INFORMATION DOCUMENT

drawn up jointly by FONDIARIA-SAI S.p.A.
with Premafin Finanziaria - S.p.A. - Holding di Partecipazioni,
Milano Assicurazioni S.p.A. and Unipol Assicurazioni S.p.A.,
pursuant to Art. 70, paragraph 6, of the Regulations
approved by Consob resolution no. 11971 of 14 May 1999,
amended and modified.

MERGER BY INCORPORATION

of Premafin Finanziaria - S.p.A. - Holding di Partecipazioni,
Unipol Assicurazioni S.p.A. and, eventually,
Milano Assicurazioni S.p.A. into FONDIARIA-SAI S.p.A.

October 9th, 2013

Disclaimer on the English Translation

*This Information Document contains an unofficial and courtesy English language translation (the "**Translation**") of substantially all of the official Information Document prepared in the Italian language for the purposes of the merger by incorporation of Premafin Finanziaria S.p.A. – Holding di Partecipazioni, Unipol Assicurazioni S.p.A. and, possibly, Milano Assicurazioni S.p.A. in Fondiaria-Sai S.p.A., which was published on their respective websites: www.fondiaria-sai.it, www.premafin.it, www.unipolassicurazioni.it and www.milass.it, on October 9, 2013. The Italian Information Document contains information about Fondiaria-Sai S.p.A., Premafin Finanziaria S.p.A. – Holding di Partecipazioni, Unipol Assicurazioni S.p.A. and Milano Assicurazioni S.p.A. and the merger by incorporation.*

This document does not include the translation of the documents listed in the Appendices, which are included in the original Italian version of the Information Document.

The Translation is provided to shareholders of Fondiaria-Sai S.p.A., Premafin Finanziaria S.p.A. – Holding di Partecipazioni, Unipol Assicurazioni S.p.A. and Milano Assicurazioni S.p.A. for information purposes only and for ease of reference and should not be relied upon. In the event of any ambiguity about the meaning of certain translated terms or of any discrepancy between the Italian Information Document and the Translation, the Italian Information Document shall prevail.

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Failure to respect these laws and restrictions may constitute a criminal offense in the relevant jurisdiction.

Forecasts and estimates

This Information Document includes provisional estimates and calculations concerning Fonsai, Milano Assicurazioni, Premafin and Unipol Assicurazioni, including their aggregate business after completing the Merger.

This information, provided solely as an indication, does not represent hard facts and includes financial projections and estimates as well the corresponding key assumptions, statements concerning plans, objectives and expectations with regard to future transactions, products and services and forecasts concerning the financial performance in the coming financial years. Forecasts and estimated data are, in general, identified by expressions such as “we expect”, “we believe”, “it is possible”, “it is forecasted”.

Although the Companies Participating in the Merger consider these forecasts and estimates to be reasonable, investors and holders of Fonsai, Milano Assicurazioni, Premafin and Unipol Assicurazioni shares are warned that these expectations may not, be confirmed, wholly or partially, as a result of risk factors which are often difficult to anticipate and which are, as a general rule, beyond the control of Fonsai, Milano Assicurazioni, Premafin and Unipol Assicurazioni, and may lead to results and developments that are substantially different from those explicitly or implicitly described or calculated in the forecasts and estimates in question.

With the exception of the cases provided for by the applicable laws, neither Fonsai, nor Milano Assicurazioni, nor Premafin, nor Unipol Assicurazioni shall be bound by any obligation with regard to the later updating of these estimates and forecasts.

Persons responsible for the Information Document

Fonsai, Milano Assicurazioni, Premafin and Unipol Assicurazioni hereby accept responsibility, each within its specific sphere of competence, for the completeness and veracity of the data and details contained in the Information Document.

Statement of Responsibility

Fonsai, Milano Assicurazioni, Premafin and Unipol Assicurazioni hereby certify – each in relation to its own sphere of competence – that, having taken all reasonable diligence in this matter, the information contained in the Information Document is, to the best of their knowledge, an accurate reflection of the true situation and that there are no omissions that would alter its sense.

SUMMARY OF PRO-FORMA DATA AND OF DATA PER SHARE AT JUNE 30 2013 AND DECEMBER 31 2012

The financial statements carve-out for Unipol Assicurazioni, the consolidated financial statements for the Premafin Group, and the pro-forma consolidated financial statements for the UnipolSai Group at June 30, 2013 and December 31, 2012 are given below.

As these presentations are based on hypotheses, should the Merger be concretely implemented on the reference figures given to prepare the proforma figures, rather than on the effective date, not all the historical figures would necessarily be identical to the proforma figures. Furthermore, they do not reflect prospective data and are not intended to represent a budget for the UnipolSai Group as they have been prepared in such a way as to indicate only those effects of the merger which can be isolated or measured objectively.

The following data have been extracted from pro-forma data set out in Chapter 5 of the Information Document and must be read in the light of the information of the hypotheses and criteria used for the drafting of the pro-forma data and the other information contained therein.

(Amounts in millions of Euro)	**Six months ended June 30, 2013**		
	Statements Carve-Out Unipol Assicurazioni	**Historic data Premafin Group**	**Consolidated Pro-Forma**
NET PREMIUMS	2,857.1	5,234.9	8,092.0
NET INCOME (LOSS)	**116.5**	**165.3**	**344.9**
of which attributable to the Group	116.5	25.3	314.8
of which attributable to minority interests	0	140.0	30.1
TOTAL ASSETS	**23,802.1**	**39,939.0**	**64,608.5**
EQUITY	**1,903.2**	**2,495.1**	**5,151.4**
of which attributable to the Group	1,903.2	209.1	4,844.9
of which attributable to minority interests	0	2,286.0	306.5
PRO-FORMA NET PROFIT PER SHARE WITH MILANO ASSICURAZIONI (value in Euro millions)			
Ordinary shares			0.10
Savings shares A			19.50
Savings shares B			0.17
PRO-FORMA NET PROFIT PER SHARE WITHOUT MILANO ASSICURAZIONI (value in Euro millions)			
Ordinary shares			0.10
Savings shares A			19.50
Savings shares B			0.17

(Amounts in millions of Euro)	Period ended December 31, 2012		
	Statements Carve-Out Unipol Assicurazioni	**Historic data Premafin Group**	**Consolidated Pro-Forma**
NET PREMIUMS	5,569.5	9,967.2	15,535.6
CONSOLIDATED NET INCOME (LOSS)	**244.8**	**(882,2)**	**468.9**
of which attributable to the Group	244.8	(283,6)	446.2
of which attributable to minority interests	0	(598,6)	22.7
TOTAL ASSETS	**23,773.2**	**40,479 2**	**65,074.9**
EQUITY	**1,909.8**	**2,395.7**	**4,907.0**
of which attributable to the Group	1,909.8	187.6	4,566.7
of which attributable to minority interests	0	2,208.1	340.3
PRO-FORMA NET PROFIT PER SHARE WITH MILANO ASSICURAZIONI (value in Euro millions)			
Ordinary shares			0.16
Savings shares A			19.50
Savings shares B			0.19
PRO-FORMA NET PROFIT PER SHARE WITHOUT MILANO ASSICURAZION (value in Euro millions)			
Ordinary shares			0.15
Savings shares A			19.50
Savings shares B			0.18

DEFINITIONS AND GLOSSARY

Some of the expressions used in the Information Document are defined and illustrated in this "**Definitions and Glossary**" section.

Being understood that definitions given for the word in the singular apply also to the plural and vice versa, in the Information Document the following expressions have the meaning specified next to each of them:

Accident Class	Insurance class of the Non-Life business which includes business injuries and occupational diseases, fixed pecuniary benefits, temporary indemnity, combined forms, injury to passengers, as defined in Article 2, paragraph 3, n. 1 of the Code of Private Insurance.
Adjusted Solvency Margin	The insurance companies with a registered office in the Italian Republic and which are controlling companies or shareholders of at least one insurance or reinsurance company verifying correct solvency in accordance with the provisions established by IVASS in Regulation no. 18 of 12th March 2008. Similarly, in accordance with these provisions, the insurance or reinsurance companies with a registered office in the Italian Republic and which are controlled by an insurance holding, insurance or reinsurance company with registered office in a third country, verify the solvency of the controlling company.
AGCM Order	Order no. 23678 of 19th June 2012, case C11524, adopted by the Autorità Garante della Concorrenza e del Mercato.
ANIA	Associazione Nazionale tra le Imprese Assicuratrici (National Association of Insurance Companies).
Appraisal Value	Estimate of the value of an insurance company operating in life assurance, or the life agency of an insurance group, based on actuarial techniques, also incorporating the estimated value of the new production: it is given by the sum of *Embedded Value* and *Goodwill*.
Asset Liability Management (ALM)	Risk management technique applied to insurance and banking companies in order to obtain a suitable return on investment through the integrated management of assets and liabilities. It is based on the vulnerability of the assets and liabilities in respect of variations in market conditions.
Authorized Intermediaries	The authorized intermediaries participating in the Monte Titoli centralized management system.
AGCM	The Autorità garante della Concorrenza and del Mercato (Italian Antitrust Authority) instituted by Law no. 287 of 10th October 1990.
Available for Sale or AFS	Available for sale.
Bancassurance	Selling insurance products through banks.

Bancassurance sector	Sector in which the Fondiaria SAI Group operates both in Non-Life Insurance, by means of the joint venture agreement (Incontra Assicurazioni S.p.A.) signed by Fondiaria-SAI with Capitalia (as of the Date of the Information Document UniCredit Group), and in Life insurance, through the partnership agreements between Fonsai Group and, respectively, Banco Popolare Group through the Popolare Vita S.p.A. insurance vehicle, Banca Intermobiliare S.p.A. through the BIM Vita S.p.A. insurance vehicle.
Banking sector	Sector in which Fondiaria SAI Group operates through the subsidiary BancaSai S.p.A.
Bankruptcy Act	Royal Decree 16th March 1942, no. 267, as amended and modified.
Bonus / Malus	Refers to a premium system used for Third Party Liability insurance. The bonus/malus system rewards good drivers. The lower the risk category of the insured, the lower the premium. According to this system, the driver is given a bonus i.e. a lower risk category and a correspondingly lower premium if there are no claims during the policy period. Conversely, if the driver is found liable, even partially, for accidents, risk category and premium will be increased (malus).
Borsa Italiana (Italian Stock Exchange)	Borsa Italiana S.p.A., with offices in Milan, Piazza of the Affari no. 6.
Class I	Insurance class of the Life business which includes insurances on the length of human life as defined in Article 2, paragraph 1, of the Code of Private Insurance.
Class III	Insurance class of the Life business which includes the insurances referred to in classes I and II, the main benefits of which are directly linked to the value of units of a UCITS (undertakings for collective investment in transferable securities) or the value of the assets in an internal fund or else to an index or other reference values, as defined in Article 2, paragraph 1, of the Code of Private Insurance.
Class IV	Insurance class of the Life business which includes health insurance and insurance against the risk of dependency that are covered by long-term health insurance contracts not subject to cancellation, against the risk of serious disability resulting from accident or sickness or longevity, as defined in Article 2, paragraph 1, of the Code of Private Insurance.
Class Other Damage to Property	Insurance class of the Non-Life business as defined in Article 2, paragraph 3, no. 9 of the Code of Private Insurance, which includes all damage to property (other than property included in the motor class, railway rolling stock class, aircraft class, sea, lake, river and canal vessels class, goods in transit class) due to hail or frost, and any

	other event, such as theft, other than those mentioned in the Fire class and natural forces class.
Class V	Insurance class of the Life business which includes contracts through which the insurance company commits to pay, a fixed amount at the end of a predefined term, not related to the duration of human life, against payment of single or periodic premiums, as defined in Article 2, paragraph 1, of the Code of Private Insurance.
Class VI	Insurance class of the Life business which includes management of collective pension funds activities established to effect payments in case of death or survival or in the event of discontinuance or curtailment of work activity, as defined in Article 2, paragraph 1, of the Code of Private Insurance.
Code of Private Insurance	Legislative Decree of 7th September 2005, no. 209, as amended, modified and supplemented.
Combined Ratio	Ratio which measures the technical quality of indemnity insurance management and combines the Loss Ratio, Expense Ratio and OTI Ratio.
Companies Participating in the Merger	Fondiaria-SAI, Milano Assicurazioni, Premafin and Unipol Assicurazioni.
Company Resulting from the Merger or UnipolSai	The company resulting from the Merger from the date of effect for accounting purposes of the Merger, which shall be entitled “UnipolSai Assicurazioni S.p.A.”.
Consob	Commissione Nazionale per la Società and la Borsa (Italian Companies and Stock Exchange Commission) located in Roma, Via G.B. Martini no. 3.
Consolidated Financial Act or TUF	Legislative Decree no. 58 of 24th February 1998, as amended and modified.
Date of the Information Document	Date of publication of the Information Document pursuant to Art. 70, paragraph 6, of the Issuers’ Regulations.
Deposit Accounting	Accounting treatment of investment contracts without discretionary participative elements. This category of contracts is comprised of products backed by specific assets, *index-linked* or unit-linked type, classified as financial products and those deriving from the open fund management. Based on this method, regulated by IAS 39 and also referenced by IFRS 4, the premiums are removed from the income statement and left open in the balance sheet; service contracts are entered in other earnings as services rendered. Variations in the technical provisions are not reflected in the income statement and the payments made represent a reduction recognized in the financial statements.
Direct gross premiums written	Premiums underwritten directly by the company issuing the insurance policy.

Elementary Classes	Term commonly used to indicate Non-Life classes other than the Motor classes.
Embedded Value	Estimate of the intrinsic value of an insurance company operating in the life assurance field or the life agency of an insurance group based on actuarial techniques and determined as the overall amount of the adjusted Share Equity (obtained by making the adjustments to the accounting share equity necessary to align the underlying assets with market value) and of the technical value of the portfolio (VIF), excluding Goodwill.
Exchange of Correspondence concerning the Key Values of the Merger	Exchange of correspondence between UGF, also on behalf of Unipol Assicurazioni, Premafin, Fonsai and Milano Assicurazioni mainly in the period between 23rd May and 13th June, 2012, carrying out a preliminary discussion– on the basis of the financial and economic data available at that moment in time and with the support of the respective advisors – of the following percentages of holdings of ordinary shares of the Incorporating Company post-Merger: (i) UGF: 61.00%; (ii) other Fonsai shareholders (other than Premafin): 27.45%; (iii) other Milano Assicurazioni shareholders (other than Fonsai): 10.70%; (iv) other Premafin shareholders (different from UGF): 0.85%.
Expense ratio	Ratio between management costs for the period (including acquisition costs, administration costs and other technical fees) and net premiums for the period.
Extraordinary General Shareholders' Meetings	Jointly, the Extraordinary General Meeting of Milano Assicurazioni convened for 25th and 26th October 2013, respectively on first and second call, the Extraordinary General Meeting of Premafin convened on single call for 25th October 2013, the Extraordinary General Meeting of Fonsai convened for 24th and 25th October 2013, respectively on first and second call, and the Extraordinary General Meeting of Unipol Assicurazioni convened for 25th October 2013.
Fair Value	Measurement criteria used in international accounting circles and defined by the IAS 32 and IAS 39 International Accounting Standards as "Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction."
Financing Banks	Unicredit S.p.A., Mediobanca – Banca di Credito Finanziario S.p.A., Banco Popolare – S.c., Banca Popolare di Milano S.c.a.r.l., Cassa di Risparmio di Parma and Piacenza S.p.A., Cassa di Risparmio di Firenze S.p.A., GE Capital Interbanca S.p.A., which on 13th June 2012 signed with Premafin, as part of the Restructuring Plan, a restructuring agreement to redefine the terms and conditions for Premafin financial indebtedness.

Finsoe	Finsoe S.p.A., with registered offices in Bologna, Piazza of the Costituzione no. 2/2.
Fire Class	Insurance class of the Non-Life business which includes all damages to property (other than property included in the land vehicles class, railway class, aircraft class, sea, lake, river and canal vessels class, goods in transit class) due to: fire, explosion, storm, natural forces other than storm, nuclear energy, land subsidence, as defined in Article 2, paragraph 3, no. 8 of the Code of Private Insurance.
Fondiaria-SAI or Fonsai or Incorporating Company	Fondiaria-SAI S.p.A., with registered offices in Torino, Corso Galileo Galilei no. 12.
Fonsai Capital Increase	The paid increase in share capital for a maximum overall amount of Euro 1,100 million including share premiums, through the issue of new ordinary shares and Category "B" savings shares with normal enjoyment of the related rights, offered as an option, respectively, to shareholders owning ordinary shares and shareholders being the owners/bearers of Category "A" savings shares, pursuant to Article 2441, first paragraph, of the Italian Civil Code, as resolved by the Fonsai Extraordinary General Meeting on 19 March 2012. On 27 June 2012 the Fonsai Extraordinary General Meeting, convened as a precautionary measure and also pursuant to article 2377, eighth paragraph, of the Italian Civil Code, in order to rectify any possible defects in the resolutions passed on 19 March 2012. The latter meeting resolved to confirm all resolutions passed in the Extraordinary part of the meeting held on 19 March 2012, in particular, with regard to the share Capital Increase for the maximum overall amount of Euro 1,100 million. On 13 September 2012, the share increase had been fully completed.
Fonsai Group	The group of companies formed by Fondiaria-SAI and by the companies it controls pursuant to Art. 93 of the Consolidated Financial Act.
General Liability Class	Insurance class of the Non-Life business which includes any liability other than motor third party liability, aircraft, and sea, lake, river and canal vessels, as defined in Article 2, paragraph 3, no. 13 of the Code of Private Insurance.
Goodwill	Represents the capacity of an insurance company operating in Life Assurance or the Life section of an insurance group to acquire potential new contracts. Within the context of determining the *Appraisal Value* it is generally determined by applying a technical multiplier of one year of new business value: The choice of the multiplier, typically varies depending on the function of the distribution channels used by the company being valued, the type of clients served and the perception of the risks related to the future sales.

