



Banca Popolare di Sondrio

COVERED BOND PROGRAMME

Investor presentation

March 2016



Banca Popolare di Sondrio

www.pops0.it

IL GRUPPO BANCARIO AL CENTRO DELLE ALPI
BANCA POPOLARE DI SONDRIO • BPS (SUISSE) • FACTORIT • PIROVANO STELVIO

Executive Summary



Banca Popolare di Sondrio



- Ranks among the 10th largest banks in Italy
- Conservative business model focused on retail and SME banking activities
- Compelling asset quality with one of the lowest NPL ratio in Italy (3.06%)
- Stable funding and good liquidity
- Strengthened capital position CET1 10.49% and TCR 13.44% vs SREP CET1 req. of 9.25%
- BPSO's rating: BBB/F3 by Fitch; BBB/A3 by Dagong; outlook stable

OBG Programme



- Eur 5bn OBG Programme aimed at diversifying the sources of funding
- OBG Programme Rating: Single A+ (by Fitch)
- One transaction successfully priced in July 2014: Eur 500m 5 year (IT0005039711)
- Support lending activity lengthening the maturity profile

Cover pool



- Cover Pool composed of first lien residential mortgage loans, performing only
- c.a. 80% of the loans is from the North of Italy, one of the wealthiest regions of Europe
- Weighted average current LTV at 44.08%
- Overcollateralization 38.3%

Italian Mortgage Market OBG and Covered Bond Market



- Italian households maintain the lowest level of indebtedness in Europe
- The Italian mortgage market is relatively small in Europe, reflecting the low tendency to incur debt
- Low LTV levels compared to European peers

Table of contents



Issuer description

BPSO OBG Programme and cover pool description

Residential mortgage business

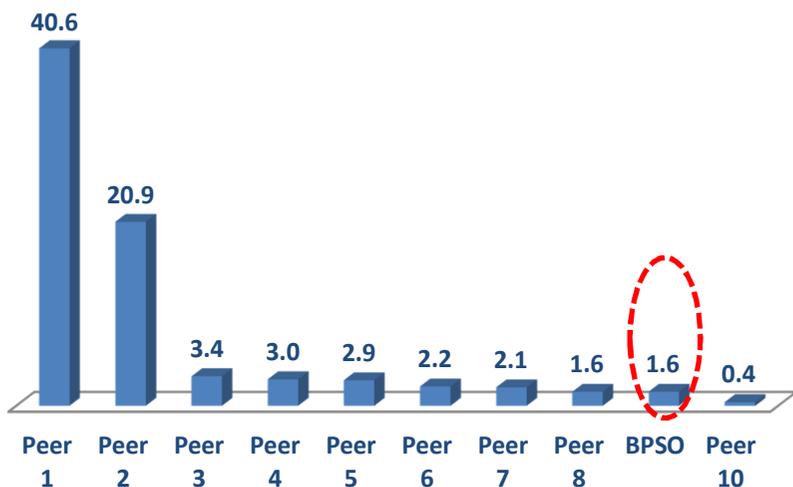
Contacts

BPSO: among the 10^o largest banks in Italy

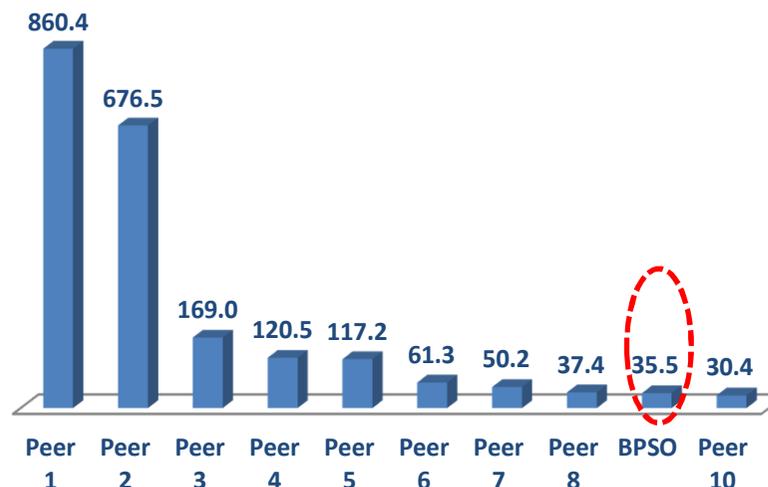


- Banca Popolare di Sondrio (“BPSO”) is among the 10th largest banks in Italy with Eur 35.5bn in assets, more than 830,000 customers, 3,112 employees, and 354 branches in Italy and in Switzerland
- BPSO has a very conservative business model mainly focused in retail and SME banking activities with families and small/mid corporate customers representing more than 90% of total customer loans (Eur 24bn in Dec-2015).

Market Cap (Eur bn)



Total Assets (Eur bn)



Source: Bloomberg. Market cap as of 23.02.2016. Peers: ISP, UCG, UBI, BAPO, BPM, BPER, CREDEM, MPS, CARIGE

Source: Q4-15 Financial reports. Peers: ISP, UCG, UBI, BAPO, BPM, BPER, CREDEM, MPS, 4 CARIGE



BPSO a successful story of organic growth

1871 - 1978

- Established in Sondrio in 1871 BPSO becomes one of the main banks of that area

1978 - 1990

- The Bank starts to broaden its presence outside Sondrio's province
- 1978 opening of its first office in Milan
- 1990 opening of its first office in Rome
- 1990 Bank's networks totals 55 branches

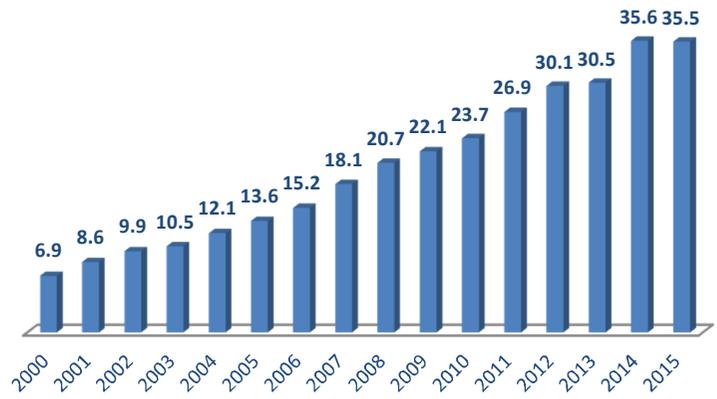
1991 - 2003

- 1991 BPSO starts its international growth with the opening of its representative office in Lugano Switzerland
- 1991 BPSO is listed on the Expandi market
- 1995 creation of BPSO SUISSE SA
- 2003 BPSO network totals 191 branches

2004 - 2015

- 2004 BPSO Group network totals 203 branches
- 2010 acquisition of Factorit
- Today 333 branches in Italy, 20 branches in Switzerland, 1 in Monaco and 2 representative offices in Hong Kong and Shanghai and keeps growing...

Total assets evolution Eur bn

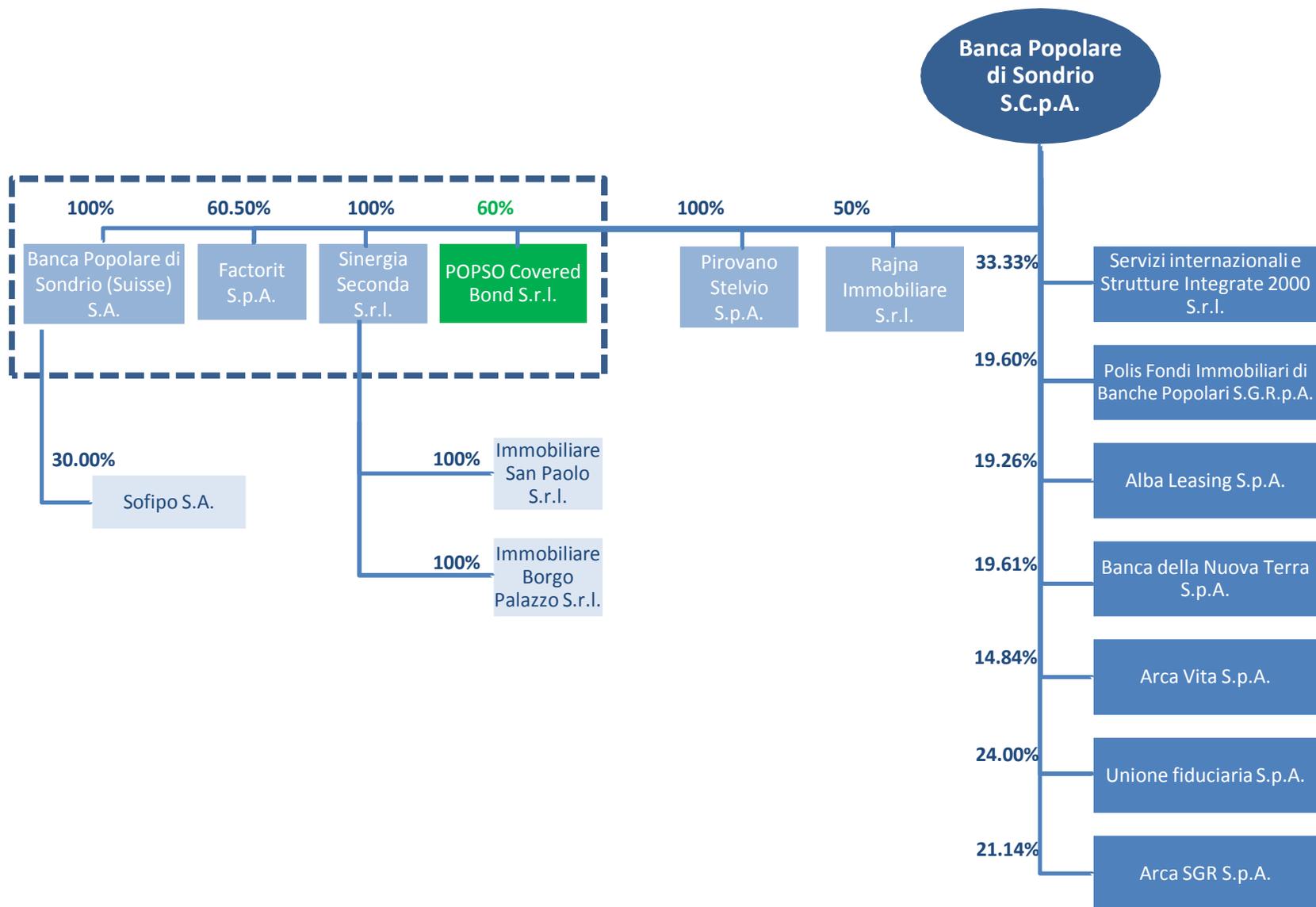


Total branches evolution in Italy



Source: Financial reports

A clean group structure



Corporate Governance: transformation into a “SPA”



Under the Italian Law n. 33 of 24 March 2015 Italian Popolari banks with total assets above Eur 8bn will need to be transformed into joint stock companies over the next 18 months (by November 2016). The government took action on the Art.30 par.1 of TUB (Banking law) related to the ownership rule: “each member shall have one vote regardless of the number of shares held”.

