THIRD SUPPLEMENT DATED 3 JANUARY 2020

TO THE BASE PROSPECTUS DATED 6 MARCH 2019 AS SUPPLEMENTED ON 25 MARCH 2019 AND ON 16 JULY 2019

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 third supplement (the "**Supplement**") constitutes a supplement to the base prospectus dated 6 March 2019 as supplemented by the first supplement dated 25 March 2019 and the second supplement on 16 July 2019 (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.

Capitalised 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) delete references to the rating agency Dagong Europe Credit Rating S.r.l. throughout the Base Prospectus; (ii) incorporate by reference in the Base Prospectus (a) the Issuer's interim financial statements as at and for period ended 30 June 2019, (b) the Issuer's unaudited interim financial statements as at and for the period ended 30 September 2019, (c) the press release headed "*Banca Popolare di Sondrio reports the non-realization of the conditions (i.e. approval by the European Central Bank of the statutory changes functional to the operation) envisaged for the acquisition of Cassa di Risparmio di Cento."* published by the Issuer on 17 October 2019, (d) the press release headed "*BPER Banca and Banca Popolare di Sondrio acquire 39.99% of Arca Holding S.p.A.*" published by the Issuer on 22 July 2019; (e) the press release headed "*Placement with institutional investors of a Tier 2 subordinated bond with a 10-year maturity for an amount of 200 million euro successfully completed*" published by the Issuer on 24 July 2019, (f) the press release headed "*DBRS Morningstar assigns first-time ratings to Banca Popolare di Sondrio. Senior Long-Term Debt is rated investment grade "BBB (low)", with Stable trend.*" published by the Issuer on 18 November 2019, (g) the press release headed "*Scope ratings publishes the rating on Banca Popolare di Sondrio S.C.p.A.. It has been given a issuer rating investment grade "BBB-" with positive outlook.*" published by the Issuer on 20 November 2019 and (h) the press release headed "*Banca Popolare di Sondrio fully satisfies the 2020 SREP requirements set by the ECB*" published by the Issuer on 14 December 2019 and (iii) update cover page of the Base Prospectus and the sections entitled "*Risk Factors*", "*The Issuer*", "*Taxation*" and "*General Information"* included in the Base Prospectus.

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).

* * *

GENERAL

Following the request submitted by the rating agency Dagong Europe Credit Rating S.r.l. ("**Dagong**") to the European Securities and Markets Authority (ESMA) for the waiver to be registered as a Credit Rating Agency (CRA), starting from 14 November 2019 Dagong ceased its activity of assessment of creditworthiness within the European Union.

In the light of the above, any reference throughout the Base Prospectus to Dagong, and to the relevant rating assigned by Dagong to the Issuer, shall be deemed as deleted.

COVER PAGE

On page 2 of the Base Prospectus, the tenth sub-paragraph (as already replaced by the Supplement dated 16 July 2019) is deleted and replaced as follows:

"*The current long-term counterparty credit ratings of the Issuer are, respectively, "BB+" from Fitch – Società Italiana per il Rating S.p.A., and "BBB (low)" from DBRS Ratings GmbH (DBRS Morningstar); the current short-term counterparty credit ratings are, respectively, "B" from Fitch – Società Italiana per il Rating S.p.A., and "R-2 (middle)" from DBRS Ratings GmbH (DBRS Morningstar). The Issuer rating assigned by Scope Rating GmbH is "BBB-" with positive outlook. Each of Fitch – Società Italiana per il Rating S.p.A., DBRS Ratings GmbH (DBRS Morningstar) and Scope Rating GmbH are established in the European Union and are registered under Regulation (EC) No. 1060/2009 (as amended) (the* **CRA Regulation***). As such, each of Fitch – Società Italiana per il Rating S.p.A., DBRS Ratings GmbH (DBRS Morningstar) and Scope Rating GmbH is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the CRA Regulation. Notes issued under the Programme may be rated or unrated by one or more of the rating agencies referred to above. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms (or Pricing Supplement, in the case of Exempt Notes). A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.*".

