SUPPLEMENT DATED 28 FEBRUARY 2020

TO THE BASE PROSPECTUS DATED 19 MARCH 2019 AS SUPPLEMENTED ON 22 JULY 2019, ON 11 OCTOBER 2019, ON 14 NOVEMBER 2019 AND ON 3 JANUARY 2020

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 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 19 March 2019 and supplemented on 22 July 2019, on 11 October 2019, on 14 November 2019 and on 3 January 2020 (the "**Base Prospectus**"), for the purposes of Article 13, paragraph 1, of the Luxembourg Law on Prospectuses for Securities dated 10 July 2005 which remains applicable pursuant to article 46.3 of Regulation (EU) 2017/1129 of 14 June 2017 and article 64 of the Luxembourg Law dated 16 July 2019 (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 Luxembourg Law, as a supplement issued in compliance with the Luxembourg Law in order to (i) update the cover page (ii) incorporate by reference in the Base Prospectus (a) the press release headed "*Board of Directors meeting of 7 February 2020: approval of the preliminary consolidated figures for 2019*" published by the Issuer on 7 February 2020, (b) the press release headed "*The board of directors of Banca Popolare di Sondrio rejects the application for membership submitted by Amber Capital UK LLP and Amber Capital Italia Sgr spa and points out the breach of the limit ex art. 30 Testo Unico Bancario (TUB)"* published by the Issuer on 21 January 2020, (c) the press release headed "*DBRS Morningstar has assigned the rating to the bond Banca Popolare di Sondrio 2.375%, with maturity 03/04/2024. The note has been rated investment grade with rating "BBB (low)*" published by the Issuer on 3 February 2020 and (d) the press release headed "*Banca Popolare di Sondrio announces the non-realization of the acquisition of 70.77% of the share capital of Farbanca*" published by the Issuer on 26 February 2020; and (iii) update the sections entitled "*Responsibility of Statements*", "*Risk Factors*", "*General Description of the Programme*", "*The Issuer*", "*Form of Final Terms*", "*Subscription and Sale*", "*Taxation*" and "*General Information*" included in the Base Prospectus in order to take into account certain recent developments in respect of the Issuer.

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 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 and in the Base Prospectus may be inspected during normal business hours at the Specified Office of the Luxembourg Listing Agent and of the Representative of the Covered Bondholders.

Copies of this Supplement and all documents incorporated by reference in the Base Prospectus and in this Supplement are available on the Luxembourg Stock Exchange's website (www.bourse.lu).

COVER PAGE

On page 3 of the Base Prospectus, the sixth paragraph is deleted 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 treated as having been issued by a credit rating agency established in the European Union or in the United Kingdom ("***UK***") and registered under Regulation (EC) No 1060/2009 on credit rating agencies (as amended, the "***CRA Regulation***") will be disclosed in the relevant Final Terms. The credit ratings included or referred to in this Base Prospectus have been issued by the Rating Agency which is established in the European Union and registered under 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 ("***ESMA***") pursuant to the CRA Regulation (for more information please visit the ESMA webpage http://www.esma.europa.eu/page/List-registered-and-certified-CRAs). In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union or the UK and registered under the CRA Regulation (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 EEA or the UK but endorsed by a credit rating agency established in the EEA or the UK and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA or the UK which is certified under the CRA Regulation.*" .

RESPONSIBILITY OF STATEMENTS

On page 6 of the Base Prospectus, under the paragraph headed "Notice", the twenty-first sub-paragraph is deleted and replaced as follows (the underlined words show the insertions made):

"***PRIIPs / IMPORTANT – EEA <u>AND UK</u> RETAIL INVESTORS*** *– Unless the Final Terms in respect of any Cover Bonds specifies "Prohibition of Sales to EEA <u>and UK</u> Retail Investors" as "Not Applicable", 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**) <u>or in the United Kingdom (**UK**)</u>. 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 (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 professionali client as defined in point (10) of article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA <u>or the UK</u> has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA <u>or the UK</u> may be unlawful under the PRIIPs Regulation.*".