The plan will see the top 10 Popolari Banks transformed into joint-stock companies and reform their one head-one vote governance.

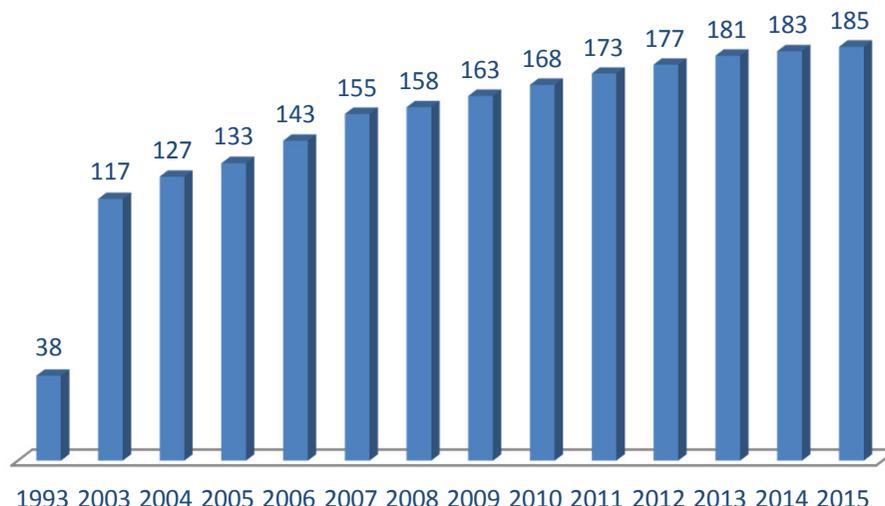
On the 5th of October having considered the opinion of the Statutory Board of Auditors, BPS board approved an action plan for the transformation of the bank into a joint-stock company. The Plan has been adopted pursuant to the mentioned Italian Law and to relevant supervisory requirements.

In particular, the date for the extraordinary Assembly to be convened in order to examine the transformation proposal and the amendments to the by laws, expected to be in autumn 2016.



A wide shareholders' base

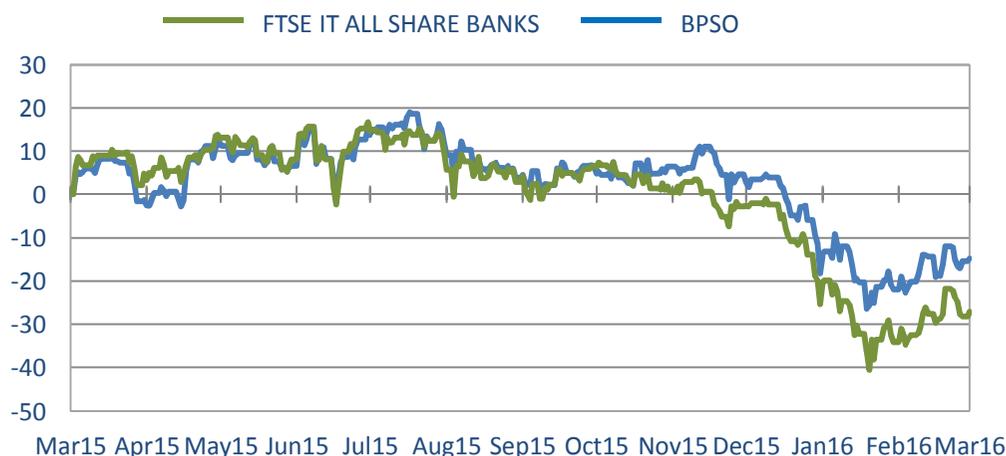
Shareholders evolution (in thousands)



Source: BPSO Financial reports

- 2nd largest cooperative bank by shareholders (over 185,000) that are mostly clients
- As of Feb'16, shares outstanding were Eur 453.4mn
- Performance of BPSO stock has proved resilient over the time and performed better than main peers

Share price evolution (Base 100%: July 2009)



Source: Bloomberg

As of 21-Mar-16	Eur
Min 52w	2.87
Max 52w	4.78
Previous year	4.10
P/E	12.05
Dividend indicated Yield	2.03%

Source: Bloomberg

BPSO's national and international presence



BPS (SUISSE)
Banca Popolare di Sondrio (SUISSE)

20 branches in 6 cantons in Switzerland and 1 in Monaco

Banca Popolare di Sondrio
Fondata nel 1871

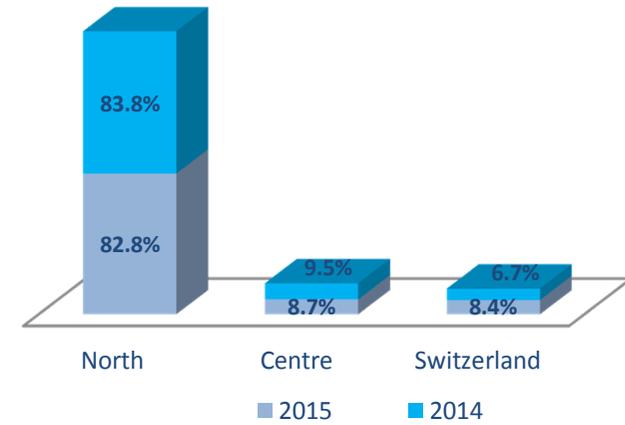
333 branches in 8 regions and 29 provinces

Factorit
GRUPPO Banca Popolare di Sondrio

7 branches in Milan, Turin, Padoa, Siena, Rome, Naples and Bologna



Income breakdown by geography



Good results despite the prolonged economic downturn



Income Statement (Eur mn)	FY 2014	FY 2015	% yoy	1H 2014	1H 2015	% qoq
Interest Margin	590.92	543.37	-8.05%	297.59	276.59	-7.06%
Net Commissions	300.02	303.47	1.15%	146.51	149.15	1.80%
Net Impairments	-481.90	-409.14	-15.10%	-233.94	-200.64	-14.23%
Net Financial Income	611.86	652.55	6.65%	331.29	357.05	7.77%
Operating Costs	-411.88	-468.33	13.71%	-204.63	-213.55	4.36%
Minority Income	-10.08	-8.2	-18.64%	-5.71	-3.96	-30.65%
Net Profit	115.203	129.3	12.24%	71.00	97.30	37.04%

Balance sheet (Eur mn)	FY 2014	FY 2015	% yoy	1H 2014	1H 2015	% qoq
Total Assets	35,618.85	35,537.65	-0.23%	33,026.71	36,603.61	10.83%
Due from Customers	24,011.93	23,996.54	-0.06%	23,874.07	24,732.88	3.60%
Net Equity	2,489.70	2,649.45	6.42%	2,109.10	2,599.06	23.23%
Direct Customer Deposits	29,717.04	29,528.00	-0.64%	26,797.00	29,997.48	11.94%
Indirect Customer Deposits	28,553.28	28,237.00	-1.11%	27,720.00	30,542.63	10.18%
Insurance Premiums	897.47	1099.74	22.57%	841.98	1015.38	20.59%

Main ratio	FY 2014	FY 2015	1H 2014	1H 2015
CET 1 ratio	9.75%	10.49%	8.48%	10.20%
Total Capital Ratio	11.28%	13.44%	10.74%	12.23%

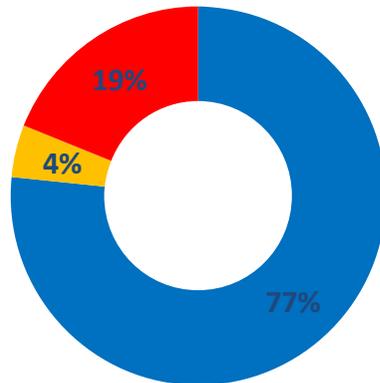
Cost Income ratio	37.66%	44.11%	36.20%	38.29%
ROE	5.03%	5.31%	7.25%	8.04%

Financial assets/Total assets	25.47%	23.64%	21.39%	27.14%
Leverage	5.83%	6.22%	5.16%	6.02%

