CONSOLIDATED HALF-YEAR REPORT AT 30 JUNE 2013

FONDIARIA-SAI S.P.A.

FONDIARIA-SAI S.P.A. - TURIN HEADQUARTERS – CORSO G. GALILEI, 12 - FLORENCE HEADQUARTERS – VIA LORENZO IL MAGNIFICO - SHARE CAPITAL EURO 1,194,572,973.80 FULLY PAID-IN – TAX, VAT AND TURIN COMPANY REGISTRATION NO. 00818570012 - COMPANY AUTHORISED TO UNDERTAKE INSURANCE ACTIVITIES PURSUANT TO ARTICLE 65 R.D.L. NO. 966 OF APRIL 29, 1923, ENACTED INTO LAW NO. 473 OF APRIL 17, 1925

CORPORATE BOARDS OF FONDIARIA-SAI S.p.A.

BOARD OF DIRECTORS

Fabio Cerchiai*	*Chairman*
Pierluigi Stefanini*	*Vice Chairman*
Carlo Cimbri*	*Chief Executive Officer*
Francesco Berardini	
Milva Carletti	
Lorenzo Cottignoli	
Ernesto Dalle Rive	
Ethel Frasinetti	
Vanes Galanti	
Giorgio Ghiglieno	
Massimo Masotti	
Maria Rosaria Maugeri	
Maria Lillà Montagnani	
Maria Antonietta Pasquariello	
Marco Pedroni	
Nicla Picchi	
Barbara Tadolini	
Francesco Vella	
Mario Zucchelli	
Roberto Giay	*Secretary of the Board and the Executive Committee*

BOARD OF STATUTORY AUDITORS

Giuseppe Angiolini	*Chairman*
Antonino D'Ambrosio	*Statutory Auditor*
Giorgio Loli	*Statutory Auditor*
Sergio Lamonica	*Alternate Auditor*
Maria Luisa Mosconi	*Alternate Auditor*
Giovanni Rizzardi	*Alternate Auditor*

INDEPENDENT AUDIT FIRM
RECONTA ERNST & YOUNG S.P.A.

JOINT REPRESENTATIVE OF THE CLASS "A" SAVINGS SHAREHOLDERS
Dario Trevisan

** Members of the Executive Committee*

JOINT REPRESENTATIVE OF THE CLASS “B” SAVINGS SHAREHOLDERS

Giuseppe Dolcetti

EXEUCTIVE OFFICER RESPONSIBLE

for preparation of the company’s financial statements

Massimo Dalfelli

The Board of Directors was appointed by the Shareholders’ Meeting of 29 April 2013 for the three-year period 2013, 2014 and 2015 and therefore until the approval of the 2015 Annual Accounts.

The Shareholders’ Meeting appointed Mr. Fabio Cerchiai as Chairman of the Company.

The Board of Directors of FONDIARIA-SAI in the meeting of 8 May 2013 appointed the corporate officers and the internal committees of the Board as reported below.

The Board appointed, for the duration of its mandate, and therefore until the approval of the 2015 Annual Accounts, Pierluigi Stefanini as Vice Chairman and Carlo Cimbri as Chief Executive Officer.

The Vice Chairman Pierluigi Stefanini was also appointed Director in charge of the internal control and risk management system, in accordance with the Self-Governance Code for listed companies.

The Board of Directors appointed, for the duration of its mandate and therefore until the approval of the 2015 Annual Accounts, an Executive Committee comprising 3 Directors in the persons of those qualifying under Article 18 of the By-laws and therefore the Chairman Fabio Cerchiai, the Vice Chairman Pierluigi Stefanini and the Chief Executive Officer Carlo Cimbri.

The Board of Directors also appointed:

- the Remuneration Committee as Directors Francesco Vella (Chairman), Giorgio Ghiglieno and Maria Rosaria Maugeri;
- the Control and Risks Committee as Directors Massimo Masotti (Chairman), Maria Lillà Montagnani and Nicla Picchi;
- Massimo Dalfelli as the executive officer responsible for the preparation of the company’s financial statements.

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CONSOLIDATED HALF-YEAR REPORT
AT 30 JUNE 2013

FIRST HALF-YEAR 2013 HIGHLIGHTS

- On 15 January 2013 IVASS announced the opening of the authorisation procedure of the merger by incorporation into Fondiaria-SAI of Premafin, Unipol Assicurazioni and, pending further approval, Milano Assicurazioni, on 28 December 2012. On 25 July 2013, on conclusion of the process, IVASS approved the merger, as described in greater detail below;

- On 28 January 2013, in accordance with Article 2501 *quarter*, first paragraph of the Civil Code, the merger by incorporation proposal of Fondiaria-SAI S.p.A, Premafin Finanziaria S.p.A. - Holding di Partecipazioni, Unipol Assicurazioni S.pA., and, pending further approval, Milano Assicurazioni S.p.A., approved by the Board of Directors of the participating companies in the merger on 20 December 2012 was filed at the registered office of the Company and published on the Company website in the Unipol - Fondiaria-SAI merger proposal section.
  The registration of the merger proposal at the Competent Company Registration offices is subjected to the authorisation of IVASS, in accordance with Article 201 of Legislative Decree No. 209 of 7 September 2005;

- The Shareholders' Meeting of Fondiaria-SAI S.p.A. called on the request of the *ad acta* representative Mr. Matteo Caratozzolo and meeting on 14 March 2013 in second call approved by a 99.96% majority of ordinary shareholders represented at the meeting, the pursuit of the corporate responsibility action against those indicated in the Report prepared for the Shareholders' Meeting by the *ad acta* representative and published in accordance with law.
  In parallel, the Shareholders' Meeting of Milano Assicurazioni S.p.A. approved, by a 99.79% majority of ordinary shareholders represented at the meeting, the pursuit of the corporate responsibility action against those indicated in the Report prepared for the Shareholders' Meeting by the *ad acta* representative and published in accordance with law;

- The Special Class A Savings Shareholders' Meeting of Fondiaria-SAI S.p.A. of 26 March 2013 authorised the contestation of the motions taken by the Extraordinary Shareholders' Meeting of Fondiaria-SAI S.p.A. on 27 June 2012. For further details, reference should be made to the section "Other Information";

- On 17 April 2013, CONSOB requested Fondiaria-SAI pursuant to Article 114, paragraph 5, of Legislative Decree No. 58/98 to issue a press release outlining the reasons why the Board of Directors of the Company, in the consolidated financial statements approved on 20 March 2013, did not apply the provisions of IAS 8 relating to the comparative figures for the 2011 consolidated financial statements in order to correct the errors noted by CONSOB and contained in Decision No. 18430 of 21 December 2012. For further information in this regard, reference should be made to the 2012 Consolidated Annual Accounts and the section "Supplement to the 2012 consolidated financial statements following CONSOB request of 17 March 2013, Protocol No. 13032789";

- The Shareholders' Meeting of Fondiaria-SAI S.p.A. of 29 April 2013 appointed the Board of Directors for the three years 2013, 2014 and 2015 and, therefore, until the approval of the 2015 Annual Accounts.
  Fabio Cerchiai was also appointed as Chairman of the Company, according to the proposal drawn-up by Premafin HP S.p.A..
  The Board of Directors at the meeting of 28 May 2013 formally verified the independence of the qualifying Directors, in addition to appointing the Corporate Boards and the members of the Board Committees;

Key Group data

(Euro millions)	**H1 2013**	**H1 2012**
Net profit(*)	172	25
Total gross premiums written	5,316	4,994
of which:		
Gross Non-Life premiums written	3,052	3,403
Gross Life premiums written	2,264	1,591
Investment policies written	21	23
APE	214	138
Non-Life combined ratio (premiums retained)	92.8	98.1
Non-Life expense ratio (premiums retained)	21.7	21.9
Life expense ratio (premiums retained)	4.6	5.8
Non- Life combined ratio (direct premiums)	92.6	99.6
Non-Life expense ratio (direct premiums)	22.4	22.5

(Euro millions)	**30/6/2013**	**IFRS 5 (**)**	**31/12/2012**
Investments	30,104	(3,425)	33,859
Cash and cash equivalents	672	(21)	560
Net insurance contract liabilities - Non-Life	8,550	(2,775)	11,793
Net insurance contract liabilities - Life	20,520	(559)	21,058
Shareholders' equity(*)	2,866	-	2,763
Adjusted solvency margin	1.2	-	1.1
Index of individual solvency	2.2	-	1.8

(*) Includes the non-controlling interest.

(**) Best estimate at 30/6/2012 of investments and insurance contract liabilities ceded in accordance with Anti-trust Authority order of 19 June 2012.

OPERATING PERFORMANCE

The consolidated half-year report at 30/6/2013 includes the recommendations of ISVAP Regulation No. 7/07 and was prepared in accordance with Article 154 of Legislative Decree 58/98 and subsequent modifications and based on the regulations for the preparation of financial statements applying the same accounting and consolidation principles utilised for the preparation of the consolidated financial statements at 31/12/2012. In particular, the balance sheet and income statement and the explanatory notes were prepared as per accounting standard IAS 34 relating to interim accounts. In the preparation of the interim data, the application of the accounting principles and measurement criteria for the financial statements require, as also recalled in the notes, a greater recourse to estimates and projections.
The data therefore have the function of representing in a reasonably reliable manner the financial position of the Group at 30 June and of providing information on the principal risks and uncertainties for the remaining six months of the year.

Disposals under the Anti-trust Authority order

The Anti-trust Authority order of 19 June 2012 (the "Order") authorised the acquisition of control by UGF of the Premafin/Fondiaria-SAI Group and specifically the companies Premafin, Fondiaria-SAI and Milano Assicurazioni, prescribing, in accordance with Article 6, paragraph 2 of Law No. 287/90, among other issues, that Unipol disposes of companies and business units comprising, among others, brands, insurance portfolios (comprising significant amounts of premiums) and agency contracts, infrastructure and instrumental resources, for a total value of approx. Euro 1.7 billion.
The Order also establishes that, following the sale of these assets, the Group post-merger shall have its market share at national and regional level reduced to under 30% (or to guarantee the disposal of the entire share acquired under the operation if the 30% share had been held pre-merger) for both the Non-Life and Life businesses considered individually and based on IVASS figures.
UGF instigated a disposal process, inviting major Italian and overseas operators and interested financial investors to participate.
On 8 May 2013 the Board of Directors of Milano Assicurazioni S.p.A. and Fondiaria–SAI S.p.A. and on 9 May 2013 the Board of Directors of Unipol Gruppo Finanziario S.p.A. respectively identified, also in exercising direction and coordination of the Group, the assets subject to disposal, specifically identifying the companies, assets and liabilities, in addition to the contracts and the Mediobanca – Banca di Credito Finanziario S.p.A. debt to be disposed of, to ensure fulfillment of the Order.
In the days immediately following, interested investors were sent the Information Memorandum detailing the assets and liabilities to be disposed of, in order to prepare any non-binding offers.

For the preparation of the Condensed Consolidated Half-Year Financial Statements IFRS 5 – Assets held for sale was applied to those assets subject to disposal.
In particular, in the consolidated statement of financial position the assets held for sale, amounting to Euro 3,971 million were reclassified to the single account called "Non-current assets held for sale or disposal groups" (account 6.1 of Assets), while the liabilities for Euro 3,727 million were similarly reclassified to a single account called "Liabilities associated with disposal groups" (account 6.1 Liabilities). Both accounts were stated net of inter-company transactions.
As the assets and liabilities within the disposal group do not represent collectively "disposed operating assets", the income components held for sale are stated according to the normal classification rules through the various income statement accounts.

The application of IFRS 5 did not have any effect on the consolidated results, nor on the consolidated equity.

Consolidated Income Statement

The following table contains a summary of the results for the first half of 2013 compared with the same period in the previous financial year and compared with 31/12/2012.

(in Euro '000)	**H1 2013**	**H1 2012**	**Change**	**FY 2012**
Net premiums	5,234,868	4,925,687	309,181	9,967,235
Net charges relating to claims	4,374,652	4,447,543	(72,891)	9,357,554
Net commissions	2,624	569	2,055	8,062
Net investment income	429,765	402,749	27,016	325,546
Net income from financial instruments measured at fair value through profit or loss	7,760	325,515	(317,755)	544,681
Operating expenses	800,438	858,607	(58,169)	1,698,317
Other expenses	(181,791)	(263,518)	81,727	(722,437)
Profit (loss) before taxes	**318,136**	**84,852**	**233,284**	**(932,784)**
Income taxes	146,625	48,765	97,860	131,362
Profit/(loss) after taxes	**171,511**	**36,087**	**135,424**	**(801,422)**
Profit/(loss) from discontinued operations	**-**	**(11,144)**	**11,144**	**1,825**
Consolidated profit/(loss)	**171,511**	**24,943**	**146,568**	**(799,597)**
Non-controlling interest profit (loss)	**53,605**	**17,378**	**36,227**	**(49,880)**
Group net profit (loss)	**117,906**	**7,565**	**110,341**	**(749,717)**

The 2013 first half reports a profit of Euro 171.5 million compared to a profit of Euro 24.9 million in H1 2012. The Comprehensive Income Statement reports a profit of Euro 160.3 million compared to a profit of Euro 293.7 million in H1 2012.

The main factors are analysed below:

- The positive Non-Life business underwriting result was consolidated in the first half of the year, with a combined ratio well below 100 at 92.8% compared to 98.1% in the first half of 2012. In relation to direct business the indicator stands at 92.6% compared to 99.6% in the first half of 2012.
  The positive claims trend and the corresponding reduction in frequency offset the reduction in premiums, particularly in the MV class;

- A significant recovery in Life Premiums (+42%), driven principally by the bancassurance company Popolare Vita and, in particular, by its subsidiary Lawrence Life.
  Companies operating through the traditional channels reported stable premiums - testament to the renewed trust in the Group - together with a significant reduction in redemptions;

- A strong financial management performance which, despite continued volatility, enabled an improvement on the first half 2012 results;

- A limited impact from extraordinary items. The first half of 2012 was impacted for approx. Euro 73 million by the write-down of receivables from the bankrupt Im.Co and Sinergia;

- A significant tax charge in the period which highlights the recoverability (together with that recognised to the net equity reserves) of the deferred tax assets recognised to the financial statements in the previous year;

- At 30 June 2013, the adjusted solvency ratio was 1.20 compared with 1.09 at 31/12/2012. The ratio was calculated with reference to the margin required at period-end. If measured with reference to the margin required at the end of the previous year, it would stand at 1.17. These results were not impacted by the application of IFRS 5 to the insurance contract portfolio subject to disposal, as required by the Anti-trust Authority Order of 19 June 2012.

In this context:

- The **consolidated profit** was Euro 171.5 million (profit of Euro 24.9 million in the first half of 2012). Non-controlling interest profit totalled Euro 53.6 million due to the positive contributions from Popolare Vita, Lawrence Life and Milano Assicurazioni.

- The **Non-Life business** recorded a pre-tax profit of Euro 251.0 million, a significant improvement on Euro 80 million in H1 2012. The strong segment underwriting result (Euro 215.3 million) contributed, against an underwriting profit of Euro 62.4 million in the first half of 2012.
  MV premiums reduced significantly (over 14%) due to a number of factors, including the challenging economic environment, the selection activities in progress and the abolition of the tacit renewal of MV TPL contracts, which necessitated increased control of the invoicing process.
  A significant reduction in claims and frequency acted to offset this development, in addition to a substantial maintenance of the claims provisions established at the end of the previous year, therefore negating any impact on the income statement.
  The General classes reported a significantly more contained contraction (-2.7%), as the portfolio recovery actions were introduced over the preceding two-year period.
  The segment result is also affected by impairments of Euro 18.4 million relating to AFS financial instruments (Euro 47.4 million at 30/6/2012).

- The **Life business** reports a pre-tax profit of Euro 129.1 million (Euro 44.4 million in H1 2012).
  Premiums were up significantly (+42.3%) thanks to the Class III contribution (+238%) of over Euro 1 billion, relating to the contribution of the subsidiary Lawrence Life.
  Class I premiums, featuring higher potential margins, reduced slightly (-3.8%) due to the continued economic uncertainty. This reduction was in part offset by the reduction in redemptions in the first six months of 2013 compared to the first half of 2012.
  The financial management result was slightly down on the first half of 2012, which benefitted from, particularly in the first part of the year, vibrant trading following the closing of spreads between Italian bonds and those of other sovereign issuers.
  The impact of impairments on AFS Financial Instruments was significantly reduced to approx. Euro 11.6 million (Euro 23.6 million in the first half of 2012).

- The **Real Estate sector** recorded a loss before taxes of Euro 26.0 million (compared with a loss of Euro 25.8 million in the first half of 2012), adversely affected by impairment losses on investment property of Euro 12.7 million (Euro 2.4 million in the first half of 2012) and depreciation of Euro 14.8 million (Euro 13.9 million in the first half of 2012). In particular the further reductions in property values in the half-year principally concern the Porto di Loano real estate initiative (through the subsidiary Marina di Loano), for which the valuation model previously utilised at year-end was updated.
  Despite continued stagnation within the sector, no disposals were made and operations focused on, in addition to cost control, the restructuring of the existing portfolio which features specific initiatives which may not be easily disposed of such as the Castello Area in Florence or the previously stated Porto di Loano.

- The **Other Activities sector**, which includes companies active in the financial and asset management sector, recorded a loss before taxes of Euro 36 million (loss of Euro 13.7 million in the first half of 2012). The poor results are due to the ongoing structural losses of the Centro Oncologico Fiorentino and of Atahotels, in addition to the loss of Sainternational S.A. in liquidation following the write-down of the RCS shares in portfolio. The sector result was also impacted by a number of provisions made against probable restructuring charges for a number of service contracts undertaken by the previous management. The 2012 result did not include the negative impact from Atahotels, which had been included under assets held-for-sale, with subsequent removal from this classification due to the renewed interest of the Group in its future development.

- **Operating expenses** amounted to Euro 800.4 million (Euro 858.6 million in H1 2012), decreasing 6.8%, essentially due to the reduction in acquisition commissions following the contraction in Non-Life business.

- Excluding the contribution of the financial instruments recorded at fair value through profit or loss, the **total net income from investments** amounted to Euro 432.6 million (Euro 410.6 million in H1 2012). This amount includes Euro 442.3 million of interest income, Euro 30.4 of other net income and Euro 65.8 million of net gains on movable and immovable property.
  The net valuation loss totalled around Euro 78.4 million. Interest expense of Euro 27.5 million (Euro 31.9 million in the first six months of 2012) refers almost entirely to the financial debt.
  The balance of valuation items includes Euro 30.1 million in value adjustments on available-for-sale financial assets and Euro 12.7 million in impairment losses on investment property.

- The contribution of **financial instruments measured at fair value through profit and loss** reported a profit of Euro 7.8 million (profit of Euro 325.1 million in H1 2012). This item includes net income from financial activities where the risk is borne by the policyholders (Euro 35.6 million, although offset by the related increase in net benefits and claims paid in the Life sector), and fair value adjustments of financial instruments belonging to the sector. Excluding the life policyholder component, the account was negative essentially due to derivative hedging losses, in turn offset by gains on the underlying securities.

- **The net income (charge) from investments in subsidiaries, associates and joint ventures** resulted in charges of Euro 2.8 million, principally relating to the associated companies Garibaldi S.C.A. and Isola S.C.A.. However profits are only achieved by these companies through the completion of construction activities and the consequent sale of property. The negative impact is therefore temporary and is due to be reabsorbed once the marketing phase has ended.

- **Other revenues and costs** amounted to a net charge of Euro 181.8 million (net charge of Euro 263.5 million in H1 2012). The balance includes technical and non-technical income and expenses not classified elsewhere, in addition to depreciation and amortisation other than on investment property, contingent assets and liabilities, and the net change in provisions for risks and charges. This item includes the depreciation and amortisation of property, plant and equipment and intangible assets for Euro 19.4 million. The first half of 2012 includes write-downs of Euro 73.0 million against receivables from the Im.Co - Sinergia Group.

- The **income tax charge** totals Euro 146.6 million and includes the reversal of deferred tax assets following the significant absorption of some of the tax losses realised in prior periods in accordance with tax legislation.
  The tax rate for the period was more contained compared to the first half of 2012 due to a higher pre-tax profit which normalised both IRAP and IRES rates, this latter benefitting from the normalised effects from exempt revenues.

- The **result from discontinued operations** in the first half of 2012 included the loss for the period of the Atahotels Group of Euro 13.4 million (previously classified to discontinued operations) and a gain of Euro 2.3 million from the sale of the investment in IGLI S.p.A..

It is noted finally that the net result was not influenced by significant non-recurring events or transactions outside the normal course of business.

Comprehensive Income Statement

The results in the Comprehensive Income Statement, shown in the relevant tables and expanded upon in the notes, are summarised below.
The significant increase in the first half of 2012 was principally due to the recovery of share prices in the period, benefitting the fair value of AFS financial instruments in portfolio (in particular Italian sovereign debt securities).
The improvement in the first half of 2013 was more contained, due to the relative stability of the financial markets in the period.

(in Euro '000)	**H1 2013**	**H1 2012**	**Change**	**FY 2012**
Consolidated profit /(loss)	171,511	24,943	146,568	(799,597)
Other Comprehensive Income Statement items	(11,179)	268,749	(279,928)	937,884
Total Comprehensive Income Statement	**160,332**	**293,692**	**(133,360)**	**138,287**
of which:				
Group	108,952	188,765	(79,813)	(37,053)
Non-controlling interest	51,380	104,927	(53,547)	175,340

In accordance with paragraph IAS 1.82A, introduced with the amendment to IAS 1 issued on 16 June 2011 (see Amendments to IAS 1 "Presentation of Items of Other Comprehensive Income", enacted through Regulation (EC) 475/2012, and applicable to financial statements beginning 1 July 2012), the "Other Comprehensive Income Statement items" accounts are categorised by type, in addition to whether or not they may be reclassified to profit (loss) for the period in the presence of particular conditions.

For a detailed breakdown of the Comprehensive Income Statement, reference should be made to the financial statements reported in full below.

Premiums written

The first half of 2013 reported total premiums of Euro 5,315.2 million (+6.44%), broken down as follows:

(in Euro '000)	**H1 2013**	**H1 2012**	**Change %**
DIRECT PREMIUMS			
Non-Life business	3,048,954	3,401,390	(10.36)
Life business	2,263,054	1,590,594	42.28
Total direct premiums	*5,312,008*	*4,991,984*	*6.41*
INDIRECT PREMIUMS			
Non-Life business	2,721	1,490	82.60
Life business	465	281	65.37
Total indirect premiums	*3,186*	*1,771*	*79.87*
TOTAL	**5,315,194**	**4,993,755**	**6.44**
of which:			
Non-Life business	3,051,675	3,402,880	(10.32)
Life business	2,263,519	1,590,875	42.28

Segment Income Statement

(in Euro thousands)

		Non-Life		Life		Real Estate		Other		Inter-segment Eliminations		Total	
		H1 2013	H1 2012	H1 2013	H1 2012	H1 2013	H1 2012	H1 2013	H1 2012	H1 2013	H1 2012	H1 2013	H1 2012
1.1	Net premiums	2,976,062	3,339,781	2,258,806	1,585,906	0	0	0	0	0	0	5,234,868	4,925,687
1.1.1	*Gross premiums*	*3,138,943*	*3,496,347*	*2,263,519*	*1,590,875*							5,402,462	5,087,222
1.1.2	*Ceded premiums*	*-162,881*	*-156,566*	*-4,713*	*-4,969*							-167,594	-161,535
1.2	Commission income	0		475	1,963			10,896	11,591	-5,641	-8,567	5,730	4,987
1.3	Gains and losses on remeasurement of financial instruments at fair value through profit or loss	-29,405	16,009	37,308	309,351	-777	-319	634	474	0		7,760	325,515
1.4	Gains on investments in subsidiaries, associates and interest in joint ventures	*50*	*652*	*0*		*18*	*15*	*0*		*0*		68	667
1.5	Gains on other financial instruments and investment property	213,806	228,319	365,943	367,331	29,075	25,754	27,548	29,476	-20,816	-14,362	615,556	636,518
1.6	Other income	237,235	237,716	27,772	32,149	10,406	10,852	304,985	272,019	-343,758	-377,012	236,640	175,724
1	**TOTAL REVENUES AND INCOME**	**3,397,748**	**3,822,477**	**2,690,304**	**2,296,700**	**38,722**	**36,302**	**344,063**	**313,560**	**-370,215**	**-399,941**	**6,100,622**	**6,069,098**
2.1	Net charges relating to claims	-2,025,430	-2,396,075	-2,349,222	-2,051,468	0	0	0	0	0	0	-4,374,652	-4,447,543
2.1.2	*Amounts paid and changes in insurance liabilities*	*-2,114,933*	*-2,550,169*	*-2,353,502*	*-2,052,597*							-4,468,435	-4,602,766
2.1.3	*Reinsurers' share*	*89,503*	*154,094*	*4,280*	*1,129*							93,783	155,223
2.2	Commission expenses	0		-312	-1,411			-2,794	-3,007			-3,106	-4,418
2.3	Losses on investments in subsidiaries, associates and interests in joint ventures	-2,559	-8,001	0		-102	-198	-217	-368			-2,878	-8,567
2.4	Losses on other financial instruments and investment property	-83,190	-134,301	-49,020	-51,969	-44,725	-33,856	-10,856	-14,119	4,810	8,376	-182,981	-225,869
2.5	Operating expenses	-649,331	-736,178	-106,918	-93,315	-93	-100	-162,209	-151,926	118,113	122,912	-800,438	-858,607
2.6	Other costs	-386,195	-467,918	-55,700	-54,152	-19,837	-27,954	-203,991	-157,871	247,292	268,653	-418,431	-439,242
2	**TOTAL COSTS AND EXPENSES**	**-3,146,705**	**-3,742,473**	**-2,561,172**	**-2,252,315**	**-64,757**	**-62,108**	**-380,067**	**-327,291**	**370,215**	**399,941**	**-5,782,486**	**-5,984,246**
	PRE-TAX PROFIT/(LOSS) FOR THE PERIOD	**251,043**	**80,004**	**129,132**	**44,385**	**-26,035**	**-25,806**	**-36,004**	**-13,731**	**0**	**0**	**318,136**	**84,852**

Directors' Report

ECONOMIC OVERVIEW AND THE INSURANCE MARKET

International economic overview

Signs of recovery from the weakness of Q4 2012 were seen in the United States and in a number of the emerging economies in the first quarter of 2013. In fact, GDP fell short of expectations in the United States with growth declining in Q4 2012 to 0.4% on the previous quarter. The slowdown was due to temporary factors related to the inventory cycle and the reduction in public expenditure; consumption and investment figures however improved.

The United Kingdom, after the bounce of the third quarter, reported a contraction (-1.2%), principally due to the trade deficit and inventory changes, in addition to a further reduction in investment.

Japan, after the significant reduction in the third quarter (-3.7% on the previous quarter), returned to slight growth in the quarter (+0.2%), supported by household consumption and public expenditure.

Table 1 –Macroeconomic performance (% change on preceding year)

		IMF		Consensus Economics	
	2012	**2013**	**2014**	**2013**	**2014**
GDP					
World	3.2	3.3	4.0	-	-
Developed countries	1.2	1.2	2.2	-	-
Eurozone	(0.6)	(0.3)	1.1	(0.4)	0.9
Japan	2.0	1.6	1.4	1.3	1.3
UK	0.2	0.7	1.5	0.7	1.6
US	2.2	1.9	3.0	2.1	2.7
Emerging markets	5.1	5.3	5.7	-	-
Brazil	0.9	3.0	4.0	3.1	3.7
China	7.8	8.0	8.2	8.2	8.0
India (1)	4.0	5.7	6.2	6.1	6.8
Russia	3.4	3.4	3.8	3.3	3.8
Global trade (2)	**2.5**	**3.6**	**5.3**	**-**	**-**

Source: Bank of Italy Economic Bulletin No. 72, April 2013; IMF, World Economic Outlook Update, April 2013; Consensus Economics, April 2013 (for the advanced economies, China and India), March 2013 (for Brazil and Russia); national statistics.

1) *Consensus Economics relates to the fiscal year beginning in April of the year indicated.*
2) *Goods and Services*

Global economic growth in the year is expected to remain contained, although strengthening from 2014: the International Monetary Fund in the latest available World Economic Outlook update lowered global growth expectations to 2012 levels (approx. 3.1%), due to the emergence of new risks of a possible slowdown in growth in the emerging markets, with growth figures improving only at the end of 2014 (approx. +3.8%).

Concerns remain also in relation to the public expenditure policies in the United States and the sovereign debt crisis in Europe, with significant uncertainties surrounding the Cypriot crisis, which highlighted the coordination difficulties between the European and domestic authorities.

The European and Italian markets

After the slowdown in GDP in the fourth quarter of 2012, the Eurozone appeared to stabilise in the first quarter of 2013: internal demand remains weak however, also in countries not impacted by the sovereign debt crisis.

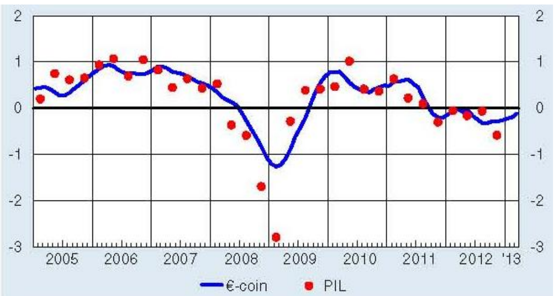
In the final quarter of 2012, Eurozone GDP significantly reduced (-0.6% compared to the previous period). In addition to the reduction in economic activity, the temporary absence of support from exports had an impact: exports fell after three years of growth. Internal demand continues to be held back by the fresh drop in household consumption and fixed investment.

The drop in inflation also continues, reducing to under 2% for the first time since 2010, with further contractions expected in the coming months: the stabilisation of prices is confirmed by the investment outlook of businesses and household spending forecasts.

The International Monetary Fund estimated for 2013 a drop in Eurozone GDP of 0.5%, followed by growth of under 1% in 2014.

The European Central Bank in the meeting of 4 July left base interest rates unchanged at 0.50%, maintaining also the marginal rate unchanged (1%). The expansive monetary policy should act to support internal demand and economic recovery in the remainder of 2013 and in 2014.

Graph 1 – Eurocoin index and Eurozone GDP



Source: Bank of Italy Economic bulletin No. 72, April 2013; workings on Eurostat figures;

Graph 2 – Eurozone inflation (1)

Source: Bank of Italy Economic bulletin No. 72, April 2013; workings on Eurostat and ECB figures.

(1) Consumer Price Index.

Italian indicators, after the significant contraction in GDP in the fourth quarter of 2012, suggest that GDP may again reduce in Q1 2013, although in a more contained fashion. The drop in industrial production is expected to soften in the first quarter thanks to the strong export performance.

The International Monetary Fund has estimated a drop in Italian GDP of 1.8% in 2013, with growth of 0.7% expected for 2014.

Finally, we highlight that at the time of reporting the international rating agency Standard&Poor’s lowered the Italian debt rating from BBB+ to BBB due to concerns surrounding the achievement of the public purse objectives for 2013, principally due to the alternative approach taken by the government to cover the deficit following the suspension of the property tax and the possible delay of the planned VAT increases.

The insurance sector

Amid the current extensive crisis and financial turbulence, the Italian insurance sector again continued to perform an important function through providing a stability mechanism for the country. The effects of the economic and financial crisis in Italy and in other European countries have been mounting for a number of years: the capacity to finance medium and long-term investment projects has reduced significantly both within the private and public sectors.

To fill this void the more active involvement of insurance companies is cited which - both at a European and Italian level – are significantly important institutional investors as operating - by the very nature of their business models - according to long-term investment goals. For example, the portfolio held by Insurance Companies to cover the Non-Life and Life business insurance contract liabilities is invested for over 60% in public securities.
The Industry Federation has estimated assets managed by insurance companies as totalling approx. Euro 8,500 billion in Europe, of which Euro 600 billion in Italy alone.

In addition, as opposed to the situation on the overseas markets, our insurance companies have not reduced this component but have in fact increased it from 33% to 50% over the last five years. At the end of 2012, investments by businesses in the sector cover approx. 11% of the Italian public debt (approx. Euro 220 billion): a clear signal of confidence in the ability of the country to overcome the crisis.

In addition, Italian companies continued to achieve strong returns on investments, with managed funds not seeing significant outflows; from autumn 2012 Life Class premiums, after two years of contraction, began to recover.

Overall Non-Life and Life business premiums of Italian companies and by representatives in Italy of non-EEA companies in the first half of 2013 amounted to Euro 28.5 billion, an increase of approx. 10% on the same period of 2012. The improvement particularly relates to Life insurance premiums of approx. Euro 20.3 billion, increasing by over 18%, with a percentage of the overall Life and Non-Life portfolio of 71.2% (66.5% in the same period of 2012).
On the other hand, the Non-Life portfolio which totalled Euro 8.2 billion, reduced by approx. 5.7% (approx. Euro 8.7 billion in the same period of 2012), comprising 28.8% of the overall portfolio (33.5% in the same period of 2012).

Amid such a troubled economic-social situation, the availability of a social system (both public and private) which can guarantee all citizens the benefit of indispensable social services, effectively protecting against demographic, health, financial and environmental risks has become increasingly important.

We recognise unfortunately that in Italy such a welfare model has not yet been established.

A return to fundamental profitability would allow the insurance industry to more effectively provide support to the economy over the medium/long-term. The restructurings within the sector are working in this direction: among these we consider the cost containment actions, the operating structure alterations, improved service quality and the diversification of the sales channels.

Changes to the regulatory framework

The principal regulatory changes that affected the Italian insurance market in the first half of 2013 are described below.

Direct compensation
From 1 January 2013, the direct compensation flat rates were amended, as established by the Ministerial Technical Committee (Article 13 of Presidential Decree No. 254/2006), based on the segmentation criteria identified by Ministerial Decree of 11 December 2009.

In this regard, the structure of the flat rates remained unchanged compared to 2012, having not yet introduced an enacting provision of Article 29 of Law No. 27/2012.

In particular:

- **CID single flat rate** (damage to property and damage to the driver), broken down into three territories and by type of vehicle (vehicles other than motorbikes and mopeds);
- **CID single flat rate** (damage to property and damage to the driver), broken down into three territories and by type of motorbike (motorbikes and mopeds);
- **CTT flat rate**, for passengers in a motor vehicle;
- **CTT flat rate** for passengers on motorcycles and mopeds.

For claims made as of 1 January 2013, compensation between companies will be subject to the following rates:

1. **CID motor vehicles flat-rate:**
   - Area 1: € 2,239
   - Area 2: € 1,930
   - Area 3: € 1,683

2. **CID motorbikes flat-rate:**
   - Area 1: € 4,079
   - Area 2: € 3,740
   - Area 3: € 3,455

The breakdown of the provinces between regional areas differs according to motorcycles and cars.

3. **CTT flat rate for passengers in motor vehicles:** for damage for an amount equal to or less than the plafond of Euro 5,000 suffered by third parties as passengers in motor vehicles, a flat rate of Euro 32,990 will be applied, with a total excess of Euro 500. For damage higher than the plafond of Euro 5,000 suffered by third parties transported in motor vehicles, the payment will consist of a flat rate of Euro 2,990 plus the differential between the effective damage and the stated plafond less an excess of 10%, with a maximum of Euro 20,000, to be calculated on the compensation.

4. **CTT flat rate for passengers on motorcycles and mopeds:** for damage for an amount equal to or less than the plafond of Euro 5,000 or less to passengers transported on motorcycles and mopeds will be subject to a flat rate of Euro 3,700, with a fixed excess of Euro 500. In cases where the damage to passengers transported on motorcycles and mopeds is greater than Euro 5,000, the payout will comprise the flat rate of Euro 3,700, plus the difference between the damage actually compensated and the Euro 5,000 threshold, minus an excess of 10%, up to a maximum of Euro 20,000, to be calculated on the amount of the compensation.
   Claims made in prior years are still subject to the flat rates established by the Ministerial Technical Committee for each of the years taken into consideration by the applicable resolutions.

IVASS

It is noted that on 1 January 2013, **IVASS (Insurance Oversight Authority)** took over all powers, functions and duties of ISVAP.
The creation of IVASS, in accordance with Legislative Decree No. 95 of 6 July 2012 (urgent provisions for the review of public expenditure with continuity of citizen services) converted into Law No. 135 of 7 August 2012, was undertaken in order to ensure the full integration of insurance supervisory activities through a closer linking with banking oversight.

IVASS is headed by the General Director of the Bank of Italy.
The Authority operates on the basis of the principles of organisational, financial and accounting autonomy, in addition to those of transparency and prudency, to ensure the stability and correct functioning of the insurance system and the protection of consumers.

Anti-Money Laundering/Anti-Terrorism: sufficient checks and Centralised Archive

On 3 April the Bank of Italy adopted two measures concerning anti-money laundering/anti-terrorism (sufficient checks and a Centralised Archive).

The first, concerning sufficient checks, is not applied to insurance companies and their distribution network, however knowledge of such is considered necessary as forming a reference point for the IVASS measure on the same issue which will come under public consultation shortly.
The second, concerning a Centralised Archive, however also concerns insurance companies. The Centralised Archive, compiled and managed through IT systems, centralises the data and information acquired from the identification and registration requirements as set out under the Anti-Money Laundering Decree and the orders issued by the Bank of Italy.

The orders enter into force from 1 January 2014 and will be applied to contracts signed and operations carried out from that date.

Solvency II: recent regulatory changes

Recent difficulties in the process of drawing up and approving the details of the new Solvency II project regulations have resulted in a deferment of its entry into force, via the issuance of the Omnibus II Directive, whose approval is expected in a plenary sitting of the European Parliament in 2013, which should include significant amendments to the 2009/138/EC Directive, including a series of transitional measures, allowing for a "soft launch" of the new European supervisory framework.

On 19 December 2012, the EIOPA announced the beginning of the quantitative impact study on 28 January 2013 for Long Term Guarantees (LTG) within Solvency II, in order to quantify the effects of LTG's on the insurance market and the financial system as a whole. The study concluded in March. On 11 April 2013, the EIOPA issued a "Preliminary feedback" of results of the above quantitative impact study, which highlighted the importance of the use of anti-cyclical measures in the assessment of long-term insurance contracts, also to ensure appropriate asset allocation. On 14 June the EIOPA published the results of the exercise which highlighted that the Italian market had comfortably reached the percentage holding objective indicated by the European Commission (66% for Life Business and 55% for Non-Life Business – compared to European averages respectively of 59% and 25%). The study highlighted an objective difficulty of participants in completing the test, in addition to the means of a number of methods to reduce the artificial volatility in the calculation of insurance contract liabilities, for example the *Counter Cyclical Premium*, for which a national adjustment measure to be utilised in cases of crisis would be helpful. On the other hand, other anti-cyclical elements utilised, such as for example the *Matching Adjustment*, would not be fully effective.

As noted, in December 2012 the EIOPA, considering the regulatory uncertainty and the non-approval of the Omnibus II Directive, published the "Opinion on Interim Measures Regarding Solvency II" document, which takes the position that elements of the regulation, specifically Governance (Pillar II) and Reporting to the Supervisory Authorities (Pillar III), should be introduced locally in the Member States before the entry into force of Solvency II, in order to ensure standardisation within the European Community, at an industrial level and at an institutional level.

Therefore, on 27 March 2013 the EIOPA approved the public consultation of the draft Guidelines for the preparation for the entry into force of Solvency II, addressed to the Supervisory Authorities of the individual Member States, which are not necessarily required to apply them under the “comply or explain” principle. Specifically, the various “local” Authorities must transmit to the EIOPA a “progress report” from 28 February 2015 (in relation to the year 2014). The Guidelines, whose consultation on the market concluded on 19 June 2013 (the Final EIOPA Report is expected by the end of the year), seeks to introduce a uniform advance introduction of Solvency II, with the full entry into force expected in 2016, concentrating efforts initially on a number of specific issues, such as: Governance, ORSA – Own Risk and Solvency Assessment, the pre-application phase of the Internal Models and Reporting to the Supervisory Authority.

Non-Life Insurance

THE NON-LIFE INSURANCE MARKET

At the end of the first quarter of 2013, the premiums portfolio of the MV TPL and Marine TPL Classes totalled approx. Euro 4.2 billion (-6.2% compared with the first quarter of 2012), representing 50.8% of total Non-Life premiums (51.2% in the corresponding period of 2012) and 14.6% of all premiums written (17.2% in the first quarter of 2012).

In particular in the Motor Classes a number of macroeconomic factors impacted revenues such as a reduction in new vehicle registrations, increased competition and the consequent contraction in the average premium and, finally, an increased tendency to not take up mandatory MV TPL insurance.

Of the other Non-Life classes, those with the highest premiums were: Land Vehicles, accounting for 7.6% (7.8% in the first quarter of 2012), Accident, with 8.6% (8.3% a year earlier), General TPL, with 7.7% (7.4%), Health, with 6.6% (6.8% in 2012), Property, with 6.4% (6.2% in 2012), and Fire and Other Natural Events, with 5.7% (5.7% in 2012).

The analysis by distribution channel continues to highlight the large proportion of premiums written through brokerage agencies, amounting to 81.6% of the Non-Life portfolio (81.5% in 2012) and 87.2% of the MV TPL division (87.5% in the first quarter of 2012).

In 2013 the Industry Federation estimated Life premiums would contract (-3.5%), impacted by the recession, with a significant reduction in MV TPL and Maritime TPL Premiums (-5.5%) and a slight reduction in Non-MV Non-Life Premiums (-1.6%). The proportion to GDP should remain unchanged and in line with 2012 (2.2%).

An increased drop is expected for Land Vehicle Class premiums (-6.5%), particularly due to the fall in new vehicle sales.

In May alone, new vehicle deliveries in the Eurozone and the EFTA area (Iceland, Norway and Sweden) dropped 5.9% to 1,083,430 units. From the beginning of 2013, with slightly more than 5.2 million new registrations, the contraction totals 6.8%. In the same month, the traffic control authority registered 136,129 new vehicles (-8% on May 2012). From the beginning of the year the reduction totals 11.3%.

OPERATING PERFORMANCE

As previously mentioned, the sector reported a profit before taxes of Euro 251 million, compared with a profit of Euro 80 million in the first half of 2012.

The technical balance reported a very strong contribution and the combined ratio returned to an excellent level and in line with budget forecasts. More specifically, the underwriting profit totalled more than Euro 215 million, compared with a profit of approx. Euro 62 million in H1 2012.

The strong result was due to the positive current operating performance, with a continued steep downward trend in MV TPL claims, a consequent drop in claim frequency and the maintenance of the prior year claims provision, though relating to a period in which the inventory-taking procedures of the loss adjuster's network were not yet fully in force. The average cost of current generation claims however saw a prudent increase, while awaiting developments in the second part of the year.
In relation to the other Non-Life Classes, the strong Land Vehicle Class performance continued, while in the Non-MV classes the cost of claims was not impacted by extraordinary events such as atmospheric or natural events, as opposed to 2012 with the earthquake in Emilia-Romagna.

The financial management performance substantially improved on the first half of 2012.
Against lower gains to be realised, improved returns and lower write-downs on AFS financial instruments in portfolio are reported.

Premiums

The Fondiaria-SAI Group reports premiums of Euro 3,051.7 million in the first half of 2013 (-10.32% year on year).
Direct premiums totalled approx. Euro 3,049 million (-10.36%).
The breakdown of premiums by Class is as follows:

(in Euro '000)	H1 2013	H1 2012	Cge. %	Distribution % 30/6/2013	Distribution % 30/6/2012
Accident & Health	298,008	292,574	1.86	9.8	8.6
Marine, aviation and transport	77,690	70,776	9.77	2.5	2.1
Fire and Property	380,208	388,400	(2.11)	12.5	11.4
General TPL	207,948	235,970	(11.88)	6.8	6.9
Credit and Bonds	37,184	44,969	(17.31)	1.2	1.3
General pecuniary losses	23,072	26,432	(12.71)	0.8	0.8
Legal expenses	10,018	8,780	14.11	0.3	0.3
Assistance	40,421	36,938	9.43	1.3	1.1
TOTAL NON-MV CLASSES	**1,074,549**	**1,104,839**	**(2.74)**	**35.2**	**32.5**
MV TPL	1,713,045	1,989,428	(13.89)	56.1	58.5
Land vehicles	261,360	307,123	(14.90)	8.6	9.0
TOTAL MV CLASSES	**1,974,405**	**2,296,551**	**(14.03)**	**64.7**	**67.5**
TOTAL DIRECT PREMIUMS	**3,048,954**	**3,401,390**	**(10.36)**	**99.9**	**100.0**
INDIRECT PREMIUMS	**2,721**	**1,490**	**82.60**	**0.1**	**-**
TOTAL NON-LIFE SECTOR	**3,051,675**	**3,402,880**	**(10.32)**	**100.0**	**100.0**

The premiums ceded amounted to Euro 159 million (Euro 147 million in the first half of 2012).

The decrease in MV TPL premiums written of approx. 14% continues on from the poor performance of 2012. This indicates the stepping up of the multi-claim portfolio restructuring policies, together with the continued drop in new vehicle registrations also in the first six months of 2013 at approx. 10.3% (approx. 19.87% in 2012, with a 22.51% drop in December alone). Domestic household demand is being squeezed by increases in almost all car related costs, but particularly fuel and road tolls - and within a prolonged recession.

In addition, the reduction in the average premium highlights the heightened market competition.

For the primary clients, which comprise the majority of the portfolio and to an increasing degree the new business, overall tariffs have been impacted by the MV TPL tariffs introduced from September 2012 and December 2012, in addition to increased bonus policies in the portfolio.

These tariff versions, in line with Group guidelines and the previously indicated actions, have the objective to recover profitability without neglecting the safeguarding of the portfolio and to establish greater competitiveness in the market, in order to reduce the tariff mutuality, taking into account regulatory changes and the dynamics of competitors, focusing the analysis on the client risk and on their profitability.

Specifically, these tariffs are intended to considerably improve the Group's tariff competitiveness and the quality and structure of its portfolio by means of increased selectivity throughout the country.

With a view therefore to making its MV TPL tariff structure more competitive and less mutualistic, the review of the technical and commercial policies on subsidised agreements continued in the first six months of 2013 in order to reduce the proportion of the total subsidised agreements portfolio, both in terms of a lower number of policies and the relative and absolute decrease in discounts, whilst also seeking to redistribute agency discounts.

In any case the quickly changing motor insurance market, which in recent months and into the future is expected to report a generalised improvement in the technical indicators, generates increasing competition among the various players. In this regard, the provision of greater discounting in its various forms, resulting in a reduction in the average premium, further improves the competitivity of the offer, also with a view to optimising the risk selection, targeting new clients through development operations, in addition to focusing on the best clients already in portfolio through loyalty generating operations.

The review of the technical and commercial policies relating to vehicle fleets also continued, with efforts to consolidate and boost profitability, even to the detriment of a reduction in the fleet portfolio.

The **Land Vehicle Class** premiums continued to significantly contract (-14.9%) due to the continued reduction in new vehicle registrations and due to the further deterioration of the economic crisis which gradually erodes employment levels, with negative impacts on disposable income, affecting the take up of the Vehicle guarantees. The reduction was also due partly to the specific sales policies of carmakers, which continue to offer insurance packages with warranties covering such aspects as fire, theft and assistance included in the purchase price of the car. The Land Vehicle class was impacted also by the reform actions on the multi-claims portfolio by the company.
The reduction in the sector is principally due to the loss on the Corporate sales line, with the business presenting negative technical performances being overhauled.

In the **Other Non-Life Classes**, premiums report a reduction of approx. 2.7%. This has reduced on the first quarter following the restructuring of the Corporate portfolio, generally acquired through the brokers channel.
The retail sector has also been impacted by the continued economic crisis which has hit household disposable income and as a consequence insurance coverage.
The premiums for a number of Classes are reported below.

Fire and Property
The underwriting policy in 2013 again particularly focused on catastrophe cover, both in regard to the acquisition of new risks and through a review of the technical parameters for contracts in portfolio.
The portfolio reform actions on poorly performing contracts and clients continue.

General TPL
In the first half of the year, premiums fell by approx. 12% to approx. Euro 208 million, due largely to the restructuring and reform activities undertaken in recent years and further developed this year.
The underwriting policy in 2013 is again particularly prudent in relation to TPL coverage to the private healthcare sector (in 2012 the withdrawal from public healthcare coverage was completed), to Public Bodies and to construction businesses. For this latter sector, the new Construction TPL product of 2012 is available.
The portfolio reform actions on poorly performing contracts continue.

Accident & Health
Premiums in the first half of the year (approx. +1.9%, totaling Euro 298 million) continued to benefit from the implementation of appropriate technical parameters.

Bonds
The contraction in premiums compared to the previous period is again confirmed for the first half of the year. This reduction stems from a fundamental weakness of the Bonds market in Italy, directly related to the general economy. The absence of economic growth has impacted the construction sector. The reduction in public spending, increased bankruptcies and examinations, the further reduction in residential property sales (-14.2% in the first quarter of the year) and the prolonged restricted lending by institutions continues to affect one of the sectors which drives the Class.
In relation to profitability, the loss was significantly affected by claims relating to coverage within the residential construction sector (surety policies as per Law 210/2006). In particular, the bankruptcy of a number of client companies affected the completion of property initiatives, with a consequent payment to the beneficiaries of the relative surety policies.
In consideration of the widespread financial difficulties of businesses, the underwriting policy is based on increased prudency in the selection of clients and on an analysis of new property initiatives. It was also necessary to instigate control and monitoring activities on operations in progress, in order to establish well in advance any signs of difficulties for such businesses or for the initiative itself.

Claims paid and reported

The gross claims paid (including indirect) amounted to Euro 2,564 million, decreasing on the first half of 2012 (Euro 2,807 million).

The breakdown by class of claims reported and paid on direct Italian premiums, including expenses directly attributable to the claim and indirect expenses relating to the loss adjuster's department, is as follows:

	Claims paid (*) (in Euro '000)			Claims reported by year (*) Number		
	H1 2013	**H1 2012**	**Cge. %**	**H1 2013**	**H1 2012**	**Cge. %**
Accident	92,431	108,584	(14.88)	36,387	37,931	(4.07)
Health	78,760	84,427	(6.71)	146,840	152,175	(3.51)
Railway	-	-	-	4	1	300.00
Aviation	1,339	1,172	14.25	8	78	(89.74)
Maritime	6,022	6,649	(9.43)	178	221	(19.46)
Merchandise transport	2,637	3,036	(13.14)	842	1,143	(26.33)
Fire and other natural events	129,927	115,193	12.79	23,295	32,155	(27.55)
Property	133,309	135,848	(1.87)	77,579	78,905	(1.68)
Aviation TPL	231	418	(44.74)	5	34	(85.29)
Maritime TPL	1,529	2,128	(28.15)	252	152	65.79
General TPL	248,152	227,400	9.13	42,482	46,643	(8.92
Credit	72	394	(81.73)	4	-	-
Financial guarantees	30,494	31,368	(2.79)	1,634	1,250	30.72
Pecuniary losses	10,588	5,095	107.81	2,613	954	173.90
Legal expenses	1,401	1,185	18.23	1,009	836	20.69
Assistance	10,762	11,270	(4.51)	65,673	59,474	10.42
TOTAL NON-MV CLASSES	**747,654**	**734,167**	**1.84**	**398,805**	**411,952**	**(3.19)**
MV TPL	1,529,076	1,750,084	(12.63)	277,438	326,231	(14.96)
Land vehicles	163,907	185,963	(11.86)	118,460	125,139	(5.34)
TOTAL MV CLASSES	**1,692,983**	**1,936,047**	**(12.55)**	**395,898**	**451,370**	**(12.29)**
TOTAL NON-LIFE SECTOR	**2,440,637**	**2,670,214**	**(8.60)**	**794,703**	**863,322**	**(7.95)**

(*) The table excludes DDOR Novi Sad

As regards the MV TPL Classes, the claims paid also include the expense incurred for the management of the claims as "Manager" (non-fault claims) under the new direct compensation system, net of sums recovered as a flat rate from the CONSAP clearing house.
The MV TPL claims made listed in the table refer to events in which our policyholder is liable.
The number of MV TPL claims reported managed by the Group totals 267,163 (-14.7%).

Insurance contract liabilities, gross of reinsurance, amounted to Euro 9,187 million (Euro 12,522 million at 31/12/2012): the change is due for Euro 2,866 million to the reclassification to Liabilities associated with disposal groups under IFRS 5 of the expected group of assets to be disposed of under the Anti-trust Authority order of 19/6/2012.
Operating expenses were equivalent to 21.7% of premiums (21.9% in the first half of 2012).

The table below shows the main technical indicators for the first half of 2013 and of 2012.

Figures expressed in %	**30/6/2013**	**30/6/2012**
Loss ratio	68.1	71.7
Expense ratio	21.7	21.9
Combined operating ratio	**89.8**	**93.6**
OTI ratio (*)	3.0	4.5
Combined ratio	**92.8**	**98.1**

(*) Includes the balance of the other technical accounts.

In relation to direct business only, the following principle technical indicators are reported:

	30/6/2013	**30/6/2012**
Loss ratio	67.3	72.9
Expense ratio	22.4	22.5
Combined operating ratio	**89.7**	**95.4**
OTI ratio (*)	2.9	4.2
Combined ratio	**92.6**	**99.6**

(*) Includes the balance of the other technical accounts.

The sharp fall in claims made in the **MV TPL Class** continued (-14.87%), thanks to both a general positive market performance and the measures begun in 2010 to clean up poorly-performing portfolios, in addition to the constant monitoring of claims carried out by the Group's dedicated anti-fraud unit.
With reference to prior year claims, the provision has maintained in line with amounts paid, together with a stringent allocation policy which did not have significant positive effects on the period income statement.

The **Land Vehicles Class** again saw claims made in the current year fall (by 5.34% in numeric quantity and by approx. 11.86% in terms of value), partially offsetting the decline in premiums, caused largely by the general economic performance and the fall in new vehicle registrations.

For the **Other Non-Life Classes,** total claims paid increased slightly (+1.84% on the first half of 2012), while the number of claims reported by generation decreased by 3.19%.
Overall, the General Classes report a lower number of significant claims. The first half of 2012 was impacted both by unfavourable events such as snow in the Adriatic region and the earthquake in Emilia Romagna and an increased number of catastrophe cover claims.
In relation to the Non-Life Classes the high number of claims in the building sector continues, while positive results were seen for theft coverage, technological risks and the retail sector in general.

A brief overview of the results of the **Parent Company Fondiaria-SAI** is reported below.

MV TPL premiums totalled approximately Euro 934 million (approx. -14%).

The number of claims reported in the period was 152,221 (-15.5%), while the number of claims settled was 143,063 (-17.1%).
The claims/premiums ratio, net of the costs for the Guarantee Fund for Road Victims, was 66.8% for the current period and at global level.
The speed of settlement of the current generation on the claims managed was approx. 65% for the claims in the first six months and 44.1% for the claims in previous years. For fault claims, the settlement speed was 60.6% for the current half-year and 46.2% for previous years.
At 30/6/2013, the number of accepted claims (including the number of late claims) received from our policyholders under the new compensation regime (the "CARD Manager" system) is 99,269, of which 70,760 have already been paid in full.

The number of accepted claims received from the CONSAP clearing house set up for this purpose in relation to claims for which our policyholders are fully or partly liable ("CARD Payer" claims) is 96,459, of which 61,867 have resulted in full payment of the compensation and 34,592 have been recorded under the provision.
For accounting purposes, up to 30/6/2013 recharges were received for a value of Euro 203 million from the clearing house. The amount of the credits received was Euro 184 million.

Premiums collected in the **Land Vehicles Class** totalled Euro 151.9 million (-14.5%). The amount of claims reported reduced (-5.1%) - as did claims paid (-10.4%). The cost of current generation claims slightly increased (+2.1%).

With reference to the **Non-MV Classes**, direct Italian premiums amounted to Euro 570.2 million, a decrease of 0.9% compared to the first half of 2012. The number of claims reported decreased (-1.9%) with claims paid increasing (approx. -4%).
The cost of current generation claims significantly reduced compared to the first half of 2012 (-20%).

The performance of the Group's main subsidiaries in the first half of 2013 is summarised in the following table:

(in Euro '000)	PREMIUMS WRITTEN	CHANGE %	INVESTMENTS	GROSS INSURANCE CONTRACT LIABILITIES	PROFIT/ (LOSS)
NON-LIFE INSURANCE SECTOR					
INCONTRA ASSICURAZIONI S.p.A.	22,178	(3.85)	103,110	121,079	164
DDOR NOVI SAD ADO	38,708	0.94	27,905	72,237	(2,259)
DIALOGO ASSICURAZIONI S.p.A.	11,947	(21.76)	42,498	53,256	(2,632)
EUROPA TUTELA GIUDIZIARIA	655	(11.44)	13,413	5,865	(160)
LIGURIA ASS.NI S.p.A.	91,950	(19.59)	371,436	401,155	(1,091)
MILANO ASS.NI S.p.A. (*)	1,262,290	(12.27)	1,675,704	2,376,919	72,598
PRONTO ASSISTANCE S.p.A.	28,516	10.63	14,391	858	1,857
SIAT S.p.A.	81,196	7.35	112,365	276,801	2,525
THE LAWRENCE RE IRELAND Ltd.	33,869	(43.16)	249,790	394,115	636

(*) Consolidated figures for the Non-Life Sector

The financial highlights of some of the main Group companies' in the first half of the year are outlined below. The figures were prepared in accordance with IAS/IFRS.

DDOR NOVI SAD ADO

The subsidiary DDOR Novi Sad ADO reported in the first half of 2013 a net loss of approx. Euro 3.1 million (compared to a profit of Euro 0.05 million in the first half of 2012). The principal events in the period were as follows:

- Gross premiums totalled Euro 41.3 million, in line with the first half of the previous year. These premiums, net of the change in the provision, decreased by approx. 15% on the same period of the previous year, significantly impacting the overall period results in terms of costs due to the provision for late claims. This relates to a more prudent provisioning policy introduced from the previous year, along with a reduction in premiums due to the Serbian economic crisis;

- Premiums contracted across the various business lines, among which we highlight the Fire (-6.9%) and Property Classes (-2.8%). On the other hand, the premiums in both the MV TPL Classes and the Accident and Health Classes increased 9.5%, with the General TPL Class improving by approx. 1%;

- Claims reported reduced 13.5%, principally due to reduced business in the final quarter of 2012;

- In May and June a series of serious hailstorm events in the Vojvodina region occurred, in which the Company has a particularly strong presence, resulting in heavy losses for the agricultural sector based product portfolio. Although these events were predominantly reinsured, their impact on the period income statement totalled approx. Euro 2 million.

DIALOGO ASSICURAZIONI S.p.A.

In the first six months of 2013 the company reported direct premiums of Euro 11.9 million, decreasing approx. 22.2% on the same period of the previous year, also due to a lower advertising spend.

While claims reported in the period dropped by 28.8%, the company's technical performance was again negative, although slightly improving on the previous period, due to the continued unsatisfying claims/premiums ratio and the high proportion of overhead costs as a result of the contained size of the portfolio.

The period reports a loss of Euro 2.6 million, compared to a loss of Euro 3.1 million in the first half of 2012.

LIGURIA SOCIETÀ DI ASSICURAZIONE S.p.A.

First half 2013 premiums total Euro 91.9 million compared to Euro 114.3 million in the first half of 2012 (-20%). In particular the MV TPL class reports a reduction of 24% with premiums of Euro 57.7 million (Euro 75.9 million in the first half of 2012), while the Land Vehicle class reports premiums of Euro 4.8 million (-22%) and the Other Non-Life classes recorded premiums of Euro 29.4 million (-9%).
The decreases relate to the portfolio restructuring actions and the closure of non-profitable sales points carried out principally in the previous year and continued also in the period. In 2012 collaboration with the largest agent was discontinued, whose portfolio totalled approx. Euro 20 million.
The agencies at 30 June numbered 304 (298 at 31 December 2012).
In relation to the technical performance, the MV TPL Class reports substantial equilibrium in the technical balance. In particular, claims reduced by over 16% with the frequency also reducing. Prior generation claims also performed well with a balanced run-off, despite the prudent adjustments carried out for claims yet to be settled. The late claims provision also remained sufficient.
In the Land Vehicle class, claims reduced by 11.2%, with a slightly positive direct premium technical balance.

In the other Non-Life Classes, claims reduced by 9.5%. The overall technical performance was however negative, principally due to the bond class, impacted by a number of particularly significant claims from the 2013 generation and a prior generation late claim.
Overall, the net technical balance was negative for Euro 6.9 million compared to Euro 9.4 million at 30 June 2012.

Asset management reports net income of Euro 7 million (Euro 7.4 million in the first half of 2012) and Euro 2.5 million of trading gains (Euro 1.8 million in the first half of 2012).
The result of the company in the period, according to IAS/IFRS accounting standards, was a loss of Euro 1.1 million, reducing on a loss of Euro 5 million in the first half of 2012.

MILANO ASSICURAZIONI S.p.A.

The first half reported a Group net profit of Euro 92.8 million (net profit of Euro 3.1 million in the first half of 2012). The result principally stems from the positive Non-Life technical performance and the absence of extraordinary costs which impacted the first half of 2012. The first half 2012 result was impacted by the bankruptcy of the companies Im.Co and Sinergia, resulting in charges of Euro 61.6 million against the property operations which Milano Assicurazioni had undertaken with Im.Co and its subsidiary Avvenimenti e Sviluppo Alberghiero.

The main components of the company's results can be summarised as follows:

- The Non-Life sector reports a pre-tax profit of Euro 128.4 million, significantly improving on the first half of 2012 (profit of Euro 8.1 million). The improvement relates principally to the technical performance which reports a combined ratio of 91.7% compared to 99.1% in the first half of 2012 and 105.9% for the full year 2012.
  In particular, in the Motor TPL Class the measures taken to boost profitability and the more favourable market resulted in significantly improved technical indicators: claims reported dropped 15.2%, with the frequency reducing and a positive technical balance, against a favourable current claims trend and a prior year claims performance which did not negatively impact the income statement, with the 2012 provision adequately covering liabilities.
  The Land Vehicle class also reported a positive technical performance, although at levels lower than the first half of 2012, which was particularly positive.
  The overall performance of the Other Non-Life Classes was also strong, with particularly satisfying results for the Accident, Fire and Assistance Classes. The General TPL Class again reported losses, however significantly improving on the first half of 2012, particularly in relation to prior year claims, which did not significantly impact income;

- In the real estate sector, the company reported a pre-tax loss of Euro 4.4 million (loss of Euro 4.9 million in the first half of 2012), due essentially to the assets of Immobiliare Milano s.r.l., whose ordinary income does not currently cover in full maintenance costs and depreciation, also due to the fact that a number of complexes are largely not rented.

- The asset and financial management reports overall net income of Euro 121.1 million, reducing on Euro 143.9 million in the first half of 2012. In particular, in relation to the most significant accounts:

- Non-Life operating expenses amounted to Euro 262.9 million, accounting for 20.8% of net premiums (20.5% in the first half of 2012).

SIAT – SOCIETÀ ITALIANA ASSICURAZIONI E RIASSICURAZIONI S.P.A.

The operating performance, in accordance with international accounting standards, for the first half of 2013 significantly improved with a pre-tax profit of Euro 4.5 million, compared to a profit of Euro 1.9 million in the first half of 2012.

Essentially, the improved profit is due to:

- A significant improvement in the underwriting result to Euro 2.6 million compared to Euro 0.3 million in the first half of 2012;
  Premiums totalled approx. Euro 81.2 million, significantly improving on Euro 75.6 million in the same period of the previous year.
  The above-stated increase is principally due to the Hulls sector, which in the first quarter of 2012 was impacted by the downgrade of its rating to B (allocated by Standard&Poor's to the company in December 2011), due to the similar action on the indirect parent company Fondiaria-SAI S.p.A.. However, in 2012 the rating progressively stabilised, reaching BBB- in December 2012. This improvement was a significant factor in the renewal of a number of primary fleets in the first quarter of 2013.
  The Transport Class claims report a very small number of particularly serious claims. In relation to claims paid, the total amount of Euro 71.2 million was in line with the first half of 2012 (Euro 72.8 million) and refers principally to the Hulls class.
  At the same time, the claims provision has not changed significantly;

- A significant reduction in overall administration expenses, before the allocation to the technical segment. In particular the account benefitted from the containment of personnel costs;

- A significant increase in net investment income, which totalled approx. Euro 2.2 million, increasing on the first half of 2012 (Euro 1.7 million).
  This benefitted in particular from the trading results (profit of Euro 0.9 million compared to Euro 0.3 million in the first half of 2012) and from increased interest income (Euro 1.4 million compared to Euro 1.2 million in the first half of 2012).
  Offsetting this, we report lower property investment income (Euro 0.4 million compared to Euro 0.6 million in the first half of 2012) and increased investment management charges (Euro 0.4 million compared to Euro 0.2 million in the first half of 2012). As in the first half of 2012, no impairment charges were recorded.

- Substantial stability in other net revenues (costs), which reported costs of Euro 0.3 million, slightly increasing on the first half of 2012 (costs of Euro 0.1 million).

- An insignificant impact from extraordinary items.

THE LAWRENCE RE IRELAND LIMITED

In 2013, the company operated only partially as a reinsurer of the former Fondiaria-SAI Group.
The company undertakes the analytical valuation of the portfolio of the individual companies, in order to establish, and consequently provide, the necessary reinsurance cover to support specific positions.
Consequently a number of protections were put in place on the international market, after first standardising the portfolios underwritten, and considering also specific further retentions where considered appropriate.

The net profit for the first six months of 2013 amounted to Euro 0.4 million (decrease on the same period of 2012 which recorded a net profit of Euro 4.9 million).
The company continued to adopt a prudent investment policy.

The premiums accepted for the first half-year of 2013 amounted to Euro 38.9 million (of which Euro 5.0 million in the Life sector). The premiums ceded to the market amounted to Euro 32.3 million (of which Euro 0.8 million related to the Life sector). These reduced on the first half of 2012 and reflect the change in the underwriting strategy of the new Unipol Group.

The Company also continues to perform the run-off activity of the Group companies which avail of this service. In relation to the active reinsurance accepted by the various companies in previous years, the objective of the Company is to conclude settlement agreements which permit the reduction of the administrative charge, without affecting the profit margin. The Company ceded part of this business, which reported a balanced result.

New products launched on the market

The significant initiatives are summarised below, undertaken both by Fondiaria-SAI and by Milano Assicurazioni:

- **Review of “Autointelligente” discounting.** From April the conditions for motor policy premiums linked to satellite technology were amended both in relation to new contracts and renewals, through a review of discounting in consideration of the reduced spending capacity of households and their increased need for protection.

- **Introduction of the Special LT “Bonus/Malus Work and Transport” Condition.** From 1 June the new special MV TPL Condition entered into force for vehicles other than cars, motorbikes and mopeds, structured into eighteen classes, with the dual objective of entering a more interesting risk profile and simultaneously rewarding our best Clients through a new bonus malus scale and classes which take into consideration other factors in addition to prior claims. The introduction of the Special Condition required the preparation of a new Information Document (containing the Notes and the Insurance Conditions) – 1 June 2013 – for vehicles other than cars, motorbikes and mopeds.

- **New MV TPL Tariff.** From 1 June the new MV TPL Tariff entered into force, which safeguards margins through redefining the portfolio, increasing the retention of the best Clients and new business, through modifying the "Client type" tariff factors (including a "welcoming bonus" for new clients, a review of vehicle groups, age categories, postcodes etc.).

- **"Up selling" initiative (automatic invoicing adjustment) Home 2013 policies.** This concerns an increase in current policy insured amounts against a proportional lowering of the policy premium. This initiative – introduced in June – was drawn up to improve insurance coverage for Clients who currently do not have the resources available to undertake new policies.

- **Earthquake Coverage on home/buildings products.** From April for the Retail Più Casa Classic and from June for the Retail Più Fabbricati Classic products, the Earthquake coverage already in place in a non-automated form from the end of 2012 was completely automated and offered independently.

- **Overhaul of Home Insurance policies in 2013**. The Group in the second quarter of 2013 is continuing to restructure its home insurance portfolio in relation to off-catalogue products with a view to encouraging people, by offering promotional guarantees and discounts, to take out its Retail Più Casa Classic product, which is currently on the market.

- **Overhaul of Accident policies in 2013**. The Group in the first quarter of 2013 is continuing to restructure the older policies in its portfolio, which involve regulatory/tariff conditions that are no longer in line with current practice; it has promoted its Retail Più Infortuni Classic catalogue product by offering special discounts, as well as creating dedicated supplements to update its old, no-excess policies.

- **Overhaul of Professionals policies**. This concerns reform actions on the Professionals TPL portfolio concerning policies signed between 01/11/2004 and 31/12/2009, through a proposal to Clients for replacement of the current policy – in the absence of claims from 2010 – with a Difesapiù Professioni Tecniche/Liberali/Sanitarie offer with a dedicated discount.

- **Launch of the new Difesa per Infortuni da Circolazione product.** On 1 January the Difesa per Infortuni da Circolazione product was launched which may be undertaken both by physical persons and companies/businesses and guarantees a complete coverage for the driver of vehicles indicated on the policy and passengers, protecting against the economic impact of traffic accidents, with possible extension of coverage also to all vehicles, including bicycles. It replaces the Guidare Sereni - Infortuni della circolazione and Guidare Protetti products for the Fondiaria division and the SAI Driver Auto and SAI Driver Moto products for the SAI division.

In the half-year, the Group also continued to scale back its product catalogue and monitor technically critical areas.

Life Insurance

THE LIFE INSURANCE MARKET

In the first quarter of 2013, Class I (life insurance) life sector premiums recorded an increase of 14.9% on the same period of 2012 (premiums of approximately Euro 15 billion). Class III (unit-linked and index-linked insurance), with around Euro 4.2 billion of premiums written, grew 36.1% on the first three months of 2012. Class V premiums (capitalisation contracts) were up 11.2% to approx. Euro 11.2 billion.

These Classes account for 73.7%, 20.6% and 3.8% respectively of total Life premiums (75.5%, 17% and 4% in the same period of 2012).
In relation to the remaining Classes, Class VI premiums (pension funds) with Euro 0.35 billion account for 1.7% of Life premiums (2.5% in the first quarter of 2012).

The total assets managed by pension funds increased by 6.8% compared with 31 March 2012 to approximately Euro 11.6 billion. At 31 March 2013 the total assets managed by pension funds broke down as follows: open pension funds (approx. Euro 5 billion), contractual pension funds with guarantees (Euro 3.6 billion), contractual pension funds without guarantees not included in Class VI (approx. Euro 3 billion).

Premiums written through bank and postal branches accounted for 57.1% of the Life portfolio (50.5% in 2012). These were followed by financial promoters (19.5% compared to 23.4% in the first three months of 2012), mandated agents (12.5% compared to 14.5% in the first three months of 2012), in-house agents (9.6% compared to 10.2% in the same period of 2012), brokers (1.1% compared to 1.2% in the first three months of 2012) and the other forms of direct sales (0.2% compared to 0.3% in the first quarter of 2012).

New business in May 2013 amounted to approx. Euro 6.6 billion, up 34.7% on May 2012.

In 2013 the Industry Federation estimated overall premiums to increase by 15% (exceeding Euro 80 billion), both due to a more extensive and diversified products offer (in particular for Class I), and due to the recovery in Class III policy sales.

With regard to Class III premiums, on the other hand, growth of 22% over 2012 is expected for a total of Euro 17 billion, providing no significance turbulence occurs on the markets.

Operating performance

The sector pre-tax profit amounted to Euro 129 million (Euro 44 million in the first half of 2012). Premiums recovered strongly in the first six months of the year, driven in particular by the bancassurance channel. Redemptions, payments and maturities reduced considerably.

The first half 2012 results were impacted by losses on Greek Government securities not passed on to Life policyholders under the restructuring operation which protected the policyholders from the impact of such losses. The segment financial management reports results in line with the comparable half-year.

Against lower gains to be realised (amounting to approx. Euro 22 million compared to Euro 29 million in the first half of 2012), impairments on available-for-sale financial instruments reduced (Euro 12 million compared to Euro 24 million in the first half of 2012).

Premiums

Direct premiums in the first half of 2013 amounted to Euro 2,263 million, an increase of 42.3%.
The details by class compared to the previous half-year are shown in the table below.

(in Euro '000)	**H1 2013**	**H1 2012**	**Change %**
DIRECT PREMIUMS			
I – Whole and term life insurance	1,112,976	1,157,214	(3.82)
III – Unit-linked/index-linked policies	1,010,663	299,013	238.00
IV - Health insurance	352	267	31.78
V – Capitalisation insurance	139,064	134,100	3.70
TOTAL DIRECT INCOME	**2,263,054**	**1,590,594**	**42.28**
INDIRECT PREMIUMS	**465**	**281**	**65.37**
TOTAL LIFE SECTOR	**2,263,519**	**1,590,875**	**42.28**

The increase in premiums is due to the renewed contribution from the bancassurance channel and in particular Lawrence Life, which reports premiums close to Euro one billion (nearly four times that recorded in the first half of 2012).

Total premiums written by bank branches amounted to Euro 1,662 million and represent approx. 73% of total direct premiums written (approx. 60% in H1 2012).

Total sector premiums also includes Euro 21 million (Euro 23 million in the first half of 2012) on investment contracts which may not be considered under IFRS 4 and therefore not included under premiums written but rather under financial liabilities according to the deposit accounting technique.

The premiums ceded amounted to Euro 5 million (Euro 5 million in the first half of 2012).
Charges relating to claims, net of reinsurance, amounted to Euro 2,304 million (Euro 2,051 million in the first half of 2012).

The breakdowns by Class and type for direct-premium Life payments are given below:

(Euro millions)	Claims	Redemptions	Maturity	Total at 30/6/2013	Total at 30/6/2012
I – Whole and term life insurance	47.4	675.8	384.1	1,107.3	1,169.3
III – Unit linked/index-linked policies	17.6	677.9	345.9	1,041.4	1,815.4
IV - Health insurance	-	-	-	-	-
V – Capitalisation insurance	1.3	137.0	25.0	163.3	495.9
Total	**66.3**	**1,490.7**	**755.0**	**2,312.0**	**3,480.6**

The reduction in redemption is highlighted at Euro 1,490.7 million in the first half of 2013 compared to Euro 2,866 million in the first half of 2012.

Operating expenses on premiums decreased (4.6% in the first half of 2013 compared to 5.8% in H1 2012), due to the increase in premiums from the bancassurance sector - a sector characterised by lower servicing costs.

Gross insurance contract liabilities total Euro 20,573 million, recording a decrease of Euro 563 million compared with the end of the previous year: the change relates for Euro -579 million to the reclassification to Liabilities associated with disposal groups in compliance with the Anti-trust Authority order of 19/6/2012.

New premiums written, in terms of annual premium equivalent, or APE, are calculated based on the sum of the new business annual premiums and 10% of the single premiums. For the Fondiaria-SAI Group, this is calculated both under IAS/IFRS, i.e. excluding the contracts processed under the deposit-accounting method, and under Italian rules, i.e. taking into consideration all new business in the sector, including investment contracts not covered by IFRS 4. The results of the above-mentioned valuations are reported below.

(in Euro '000)	30/6/2013	30/6/2012	Cge %
IAS/IFRS standards	**213,614**	**137,528**	**55.32**
Traditional companies	48,018	45,266	6.08
Bancassurance	165,596	92,262	79.48
Italian criteria	**214,125**	**138,375**	**54.74**
Traditional companies	48,429	46,060	5.14
Bancassurance	165,695	92,315	79.49

Individual Insurance

In the first half of 2013, the Individual Life policies underwritten by the distribution network was primarily focused on the Segregated Management products characterised by minimum guaranteed returns and capital protection.

- The variable single premium products, with the usual attention to the capital maturity segment (for which a new dedicated product was drawn up in March), significantly improved new business compared to the same period of the previous year, however not managing to offset the strong production performances in 2012 of the VALORE CERTO product with specific assets.
- The recurring premium products OPEN GOLD and OPEN RISPARMIO reported a very significant increase in new business, in particular for the OPEN GOLD product.
- For the constant annual premium format, an overall moderate increase was reported, particularly through the OPEN PIU' product.

In relation to the multi-class OPEN DINAMICO product, new business reduced on the first half of 2012, despite significant growth for the recurring premium form, although on insignificant levels.

The DEDICATA policy (Term Life) reports a very slight decrease in the total amount of new premiums written.

In relation to the complementary pension segment, implemented through the Individual Pension Plans, in the first six months of the year there was a significant increase in new business on the same period of the previous year.

Collective insurance and Pension Funds

During the first half of 2013, which was still affected by the unfavourable economic environment, the group insurance sector showed an overall decrease in premiums written, which was reflected in every sector as indicated below.

For corporate liquidity capitalisation products, premiums increased on the previous year due both to market rates and the awarding of a number of important contracts from an institutional client.

The supplementary pension sector suffered from the continued unemployment crisis, with inevitable repercussions on revenues and the number of subscriptions, in addition to the re-drawing of the pension provisions on a number of major national labour agreements.
The Pre-existing Pension Funds and to a lesser extent the Open Pension funds both suffered lower contributions than the previous year.

Although within an increasingly challenging economic environment, products related to provisions for severance indemnities (TFR and TFM) substantially remained in line with the previous year. This type of market continues to be significantly influenced by complementary pension regulatory requirements.

The sector covering risks resulting from collective bargaining, featuring a favourable technical performance, reported a fall in distribution terms and a decrease in revenues compared with the first six months of the previous year.

Performance in the first half of 2013 for subsidiaries is summarised in the table below:

(in Euro '000)	PREMIUMS WRITTEN	CHANGE %	INVESTMENTS	GROSS INSURANCE LIABILITIES	RESULT
LIFE INSURANCE SECTOR					
BIM VITA S.p.A.	66,902	58.78	506,612	437,607	1,064
DDOR NOVI SAD ADO	2,554	1.69	12,698	14,426	(889)
LIGURIA VITA S.p.A.	8,705	(16.07)	127,884	119,182	248
MILANO ASS.NI S.p.A. (*)	175,757	(12.73)	3,094,626	2,729,428	24,220
POPOLARE VITA S.p.A.	644,072	(2.34)	6,644,625	6,557,816	23,573
THE LAWRENCE LIFE ASS. CO. Ltd.	950,944	n.a.	3,355,301	3,279,830	8,223
THE LAWRENCE RE IRELAND Ltd.	5,038	(15.09)	17,108	8,970	(199)

(*) Consolidated data of the Life Sector

As far as the major Group companies are concerned, some of the core operating elements of the first half of the current year have been determined in accordance with IAS/IFRS.

- BIM VITA S.p.A.

The premiums wriiten in H1 2013 amounted to Euro 66.9 million (Euro 42.1 million in H1 2012).
The development continues of Freefinance and Freefund, open architecture unit linked products, respectively placed by Banca IPIBI and Banca Intermobiliare, meeting current protection and performance demands.
Bim Vita is particularly focused on creating effective insurance solutions around the issue of inheritance.

LIGURIA VITA S.p.A.

The first half of 2013 reports premiums of Euro 8.7 million, reducing 16.1% on the first half of 2012, which however benefitted from the placing of products with specific funding for approx. Euro 4 million. The premiums principally concern Class I products. New business, which is concentrated principally in the single premium market, amounted to Euro 6.2 million compared to Euro 7.6 million in the first half of 2012.
Settlements amounted to Euro 8.2 million (Euro 11.3 million in the first half of 2012) and principally concern redemptions for Euro 5.4 million and maturities of Euro 2.5 million.
Asset management returned income of Euro 2.1 million, a reduction on Euro 2.6 million in the first half of 2012, which benefitted from significant write-backs on bond securities.
The first half reported a profit of Euro 0.2 million (in line with the first half of 2012).

MILANO ASSICURAZIONI S.p.A.

The Life business in the first half reports a pre-tax profit of Euro 36.7 million, increasing on Euro 26.2 million in the first half of 2012. The improvement principally owes to the greater differential between the total income and the portion attributable to policyholders. The profitability was supported in any case by a policy portfolio which is characterised principally by traditional type products, whose technical composition is focused on - through the selection of demographic and financial parameters - the guarantee of a satisfying margin. The products offered, for the quality and the wide range offered, satisfy all needs of clients, both in terms of savings (pension and non) and in terms of investments in relation to fulfilling security and protection needs.

Direct premiums in H1 2013 amounted to Euro 175.8 million, a decrease of 12.7% compared to H1 2012. The reduction in volumes, significantly against the general market, was due to the uncertainty concerning the future of the brand in light of the divestment project in progress.

The gross sums paid amounted to Euro 262.1 million, reducing by 41.2% on Euro 445.7 million in the first half of 2012, which included a high number of redemptions on policies undertaken by institutional investors.

Premiums ceded totalled Euro 4.5 million, comprising 2.6% of direct premiums (Euro 5.2 million in the first half of 2012, with the same proportion of direct premiums). The reinsurance structure is unchanged compared to the previous year, with a proportional coverage in excess and a catastrophic coverage in claims excess provided by the group company The Lawrence Re.

Operating expenses amounted to Euro 13.2 million, 7.7% of net premiums (7.3% in the first half of 2012).

- ## POPOLARE VITA S.p.A.

The first half of 2013 reports a net profit of Euro 31.8 million (in line with Euro 31.7 million in H1 2012), including the result for the subsidiary Lawrence Life which recorded a net profit of Euro 8.2 million (Euro 7.4 million in the first half of 2012).
Gross premiums written in the first half of 2013 amounted to Euro 644.1 million (Euro 659.5 million in the first half of 2012) and relate mainly to Class I products.

Operating expenses in the first half of 2013 amounted to Euro 26.9 million (Euro 29.4 million in the first half of 2012) and relate for approx. 64% to acquisition expenses.
The total volume of investments at 30 June 2013 was approx. Euro 6,648 million (Euro 7,069.4 million at 30 June 2012), of which approximately 61% are available-for-sale financial assets.
Gross insurance contract liabilities amount to Euro 6,558 million (Euro 6,672 million at 30 June 2012).
Company products are sold through Banco Popolare Group branches.

In the first half of 2013 the premiums written by the subsidiary Lawrence Life amounted to approx. Euro 951 million (Euro 257.5 million in H1 2012).

During the period the Company continued to strengthen its position in the savings and complementary pension product segment, identifying specific commercial initiatives, which will take effect most likely already from the start of the second half of the year.

In the half-year traditional and pension product premiums increased by approx. 13% on first half budget estimates. In order to meet the year-end overall budget volume objectives, the launching of a new product (also in Class I) in the final quarter of the year is scheduled.
In the second half of the year the introduction of a new pension product featuring more extensive insurance guarantees for the client and a wider range of investment funds is also earmarked.

Payments in the first half of the year highlight a slightly higher amount of redemptions than budget forecasts, which are currently being closely monitored by the Company and are not considered of concern.
Net premiums on traditional products are positive.
The financial market volatility in the first half of the year requires however a cautious approach, with the Company closely monitoring developments.
The Company solvency ratio is expected to consistently exceed 120%.

New products launched on the market

On 19 June 2013 the new product named DEDICATA OBIETTIVO UNICO was launched.
This is a linearly decreasing capital and single premium Term Life Product, complying with ISVAP Regulation No. 40 and therefore utilisable in the case of mortgages or consumer loans which require the undertaking of life insurance for the issue of the loan in accordance with Article 28, paragraph 1 of Legislative Decree 24/01/12, enacted into Law No. 27 of 24/03/2012. This product is sold within the Single Premium Dedicated Objective range, whose products serve the decreasing capital life insurance market, which may be undertaken also independently of ensuring guarantees for mortgage or other forms of financing.

From 18 March 2013 the new version of the OPEN FREE product was distributed, specifically catering to the reinvestment of maturities on Life policies by clients. On maturity the client may convert the capital into one of the following annuity options: life annuity, reversible, certain for the first 5/10 and then converted to an annuity. The conversion is made at the conditions in force on maturity and provided the annuity exceeds the state pension and the client is aged between 35 and 85.

Reinsurance

The reinsurance structure is in line with the protection system of the Parent Company Fondiaria-SAI. The proportional programme permits each company to hold a fair portion of premiums with reference to the volume of the individual portfolio, and to reinsure the underwriting elements which could negatively impact the final result.
The Unipol Group companies provides adequate reinsurance protection to each company and subsequently integrate the various portfolios in order to obtain specific protection on the international market.

Non-Life Reinsurance

In the first half of 2013, the reinsurance policy of the Non-Life Classes resulted in outward reinsurance premiums of Euro 159 million and inward premiums of Euro 3 million; the balance of outward reinsurance reports a negative value of Euro 33 million.

In 2013, the placement of all the portfolios took place through the Unipol Group companies, with the exception of the Aviation Classes placed directly on the international market by the individual companies.

The reinsurance policy is based on cessions on a non-proportional basis for the protection of the individual or cumulative risks deriving from a single event for the classes Fire, Accident, Theft, General TPL, Motor Vehicle TPL and Land Vehicles, while on a proportional basis for the Credit and Hailstorm classes. In the Transport, Aviation, Bonds and Technological Risk classes, the structure is based on proportional agreements and excess claims coverage. The subsidiary SIAT placed on the reinsurance market the protection relating to the Transport sector operating as reinsurer of the companies, with a mixed structure based on proportional agreements and excess claims coverage.

Liguria Assicurazioni, following the guidelines issued by the Parent Company, placed the Transport Classes through SIAT, while Group programmes were utilised for the other sectors, with the exception of the Assistance class which, no longer subject to reinsurance, is protected with separate programmes for each company.

In particular cases, where there was a lower priority, adequate underlying programmes were placed.

With regard to inward reinsurance, the data at 30/6/2013 include all the optional business and the acceptances by the companies of the Group and the data at 30/6/2012 include all the other types of agreements. After the prudent accounting in the previous financial statements, and net of the related retrocessions, the result for the overall portfolio remains balanced.

Life Reinsurance

The reinsurance programme, as in previous years, consists of a proportional agreement in excess. The retentions are variable according to the individual policies. The subsidiary The Lawrence Re reinsures this portfolio and obtains coverage on the international market through a non-proportional structure for the specific risks and a Stop Loss protection on the retained portfolio.

The retentions continue to be limited for subsidiaries and associates, especially when compared to the total capacity provided.

Real Estate

The residential housing sales figures issued by the Italian Real Estate Market Research Institute reports in the first quarter a drop of 14.2% on 2012, while the same period of 2012 reported a fall of 19.5% on 2011.

The residential sector, which represents approx. 45% of the entire real estate sector by number of sales, for Northern Italy reported a drop of 50.3%, closely followed by the Centre and the South with decreases of 48.6% and 44.3%, with a further drop in sales (-14.2% compared to the first quarter of 2012), a lengthening of sales times (average 8.5 months for residential homes) and sales price decreases.

For the first quarter of 2013, the numbers for the 13 largest Italian cities reported by the Nomisma Quarterly Research Institute highlight the general reduction (on average 5.2%) compared to 2012, in line with the ISTAT figures which report a 5.7% reduction on a national basis, with losses in value on average of 16% from the beginning of the crisis, net of inflation.

By geographic area, the downturn in the real estate market recorded in the first three months of 2013 impacted all of the eight largest Italian cities: the largest drop in home sales compared to the first quarter of 2012 was seen in Bologna (-12.4%), followed by Rome and Genoa (both contracting by approx. 11%). Turin and Palermo report reductions of approx. 10%, while Milan and Florence saw more contained drops of between 4.0% and 5.0%.
The poor market performance was seen also in the provincial municipalities of the major cities, with the residential sector overall in the first quarter of 2013 reporting a drop of 18.2%, with particularly poor figures in the smaller municipalities of the provinces of Rome and Milan (both with reductions in sales exceeding 21.0%).

Over the 2006-2012 period, housing transactions reduced from 870,000 units to 444,000: the performance, according to the Tax Agency figures, was confirmed also in the first quarter of 2013 (-14.2% compared to the same period of 2012). Nomisma estimates for 2013 a 6% reduction in sales (to below 420,000 units). A slow recovery - if the general economy allows - is expected to take hold only in 2014 (to 470,000) and to continue in 2015 (reaching 500,000 units).

The increased price drop is highlighted, with well over half of the entire drop relating to the past half-year (-2.9% for new homes and -3.2% for existing homes).

The fall in transactions in non-residential sectors also continued, with transactions in the service sector falling by 9.2% (annual index rate), followed by the commercial property sector (-8.7%) and lastly more contained decreases in the production sector of 5.9%.

The reduction in commercial sales was insignificant for the Centre (-0.3%), while in the North and South respectively -12.4% and -9.2%.

The drop in sales in the commercial sector was greatest in the South (-13.0%), in line with the overall national figures in the North (-8.3%) and more contained in the Centre (-3.6%).

In relation to the production sector, the South reports a drop of 19.1%, with a smaller reduction in the North (-5.4%), while the Centre countered the trend with an increase of 8.8%.

The market has been held back by restricted mortgage lending with loans halving in 2012 and expected to drop by a further 5% in 2013: in the last two years, mortgage-backed purchases have dropped from 65% to less than 42%.

