

SUPPLEMENT DATED 10 MARCH 2021
TO THE BASE PROSPECTUS DATED 31 JULY 2020



**Banca Popolare
di Sondrio**

Fondata nel 1871

BANCA POPOLARE DI SONDRIO S.C.P.A.

(incorporated as a co-operative limited by shares under the laws of the Republic of Italy and registered at the Companies' Registry of Sondrio under registration number 00053810149)

**Euro 5,000,000,000 Covered Bond (*Obbligazioni Bancarie Garantite*) Programme
unconditionally and irrevocably guaranteed as to payments
of interest and principal by**

POPSO COVERED BOND S.R.L.

(incorporated as a limited liability company in the Republic of Italy and registered at the Companies' Registry of Treviso-Belluno under registration number 04620230260)

IN ACCORDANCE WITH ARTICLE 6, PARAGRAPH 4, OF THE LUXEMBOURG LAW (AS DEFINED BELOW), THE *COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER* ("CSSF") ASSUMES NO UNDERTAKING AS TO THE ECONOMIC OR FINANCIAL OPPORTUNESS OF THE TRANSACTION OR THE QUALITY AND SOLVENCY OF THE ISSUER.

This supplement (the "**Supplement**") constitutes a Supplement to the base prospectus dated 31 July 2020 (the "**Base Prospectus**"), for the purposes of Article 23(1) of Regulation (EU) 2017/1129 (as subsequently amended and supplemented, the "**Prospectus Regulation**").

This Supplement constitutes a supplement to, and should be read in conjunction with, the Base Prospectus.

Capitalised terms used in this Supplement and not otherwise defined herein shall have the same meaning ascribed to them in the Base Prospectus.

This Supplement has been approved by the *Commission de Surveillance du Secteur Financier*, which is the Luxembourg competent authority for the purposes of the Prospectus Regulation and Luxembourg law of 16 July 2019 on prospectuses for securities (as subsequently amended, the "**Luxembourg Law**") and relevant implementing measures in Luxembourg, as a supplement issued in compliance with the Prospectus Regulation in order to (i) disclose certain information with respect to the merger of FISG S.r.l. as arranger of the Programme; (ii) incorporate by reference in the Base Prospectus (a) the Issuer's reviewed interim financial statements as at and for period ended 30 June 2020 (the "**Issuer's Interim Financial Report June 2020**"), (b) the Issuer's unaudited consolidated interim report on operations as at and for the nine months ended on 30 September 2020 (the "**Issuer's Interim Financial Report September 2020**") and (c) certain press releases; and (iii) update the Cover Page and sections entitled "*Risk Factors*", "*Form of Final Terms*", "*Taxation*", "*Information Incorporated by Reference*", "*The Issuer*", "*Subscription and Sale*" and "*General Information*" included in the Base Prospectus in order to take into account certain recent developments in respect of the Issuer.

* * *

RESPONSIBILITY STATEMENT

Each of the Issuer and the Guarantor accepts responsibility for the information contained in this Supplement, with respect to those sections which already fall under the responsibility of each of them under the Base Prospectus and which are supplemented by means of this Supplement. To the best of the knowledge of the Issuer and the Guarantor (having taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

NOTICE

Neither the Arrangers nor the Dealers nor any person mentioned in the Base Prospectus, as supplemented by this Supplement, with exception of the Issuer and the Guarantor, is responsible for the information contained in the Base Prospectus, as supplemented by this Supplement, any document incorporated by reference in the Base Prospectus or this Supplement or any Final Terms and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons accepts any responsibility for the accuracy and completeness of the information contained in any of these documents.

The Arrangers and the Dealers have not verified the information contained in the Base Prospectus, as supplemented by this Supplement. None of the Arrangers or the Dealers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in the Base Prospectus, as supplemented by this Supplement. Neither the Base Prospectus, as supplemented by this Supplement, nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Guarantor, the Arrangers or the Dealers that any recipient of the Base Prospectus, this Supplement or any other financial statements should purchase the Covered Bonds. Each potential purchaser of Covered Bonds should determine for itself the relevance of the information contained in the Base Prospectus, as supplemented by this Supplement, and its purchase of Covered Bonds should be based upon such investigation as it deems necessary. None of the Arrangers or the Dealers undertakes to review the financial condition or affairs of the Issuer, the Guarantor or the Banca Popolare di Sondrio Group during the life of the arrangements contemplated by the Base Prospectus nor to advise any investor or potential investor in Covered Bonds of any information coming to the attention of any of the Arrangers or the Dealers.

The distribution of the Base Prospectus, this Supplement and any document incorporated by reference in the Base Prospectus or this Supplement and any Final Terms and the offering, sale and delivery of the Covered Bonds in certain jurisdictions may be restricted by law. Persons into whose possession the Base Prospectus, this Supplement or any Final Terms come are required by the Issuer and the Dealer to inform themselves about and to observe any such restrictions.

For a description of certain restrictions on offers, sales and deliveries of Covered Bonds and on the distribution of the Base Prospectus, this Supplement or any Final Terms and other offering material relating to the Covered Bonds, see section "*Selling Restrictions*" of the Base Prospectus, as supplemented by this Supplement.

Save as disclosed in this Supplement, there has been no other significant new factor and there are no material mistakes or inaccuracies relating to information included in the Base Prospectus which is capable of affecting the assessment of Covered Bonds issued under the Programme since the publication of the Base Prospectus. To the extent that there is any inconsistency between (i) any statement in or incorporated by reference into this Supplement and (ii) any

statement in or incorporated by reference into the Base Prospectus, the statements in or incorporated by reference into this Supplement will prevail.

Copies of this Supplement and of the documents incorporated by reference in this Supplement and in the Base Prospectus may be inspected during normal business hours at the Specified Office of the Luxemburg Listing Agent and of the Representative of the Covered Bondholders.

Copies of this Supplement and all documents incorporated by reference in this Supplement and in the Base Prospectus are available on the Luxembourg Stock Exchange's website (<https://www.bourse.lu>) and on the Issuer's website (<https://www.popso.it>).

INTERPRETATION

Starting from 28 October 2020, Securitisation Services S.p.A. and FISG S.r.l. have been merged by way of incorporation into Banca Finanziaria Internazionale S.p.A.. Therefore, in the Base Prospectus, any reference to “*Securitisation Services S.p.A.*” (in all its capacities) and “*FISG S.r.l.*” (in all its capacities) shall be intended as a reference to “*Banca Finanziaria Internazionale S.p.A.*”.

* * * *

COVER PAGE

On page 1 of the Base Prospectus, the fourth paragraph is deleted and replaced as follows:

“This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Covered Bonds which are to be admitted to trading on a regulated market in the European Economic Area (the EEA) and in the United Kingdom. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid. The validity of this Base Prospectus ends upon expiration on 31 July 2021.”.

* * * *

On page 2 of the Base Prospectus, the paragraph commencing with “*The Covered Bonds will be issued [...]*”, is deleted in its entirety and replaced as follows:

*“The Covered Bonds will be issued in dematerialised form and will be held on behalf of their ultimate owners by Monte Titoli S.p.A. whose registered office is in Milan, at Piazza degli Affari, No.6, Italy, (**Monte Titoli**) for the account of the relevant Monte Titoli account holders. Monte Titoli will also act as depository for Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, société anonyme, 42 Avenue JF Kennedy, L-1855, Luxembourg (**Clearstream**). The Covered Bonds issued in dematerialised form will at all times be held in book entry form and title to the Covered Bonds will be evidenced by book-entries in accordance with the provisions of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented (the **Financial Law Consolidated Act**) and implementing regulations and with the joint regulation of the Commissione Nazionale per le Società e la Borsa (**CONSOB**) and the Bank of Italy dated 13 August 2018 and published in the Official Gazette No. 201 of 30 August 2018, as subsequently amended and supplemented. No physical document of title will be issued in respect of the Covered Bonds issued in dematerialised form. Each Series or Tranche may, on or after the relevant issue, be assigned a rating specified in the relevant Final Terms by any rating agency which may be appointed from time to time by the Issuer in relation to any issuance of Covered Bonds or for the remaining duration of the Programme, to the extent that any of them at the relevant time provides ratings in respect of any Series of Covered Bonds. Where a Tranche or Series of Covered Bonds is to be rated, such rating will not necessarily be the same as the rating assigned to the Covered Bonds already issued. Whether or not a rating in relation to any Tranche or Series of Covered Bonds will be (1) treated as having been issued or endorsed by a credit rating agency established in the European Union and registered under Regulation (EC) No 1060/2009 on credit rating agencies (as amended from time to time, the **CRA Regulation**) or by a credit rating agency which is certified under the CRA Regulation and/or (2) issued or endorsed by a credit rating agency established in the United Kingdom (**UK**) and registered under Regulation (EC) No. 1060/2009, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the **UK CRA Regulation**) or by a credit rating agency which is certified under the UK CRA Regulation will be disclosed in the relevant Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued or endorsed by a credit rating agency established in the European Union and registered under the CRA Regulation (and such registration has not been withdrawn or suspended) (or is endorsed and published or distributed by subscription by such a credit rating agency in accordance with the CRA Regulation) unless (1) the rating is provided by a credit rating agency not established in the European Union but endorsed by a credit rating agency established in the European Union and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the European Union which is*