RISK FACTORS

On page 12 of the Base Prospectus, under the paragraph headed "Credit ratings may not reflect all risk", the fifth sub-paragraph is deleted and replaced as follows:

"*The expected ratings of the Covered Bonds are set out in the relevant Final Terms for each Series of Covered Bonds. Whether or not a rating in relation to any Covered Bonds will be treated as having been issued by a credit rating agency established in the European Union or in the United Kingdom ("***UK***") and registered under the CRA Regulation will be disclosed in the relevant Final Terms.*".

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On page 12 of the Base Prospectus, under the paragraph headed "Credit ratings may not reflect all risk", the ninth sub-paragraph is deleted and replaced as follows:

"*In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union or the UK and registered under the CRA Regulation (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 EEA or the UK but endorsed by a credit rating agency established in the EEA or the UK and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA or the UK which is certified under the CRA Regulation. 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.".*

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On page 28 of the Base Prospectus, under the paragraph headed "*Risks connected with the political and economic decisions of EU and Eurozone countries and the United Kingdom leaving the European Union (Brexit)*", the second sub-paragraph is deleted and replaced as follows:

"*On 31 January 2020, the UK withdrew from the European Union. According to Articles 126 and 127 of the Article 50 Withdrawal Agreement (approved by the European Parliament on 29 January 2020), the UK is entered an implementation period during which it will negotiate its future relationship with the European Union. During such implementation period – which is due to operate until 31 December 2020 – the Union law shall continue to apply in the United Kingdom.*".

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On page 28 of the Base Prospectus, under the paragraph headed "*Risks connected with the political and economic decisions of EU and Eurozone countries and the United Kingdom leaving the European Union (Brexit)*" the third sub-paragraph is deleted and replaced as follows:

"*Regardless those facts, the result of the referendum in June 2016 created significant uncertainties with regard to the political and economic outlook of the United Kingdom and the European Union.*".

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On page 28 of the Base Prospectus, under the paragraph headed "*Risks connected with the political and economic decisions of EU and Eurozone countries and the United Kingdom leaving the European Union (Brexit)*" the fourth sub-paragraph is deleted and replaced as follows:

"*The possibility that other European Union countries could hold similar referendums to the one held in the United Kingdom and/or call into question their membership of the European Union; and the possibility that one or more countries that adopted the Euro as their national currency might decide, in the long term, to adopt an alternative currency or prolonged periods of uncertainty connected to these eventualities could have significant negative impacts on global economic conditions and the stability of international financial markets. These could include further falls in equity markets, a further fall in the value of the pound and, more in general, increase in financial markets volatility, reduction of global markets liquidities with possible negative consequences on the asset prices, operating results and capital and/or financial position of the Issuer and/or the BPS Group.*".

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On page 32 of the Base Prospectus, under the paragraph 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, reported below as applicable with reference to 19 March 2019:*

- *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*[1] *to Circular No. 285 published on 4 October 2016, new transitional rules provide for a capital conservation buffer set (i) at 1.875 per cent. of risk-weighted assets from 1 January 2018 to 31 December 2018, and (ii) 2.5 per cent. of risk-weighted assets from 1 January 2019;*
- *Counter-cyclical capital buffer: The countercyclical capital buffer applied from 1 January 2016. Pursuant to Article 160 of the CRD IV and the transitional regime granted by Bank of Italy for 2018, institutions' specific countercyclical capital buffer shall consist of Common Equity Tier 1 capital equal to 1.875 per cent. of the total of the risk-weighted exposure amounts of the institution. As of 17 February 2020:*
    - *the specific countercyclical capital rate of BPS Group amounted to 0.00316% per cent. (individual) and 0.1025 per cent. (consolidated);*

[1] *"On 6 October 2016, the Bank of Italy published the 18th update of Circular No. 285 that modifies the capital conservation buffer requirement. In publishing this update, the Bank of Italy reviewed the decision, made at the time the CRD IV was transposed into Italian law in January 2014, where the fully loaded Capital Conservation Buffer at 2.50% was requested, by aligning national regulation to the transitional regime allowed by CRD IV.*"

