the difference between your tax basis in the shares of our common stock or ADSs disposed of and the amount realized on the disposition, in each case as determined in U.S. dollars.

As discussed above under "—Material Tax Consequences of Owning Shares of Our Common Stock or ADSs—Chilean Taxation—Taxation of Capital Gains", gain realized by a U.S. Holder on the sale or other disposition of our ADSs should be exempt from Chilean tax on capital gains provided that certain requirements are met. Similarly, gain realized by a U.S. Holder that qualifies for the benefits of the U.S.-Chile Double Tax Treaty on the sale or other disposition of our common stock may be exempt from Chilean tax on capital gains under the U.S.-Chile Double Tax Treaty, provided certain conditions are met. If a Chilean tax is withheld on the sale or disposition of the shares of our common stock or ADSs, your amount realized will include the gross amount of the proceeds of such sale or disposition before deduction of the Chilean tax. See "—Chilean Taxation—Taxation of Capital Gains" for a description of when a disposition may be subject to taxation by Chile. Such gain or loss generally will be U.S.-source gain or loss for foreign tax credit purposes. The Final Treasury Regulations generally preclude U.S. persons from claiming a foreign tax credit with respect to any tax imposed on gains from the disposition of shares or ADSs by a jurisdiction that does not have in effect an applicable income tax treaty with the United States (which for periods prior to the U.S.-Chile Double Tax Treaty's entry into force, included Chile), although such taxes may be applied to reduce the amount realized on the disposition. Consequently, if you do not qualify for the benefits of the U.S.-Chile Double Tax Treaty or you disposed of shares of our common stock or ADSs prior to the treaty's entry into force, you may not be able to credit any Chilean tax imposed on the disposition of shares of our common stock or ADSs against your taxable income unless you have other foreign-source income in the appropriate foreign tax credit category. A U.S. holder who is eligible for the benefits of the U.S.-Chile Double Tax Treaty and whose gain from the sale of shares is not exempt from Chilean tax under the U.S.-Chile Double Tax Treaty may elect to treat disposition gain that is subject to Chilean tax as foreign-source gain and claim a credit in respect of the tax.

Based on proposed Treasury regulations (the “Proposed Regulations”), including those which are proposed to be effective for taxable years beginning after December 31, 1994 (and on which taxpayers may currently rely pending finalization), we believe that we were not a “passive foreign investment company” (a “PFIC”) for U.S. federal income tax purposes for the year ended December 31, 2023. However, since the Proposed Regulations may not be finalized in their current form and since PFIC status depends upon the composition of a company’s income and assets and the market value of its assets (including, among others, less than 25 percent owned equity investments) from time to time, and, if more recently proposed Treasury regulations are finalized in their current form, the location of activities that produce active banking income and the location of our customers, there can be no assurance that we will not be a PFIC for any taxable year. If we were a PFIC for any taxable year during which you held an ADS or a share of our common stock, certain adverse tax consequences could apply to you.

If we were a PFIC for any taxable year during which you held shares of our common stock or ADSs, gain recognized by you on a sale or other disposition (including certain pledges) of a share of our common stock or an ADS would generally be allocated ratably over your holding period for the share of our common stock or ADS. The amounts allocated to the taxable year of the sale or other disposition and to any year before we became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge would be imposed on the resulting tax liability for that taxable year. Similar rules would apply to any distribution in respect of shares of our common stock or ADSs that exceeds 125% of the average of the annual distributions on shares of our common stock or ADSs received by you during the preceding three years or your holding period, whichever is shorter. Certain elections may be available that would result in alternative treatments of the shares of our common stock or ADSs (including, with respect to our ADSs, a mark-to-market election). In addition, if we were a PFIC for a taxable year in which we pay a dividend or the prior taxable year, the favorable rates discussed above with respect to dividends paid to non-corporate holders would not apply.

If we were to be treated as a PFIC in any taxable year, a U.S. holder may be required to file reports with the Internal Revenue Service containing such information as the Treasury Department may require.

Information Reporting and Backup Withholding

Payment of dividends and sales proceeds that are made within the United States or through certain U.S.-related financial intermediaries generally are subject to information reporting and may be subject to backup withholding, unless you are a corporation or other exempt recipient or in the case of backup withholding, you provide a correct taxpayer identification number and certify that you are not subject to backup withholding.

The amount of any backup withholding from a payment to you will be allowed as a credit against your U.S. federal income tax liability and may entitle you to a refund, provided that the required information is timely furnished to the Internal Revenue Service.

Certain U.S. holders may be required to report information relating to stock of a non-U.S. person, subject to certain exceptions (including an exception for stock held in custodial accounts maintained by a U.S. financial institution). You should consult your tax advisers regarding any reporting obligations you may have with respect to shares of our common stock or ADSs.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.