IAS/IFRS	All the '*International Financial Reporting Standards*' (IFRS) adopted by the European Union, all the '*International Accounting Standards*' (IAS), all the interpretations of the "*International Financial Reporting Interpretations Committee*' (IFRIC), formerly known as the '*Standing Interpretations Committee*' (SIC).
Impairment Test	Evaluation procedure used to quantify the recoverable value of the asset in order to determine possible decreases in value.
Incorporated Companies	Jointly, Premafin, Unipol Assicurazioni, and Milano Assicurazioni.
Index linked	Contracts with services linked to the performance of a market index in most cases related to shares.
Individual Solvency Margin	Insurance companies, as governed by IVASS Regulation no. 19 of 14th March 2008, must have a solvency margin no lower than the required solvency margin. The available solvency margin represents the minimum capital levels that an insurance company must have in order to meet its commitments towards the insured, with the function of general guarantee of the solvency of the company. The required solvency margin is calculated on the basis of a formula that varies depending on the type of insurance activity undertaken. In Non-Life Insurance it corresponds to the highest of two calculation results undertaken, one based on premiums underwritten, the other on average losses, given the percentage of risk retention. In Life Insurance, the margin is calculated on the basis of technical provisions, insured amounts payable on death and percentage of risk retention.
Insurance Companies Participating in the Merger	Fondiaria-SAI, Milano Assicurazioni and Unipol Assicurazioni.
Insurance division	The whole insurance sector and the bancassurance sector of Fonsai Group.
Insurance sector	Sector in which the Fondiaria SAI Group operates as a Non-Life and Life insurer, mainly through the multiline insurance companies Fondiaria-SAI, Milano Assicurazioni, and DDOR Novi Sad A.d.o. and the companies specialized by channel and/or class Dialogo Assicurazioni S.p.A., Liguria Assicurazioni S.p.A., and SIAT - Società Italiana Assicurazioni e Riassicurazioni per Azioni (Non-life), and Liguria Vita S.p.A. (Life).
Interest Rate Swap	Swap agreement (agreement which covers the exchange of cash flow for a specified period of time) through which two parties agree to exchange, for a period of time specified in the agreement, payments calculated on the basis of different and predefined interest rates, applied to a notional capital. Consequently, no capital is exchanged between the parties but only the flows corresponding to the difference

	between the two interest rates (generally one fixed rate and one variable rate).
Investment Agreement	The agreement signed on 29 January 2012 between UGF and Premafin, as subsequently amended and supplemented, concerning the mutual obligations with regard to carrying out the achievement of the Integration Plan by Merger forming the context for the expected merger.
Issuers' Regulations	Regulations on issuers, adopted by Consob by Resolution no. 11971 on 14th May 1999, as amended and modified.
IVASS (Italian Insurance Supervisory Authority)	Istituto per la Vigilanza sulle Assicurazioni (Italian Insurance Supervisory Authority) with registered offices in Rome, Via of the Quirinale, 21. On 1th January 2013 IVASS was entrusted with all the powers, functions and responsibilities of ISVAP
IVASS regulation concerning Mergers	IVASS regulation no. 14 of 18th February 2008 concerning the definition of the procedure for approving amendments to Articles of Associations and changes to the business object, authorization of portfolio transfers, mergers and demergers.
Joint Business Plan	The joint business plan, for the period 2013-2015, approved by the Boards of Directors of the Company Participating in the Merger on 20th December 2012.
Land Vehicles Class	Insurance class of the Non-Life business which includes all damages to land motor vehicles, and land vehicles other than motor vehicles (excluding railway rolling stock), as defined in Article 2, paragraph 3, no. 3 of the Code of Private Insurance.
Life Class	Insurance activity carried out by an insurance company regarding the assumption and management of the risks set forth in Article 2, paragraph 1 of the Code of Private Insurance.
Loss ratio	The loss ratio is calculated as come ratio between net loss adjustment expenses and net premiums for the period. It may be calculated in relation to the direct or net of reinsurance.
***Merger* or Operation**	The Merger operation to incorporate Premafin, Unipol Assicurazioni and, possibly, Milano Assicurazioni in Fondiaria-SAI.
Merger Plan	The Merger Plan by incorporation of Premafin, Unipol Assicurazioni and, possibly, Milano Assicurazioni in Fondiaria-SAI, approved pursuant to Art. 2501-ter of the Italian Civil Code, by the respective Boards of Directors of the Companies Participating in the Merger on 20th December 2012.

Milano Assicurazioni	Milano Assicurazioni S.p.A., with registered offices in Milan, Via Senigallia n. 18/2.
Milano Assicurazioni Group	The group of companies formed by Milano Assicurazioni and by the companies it controls pursuant to Art. 93 of the Consolidated Financial Act.
Milano Assicurazioni Special Shareholders' Meeting	The Special General Meeting of the holders of savings shares of Milano Assicurazioni, convened pursuant to Art. 146, paragraph 1, lett. b), of the Consolidated Financial Act, and 2376 of the Civil Code (Italian Civil Code), to deliberate with regard to the Merger, on 26th, 28th and 29th October 2013, respectively on first, second and third call.
Monte Titoli	Monte Titoli S.p.A., with registered offices in Milan, Piazza degli Affari n. 6.
Motor Class	Collectively, the Motor Third Party Liability and Land Vehicles classes.
Motor Third Party Liability Class	Insurance class of the Non-Life business which includes all liability arising from the use of motor vehicles operating on land (including carrier's liability), as defined in Article 2, paragraph 3, no. 10 of the Code of Private Insurance.
MTA	The Mercato Telematico Azionario organized and managed by Borsa Italiana.
Non-life class	Insurance activity carried out by an insurance company regarding the assumption and management of the risks set forth in Article 2, paragraph 3 of the Code of Private Insurance.
Non-Motor Class or Non-Life Non-Motor Class	Collectively, the Accidents and Sickness classes, ships class, aircraft and goods in transit class, fire class and Other Damage to Property class, general Third Party Liability, Credit, miscellaneous financial loss, legal expenses, and assistance, as defined in Article 2, paragraph 3 of the Code of Private Insurance.
OICR	Organismi di Investimento Collettivo del Risparmio including, for example, common investment funds.
"Other Business" Sector	Sector in which the Fondiaria SAI Group operates through BancaSai, providing traditional banking services, portfolio management services and other services (including personal credit and consumer credit, provided through the controlled company Finitalia S.p.A.). Furthermore, the other activities sector includes the companies in the Fondiaria SAI Group operating in the hotel and health fields as well as in diversified branches with regard to insurance or real estate.
OTI *Ratio*	Indicator measuring part of the efficiency of the business model, as regards the ratio of losses to premiums for the period and to the incidence of general costs on premiums

	for the period, through the ratio between other net technical items (other income and other technical charges) and the premiums for the period net of reinsurance.
Premafin	Premafin Finanziaria S.p.A.– Holding di Partecipazioni, with registered offices in Bologna, Via Stalingrado n. 37.
Premafin Capital Increase	The paid increase in share capital for a maximum overall amount of Euro 400 million, resolved by the Premafin Extraordinary General Meeting on 12th June 2012, reserved (i) for UGF or (ii) other insurance companies and/or institutional investors, or companies controlled by such entities, Italian or foreign, solely in the event that it has been ascertained that one or more of the conditions precedent stipulated in the Investment Agreement cannot be met (or cannot be considered as met under said Investment Agreement) and, therefore in all cases, with exclusion of the option right, pursuant to Art. 2441, fifth paragraph, of the Italian Civil Code, and fully subscribed by UGF on 19th July 2012.
Premafin Group	The group of companies formed by Premafin and by the companies it controls pursuant to Art. 93 of the Consolidated Financial Act.
PricewaterhouseCoopers	Auditing company PricewaterhouseCoopers S.p.A., with registered offices in Milan, Via Monte Rosa no. 91.
Rating	Forecast valuation of the credit worthiness at maturity of an issuer of financial instruments.
Real estate division	The whole of the Immobiliare Lombarda, Immobiliare Fondiaria-SAI and Immobiliare Milano Assicurazioni and other smaller companies in which Fonsai Group has holdings directly or indirectly, as well as Tikal R.E. Fund and Athens R.E. Fund Closed End Real Estate Funds.
Real Estate sector	Sector in which the Fondiaria SAI Group operates through Fondiaria-SAI, Milano Assicurazioni, Immobiliare Fondiaria-SAI S.r.l., Immobiliare Milano Assicurazioni S.r.l. and other minor companies, as well as through the Closed End Real Estate Funds Tikal R.E. Fund and Athens R.E. Fund.
Reconta Ernst & Young	Auditing company Reconta Ernst & Young S.p.A., with offices in Rome, via Po n. 32.
Redistributed shares	The Fonsai shares held by the companies to be incorporated which will be reallocated by redistributing them through share swaps, without the shares ever being included in the assets of the companies to be incorporated, as indicated in the Merger Plan.
Regulations on Transactions with Related Parties	Regulations on transactions with related parties adopted by Consob by Resolution no. 17221 of 12th March 2010, as amended and modified.

Reinsurance The insurance service which an insurance company provides to another company (so-called outward reinsurance) or has provided by another company (so-called inward reinsurance).

Related Parties Related parties as defined in the procedure adopted by Fonsai, Milano Assicurazioni and Premafin respectively pursuant to Consob Regulation no. 17221 of 12th March 2010, as amended, available on the respective websites.

Reports on the Merger The Reports pursuant to Art. 2501-*quinquies* of the Italian Civil Code and to Art. 70, paragraph 2 of the Issuers' Regulations on Issuers by the Boards of Directors of Fondiaria-SAI, Premafin, Unipol Assicurazioni and Milano Assicurazioni, on 20th December 2012.

Reserve ratio The reserve ratio is calculated as a ratio between the Gross Technical Provisions and gross premiums entered into the accounts.

Restructuring Plan Restructuring Plan approved by the Premafin Board of Directors on 30th March and 17th May 2012, whose legal adequacy was certified on 16th April and 18th May 2012 by the expert Mr. Ezio Maria Simonelli, supported by Prof. Stefano Caselli, for the purposes of re-balancing debt position and the financial situation of Premafin, pursuant to Art. 67 paragraph 3, let. d) of the Legge Fallimentare, which includes, amongst other things, the recapitalization of Premafin and the redefinition of the terms and conditions of the loans received by this from the Financing Banks.

Shadow Accounting Technique set forth in IFRS 4, which allows for the accounting in the technical provisions of insurance contracts or investment contracts with discretionary profit sharing, of the unrealized capital losses and/or capital gains on the assets as if they had been realized, in order to eliminate or reduce the effects of the asymmetric valuation. This adjustment is recorded in equity or Income Statement depending on whether the capital losses or capital gains refers to activity valuated on the Fair Value through equity or Income Statement. Any net capital loss is recognized in the reserve against deferred financial liabilities to those insured only after the guaranteed minimum has been met; otherwise it is entirely charged to the company. The quantification of capital losses is carried out with a financial prospective technique consistent with the provisions of the IVASS Regulation no. 21, Ch. I, of the 28 March 2008. Through shadow accounting it is possible to reduce the mismatch between Life Insurance Technical Provisions and related assets and shall therefore be essentially considered as being representative of the economic substance of the operations in question.

Share Exchange Ratios The share exchange rates related to the Merger approved on 20th December 2012 by the Boards of Directors of the

Companies Participating in the Merger.

Sickness Class — Insurance class of the Non-Life business which includes fixed pecuniary benefits, temporary indemnity, combined forms, as defined in Article 2, paragraph 3, no. 2 of the Code of Private Insurance.

Solvency Capital Requirement — Indicator of adequacy of the quantitative requirements in the insurance sector; pursuant to Art. 101, comma 3, of the Directive 2009/138/EC of the European Parliament and Council of 25th November 2009, corresponds to the value at risk of own funds of the insurance or reinsurance company, subject to a 99.5% confidence level on a one year period. The Solvency Capital Requirement is calibrated to take into account all quantifiable risks to which the insurance or reinsurance company is exposed. The Solvency Capital Requirement covers at least the following risks:

a) underwriting risk for non-life insurance;

b) underwriting risk for life insurance;

c) underwriting risk for health insurance;

d) market risk;

e) credit risk;

f) operation risk (including legal risk but not strategic and reputation risk).

Solvency I — Directive 2002/13/EC of 5th March 2002 (implemented in Italy with Legislative Decree. no. 307 of 3th November 2003), through which insurance companies should "constantly" have a sufficient solvency margin. This Directive sets solvency requirements. In particular it indicates three categories of items that can be used to satisfy solvency margin requirements, namely: (i) maximum security items; (ii) items that can be used with some restrictions; (iii) items that can be used only with authorization of the supervising authorities.

Solvency II — Directive 2009/138/EC with the objective of reforming the whole prudential supervision system of insurance companies by modifying the quantitative criteria for calculating the solvency margin, in addition to reviewing all the rules safeguarding stability of insurance companies.

Strategic and Industrial Guidelines 2012 June — The strategic and industrial guidelines for the merger approved by the UGF Board of Directors on 5 June 2012 and presented to the financial community on 22 June 2012.

Technical Provisions — Insurance liability, whose minimum mandatory levels varies according to the class and type of risk insured, which insurance companies should create by setting aside part of the collected premiums, to guarantee coverage of the risks insured over time.

UGF	Unipol Group Finanziario S.p.A., with registered offices in Bologna, Via Stalingrado no. 45.
UGF Capital Increase	The UGF share capital increase by payment in tranches for a maximum overall amount of Euro 1,100 million including share premiums, by the issue of new ordinary shares and new preference shares, offered respectively as options to shareholders of ordinary and preference shares pursuant to Article 2441, first paragraph, of the Italian Civil Code, as resolved by the UGF Board of Directors on 21 June 2012, by virtue of the delegation entrusted to it, pursuant to article 2443 of the Italian Civil Code, by the UGF Extraordinary General Meeting on 19 March 2012 and effected in full on 13 September 2012.
Unipol Assicurazioni	Unipol Assicurazioni S.p.A., with registered offices in Bologna, Via Stalingrado no. 45.
Unipol Group	UGF and by the companies it controls pursuant to Art. 93 of the Consolidated Financial Act.
UnipolSai Group	The Company Resulting from the Merger and the companies it controls pursuant to Art. 93 of the Consolidated Financial Act.
***Value in Force* or VIF**	For Life insurance, this is the current value of the profit flows generated by the insurance policies in the portfolio.
***Value of Business Acquired* or VOBA**	For the Non-Life insurance, this is the current value of the profit flows generated by the insurance policies in the portfolio.

FOREWORD

This Information Document illustrates the Merger by incorporation of Premafin, Unipol Assicurazioni and possibly (as *infra* specified) Milano Assicurazioni, in Fonsai, operation which represents an integral part of a larger integration project between the Unipol Group and the Group Premafin/Fonsai with the aim of safeguarding the current and future solvency of Premafin and Fondiaria-SAI and to create, in the same time, a leading national operator in the insurance sector capable of competing seriously with the main national and European competitors and generating value for all the shareholders of the companies involved (the "**Project of Integration by Merger"**).

The Information Document has been set out pursuant to Art. 70, paragraph 6, in addition to Appendix 3B of the Regulations on Issuers, to provide the shareholders of the Companies participating in the Merger and to the market as a whole with full details concerning the Merger, being such operation "significant" pursuant to the aforementioned regulations.

The control structure of the Companies Participating in the Merger is organized as follows:

- UGF, parent company of the Unipol Insurance Group, directs and coordinates activities pursuant to articles 2497 et seq. of the Italian Civil Code on all the Companies Participating in the Merger, and directly control Premafin and Unipol Assicurazioni, pursuant to and in accordance with Art. 2359, paragraph 1, no. 1, of the Italian Civil Code, and control indirectly Fonsai and Milano Assicurazioni;
- Premafin shall directly control Fonsai pursuant to and in accordance with Art. 2359, paragraph 1, no. 2, of the Italian Civil Code;
- Fonsai shall directly control Milano Assicurazioni pursuant to and in accordance with Art. 2359, paragraph 1, no. 1, of the Italian Civil Code.

On 20th December 2012, as notified to the public, the Boards of Directors of the Companies Participating in the Merger approved the Merger Plan, pursuant to and in accordance with Art. 2501-ter of the Italian Civil Code, included the post-Merger bylaws of the Incorporating Company attached herein and the Reports concerning the Merger pursuant to and in accordance with Art. 2501-quinquies of the Italian Civil Code.

On the same date, the UGF Board of Directors agreed upon the financial terms of the Merger and expressed a favorable opinion of the advantages that the completion of the Transaction would bring to UGF and its shareholders to the merger as well as of the suitability and fairness of its conditions.

The Boards of Directors of UGF, Fonsai, Premafin, and Milano Assicurazioni approved the Merger, in the manner indicated above, after receiving the favorable opinion of their respective independent Director committees set up pursuant to the Regulations on transactions with related parties.

Furthermore, on 27th December 2012, UGF, Fonsai, Premafin, and Milano Assicurazioni published the relevant Information Documents on the Merger, with an additional note published the 10th January 2013, pursuant to and in accordance with Art. 5 of the Regulations on transactions with related parties, the Merger qualifying as a significant operation with related parties pursuant to the aforementioned Regulations.

The Merger Plan, reports concerning the Merger and the Information Document referred to in the previous paragraph are available on the websites of the aforementioned companies.

Note that the participation of Milano Assicurazioni in the Merger is conditional on the approval of its Special Shareholders' Meeting. Should the Milano Assicurazioni Special Shareholders' Meeting fail to approve the Merger of Milano Assicurazioni in Fonsai, the Merger of Premafin and Unipol Assicurazioni in Fonsai shall still proceed.

The key dates of the Merger are, in principle and it being understood that changes might be necessary to meet corporate and/or regulatory requirements, the following:

- The Fonsai Extraordinary Shareholders' Meeting is convened for 24th and 25th October 2013 on first and second call respectively;
- the Milano Assicurazioni Extraordinay Shareholders' Meeting is convened for 25th and 26th October 2013, on first and second call respectively;
- the Premafin Extraordinary Shareholders' Meeting is convened for 25th October 2013, on single call;
- the Unipol Assicurazioni Extraordinary Shareholders' Meeting is convened for 25th October 2013;

- the Milano Assicurazioni Special Shareholders' Meeting is convened for October 26th, 28th and 29th, respectively on first, second and third call;
- the entry of said Meetings' resolutions into the competent Company registers will trigger the start of the period of sixty days specified by Art. 2503 of the Italian Civil Code for the notification of the opposition to the Merger by creditors (unless the consent of the creditors of the Companies Participating in the Merger was recorded prior to the entry specified in Art. 2501-ter, third paragraph, of the Italian Civil Code, and/or the creditors who have not given their consent have been paid and/or the corresponding amounts were deposited with a bank);
- the Merger agreement should be drawn up by the end of the 2013 financial year.

On 9th October 2013, the Information Document was made available to the public at the head offices of the Companies Participating in the Merger and published on the websites of the Companies Participating in the Merger and of UGF at the following addresses: www.fondiaria-sai.it, www.milass.it, www.premafin.it, www.unipolassicurazioni.it and www.unipol.it.

CONTENTS

1 Warnings

In order to correctly assess the proposed Merger, the recipients of the Information Document are requested to evaluate the specific risk factors or uncertainties deriving from the Merger and concerning the Companies Participating in the Merger and business sectors in which they operate.

The risk factors or uncertainties described hereafter must be read together with the information contained in the Information Document.

References to the Sections, Chapters and Paragraphs refer to the sections, chapters and paragraphs of the Information Document.

1.1 Risks related to the Merger

1.1.1 Risks arising from the failure to complete the Merger

The Merger will be subject to the approval of the competent shareholders' meetings of the Companies Participating in the Merger.

Therefore, the not-completion of the Merger would prevent the Fonsai shareholders, and consequently the Premafin shareholders–as Companies Participating in the Merger – to benefit from the contribution of the excess capital of Unipol Assicurazioni (also following the capital increase of Euro 600 million – See: Chapter 2, Paragraph 2.1.1 of the Information Document). This possibility could therefore involve the need to recapitalize the Group Premafin, including using part of the financial resources generated by the UGF Capital Increase, in order to be able to sustain the financial objectives, financial requirements and correct solvency.

Should the Merger not be completed the forecasted synergies would not be fully achieved thus resulting in the process of simplifying the company structure, which, if it were finished, would enable UGF to take direct control of the Company Resulting from the Merger with the resulting complexity in terms of reorganizing the post-Merger group also in relation to the new corporate governance, higher corporate levels, to the timing of dividends distributed by the controlled companies by the UGF parent company.

With regard to Premafin, should the Merger shall not be completed, or the Merger becomes effective after 31th December 2013, the understandings set forth by the Restructuring Agreement related to the occurrence of the Stage 2 of the Restructuring Plan would not become effective -except in the event in which the parties approve an amending agreement - (see also with reference to the definitions in this Paragraph , Chapter 2, Paragraph 2.1.2. of the Information Document).

