SUPPLEMENT DATED 29 NOVEMBER 2018

TO THE BASE PROSPECTUS DATED 15 JANUARY 2018 AS SUPPLEMENTED ON 19 JULY 2018, 24 SEPTEMBER 2018 AND 28 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, 24 September 2018 and 28 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 (i) update the sections entitled "*Risk Factor*" and "*General Information*" included in the Base Prospectus in order to take into account certain recent developments in respect of the Issuer; (ii) incorporate by reference in the Base Prospectus the Issuer's interim financial report as at and for the period ended on 30 September

2018; and (iii) incorporate by reference in the Base Prospectus the press release headed "*Banca Popolare di Sondrio announces the signing of a share purchase agreement for the acquisition of a majority of the share capital of Cassa di Risparmio di Cento S.p.A.*" published by the Issuer on 30 October 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).

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RISK FACTORS

On page 30 of the Base Prospectus, under the section headed "*Basel III and the CRD IV Package*", the tenth sub-paragraph is deleted and replaced as follows:

"*According to Article 92 of the CRD IV Regulation, institutions shall at all times satisfy the following own funds requirements: (i) a Common Equity Tier 1 (**CET1**) Capital ratio of 4.5 per cent.; (ii) a Tier 1 Capital ratio of 6 per cent.; and (iii) a Total Capital ratio of 8 per cent. These minimum ratios are complemented by the following capital buffers to be met with CET1 Capital:*

- *Capital conservation buffer: The Capital conservation buffer has applied to the Issuer from 1 January 2014 (pursuant to Article 129 of the CRD IV and Part I, Title II, Chapter I, Section II of Circular No. 285). According to the 18th update to Circular No. 285 published on 4 October 2016, new transitional rules provide for a capital conservation buffer set for 2017 at 1.25 per cent. of risk-weighted assets, increasing to 1.875 per cent. of risk-weighted assets in 2018 and 2.5 per cent. of risk-weighted assets from 2019;*

- *Counter-cyclical capital buffer: The countercyclical capital buffer applies starting from 1 January 2016. Pursuant to Article 160 of the CRD IV and the transitional regime granted by Bank of Italy for 2017, institutions' specific countercyclical capital buffer shall consist of Common Equity Tier 1 capital capped to 1.875 per cent. of the total of the risk-weighted exposure amounts of the institution. As of 30 September 2018:*

    - *the specific countercyclical capital rate of BPS Group amounted to 0.00316%per cent. (individual) and 0,1025%per cent. (consolidated);*

    - *countercyclical capital rates have generally been set at 0 per cent., except for the following countries: United Kingdom (1 per cent.), Czech Republic (1 per cent.), Slovakia (1.25 per cent.), Iceland (1.25 per cent.), Norway (2 per cent.), Hong Kong (1.875 per cent.) and Sweden (2.00 per cent.)*

    - *with reference to the exposure towards Italian counterparties, the Bank of Italy has decided to keep the countercyclical capital buffer rate at zero for the fourth quarter of 2017;*

- *Capital buffers for globally systemically important institutions (**G-SIIs**): set as an "additional loss absorbency" buffer ranging from 1.0 per cent. to 3.5 per cent. in terms of required level of additional common equity loss absorbency as a percentage of risk-weighted assets), determined according to specific indicators (e.g., size, interconnectedness, complexity), to be phased in from 1 January 2016 (Article 131 of the CRD IV and Part I, Title II, Chapter I, Section IV of Circular No. 285), becoming fully* *effective on 1 January 2019. Based on the most recently updated list of G-SIIs published by the Financial Stability Board (**FSB**) in November 2016 (to be updated annually), the Issuer is not a global systemically important bank (**G-SIB**) and does not need to comply with a G-SII capital buffer requirement; and*

