

PRESS RELEASE

BANCA MONTE DEI PASCHI DI SIENA

PAYS EUR 260 MLN TO SETTLE LITIGATION WITH ITALIAN REVENUE AGENCY

Deduction of intangibles set at EUR 239 mln for Q4 2011.

Siena, 2 December 2011 - Banca Monte dei Paschi di Siena has agreed to pay the Italian Revenue Agency EUR 260 mln, plus interest, to settle all pending litigation arising from certain transactions made between 2002 and 2007. The settlement effects will be largely offset by gains from the deduction of intangibles which will be accounted for in the fourth quarter of 2011 for an amount of EUR 239 mln.

The Notes to the Financial Statements as at 31.12.2010 and subsequent accounting reports, had already disclosed the Italian Revenue's claim that certain securities trading transactions, completed in the period straddling dividend payout dates, and certain repurchase agreements in foreign securities, were effected under an "abuse of law" in subsequent partial disregard of tax implications. The controversy has been settled today (2 December) with payment of the greater amount of tax due and sanctions, for a total cost of approx. EUR 260 mln (plus any interest required by law).

Despite full confidence in the fairness of its operations, the Bank deemed it appropriate to remove the sense of uncertainty which is materially detrimental under any circumstances. Settlement was opted for in view of a major reduction in the tax amounts claimed, the particular complexity of the disputed matter and an evolving regulatory framework.

Banca Monte dei Paschi di Siena has also opted for a deduction of the intangibles posted to the consolidated financial statements, pursuant to art. 15 of Law Decree no.185/2008 as amended by Law Decree no. 98/2011, for a benefit of approx. EUR 239 mln in Q4 2011.

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