

Press Release

FOR IMMEDIATE RELEASE

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MONTGOMERY STREET INCOME SECURITIES, INC. ANNOUNCES DISTRIBUTION

SAN FRANCISCO – (December 16, 2011) – Montgomery Street Income Securities, Inc. (NYSE: MTS) (the “Fund”) declared a dividend of \$0.15 per share. The dividend is payable on December 30, 2011 to stockholders of record at the close of business on December 27, 2011. The reduction in the dividend from that in the prior period is primarily due to unrealized foreign currency losses recognized as tax adjustments by the Fund and to moderately lower investment income.

It is anticipated that substantially all of the distributions paid in 2011 will be distributions from ordinary income for tax purposes. The actual sources of distributions will be reported to stockholders in January 2012 on Form 1099-DIV.

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The Fund is a closed-end diversified management investment company whose primary investment objective is to seek as high a level of current income as is consistent with prudent investment risks, from a diversified portfolio primarily of debt securities. The Fund’s shares are traded on the New York Stock Exchange under the symbol MTS.

Closed-end funds, unlike open-end funds, are not continuously offered. There is generally a one-time public offering and, once issued, shares of closed-end funds are sold in the open market through a stock exchange. Shares of closed-end funds frequently trade at a discount to net asset value.

The price of the Fund’s shares is determined by a number of factors, several of which are beyond the control of the Fund. Therefore, the Fund cannot predict whether its shares will trade at, below or above net asset value.

Investments in funds involve risk. Yields and market values will fluctuate. Investing in foreign markets presents certain unique risks not associated with domestic investments, such as currency fluctuations, political and economic changes and market risks.

Additionally, the Fund invests in lower-quality and non-rated securities, which present greater risks of loss of principal and interest than higher-quality securities. All of these factors may result in greater share price volatility.

This announcement is not an offer to purchase or the solicitation of an offer to sell shares of the Fund, a prospectus, a circular or representation intended for use in the purchase or sale of Fund shares, or a proxy solicitation.

**NOT FDIC/NCUA INSURED MAY LOSE VALUE NO BANK GUARANTEE
NOT A DEPOSIT NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY**