

PRESS RELEASE

BMPS ANNOUNCES PRICING OF THE SALE OF SHARES TO JPMORGAN AND OF THE FRESH EXCHANGEABLE BOND

Siena, 23 September 2005 –At 2.00pm today after just four hours from launch, the placement of about EUR 386 million of FRESH issued by JPMorgan and exchangeable in Banca Monte dei Paschi di Siena SpA (“BMPS”) shares was successfully completed. Further to yesterday’s Board of Directors resolution, BMPS announces the sale of 92.4 million BMPS ordinary shares (“the Shares”) to JPMorgan. These Shares result from the early termination, decided by the Board of Directors, of the put options with the San Paolo IMI Group, entered into in connection with shares in Banca Agricola Mantovana (“BAM”) which were subsequently converted to BMPS shares following the merger of BAM into BMPS.

The sale was priced at EUR 3.3432 per share.

Pursuant to this sale, JPMorgan, on the basis of a mandate received from BMPS, will issue an equity-linked instrument in the form of FRESH Exchangeable Bonds (Floating Rate Equity-linked Subordinated Hybrid – “FRESH”), exchangeable into the Shares.

FRESH will pay a quarterly coupon of 3-month EURIBOR plus 0.85%. The conversion price is EUR 4.179, representing a 25% premium to the reference price of EUR 3.3432. FRESH will automatically exchange into the underlying BMPS shares if, at any time, BMPS share price reaches 120% of the conversion price for 20 out of 30 consecutive days.

BMPS and JPMorgan will enter into a derivative agreement, which, amongst other things, will allow BMPS to receive the annual dividends and a 25% “conversion premium” to the selling price of EUR 3.3432 at the time of the conversion of FRESH, in exchange for quarterly coupon payments on the FRESH of 3-month EURIBOR plus 0.85%.

BMPS will get a significant portion of any future share price appreciation.

FRESH are not redeemable and their expiry is therefore related to the conversion.

Given the nature of the FRESH, their distribution was addressed to institutional investors only. Any distribution to retail investor was expressly excluded.

JPMorgan has informed that the FRESH will not be listed on any stock exchange and was placed exclusively with institutional investors outside the US, in reliance on Regulation S under the US Securities Act of 1933, as amended, as well as outside Australia, Canada and Japan. As the offering of the FRESH was exclusively aimed at institutional investors, no sales prospectus, offering circular or similar offer prospectus was or will be prepared in respect of this offering.

With this transaction BMPS intends to achieve definitive solution of the capital issue caused by the BAM put options as a result of introduction of the new IAS/IFRS accounting standards. At the same time BMPS has also identified a financial transaction able to assure significant participation in the stock's future growth, given that BMPS will receive the 25% "conversion premium" to the reference price of the FRESH.

JPMorgan was sole bookrunner and lead manager of the offering.

This press release neither constitutes, nor forms part of, any offer of securities or solicitation of any offer of purchase or subscription of securities. It does not constitute a prospectus under Directive 2003/71/EC. This announcement is addressed solely to "professional investors" as defined in current Italian laws and regulations concerning securities.

Information for the public pursuant to CONSOB (Italian securities & exchange commission) resolution no. 11971 of May 14th 1999

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