

Final Terms dated 1 August 2014

Banca Popolare di Sondrio S.c.p.A. Issue of Euro 500,000,000 Fixed Rate Covered Bonds due August 2019

Guaranteed by POPSO Covered Bond S.r.l.

under the Euro 5,000,000,000 Covered Bond (*Obbligazioni Bancarie Garantite*) Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the base prospectus dated 22 July 2014 which constitutes a base prospectus (the “**Base Prospectus**”) for the purposes of the Directive 2003/71/EC, as amended (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive. These Final Terms, published on 1 August 2014, contain the final terms of the Covered Bonds and must be read in conjunction with such Base Prospectus. Full information on the Issuer, Guarantor and the offer of the Covered Bonds described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus, is available for viewing on the website of the Luxembourg Stock Exchange (www.bourse.lu). This Final Terms will be published on website of the Luxembourg Stock Exchange at www.bourse.lu.

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| 1. | (i) | Series Number: | 1 |
| | (ii) | Tranche Number: | 1 |
| | (iii) | Date on which the Covered Bonds will be consolidated and form a single Series: | Not Applicable |
| 2. | | Specified Currency or Currencies: | Euro (“€”) |
| 3. | | Aggregate Nominal Amount: | €500,000,000 |
| | (i) | Series: | €500,000,000 |
| | (ii) | Tranche: | €500,000,000 |
| 4. | | Issue Price: | 99.976 % of the aggregate nominal amount |
| 5. | (i) | Specified Denominations: | €100,000 plus integral multiples 1,000 |
| | (ii) | Calculation Amount: | €1,000 |
| 6. | (i) | Issue Date: | 5 August 2014 |
| | (ii) | Interest Commencement Date: | Issue Date |
| 7. | | Maturity Date: | 5 August 2019. |

8. (i) Extended Maturity Date of 5 August 2020
Guaranteed Amounts corresponding to Final Redemption Amount under the Covered Bonds Guarantee:
- (ii) Extended Instalment Date of Not Applicable
Guaranteed Amounts corresponding to Covered Bond Instalment Amounts under the Covered Bond Guarantee:
9. Interest Basis: 1.375 % *per annum* Fixed Rate
(further particulars specified in 14 and 15 below)
10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Covered Bonds will be redeemed on the Maturity Date at 100 % at least of their nominal amount
11. Change of Interest Change of interest rate may be applicable in case an Extended Maturity Date is specified as applicable, as provided for in Condition 7(b)
12. Put/Call Options: Not Applicable
13. Date of Board approval for issuance of Covered Bonds and Covered Bonds Guarantee respectively obtained: 14 May 2014 and 27 June 2014, with reference to the resolutions of the Management Board of the Issuer approving the establishment of the Programme and the issue of the Covered Bonds
23 May 2014 and 16 July 2014 with reference to the approval of the granting of the Covered Bond Guarantee by the Guarantor

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. **Fixed Rate Provisions** Applicable
- (i) Rate(s) of Interest: 1.375% per annum payable in arrear on each Interest Payment Date.

- (ii) Interest Payment Date(s): 5 August in each year, from (and including) 5 August 2015 up to (and including) the Maturity Date, adjusted in accordance with the Following Business Day Convention.
- (iii) Fixed Coupon Amount(s): €13.75 per Calculation Amount
- (iv) Broken Amount(s): Not Applicable
- (v) Day Count Fraction: Actual/Actual (ICMA)
- (vi) Determination Date(s): Not Applicable

15. **Floating Rate Provisions**

Applicable in respect of the Extended Maturity Date if payment of the Final Redemption Amount is deferred pursuant to Condition 7 (b)

- (i) Interest Period(s): Interest will be payable monthly in arrears on each Interest Payment Date from (and including) the Maturity Date up to (and excluding) the Extended Maturity Date or, if earlier, the date on which the Covered Bonds are redeemed in full
- (ii) Specified Period: Not Applicable
- (iii) Interest Payment Dates: The 5th day of each of month, up to and including the Extended Maturity Date adjusted in accordance with the Modified Following Business Day Convention
- (iv) First Interest Payment Date: 5 September 2019
- (v) Business Day Convention: Modified Following Business Day Convention
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: Screen Rate Determination
- (vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Paying Agent): Not Applicable
- (viii) Screen Rate Determination:
 - Reference Rate: 1 month EURIBOR
 - Interest Determination Date(s): The 2nd TARGET2 Settlement Day prior to the commencement of each Interest Period
 - Relevant Screen Page: Reuters EURIBOR 01