- *Capital buffers for other systemically important institutions at domestic level (**O-SIIs**): up to 2.0 per cent. as set by the relevant competent authority (and must be reviewed at least annually from 1 January 2016), to compensate for the higher risk that such banks represent to the domestic financial system (Article 131 of the CRD IV and Part I, Title II, Chapter I, Section IV of Circular No. 285). The Bank of Italy has not identified the Issuer has an O-SII for the year 2017 and the Issuer does not need to comply with an O-SII capital buffer requirement.*"

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On page 32 of the Base Prospectus, under the section headed "*Basel III and the CRD IV Package*", the seventeenth sub-paragraph is deleted and replaced as follows:

"*Following the results of the SREP performed by the ECB, the Issuer is required to meet on a consolidated basis both a minimum transitional CET1 Ratio of 8.375 per cent. and a minimum transitional Total Capital Ratio of 11.875 per cent. to be applied for the year 2018.*"

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On page 35 of the Base Prospectus, under the section headed "*ECB Single Supervisory Mechanism*", the fourth sub-paragraph is deleted and replaced as follows:

"*In addition to the above, the EBA published on 19 December 2014 its final guidelines for common procedures and methodologies in respect of the SREP (the **EBA SREP Guidelines**, as subsequently amended and supplemented). The ECB is required under the SSM Regulation to carry out a SREP at least on an annual basis. In addition to the above, the EBA published on 19 December 2014 its final guidelines for common procedures and methodologies in respect of the SREP (the **EBA SREP Guidelines**). Included in these guidelines were the EBA's proposed guidelines for a common approach to determining the amount and composition of additional Pillar 2 own funds requirements to be implemented from 1 January 2016. Under these guidelines, national supervisors should set a composition requirement for the Pillar 2 requirements to cover certain specified risks of at least 56 per cent. CET1 Capital and at least 75 per cent. Tier 1 capital. The guidelines also contemplate that national supervisors should not set additional own funds requirements in respect of risks which are already covered by the combined buffer requirements (as described above) and/or additional macro-prudential requirements. Accordingly, the additional Pillar 2 own funds requirement that may be imposed on the Issuer by the ECB pursuant to the SREP will require the Issuer to hold capital levels above the minimum Pillar 1* *capital requirements."*

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On page 35 of the Base Prospectus, the following paragraph is added at the end of the section headed "*ECB Single Supervisory Mechanism*":

"*EBA has recently modified the EBA SREP Guidelines in July 2018, introducing the possibility for national competent authorities to set out a Pillar 2 capital guidance (P2G) based on supervisory stress test results, on top of the overall capital requirements. Such amended guidelines will apply from 1 January 2019 and should therefore be applied in the 2019 cycle of SREP and joint decisions on institution-specific prudential requirements*.".

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On page 39 of the Base Prospectus, under the section headed "*The Bank Recovery and Resolution Directive is intended to enable a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing. The taking of any such actions (or the perception that the taking of any such action may occur) could materially adversely affect the value of any Notes and/or the rights of Noteholders*", the twenty-second sub-paragraph is deleted and replaced as follows:

"*The legislative decree intended to implement the revised Deposit Guarantee Schemes Directive in Italy – namely, Legislative Decree no. 30 of 15 February 2016 – has been published in the Italian Official Gazette No. 56 of 8 March 2016. The Decree came into force on 9 March 2016, except for Article 1 comma 3, let. A), which came into force on 1 July 2018, Amongst other things, the Decree amends Consolidated Banking Act and: (i) establishes that the maximum amount of reimbursement to depositors is EUR 100,000 (this level of coverage has been harmonised by the Directive and is applicable to all deposit guarantee schemes); (ii) lays down the minimum financial budget that national guarantee schemes should have; (iii) details intervention methods of the national deposit guarantee scheme; and (iv) harmonises the methods of reimbursement to depositors in case of insolvency of a credit institution.*".

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DOCUMENTS INCORPORATED BY REFERENCE

Issuer's Interim Financial Report

By virtue of this Supplement, the English language version of the Issuer's Interim Financial Report, 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 is available both in its original version in Italian and translated into English on the website of the Issuer (*http://www.popso.it/cm/pages/ServeAttachment.php/L/EN/D/e%252F6%252Fc%252FD.f5ff9dc86bee0f317ba1/P/BLOB%3AID%3D2335/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.

