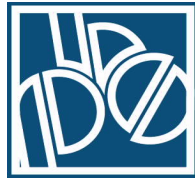


SUPPLEMENT DATED 28 SEPTEMBER 2018

TO THE BASE PROSPECTUS DATED 15 JANUARY 2018 AS SUPPLEMENTED ON 19 JULY 2018 AND  
ON 24 SEPTEMBER 2018



**Banca Popolare  
di Sondrio**

Fondata nel 1871

*BANCA POPOLARE DI SONDRIO S.C.p.A.*

*(incorporated as joint stock co-operative society in the Republic of Italy)*

€5,000,000,000

Euro Medium Term Note Programme

IN ACCORDANCE WITH ARTICLE 7, PARAGRAPH 7, OF THE LUXEMBOURG LAW (AS DEFINED BELOW), THE *COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER* ("CSSF") GIVES NO UNDERTAKING AS TO THE ECONOMIC OR FINANCIAL OPPORTUNENESS OF THE TRANSACTION OR THE QUALITY AND SOLVENCY OF THE ISSUER.

This supplement (the "**Supplement**") constitutes a supplement to the base prospectus dated 15 January 2018 as supplemented on 19 July 2018 and on 24 September 2018 (the "**Base Prospectus**"), for the purposes of Article 16 of Directive 2003/71/EC as amended (the "**Prospectus Directive**") and Article 13, paragraph 1, of the Luxembourg Law on Prospectuses for Securities dated 10 July 2005 (the "**Luxembourg Law**").

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

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

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (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.

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 Directive and the Luxembourg Law, as a supplement issued in compliance with the Prospectus Directive and relevant implementing measures in Luxembourg in order to update the section entitled "*Description of the Issuer*" included in the Base Prospectus in order to take into account certain amendments in respect of the measures of profitability included in the Base Prospectus by means of the Supplement dated 24 September 2018.

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 Notes issued under the Programme since the publication of the Base Prospectus. To the extent that there is any inconsistency between (i) any statement in this Supplement and (ii) any statement in or incorporated by reference into the Base Prospectus, the statements in this Supplement will prevail.

**Copies of this Supplement and all documents incorporated by reference in this Supplement can be obtained from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in Luxembourg and will be available for viewing on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).**

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## DESCRIPTION OF THE ISSUER

On page 148 of the Base Prospectus, at the end of the paragraph headed “*Measures of profitability*”, the subparagraphs added by means of the Supplement to the Base Prospectus dated 24 September 2018 are deleted and replaced as follows:

### “*Cost to income ratio*”

*Cost/Income ratio is a ratio of operating costs to total income derived from the income statement of the Issuer. Cost/income ratio is one of the primary indicators of efficiency of the Issuer. The higher the ratio is, the lower the profitability.*

<i>(in € /thousands)</i>	<b>30/06/2018</b>	<b>31/12/2017</b>	<b>31/12/2016</b>
<i>A. Operating costs</i>	(255,022)	(480,894)	(489,335)
<i>B. Total income</i>	433,219	961,854	884,683
<b><i>Cost to income ratio (A/B)</i></b>	<b><u>58.87%</u></b>	<b><u>50.00%</u></b>	<b>55.31%</b>

### *Net interest income to total assets*

*The ratio shows the profitability of the lending activity.*

<i>(in € /thousands)</i>	<b>30/06/2018</b>	<b>30/06/2017</b>	<b>31/12/2017</b>	<b>31/12/2016</b>
<i>A. Net interest income</i>	249,702	238,819	489,922	474,250
<i>B. Total assets</i>	41,553,082	40,581,084	41,624,654	37,196,325
<b><i>Net interest income to total assets (A/B)</i></b>	<b>0.60%</b>	<b>0.59%</b>	<b>1.18%</b>	<b>1.27%</b>