*certified under the CRA Regulation. In general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued or endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (1) the rating is provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) the rating is provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation. The European Securities and Markets Authority (the **ESMA**) is obliged to maintain on its website, <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>, a list of credit rating agencies registered and certified in accordance with the CRA Regulation.”*

* * * *

On pages 2–3 of the Base Prospectus, the fourth sub-paragraph commencing with “*Amounts payable on Floating Rate [...]*” and ending with “*the (“Benchmark Regulation”)*” is deleted in its entirety and replaced as follows:

*“Amounts payable on Floating Rate Covered Bonds (where relevant) may be calculated by reference to the euro interbank offered rate (**EURIBOR**) as specified in the relevant Final Terms. As at the date of this Base Prospectus, the European Money Markets Institute, as administrator of EURIBOR, is included in ESMA’s register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the **Benchmarks Regulation**).”*

* * * *

On page 4 of the Base Prospectus, under the paragraph headed “*Notice*”, the sixth sub-paragraph commencing with “*No person [...]*” and ending with “*(as defined in the Conditions)*” is deleted in its entirety and replaced as follows:

“Third Party Information – Certain information and statistics presented in this Base Prospectus regarding markets and market share of the Issuer or the BPS Group are either derived from, or are based on, internal data or publicly available data from external sources. In respect of information in this Base Prospectus that has been extracted from a third party, the Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Although the Issuer believes that the external sources used are reliable, the Issuer has not independently verified the information provided by such sources. No person has been authorised by the Issuer or the Guarantor to give any information which is not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as in the public domain and, if given or made, such information must not be relied upon as having been authorised by the Issuer, the Dealers or any party to the Programme Documents (as defined in the Conditions).”

On page 6–7 of the Base Prospectus, the paragraph headed “**PRIIPs / IMPORTANT – EEA RETAIL AND UK INVESTORS**” is deleted in its entirety and replaced by the following two paragraphs:

“PRIIPs / IMPORTANT – EEA RETAIL INVESTORS – *If the Final Terms in respect of any Covered Bonds includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as*

defined in point (11) of Article 4(1) of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments (as amended, **MiFID II**) or; (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the Insurance Distribution Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended or superseded, the **PRIPs Regulation**) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIPs Regulation.

PRIPs / IMPORTANT – UK RETAIL INVESTORS – If the Final Terms in respect of any Covered Bonds includes a legend entitled “Prohibition of Sales to UK Retail Investors”, the Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the **FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the PRIPs Regulation as it forms part of domestic law by virtue of the EUWA (the **UK PRIPs Regulation**) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIPs Regulation.”.

On page 7 of the Base Prospectus, after the last paragraph before the Contents, the following paragraphs are added:

“UK MiFIR product governance / target market – The Final Terms in respect of any Covered Bonds will include a legend entitled “UK MiFIR Product Governance” which will outline the target market assessment in respect of the Covered Bonds and which channels for distribution of the Covered Bonds are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a “distributor”) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to UK MiFIR product governance rules set out in the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR product governance rules set out in the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**), any Dealer subscribing for any Covered Bonds is a manufacturer in respect of such Covered Bonds, but otherwise neither the

Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.”.

* * * *

RISK FACTORS

On pages 28–29 of the Base Prospectus, the paragraph headed “COVID–19” is deleted in its entirety and replaced as follows:

“Covid 19

The outbreak during the first half of 2020 of coronavirus disease (COVID–19) was declared as a pandemic by the World Health Organization, and the Health and Human Services Secretary declared a public health emergency in the United States in response to the outbreak; likewise, the Italian Government also declared a state of emergency and passed a number of emergency measures to deal with the outbreak, including restrictions on travel, people free circulation and possible institutional closure, and continued during the second half of 2020 and the beginning of 2021 with “second wave” and “third wave” restrictions. This outbreak (and any future outbreaks) of has led (and may continue to lead) to disruptions in the economies of those nations where the COVID–19 has arisen and may in the future arise, among which Italy, and may result in adverse impacts on the global economy in general.

These circumstances have led to volatility in the capital markets, which may lead to volatility in or disruption of the credit markets at any time and may adversely affect the value of the Covered Bond. The potential impacts, including a global, regional or other economic recession, are increasingly uncertain and difficult to assess. If the spread of COVID–19 increases or persists for a significant period of time, or other measures are put in place, this could have a materially negative impact on the global economy. Investors should note the risk that the virus, or any governmental or societal response to the virus, may affect the business activities and financial results of the Issuer and Group, and, or may impact the functioning of the financial system(s) needed to make regular and timely payments under the Covered Bonds, and therefore the ability of the Issuer to make payments on the Covered Bonds.

Moreover, the outbreak of COVID–19 and the measures taken in relation thereto, will directly or indirectly result in increases of defaults under mortgage loans. Payment holidays have been granted and could be granted in the future pursuant to emergency legislation to borrowers in distress due to the COVID–19 outbreak, under which borrowers are allowed to defer making payments for certain amounts of time. This may result in payment disruptions and possibly higher losses under the mortgage loans. The impact will strongly depend on the duration and severity of the COVID–19 outbreak.

The Issuer may have to incur significant costs to store or mitigate the effects of the foregoing. The Issuer’s prospects, financial condition and results of operations in particular may be materially affected by the above factors, events and developments. Investors should note the risk that the virus, or any governmental or societal response to the virus, may (i) affect the business activities and financial results of the Issuer and therefore may prevent the ability of the Issuer to make payments on the Covered Bonds and (ii) increase the NPL’s stock in the financial statements of the Issuer.”.

On pages 30–31 of the Base Prospectus, under the paragraph headed “Risks associated with recent ECB guidance on NPL provisioning”, the third sub–paragraph is deleted in its entirety and replaced as follows:

“In addition, on 26 June 2020, the Regulation (EU) 2020/873 amending CRR and Regulation (EU) 2019/876 as regards adjustments in response to the COVID-19 pandemic has been published, by which it has been provided - inter alia - a temporary extension the preferential treatment under the NPL backstop received by NPLs guaranteed by official export credit agencies (ECAs) to NPLs guaranteed by the public sector in the context of measures aimed at mitigating the economic impact of the COVID-19 pandemic, recognising the similar characteristics shared by export credit agencies guarantees and COVID-19 related public guarantees.”.

On page 35 of the Base Prospectus, the paragraph headed “*The relationship of the United Kingdom with the European Union may affect the business of the Issuer*” is deleted in its entirety and replaced as follows:

“On 23 June 2016, the United Kingdom voted, in a referendum, to leave the European Union . On 29 March 2017, the British Prime Minister gave formal notice to the European Council under Article 50 of the Treaty on European Union of the intention to withdraw from the European Union (the “Article 50 Withdrawal Agreement”).

The United Kingdom (UK) left the European Union (EU) on 31 January 2020 at 11pm and the transition period ended on 31 December 2020 at 11pm. Therefore, the Treaty on the European Union and the Treaty on the Functioning of the European Union have ceased to apply to the UK. The European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) and secondary legislation made under it ensure there is a functioning statute book in the UK.

*On 24 December 2020, an agreement in principle was reached in relation to the EU-UK Trade and Cooperation Agreement (the **Trade and Cooperation Agreement**), to govern the future relations between the EU and the UK following the end of the transition period. The Trade and Cooperation Agreement was signed on 30 December 2020 and it does not create a detailed framework to govern the cross-border provision of regulated financial services from the UK into the EU and from the EU into the UK.*

Notwithstanding the above, there remain significant uncertainties with regard to the political and economic outlook of the UK and the EU and there are likely to be changes in the legal rights and obligations of commercial parties across all industries, particularly in the services sector (including financial services) following the UK's exit from the EU.

In addition to the above, and in consideration of the fact that at the date of this Base Prospectus there is no legal procedure or practice aimed at facilitating the exit of a Member State from the Eurozone, the consequences of these decisions are exacerbated by the uncertainty regarding the methods by which a Member State could manage its current assets and liabilities denominated in Euros and the exchange rate between the newly adopted currency and the Euro. A collapse of the Eurozone could be accompanied by the deterioration of the economic and financial situation of the European Union and could have a significant negative effect on the entire financial sector, creating new difficulties in the granting of sovereign loans and loans to businesses and involving considerable changes to financial activities both at market and retail level.

There is a risk that other EU Member States could hold referenda as to their membership of, and ultimately leave, the EU, as did the UK, and that one or more EU Member States that adopted the Euro as their national currency might decide, in the long term, to adopt an alternative currency, or that there is a prolonged period of uncertainty connected to these eventualities. These risks if they materialised could have a significant negative impact on global economic conditions and

the stability of the international financial markets. This could include further volatility in equity markets, in the value of sterling and/or the Euro and in financial markets generally, a reduction in global market liquidity with a potential negative impact on asset prices, operating results and capital including as may impact the financial position of the Issuer and/or the BPS Group and the market value and/or liquidity of the Covered Bonds in the secondary market.

This situation could therefore have a significant negative impact on the operating results and capital and financial position of the Issuer and/or the BPS Group and/or the Issuer's ability to pay interest and repay principal under the Covered Bonds, as well as the market value and/or the liquidity of the Covered Bonds in the secondary market."

On page 40 of the Base Prospectus, under the paragraph headed "*Credit ratings may not reflect all risks*", the sixth sub-paragraph is deleted in its entirety and replaced as follows:

"Any rating agency may lower its rating or withdraw its rating if, in the sole judgment of the rating agency, the credit quality of the Covered Bonds has declined or is in question. If any rating assigned to the Covered Bonds is lowered or withdrawn, the market value of the Covered Bonds may reduce."

On page 40 of the Base Prospectus, under the paragraph headed "*Credit ratings may not reflect all risks*", the eighth sub-paragraph is deleted in its entirety and replaced as follows:

"One or more independent credit rating agencies may assign credit ratings to the Issuer, or the Covered Bond (also where such credit rating agencies have not been engaged or solicited by the Issuer). Any 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 Covered Bond."

On pages 40–41 of the Base Prospectus, under the paragraph headed "*Credit ratings may not reflect all risks*", the last sub-paragraph is deleted in its entirety and replaced as follows:

"In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by the European Securities and Markets Authority (ESMA) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a

credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agency rating the Covered Bonds changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Covered Bonds may have a different regulatory treatment, which may impact the value of the Covered Bonds and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.”.

On pages 42–43 of the Base Prospectus, the paragraph headed “*Future discontinuance of LIBOR may adversely affect the value of Floating Rate Covered Bonds which reference LIBOR*” and the paragraph headed “*The regulation and reform of benchmarks may adversely affect the value of Covered Bonds referencing such benchmarks*” are both deleted in their entirety and replaced by the new following paragraph headed “*Reform of EURIBOR and other interest rate index and equity, commodity and foreign exchange rate index “benchmarks”*”.

“Reform of EURIBOR and other interest rate index and equity, commodity and foreign exchange rate index “benchmarks”

The Euro Interbank Offered Rate (EURIBOR) and other indices which are deemed “benchmarks” are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such “benchmarks” to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Covered Bonds linked to a “benchmark”.

*Regulation (EU) 2016/1011 (the **EU Benchmarks Regulation**) applies, subject to certain transitional provisions, to the provision of “benchmarks”, the contribution of input data to a “benchmark” and the use of a “benchmark” within the EU and it, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevent certain uses by EU supervised entities (such as the Issuer) of “benchmarks” of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the **UK Benchmarks Regulation**) among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).*

The scope of the EU Benchmarks Regulation and the UK Benchmarks Regulation is wide and, in addition to so-called "critical benchmark" indices such as EURIBOR, could also potentially apply to many other interest rate indices, as well as equity, commodity and foreign exchange rate indices and other indices (including "proprietary" indices or strategies) which are referenced in listed financial instruments (including listed Covered Bonds), financial contracts and investment funds.

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Covered Bonds linked to or referencing a rate or index deemed to be a benchmark, including any Floating Rate Covered Bonds linked to or referencing LIBOR and/or EURIBOR referencing the relevant swap rate for swap transactions in the Specified Currency, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

*Key international reforms of "benchmarks" also include IOSCO's proposed Principles for Financial Market Benchmarks (July 2013) (the **IOSCO Benchmark Principles**).*

The IOSCO Benchmark Principles aim to create an overarching framework of principles for benchmarks to be used in financial markets, specifically covering governance and accountability, as well as the quality and transparency of benchmark design and methodologies. A review published in February 2015 on the status of the voluntary market adoption of the IOSCO Benchmark Principles noted that, as the benchmarks industry is in a state of change, further steps may need to be taken by IOSCO in the future, but that it is too early to determine what those steps should be. The review noted that there has been a significant market reaction to the publication of the IOSCO Benchmark Principles, and widespread efforts being made to implement the IOSCO Benchmark Principles by the majority of administrators surveyed.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or participate in certain "benchmarks", (ii) triggering changes in the rules or methodologies used in certain "benchmarks", and/or (iii) leading to the discontinuance, unavailability or disappearance of certain "benchmarks".

Specifically, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. The FCA has indicated through a series of announcements that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

Separately, the euro risk free-rate working group for the euro area has also published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system.

With respect to the Covid-19 crisis, on 1 July 2020, the Financial Stability Board published a statement on the impact of the COVID-19 pandemic on global benchmark reform. The statement confirms that the view remains that firms across all jurisdictions should continue to ensure that their transition programmes enable them to transition to LIBOR alternatives before the end of 2021, although it acknowledges that that some aspects of firms' transition plans are likely to be temporarily disrupted or delayed by the pandemic.

It is not possible to predict with certainty whether, and to what extent, LIBOR and EURIBOR will continue to be supported going forwards. This may cause LIBOR and EURIBOR to perform differently than they have done in the past, and may have other consequences which cannot be predicted. Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark, (ii) triggering changes in the rules or methodologies used in the benchmarks, and/or (iii) leading to the disappearance of the benchmark.

Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any such Covered Bonds linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

The Terms and Conditions of the Covered Bonds provide that, if a Benchmark Event (as defined in the Conditions) has occurred (including, but not limited to, an Original Reference Rate (as defined in the Conditions) ceasing to be provided or upon a material change of an Original Reference Rate), if applicable, then the Issuer shall use reasonable endeavours to appoint an Independent Adviser for the purposes of determining a Successor Rate or an Alternative Rate (as further described in Condition 6(j) (Fallback Provisions) of the Terms and Conditions of the Covered Bonds and, if applicable, an Adjustment Spread. If the Issuer is unable to appoint an Independent Adviser or if the Independent Adviser fails to determine the Successor Rate or Alternative Rate, the Issuer may determine the replacement rate, provided that if the Issuer is unable or unwilling to determine the Successor Rate or Alternative Rate, the further fallbacks described in the Terms and Conditions of the Covered Bonds shall apply. In certain circumstances, including but not limited to where the Issuer is unable or unwilling to determine an Alternative Rate, the ultimate fallback for the purposes of calculation of interest for a particular Interest Period may result in the rate of interest of the last preceding Interest Period being used. This may result in effective application of a fixed rate of interest for Covered Bonds initially designated to be Floating Rate Covered Bonds. In addition, due to the uncertainty concerning the availability of Successor Rates and Alternative Rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time. The use of a Successor Rate or an Alternative Rate may result in interest payments that are substantially lower than or that do not otherwise correlate over time with the payments that could have been made on the Covered Bonds if the relevant benchmark remained available in its current form. Furthermore, if the Issuer is unable to appoint an Independent Adviser or if the Independent Adviser fails to determine a Successor Rate or an Alternative Rate or Adjustment Spread, if applicable with the Independent Adviser, the Issuer may have to exercise its discretion to determine (or to elect not to determine) an Alternative Rate or Adjustment Spread, if applicable in a situation in which it is presented with a conflict of interest. In addition, while any Adjustment Spread may be expected to be designed to eliminate or minimise any potential transfer of value between counterparties, the application of the Adjustment Spread to the Covered Bonds may not do so and may result in the Covered Bonds performing differently (which

may include payment of a lower interest rate) than they would do if the Original Reference Rate were to continue to apply in its current form.

Any such consequences could have an adverse effect on the value of and return on any such Covered Bonds. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Floating Covered Bonds or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Covered Bonds. Investors should consider these matters with their own independent advisers when making their investment decision with respect to any Floating Covered Bonds linked to or referencing a benchmark.”.

On page 50 of the Base Prospectus, under the paragraph headed “*Usury Law*”, the fourth sub-paragraph is deleted in its entirety and replaced as follows:

“To solve such a contrast between different Italian Supreme Court (Corte di Cassazione) decisions, a recent decision by the Italian Supreme Court (Corte di Cassazione) joint sections (Sezioni Unite) (n. 24675 dated 18 July 2017) finally stated that interest rates which were compliant with the Usury Rate as at the time of the execution of the financing agreements but exceeded such threshold thereafter, are lawful also from a civil law perspective falling outside of the scope of the Usury Law.

In addition, the Italian Supreme Court (Corte di Cassazione) joint sections (Sezioni Unite) (n. 19597 dated 18 September 2020) stated that, in order to assess whether a loan complies with the Usury Law, also default interest rates shall be included in the calculation of the remuneration to be compared with the Usury Rates. In this respect, should that remuneration be higher than the Usury Rates, only the ‘type’ of rate which determined the breach shall be deemed as null and void. As a consequence, the entire amount referable to the rate which determined the breach of said threshold shall be deemed as unenforceable according to the last interpretation of the Supreme Court.”.

On pages 52–53 of the Base Prospectus, under the paragraph headed “*Mortgage borrower protection*”, under the first sub-paragraph, the fourth bullet point, is deleted in its entirety and replaced as follows:

- *the right to suspend the payment of principal instalments relating to mortgage loans for a 12 month period, where requested by the relevant Debtor during the period from 1 June 2015 to 31 December 2017 (Convention between ABI and the consumers’ associations stipulated on 31 March 2015) (the “2015 Credit Agreement”). On 27 November 2017, ABI and the consumers’ associations, in order to provide continuity to the abovementioned measures, have agreed to extend the agreement until 31 July 2018. On 15 November 2018 the Italian Banking Association (Associazione Bancaria Italiana – ABI) and the Associations representing companies signed a new Credit Agreement (Accordo per il Credito 2019) providing for the introduction of some adjustments to the measures addressed to “Enterprises in Recovery”, relating to the suspension and extension of loans to small and medium-sized enterprises, provided for in the 2015 Credit Agreement (the “2019 Italian Credit Agreement”). Additional measures connected with the Covid-19 outbreak were introduced on 6 March 2020, 22 May 2020 and 17 December 2020 through an addendum to the 2019 Italian Credit Agreement in order to extend the*

provisions contained therein to facilities outstanding as of 31 March 2021 granted in favour of otherwise sound companies negatively impacted by a temporary interruption/reduction of activity as a consequence of Covid-19.”.