Although family home mortgages are at historic lows, investments in residences other than primary residences have held firm. Unfortunately however the partial shift from financial instruments to real estate is incapable of halting the extensive reduction in activity, with the Italian real estate market appearing not yet to have bottomed out.

The real estate market is expected to continue on this path throughout 2013, with an across the board contraction in market prices. If one takes a look at the main macroeconomic indicators with reference to the last quarter of 2013, all the elements which explain the fall in demand in the real estate market can be identified. In particular, the GDP contraction, increased unemployment, the reduction in household spending and the significant drop in mortgage lending have weighted on the market. The situation has been impacted further from the unstable political situation and the consequent uncertainty surrounding fiscal policy, not just for the real estate sector (Property Tax), but also affecting businesses and households.

Operating performance

The results of the real estate sector include the subsidiaries **Immobiliare Fondiaria-SAI** and **Immobiliare Milano**, the subsidiary **NIT S.r.l.** and other minor companies, as well as the closed-ended real estate funds **Tikal R.E.** and **Athens**.

The key data for the real estate sector are summarised below:

(in Euro '000)	**30/6/2013**	**30/6/2012**
Profits realised	-	4
Total revenues	**38,722**	**36,301**
Interest expense	1,880	2,687
Total costs	**64,758**	**62,108**
Result before taxes	(26,036)	(25,806)

(in Euro '000)	**30/6/2013**	**31/12/2012**
Investment property	963,799	1,044,749
Property held for sale (*)	55,819	-
Financial liabilities	173,484	175,521

(*) Concerns property investments measured according to IFRS 5 as relating to assets held for sale.

The segment pre-tax result reports a loss of Euro 26 million (unchanged on the first half of 2012).
The real estate sector includes a series of assets, including the Castello Area in Florence, the Porto Turistico di Loano initiative, in addition to a number of hotels managed by the subsidiary Atahotels, which have been impacted by the economic uncertainties and the difficulties inherited from the previous management, related to the illiquidity of and lack of appreciation in asset values.
Difficulties have therefore arisen in the generation of revenues capable of offsetting depreciation and any further write-downs.

The result in the period was also affected by depreciation on investment property of Euro 14.8 million (Euro 13.9 million in the first half of 2012) and impairments of Euro 12.7 million (Euro 2.4 million in the first half of 2012). In the half-year valuations were made on a number of assets held, with the consequent recognition of further write-downs to those already applied at the end of last year, in particular for the Porto di Loano initiative.

For comparative purposes, it is noted that H1 2012 included write-downs of approx. Euro 11 million recognised against receivables relating to the real estate initiatives following the Im.co and Sinergia bankruptcy.

No changes occurred in relation to the debt.

The table below summarises the performance of subsidiaries in the real estate sector:

(in Euro '000)	**REVENUES**	**CGE %**	**COSTS**	**RESULT**
REAL ESTATE SECTOR				
IMMOBILIARE LOMBARDA S.p.A.	5,032	(45.06)	6,815	(1,779)
IMMOBILIARE FONDIARIA-SAI S.r.l.	8,429	n.a.	22,445	(13,991)
IMMOBILIARE MILANO S.r.l.	4,782	1.00	9,717	(4,373)
NUOVE INIZIATIVE TOSCANE S.r.l.	2	(93.33)	638	(636)
TIKAL R.E. FUND				
	14,230	3.90	15,010	1,268

Real estate operations in the half-year

The following real estate sales operations took place in the first half of 2013:

- properties owned by Milano Assicurazioni, located respectively in Milan (Via Trivulzio), Seregno (Piazza Mariani) and in Cuneo (Piazza Boves), for a total of Euro 0.75 million;

- properties owned by Fondiaria-SAI, located respectively in Livorno (Via Grande), Saluzzo (Via Torino), San Giovanni Valdarno (Corso Italia), Milan (Viale Certosa), Santa Margherita Ligure, Cesena (Corte Dandini) and in Vasto (Corso Mazzini), for a total of approx. Euro 1.75 million;

A number of preliminary sales contracts were signed, including that concerning Milan, Viale Boezio 20 for a value of Euro 25.0 million.
In addition other smaller units in Milan and Moncalieri for a value of approx. Euro 3.2 million are considered.

Principal real estate investments

Butterfly AM S.a.r.l.
The Group has a 28.57% holding in the Company.
The Company owns 126,223 units in the ”Beta Close Real Estate Investment Fund”, set up and managed by Idea Fimit S.g.r.. The Company extended the duration of the bank loan in place with Banca Monte dei Paschi di Siena until 15 September 2014.

Metropolis S.p.A.
In the first half of 2013, no payments were made by the Group to the company. Also during the half-year the liquidator of Metropolis tabled the sale of the investment held by Metropolis in Manifattura Tabacchi to the company Fintecna Immobiliare, which expressed an interest in the purchase but at a price lower than the equity paid-in by shareholders to-date.
Formalisation of the Fintecna proposal for the purchase of Metropolis is expected in the coming quarter (the proposed purchase price should not include the finishing charges, estimated by the company Manifattura Tabacchi at approx. Euro 7 million to complete the bureaucratic – authorisation process).

Penta Domus S.p.A.
At the end of 2012, the Company, in order to cover the needs of the associated company Cinque Cerchi, approved a capital increase in several tranches. The first tranche was subscribed pro-quota by the shareholders Immobiliare Milano Assicurazioni S.r.l., Codelfa S.p.A. and Zoppoli&Pulcher. In January 2013, these latter companies also subscribed to a part of the unopted shares and in April 2013 subscribed to the second and final tranche of the capital increase.
Consequently the original holdings in Penta Domus altered, as outlined below:

- IMA srl, Codelfa S.p.A., Zoppoli&Pulcher SpA: equal holdings of approx. 24.66%;
- Maire Tecnimont S.p.A. and Imato S.r.l. in liquidation (former Impresa Rosso e Figli); equal holdings of approx. 13.01%.

Overall therefore in the first half of 2013 Immobiliare Milano Assicurazioni S.r.l. paid Euro 0.6 million, entirely as share capital.

Sviluppo Centro Est S.r.l.
In the half-year Immobiliare Milano Assicurazioni S.r.l. did not make any payments to the company.
On 16 July 2013 the company was placed into liquidation, with the lapse of the original corporate scope following the sale of the investment in the company Quadrante.

Ex Var Sca

In the first half of 2013 the commercialisation activities of the residential component continued and preliminary sale contracts were signed for 88 apartments and relative surrounding areas in the Torre Solaria and in the Torre Aria, with a total sales value of approx. Euro 146 million.
During the period, approx. Euro 0.77 million was paid in the form of Profit Participation Bonds (PBB's).

Castello Area

In relation to the previously reported criminal case, the Florence Court on 6 March 2013 fully absolved Fondiaria-SAI (as the fact was not proven) of all charges concerning the urbanisation of the Castello Area (Florence).
In this regard it is recalled that the Company was cited in an investigation begun in 2008 by the Public Prosecutor's office of Florence in relation to the offense of corruption.
The Company was charged with the illegal acts under Articles 5 and 25 of Legislative Decree 231/2001 in relation to the offences at Articles 319 and 321 of the Criminal Code concerning the corruption of a public official.

The charges stated that Fondiaria-SAI, through its representatives, influenced two public officials in order to commit in their favour "acts contrary to the duties of office."
The two Prosecutors requested a penalty of 400 times the value between a minimum of approx. Euro 250 and a maximum of Euro 1,549. Accessory penalties of a 2-year ban from undertaking contracts with the public administration and the confiscation of the lots of the Castello Area for which the construction permits were issued was also requested.

The Court sentenced the former Municipal Councillor implicated to one year (suspended sentence) for abuse of office and acquitted Fondiaria-SAI of two charges.
The Court also granted the release from seizure and the restitution of the Castello Area. The Company legal representatives pursued the release from seizure by the Legal Police which occurred in November 2008.
The reasons for the Judgment which, obviously, may be heard before the Florence Appeal Court, should have been filed within 90 days. To date, the reasons behind the judgment have not yet been filed.

The expert valuation of property pertaining to the Castello Area at 30/6/2013 was unchanged on 31/12/2012 at approximately Euro 111.5 million.
This amount is consistent with the scenario that construction can continue and, therefore, with the assumption of the operational continuity of the asset.

Merger by incorporation of a number of subsidiaries of Immobiliare Fondiaria-SAI

On 21 June the Board of Directors of Immobiliare Fondiaria-SAI approved the merger by incorporation into Immobiliare Fondiaria-SAI S.r.l. (the "merging entity") of the property companies entirely held by it:

- Carpaccio S.r.l.;
- Pontormo S.r.l.;
- Nuova Impresa Edificatrice Moderna S.r.l. (N.I.E.M.);
- Masaccio S.r.l.;
- Meridiano Primo S.r.l. (jointly, the "companies being merged"),

subject to the approval of the respective corporate boards.

The Project guidelines were approved by the Board of Directors of the Parent Company Unipol Gruppo Finanziario S.p.A. ("Unipol") on 9 May 2013 and, for that pertaining to it, by the Board of Directors of the direct parent company Fondiaria-SAI S.p.A. on 28 May 2013.

The Project, in pursuit of the fixed cost reduction objectives, forms part of the restructuring of the Unipol Insurance Group through the merging of those companies without significant income streams and/or asset bases, whose corporate scope is currently considered within the overall Group context to have substantially lapsed, having not drawn up development projects within the strategic planning for the real estate sector or for reasons of economic necessity and rationalisation. The resources and activities of the companies being merged would therefore be pooled into the principal Group operating structures, reducing operating and administration costs overall by approx. Euro 50 thousand annually.

In relation to the merger process which is expected to take place based on the 2012 financial statements, we highlight the following:

- as concerning a wholly-owned subsidiary of the merging entity Immobiliare Fondiaria-SAI S.r.l., the merger will take place in simplified form, without any share swap, Directors' Report or Experts' Report and the cancellation of the shares held by the merging entity, which will be replaced by the assets and liabilities of the companies being merged;
- following the lapsing of 30 days from filing of the merger at the relative company registration offices, the merger resolutions may be adopted by the Shareholders' Meetings of the participating companies and following the lapsing of 60 days from filing of the relative resolutions at the company registration offices, made available for the registering of opposition by creditors in accordance with Article 2503 of the Civil Code (except for the case of the adoption - on fulfilment of the relative requirements – of an advanced merger procedure), the merger may be completed, with accounting and tax effects backdated to 1 January 2013;
- the merger process is therefore expected to be completed during the current year.

On the regulatory front, with letter of 6 June 2013 the Project was communicated by Unipol to IVASS, in accordance with Article 9 of ISVAP Regulation No. 15 of 20 February 2008, as concerning an operation substantially amending the corporate scope and /or the organisational structure of the Unipol Insurance Group, as considered a restructuring operation of the Group.

The Merger does not require approval by IVASS in accordance with ISVAP Regulation No. 14/2008 as not involving insurance companies.

On the procedural front, the proposed Merger, involving companies belonging to the same Group, falls within the remit of the sector regulations concerning related party operations. In this regard it is stated that the Merger: (i) as concerning subsidiaries of Fondiaria-SAI, directly and indirectly held for more than 95% of the share capital, is exempted from application of the Procedure for related party operations adopted by the direct parent company Fondiaria-SAI in accordance with CONSOB Regulation No. 17221 of 12 March 2010.

The 2012 key financial highlights of the merging entity and the companies being merged are outlined below.

Immobiliare Fondiaria-SAI S.r.l.
The company has been operational since 1 October 2009, following the partial non proportional spin-off of Immobiliare Lombarda S.p.A. which allocated a spun-off asset portfolio of Euro 409 million comprising property, shareholdings in subsidiary and associated companies, cash and cash equivalents and financial debt. At 31 December 2012, the real estate assets totalled approx. Euro 67 million and were in the residential, service, commercial and land sectors.

Carpaccio S.r.l.
The book value of the investment in Immobiliare Fondiaria-SAI is substantially in line with shareholders' equity. The operation does not give rise to merger differences.

Pontormo S.r.l.
The book value of the investment in Immobiliare Fondiaria-SAI is in line with shareholders' equity (Euro 150,000 at 31 December 2012). The operation gives rise to contained merger differences.

Nuova Impresa Edificatrice Moderna S.r.l. (N.I.E.M.)
The book value of the investment in Immobiliare Fondiaria-SAI amounts to approx. Euro 0.8 million, against shareholders' equity of Euro 4.6 million at 31 December 2012. The company has receivables of approx. Euro 5 million, principally concerning a loan issued to its parent company Immobiliare Fondiaria-SAI. The above-stated loan receivable would be settled through commingling with the corresponding payable of the merging entity.

Masaccio S.r.l.
The book value of the investment in Immobiliare Fondiaria-SAI is in line with shareholders' equity (Euro 90,000 at 31 December 2012). The operation does not give rise to merger differences.

Meridiano Primo S.r.l.
The book value of the investment in Immobiliare Fondiaria-SAI is in line with shareholders' equity (Euro 58,000 at 31 December 2012).

Reimbursement of payments by Immobiliare Milano Assicurazioni

Milano Assicurazioni S.p.A. in previous years made payments in a number of tranches to Immobiliare Milano Assicurazioni S.r.l. for future capital increases totalling to date Euro 190.4 million.

Taking account that:

- in 2012 the investment held in IGLI S.p.A. was sold, with receipt of approx. Euro 44 million;
- these funds are almost entirely still held by the Company;
- that the above-stated overall amount of these payments to date exceeds the funding requirements of the Company to achieve its corporate objective.

on 21 June, first the Board of Directors and subsequently the Shareholders' Meeting of Immobiliare Milano Assicurazioni S.r.l. approved the reimbursement of the sole shareholder Milano Assicurazioni S.p.A. for the stated capital payments for an amount of Euro 25 million.

Other activities

The savings of Italian households

The Household Credit Report produced by Assofin, CRIF and Prometeia for 2012 and for the first quarter of 2013 reported the further reduction of credit to households. The drop in income levels and the significant uncertainty on the economic and jobs outlook continues to impact consumer spending, in decline for nearly two years, impacting household confidence which remains particularly fragile.

The consumer credit market fell back into negative territory to 2009 levels: loans dropped 11.7% compared to 2011 with the contraction continuing also in the first quarter of 2013 (-5.9% compared to the same period of the previous year).
In greater detail: personal loans, after recovering in 2011, significantly reduced in 2012 (-15.4%) and also in the first quarter of 2013 (-0.8%).
Car and motorcycle loans in 2012 dropped significantly (-18%), while easing in the first quarter of 2013 (-4.4%) in line with private vehicle registration numbers.
Salary/pension backed loans in 2012 contracted (-20.7%), although recovering in the first quarter of 2013 (-3.5%).

Volumes of household mortgages in 2012 more than halved on the previous year, with home purchase mortgages contracting 47% and the “other mortgages” component experiencing an even greater drop (-70.7%), this latter essentially related to the drop in subrogations and substitutions which were impacted by the increase in the spreads applied to new loans which made them no longer attractive for households. In the first quarter of 2013 however property mortgage issues to households reported a contained reduction, both for home purchase mortgages (-16.8% compared to the same period of 2012) and for “other mortgages” (-12.8%).

For the three-year period 2013-2015 household credit will again be affected by the fragile economy and ongoing household financing difficulties and will see contained growth rates with increased risk on the past. Within this backdrop, the recourse of households to credit will remain very cautious, also as a result of a partial deferral in investment decisions.

Operating performance

The sector includes Group companies operating in the banking and hotel industries, and in sectors other than insurance and real estate.

The pre-tax result of the sector was a loss of Euro 36.0 million (loss of Euro 13.7 million in the first half of 2012).
Cotributing to the loss was the Centro Oncologico Fiorentino Villanova for Euro 7.8 million (Euro 7.5 million in the first half of 2012), in addition to the loss of Atahotels for Euro 11.8 million.
Also contributing is the provision for restructuring charges on a number of contracts in place with third parties in the half-year, in relation to which reviews and eventual settlements are being assessed.

The segment pre-tax result for the first half of 2012 did not include the Atahotels Group contribution, reclassified to assets held for sale.

The key highlights of the companies operating in the banking and managed funds sector are shown below:

(in Euro '000)	BROKERAGE MARGIN	CHANGE %	RESULT
OTHER ACTIVITIES			
BANCASAI S.p.A.	15,732	7.77	1,122
SAI INVESTIMENTI SGR S.p.A.	2,101	(15.50)	850

The results of the other companies in the sector are reported below:

(in Euro '000)	RESULT H1 2013	RESULT H1 2012	CHANGE %
OTHER ACTIVITIES			
FINITALIA S.P.A.	989	1,123	(11.96)
FINSAI INTERNATIONAL S.A.	363	893	(59.31)
FONDIARIA-SAI NEDERLAND B.V	65	277	(76.67)
SAIAGRICOLA S.P.A.	(2,338)	(651)	n.a.
SAI HOLDING ITALIA S.P.A.	(414)	(661)	37.34
SAIFIN - SAIFINANZIARIA S.P.A.	883	(98)	n.a.
SAILUX S.A.	111	4	n.a.
SAINTERNATIONAL S.A. in liquidation	(2,746)	(4,711)	41.72

BANCASAI S.p.A.

The consolidated result reported a profit of Euro 1.1 million (loss of Euro 0.3 million in H1 2012).

Direct and indirect premiums and funding strategies

During the period the number of current accounts decreased from 15,816 at the end of 2012 to 14,262 at 30 June, while total deposits in current accounts stand at approx. Euro 805 million, a significant increase compared with the end of 2012 (Euro 756 million).

In relation to the current accounts, time deposits increased from Euro 7.7 million at the end of 2012 to Euro 65 million at 30 June 2013. The non-replacement of bond loans matured in the half-year was therefore partially offset (Euro 115 million).

Residual bond loans totalled Euro 30 million.

Indirect deposits at 30 June 2013 reached Euro 19,563 million compared with Euro 19,240 million at the end of 2012, comprising Euro 19,288 million from assets under administration (of which Euro 19,093 million refer to former Fondiaria-SAI Group companies) and Euro 275 million of assets under management.

Loans

The loan portfolio continued to contract in the first half of 2013, following the generalised demarketing policy introduced in April 2011 and the reduction in demand.
The amount of loans outstanding (mortgages and drawdown of various credit lines, before adjustments) stands at period-end at Euro 767 million (Euro 850 million at 31 December 2012).
Net of the exposure to the subsidiary Finitalia, which amounted to Euro 159 million in the form of a current account credit line, in addition to Euro 25 million of bonds subscribed by BancaSai, loans to third parties decreased from Euro 608 million at the end of 2012 to Euro 583 million at the end of June 2013.
In relation to the most significant technical forms, mortgages, which represent 45% of the total exposure, reported a lower percentage decline from Euro 353 million to Euro 336 million (-4.82%), while syndicated loans decreased from Euro 61 million to Euro 55 million (-9.83%) and unsecured loans reduced from Euro 48 million to Euro 44 million.
The Bank continues to place particular focus on the “fractioning of the risk”, both in relation to distribution by activity and concentration by individual client and adopts selective criteria in the management of the loan portfolio, in order to adjust the size and the quality of the credit lines made available to the client to the effective risk profile of the client.
The distribution channel accounts for over two-thirds of loans, in the various technical forms, issued by the four branches (Turin, Florence, Milan and Genoa).
In consideration of its operating activities, the credit risk is the principal risk component to which the Bank is exposed.
The portfolio quality, which is subject to close monitoring, reports a moderate decline in the first half of 2013 due to the continued challenging economic circumstances.
Net deteriorated loans on net loans increased from 9% to 10%.
The further deterioration of loans in 2013 on the first half of 2012, comprising overdue and non-performing loans, or the persistent breaching of credit limits, is caused by the current recession and in particular the widespread deterioration of conditions for SME’s and households, segments in which BancaSai has a strong presence.

FINITALIA S.p.A.

The net profit for the first half of 2013 totals approx. Euro 1 million, compared to approx. Euro 1.1 million in H1 2012, after income taxes of approx. Euro 0.8 million, compared to approx. Euro 1 million in 2012.

Administrative expenses in the first half of 2013 amounted to Euro 6.1 million, increasing on the same period of 2012 (approx. Euro 5.7 million). In particular, personnel expenses were Euro 0.2 million higher than 2013. The limited change is due to the benefit in April 2012 from the prudent provisioning made in previous years for the payment of arrears and contributions for the renewal of the national collective employment contract (insurance sector).

In relation to the operational results for the first half of 2013, an interest margin and a brokerage margin of Euro 11.4 million and Euro 10.8 million are respectively reported (in line with the first half of 2012), with write-downs of approx. Euro 3 million (in line with H1 2012).

At 30/6/2013, total loans of Euro 162 million had been issued, in line with Euro 161.4 million at 30/6/2012. The number of operations however increased by approx. 27%. Despite this, the volume of loans and consequent profitability was impacted by the substantial reduction in the average amount of insurance premiums financed.
The Unipol Group (Unipol Assicurazioni, Fondiaria-SAI, Milano Assicurazioni and Liguria Assicurazioni) Insurance company agencies which in the first half of 2013 signed the agreement with Finitalia numbered 4,051, increasing on 2,682 in December 2012. The significant increase in June 2013 is due to the agreement with the Unipol Ass. Company agencies which will be operative from 1 July. With the start-up of a number of Agencies under Unipol Agency agreements, the number of sales points providing loans increased to 4,361.

Loans were issued from 1 July through the Unipol Assicurazioni agencies, as established under the work programme. The Unipol Assicurazioni agencies operational under the agreement with Finitalia number 1,386. The start-up of the initiative did not cause particular operating problems. The integrated procedures for the calculation and settlement of financed premiums did not encounter any significant difficulties.
The "Group project" was introduced also to the Fondiaria-SAI and Milano Assicurazioni Group companies, bringing greater dynamism to the relaunch of the 2013 insurance campaign.
In fact, the Fondiaria-SAI/Milano Assicurazioni agencies launched under the "new project" number 1,181 and issued Euro 6,680 million.

Under the initiative the work spaces at Fondiaria SAI Servizi Tecnologici have been reorganised to handle the higher volume of activity, together with our Information Technology colleagues at the Unipol Group.

- **Atahotels S.p.A.**

The first half 2013 reports a loss of Euro 12.0 million compared to a loss of Euro 13.5 million in the first half of 2012. The result includes amortisation and depreciation for Euro 3 million (particularly on restructuring works and improvements of managed structures) and write-downs of fixed assets and receivables for a total of Euro 1.1 million.

The first half 2013 result was impacted by net financial charges of approx. Euro 0.3 million, write-downs of investments of Euro 0.2 million and net extraordinary charges of Euro 0.2 million and includes income taxes of Euro 0.2 million.

Following the loss, the shareholders' equity of the company totals Euro 4.6 million.

Revenues in the first half of 2013 totalled Euro 48.6 million compared to Euro 51.7 million in the first half of 2012, which included however an additional structure (hotel Concord); on a like-for-like basis 2012 revenues totalled Euro 50.3 million (Euro 52.6 million in the first half of 2012).

This result is considered in the context of the well documented downturn within the hotel industry. The continued opening up of foreign markets in 2013 has offset the impact from the ongoing crisis in Italy.

In relation to other costs, the following charges are reported:

- the rental charges of Fondiaria-SAI, Immobiliare Fondiaria-SAI and Campo Carlo Magno remain under the same conditions as originally agreed, except for that stated in the 2012 Annual Accounts.
- the rental charges of SAI Investimenti reflect however the recently reformulated contracts, which takes account of the exceptional nature of the crisis which resulted in rents becoming unrepresentative of market rates.
- the rental charges of Fondazione Enpam and Enpam Real Estate S.r.l. are shown for the minimum guaranteed amount renegotiated in 2011.

In the initial months of the current year, following the required consultation with technical experts, the new rents with other group companies were redefined, in order to take account of the altered market conditions.
The principal conditions have already been approved by the Boards of the renting companies; the above-stated new contracts are therefore in the finalisation stage and valid from 1 January 2013.
The renegotiation should ensure the sustainability of the rental charges, which as a proportion of revenues became excessive following the economic difficulties which took hold from the second half of 2008.

The total amount of rent and accessory charges amounted to approx. Euro 14.3 million, accounting for 29.6% of revenues (approx. 32% in FY 2012).

In 2013 no new structures were opened or closed; at the end of 2012 the Hotel Concord of Turin was returned to the owner following the discontinuation of rental.

At the Extraordinary Shareholders' Meeting of 23 April 2013, shareholders approved the coverage of the 2012 loss (approx. Euro 36 million) as follows:

- for the amount exceeding the share capital and reserves, through the partial revocation of the receivable devolving to Fondiaria-SAI from the Company, for Euro 9.8 million, and a payment of Euro 9.41 million in relation to Milano Assicurazioni;
- in relation to the recapitalisation of the share capital to the pre-existing amount of Euro 15 million, through the pro-quota cash payment of a similar amount.

All payments were made on 23 May 2013.

Shareholders have committed to further strengthen the capital base of the company, which may be implemented during the current year.

The measures introduced in the second half of 2011 were strengthened in the period and a number of measures to support the finances of the company were introduced, through the reduction of costs and the reorganisation of processes.

The recession and the significant uncertainty surrounding the economic outlook for Italy and Europe continued after the end of the period and consequently estimates for the second half of 2013 induced caution.

2013 therefore will again be a year of transition, in which the restructuring actions to improve commercial efficiency and to further contain the costs of Atahotels were finalised.

CENTRO ONCOLOGICO FIORENTINO S.R.L.

The necessary cutbacks by the Regional Health System required all accredited private regional structures to again reduce the amount of services provided. For the current year a "contract bridge" is expected to be introduced, in the expectation of new negotiations from the autumn.

Against a significant reduction in revenues, the result for the period is substantially in line with the previous year (loss of Euro 7.8 million compared to Euro 7.5 million in the previous year).

This is the result of various factors:

- due to the reduction in the budget allocated to oncology, the cost of oncological drugs and other drugs reduced significantly, which, as previously highlighted, cost nearly double the price charged by the Healthcare Authority for receipt of such drugs;
- following the reduction in personnel from 132 employees in June 2012 to 125 at 30/6/2013, resulting in a cost reduction of approx. Euro 0.23 million;
- the results includes, in addition, a provision of 50% of outstanding amounts due for the years 2011-2013, in view of the imminent renewal of the National Collective Agreement for the private healthcare sector (Euro 0.25 million).

Revenues in the first half of 2013 were down by approx. 12% on budget and by 26% on the previous year. Overall revenues amounted to approx. Euro 7.0 million compared to Euro 8.7 million in the first half of 2012. This reduction is due principally due to:

- the further lowering of the "activity ceiling" allocated by the Healthcare Authority for 2013, even though, compared to the previous year, first half revenues were lower than budget expectations, with an overall recovery expected for the full year;
- a reduction (-7%) also for admissions of patients from regions other than Tuscany (the so-called "outside region patients"), also in agreement with the National Healthcare Service, but not subject to budget limitations;
- admissions and private outpatient activity was substantially stable, for which commercial contacts to attract new clients to services other than oncology are in progress.

The Parent Company made two capital payments in April and June for a total of Euro 13.0 million in support of the development plan of the company.

An internal reorganisation was carried out and a review of consultant contracts is underway, which is focusing on reducing the number of contracts in which remuneration is not linked to services provided and on the introduction of a new condition for outpatient and diagnostic activity contracts which will guarantee increased income for the medical facility.

Asset and financial management

INVESTMENTS AND LIQUIDITY

In relation to data comparison, in compliance with the Anti-trust Authority order of 19/6/2012 No. 23678, the parent company Unipol Gruppo Finanziario S.p.A. has begun the disposal process of a number of insurance assets within the Milano Assicurazioni consolidation scope.
Consequently, under IRFS 5 which defines the accounting policies applied to assets held for sale, from 30 June 2013 the assets and liabilities held for sale are presented in the assets and liabilities of a group for sale accounts.
For improved understanding of the following comparative data, the change in the balance sheet items of an operating nature and those deriving from the application of IFRS 5 are indicated separately.

At 30/6/2013, the volume of the total investments reached Euro 30,104 million, compared to Euro 33,859 million at 31/12/2012.

The investments, tangible fixed assets and liquidity at 30/6/2013 compared to 30/6/2012 are shown below.

(in Euro '000)	30/6/2013	Comp. %	31/12/2012	Comp. %	Cge. %
INVESTMENTS					
Investment property	1,997,647	6.42	2,200,774	6.33	(9.23)
Investments in subsidiaries, associates and interest in joint ventures	129,936	0.42	125,799	0.36	3.29
Loans and receivables	3,404,551	10.94	3,527,030	10.14	(3.47)
Held to maturity investments	606,712	1.95	718,119	2.06	(15.51)
Available-for-sale financial assets	17,762,788	57.09	20,848,041	59.92	(14.80)
Financial assets at fair value through profit or loss	6,202,403	19.93	6,439,319	18.51	(3.68)
Total investments	**30,104,037**	**96.75**	**33,859,082**	**97.32**	**(11.09)**
Property, plant & equipment: buildings and other fixed assets	339,384	1.09	373,111	1.07	(9.04)
Total non-current assets	**30,443,421**	**97.84**	**34,232,193**	**98.39**	**(11.07)**
Cash and cash equivalents	672,426	2.16	560,228	1.61	20.03
Total non-current assets and cash equivalents	**31,115,847**	**100.00**	**34,792,421**	**100.00**	**(10.57)**
Investments, non-current assets and cash and cash equivalents held for sale	**3,497,148**		**3,335**		

The account "Investments, non-current assets and cash and cash equivalents held for sale" includes Euro 3,478 million concerning assets held for sale in compliance with the Anti-trust Authority order of 19/6/2012.

The AFS financial assets and the financial assets at fair value through profit or loss are as follows:

(in Euro '000)	30/6/2013	31/12/2012	IFRS 5	Change
Available-for-sale financial assets	**17,762,788**	**20,848,041**	**(3,094,469)**	**9,216**
Equity securities	669,336	914,069	(5,249)	(239,484)
Fund units	649,762	627,184	(25,269)	47,847
Debt securities	16,443,690	19,306,788	(3,063,951)	200,853
Financial assets at fair value through profit or loss	**6,202,403**	**6,439,319**	**(46,464)**	**(190,452)**
Equity securities	46,523	50,000	-	(3,477)
Fund units	1,748,381	1,104,362	-	644,019
Debt securities	4,284,379	5,153,874	(46,464)	(823,031)
Other financial investments	123,120	131,083	-	(7,963)

The table below shows the results of the financial and real estate activities for the first half of the current year compared with the same period of the previous year:

(in Euro '000)	30/6/2013	30/6/2012	Change
Gains/losses on remeasurement of financial instruments at fair value through profit or loss	7,760	325,515	(317,755)
Gains on investments in subsidiaries, associates and interest in joint ventures	(2,810)	(7,900)	5,090
Gains on other financial instruments and investment property of which:			
Interest income	442,341	407,698	34,643
Other income	64,126	92,474	(28,348)
Realised gains	106,974	129,592	(22,618)
Unrealised gains	2,115	6,754	(4,639)
Total income	**620,506**	**954,133**	**(333,627)**
Losses on other financial instruments and investment property of which:			
Interest expense	27,476	31,935	(4,459)
Other charges	33,774	34,300	(526)
Realised losses	41,171	45,627	(4,456)
Unrealised losses	80,560	114,007	(33,447)
Total costs and expenses	**182,981**	**225,869**	**(42,888)**
TOTAL NET INCOME	**437,525**	**728,264**	**(290,739)**
Net income from financial instruments at fair value through profit or loss where the risks are borne by policyholders (Class D).	35,551	308,077	(272,526)
TOTAL NET INCOME EXCLUDING CLASS D	**401,974**	**420,187**	**(18,213)**

As highlighted in the table the net income from financial instruments at fair value through the profit or loss includes net income relating to contracts in the Life sector whose risk is borne by the policyholders for Euro 35.6 million (Euro 308 million in the first half of 2012).
This increase is offset by the corresponding change in the insurance contract liabilities of the Life sector relating to this class of activity.

Unrealised losses include Euro 30.1 million relating to impairments on available-for-sale financial instruments (Euro 75.2 million in the first half of 2012). Of these, Euro 8.7 million are covered by gains on the related hedging derivatives, recognised under income at fair value through profit or loss.
The residual refers for Euro 12.7 million to write-downs on property and for Euro 34.4 million to depreciation of buildings.

FINANCIAL MANAGEMENT

The most recent economic indicators highlight, and considering the constant changing global economic environment, a turnaround not before the final quarter of the current year.
The US economy, despite the partially restrictive fiscal policy due to the automatic public spending cuts and the partial increase in interest rates, continues to grow at 2% annually, as unemployment slowly but surely reduces (7.6% by June) and with consumer spending holding firm and the real estate market improving significantly.
On the monetary policy front, the Federal Reserve, based on the economic improvement, has announced that by the end of the year the acquisition of US securities and real estate sector bonds may reduce, bringing an end to this unconventional action by the middle of 2014. This would represent a first step towards normalisation of monetary policy, which would remain however expansive with no discount rate increases on the horizon. This decision resulted in an increase of the swap rate curve and at the same time of bond yields on “core” area securities, while the Italian curve improved, with a reduction in the spread compared to the German Bund.

The following table reports the quarterly movements in rates and spreads of a number of Eurozone country government bonds compared to the 10-year German Bund.

Country	**31 December 2012**		**28 March 2013**		**28 June 2013**	
	Rate 10 years	Spread vs Germany	Rate 10 years	Spread vs Germany	Rate 10 years	Spread vs Germany
Germany	1.32	-	1.29	-	1.73	-
France	2.00	0.68	2.03	0.74	2.35	0.62
Italy	4.50	3.18	4.76	3.47	4.55	2.82
Belgium	2.06	0.74	2.24	0.95	2.63	0.90
Greece	11.90	10.58	12.44	11.15	10.98	9.25
Ireland	4.95	3.63	4.33	3.04	4.19	2.46
Portugal	7.01	5.69	6.37	5.08	6.45	4.72
Spain	5.27	3.95	5.06	3.77	4.77	3.04

In Italy, with the economy in continued recession, although largely meeting its public funding requirements, the new Government is gradually putting together policies on the one hand which can halt the drop in GDP and on the other which highlight together with France and Spain the issue of growth and the development of the EU institutions to function in a coordinated manner on economic policy.
The performance of the European Stock Markets in the second quarter of 2013 partly closed the gap between the "core" and "peripheral" areas. The Eurostoxx 50 index, representing the major Eurozone blue chips, contracted slightly in the second quarter (-0.8%, -1.3% for the half-year). The German Dax was in positive territory (up 2.1%, +4.6% from the beginning of the year), while the Italian FTSE MIB of Milan lost 0.6% (-6.4% in the first six months). Finally, the Ibex of Madrid lost 2.0% in the period (-4.9% from the beginning of the year).

Outside of Europe, the Standard & Poor's 500 Index, representing the major U.S. listed Companies, was up 2.4% in the second quarter (+12.6% for the first six months), while the Japanese Nikkei Index, after a strong first quarter, gained a further 10.9% (+31.6% in the first half-year). Finally, in relation to the stock markets of the emerging economies which were particularly hit by profit-taking following the declarations of the Federal Reserve concerning the upcoming removal of liquidity from the system, the most representative index the Morgan Stanley Emerging Market in the second quarter of the year lost 5.5% (-6.3% from the beginning of the year).

The improved economic climate in the United States and Japan, an easing of the Eurozone recession, further steps towards European banking union and the ongoing efforts of the European Central Bank contributed to a gradual improvement of the Itraxx Senior Financial index, which is representative of the average spread of companies within the finance sector with high credit ratings, which reduced by 27.5 basis points from 194.4 to 166.8 at the end of the second quarter (in the half-year the increase was 25.5 basis points, from 141.3 to 166.8).

Financial operations in the half-year

The financial management in H1 2013 was carried out in line with the Guidelines of the Investment Policy and in compliance with the general principles of prudence and enhanced asset quality over the medium to long term.
Operations, both in the Non-Life and in the Life business, focused principally on Eurozone government bonds, particularly Italian bonds, which comprise 77.0% of the portfolio.

Net purchases of bonds in the quarter totalled Euro 571.0 million, of which Euro 648.3 million in Italian Government securities.

The overall portfolio duration, slightly increasing on the end of the previous year and the first quarter, respectively 4.4 years at 31 December 2012 and 4.7 years at 31 March 2013, at the end of June stood at 4.8 years.

For the Non-Life portfolios, net purchases of bonds were made for Euro 195.9 million, of which Italian Government securities for Euro 99.8 million and of other sovereign bonds of Euro 15 million.

The duration of the Non-Life portfolio, increasing on the end of the previous year and the first quarter, respectively 3.1 years at 31 December 2012 and 3.5 years at 31 March 2013, stood at 3.8 years at the end of June.

In the Life business net purchases in bonds in the period amounted to Euro 375.1 million, of which Italian Government securities for Euro 548.5 million, with a portfolio duration of 5.3 years (increasing slightly on the end of the previous year and the first quarter, respectively 4.9 years and 5.2 years). The segregated fund operations, in line with the liability profile, featured sales of long maturity government securities, of which “btp strip” for a total of approx. Euro 246.9 million minimum guaranteed value.

Investments in “corporate” bonds overall focused on issuers with high credit ratings; the management of the corporate portfolio through undertaking purchases on the primary market and sales on the secondary market did not result in a significant change in the sector. Corporate bonds represent 18.4% of the bond sector.

In relation to the equity component, Non-Life Business operations featured, against substantially unchanged volumes, tactical trading both on individual securities and through ETF’s. In relation to “sensitive” securities, the reduction in exposure to Banca Intermobiliare continued.

In the Life Business, particularly in a rising market, the weighting of the asset class (for Euro 39.7 million) on the Segregated Funds portfolios was again reduced, with trading activity focused on the Vita Libero category of the Company.

In relation to the strategic investments, the reduction of risk actions continued, carried out through the purchasing of options, which resulted in the first half of 2013 in the neutralisation of risk equal to over 65% of the overall positions. In June 2.57% of Pirelli&C was sold on the market (12,229,394 shares, equal to Euro 95.4 million) following the redefinition of the shareholding structure of the holding company Camfin, which resulted in a reduction in the number of Fondiaria SAI Group shares within the Pirelli Shareholder Pact. The current shareholding was therefore reduced to 1.85%.

Finally, at the beginning of July the share capital increase of RCS Mediagroup took place following the requests of the shareholder pact, subscribing 12,029,616 new shares at Euro 1.235 per share, with an overall payment of Euro 14.9 million. The holding in portfolio comprises 5.651% of the share capital.

Fondiaria-SAI

The **Non-Life business** is composed of 61.9% of fixed income bonds, 18.0% at variable rate and 13.3% in shares and funds, with a residual 6.8% in liquidity.

The total duration of the portfolio is 3.8 years and the return on the Non-Life portfolio is equal to 4.3%.

The **Life business** has a higher fixed rate bond allocation (82.2%), compared to the variable quota of the same class (13.2%) and that of shares and funds (3.3%) and liquidity (1.3%), with a total duration of the portfolio of 5.3 years and a return of 4.9%.

Milano Assicurazioni
The **Non-Life business** is composed of 67.6% of fixed income bonds, 24.5% at variable rate and 3.1% in shares and funds, with a residual 4.8% in liquidity.
The total duration of the portfolio is 3.3 years and the return on the Non-Life portfolio is equal to 3.5%.
The **Life business** has a higher fixed rate bond allocation (82.5%), compared to the variable quota of the same class (9.8%) and in shares and funds (5.1%) and liquidity (2.6%), with a total duration of the portfolio of 4.5 years and a return of 4.6%.

Share capital increase of RCS Mediagroup S.p.A.

On 28 June 2013, on the request of CONSOB and on behalf of the parent company Finsoe S.p.A. – Finanziaria dell'Economia Sociale S.p.A. ("**Finsoe**"), Fondiaria-SAI S.p.A. and its direct and indirect subsidiaries Milano Assicurazioni S.p.A., Saifin Saifinanziaria S.p.A. and SIAT S.p.A., under the share capital increase of RCS Mediagroup S.p.A. ("**RCS**") approved by the Shareholders' Meeting of 30 May 2013, fully exercised the 6,003,185 options available on the basis of shares held (post reverse stock-split), of which 5,777,150 bound by the RCS Mediagroup S.p.A. Blocking and Consultation Shareholder Agreement (the '**Agreement'**), with a further 226,035 shares not bound by the Agreement.

In addition, upon full subscription to the share capital increase, Finsoe would hold overall, through Fondiaria-SAI S.p.A. and this latter company's direct and indirect subsidiaries, an approx. 5.54% stake in the ordinary share capital of RCS.

FONDIARIA-SAI GROUP DEBT

In order for a correct representation of the accounts under examination, information is provided below of the financial payables, which is the total amount of the financial liabilities for which it is not possible to establish a correlated specific asset account.

The situation is summarised in the following table, which highlights a reduction in the debt of over Euro 57 million.

(Euro millions)	**30/6/2013**	**31/12/2012**	**Change**
Subordinated loans	1,048.8	1,048.1	0.7
Banks and other lenders	191.6	249.8	(58.2)
Total debt	**1,240.4**	**1,297.9**	**(57.5)**

The reduction in the debt is principally due to the repayment by BancaSai of bonds issued for an overall book value of Euro 63.2 million, in addition to the undertaking by Finitalia of short-term loans (with maturity 16 July 2013) totalling Euro 5 million from UBI – B. Pop. Bergamo.

The account **Subordinated loans** includes the following loans with Mediobanca, with prior authorisation from ISVAP:

- A subordinated loan of Euro 400 million undertaken by Fondiaria-SAI, agreed and issued on 23/07/2003. Following some contractual modifications in December 2005, the interest rate is Euribor at 6 months +180 basis points and repayable in five equal annual instalments from the 16^{th} anniversary of the loan. This loan was obtained in order to increase the constituent elements of the solvency margin;

- A subordinated loan of Euro 100 million agreed by Fondiaria-SAI on 20/12/2005 (received on 31/12/2005), with the same subordination characteristics of the previous loan. The interest rate is Euribor at 6 months +180 basis points and it is repayable in five equal annual instalments from the 16^{th} anniversary of the loan.

- A subordinated loan of Euro 300 million agreed on 22/06/2006 (received on 14/07/2006), subscribed 50% by Fondiaria-SAI and the other 50% by Milano Assicurazioni. This loan also provides for interest at Euribor at 6 months +180 basis points and is repayable in five equal annual instalments from the 16^{th} anniversary of the loan. In particular, this latter contract contributes to a further improvement in the solvency margin available to the Group for the part provided by the subsidiary Milano Assicurazioni. On 14 July 2008, Milano Assicurazioni made a partial advance repayment of this loan for Euro 100 million;

- Hybrid, perpetual subordinated loan of Euro 250 million agreed and received on 14 July 2008 subscribed by Fondiaria-SAI. The interest rate is Euribor at 6 months +350 basis points for the first 10 years and thereafter 450 basis points. The repayment should be made in one repayment after 10 years. This loan was agreed to increase the constituent elements of the solvency margin;

- Hybrid, perpetual subordinated loan of Euro 100 million agreed and received on 14 July 2008 subscribed by Milano Assicurazioni. The interest rate is Euribor at 6 months +350 basis points for the first 10 years and thereafter 450 basis points. The repayment should be made in one repayment after 10 years. This loan was agreed to increase the constituent elements of the solvency margin.

The financial liabilities concerning the assets held for sale and therefore measured under IFRS 5 include Euro 150 million of nominal value in relation to the subordinated loan undertaken with Mediobanca by Milano Assicurazioni on 22 June 2006 and also following the indications from the Anti-trust Authority.
It is reported in fact that, with reference to the order C/11524 in relation to the "Evaluation of the measures to be prescribed" and, in particular, with reference to the "Measures relating to the shareholding ties of the entity post-merger with Mediobanca" initiated on 26 April 2012 by the Anti-trust Authority in relation to the companies Unipol Gruppo Finanziario S.p.A., Premafin Finanziaria S.p.A., Fondiaria-SAI S.p.A., Milano Assicurazioni S.p.A., Unipol Assicurazioni S.p.A., Mediobanca S.p.A. and Assicurazioni Generali S.p.A., the net debt of Milano Assicurazioni with Mediobanca should be reduced, as well as with the post-merger entity, in order to significantly reduce the ties with this latter.

With reference to the subordinated loans, against a nominal Euro 1,050 million, Interest Rate Swaps were subscribed with the purpose of neutralising the interest rate risk associated with these loans for Euro 1,050 million. Of these, the three subordinated loan hedging contracts totalling Euro 400 million mature on 23 July 2013.

In accordance with CONSOB Resolution No. DEM/6064293 of 28/7/2006, the subordinated and/or hybrid loans include specific contractual clauses protecting the lenders' rights and interests.