Lending focused on the wealthiest Italian regions

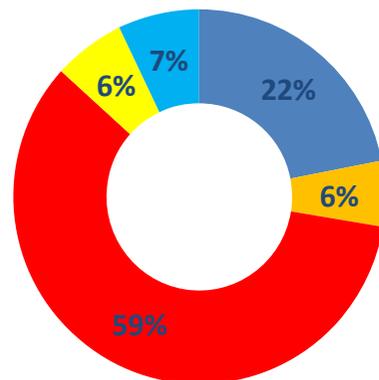


2015 Breakdown by Italian regions



■ North West ■ North East ■ Centre

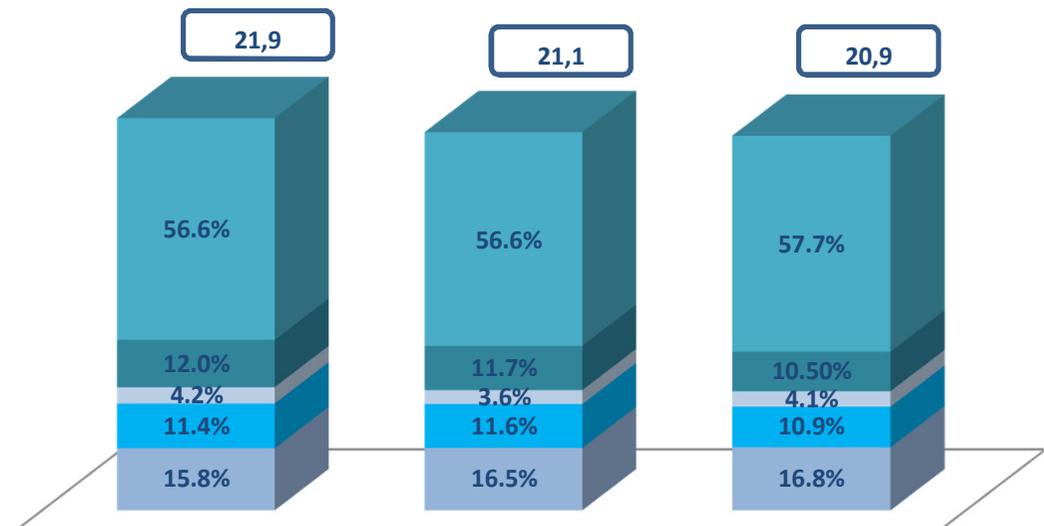
2015 Customer loans breakdown



■ Current account ■ Foreign currency loans
 ■ MLT Loans ■ Factoring
 ■ Other

- Loan book mainly focused on the North west of Italy, one of the wealthiest region in Europe
- Good diversification in terms of industrial sector and individual borrower with limited large exposure
- Top clients exposure totals Eur 12bn of which Eur 7.5bn referring to Italian government bonds. Overall risk position amounts to Eur 2.9bn

Volumes breakdown by sector (Eur bn)

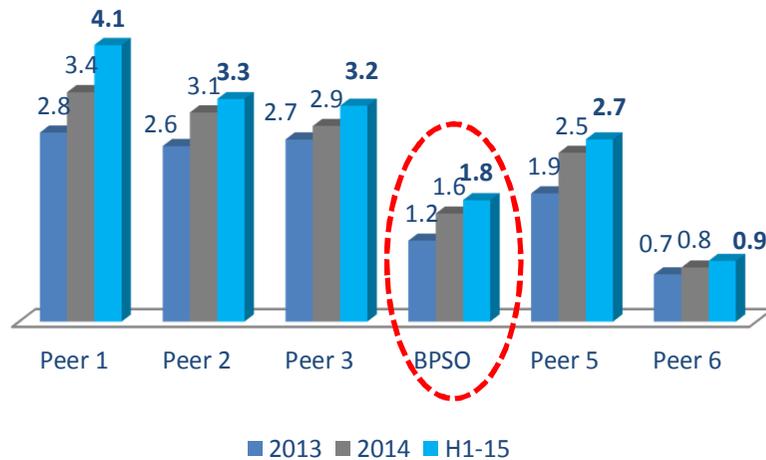


■ Non Financial companies ■ Financial and insurance companies
 ■ Public administration / Non profit organisations / others ■ SMEs
 ■ Customer households

Compelling assets quality vs peers

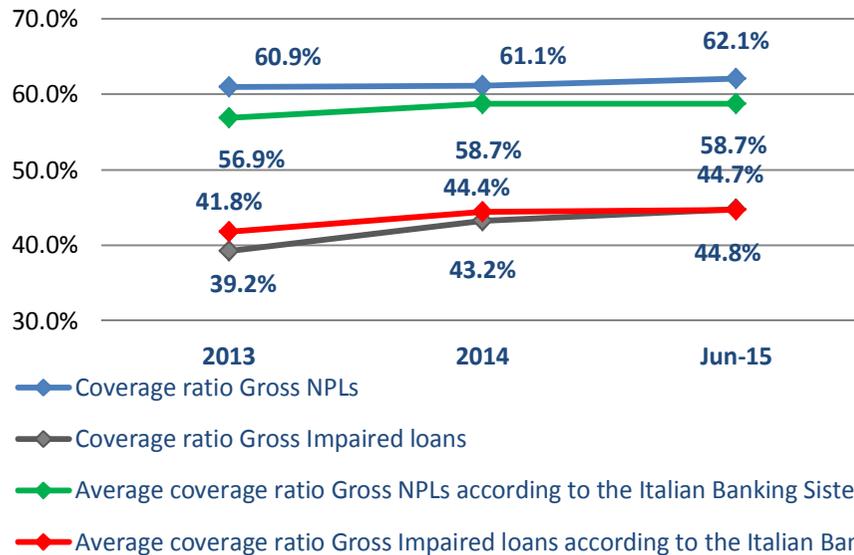


Gross Impaired loans BPSO vs direct peers

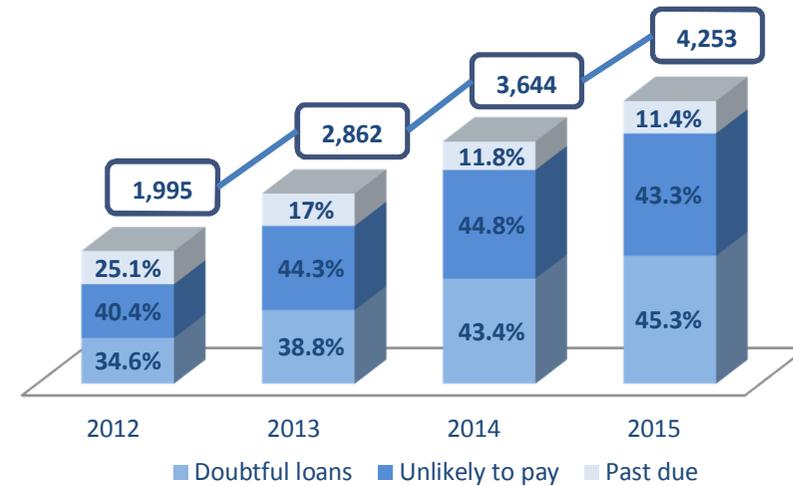


Source: PwC, analysis companies YE 2013, YE 2014, H1 2015 Results. Volumes Eur bn

Coverage ratio



BPSO Impaired loans breakdown (Eur mn)



Despite prolonged economic recession BPSO's asset quality remains manageable and better than most of domestic peers

Credit quality ratio Data as of 1H-15	BPSO	BANKING SYSTEM
Gross Impaired loans / Gross customer loans	14.89%	17.5%
Gross NPLs / Gross customer loans	6.67%	10.1%
Net NPLs / Net Customer Loans	2.73%	4.62%

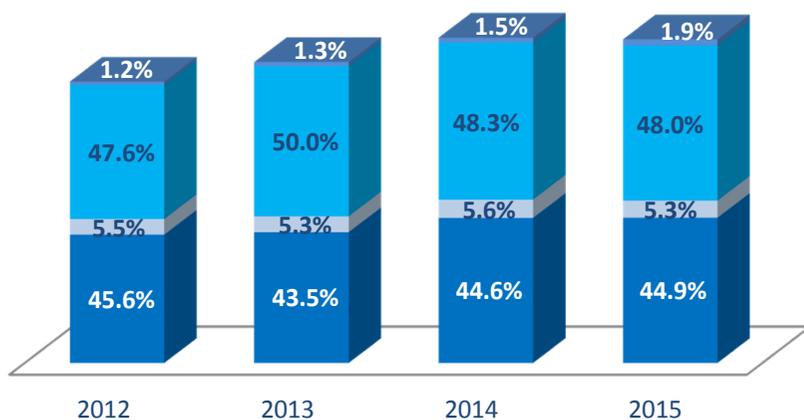
Stable funding and evolution of its funding mix



Deposits & assets under management (Eur mn)

Eur mn	2012	2013	2014	2015
Sight deposits	18,228	19,722	23,880	24,436
Time deposits	4,594	3,861	2,125	1,253
Repos	534	211	384	727
Deposits & Repos	23,356	23,794	26,389	26,416
Bonds (Retail)	2,830	2,881	3,328	3,112
Total Direct Customer deposits	26,185	26,675	29,717	29,528
Indirect Funding	24,370	27,341	28,553	28,237
Depos., Repos & AuM	50,556	54,016	58,270	57,765
Insurance premium	618	719	897	1,100
Total	51,173	54,735	59,167	58,865

Direct and indirect funding (Eur mn)



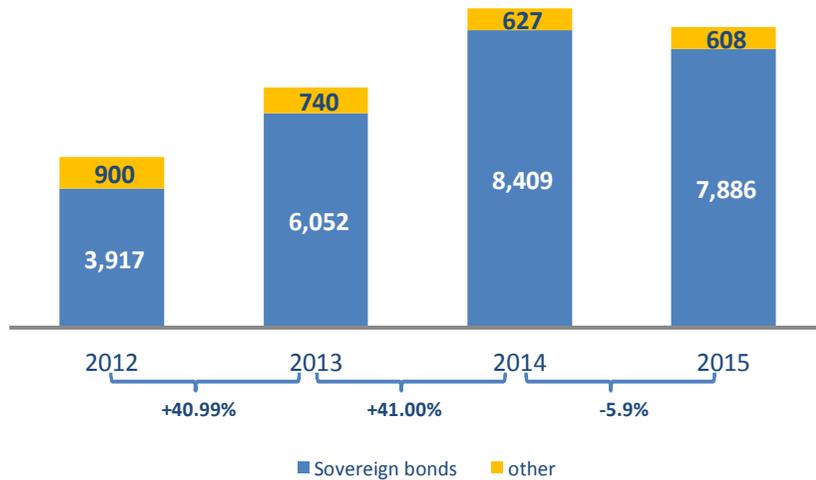
■ Deposits & Repos ■ Bonds (Retail) ■ Indirect Funding ■ Insurance premium

