

PRESS RELEASE

BMPS ADDRESSES THE PUT BAM ISSUE

BMPS will sell the shares to JP Morgan, which will issue a F.R.E.S.H bond

Siena, September 22nd 2005 – At its meeting held today, the Board of Directors of Banca Monte dei Paschi di Siena SpA (“BMPS”), chaired by Professor Pier Luigi Fabrizi, decided to sell 92.4 million BMPS ordinary shares (“the Shares”) to JPMorgan. These Shares results 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 mandate to sell was given to the Board of Directors during the Shareholders’ Meeting held today.

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. Exchange of the FRESH into the Shares will be automatic upon significant appreciation of the BMPS share price. BMPS and JPMorgan will then enter into a derivative agreement, which, amongst other things, will allow BMPS to receive the annual dividends and a “conversion premium” at the time of the conversion, in exchange for the quarterly coupon payments on the FRESH.

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 is to be addressed to institutional investors only. Any distribution to retail investor will be expressly excluded.

JPMorgan has informed that the FRESH will not be listed on any stock exchange and will be 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 is exclusively aimed at institutional investors, no sales prospectus, offering circular or similar offer prospectus 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.

JPMorgan is sole book runner and lead manager of the operation.

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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