In relation to the **subordinated loan** of Euro 300 million of 22/6/2006 (undertaken 50% by Fondiaria-SAI S.p.A. and the other 50% by Milano Assicurazioni S.p.A.), Article 6.2.1 letter (e) establishes, as a general obligation of the Parent Company Fondiaria-SAI, the continued control (in accordance with Article 2359, paragraph 1, No. 1 of the Civil Code) of the direction and coordination of Milano Assicurazioni S.p.A. by Fondiaria-SAI S.p.A..

In relation to the **hybrid loan** of Euro 350 million of 14/7/2008, the conversion into shares of the Parent Company Fondiaria-SAI (or of the subsidiary Milano Assicurazioni for the part issued of Euro 100 million) is subject to, in addition to any resolution by the extraordinary shareholders' meeting of the Parent Company Fondiaria-SAI of a share capital increase to service the conversion in line with the contractual terms indicated, the occurrence at the same time (and for a consecutive three year period) of the following situations:

(i) the downgrading of the Standard & Poor's rating (or any other agency to which the Parent Company Fondiaria-SAI is voluntarily subject, being no longer being subject to the Standard & Poor's rating) of the beneficiary companies to "BBB-" or a lower grade;
(ii) the reduction in the solvency margin of the beneficiary companies, as established by Article 44 of the Insurance Code, to a level below or equal to 120% of the solvency margin required by Article 1, paragraph hh) of the Insurance Code;

if (a) the situation causing the above stated events is not resolved, for both events, in the two fiscal years immediately subsequent, or (b) the solvency margin in the two subsequent fiscal years is not rectified to at least 130% of the requested solvency margin, thereby providing Fondiaria-SAI and Milano Assicurazioni with the possibility, over a period of more than two years, to put in place measures to enable compliance with the requested parameters.

The Group loan agreements do not include covenants other than those indicated above which limit the use of significant financial resources for the activities of the Issuer.

This disclosure was provided even though non-compliance with the above-stated clauses is not at issue, with little possibility of the contractually established events in safeguarding of shareholders occurring.

The defining factors of the subordinated and/or hybrid loans relate in general not just to the repayment of such before the payment of all other payables owing by the insurance company at the settlement date, but also the need to obtain, in accordance with the applicable regulation, prior authorisation for repayment by ISVAP.

With reference to **Payables to banks and other lenders** of Euro 191.6 million, the most significant amounts are detailed below:

- Euro 111.4 million (Euro 111.3 million at 31/12/2012) refers to the loan agreed by the Tikal R.E. Closed Real Estate Fund with Mediobanca as the Agent Bank. The loan, originally for Euro 119 million, was issued for the purchase of properties and improvement works. The cost of the loan is Euribor at 6 months plus a credit spread of 90 basis points. Since 2008, the Fund has utilised derivative instruments to implement a hedging policy on the potential risk of an increase in interest rates on the loan granted;
- Euro 21.5 million (Euro 84.8 million at 31/12/2012) which refers to the bonds issued in 2009 and 2010 by BancaSai in part at a variable interest rate and in part at a fixed interest rate, with variable due dates which range from 2012 to 2014; in March and June 2013 bond loans for a total book value of approx. Euro 63 million were repaid;
- Euro 53.6 million (Euro 53.7 million at 31/12/2012) entirely refers to the consolidated debt of the subsidiary Immobiliare Fondiaria-SAI. This refers principally to the bank loan entered into by Marina di Loano with Intesa SanPaolo as the agent bank with maturity on 17 March 2014 and an interest rate of 3 month Euribor +300 basis points. The company utilised a derivative instrument to implement a hedging policy on the potential risk of an increase in interest rates on the loan granted;
- Euro 5 million relates to a short-term loan undertaken by the subsidiary Finitalia from UBI – B. Pop. Bergamo;
- the residual amount relates to other insignificant payable positions.

TREASURY SHARES, SHARES OF THE HOLDING COMPANIES AND ITS SUBSIDIARIES

The treasury shares and shares in the direct parent company Premafin Finanziaria and the indirect parent company Unipol Gruppo Finanziario held by the Parent Company Fondiaria-SAI at 30/6/2013 and at 31/12/2012, are outlined in the table below:

(in Euro ‘000)	**30/6/2013**		**31/12/2012**	
	Number	**Book value**	**Number**	**Book value**
Ordinary shares held by:				
Fondiaria-SAI	32,000	64,366	32,000	64,366
Milano Assicurazioni	99,825	3,410	99,825	3,410
Sai Holding	12,000	421	12,000	421
Total	**143,825**	**68,197**	**143,825**	**68,197**
Premafin Finanziaria shares held by:				
Fondiaria-SAI	18,340,027	3,001	18,340,027	2,353
Milano Assicurazioni	9,157,710	1,498	9,157,710	1,175
Saifin - Saifinanziaria	66,588	11	66,588	9
Total	**27,564,325**	**4,510**	**27,564,325**	**3,537**
Unipol Gruppo Finanziario shares held by:				
Fondiaria-SAI	24,000	61	24,000	36
Milano Assicurazioni	16,000	40	16,000	24
Total	**40,000**	**101**	**40,000**	**60**

PERFORMANCE OF THE LISTED SHARES OF THE GROUP

The share capital of the company at 30 June 2013 of Euro 1,194,572,973.80 comprises: 920,565,922 ordinary shares without par value, 1,276,836 Class A savings shares with a par value of Euro 100 and 321,762,672 Class B savings shares without par value.

At the end of the half-year, the stock exchange share prices were as follows:

(in Euro)	**29/06/2013**	**30/12/2012**	**Change %**
Fondiaria-SAI ord.	1.4072	0.9498	48.16
Fondiaria SAI sav. Class A	122.219	79.3612	54.00
Fondiaria-SAI sav. Class B	1.2504	0.673	85.79

The stock market prices of Milano Assicurazioni were as follows:

(in Euro)	**29/06/2013**	**30/12/2012**	**Change %**
Milano Assicurazioni ord.	0.4694	0.3131	49.92
Milano Assicurazioni sav.	0.6693	0.3645	83.62

Related party transaction disclosure

Disclosure in the financial statements on “Transaction with related parties” is governed by IAS 24 and by relative Consob Communications.

The transactions between the Parent Company Fondiaria-SAI and its subsidiaries or transactions between subsidiaries were eliminated in the present interim financial statements and are not shown in these notes.

On 23 December 2011, the Board of Directors of Fondiaria-SAI approved the updating of the previous version of the document “Conduct principles for carrying out significant transactions and those with related parties”, in compliance with that established by CONSOB through resolution No. 17221 of 12 March 2010 (“CONSOB Regulation”). In approving the resolution, the Board of Directors took account of the unanimous approval by the specifically appointed committee comprising exclusively independent directors. The new procedures were published on the website of the Company on 23 December 2011 and applied from 1 January 2012. For 2011 and the previous years, the existing provisions remain valid. In compliance with that stated above, the Board also approved the updated text of the guidelines for transactions with related parties as per ISVAP Regulation No. 25 of 27 May 2010, in relation to which reference is made to the above stated document concerning the procedural aspects of the transactions with related parties.

Following the change in the ownership of the company in July 2012 and the appointment of the new Board of Directors in November 2012, the list of related parties was updated and extended to parties, physical and legal persons, related to the Parent Company UGF and the new Board of Directors.
Therefore the links with physical and legal persons of the Ligresti Group were removed.

Other information

SOLVENCY MARGIN

In accordance with the provisions of the Supervisory Authority in relation to the adjusted solvency margin and the application of the prudency filters, consequent to the introduction of the IAS/IFRS standards, for H1 2013 the constituting elements were 1.20 times the minimum required, improving therefore on 31 December 2012. This represents an estimate at period-end of the ratio between the constituent elements and the required margin. If measured with reference to the margin required at the end of the previous year, it would stand at 1.17.
It is noted that the Fondiaria-SAI Group did not make use of the provisions of ISVAP Regulation 43 of 12 July 2012 (published in Official Gazette No. 166 on 18 July 2012) and that the ratio does not include possible effects from the application of IFRS 5.

NUMBER OF GROUP EMPLOYEES

At 30/6/2013, the Group headcount was 7,415 (7,377 at 31/12/2012) and the breakdown is as follows:

Number	**30/6/2013**	**31/12/2012**	**Change**
Italian companies	5,881	5,873	8
Foreign entities	1,534	1,504	30
Fondiaria SAI S.p.A. Group	**7,415**	**7,377**	**38**

The above table does not include the seasonal personnel of Atahotels, comprising 646 persons at 30/6/2013 (79 at 31/12/2012).
Also note that employees in foreign companies include 602 agents (552 at 31/12/2012).

GROUP INDUSTRIAL RELATIONS

Industrial relations in the first half of 2013 continued to be handled according to the consolidated principles of Fondiaria-SAI and its subsidiaries, centred on transparency, dialogue and constructive interaction with the Trade Unions on common matters.

In particular, we highlight the introduction of the procedures in accordance with Article 47 of Law No. 428 of 29/12/1990 and Articles 15 and 16 of the ANIA National Collective Agreement in relation to the merger project of Fondiaria Sai, Unipol Assicurazioni, Premafin and Milano Assicurazioni.

In this regard, on 20/3/2013 a preliminary Agreement was signed under which the procedure as per Article 47 of Law No. 428/90 was carried out and the principles were established on which the agreement following the negotiations currently in progress in accordance with Article 15 and 16 of the National Collective Agreement between the Parties will be based.
We highlight also the signing of an agreement concerning funding from the Fondo Banche Assicurazioni (FBA) of a collective training plan for the updating, requalification and professional development of Group employees.

An agreement was also signed on 27/2/2013 which incorporated the indications of the Personal Data Protection Authority concerning video surveillance, in particular in relation to transit areas used by workers.

A slight reduction was also reported in terms of the number of judicial actions taken by employees compared to the previous year. In fact, at 30 June 2013 there were 40 cases pending for Fondiaria-SAI and 30 cases for Milano Assicurazioni.

At national level, on the conclusion of delicate negotiations, an Agreement was signed on 20/5/2013 concerning the "Inter-segment Solidarity Fund to support the income, employment, retraining and requalification of insurance and assistance company personnel" (the so called Inter-segment Solidarity Fund).

This agreement fulfils the requirement to amend by 30/6/2013 the pre-existing insurance sector Solidarity Fund in line with the new Fornero Law provisions. In addition, the agreement provides for the extension of the Fund also to the AISA (Italian Association of Assistance Companies) and to companies represented by it, which together with the sector Trade Unions requested inclusion in the insurance sector Solidarity Fund.

The objectives of the Fund are: 1) to act on behalf of employees which, under restructurings/reorganisations and/or crisis situations, require a changing and an updating of professional skills; 2) to introduce policies to support the salary of workers affected by a reduction in hours or a temporary suspension of employment and 3) to introduce actions to "assist the pension of those workers who will reach pensionable age within a maximum period of five years.

Also on a national level, in the first half of 2013 the ANIA National Collective Agreement for Senior Managers of Insurance Companies 7/6/2013 which renewed the previous Agreement of 15/10/2007 was signed. The renewal did not increase salary levels and introduced of a number of regulatory changes made necessary by the new pension provisions (Fornero law). The new National Collective Agreement is effective from 1/7/2013 and concludes on 30/6/2013.

Finally we highlight the conclusion of the National Collective Agreement of 7/3/2012 on 30/6/2013 which governed relations between insurance companies and non-managerial employees. Negotiations for a renewal have currently not commenced.

SPONSORSHIP

In the first half of 2013, the Fondiaria-SAI Group supported FAI – Fondo per l'Ambiente Italiano (Italian Environment Fund), the main Italian non-profit foundation for the protection, safeguarding and preservation of the artistic and natural heritage of our country.

FURTHER INFORMATION

IVASS authorisation procedure of the Merger

On 15 January 2013, IVASS, in response to the application drawn up jointly by Premafin, Fondiaria-SAI, Unipol Assicurazioni and Milano Assicurazioni on 28 December 2012 concerning authorisation for the merger by incorporation into Fondiaria-SAI of Premafin, Unipol Assicurazioni and possibly Milano Assicurazioni, communicated the commencement of the relative authorisation procedure from 28 December 2012. In relation to the approval of the merger, reference should be made to the section “Significant events after period-end”

On 28 January 2013, in accordance with Article 2501 *quarter*, first paragraph of the Civil Code, the merger by incorporation proposal of Fondiaria-SAI S.p.A, Premafin Finanziaria S.p.A. - Holding di Partecipazioni, Unipol Assicurazioni S.pA., and, pending further approval, Milano Assicurazioni S.p.A., approved by the Board of Directors of the participating companies in the merger on 20 December 2012 was filed at the registered office of the Company and published on the website of the Company in the Unipol - Fondiaria-SAI merger proposal section. The registration of the merger proposal at the Competent Company Registration offices is subjected to the authorisation of IVASS, in accordance with Article 201 of Legislative Decree No. 209 of 7 September 2005.

On 21 February 2013, IVASS, in relation to the merger application, requested from the Companies involved documentation and additional information and therefore communicated the suspension of the period for the authorisation procedure.

Authorisation was granted on 25 July 2013.
For details on the process, reference should be made to the section on significant events after period-end.

Ordinary Shareholders’ Meeting concerning the Corporate Responsibility Action Proposal in accordance with Articles 2392 and 2393 of the Civil Code

The Shareholders’ Meeting of Fondiaria-SAI S.p.A., called on the request of the *ad acta* representative Mr. Matteo Caratozzolo and meeting on 14 March 2013 in second call, approved by a 99.96% majority of ordinary shareholders represented at the meeting, the pursuit of the corporate responsibility action against those indicated in the Report prepared for the Shareholders’ Meeting by the *ad acta* representative and published in accordance with law.

Similarly, the Ordinary Shareholders’ Meeting of Milano Assicurazioni S.p.A., called on the request of the *ad acta* representative of Fondiaria-SAI S.p.A. Mr. Matteo Caratozzolo and meeting on 14 March 2013 in second call, approved by a 99.79% majority of ordinary shareholders represented at the meeting, the pursuit of the corporate responsibility action against those indicated in the Report prepared for the Shareholders’ Meeting by the *ad acta* representative and published in accordance with law.

In this regard IVASS, with decision of the Board of the Bank of Italy and provision No. 32-13-96 of 29 January 2013, heard the request for the extension of office by the *ad acta* Representative Mr. Matteo Caratozzolo, granting a further 45 days, following on from the original conclusion of the appointment scheduled for 31 January 2013 (as defined by ISVAP Provision No. 3001 of 12 September 2012), to extend the analysis work and commence compensatory actions and initiatives, also of a legal nature, in relation to the parties involved in the previous management of transactions with related parties which resulted in damage to the Insurance Group.
During the course of these activities, the *ad acta* representative experienced a number of operational difficulties which affected the carrying out of the essential verifications to fulfil the assignment and therefore required additional time to carry out the duties assigned.

Class A Special Savings Shareholders' Meeting

On 26 March 2013 the Class A Special Savings Shareholders' Meeting of Fondiaria-SAI S.p.A. approved the actions necessary to contest the motions passed by the Extraordinary Shareholders' Meeting of Fondiaria-SAI S.p.A. of 27 June 2012, and mandated the Joint Representative, Mr. Dario Trevisan, to cease all related action in course where the Board of Directors approves the conversion of the Class A savings shares into Class B savings shares in the ratio of 177 Class B savings shares for 1 Class A savings shares, with prior distribution to each Class A savings shares of a dividend of Euro 13.00.

Fondiaria-SAI repeats that – for the reasons illustrated in detail in the document published on 21 March 2013 and available on the website www.fondiaria-sai.it, in the section "Press Office", together with opinions from expert advisors – the prejudice claimed by the Class A savings shareholders is without any foundation. Despite this, as already outlined in the afore-mentioned document, Fondiaria-SAI reserves the right to verify (i) the feasibility, under the technical/legal profile, of the proposal to convert the Class A savings shares into Class B savings shares and (ii) the appropriateness from an economic viewpoint of any conversion.

CONSOB Request of 17/4/2013 - Prot. No. 13032789

On 17 April 2013, CONSOB requested Fondiaria-SAI (and Milano Assicurazioni under a separate request) pursuant to Article 114, paragraph 5, of Legislative Decree No. 58/98 to issue a press release outlining the reasons why the Board of Directors of the Company, in the consolidated financial statements approved on 20 March 2013, did not apply the provisions of IAS 8 relating to the comparative figures for the 2011 consolidated financial statements in order to correct the errors noted by CONSOB and contained in Decision No. 18430 of 21 December 2012.
Given the position of CONSOB, the Board of Directors considered it appropriate to adjust the consolidated financial statements approved on 20 March 2013 and on 24 April 2013 approved the inclusion, where applicable, in the Consolidated Directors' Report, Financial Statements and Explanatory Notes of the above-mentioned 2011 comparative figures restated in line that published on 27 December 2012, following the above-stated CONSOB Decision No. 18430.

This change did not affect the balance sheet and income statement at 31 December 2012, which were unchanged on those approved by the Board of Directors on 20 March 2013 and on which the re-statement of the 2011 data did not have any impact.

For further information in the regard, reference should be made to the 2012 Consolidated Annual Accounts and the section "Supplement to the 2012 consolidated financial statements following CONSOB request of 17 March 2013, Protocol No. 13032789".

Appointment of new Board of Directors

The Shareholders' Meeting of Fondiaria-SAI S.p.A. of 29 April 2013 appointed the Board of Directors for the three years 2013, 2014 and 2015 and, therefore, until the approval of the 2015 Annual Accounts.

In particular, the Shareholders' Meeting, on the basis of the slates presented confirmed the number of Directors as 19, as follows:

Fabio Cerchiai
Pierluigi Stefanini
Carlo Cimbri
Mario Zucchelli
Marco Pedroni
Ernesto Dalle Rive
Francesco Berardini
Ethel Frasinetti
Lorenzo Cottignoli
Milva Carletti
Maria Antonietta Pasquariello
Francesco Vella
Massimo Masotti
Nicla Picchi
Maria Lillà Montagnani
Barbara Tadolini
Maria Rosaria Maugeri
Vanes Galanti
Giorgio Ghiglieno.

The last director was appointed as the first candidate on the slate receiving the second highest number of votes.

Fabio Cerchiai was also appointed as Chairman of the Company, according to the proposal drawn-up by Premafin HP S.p.A..

Based on the declarations made on accepting their candidature 10 directors out of 19 are independent in accordance with the Self-Governance Code of listed companies and Article 148, paragraph 3 of the Consolidated Finance Act, specifically: Ethel Frasinetti, Milva Carletti, Maria Antonietta Pasquariello, Francesco Vella, Massimo Masotti, Nicla Picchi, Maria Lillà Montagnani, Barbara Tadolini, Maria Rosaria Maugeri and Giorgio Ghiglieno. The following were declared independent only in accordance with the Self-Governance Code of listed companies: Ernesto Dalle Rive, Francesco Berardini and Lorenzo Cottignoli.

The Board of Directors at the meeting of 28 May 2013 formally verified the independence of the qualifying Directors, in addition to appointing the Corporate Boards and the members of the Board Committees.

Bankruptcy of Im.Co. and Sinergia

On 14/6/2012 the second civil section of the Milan Court declared the bankruptcy of Sinergia and Im.Co., related companies of the Fondiaria SAI Group, as indirectly controlled by members of the Ligresti family.

Overall the companies of the Fondiaria SAI Group hold receivables for Euro 231 million, including the receivable from the company Avvenimenti e Sviluppo Alberghiero S.r.l., not yet declared bankrupt and wholly-owned by Im.Co..

Against these receivables and with the only exception of that from ASA S.r.l. (amounting to Euro 101.7 million), debt claim admissions for the liquidations of Im.Co. and Sinergia were presented.

Against receivables totalling Euro 129.3 million (excluding the receivable from ASA), claims were admitted for unsecured receivables of approx. Euro 111.4 million. For the residual receivables, oppositions which are still pending were filed.

The principal lending banks of Im.Co. and Sinergia reached an agreed bankruptcy (which provides for the participation also of the subsidiary BancaSai), in which all debts to “related parties”, therefore companies of the Fondiaria SAI Group, are cancelled through the transfer of land and buildings in their current state.

The lending banks will take on the payable to the IEO.

Due to the particular complexity of the issue, together with the fact that a debtor of the Fondiaria SAI Group (the ex-related party ASA) was not declared bankrupt, activities are in progress concerning a complete evaluation of possible solutions to safeguard the interests of the Group companies in relation to positions with the bankrupt companies.

In view of current developments within the administration procedures of Im.Co. S.p.A. and Sinergia, in addition to the liquidation of Avvenimenti e Sviluppo Alberghiero S.r.l., the valuations are considered reasonably prudent.

LITIGATION

Actions by shareholders

With regard to the proceedings instituted by shareholders of the subsidiary La Fondiaria Assicurazioni S.p.A. in the carrying out of the obligations of the public purchase offer pursuant to CONSOB regulation of December 2002, there is now only one first level proceeding pending before the Milan Court.

There are however two proceedings initiated by the Company for the reform of four judgements issued by the Court of Milan pending with the Milan Court of Appeal.
This latter court – in the nine second level judgments issued on the matter – has fully reformed the first instant sentences accepting the Company's objections and rejecting the request for compensation made by the claimants.
The Florence Court of Appeal, in the only case being heard in the city, confirmed the Judgment of the Florence Court, which rejected all of the compensation applications put forward.

There are four summary judgments currently before the Court of Cassation brought forth by Mr. Gazzoni Frascara, Mr. Orio, ABC Arbitrage and by Promofinan S.r.l. in appeal of the judgment in our favour that was handed down by the Milan Court of Appeal. The Company has counter-appealed. At the current moment, no date for the hearing has been set.

The Court of Cassation passed three judgments in which the decisions of the Milan Court of Appeal were reversed - in the judgments concerning Promofinan S.p.A., Mr. Marcegaglia and Mr. Savelli. The Court affirmed the right under which, in the case of a breach of a public purchase offer obligation on all of the shares of a Listed Company on a regulated market by those which, following the share purchases, possess a holding of more than 30% of the share capital, the shareholders to whom the offer should have been made the right to obtain compensation for the damage suffered - to be identified, contrary to that established by the actors and considered firstly by the Milan Court - such right no longer in the contractual gain (that would have been established where the sale of the shares, under the public purchase offer, had been agreed), but rather in the economic value of the loss of the offer. The Court of Cassation added that the shareholders bringing the action must demonstrate that they have incurred damages.

The Court of Cassation therefore resent the cases to the Milan Court of Appeal, of various types – following resumption by the respective parties - which must be duly examined in light of the principle established by the Court of Cassation, on which it must consider a multitude of exceptions of the Company considered absorbed or not examined in the Appeal judgments, which if accepted, would impede the Court of Appeal, in future re-considerations, from accepting the compensation claim, consequently acquitting the Company.

Currently two of the three cases judged upon at the Court of Cassation are before the Milan Court of Appeal.

The provisions for risks and charges are sufficient against the litigation in course.

Tax assessments

Following the tax assessments notified in December 2012 by the Tuscany Regional Office, under which remuneration paid to Mr. Salvatore Ligresti for consultancy was examined, an agreed settlement was reached with the payment of approx. Euro 8 million in February 2013. The charge was fully expensed to the 2012 income statement, as already fully provisioned.

The subsidiary Milano Assicurazioni settled through similar procedures contestations brought by the Lombardy Regional Office, with the payment in February 2013 of approx. Euro 4 million and the reduction of tax credits by Euro 0.8 million. Also in this case the charge had already been reflected in 2012 income statement.

SUBSEQUENT EVENTS AFTER THE END OF THE HALF-YEAR

Approval of the merger by incorporation into Fondiaria-SAI S.p.A. of Unipol Assicurazioni S.p.A., Premafin Finanziaria S.p.A. and, pending further approval, Milano Assicurazioni S.p.A..

With letter of 28 December 2012, supplemented on 22 May 2013, Fondiaria-SAI S.p.A., Unipol Assicurazioni S.p.A., Premafin Finanziaria S.p.A. and Milano Assicurazioni S.p.A. presented an application for approval in accordance with Article 201 of Legislative Decree No. 209 of 7 September 2005 and ISVAP Regulation No. 14/2008 for the merger by incorporation into Fondiaria-SAI S.p.A. of Unipol Assicurazioni S.p.A., Premafin Finanziaria S.p.A. and, pending further approval, Milano Assicurazioni S.p.A.. The company established under the merger will take the name “UnipolSai Assicurazioni S.p.A.”, in short “UnipolSai S.p.A.”.

Following the preliminary investigations, ISVAP declared in accordance with Article 201 of Legislative Decree No. 209 of 7 September 2005 and ISVAP Regulation No. 14/2008 the fulfillment - both in the case of the participation and non-participation of Milano Assicurazioni S.p.A. - of the conditions for the merger’s authorisation, concerning proper and prudent management and the holding of sufficient assets to cover the insurance contract liabilities and the solvency margin of the merging entity.

The Authority on 25/7/2013 approved, in accordance with Article 201 of Legislative Decree No. 209 of 7 September 2005 and ISVAP Regulation No. 14 of 18 February 2008, the merger by incorporation into Fondiaria-SAI S.p.A. of Unipol Assicurazioni S.p.A., Premafin Finanziaria S.p.A. and, pending further approval, Milano Assicurazioni S.p.A. and approved the related amendments to be made to the By-laws of the merging entity.

The Supervisory Authority also advised the implementation of a number of corrective measures to ensure over time greater operating efficiency and control, considering the increased complexity and size of the post-merger entity.
The above-stated corrective measures concern corporate governance, dividend policy, reinsurance and the development of controls and procedures over investments and contracted liabilities.

Actions against former Directors and Statutory Auditors

The Shareholders’ Meeting of Fondiaria-SAI S.p.A. of 30 July 2013 in second call approved by a 99.99% majority of ordinary Shareholders represented at the meeting the pursuit of a corporate responsibility action against some ex Directors and Statutory Auditors, as approved by the Board of Directors in the report prepared for the Shareholders’ Meeting and made public in accordance with law.

The action concerns a number of operations carried out by companies of the ex-Fondiaria-SAI Group with companies indirectly controlled by the Ligresti family, other than operations for which the Shareholders’ Meeting of 14 March 2013, on the proposal of the *ad acta* Representative Mr. Matteo Caratozzolo, had approved similar actions.

Appointment of the Independent Audit Firm

On 30 July 2013 the Shareholders' Meeting of Fondiaria-SAI approved the advance conclusion (with residual years 2013-2018) of the audit appointment of the company Reconta Ernst&Young S.p.A., in addition to the simultaneous appointment of PricewaterhouseCoopers S.p.A., principal Auditor of the Unipol Group, for the auditing of accounts for the period 2013-2021, in accordance with the terms and conditions indicated in the Shareholders' Meeting proposals' illustrative report.

Tax assessments

On 30 July 2013, the Large Contributions Office of the Tuscany Inland Revenue Department notified of ten tax assessments, contesting the deductibility of a portion of remuneration paid in the 2004-2008 period by Fondiaria-SAI to Jonella Ligresti, Maria Giulia Ligresti, Gioacchino Paolo Ligresti, Fausto Marchionni, Massimo Pini and Antonio Talarico and consequently requested the payment of higher IRES taxes, in addition to penalties and interest.

The tax assessments also contested the deductibility of costs for the funding of the company Laità S.r.l. in the 2004-2008 period and consequently requested higher IRES and IRAP taxes, in addition to penalties and interest.

The overall amount requested for IRES, IRAP, interest (calculated until 30/7/2013) and penalties (at a rate of 150%) totalled Euro 25.7 million. If accepted by the company the amount would reduce to Euro 13.7 million.

The contestations are based on the reasoning outlined in the *ad acta* Representative report prepared for the legal action requested by IVASS, the Board of Statutory Auditors' reports as per Article 2408 of the Civil Code of 16 March 2013, 18 April 2012 and 26 October 2012, Order No. 12096145 of 11 December 2012 of CONSOB and on the activities carried out on the appointment of the Public Prosecutor at the Florence Court (criminal proceeding No. 2199/09).

The company is evaluating whether to appeal the above-stated assessments, considering also the use of other legal instruments which would reduce the taxes and penalties sought. Sufficient provisions were made to offset the amounts requested.

OUTLOOK

With IVASS's approval of the merger at the end of July, in the coming months the actions already taken concerning the integration with the Unipol Group will be stepped up, in accordance with the conditions previously communicated to the market.

The merger is a fundamental and integral part of this operation, undertaken in order to establish a leading player in the insurance sector, improving and restructuring the management and coordination of the resulting entity, with a greater focus on the insurance business and strengthening the capital and solvency structure, within a simpler and increasingly transparent Group model.

The synergies gained from the merger will allow the new entity to benefit from the sharing and strengthening of those areas and processes which represent its best practice.

Bologna, 7 August 2013

For the Board of Directors
The Chairman

Fabio Cerchiai

Condensed Consolidated Half-Year Financial Statements

The present condensed consolidated financial statements as of and for the six months ended 30/6/2013 of the Fondiaria-SAI Group were prepared in accordance with IAS 34 and Article 154-*ter* of Legislative Decree 58/1998 (TUF). The valuation and measurement of the amounts in the Explanatory notes are in accordance with IAS/IFRS as currently endorsed by the European Union and their current interpretation by the official accounting organisations.

These financial statements do not include all of the information required for the annual financial statements and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2012.
The financial statements (financial position, income statement, comprehensive income statement, changes in net equity, cash flow, segment financial position and income statement) comply with that established by ISVAP Regulation No. 7 of 13 July 2007.

In the preparation of the interim financial statements Fondiaria-SAI prepares the consolidated financial statements according to IAS/IFRS applied on a consistent basis.

It should be noted that due to the requirements of having timely information and also to avoid repeating information already present in the annual financial statements, the present condensed half-year consolidated financial statements provide more limited information than the annual financial statements, although in accordance with the minimum disclosure as per IAS 34 and other regulatory provisions.

Financial Statements

STATEMENT OF FINANCIAL POSITION - ASSETS

(in Euro thousands)

		30/06/2013	31/12/2012
1	**INTANGIBLE ASSETS**	**1,052,084**	**1,160,227**
1.1	Goodwill	1,002,940	1,101,715
1.2	Other intangible assets	49,144	58,512
2	**PROPERTY, PLANT & EQUIPMENT**	**339,384**	**373,111**
2.1	Property	289,874	304,203
2.2	Other property, plant & equipment	49,510	68,908
3	**INSURANCE LIABILITIES - REINSURERS SHARE**	**689,967**	**807,304**
4	**INVESTMENTS**	**30,104,037**	**33,859,082**
4.1	Investment property	1,997,647	2,200,774
4.2	Investments in subsidiaries, associates and interests in joint ventures	129,936	125,799
4.3	Held to maturity investments	606,712	718,119
4.4	Loans and receivables	3,404,551	3,527,030
4.5	Available-for-sale financial assets	17,762,788	20,848,041
4.6	Financial assets at fair value through profit or loss	6,202,403	6,439,319
5	**OTHER RECEIVABLES**	**1,599,700**	**2,090,995**
5.1	Receivables relating to direct insurance business	873,620	1,322,826
5.2	Receivables relating to reinsurance business	62,742	64,750
5.3	Other receivables	663,338	703,419
6	**OTHER ASSETS**	**5,397,997**	**1,534,590**
6.1	Non-current assets held for sale or disposal groups	3,989,676	3,335
6.2	Deferred acquisition costs	58,111	52,250
6.3	Deferred tax assets	798,617	954,429
6.4	Current tax assets	283,907	299,485
6.5	Other assets	267,686	225,091
7	**CASH AND CASH EQUIVALENTS**	**672,426**	**560,228**
	TOTAL ASSETS	**39,855,595**	**40,385,537**

STATEMENT OF FINANCIAL POSITION – SHAREHOLDERS' EQUITY & LIABILITIES

(in Euro thousands)

		30/06/2013	31/12/2012
1	**EQUITY**	**2,865,789**	**2,762,674**
1.1	**attributable to the owners of the Parent**	**2,216,810**	**2,115,707**
1.1.1	Share Capital	1,194,573	1,194,573
1.1.2	Other equity instruments	0	0
1.1.3	Equity-related reserves	198,883	669,626
1.1.4	Income related and other reserves	611,999	898,822
1.1.5	(Treasury shares)	-68,197	-68,197
1.1.6	Translation reserve	-67,764	-65,970
1.1.7	Gains or loss on available-for-sale financial assets	226,557	257,597
1.1.8	Other gains and losses recorded directly in equity	2,853	-21,027
1.1.9	Profit/(loss) for the period attributable to the owners of the Parent	117,906	-749,717
1.2	**attributable to non-controlling interests**	**648,979**	**646,967**
1.2.1	Share capital and reserves attributable to non-controlling interests	574,363	673,611
1.2.2	Gains and losses recorded directly in equity	21,011	23,236
1.2.3	Profit/(loss) for the period attributable to non-controlling interests	53,605	-49,880
2	**PROVISIONS**	**283,259**	**271,877**
3	**INSURANCE CONTRACT LIABILITIES**	**29,759,757**	**33,657,899**
4	**FINANCIAL LIABILITIES**	**2,116,145**	**2,315,626**
4.1	Financial liabilities at fair value through profit or loss	569,225	568,575
4.2	Other financial liabilities	1,546,920	1,747,051
5	**PAYABLES**	**638,755**	**764,922**
5.1	Payables arising from direct insurance business	78,128	96,388
5.2	Payables arising from reinsurance business	63,683	67,876
5.3	Other payables	496,944	600,658
6	**OTHER LIABILITIES**	**4,191,890**	**612,539**
6.1	Liabilities associated with disposal groups	3,726,786	0
6.2	Deferred tax liabilities	118,435	178,189
6.3	Current tax liabilities	23,934	54,101
6.4	Other liabilities	322,735	380,249
	TOTAL EQUITY AND LIABILITIES	**39,855,595**	**40,385,537**

INCOME STATEMENT

(in Euro thousands)

		H1 2013	H1 2012
1.1	Net premiums	5,234,868	4,925,687
1.1.1	*Gross premiums*	*5,402,462*	*5,087,222*
1.1.2	*Ceded premiums*	*-167,594*	*-161,535*
1.2	Commission income	5,730	4,987
1.3	Gains and losses on remeasurement of financial instruments at fair value through profit or loss	7,760	325,515
1.4	Gains on investments in subsidiaries, associates and interest in joint ventures	68	667
1.5	Gains on other financial instruments and investment property	615,556	636,518
1.5.1	*Interest income*	*442,341*	*407,698*
1.5.2	*Other gains*	*64,126*	*92,474*
1.5.3	*Realised gains*	*106,974*	*129,592*
1.5.4	*Unrealised gains*	*2,115*	*6,754*
1.6	Other income	236,640	175,724
1	**TOTAL REVENUES AND INCOME**	**6,100,622**	**6,069,098**
2.1	Net charges relating to claims	-4,374,652	-4,447,543
2.1.2	*Amounts paid and changes in insurance contract liabilities*	*-4,468,435*	*-4,602,766*
2.1.3	*Reinsurers' share*	*93,783*	*155,223*
2.2	Commission expenses	-3,106	-4,418
2.3	Losses on investments in subsidiaries, associates and interests in joint ventures	-2,878	-8,567
2.4	Losses on other financial instruments and investment property	-182,981	-225,869
2.4.1	*Interest expense*	*-27,476*	*-31,935*
2.4.2	*Other charges*	*-33,774*	*-34,300*
2.4.3	*Realised losses*	*-41,171*	*-45,627*
2.4.4	*Unrealised losses*	*-80,560*	*-114,007*
2.5	Operating expenses	-800,438	-858,607
2.5.1	*Commissions and other acquisition costs*	*-587,351*	*-645,754*
2.5.2	*Investment management expenses*	*-7,916*	*-7,085*
2.5.3	*Other administration expenses*	*-205,171*	*-205,768*
2.6	Other costs	-418,431	-439,242
2	**TOTAL COSTS AND EXPENSES**	**-5,782,486**	**-5,984,246**
	PRE-TAX PROFIT FOR THE PERIOD	**318,136**	**84,852**
3	Income taxes	**-146,625**	**-48,765**
	NET PROFIT FOR THE PERIOD	**171,511**	**36,087**
4	**PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS**		**-11,144**
	CONSOLIDATED PROFIT FOR THE PERIOD	**171,511**	**24,943**
	attributable to the owners of the parent	117,906	7,565
	attributable to non-controlling interests	53,605	17,378

COMPREHENSIVE INCOME STATEMENT FOR THE FIRST HALF OF 2013

In accordance with IAS 1.82A (introduced with the amendment to IAS 1 issued on 16 June 2011, enacted through Regulation (EC) 475/2012 and applicable to financial statements beginning 1 July 2012), the "Other Comprehensive Income Statement items" accounts are categorised by type and as to whether or not they may be reclassified to profit (loss) for the period in the presence of particular conditions.

While awaiting the issue of a new statement which includes the recent regulatory amendments, the Comprehensive Income Statement in accordance with IVASS Regulation No.7 has been replaced with that attached below in order to satisfy the disclosure requirements of IAS 1.82A.

COMPREHENSIVE INCOME STATEMENT

(in Euro thousands)

	H1 2013	H1 2012
CONSOLIDATED PROFIT	**171,511**	**24,943**
Other items net of taxes which may not be recognised to P&L		
Change in net equity of holdings		
Change in revaluation reserve of intangible assets		
Change in revaluation reserve of tangible fixed assets		
Income/(charges) on non-current assets held for sale or disposal group		
Actuarial profits and losses and adjustments to employee defined plans	775	-3,821
Others items		
Other items net of taxes which may be recognised to P&L		
Change in reserve for net exchange differences	-1,794	-13,708
Profit or loss on available-for-sale financial assets	-34,435	295,470
Profit or loss on cash flow hedges	17,241	-8,014
Profit or loss on a net foreign investment hedge		
Change in net equity of holdings	7,034	-1,178
Income/(charges) on non-current assets held for sale or disposal group		
Others items		
TOTAL OTHER COMPREHENSIVE INCOME STATEMENT ITEMS	**-11,179**	**268,749**
TOTAL COMPREHENSIVE CONSOLIDATED INCOME	**160,332**	**293,692**
attributable to the owners of the parent	**108,952**	**188,765**
attributable to non-controlling interests	**51,380**	**104,927**

STATEMENT OF CHANGES IN THE CONSOLIDATED SHAREHOLDERS' EQUITY AS AT 30 JUNE 2013

In relation to the statement of change in shareholders' equity, the statement requested by Regulation No. 7/07, which satisfies the disclosures of IAS 1 and the amendments introduced by ISVAP measure No. 2784 of 8 March 2010 is presented below.

In particular:

- The "Allocation" relates to, among others, the allocation of the result for the year, the allocation of the result for the previous year to reserves, the increase in share capital and other reserves, and the changes in unrealised gains and losses through equity.
  The column "Adjustments from reclassification to the Income Statement" includes the gains and losses previously recorded through equity which are reclassified in the to the Income Statement in accordance with international accounting standards;
- The account "Transfers" reports, among others, the ordinary distribution of dividends and the decrease of capital and other reserves, among which the purchase of treasury shares.

The statement highlights all the changes net of taxes and of profits and losses, deriving from the valuation of financial assets available-for-sale, attributable to policyholders and recordable under insurance liabilities.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in Euro thousand

		Balance at 31-12-2011	Change in opening balances	Allocation	Adjustments from reclassifications to Income Statement	Transfers	Balance at 30-06-2012
Group equity	Share Capital	494,731					494,731
	Other equity instruments	0					0
	Equity-related reserves	315,460					315,460
	Income related and other reserves	1,834,570	-286,000	-567,901			980,669
	(Treasury shares)	-213,026					-213,026
	Profit/(loss)	-852,719	286,000	574,284			7,565
	Other comprehensive income	-542,064		118,482	62,718		-360,864
	Attributable to the owners of the group	**1,036,952**	**0**	**124,865**	**62,718**	**0**	**1,224,535**
Non-controlling interest equity	Share capital and reserves	903,659	-53,000	-127,855		0	722,804
	Profit/(loss)	-181,919	53,000	146,297		0	17,378
	Other comprehensive income	-201,984		57,987	29,562		-114,435
	Attributable to non-controlling interests	**519,756**	**0**	**76,429**	**29,562**	**0**	**625,747**
Total		**1,556,708**	**0**	**201,294**	**92,280**	**0**	**1,850,282**

(in Euro thousand

		Balance at 31-12-2012	Change in opening balances	Allocation	Adjustments from reclassifications to Income Statement	Transfers	Balance at 30-06-2013
Group equity	Share Capital	1,194,573					1,194,573
	Other equity instruments	0					0
	Equity-related reserves	669,626		-470,743			198,883
	Income related and other reserves	898,822		-286,823		0	611,999
	(Treasury shares)	-68,197					-68,197
	Profit/(loss)	-749,717		867,623		0	117,906
	Other comprehensive income	170,600		7,005	-15,959	0	161,646
	Attributable to the owners of the group	**2,115,707**	**0**	**117,062**	**-15,959**	**0**	**2,216,810**
Non-controlling interest equity	Share capital and reserves	673,611		-99,248		0	574,363
	Profit/(loss)	-49,880		103,485		0	53,605
	Other comprehensive income	23,236		-243	-1,982		21,011
	Attributable to non-controlling interests	**646,967**	**0**	**3,994**	**-1,982**	**0**	**648,979**
Total		**2,762,674**	**0**	**121,056**	**-17,941**	**0**	**2,865,789**

CONSOLIDATED CASH FLOW STATEMENT AT 30 JUNE 2013

In relation to the Cash Flow Statement, the attachment as per Regulation 7/2007, which complies with IAS 7, is provided; this accounting standard requires that the preparation of the statement satisfies some minimum requirements and, that the presentation of the cash flow from operating activities is prepared using, the direct method, which indicates the main categories of gross receipts and payments, or alternatively the indirect method, in which the results for the period are adjusted for the effects of non-cash items, of any deferral or accrual of future operating receipts and payments, and of revenues or costs relating to financial cash flows deriving from investments or financial activities.
The following cash flow statement, prepared using the indirect method, sets forth separately the net cash flow from operating activity and the net cash flows from investing and financing activities.

CASH FLOW STATEMENT (indirect method)

(in Euro thousands)	30/06/2013	30/06/2012
Profit before taxes	**318,136**	**84,852**
Non-cash adjustments	**-442,361**	**-1,726,198**
Change in non-life unearned premium provision	-81,930	-91,736
Change in claims provision and other non-life insurance contract liabilities	-386,903	-257,866
Change in actuarial provisions and other life insurance contract liabilities	45,512	-1,412,290
Change in deferred acquisition costs	-10,201	-845
Change in provisions	32,065	-25,806
Non-cash income/charges from financial instruments, property investments and holdings	-28,447	-92,375
Other Changes	-12,457	154,720
Change in payables and receivables from operating activities	**22,012**	**299,175**
Change in payables and receivables from direct insurance operations and reinsurance	103,641	233,910
Change in other payables and receivables	-81,629	65,265
Income taxes paid	**-30,903**	**-8,977**
Net Cash generated/absorbed from cash items relating to investing and financing activities	**265,560**	**1,195,465**
Liabilities from financial contracts issued by insurance companies	-1,608	-625,630
Bank and interbank payables	19,474	-25,688
Loans and receivables from banks and interbank	22,028	-202,543
Other financial instruments at fair value through profit or loss	225,666	2,049,326
TOTAL NET CASH FLOW FROM OPERATING ACTIVITIES	**132,444**	**-155,683**
Net cash generated/absorbed from property investments	12,690	67,589
Net cash generated/absorbed from investments in subsidiaries, associates and joint ventures	-5,396	783
Net cash generated/absorbed from loans and receivables	37,401	20,024
Net cash generated/absorbed from investments held to maturity	38,470	-126,070
Net cash generated/absorbed from AFS financial assets	-22,653	93,057
Net cash generated/absorbed from intangible and tangible fixed assets	-13,595	-8,027
Net cash generated/absorbed from investing activities	0	85,307
TOTAL NET CASH FLOW FROM INVESTNG ACTIVITIES	**46,917**	**132,663**
Net cash generated/absorbed from Group equity instruments	0	0
Net cash generated/absorbed from treasury shares	0	0
Distribution of dividends relating to the Group	0	0
Net cash generated/absorbed from minority interest capital and reserves	0	0
Net cash generated/absorbed from subordinated liabilities and financial instruments in holdings	0	0
Net cash generated/absorbed from other financial liabilities	-46,158	3,592
TOTAL NET CASH FLOW FROM INVESTNG ACTIVITIES	**-46,158**	**3,592**
Exchange difference effect on cash and cash equivalents	**-388**	**-3,319**
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	560,228	976,582
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	132,815	-22,747
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD*	693,043	953,835

* includes cash and cash equivalents of non-current assets held for sale or disposal groups (Euro 20.6 million)

Explanatory Notes

PART A - Accounting principles

The accounting principles utilised, the measurement and recognition criteria, in addition to the consolidation principles applied for the preparation of the Condensed consolidated interim financial statements at 30/6/2013, are in line with those adopted for the Consolidated financial statements at 31 December 2012 - to which reference should be made - and therefore are in compliance with the IAS/IFRS international accounting standards issued by the IASB approved by the EU and interpreted by the official bodies.
Reference should therefore be made to the 2012 consolidated financial statements for detailed illustration of the methods utilised.
The adoption of new accounting standards starting from 1 January 2013 (including the amendment to IAS 12 – "Income Tax – Deferred Taxes: recovery of the underlying assets", adopted by the European Commission with Regulation 1255/2012 of 11 December 2012, published in the Official Gazette of the European Union No. 360 of 29 December 2012, did not have significant impacts on the present Condensed Interim Consolidated Financial Statements at 30/6/2013.
In June 2012 the new IAS 19 was approved which, among other issues, abolishes the corridor approach. The standard will be effective from 1 January 2013, however we do not expect it to have a significant impact on the consolidated financial statements.
Regulation (EC) No. 1254/2012 of the Commission of 11 December 2012 published in the Official Gazette No. 360 of 29 December 2012, adopted IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of interests in other entities", in addition to the amendments to IAS 27 "Separate financial statements" and IAS 28 "Investments in associates and joint ventures", establishing that the companies may apply the above-stated standards at the latest from the beginning of their first financial period after 1 January 2014.
In particular, IFRS 10 establishes a single consolidated financial statement model which establishes control as a basis for the consolidation of all types of entities. IFRS 10 replaces IAS 27 Consolidated and Separate Financial Statements and Interpretation 12 of the Standing Interpretations Committee (SIC) "Consolidation – Special purpose entities" (SIC 12); compared to the provisions of IAS 27, the changes introduced by IFRS 10 require management to undertake discretional assessments to determine which companies are subsidiaries, and therefore, must be consolidated by the parent company.
Following the issue of IFRS 13 "Fair value measurement", in force from 01/01/2013, no significant impacts are recorded, while the new disclosure requirements have been complied with.

