

Paris, 17th October, 2011

Gruppo Banca Leonardo sells its Equity Brokerage & Research unit to Kepler Capital Markets

The transfer of Gruppo Banca Leonardo's equity brokerage unit to Kepler Capital Markets (KCM) was first announced on 26th April, 2011. At the same time it was revealed that Gruppo Banca Leonardo (GBL) will participate in the equity capital of KCM: that shareholding can now be confirmed as a 5% stake. The integration of the GBL equity brokerage business into KCM Milan is complete as of today.

The vision behind this combination of businesses is as follows: a substantially strengthened Italian product will be marketed to KCM's Italian and international client base. Additionally, KCM's Pan-European product will be marketed intensively to domestic Italian pension funds, mutual funds and insurance companies.

The management of the previous GBL brokerage unit will run the newly integrated equity brokerage business. Thus Anna-Maria Benassi is named as Head of Italian Research, Ruggero Bottazzi is named as Head of Italian Equities and Gianluca Pediconi will be Head of Italian International Sales. All three managers bring a wealth of experience and high visibility with Italian and international investors.

The merged business has a breadth of coverage of Italian stocks to rival any of the other Italian brokers. The analyst team covers 90 stocks and provides coverage of 98% of the MIB Index. Italian equity research will continue to be published both in Italian and English. Based in 6 countries, KCM's 50 analysts cover approximately 460 companies in Europe giving it the 2nd largest research footprint in Continental Europe. This multi-local presence puts KCM close to the companies under research coverage plus their non-quoted rivals, customers, suppliers, and, if relevant, regulators and politicians.

Kepler Capital Markets is a leading independent European financial services company specialised in intermediation and advisory services. The company is majority owned by employees and management. In April 2011, KCM announced the entry of investors who have taken a 47% stake in the company: la Caisse des Dépôts, Gruppo Banca Leonardo, Crédit Mutuel Arkéa and BlackFin Capital Partners. The group consists of 330 employees. KCM is active in equity research and brokerage, fixed income, derivatives and corporate finance. Indeed, the expanded platform in Milan will be leveraged for the distribution of all the KCM products. KCM has built a reputation for the quality and independence of its research and intermediation via its multi-local platform in Amsterdam, Frankfurt, Geneva, London, Madrid, Milan, Paris, Zurich and New York.

At a time of extreme uncertainty in financial markets it is worth emphasizing that KCM does not take any positions for its own account. KCM has a consolidated capital ratio under Basle II of over 40% compared to a minimum regulatory requirement of 8%. Indeed, this capital ratio is far higher than the capital ratios of all the major European investment banks. Shareholder equity stands at € 84m.

Gerardo Braggiotti, CEO of Gruppo Banca Leonardo, comments on the integration of the two businesses as follows: 'Equity brokerage was a non-core activity for GBL. It is an activity which requires European scale and a certain critical mass. We are pleased to have found these pre-requisites at Kepler. Both GBL and Kepler are quite unique as independent actors in European financial services. For this reason it makes complete sense to take an equity participation in Kepler'.

Laurent Quirin, CEO of Kepler Capital Markets, stated: 'We are pleased to welcome a prestigious shareholder such as Gruppo Banca Leonardo into our equity capital. We look forward to working with GBL on many levels. We have been impressed by the GBL brokerage management and we are sure that, under the Kepler banner, they will help us to build our franchise with Italian clients and with the Italian equity product'.

About Kepler Capital Markets and Gruppo Banca Leonardo

For further details, please visit the companies' web-sites: www.keplercapitalmarkets.com and www.bancaleonardo.com

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