- To diversify its potential sources of funding BPSO uses its covered bond programme to access wholesale market. Currently this is the only institutional funding of BPSO
- Funding benefits from bank's solid customer base, as well as its role as treasurer for many public and private entities
- As of Dec-15 Customer deposits were at Eur 29.5bn representing c.a. 50% of total funding
- Decrease of the indirect funding -1% compared to Dec-14
- Increase of the insurance premium +22% compared to Dec-14
- As far as the retail domestic market is concerned, BPSO will continue to issue unsecured bonds to its retail customer base

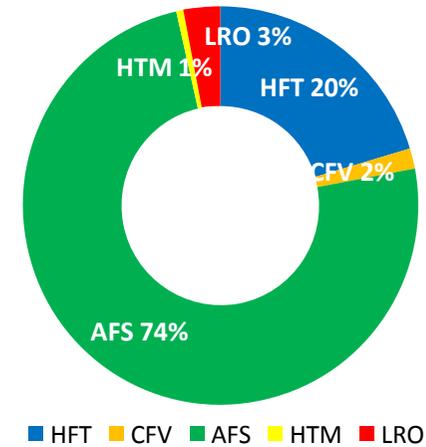
Prevalence of govies within the securities portfolio



Securities portfolio (Eur mn)



2015 Govies portfolio breakdown



Securities portfolio allocation

Eur mn	2012	2013	2014	2015
HTF	2,070.0	3,154.6	2,338.6	1,859.4
CFV	104.2	79.2	84.7	94.5
AFS	2,438.0	3,375.0	6,498.6	6,321.0
HTM	204.6	182.6	148.6	125.8

- Govies portfolio is mainly composed of Italian government bonds
- Short term duration of portfolio = 4yrs



Strengthened Capital position

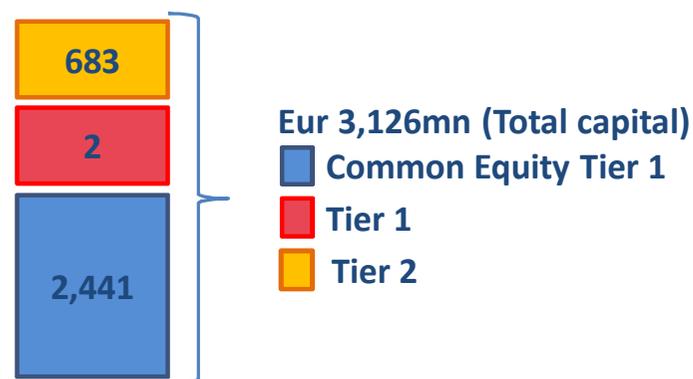
Main listed banks 3Q-15 CET1



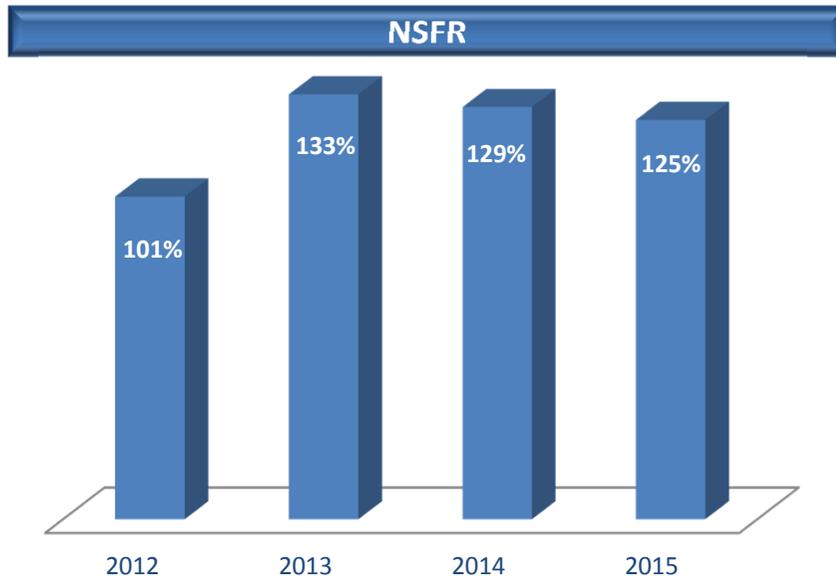
Source: Q3-15 Financials. Peers: ISP, UCG, UBI, BAPO, VENETO BANCA, BPM, BPER, BP VICENZA, CREDEM, CARIGE

- The ECB conducted a Supervisory Review and Evaluation Process (SREP) and established the group's capital ratio for 2016 as of 9.25%
- Tier 1 capital is mostly core, no hybrids contributes to Tier 1 build up

Capital ratio "Basel III" as of 31.12.2015	Phased in	Fully phased
CET 1 ratio	10.49%	10.34%
Tier 1 Capital Ratio	10.50%	10.37%
Total Capital ratio	13.44%	12.53%

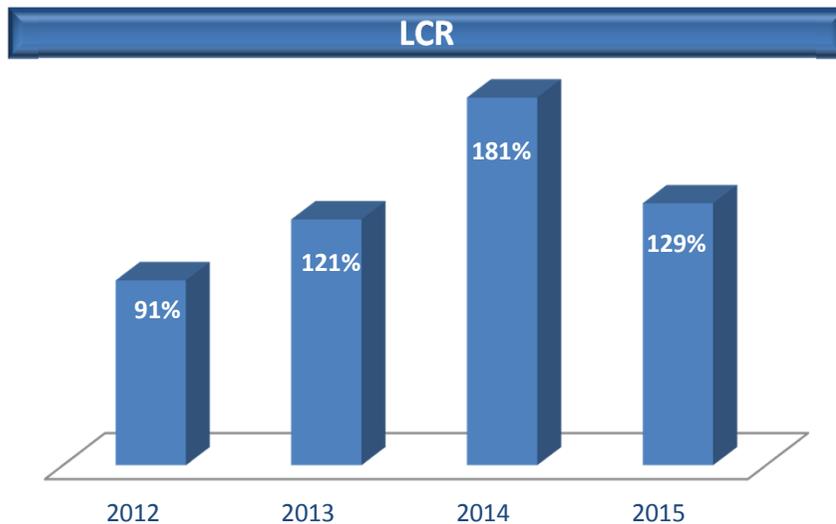


... and good liquidity

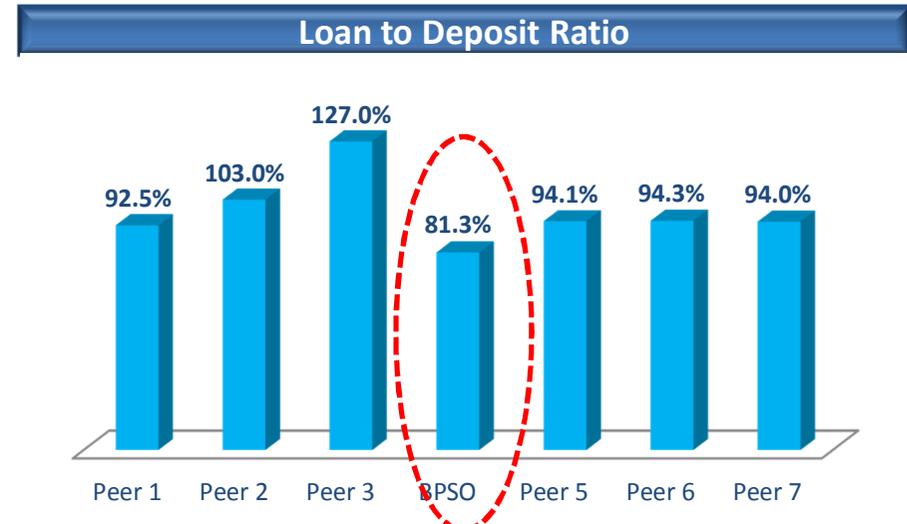


Source: BPSO

- In 2015 total eligible assets total to Eur 8.4bn of which Eur 7.9 bn were Italian sovereign bonds
- ECB exposure as of Dec-2015 is Eur 1.09bn of TLTRO financing expiring on September 2018
- 2015 Consolidated Loan to deposit ratio was at 81.30% below most of its peers



Source: BPSO

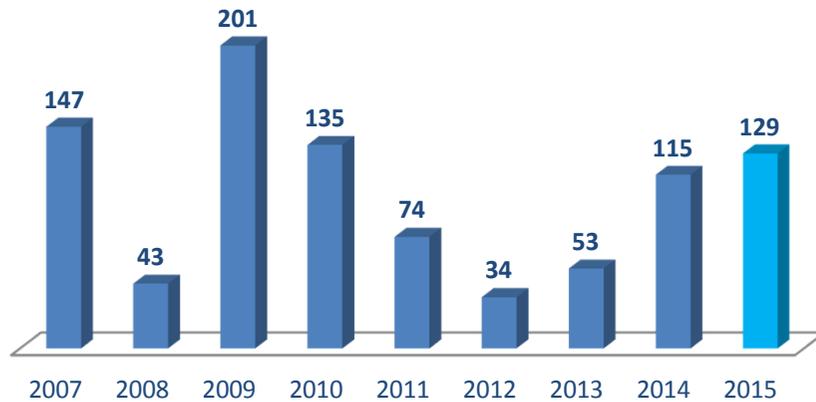


Source: FY-15 – 3Q financial statements. Peers: ISP, UBI, CREDEM, CARIGE, BAPO, BPER

Profitability and consistent dividend history



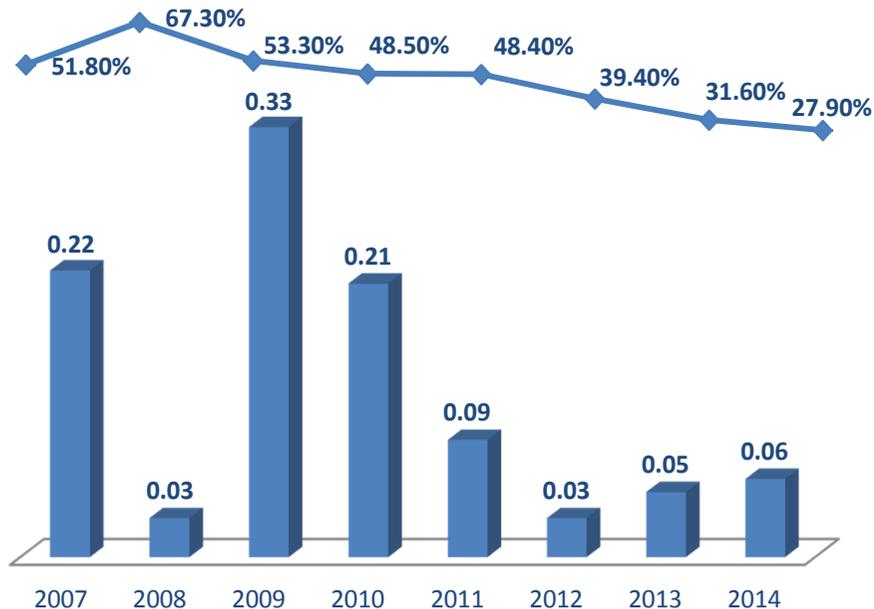
Net profit 2007-2015 (Eur mn)



ROE: 2007-2015



Pay out ratio & dividends paid



- Healthy 2015 Net profit at Eur 129mn (+12.24% vs 2014) in spite of 4Q extraordinary costs items due to the contribution to the resolution fund.
- Rigorous operating efficiency policy. 2015 cost income ratio stood at 44.1% well below the European banking system average
- 9 years average (2007-2015) ROE of 5.6%
- Profitability has substantially improved over the last two years
- Always distributed earnings to its shareholders



Credit rating

Fitch

(update Jul-2015)

- **Long term IDR: “BBB”;**
Outlook Stable
- **Short Term IDR: “F3”**
- **Viability Rating: “bbb”**

Dagong Europe Credit Rating

(update Feb-2016)

- **Long term IDR: “BBB”;**
Outlook Stable
- **Short Term IDR: “A-3”**
- **Viability Rating IDR: “bbb”**

- *“**Outlook revision to Stable from Negative** reflects Fitch's expectation of a stabilisation in BPS's asset quality and of a modest recovery in the profitability of its core lending activities, supported by lower LICs” (Fitch Jul 2015)*
- *BPS's **IDRs and VR** reflect the bank's strengthened capitalisation, a still manageable level of impaired loans, despite the deterioration experienced throughout the domestic recession, and adequate funding. (Fitch Jul 2015)*
- *“**Strengthened capital with a Tier 1 ratio of 10.5%** at YE15: BPS had successfully raised capital in the past, most recently with EUR 343Mn in July 2014 in anticipation of the ECB and the EBA's Comprehensive Assessment, published in October 2014. The bank has a sufficient capital buffer for potential increases in credit risk, as well as for expected lending growth.” (Dagong Feb 2016)*
- ***Stable funding structure, derived mainly from retail:** BPS's funding is 86%-derived from its retail clients, which is a common strength of local traditional-based banking models, particularly in Italy.”(Dagong Feb 2016)*
- ***Sustainable and valued franchise,** traditional business model, and focus on lending and deposit-taking. BPS's growth strategy focuses on traditional banking services, targeting the Northern Italy market, which historically has shown better growth prospects and asset quality performance than the Italian banking system on average.” (Dagong Feb 2016)*

Table of contents



Issuer description

BPSO OBG Programme and Cover Pool description

Residential mortgage business

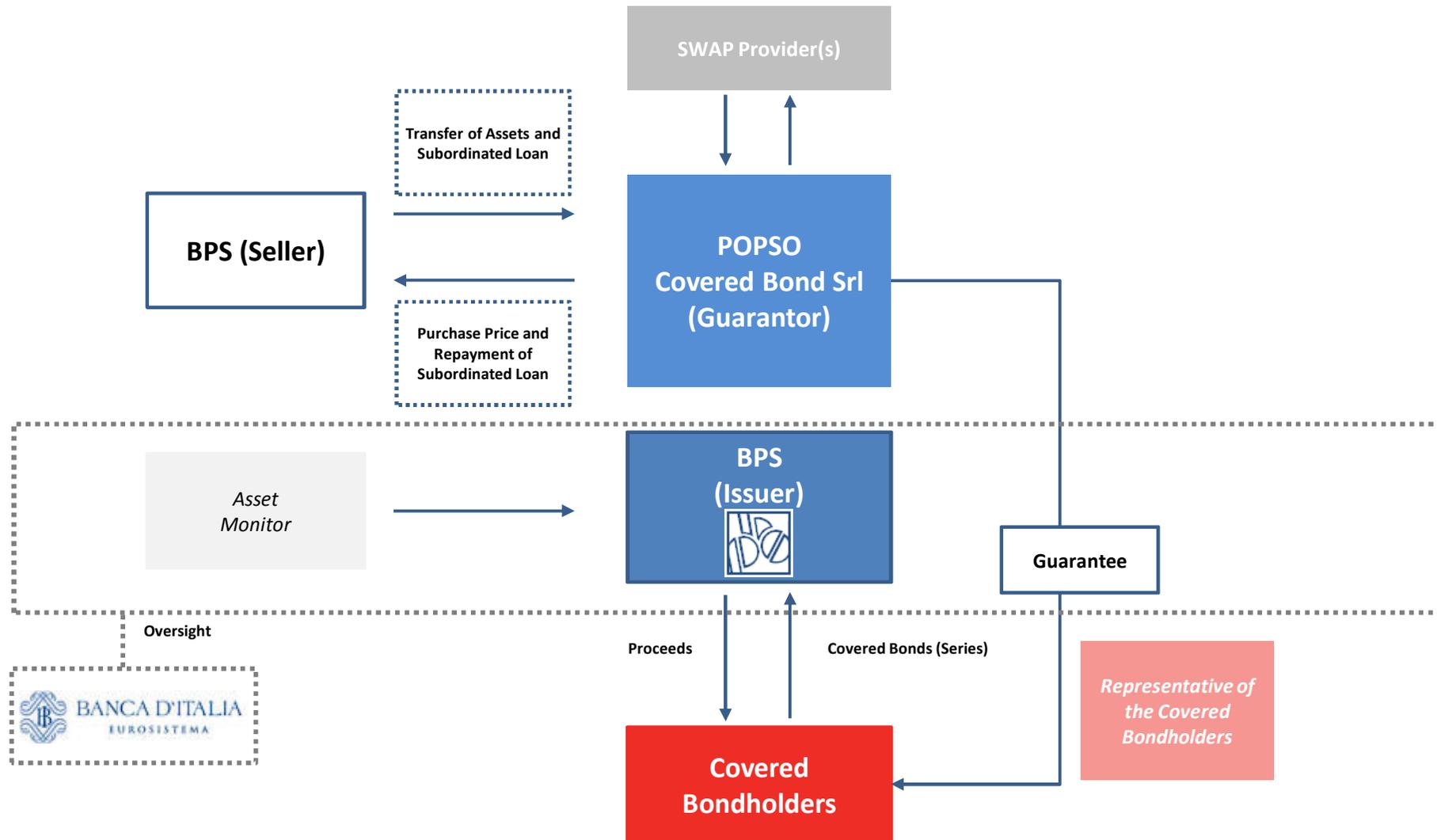
Contacts

Summary of the programme



Main Terms	
Issuer / Seller	Banca Popolare di Sondrio S.c.p.A.
Rating	Single A+ (by Fitch)
Programme Size	Eur 5,000,000,000
Guarantor	POPSO Covered Bond S.r.l.
Cover Pool	Italian prime, first economic lien residential mortgages originated by the Seller
Segregation of collateral	Collateral sold to the Guarantor for the benefit of OBG holders and other secured parties in the context of the programme
Listing	Luxembourg
Overcollateralization	The statutory tests are run quarterly to ensure sufficient programme support
Guarantor Calculation Agent	Securitisation Services S.P.A.
Test Calculation Agent	Banca Popolare di Sondrio S.c.p.A.
Asset Monitor	BDO Italia S.p.A.: The former asset monitor was Mazars S.p.A.. BDO took over Mazars in 2015
Governing Law	Italian Law
Representative of OBG holders	Securitisation Services S.P.A.
Arrangers	BNP Paribas, Finanziaria Internazionale
Programme updated	23th February 2016
Latest asset transfer	End of January 2016

Structure diagram



Statutory tests



- The Statutory Tests are designed according to the Italian Regulation Framework and are intended to ensure that the Cover Pool is at all times sufficient to repay the Covered Bonds
- Failure of the asset tests that is not remedied within a stipulated period (3 months) will constitute an Issuer Event of Default and result in the service of an Issuer Default Notice on the Issuer and a notice to pay on the Guarantor
- Any loan classified as “Attività Finanziaria deteriorata” (i.e.: Past Due, Unlikely to pay, Defaulted loan and “Sofferenze”) is excluded from the Covered Pool in the calculation of the Statutory Tests.