In any case the provisions of the Restructuring Agreement related to the so-called Stage 1 of the Restructuring Plan, currently in force, would remain at any rate effective and therefore: *(i)* Premafin debts to the Financing Banks would continue to be governed by the terms and conditions currently in force *(ii)* Premafin debt to the Financing Banks would not be partially converted, for Euro 201.8 million, in the Convertible Loan.

The failure to issue, underwrite and fully convert the Convertible, would result in:

– a higher debt of the Unipol Group, as a whole, for Euro 201.8 million;
– a lower capital endowment for the same amount with respect to the forecast for the post-Merger position with a consequent reduction in the items forming the Adjusted Solvency Margin of UnipolSai Group for Euro 134.3 million, corresponding to the portion of the Convertible Loan intended for the Financing Banks.

Furthermore, some obligations of the so-called Pre-Integration Amended Financing Agreement set out in the following paragraph 2.1.2, would no longer be applicable, and therefore would be subject to amended agreements.

Furthermore, it should be noted that other possible consequences could result from the failure to complete the Merger procedure, or a considerable delay in its completion:

(aa) the synergies expected from the Operation might not be fully achieved or the related costs might increase, with substantial negative effects on the economic and/or financial position of the Company Resulting from the Merger;

(bb) the exemptions granted by the Consob and the other authorizations given by IVASS and/or Banca d'Italia and/or AGCM might expire or be revoked, wholly or partially, with the resulting impact on the suspension conditions of the Investment Agreement and the necessity to restart, if possible, the proceedings arising from the Operation; and

(cc) the Divestiture Procedure required by AGCM could be concluded before the effective date of the Merger, with the resulting impact on the composition of the economic and financial position of the Companies Participating in the Merger involved in the equity Divestiture Procedure proceedings.

See Ch. 2, Par. 2.2 of the Information Document for the reasons, aims, and management objectives of the Merger.

1.1.2 Risks arising from the failure of Milano Assicurazioni Special Meeting to approve the Merger

The merger by incorporation of Milano Assicurazioni with Fonsai will also require the approval of the Milano Assicurazioni Special Shareholders' Meeting.

This is due to the fact that in the context of the Merger the holders of savings shares of Milano Assicurazioni will be offered Fonsai Category B savings shares in exchange. As a result, on completion of the Merger, Milano Assicurazioni shareholders would receive their seniority privilege only after the payment of the seniority privilege to the holders of category "A" savings shares of Fonsai, with an indirect prejudice, qualitatively, for the holders of savings shares of Milano Assicurazioni, deemed to be significant for the purposes of Art. 146, para. 1 lett. b, of the Consolidated Financial Act, and Art. 2376 of the Italian Civil Code.

It should be recalled that– as made public – on 8 August 2013 UGF acquired 27,201,199 Milano Assicurazioni savings shares, corresponding to 26.55% of the savings shares of the company. Adding this shareholding to the stake held by Fonsai, the two companies hold a total of 28,701,199 Milano Assicurazioni savings shares, corresponding to 28.01% of the savings shares of the company.

Notwithstanding the foregoing, should the Milano Assicurazioni Special Shareholders' Meeting fail to approve the merger of Milano Assicurazioni in Fonsai, the merger of Premafin and Unipol Assicurazioni in Fonsai shall nevertheless proceed. In such circumstances, the synergies from the Merger – estimated to be Euro 350 million in terms of 2015 gross profits in the event of Milano Assicurazioni participating in the Merger – might change, which would affect the economic and/or financial position, and/or assets, of the Company Resulting from the Merger.

1.1.3 Risks arising from the failure to fully implement the Joint Business Plan following the Merger

On 20th December 2012, the Boards of Directors of the Companies Participating in the Merger approved the Joint Business Plan, containing the strategic guidelines and the economic and financial objectives, and/or assets, of the Company Resulting from the Merger.

All the Companies Participating in the Merger were involved in writing the Joint Business Plan, with the support of a leading independent business consultant, on the basis of updating the business guidelines of the Project of Integration by Merger notified to the market on 22nd June 2012.

The Joint Business Plan is based on (i) assumptions of a general and hypothetical and discretionary nature (ii) on a series of estimates and hypotheses of a discretionary nature, relating to the performance of specific actions due to be implemented between 2013-2015, or concerning future events with regard to which the Directors may only have a partial influence and which may not happen or could vary during the period of the Joint Business Plan.

In consideration of the subjective, hypothetical and discretionary nature of the assumptions of the Joint Business Plan, should one or more of the assumptions not occur or only happen partially, the pre-determined objectives may not be achieved, in whole or in part, thus meaning that the results of the Company Resulting from the Merger may differ, possibly in a significant manner, with regard to what is set out in the Joint Business Plan, with potential negative consequences in relation to the financial, economic situation and/or assets of the Company Resulting from the Merger.

The provisional data contained in the Joint Business Plan are based on future events, subject to uncertainty, and beyond the control of the Directors of the Companies Participating in the Merger; as a result of the uncertain nature arising from the performance of any future event, the gap between final values and budgeted values may be significant. Due to the uncertainty characterizing provisional data, investors are warned not to base their own investment decisions solely on the information set out herein.

Lastly, please note that the report of the Reconta Ernst & Young auditing company concerning the provisional data contained in the Joint Business Plan is attached to this Information Document.

See Ch. 2, Par. 2.2 and Ch. 6, Par. 6.2 of the Information Document.

1.1.4 Risks arising from the failure to achieve the forecasted synergies resulting from the Merger

The Merger presents the risks generally related with operations involving the integration of a group of companies and therefore the difficulties concerning the coordination of the management and personnel, the integration of the information systems, existing structures and services/departments and those of the non-incorporate companies, as well as the loss of customers and key personnel for the Companies Participating in the Merger.

Despite the aforementioned risks, the Company Resulting from the Merger may benefit from synergies generated, from, amongst other things, the sharing and consolidation of some areas and processes currently compliant with the industry best practices.

The main areas of impact of the synergies can be divided up into: (i) “Operating Costs”, (ii) “Cost of Claims and Reinsurance” and (iii) “Earnings and Finance”.

The Joint Business Plan, in respect of 2015 and therefore at the end of the plan timeframe, estimated the economic impact of the synergies related to the integration amounts to be approximately Euro 350 million on the 2015 gross profits in the event of Milano Assicurazioni participating in the Merger.

In particular, with reference to the three impact areas described above the savings deriving from the synergies are the following:

- “Operating Costs”: around Euro 180 million;
- “Cost of Claims and Reinsurance”: the synergies amount to approximately Euro 100 million in terms of managing claims and reinsurance;
- “Earnings and Finance”: the synergies are estimated at approximately Euro 70 million and are based on sharing internal best practices in terms of productivity and optimizing financial management.

Bringing about said synergies will depend, amongst other things, on the ability to efficiently integrate the various entities, in order to maintain their current agency networks and customer portfolios and increase productivity while reducing costs at the same time.

The process of bringing about the synergies will involve the integration costs related to the 2013 – 2015 three-year period which has an accumulated impact on the income statement estimated at approximately Euro 302 million. These costs are mainly allocated to the first financial year of the three-year period of the Joint Business Plant due to the need to implement the most expensive measures in order to achieve the synergies in 2015.

In the event of Milano Assicurazioni not participating in the Merger, it is estimated that the value of the synergies achieved would fall by approximately Euro 45 million.

Failure to achieve said synergies, wholly or partially, could therefore result in consequence in terms of the lost opportunity to make cost-savings from the expected synergies, with consequent impact on the position economic and/or financial position, and/or assets, of the Company Resulting from the Merger.

See Ch. 2, Par. 2.2, Ch. 6, Par. 6.2.8 of the Information Document.

1.1.5 Risks arising from the impact on sales

The Merger is aimed, amongst other things, to create an insurance pole formed by the Italian market leaders in Non-Life Class and in particular, in Motor Class, with one of the broadest and most widespread distribution networks in the country.

With reference to the aforementioned integration, it could reasonably involve the necessity to take appropriate action in order to streamline the product range, improve the organization and distribution of the network and the agency structures, review and coordinate product distribution policies in addition to, generally speaking, bearing increased costs, for an amount that cannot be estimated at the Date of the Information Document, related, for example, to integration of the information systems and structures or modifying of the terms and conditions of the agency mandates. Furthermore, it is cannot be excluded that – given the outstanding contracts with the different representatives of agents– it may prove necessary to conduct as quickly as possible a review of their terms and conditions with a view to rationalizing these contracts, with a loss in inefficiency.

With regard to the foregoing, during and/or following the integration, there could be consequences, even significant, for the current agency network and/or the current premium collection of the Company Resulting from the Merger as a result, for example, of a reduced number of agencies and/or an increase in the number of agencies with multiple mandates. Moreover, it should be mentioned that the further possible initiatives related to the integration and finalized to the harmonization of the product portfolio, to sharing products and common sales strategies, the best way of organizing the agency network, also in terms of a more efficient distribution across Italy as a result of the geographical concentration that would inevitably result in some areas of the country, might require time, costs and methods different from those originally planned, with a possible negative impact, even significant, on the economic and financial situation at the Date of the Information Document of the Fonsai Group and/or the Company Resulting from the Merger, that cannot be fully estimated at the Date of the Information Document. Furthermore, it should be mentioned that, the possible persistence of uncertain conditions characterizing the company's situation of Premafin/Fonsai Group – and at any rate the uncertainty resulting from the integration with the Unipol Group and the related impact on the distribution networks- could determine a deterioration of the premium income, with the consequent negative effects on the economic and financial position and/or the assets of the Company Resulting from the Merger.

1.1.6 Risks arising from the possibility of revoke expiration and /or lack of granting authorizations by the Supervisory Authority in the insurance and banking sector

In relation to the authorizations granted by IVASS and the other competent Supervisory Authorities required to the implementation of the Integration Plan and, therefore, to take control of Premafin and its group by UGF and to the Merger the following points should be noted:

(i) on 20th June 2012, IVASS authorised Finsoe, through UGF, to take a controlling share in Premafin and in the insurance companies that this controls, directly or indirectly. Furthermore, the Authority has ordered that Finsoe and UGF, in their capacity respectively as company heading the Unipol conglomerate and company heading the insurance group post-merger: (a) considering the solvency situation of Fonsai Group, in order to ensure a break with the previous management structure of the companies in aforementioned group, Finsoe and UGF shall refrain from proposing and/or voting in the companies that shall be bought with regard to appointing directors linked to the then primary shareholder by family relationships, autonomous and not-autonomous work relationships or other relationships of a financial and professional nature; (b) concerning the dual role envisaged for the Managing Director of UGF and of the Company Resulting from the Merger, even taking in consideration the defenses proposed by the companies in order to avoid an excessive concentration of power, to ensure functional governance given the complex nature and structure of the

Company Resulting from the Merger, Finsoe and UGF shall grant that, no more than 18 months from the effective date of the Merger, two different Managing Directors, for UGF and for the Company Resulting from the Merger, respectively, shall be appointed; (c) given the considerable fluctuations of the financial markets and the potentially unfavorable performance of the technical management, as a precautionary measure, Finsoe and UGF shall undertake, identify and maintain during the application of the Solvency II regime a solvency level for the Company Resulting from the Merger superior to the Solvency Capital Requirement and at least equal to 120% of the same, for the years of application of Solvency II regime with effects on the Business Plan.

Notwithstanding the exercising of the powers attributed to IVASS by the Code of Private Insurance, with regards to performing its role of supervising the insurance sector, not-compliance with the afore-mentioned provisions, by Finsoe and UGF, might lead IVASS to order the suspension or revoke its authorizations to the acquisition of majority shareholdings in insurance companies;

(ii) on 20th June 2012, the Banca d'Italia, has granted UGF and Finsoe the authorization pursuant to Art.19 of TUB (Consolidated Financial Act) to acquire a controlling stake, indirectly, in Banca Sai S.p.A. and the authorization, pursuant to Art. 15 of the TUB, to acquire indirectly control over Sai Mercati Mobiliari Sim S.p.A., Sai Investments SGR S.p.A., as well as a qualified shareholding in the capital of Hines Italia SGR S.p.A.. Moreover, Banca d'Italia has reserved the right to evaluate at a later date the forthcoming intervention of streamlining and restructuring of the banking business envisaged in the Project of Integration by Merger and indicated the need to define, as quickly as possible, the role of the banking and financial businesses within the context of the overall strategy of the conglomerate resulting from the Merger, ensuring, at the same time, the continuation of financial support to these companies;

(iii) the following authorizations were also released (a) by the competent Authority for fair trading and for the Serbian market, the authorization to acquire control of DDOR Novi Sad Ado, DDOR Auto Frusvo and DDOR Re, (b) by Narodna banka Srbije, the authorization to acquire a qualified holding in DDOR Novi Sad Ado and DDOR Re, (c) by Narodna banka Srbije, the authorization to acquire a qualified holding in DDOR Garant, (d) by the Central Bank of Ireland, the authorization to acquire a qualified holding in Lawrence Re Ireland Limited and in Lawrence Life Assurance Company Limited.

(iv) with specific regard to the merger, on 25 July 2013, IVASS gave its own authorization to the Merger pursuant to and in accordance with Art. 201 et seq. of the Code of Private Insurance and Art. 23 et seq. of the IVASS Regulations concerning Mergers, having verified the existence, both in the case Milano Assicurazioni participates in the Merger and in the case it does not, of the conditions for authorization, in terms of sound and prudent management and of assets being available to maintain technical provisions and solvency margins for the Company Resulting from the Merger. Nevertheless, the Authority has required the Incorporating Company to take initiatives on the issues of corporate governance and dividend distribution criteria, to strengthen procedures and controls in some areas, including structured securities investments and reserve risk (the "**Corrective Measures**"). As of the Date of the Information Document it is, instead, still pending the proceedings related to the authorization to be granted by Banca d'Italia to the takeover by the Incorporating Company -by the effects of the Merger- of Unipol Assicurazioni's stake in Unipol Banca as well as the proceedings related to the authorization of the Central Bank of Ireland to the purchase, by the Incorporating Company as a result of the Merger, of an indirect and qualified shareholding in Unipol Fondi Ltd. With regard to this matter, the Irish supervisory Authority has clarified that it will be able to proceed with the authorizations only after reviewing the above mentioned authorization from the Banca d'Italia.

With reference to the aforementioned authoritative proceedings, it is noted that any failure to release said authorizations would not lead to any delay or damage to the completion of the *iter* of the Merger.

1.1.7 Risks arising from the failure to comply with the decisions issued by the Autorità Garante della Concorrenza e del Mercato

With the AGCM decision, the acquisition of the control of Fonsai Group by UGF – completed on 19th July 2012 by subscribing and paying-up the Premafin Share Capital Increase – has been authorized, being conditional to the compliance, of certain measures required pursuant to Art. 6, paragraph 2, of law no. 287/90 (the "**Measure(s)**") summarized below and in relation to which an update is provided.

a) Termination of the shareholders' agreement between UniCredit S.p.A. ("**Unicredit**") and Premafin relating to Fonsai shares and adoption of the steps required for the resignations of the Fonsai Directors appointed by Unicredit in Fonsai Board of Directors Meeting. Unicredit and Premafin, complying with the Measures, on 9th July 2012, have terminated the investment agreement of 22nd March 2011 and the shareholders' agreement of 8th July 2011 signed by the parties; the members of the Board of Directors of Fonsai designated by Unicredit by virtue of the aforementioned shareholders' agreement resigned.

b) Transfer by Fonsai of the entire holding detained in Assicurazioni Generali S.p.A., corresponding to about 1%. Fonsai, in compliance with the Measure, transferred its entire holding in Assicurazioni Generali S.p.A. through (i) the exercise by Fonsai, together with Milano Assicurazioni and the respective banking counterparts, of put and call options with same strike (forward sale) and (ii) direct sale on the market. During the transfer, Fonsai abstained from exercising the administrative rights, including voting rights, regarding the holding in question.

c) Transfer by UGF of all the shares held by the Premafin/Fonsai Group in Mediobanca – Banca of Credito Finanziario S.p.A. ("**Mediobanca**") and, in the course of the aforementioned transfer, signing an agreement for an escrow account with an escrow agent approved by the AGCM; in the time necessary to find and appoint the escrow agent, refraining from (i) exercising all administrative rights, including voting rights, from its holdings in Mediobanca as well as (ii) designating its own representatives to the Mediobanca Board of Directors and on the Governing Board of the shareholders' agreement of the latter.

   In compliance with the Measure, UGF, Fonsai, and Milano Assicurazioni appointed Equita SIM S.p.A. to find parties interested in Incorporating their shareholding in Mediobanca. UGF, together with Fonsai, Milano Assicurazioni and Finsai International S.A., has given BNP Paribas Securities Services Sca. ("**BNP Paribas**") an irrevocable power of attorney to act as custodian of the shares held by Fonsai in Mediobanca and has opened an escrow account in which said shares have been deposited, giving BNP Paribas specific instructions, permanent and irrevocable, to abstain from attending the Mediobanca shareholder's meeting and from exercising the related voting rights.

   In reference to the aforesaid obligation to transfer their shareholding in Mediobanca on 17th September 2013, following an express request by Fonsai, also on behalf of Milano Assicurazioni and Finsai International S.A., the meeting of the shareholders' agreement has authorized early release from the agreement of the shareholding held by the Premafin/Fonsai Group in consideration of its later use according to the Measures.

   As for the second part of the Measure in question, UGF, Fonsai, Milano Assicurazioni, and Finsai International S.A. did not exercise any administrative rights nor appoint its own representative to the Mediobanca Board of Directors or the Governing Board of the shareholders' agreement of the latter to replace the former representatives of the Fonsai Group no longer in charge.

d) In compliance with the ban imposed by the Measures, UGF did not enter into shareholders' agreements concerning Fonsai shares with Mediobanca and Unicredit. Similarly, Finsoe, as the parent company of UGF, did not enter into shareholders' agreements with regard to the UGF shares with Mediobanca and Unicredit.

e) As of the Date of the Information Document, in compliance with the ban imposed by the Measures, no one related, directly or indirectly, to Mediobanca, Unicredit, or Assicurazioni Generali S.p.A., by employment or any other kind of relations, was appointed to the Board of Directors, Board of Auditors or any other administrative body of companies of the Unipol Group.

f) Reduction by UGF of the current debt of Unipol Assicurazioni, Fonsai, and Milano Assicurazioni to Mediobanca, and future elimination; implementation by UGF, Fonsai, and Milano Assicurazioni of suitable arrangements to ensure that Mediobanca will not obtain strategic and commercial information beyond those strictly necessary to protect its own credit. Fonsai and Milano Assicurazioni complied with the Measure in question also giving a specific mandate to Equita SIM S.p.A. whose activity is still ongoing as of the Date of the Information Document.

g) Unipol Group – with the assistance of an internationally recognized independent advisor approved by AGCM – shall Divest itself of the following assets: (i) the whole of the shares held by Milano Assicurazioni in Liguria Assicurazioni S.p.A. and Liguria Vita S.p.A. and (ii) one or more business units including, among the others, trademarks "Milano Assicurazioni" and "Sasa" and the corporate assets of Milano Assicurazioni concerning the production and distribution of insurance products through their sales divisions, allowing that as a result of said assignments, Unipol Group transfers to third parties premiums valued, as at 31th December 2012, at Euro 1.7 billion, being understood that, following the Divestiture, its own market share at national and provincial level shall be below 30% in both life and liability class on the basis of IVASS data (or grants the assignment of the entire share acquired as a result of the acquisition of control of the Premafin Group if the 30% share was already held before the consolidation) ("**Divestiture**").