On page 53 of the Base Prospectus, under the paragraph headed “*Mortgage borrower protection*”, the following sub-paragraph is added before the last sub-paragraph as follows:

“In addition to the above, following the COVID-19 outbreak in Italy, further measures have been adopted, aimed at sustaining income of employees, the self-employed, self-employed professionals, micro and small/medium enterprises, including suspension of instalments payment.”.

* * * *

FORM OF FINAL TERMS

On page 127 of the Base Prospectus, the paragraph headed “*PRIIPs Regulation / PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS*” is deleted in its entirety and replaced as follows:

“[PRIIPs Regulation / PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (EEA). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments (as amended, MiFID II); or (ii) a customer within the meaning of Directive (UE) 2016/97 (the Insurance Distribution Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended or superseded the PRIIPs Regulation) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PRIIPs Regulation / PROHIBITION OF SALES UK RETAIL INVESTORS – The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (UK). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the FSMA) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the UK PRIIPs Regulation) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]”.

On page 127 of the Base Prospectus, the paragraph headed “*MIFID II product governance / Professional investors and ECPs only target market*” is deleted in its entirety and replaced as follows:

*“[MIFID II product governance / target market – The Final Terms in respect of any Covered Bonds will include a legend entitled **MiFID II Product Governance** which will outline the target market assessment in respect of the Covered Bonds and which channels for distribution of the Covered Bonds are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a distributor) should take into consideration the target market assessment; however, a*

¹ Legend to be included on front of the Final Terms if the Tranche of Covered Bonds potentially constitute “packaged” products and no key information document will be prepared or the issuer wishes to prohibit offers to EEA and UK retail investors for any other reason, in which case the selling restriction should be specified to be “Applicable”.

distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

UK MIFIR product governance / target market – The Final Terms in respect of any Covered Bonds will include a legend entitled "UK MIFIR Product Governance" which will outline the target market assessment in respect of the Covered Bonds and which channels for distribution of the Covered Bonds are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a **distributor**) should take into consideration the manufacturer's target market assessment; however, a distributor subject to UK MiFIR product governance rules set out in the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.].

On page 131 of the Base Prospectus, under Part A – Contractual Terms, point 15. headed "Floating Rate Provisions", limb (viii) headed "Screen Rate Determination" is deleted in its entirety and replaced as follows:

"(viii) *Screen Rate Determination:*

- *Reference Rate:* *Reference Rate: [.] month [EURIBOR]*
- *Reference Banks:* *[[.] / Not Applicable]*
- *Interest Determination Date(s):* *[.]*
- *Relevant Screen Page:* *(For example, Reuters EURIBOR 01)*
- *Relevant Time:* *(For example, 11.00 a.m. London time/Brussels time)*
- *Relevant Financial Centre:* *(For example, London/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro))*

On pages 133–134 of the Base Prospectus, under Part B – Other Information, point 2. headed "Ratings" is deleted in its entirety and replaced as follows:

"2. RATINGS

Ratings: *[The Covered Bonds to be issued [[have been]/[are expected]] to be rated]/[The following ratings assigned to the Covered Bonds of this type issued under the Programme generally:][Not applicable]*

[Fitch]: [.]

[.]: [.]

[●] (Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider)

(The above disclosure should reflect the rating allocated to Covered Bonds of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

*[Each of Fitch / [●] is established in the European Union and is registered under Regulation (EC) No 1060/2009, on credit rating agencies as amended by Regulation (EU) No 513/2011 and Regulation(EU) No. 462/2013 on credit rating agencies (as amended from time to time, the **CRA Regulation**) as set out in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority pursuant to the CRA Regulation (for more information please visit the European Securities and Markets Authority webpage) on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) / [●] is established in the UK and is registered under Regulation (EC) No 1060/2009 , on credit rating agencies as amended by Regulation (EU) No 513/2011 and Regulation(EU) No. 462/2013 on credit rating agencies, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as amended from time to time, the **UK CRA Regulation**)] / [have not been issued or endorsed by any credit rating agency which is established in the European Union and registered under Regulation (EC) No 1060/2009 on credit rating agencies on credit rating agencies as amended by Regulation (EU) No 513/2011 and Regulation(EU) No. 462/2013 on credit rating agencies (as amended from time to time, the **CRA Regulation**) / have not been issued or endorsed by any credit rating agency which is established in the UK and registered under Regulation (EC) No 1060/2009 on credit rating agencies on credit rating agencies as amended by Regulation (EU) No 513/2011 and Regulation (EU) No. 462/2013 on credit rating agencies as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as amended from time to time, the **UK CRA Regulation**)].*

(Include the relevant wording as applicable depending on the relevant rating agency assigning a rating to the Covered Bonds issued)”

On pages 133–134 of the Base Prospectus, under Part B – Other Information, point 3. headed “*Use of Proceeds*” is deleted in its entirety and replaced with the following new point headed “*Reasons for the Offer*” as follows:

“3. REASONS FOR THE OFFER

[General funding purposes of the BPS Group]] / [The net proceeds from the issue of the Covered Bonds will be used to finance or refinance Green Eligible Projects or Social Eligible Projects (as defined in the “Use of Proceeds” section)].

(If the Covered Bonds are denominated “Green Bonds”, describe the relevant projects to which the net proceeds of the Covered Bonds will be applied or make reference to the relevant bond framework to which the net proceeds of the Covered Bonds will be applied.)

(Applicable only in the case of securities to be classified as Green Bonds. If not applicable, delete this paragraph.)

(See “Use of Proceeds” wording in Base Prospectus)”

On page 135 of the Base Prospectus, under Part B – Other Information, point 6. headed “*Floating Rate Covered Bonds only – HISTORIC INTEREST RATES*” is deleted in its entirety and replaced as follows:

“*Floating Rate Covered Bonds only – HISTORIC INTEREST RATES*

Details of historic [EURIBOR/specify other Reference Rate] rates can be obtained from [Reuters]/[●]./ [Not Applicable]”

On pages 136 of the Base Prospectus, under Part B – Other Information, section “*Distribution*”, under section entitled “*Distribution*”, limbs 11. and 12. are deleted in their entirety and replaced with the following new limbs 11., 12. and 13.:

11. *Prohibition of Sales to EEA Retail Investors:*

[Applicable/Not Applicable]

(If the offer of the Covered Bonds clearly does

not constitute "packaged" products or the Covered Bonds do constitute "packaged" products and a key information document will be prepared in the EEA, "Not Applicable" should be specified. If the Covered Bonds may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)

[Applicable/Not Applicable]

(If the offer of the Covered Bonds clearly does not constitute "packaged" products, or the Covered Bonds do constitute "packaged" products and a key information document will be prepared in the UK "Not Applicable" should be specified. If the Covered Bonds may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)

12. Prohibition of Sales to UK Retail Investors:

13. Prohibition of Sales to Belgian Consumers:

[Applicable/Not Applicable]

** * * **

TAXATION

On page 208 of the Base Prospectus, under the paragraph headed “*Italian resident Covered Bondholders*”, the third sub-paragraph is deleted in its entirety and replaced as follows:

“Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from any income taxation, including the imposta sostitutiva, on Interest relating to the Covered Bonds if the Covered Bonds are included in a long-term individual savings account (piano individuale di risparmio a lungo termine) that meets the requirements set forth in Article 1(100-114) of Law No. 232 of 11 December 2016 (the Finance Act 2017), as amended and supplemented from time to time.”.

On page 208 of the Base Prospectus, under the paragraph headed “*Italian resident Covered Bondholders*”, the seventh sub-paragraph is deleted in its entirety and replaced as follows:

“Where an Italian resident Covered Bondholder is a pension fund (subject to the regime provided for by article 17 of the Italian Legislative Decree No. 252 of 5 December 2005) and the Covered Bonds are deposited with an authorised intermediary, Interest relating to the Covered Bonds and accrued during the holding period will not be subject to imposta sostitutiva, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 20 per cent. substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, Interest relating to the Covered Bonds may be excluded from the taxable base of the 20 per cent. substitute tax if the Covered Bonds are included in a long-term individual savings account (piano individuale di risparmio a lungo termine) that meets the requirements set forth in Article 1 (100-114) of Finance Act 2017, as amended and supplemented from time to time.”.

On page 210 of the Base Prospectus, under the paragraph headed “*Atypical Securities*”, the second sub-paragraph is deleted in its entirety and replaced as follows:

“Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from any income taxation, including the withholding tax, on Interest relating to the Covered Bonds qualifying as atypical securities if such Covered Bonds are included in a long-term individual savings account (piano individuale di risparmio a lungo termine) that meets the requirements set forth in Article 1 (100-114) of the Finance Act 2017, as amended and supplemented from time to time.”.

