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**BANCA MONTE DEI PASCHI DI SIENA ANNOUNCES PRICING OF  
CONVERTIBLE PREFERRED SECURITIES OFFERING**

*Siena, 14 November 2003*

Banca Monte dei Paschi di Siena S.p.A. (“BMPS”) announces the pricing of its Euro 700 million offering of undated Floating Rate Equity-linked Subordinated Hybrid Preferred Securities (“Convertible Preferred Securities”). The securities will be issued through a business trust, controlled by BMPS’s MPS Preferred Capital II, LLC, and will be convertible into BMPS ordinary shares (“Shares”), to be issued upon conversion.

The securities are subordinated and non-callable, with no step-up and guaranteed by BMPS on a subordinated basis. The securities are to be issued at par and will pay an annual coupon of 3-month EURIBOR plus 0.88% (payable quarterly). The initial conversion price is EUR3.28, representing a 29.65% premium to the Volume Weighted Average Price of the Shares over the bookbuilding period.

Issue of the securities will be contingent on approval thereof by the Bank of Italy. BMPS has convened an Extraordinary General Meeting of shareholders for January 2004 to approve an increase in its share capital and the waiver of pre-emption rights in relation to the securities.

Application will be made for the bonds to be admitted to trading on the Luxembourg Stock Exchange.

The securities were 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, without any public offer or any other distribution to the retail market.

Subject to Bank of Italy’s approval, the instrument will be considered as Core Tier I capital for BMPS and therefore will significantly strengthen BMPS’s capital position, in the light of its expected growth as a result of the forthcoming implementation of the new business plan.

The Convertible Preferred Securities represent the first instrument of such kind to be issued by an Italian bank and the second ever in Europe, confirming BMPS’s commitment to innovation.

JPMorgan was sole bookrunner and sole lead manager of the offering.

***This press release is also published on the Internet site: [www.mps.it](http://www.mps.it)***

**Disclaimer**

*In the United Kingdom, this announcement is directed exclusively at persons who fall within article 19 or 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001. The securities referred to in this announcement will be issued only to such persons.*

*Stabilisation/FSA.*

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*In Italy, this announcement is directed only at “professional investors” as defined in applicable Italian securities laws and regulations.*