In order to identify the scope of the assets object of Divestiture and to be able to start the Divestiture procedure, Unipol Group made use of the services of KPMG Advisory S.p.A.

The Divestiture Procedure is carried out in a competitive context and leading Italian and foreign business operators and financial investors who have expressed interest have been invited to take part.

In compliance with the Measures sub g) above, on 8th May 2013, the respective Boards of Directors of Milano Assicurazioni and of the controlling company Fonsai authorized the continuation of the transfer procedure, also approving the scope of the Divestiture, making the effects of this decision conditional on authorization by the UGF Board of Directors, which was granted on 9th May 2013.

Ass of the Date of the Information Document, the competitive procedure is still ongoing and it is impossible to estimate the effective timing for the completion of Divestiture nor the total consideration which could be realized from the Divestiture.

Should the Divestiture Procedure completely or partially fails to comply with the Measures described above, the AGCM may impose economic sanctions, with effects on the economic and financial position of the Company Resulting from the Merger. In general, if the recipients of the provisions failed to comply with the requirements set by AGCM, the latter, following an investigation, may impose an economic sanction of no less than one per cent and no more than ten per cent of the turnover of the company business object of consolidation (Art. 19, par. 1, Act 287/1990).

1.1.8 Risks arising from obsolescence of the Share Exchange Ratios

On 20th December 2012, the Boards of Directors of the Companies Participating in the Merger set the share exchange rate at 0.050 ordinary Fonsai shares for each ordinary Premafin share, 1.497 ordinary Fonsai shares for each ordinary Unipol Assicurazioni share, and, in case Milano Assicurazioni takes part in the Merger, 0.339 ordinary Fonsai shares for each ordinary Milano Assicurazioni share and 0.549 Fonsai "B" savings shares for each Milano Assicurazioni savings share.

Although the Companies Participating in the Merger believe that, as of the Date of the Information Document, the Share Exchange Rates were appropriate according to the methods used to determine them, it is impossible to exclude the possibility that the implicit values used in the evaluation, may change, so that at the date of drawing up the deed of the Merger they will be no longer being appropriate and that therefore it will prove necessary to restart and/or integrate the necessary corporate and legal proceedings related to the Merger.

1.1.9 Risks arising from potential withdrawal of Premafin shareholders and Milano Assicurazioni savings shareholders

Premafin shareholders who did not vote in favor of the shareholders resolutions concerning the Merger – which forms an integral and essential part of the Project of Integration by Merger– shall be granted a right of withdrawal pursuant to and in accordance with Art. 2437, first paragraph, lett. a), of the Italian Civil Code.

Furthermore, should the Milano Assicurazioni Special Shareholders' Meeting approve the Merger – which forms an integral and essential part of the Project of Integration by Merger– the holders of Milano Assicurazioni savings shares who were not involved in the resolutions concerning the Merger shall be granted a right of withdrawal pursuant to and in accordance with Art. 2437, first paragraph, let. g), of the Italian Civil Code.

Withdrawal legitimately exercised pursuant to Art. 2437, first paragraph, let. a) or g), of the Italian Civil Code, shall be effective conditional to the completion of the Merger.

The liquidation values of the ordinary shares of Premafin and of the savings shares of Milano Assicurazioni for which the right of withdrawal is exercised, respectively Euro 0.1747 and Euro 0.6860 (made public on 24th September, 2013), were set in compliance with the provisions of Art. 2437-ter of the Italian Civil Code, with exclusive reference to the respective arithmetic average of the closing prices of the ordinary shares of Premafin and of the savings shares of Milano Assicurazioni in the six months preceding the publication of the notice of call of the meeting whose resolutions legitimizes the withdrawal. In the case that Premafin and Milano Assicurazioni were called to refund the shares subject of withdrawal, pursuant to Art. 2437-*quater*, fifth paragraph, of the Italian Civil Code, according to the relative liquidation value and to the amount of the withdrawals eventually carried out, there could be negative effects on the economic and/or financial position, and/or assets, of the Company Resulting from the Merger.

See Ch.2, Para.2.1.2.7 and 2.1.2.8, of the Information Document.

1.1.10 Risks arising from possible litigation resulting from the failure to recognize the right of withdrawal from the company of some shareholders of Premafin

With regard to the identification of the parties who– in the opinion of the Companies Participating in the Merger – should be considered as having concurred to the Merger, reference should be made to the content of the supplementary agreements to the Investment Agreement, duly made public. More precisely, on 25th June 2012, Premafin and UGF made public that they had agreed to restrict the right of withdrawal in the context of the Merger, so that this right could not be exercised by the former majority shareholders of Premafin. This clarification proved necessary on one hand in order to take into account what had been requested by Consob through notification no. 12042821 of 22nd May 2012 and relative considerations set out in notification no. 12044042 of 24th May 2012 and, on the other hand, to the extent that the former majority shareholders of Premafin, having concurred to the Project of Integration by Merger– which includes, as an essential stage, the Merger – have also concurred to the Merger, and consequently do not have a right to withdraw pursuant to and in accordance with Art. 2437 of the Italian Civil Code.

It should be noted, however, that:

– by means of a press release issued on 8th June 2012, Premafin has made public the decision received from Mrs. Jonella Ligresti and Mr. Gioacchino Paolo Ligresti, in their capacity as shareholders and members of the Board of Directors of respectively Hike Securities S.A. and Limbo Invest S.A., companies with holdings in Premafin, about the intention of said companies, "*should they, even erroneously, be deemed majority shareholders of Premafin*", to refuse to commit to exercising the right of withdrawal following the Merger of Premafin into Fonsai;

– by means of a press release issued on 15th July 2012, Premafin has made public the communication, substantially similar, received respectively from the liquidator of the Premafin shares held, directly and indirectly, by the Heritage Trust and The Evergreen Security Trust (ii) from the board of the receivers for Immobiliare Costruzioni Im.Co. S.p.A. and (iii) from the board of the receivers for Sinergia Holding di Partecipazioni S.P.A. – all shareholders of Premafin – which, referring to the Consob notice of 5th July 2012, prot. n. 12056894 – which refers to the agreements between UGF and Premafin, within the context of which it was agreed to restrict the right of withdrawal of the majority shareholders of Premafin in the context of the Merger – have indicated their lack of involvement in said agreements and therefore the absence, in their opinion, of limitations to the right of withdrawal on the basis of share holdings, and have reserved the right to take any action whatsoever in regard to this right.

In the light of the foregoing, and although there are convincing arguments to exclude granting the right of withdrawal to the former majority shareholders of Premafin, as of the Date of the Information Document it is impossible to exclude, with reference to the limitation of the withdrawal right conditional to the Merger, the possibility of disputes – whose impact, charges, times, procedures, validity, and/or success cannot be estimated as of the Date of the Information Document – liable to give rise to legal action, with potentially negative consequences on economic and financial position, and/or assets, of the Company Resulting from the Merger.

See Ch. 2, Par. 2.1.2.8 of the Information Document.

1.1.11 Risks arising from regulations on creditor opposition

Pursuant to Art. 2503 of the Italian Civil Code, the Merger may only be completed after a period of sixty days following the last of the registrations specified by Art. 2502-*bis* of the Italian Civil Code, unless there is the consent of the creditors of the Companies Participating in the Merger before the registration pursuant to Art. 2501-*ter*, par. 3, of the Italian Civil Code, or the payment of the creditors who did not give their consent, or the deposit of the corresponding sums in a bank, or unless Reconta Ernst&Young, in its quality of shared expert charged with preparing the report on the adequacy of the Share Exchange Ratios (pursuant to Art. 2501-*sexies* of the Italian Civil Code), verifies, under its own responsibility, that the economic and financial position of the Companies Participating in the Merger make it unnecessary to provide guarantees for such creditors. If none of these cases occurs, the aforementioned creditors may, within the period of sixty days, notify their opposition to the Merger. In the light of the foregoing, in case of opposition to the Merger from the creditors, there might be delays in the schedule of the preliminaries for the completion of the Merger. It should be mentioned at any rate that, even in the case of opposition, the court, should it deem the danger of harm for creditors unjustified or should the borrowing company have given adequate guarantees, can order that the Merger take place irrespective of the opposition, pursuant to Art. 2503 of the Italian Civil Code.

It should also be noted that on the effective date of the Merger, the Company Resulting from the Merger shall take over the position of debtor of the two loans issued by Unipol Assicurazioni (on 13th June 2001 and 25th July 2003 respectively), and that – pursuant to the laws and regulations applicable to said debenture loans – the approval of the Merger by the Meeting of the debenture holders shall not be required, notwithstanding the individual rights of the debenture holders to invoke the right of opposition pursuant to Art. 2503-bis of the Italian Civil Code.

1.1.12 Risks arising from distributing dividends

After the completion of the Merger, as well as following the related issue and conversion of the Convertible Loan, the number of shares representative of the ordinary share capital and, possibly, of the Fonsai category B savings shares in circulation will be increased; therefore, in the presence of profits of the Incorporating Incorporating, and in any case in full compliance with the Articles of Association provisions of the subject matter, to said increase in the number of UnipolSai shares could correspond a reduction of the dividend for share, with possible negative consequences on the future profitability of the shareholders of the Companies Participating in the Merger.

1.1.13 Risks arising from the pro-forma data contained in the Information Document

The Information Document contains the pro-forma consolidated balance sheet as at 31st December 2012 and 30th June 2013, the income statement and the pro-forma consolidated financial statements for the financial year ended 31 December 2012 and for the six month period ending 30th June 2013 (the "**Pro-Forma Consolidated Statement**s") as well as the explanatory notes, prepared solely to retroactively reflect the significant effects of the Merger as if the it had occurred during the period referred to in the aforementioned pro-forma data.

The Pro-Forma Consolidated Statements do not take into account the divestiture requested by the AGCM as a condition for granting the authorization with regard to UGF Incorporating control of Fonsai Group, which would entail, among others, the Divestiture of agency networks and the reduction of the overall premiums collected, with regard to those which the Incorporating Company would receive from the Merger. For further details, see paragraph 1.1.6. of the Information Document for further details.

It is specified in the note to the Pro-Forma Consolidated Statements that these effects have not been included given that the requested divestitures do not depend on the Merger and, furthermore, at the Date of the

Information Document, there is significant uncertainty on the timing of the Divestiture and the overall consideration that may stem from the Divestiture.

Following the divestitures requested by the AGCM, the economic and financial indicators and/or assets of the Company Resulting from the Merger will differ from what is indicated in the Pro-Forma Consolidated Statements.

The information contained in the Pro-Forma Consolidated Statements represents a simulation of the potential consequences if the Merger will be effective at such date and is provided solely for illustration purposes. In particular, as the Pro-Forma Consolidated Statements are designed to reflect in a retrospective view the significant consequences of further transactions, notwithstanding the need to respect commonly accepted rules and the use of reasonable assumptions, provided by the necessary certificates, there are limits arising from the very nature of the pro-forma data. Therefore, there is a risk that, should the Merger take place on the dates used as a reference for the layout of the Pro-Forma Consolidated Statements, the results obtained would not necessarily be the same as those represented in the Pro-Forma Consolidated Statements.

Furthermore, the pro-forma information does not reflect provisional data and are not intended to represent a forecast of the future results of the Company Resulting from the Merger and therefore must not be used in this the sense. Investors are invited not to base their own investment decisions solely on the information set out herein.

Lastly, in consideration of the various aims of the pro-forma information with regard to historic data and a variety of different methods used to calculate the effects of the Merger with reference to the Pro-Forma Consolidated Statements, the latter need to be read and interpreted only for illustration purposes and without seeking accounting links between them.

See Ch. 5 of the Information Document.

1.2 Risks related to the Companies Participating in the Merger

A) RISK FACTORS RELATED TO THE COMPANIES PARTICIPATING IN THE MERGER , TO THE LINE OF BUSINESS AND TO THE MARKETS IN WHICH THEY OPERATE

1.2.1 Risks arising from Life and Non Life insurance activities and from the other activities of the Companies Participating in the Merger

The Companies Participating in the Merger operate in the insurance and financial market. The risk factors illustrated hereafter are mainly related to the performance and the structure of these markets in addition to the legislation applicable to the insurance and financial industries.

Risks arising from concentration of the insurance industry in the Italian market

The insurance business of the Insurance Companies Participating in the Merger is almost exclusively concentrated in Italy. These circumstances will not change even as the Merger is completed.

Both in the half-year ended 30th June 2013 and in the financial year ended 31st December 2012, more than 99% of the total of direct gross Premiums written by the Fonsai Group was related to its insurance business in Italy. As far as Unipol Assicurazioni and Milano Assicurazioni Group are concerned the whole of the direct gross Premiums written (including the income, marginal, obtained under the rules on the freedom to provide services) originate in Italy in both periods in question.

It follows that conditions on the national reference market may impact, possibly in a significant manner, the level of productivity of the insurance business.

Risks arising from the concentration of insurance activity in Motor Class

The premium income in the Non-Life class of Insurance Companies Participating in the Merger is mainly concentrated in motor vehicle liability insurance.

For Fonsai Group, in the half-year ended 30th June 2013, approximately 65% of the total of Non-Life Insurance premiums is related to the collection activity of premiums in Motor Class. For Unipol Assicurazioni the premium percentage in the Motor class on the total of the Non-Life class as of 30th June 2013 was approximately 62% while for the Milano Assicurazioni Group was approximately 69%.

Because of this concentration, the frequency and the average cost of claims losses for motor vehicle liability insurance may have a significant impact on the productivity of the Company Resulting from the Merger. In particular, the negative performance of these factors, also for effect of developments in the economic background (as a result of, e.g., changes in the price of spare parts and/or fuel) and/or legislative (such as extending the scope of damages to persons deemed liable to compensation) could have a negative impact on the financial position and assets and productivity of the Company Resulting from the Merger.

Furthermore, given the considerable role played by the Insurance Companies Participating in the Merger in the motor vehicle liability insurance sector, a negative performance of the car market (e.g. a decrease in the number of new cars sold, which was indeed the case in the first part of the current financial year) could also have negative consequences on the auto insurance sector and, more generally, on the economic and financial position of the Company Resulting from the Merger.

Risks arising from the concentration of the Life insurance premiums through the banking channel

The Companies Participating in the Merger distribute their own Life insurance products also through banking channels.

For the financial year ended 30th December 2012, the banking network contributed approximately 67% to the consolidated Life insurance income of the Fonsai Group and this was mainly due to the outstanding distribution agreements between Popolare Vita and its Irish subsidiary Lawrence Life (insurance company controlled, directly and indirectly, by the Incorporating Company) and the credit group Banco Popolare. In 2012 life insurance income of Milano Assicurazioni was mainly realized through group channels. These distribution agreements, insisting on a banking network external to the group headed by the Incorporating Company, do not ensure that the latter controls the commercial and distributive policies of the network and do not ensure sure sales volumes. On 30th June 2013, the percentage of premiums attributable to the banking channel of the Fonsai Group through the banking channel was 73%.

The Life collection in 2012 of Milano Assicurazioni was mainly realized through the Fonsai Group channels. Conversely, Unipol Assicurazioni places its Life insurance products mainly through its own commercial network and, to a lesser extent, through the subsidiary Unipol Banca (l.6% as at 31th December 2012 and 7.1% as at 30th June 2013) and, marginally, through independent networks of financial advisors headed by Simgest S.p.A. and Credit Suisse Italy (less than 1% as of 31th December 2012 and 30th June 2013).

Given all this, in the case that the sales volumes of life insurance policies realized through the banking network headed by Banco Popolare should contract significantly, this would bring about a reduction of the consolidated Life premium income of the Company Resulting from the Merger, with potentially negative effects on the relative economic and financial position.

Risks arising from the formation of technical provisions

The Insurance Companies Participating in the Merger must set aside provisions to technical provisions to ensure coverage of the risks insured and the ability to comply the obligations undertaken *vis-à-vis* the insured. The size of these provisions must be evaluated on the basis of the classes, Life and Non-life, of the risks insured and of the obligations undertaken.

With special reference to recognized provisions for outstanding Motor Third Party Liability claims reported in the financial statement, it should be noted that these are the result of a complex technical evaluation in multiple stages, with a first analysis of the individual open positions by the claim settlement office, followed by a verification and, if necessary, adjustment to the final cost carried out by the management of the company, through the application of statistical and actuarial methods.

The above-mentioned multi-stage process of evaluation of provisions for outstanding Motor Third Party Liability claims is based upon many parameters and multiple variables, correlated and specific to the time of evaluation, therefore cannot be re-evaluated at a later time (“ora per allora”). Among these – as an example and not exhaustive - we mention the following: the initial and later valuations of the claim settlement network, the average cost of settled claims for duration of claims closed, the ratio of the claims closed with no follow-up and reopened claims, the hold of the initial reserve, the case law trends in the field of claims, general and industry inflation rate, the different weight attributed to the statistical and actuarial methodologies developed by the profession. From all the foregoing, it follows that, by definition, provisions for outstanding claims cannot be accurately measured but can only be estimated, on the basis of the information available at the time when the estimate was made, in order to assess reasonably its adequacy.

In relation to the technical provisions for the Life insurance business, there is a financial risk arising from the performance of assets in which these are invested, since some Life insurance policies provide for a guaranteed minimum revaluation. In this case, a reduction of the return of the assets in which the mathematical provisions for these life assurance policies are invested could involve losses in the event of this return being lower than the guaranteed minimum with negative effects on the economic and financial position and assets of the Company Resulting from the Merger.

Furthermore, a shortfall in the level of the technical provisions in the Life and Non-Life insurance sectors could lead to negative consequences on the economic and financial situation of the Company Resulting from the Merger.

See Chapter 4 of the Information Document.

Risks arising from the failure to comply with the mandatory capital requirements

The Insurance Companies Participating in the Merger operate in a regulated and supervised sector and are subject to meeting the minimum capital requirements specified by current reference regulations (the so-called Solvency I calculated at individual and consolidated level, that is, the Individual Solvency Margin and the Adjusted Solvency Margin).

Tests on the Adjusted Solvency Margin of Fonsai Group showed Fondiaria-SAI, as at 30th June 2013, had a coverage which was 1.2 times the required minimum (1.09 times as at 31st December 2012), independently from the effects of the application of IFRS 5 to the portfolio of the insurance contracts to divest according to the requirements set by the AGCM resolution of 19th June 2012. Tests on the Adjusted Solvency Margin of Milano Assicurazioni Group showed, as at 30th June 2013, a coverage which was 1.3 times the required minimum (1.16 times on 31st December 2012).

Tests on the Individual Solvency Margin of Unipol Assicurazioni – not included in the Adjusted Solvency Margin, pursuant to the applicable legal and regulatory provisions– showed, as at 30th June 2013 a coverage index which was 1.7 times the required minimum (1.6 times on 31st December 2012).

The solvency of the Incorporating Company shall benefit, upon completion of the Merger, from the contribution of Unipol Assicurazioni, whose current excess in balance will be further increased by the resolved share capital increase of Euro 600 million which, in line with the Project of Integration by Merger, will be underwritten by UGF before the date of drawing up the deeds of the Merger.

On 20th June 2012, IVASS, with order no. 2986, authorized Finsoe, for the through of UGF, to acquire the controlling interest in Premafin and of the insurance companies directly or indirectly controlled by it. In relation to Unipol Group, it is of interest the provision of the Authority intended to maintain, under the Solvency II regime, a solvency requirement of the Company Resulting from the Merger exceeding the Solvency Capital Requirement and at least 120% of the latter, for the years of the Joint Business Plan during which Solvency II shall be applied.