- *countercyclical capital rates have generally been set at 0 per cent., except for the following countries: Lithuania (1 per cent.), United Kingdom (1 per cent.), Czech Republic (1.75 per cent.), Slovakia (1.5 per cent.), Iceland (2 per cent.), Hong Kong (2 per cent.), Norway (2.5 per cent.) and Sweden (2.5 per cent.). Several countries are due to increase countercyclical capital rates during 2020; and;*
- *by a press release dated 21 December 2018, with reference to the exposure towards Italian counterparties, the Bank of Italy has decided to keep the countercyclical capital buffer rate at 0 per cent. for the first quarter of 2019"; and*
- *by a press release dated 20 December 2019, the Bank of Italy has decided to keep the countercyclical capital buffer rate at 0 per cent. for the first quarter of 2020.*

- *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), which was 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) and became fully effective on 1 January 2019. Based on the most recently updated list of G-SIIs published by the Financial Stability Board ("**FSB**") on 22 November 2019 (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.*
- *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), 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 1, Section IV of Circular No. 285). The Bank of Italy has not identified the Issuer as an O-SII for the year 2020 and the Issuer does not need to comply with an O-SII capital buffer requirement.*".

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On page 33 of the Base Prospectus, under the paragraph headed "*Basel III and the CRD IV Package*", the following paragraphs are inserted as, respectively, fifteenth, sixteenth and seventeenth sub-paragraphs:

"*On 22 January 2020, EBA published a Discussion Paper for public consultation named "On future changes to the EU-wide stress test", whose objective is to partially reform the EU-wide stress test framework.*

The proposed new framework is based on two legs: (i) the supervisory leg; and (ii) the bank leg. As for the supervisory leg, it would be based on a constrained bottom-up approach similar to the current framework, whereby banks' projections are challenged and quality is assured by supervisors using various challenger models and benchmarking tools. More specifically, the new framework could deviate from the current approach as for a general relaxation of static balance-sheet assumptions and methodological constraints. As for the bank leg, in the new framework banks would use the same common methodology as in the supervisory leg for obtaining the bank leg, but they would be allowed to decide on whether to apply the constraints prescribed in this methodology or not. Banks could also decide to accept the outcome of the supervisory leg as their own and, in this case, be subject only to the QA process as described in the supervisory leg.

The public consultation will last until 30 April 2020. The proposed framework is expected to be introduced in the 2022 at the earliest, and the methodology for this exercise would have to be approved during the last quarter of 2021. For meeting this deadline and leaving enough time for designing the methodology and consulting the public on it, the decision on the changes to the framework would have to be approved by the end of the third quarter of 2020.".

GENERAL DESCRIPTION OF THE PROGRAMME

On page 71 of the Base Prospectus, under the section headed "*General Description of the Programme*", the paragraph entitled "Certain restriction" is deleted and replaced as follows:

"***Certain restrictions***	*Each Series of Covered Bonds issued will be denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply and will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time. There are restrictions on the offer, sale and transfer of Covered Bonds in the United States, the European Economic Area (including the Republic of Italy), the United Kingdom and Japan. Other restrictions may apply in connection with the offering and sale of a particular Series of Covered Bonds. For further details see "Subscription and Sale" below.*".

FORM OF FINAL TERMS

On page 143, under the section entitled "*Form of Final Terms*", the paragraph entitled "[PRIIPs Regulation / PROHIBITION OF SALES TO EEA RETAIL INVESTORS" is deleted and replaced as follows (the underlined words show the insertions made):

"*[**PRIIPs Regulation / PROHIBITION OF SALES TO EEA <u>AND UK</u> 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**") <u>or in the United Kingdom (**UK**)</u>. 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 (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (UE) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MiFID II. 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 <u>or in the UK</u> has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA <u>or in the</u> <u>UK</u> may be unlawful under the PRIIPs Regulation[2].*".

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On page 150, under the section entitled "*Form of Final Terms*", under the section entitled "*Part B – Other Information*", the second item entitled "*2. Ratings*" is deleted and replaced as follows:

"***2. RATINGS***

Ratings:	*[Not Applicable]/[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:]*
	[Fitch]: [•]]
	[●]: [•]]
	*[The credit ratings included or referred to in these Final Terms have been issued by Fitch, which is established in the European Union and is registered under Regulation (EC) No 1060/2009 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 http://www.esma.europa.eu/page/List-registered-and-certified-CRAs).]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 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***")].".*

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On page 152, under the section entitled "*Form of Final Terms*", under the section entitled "*Part B – Other Information*", the tenth item entitled "*10. Prohibition of Sales to EEA Retail Investors*" is deleted and replaced as follows:

"10.	**Prohibition of Sales to EEA and UK Retail Investors:**	[Applicable/Not Applicable] (*If the Covered Bonds clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Covered Bonds may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.*)".