RISK FACTORS

On page 27 of the Base Prospectus, under the paragraph headed "*Adverse regulatory developments*", the last sub-paragraph is deleted and replaced as follows:

"*In addition to the substantial changes in capital and liquidity requirements introduced by Basel III and the CRD IV Package, there are several other initiatives, in various stages of finalisation, which represent additional regulatory pressure over the medium term and will impact the EU's future regulatory direction (see "Forthcoming regulatory changes" below). These initiatives include, amongst others, a revised Markets in Financial Instruments Directive (Directive 2014/65/EU) and Markets in Financial Instruments Regulation (Regulation (EU) No. 600/2014) which applied from 3 January 2018. The Basel Committee has also published certain proposed changes to the current securitisation framework and has published a revision of the framework on 11 July 2016, including amendments on simple, transparent and comparable (STC) securitisations. Additional consultations on criteria and capital treatment of short term securitisations were also launched by the Basel Committee and were closed in October 2017. At the same time the European Commission has published in September 2015 a "Securitisation package" proposal under the Capital Markets Union (CMU) project. The package includes a draft regulation on Simple Transparent and Standardised (STS) securitisations and proposed amendments to the Regulation EU 575/2013 (the* ***CRR****). In December 2016 the European Parliament's Economic and Monetary Affairs Committee (ECON) agreed compromise amendments to the proposed new securitisation regulation and the related CRR amending regulation. On 26 October 2017 the European Parliament approved the final text of the securitisation regulation which will enter into force on 1 January 2019. In addition, as further detailed below under "Basel III and the CRD IV Package", the EU Banking Reform (as defined below) has introduced Net Stable Funding Ratio (NSFR) requirements, which will apply starting from 28 June 2021.*"

* * * * *

On page 27 of the Base Prospectus, the paragraph headed "*A downgrade of any of the Issuer's credit ratings may impact the Issuer's funding ability and have an adverse effect on the Issuer's financial condition*" (as already replaced by the Supplement dated 16 July 2019), is deleted and replaced as follows:

"*On 5 June 2019, Fitch downgraded the Issuer's Long-Term Issuer Default rating from "BBB-" to "BB+", the Short-Term Issuer Default rating from "F3" to "B", the Viability Rating from "bbb-" to "bb+" and, similarly, the senior preferred debt from "BBB-" to "BB+". At the same time, the Long-Term deposit rating and the outlook was confirmed as "BBB-" and "Stable" respectively.*

Therefore, the current long-term counterparty credit ratings of the Issuer are, respectively, "BB+" from Fitch, and "BBB (low)" from DBRS Ratings GmbH (DBRS Morningstar); the current short-term *counterparty credit ratings are, respectively, "B" from Fitch, and "R-2 (middle)" from DBRS Ratings GmbH (DBRS Morningstar). The Issuer rating assigned by Scope Rating GmbH is "BBB-" with positive outlook. A downgrade of any of the Issuer's ratings (for whatever reason) might result in higher funding and refinancing costs for the Issuer in the capital markets. In addition, a downgrade of any of the Issuer's ratings may limit the Issuer's opportunities to extend mortgage loans and may have a particularly adverse effect on the Issuer's image as a participant in the capital markets, as well as in the eyes of its clients. These factors may also have an adverse effect on the Issuer's financial condition and/or results of operations and, as a consequence, on the rating assigned to the Notes.*

Potential investors should consider that DBRS Ratings GmbH (DBRS Morningstar) and Scope Rating GmbH assigned the above mentioned ratings to the Issuer for the first time on 18 November 2019 and 20 November 2019. Therefore, it is not possible to carry out an analysis of the rating levels assigned by these agencies compared to previous years.".

* * * * *

On page 30 of the Base Prospectus, under paragraph headed "*Basel III and the CRD IV Package*", the second sub-paragraph (already replaced by the Supplement dated 16 July 2019) is deleted and replaced as follows:

*"In January 2013, the Basel Committee revised its original proposal in respect of the liquidity requirements in light of concerns raised by the banking industry, providing for a gradual phasing-in of the LCR (as defined below), with a full implementation in 2019, as well as expanding the definition of high quality liquid assets to include lower quality corporate securities, equities and residential mortgage backed securities. Regarding the other liquidity requirement, the Net Stable Funding Ratio (the "**NSFR**") will apply starting from 28 June 2021. In January 2013 the Basel Committee revised its original proposal in respect of the liquidity requirements in light of concerns raised by the banking industry, providing for a gradual phasing-in of the LCR (as defined below), with a full implementation in 2019, as well as expanding the definition of high quality liquid assets to include lower quality corporate securities, equities and residential mortgage backed securities."*

* * * * *

On page 32 of the Base Prospectus, under paragraph headed "*Basel III and the CRD IV Package*", the tenth sub-paragraph (already replaced by the Supplement dated 16 July 2019) is deleted and replaced as follows:

"*The Bank of Italy published the supervisory regulations on banks in December 2013 (Circular of the Bank of Italy No. 285 of 17 December 2013, as subsequently amended from time to time by the Bank of Italy - the "**Circular No. 285**") which came into force on 1 January 2014,* *implementing the CRD IV Package and setting out additional local prudential rules. Circular No. 285 has been updated a number of times after its first issue the last update being the 30th update of 4 December 2019. The CRR and CRD IV are also supplemented in Italy by technical rules relating to the CRD IV and the CRR published through delegated regulations of the European Commission and guidelines of the European Banking Authority*".

* * * * *

On page 34 of the Base Prospectus, under paragraph headed "*Basel III and the CRD IV Package*", the sixteenth sub-paragraph starting with "*The EU Banking Reform [...]*" and ending with *"[...] including capital strengthening requirements).*" (as already replaced by the Supplement dated 16 July 2019) is deleted and replaced as follows:

"Whereas the Pillar 2 requirements are mandatory requirements imposed by 19 supervisors to address risks not covered or not sufficiently covered by Pillar 1 and buffer capital requirements, the latter refers to the possibility for competent authorities to communicate to an institution their expectations for such institution to hold capital in excess of its capital requirements (Pillar 1 and Pillar 2) and combined buffer requirements in order to cope with forward-looking and remote situations. Only Pillar 2 requirements, and not Pillar 2 capital guidance, are relevant in determining whether an institution is meeting its combined buffer requirement. Non-compliance with Pillar 2 capital guidance does not amount to failure to comply with capital requirements, but should be considered as a "pre-alarm warning" to be used in the Bank's risk management process. If capital levels go below Pillar 2 capital guidance, the relevant supervisory authorities, which should be promptly informed in detail by the Bank of the reasons of the failure to comply with the Pillar 2 capital guidance, will take into consideration appropriate and proportional measures on a case by case basis (including, by way of example, the possibility of implementing a plan aimed at restoring compliance with the capital requirements – including capital strengthening requirements).".

* * * * *

On page 34 of the Base Prospectus, under paragraph headed "*Basel III and the CRD IV Package*", the eighteenth sub-paragraph is deleted and replaced as follows:

*"Following the results of the Supervisory Review and Evaluation Process (**SREP**) performed by the ECB during 2019, the Issuer is required to meet on a consolidated basis both a minimum transitional CET1 Ratio of 10 per cent. and a minimum transitional Total Capital Ratio of 13.5 per cent. to be applied for year 2020.".*

* * * * *

On page 35 of the Base Prospectus, under paragraph headed "*Basel III and the CRD IV Package*", the twenty-second sub-paragraph is deleted and replaced as follows:

"The European Commission proposed that the amount of available stable funding be calculated by multiplying an institution's liabilities and regulatory capital by appropriate factors that reflect their degree of reliability over a year. The NSFR is expressed as a percentage and set at a minimum level of 100%, which indicates that an institution holds sufficient stable funding to meet its funding needs during a one-year period under both normal and stressed conditions. The binding NSFR will apply at a level of 100% to credit institutions and systemic investment firms starting from 28 June 2021."