Considering the continuing high volatility in the financial markets, the negative performance of the real estate markets and the uncertainty about the manner in which the global macroeconomic context will develop, it is impossible to exclude a negative development of such factors which could determine in the future a reduction of the regulatory capital, at a company and group level, of the Company Resulting from the Merger. Furthermore, faced with the possible changes in respect of the legal framework concerning insurance companies that imposing much more stringent supervisory capital requirements with respect to those currently in force or foreseeable (also in the light of the future introduction of the European laws on the solvency of insurance companies - Solvency II), it is impossible to exclude the possibility of the supervisory capital of the Company Resulting from the Merger might prove, in the future, inadequate with respect to the minimum assets requirements specified by the relevant laws applicable at the time or to achieving the minimum 120% target.

Risks arising from cyclical nature of the insurance sector

The insurance sector tends to be cyclical in nature and has historically been the subject of significant fluctuations in terms of profits mainly due to unpredictable and uncertain events, many of which are beyond the control of insurance companies such as competition, the frequency and the severity of natural disasters and catastrophes, general economic conditions and other factors. The effects of this specific cyclical phenomenon, changes in consumer expectations on the level of insurance premiums, the frequency and the size of claims for compensation or of surrender or of the other factors that can affect the insurance sector, could therefore have a negative effect on the economic and/or financial position of the Company Resulting from the Merger.

Risks arising from fraud

The insurance business is exposed to risks generated by false claims and inaccurate representations of events and the damage following accidents suffered or caused by insured persons. The Companies Participating in the Merger have developed a corporate structure for this purpose designed to prevent, report and fight insurance fraud and other types of speculative behavior liable to harm the companies, a corporate structure based on specific internal procedures aimed at taking, if necessary, the most suitable legal action and, in general, to work towards compliance and protection of the principles of legality and, when compensating harm, the fair compensation.

Nonetheless, the business of the Companies Participating in the Merger is exposed to risks resulting from false claims or inaccurate declarations of events and the harm suffered following accidents suffered by clients or third parties, which can result in a rise in the number of claims and their average cost, and consequently, a reduction in the profitability of the insurance Companies Participating in the Merger, with the related possible negative effect on the economic and/or financial position of the Company Resulting from the Merger.

Risks arising from claims for compensation

The results of the insurance industry depend to a large extent on the relationship between the number of claims received and the estimated number of claims in particular in the event of the latter forecast having been used to fix the prices of products and to determine the extension of cover for technical clauses and claims for damages. The insurance Companies Participating in the Merger use their own experience and information with respect to their sector, including that used to fix product prices and their actuarial price, in order to develop forecasts concerning the profits from future policies. Nevertheless, the effective future claims for compensation could prove to be significantly higher than the forecasts used to calculate product prices, with the possible negative effect on the economic and/or financial position of the Company Resulting from the Merger.

Risks arising from pricing

The operating result and the financial situation of the Insurance Companies Participating in the Merger considerably depends on the ability to select and take on risks during the course of insurance activities and on the ability to set the premium level suited to the different types of risks covered.

The ability to set the premium level may be negatively impacted, with harmful consequences on the profitability of the insurance company, by various factors, for example, the incomplete nature or erroneous analysis of the available data, the uncertain nature of the estimates, in particular those linked to the forecast of the number and the amount of the cases of compensation which must be covered by the prices, the application of inappropriate pricing formulas and methods, developments with regard to the law or case law, as well as changes in course of practices and case law on liability liquidation.

The Insurance Companies Participating in the Merger draw on their own experience and information concerning the sector in which they operate to develop forecasts concerning benefits resulting from future policies. Notwithstanding this, it is impossible to exclude the possibility of future compensation requests being significantly higher, both in number and in their amount, with regard to the forecasts used for the purposes of calculating product prices, determining negative consequences on the economic and/or financial position and assets of the Company Resulting from the Merger.

The inadequate nature of the information and the pricing methods might therefore result in inappropriate pricing with regard to the size of the risks covered, thus having a negative impact on operating results and on the economicand/or financial position of the Company Resulting from the Merger.

Specific risks related to managing Life insurance of the Insurance Companies Participating in the Merger

Life expectancy

The premiums related to the Life insurance contracts are calculated on the basis of statistical and actuarial projections on the life expectancy of the population. Should these statistics prove to be unreliable, the value of the technical provisions of the Insurance Companies Participating in the Merger in relation to life assurance and pension products could increase in relation to expectations, producing negative effects on the economic and/or financial position and assets of the Company Resulting from the Merger.

Pandemics

The assumptions on mortality used in determining the price of the products offered are based on information obtained from statistics and information from the market. These assumptions reflect the best estimates, for each year, made by the Insurance Companies Participating in the Merger. In any case, a global epidemic could cause the mortality rate to rise above the normally specified rate and result in the payment of a higher number of compensation claims than anticipated.

Such events are valued in relation to the possible forms of financial cover which can be used such as reinsurance contracts. However, using financial cover and reinsurance contracts might not prove sufficient to ensure that the whole liability of the Insurance Companies Participating in the Merger is covered in the event of a pandemic, producing negative effects on the economic and/or financial position of the Company Resulting from the Merger.

Risks concerning the suitability of resources to comply with the obligations arising from supplementary pension products

The Insurance Companies Participating in the Merger determine the technical provisions arising from the supplementary pension products offered to their clients taking into consideration, among other factors, forecasts of: (i) mortality rates; (ii) labor turnover rates in work activities; (iii) invalidity rates; (iv) early retirement rates; (v) discount rates; (vi) long-term interest rates on investments; (vii) wage increases and (viii) future pension increases. These parameters might differ from the effective data also as a result of changes to economic conditions linked to higher or lower life expectancy of the policy holders. Any possible differences may therefore impact on the size of the pensions or the estimated pension costs for the coming years, thus rendering inadequate the technical provisions for the supplementary pension products of the Company Resulting from the Merger.

Risks arising from possible disasters

The Insurance Companies Participating in the Merger during normal trading, assume risks of different types, to limit the financial impact of disasters, they rely on reinsurance, spreading the risk between carefully chosen reinsurance companies ensuring reliability and financial solidity.

The reinsurance covers in respect of disasters in force on the Date of the Information Document all the Insurance Companies Participating in the Merger for each event and foresees excesses and overall maximum sums relaying to the number and type of event, with proportional distribution mechanisms relating to the cost of the excess and the upper cover limit between the insurance companies concerned, based on the harm suffered.

Therefore, in the event of natural disasters occurring such as earthquakes, explosions, floods, fire and acts of terrorism, which cause damage the cost of which exceeds the overall maximum sums specified by the reinsurance programme of the Insurance Companies Participating in the Merger could have a negative impact on the economic and financial position of the Insurance Company Resulting from the Merger.

Risks arising from insolvency of the reinsurance counterparts and concentration of the reinsurance markets

The Companies Participating in the Merger adopt a strategy to protect themselves in respect of specific risks taken in the management of the Non-Life and Life insurance business by means of reinsurance agreements, which involve exposure *vis-à-vis* the reinsurance professional chosen as counterparts. Ongoing reinsurance contracts specify that the reinsurance companies assume a part of the costs and charges resulting from compensation claims against a percentage of the policy premium, while the direct liability to those insured and/or third parties having suffered harm or their beneficiaries remains with the Insurance Companies Participating in the Merger. Therefore although the Insurance Companies Participating in the Merger, in order to limit as much as possible the counterpart risk place their reinsurance plans with major reinsurance professional, chosen for their high level of financial solidity as rated by the main rating companies, avoiding excessive concentration on individual counterparts, it cannot be excluded that the possible insolvency of the re insurers may produce negative effects on the economic and/or financial position and assets of the Company Resulting from the Merger.

In addition, the reinsurance market has become highly concentrated as recent mergers and acquisitions have reduced the number of the major providers of reinsurance products. The availability and cost of reinsurance depend on the overall market conditions and can vary significantly. Therefore, it cannot be excluded that the possible increase of the costs of the reinsurance may reflect on the economic and/or financial position of the Company Resulting from the Merger.

Risks arising from the performance of the real estate market

Fonsai also operates in the Real Estate Sector which represents a secondary activity in relation to insurance, its core business, with a portfolio mainly of retail and hotels property owned through direct and indirect investments. The real estate portfolio of the Fonsai Group as at 30th June 2013, in terms of real estate investments and tangible assets (that is, buildings and land) amounted to Euro 2,288 million (Euro 2,505 million at end 2012).

The corresponding values for Milano Assicurazioni Group amounted to Euro 637 million as at 30th June 2013 (including approximately Euro 163 million being part of the corporate assets in Divestiture pursuant to the AGCM Order) and Euro 648 million as at 31st December 2012.

The value of the Unipol Assicurazioni buildings and land amounted to Euro 668 million as at 30th June 2013 (Euro 672 million as at 31st December 2012).

Today, the Real Estate sector is impacted by (i) a highly stagnant market both in Italy and in Europe and (ii) a series of macroeconomic variables, including the balance of supply and demand, linked, in turn, to a set of variables including the overall condition of the economy, interest rate levels, inflation, the tax system, liquidity in the market, the widespread difficulty experienced by potential investors to obtain credit and alternative investments offering greater remuneration.

Within the context of investments in Real Estate, the Fonsai Group participates, as a shareholder/lender, in real estate development projects mainly concerning the residential and offices markets, essentially focused on large urban areas in Italy.

The feasibility, timing, profitability and therefore the success of these projects depends on a large number of factors including the availability of sources of finance (such as access to sufficient sources of finance with particular reference to bank loans and/or the financial means of the project partners etc.), administrative aspects (such as obtaining the necessary authorizations from the competent Authorities), unexpected events on building sites (e.g. delays related to unforeseen problems concerning geology, the environment, climate, projects, third-party claims or action), supplies (e.g. trends in terms of the cost of raw materials and lead-times) and the state of the real estate market during the marketing stage (such as e.g., the dynamics of the supply and demand of substitutes also according to the macroeconomic context, developments in terms of viability and means of transport, the dynamics of prices, the ease of obtaining credit and the level of interest rates).

Given that the main factors described above are liable to change over time and not completely predictable during the stage of evaluation/investment or disinvestment decision, it cannot be excluded that the feasibility and/or profitability of such projects may change in terms of time and/or conditions, with respect to the original forecasts negative effects on the economic and/or financial position of the Fonsai Group and of the Company Resulting from the Merger.

Risks arising from companies operating in sectors other than insurance and real estate

The Companies Participating in the Merger also operate directly in sectors other than insurance (which remains their core business) and real estate, through investments arising from the lines of business of the controlled companies operating in the hotel, health, farming and banking industries.

The Company Resulting from the Merger is therefore also exposed to risks related to the general economic situation and risks specific to these industries both in terms of the financial results of subsidiaries and with regard to potential fluctuations in value of real estate investments in companies operating in these sectors.

Risks arising from the interest rate and inflation rate

With regard to the insurance business and its specific nature, the risk related to interest rates represents a significant risk with regard to:

a) ordinary profitability of fixed-income investments is affected positively in a scenario of rising interest rates, considering the possibility of obtaining always higher income, in line with the level of risk taken, from the investment of the premiums collected and the fluctuation payments from the existing portfolio;

b) conversely, an increase in interest rates has a negative effect on the market value of fixed-income securities, whose value is inversely correlated to the performance of interest rates. It thus ensues that a rise in interest rates has a negative impact on both the equity position of the companies, through a worsening of the solvency ratios, and on overall portfolio profitability as a result of the devaluations of fixed-income securities;

c) a large percentage of the life policies offered to the clients of the Insurance Companies Participating in the Merger offers a guaranteed minimum return. A fall in the yield of investments in financial instruments could lead to losses on the part of the insurance companies headed by the Insurance Companies Participating in the Merger if the effective yield is lower than the guaranteed return;

d) an increase in interest rates could also induce the client to look for/choose investment opportunities characterized by greater profitability than the policies offered by the Insurance Companies Participating in the Merger which leads to a raise in surrender levels.

It should also be noted that a sudden increase in the inflation rate could have a negative impact on the equity position of the Insurance Companies Participating in the Merger, reducing the value of fixed-rate assets.

With reference to the financial debt of Premafin (object of the Restructuring Plan), whose costs is linked to the level of the Euribor rate, an increase in interest rates causes an increase in the financial charges with negative effects on the economic and/or financial position of the Company Resulting from the Merger.

With reference to the banking sector, a reduction of interest rates would have negative effects on the spread between active and passive interest rates, producing a deterioration of the interest rate margin.

Therefore, if the described events occur this could have negative effects on the operative results and on the economic and/or financial position of the Company Resulting from the Merger

Credit Risk

A substantial component of the investment portfolio of the Companies Participating in the Merger consists of debt securities issued by companies in the financial sector and the industrial sector.

Although the investment policy adopted by the Companies Participating in the Merger is guided by criteria of diversification and investment in companies characterized by high creditworthiness and with a geographically diversified business, the default of one or more issuers of financial instruments in the portfolio can worsen the economic and/or financial position and assets of the Company Resulting from the Merger

In particular, given the specific nature of the European financial market, where financial and banking institutes are primary issuers, the Company Resulting from the Merger may be particularly exposed to the risk of worsening of the creditworthiness of the banking sector.

Asset Liability Management risk

The Companies Participating in the Merger plan their own investments in such a manner that the returns and their duration correspond to the commitments undertaken with regard to their own clients and the holders of the issued liabilities. Any gaps between the due dates of said investments and the related returns with regard to the due date of the undertakings may have a negative impact on the operating results and on the position economic and/or financial of the Company Resulting from the Merger.

Even in the light of Regulation No IVASS. 36 of 31 January 2011, it is expected that the companies define, on the basis of the size, nature and complexity of the activity, the investment policies of all the assets consistent with the risk profile of the liabilities held, in such a way as to ensure the continued availability of suitable and sufficient assets to meet its liabilities. Commitments relating to the minimum guarantees present in the life insurance policies in addition to any differences between the due dates of these investments compared to the due dates of the commitments, it could cause negative consequences on the economic and financial position of the Company Resulting from the Merger.

Furthermore, in the event of a liquidity crisis linked to the sector in which these companies operate, the conversion into cash of the financial instruments readily converted into liquid assets might not be sufficient to enable them to meet its own commitments.

Therefore, in the event of the Companies Participating in the Merger needing to disinvest the financial instruments held in the portfolio which cannot be readily converted into liquid assets it might be forced to sell at an unfavourable price with possible negative effects on its solvency in addition to the economic and financial situation of the Company Resulting from the Merger.

Exchange Rate Risk

With regards to exchange rate risk, from a management point of view, the Companies Participating in the Merger do not have a significant exposure to currencies other than the Euro. In fact, the major part of the investments in financial instruments is entitled and/or refundable in Euro which represents both the functional foreign currency and the accounting foreign currency. With regard to the financial instruments entitled in foreign currencies other than the Euro, the Companies Participating in the Merger invest mainly in U.S. Dollars, Swiss Francs, British Pounds and Japanese Yens, activating systematically full or partial hedging of the exchange rate which does not present a direct correlation with the liabilities, in order to maintain a residual exchange rate risk. In particular there is a substantial balance between assets entitled in foreign currency and correlate liabilities, in turn denominate in the same foreign currency, since most of these investments are meant to cover commitments vis-à-vis Life class insured (notably they are separate portfolios in foreign currency).

Vice versa, from an industrial point of view investment in the DDOR Novi Sad Ado insurance company, operating in Serbia, presents an exposure to the Serbian currency which could generate a negative impact on the economic and financial position and assets of the Company Resulting from the Merger.

Operating risks

The Companies Participating in the Merger, like all the operators in the financial sector, are exposed to the various types of operating risk, intended as the risk of unexpected losses resulting from the unsuitability or the unsatisfactory application of company procedures, by errors or lack of human resources and internal systems, internal or external fraud, unauthorized activities on the capital markets, by interruption and/or malfunctioning of services and systems (including related to the IT system) errors, omissions and delays in performing the services offered, by deficiencies in the setup and/or maintenance of the Documentation related to the operation, by client complaints, by a product distribution not compliant with the rules for the provision of investment services, sanctions resulting breaches of normative, by breach of contract, natural disasters, as well as the failure to comply with the procedures related to identifying, monitoring and managing risks. These risks also include those of a legal nature while strategic and reputation risk are excluded.

Although the Companies Participating in the Merger have adopted procedures and structured systems to monitor and reduce the operating risks, it is impossible to exclude the possibility that these measures reveal insufficient to face all the types of risks which could appear and that one or more of them could occur in future, also following the Merger and/or also due to unpredictable events, entirely or partially beyond their control (including, for example, the non-performance of suppliers regarding their contractual obligations, fraud, cheat or losses resulting from employees' misconduct and/or the breach of control procedures, the attack of computer viruses or malfunctioning of electrical and/or telecommunication services, possible terrorist attacks). Should one or more of these events occur, they could have a negative impact on the business of the Companies Participating in the Merger and, consequently, on therefore, on the economic and financial position of the Company Resulting from the Merger.

Risks arising from developments in the legal and regulatory framework

The Company Resulting from the Merger will essentially operate in highly regulated and supervised sectors. The issue of new legal and regulatory provisions, in addition to any changes, at EU, national and/or local level, of the regulations, also fiscal, currently in force, in addition to the possible legal proceedings resulting from the breach of legal and regulatory provisions, could have negative effects on the reputation and on the activity of the Company Resulting from the Merger as well as on its economic and/or financial position.

Any changes in respect of legislation or regulations concerning the Company Resulting from the Merger, including in particular Solvency II, or with regard to the interpretation of the provisions applicable in the sectors in which the Company will be operating, could have a negative impact on the types of products, on the costs of the liquidation of claims, on the distribution channels, on the capital adequacy of the Company Resulting from the Merger and, consequently, therefore on the relative financial adequacy.

1.2.2 Risks connected to special clauses contained in certain financing agreements and loans stipulated by the Companies Participating in the Merger

As of the Date of the Information Document, the Companies Participating in the Merger were involved in, among other things, a number of long-term financing agreements and bond issues containing, depending on the cases, the obligation of negative pledges, "event of default" clauses, "cross default" clauses and other early repayment clauses.

In particular:

- With regard to the two hybrid financing agreements subordinated and indefinite maturity for a total overall amount of Euro 400 million, signed in February 2008 by Mediobanca and Unipol Assicurazioni, the main conditions are summarized as follows:
  - Each loan must be repaid in the event of Unipol Assicurazioni being subject to a proceeding of voluntary or compulsory winding-up, in compliance, depending on the case, with (a) a resolution adopted by the shareholders' meeting of the Unipol Assicurazioni, (b) any provision in the Unipol Assicurazioni Articles of Association, or (c) any applicable law or decision of any court or administrative Authority;
  - each loan specifies obligations to not to lend money to third parties, give advances, grant credit or guarantees to any person, with the exception (a) of those deriving from the Group's cash pooling systems; (b) of the guarantees outstanding at the time when the moment in which the loan agreement was signed; and (c) of the loans, advances, credit and guarantees part of ordinary business activity, or, in the case that they do not fall in the ordinary business activity of the beneficiary, whose value does not exceed a given amount.