Nominal Value Test

The outstanding aggregate principal balance* of the Eligible Cover Pool plus the aggregate amounts standing to the credit of the SPV accounts (in relation to the principal component only) shall be at least equal to, or higher than, the aggregate principal notional amount of all Covered Bonds outstanding

Net Present Value Test

The Net Present Value* of the Eligible Cover Pool (taking into consideration the present values of the Guarantor general and administrative expenses and any cash flow expected on derivatives) shall be at least equal to, or higher than, the Net Present Value of the Outstanding Covered Bonds

Interest Coverage Test

The Interest Collections* from the Eligible Cover Pool, including any cost to be borne by the Guarantor and any cash flow expected on derivatives, shall be at least equal to, or higher than, the interest payments scheduled to be due in respect of all the outstanding Covered Bonds

*Considering the percentage limit set forth under Article 2, Paragraph 1 of Decree 310



➤ **The tests are included in the legal documentation according to the Rating Agency Requirements**

Asset Coverage Test

The Adjusted Aggregate Loan Amount shall be at least equal to the aggregate Outstanding Balance of the Covered Bonds

The Adjusted Aggregate Loan Amount is the lower of:

- (i) the aggregate of the LTV Adjusted Principal Balance of each Mortgage Loan
- (ii) the aggregate Asset Percentage Adjusted Principal Balance of the Residential Mortgage Loans

Calculations under the test takes also into consideration any amount standing to the credit of the Guarantor accounts, any aggregate outstanding principal balance related to Top Up assets or any other eligible asset, any principal deferral, any potential set-off amount, any commingling amount and negative carry factor calculation

Amortisation Test

The Amortisation Test ("AT") is calculated only after an Issuer Event of Default (but prior to service on the Guarantor of a Guarantor Default Notice) in order to ensure that the Cover Pool contains sufficient assets to enable the Guarantor to meet its obligations under the Guarantee

The AT is failed if the Amortisation Test Aggregate Loan Amount plus other eligible assets owned by the Guarantor is lower than the present value of the Outstanding Principal Amount of the issued Covered Bonds. In this case, a Guarantor Event of Default Notice will be served by the Representative of the Bondholders on the Guarantor causing the acceleration of the Covered Bonds and a demand for enforcement of the Covered Bond Guarantee

The present value of the outstanding Covered Bonds is calculated by multiplying the aggregate Outstanding Principal Amount of the Covered Bonds by the weighted average remaining maturity of all Covered Bonds then outstanding then multiplied by the Negative Carry Factor

Cover pool features (1/5)



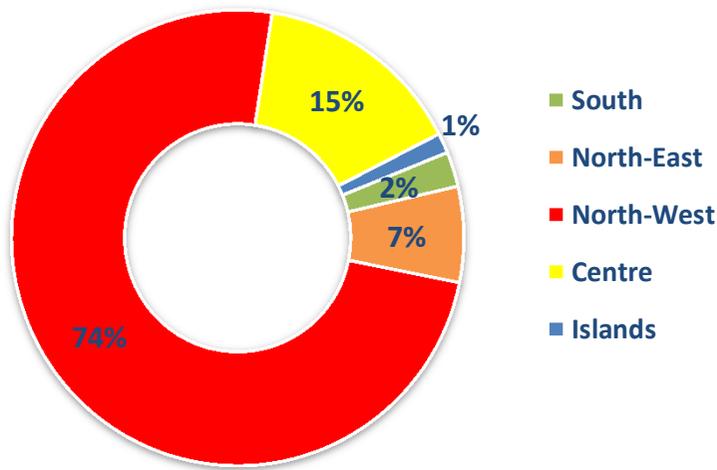
Summary data	
Total Current Balance Outstanding (Euro)	1,382,974,337
Average Outstanding Balance (Euro)	102,390
No. of Loans	13,507
WA Seasoning (Months)	54.00
WA Remaining Term (Months)	167.65
No. of Borrowers	13,434
WA OLV (*)	55.71%
WA CLTV	44.08%
% Fixed Rate Loans (current rate)	23.32%
WA Margin (%) Variable Loans	2.17%

(*) OLV and CLTV weighted with current outstanding balance

Cover pool features (2/5)



Geographic breakdown



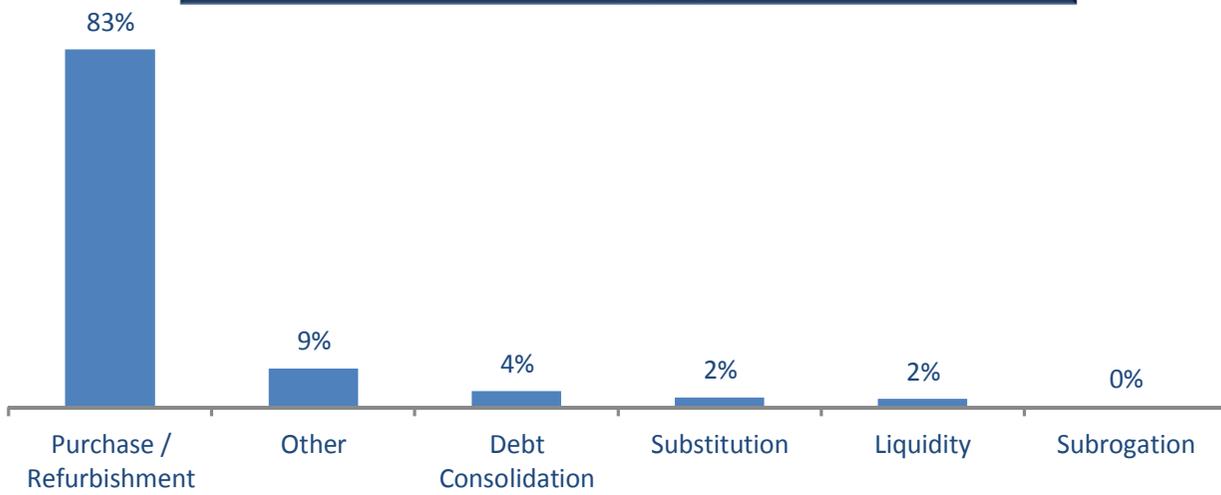
Of which →

Lombardy 68%

Of which →

Lazio 13%

Financing purpose



Source: Risk Management Department - Banca Popolare di Sondrio

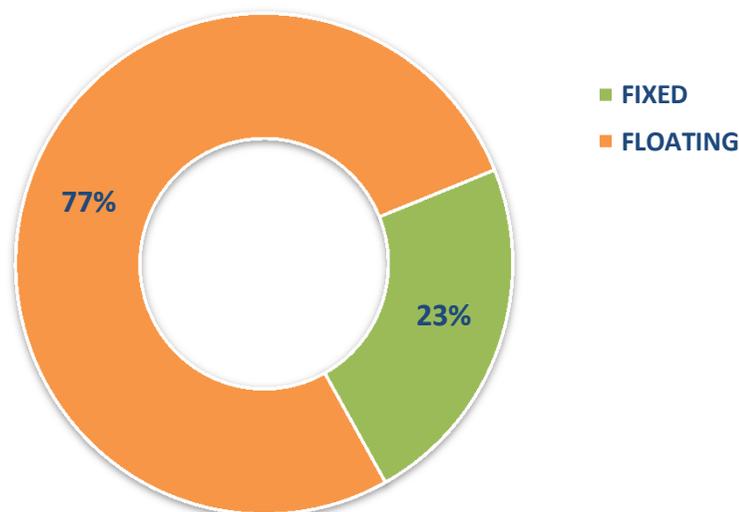
Cover pool features (3/5)



Current Loan Balance (Eur)	Outstanding Value (Eur)	% of Total Assets	No. of Loans
0.00 - 49,999.99	100,050,916	7%	3,217
50,000 - 99,999.99	364,540,711	26%	4,900
100,000 - 149,999.99	358,542,651	26%	2,930
150,000 - 199,999.99	232,685,547	17%	1,357
200,000 - 249,999.99	126,820,761	9%	571
250,000 - 299,999.99	61,583,923	4%	227
300,000 - 349,999.99	32,837,428	2%	102
350,000 - 399,999.99	25,302,362	2%	68
400,000 - 449,999.99	18,286,341	1%	43
450,000 - 499,999.99	8,039,825	1%	17
500,00>	54,283,873	4%	75
Total	1,382,974,337	100%	13,507

Original Loan Balance (Eur)	Outstanding Value (Eur)	% of Total Assets	No. of Loans
0.00 - 49,999.99	22,551,781	1%	538
50,000 - 99,999.99	317,695,663	15%	4,063
100,000 - 149,999.99	510,042,940	25%	4,089
150,000 - 199,999.99	386,065,656	19%	2,189
200,000 - 249,999.99	275,425,197	13%	1,202
250,000 - 299,999.99	176,941,919	9%	624
300,000 - 349,999.99	108,563,408	5%	335
350,000 - 399,999.99	52,530,500	3%	140
400,000 - 449,999.99	39,228,078	2%	91
450,000 - 499,999.99	24,803,662	1%	49
500,00>	144,087,658	7%	187
Total	2,057,936,464	100%	13,507