The statement of financial position and the income statement data and related Explanatory notes have been prepared in accordance with IAS 34 "Interim Financial Reporting", presenting the significant operations and events occurred in the period.
In the preparation of the interim financial statements, the application of the accounting standards and policies requires a greater use of estimates and assumptions which affect the amount of assets, liabilities, revenues and expenses.
The estimates and assumptions are revised regularly, and any changes are recorded in the period in which they are carried out.

Non-Life Claims Provisions

Current Year – MV TPL

For current claims, the valuation of the provision, in consideration of the low maturity levels reached by these claims, also took account of valuations related to the average cost of the same generation, relating this value also to the available market targets. In particular the insurance contract liabilities, established through a precise table of statistical average costs (except for specific changes made by the loss adjuster networks), was supplemented in order to obtain an average current accepted claims cost in line with that established for 2012, taking account of the forecasts for the present year, the development of the portfolio and the proportion of injury claims.

Current Year – Other Non-Life Classes

As the loss adjusters carry out inventory taking of claims made in the final quarter of the year, the claims provision valuation in the half-year was carried out in consideration of the loss adjuster's estimates, taking account also the overall revaluation made last year and evident on conclusion of inventory taking.

Prior Generations – All Non-Life Classes

For prior year claims, already recorded to provisions at the beginning of the period, the valuation was based on the last costs at the end of 2012, utilising robust statistical methodology of the claims cost, taking account of the reversals to the provision in the period.

Reinsurance

The reinsurers share of insurance liabilities are calculated based on the portion ceded for the proportional reinsurance contracts and in a previsional manner for reinsurance contracts in excess and stop-loss, on the basis of the information available and utilising the same criteria for the direct premium provision, taking into account the contractual clauses.

The items relating to the indirect insurance premiums represent the portion of the results estimated for the full year; in the determination of the amounts, reference was made to the certified data relating to mandatory contracts accepted by the companies outside of the Group, whose technical results refer to the year 2012.

Valuation and impairment of financial instruments

With reference to the valuation of financial instruments, reference should be made to the consolidated financial statements for the year ended 31/12/2012.

The "fair value policy" outlined therein did not incur changes and, therefore, with reference to the financial instruments listed in active markets, the stock exchange price at 30/6/2013 was utilised.

Consequently in this half-year financial statements, the income statement includes impairment losses on financial assets available-for-sale, due to the application of the automatic criteria already described in the consolidated financial statements for the year ended 31/12/2012 and which identified temporal and quantitative limits for the recording of a prolonged or significant reduction of fair value as per paragraph 61 of IAS 39.

It is recalled that for the purposes of objective impairment, the Group has defined the conditions of a prolonged or significant reduction of fair value, as follows:

1. Reduction in market value greater than 50% of the original cost at the reporting date of the financial statements;
2. a market value continuously lower than the original book value, for a period of three years.

Reclassification of financial instruments

We recall that in accordance with IAS 39, as enacted in October 2008 through the approval of Regulation (EC) No 1004/2008, a financial asset classified as available for sale may be reclassified in the category "Loans and Receivables" provided that it complies with the requirements contained in the definition of loans and receivables, and that the Group has the intention and the capacity to hold the financial asset for the foreseeable future or until maturity.

The Group decided to avail of this option and at 1 January 2009 reclassified to "Loans and Receivables" some debt securities for Euro 808,419 thousand that at 31 December 2008 were recorded within the category "Available for sale". These securities, principally containing subordination clauses and issued by corporate parties, were measured at fair value at 31 December 2008 through mark to model, with the objective to provide maximum transparency and clarification in the valuations of the accounts.
The value transferred is equal to 2.4 % of the total amount of the Investments of the Group at 1/1/2009: therefore this reclassification operation was not considered significant for the purposes of the compilation of the attachment relating to the "Details of the financial assets reclassified and of the effects on the income statement and on comprehensive income".

At 30/6/2013 the residual value of the transferred securities was Euro 705,313 thousand and the fair value at that date, determined on the basis of the above-mentioned mark to model method, substantially confirms the book value at the date of the present report. There was no permanent loss in value on any security and the effect of the amortised cost resulted in the recording of income of Euro 7,697 thousand in the Income Statement. The residual negative AFS reserve recorded on these securities at 1/1/2009 amounted to Euro 75,222 thousand and is amortised in accordance with the provisions of IAS 39. At 30 June 2013 the residual value amounted to Euro 29,353 thousand (Euro 33,386 thousand at 31/12/2012).

Application of IFRS 5

Considering that outlined in the Directors' Report concerning the planned disposals under the Anti-trust Authority Order, in May 2013 the Board of Directors of Milano Assicurazioni S.p.A., of Fondiaria – Sai S.p.A. and of Unipol Gruppo Finanziario S.p.A. identified, within their respective remits, also in exercising direction and coordination of the Group, the assets subject to disposal and approved the Information Memorandum which was sent to interested investors.
At the date of the present Report, no binding offers have yet been received, however the requirements for the application of IFRS 5 – Non-current assets held for sale have been fulfilled and the amounts relating to assets and liabilities associated with disposal groups are classified according to IFRS 5.

In particular, in the consolidated statement of financial position the assets held for sale were reclassified to the single account called “Non-current assets held for sale or disposal groups” (account 6.1 of Assets), while the liabilities were similarly reclassified to a single account called “Liabilities associated with disposal groups” (account 6.1 Liabilities). Both the accounts are net of inter-company transactions.
As the assets and liabilities within the disposal group do not represent collectively “disposed operating assets”, the income components held for sale are stated according to the normal classification rules through the various income statement accounts. However, considering that the group held for sale comprises a very small composition of assets and liabilities relating to an independently identified cash generating unit, for completeness, in Part E of the present notes the results of this cash generating unit are reported.
The application of IFRS 5 did not have any effects on the consolidated results, nor on the consolidated equity.

The breakdown of reclassified assets and liabilities are shown also in Part E, to which reference should be made.

Consolidation principles

The consolidation methods utilised in the half-year report are consistent with those applied for the last consolidated financial statements.
For detailed information on them, reference should be made to the latter. Any references to 31 December should be considered as similar for 30 June.

For the preparation of the consolidated half-year report, the half-year financial statements approved by the Boards of Directors of the respective Companies were utilised or, alternatively, the half-year financial statements which were reviewed by the respective management boards.

Currency

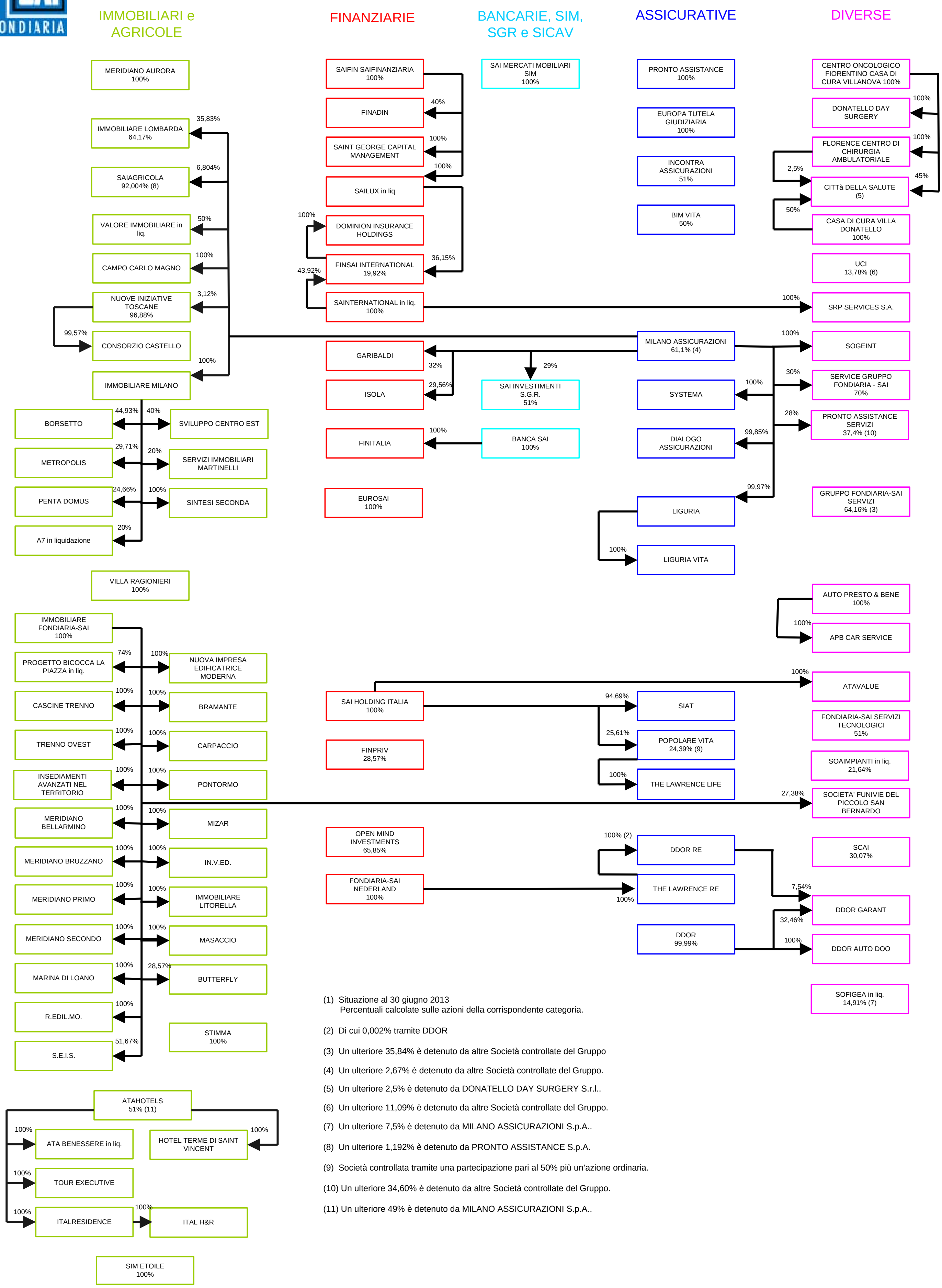
The present interim condensed consolidated financial statements are expressed in Euro which is the functional currency in which the majority of the operations of the Group are carried out. It is also reported in the interim accounts whether the amounts are in thousands or millions of Euro. Where applicable, the translation of the interim financial statements expressed in currencies other than the Euro is carried out applying the exchange rates at the reporting date for the statement of the financial position items and the average between the beginning and the end of the period exchange rate for the income statement items.

Consolidation scope

At 30/6/2013, the Fondiaria-SAI Group, including the Parent Company Fondiaria-SAI, was made up of 102 Companies, of which 16 operate in the insurance sector, one in the banking sector, 41 in the real estate and agricultural sectors and 16 in the financial services sector; the remaining companies are various service companies. The foreign companies within the Group number 17.
The number of fully consolidated companies is 76, those consolidated under the Equity Method 16, while the remaining companies are maintained at cost due to limited size or the nature of the activities and are not significant for the purposes of a true and fair representation of the present financial statements.
Subsidiary companies number 81, of which 29 directly controlled by the Parent Company Fondiaria-SAI.
The consolidation scope was unchanged in the first half of 2013.

Finally, in accordance with IAS 27 paragraph 40 d) the associated company Fondiaria-SAI Servizi Tecnologici S.p.A. is valued at net equity in that, although Fondiaria-SAI has a majority shareholding (51%) of the voting rights, the operating control of the company is undertaken by the other shareholder Hp Enterprise Services Italia S.r.l. in accordance with governance agreements made.

SOCIETA' CONTROLLATE E COLLEGATE(1)



(1) Situazione al 30 giugno 2013
Percentuali calcolate sulle azioni della corrispondente categoria.

(2) Di cui 0,002% tramite DDOR

(3) Un ulteriore 35,84% è detenuto da altre Società controllate del Gruppo

(4) Un ulteriore 2,67% è detenuto da altre Società controllate del Gruppo.

(5) Un ulteriore 2,5% è detenuto da DONATELLO DAY SURGERY S.r.l..

(6) Un ulteriore 11,09% è detenuto da altre Società controllate del Gruppo.

(7) Un ulteriore 7,5% è detenuto da MILANO ASSICURAZIONI S.p.A..

(8) Un ulteriore 1,192% è detenuto da PRONTO ASSISTANCE S.p.A.

(9) Società controllata tramite una partecipazione pari al 50% più un'azione ordinaria.

(10) Un ulteriore 34,60% è detenuto da altre Società controllate del Gruppo.

(11) Un ulteriore 49% è detenuto da MILANO ASSICURAZIONI S.p.A..

	Sector	Percentage of control Direct		Indirect	Group interest
SUBSIDIARY COMPANIES					
Companies consolidated fully:					
APB CAR SERVICE S.r.l. Turin Share Capital Euro 10,000	Services		AUTO PRESTO&BENE S.p.A.	100.00	100.00
ATAHOTELS COMPAGNIA ITALIANA AZIENDE TURISTICHE ALBERGHIERE S.p.A. Milan Share Capital Euro 15,000,000	Services	51.00	MILANO ASSICURAZIONI S.p.A.	49.00	82.06
ATAVALUE S.r.l. Turin Share Capital Euro 10,000	Services		SAI HOLDING ITALIA S.p.A.	100.00	100.00
ATHENS R.E. FUND – FONDO SPECULATIVO	Real Estate		MILANO ASSICURAZIONI S.p.A.	100.00	63.39
AUTO PRESTO&BENE S.p.A. Turin Share Capital Euro 2,619,061	Services	100.00			100.00
BANCASAI S.p.A. Turin Share Capital Euro 116,677,161	Banking	100.00			100.00
BIM VITA S.p.A. Turin Share Capital Euro 11,500,000	Life Insurance	50.00			50.00
BRAMANTE S.r.l. Milan Share Capital Euro 10,000	Real Estate		IMMOBILIARE FONDIARIA-SAI S.r.l.	100.00	100.00
CAMPO CARLO MAGNO S.p.A. Milan Share Capital Euro 9,311,200	Real Estate		MILANO ASSICURAZIONI S.p.A.	100.00	63.39
CARPACCIO S.r.l. Milan Share Capital Euro 10,000	Real Estate		IMMOBILIARE FONDIARIA-SAI S.r.l.	100.00	100.00
CASA DI CURA VILLA DONATELLO S.p.A. Florence Share Capital Euro 361,200	Services	100.00			100.00
CASCINE TRENNO S.r.l. Turin Share Capital Euro 10,000	Real Estate		IMMOBILIARE FONDIARIA-SAI S.r.l.	100.00	100.00
CENTRO ONCOLOGICO FIORENTINO CASA DI CURA VILLANOVA S.r.l. Sesto Fiorentino (FI) Share Capital Euro 182,000	Services	100.00			100.00

	Sector	Percentage of control Direct		Indirect	Group interest
CITTÀ DELLA SALUTE S.c.r.l. Florence Share Capital Euro 100,000	Services		CASA DI CURA VILLA DONATELLO S.p.A. CENTRO ONCOLOGICO FIORENTINO CASA DI CURA VILLANOVA S.r.l. DONATELLO DAY SURGERY S.r.l. FLORENCE CENTRO DI CHIRURGIA AMBULATORIALE S.r.l.	50.00 45.00 2.50 2.50	100.00
CONSORZIO CASTELLO Florence Share Capital Euro 401,000	Real Estate		NUOVE INIZIATIVE TOSCANE S.r.l.	99.57	98.43
DDOR NOVI SAD ADO Novi Sad (Serbia) Share capital Rsd 2,579,597,280	Mixed Insurance	99.99			99.99
DDOR RE JOINT STOCK REINSURANCE COMPANY Novi Sad (Serbia) Share capital. Rsd 575,550,000	Insurance		THE LAWRENCE R.E. DDOR NOVI SAD ADO	99.998 0.002	100.00
DIALOGO ASSICURAZIONI S.p.A. Milan Share Capital Euro 8,831,774	Non-Life Insurance		MILANO ASSICURAZIONI S.p.A.	99.85	63.29
DOMINION INSURANCE HOLDING Ltd London (GB) Share Capital GBP 35,438,267.65	Financial		FINSAI INTERNATIONAL S.A.	100.00	100.00
DONATELLO DAY SURGERY S.r.l. Florence Share Capital Euro 20,000	Services		CENTRO ONCOLOGICO FIORENTINO CASA DI CURA VILLANOVA S.r.l.	100.00	100.00
EUROPA TUTELA GIUDIZIARIA S.p.A. Milan Share Capital Euro 5,160,000	Non-Life Insurance	100.00			100.00
EUROSAI FINANZIARIA DI PARTECIPAZIONI S.r.l. Turin Share Capital Euro 100,000	Financial	100.00			100.00
FINITALIA S.p.A. Milan Share Capital Euro 15,376,285	Financial		BANCASAI S.p.A.	100.00	100.00
FINSAI INTERNATIONAL S.A. Luxembourg Share Capital Euro 44,131,900	Financial	19.92	SAINTERNATIONAL S.A. SAILUX S.A.	43.93 36.15	100.00
FLORENCE CENTRO DI CHIRURGIA AMBULATORIALE S.r.l. Florence Share Capital Euro 10,400	Services		CENTRO ONCOLOGICO FIORENTINO CASA DI CURA VILLANOVA S.r.l.	100.00	100.00
FONDIARIA-SAI NEDERLAND B.V. Amsterdam (NL) Share Capital Euro 19,070	Financial	100.00			100.00

	Sector	Percentage of control: Direct		Indirect	Group interest
GRUPPO FONDIARIA-SAI SERVIZI S.c.r.l. Milan Share capital Euro 5,200,000	Services	64.16	MILANO ASSICURAZIONI S.p.A. SYSTEMA COMPAGNIA DI ASS.NI S.p.A. DIALOGO ASSICURAZIONI S.p.A. EUROPA TUTELA GIUDIZ. S.p.A. FINITALIA S.p.A. INCONTRA ASSICURAZIONI S.p.A. THE LAWRENCE R.E. BANCASAI S.p.A. PRONTO ASSISTANCE S.p.A. SAI MERCATI MOBILIARI SIM S.p.A. LIGURIA SOC. DI ASSICURAZIONI S.p.A. LIGURIA VITA S.p.A. PRONTO ASSISTANCE SERVIZI S.c.a.r.l. BIM VITA S.p.A. SIAT SOC. ITALIANA ASS. E RIASS. S.p.A. AUTO PRESTO&BENE S.r.l. IMMOBILIARE LOMBARDA S.p.A.	34.21 0.18 0.20 0.02 0.02 0.02 0.02 0.02 0.90 0.02 0.02 0.02 0.02 0.02 0.11 0.02 0.02	87.29
IMMOBILIARE FONDIARIA-SAI S.r.l. Turin Share Capital Euro 20,000	Real Estate	100.00			100.00
IMMOBILIARE LITORELLA S.r.l. Milan Share Capital Euro 10,329	Real Estate		IMMOBILIARE FONDIARIA-SAI S.r.l.	100.00	100.00
IMMOBILIARE LOMBARDA S.p.A. Milan Share Capital Euro 24,493,509.56	Real Estate	64.17	MILANO ASSICURAZIONI S.p.A.	35.83	86.88
IMMOBILIARE MILANO ASSICURAZIONI S.r.l. Turin Share Capital Euro 20,000	Real Estate		MILANO ASSICURAZIONI S.p.A.	100.00	63.39
INCONTRA ASSICURAZIONI S.p.A. Milan Share Capital Euro 5,200,000	Non-Life Insurance	51.00			51.00
INIZIATIVE VALORIZZAZIONI EDILI – IN.V.ED. S.r.l. Milan Share Capital Euro 10,329	Real Estate		IMMOBILIARE FONDIARIA-SAI S.r.l.	100.00	100.00
INSEDIAMENTI AVANZATI NEL TERRITORIO I.A.T. S.p.A. Milan Share Capital Euro 2,580,000	Real Estate		IMMOBILIARE FONDIARIA-SAI S.r.l.	100.00	100.00
ITALRESIDENCE S.r.l. Pieve Emanuele (MI) Share Capital Euro 100,000	Services		ATAHOTELS S.p.A.	100.00	82.06
LIGURIA SOCIETÀ DI ASSICURAZIONI S.p.A. Milan Share Capital Euro 36,800,000	Non-Life Insurance		MILANO ASSICURAZIONI S.p.A.	99.97	63.37
LIGURIA VITA S.p.A. Milan Share Capital Euro 6,000,000	Life Insurance		LIGURIA SOC. DI ASSICURAZIONI S.p.A.	100.00	63.37

	Sector	Percentage of control Direct		Indirect	Group interest
MARINA DI LOANO S.p.A. Milan Share Capital Euro 5,536,000	Real Estate		IMMOBILIARE FONDIARIA-SAI S.r.l.	100.00	100.00
MASACCIO S.r.l. Milan Share Capital Euro 10,000	Real Estate		IMMOBILIARE FONDIARIA-SAI S.r.l.	100.00	100.00
MERIDIANO AURORA S.r.l. Milan Share Capital Euro 10,000	Real Estate	100.00			100.00
MERIDIANO BELLARMINO S.r.l. Turin Share Capital Euro 10,000	Real Estate		IMMOBILIARE FONDIARIA-SAI S.r.l.	100.00	100.00
MERIDIANO BRUZZANO S.r.l. Turin Share Capital Euro 10,000	Real Estate		IMMOBILIARE FONDIARIA-SAI S.r.l.	100.00	100.00
MERIDIANO PRIMO S.r.l. Turin Share Capital Euro 10,000	Real Estate		IMMOBILIARE FONDIARIA-SAI S.r.l.	100.00	100.00
MERIDIANO SECONDO S.r.l. Turin Share Capital Euro 10,000	Real Estate		IMMOBILIARE FONDIARIA-SAI S.r.l.	100.00	100.00
MILANO ASSICURAZIONI S.p.A. Milan Share Capital Euro 373,682,600.42	Mixed Insurance	61.10	FONDIARIA-SAI NEDERLAND B.V. POPOLARE VITA S.p.A. PRONTO ASSISTANCE S.p.A. SAI HOLDING ITALIA S.p.A. SAINTERNATIONAL S.A.	1.51 0.02 0.06 0.52 0.20	63.39
MIZAR S.r.l. Rome Share Capital Euro 10,329	Real Estate		IMMOBILIARE FONDIARIA-SAI S.r.l.	100.00	100.00
NUOVA IMPRESA EDIFICATRICE MODERNA S.r.l. Milan Share Capital Euro 10,329	Real Estate		IMMOBILIARE FONDIARIA-SAI S.r.l.	100.00	100.00
NUOVE INIZIATIVE TOSCANE S.r.l. Florence Share Capital Euro 26,000,000	Real Estate	96.88	MILANO ASSICURAZIONI. S.p.A.	3.12	98.86
PONTORMO S.r.l. Milan Share Capital Euro 50,000	Real Estate		IMMOBILIARE FONDIARIA-SAI S.r.l.	100.00	100.00
POPOLARE VITA S.p.A. Verona Share capital Euro 219,600,005	Life Insurance	24.39	SAI HOLDING ITALIA S.p.A.	25.61	50.00
PROGETTO BICOCCA LA PIAZZA S.r.l. in liquidation Milan Share Capital Euro 3,151,800	Real Estate		IMMOBILIARE FONDIARIA-SAI S.r.l.	74.00	74.00
PRONTO ASSISTANCE S.p.A. Turin Share Capital Euro 2,500,000	Non-Life Insurance	100.00			100.00

	Sector	Direct	Percentage of control	Indirect	Group interest
PRONTO ASSISTANCE SERVIZI S.c.a.r.l. Turin Share Capital Euro 516,000	Services	37.40	MILANO ASSICURAZIONI S.p.A. DIALOGO ASSICURAZIONI S.p.A. LIGURIA SOC. DI ASSICURAZIONI S.p.A. INCONTRA ASSICURAZIONI S.p.A. SYSTEMA COMPAGNIA DI ASS.NI S.p.A. BANCASAI S.p.A. GRUPPO FONDIARIA-SAI SERVIZI S.c.r.l. PRONTO ASSISTANCE S.p.A.	28.00 24.00 2.20 0.15 0.35 0.10 0.10 7.70	79.92
RISTRUTTURAZIONI EDILI MODERNE – R.EDIL.MO S.r.l. Rome Share Capital Euro 10,329	Real Estate		IMMOBILIARE FONDIARIA-SAI S.r.l.	100.00	100.00
SAI HOLDING ITALIA S.p.A. Turin Share Capital Euro 50,000,000	Financial	100.00			100.00
SAI INVESTIMENTI S.G.R. S.p.A. Turin Share Capital Euro 3,913,588	Asset Management	51.00	MILANO ASSICURAZIONI S.p.A.	29.00	69.38
SAI MERCATI MOBILIARI SIM S.p.A. Milan Share Capital Euro 13,326,395	Real Estate Brokerage	100.00			100.00
SAIAGRICOLA S.p.A. SOCIETÀ AGRICOLA Turin Share Capital Euro 66,000,000	Agriculture	92.01	MILANO ASSICURAZIONI S.p.A. PRONTO ASSISTANCE S.p.A.	6.80 1.19	97.51
SAIFIN-SAIFINANZIARIA S.p.A. Turin Share Capital Euro 102,258,000	Financial	100.00			100.00
SAILUX S.A. in liquidation Luxembourg Share Capital Euro 30,000,000	Financial		SAIFIN-SAIFINANZIARIA S.p.A.	100.00	100.00
SAINT GEORGE CAPITAL MANAGEMENT S.A. Lugano (CH) Share Capital CHF 3,000,000	Financial		SAIFIN-SAIFINANZIARIA S.p.A.	100.00	100.00
SAINTERNATIONAL S.A. in liquidation Luxembourg Share Capital Euro 154,000,000	Financial	100.00			100.00
SERVICE GRUPPO FONDIARIA-SAI S.r.l. Florence Share Capital Euro 104,000	Services	70.00	MILANO ASSICURAZIONI S.p.A.	30.00	89.02
SIAT SOCIETÀ ITALIANA ASSICURAZIONI E RIASSICURAZIONI S.p.A. Genoa Share Capital Euro 38,000,000	Non-Life Insurance		SAI HOLDING ITALIA S.p.A.	94.69	94.69
SIM ETOILE S.A.S. Paris Share Capital Euro 3,049,011.34	Real Estate	100.00			100.00
SINTESI SECONDA S.r.l. Milan Share Capital Euro 10,400	Real Estate		IMMOBILIARE MILANO ASS.NI S.r.l.	100.00	63.39

	Sector	Percentage of control: Direct		Percentage of control: Indirect	Group interest
SOCIETÀ EDILIZIA IMMOBILIARE SARDA S.E.I.S. S.p.A. Cagliari Share capital Euro 3,877,500	Real Estate		IMMOBILIARE FONDIARIA-SAI S.r.l.	51.67	51.67
SOGEINT S.r.l. Milan Share Capital Euro 100,000	Other		MILANO ASSICURAZIONI S.p.A.	100.00	63.39
SRP Services S.A. Lugano (CH) Share Capital CHF 1,000,000	Services		SAINTERNATIONAL S.A. in liquidazione	100.00	100.00
STIMMA S.r.l. Florence Share Capital Euro 10,000	Real Estate	100.00			100.00
SYSTEMA COMPAGNIA DI ASS.NI S.p.A. Milan Share Capital Euro 5,164,600	Non-Life Insurance		MILANO ASSICURAZIONI S.p.A.	100.00	63.39
THE LAWRENCE LIFE ASSURANCE CO. LTD Dublin (IRL) Share Capital Euro 802,886	Life Insurance		POPOLARE VITA S.p.A.	100.00	50.00
THE LAWRENCE R.E. IRELAND LTD Dublin (IRL) Share Capital Euro 635,000	Mixed Insurance		FONDIARIA-SAI NEDERLAND B.V.	100.00	100.00
TIKAL R.E. FUND	Real Estate	59.65	MILANO ASSICURAZIONI S.p.A.	35.36	82.06
TRENNO OVEST S.r.l. Turin Share Capital Euro 10,000	Real Estate		IMMOBILIARE FONDIARIA-SAI S.r.l.	100.00	100.00
VILLA RAGIONIERI S.r.l. Florence Share Capital Euro 78,000	Real Estate	100.00			100.00
Companies valued at cost:					
ATA BENESSERE S.r.l. in liquidation Milan Share Capital Euro 100,000	Services		ATAHOTELS S.p.A.	100.00	82.06
DDOR AUTO DOO Novi Sad (Serbia) Share Capital Euro 9,260.97	Services		DDOR NOVI SAID ADO.	100.00	99.99
HOTEL TERME DI SAINT VINCENT S.r.l. Saint Vincent (AO) Share Capital Euro 15,300	Services		ATAHOTELS S.p.A.	100.00	82.06
ITAL H & R S.r.l. Pieve Emanuele (MI) Share Capital Euro 50,000	Services		ITALRESIDENCE S.r.l.	100.00	82.06
TOUR EXECUTIVE S.r.l. Milan Share Capital Euro 118,300.08	Services		ATAHOTELS S.p.A.	100.00	82.06

	Sector	Percentage of control Direct		Indirect	Group interest
ASSOCIATED COMPANIES					
Companies valued under the equity method:					
A 7 S.r.l. in liquidation Milan Share Capital Euro 200,000	Real Estate		IMMOBILIARE MILANO ASS.NI S.r.l.	20,00	12,68
BORSETTO S.r.l. Turin Share Capital Euro 2,971,782.3	Real Estate		IMMOBILIARE MILANO ASS.NI S.r.l.	44,93	28,48
BUTTERFLY AM S.a.r.l. Luxembourg Share Capital Euro 29,165	Financial		IMMOBILIARE FONDIARIA-SAI S.r.l.	28,57	28,57
CONSULENZA AZIENDALE PER L'INFORMATICA SCAI S.p.A. Turin Share Capital Euro 1,040,000	Services	30.07			30.07
FIN. PRIV S.r.l. Milan Share Capital Euro 20,000	Financial	28.57			28.57
FINADIN S.p.A. Milan Share Capital Euro 60,591,071.29	Financial		SAIFIN-SAIFINANZIARIA S.p.A.	40.00	40.00
FONDIARIA-SAI SERVIZI TECNOLOGICI S.p.A. Florence Share Capital Euro 120,000	Services	51.00			51.00
GARIBALDI S.C.A. Luxembourg Share Capital Euro 31,000	Financial		MILANO ASSICURAZIONI S.p.A.	32.00	20.28
ISOLA S.C.A. Luxembourg Share Capital Euro 31,000	Financial		MILANO ASSICURAZIONI S.p.A.	29.56	18.74
METROPOLIS S.p.A. in liquidation Milan Share Capital Euro 1,120,720	Real Estate		IMMOBILIARE MILANO ASS.NI S.r.l.	29.71	18.83
PENTA DOMUS S.p.A. Turin Share Capital Euro 16,630,217	Real Estate		IMMOBILIARE MILANO ASS.NI S.r.l.	24.66	15.63
PROGETTO ALFIERE S.p.A. Rome Share Capital Euro 4,740,000	Real Estate		IMMOBILIARE FONDIARIA-SAI S.r.l.	19.00	19.00
SERVIZI IMMOBILIARI MARTINELLI S.p.A. Cinisello Balsamo (MI) Share Capital Euro 100,000	Real Estate		IMMOBILIARE MILANO ASS.NI S.r.l.	20.00	12.68
SOCIETÀ FUNIVIE DEL PICCOLO SAN BERNARDO S.p.A. La Thuile (AO) Share Capital Euro 9,213,417.5	Other		IMMOBILIARE FONDIARIA-SAI S.r.l.	27.38	27.38

	Sector	Direct	Percentage of control	Indirect	Group interest
SVILUPPO CENTRO EST S.r.l. Rome Share Capital Euro 10,000	Real Estate		IMMOBILIARE MILANO ASS.NI S.r.l.	40.00	25.36
VALORE IMMOBILIARE S.r.l. in liquidation Milan Share Capital Euro 10,000	Real Estate		MILANO ASSICURAZIONI S.p.A.	50.00	31.69
Companies valued at cost:					
DDOR GARANT Belgrado (Serbia) Share Capital Euro 3,309,619	Services		DDOR RE JOINT STOCK REINSURANCE COMPANY DDOR NOVI SAID ADO	7.54 32.46	40.00
SOCIETÀ FINANZ. PER LE GEST. ASSICURATIVE S.r.l. in liquidation Rome Share Capital Euro 47,664,600	Financial	14.91	MILANO ASSICURAZIONI S.p.A.	7.50	19.66
SOAIMPIANTI - ORGANISMI DI ATTESTAZIONE S.r.l. in liquidation Monza Share Capital Euro 84,601	Other	21.64			21.64
UFFICIO CENTRALE ITALIANO S.c.a.r.l. Milan Share Capital Euro 523,260	Other	13.78	SIAT SOC. ITALIANA ASS. E RIASS. S.p.A. MILANO ASSICURAZIONI S.p.A. LIGURIA SOC. DI ASSICURAZIONI S.p.A. INCONTRA ASSICURAZIONI S.p.A.	0.092 10.697 0.302 0.002	20.84

PART B - Information on the Consolidated Statement of Financial Position

Introduction

In compliance with Anti-trust Authority Order C11524 of 19/6/2012 No. 23678, the Parent Company Unipol Gruppo Finanziario S.p.A. began the disposal process of a number of insurance assets within the consolidation scope of Fondiaria-SAI.

In application of IFRS 5, which establishes the criteria for the treatment of assets held for sale, from 30 June 2013 the assets and liabilities subject to disposal are presented in the asset and liabilities of disposal groups accounts.

To facilitate understanding of the following comparative data, the change in the statement of financial statement items due to the reclassification as per IFRS 5 is presented separately from the operating based changes.

Statement of Financial Position - Assets

1. INTANGIBLE ASSETS

These are broken down as follows:

(in Euro ‘000)	**30/6/2013**	**31/12/2012**	**IFRS 5**	**Change**
Goodwill	1,002,940	1,101,715	(97,273)	(1,502)
Other intangible assets	49,144	58,512	(535)	(8,833)
TOTAL	**1,052,084**	**1,160,227**	**(97,808)**	**(10,335)**

Goodwill

The Goodwill is broken down as follows:

(in Euro ‘000)	**30/6/2013**	**31/12/2012**	**IFRS 5**	**Change**
Goodwill from the incorporation of La Fondiaria	504,764	504,764	-	-
Goodwill recognised in the consolidated financial statements of Milano Assicurazioni	156,412	167,226	(10,814)	-
Other goodwill	-	530	-	(530)
Consolidation differences	341,764	429,195	(86,459)	(972)

TOTAL	**1,002,940**	**1,101,715**	**(97,273)**	**(1,502)**

The Group assesses the recoverability of the goodwill allocated to the Cash Generating Units (CGUs) at least on an annual basis or a shorter period in case events or circumstances indicate the existence of a permanent loss in value.
Reference should be made to the financial statements for the year ended 31/12/2012 for the description of the methods utilised for the measurement of the recoverable value of the goodwill recorded.

In the first half of 2013, the goodwill allocated to the Fondiaria-SAI and Milano Assicurazioni CGU's, both for the Non-Life and Life businesses, in addition to that of Popolare Vita, did not show any indications of impairment. The impairment test concerning the above stated CGUs was based on the recoverable value through use and not on the fair value, considering also their performance on the stock exchange.
In the first half of 2013, the impairment test was based on the same parameters utilised at the end of 2012, that are the Non-Life technical management performance, the Life closed portfolio and the current financial profitability, all substantially confirmed in the period.

In relation to the goodwill allocated to the Liguria Assicurazioni CGU, a new impairment test was carried out through a more focused analysis of the results in light of the most recent operating and accounting developments. This is due to the fact that Liguria Assicurazioni falls within the disposal scope identified under the above stated Anti-trust Authority Order: under IFRS 5 it must be assessed if the book value is lower than the relative fair value as per IAS 36.
The impairment test carried out did not highlight the need to write down the goodwill recorded; the range of values – which did not change significantly from December – confirms the sustainability of the goodwill recognised. The change in the Goodwill account in accordance with IFRS 5 follows the application of paragraph 86 of IAS 36 and concerns the entire goodwill allocated to Liguria Assicurazioni, in addition to the pro quota estimate of goodwill recognised to the subsidiary Milano Assicurazioni.

Also in relation to the goodwill allocated to the DDOR CGU, considering the appreciation of the Euro against the Serb Dinar and the Serbian economic performance which resulted in an increase in the free risk rate and therefore of the discount rate, the impairment test was repeated. No impairment was assessed on goodwill under the test however.

The change in the account "Other goodwill" concerns the write-down of the residual goodwill recognised to the subsidiary Gruppo Fondiaria SAI Servizi.

The change in the account "Consolidation differences" relates exclusively to the appreciation of the Euro against the Serb Dinar.

Other Intangible Assets

Other intangible assets amount to Euro 49,144 thousand (Euro 58,512 thousand at 31/12/2012) and are broken down by type as follows:

(in Euro '000)	Gross book value	Amortisation and impairment	Net book value at 30/6/2013	Net book value at 31/12/2012
Studies and research expenses	68,066	(49,786)	18,280	19,730
Utilisation rights	23,026	(17,892)	5,134	5,531
Other intangible assets	261,530	(235,800)	25,730	33,251
TOTAL	**352,622**	**(303,478)**	**49,144**	**58,512**

None of the above intangible assets were generated internally.

The above intangible assets have a finite useful life and are therefore amortised over their duration. Studies and research expenses relate to the costs incurred for the preparation of IT technology and applications of a long-term nature, capitalised in 2012 and in previous years.
They are amortised over a period of three or five years based on the characteristics and useful life.

These expenses are incurred mainly by the Consortium Fondiaria-SAI Servizi Group, which undertakes all the management of existing and newly acquired resources, assets and services relating to the operations of the Group.

In the first half of 2013 the amortisation of the client portfolios acquired by the subsidiaries Liguria and DDOR (Value in Force and VOBA) recognised on the business combinations and included under other intangible assets concluded.

The values relating to the customers portfolios acquired are as follows:

(in Euro '000)	30/6/2013	31/12/2012	Change
Liguria Assicurazioni S.p.A.	-	2,958	(2,958)
DDOR Novi Sad ADO	-	589	(589)
TOTAL	**-**	**3,547**	**(3,547)**

The residual value of intangible assets concerns for Euro 15.6 million leasehold improvements made by the subsidiary Atahotels.

2. PROPERTY, PLANT & EQUIPMENT

This item totalled Euro 339,384 thousand (Euro 373,111 at 31/12/2012), with a decrease of Euro 34 million.

Property, plant and equipment was broken down as follows:

(in Euro '000)	**Property**		**Land**		**Other property and equipment**		**Total**		**Change IFRS 5**
	30/6/2013	**31/12/12**	**30/6/2013**	**31/12/2012**	**30/6/2013**	**31/12/2012**	**30/6/2013**	**31/12/2012**	
Gross book value	173,639	192,731	165,588	156,642	187,339	209,488	526,566	558,861	(36,810)
Depreciation and impairment	(49,353)	(45,170)	-	-	(137,829)	(140,580)	(187,182)	(185,750)	3,735
Net book value	**124,286**	**147,561**	**165,588**	**156,642**	**49,510**	**68,908**	**339,384**	**373,111**	**(33,075)**

The property included in the line item property and equipment are those serving the operating activities (i.e. properties for own use). These buildings are recorded at cost and are depreciated over their useful lives only in relation to the definite useful life of each component.

The item also includes the buildings held by the subsidiaries of Immobiliare Fondiaria-SAI (excluding the subsidiary Societa Edilizia Immobiliare Sarda S.E.I.S.) which were considered as inventories and therefore valued in accordance with IAS 2.

In the first half of 2013 a number of properties held by the subsidiaries Atahotels, DDOR and Villa Donatello were written-down for a total amount of over Euro 2.6 million.

The residual "Other property and equipment" relates mainly to assets of the Group utilised in the exercise of its activities, such as furniture, and office equipment, as well as the inventory of the companies operating in the agricultural sector valued in accordance with IAS 2.

3. INSURANCE CONTRACT LIABILITIES – REINSURERS SHARE

These totalled Euro 689,967 thousand (Euro 807,304 thousand at 31 December 2012), an increase of Euro 117,337 thousand. They were broken down as follows:

(in Euro '000)	**30/6/2013**	**31/12/2012**	**IFRS 5**	**Change**
Non-life liabilities - reinsurers share	636,676	729,068	(91,448)	(944)
Life liabilities – reinsurers share	53,291	78,236	(18,923)	(6,022)
Class D - reinsurers share	-	-		-
TOTAL	**689,967**	**807,304**	**(110,371)**	**(6,966)**

Of these, Euro 306 million refers to outward reinsurance (Euro 432 million at 31/12/2012), while Euro 384 million concerns reinsurers share of insurancre contract liabilities (Euro 375 million at 31/12/2012).

4. INVESTMENTS

These are broken down as follows:

(in Euro '000)	30/6/2013	31/12/2012	IFRS 5	Change
Investment property	1,997,647	2,200,774	(130,954)	(72,173)
Investments in subsidiaries, associates and in joint ventures	129,936	125,799	-	4,137
Held to maturity investments	606,712	718,119	(92,955)	(18,452)
Loans and receivables	3,404,551	3,527,030	(59,927)	(62,552)
Available-for-sale financial assets	17,762,788	20,848,041	(3,094,468)	9,215
Financial assets recognised at fair value through profit or loss	6,202,403	6,439,319	(46,464)	(190,452)
TOTAL	**30,104,037**	**33,859,082**	**(3,424,768)**	**(330,277)**

Investment property

This item includes all the properties owned by the Group for rental or for capital appreciation.

The investment properties are recorded at purchase cost in accordance with IAS 16 (which IAS 40 refers to in the case of adoption of the cost model).
The part of the property referring to buildings is depreciated systematically with regard to the useful life of the components therein. Among the significant components, those relating to the equipment are depreciated separately.

The breakdown of investment property and the changes in the period are shown below.

(in Euro '000)	30/6/2013	31/12/2012	IFRS 5	Change
Gross book value	**2,486,605**	**2,686,993**	**(153,352)**	**(47,036)**
Depreciation and impairment	(488,958)	(486,219)	22,398	(25,137)
Net book value	**1,997,647**	**2,200,774**	**(130,954)**	**(72,173)**

The change in "Investment property" is mainly due to the followings:

- reclassification to Assets held for sale of the property located in Milan, via Boezio 20 held by Fondiaria-SAI S.p.A. for Euro 15 million;
- write-down of properties held by the subsidiaries N.I.T. Srl and Marina di Loano S.p.A. for Euro 13 million. In relation to Marina di Loano, the further write-down on 31/12/2012 of approx. Euro 8 million follows the updated expert opinions which highlighted increased future extraordinary maintenance costs and for those concerning the ordinary management of assets.
  This resulted in a recoverable value of the initiative lower than the book value at 31/12/2012, with a consequent recognition of the loss to the Half-Year Consolidated Income Statement.