- Fonsai and Milano Assicurazioni, have five outstanding subordinated loans, for an overall outstanding amount, as at 30th June 2013, of Euro 1,048.8 million (on 31st December 2012 for Euro 1,048.1 million), net of the amortization of the cost of said loans (for a value of Euro 1,050 million). These contracts include, amongst other things, (i) limits to the distribution of dividends in the event that the share capital of the beneficiary is lower than the minimum share capital provided by the applicable legislation, (ii) limits to the distribution of dividends in the event of Fonsai or Milano Assicurazioni recording losses which can lead to the solvency margin of the beneficiary companies falling below the level requested by the applicable legislation.

Regarding other financial agreements agreed by banks to Immobiliare Fondiaria-SAI, and to SAI Investimenti SGR in name and on behalf of Tikal R.E. Fund, the main *covenants* thereby established concern, among other things, "*cross default*" clauses and "*change of control*" clauses.

It should be noted that as of the Date of the Information Document no events included in the main covenants of the above-mentioned financing agreements had actually occurred.

Furthermore, it should be noted that with regard to the two subordinated loan agreeements of Unipol Assicurazioni for the nominal value of Euro 300 million each, named "Unipol Assicurazioni 7% Fixed/Floating Rate subordinated callable notes due 2021" and "Unipol Assicurazioni 5.66% Fixed/Floating Rate subordinated callable notes due 2023", default clauses are included, on the basis of which, if any of the above-mentioned events were to occur (such as the opening of insolvency procedures or the winding-up of the issuer), the loans in question would immediately become payable.

As far as Premafin is concerned, the Restructuring Agreement signed on 13th June 2012 with its Financing Banks– the details, in addition to the following definitions can be found in the following paragraph 2.1.2 – specifies that, on the so-called Stage 2 of the Restructuring Plan, and at any rate provided that the Merger has become effective by 31th December 2013, in partial replacement of the loan currently outstanding (the Pre-Integration Amended Financing Agreement), two new loans will come into force:

(i) the Amended Financing Agreement Post Merger;

(ii) the GE Capital Agreement

The two loans provide a series of undertakings, with the most important being of commitments, between which, the more substantial consist of (i) maintaining a Adjusted Solvency Margin of the Company Resulting from the Merger above the 100% threshold (ii) maintaining, by UGF, a shareholding in the Company Resulting from the Merger no lower than the controlling interest pursuant to the Code of Private Insurance.

Failure to respect the above-mentioned undertakings may, under certain conditions, result in an obligation of early reimbursement of the amount outstanding of such loans.

Furthermore, it should be noted that the Restructuring Agreement establishes that, when Stage 2 takes place, the issuing, by the Company Resulting from the Merger, of the Convertible Loan of Euro 201.8 million with the due date fixed for 31th December 2015, underwritten:

– for approximately Euro 134.3 million by Financing Banks (with the exception of GE Capital Interbanca S.p.A.) by means of partial compensation on the Amended Financing Agreement Post Merger;

– for approximately Euro 67.5 million by UGF, resources intended to repay a similar amount of the Amended Financing Agreement Post Integration.

Following the conversion in shares of the Convertible, there will be a dilution on the social capital of the Company Resulting from the Merger. On the Date of the Information Document, such effect cannot however be estimated in quantitative terms since it is a function of the conversion price, unknown at that date. It should be mentioned notably that, for effect of the conversion, the new shares of the Company Resulting from the Merger will take part in the distribution of the profits of the same with possible effects on the distribution of said profits to the holders ordinary and preference shares of UnipolSai. In order to avoid such dilution, within the context of the Exchange of Correspondence concerning the Key Values of the Merger, UGF, also on behalf of Unipol Assicurazioni, Premafin, Fonsai and Milano Assicurazioni have agreed to start negotiations with the lending banks to the fine of possibility of give pre-emptive rights to the shareholders of UnipolSai on the Convertible, with a guarantee at any rate that any remainder would be underwritten by the lending banks and of UGF themselves in the proportion in which they would participate to said Convertible.

On completion of the aforesaid discussions, UGF and the lending banks, after carefully assessing the situation stated that the offer of an option on the Convertible (financial instrument originally reserved to qualified investors) to all the shareholders of UnipolSai would present various technical problems, deriving (i) from the minimum cut-off of the financial instruments on offer (currently set at Euro 100,000) (ii) from the method of determining the Conversion Price and the connected pricing mechanism; (iii) from the expiry date set for 31 December 2015, i.e. at a very close date to scheduled issuing date; and (iv) by the problems of including in the Convertible rules the conditions of the current loans with the lending banks.

Said elements, at least as of the Date of the Information Document, lead one to confirm that the Convertible will be subscribed to solely by the lending banks (with the exception of GE Capital Interbanca S.p.A.) and by UGF.

With regard to the estimates concerning the dilution effect due to the conversion of the Convertible, see Chapter 2, Paragraph 2.1.2, of the Information Document.

If the cash flows generated by the Company Resulting from the Merger were not sufficient to meet the uncertainties arising from its financial debt, or if lenders were to ask early repayment of the loans according to the terms and the conditions agreed, also as a result of the failure to respect the negative *pledge* uncertainties, *event of default* and *cross default* clauses, there could be a negative impact on the economic and/or financial position and assets of the Company Resulting from the Merger.

See Section 2, Paragraph 2.1.2 of the Information Document.

1.2.3 Risks arising from the rating assigned to the Company Resulting from the Merger

The risk connected with an issuer's capacity to fulfill its obligations, including those arising following the issue of financial instruments, is defined by reference to the credit ratings assigned by independent rating agencies.

Such ratings and the related research may assist investors in the analysis of credit risks connected to the investment in financial instruments. The lower the rating assigned on the related scale, the higher the risk, assessed by the rating agency, that the loans will not be fulfilled or will not be fulfilled in their entirety or in time. A suspension, down-grade or a withdrawal of a rating assigned previously might have a negative influence on the market price of debt securities and/or other financial instruments issued by the issuer and, in general, the cost of financial transactions generally.

As of the Date of the Information Document, the "long term counterparty credit rating assigned to the Incorporating Company by the Standard & Poor's rating agency was BBB with a negative outlook. So far as the Incorporated Companies was concerned, the long term counterparty credit rating assigned by the Standard & Poor's rating agency to Unipol Assicurazioni and Milano Assicurazioni was BBB with negative outlook. The insurance financial strength rating assigned by Moody’s rating agency to Unipol Assicurazioni is Baa2 with negative outlook. With regard to Premafin, the company has no rating assigned to it.

While it is considered that the Merger would be able to improve the Incorporating Company’s solvency margin, with the generation of synergies and industrial advantages, it cannot be excluded that the rating assigned to the Company Resulting from the Merger may fall (so-called downgrading) as compared with that currently assigned to the Incorporating Company and the Incorporated Companies to be incorporated.

Moreover, a possible downgrading of either the Incorporating Company or the Incorporated Companies, or, subsequently, of the Company Resulting from the Merger, might lead to higher charges for the latter in obtaining financial resources by way of debt or capital, greater difficulty in gaining access to capital markets and the possible need to top up security deposits already provided, together with a negative impact on the economic conditions applied by re-insurance companies, on credit access conditions, on the ability to participate in competitive award procedures requiring the satisfaction of specific rating conditions and on relations with customers (with particular reference to the Life Insurance sector), with a consequential negative impact on the financial, economic and /or assets position of the Company Resulting from the Merger. Any changes in the rating of the Incorporating Company, the Companies Participating in the Merger and the Company Resulting from the Merger will be disclosed to the public through a specific press release.

It should be noted that the two subordinate hybrid loans subscribed to in 2008 by Fonsai (for Euro 250 million) and by Milano Assicurazioni (for Euro 100 million), grant Mediobanca the power to convert them into ordinary shares on the contemporaneous occurrence of the following events for two consecutive financial years: (i) rating of less than or equal to BBB-; (ii) Solvency Margin of less than or equal to 120% of the Required Solvency Margin.

1.2.4 Risks arising from the impact of financial market trends, the macro-economic situation and the debt crisis in the Euro Zone

The trends of the Companies Participating in the Merger are directly influenced by the situation of international financial markets and by the global macro-economic context.

Starting from August 2007, a financial crisis, initiating in the United States following the worsening of the market for mortgages granted to customers with a very low credit rating, gradually extended to all main international financial markets leading to the failure and forced bail out of first rank financial service operators. The above mentioned global crisis also gave rise to significant tensions in the context of the ordinary business of many first insurance companies, commercial banks and merchant banks.

In such macro-economic context, reference to the developments affecting the sovereign debt of countries like Greece, Portugal, Spain, Italy and Ireland cannot be omitted. The problems were characterized by a rapid deterioration in their respective deficits and public debt. Such trends then gave rise to apprehension in investors which, as a consequence, requested ever higher returns from investments in the above type of securities.

Economic prospects have been negatively affected by the risk that one or more countries in the Euro-Zone might be forced to abandon the European monetary union in increasingly prejudicial circumstances and that the Euro might cease to exist as the Euro-zone’s single currency, leading to the conversion of part or all the assets, liabilities and liquidity currently entitled in Euros, into the new currency of the originating country. The legal and contractual consequences of such a possibility for the owners of shares and/or bonds entitled in Euros would be laid down by the applicable law in force at that time. These possible developments, or the perception of their possible occurrence, could have a negative effect, amongst other things, on the value of the shares of the Companies Participating in the Merger and the Incorporating Companies as also on investments made in other (Italian and/or foreign) companies or in financial instruments and, more generally, it could have substantially prejudicial effects on the economic trends of the affected countries or lead to recession or economic depression of such a nature as to compromise the stability of the financial markets and of the overall monetary and financial system. All the above could thus have a negative effect on the activities and the financial and economic situation of the Companies Participating in the Merger and the Company Resulting from the Merger.

Such risks still remain even though the current legislation and the Private Insurance Code in particular, have imposed a series of both quantitative and qualitative limits on the investments that businesses make to cover their technical provisions in the context of their equity and financial management, in order to protect the interests of the insured parties.

The following provisions have been laid down in particular:

(i) maximum investment limits in assets with a high degree of risk arising both from the nature, and the qualifications, of the issuer (such as shares, derivative instruments, corporate securities etc.);

(ii) maximum investment limits in assets which are hard to liquidate (for example, non-quoted securities);

(iii) maximum investment limits for each type of asset or investment sector;

Compliance with the above investment limits is monitored carefully by IVASS.

Notwithstanding the limits introduced by the authority and the prudence of the management of the assets of the Companies Participating in the Merger, the investments made by insurance companies to cover technical provisions remains a characteristic business activity exposing the financial and economic situations to risks connected with market trends in terms of market risks and to losses deriving from interest rates, share prices, currency exchange rates, credit rating, the liquidity of the investment, the reliability of the counterparty and the sovereign debt risk.

Fonsai holds a portfolio of government securities mainly concentrated in securities issued by the Italian government. It follows from this that any downgrading of the Italian government rating and /or widening of the Italian government securities' credit spread could have a significant effect on Fonsai's economic and/or financial profile. Furthermore, the portfolio component invested in corporate bond and equity securities is made up for the most part of securities coming within the financial sector. The equity portfolio in particular, is mostly concentrated on a few important shareholdings. This concentration (as at 30 June 2013 amounting to about 1.1% of the overall investments of the Fonsai Group and over about 36% of published and unlisted equity investments of the Fonsai Group) means that trends in the financial sector and of the above-mentioned substantial shareholdings, could have a significant effect on Fonsai's equity, financial and economic situation. The Milano Assicurazioni Group's government bond portfolio is also made up for the most part of Italian government securities. The significant shareholdings make up 0.3% of total Milano Assicurazioni Group investments and 11.8% of investment in listed and unlisted securities.

As of 30 June 2013, the government security component in Unipol Assicurazioni constituted about 69% of the bond portfolio at balance sheet values while the corporate component was complimentary, amounting to 31%. The fixed and variable rate components of the bond portfolio remain stable, at 67% and 33% respectively. Almost all the equity portfolio is represented by the Eurostoxx 50 Index.

See subsequent risks 1.2.5 and 1.2.6. of the Information Document.

1.2.5 ***Risks*** **arising from** ***sovereign debt***

It should be noted that, given the make-up of the Incorporating Company's securities portfolio, concentrated on Italian securities, financial investments, bond investments in particular, are significantly affected by the market perception of Italian risk.

With particular reference to the exposure to government securities issued by Portugal, Ireland, Greece and Spain, it should be noted that the Fonsai Group's direct exposure in terms of balance sheet values as at 30 June 2013, amounted to about Euro 104.2 million. The same exposure for the Milano Assicurazioni Group, taken as before at balance sheet values, as at 30 June 2013 amounted to about Euro 22.9 million. On the same date, the exposure of Unipol Assicurazioni to government securities issued by Portugal, Ireland, Greece and Spain, at their balance sheet value as at 30 June 2013 (expressed in accordance with Italian Accounting Standards) amounted to Euro 749 million.

It should be noted that the continuation of the volatility seen recently in relation to the valuation of government securities issued by so-called PIGS countries (Portugal, Ireland, Greece and Spain), could also provoke a high degree of volatility in the valuation of Italian sovereign debt securities as well, with potentially significant negative variations in the market value of Italian government bonds. Given the concentration of such securities in the securities portfolio of the Incorporating Company's group, such volatility could have a negative effect on the Incorporating Company's financial situation.

In the light of the above, it cannot be excluded that possible negative developments of economic conditions not only of Italy but also of other countries at the border of Europe (such as, among others, Greece, Ireland, Spain and Portugal), might have a negative effects on the economicand /or financial situation of the Company Resulting from the Merger.

1.2.6 Risks of shareholdings and of the securities portfolio

As of 30 June 2013, the Fonsai Group held equity for Euro 716 million, of which about Euro 483 million related to listed securities (expressed at Fair Value, net of possible depreciation), corresponding to 2.4 % of total investments existing at that date of which the figure for the Milano Assicurazioni Group was Euro 129.9 million, representing 2.6% of total investments. As of 30 June 2013, Unipol Assicurazioni held capital securities whose balance sheet value had been calculated in accordance with Italian accounting standards, amounting to Euro 1,520.3 million, corresponding to 8.63% of total investments (class C financial portfolio) existing on that date, of which company shareholdings of the Unipol Group amounted to Euro 999.8 million.

With reference then to securities represented by so-called structured financial instruments, as of 30 June 2013 the Fonsai Group's exposure to such instruments, where the risk profile is connected with the structured component, amounted to a balance sheet value of about Euro 1,283 million of which the figure for the Milano Assicurazioni Group amounted to about Euro 416 million.

On the same date, Unipol Assicurazioni had an exposure to structured securities, with an average residual financial life of 10 years, for a value (expressed in accordance with the IAS – management figure) of Euro 5,198 million, of which only Euro 666 million were complex structured securities. Of this exposure Euro 2,808 million were allocated to the Life separate management portfolios; with regard to the latter portfolio type, any losses from realisation have to be considered as coming within the competence of the insured parties up to the value of the minimum guaranteed returns provided to the same. The component of structured financial instruments, whose risk is borne in its entirety by Unipol Assicurazioni~~,~~ was Euro 2,390 million including Euro 178 million represented by structured financial shares (value expressed in accordance with the IAS – management data). On 30 June 2013 this type of investment amounted to 29.3% of total assets allocated as cover for provisions.

Below we have set out data (expressed in IAS values – management data – and at market values) relating to bond securities held by Unipol Assicurazioni coming within the structured financial instrument category, at their accounting classification and financial characteristics. This form of representation reflects the recommendations and clarifications set out in IVASS's letter to the market dated 15 March 2013 concerned with structured financial instruments.

Structured Financial Instruments

(amounts in millions of Euro)

Accounting Classification	**IAS Balance Sheet value at 30th June 2013:**	**% of whole**	**Market value at 30th June 2013:**	**% of whole**	**IAS Balance Sheet value at 31st December 2012:**	**% of whole**	**Market value at 31st December 2012:**	**% of whole**
Financial assets held to maturity	288	5.54%	277	5.80%	402	7.07%	390	7.46%
Loans and receivables	3 270	62.90%	2 850	59.79%	3 487	61.36%	3 050	58.26%
Financial assets available for sale	1 543	29.69%	1 543	32.37%	1 707	30.03%	1 707	32.60%
Financial assets at fair value through profit or loss	97	1.87%	97	2.04%	88	1.54%	88	1.68%

Total	5 198	100.00%	4 767	100.00%	5 684	100.00%	5 235	100.00%

Structured Financial Instruments

(amounts in millions of Euro)

Financial Characteristics	IAS Balance Sheet value at 30th June 2013:	% of whole	Market value at 30th June 2013:	% of whole	IAS Balance Sheet value at 31st December 2012:	% of whole	Market value at 31st December 2012:	% of whole
Simple structured (1)	1 977	38.03%	1 699	35.65%	2 273	39.99%	1 976	37.75%
Complex structured (2)	666	12.82%	610	12.79%	838	14.73%	785	15.00%
Other structured (3)	2 555	49.15%	2 458	51.56%	2 573	45.28%	2 474	47.25%
Total	**5 198**	**100.00%**	**4 767**	**100.00%**	**5 684**	**100.00%**	**5 235**	**100.00%**

(1) Bonds securities are considered to be simple structured financial instruments when their remuneration is tied to variable rates (for the most part Libor or constant maturity swap rates) with cap or floor options. These securities normally have an adequate degree of liquidity or can be sold quickly.

(2) Bonds securities are considered complex structured financial instruments when their remuneration is primarily tied either to the volatility of market rates and to the slope and level of the rates curve or to credit risk. These securities do not normally have an adequate degree of liquidity to allow their quick sale.

(3) Bonds securities are described as other structured financial instruments when they include call options together with other capital bond securities with minimum guaranteed returns index-linked to the performance of UCITSs.

With reference as before, to the component of Unipol Assicurazioni's portfolio represented by structured securities, a part of this component, valued (in accordance with the IAS – management data) on 30 June 2013 at Euro 2,903 million (in accordance with the IAS – management data), was invested in Special Purpose Vehicles ("**SPV**").

It should be noted that within the context of the inspections started by Consob in 2012 concerning the methods used for accounting and valuing the structural securities in the Unipol Group portfolio (prior to the acquisition of the control of Premafin Group/Fonsai) as at the Date of the Information Document the Consob inspections are still ongoing concerning the pricing methods used by UGF for the purposes of determining the related Fair Value, with regard to the component of the portfolio invested in in SPV (see the press releases issued by UGF on 27 December 2012 and 24 April 2013, as well as Chapter 3 "Notes to the Assets", "Financial Activity" paragraph – points 4.3, 4.4, 4.5 and 4.6 of the UGF consolidated balance sheet as at 31 December 2012 and Chapter 4 "Other information", paragraph 4.5 "Fair value valuation" of the UGF six-monthly consolidated balance sheet up to 30 June 2013).

During the first half of 2013, Unipol Group proceeded with the process of simplifying and optimising the liquidity profile of the assets portfolio, already started in the previous financial years. Within this context, as at 30 June 2013, there was an overall decrease, of Euro 510 million, in the nature of the structural securities held by the Group in its portfolio. In particular, the financial structural securities fell by Euro 197 million due mainly to transferring shares with coupons index-linked to the variations in long-term rates, and the decrease of Euro 310 million in simple structural securities, due to the disinvesture of the securities index-linked at the capped euribor rate.

With regard to the specific and complex nature of the structural securities, UGF had planned for some time to commission a leading independent advisor to assess the portfolio of the unquoted financial assets of the Group. These valuations have been replicated on a quarterly basis for a considerable amount of time. The last analysis, carried out regarding the portfolio as at 30 June 2013, indicated the essential accuracy of the internal models used to determine the value of these unlisted securities.