On page 211 of the Base Prospectus, under the paragraph headed “*Capital gain tax*”, the fourth sub-paragraph is deleted in its entirety and replaced as follows:

“Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February

1996 may be exempt from Italian capital gain taxes, including the imposta sostitutiva, on capital gains realised upon sale or redemption of the Covered Bonds if the Covered Bonds are included in a long-term individual savings account (piano individuale di risparmio a lungo termine) that meets the requirements set forth in Article 1(100-114) of Finance Act 2017, as amended and supplemented from time to time.”.

On page 212 of the Base Prospectus, under the paragraph headed “*Capital gain tax*”, the seventh sub-paragraph is deleted in its entirety and replaced as follows:

“Any capital gains realised by a Covered Bondholder who is an Italian pension fund (subject to the regime provided for by article 17 of the Italian Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 20 per cent. substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, capital gains realised upon sale or redemption of the Covered Bonds may be excluded from the taxable base of the 20 per cent. substitute tax if the Covered Bonds are included in a long-term individual savings account (piano individuale di risparmio a lungo termine) that meets the requirements set forth in Article 1 (100-114) of Finance Act 2017, as amended and supplemented from time to time.”.

On page 213 of the Base Prospectus, under the paragraph headed “*Wealth Tax on securities deposited abroad*”, the second sub-paragraph is deleted in its entirety and replaced as follows:

“This tax is calculated on the market value of the Covered Bonds at the end of the relevant year or – if no market value is available – the nominal value or the redemption value of such financial assets held outside the Italian territory. Pursuant to the provisions of Article 134 of Law Decree No. 34/2020, as converted into law with amendments by Law No. 77 of 17 July 2020, the wealth tax cannot exceed Euro 14,000.00 for taxpayers different from individuals. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).”.

* * * *

INFORMATION INCORPORATED BY REFERENCE

Under the section headed “*Information incorporated by reference*”, on page 58 of the Base Prospectus, the paragraphs commencing “*This Base Prospectus should be read*” and ending before the paragraph headed “*Cross Reference List*” are deleted and replaced by the following (the underlined words show the insertions made):

“*This Base Prospectus should be read and construed in conjunction with the following information, which has been previously published or are published simultaneously with this Base Prospectus and which have been or are filed with the CSSF:*

- (a) *Issuer’s audited consolidated and separate (non-consolidated) financial statements of the Issuer and the relevant review report at 31 December 2018:*

<https://www.popso.it/cm/pages/ServeAttachment.php/L/EN/D/1%252Fb%252F5%252FD.5e23babb08066078e9f5/P/BLOB%3AID%3D2444/E/pdf>.

- (b) *Issuer’s audited consolidated and separate (non-consolidated) financial statements and the relevant review report of the Issuer at 31 December 2019:*

<https://www.popso.it/cm/pages/ServeAttachment.php/L/EN/D/1%252F0%252Fc%252FD.13c108668f45d6f7af02/P/BLOB%3AID%3D2658/E/pdf>

- (c) *Issuer’s unaudited interim condensed consolidated financial statements as at and for the three months ended on 31 March 2020:*

<https://www.popso.it/cm/pages/ServeAttachment.php/L/EN/D/1%252F8%252F7%252FD.96b564044f250bd773a9/P/BLOB%3AID%3D2636/E/pdf>

- (d) *Issuer’s reviewed interim condensed consolidated financial statements as at and for the six months ended on 30 June 2020:*

<https://www.popso.it/cm/pages/ServeAttachment.php/L/EN/D/1%252F7%252F2%252FD.31e021cbeb59d9b12534/P/BLOB%3AID%3D2683/E/pdf>

- (e) *Issuer’s unaudited consolidated interim report on operations as at and for the nine months ended on 30 September 2020:*

<https://www.popso.it/cm/pages/ServeAttachment.php/L/EN/D/1%252F4%252Fe%252FD.c74a8a13f63586ebb70d/P/BLOB%3AID%3D2709/E/pdf>

- (f) *Guarantor’s Financial Statements as at and for the year ended on 31 December 2018:*

<https://www.popso.it/cm/pages/ServeAttachment.php/L/IT/D/1%252F6%252F6%252FD.462318a67db6a1708c7d/P/BLOB%3AID%3D2648/E/pdf>

- (g) *Guarantor’s Audit report in respect to the Financial Statements of the Guarantor as at and for the year ended on 31 December 2018:*

<https://www.popso.it/cm/pages/ServeAttachment.php/L/IT/D/1%252F3%252F7%252FD.2eaaeb31ac236e24502/P/BLOB%3AID%3D2648/E/pdf>

- (h) *Guarantor’s Financial Statements as at and for the year ended on 31 December 2019:*

<https://www.popso.it/cm/pages/ServeAttachment.php/L/IT/D/1%252Fd%252F6%252FD.a5513623023df326d714/P/BLOB%3AID%3D2648/E/pdf>

- (i) *Guarantor’s Audit report in respect to the Financial Statements of the Guarantor as at and for the year ended on 31 December 2019:*

<https://www.popso.it/cm/pages/ServeAttachment.php/L/IT/D/1%252Fb%252Fc%252FD.ea5eb502003dda0d035c/P/BLOB%3AID%3D2648/E/pdf>

- (j) Press release headed “Disposal of a 1 billion portfolio of bad loans completed” published on 17 June 2020:

<https://www.popso.it/cm/pages/ServeAttachment.php/L/EN/D/1%252Fe%252F5%252FD.02417a09a7cb3756a503/P/BLOB%3AID%3D2635/E/pdf>

- (k) Press release headed “Fitch Ratings has removed all the Rating Watch Negative (RWN) attributed on 24 March 2020 to the ratings of Banca Popolare di Sondrio, confirming the long-term rating at ‘BB + ’” published by the Issuer on 25 September 2020:

<https://www.popso.it/cm/pages/ServeAttachment.php/L/EN/D/1%252Fb%252F8%252FD.2670d8394f702cf9ea98/P/BLOB%3AID%3D2674/E/pdf>

- (l) Press release headed “Information on the evolution of the transformation process of Banca Popolare di Sondrio into a joint-stock company based on Law 24 March 2015, no. 33” published by the Issuer on 15 October 2020:

<https://www.popso.it/cm/pages/ServeAttachment.php/L/EN/D/1%252F6%252F1%252FD.c696d6398356e581c7ca/P/BLOB%3AID%3D2681/E/pdf>

- (m) Press release headed “DBRS Morningstar confirms Banca Popolare di Sondrio’s Long-Term Issuer Rating at the investment grade level BBB (low), with trend Negative.” Published on 16 November 2020:

<https://www.popso.it/cm/pages/ServeAttachment.php/L/EN/D/1%252F3%252F8%252FD.1f49e45eb86cbb793bd6/P/BLOB%3AID%3D2697/E/pdf>

- (n) Press release headed “Banca Popolare di Sondrio well above the SREP Requirements for 2021 confirmed by the European Central Bank” published on 27 November 2020:

<https://www.popso.it/cm/pages/ServeAttachment.php/L/EN/D/1%252Fc%252F8%252FD.202801d860793765226a/P/BLOB%3AID%3D2707/E/pdf>

- (o) Press release headed “The securitization called “POP NPLS 2020” has been completed. The transaction was carried out through a multi-originator sale of a portfolio of bad loans for a total gross book value of € 919.9 million, of which € 371.8 million referable to Banca Popolare di Sondrio S.C.p.A. – The guarantee of the Italian State (“GACS”) will be requested on the senior tranche” published on 23 December 2020:

<https://www.popso.it/cm/pages/ServeAttachment.php/L/EN/D/1%252Fa%252Ff%252FD.86c493b8b651ada36e99/P/BLOB%3AID%3D2719/E/pdf>

- (p) Press release headed “Meeting of the board of directors of 5 February 2021: approval of consolidated preliminary results as at 31 of December 2020” published on 5 February 2021:

<https://www.popso.it/cm/pages/ServeAttachment.php/L/EN/D/1%252Fd%252F8%252FD.26599e53d7887a7656d9/P/BLOB%3AID%3D2741/E/pdf>

The tables below set out the relevant page references for: (i) the statements, the notes, including the accounting policies and the independent auditor’s report relating to the consolidated and separate (non-consolidated) financial statements of the Issuer as at and for the years ended 31 December 2019 and 2018; (ii) the consolidated statements relating to the interim condensed consolidated financial statements of the Issuer as at and for three months ended on 31 March

2020; (iii) the statements, the notes, including the accounting policies and the independent auditor's review reports relating to the financial statements of the Guarantor as at and for the years ended on 31 December 2019 and 2018; (iv) the consolidated statements relating to the reviewed interim condensed consolidated financial statements of the Issuer as at and for six months ended on 30 June 2020; and (v) the Issuer's unaudited consolidated interim report on operations as at and for the nine months ended on 30 September 2020.".