Current Interest rate breakdown

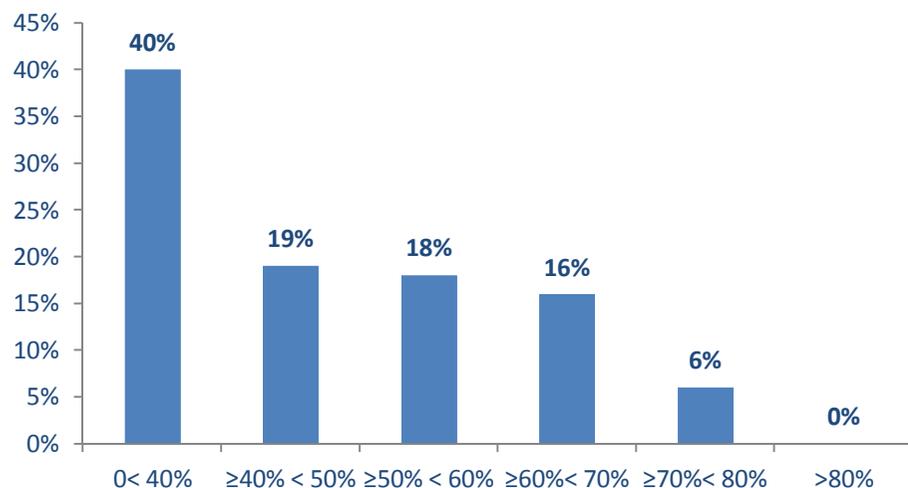


Margin for Floating Rate Loans	Outstanding Value (Eur)	% of Total Assets	No. of Loans
< 0.49	33,257,234	3%	364
0.50 - 0.74	46,891,907	4%	477
0.75 - 0.99	129,059,099	12%	1,125
1.00 - 1.24	65,546,930	6%	624
1.25 - 1.49	55,057,706	5%	587
1.50 - 1.74	69,656,112	7%	737
1.75 - 1.99	100,146,079	9%	863
1.75 - 1.99	63,361,376	6%	566
2.00 - 2.24	110,938,583	10%	926
2.25 - 2.49	53,777,118	5%	433
2.50 - 2.74	332,832,479	31%	2,929
2.75 - 2.99	-	0%	-
3.00 >	-	0%	-
Total	1,060,524,624	100%	9,631

Cover pool features (4/5)



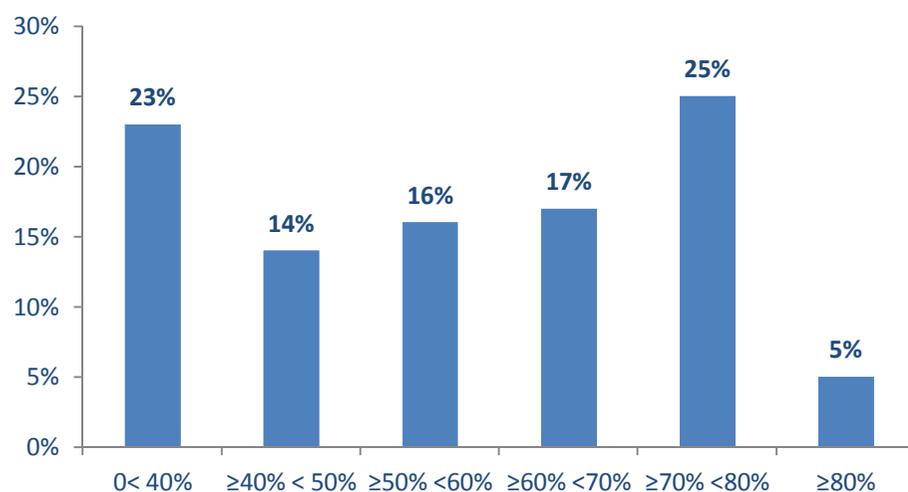
Current LTV



Current LTV (%)	Outstanding Value (Eur)	% of Total Assets	No. of Loans
0.00 - 9.99	30,329,428	2%	1,088
10.00 - 19.99	121,799,594	9%	1,959
20.00 - 29.99	184,296,137	13%	2,164
30.00 - 39.99	225,046,021	16%	2,142
40.00 - 49.99	256,828,902	19%	2,090
50.00 - 59.99	255,521,237	18%	1,915
60.00 - 69.99	227,769,699	16%	1,606
70.00 - 79.99	81,110,458	6%	541
80.00 - 89.99	272,861	0%	2
90.00 - 99.99	-	0%	-
100 >	-	0%	-
Total	1,382,974,337	100%	13,507

(*) LTV lower than 80,5. LTV determined with Property valuation at origination date

LTV at origination



Original LTV (%)	Outstanding Value (Eur)	% of Total Assets	No. of Loans
0.00 - 9.99	5,814,538	0%	130
10.00 - 19.99	49,749,882	4%	853
20.00 - 29.99	104,388,256	8%	1,493
30.00 - 39.99	156,561,523	11%	1,844
40.00 - 49.99	199,843,944	14%	1,987
50.00 - 59.99	216,410,745	16%	1,929
60.00 - 69.99	239,162,225	17%	2,025
70.00 - 79.99	339,547,862	25%	2,637
80.00 - 89.99	71,495,363	5%	609
90.00 - 99.99	-	0%	-
100 >	-	0%	-
Total	1,382,974,337	100%	13,507

(*) LTV lower than 80,5. LTV determined with Property valuation at origination date

Cover pool features (5/5)

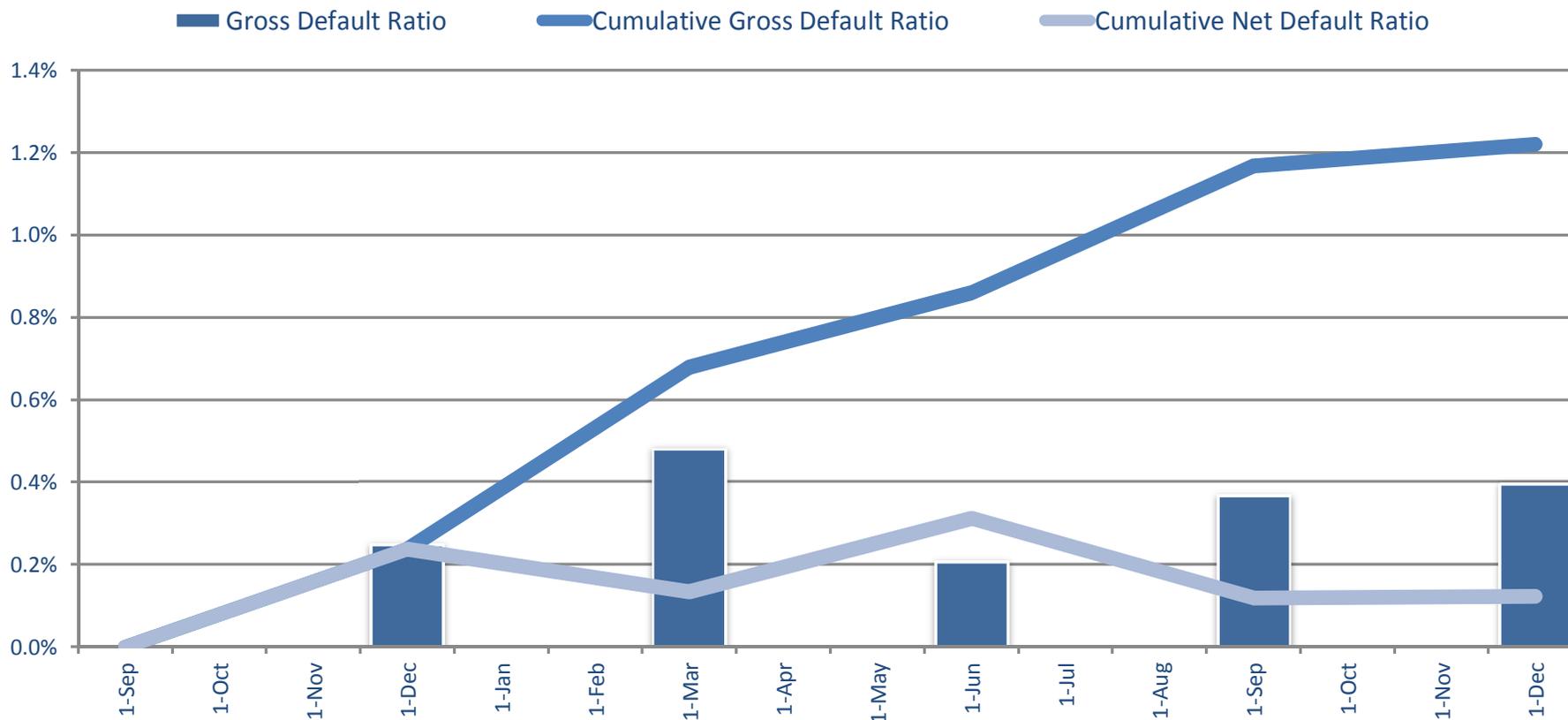


Original Term (months)	Outstanding Value (Eur)	% of Total Assets	No. of Loans
< 120	6,665,712	0%	169
120.00 - 159.99	137,737,402	10%	2,393
160.00 - 199.99	315,826,509	23%	3,820
200.00 - 239.99	589,386,734	43%	4,719
240.00 - 279.99	151,366,192	11%	1,186
280.00 - 319.99	171,180,070	12%	1,155
320.00 - 359.99	694,095	0%	6
360.00 - 399.99	10,117,623	1%	59
400.00 - 439.99	-	0%	-
440.00 - 479.99	-	0%	-
480 >	-	0%	-
Total	1,382,974,337	100%	13,507

Remaining Term (months)	Outstanding Value (Eur)	% of Total Assets	No. of Loans
< 120	282,847,409	20%	4,677
120.00 - 159.99	271,220,321	20%	2,665
160.00 - 199.99	436,633,504	32%	3,393
200.00 - 239.99	264,719,781	19%	1,929
240.00 - 279.99	100,790,965	7%	707
280.00 - 319.99	24,082,264	2%	120
320.00 - 359.99	2,680,094	0%	16
360.00 - 399.99	-	0%	-
400.00 - 439.99	-	0%	-
440.00 - 479.99	-	0%	-
480 >	-	0%	-
Total	1,382,974,337	100%	13,507

Seasoning (months)	Outstanding Value (Eur)	% of Total Assets	No. of Loans
< 30	261,271,163	19%	2,246
30.00 - 39.99	171,055,337	12%	1,551
40.00 - 49.99	203,376,386	15%	1,760
50.00 - 59.99	189,033,458	14%	1,622
60.00 - 69.99	192,862,240	14%	1,709
70.00 - 79.99	163,916,430	12%	1,583
80.00 - 89.99	92,340,289	7%	964
90.00 - 99.99	51,921,642	4%	623
100.00 - 109.99	16,083,233	1%	377
110.00 - 119.99	19,775,877	1%	478
120 >	21,338,282	2%	594
Total	1,382,974,337	100%	13,507

Portfolio Performance



BP Sondrio's Buybacks	Cumulative re-purchased defaulted loans
30/09/2014	-
31/12/2014	-
31/03/2015	4,356,091.24
30/06/2015	4,356,091.24
30/09/2015	8,354,854.26
31/12/2015	10,978,558.57

Table of contents



Issuer description

BPSO OBG Programme and Cover Pool description

Residential mortgage business

Contacts

Origination and Underwriting



Sales force

- All mortgages are originated either directly through BPS branches or through commercial agreements with professional associations for which BPS acts as the treasurer:
 - 333 branches concentrated in North of Italy (especially in Lombardy)
 - 18 Pension Funds (for professional associations clientele such as accountants/lawyers/doctors/etc.)