* * * * *

On page 36 of the Base Prospectus, under paragraph headed "*Forthcoming regulatory changes*", fourth (staring with "*On 23 November 2016 […]*" and ending with "*[…] and a Single Resolution Mechanism*") (as already replaced by the Supplement dated 16 July 2019), fifth (starting with "*In October 2017 […]*" and ending with "*[…] awaiting final approval*"), sixth (starting with "*Among other things […]*" and ending with "*[…] through changes to the BRRD*") and seventh (starting with "*Furthermore, with particular reference […]*" and ending with "*[…] cliff edge effects*") are deleted and replaced as follows:

"On 23 November 2016, the European Commission released a package of reforms to further strengthen the resilience of EU banks (EU Banking Reform). The final text of the EU Banking Reform has been published in the Official Journal of the EU on 7 June 2019. The most part of the new rules will apply from 28 June 2021, i.e. two years after the entry into force of the EU Banking Reform.

The new package provides for amendments to the following pieces of legislation:

(i) the CRD IV Package (as defined below);

(ii) the Bank Recovery and Resolution Directive or BRRD (as defined below);

(iii) Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund.".

* * * * *

On page 37 of the Base Prospectus, under paragraph headed "*Forthcoming regulatory changes*", the eighth, ninth and tenth sub-paragraph (as already replaced by the Supplement dated 16 July 2019) are deleted and replaced as follows:

"As to the new rules of the EU Banking Reform related to capital requirements (the most part of which – as said – will apply starting from 28 June 2021), a significant impact could be produced by the introduction of: (a) a binding Tier 1 capital leverage ratio calibrated at 3% for all banks; (b)

a binding net stable funding ratio (NSFR), which – as said above – is a long-term structural ratio to address liquidity mismatches in banking activity; (c) stricter eligibility criteria for liabilities; (d) more risk sensitive capital requirements for market risk (including a strengthening of the conditions to use internal models); and (e) the prohibition for own funds instruments and eligible liabilities to be subject to set-off or netting arrangements which would undermine their loss-absorbing capacity in resolution.

Moreover, on 26 April 2019, the EU Regulation no. 2019/630 entered into force, which has modified the CRR. In particular, such regulation introduces common minimum loss coverage levels for newly originated loans that become non-performing. Where the minimum coverage requirement is not met, the difference between the actual coverarge level and the requirement should be deducted from a bank's own funds (CET1). The minimum coverage levels thus act as a 'statutory prudential backstop'. The required coverage increases gradually depending on how long an exposure has been classified as non-performing, being lower during the first years. This architecture would ensure that the risks associated with NPL (as defined below) losses that are not sufficiently covered are reflected in institutions' CET1 capital ratios. In order to facilitate a smooth transition towards the new prudential backstop, the new rules should not be applied in relation to exposures originated prior to 26 April 2019. In order to facilitate a smooth transition towards the new prudential backstop, the new rules should not be applied in relation to exposures originated prior to 26 April 2019."

* * * * *

On page 43 – 44 of the Base Prospectus, under paragraph headed "*The BPS Group is subject to the provisions of the Regulation establishing the SRM*", the first sub-paragraph (as already replaced by the Supplement dated 16 July 2019) is deleted and replaced as follows:

*"After having reached an agreement with the Council, in April 2014, the European Parliament adopted Regulation (EU) No. 806/2014 establishing a Single Resolution Mechanism (the "**SRM**"). The SRM became fully operational on 1 January 2016. Certain provisions, including those concerning the preparation of resolution plans and provisions relating to the cooperation of the SRB with national resolution authorities entered into force on 1 January 2015. On 23 November 2016, the European Commission published a proposal to amend certain provisions of the SRM as part of the EU Banking Reform, which entered into force in June 2019 and will largely apply starting from June 2021 (see further "Adverse regulatory developments" above). In particular, the main objective of such reform is to implement the TLAC standard and to integrate the TLAC requirement into the general MREL rules to avoid the duplication which would result from applying two parallel requirements."*