The audited consolidated and separate (non-consolidated) financial statements referred to above, together with the independent auditor's reports thereon, and the unaudited condensed interim consolidated financial statements are available both in the original in Italian language and in English language. The English language versions represent a direct translation from the Italian language documents. The Issuer and the Guarantor are responsible for the English translations of the financial reports incorporated by reference in this Base Prospectus as applicable and declare that such is an accurate and not misleading translation in all material respects of the Italian language version of the Issuer's and Guarantor's financial reports.

Copies of the Issuer's financial statements incorporated by reference into this Base Prospectus may be obtained from the registered office of the Issuer and the Issuer's website (<http://www.popso.it>). This Base Prospectus and the documents incorporated by reference will also be available on the Luxembourg Stock Exchange's web site (www.bourse.lu).

* * * *

Issuer's Interim Financial Report June 2020

By virtue of this Supplement, the English language version of the Issuer's Interim Financial Report June 2020, which has previously been published and has been filed with the CSSF, is incorporated by reference in, and form part of, the Base Prospectus.

The Issuer's Interim Financial Report June 2020 is available both in its original version in Italian and translated into English on the website of the Issuer (<https://www.popso.it/cm/pages/ServeAttachment.php/L/EN/D/1%252F7%252F2%252FD.31e021cbeb59d9b12534/P/BLOB%3AID%3D2683/E/pdf>) and, free of charge, during usual business hours on any weekday (except for Saturdays, Sundays and public holidays in Italy) at the registered office of the Issuer. The English language version represents an accurate and direct translation from the Italian language document, and where there is a discrepancy between the Italian and the English version, the former shall prevail.

The following table shows the information included in the Issuer's Interim Financial Report June 2020 incorporated by reference into the Base Prospectus. The following table completes the cross reference list included under page 58 of the Base Prospectus:

<i>Reviewed Issuer's Interim Financial Report</i>	<i>As at 30 June 2020</i>
<i>Consolidated Balance Sheet</i>	<i>Pages 56 – 57</i>
<i>Consolidated Income Statement</i>	<i>Page 58</i>
<i>Statement of Consolidated Comprehensive Income</i>	<i>Page 59</i>
<i>Statement of Changes in Consolidated Equity</i>	<i>Pages 60 – 61</i>
<i>Consolidated Cash Flow Statement</i>	<i>Pages 62 – 63</i>
<i>Explanatory Notes</i>	<i>Pages 65 – 150</i>

Pursuant to Article 19(1) of Regulation (EU) 2017/1129, the information contained in the documents that is not listed in the cross-reference list above is not incorporated by reference and is either not relevant for the investors or covered elsewhere in the Base Prospectus.

Issuer's Interim Financial Report September 2020

By virtue of this Supplement, the English language version of the Issuer's Interim Financial Report September 2020, which has previously been published and has been filed with the CSSF, is incorporated by reference in, and form part of, the Base Prospectus.

The Issuer's Interim Financial Report September 2020 is available both in its original version in Italian and translated into English on the website of the Issuer (<https://www.popso.it/cm/pages/ServeAttachment.php/L/EN/D/1%252F4%252Fe%252FD.c74a8a13f63586ebb70d/P/BLOB%3AID%3D2709/E/pdf>) and, free of charge, during usual business hours on any weekday (except for Saturdays, Sundays and public holidays in Italy) at the registered office of the Issuer. The English language version represents an accurate and direct translation from the Italian language document, and where there is a discrepancy between the Italian and the English version, the former shall prevail.

The following table shows the information included in the Issuer's Interim Financial Report September 2020 incorporated by reference into the Base Prospectus. The following table completes the cross-reference list included under page 58 of the Base Prospectus:

<i>Unaudited Issuer's Interim Financial Report</i>	<i>As at 30 September 2020</i>
<i>Significant accounting policies and uncertainties about the use of estimates when preparing the consolidated financial statements</i>	<i>Pages 37 - 40</i>
<i>Consolidated Balance Sheet</i>	<i>Pages 44 - 45</i>
<i>Consolidated Income Statement</i>	<i>Page 46</i>
<i>Statement of Consolidated Comprehensive Income</i>	<i>Page 47</i>
<i>Statement of Changes in Equity</i>	<i>Pages 48 - 49</i>

Pursuant to Article 19(1) of Regulation (EU) 2017/1129, the information contained in the documents that is not listed in the cross-reference list above is not incorporated by reference and is either not relevant for the investors or covered elsewhere in the Base Prospectus.

* * * * *

In addition, the following documents which have previously been published and have been filed with the CSSF shall be incorporated, by virtue of this Supplement, by reference in, and forms part of, the Base Prospectus:

Document	Information Incorporated	Page Reference
Press release headed " <i>Fitch Ratings has removed all the Rating Watch Negative (RWN) attributed on 24 March 2020 to the ratings of Banca</i>	Press release	Entire document

Popolare di Sondrio, confirming the long-term rating at 'BB +' published by the Issuer on 25 September 2020

Press release headed "*Information on the evolution of the transformation process of Banca Popolare di Sondrio into a joint-stock company based on Law 24 March 2015, no. 33*" published by the Issuer on 15 October 2020. Press release Entire document

Press release headed "*DBRS Morningstar confirms Banca Popolare di Sondrio's Long-Term Issuer Rating at the investment grade level BBB (low), with trend Negative.*" published on 16 November 2020. Press release Entire document

Press release headed "*Banca Popolare di Sondrio well above the SREP Requirements for 2021 confirmed by the European Central Bank*" published on 27 November 2020. Press release Entire document

Press release headed "*The securitization called 'POP NPLS 2020' has been completed. The transaction was carried out through a multi-originator sale of a portfolio of bad loans for a total gross book value of € 919.9 million, of which € 371.8 million referable to Banca Popolare di Sondrio S.C.p.A. - The guarantee of the Italian State ('GACS') will be requested on the senior tranche*" published on 23 December 2020. Press release Entire document

Press release headed "*Meeting of the board of directors of 5 February 2021: approval of consolidated preliminary results as at 31 of December 2020*" published on 5 February 2021. Press release Entire document

Pursuant to Article 19(1) of Regulation (EU) 2017/1129, the information contained in the documents that is not listed in the cross-reference list above is not incorporated by reference

and is either not relevant for the investors or covered elsewhere in the Base Prospectus.

EY S.p.A., as independent auditor of the Issuer, has agreed that the financial information as at 31 December 2020 and for the year then ended included in the above mentioned attachment, which has not been audited, is substantially consistent with the final figures to be published in the next annual audited consolidated financial statements of the Issuer for the year ended 31 December 2020.

The information included in the Press Release dated 5 February 2021 has been compiled and prepared on a basis which is both: (a) comparable with the historical financial information; (b) consistent with the Issuer's accounting policies. The financial information included in the Press Release published by the Issuer on 5 February 2021 on its website (at <https://www.popso.it/cm/pages/ServeAttachment.php/L/EN/D/1%252Fd%252F8%252FD.26599e53d7887a7656d9/P/BLOB%3AID%3D2741/E/pdf>) refers to a 12-month period ended on 31 December 2020 and therefore there are no assumptions or factors which the members of the administrative, management or supervisory bodies can influence.

* * * *

THE ISSUER

On pages 148–150 of the Base Prospectus, under the paragraph headed “*DIRECTORS, SENIOR MANAGERS AND MEMBERS OF THE SUPERVISORY BODIES*”, the rows related to “*Mario Alberto Pedranzini*”, “*Loretta Credaro*” and “*Annalisa Rainoldi*” of the table “*Board of Directors*” are deleted in their entirety and replaced as follows:

Mario Alberto Pedranzini ***	Chief Executive Officer and Managing Director	<ul style="list-style-type: none"> – Factorit S.p.A. (Deputy Chairperson); – Banca Popolare di Sondrio (SUISSE) SA (Chairperson of the Board of Directors); – Banca della Nuova Terra S.p.A. (Director); – IEO Istituto Europeo di Oncologia (Director); – Associazione Bancaria Italiana (Director); – Associazione Nazionale fra le Banche Popolari (Deputy Chairperson).
Loretta Credaro *	Director	<ul style="list-style-type: none"> – Sondrio Servizi al Terziario S.r.l. (Chairperson of the Board of Directors); – Confcommercio (National Director); – Unione Commercio, Turismo e Servizi della provincia di Sondrio (Chairperson of the Board of Directors); – C.C.I.A.A. Sondrio (Chairperson of the Board of Directors).
Annalisa Rainoldi ***	Director	<ul style="list-style-type: none"> – Rainoldi Mac S.r.l. (Chairperson of the Board of Directors); – Rainoldi Legnami S.r.l. (Director).

