



PRESS RELEASE

MPS GROUP BUSINESS PLAN FOR 2003-2006

The board of directors of the Monte dei Paschi di Siena bank, chaired by Prof. Pier Luigi Fabrizi, has approved Thursday November 13th the Group Business Plan for the period 2003-2006.

Carrying on from previous plans, the plan confirms the strategic ambition for growth and improvement of company profits. From this viewpoint, the MPS Group is focusing on the retail market, small and medium enterprises and public organisations and at the same time significantly reinforcing its presence in the private banking market.

The main engines for this development are: continuation of specialization in distribution for markets and customer segments, aggressive actions to reduce costs, with significant impact on administrative and personnel costs, optimizing risk management and strengthening its capital ratios.

The new plan forecasts a 14% ROE in 2006, with a cost/income ratio (with amortization) slightly above 57% and a net profit higher than EUR 950 m.

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Over the last two years the MPS group has proceeded in the development of the strategies described in the previous business plan, making important structural changes.

In 2002 and 2003, the Group has simplified its structure integrating Banca 121, Banca Agricola Mantovana and Banca Toscana and spinning off more streamlined separated banking institutions more focused in terms of business and totally controlled. At the same time, the specialization activities continued in the sales channels per market and customer segment on all the Group's distribution channels. Furthermore the rise in costs has been very limited and during 2003 there has been a clear reduction in personnel.

These activities allowed MPS Group to confirm its leading position in the markets of reference and to obtain positive economic results, despite the unfavourable market conditions and created the conditions for accelerating its growth.

In the next three years, the MPS Group will strengthen its leading role in the national banking market, focusing on its specialized business areas (retail, small and medium enterprises, public organisations) and strengthening its presence in the private banking market.

The business activities goals will be pursued by completing the specialization initiatives and creating both a Group private banking division - integrating Banca Steinhauslin in BMPS - and an investment Bank, integrating MPS Finance, MPS Merchant and MPS BancaVerde. Through these operations, the MPS Group is willing to achieve a leading position in Italy in these markets.

The Group will also streamline its presence abroad (extra-national banks and foreign branches), over time closing down activities that are no longer needed, but will significantly strengthen capacity to support small and medium-sized Italian businesses on international markets, developing alliances and specific units in the most attractive markets.

On the costs side, there will be a reduction in personnel of around 1,700 employees by cutting down on the administrative activities in the central structures and the branches network. The administrative costs will also be reduced with more aggressive centralised price negotiations for the Group supplies, with cuts in consumption and effect of the corporate restructuring.

The Group development accordingly to the indicated guidelines will be supported by actions aimed at strengthening its capital ratios through an

issuance of EUR 700 m of preferred convertible securities that can be assimilated as equity and that will provide enough capital resources to support its growth in business.

The plan deployment will require particular attention for the professional development of human resources considered a key element in order to achieve the announced objectives. They will attend additional training sessions and the management systems will be strengthened. A particularly important part of the process will be taking staff from the administrative side and training them for commercial roles.

The outlined action, a large part of which has already started up, will be implemented on the basis of an integrated Group Master plan.

The Business Plan will be presented to the financial community at a meeting in Milan on Monday 17th November.

THIS PRESS RELEASE WILL BE MADE AVAILABLE ON THE WWW.MPS.IT WEB SITE.

Siena, 13th November 2003