On page 54 of the Base Prospectus, under letter (o) of the section headed "*Documents Incorporated by Reference*" the following new letter (p) is added:

"(p) the Issuer's interim financial report as at and for the period ended on 30 September 2018 including the information set out at the following pages in particular

Consolidated Balance Sheet	*Pages 40-41*
Consolidated Income Statement	*Page 42*
Statement of Consolidated Comprehensive Income	*Page 43*
Statement of Changes in Consolidated Equity	*Pages 44-45*

The information incorporated by reference that is not included in the cross-reference list, is considered as additional information and is not required by the relevant schedules of Commission Regulation (EC) No 809/2004;"

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

On page 54 of the Base Prospectus, immediately after the new letter (p) of the section headed "*Documents Incorporated by Reference*" the following new letter (q) is added:

"(q) Press release "Banca Popolare di Sondrio announces the signing of a share purchase agreement for the acquisition of a majority of the share capital of Cassa di Risparmio di

Cento S.p.A."

GENERAL INFORMATION

On page 166 of the Base Prospectus, the paragraph headed "*Documents Available*" is deleted and replaced as follows:

"*For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available for inspection from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in Luxembourg:*

(a) the constitutional documents (with an English translation thereof) of the Issuer;

(b) the consolidated audited financial statements of the Issuer in respect of the financial years ended 31 December 2016 and 31 December 2017 (with an English translation thereof). The Issuer currently prepares audited consolidated and non-consolidated accounts on an annual basis;

(c) the auditors' report on audited consolidated annual financial statements for the financial year ended on 31 December 2016 and December 2017 (with an English translation thereof) of the Issuer;

(d) the interim consolidated report of the Issuer and the relevant auditor's limited review report as at and for the six month ended on 30 June 2018 (with an English translation thereof);

(e) the interim consolidated report of the Issuer as at and for the three-month ended on 30 September 2018 (with an English translation thereof);

(f) the most recently published audited annual financial statements of the Issuer and the most recently published unaudited interim financial statements (if any) of the Issuer (with an English translation thereof), in each case together with any audit or review reports prepared in connection therewith. The Issuer currently prepares unaudited consolidated and non-consolidated interim accounts on a semi-annual basis;

(g) the unaudited interim consolidated report on operations at 30 September 2017;

(h) the press release headed "28.04.2018: Ordinary and Extraordinary Shareholders' Meeting of 28 April 2018", published by the Issuer on 28 April 2018

(i) the press release headed "11 May 2018: Board of Directors' approval of the Consolidated Interim Financial report as of March 31, 2018" published by the Issuer on 11 May 2018;

(j) the press release headed "Banca Popolare di Sondrio communicates the acquisition of 100% of the social capital of Prestinuova S.P.A." published by the Issuer on 23 July 2018;

(k) *the press release headed "Banca Popolare di Sondrio announces the signing of a share purchase agreement for the acquisition of a majority of the share capital of Cassa di Risparmio di Cento S.p.A." published by the Issuer on 30 October 2018;*

(l) *the Trust Deed, Supplemental Trust Deed and the Agency Agreement and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;*

(m) *a copy of this Base Prospectus; and*

(n) *any future Base Prospectus, prospectuses, information memoranda, supplements, Final Terms and Pricing Supplements (in the case of Exempt Notes) (save that Pricing Supplements will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer or the Paying Agent as to its holding of Notes and identity) to this Base Prospectus and any other documents incorporated herein or therein by reference.*"

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On page 167 of the Base Prospectus, the paragraph headed "*Significant or Material Adverse Change*" is deleted and replaced as follows:

"***Significant or Material Adverse Change***

There has been no significant change in the financial position of the Group since 30 September 2018 and there has been no material adverse change in the financial position or prospects of the Group since 31 December 2017."

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