On pages 150–151 of the Base Prospectus, under the paragraph headed “*DIRECTORS, SENIOR MANAGERS AND MEMBERS OF THE SUPERVISORY BODIES*”, the rows related to “*Piergiuseppe Forni*”, “*Laura Vitali*”, “*Luca Zoani*” of the table “*Board of Auditors*” are deleted in their entirety and replaced as follows:

Piergiuseppe Forni	Chairperson of the Board of Auditors	<ul style="list-style-type: none"> – Pirovano Stelvio S.p.A. (Chairperson of the Board of Auditors); – Sinergia Seconda S.r.l. (Auditor).
---------------------------	---	---

<p>Laura Vitali</p>	<p>Auditor</p>	<ul style="list-style-type: none"> – Emilio Giacomelli srl (Single Auditor); – Musixmach S.p.A. (Auditors); – Club Acceleratori S.p.A. (Auditor); – American Startup Club S.p.A. (Auditor); – Secam S.p.A. (Auditor); – Servizi Ecologici Ambientali S.r.L. (Auditor); – Coptron s.coop (Chairperson of the Board of Auditors).
<p>Luca Zoani</p>	<p>Auditor</p>	<ul style="list-style-type: none"> – Factorit S.p.A. (Chairperson of the Board of Auditors); – Arrow Electronics Italia srl (Single Auditor); – Mapfre Warranty S.p.A. (Auditor); – Bellatrix S.p.A. (Auditor); – RYOMA MC srl (Single Auditor); – CMA MC srl (Single Auditor); – Formula Impresoft S.p.A. (Auditor); – DGS S.p.A. (Auditor).

On pages 151-152 of the Base Prospectus, under the paragraph headed "*DIRECTORS, SENIOR MANAGERS AND MEMBERS OF THE SUPERVISORY BODIES*", the rows related to "*Mario Alberto Pedranzini*" of the table "*General Management*" is deleted in its entirety and replaced as follows:

<p>Mario Alberto Pedranzini</p>	<p>Chief Executive Officer and General Manager</p>	<ul style="list-style-type: none"> – Factorit S.p.A. (Deputy Chairperson); – Banca Popolare di Sondrio (SUISSE) SA (Chairperson of the Board of Directors); – Banca della Nuova Terra S.p.A. (Director); – IEO Istituto Europeo di Oncologia (Director); – Associazione Bancaria Italiana (Director); – Associazione Nazionale fra le Banche Popolari (Deputy Chairperson).
--	---	---

On page 152 of the Base Prospectus, under the paragraph headed “*DIRECTORS, SENIOR MANAGERS AND MEMBERS OF THE SUPERVISORY BODIES*”, the row related to “*Massimo Perona*” is added after the last row of the table “*General Management*” as follows:

Massimo Perona	CFO	<ul style="list-style-type: none">– Ram Active Investments SA (Chairperson of the Board of Directors)– Antares Vision spa (Director)
-----------------------	------------	---

On page 154 of the Base Prospectus, under the paragraph headed “*Regulatory Capital*”, the following first and second sub-paragraphs are deleted in their entirety and replaced as follows:

“As at 30 September 2020, the BPS Group’s capital ratios were as follows: Common Equity Tier 1 ratio of 16.25 per cent. (fully phased), Tier 1 ratio of 16.29 per cent. (fully phased) and a Total Capital ratio of 18.66 per cent. (fully phased).”

As at 31 December 2020, the BPS Group’s capital ratios, were as follows: Common Equity Tier 1 ratio of 16.20 per cent. (fully phased), Tier 1 ratio of 16.25 per cent. (fully phased) and a Total Capital ratio of 18.44 per cent. (fully phased).”

On page 154 of the Base Prospectus, under the paragraph headed “*Regulatory Capital*”, the following last sub-paragraph is deleted in its entirety and replaced as follows:

“Following the SREP in December 2019, the ECB has set the minimum capital requirement in terms of CET1 for the BPS Group in respect to 2020, which is 10 per cent. Regarding the total capital ratio, this one was set at 13.5 per cent.

By means of a subsequent communication of 8 April 2020, the ECB, in view of the COVID-19 emergency, provided – with effect from 12 March 2020 – that the minimum CET1 requirement for the BPS Group for 2020 is 8.69 per cent., the minimum Tier 1 Capital Ratio requirement is 10.75 per cent., while the total capital ratio remained unchanged at 13.50 per cent. In accordance with a subsequent communication received from the ECB, the same requirements will also apply for 2021.”

On page 154 of the Base Prospectus, under the paragraph headed “*Regulatory Capital*”, the following sub-paragraph is added as last sub-paragraph:

“With regard to the 2020 SREP process, the ECB, taking into account the COVID-19 contingency, has informed that, as a general rule, no SREP decisions will be issued during the 2020 financial year; therefore, the additional capital levels determined as result of the outcome of the SREP procedures concluded during 2019 will continue to apply.”

On page 160 of the Base Prospectus, under the paragraph headed “*Banking Resolution under the EU Bank Recovery and Resolution Directive (BRRD)*” after the last sub-paragraph the following sub-paragraph is added:

“In August 2020, the EBA issued its Final Report on the draft ITS on disclosure reporting on MREL and TLAC, providing for: (i) draft uniform disclosure formats for MREL and TLAC disclosure according – respectively – to Articles 45i(6) of the BRRD and 434a of the CRR; (ii) draft uniform reporting templates, instructions and methodology for MREL and TLAC reporting according – respectively – to Articles 45i(5) of the BRRD and 430(7) of the CRR. Such draft ITS have been transmitted to the European Commission for its approval.

In September 2020, the European Commission issued a notice aimed at interpreting certain legal provisions of the revised bank resolution framework (i.e. BRRD, SRMR, CRR and CRD IV) in reply to questions raised by NCAs, addressing the following issues: (i) the power to prohibit certain distributions; (ii) powers to suspend payment or delivery obligations; (iii) selling of subordinated eligible liabilities to retail clients; (iv) minimum requirement for own funds and eligible liabilities; (v) bail-in tool; (vi) contractual recognition of bail-in; (vii) write down or conversion of capital instruments and eligible liabilities; (viii) exclusion of certain contractual terms in early intervention and resolution; and (ix) contractual recognition of resolution stay powers. As pinpointed by the same Commission, the notice merely clarifies the provisions already contained in the applicable legislation, while it does not extend in any way the rights and obligations deriving from such legislation nor introduce any additional requirements of the concerned operators and competent authorities.”.

On page 161 of the Base Prospectus, the paragraph headed “*The Supervisory Review and Evaluation Process*” is deleted in its entirety and replaced as follows:

*“The Issuer is subject to the Pillar 2 requirements for banks imposed under the Directive 2013/36/EU of the European Parliament and of the Council of the European Union of 26 June 2013 and the Regulation (EU) No 575/2013 of the European Parliament and of the Council of the European Union of 26 June 2013 (jointly the **CRD IV Package**), which will be impacted, on an on-going basis, by the Supervisory Review and Evaluation Process (**SREP**). The SREP is aimed at ensuring that institutions have in place adequate arrangements, strategies, processes and mechanisms to maintain the amounts, types and distribution of internal capital commensurate to their risk profile, as well as robust governance and internal control arrangements. The key purpose of the SREP is to ensure that institutions have adequate arrangements as well as capital and liquidity to ensure sound management and coverage of the risks to which they are or might be exposed, including those revealed by stress testing, as well as risks the institution may pose to the financial system. On 22 April 2020, the EBA published a statement on additional supervisory measures in the light of the COVID-19. The EBA states that it recognises the need for a pragmatic and effective SREP, specific for the 2020 exercise. In light of the above, on 23 July 2020 the EBA issued the Final Report of the Guidelines “on the pragmatic 2020 supervisory review and evaluation process in light of the COVID-19 crisis”, aimed at making available to competent authorities a special procedure for the supervisory review and evaluation process (SREP) for the year 2020. In particular, they identify how flexibility and pragmatism could be exercised in relation to the SREP framework in the context of the COVID-19 pandemic.”.*

On page 162 of the Base Prospectus, under the paragraph headed “*The covered bond Directive and Regulation*”, after the last sub-paragraph, the following new sub-paragraphs are added as follows:

*“On 27 October 2020, the European Commission issued a draft delegated regulation aimed at amending Delegated Regulation (EU) 2015/61 (the **LCR Delegated Regulation**) on the Liquidity Coverage Ratio (LCR). The LCR Delegated Regulation is applicable to all credit institutions, including those issuing covered bonds. Such credit institutions are currently subject to the liquidity coverage requirement applicable for a period of 30 calendar days, during which a covered bond issuer has to ensure it has sufficient liquid assets (in the meaning of the LCR Delegated Regulation) to cover the net liquidity outflows (in the meaning of the LCR Delegated Regulation), including those stemming from the covered bond programme. At the same time, Directive (EU) 2019/2162 requires credit institutions issuing covered bonds to maintain at all times a liquidity buffer (‘cover pool liquidity buffer’) composed of liquid assets available to cover the net liquidity outflows of their covered bonds programmes for a period of 180 days. The cover pool liquidity buffer established by the Directive (EU) 2019/2162 includes assets that meet all but one requirement to be recognised as liquid assets under the LCR Delegated Regulation: assets in the cover pool liquidity buffer are subject to the segregation requirement under the Article 12 of the Directive (EU) 2019/2162, making them encumbered and therefore ineligible in the LCR liquidity buffer, thus duplicating the liquidity requirements covered bonds issuers have to comply with. To ensure that Member States can address such overlap, Directive (EU) 2019/2162 includes an option for Member States to waive the specific cover pool liquidity buffer requirement for the time that the credit institution issuing covered bonds complies with other liquidity requirements under Union law. However, the exercise of the abovementioned waiver to avoid double counting would not be prudentially sound because, after the separation of the credit institution’s estates in stress scenarios, it would reduce the liquid assets in the cover pool intended to respond to its own payment obligations (liquid assets fulfilling the general liquidity coverage requirement are by definition unencumbered, meaning that they are freely available for the credit institution and part of its general estate). The draft delegated regulation aims to remove the overlap, by permitting credit institutions to treat liquid assets held as part of the cover pool liquidity buffer as unencumbered up to the amount of net liquidity outflows from the associated covered bond programme. Moreover, several additional changes to the LCR Delegated Regulation are proposed in the context of the draft delegated regulation at hand, in order to align the LCR Delegated Regulation with Article 129 of the CRR, as amended by Regulation (EU) 2019/2160. The consultation remained opened until 24 November 2020.*

On 29 October 2020, the Italian Senate approved the draft European Delegated Law 2019, which is aimed – once formally adopted – to delegate the Italian Government to implement – inter alia – Directive (EU) 2019/2162. According to the draft European Delegated Law 2019:

- the Bank of Italy will be the competent authority for the supervision on covered bonds;*
- the implementing provisions shall provide for the exercise of the option granted by Article 17 of Directive (EU) 2019/2162, allowing for the issue of covered bonds with extendable maturity structures, and*

the implementing provisions shall grant the Bank of Italy with the power to exercise the option to set for covered bonds a minimum level of overcollateralization lower than the thresholds set out under Article 1 of Regulation (EU) 2019/2162 (i.e. 2% or 5% depending on the assets included in the cover pool).