INFORMATION INCORPORATED BY REFERENCE

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:

Document	**Information Incorporated**	**Page Reference**
Press release headed "*Board of Directors meeting of 7 February 2020: approval of the preliminary consolidated figures for 2019*" published by the Issuer on 7 February 2020	Press release	Entire document

EY S.p.A., as independent auditor of the Issuer, has agreed that the financial information as at 31 December 2019 and for the year then ended included in the above mentioned attachments, 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 2019.

The financial information included in the press release refers to the year ended 31 December 2019 and therefore there are no assumptions or factors which the members of the administrative management or supervisory bodies can influence.

Press release headed "*The board of directors of Banca Popolare di Sondrio rejects the application for membership submitted by Amber Capital UK LLP and Amber Capital Italia Sgr spa and points out the breach of the limit ex art. 30 Testo Unico Bancario (TUB)"* published by the Issuer on 21 January 2020.	Press release	Entire document
Press release headed "*DBRS Morningstar has assigned the rating to the bond Banca Popolare di Sondrio 2.375%, with maturity 03/04/2024. The note has been rated investment grade with rating "BBB (low)*" published by the Issuer	Press release	Entire document

on 3 February 2020.		
Press release headed "*Banca Popolare di Sondrio announces the non-realization of the acquisition of 70.77% of the share capital of Farbanca*" published by the Issuer on 26 February 2020	Press release	Entire document

Any document which is incorporated by reference into any of the documents incorporated in, and form part of, the Base Prospectus, shall not constitute a part of the Base Prospectus.

The press releases are available both in their original version in Italian and translated into English on the website of the Issuer at the following addresses:

- https://www.popso.it/cm/pages/ServeAttachment.php/L/EN/D/8%252F8%252Fb%252FD.b1f041c8f608050ddf33/P/BLOB%3AID%3D2535/E/pdf;
- https://www.popso.it/cm/pages/ServeAttachment.php/L/EN/D/d%252F9%252F0%252FD.59a6018fca34a9f4cf33/P/BLOB%3AID%3D2522/E/pdf;
- https://www.popso.it/cm/pages/ServeAttachment.php/L/EN/D/c%252F7%252F1%252FD.49c7f313d5269f93d079/P/BLOB%3AID%3D2536/E/pdf; and
- https://www.popso.it/cm/pages/ServeAttachment.php/L/EN/D/b%252F6%252F3%252FD.c7ad05ddefb916f508a7/P/BLOB%3AID%3D2543/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.

TAXATION

On page 223 of the Base Prospectus, under paragraph headed "*Wealth Tax on securities deposited abroad*" the first sub-paragraph is deleted and replaced as follows:

"*According to the provisions set forth by Law No. 214 of 22 December 2011, as amended and supplemented, Italian resident individuals, non-profit entities and certain partnerships (società semplici or similar partnerships in accordance with Article 5 of Presidential Decree No. 917 of 22 December 1986) holding the Covered Bonds outside the Italian territory are required to pay an additional tax at a rate of 0.20 per cent. In this case the abovementioned stamp duty provided for by Article 13 of the tariff attached to Decree No. 642 does not apply.*".

SUBSCRIPTION AND SALE

On page 225 of the Base Prospectus, under the section "*Selling restrictions*" the paragraph entitled "*Public Offer Selling Restriction under the Prospectus Directive*" is deleted and replaced as follows:

"***Public Offer Selling Restriction under the Prospectus Directive***

*If the Final Terms of any Covered Bond specifies "Prohibition of Sale to EEA and UK Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area or the United Kingdom (**UK**) which has implemented the Prospectus Directive (each, a "**Relevant State"**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive has been implemented in that Relevant State (the "**Relevant Implementation Date**") 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 Relevant State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Covered Bonds to the public in that Relevant State:*

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) 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 3(2) of the Prospectus Directive,

provided that no such offer of Covered Bonds referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to article 3 of the Prospectus Directive or supplement a prospectus pursuant to article 16 of the Prospectus Directive.