Given the foregoing, it cannot be excluded that, as a result of the ongoing inspection activities being undertaken by Consob as at the Date of the Information Document, adjustments to the pricing methodologies used by the Unipol Group may be required, and that these adjustments – with particular reference to the component of the share portfolio held by Unipol Assicurazioni invested in structural shares – may have potential impacts on the consolidated economic and financial situation of the Company Resulting From The Merger.

As of 30 June 2013 Premafin did not hold investments of its own in the type of securities described above.

Periods of high levels of instability and volatility in financial markets and /or periods of macro-economic crisis may have an negative impact on shares/bonds prices and hence on the securities portfolios of the Companies Participating in the Merger, having a negative effect on the profit, financial and equity profile of the Incorporatng Company through (i) a deterioration in asset-backed solvency consequential to a reduction in the market value of the securities portfolio, (ii) a reduction in investment returns consequential to reduced income from dividends and sales and /or increased costs of cover against financial risks.

It should be noted that that, also with regard to share investments, the fact that the Companies Participating in the Merger have focused on the Italian domestic market and, in particular, have concentrated investments in a number of first Italian companies, means that there is an increased exposure to business trends of a number of specific companies.

In the light of the high degree of volatility characterizing the Italian equities market, if negative trends were to persist resulting in a permanent loss of value with respect to the balance sheet value, or in the event of counterparty insolvency, this could increase the impairment risk with related consequential negative effects on the economic and financial situation of the Company Resulting from the Merger.

The component of the portfolio invested in real estate funds is subject to trend risk affecting the real estate market.

1.2.7 Risks arising from prominent declarations and with information on reference market developments and on competitive positioning

This Information Document contains some details relating to the Companies Participating in the Merger, prominent declarations and estimates on the competitive positioning of the groups on the reference market based on sources and data made available by third parties and/or re-worked by the same Companies Participating in the Merger. Notwithstanding the fact that the Companies Participating in the Merger consider these third party sources to be reliable and credible, it cannot be guaranteed that they have been drawn up on the basis of updated, complete, correct and /or sufficiently analyzed information. Investors are thus invited not to place undue reliance on such data and declarations relating to market position when making their investment decisions. The results, competitive positioning and the business trends of the Companies Participating in the Merger and the Company Resulting from the Merger may be significantly different from those hypothesized in the above-mentioned declarations in the future as a consequence of unknown risks, uncertainties and other factors.

1.2.8 Risks connected with the checks and inspections by the Supervisory Authorities and with pending court proceedings.

Risks arising from checks and/or inspections by the supervisory authorities

IVASS

Motor Class accident cycle

On the conclusion of the inspection concerned with the process of the calculation of provisions in the Motor and ship Class of Unipol Assicurazioni effected by IVASS over 2012, by its notes of 3 July 2012, of 26 October, 2012 and its subsequent document of 1 February 2013 no. 0243/13/VIG2/4, the Supervisory Authority accused the Company of breaching the combined provisions of Article 37 of the Code of Private

Insurance and of Articles 4, paragraph 3, 27, paragraph 2 and 31, paragraph 2, of IVASS Regulation no. 16 of 4 March 2008 in relation to failure to comply with the principle of ultimate cost valuation of the accident provisions for the Motor and sheap insurance branch accident provisions shown in the Financial Statements for the 2011 accounting period. This unlawful conduct is subject to the imposition of a pecuniary administrative sanction ranging from a minimum of Euro 5,000 to a maximum of Euro 50,000.

In the context of the above investigation in particular, the Supervisory Authority (i) in the first place, by its above-mentioned note of 3 July 2012, had identified a shortfall in the reserve entries amounting to about Euro 210 million for the component made up by the Motor and ship claims reserve for claims with expected cost of less than Euro 100,000 and a number of critical problems left un-quantified relating to the allocation set aside for the claims reserve component for claims with expected costs of more than Euro 100,000, not possible to value by means of actuarial methods on the basis of the limited number of claims and (ii) subsequently by its above-mentioned note of 26 October 2012, having decided that the objections and explanations together with the supporting documentation supplied by the Company as its response to the earlier note of 3 July 2012, did not deal adequately with the related complaints, it considered that the Company would have to take account of the matters raised by itself as the Supervisory Authority in relation to the valuation of the accident provisions when drawing up the Financial Statements for 2012 .

Unipol Assicurazioni, supported by the actuary of Motor Third Liability Class and the auditor, and PricewaterhouseCoopers LLP, appointed as the first independent international advisor, the verification of the adequacy of the procedures and the actuarial methods used by Unipol Assicurazioni for the quantification of provisions object of claim, both during verification activities and counter deduction to said claim of 1st February, contested procedures used by IVASS and its results – expressed in terms of lack of reserve for the fiscal year 2011, supporting exceptions of Supervisory Authorities, and underlining their belief (i) that the claim made by the Supervising Authority can be based on procedures and/or models used by the company presenting some problems and the use of partial data, so (ii) the decision of the company about such provisions derives from the correct application of evaluation procedures, i.e. taking into account the completeness, relevance and accuracy of accounting and statistical data, using actuarial and statistical procedures which, regarding the decision of costs of accidents, are accurate and adequate, and in line with recent evolutions of actuarial science, regarding Solvency II.

At the Date of the Information Document, the proceedings remain pending; therefore it is impossible to exclude the possibility that should IVASS, at the end of said proceedings, deem it inappropriate to accept the counter deductions expressed by Unipol Assicurazioni, the latter must pay the administrative sanction the amount of which could vary between a minimum of Euro 5,000 and a maximum of Euro 50,000.

It should also be noted that, continuing with the policies adopted over recent accounting periods and with their effects on budget forecasts, as part of the preparation of the 2012 Financial Statements Unipol Assicurazioni adapted the Motor Third Part Liability Class provision calculations effected for previous accounting periods on the basis of managerial trends recorded over the accounting period and the results of the actuarial models applied, such adaptation amounting to a total of Euro 141 million (equal to about Euro 164 million with the exclusion of the balance of monies recovered), aligning the amount of the reserve to the central value of the range of estimates, as obtained by the actuary appointed to assess Motor Third Part Liability Class.

At the end of the 2012 financial period, IVASS initiated an inspection of Unipol Assicurazioni concerned with the handling process of the accident cycle of Motor Third Party Liability Class for the financial years 2011 and 2012, in the context of reserving risk. Inspection activities carried out in the Company's offices were concluded during May 2013. Subsequently, on 18 September 2013, IVASS provided the Company's Board of Directors with the note of 17 September 2013 setting out the results of its assessments. This report highlighted a number of problems in the handling process of the Third Party Liability Class insurance claims cycle which might require corrective actions of an organization and procedural nature, as well as adjustments to the corresponding systems of internal controls. The company, in the terms prescribed, shall provide to the Supervisory Authorities the clarifications and the explanations require in the report.

To this regard, it cannot be excluded that IVASS, at the end of the inspection process, might impose sanctions, which would affect the economic and/or financial position and assets of Unipol Assicurazioni.

In the context of the inspection initiated following the notice in order of attainment authorization for the merger, on 21 February 2013 IVASS, in order to carry out a full evaluation of the legislative conditions correlated to the inspection itself, initiated a further inspection at Unipol Assicurazioni, in addition to Fonsai and Milano Assicurazioni, aimed at assessing the following:

(i) for Unipol Assicurazioni, compliance with legislation dealing with assets to cover technical provisions (IVASS Regulation no. 36/2011) with reference to procedures and control structures adopted in the area of the admissibility of investments; and

(ii) for Fonsai and Milano Assicurazioni, the steps taken following the previous inspection activities concluded at the end of the financial year 2011, relating to the reserving risks of the Motor Class and General insurance and compliance with the law in relation to assets covering technical provisions with particular reference to investments in the real estate section and technical receivables.

Lastly, the aforementioned inspections carried out were also extended, on 24th April 2013, to evaluating the compliance with the regulation concerning the anti-money laundering by Fonsai, Milano Assicurazioni and Unipol Assicurazioni.

Inspection activities came to an end in June 2013 and on September 18, 2013, IVASS presented the Board of Directors of the companies with the results of its inspection activities and the observations of the supervisory authorities. We learn from such findings, being confirmed in the instructions for corrective measures described by IVASS when issuing the Merger authorization order of 25 July 2013 (See risk factor 1.1.1 Information Document), that critical problems have not arisen of such a nature as to require the imposition of sanctions against the Companies.

With reference to the companies of the Fonsai Group, it should be noted that, on 13 March 2013, IVASS conducted an inspection of the company SIAT – Società Italiana Assicurazioni e Riassicurazioni per Azioni, aimed at establishing (i) the activities of the business bodies, internal control procedures, the activities of the internal control function and the compliance of the Financial Statements' entries in relation to the debit re-insurance cycle plus (ii) the actions taken following the previous inspection activities concluded during 2010. The inspection activities in the company's offices concluded during July 2013 and, at the Date of the Information Document, we are still awaiting the outcome.

On 3 July 2013, IVASS initiated inspection activities at Liguria Assicurazioni S.p.A. aimed at assessing (i) the reserving procedures for Motor Third Party Liability Class, (ii) transactions with Related Parties and (iii) the activity of debit re-insurance. The inspection activities in the company's offices were concluded in September 2013 and, at the Date of the Information Document, we are still awaiting the results.

For further information on IVASS'S inspection activities described above, see the next paragraph 1.2.9.

AGCM

By its notice of 14 November 2012 the AGCM initiated its investigation procedure no. I/744 into Unipol Assicurazioni and Fonsai together with Assicurazioni Generali S.p.A. and INA Assitalia S.p.A., to establish whether there have been breaches of Article 2 of Law 287/1990 and/or of Article 101 of the Treaty on the Functioning of the European Union ("**TFUE**"). This is based on alleged collusion between the insurance companies concerned aimed at lessening competition between them in their participation in competitive award procedures organized by a number of Public Local Transport companies whose subject matter was the provision of Motor class insurance for the vehicles used for such transport services. This procedure should be concluded by 16 December 2013.

Furthermore, by its notice of 5 June 2013, the AGCM initiated investigation procedure no. I/702 into UGF and Fonsai together with other first rank insurance companies operating in Italy to ascertain the existence of alleged breaches of Article 101 of the TFUE (prohibition of arrangements limiting free competition), with particular reference to the bar against exclusive restrictions in agency contracts for the distribution of insurance services in all damages sectors. This investigation is concentrated on specific clauses contained in such contracts. They were considered to be of a nature to discourage agents from taking up more than one insurance distribution mandate (so-called "multiple mandate"). The investigation should be concluded by 30 June 2014.

Unipol Assicurazioni and Fonsai, considering that they have always acted in full compliance with law and accuracy, have jointly instructed leading legal firms to defend their rights in both cases under consideration by the Anti-Trust Authority.

In the light of the above, if the above-mentioned procedures conclude that the allegations described are wholly or partly correct, and/or if, on the conclusion of the above inspections by the competent authorities (IVASS and the AGCM) irregularities or breaches of laws or regulations are found to have been committed, the Companies Participating in the Merger affected by the above, might be required to sustain the costs of the implementation of measures designed to deal with the situations identified with a consequential negative impact on the economic and financial situation of the Company Resulting from the Merger.

Risks connected with on-going judicial procedures

As part of the normal course of their business, the companies participating in the merger are involved in numerous judicial proceedings and /or civil, criminal and administrative disputes.

The contingencies and charges provisions set up by the companies participating in the merger are, in the opinion of the latter, to be considered sufficient to meet costs consequential to a possible worsening of their positions in judicial proceedings and other existing disputes such as the liabilities that might arise from the negative effects of the judicial disputes and other ongoing litigation against brokers, insured parties, employed staff and third parties (with the exception of tax litigation and litigation relating to insurance accidents). On 30 June 2013 they amounted to Euro 140.9 million the Fonsai Group of which Euro 35.4 million was attributable to the Milano Assicurazioni Group. Provision made by Premafin stood at Euro 50.5 million and those by Unipol Assicurazioni were Euro 35 million.

In particular, litigation affecting the Companies Participating in the Merger - other than litigation deriving from insurance accidents, debt recovery activities and tax litigation – can be classified in the following main types:

(i) Litigation initiated by or against ex-agents or ex-brokers

The litigation involving claims and counter-claims brought by or against companies belonging to the respective groups of the companies participating in the merger involving ex-agents or ex-brokers who carried out placement activities for such companies' insurance products. The subject matter of the litigation is receivables claimed by either the companies concerned or the ex-agents/brokers, depending on which party is the Claimant. Generally litigation of this type involving counter-claims brought against the companies is based on claims for the payment of commission or end-of-mandate indemnity which the Companies Participating in the Merger consider is not due while the litigation involving claims brought against the ex-agents/brokers involves claims for insurance premiums received by the broker and not then paid to the relevant Company Participating in the Merger.

(ii) Insurance litigation

This is widespread, fragmented litigation which, almost exclusively concentrated in particular localities, involves a number of the group of companies participating in the merger. It takes the form of numerous disputes, each of modest value, attempted (at times on purely speculative grounds) by:

- Customers asking for the return of a part of the Motor Class insurance premium, alleged by them to have been unduly retained by the insurance company;
- Customers who have taken legal action to demand the delivery of the policy duplicate;
- Customers in the car insurance branch disputing the application of the malus following an accident in which they deny liability;
- Ex-associates of insurance companies (prevalently ex-experts) demanding the payment of services effected for some of the companies belonging to the group of Companies Participating in the Merger which they allege have not been settled.

(iii) Employment Litigation

This is employment litigation involving a variety of different claims by employees and ex-employees against the employer (or ex-employer) company or claims made by pensions or social security bodies in relation to contributions.

(iv) Litigation with suppliers

This is litigation brought by or against service suppliers. In cases brought against the companies, suppliers claim the payment of monies not considered due by the companies while when the action is brought by the companies the dispute generally involves claims by the latter for compensation for inadequate performance of the services concerned.

(v) Corporate litigation

This involves claims made by ex-shareholders or claims made against directors appointed by participating companies on the basis of indications from the owning company or, finally, actions brought by ex-company directors for remuneration and receivables which the company concerned considers not to be payable.

* * * * *

We have set out below a description of the main proceedings in which the Companies Participating in the Mergers are parties, without prejudice to the observations made in this paragraph, section B, concerned with the risks arising from the previous management of the Premafin/Fonsai Group.

Writs of Summons served by Shareholders of La Fondiaria Assicurazioni (cases involving Public Offer of Purchase)

Starting in 2003, a number of shareholders of La Fondiaria Assicurazioni S.p.A. (“Fondiaria”) decided, albeit on the basis of differing legal status and grounds, to initiate a series of legal actions seeking compensation for what they allege to be the loss and damage suffered consequential to the failure to launch a Public Offer of Purchase on the shares of Fondiaria by SAI Società Assicuratrice Industriale S.p.A. (“SAI”) throughout 2002.

From an overall view of the litigation at the Date of the Information Document, thirteen proceedings are currently pending where the Defendants are Fondiaria-SAI, Mediobanca Banca di credito Finanziario S.p.A. (“Mediobanca”) and, in nine of such proceedings, Premafin.

At the Date of the Information Document (the last Writ was served on 15 February 2012), the cases concerned have reached the following levels in the court structure:

- In one case the time limits for appeal to the Milan Court of Appeal are still pending;
- four cases are pending before the Milan Court of Appeal of which two are at the remittal stag;
- in one case the time limits for appeal by the other party to the Supreme Court are pending;
- five cases are pending before the Supreme Court;
- in two cases the time limits for a possible remission to the Court of Appeal are pending following the decisions of the Supreme Court.

So far as the content of the various judgments is concerned, they can be summarized as follows:

- All decisions issued at first instance (with the exception of that handed down by the Court of Florence which found for the defendant companies and that issued by the Court of Milan in August 2013 finding that the relevant rights had become time-barred) have, on different grounds, accepted the Claimants’ demands, ordering the defendants to make payment of substantial amounts by way of compensation for loss and damage. In all cases where damages were awarded (except for two) it has been possible to obtain suspension of enforcement on appeal;
- At the Date of the Information Document all the decisions issued by the Milan Court of Appeal have accepted the appeals made by Fondiaria-SAI, Mediobanca and Premafin;
- In the three judgments issued in August 2012, as well as in the one issued in September 2013, the Supreme Court accepted the appeals, quashing the second instance decision, remitting the cases to

the Milan Court of Appeal for the latter to reconsider the merits and to decide on the award of costs incurred in the appeal to the Supreme Court;

The most recent developments affecting these legal proceedings can be summarized as follows:

- On 18 March 2013, the Florence Court of Appeal, in the only case dealt with by the Florentine courts, confirmed the decision of the Court of Florence rejecting all claims for compensation made by the claimants;
- on 12 April 2013, the Milan Court of Appeal stated its agreement with the appeal brought by Premafin in relation to the legal action brought by a number of Fonsai ex-shareholders, rejecting the claims of the company's adversaries.
- on 17 August 2013 the Court of Milan rejected the claims made by a number of Fonsai ex-shareholders, deciding that the related rights were time-barred.
- on 18 July 2013, in a judgment issued on 26 September 2013, the Supreme Court has accepted, in part, the claims made by a number of shareholders, striking down the sentence against which these had appealed and remitting it to the Milan Court of Appeal.

The four decisions of the Supreme Court handed down in 2012 and 2013 identify a different approach to the law by the Supreme Court than that expected by the Defendant companies - an interpretation currently consistently supported by the case law produced by the Court of Appeal. The four decisions of the Supreme Court indeed, confirmed the legal principle that, in the case of the violation of the obligation to make a Takeover Bid by a party obtaining a shareholding of more than 30% of the share capital by its own purchases, the shareholders to whom the Offer should have been addressed will be entitled to obtain compensation for loss and damage where they are able to show that they lost the possibility of making a profit. Moreover, proving the complexity of this subject matter, it should be noted that in 2013, following the publication of the above-mentioned decisions of the Supreme Court of 2012, the Florence Court of Appeal rejected the appeals made by a number of Fonsai shareholders against the first instance decision in favor of the Defendants and the Milan Court of Appeal accepted Premafin's appeal, rejecting its adversaries' claims.

Tirrena Assicurazioni in compulsory administrative liquidation v directors appointed by Fonsai and Milano

This is a litigation in which Fonsai and Milano Assicurazioni are not formally parties but in which the defendants claim to be contractually indemnified by the latter companies.

By Writ of Summons of May 1997 Tirrena Assicurazioni in compulsory administrative liquidation initiated proceedings against the directors and Statutory Auditors holding office over the two three-year periods of 1987-1989 and 1990-1992 before the Court of Rome, alleging the personal liability of company officers for economic damage caused to the company of more than Lira 720 billion (about Euro 372 million) plus interest and monetary revaluation.

Three of the defendants are former members of Tirrena's Board of Directors and Board of Statutory Auditors designated by Fonsai.

The Court of Rome handed down an initial judgment which, amongst others, confirmed the liability of two of the directors appointed by Fonsai, finding them jointly and severally liable with 12 other Defendants for the payment of Euro 19 million, of Euro 15.2 million and of Euro 887 thousand, all the above plus interest and costs. The third director was found not to be liable in any way, this judgment having now become final.

The Defendants have appealed the judgment, seeking the dismissal of all claims against them. Tirrena for its part, has made a cross-appeal, seeking a finding that the Defendants should be found liable for the payment of the full amount claimed at first instance of Euro 372,281,214.