As of the date of this Base Prospectus, the Issuer is not capable of assessing the impact that the application of the above provisions will have on the Issuer, the Guarantor and the Covered Bonds.

After the date hereof, the performance of the Covered Bonds and the ratings assigned to the Covered Bonds may be affected. In addition, it should be noted that regulatory requirements may be recast or amended and there can be no assurance that any such changes will not adversely affect the compliance position of any transaction described in this Base Prospectus or of any party and perspective investors under any applicable law or regulation, nor can any assurance be given as to whether any such changes could adversely affect the ability of the Issuer to meet its obligations in respect of the Covered Bonds or the Guarantor to meet its obligations under the Covered Bond Guarantee. Any such change could adversely impact the value of the Covered Bonds.”.

* * * *

SUBSCRIPTION AND SALE

On page 216 of the Base Prospectus, under the paragraph headed "*Public Offer Selling Restriction under the Prospectus Regulation*", the sub-paragraphs from "*If the applicable Final Terms [...] to "Prospectus Regulation" Regulation (EU) 2017/1129, as amended from time to time.*" are deleted in their entirety and replaced as follows:

"Prohibition of Sales to EEA Retail Investors

If the Final Terms in respect of any Covered Bonds includes a legend entitled "Prohibition of Sales to EEA Retail Investors", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Covered Bonds which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:*
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or*
 - (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the **IDD**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or*
 - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the **Prospectus Regulation**); and*
- (b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Covered Bonds.*

If the Final Terms in respect of any Covered Bonds includes a legend entitled "Prohibition of Sales to EEA Retail Investors", in relation to each Member State of the European Economic Area , each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Covered Bonds which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to the public in that Member State except that it may, make an offer of such Covered Bonds to the public in that Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;*
- (b) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or*
- (c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,*

provided that no such offer or distribution of Covered Bonds referred to in (a) to (c) above shall

require the Issuer or any Dealer to publish a Base Prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a Base Prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, (i) the expression an "offer of Covered Bonds to the public" in relation to any Covered Bonds 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 Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Covered Bonds, (ii) the expression Prospectus Regulation means Regulation (EU) 2017/1129, as amended from time to time."

On pages 216–217 of the Base Prospectus, the paragraph headed "Prohibition of Sales to EEA and UK Retail Investors" is deleted in its entirety and replaced as follows:

"Prohibition of Sales to UK Retail Investors

If the Final Terms in respect of any Covered Bonds includes a legend entitled "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Covered Bonds which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
- (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018; or
 - (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the **FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018; or
 - (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.
- (b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Covered Bonds.

If the Final Terms in respect of any Covered Bonds includes a legend entitled "Prohibition of Sales to UK Retail Investors", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Covered Bonds which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in the United Kingdom except that it may make an offer of such Covered Bonds to the public in the United Kingdom:

- (a) *at any time to any legal entity which is a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA;*
- (b) *at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or*
- (c) *at any time in any other circumstances falling within section 86 of the FSMA..*

For the purposes of this provision, (i) the expression “an offer of Covered Bonds to the public” in relation to any Covered Bonds means the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Covered Bonds, (ii). the expression “Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.”.

* * * *

GENERAL INFORMATION

On page 221 of the Base Prospectus, the paragraph headed “*No Significant Change*” is deleted and replaced as follows:

“No Significant Change

There has been no significant change in the financial performance and financial position of Banca Popolare di Sondrio and the Banca Popolare di Sondrio Group since 30 September 2020.

There has been no significant change in the financial performance and financial position of POPSO Covered Bond S.r.l. since 31 December 2019.”.

* * * * *

On pages 221–222 of the Base Prospectus, the paragraph headed “*Documents available for inspection*” shall be deleted and replaced as follows:

“For so long as the Programme remains in effect or any Covered Bonds shall be outstanding and admitted to trading on the regulated market of the Luxembourg Stock Exchange, and in any case for at least 10 (ten) years after the relevant publication, copies and, where appropriate, English translations of the following documents may be inspected during normal business hours at the registered office of the Luxembourg Listing Agent, namely:

- (i) the Programme Documents;*
- (ii) the Issuer’s memorandum of association (Atto Costitutivo) and by-laws (Statuto) as of the date hereof;*
- (iii) the Guarantor’s memorandum of association (Atto Costitutivo) and by-laws (Statuto) as of the date hereof;*
- (iv) Issuer’s audited consolidated and separate (non-consolidated) financial statements and the relevant independent auditor’s reports as at and for the years ended on 31 December 2018;*
- (v) Issuer’s audited consolidated and separate (non-consolidated) financial statements of the Issuer at 31 December 2018;*
- (vi) Auditors’ reports on the Issuer’s audited consolidated and separate (non-consolidated) annual financial statements as at and for the year ended on 31 December 2019;*
- (vii) Issuer’s unaudited interim condensed consolidated financial statements and the relevant review report as at and for the three months ended on 31 March 2020;*
- (viii) Issuer’s reviewed interim condensed consolidated financial statements and the relevant review report as at and for the six months ended on 30 June 2020;*
- (ix) Issuer’s unaudited interim condensed consolidated financial statements and the relevant review report as at and for the nine months ended on 30 September 2020;*
- (x) Guarantor’s Financial Statements and the relevant audit report as at and for the year ended on 31 December 2018;*
- (xi) Guarantor’s Audit report in respect to Financial Statements of the Guarantor as at and for the year ended on 31 December 2018;*
- (xii) Guarantor’s Financial Statements as at and for the year ended on 2018;*

- (xiii) *Guarantor's Audit report in respect to Financial Statements of the Guarantor as at and for the year ended on 31 December 2019;*
- (xiv) *Guarantor's Audit report in respect to the Financial Statements of the Guarantor as at 31 December 2019;*
- (xv) *Press release "Disposal of a 1 billion portfolio of bad loans completed" published on 17 June 2020;*
- (xvi) *Press release headed "Fitch Ratings has removed all the Rating Watch Negative (RWN) attributed on 24 March 2020 to the ratings of Banca Popolare di Sondrio, confirming the long-term rating at 'BB +'" published by the Issuer on 25 September 2020;*
- (xvii) *Press release headed "Information on the evolution of the transformation process of Banca Popolare di Sondrio into a joint-stock company based on Law 24 March 2015, no. 33" published by the Issuer on 15 October 2020;*
- (xviii) *Press release headed "DBRS Morningstar confirms Banca Popolare di Sondrio's Long-Term Issuer Rating at the investment grade level BBB (low), with trend Negative." published on 16 November 2020;*
- (xix) *Press release headed "Banca Popolare di Sondrio well above the SREP Requirements for 2021 confirmed by the European Central Bank" published on 27 November 2020;*
- (xx) *Press release headed "The securitization called "POP NPLS 2020" has been completed. The transaction was carried out through a multi-originator sale of a portfolio of bad loans for a total gross book value of € 919.9 million, of which € 371.8 million referable to Banca Popolare di Sondrio S.C.p.A. – The guarantee of the Italian State ("GACS") will be requested on the senior tranche" published on 23 December 2020;*
- (xxi) *Press release headed "Meeting of the board of directors of 5 February 2021: approval of consolidated preliminary results as at 31 of December 2020" published on 5 February 2021; and*
- (xxii) *a copy of this Base Prospectus together with any supplement thereto, if any, or further Base Prospectus;*

any Final Terms relating to Covered Bonds, which are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system and any future offering circulars, prospectuses, and supplements to this Prospectus and any other documents incorporated herein or therein by reference. In the case of any Covered Bonds which are not admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, copies of the relevant Final Terms will only be available for inspection by the relevant Covered Bondholders.

Copies of all such documents shall also be available to Covered Bondholders at the registered office of the Representative of the Covered Bondholders, and at the following website <https://www.popso.it>.

It being understood that this Base Prospectus, any supplement to this Base Prospectus, Final Terms and documents incorporated by reference shall remain publicly available in electronic form for at least 10 (ten) years after the relevant publication."