* * * * *

On page 44 of the Base Prospectus, under paragraph headed "*The BPS Group is subject to the provisions of the Regulation establishing the SRM*", the following paragraph is added as fourth sub-paragraph:

"The EU Banking Reform amends also the BRRD. Among other things, these amendments aim to implement TLAC and to ensure consistency, where appropriate, of MREL with TLAC and to introduce a minimum harmonised MREL requirement (also referred to as a ***Pillar 1 MREL requirement****) applicable to G-SIIs only. In addition, resolution authorities will be able, on the basis of bank-specific assessments, to require that G-SIIs comply with a supplementary MREL requirement (a* ***Pillar 2 MREL requirement****). Banks will be allowed to use certain additional types of loss absorbent liabilities to comply with their Pillar 2 MREL requirement."*

* * * * *

On page 45 of the Base Prospectus, under paragraph headed "*Risks associated with recent ECB guidance on NPL provisioning*", the second last sub-paragraph (starting with "*On 26 April 2019, […]*" and ending with "*[…] CET1 capital ratios*") and the last sub-paragraph (starting with "*In order to facilitate […]*" and ending with "*[…] banks' balance sheet*") is deleted and replaced as follows:

"On 26 April 2019, the EU Regulation no. 2019/630, which introduces common minimum loss coverage levels for newly originated loans that become non-performing, entered into force. According to this regulation, where the minimum coverage requirement is not met, the difference between the actual coverage level and the requirement should be deducted from a bank's own funds (CET1). The minimum coverage levels thus act as a 'statutory prudential backstop'. The required coverage increases gradually depending on how long an exposure has been classified as non-performing, being lower during the first years. This architecture would ensure that the risks associated with NPL losses that are not sufficiently covered are reflected in institutions' CET1 capital ratios. In order to facilitate a smooth transition towards the new prudential backstop, the new rules should not be applied in relation to exposures originated prior to 26 April 2019."

THE ISSUER

On page 159 of the Base Prospectus, under the paragraph headed "*8. Regulatory Capital*", the last sub-paragraph (starting with "*Following the SREP[...]*" and ending with "*[...] which is 9.25 per cent.*" is deleted and replaced as follows:

"Following the SREP held during 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. The minimum level of CET1 has been increased of 0.75 per cent. compared to the previous year. However, BPS Group's capital ratios are still broadly above the required thresholds. In particular, at 30 September 2019, the BPS Group's capital ratios were as follows: Common Equity Tier 1 ratio of 15.92 per cent. (phased-in) and 15.89 per cent. (fully phased) and a Total Capital ratio of 18.72 per cent. (phased-in) and 18.69 per cent. (fully phased).".

DOCUMENTS INCORPORATED BY REFERENCE

Issuer's Interim Financial Reports

By virtue of this Supplement, the English language version of the Issuer's Interim Financial Reports, 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 (*www.popso.it/cm/pages/ServeBLOB.php/L/EN/IDPagina/2310*) 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 62 of the Base Prospectus, following letter (p) of the section headed "*Documents Incorporated by Reference*" the following new letter (q) is added:

"(q) the Issuer's interim financial report as at and for the period ended on 30 June 2019. The information set out at the following pages are incorporated by reference:

Consolidated Balance Sheet	*Pages*	*52 - 53*
Consolidated Income Statement	*Page*	*54*
Statement of Consolidated Comprehensive Income	*Page*	*55*
Statement of Changes in Consolidated Equity	*Pages*	*56 -57*
Consolidated Cash Flow Statement	*Page*	*58 - 59*
Explanatory Note	*Pages*	*61 - 140*
Review report on the interim condensed consolidated financial statements for the period ended 30 June 2019	*Pages*	*142 - 143*

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;"

* * * * *

On page 62 of the Base Prospectus, following new letter (q) of the section headed "*Documents Incorporated by Reference*" the following new letter (r) is added:

"(r) the unaudited Issuer's interim financial report as at and for the period ended on 30 September 2019. The information set out at the following pages are incorporated by reference:

Consolidated Balance Sheet	*Pages 36 – 37*
Consolidated Income Statement	*Page 38*
Statement of Consolidated Comprehensive Income	*Page 39*
Statement of Changes in Consolidated Equity	*Pages 40 – 41*

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;

Press Releases

By virtue of this Supplement, the English language version of (i) the press release headed "*Banca Popolare di Sondrio reports the non-realization of the conditions (i.e. approval by the European Central Bank of the statutory changes functional to the operation) envisaged for the acquisition of Cassa di Risparmio di Cento."* published by the Issuer on 17 October 2019, (ii) the press release headed "*Placement with institutional investors of a Tier 2 subordinated bond with a 10-year maturity for an amount of 200 million euro successfully completed*" published by the Issuer on 24 July 2019, (ii) the press release headed "*DBRS Morningstar assigns first-time ratings to Banca Popolare di Sondrio. Senior Long-Term Debt is rated investment grade "BBB (low)", with Stable trend.*" published by the Issuer on 18 November 2019, (iii) the press release headed "*Scope ratings publishes the rating on Banca Popolare di Sondrio S.C.p.A.. It has been given a issuer rating investment grade "BBB-" with positive outlook.*" published by the Issuer on 20 November 2019 and (iv) the press release headed "*Banca Popolare di Sondrio fully satisfies the 2020 SREP requirements set by the ECB*" published by the Issuer on 14 December 2019 which have previously been published and have been filed with the CSSF, are incorporated by reference in, and form part of, the Base Prospectus.

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 62 of the Base Prospectus, following new letter (r) of the section headed "*Documents Incorporated by Reference*" the following new letters (s), (t), (u) (v), (z) and (aa) are added:

"(s) press release headed "*Banca Popolare di Sondrio reports the non-realization of the*

conditions (i.e. approval by the European Central Bank of the statutory changes functional to the operation) envisaged for the acquisition of Cassa di Risparmio di Cento." published by the Issuer on 17 October 2019;

Entire document

(t) *the press release headed "BPER Banca and Banca Popolare di Sondrio acquire 39.99% of Arca Holding S.p.A." published by the Issuer on 22 July 2019;*

Entire Document

(u) *the press release headed "Placement with institutional investors of a Tier 2 subordinated bond with a 10-year maturity for an amount of 200 million euro successfully completed" published by the Issuer on 24 July 2019:*

Entire Document

(v) *the press release "DBRS Morningstar assigns first-time ratings to Banca Popolare di Sondrio. Senior Long-Term Debt is rated investment grade "BBB (low)", with Stable trend." published by the Issuer on 18 November 2019 including the information set out in the following pages:*

Entire Document

(z) *the press release headed "Scope ratings publishes the rating on Banca Popolare di Sondrio S.C.p.A.. It has been given a issuer rating investment grade "BBB-" with positive outlook." published by the Issuer on 20 November 2019 including the information set out in the following pages:*

Entire Document

(aa) *press release headed "Banca Popolare di Sondrio fully satisfies the 2020 SREP requirements set by the ECB" published by the Issuer on 14 December 2019 including the information set out in the following pages:*

Entire Document"

* * *

TAXATION

On page 176 of the Base Prospectus, under the paragraph headed "*Italian Resident Noteholders*", 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 imposta sostitutiva, on Interest relating to the Notes if the Notes are included in a long-term savings account (piano 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****), in Article 1(210-215) of Law No. 145 of 30 December 2018 (the* ***Finance Act 2019****) as implemented by the Ministerial Decree of 30 April 2019 and in Article 13-bis of Law Decree No. 124 of 26 October 2019 converted into law with amendments by Law No. 157 of 19 December 2019 (the "****Finance Act 2020****"), as applicable from time to time.".*

***

On page 176 of the Base Prospectus, under the paragraph headed "*Italian Resident Noteholders*", the fourth sub-paragraph is deleted in its entirety and replaced as follows:

"Under the current regime provided by Law Decree No. 351 of 25 September 2001 converted into law with amendments by Law No. 410 of 23 November 2001, Law Decree No. 78 of 31 May 2010, converted into Law No. 122 of 30 July 2010 and Legislative Decree No. 44 of 4 March 2014, all as amended, payments of Interest in respect of the Notes made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, or pursuant to Article 14-bis of Law No. 86 of 25 January 1994, and Italian real estate SICAFs (together, the ***Real Estate Funds****) are subject neither to imposta sostitutiva nor to any other income tax in the hands of a Real Estate Fund. However, (i) the income of Real Estate Funds may be subject to tax in the hands of the unitholders or shareholders, depending on their status and percentage of participation, or (ii) the proceeds distributed in favour of the unitholders or shareholders, may be subject to a withholding tax up to 26 per cent depending upon their status.".*

***

On page 177 of the Base Prospectus, under the paragraph headed "*Italian Resident Noteholders*", the sixth sub-paragraph is deleted in its entirety and replaced as follows:

"Where an Italian resident Noteholder 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 Notes are deposited with an authorised intermediary, Interest relating to the Notes 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 Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term savings account (piano di risparmio a lungo termine) that meets the requirements set forth in Article 1 (100-114) of Finance Act 2017, in Article 1(210-215) of Finance Act 2019 as implemented by the Ministerial Decree of 30 April 2019 and in Article 13-bis of Finance Act 2020, as applicable from time to time.".

***

On page 177 of the Base Prospectus, under the paragraph headed "*Italian Resident Noteholders*", the eighth sub-paragraph is deleted in its entirety and replaced as follows:

"An Intermediary (a) must (i) be resident in Italy or (ii) be a permanent establishment in Italy of a non-Italian resident financial intermediary or (iii) be an entity or company not resident in Italy, acting through a system of centralised administration of notes and directly connected with the Department of Revenue of the Italian Ministry of Economy and Finance, having appointed an Italian representative for the purposes of Decree No. 239; and (b) intervene, in any way, in the collection of Interest or in the transfer of the Notes. For the purpose of the application of the imposta sostitutiva, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.".

***

On page 178 of the Base Prospectus, under the paragraph headed "*Tax treatment of Notes qualifying as atypical securities (titoli atipici)*", 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 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 26 withholding tax, on Interest relating to the Notes qualifying as atypical securities if such Notes are included in a long-term savings account (piano di risparmio a lungo termine) that meets the requirements set forth in Article 1(100-114) of the Finance Act 2017, in Article 1(210-215) of Finance Act 2019 as implemented by the Ministerial Decree of 30 April 2019 and Article 13-bis of Finance Act 2020, as applicable from time to time.".

***

On page 180 of the Base Prospectus, under the paragraph headed "*Capital gains tax*", the fourth sub-paragraph is deleted in its entirety and replaced as follows:

"In the "risparmio gestito" regime, any capital gains realised by Italian Noteholders under (i) to (iii) above who have entrusted the management of their financial assets (including the Notes) to an authorised intermediary, will be included in the computation of the annual increase in value

of the managed assets accrued, even if not realised, at year end, subject to a 26 per cent. substitute tax, to be paid by the managing authorised intermediary. Any depreciation of the managed assets accrued at the year-end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. The Noteholders are not required to declare the capital gains realised in the annual tax return.

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 Notes if the Notes are included in a long-term savings account (piano di risparmio a lungo termine) that meets the requirements set forth in Article 1(100-114) of Finance Act 2017, in Article 1(210-215) of Finance Act 2019 as implemented by the Ministerial Decree of 30 April 2019 and Article 13-bis of Finance Act 2020, as applicable from time to time.".

***

On page 180 of the Base Prospectus, under the paragraph headed "*Capital gains tax*", the seventh sub-paragraph is deleted in its entirety and replaced as follows:

"Any capital gains realised by a Noteholder 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, Interest relating to the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term savings account (piano di risparmio a lungo termine) that meets the requirements set forth in Article 1 (100-114) of Finance Act 2017, in Article 1(210-215) of Finance Act 2019 as implemented by the Ministerial Decree of 30 April 2019 and Article 13-bis of Finance Act 2020, as applicable from time to time.".

GENERAL INFORMATION

On page 189 of the Base Prospectus, the paragraph headed "*Documents Available*" shall be 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 as at and for the 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 the audited consolidated financial statements as at and for the years ended 31 December 2016 and December 2017 (with an English translation thereof) of the Issuer;*

(d) *the most recently published audited annual financial statements of the Issuer and the most recently published unaudited interim condensed 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 interim accounts on a semi-annual basis;*

(e) *the unaudited interim condensed consolidated financial statements for the six months ended on 30 June 2018;*

(f) *the auditors' review report on the unaudited interim consolidated financial statements for the six months ended on 30 June 2018;*

(g) *the unaudited interim consolidated report on operations at 30 September 2018;*

(h) *the unaudited Issuer's interim financial report as at and for the period ended on 31 March 2019;*

(i) *the unaudited interim condensed consolidated financial statements for the six months ended on 30 June 2019;*

(j) *the auditors' review report on the unaudited interim consolidated financial statements for the six months ended on 30 June 2019;*

(k) *the unaudited interim consolidated report on operations at 30 September 2019;*

(l) *the Trust Deed, 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;*

(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;

(o) the press release "Banca Popolare di Sondrio fully satisfies ECB-imposed prudential requirements";

(p) the press release "BPER Banca and Banca Popolare di Sondrio acquire 39.99% of Arca Holding S.p.A.";

(q) the press release "Board of Directors' meeting 11th February 2019 Approval of draft consolidated preliminary results as at 31st December 2018";

(r) the press release "07.03.2019 Banca Popolare di Sondrio announces the signing of a contract for the purchase of 70.77% of the share capital of Farbanca spa for a maximum amount of 30 million euros"; and

(s) the press release "Board of Directors' meeting of 22 March 2019: approval of the 2018 separate and consolidated financial statements; proposed dividend of € 0.05 per share; notice of calling to the Shareholders' Meeting.";

(t) the audited consolidated annual financial statements for the financial year ended on 31 December 2018 of the Issuer;

(u) the press release ""Banca Popolare di Sondrio has received from the European Central Bank the authorization for the use of the internal rating system (AIRB) for the measurement of the capital requirements for credit risk.";

(v) the press release "Fitch Ratings downgrades Banca Popolare di Sondrio's Long-Term Issuer Default rating from BBB- to BB+, with outlook "stable"; the Long-Term deposit rating is affirmed at "BBB-";

(w) the press release "Merger by incorporation of PrestiNuova spa into Banca della Nuova Terra spa";

(x) the press release headed "Banca Popolare di Sondrio reports the non-realization of the conditions (i.e. approval by the European Central Bank of the statutory changes functional to the operation) envisaged for the acquisition of Cassa di Risparmio di Cento." published by the Issuer on 17 October 2019;

(y) the press release headed "BPER Banca and Banca Popolare di Sondrio acquire 39.99% of Arca Holding S.p.A." published by the Issuer on 22 July 2019;

(z) the press release headed "Placement with institutional investors of a Tier 2 subordinated bond with a 10-year maturity for an amount of 200 million euro successfully completed" published by the Issuer on 24 July 2019;

(aa) the press release headed "DBRS Morningstar assigns first-time ratings to Banca Popolare di Sondrio. Senior Long-Term Debt is rated investment grade "BBB (low)", with Stable trend." published by the Issuer on 18 November 2019;

(bb) the press release headed "Scope ratings publishes the rating on Banca Popolare di Sondrio S.C.p.A.. It has been given a issuer rating investment grade "BBB-" with positive outlook." published by the Issuer on 20 November 2019;

(cc) the press release headed "Banca Popolare di Sondrio fully satisfies the 2020 SREP requirements set by the ECB" published by the Issuer on 14 December 2019".

* * *

On page 190 of the Base Prospectus, the paragraph headed "*Significant or Material Adverse Change*" shall be deleted and replaced as follows:

"*There has been no significant change in the financial position of the Group since 30 September 2019 and there has been no material adverse change in the financial position or prospects of the Group since 31 December 2018.*"