### *Net financial income to total assets*

*The ratio shows the incidence of lending activity on total assets.*

<i>(in € /thousands)</i>	<b>30/06/201</b>	<b>30/06/201</b>	<b>31/12/201</b>	<b>31/12/201</b>
	<b>8</b>	<b>7</b>	<b>7</b>	<b>6</b>
<i>A. Net financial income</i>	346,962	318,570	687,525	606,138
<i>B. Total assets</i>	41,533,082	40,581,084	41,624,654	37,196,325
<b><i>Net financial income to total assets (A/B)</i></b>	<b><u>0.83%</u></b>	<b>0.79%</b>	<b>1.65%</b>	<b>1.63%</b>

### *Net interest income to total income*

*The ratio shows the profitability of lending activity compared to the interest rate risk.*

<i>(in € /thousands)</i>	<b>30/06/2018</b>	<b>31/12/2017</b>	<b>31/12/2016</b>
<i>A. Net interest income</i>	249,702	489,922	474,250

<i>B. Total income</i>	433,219	961,854	884,683
<b>Net interest income to total incomes (A/B)</b>	<b>57.64%</b>	<b>50.94%</b>	<b>53.61%</b>

#### *Administrative expenses to total income*

The ratio shows in percentage the weight of administrative costs on net interest and other banking income.

<i>(in €/thousands)</i>	<b>30/06/2018</b>	<b>31/12/2017</b>	<b>31/12/2016</b>
<i>A. Administrative expenses</i>	(271,334)	(522,300)	(525,961)
<i>B. Total income</i>	433,219	961,854	884,683
<b>Administrative expenses to total income (A/B)</b>	<b>62.63%</b>	<b>54.30%</b>	<b>59.45%</b>

#### *Profit to total assets*

The return on assets (ROA) shows the percentage of how profitable a company's assets are in generating revenue.

<i>(in €/thousands)</i>	<b>30/06/2018</b>	<b>30/06/2017</b>	<b>31/12/2017</b>	<b>31/12/2016</b>
<i>A. Profit for the period</i>	74,154	56,332	159,210	98,599
<i>B. Total assets</i>	41,533,082	40,581,084	41,624,654	37,196,325
<b>Profit to total assets (A/B)</b>	<b>0.18%</b>	<b>0.14%</b>	<b>0.38%</b>	<b>0.27%</b>

#### *Texas ratio*

Texas ratio is a ratio of net non-performing loans to net tangible equity minus intangible assets. Texas ratio, represents the capability of the Issuer to support loan losses.

<i>(in €/thousands)</i>	<b>30/06/2018</b>	<b>31/12/2017</b>	<b>31/12/2016</b>
<i>A. Net non-performing loans</i>	1,936,267	2,070,758	2,382,391
<i>B. Equity</i>	2,599,329	2,678,920	2,587,756
<i>C. Intangible assets</i>	25,062	23,720	23,869
<b>Texas ratio (A/(B-C))</b>	<b>75.22%</b>	<b>77.99%</b>	<b>92.92%</b>

#### *Capital to direct funding from customers*

The ratio shows in percentage the weight of net the equity on direct customer deposits.

<i>(in €/thousands)</i>	<b>30/06/2018</b>	<b>31/12/2017</b>	<b>31/12/2016</b>
<i>A. Equity</i>	2,599,329	2,678,920	2,587,756
<i>B. Direct funding from customers</i>	31,192,688	31,634,284	30,934,135
<b>Capital to direct funding from customers (A/B)</b>	<b>8.33%</b>	<b>8.47%</b>	<b>8.37%</b>

#### Capital to customer loans

The ratio shows in percentage the weight of the net equity on loans and receivables with customers.

<i>(in €/thousands)</i>	<b>30/06/2018</b>	<b>31/12/2017</b>	<b>31/12/2016</b>
A. Equity	2,599,329	2,678,920	2,587,756
B. Loans with customers	26,017,092	25,755,836	25,313,464
<b>Capital to customer loans (A/B)</b>	<b><u>9.99%</u></b>	<b>10.40%</b>	<b>10.22%</b>

#### Capital to financial assets

The ratio shows in percentage the weight of net the equity on financial assets.

<i>(in €/thousands)</i>	<b>30/06/2018</b>	<b>31/12/2017</b>	<b>31/12/2016</b>
A. Equity	2,599,329	2,678,920	2,587,756
B. Financial assets	12,176,536	11,893,159	7,877,475
<b>Capital to financial assets (A/B)</b>	<b>21.35%</b>	<b>22.52%</b>	<b>32.85%</b>

#### Capital to total assets

The ratio shows in percentage the weight of net the equity on total assets and it is a financial independence index.