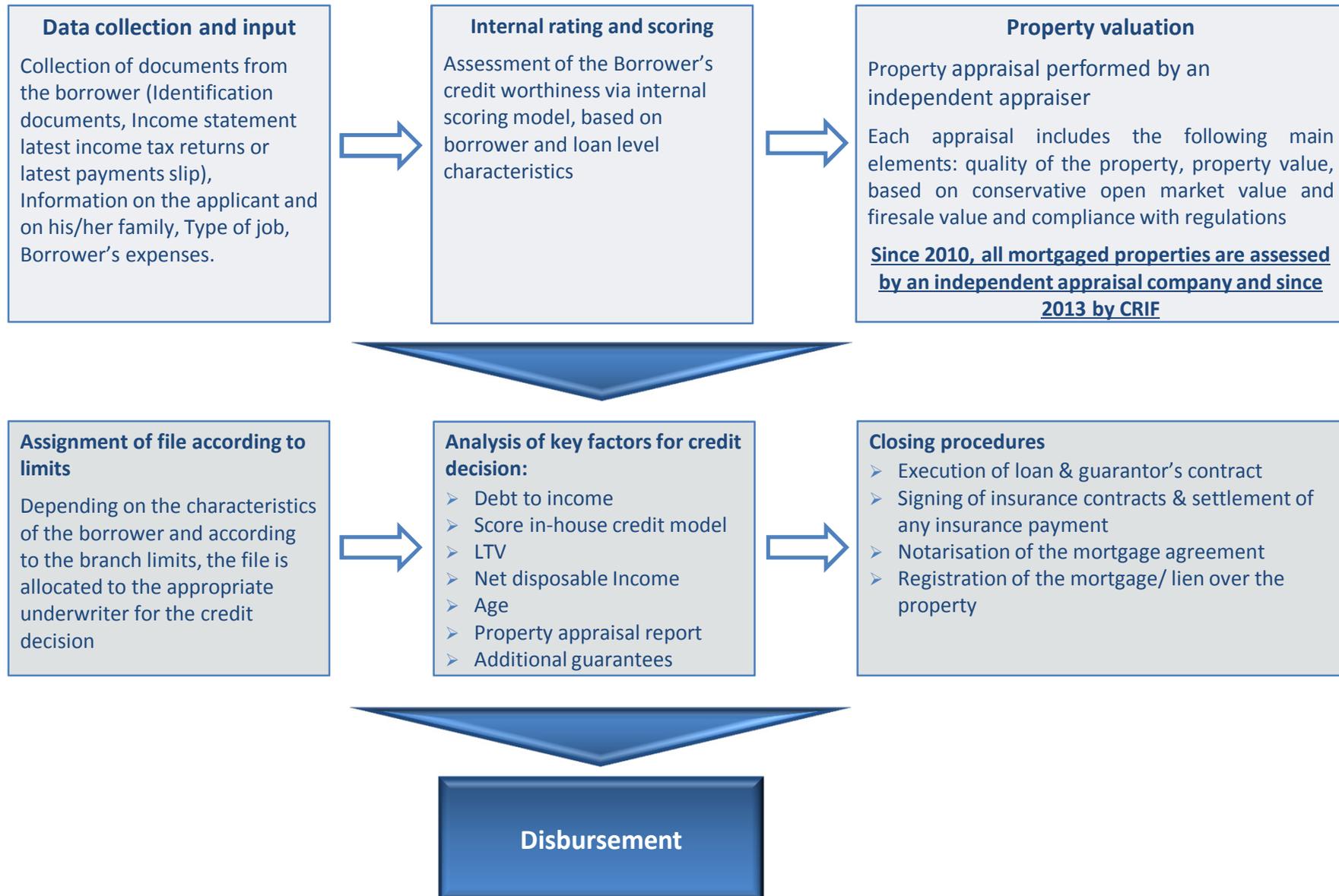
Underwriting

- Most of the approval powers are granted to 12 branches heading each one of the 12 areas in which the bank's territory has been divided
- Approval powers depend mainly on the amount requested, the term of the loan and scoring of the automatic in-house credit assessment tool
- Debt to income ratio ("DTI") guidelines are 30%, higher if the borrowers are already bank's clients. The affordability analysis also includes a minimum residual net disposable income depending on the number of members of the family and income's different sources.
- Applications for loans originated via Pension Funds are received through branches/ Internet/Phone and processed by (1) the relevant branch or (2) by the headquarters if the borrower is based in an area which is not covered by any branch.

Property valuation

- Since 2010, all mortgaged properties are assessed by an independent appraisal company.
- Since 2013 all mortgages properties are assessed by CRIF

The underwriting process



Arrears management process

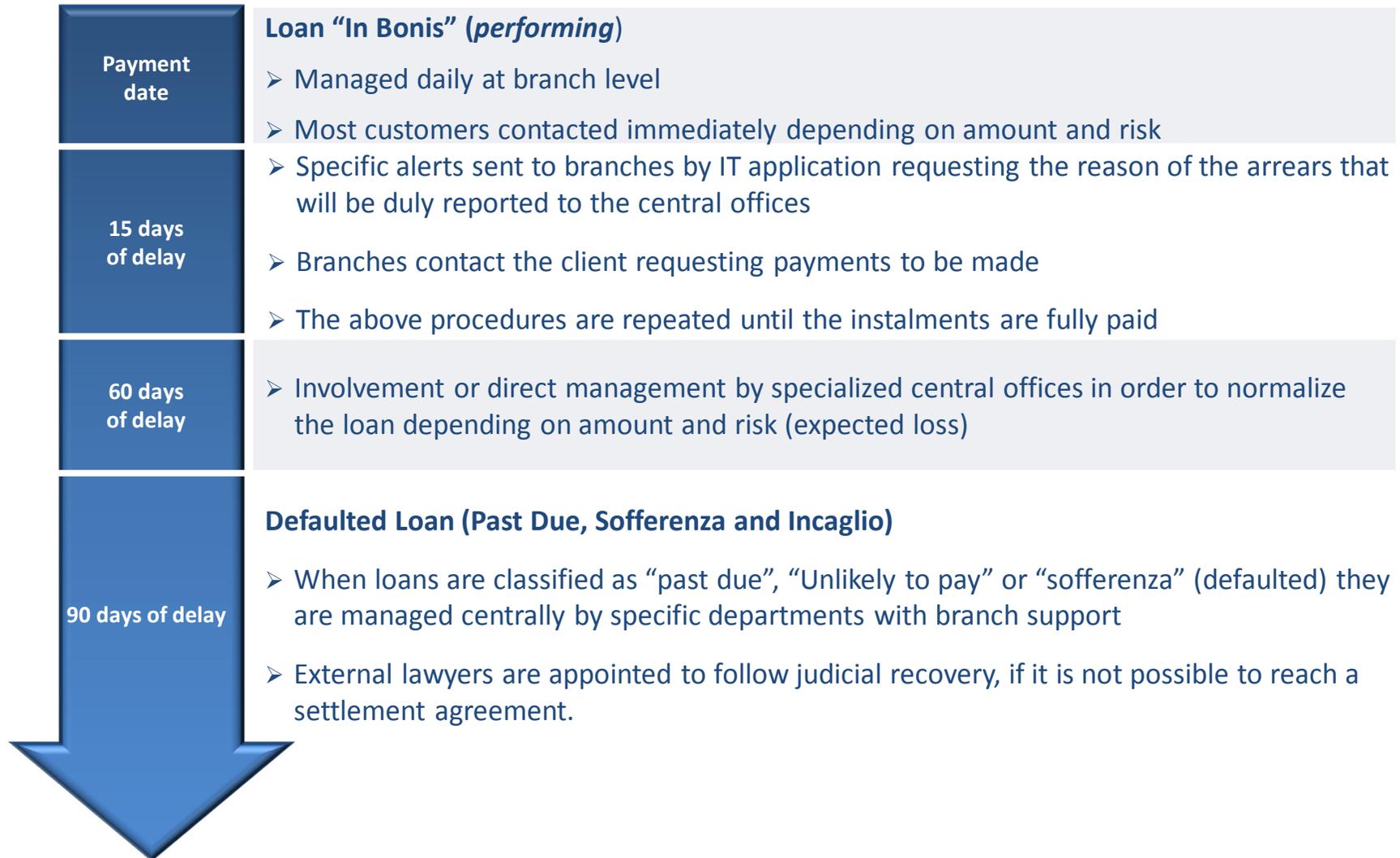


Table of contents



Issuer description

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Residential mortgage business

Contacts



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