- reduction of Euro 130.9 million following the application of IFRS 5, with the consequent recognition of such to the account Non-current assets held for sale or disposal groups. These relate to property within the assets expected to be disposed of under Anti-trust Authority Order of 19 June 2012.

The residual change relates to the depreciation in the period of Euro 34.4 million.

During the year, the rental income from investment property amounted to approx. Euro 45 million (Euro 54 million in H1 2012).
There are no significant limits on the realisation of the investment property due to legal or contractual restrictions or restrictions of any other nature, with the exception of 2 buildings of the Tikal Fund which are mortgaged for the loans received on these buildings, in addition to a mortgage undertaken by the company Edilizia Immobilare Sarda S.E.I.S..

Investments in subsidiaries, associates and interests in joint ventures

The item includes the book value of investments which are not significant in terms of size and nature of the activities to ensure the accuracy of the present interim financial statements.
The account includes group companies measured under the equity method.

The breakdown is as follows:

(in Euro '000)	**30/6/2013**	**31/12/2012**	**Change**
Subsidiaries	33	1,216	(1,183)
Associates and joint ventures	129,903	124,583	5,320
TOTAL	**129,936**	**125,799**	**4,137**

The table below sets forth most significant investments in associates:

(Euro millions)	**30/6/2013**	**31/12/2012**	**Change**
Garibaldi S.C.A.	70.3	70.3	-
Fin. Priv. S.r.l.	17.6	20.1	(2.5)
Isola S.C.A.	13.9	12.8	1.1
Others	28.1	21.4	6.7
Total	**129.9**	**124.6**	**5.3**

The adjustments to the value of investments in associated companies recorded in the income statement in the half-year amounted to Euro 2.8 million, principally concerning Fin.Priv which holds shares in Mediobanca.

Held to maturity investments

These amount to Euro 606,712 thousand (Euro 718,119 thousand at 31/12/2012), broken down as follows:

(in Euro '000)	30/6/2013	31/12/2012	IFRS 5	Change
Debt securities	606,712	718,119	(92,955)	(18,452)
Total	**606,712**	**718,119**	**(92,955)**	**(18,452)**

The account includes financial instruments as per paragraph 9 of IAS 39. They relate only to debt securities with fixed maturities and fixed and determinable payments which the group has the intention and capacity to hold until maturity.
The category only includes financial instruments from the Life business held exclusively for policies with a specific provision as defined by the current sector regulations.
This account includes almost entirely listed securities whose current value amounts to Euro 636,448 thousand.

Loans and receivables

These amounted to Euro 3,404,551 thousand (Euro 3,527,030 thousand at 31/12/2012) and were broken down as follows:

(in Euro '000)	30/6/2013	31/12/2012	IFRS 5	Change
Bank receivables for interbank deposits and bank clients	499,530	521,559	-	(22,029)
Debt securities	2,323,568	2,422,383	(58,474)	(40,341)
Loans on life insurance policies	35,093	39,017	-	(3,924)
Deposits held by reinsurers	20,702	22,358	-	(1,656)
Receivables from sub-agents for indemnities paid to agents terminated	239,422	243,385	-	(3,963)
Other loans and receivables	286,236	278,328	(1,453)	9,361
TOTAL	**3,404,551**	**3,527,030**	**(59,927)**	**(62,552)**

Bank receivables for interbank deposits and bank clients includes the receivables of the subsidiary BancaSai from other credit institutions for deposits of Euro 10,471 thousand (Euro 2,853 thousand at 31/12/2012) and the receivable from bank clients of Euro 489,059 thousand (Euro 518,706 thousand at 31/12/2012).

Debt securities, with a fair value totalling Euro 2,431 million, include:

- the book values of some issuers (in particular the securities of the special ANIA issues) for which it is considered appropriate to utilise the amortised cost and not the fair value in the absence of an active market. These are financial assets for which it is considered that the respective fair value cannot be calculated in a reliable manner.

- some reserved issues (so-called “private placements”) of Italian public debt, for Euro 1,461 million, which ensure stabile returns and eliminate the volatility in the valuation of such instruments where underwritten in a traditional market context. Classification in this category follows therefore from the lack of an active reference market.
- securities issued by corporate entities: mainly assisted by subordination clauses and transferred to this category in 2009. There was no permanent loss in value on any security and the effect of the amortised cost resulted in the recording of income of Euro 7,697 thousand in the Income Statement. The AFS reserve recorded on these securities as of 1 January 2009 was negative and amounted to Euro 75,222 thousand and is amortised in accordance with the provisions of IAS 39. The residual negative AFS reserve amounts to Euro 29,353 thousand (Euro 33,386 thousand at 31/12/2012).

For further details on the classification refer to the section Accounting Principles.

The account "Other loans and receivables” principally includes Euro 233.1 million (Euro 223.9 million at 31/12/2012) relating to the receivables of the subsidiary Finitalia from its customers.

Available-for-sale financial assets

Available-for-sale financial assets include debt and equity securities, as well as investment unit funds, not otherwise classified.
The financial assets are broken down as follows:

(in Euro ‘000)	**30/6/2013**	**31/12/2012**	**IFRS 5**	**Change**
Equity securities	669,336	914,069	(5,249)	(239,484)
Fund units	649,762	627,184	(25,269)	47,847
Debt securities	16,443,690	19,306,788	(3,063,951)	200,853
TOTAL	**17,762,788**	**20,848,041**	**(3,094,469)**	**9,216**

Equity securities include listed securities for Euro 436 million, while debt securities include listed securities for Euro 16,407 million.

The book value of the listed financial instruments is consistent with market prices on the last day of the half-year.

It should be noted that, the debt and equity securities included in the category are mainly valued at fair value.

Among the equity securities, it should be noted the investment, amounting to 2%, held by the Group in the Bank of Italy: we note that the valuation made at the end of 2012 has not changed.

With reference to the impairment of the available-for-sale financial assets recorded in the Income Statement, the application of the Group impairment policy (for a detailed description of the policy refer to the 2012 consolidated financial statements) led to a write-down of Euro 30.1 million (for the six months of 2012 the write-down was Euro 75.2 million). This amount refers for Euro 26.2 million to equity securities and for Euro 3.9 million to investment funds. In relation to equity securities, Euro 21.6 million concerns the investments held in Mediobanca.

With reference to the composition of the AFS reserve (for the Group share and gross of the fiscal effects, and in relation to that borne by Life policyholders under the shadow accounting technique) it is reported that the gross amount, negative for Euro 312 million, includes a positive component of Euro 129 million with reference to debt securities, a positive component of Euro 27 million relating to investment funds and finally a net positive amount of Euro 157 million (of which Euro 120 million relates to the investment held in the Bank of Italy) concerning equities held.

Government debt securities issued by Spain, Portugal, Ireland, Italy and Greece

The tables below outlines the exposures of the Fondiaria-SAI Group to government debt securities issued by other "peripheral" countries of the Eurozone recognised under assets measured at fair value, in addition to Italian securities.

1) Available-for-sale financial assets (Fair value) – millions of Euro

Country	Maturity within 12 months	Maturity from 1 to 5 years	Maturity from 6 to 10 years	Maturity over 10 years	Total Fair value (level 1)	AFS reserve (gross)	AFS reserve (net)
Spain	**-**	**2.5**	**-**	**65.6**	**68.1**	**(7.7)**	**(3.6)**
Portugal	**-**	**4.0**	**-**	**-**	**4.0**	**(0.1)**	**-**
Ireland	**-**	**9.2**	**22.9**	**-**	**32.1**	**1.3**	**0.6**
Italy	**883.2**	**4.867.5**	**4.784.7**	**3.244.0**	**13.779.4**	**54.9**	**21.2**

2) Financial assets at fair value through profit or loss – in millions of Euro

Country	Maturity within 12 months	Maturity from 1 to 5 years	Maturity from 6 to 10 years	Maturity over 10 years	Total Fair value
Spain	-	-	-	-	-
Portugal	-	-	-	-	-
Ireland	-	-	-	-	-
Italy	-	**0.2**	**0.6**	-	**0.8**
Greece	-	-	-	-	-

Financial assets at Fair Value through profit or loss

The breakdown is as follows:

(in Euro '000)	30/6/2013	31/12/2012	IFRS 5	Change
Equity securities	46,523	50,000	-	(3,477)
Fund units	1,748,381	1,104,362	-	644,019
Debt securities	4,284,379	5,153,874	(46,464)	(823,031)
Other financial investments	123,120	131,083	-	(7,963)
TOTAL	**6,202,403**	**6,439,319**	**(46,464)**	**(190,452)**

The component relating to the financial assets at fair value through profit or loss amounted to Euro 6,147 million (Euro 6,381 million at 31/12/2012) and these include the investments where the risk is borne by the policyholders and deriving from the management of pension funds for Euro 6,052 million (Euro 6,335 million at 31/12/2012).

Measurement of the fair value of financial instruments

The Fondiaria-SAI S.p.A. Group incorporated the provisions of the new IFRS 13 "Fair value measurement" in force from 01/01/2013, which defines the fair value and incorporates into a single standard a framework procedure for the measurement of fair value, requiring additional information on how the valuation was carried out.

The fair value represents the sales price of an asset under a normal transaction or the transfer price of a liability between market participants at the measurement date and at market conditions (exit price).

The determination of the fair value of the financial instruments is based on the going concern of the business. Financial assets and liabilities at fair value are classified according to the hierarchy of fair value established by IFRS 13, which classifies into three levels the inputs adopted in the valuation procedures, based on their observable parameters.

The criteria to determine the hierarchy of the fair value is as follows:

Level 1: Quoted prices in active markets
The valuation is the market price of identical financial instrument that have quoted prices on an active market.

Level 2: Valuation methods based on observable market parameters
The valuation of the financial instrument is not based on the market price of the financial instrument subject to valuation, but on prices available from market quotations of similar assets or through valuation techniques for which all the important inputs (such as credit and liquidity spreads) are observed on the market.

Level 3: Valuation methods based on non observable market parameters

The determination of the fair value is based on valuation techniques which are prevalently based on significant input not available on the market and results, therefore, in estimates and assumptions by management.

Where the fair value may not be determined in a reasonable manner, the financial instrument is valued at cost.

The classification of financial instruments measured at fair value according to the hierarchy established by IFRS 13 is reported below:

(in Euro '000)	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets	**17,134,512**	**23,072**	**605,205**	**17,762,788**
Equity securities	436,247	-	233,090	669,337
Debt securities	16,407,193	23,072	13,425	16,443,689
Fund units	291,072	-	358,689	649,762
Other AFS financial instruments	-	-	-	-
Financial assets at fair value through profit or loss	**2,523,193**	**1,616,497**	**2,062,714**	**6,202,404**
Equity securities	198	-	-	198
Debt securities	45,383	59,119	2,295	106,797
Fund units	19,047	-	-	19,047
Derivatives	-	24,076	331	24,407
Financial assets where risk is borne by policyholders and pension fund management	2,458,565	1,533,302	2,060,087	6,051,955
Other financial instruments at fair value through profit or loss	-	-	-	-
Total assets at fair value	**19,657,705**	**1,639,569**	**2,667,918**	**23,965,192**
Financial liabilities at fair value through profit or loss	**-**	**569,225**	**-**	**569,225**
Liabilities from financial contracts issued by insurance companies	-	478,652	-	478,652
Derivatives	-	88,440	-	88,440
Other financial liabilities	-	2,132	-	2,132
Total liabilities at fair value	**-**	**569,225**	**-**	**569,225**

The changes in the fair value of financial instruments classified to the account "Financial assets whose risks are borne by the policyholder and pension fund management", which represents the largest component of the category, are offset by similar opposing changes reflected in the valuation of the related financial and insurance liabilities. The remaining part of the equity instruments classified to the category "Available-for-sale financial assets" principally comprise the investment in Bank of Italy, whose fair value is more sensitive to reasonable changes in the increase in the long-term rate of the cash flows. In relation to Fund Units, predominantly based in the real estate sector, the sensitivity is related to the property price movements reflected in the NAV of the funds.

In line with that stated above, no transfers of financial assets across the various levels took place.

In the determination of the fair value, the Group bases its market valuations directly on independent sources, if available, as this is normally considered the best evidence of fair value. In this case the fair value is the market price of the same financial instrument subject to valuation, taken from quotations on an active market. A market is considered as active when the quotations reflect normal market operations, readily and normally available through the Stock Exchange, listing services and brokers, and expresses the effective and normal prices in the market.

Active markets are normally considered:

- the regulated market of securities and derivatives, with the exception of the Luxembourg financial market;
- the secondary market of the investment units, expressed by the official NAV (Net Asset Value) based on which the asset management issuer must settle the units. This value may be adjusted to reflect the low liquidity of the fund, or of the time between the request date of repayment and that of the actual repayments;
- the organised exchange systems;
- some over-the-counter electronic trading circuits (e.g. Bloomberg), in the presence of some qualitative and quantitative parameters (presence of a certain number of contributors, spread between bid and ask prices in a determined tolerance threshold range).

In relation to the methodologies for the measurement of the fair value of financial instruments traded on regulated markets, the following is noted:

- for shares, listed investments, Mutual Fund Units and listed derivatives, the mark-to-market valuation corresponds to the official reference market price;

- for bond securities, the sources principally used for the mark-to-market valuation of financial assets and liabilities are the BVAL valuation service and the CBBT price provided by Bloomberg. If these sources are not available, the price made available by intermediaries is used as a reference.

For all the financial instruments for which no active market exists, the fair value is determined through valuation techniques based on:

- most recent transaction prices between independent parties;
- current market value of a similar instrument;
- analysis of the discounted cash flows, in which the estimated future cash flows are based on the best estimates of management and the discount rate used is linked to the market rate used for similar instruments;
- valuation models of the options.

Where the fair value cannot be measured reliably, the financial instruments are measured at cost, considered as the fair value of the amount paid for the purchase of the investment. In this case, all the transaction costs strictly attributable to the purchase are part of the investment costs.

When a valuation is not applicable through Mark to Market, technical valuations will use information available on the market, based on the following valuation approaches:

- Comparable approach: in this case the fair value of the instrument is obtained from the prices observed on recent transactions on similar instruments in active markets;
- Model Valuation: in the absence of observable transaction prices, relating to the instrument to be valued or on similar instruments, it is necessary to adopt a valuation model based on market data;
  - the debt securities are valued based on the expected cash flow method, adjusted to take account of the issuer risk and of the liquidity risk;
  - the derivative contracts are valued through several models, based on the input factors (risk rate, volatility, price risk, exchange risk, etc.) which impacts the relative valuation;
  - the non listed equity securities are valued with reference to transactions on the same security or, on similar securities observed in a defined period of time from the valuation date, based on the market multiples method of similar companies and, secondarily, through financial, profitability and asset valuation methods.

5. OTHER RECEIVABLES

The breakdown of the account is as follows:

(in Euro '000)	**30/6/2013**	**31/12/2012**	**IFRS 5**	**Change**
Receivables relating to direct insurance business	873,620	1,322,826	(214,958)	(234,248)
Receivables relating to reinsurance business	62,742	64,750	-	(2,008)
Other receivables	663,338	703,419	(44,482)	4,401
TOTAL	**1,599,700**	**2,090,995**	**(259,440)**	**(231,855)**

As shown in the table, receivables restated in application of IFRS 5 amount to Euro 259.4 million and principally concern receivables from policyholders and agents relating to the insurance portfolio subject to disposal.

The Group considers that the carrying value of trade and other receivables approximates their fair value. Trade receivables are non-interest bearing and are generally due within 90 days.

With reference to receivables relating to direct insurance business, their breakdown is shown below.

(in Euro '000)	**30/6/2013**	**31/12/2012**	**IFRS 5**	**Change**
Receivables from policyholders for premiums for the year	384,888	639,299	(96,240)	(158,171)
Receivables from policyholders for prior year premiums	23,976	11,429	(6,433)	18,980
Receivables from insurance intermediaries	238,125	441,273	(93,873)	(109,275)
Receivables from insurance companies	143,602	111,961	-	31,641
Amounts to be recovered from policyholders and third parties	83,029	118,864	(18,412)	(17,423)
TOTAL	**873,620**	**1,322,826**	**(214,958)**	**(234,248)**

The decrease in receivables from policyholders for premiums for the year is the result of the timing of the Group's policy portfolio which is less concentrated in the first six months of the year. On the other hand, receivables from policyholders for prior years mainly include positions still to be collected, primarily with corporate customers, arising at the end of the previous year.

Receivables from reinsurance transactions include Euro 60,320 thousand (Euro 64,022 thousand at 31/12/2012) in receivables from insurance and reinsurance companies for reinsurance operations and Euro 2,422 thousand (Euro 728 thousand at 12/31/2012) from reinsurance intermediaries.

Other receivables include:

- trade receivables of Euro 70,744 thousand principally comprising receivables from clients;
- receivables from Tax Authorities for Euro 342,214 thousand relating principally to the repayment of VAT receivables;
- receivables from the ex-related parties Imco and Sinergia (in addition to those from their subsidiaries) for Euro 86.3 million. These receivables are stated net of a total write-down of approx. Euro 145 million, recognised to the 2011 financial statements, following also the bankruptcy declaration of Imco, Sinergia and Europrogetti.
  No further write-downs were carried out in the half-year.

With reference to receivables from policyholders for premiums, agents and other intermediaries, as well as insurance and reinsurance companies, the Group does not have significant concentrations of credit risk, as the credit exposure is divided among a large number of counterparties and clients.

The receivable valuation policies did not change on 31/12/2012.

6. OTHER ASSETS

These totalled Euro 5,397,997 thousand (Euro 1,534,590 thousand at 31/12/2012), with a decrease of Euro 82,671 thousand compared to 31 December 2012, excluding the effects from IFRS 5.

These include:

(in Euro '000)	**30/6/2013**	**31/12/2012**	**IFRS 5**	**Change**
Non-current assets or disposal groups classified as held for sale	3,989,676	3,335	3,970,927	15,414
Deferred acquisition costs	58,111	52,250	(4,340)	10,201
Deferred tax assets	798,617	954,429	(13,399)	(142,413)
Current tax assets	283,907	299,485	-	(15,578)
Other assets	267,686	225,091	(7,110)	49,705
TOTAL	**5,397,997**	**1,534,590**	**3,946,078**	**(82,671)**

Non-current assets held for sale or disposal groups

At 30/6/2013, the discontinued assets amounted to Euro 3,989,676 thousand (Euro 3,335 thousand at 31/12/2012).

These refer to:

- Euro 3,971 million concerning assets held for sale in accordance with the Anti-trust Authority Order of 19/6/2012;
- Euro 15 million relating to the building in Milan – via Boezio, 20 held by Fondiaria-SAI S.p.A.;
- Euro 3 million relating to the building located in Grugliasco (TO) - Via Grandi 2, held by the subsidiary Auto Presto&Bene S.p.A..

Deferred acquisition costs

Insurance deferred acquisition costs, amounting to Euro 58,111 thousand (Euro 52,250 thousand at 31/12/2012), principally refer to the acquisition commissions to be amortised on the long-term contracts in the Non-Life and Life businesses. These amounts are deferred and amortised, for the Non-Life classes, on a straight-line basis over three years, while for the Life Classes, up to the respective loadings, on the basis of the relative contracts, for a period not greater than ten years.

Deferred tax assets

The item amounts to Euro 798,617 thousand (Euro 954,429 thousand at 31/12/2012) and is calculated on the total amount of the temporary differences between the book value of the assets and liabilities in the financial statements and the respective tax value according to the "balance sheet liability method" as per IAS 12 in relation to the probability of their recovery related to the capacity to generate assessable taxable income in the future. The decrease on year-end 2012 principally relates to the reversal of deferred tax assets due to the utilisation of prior year tax losses in the half-year.

The balance at the end of the period also takes into account the off-setting, where possible, made by each company of the same tax assets with the corresponding deferred tax liabilities in accordance with IAS 12.

Current tax assets

The tax receivables assets, amounting to Euro 283,907 thousand (Euro 299,485 thousand at 31/12/2012), refer to the financial receivables for advanced payments, withholding taxes and income tax credits, before off-setting, where permitted, of the current tax liabilities.

The account also includes the amounts paid in advance pursuant to Article 1, paragraph 2 of Decree Law 209/02, as converted by Article 1 of Law 265/2002, as amended.

Other assets

The other assets amount to Euro 267,686 thousand (Euro 225,091 thousand at 31/12/2012) and include, among others, indemnities paid to agents for which the option to claim the reimbursement was not exercised for Euro 25 million and advance payments for guarantee provisions for policyholders, with particular reference to the contribution to the Road Victim Fund of Euro 51 million.

7. CASH AND CASH EQUIVALENTS

The item amounts to Euro 672,426 thousand (Euro 560,228 thousand at 31/12/2012). The reclassification as per IFRS 5 amounts to Euro 20,616 thousand.

It includes the liquidity held by the Group and deposits and bank current account with maturity of less than 15 days. They include highly liquid assets (cash and deposits on demand), cash equivalents and short-term financial investments, readily convertible into cash amounts and which are not subject to changes in value.

The book value of these assets closely approximates their fair value. The deposits and bank current accounts are remunerated at fixed or variable interest rates and bear interest recognised on a quarterly basis or in relation to the lower duration of the restrictions on the deposits.

Statement of Financial Position – Shareholders' Equity & Liabilities

1. EQUITY

Consolidated equity, amounting to Euro 2,865,789 thousand, includes the result for the period and the non-controlling interest, and increased by Euro 103,115 thousand compared to 31/12/2012.

The table below sets forth the changes in the year:

(in Euro '000)	**30/6/2013**	**31/12/2012**	**Change**
Equity, attributable to owners of the parent	**2,216,810**	**2,115,707**	**101,103**
Share capital	1,194,573	1,194,573	-
Other equity instruments	-	-	-
Equity-related reserves	198,883	669,626	(470,743)
Income related and other reserves	611,999	898,822	(286,823)
Treasury shares	*(68,197)*	*(68,197)*	-
Reserve for currency translation difference	(67,764)	(65,970)	(1,794)
Unrealised gains or losses on financial assets available-for-sale	226,557	257,597	(31,040)
Other unrealised gains and losses recorded through equity	2,853	(21,027)	23,880
Profit (loss) for the period	117,906	(749,717)	867,623
Equity, attributable to non-controlling interests	**648,979**	**646,967**	**2,012**
Non-controlling interests capital and reserves	574,363	673,611	(99,248)
Unrealised gains or losses through equity	21,011	23,236	(2,225)
Profit (loss) for the period	53,605	(49,880)	103,485
TOTAL	**2,865,789**	**2,762,674**	**103,115**

The change in the consolidated net equity is shown in the statement to which reference should be made.

The disclosures required by IAS 1.76 A is provided below:

	Ordinary 30/6/2013	**Class A Savings 30/6/2013**	**Class B Savings 30/6/2013**	**Ordinary 31/12/2012**	**Class A Savings 31/12/2012**	**Class B Savings 31/12/2012**
Number of shares	920,565,922	1,276,836	321,762,672	920,565,922	1,276,836	321,762,672

The table below shows the movements of the share capital of the Parent Company Fondiaria-SAI in the first half of the year.

	Ordinary	Class A Savings	Class B Savings	Total
Existing shares at 1/1/2013	920,565,922	1,276,836	321,762,672	1,243,605,430
Treasury shares (-)	143,825	-	-	143,825
Shares outstanding: balance at 1/1/2013	920,422,097	1,276,836	321,762,672	1,243,461,605
Increases:				
Share capital increase	-	-	-	-
Sale of treasury shares	-	-	-	-
Exercise of warrants	-	-	-	-
Decreases:				
Acquisition of treasury shares	-		-	-
Shares outstanding: balance at 30 June 2013	920,422,097	1,276,836	321,762,672	1,243,461,605

At 30/6/2013 the ordinary and saving shares are without stated nominal value.

Nature and purpose of the other reserves

The income related and other equity reserves include the other net equity reserves of the Parent Company Fondiaria-SAI, decreased by the losses carried forward from the previous year and the distribution of dividends by the Parent Company.

Non-controlling equity, included the result, increased by Euro 2 million.

The change in the consolidated net equity is shown in the statement to which reference should be made.

Treasury shares

These amounted to Euro 68,197 thousand (Euro 68,197 thousand at 31/12/2012). This item includes the book value of the equity instruments of the Parent Company Fondiaria-SAI held by Fondiaria-SAI (Euro 64.4 million), Milano Assicurazioni S.p.A. (Euro 3.4 million) and Sai Holding S.p.A. (Euro 0.4 million).

The account is negative in accordance with the provisions of IAS 32. Following the sale/purchases operations undertaken during the year, no profits or losses were recorded in the income statement.

Reserve for currency translation difference

The balance is a negative amount of Euro 67,764 thousand (negative Euro 65,970 thousand at 31/12/2012) and includes the currency translation differences deriving from the conversion of the foreign subsidiaries' financial statements into Euro.

Gains or losses on available-for-sale financial assets

The item, amounting to Euro 226,557 thousand (Euro 257,597 thousand at 31 December 2012), includes the gains and losses deriving from the valuation of the available-for-sale financial assets. The balance is presented net of the related deferred tax liability, both for the part attributable to the policyholders and allocated to the insurance liabilities.

In particular the account includes a positive amount of Euro 312.5 million relating to the available-for-sale financial instruments in portfolio and a negative amount of Euro 56.5 million relating to the application of the shadow accounting technique. Euro 29.4 million (negative) relating to the fiscal effects of the two matters outlined above is also considered.

Other unrealised gains and losses through equity

The item, amounting to Euro 2,853 thousand (Euro -21.027 thousand at 31/12/2012) includes the reversal of the gains realised on subsidiary companies of Euro 53.6 million. In fact, the transactions of the shares of subsidiaries and which do not result in the loss or acquisition of control do not impact the consolidated results as they are considered only as modifications in the ownership structure of the Group.
The amount also includes the gains and losses on cash flow hedging instruments for Euro 31.3 million (net of the tax effect) while the residual amount principally includes the actuarial gains and losses due to the application of IAS 19.

2. PROVISIONS

The account amounts to Euro 283,259 thousand (Euro 271,877 thousand at 31/12/2012) and comprises:

(in Euro '000)	**At 30/6/2013**	**At 31/12/2012**	**IFRS 5**	**Change**
Provisions for tax purposes	11	61		(50)
Other provisions	283,248	271,816	(20,683)	32,115
TOTAL	**283,259**	**271,877**	**(20,683)**	**32,065**

Other provisions include amounts for which uncertainty exists regarding the payment date or the amount of future expenses required to comply with the obligation.
That provisioned at 31/12/2012 against the principal disputes of the Group did not undergo significant movements in that no situations arose such as to require further provisions or release from existing funds, which appear adequate.
The increase in provisions follows the normal analysis of underlying operating factors, in addition to the increase in the tax risk relating to a number of contractual positions undertaken by the previous management and already disposed of by the appointed *ad acta* representative of IVASS.

The amount eliminated as per IFRS 5 principally includes the provisions concerning agency sales points of the insurance portfolio subject to sale.

Castello Area

In relation to the previously reported criminal case, the Florence Court on 6 March 2013 fully absolved Fondiaria-SAI (as the fact was not proven) of all charges concerning the urbanisation of the Castello Area (Florence).

In this regard it is recalled that the Company was cited in an investigation begun in 2008 by the Public Prosecutor's office of Florence in relation to the offense of corruption.

The Company was charged with the illegal acts under Articles 5 and 25 of Legislative Decree 231/2001 in relation to the offences at Articles 319 and 321 of the Criminal Code concerning the corruption of a public official.

The charges stated that Fondiaria-SAI, through its representatives, influenced two public officials in order to commit in their favour "acts contrary to the duties of office."

The two Prosecutors requested a penalty of 400 times the value between a minimum of approx. Euro 250 and a maximum of Euro 1,549. Accessory penalties of a 2-year ban from undertaking contracts with the public administration and the confiscation of the lots of the Castello Area for which the construction permits were issued was also requested.

The Court sentenced the former Municipal Councillor implicated to one year (suspended sentence) for abuse of office and acquitted Fondiaria-SAI of two charges.

The Court also granted the release from seizure and the restitution of the Castello Area. The Company legal representatives pursued the release from seizure by the Legal Police which occurred in November 2008.

The reasons for the Judgment which, obviously, may be heard before the Florence Appeal Court, should have been filed within 90 days. To date, the reasons behind the judgment have not yet been filed.

The expert valuation of property pertaining to the Castello Area at 30/6/2013 was unchanged on 31/12/2012 at approximately Euro 111.5 million.

This amount is consistent with the scenario that construction can continue and, therefore, with the assumption of the operational continuity of the asset.

3. These amount to Euro 29,759,757 thousand and report a reduction of Euro 3,898,142 thousand compared to 31/12/2012, of which Euro 3,444,466 thousand concerns provisions related to the insurance portfolio held for sale and consequently classified to the account Liabilities associated with disposal groups in application of IFRS 5.

The table below sets forth the breakdown of the insurance contract liabilities:

(in Euro '000)	30/6/2013	31/12/2012	IFRS 5	Change
Non-Life insurance contract liabilities	9,186,575	12,522,213	(2,865,861)	(469,777)
Life insurance contract liabilities	14,993,590	15,274,635	(532,141)	251,096
Insurance contract liabilities when the investment risk borne by policyholders and pension fund management	5,579,592	5,861,051	(46,464)	(234,995)
TOTAL INSURANCE CONTRACT LIABILITIES	**29,759,757**	**33,657,899**	**(3,444,466)**	**(453,676)**

The Non-Life business insurance contract liabilities include the unearned premium provision of Euro 1,846 million (Euro 2,495 million at 31/12/2012) and the claims provision of Euro 7,334 million (Euro 10,018 million at 31/12/2012): the change of the above-stated provisions, due to the reclassification as per IFRS 5, respectively amounts for Euro -563 million and Euro -2,302 million.

The Life business insurance contract liabilities include actuarial provisions of Euro 14,538 million and the sums to pay provision of Euro 413 million. They are also reduced by deferred liabilities calculated on insurance liabilities relating to discretionary participation features: the provision was negative for Euro 22 million (positive for Euro 10 million at 31/12/2012).

The reclassification of the Life provisions as per IFRS 5 is shown in the following table:

(in Euro '000)

Provision for sums to be paid	(15,989)
Actuarial provisions	(514,621)
Technical reserves where investment risk is borne by policyholders and pension fund management	(46,464)
Other provisions	(1,531)
of which deferred liabilities to policyholders	(160)

In relation to the calculation of this provision, it is noted that for Segregated Funds, the reference return is nevertheless greater than the guaranteed minimum benefits.

4. FINANCIAL LIABILITIES

(in Euro '000)	30/6/2013	31/12/2012	IFRS 5	Change
Financial liabilities at fair value through profit or loss	569,225	568,575	-	650
Other financial liabilities	1,546,920	1,747,051	(173,447)	(26,684)
Total	**2,116,145**	**2,315,626**	**(173,447)**	**(26,034)**

The financial liabilities at fair value through profit or loss are:

Financial liabilities held for trading

These total Euro 324 thousand (Euro 510 thousand at 31/12/2012).

Financial liabilities at Fair Value through profit or loss

These amount to Euro 568,901 thousand (Euro 568,065 thousand at 31/12/2012). In accordance with IAS 39, the account includes the investment contracts not in application of IFRS 4 and accounted in accordance with the Deposit Accounting method. The overall total is Euro 478,652 thousand (Euro 480,260 thousand at 31/12/2012).

Other financial liabilities

The account amounts to Euro 1,546,920 thousand (Euro 1,747,051 thousand at 31/12/2012).

The account includes the financial liabilities defined and governed by IAS 39 not included in the category "Financial liabilities at fair value through profit or loss".
They include guarantee deposits in relation to risks ceded in reinsurance of Euro 142,490 thousand (Euro 153,236 thousand at 31/12/2012) and subordinated payables of Euro 897,191 thousand (Euro 1,048,074 thousand at 31/12/2012).

The financial liabilities concerning the assets held for sale and therefore measured under IFRS 5 principally concern subordinated loans undertaken with Mediobanca by Milano Assicurazioni and also those following the indications from the Anti-trust Authority.
It is reported in fact that, with reference to the order C/11524 in relation to the "Evaluation of the measures to be prescribed" and, in particular, with reference to the "Measures relating to the shareholding ties of the entity post-merger with Mediobanca" initiated on 26 April 2012 by the Anti-trust Authority in relation to the companies Unipol Gruppo Finanziario S.p.A., Premafin Finanziaria S.p.A., Fondiaria-SAI S.p.A., Milano Assicurazioni S.p.A., Unipol Assicurazioni S.p.A., Mediobanca S.p.A. and Assicurazioni Generali S.p.A., the net debt of Milano Assicurazioni with Mediobanca should be reduced, as well as with the post-merger entity, in order to significantly reduce the ties with this latter.

It principally relates to:

- Euro 50,505 thousand, equal to the amortised cost of the residual subordinated loan provided to Milano Assicurazioni by Mediobanca in 2006 for an original amount of Euro 150 million (Euro 100 million was repaid in 2008). This loan provides for an interest rate of Euribor at 6 months +180 basis points and repayable in five equal annual instalments from the 16th anniversary of the loan. The loan may also be repaid in advance, including partially, from the tenth anniversary of the loan and with authorisation from ISVAP.
- Euro 101,078 thousand, equal to the amortised costs of the loan of Euro 100 million provided to Milano Assicurazioni by Mediobanca in July 2008. This loan was of a hybrid nature and perpetual duration and is therefore included in the solvency margin up to 50% of the lower value between the available margin and the solvency margin requested. The payment of the interest is made in arrears on a half-yearly basis, at an interest rate of Euribor at 6 months +350 basis points for the first ten years and subsequently 450 basis points. The repayment should be made in one repayment after 10 years.

In accordance with CONSOB Resolution No. DEM/6064293 of 28/7/2006, the subordinated and/or hybrid loans include specific contractual clauses protecting the lenders' rights and interests.

With regard to the **subordinated loan of Euro 150 million** of 22 June 2006, Article 6.2.1 letter (e) establishes, as a general obligation for the Parent Company Fondiaria-SAI, the continued control (pursuant to Article 2359, paragraph 1, No. 1 of the Civil Code) of the direction and coordination of Milano Assicurazioni S.p.A. by Fondiaria-SAI S.p.A..

In relation to the **hybrid loan of Euro 250 million** of 14/7/2008, the option to convert into shares of the Parent Company Fondiaria-SAI is subject to, in addition to any resolution by the extraordinary shareholders' meeting of the Parent Company Fondiaria-SAI of a share capital increase to service the conversion in line with the contractual terms indicated, the occurrence at the same time (and for a consecutive three year period) of the following situations:

(i) the downgrade of the Standard & Poor's rating (or any other agency to which the Parent Company Fondiaria-SAI is voluntarily subject, no longer being subject to the Standard & Poor's rating) of the beneficiary companies to "BBB-" or a lower grade;

(ii) the reduction in the solvency margin of the beneficiary companies, as established by Article 44 of the Insurance Code, to a level below or equal to 120% of the solvency margin required by Article 1, paragraph hh) of the Insurance Code,

if (a) the situation causing the above stated events is not resolved, for both events, in the two fiscal years immediately subsequent, or (b) the solvency margin in the two subsequent fiscal years is not rectified to at least 130% of the requested solvency margin, thereby providing Fondiaria-SAI with the possibility, over a period of more than two years, to put in place measures to enable compliance with the requested parameters.

No clauses are in place in the Group loan agreements (other than those indicated above) which place limitations on the use of significant financial resources for the activities of the Issuer.

This disclosure was provided even though non-compliance with the above-stated clauses is not at issue, with little possibility of the contractually established events in safeguarding of shareholders occurring.

The defining factors of the subordinated and/or hybrid loans relate in general not just to the repayment of such before the payment of all other payables owing to the insurance company at the settlement date, but also the need to obtain, in accordance with the applicable regulation, prior authorisation for repayment by ISVAP.

The residual payables to banks and other lenders, amounting to Euro 507 million (Euro 546 million at 31/12/2012), include the following significant amounts, already commented upon in the Directors' Report:

- Euro 111.4 million relates to the loan signed by the Tikal Closed Real Estate Fund with Mediobanca as the Agent Bank;
- Euro 21.5 million refers to the bonds issued in 2009 and 2010 by BancaSai;

- Euro 53.6 million refers to the debt of the subsidiary Immobiliare Fondiaria-SAI.

The residual of the other financial liabilities includes Euro 187 million (Euro 167 million at 31/12/2012) of operating debt of the subsidiary BancaSai, represented by client deposits.

5. PAYABLES

The account amounts to Euro 638,755 thousand and is comprised of:

(in Euro '000)	**30/6/2013**	**31/12/2012**	**IFRS 5**	**Change**
Payables from direct insurance business	78,128	96,388	(3,975)	(14,285)
Payables from reinsurance business	63,683	67,876	(2,320)	(1,873)
Other payables	496,944	600,658	(32,460)	(71,254)
Total	**638,755**	**764,922**	**(38,755)**	**(87,412)**

With reference to the payables arising from direct insurance business, they consist of:

(in Euro '000)	**30/6/2013**	**31/12/2012**	**IFRS 5**	**Change**
Payables to insurance intermediaries	53,696	70,752	(1,305)	(15,751)
Payables to insurance companies	11,299	15,488	(1,333)	(2,856)
Payables for policyholder security deposits	11,787	8,009	-	3,778
Payables for guarantee provisions for policyholders	1,346	2,139	(1,337)	544
Total	**78,128**	**96,388**	**(3,975)**	**(14,285)**

The payables arising from reinsurance business refer to reinsurance companies of Euro 45,180 thousand (Euro 51,062 thousand at 31/12/2012) and Euro 18,503 thousand to reinsurance brokers (Euro 16,814 thousand at 31/12/2012).

The breakdown of the other payables is shown below:

(in Euro '000)	**30/6/2013**	**31/12/2012**	**IFRS 5**	**Change**
Trade payables	194,804	259,028	(101)	(64,123)
Employee leaving indemnity and other employee benefits	51,188	62,971	(11,072)	(711)
Policyholders' tax due	91,532	87,350	(6,174)	10,356
Other tax payables	65,968	117,163	(854)	(50,341)
Social security	14,928	18,925	(517)	(3,480)
Other payables	78,524	55,221	(13,742)	37,045
Total	**496,944**	**600,658**	**(32,460)**	**(71,254)**

Post-employment benefits

The principal statistical-actuarial and financial assumptions utilised for the Employee Leaving Indemnity estimates as per IAS 19 are not substantially different from those utilised in the preparation of the consolidated annual accounts of the previous year.

The changes in the year are shown below:

(in Euro '000)	30/6/2013	31/12/2012
Balance at beginning of the period	**62,971**	**65,262**
Provisions to income statement for Interest Cost	1,405	2,796
Provisions to income statement for Service Cost	25	47
Actuarial Gains/Losses	422	9,988
Utilisations	(3,028)	(9,713)
IFRS 5	(11,072)	-
Other changes	466	(5,409)
Balance at end of the period	**51,188**	**62,971**

Health insurance post service

The principal statistical-actuarial and financial assumptions utilised for the determination of the Health Assistance of employees as per IAS 19 is not substantially different from that utilised in the preparation of the consolidated annual accounts of the previous year.

Reference should therefore be made to the 2012 annual accounts for the numeric assumptions made.

At 30/6/2013, the liabilities related to the health coverage for Executives amounted to Euro 23,216 thousand (Euro 24,065 thousand at 31/12/2012).

6. OTHER LIABILITIES

These are broken down as follows:

(in Euro '000)	30/6/2013	31/12/2012	IFRS 5	Change
Liabilities associated with disposal groups	3,726,786	-	3,726,786	-
Deferred tax liabilities	118,435	178,189	(14,087)	(45,667)
Tax payables	23,934	54,101	(102)	(30,065)
Other liabilities	322,735	380,249	(35,246)	(22,268)
Total	**4,191,890**	**612,539**	**3,677,351**	**(98,000)**

Liabilities associated with disposal groups

The account includes liabilities held for sale in accordance with the Anti-trust Authority Order of 19/6/2012.

Deferred tax liabilities

The deferred tax liabilities, amounting to Euro 118,435 thousand (Euro 178,189 thousand at 31/12/2012), include all the temporary tax differences, relating to the statement of financial statement and income statement accounts, which will reverse in future years.

The balance takes into account the off-setting, where permitted, with the corresponding deferred tax asset in accordance with IAS 12.

Current tax liabilities

The account amounts to Euro 23,934 thousand (Euro 54,101 thousand at 31/12/2012) and refers to the total income taxes accrued by the Group at the period-end, net of the current tax asset compensated in accordance with IAS 12.
The income taxes are calculated applying the respective income tax rates, determined based on prudent estimates of the nominal tax rates applied for the full year results.

Other liabilities

The Other liabilities amount to Euro 322,735 thousand (Euro 380,249 thousand at 31/12/2012) and comprise:

(in Euro '000)	**30/6/2013**	**31/12/2012**	**IFRS 5**	**Change**
Commissions on premium collection	53,267	98,425	(14,472)	(30,686)
Deferred commission expenses for life investment management services	52	68	-	(16)
Cheques issued against claims and life sums collected by the beneficiaries after year end	1,069	2,345	-	(1,276)
Transitory reinsurance accounts	-	3,231	-	(3,231)
Other liabilities	268,347	276,180	(20,774)	12,941
TOTAL	**322,735**	**380,249**	**(35,246)**	**(22,268)**

The sub-account "Other liabilities" includes expenses in the period of approx. Euro 66 million.

PART C - Information on the Income Statement

NET PREMIUMS

Consolidated net premiums totalled Euro 5,234,868 thousand (Euro 4,925,687 thousand in the first half of 2012).
Total Group gross premiums amounted to Euro 5,315,194 thousand (up 6.44% on the previous half-year), as follows:

(in Euro '000)	H1 2013	H1 2012	Change	2012
Gross Life insurance premiums	2,263,519	1,590,875	672,644	3,611,582
Gross Non-Life insurance premiums	3,051,675	3,402,880	(351,205)	6,420,807
Change in gross premiums provision	(87,268)	(93,467)	6,199	(244,778)
Total Non-Life business	3,138,943	3,496,347	(357,404)	6,665,585
Gross premiums	**5,402,462**	**5,087,222**	**315,240**	**10,277,167**

Gross premiums written do not include the cancellation of securities issued in previous years, which were recorded as "Other costs". The above amounts are net of inter-group reinsurance.
In relation to the breakdown of the gross premiums written among the different classes in the accounts, the division between direct and indirect business, reference should be made to the tables in the Directors' Report.

The premiums ceded, amounting to Euro 163,557 thousand, accounted for 3.1% of the total premiums (3.0% in the first half of 2012).

(in Euro '000)	H1 2013	H1 2012	Change	2012
Life business	4,713	4,969	(256)	8,553
Non-Life business	158,844	146,540	12,304	293,294
Change in reinsurers provisions	4,037	10,026	(5,989)	8,085
Total Non-Life business	162,881	156,566	6,315	301,379
Premiums ceded to re-insurers	**167,594**	**161,535**	**6,059**	**309,932**

The Group reinsurance policy positively impacted on the consolidated accounts for Euro 33,185 thousand (Euro 33,470 thousand in the Non-Life business).
In accordance with IFRS 4.37 b ii, the Group does not defer and amortise gains and losses deriving from reinsurance.

COMMISSION INCOME

The commission income in the first half of 2013 amounted to Euro 5,730 thousand, an increase on the first half of the previous year of Euro 743 thousand.

(in Euro '000)	30/6/2013	30/6/2012	Change	31/12/2012
Fee and commission income	5,730	4,987	743	15,423

The account includes both the explicit and implicit loading relating to the investment contracts issued by the Group insurance companies and, as such, are not recorded in accordance with IFRS 4, as well as the commissions for the management of internal funds.

In particular Euro 1 million refers to the subsidiary Popolare Vita (Euro 2 million in the first half of 2012).

The residual, amounting to approx. Euro 5 million, concerns commission income matured by the companies operating in the asset management and consumer credit sectors (Euro 3 million in H1 2012).

GAINS AND LOSSES ON REMEASUREMENT OF FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS

These amount to Euro 7,760 thousand, a decrease on the first half of 2012 of Euro 317,755 thousand.