*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 Relevant 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 Directive**" means Directive 2003/71/EC as amended and substituted, and includes any relevant implementing measure in the Relevant State.*".

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On page 225 of the Base Prospectus, under the section "*Selling restrictions*" the paragraph entitled "Prohibition of Sales to EEA Retail Investors" is deleted and replaced as follows:

"*Prohibition of Sales to EEA and UK Retail Investors*

Unless the Final Terms in respect of any Series of Covered Bonds specifies the "Prohibition of Sales to EEA and 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, as the case may be, which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area or in the UK.

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 the MiFID II; or

(ii) a customer within the meaning of 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; 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, as the case may be, to be offered so as to enable an investor to decide to purchase or subscribe the Covered Bonds, as the case may be.".

GENERAL INFORMATION

On pages 232-233 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, 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 2016;*

(v) *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 2016;*

(vi) *Issuer's unaudited condensed interim consolidated financial statements and the relevant audit limited review report as at and for the six months ended on 30 June 2017;*

(vii) *Issuer's unaudited interim consolidated report on operations at 30 September 2017;*

(viii) *Issuer's audited consolidated and separate (non-consolidated) financial statements of the Issuer at 31 December 2017;*

(ix) *Issuer's unaudited interim condensed consolidated financial statements and the relevant review report as at and for the six months ended on 30 June 2018;*

(x) *Issuer's unaudited interim condensed consolidated report on operations as at and for the nine months ended on 30 September 2018;*

(xi) *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;*

(xii) *Issuer's unaudited interim consolidated report on operations at 31 March 2019;*

(xiii) *Issuer's unaudited condensed interim consolidated financial statements and the relevant audit limited review report as at and for the six months ended on 30 June 2019;*

(xiv) *Issuer's unaudited interim financial report as at and for the period ended on 30 September 2019;*

(xv) Guarantor's Financial Statements and the relevant audit report as at and for the year ended on 31 December 2016;

(xvi) Guarantor's Audit report in respect to Financial Statements of the Guarantor as at and for the year ended on 31 December 2016;

(xvii) Guarantor's Financial Statements as at and for the year ended on 2017;

(xviii) Guarantor's Audit report in respect to Financial Statements of the Guarantor as at and for the year ended on 31 December 2017;

(xix) Guarantor's Audit report in respect to the Financial Statements of the Guarantor as at 31 December 2017;

(xx) Guarantor's Audit report in respect to the Financial Statements of the Guarantor as at 31 December 2018;

(xxi) Press release "Banca Popolare di Sondrio fully satisfies ECB-imposed prudential requirements";

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

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

(xxiv) Press release headed "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".

(xxv) Press release headed "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." published by the Issuer on 28 May 2019;

(xxvi) Press release headed "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-"." published by the Issuer on 5 June 2019;

(xxvii) Press release headed "Merger by incorporation of PrestiNuova spa into Banca della Nuova Terra spa." published by the Issuer on 24 June 2019;

(xxviii) 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;

(xxix) 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;

(xxx) 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.

(xxxi) Press release headed "Board of Directors meeting 8th of November 2019: approval of the consolidated interim report as at 30 September 2019" published by the Issuer on 8 November 2019.

(xxxii) 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;

(xxxiii) 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;

(xxxiv) 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;

(xxxv) press release headed "The board of directors of Banca Popolare di Sondrio rejects the application for membership submitted by Amber Capital UK LLP and Amber Capital Italia Sgr spa and points out the breach of the limit ex art. 30 Testo Unico Bancario (TUB)" published by the Issuer on 21 January 2020;

(xxxvi) press release headed "*DBRS Morningstar has assigned the rating to the bond Banca Popolare di Sondrio 2.375%, with maturity 03/04/2024. The note has been rated investment grade with rating "BBB (low)*" *published by the Issuer on 3 February 2020*;

(xxxvii) press release headed "Board of Directors meeting of 7 February 2020: approval of the preliminary consolidated figures for 2019" published by the Issuer on 7 February 2020;

(xxxviii) press release headed "Banca Popolare di Sondrio announces the non-realization of the acquisition of 70.77% of the share capital of Farbanca" published by the Issuer on 26 February 2020;

(xxxix) a copy of this Base Prospectus together with any supplement thereto, if any, or further Base Prospectus;

(xl) 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. 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.".