<i>(in €/thousands)</i>	<b>30/06/2018</b>	<b>31/12/2017</b>	<b>31/12/2016</b>
A. Equity	2,599,329	2,678,920	2,587,756
B. Total assets	41,553,082	41,624,654	37,196,325
<b>Capital to total assets (A/B)</b>	<b>6.26%</b>	<b>6.44%</b>	<b>6.96%</b>

#### Net bad loans to capital

The ratio shows in percentage the weight of the net bad loans on net equity and it is an asset quality index.

<i>(in €/thousands)</i>	<b>30/06/2018</b>	<b>31/12/2017</b>	<b>31/12/2016</b>
A. Bad loans with customers	760,710	779,625	767,900
B. Equity	2,599,329	2,678,920	2,587,756
<b>Net bad loans to capital (A/B)</b>	<b>29.27%</b>	<b>29.10%</b>	<b>29.67%</b>

*Non-performing loans to loans and receivables with customer*

*The ratio shows in percentage the weight of Non-performing loans on loans and receivables with customers and it is an asset quality index.*

<i>(in €/thousands)</i>	<b>30/06/2018</b>	<b>31/12/2017</b>	<b>31/12/2016</b>
<i>A. Bad loans with customers</i>	760,710	779,625	767,900
<i>B. Loans with customers</i>	26,017,092	25,755,836	25,313,464
<b><i>Non-performing loans to L&amp;R with customers (A/B)</i></b>	<b>2.92%</b>	<b>3.03%</b>	<b>3.03%</b>

*Loans and receivables with customers to Direct funding from customers*

*The ratio shows in percentage the weight of direct customer deposits on loans and receivables with customers.*

<i>(in €/thousands)</i>	<b>30/06/201</b>	<b>31/12/201</b>	<b>31/12/201</b>
<i>A. Loans with customers</i>	8	7	6
<i>B. Direct funding from customers</i>	26,017,092	25,755,836	25,313,464
<b><i>L&amp;R with custom. to Direct funding from custom. (A/B)</i></b>	<b>83.41%</b>	<b>81.42%</b>	<b>81.83%</b>

*The cost of credit (annualized)*

*The ratio of net adjustments to customer loans to total customer loans.*

<i>(in €/thousands)</i>	<b>30/06/2018</b>	<b>31/12/2017</b>	<b>31/12/2016</b>
<i>A. Net adjustment to customer loans</i>	(91,132)	(231,732)	(250,121)
<i>B. Fattore di annualizzazione</i>	2	1	1
<i>C. Loans with customers</i>	26,017,092	25,755,836	25,313,464
<b><i>Cost of credit (A/C*B)</i></b>	<b>0.70%</b>	<b>0.90%</b>	<b>0.99%</b>

*Leverage ratio*

*The ratio of Tier 1 to total on- and off-balance sheet assets.*

<i>(in €/thousands)</i>	<b>30/06/2018</b>	<b>31/12/2017</b>	<b>31/12/2016</b>
<i>A. Tier 1 (phased-in)</i>	2,617,702	2,644,512	2,579,899
<i>B. Exposure</i>	45,579,607	45,843,147	41,574,366
<b><i>Leverage ratio (A/B)</i></b>	<b>5.74%</b>	<b>5.77%</b>	<b>6.21%</b>

*RWA DENSITY*

*The ratio shows in percentage the incidence of RWA on total assets.*

<i>(in €/thousands)</i>	<i>30/06/2018</i>	<i>31/12/2017</i>	<i>31/12/2016</i>
<i>A. RWA</i>	<i>22,208,160</i>	<i>22,737,670</i>	<i>23,207,691</i>
<i>B. Total assets</i>	<i>41,553,082</i>	<i>41,624,654</i>	<i>37,196,325</i>
<i>RWA DENSITY (A/B)</i>	<i>53.45%</i>	<i>54.63%</i>	<i>62.39%</i>

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