The breakdown is as follows:

(in Euro '000)	Interest	Other net income	Realised profits	Realised losses	Unrealised gains and write-backs	Unrealised losses and impairments	Total 30/06/13	Total 30/06/12	Change	Total 31/12/2012
Result of investments from:										
Financial assets held for trading	353	-	495	(391)	1,375	(45)	1,787	17,194	(15,407)	6,174
Financial assets designated at fair value through profit or loss	44,655	34,340	62,615	(29,763)	44,323	(140,150)	16,020	324,354	(308,334)	539,775
Financial liabilities held for trading	-	-	-	-	1,797	(11,844)	(10,047)	(16,033)	5,986	(1,268)
TOTAL	**45,008**	**34,340**	**63,110**	**(30,154)**	**47,495**	**(152,039)**	**7,760**	**325,515**	**(317,755)**	**544,681**

The result of the investments deriving from financial assets designated at fair value through profit or loss include Euro 35,551 thousand (Euro 308,077 thousand in the first half of 2012) relating to investments whose risk is borne by the policyholder. The net income is offset by a similar charge for commitments against policyholders.

Net of the result of investments whose risk is borne by the policyholder, recognition at fair value to the income statement resulted in charges of Euro 27.7 million (income of Euro 17.4 million in the first half of 2012), due to an increased impact from unrealised losses.

GAINS ON INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, FROM OTHER FINANCIAL INSTRUMENTS AND INVESTMENT PROPERTY

The following table shows the breakdown:

(in Euro '000)	*Net Interest*	*Other net income*	*Realised gains*	*Realised losses*	*Unrealised gains & write-backs*	*Unrealised losses & impairments*	*Total 30/06/13*	*Total 30/06/12*	*Change*	*Total 31/12/2012*
Result from:										
Investment property	-	16,080	1,127	(11)	1,985	(47,170)	(27,989)	5,527	(33,516)	(301,830)
Investments in subsidiaries, associates and interest in joint ventures	-	(2,332)	-	-	-	(478)	(2,810)	(7,900)	5,090	(18,927)
Held to maturity investments	19,977	41	-	-	-	-	20,018	18,981	1,037	42,300
Loans and receivables	81,035	-	289	(6,559)	130	(3,252)	71,643	88,994	(17,351)	147,647
Available for sale financial assets	332,262	14,771	105,558	(34,601)	-	(30,138)	387,852	318,972	68,880	498,292
Other receivables	4,007	(11)	-	-	-	-	3,996	3,457	539	3,842
Cash and cash equivalents	5,060	(217)	-	-	-	-	4,843	6,801	(1,958)	14,222
Other financial liabilities and other payables	(27,476)	(312)	-	-	-	-	(27,788)	(32,083)	4,295	(60,000)
TOTAL	**414,865**	**28,020**	**106,974**	**(41,171)**	**2,115**	**(81,038)**	**429,765**	**402,749**	**27,016**	**325,546**

The columns realised gains and losses show the economic effects deriving from the sale of the various financial instruments.

Impairments on investment property include the depreciation recognised to the income statement of Euro 34 million (Euro 35 million in the first half of 2012) and write-downs on property in the half-year where market values were lower than book value, for Euro 13 million (Euro 2 million in the first half of 2012).
The unrealised losses on AFS financial instruments refer to the impact on the Income Statement of the Group impairment policy: of these Euro 26.2 million refers to shares (of which Euro 21 million relating to the Mediobanca investment), while the residual relates to investment funds.
Interest expense includes the Group debt charges on financial liabilities.

During the period, interest income did not mature on financial assets written down for impairment in previous periods.

OTHER INCOME

Other income amount to Euro 236,640 thousand (Euro 175,724 thousand in the first half of 2012) and are summarised in the table below:

(in Euro '000)	H1 2013	H1 2012	Change	2012
Gains realised on non-current assets	2	15	(13)	15
Other technical income	35,510	30,086	5,424	67,491
Utilisation of provisions	59,391	32,565	26,826	96,003
Currency differences	402	5,780	(5,378)	3,399
Non-recurring income	5,139	19,935	(14,796)	38,357
Gains realised on property and equipment	46	8	38	37
Other revenues	136,150	87,335	48,815	296,839
Total	**236,640**	**175,724**	**60,916**	**502,141**

The sub-account "other revenues" relates to the following income:

- Euro 50 million relating to ordinary operating revenues of the Atahotels Group. In the first half of 2012, these revenues, amounting to Euro 53 million, were classified to the account "Profit/ (loss) from discontinued operations".

- Euro 33 million (Euro 31 million in H1 2012) relating to ordinary revenues of the subsidiary Auto Presto&Bene;

- Euro 23 million (Euro 25 million in the first half of 2012) revenues from the Group's clinic subsidiaries;

- Euro 10 million (Euro 10 million in the first half of 2012) relating to ordinary revenues from the subsidiary Immobiliare Lombarda and the Immobiliare Fondiaria-SAI and Immobiliare Milano Groups;

- Euro 4 million (Euro 4 million in the first half of 2012) of revenues from the agricultural holdings.

The increase in the account did not include the operating revenues of Atahotels for the first half of 2012 which were classified to the account "Profit (loss) on assets held for sale".

NET CHARGES RELATING TO CLAIMS

Claims paid, including the sums of the Life Classes and the relative expenses, gross of the quota ceded in reinsurance, amount to Euro 4,877,671 thousand, a decrease of 22.45% on the previous period.

Claims costs, amounts paid and changes in insurance contract liabilities

(in Euro '000)	H1 2013	H1 2012	Change	2012
Non-Life business				
Amount paid	2,563,618	2,806,570	(242,952)	5,254,709
Change in recoveries	(61,960)	(67,326)	5,366	(121,448)
Change in other insurance contract liabilities	(343)	(302)	(41)	(256)
Change in claims provisions	(386,382)	(188,773)	(197,609)	163,252
Total Non-Life	**2,114,933**	**2,550,169**	**(435,236)**	**5,296,257**
Life business				
Amount paid	2,314,053	3,483,138	(1,169,085)	6,474,814
Change in actuarial provisions and in other provisions	93,058	(218,309)	311,367	(195,538)
Change in insurance contract liabilities when the investment risk is borne by policyholders and pension fund management	(236,893)	(1,320,352)	1,083,459	(1,808,967)
Change in sums to be paid provision	183,284	108,120	75,164	(106,537)
Total Life	**2,353,502**	**2,052,597**	**300,905**	**4,363,772**
Total Non-Life + Life	***4,468,435***	***4,602,766***	***(134,331)***	***9,660,029***
Amount paid	**4,815,711**	**6,222,382**	**(1,406,671)**	**11,608,075**
Change in provisions	**(347,276)**	**(1,619,616)**	**1,272,340**	**(1,948,046)**

Claims costs, reinsurers share

(in Euro '000)	H1 2013	H1 2012	Change	2012
Non-Life business				
Amounts paid by reinsurers	90,262	84,430	5,832	174,490
Change in recoveries	(713)	50,201	(50,914)	(954)
Change in other insurance contract liabilities	-	-	-	-
Change in claims provisions	(46)	19,463	(19,509)	123,408
Total Non-Life	**89,503**	**154,094**	**(64,591)**	**296,944**
Life business				
Amounts paid by reinsurers	10,282	11,162	(880)	20,420
Change in actuarial provisions and in other insurance contract liabilities	(6,303)	(8,180)	1,877	(13,765)
Change in sums to be paid provision	302	(1,853)	2,155	(1,124)
Total Life	**4,281**	**1,129**	**3,152**	**5,531**
Total Non-Life + Life	***93,784***	***155,223***	***(61,439)***	***302,475***
Amounts paid by reinsurers	**99,831**	**145,793**	**(45,962)**	**193,956**
Change in provisions	**(6,047)**	**9,430**	**(15,477)**	**108,519**

The change in the net insurance contract liabilities of the Non-Life Classes amounts to Euro -386,679 thousand, with a reduction of Euro 178,141 thousand on 30/6/2012.

The net insurance contract liabilities of the Life business, including the sums to be paid provisions, changed by Euro 45,450 thousand (Euro -1,420,508 thousand at 30/6/2012).

COMMISSION EXPENSES

Commission expenses in the first half of 2013 amounted to Euro 3,106 thousand, a decrease on the first half of 2012 of Euro 1,312 thousand.

(in Euro '000)	H1 2013	H1 2012	Change	2012
Fee and commission expenses	3,106	4,418	(1,312)	7,361

This account includes the acquisition costs related to investment contracts which do not fall under the application of IFRS 4: the reduction is due to the contraction in bancassurance activity.

OPERATING EXPENSES

(in Euro '000)	H1 2013	H1 2012	Change	2012
Non-Life business				
Acquisition commissions and changes in deferred acquisition costs	398,140	510,300	(112,160)	848,115
Other acquisition expenses	98,138	99,548	(1,410)	212,074
Collection commissions	64,128	17,018	47,110	139,053
Reinsurers commissions and profit participation	(39,908)	(36,155)	(3,753)	(73,607)
Total Non-Life	**520,498**	**590,711**	**(70,213)**	**1,125,635**
Life business				
Acquisition commissions and changes in deferred acquisition costs	52,177	39,762	12,415	90,393
Other acquisition expenses	12,728	13,088	(360)	26,653
Collection commissions	2,665	3,064	(399)	7,032
Reinsurers commissions and profit participation	(717)	(871)	154	(962)
Total Life	**66,853**	**55,043**	**11,810**	**123,116**
Asset management fees	7,916	7,085	831	15,984
Other administration expenses	205,171	205,768	(597)	433,582
Total	**800,438**	**858,607**	**(58,169)**	**1,698,317**

In the first half of 2012 the account "Other administration expenses" did not include Euro 14 million relating to the Atahotels Group reclassified to the account "Profit (loss) from discontinued operations".

OTHER COSTS

The other costs amount to Euro 418,431 thousand (Euro 439,242 thousand in the first half of 2012) and are summarised below:

(in Euro '000)	H1 2013	H1 2012	Change	2012
Other technical expenses	151,965	203,854	(51,889)	300,815
Provisions for risks and charges	68,265	108,510	(40,245)	186,300
Write-downs of receivables	39,605	11,017	28,588	112,977
Non recurring expenses	9,230	6,389	2,841	37,287
Depreciation of property & equipment	6,194	5,445	749	14,704
Amortisation on intangible assets	13,214	15,372	(2,158)	40,120
Impairment losses on intangible assets	911	13,433	(12,522)	268,100
Exchange differences	1,662	1,407	255	1,354
Other expenses	127,385	73,815	53,570	262,922
Total	**418,431**	**439,242**	**(20,811)**	**1,224,579**

The sub-account “other costs” relates to the following:

- Euro 42 million of ordinary operating costs of the Atahotel Group companies. In the first half of 2012 these amounts totalling Euro 34 million were reclassified to the account “Profit (loss) from discontinued operations”;
- Euro 32 million (Euro 31 million in H1 2012) concerning the ordinary costs of the subsidiary Auto Presto & Bene;
- Euro 19 million (Euro 21 million in H1 2012) of costs incurred by the clinic subsidiaries of the Group for operating and personnel costs;
- Euro 13 million (Euro 12 million in H1 2012) relating to ordinary costs of the subsidiary Immobiliare Lombarda and of the Immobiliare Fondiaria-SAI and Immobiliare Milano Groups;
- Euro 3 million (Euro 3 million in the first half of 2012) relating to the operating costs of the subsidiary Saiagricola.

INCOME TAXES

The breakdown of the account is as follows:

(in Euro ‘000)	H1 2013	H1 2012	Change	2012
Current taxes	62,819	91,918	(29,099)	52,631
Deferred taxes	83,806	(43,153)	126,959	(183,993)
Total	**146,625**	**48,765**	**97,860**	**(131,362)**

Income taxes for the period amounted to Euro 146,625 thousand (Euro 48,765 thousand in the first half of 2012), of which current taxes of Euro 62,819 thousand and deferred tax charges of Euro 83,806 thousand.

The national income taxes (IRES and IRAP) and the income taxes of the foreign subsidiary are determined applying the relative nominal income tax rates applicable to the annual accounts.

The positive effect of deferred taxes includes the reversal, in terms of higher charges, of deferred tax assets provisioned in previous years on the tax losses which in the half-year may be deducted from assessable income within the limits established by the tax regulation.
The tax rate for the period was more contained compared to the first half of 2012 due to a higher pre-tax profit which normalised both IRAP and IRES rates, this latter benefitting from the normalised effects from exempt revenues.

PROFIT (LOSS) FROM DISCONTINUED OPERATIONS

In the first half of 2012 the account which reports a loss of Euro 11,144 thousand included the loss in the period of Euro 13,455 thousand of the Atahotels Group and income of Euro 2,311 thousand following the sale of the investment in IGLI S.p.A..

PART D – Segment Information

In accordance with IFRS 8, segment information provides the readers of the financial statements with an additional tool for a better understanding of the Group's operating and financial performance.
The underlying logic in the application of the standard is to provide information regarding the manner in which the Group's results are derived, and consequently on its overall operations, and, particularly, on those areas where profits and risks are concentrated.

The primary reporting of the Group is by sector of activity. Companies within the Group are organised and managed separately based on the nature of their products and services, for each sector of activity which represents a strategic business unit offering different products and services.
The sectors of activity are identified through the Group's Management Reporting system. The Non-Life Insurance sector provides insurance cover pursuant to article 2, paragraph 3 of Legislative Decree 209/05. The Life Insurance sector offers insurance cover with payment of capital or an annuity against an event relating to human life, as well as the capitalisation contracts with or without significant insurance risk (article 2, paragraph 1 of Legislative Decree 209/05).

The Real Estate sector rents offices, buildings and residential homes which exceed the coverage requirements of the insurance contract liabilities of the Group and actively operate in the management and enhancement of investment properties.

The Other Activities Sector, residual by nature, offers products and services in fund management, asset management, and the financial and agricultural sectors. The identification of this residual segment is based on a discretional valuation to illustrate the primary sources of risks and benefits for the Group.
Inter-sector transactions are generally carried out under arm's length conditions.

The statement of financial position and income statement by segment follow.

Statement of financial position by segment

(in Euro thousands)

		Non-Life		Life		Real Estate		Other		Inter-segment Eliminations		Total	
		30/06/2013	31/12/2012	30/06/2013	31/12/2012	30/06/2013	31/12/2012	30/06/2013	31/12/2012	30/06/2013	31/12/2012	30/06/2013	31/12/2012
1	**INTANGIBLE ASSETS**	**586,369**	**682,057**	**421,530**	**428,669**	**892**	**995**	**43,293**	**48,507**		**-1**	**1,052,084**	**1,160,227**
2	**PROPERTY, PLANT & EQUIPMENT**	**92,665**	**85,050**	**7,379**	**7,216**	**152,156**	**182,573**	**87,210**	**98,298**	**-26**	**-26**	**339,384**	**373,111**
3	**NSURANCE LIABILITIES - REINSURERS SHARE**	**636,676**	**729,068**	**53,291**	**78,236**							**689,967**	**807,304**
4	**INVESTMENTS**	**6,488,400**	**9,016,485**	**21,670,105**	**22,854,202**	**1,072,220**	**1,151,582**	**1,189,561**	**1,202,107**	**-316,249**	**-365,294**	**30,104,037**	**33,859,082**
4.1	Investment property	1,007,779	1,129,419	3,733	3,845	963,799	1,044,749	22,336	22,761		0	1,997,647	2,200,774
4.2	Investments in subsidiaries, associates and interests in* joint ventures	22,913	108,854	84,210	-1	16,288	15,742	6,525	1,204		0	129,936	125,799
4.3	Held to maturity investments	0	0	601,282	712,687	7,583	7,548	0	0	-2,153	-2,116	606,712	718,119
4.4	Loans and receivables	690,397	752,188	2,016,655	2,060,857	30,002	30,076	975,150	988,472	-307,653	-304,563	3,404,551	3,527,030
4.5	Available-for-sale financial assets	4,738,111	7,009,587	12,818,684	13,686,850	51,673	50,592	154,320	153,141		-52,129	17,762,788	20,848,041
4.6	Financial assets at fair value through profit or loss	29,200	16,437	6,145,541	6,389,964	2,875	2,875	31,230	36,529	-6,443	-6,486	6,202,403	6,439,319
5	**OTHER RECEIVABLES**	**1,513,445**	**2,073,906**	**195,849**	**226,342**	**70,720**	**70,360**	**230,862**	**346,561**	**-411,176**	**-626,174**	**1,599,700**	**2,090,995**
6	**OTHER ASSETS**	**4,198,727**	**1,011,424**	**1,033,734**	**422,594**	**149,287**	**54,388**	**209,348**	**76,137**	**-193,099**	**-29,953**	**5,397,997**	**1,534,590**
6.1	Deferred acquisition costs	22,687	19,311	35,424	32,939		0		0			58,111	52,250
6.2	Other assets	4,176,040	992,113	998,310	389,655	149,287	54,388	209,348	76,137	-193,099	-29,953	5,339,886	1,482,340
7	**CASH AND CASH EQUIVALENTS**	**336,553**	**452,430**	**560,807**	**277,260**	**65,107**	**96,164**	**172,066**	**296,198**	**-462,107**	**-561,824**	**672,426**	**560,228**
	TOTAL ASSETS	**13,852,835**	**14,050,420**	**23,942,695**	**24,294,519**	**1,510,382**	**1,556,062**	**1,932,340**	**2,067,808**	**-1,382,657**	**-1,583,272**	**39,855,595**	**40,385,537**
1	**EQUITY**											**2,865,789**	**2,762,674**
2	**PROVISIONS**	**218,996**	**216,893**	**24,319**	**26,616**	**17,068**	**15,803**	**22,876**	**12,566**		**-1**	**283,259**	**271,877**
3	**INSURANCE CONTRACT LIABILITIES**	**9,186,575**	**12,522,213**	**20,573,182**	**21,135,686**							**29,759,757**	**33,657,899**
4	**FINANCIAL LIABILITIES**	**987,084**	**1,085,512**	**859,754**	**920,824**	**173,484**	**175,520**	**991,759**	**1,059,729**	**-895,936**	**-925,959**	**2,116,145**	**2,315,626**
4.1	Financial liabilities at fair value through profit or loss	61,113	54,293	502,941	507,632	4,511	5,737	660	912		1	569,225	568,575
4.2	Other financial liabilities	925,971	1,031,219	356,813	413,192	168,973	169,783	991,099	1,058,817	-895,936	-925,960	1,546,920	1,747,051
5	**PAYABLES**	**570,833**	**750,783**	**95,726**	**164,344**	**44,412**	**42,963**	**342,462**	**429,575**	**-414,678**	**-622,743**	**638,755**	**764,922**
6	**OTHER LIABILITIES**	**3,389,238**	**346,568**	**812,039**	**238,152**	**31,339**	**30,839**	**31,475**	**31,704**	**-72,201**	**-34,724**	**4,191,890**	**612,539**
	TOTAL EQUITY AND LIABILITIES	0	0	0	0	0	0	0	0	0	0	**39,855,595**	**40,385,537**

Segment Income Statement

(in Euro thousands)

		Non-Life		Life		Real Estate		Other		Inter-segment Eliminations		Total	
		H1 2013	H1 2012	H1 2013	H1 2012	H1 2013	H1 2012	H1 2013	H1 2012	H1 2013	H1 2012	H1 2013	H1 2012
1.1	Net premiums	2,976,062	3,339,781	2,258,806	1,585,906	0	0	0	0	0	0	5,234,868	4,925,687
1.1.1	*Gross premiums*	*3,138,943*	*3,496,347*	*2,263,519*	*1,590,875*							5,402,462	5,087,222
1.1.2	*Ceded premiums*	*-162,881*	*-156,566*	*-4,713*	*-4,969*							-167,594	-161,535
1.2	Commission income	0		475	1,963			10,896	11,591	-5,641	-8,567	5,730	4,987
1.3	Gains and losses on remeasurement of financial instruments at fair value through profit or loss	-29,405	16,009	37,308	309,351	-777	-319	634	474	0		7,760	325,515
1.4	Gains on investments in subsidiaries, associates and interest in joint ventures	*50*	*652*	*0*		*18*	*15*	*0*		*0*		68	667
1.5	Gains on other financial instruments and investment property	213,806	228,319	365,943	367,331	29,075	25,754	27,548	29,476	-20,816	-14,362	615,556	636,518
1.6	Other income	237,235	237,716	27,772	32,149	10,406	10,852	304,985	272,019	-343,758	-377,012	236,640	175,724
1	**TOTAL REVENUES AND INCOME**	**3,397,748**	**3,822,477**	**2,690,304**	**2,296,700**	**38,722**	**36,302**	**344,063**	**313,560**	**-370,215**	**-399,941**	**6,100,622**	**6,069,098**
2.1	Net charges relating to claims	-2,025,430	-2,396,075	-2,349,222	-2,051,468	0	0	0	0	0	0	-4,374,652	-4,447,543
2.1.2	*Amounts paid and changes in insurance liabilities*	*-2,114,933*	*-2,550,169*	*-2,353,502*	*-2,052,597*							-4,468,435	-4,602,766
2.1.3	*Reinsurers' share*	*89,503*	*154,094*	*4,280*	*1,129*							93,783	155,223
2.2	Commission expenses	0		-312	-1,411			-2,794	-3,007			-3,106	-4,418
2.3	Losses on investments in subsidiaries, associates and interests in joint ventures	-2,559	-8,001	0		-102	-198	-217	-368			-2,878	-8,567
2.4	Losses on other financial instruments and investment property	-83,190	-134,301	-49,020	-51,969	-44,725	-33,856	-10,856	-14,119	4,810	8,376	-182,981	-225,869
2.5	Operating expenses	-649,331	-736,178	-106,918	-93,315	-93	-100	-162,209	-151,926	118,113	122,912	-800,438	-858,607
2.6	Other costs	-386,195	-467,918	-55,700	-54,152	-19,837	-27,954	-203,991	-157,871	247,292	268,653	-418,431	-439,242
2	**TOTAL COSTS AND EXPENSES**	**-3,146,705**	**-3,742,473**	**-2,561,172**	**-2,252,315**	**-64,757**	**-62,108**	**-380,067**	**-327,291**	**370,215**	**399,941**	**-5,782,486**	**-5,984,246**
	PRE-TAX PROFIT/(LOSS) FOR THE PERIOD	**251,043**	**80,004**	**129,132**	**44,385**	**-26,035**	**-25,806**	**-36,004**	**-13,731**	**0**	**0**	**318,136**	**84,852**

PART E - Information on business combinations and sold or discontinued operations

Disposals under the Anti-trust Authority order

As previously stated, the Anti-trust Authority order of 19 June 2012 (the "Order") authorised the acquisition of control by UGF of the Premafin/Fondiaria-SAI Group and specifically the companies Premafin, Fondiaria-SAI and Milano Assicurazioni, prescribing, in accordance with Article 6, paragraph 2 of Law No. 287/90, among other issues, that Unipol disposes of companies and business units comprising, among others, brands, insurance portfolios (comprising significant amounts of premiums) and agency contracts, infrastructure and instrumental resources, for a total value of approx. Euro 1.7 billion.

The Order also establishes that, following the sale of these assets, the Group post-merger shall have its market share at national and regional level reduced to under 30% (or to guarantee the disposal of the entire share acquired under the operation if the 30% share had been held pre-merger) for both the Non-Life and Life businesses considered individually and based on IVASS figures.
UGF instigated a disposal process, inviting major Italian and overseas operators and interested financial investors to participate.

On 8 May 2013 the Board of Directors of Milano Assicurazioni S.p.A. and Fondiaria–Sai S.p.A. and on 9 May 2013 the Board of Directors of Unipol Gruppo Finanziario S.p.A. respectively identified, also in exercising direction and coordination of the Group, the assets subject to disposal, specifically identifying the companies, assets and liabilities, in addition to the contracts and the Mediobanca – Banca di Credito Finanziario S.p.A. debt to be disposed of, to ensure fulfillment of the Order.
In the days immediately following interested investors present the Information Memorandum concerning the assets and liabilities to be disposed of, in order to prepare any non-binding offers.

Net assets held for sale include the subsidiaries Liguria Assicurazioni and Liguria Vita, the sales points of the SASA division (now incorporated into Milano Assicurazioni), in addition to other Milano Assicurazioni sales points, both single and multi-mandate.
The properties used for the carrying out of activities throughout the country are also included.
The activity concerns the writing of insurance premiums both in the Non-Life (the principal segment) and Life segments.

The manner and timeline for disposal currently cannot be reliably estimated, nor the contractual framework or an estimate on when the disposal may be agreed.
No gain or loss resulted from the application of IFRS 5.

The above assets and liabilities, broken down by sector, are reported below:

(in Euro '000)

		Non-Life	Life	Real Estate	Other	Inter-sector Eliminations	Total
1	**INTANGIBLE ASSETS**	**90,688**	**7,120**	**-**	**-**	**-**	**97,808**
2	**PROPERTY, PLANT & EQUIPMENT**	**72**	**-**	**33,003**	**-**	**-**	**33,075**
3	**INSURANCE LIABILITIES – REINSURERS SHARE**	**91,448**	**18,923**	**-**	**-**	**-**	**110,371**
4	**INVESTMENTS**	**2,818,887**	**550,238**	**55,818**	**-**	**(175)**	**3,424,768**
4.1	Investment property	75,136	-	55,818	-	-	130,954
4.2	Investments in subsidiaries, associates and interests in joint ventures	-	-	-	-	-	-
4.3	Held to maturity investments	-	92,955	-	-	-	92,955
4.4	Loans and receivables	40,259	19,668	-	-	-	59,927
4.5	Available-for-sale financial assets	2,703,492	391,151	-	-	(175)	3,094,468
4.6	Financial assets recognised at fair value through profit or loss	-	46,464	-	-	-	46,464
5	**OTHER RECEIVABLES**	**237,771**	**21,029**	**640**	-	-	**259,440**
6	**OTHER ASSETS**	**15,420**	**9,429**	**-**	-	-	**24,849**
6.1	Insurance deferred acquisition costs	1,478	2,862	-	-	-	4,340
6.2	Other assets	13,942	6,567	-	-	-	20,509
7	**CASH AND CASH EQUIVALENTS**	**23,540**	**49,221**	**2,895**		**(55,040)**	**20,616**
	TOTAL ASSETS	**3,277,826**	**655,960**	**92,356**		**(55,215)**	**3,970,927**
2	**PROVISIONS**	**20,183**	**500**	**-**	-	**-**	**20,683**
3	**INSURANCE CONTRACT LIABILITIES**	**2,865,861**	**578,605**	**-**	-	**-**	**3,444,466**
4	**FINANCIAL LIABILITIES**	**117,243**	**56,204**	-	-	**-**	**173,447**
4.1	Financial liabilities at fair value through profit or loss	-	-	-	-	-	-
4.2	Other financial liabilities	117,243	56,204	-	-	-	173,447
5	**PAYABLES**	**39,782**	**3,642**	**102**	**827**	**(5,598)**	**38,755**
6	**OTHER LIABILITIES**	**41,033**	**8,402**	**-**	**-**	**-**	**49,435**
	TOTAL LIABILITIES	**3,084,102**	**647,353**	**102**	**827**	**(5,598)**	**3,726,786**

As outlined in the accounting policies section, considering that the group held for sale comprises a very small composition of assets and liabilities relating to an independently identified cash generating unit, for completeness of information, the results of this cash generating unit (relating to Liguria Assicurazioni) are detailed below.

Results of the Liguria Assicurazioni CGU for the first half of 2013

(in Euro '000)		**Non-Life business**	**Life business**	**Total**
1.1	Net premiums	81,093	7,865	88,958
1.1.1	*Gross premiums*	96,906	8,705	105,611
1.1.2	*Ceded premiums*	(15,813)	(840)	(16,653)
1.2	Commission income			
1.3	Gains and losses on remeasurement of financial instruments at fair value through profit or loss			
1.4	Gains on investments in subsidiaries, associates and interests in joint ventures			
1.5	Gains on other financial instruments and investment property	6,812	2,343	9,155
1.6	Other income	3,609	87	3,696
1	**TOTAL REVENUES AND INCOME**	**91,514**	**10,295**	**101,809**
2.1	Net charges relating to claims	62,119	6,947	69,066
2.1.1	*Amounts paid and changes in insurance contract liabilities*	69,083	7,408	76,491
2.1.2	*Reinsurers' share*	(6,964)	(461)	(7,425)
2.2	Commission expenses			
2.3	Losses on investments in subsidiaries, associates and interests in joint ventures			
2.4	Losses on other financial instruments and investment property	81	6	87
2.5	Operating expenses	19,554	1,355	20,909
2.6	Other costs	13,794	1,582	15,376
2	**TOTAL COSTS AND EXPENSES**	**95,548**	**9,890**	**105,438**
	PRE-TAX PROFIT/(LOSS) FOR THE PERIOD	**(4,034)**	**405**	**(3,629)**

PART F - Transactions with related parties

Introduction

Disclosure in the financial statements on "Transaction with related parties" is governed by IAS 24 and by relative Consob Communications.

The transactions between the Parent Company Fondiaria-SAI and its subsidiaries or transactions between subsidiaries were eliminated in the present interim financial statements and are not shown in these notes.

On 23 December 2011, the Board of Directors of Fondiaria-SAI approved the updating of the previous version of the document "Conduct principles for carrying out significant transactions and those with related parties", in compliance with that established by CONSOB through resolution No. 17221 of 12 March 2010 ("CONSOB Regulation"). In approving the resolution, the Board of Directors took account of the unanimous approval by the specifically appointed committee comprising exclusively independent directors. The new procedures were published on the website of the Company on 23 December 2011 and applied from 1 January 2012. For 2011 and the previous years, the existing provisions remain valid. In compliance with that stated above, the Board also approved the updated text of the guidelines for transactions with related parties as per ISVAP Regulation No. 25 of 27 May 2010, in relation to which reference is made to the above stated document concerning the procedural aspects of the transactions with related parties.

Following the change in the ownership of the company in July 2012 and the appointment of the new Board of Directors in November 2012, the list of related parties was updated and extended to parties, physical and legal persons, related to the Parent Company UGF and the new Board of Directors.
Therefore the links with physical and legal persons of the Ligresti Group were removed.

The statement of financial position, income statement and financial data concerning transactions with related parties for the first half of 2013 are set out in the following tables.

The operations between Group and other related parties are detailed in the following tables:

Account balance

(in Euro '000)	30/6/2013		31/12/2012	
COUNTERPARTY	Assets	Liabilities	Assets	Liabilities
Parent company	5,226	4,214	4,951	321
Associates	15,972	15,333	23,037	10,027
Group companies	37,042	10,236	8,693	2,030
Other related parties	1,320	4,349	1,829	5,074
TOTAL	**59,560**	**34,132**	**38,510**	**17,452**

(in Euro '000)	30/6/2013		31/12/2012	
NATURE OF TRANSACTION	Assets	Liabilities	Assets	Liabilities
Real estate activities	428	4	420	-
Insurance activities	24,823	9,814	5,002	1,988
Financial activities	32,585	4,399	32,496	14,501
Service provided	946	-	592	-
Services received	778	17,766	-	148
Fees to Corporate Officers	-	1,067	-	815
Remuneration of Executives	-	1,082	-	-
TOTAL	**59,560**	**34,132**	**38,510**	**17,452**

(in Euro '000)	H1 2013		H1 2012	
COUNTERPARTY	Income	Expenses	Income	Expenses
Parent company	735	4,500	245	54
Associates	374	34,930	280	3
Group companies	40,580	55,356	-	-
Other related parties	19,022	9,959	23,027	125,677
TOTAL	**60,711**	**104,745**	**23,552**	**125,734**

(in Euro '000)	H1 2013		H1 2012	
NATURE OF TRANSACTION	Income	Expenses	Income	Expenses
Real estate activities	200	-	852	73,451
Insurance activities	59,678	62,672	22,034	33,585
Financial activities	263	76	430	4,863
Service provided	570	-	236	141
Services received	-	38,804	-	5,290
Fees to Corporate Officers	-	1,833	-	3,723
Remuneration of Executives	-	1,360	-	4,681
TOTAL	**60,711**	**104,745**	**23,552**	**125,734**

Financial cash flows

(in Euro '000)	H1 2013		H1 2012	
COUNTERPARTY	Cash inflow	Cash outflow	Cash inflow	Cash outflow
Parent company	358	1,303	49	35
Associates	799	36,201	122	8,856
Group companies	2,774	5,432	-	-
Other related parties	19,077	15,653	22,860	61,296
TOTAL	**23,008**	**58,589**	**23,031**	**70,187**

(in Euro '000)	H1 2013		H1 2012	
NATURE OF TRANSACTION	Cash inflow	Cash outflow	Cash inflow	Cash outflow
Real estate activities	240	-	644	14,304
Insurance activities	21,994	19,622	22,119	32,144
Financial activities	347	183	190	9,937
Service provided	427	-	54	121
Services received	-	36,732	24	6,506
Fees to Corporate Officers	-	1,774	-	2,494
Remuneration of Executives	-	278	-	4,681
TOTAL	**23,008**	**58,589**	**23,031**	**70,187**

All of the above transactions were concluded at normal market conditions. The receivables recorded under assets are not guaranteed and will be paid in cash. No provision was made in the half-year for any losses on receivables from related entities.

REAL ESTATE ACTIVITIES

The income statement and balance sheet effects of a real estate nature are reported in the table below.

(in Euro '000)	30/6/2013					
COUNTERPARTY	Assets	Liabilities	Income	Expenses	Cash inflow	Cash outflow
Parent company	177	-	188	-	129	-
Associated companies	251	4	-	-	93	-
Group companies	-	-	1	-	2	-
Other related parties	-	-	11	-	16	-
TOTAL	**428**	**4**	**200**	**-**	**240**	**-**

The amount recorded under **assets** principally include:

- Transactions with the **Parent Company** Premafin Finanziaria S.p.A. for Euro 0.2 million relating to receivables for rental of Fondiaria-SAI owned buildings;
- Transactions with **Associated Companies** for Euro 0.3 million with associated companies of Immobiliare Lombarda S.p.A., including Servizi Immobiliari Martinelli S.p.A., concerning receivables for property services provided.

INSURANCE ACTIVITIES

The income statement and balance sheet effects of an insurance nature are reported in the table below.

(in Euro '000)	30/6/2013					
COUNTERPARTY	**Assets**	**Liabilities**	**Income**	**Expenses**	**Cash inflow**	**Cash outflow**
Parent company	-	-	56	177	56	295
Associates	537	-	160	77	200	101
Group companies	24,192	8,408	40,489	54,253	2,760	5,340
Other related parties	94	1,406	18,973	8,165	18,978	13,886
TOTAL	**24,823**	**9,814**	**59,678**	**62,672**	**21,994**	**19,622**

In relation to insurance activities with **Group Companies**, Euro 23.9 million relates to co-insurance and re-insurance with Unipol Assicurazioni S.p.A., as follows: Systema Compagnia di Assicurazioni S.p.A. Euro 5.4 million, Liguria Assicurazioni S.p.A. Euro 4.9 million, Dialogo Assicurazioni S.p.A. Euro 3.6 million, Fondiaria-SAI S.p.A. Euro 1.7 million, Milano Assicurazioni S.p.A. Euro 7.9 million, SIAT Euro 0.2 million and Incontra Assicurazioni S.p.A. Euro 0.2 million; in addition to Euro 8.4 million of co-insurance liabilities.

In the first half of 2013 income and the related financial cash flows from **Other Related Parties** were recorded concerning premiums which the Fondiaria SAI Group Employee Pension Fund and the Fondiaria-SAI Executive Pension Fund paid respectively to Fondiaria-SAI for Euro 11.9 million and Milano Assicurazioni S.p.A. for Euro 6.6 million. These payments are for the investment in Life policies of the contributions from policyholders.

Insurance charges concerning **Other Related Parties** include:

- Euro 7.8 million due to the payment of contributions on behalf of Group companies, in favour of the Fondiaria-SAI Group Employee and Executive Pension Funds. The respective cash flows amount to Euro 13.5 million. These payments were made in accordance with contractual agreements in force;
- settlement of claims, against redemption or maturity of Life policies for Euro 0.4 million.

Charges with **Group Companies** amount to Euro 54.1 million relating to co-insurance and reinsurance with Unipol Assicurazioni S.p.A., as follows: Systema Compagnia di Assicurazioni S.p.A. Euro 16.3 million, Dialogo Assicurazioni S.p.A. Euro 11.3 million, Fondiaria-SAI S.p.A. Euro 9 million, Milano Assicurazioni S.p.A. Euro 8.6 million, Liguria Assicurazioni S.p.A. Euro 7.7 million, DDOR Re Joint Stock Reinsurance Company Euro 0.6 million and Incontra Assicurazioni S.p.A. for Euro 0.6 million.

Income from **Group Companies** comprises of:

- reinsurance with Unipol Assicurazioni S.p.A. by: Systema Compagnia di Assicurazioni S.p.A. Euro 16.3 million, Liguria Assicurazioni S.p.A. Euro 4.9 million, Dialogo Assicurazioni S.p.A. Euro 11 million, Milano Assicurazioni S.p.A. Euro 6.2 million for claims provision changes;
- payments for the handling for co-insurance and re-insurance claims relating respectively to payments made by Arca Vita S.p.A. for Euro 0.2 million and Unipol Assicurazioni S.p.A. for Euro 0.4 million;

- payments for the recovery of premiums by Unipol Assicurazioni S.p.A. in favour of Fondiaria-SAI S.p.A. for Euro 1.4 million.

Insurance transactions with the **Group Company** Unipol Assicurazioni S.p.A. concerns the claim payments for Euro 2 million by Milano Assicurazioni S.p.A. and Euro 1.8 million by Fondiaria-SAI S.p.A..

FINANCIAL ACTIVITIES

The income statement and balance sheet effects of a financial nature are reported in the table below.

(in Euro '000)	30/6/2013					
COUNTERPARTY	**Assets**	**Liabilities**	**Income**	**Expenses**	**Cash inflow**	**Cash outflow**
Parent company	4,619	280	164	-	-	-
Associates	13,989	1,311	78	72	302	172
Group companies	12,773	774	4	2	3	11
Other related parties	1,204	2,034	17	2	42	-
TOTAL	**32,585**	**4,399**	**263**	**76**	**347**	**183**

In relation to assets of a financial nature we highlight:

- Euro 4.6 million in relation to the **Parent Company** Unipol Gruppo Finanziario S.p.A. concerning the holding by Milano Assicurazioni S.p.A. of the Unipol 28.07.03/23 subordinated variable rate bond;
- for the **Associated Companies** receivables for loans owed to Immobiliare Milano from Borsetto S.r.l. (Euro 8.1 million) and Penta Domus S.r.l. (Euro 1.8 million) and loan receivables of Immobiliare Fondiaria-SAI S.r.l. from Progetto Alfiere S.p.A. for Euro 2.6 million;
- for the **Associated Company** Scai S.p.A. current account transactions undertaken with BancaSai for Euro 1 million;
- current account transactions undertaken with the **Group Company** Unipol Banca S.p.A. by Fondiaria-SAI S.p.A. for Euro 9.5 million and by Milano Assicurazioni S.p.A. for Euro 3.3 million;
- transactions with **Other Related Parties** for Euro 1.2 million concerning the granting of credit lines by the subsidiary BancaSai to physical persons.

The liabilities to **Other Related Parties** include current account transactions undertaken by physical and legal persons with the subsidiary BancaSai for Euro 2 million.

The liabilities to **Associated Companies** refer to:

- loan payables to Borsetto S.r.l. (Euro 0.7 million);
- current account transactions with BancaSai by Penta Domus S.r.l. (Euro 0.5 million).

SERVICES PROVIDED

(in Euro '000)	30/6/2013					
COUNTERPARTY	**Assets**	**Liabilities**	**Income**	**Expenses**	**Cash inflow**	**Cash outflow**
Parent company	431	-	327	-	172	-
Associates	416	-	137	-	203	-
Group companies	78	-	85	-	10	-
Other related parties	21	-	21	-	42	-
TOTAL	**946**	**-**	**570**	**-**	**427**	**-**

These include principally receivables for invoices to be received and diversified sector ordinary revenues.

SERVICES RECEIVED

(in Euro '000)	30/6/2013					
COUNTERPARTY	**Assets**	**Liabilities**	**Income**	**Expenses**	**Cash inflow**	**Cash outflow**
Parent company	-	2,700	-	2,769	-	533
Associates	778	14,018	-	34,781	-	35,928
Group companies	-	1,036	-	1,084	-	69
Other related parties	-	12	-	170	-	202
TOTAL	**778**	**17,766**	**-**	**38,804**	**-**	**36,732**

Services received by the **Parent Company** Unipol Gruppo Finanziario S.p.A. include under liabilities and charges Euro 2.7 million against invoices to be received for personnel secondment.

Assets for services received by Gruppo Fondiaria-SAI Servizi S.c.r.l. include Euro 0.6 million with the Associated Company Scai S.p.A for the capitalisation of outsourcing.

Liabilities for services received by **Associated Companies** concern respectively Fondiaria-SAI Servizi Tecnologici S.p.A. for Euro 13.3 million and SCAI S.p.A. for Euro 0.7 million. At 31/12/2012 these totalled Euro 13.6 million and Euro 2.3 million.

In relation to services received by **Associated Companies** we report the following charges and movements:

- with Fondiaria-SAI Servizi Tecnologici S.p.A. Euro 0.6 million to Liguria Assicurazioni S.p.A., Euro 0.3 million to Auto Presto&Bene S.p.A. and Euro 30 million to Gruppo Fondiaria-SAI Servizi S.c.r.l. concerning software application charges, the management and maintenance of servers and ICT outsourcing;
- with SCAI S.p.A. Euro 3.9 million to Gruppo Fondiaria-SAI Servizi S.c.r.l..

These charges in the first half of 2012 amounted overall to Euro 35 million.

Among services received from the **Group Company** Unipol Assicurazioni S.p.A., Euro 1 million of invoices to be received for personnel secondment is highlighted among liabilities and charges.

Finally charges include emoluments for members of the Group Company boards for Euro 1.8 million and executive salaries of Euro 1.4 million.

Assets referring to transactions with related parties at 30/6/2013 (including associated companies) account for approx. 0.15% of the total reported in the consolidated financial statements with liabilities accounting for 0.09% excluding the items relating to shareholders' equity.
The Cash Flows absorb 26.9% of net liquidity deriving from operating activities as reported in the Consolidated Cash Flow Statement at 30/6/2013.

For complete disclosure, assets include for Euro 231 million receivables from Im.Co. S.p.A. and Avvenimenti e Sviluppo Alberghiero S.r.l. (subsidiary of Im.Co.), as well as from Sinergia Holding di Partecipazioni and Europrogetti, with the related party relationship concluding in 2012, based on real estate operations undertaken in previous years.
The amount is net of a doubtful debt provision of Euro 145.0 million, set up following the bankruptcy of Im.Co., Sinergia and Europrogetti declared in 2012.

PART G - Other information

INFORMATION ON FINANCIAL RISKS

Derivative financial instruments

The Group makes a limited use of derivative financial instruments. In fact the characteristics and the nature of the insurance activity requires that the utilisation of derivative financial instruments are regulated in accordance with Supervision Authority Provision No. 297/1996. On 31 January 2011, ISVAP issued Regulation No. 36 concerning guidelines about investments, including derivative instruments and structured securities and repealed, among other provisions, also 297/1996.

In particular, Regulation No. 36 recalls that operations in derivative financial instruments with the purpose of managing efficiency must be limited within a tolerable level of the available solvency margin. Group operations in derivative financial instruments have the principal purpose to hedge against the price risk on equity securities (equity risk) through the use of options designated as fair value hedge instruments and to hedge the risks deriving from changes in interest rates on bank loans through the use of Interest Rate Swap contracts designated as cash flow hedge instruments.

POSITIONS OPEN

Fair value hedging instruments

Combined put – call options

At 30/6/2013, the Group, through the Parent Company Fondiaria-SAI, holds the following combined purchase put – sales call option contracts with the same contractual characteristics (underlying, notional, maturity, strike):

- 8,802,913 options (average strike price of Euro 7.2733) to hedge the price risk on 8,802,913 Pirelli & C. ordinary shares of the Non-Life business classified under AFS equity securities amounting to 99.85% of total Group exposure (100.00% of Fondiaria-SAI).
- 3,931,000 options (average strike price of Euro 4.8687) to hedge the price risk on 3,931,000 Mediobanca ordinary shares of the Non-Life business classified under AFS equity securities and representing 11.90% of total Group exposure (18.64% of Fondiaria-SAI Non-Life business).
- 5,974,500 options (average strike price of Euro 5.2495) to hedge the price risk on 5,974,500 Mediobanca ordinary shares of the Life Insurance Sector classified under AFS equity securities and representing 18.09% of total Group exposure (100.00% of Fondiaria-SAI Life business).

Milano Assicurazioni does not hold additional purchase put – sales call combined hedging options.