- Relevant Time: 11.00 a.m. Brussels time
- Relevant Financial Centre: Euro-Zone
- (ix) ISDA Determination: Not Applicable
- (x) Margin(s): +0.75% per annum
- (xi) Minimum Rate of Interest: Not Applicable
- (xii) Maximum Rate of Interest: Not Applicable
- (xiii) Day Count Fraction: Actual/360

PROVISIONS RELATING TO REDEMPTION

16. **Call Option** Not Applicable
17. **Put Option** Not Applicable
18. **Final Redemption Amount of Covered Bonds** €1,000 per Calculation Amount (as referred in Condition 7)
- (i) Minimum Final Redemption Amount: €1,000 per Calculation Amount
- (ii) Maximum Final Redemption Amount: €1,000 per Calculation Amount
19. **Early Redemption Amount** €1,000 per Calculation Amount
- Early redemption amount(s) per Calculation Amount payable on redemption for taxation reasons or on acceleration following a Guarantor Event of Default:

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

20. Additional Financial Centre(s): Not Applicable
21. Details relating to Covered Bonds for which principal is repayable in instalments: amount of each instalment, date on which each payment is to be made: Not Applicable

RESPONSIBILITY

Each of the Issuer and the Guarantor confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of Banca Popolare di Sondrio S.c.p.A.

By: _____
Duly authorised

Signed on behalf of POPSO Covered Bond S.r.l.

By: _____
Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

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|---|----------------------|---|
| (i) | Listing | Official List of the Luxembourg Stock Exchange |
| (ii) | Admission to trading | Application has been made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on the regulated market of the Luxembourg Stock Exchange with effect from 5 August 2014. |
| - Estimate of total expenses related to admission to trading: | | €2,000 |

2. RATINGS

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| Ratings: | The Covered Bonds to be issued are expected to be rated

Fitch Ratings Limited: A |
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The credit ratings included or referred to in these Final Terms have been issued by Fitch Ratings Limited, which is established in the European Union and is registered under Regulation (EC) No 1060/2009 as amended by Regulation (EU) No 513/2011 on credit rating agencies (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>).

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

Save for any fees payable to the Dealer, so far as the Issuer is aware, no person

involved in the issue of the Covered Bonds has an interest material to the offer. The Dealer and its affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

4. Fixed Rate Covered Bonds only – YIELD

Indication of yield: 1.38%

5. Floating Rate Covered Bonds only - HISTORIC INTEREST RATES

Details of historic EURIBOR rates can be obtained from Reuters

6. OPERATIONAL INFORMATION

ISIN Code: IT0005039711

Common Code: 109500658

Any Relevant Clearing System(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): Monte Titoli S.p.A.

Delivery: Delivery against payment

Names and Specified Offices of additional Paying Agent(s) (if any): Not Applicable

Deemed delivery of clearing system notices for the purposes of Condition 16 (*Notices*): Any notice delivered to Covered Bondholders through the clearing systems will be deemed to have been given on the second business day after the day on which it was given to Euroclear and Clearstream, Luxembourg.

Intended to be held in a manner which would allow Eurosystem eligibility: Yes

Note that the designation “yes” simply means that the Covered Bonds are intended upon issue to be held in a form which would allow Eurosystem eligibility (i.e. issued in dematerialised form (*emesse in forma dematerializzata*) and wholly and exclusively deposited with Monte Titoli in accordance with article 83-*bis* of Italian Legislative Decree No. 58 of 24 February 1998, as amended, through the authorised institutions listed in article 83-*quater* of such legislative decree) and does not necessarily mean that the Covered Bonds will be recognized as eligible collateral for

Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

DISTRIBUTION

7. (i) Method of distribution: Non-syndicated
(ii) If syndicated, names of Managers: Not Applicable
8. If non-syndicated, name of Dealer: BNP Paribas, London Branch
10 Harewood Avenue
London NW1 6AA
United Kingdom
9. U.S. Selling Restrictions: Compliant with Regulation S under the U.S. Securities Act of 1933