Summarised table:

(in Euro '000)

Derivative Purchase put-sale call equity hedge	Number Options	Number Options	Company	Assets for hedging contracts		Liabilities for hedging contracts		Total adjustment to book value of shares available-for-sale hedged	
	30/6/2013	**31/12/2012**		**30/6/2013**	**31/12/2012**	**30/6/2013**	**31/12/2012**	**30/6/2013**	**31/12/2012**
Pirelli & C. ord. (Non-Life)	8,802,913	19,867,831	Fondiaria-SAI	352	2,671	13,414	-	14,184	(2,671)
Unicredit (Non-Life)	-	3,595,302	Fondiaria-SAI	-	2,852	-	-	-	(2,852)
Mediobanca (Non-life)	3,931,000	3,931,000	Fondiaria-SAI	2,901	-	297	1,268	(3,194)	1,268
Mediobanca (Life)	5,974,500	5,974,500	Fondiaria-SAI	6,363	-	102	1,213	(6,987)	1,213
Unicredit (Life)	-	6,455,262	Milano Assicurazioni	-	-	-	889	-	889
Unicredit (Life)	-	3,882	Milano Assicurazioni	-	6	-	-	-	(6)
Total	**-**	**-**		**9,616**	**5,529**	**13,813**	**3,370**	**4,003**	**(2,159)**

The fair value of the options at 30/6/2013 corresponds to total assets of Euro 9,616 thousand (total assets of Euro 5,529 thousand at 31/12/2012) and a liability of Euro 13,813 thousand (overall liabilities of Euro 3,370 thousand at 31/12/2012). From the inception date of the hedge, the positive and negative changes in the period deriving from the fair value valuation of the options are recognised in the Income Statement in the account: "Income and charges from financial assets designated at fair value through profit or loss". Similarly, the carrying value of the hedged assets are adjusted for changes in the fair value in the period of the ordinary shares hedged with changes recorded in the Income Statement in the account: "Income and charges from financial instruments recorded at fair value through profit or loss". In H1 2013 the options value decreased by Euro 4,197 thousand due to the fair value relating to the options held at 30/6/2013 offset by the net increase in the period in the fair value of the shares hedged. The fair value hedges through options were considered to be efficient and, at 30 June 2013, there were no items not effectively hedged.

Interest Rate Swap

As of 30/6/2013, the Group held through the 100% subsidiary BancaSai S.p.A. IRS interest risk hedge contracts deriving from fixed interest rate commitments to clients for a total notional amount of Euro 25 million. The valuation at 30 June 2013 of IRS hedges corresponds to a negative fair value of approx. Euro 660 thousand (Euro 912 thousand negative fair value at 31/12/2012).

The principal contractual conditions of these IRS are illustrated below:

(in Euro '000)

Company	Notional value	Maturity	Fixed rate %	Variable rate	Fair value at 30/6/2013	Fair value at 31/12/2012
BancaSai	25,000	2/2/2014	3.050	Euribor 6 m Act/360	(660)	(912)
Total	**25,000**				**(660)**	**(912)**

Cash Flow hedge instruments

Interest Rate Swap

Against cash flow hedges, on 30/6/2013, the Group held Interest Rate Swap (IRS) to manage the risks deriving from changes in interest rates on the debt exposure with banks, converting a part of these loans from a variable interest rate to a fixed interest rate.
The notional value of these instruments amounted to Euro 1,125 million (Euro 1,125 million at 31/12/2012).
The fair value of the IRS designated Cash Flow Hedge at 30/6/2013 amounts to a liability of Euro 48 million (liability of Euro 72 million at 31/12/2012). The equity reserve which includes a negative fair value of the hedge instruments at 30/6/2013, net of the share of non-controlling interests and the tax effect, amounts to a negative reserve of Euro 31 million (negative reserve of Euro 47 million at 31/12/2012).

The principal contractual conditions of these IRS are illustrated below:

(in Euro '000)

Company	Notional	Expiry	Fixed rate %	Variable rate	Fair value 30/6/2013	Fair value 31/12/2012
Fondiaria-SAI	200,000	23/7/2013	3.970	Euribor 6 m Act/360	(422)	(3,953)
Fondiaria-SAI	100,000	23/7/2013	3.930	Euribor 6 m Act/360	(208)	(1,954)
Fondiaria-SAI	100,000	23/7/2013	3.990	Euribor 6 m Act/360	(212)	(1,987)
Fondiaria-SAI	150,000	14/7/2016	3.180	Euribor 6 m Act/360	(10,742)	(13,908)
Fondiaria-SAI	100,000	30/12/2015	3.080	Euribor 6 m Act/360	(5,902)	(7,796)
Fondiaria-SAI	100,000	14/7/2018	3.309	Euribor 6 m Act/360	(10,205)	(13,360)
Fondiaria-SAI	150,000	14/7/2018	2.145	Euribor 6 m Act/360	(6,674)	(10,483)
Milano Ass.ni	50,000	14/7/2016	3.180	Euribor 6 m Act/360	(3,569)	(4,637)
Milano Ass.ni	100,000	14/7/2018	2.350	Euribor 6 m Act/360	(5,418)	(8,111)
Tikal	25,000	30/12//2016	3.185	Euribor 6 m Act/360	(1,924)	(2,399)
Tikal	30,000	30/12/2016	3.140	Euribor 6 m Act/360	(2,263)	(2,829)
Marina di Loano	20,000	31/12/2014	2.550	Euribor 3 m 30/360	(321)	(510)
Total	**1,125,000**				**(47,860)**	**(71,927)**

Non-hedging derivatives

The Group does not hold derivative contracts on currencies to hedge transactions and future cash flows, as the overall currency risk exposure is not significant and is covered through the mechanism of natural hedges between assets and liabilities in foreign currencies.

Fondiaria-SAI

Put purchase options on shares

- Purchase of 15,700,000 put options on Mediobanca shares, with an average strike of the options of Euro 4.6522. At 30/6/2013 the fair value amounted to Euro 7,224 thousand. The gain amounted to Euro 3,240 thousand, considering premiums paid of Euro 3,984 thousand.

Call sales options on shares

- Sale of 5,000,000 call options on Mediobanca shares, average strike of the options of Euro 6.50. The fair value was Euro 0.05 thousand. The gain amounts to Euro 340 thousand.
- Sale of 20,000 call options on BNP Paribas shares, strike Euro 48. The fair value was Euro 32 thousand. The gain amounts to Euro 24 thousand.
- Sale of 79,000 call options on Carrefour shares, strike Euro 28. The fair value was Euro 24 thousand. The gain amounts to Euro 41 thousand.

Milano Assicurazioni

Put purchase options on shares

- Purchase of 1,600,000 put options on Mediobanca shares, with an average strike of the options of Euro 4.60. At 30/6/2013 the fair value amounted to Euro 660 thousand. The gain amounted to Euro 223 thousand, considering premiums paid of Euro 437 thousand.

Call sales options on shares

- Sale of 1,600,000 call options on Mediobanca shares, average strike of the options of Euro 6.70. The fair value is zero. The gain amounts to Euro 60 thousand.
- Sale of 29,000 call options on BNP Paribas shares, strike Euro 48. The fair value was Euro 47 thousand. The gain amounts to Euro 35 thousand.
- Sale of 118,000 call options on Carrefour shares, strike Euro 28. The fair value was Euro 36 thousand. The gain amounts to Euro 62 thousand.

CLOSED POSITIONS

Fair value hedging instruments

Fondiaria-SAI

Put purchases-call sales on equities

- Among the hedge operations on equity securities (put purchases - call sales) the following positions were closed:

(in Euro '000)	Quantity	Gains realised on options	Losses realised on options	Net gain/loss on underlying asset sales	Unrealised gain/loss previously recorded to profit or loss
UNICREDIT (Non-Life):					
Underlying assets	3,595,302			643	-
Options	3,595,302	58	(39)	-	-
PIRELLI & C. ord.(Non-life):					
Underlying assets	12,302,500			14,895	(14,609)
Options	36,205,684	15,213	(17,653)	-	-
MEDIOBANCA (Life):					
Underlying assets					3,512
Options	5,974,500		(3,775)	-	-
MEDIOBANCA (Life):					
Underlying assets					745
Options	5,776,000	384	(1,352)	-	-
Changes to P&L on underlying assets for option valuation	**-**	**-**		**-**	**(10,352)**
Result from sale of the underlying asset	**-**	**-**		**15,538**	**-**
Result from the closure of the options	**-**	**15,655**	**(22,819)**	**-**	**-**

Milano Assicurazioni

Put purchases-call sales on equities

- The principal derivative finance operation in the first half of 2013 concerns the exercise of 6,459,144 combined purchase call - sale put options on Unicredit shares, undertaken with an average unitary strike of Euro 3.588. This operation resulted in a loss of Euro 315 thousand. Following the exercise of the above-stated options, the relative Unicredit shares were sold, resulting in a gain of Euro 4,723 thousand.

Non-hedging derivatives

Among the non hedged derivative instruments the following positions were closed:

Fondiaria-SAI

Call sales options on Mediobanca shares

- In the first half of 2013, call sales options were undertaken on 3,000,000 Mediobanca shares with a strike of 5.50 and on 4,000,000 Mediobanca shares with a strike of 5.70. The advanced closure of contracts compared to the maturity date resulted in a realised gain of Euro 699 thousand.

Credit Default Swaps

(in Euro '000)

Notional	Maturity	Counterparty	Issuer hedged	Cost	Payments made in H1 2013	Net Charges H1 2013
5,000	2/20/2013	Morgan Stanley	Serbian Republic	306 bps per year	(79)	(14)
10,000	2/20/2013	Morgan Stanley	Serbian Republic	300 bps per year	(154)	(28)
10,000	2/20/2013	Morgan Stanley	Serbian Republic	285 bps per year	(146)	(28)
25,000					**(379)**	**(72)**

In detail:

- Credit Default Swap on a nominal amount of Euro 5,000 thousand with Morgan Stanley, annual cost 306 bps, with expiry on 20 February 2013 to hedge the issuer risk of the Republic of Serbia. In the first half of the year premiums were paid for Euro 79 thousand and premiums accrued reversed for Euro 57 thousand. The charges for the first half of 2013 amounted therefore to Euro 22 thousand and were recognised under investment charges. The gains following reimbursement amounted to Euro 8 thousand and were recognised under investment income.
- Credit Default Swap on a nominal amount of Euro 10,000 thousand with Morgan Stanley, annual cost 300 bps, with expiry on 20 February 2013 to hedge the issuer risk of the Republic of Serbia. In the first half of the year premiums were paid for Euro 154 thousand and premiums accrued reversed for Euro 111 thousand. The charges for the first half of 2013 amounted therefore to Euro 43 thousand and were recognised under investment charges. The gains following reimbursement amounted to Euro 15 thousand and were recognised under investment income.
- Credit Default Swap on a nominal amount of Euro 10,000 thousand with Morgan Stanley, annual cost 285 bps, with expiry on 20 February 2013 to hedge the issuer risk of the Republic of Serbia. In the first half of the year premiums were paid for Euro 146 thousand and premiums accrued reversed for Euro 105 thousand. The charges for the first half of 2013 amounted therefore to Euro 41 thousand and were recognised under investment charges. The gains following reimbursement amounted to Euro 13 thousand and were recognised under investment income.

DIVIDENDS

In the first half of 2013, no dividends were distributed.

EARNINGS PER SHARE

The earnings/(loss) per share is calculated by dividing the Group net result attributable to the ordinary shareholders of the Parent Company Fondiaria-SAI by the average weighted number of ordinary shares outstanding during the year. It is reported that the weighted average shares outstanding is reduced by the Fondiaria SAI Group shares held and increased by the weighted shares from the capital increase in the year.
The comparative figures were restated to take account of the reverse stock split issued on 2 July 2012.

In accordance with IAS 33, information is shown below for the calculation of the basic and diluted earnings (loss) per share:

	H1 2013	**H1 2012**
Group operating result (in Euro thousands)	117,906	16,552
Dividends distributed to savings shareholders (Euro thousands)	(36,715)	(8,299)
Net profit attributed to the ordinary shareholders of the Parent company Fondiaria- SAI (Euro thousand)	81,191	8,253
Weighted average number of ordinary shares to calculate the basis earnings/(loss) per share	920,422,097	3,526,649
Basic earnings per share	0.09	2.34
Net gains/(losses) on non-current assets attributable to the ordinary shareholders of the Parent company Fondiaria- SAI (Euro thousand)	-	(8,987)
Weighted average number of ordinary shares to calculate the basis earnings/(loss) per share	920,422,097	3,526,649
Basic loss per share	-	(2.55)
Total Group result (in Euro thousands)	117,906	7,565
Dividends distributed to savings shareholders (Euro thousands)	(36,715)	(8,299)
Net profit/(loss) attributed to the ordinary shareholders of the Parent company Fondiaria- SAI (Euro thousand)	81,191	(734)
Weighted average number of ordinary shares to calculate the basis earnings/(loss) per share	920,422,097	3,526,649
Basic earnings (loss) per share	0.09	(0.21)
Effect of the dilution:		
Adjusted weighted average number of ordinary shares to calculate the diluted earnings per share	920,422,097	3,526,649
Diluted earnings (loss) per share	0.09	(0.21)

It should be noted that the net result attributable to the ordinary shares of the Parent Company Fondiaria-SAI was adjusted deducting the theoretical dividends of the saving shareholders from the Group consolidated net result. This method corresponds to the current best practice of the accounting principle.

SUBSEQUENT EVENTS AFTER THE END OF THE HALF-YEAR

No significant events took place after the end of the period such as to require an adjustment to the values recorded in the present Report.

SELECTED EXPLANATORY NOTES

With reference to paragraph 16 of IAS 34, it is noted that:

- the insurance sector is not, per se, a seasonal type of activity. At the current moment, there are therefore no indicators that would highlight cyclical elements in the preparation of the accounts;
- There are no unusual matters in the period considered that would significantly impact on the income statement, statement of financial position or cash flow statements;
- There are no changes in the estimates made in the period or previous periods that would result in a significant effect on the result for the period.

With reference to the provisions of IAS 37, it is reported that the Group is not aware of any significant contingent assets or liabilities of a significant size acquired since 31/12/2012 for which it is necessary to provide specific information, except for that stated in the "Litigation" paragraph.

Bologna, 7 August 2013

For the Board of Directors
The Chairman

Fabio Cerchiai

Attachments

Consolidation scope

Company	State	Method (1)	Activity (2)	Direct Holding %	Total Holding % (3)	Voting % in Ordinary Shareholder Meeting (4)	% consolidated
PRONTO ASSISTANCE SPA	086	G	1	100.00	100.00	100.00	100.00
SIAT SOCIETA' ITALIANA ASS E RIASS SPA	086	G	1	0.00	94.69	94.69	100.00
BIM VITA SPA	086	G	1	50.00	50.00	50.00	100.00
EUROSAI FINANZIARIA DI PARTECIPAZIONI SRL	086	G	11	100.00	100.00	100.00	100.00
FINSAI INTERNATIONAL SA	092	G	11	19.92	100.00	100.00	100.00
SAIAGRICOLA SPA	086	G	11	92.01	97.51	100.00	100.00
SAIFIN - SAIFINANZIARIA SPA	086	G	11	100.00	100.00	100.00	100.00
SAINTERNATIONAL SA	092	G	11	100.00	100.00	100.00	100.00
SAI HOLDING ITALIA SPA	086	G	11	100.00	100.00	100.00	100.00
SAILUX SA	092	G	11	0.00	100.00	100.00	100.00
SIM ETOILE SAS	029	G	10	100.00	100.00	100.00	100.00
SRP SERVICES SA	071	G	11	0.00	100.00	100.00	100.00
CONSORZIO CASTELLO	086	G	10	0.00	98.43	99.57	100.00
DIALOGO ASSICURAZIONI SPA	086	G	1	0.00	63.29	99.85	100.00
DOMINION INSURANCE HOLDING LTD	031	G	11	0.00	100.00	100.00	100.00
EUROPA TUTELA GIUDIZIARIA SPA	086	G	1	100.00	100.00	100.00	100.00
FONDIARIA-SAI NEDERLAND B.V.	050	G	11	100.00	100.00	100.00	100.00
SERVICE GRUPPO FONDIARIA-SAI SRL	086	G	11	70.00	89.02	100.00	100.00
MILANO ASSICURAZIONI SPA	086	G	1	61.10	63.39	63.40	100.00
NUOVE INIZIATIVE TOSCANE SRL	086	G	10	96.88	98.86	100.00	100.00
STIMMA SRL	086	G	10	100.00	100.00	100.00	100.00
SYSTEMA COMPAGNIA DI ASS.NI SPA	086	G	1	0.00	63.39	100.00	100.00
THE LAWRENCE RE IRELAND LTD	040	G	5	0.00	100.00	100.00	100.00
THE LAWRENCE LIFE ASSURANCE CO. LTD	040	G	2	0.00	50.00	100.00	100.00
GRUPPO FONDIARIA-SAI SERVIZI SCRL	086	G	11	64.16	87.29	100.00	100.00
VILLA RAGIONERI SRL	086	G	10	100.00	100.00	100.00	100.00
CASCINE TRENNO SRL	086	G	10	0.00	100.00	100.00	100.00
TRENNO OVEST SRL	086	G	10	0.00	100.00	100.00	100.00
INSEDIAMENTI AVANZATI NEL TERRITORIO I.A.T. SPA	086	G	10	0.00	100.00	100.00	100.00
MERIDIANO BELLARMINO SRL	086	G	10	0.00	100.00	100.00	100.00
MERIDIANO BRUZZANO SRL	086	G	10	0.00	100.00	100.00	100.00
MERIDIANO PRIMO SRL	086	G	10	0.00	100.00	100.00	100.00
MERIDIANO SECONDO SRL	086	G	10	0.00	100.00	100.00	100.00
BANCA SAI SPA	086	G	7	100.00	100.00	100.00	100.00
BRAMANTE SRL	086	G	10	0.00	100.00	100.00	100.00
CAMPO CARLO MAGNO SPA	086	G	10	0.00	63.39	100.00	100.00
CARPACCIO SRL	086	G	10	0.00	100.00	100.00	100.00
CASA DI CURA VILLA DONATELLO SPA	086	G	11	100.00	100.00	100.00	100.00
CENTRO ONCOLOGICO FIORENTINO CASA DI CURA VILLANOVA SRL	086	G	11	100.00	100.00	100.00	100.00
PONTORMO SRL	086	G	10	0.00	100.00	100.00	100.00
FINITALIA SPA	086	G	11	0.00	100.00	100.00	100.00
IMMOBILIARE LITORELLA SRL	086	G	10	0.00	100.00	100.00	100.00
IMMOBILIARE LOMBARDA SPA	086	G	10	64.17	86.88	100.00	100.00
INIZIATIVE VALORIZZAZ.NI EDILI - IN.V.ED. SRL	086	G	10	0.00	100.00	100.00	100.00
MASACCIO SRL	086	G	10	0.00	100.00	100.00	100.00
APB CAR SERVICE SRL	086	G	11	0.00	100.00	100.00	100.00
ATAVALUE SRL	086	G	11	0.00	100.00	100.00	100.00
MIZAR SRL	086	G	10	0.00	100.00	100.00	100.00
NUOVA IMPRESA EDIFICATRICE MODERNA SRL	086	G	10	0.00	100.00	100.00	100.00
MARINA DI LOANO SPA	086	G	10	0.00	100.00	100.00	100.00
PROGETTO BICOCCA LA PIAZZA SRL in liquidation	086	G	10	0.00	74.00	74.00	100.00
PRONTO ASSISTANCE SERVIZI SCARL	086	G	11	37.40	79.92	100.00	100.00
RISTRUTTURAZIONI EDILI MODERNE R.EDIL.MO SRL	086	G	10	0.00	100.00	100.00	100.00
SAI INVESTIMENTI SGR SPA	086	G	8	51.00	69.38	80.00	100.00
SAI MERCATI MOBILIARI SIM SPA	086	G	11	100.00	100.00	100.00	100.00
SOGEINT SRL	086	G	11	0.00	63.39	100.00	100.00
TIKAL R.E. FUND	086	G	10	59.65	82.06	95.01	100.00
FLORENCE CENTRO DI CHILURGIA AMBULATORIALE SRL	086	G	11	0.00	100.00	100.00	100.00
MERIDIANO AURORA SRL	086	G	10	100.00	100.00	100.00	100.00
INCONTRA ASSICURAZIONI SPA	086	G	1	51.00	51.00	51.00	100.00
POPOLARE VITA SPA	086	G	1	24.39	50.00	50.00	100.00
SINTESI SECONDA SRL	086	G	10	0.00	63.39	100.00	100.00
SOCIETA' EDILIZIA IMMOBILIARE SARDA S.E.I.S SPA	086	G	10	0.00	51.67	51.67	100.00
DDOR NOVI SAD ADO	289	G	3	99.99	99.99	99.99	100.00
AUTO PRESTO & BENE SPA	086	G	11	100.00	100.00	100.00	100.00
SAINT GEORGE CAPITAL MANAGEMENT SA	071	G	11	0.00	100.00	100.00	100.00
ATHENS RE FUND - FONDO SPECULATIVO	086	G	10	0.00	63.39	100.00	100.00
CITTA' DELLA SALUTE SCRL	086	G	11	0.00	100.00	100.00	100.00
ATAHOTELS COMPAGNIA ITALIANA AZIENDE TURISTICHE ALBERGHIERE SPA	086	G	11	51.00	82.06	100.00	100.00
DDOR RE JOINT STOCK REINSURANCE COMPANY	289	G	6	0.00	100.00	100.00	100.00
DONATELLO DAY SURGERY SRL	086	G	11	0.00	100.00	100.00	100.00
IMMOBILIARE FONDIARIA-SAI SRL	086	G	10	100.00	100.00	100.00	100.00
IMMOBILIARE MILANO ASSICURAZIONI SRL	086	G	10	0.00	63.39	100.00	100.00
ITALRESIDENCE SRL	086	G	11	0.00	82.06	100.00	100.00

(1) Consolidation method: Line-by-line =G, Proportional =P, Line-by-line for man.unit =U
(2) 1= Italian Ins; 2= EU Ins; 3=Other Ins; 4=Holding insurance; 5=EU reins; 6=Reins. other; 7=Banks; 8=SGR; 9=Other holding; 10=Property 11=Other
(3) total shareholding relating to all companies which, through the various holdings, connect the company that prepares the consolidated financial statements and the company held. Where this company is held directly by more than one subsidiary it is necessary to aggregate the holdings
(4) total voting rights in an ordinary shareholders meeting if different from the direct or indirect shareholding
(*) consolidated as per SIC 12

Non-consolidated investments

Company	State	Activity (1)	Type (2)	Direct Holding %	Total Holding % (3)	Voting % in Ordinary Shareholder Meeting (4)	Book value
FIN. PRIV. SRL	086	11	b	28.57	28.57	28.57	17,627,796.57
SOFIGEA SRL in liquidation	086	11	b	14.91	19.66	22.41	763,513.29
UFFICIO CENTRALE ITALIANO SCARL	086	11	b	13.78	20.84	24.87	131,924.41
FINADIN SPA	086	11	b	0.00	40.00	40.00	6,503,798.80
SOCIETA' FUNIVIE DEL PICCOLO S. BERNARDO SPA	086	11	b	0.00	27.38	27.38	2,523,081.00
BORSETTO SRL	086	10	b	0.00	28.48	44.93	2,440,000.00
GARIBALDI SCA	092	11	b	0.00	20.28	32.00	70,285,000.00
METROPOLIS SPA in liquidation	086	10	b	0.00	18.83	29.71	0.00
PROGETTO ALFIERE SPA	086	10	b	0.00	19.00	19.00	804,948.00
SERVIZI IMMOBILIARI MARTINELLI SPA	086	10	b	0.00	12.68	20.00	162,000.00
A7 SRL in liquidation	086	10	b	0.00	12.68	20.00	141,000.00
SOAIMPIANTI- ORGANISMI DI ATTESTAZIONE SRL in liquidation	086	11	b	21.64	21.64	21.64	14,430.00
PENTA DOMUS SPA	086	10	b	0.00	15.63	24.66	3,449,000.00
FONDIARIA-SAI SERVIZI TECNOLOGICI SPA	086	11	b	51.00	51.00	51.00	1,854,563.00
SVILUPPO CENTRO EST SRL	086	10	b	0.00	25.36	40.00	0.00
DDOR AUTO DOO	289	3	a	0.00	99.99	100.00	12,531.35
DDOR GARANT	289	11	b	0.00	40.00	40.00	498,392.64
CONSULENZA AZIENDALE PER L'INFORMATICA SCAI SPA	086	11	b	30.07	30.07	30.07	1,434,850.49
BUTTERFLY AM SARL	092	11	b	0.00	28.57	28.57	6,768,572.00
VALORE IMMOBILIARE SRL	086	10	b	0.00	31.69	50.00	583,000.00
HOTEL TERME SI SAINT VINCENT SRL	086	11	a	0.00	82.06	100.00	1.02
ITAL H&R SRL	086	11	a	0.00	82.06	100.00	9,465.00
TOUR EXCECUTIVE SRL	086	11	a	0.00	82.06	100.00	0.00
ATA BENESSERE SRL in liquidation	086	11	a	0.00	82.06	100.00	11,584.00
ISOLA SCA	092	11	b	0.00	18.74	29.56	13,917,000.00
LIGURIA SOCIETA' DI ASSICURAZIONI SPA	086	1	*	0.00	63.37	99.97	0.00
LIGURIA VITA SPA	086	1	*	0.00	63.37	100.00	0.00

(1) 1= Italian Ins; 2= EU Ins; 3=Other Ins; 4=Holding insurance; 5=EU reins; 6=Reins. other; 7=Banks; 8=SGR; 9=Other holding; 10=Property 11=Other

(2) a=subsidiaries (IAS27) ; b=associated companies (IAS28); c=joint venture (IAS 31); indicate with an asterisk (*) the companies classified as held for sale in accordance with IFRS 5 and shown in the key below

(3) total shareholding relating to all companies which, through the various holdings, connect the company that prepares the consolidated financial statements and the company held. Where this company is held directly by more than one subsidiary it is necessary to aggregate the holdings

(4) total voting rights in an ordinary shareholders meeting if different from the direct or indirect shareholding

Tangible and intangible fixed assets

(in thousands of Euro)

	At cost	At revalued amount or fair value	Total book value
Investment property	1,997,647	0	1,997,647
Others buildings	289,874	0	289,874
Other tangible assets	49,510	0	49,510
Other intangible assets	49,144	0	49,144

Financial assets

(in thousands of Euro)

	Held to maturity investments		Loans and receivables		AFS financial assets		Financial assets at fair value through profit or loss: Financial assets held for trading		Financial assets at fair value through profit or loss: Financial assets designated at fair value through profit or loss		Total book value	
	30/06/2013	31/12/2012	30/06/2013	31/12/2012	30/06/2013	31/12/2012	30/06/2013	31/12/2012	30/06/2013	31/12/2012	30/06/2013	31/12/2012
Equity securities and derivatives valued at cost		0		0		0		0		0	0	0
Equity securities at fair value		0		0	669,336	914,069	37	38	46,486	49,962	715,859	964,069
of which listed securities		0		0	436,316	678,573	37	38	46,486	49,962	482,839	728,573
Debt securities	606,712	718,119	2,323,568	2,422,383	16,443,690	19,306,788	36,733	39,102	4,247,646	5,114,772	23,658,349	27,601,164
of which listed securities	511,486	643,526	0	519,859	16,407,193	19,267,336	33,514	36,366	745,374	810,362	17,697,567	21,277,449
Fund units		0	0	0	649,762	627,184	19,047	18,858	1,729,334	1,085,504	2,398,143	1,731,546
Loans and receivables from banks		0	489,059	518,706		0	0	0	0	0	489,059	518,706
Loans and interbank receivables		0	10,471	2,853		0	0	0	0	0	10,471	2,853
Deposits with reinsurers		0	20,702	22,358		0	0	0	0	0	20,702	22,358
Financial asset components of insurance contracts		0	0	0		0	0	0	0	0	0	0
Other loans and receivables		0	533,873	534,470		0	0	0	0	0	533,873	534,470
Non-hedging derivatives		0	0	0		0	13	22	85,246	94,954	85,259	94,976
Hedging derivatives		0	0	0		0		0	9,615	7,282	9,615	7,282
Other financial investments		0	26,878	26,260		0		0	28,246	28,825	55,124	55,085
Total	**606,712**	**718,119**	**3,404,551**	**3,527,030**	**17,762,788**	**20,848,041**	**55,830**	**58,020**	**6,146,573**	**6,381,299**	**27,976,454**	**31,532,509**

Assets and liabilities relating to contracts issued by insurance companies where the investment risk is borne by policyholders and from pension fund management

(in thousands of Euro)

	Returns based on performance of investments funds and market indices		Returns related to the management of pension funds		Total	
	30/06/2013	31/12/2012	30/06/2013	31/12/2012	30/06/2013	31/12/2012
Assets in accounts	5,723,905	6,016,977	328,049	318,079	6,051,954	6,335,056
Inter-group assets*	6,351	6,335			6,351	6,335
Total Assets	**5,730,256**	**6,023,312**	**328,049**	**318,079**	**6,058,305**	**6,341,391**
Financial liabilities in accounts	150,603	162,181	328,049	318,079	478,652	480,260
Technical provisions in accounts	5,579,592	5,861,051			5,579,592	5,861,051
Inter-group liabilities*					0	0
Total Liabilities	**5,730,195**	**6,023,232**	**328,049**	**318,079**	**6,058,244**	**6,341,311**

* Assets and liabilities eliminated
in consolidation

Insurance liabilities - reinsurers share

(in thousands of Euro)

	Total book value	
	30/06/2013	31/12/2012
Non-Life provision	***636,676***	***729,068***
Life provision	***53,291***	***78,236***
Technical provisions where investment risk is borne by policyholders and from pension fund management	*0*	*0*
Actuarial provisions and other provisions	*53,291*	*78,236*
Technical provisions attributed to reinsurers	***689,967***	***807,304***

Insurance contract liabilities

(in thousands of Euro)

	Total book value	
	30/06/2013	31/12/2012
Non-Life provisions	***9,186,575***	***12,522,213***
Unearned premium provision	1,845,531	*2,494,731*
Outstanding claims provision	7,333,545	*10,018,136*
Other provisions	7,499	*9,346*
of which provisions set aside following the liability adequacy test	*0*	*0*
Life provisions	***20,573,182***	***21,135,686***
Claims outstanding provision	413,220	*248,244*
Actuarial provisions	14,538,210	*14,945,399*
Technical provisions where investment risk is borne by policyholders and from pension fund management	5,579,592	5,861,051
Other provisions	42,160	*80,992*
of which provisions set aside following the liability adequacy test	*0*	*0*
of which deferred liabilities to policyholders	*-21,890*	*9,846*
Total insurance contract liabilities	***29,759,757***	***33,657,899***

Financial liabilities

(in thousands of Euro)

	Financial liabilities at fair value through profit or loss							
	Financial liabilities held for trading		Financial liabilities designated at fair value through profit or loss		Other financial liabilities		Total book value	
	30/06/2013	31/12/2012	30/06/2013	31/12/2012	30/06/2013	31/12/2012	30/06/2013	31/12/2012
Equity financial instruments							0	0
Sub-ordinated liabilities					897,191	1,048,074	897,191	1,048,074
Liabilities from financial contracts issued by insurance companies deriving	0	0	478,652	480,260	0	0	478,652	480,260
From contracts for which the investment risk is borne by policyholders			150,603	162,181			150,603	162,181
From the management of pension funds			328,049	318,079			328,049	318,079
From other contracts							0	0
Deposits received from reinsurers					142,490	153,236	142,490	153,236
Financial liability components of insurance contracts							0	0
Debt securities issued					21,541	84,766	21,541	84,766
Payables to bank clients					186,716	167,242	186,716	167,242
Interbank payables							0	0
Other loans obtained					123,089	123,720	123,089	123,720
Non-hedging derivatives			140	308			140	308
Hedging derivatives	324	511	87,976	85,022			88,300	85,533
Other financial liabilities			2,133	2,474	175,893	170,013	178,026	172,487
Total	**324**	**511**	**568,901**	**568,064**	**1,546,920**	**1,747,051**	**2,116,145**	**2,315,626**

Insurance technical accounts
(in thousands of Euro)

		30/06/2013	30/06/2012
Non-Life			
NET PREMIUMS		**2,976,062**	**3,339,781**
a	Premiums written	2,892,831	3,256,339
b	Change in unearned premium provision	83,231	83,442
NET CHARGES RELATING TO CLAIMS		**-2,025,430**	**-2,396,075**
a	Amount paid	-2,473,356	-2,722,140
b	Change in claims provision	386,336	208,236
c	Change in recoveries	61,247	117,527
d	Change in other technical provisions	343	302
Life			
NET PREMIUMS		**2,258,806**	**1,585,906**
NET CHARGES RELATING TO CLAIMS		**-2,349,222**	**-2,051,468**
a	Sums paid	-2,303,771	-3,471,976
b	Change in provision for sums to be paid	-182,983	-109,973
c	Change in actuarial provision	-102,112	248,379
d	Change technical provision where investment risk borne by policyholders and from pension fund management	236,893	1,320,352
e	Change in other technical provisions	2,751	-38,250

Financial income and charges and from investments

(in thousands of Euro)

		Interest	Other Income	Other Charges	Profits realised	Losses realised	Total income and charges realised	Unrealised gains		Unrealised losses		Total income and charges not realised	Total income and charges 30/06/2013	Total income and charges 30/06/2012
								Gains	Write-back	Losses	Impairment			
Result from investments		478,282	118,972	-56,072	170,084	-71,325	639,941	45,698	2,115	-175,096	-46,137	-173,420	466,521	766,122
a	Deriving from property investments		44,598	-28,518	1,127	-11	17,196		1,985	-34,423	-12,747	-45,185	-27,989	5,527
b	Deriving from investments in subsidiaries, associates and joint ventures		68	-2,400			-2,332			-478		-478	-2,810	-7,900
c	Deriving from investments held to-maturity	19,977	53	-12			20,018					0	20,018	18,981
d	Deriving from loans and receivables	81,035		0	289	-6,559	74,765		130		-3,252	-3,122	71,643	88,994
e	Deriving from AFS financial assets	332,262	19,475	-4,704	105,558	-34,601	417,990				-30,138	-30,138	387,852	318,972
f	Deriving from financial assets held for trading	353	1	-1	495	-391	457	1,375		-45		1,330	1,787	17,194
g	Deriving from financial assets designated at fair value through profit or loss	44,655	54,777	-20,437	62,615	-29,763	111,847	44,323		-140,150		-95,827	16,020	324,354
Result of other receivables		4,007		-11			3,996					0	3,996	3,457
Result of cash and cash equivalents		5,060		-217			4,843					0	4,843	6,801
Result of financial liabilities		-25,240	0	-312	0	0	-25,552	1,797	0	-11,844	0	-10,047	-35,599	-45,389
a	Deriving from financial liabilities held for trading						0	1,797		-11,844		-10,047	-10,047	-16,033
b	Deriving from financial liabilities designated at fair value through profit or loss	0	0	0	0	0	0					0	0	0
c	Deriving from other financial liabilities	-25,240	0	-312	0	0	-25,552					0	-25,552	-29,356
Result of payables		-2,236	0	0	0	0	-2,236					0	-2,236	-2,727
Total		459,873	118,972	-56,612	170,084	-71,325	620,992	47,495	2,115	-186,940	-46,137	-183,467	437,525	728,264

Insurance operating expenses

(in thousands of Euro)

	Non-Life		Life	
	30/06/2013	30/06/2012	30/06/2013	30/06/2012
Gross commissions and other acquisition expenses net of commissions and profit participations received from reinsurers	-520,498	-590,712	-66,853	-55,042
Investment management charges	-3,817	-4,922	-4,053	-2,132
Other administration expenses	-125,016	-140,544	-36,012	-36,141
Total	**-649,331**	**-736,178**	**-106,918**	**-93,315**

Other comprehensive income statement items

	Allocation		Adjustments from reclassifications to Income Statement		Other changes		Total changes		Income tax		Balance	
	H1 2013	H1 2012	H1 2013	H1 2012	H1 2013	H1 2012	H1 2013	H1 2012	H1 2013	H1 2012	H1 2013	H1 2012
Translation reserve	-1,794	-13,708					-1,794	-13,708			-67,765	-70,479
Profit or loss on AFS financial assets	-16,494	203,190	-17,941	92,280			-34,435	295,470	-4,304	-149,834	253,651	-381,794
Profit or loss on cash flow hedges	17,241	-8,014					17,241	-8,014	-6,822	3,389	-34,177	-44,854
Profit or loss on a net foreign investment hedge							0	0				0
Provision on net equity changes in investments	7,034	-1,178					7,034	-1,178			7,022	-8,776
Revaluation reserve of intangible assets							0	0				0
Revaluation reserve of tangible assets							0	0				0
Income/(charges) on non-current assets or of a discontinued group held for sale							0	0				0
Acturarial profits and losses and adjustments to employee defined plans	775	-3,821					775	-3,821	-449	1,152	-29,730	-23,051
Others items							0	0			53,656	53,655
TOTAL OTHER COMPREHENSIVE INCOME STATEMENT ITEMS	**6,762**	**176,469**	**-17,941**	**92,280**	**0**	**0**	**-11,179**	**268,749**	**-11,575**	**-145,293**	**182,657**	**-475,299**

Financial assets and liabilities by level

		Level 1		Level 2		Level 3		Total	
		30/06/2013	31/12/2012	30/06/2013	31/12/2012	30/06/2013	31/12/2012	30/06/2013	31/12/2012
AFS financial assets		17,134,512	20,207,157	23,071	21,657	605,205	619,227	17,762,788	20,848,041
Financial assets at fair value through profit or loss	Financial assets held for trading	52,811	57,527	1,927	9	1,092	484	55,830	58,020
	Financial assets designated at fair value through profit or loss	2,470,381	1,844,642	1,614,571	2,200,526	2,061,621	2,336,131	6,146,573	6,381,299
Total		19,657,704	22,109,326	1,639,569	2,222,192	2,667,918	2,955,842	23,965,191	27,287,360
Financial liabilities at fair value through profit or loss	Financial liabilities held for trading			324	511			324	511
	Financial liabilities designated at fair value through profit or loss			568,901	568,064			568,901	568,064
Total		0	0	569,225	568,575	0	0	569,225	568,575

Financial assets and liabilities by level 3

	Financial assets			Financial liabilities at fair value through profit or loss	
	AFS financial assets	Financial assets at fair value through profit or loss			
		Financial assets held for trading	Financial assets designated at fair value through profit or loss	Financial liabilities held for trading	Financial liabilities designated at fair value through profit or loss
Beginning balance	**619,227**	**484**	**2,336,131**		
Purchase/Issue	20,622		200,513		
Sales/Repurchase	-2,439	-80	-374,858		
Reimbursements	-20,014		-20,643		
Gains or losses recorded through profit or loss	-3,514		-66,370		
Gains or losses of comprehensive income statement items	-10,123				
Transfers to level 3					
Transfers to other levels					
Other changes	1,446	688	-13,152		
Closing balance	**605,205**	**1,092**	**2,061,621**	**0**	**0**

Declaration of the Condensed Financial Statements as per Article 81-ter of CONSOB Regulation No. 11971 of 14 May 1999 and subsequent modifications and integrations

The undersigned Carlo Cimbri (as Chief Executive Officer of Fondiaria-SA) and Massimo Dalfelli (as Manager in charge of financial reporting of Fondiaria-SAI),

certify

pursuant to article 154, paragraph 3 and 4, of Legislative Decree No. 58 of 24 February 1998
- the conformity in relation to the characteristics of the company and
- the effective application of the administrative and accounting procedures for the compilation of the condensed half-year financial statements in the first half-year of 2013.

The valuation of the adequacy of the accounting and administrative procedures for the preparation of the condensed half-year financial statements at 30/6/2013 is based on a Model defined by Fondiaria-SAI in accordance with the "Internal Control – Integrated Framework" and "Cobit" which represent benchmarks for internal control systems generally accepted at international level.

We also declare that:

- the condensed half-year financial statements:
  a) is drawn up in conformity with the applicable international accounting standards recognised by the European Union in conformity with Regulation (CE) No. 1606/2002 of the European Parliament and the Commission of 19 July 2002;
  b) correspond to the underlying accounting documents and records;
  c) provides a true and correct representation of the capital, economic and financial situation of the issuer and of the other companies in the consolidation scope.
- the Interim Directors' Report includes a reliable analysis of the significant events in the first six months of the year and their impact on the condensed half-year financial statements, with a description of the principal risks and uncertainties for the remaining six months. This interim report also contains a reliable analysis of the significant operations with related parties.

Bologna, 7 August 2013

The Chief Executive Officer

Carlo CIMBRI

Manager in charge of financial reporting

Massimo DALFELLI

Supplementary information concerning events subsequent to the approval of the 2013 Condensed Consolidated Half-year Report

On 12 August 2013, within the criminal proceedings taken by the Turin Public Prosecutor against members of the Ligresti family and some former Directors of Fondiaria-SAI, the Public Prosecutor notified of a preventative seizure order for assets held by Fondiaria-SAI or its subsidiaries for a total value at 30 June 2013 of Euro 106.3 million.

In particular, the properties placed under sequestration are the Golf Hotel Campiglio di Madonna of Campiglio, the Naxos Beach at Giardini Naxos (Messina), the Hotel Principi di Piemonte of Turin, the Ata Hotel Varese and the Grand Hotel Fiera of Milan.

The seizure does not affect the ordinary operations of the hotels involved.

This order was made in accordance with Articles 19 and 53 of Legislative Decree No. 231/2001.

Bologna, 13 August 2013

Auditors’ Report

Ernst & Young

FONDIARIA-SAI S.p.A.

Bilancio consolidato semestrale abbreviato al 30 giugno 2013

Relazione della società di revisione sulla revisione contabile limitata del bilancio consolidato semestrale abbreviato

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Relazione della società di revisione
sulla revisione contabile limitata del bilancio consolidato semestrale abbreviato

Agli Azionisti di
FONDIARIA-SAI S.p.A.

1. Abbiamo effettuato la revisione contabile limitata del bilancio consolidato semestrale abbreviato, costituito da stato patrimoniale, conto economico, conto economico complessivo, prospetto delle variazioni di patrimonio netto, rendiconto finanziario e relative note esplicative di FONDIARIA-SAI S.p.A. e sue controllate (il "Gruppo FONDIARIA-SAI") al 30 giugno 2013. La responsabilità della redazione del bilancio consolidato semestrale abbreviato in conformità al principio contabile internazionale applicabile per l'informativa finanziaria infrannuale (IAS 34) adottato dall'Unione Europea nonché al Regolamento ISVAP n. 7 del 13 luglio 2007, compete agli Amministratori di FONDIARIA-SAI S.p.A.. È nostra la responsabilità della redazione della presente relazione in base alla revisione contabile limitata svolta.

2. Il nostro lavoro è stato svolto secondo i criteri per la revisione contabile limitata raccomandati dalla Consob con Delibera n. 10867 del 31 luglio 1997. La revisione contabile limitata è consistita principalmente nella raccolta di informazioni sulle poste del bilancio consolidato semestrale abbreviato e sull'omogeneità dei criteri di valutazione, tramite colloqui con la direzione della società, e nello svolgimento di analisi di bilancio sui dati contenuti nel predetto bilancio consolidato. La revisione contabile limitata ha escluso procedure di revisione quali sondaggi di conformità e verifiche o procedure di validità delle attività e delle passività ed ha comportato un'estensione di lavoro significativamente inferiore a quella di una revisione contabile completa svolta secondo gli statuiti principi di revisione. Di conseguenza, diversamente da quanto effettuato sul bilancio consolidato di fine esercizio, non esprimiamo un giudizio professionale di revisione sul bilancio consolidato semestrale abbreviato.

   Per quanto riguarda i dati relativi al bilancio consolidato dell'esercizio precedente e al bilancio consolidato semestrale abbreviato dell'anno precedente presentati ai fini comparativi, si fa riferimento alle nostre relazioni emesse rispettivamente in data 24 aprile 2013 e in data 3 agosto 2012.

3. Sulla base di quanto svolto, non sono pervenuti alla nostra attenzione elementi che ci facciano ritenere che il bilancio consolidato semestrale abbreviato del Gruppo FONDIARIA-SAI al 30 giugno 2013 non sia stato redatto, in tutti gli aspetti significativi, in conformità al principio contabile internazionale applicabile per l'informativa finanziaria infrannuale (IAS 34) adottato dall'Unione Europea.

Torino, 27 agosto 2013

Reconta Ernst & Young S.p.A.

Ambrogio Virgilio
(Socio)