An application was made to suspend the provisional enforceability of the Court's decision, including on the grounds of the size of the amounts quantified by the Court. The Court agreed to such a suspension on condition however, that a cautionary deposit of Euro 23,000,000 should be made by 30 September 2010. The Court of Appeal rejected the application for the revision of the suspension order made by a number of the directors who had been found to be liable. Fonsai informed its two directors of the impossibility of making a cautionary deposit on their behalf. None of the parties have made the deposit and, as a consequence, the judgment is to be considered enforceable.

Following the service of the injunction order the two directors requested Fonsai to intervene pursuant to Article 26 of the National Managers' Contract (indemnity from the company for its directors' liability to third parties). In response Fonsai stated that it intended to await the final court decision in order to establish whether, on the basis of the Court's investigations, Article 26 did in fact apply given that it is excluded in the case of fraudulent or grossly negligent conduct.

Castello Area

Please note that on 6 March 2013 the Court of Florence acquitted Fonsai using the strongest formulation (the absence of the facts alleged) from all charges against it in the criminal proceedings relating to the urban development of the Castello area (Florence).

On this point it should be noted that the company had been charged in the criminal proceedings initiated in 2008 by the Florence State Prosecutor alleging the commission of the offence of corruption. The other defendants included a number of Fonsai's representatives, a number of professionals and a number of public administrators.

The Company was accused of unlawful conduct under administrative law as defined in Articles 5 and 25 of Legislative Decree 231/2001 in relation to the offence described in Articles 319 and 321 of the Italian Criminal Code, defining the offence of corruption of a public official.

It was alleged that Fonsai, acting through its representatives, had corrupted the two public officials to obtain "deeds in breach of official duties" for its benefit.

The two Public Prosecutors making the accusations in the proceedings asked for the Company to be punished by the application of a pecuniary fine of 400 units whose value ranged from a minimum of Euro 250 to a maximum of Euro 1,549. They also sought the application of a bar on contracting with the Public Administration for two years to be imposed on Fonsai together with the confiscation of the sites in the Castello area for which the building permits were granted.

The Court acquitted all the accused of the main charge, imposing a punishment on the ex-municipal director Biagi to a one year's suspended prison sentence for abuse of office in relation to two charges not involving Fonsai.

The Court also lifted the seizure order and authorized the return of the Castello area which had been subjected to safeguarding measures in November 2008.

Unipol Assicurazioni v La Mutuelle du Mans Assurance IARD - Arbitration

On 11 November 2004, Navale Assicurazioni S.p.A. ("Navale") purchased the entire share capital of MMI Assicurazioni and MMI Danni (subsequently merged by incorporation in Navale) from Mutuelle du Mans Assurances IARD ("MMA") entering into special agreements with the Vendor regulating the conditions applying to the purchase (the "Agreements").

Under the agreements MMA undertook to pay Navale (whose position was taken over by Unipol Assicurazioni on 1 January 2011) the full amount of any gap or shortfall in the net accident provisions as indicated in the transferred companies' final balance sheet in relation to the accounting periods from 2004 to 2007. MMA had set up restricted deposits with Credit Agricole of a total value of Euro 10 million as guarantee for the above payment.

A report by an independent actuary, issued on 16 September 2011, calculated the amount of the net accident provisions of both MMI Assicurazioni S.p.A. and MMI Danni S.p.A. on 31 December 2007. It concluded that there was a total shortfall of such provisions of Euro 48.8 million, of which Euro 43.4 million related to differential accident provisions and Euro 5.4 million for the costs of the management of the accidents outsourced to third parties on request by MMA.

Pursuant to the terms of the restrictions on the deposit referred to above, Unipol Assicurazioni thus obtained the total amount of Euro 11.3 million from Credit Agricole, requesting the payment of the remaining amount from MMA of Euro 37.5 million.

Since MMA refused to comply with its obligations, on 28 October 2011 Unipol Assicurazioni initiated the arbitration procedure set out in the Agreements for the resolution of disputes.

Given the complexity of the issues involved in the matter, the parties initiated negotiations which, according to the instructions issued by the board of Arbitrators, must be concluded by 31 October 2013.

Litigation with the Municipality of Milan

Premafin is involved in litigation with the Municipality of Milan in relation to an undertaking to assign areas of land at prices fixed in advance. In May 2008, the Court of Appeal partially modified the first instance decision ordering Premafin to compensate the loss and damage caused by the failure to purchase the areas, considering only two of the deeds created at that time to be in the nature of a genuine preliminary contract for the sale/purchase of the areas forming the subject matter of the litigation and confirming the criteria for the quantification of the loss and damage, to be calculated in separate proceedings. In this regard, still in 2008, Premafin thus filed an appeal to the Supreme Court within the related time limits. At the Date of the Information Document, we are still waiting for the date of a hearing to be set down.

In the above circumstances, in consideration of the fact that the Court of Appeal's judgment is provisionally enforceable, in October 2012 the Milan Municipality served process on Premafin for proceedings to be begun before the Court of Milan for the quantification and definition of the loss and damage suffered. At the Date of the Information Document, following the first hearing, the proceedings have reached the enquiry stage.

Tax litigation

Both in the 2012 and in the previous financial periods, the tax authorities carried out inspections on the Fonsai Group of a general character. These activities involved the assessment of declared chargeable income and, more generally, a calculation of the taxes due together with the manner of application of tax law with reference both to operations in the normal course of business and to specific operations of an extraordinary nature. Following the above activities in some cases formal records of findings were served, confirmed in part by notices of assessment in relation to which either conciliation or court proceedings were initiated, currently pending before the related Tax Commissions and the Supreme Court.

The assessment notices and documents imposing sanctions served by the Date of the Information Document but not yet settled amount to Euro 70.2 million, while the amounts calculable from the Formal Records of Findings and the activities already subject to challenge repeated in subsequent years, have been estimated at about Euro 30.2 million, amounting to a maximum potential risk of Euro 100.4 million. These figures include the amount requested by way of increased tax, sanctions and interest, this latter calculated as at 31 December 2012.

We have set out below a description of the main on-going tax litigation.

Direct Taxes

We would make the following observations relating to direct taxes:

- the incorporated company La Fondiaria Assicurazioni was subjected to an inspection in 1996 leading to the issue of notices of assessment referring to the accounting periods 1990/1992. The challenges raised by the Tax Administration relating to such tax periods took the form, in due course, of court proceedings or settled assessments with the exception of a finding referable to the 1991 accounting period, originally defined as an arrangement with a "man of straw", corresponding to an analogous case referable to the 1990 accounting period, already resolved in the Company's favor by a judgment of the Supreme Court. Nonetheless, the matter relating to 1991 followed its own path through the courts with a new examination of the matter by the Supreme Court which remitted the dispute to a different section of the Tuscany Regional Tax Commissioners in order for them to assess elements which could represent an abuse of law – we are still awaiting their decision. The value of the assessment claimed amounts to Euro 7.6 million from additional tax, sanctions and interest. Euro 1.1 million of this has already been paid by way of provisional enforcement;
- on 30 July 2013, the Large-scale Taxpayers' Office of the Tuscany Regional Management of the Inland Revenue served ten notices of assessment on the Incorporating Company in which part of the fees paid over the period 2004-2008 by the Incorporating Company to Jonella Ligresti, Giulia Maria Ligresti, Gioacchino Paolo Ligresti, Fausto Marchionni, Massimo Pini e Antonio Talarico, demanding, as a consequence, the payment of additional IRES (Corporation Tax), plus sanctions and

interest. The notices of assessment also disputed the deductibility of costs for the sponsorship of the company Laità S.r.l. over the period 2004-2008 with the consequential demand for additional IRES and IRAP (Local Production Tax), plus sanctions and interest. The total amount thus demanded for IRES, IRAP, interest (calculated up to 30th July 2013) and sanctions (applied at the rate of 150%) amounts to Euro 25.7 million. If the company accepted the assessment this figure would reduce to Euro 13.7 million.

The above disputes take their origin from the findings contained in the report produced by the ad acta Commissioner, drawn up following the related appointment by IVASS for the purposes of the liability action, in the reports of the Board of Statutory Auditors pursuant to Article 2408 of the Italian Civil Code of 16 March 2012, of 18 April 2012 and of 26 October 2012, in the order imposing sanctions no. 12096145 of 11 December 2012 issued by Consob and in the activities carried out on the instructions of the State Prosecutor based at the Court of Florence (criminal proceedings no. 2199/09).

As at the Date of the Information Document the Incorporating Company is evaluating the possibility of challenging the above assessments as well as making use of the other procedures contained in the legal system capable of reducing the amounts demanded in the form of tax and sanctions. The above matters, although still not formally disputed, are also present in the 2009-2011 accounting periods and could give rise to objections related to additional tax, sanctions and interest estimated as Euro 6.7 million. If the company accepts the conclusions of said verification, the amount could be reduced to Euro 3.5 million.

VAT on co-insurance

The tax assessment bodies have objected the practice of insurance companies operating in the Italian market whereby they do not subject management expense charges to VAT (delegation commission and the re-charging of legal costs) of co-insurance contracts in the context of relations between the delegated and delegating company in accordance with a practice complying with the ANIA Convention on Co-insurance. The conduct of a variety of activities related to investigations and VAT assessment have lead, as at the Date of the Information Document, to the service of a number of formal records of findings and assessment notices on the main companies of the Fonsai Group (Fonsai, Milano Assicurazioni, SIAT – Società Italiana Assicurazioni e Riassicurazioni per Azioni, Liguria Assicurazioni). The total amount of the figures already contained in the assessments for the years 2003-2008 currently stands at about Euro 10.1 million. The same elements of comparable value are to be found in the accounting periods subsequent to those already under investigation by the Tax Authorities. Based on what the inspectors have already identified, it is estimated that additional elements likely to be the subject matter of further challenge exist of a value of about Euro 14.5 million. The decisions of the tax commissioners on the appeals presented up to the Date of the Information Document by the companies have generally been favourable to the latter.

Other litigation

SIAT

In January 2009 an order imposing sanctions was served on the company SIAT – Società Italiana Assicurazioni e Riassicurazioni per Azioni, for delays (omissions) in the report of tax on insurance in relation to the 2007 accounting period. The sanction was drawn up with reference to the entire amount of tax on insurance identified in the return amounting to Euro 5.2 million. The order for the imposition of sanctions was challenged before the Genoa Provincial Tax Commissioners which reached their decision in September 2010, quashing the sanction so imposed. The first instance decision was confirmed by the Genoa Regional Tax Commissioners. As at the Date of the Information Document proceedings are pending before the Supreme Court following the appeal against the decision by the Inland Revenue.

Saiagricola

On 19 December 2012, Saiagricola S.p.A. was served with a notice of rectification and liquidation by which the Inland Revenue Novara Provincial Management, by changing the deed of assignment of shareholding of the company AgriSai S.p.A. into a deed for the assignment of a business, re-calculated the transfer taxes applicable, identifying additional tax due of Euro 2.3 million and imposing sanctions at a rate of 120%. The overall tax due thus amounts to Euro 5.3 million.

In October 2010 the company AgriSai received a transfer from Saiagricola of the entire agricultural business called Cascina Veneria. The transfer, from a tax point of view, was effected on the basis of continuing tax value. Subsequently, Saiagricola assigned its entire shareholding in AgriSai to third parties by deed subject to fixed rate registry tax. The Inland Revenue decided to treat all the transactions effected as if they were a single deed of transfer of a business. It thus demanded the payment of registry, mortgage and cadastral tax applicable on the different components of the business in application of Article 20 of Presidential Decree 131/1986. It is not considered however, that such an interpretation of the facts is justifiable by the most authoritative scholars (Code of Conduct no. 186/2012 issued by the Italian Association of Accountants, by Assonime and Notariato), according to which the different actions of the transfer of a business and the assignment of the shareholding derive from autonomous causes with different juridical effects from those typical of the assignment of a business.

In the light of the above considerations and without prejudice to the fact that the signed deeds stated that the taxes on the transfer would be borne by the purchasing party, the document has been appealed before the Novara Provincial Tax Commissioners which, in consideration of the recent interpretation favored by the relevant case law of the Supreme Court, by its decision no. 92/03/13 rejected the appeal. As at the Date of the Information Document the service of notice of appeal is proceeding including an application for the suspension of the force and effect of the first instance decision.

* * * * *

In view of the disputes described above, the companies affected have adopted policies for the creation of provisions and setting aside of funds designed to cover costs and charges which could arise from the cases pending on the basis of a reasonable assessment of the related risk. The value of the provisions set aside in this way is that considered appropriate according to circumstances whenever it is possible to make a reliable estimate of the size of possible losses and such losses are considered probable and consistent with the applicable accounting standards.

Although the Companies Participating in the Merger consider that the respective contingencies and charges provisions shown in the financial statements are appropriate in relation to the charges potentially arising from the negative effects of the above disputes, it cannot be excluded that the Company Resulting from the Merger will be required in the future to meet costs and compensation obligations not covered (or insufficiently covered) by the legal disputes reserve with, as a consequence, negative effects on the economic and financial situation of the Company Resulting from the Merger.

B) RISKS CONNECTED WITH THE PREVIOUS MANAGEMENT OF THE PREMAFIN AND FONSAI GROUP

1.2.9 Risks connected with the IVASS checks and inspections into facts relating to the previous management

With effect from 2010 IVASS has been conducting inspections of Fonsai resulting in findings relating to the following aspects:

(i) The shareholding chain, the corporate governance system, the organization of the real estate sector, the internal control system, the organization and activities of the company bodies, the control functions and operations with Related Parties, and

(ii) The Motor Class accident cycle.

IVASS has requested the provision of clarification and adequate justifications in relation to the findings dealing with the above-mentioned aspects combined with an action plan for the separate implementation stages to be monitored by IVASS itself.

In addition to the above aspects, the supervisory authority has produced specific findings in relation to a number of real estate operations with Related Parties where it is alleged there were lacunae of a procedural nature both at the decision-making stage and during the performance of the operations concerned, leading finally to the appointment, on 12 September 2012, of an ad acta commissioner (as described in Risk Factor 1.2.15).

As Fonsai informed the market on 19 April 2012, following the conclusion of the inspection activities relating to the aspects described under (i) above, IVASS served Fonsai with the deed of intimation no. 5817/11, by which, under the first paragraph of Article 326 of the Code of Private Insurance, it gave formal notice of a series of administrative infringements, initiating the disciplinary procedure for the definition of the sanction to be imposed of between a minimum of Euro 12,000 and a maximum of Euro 120,000. By its subsequent Notice no. 1835/12, entitled the "Deed of Rectification" of the Deed of Intimation no. 5817/11, IVASS informed the company that, without prejudice to the facts established from the inspection, the amount of the pecuniary administrative sanctions set out in the Deed of Intimation (from a minimum of Euro 12,000 to a maximum of Euro 120,000) had now to be taken as rectified to a minimum of Euro 201,000 and a maximum of Euro 2,010,000.

The procedure thus initiated was concluded on 28 May 2013, when IVASS – considering that the arguments in its defense submitted by Fonsai in the meantime could not be accepted – served the company with order no. 1050/2013 by which it imposed a sanction amounting in total to Euro 1,203,364.12.

Fonsai submitted an appeal within the legal time limits to the Lazio Regional Administrative Court both against the deed entitled "deed of rectification" and order no. 1050/2013 referred to above, also making a safeguarding application seeking the suspension of the effects of the orders concerned. The Regional Administrative Court set down a hearing for 5th February 2014 to discuss the litigation.

It should also be noted that, on the completion of the inspection activities effected in relation to the relevant aspects of the Motor Class accident cycle described under (ii) above, IVASS served Fonsai with Deed of Intimation no. 577/12 by which, as before pursuant to the first paragraph of Article 326 of the Private Insurance Code, it gave formal notice of a number of administrative breaches and initiated disciplinary proceedings for the assessment of the size of the sanction to be imposed ranging from a minimum of Euro 15,800 to a maximum of Euro 145,400. At the Date of the Information Document, IVASS had not yet set the amount of the penalty in question.

1.2.10 Risks connected with the complaints made by Consob in relation to the Financial Statements of Fonsai, Premafin and Milano Assicurazioni

By its communication of 19 April 2013, Consob, having summarized the events arising from:

(i) The notice of findings of 29 September 2011 by which IVASS, following the inspection activities carried out at the offices of Fondiaria-SAI, had pointed out the shortcomings in the procedures of management and reserving in the Motor Class together with irregularities in the calculation of the accident provisions in the same class for the 2010 accounting period, found to be insufficient by an amount of not less than Euro 314 million, and

(ii) The note of 17 November 2011 by which IVASS identified irregularities in the calculation of the accident provisionsfor the car insurance division for the 2010 accounting period by Milano Assicurazioni, calculated as being insufficient by an amount of not less than Euro 203 million,

informed Fonsai that it had reached the conclusion that the representation of the reserve in question in its Consolidated Financial Statements of the 2010 accounting period "was false and capable of giving false and misleading indications in relation to the shares issued by the company, hence representing the offence of market manipulation for the shares issued by the company by means of the publication of false information capable of providing false and misleading indications".

In the above notice Consob referred to its resolution no. 18430 of 21 December 2012, by which, when declaring that Fonsai's 2011 Consolidated Financial Statements did not comply with the law governing the drafting of the same, decided that the findings and observations made by IVASS contained in the Formal Record of Inspection of 29 September 2011 and in the subsequent deed of intimation of 3 April 2012 could not be considered, as argued by the Company, as representing "new information" pursuant to which Fonsai had revised the valuation process for the accident reserve of the car insurance division and, as a consequence, had set out a substantial revaluation of the same in the 2011 financial statements.

According to Consob, Fonsai “should have already adopted all the procedures and organizational and control safeguards capable of guaranteeing the reliability of the accounting information in the 2010 accounting period”. It went on to state that the observations made by Fonsai in the Notes to the Financial Statements for the 2011 Financial Statements did not apply to this case in that the nature of the corrective action taken by Fonsai which had indirectly resulted in the revaluation of the residual accounting value of the Motor Class accident reserve, “cannot be defined and considered as “physiological in nature. So far as the data generated in 2009 and earlier were concerned, IVASS, by its Note of 29 September 2011, had thus concluded that the Fondiaria Sai Group’s provisions for the Motor Class had been insufficient for the period of 2009 and before, in an amount of not less than Euro 314 million (Euro 203 million for Milano Assicurazioni)”, a total of Euro 517 million.

It should be noted, as noted by Consob, that, on 27 December 2012, when publishing the information requested by the latter by its above-cited resolution no. 18430, Fonsai had, inter alia, rectified its 2010 Consolidated Financial Statements for purposes of comparison, making such rectifications directly in net worth, without any effect on the income statement, as required by the International Accounting Standards.

Consob noted nonetheless that if Fonsai had effectively re-valued the Motor Class reserve by Euro 517 million when approving the 2010 Consolidated Financial Statements this would have entailed the recording of net negative income amounting to Euro 339 million. Consequently, as stated by Consob, “*the 2010 consolidated results would have fallen from a loss of Euro 928.861 million to a loss of Euro 1,267.861 million, representing a variation of 36.50%”, with, as a consequence, “significant variations in the company’s 2010 Consolidated Financial Statements in relation to share equity and net losses*”.

Consob concluded with the observation that, “*The above variations, concerned as they are with Financial Statement headings of importance to investors in the assessment of the so-called fundamentals of an insurance company, would have been capable of influencing their investment decisions, particularly decisions whether or not to participate in the share capital increase resolved by the company in 2011”*.

As a result, pursuant to Article 187-septies, paragraph 1, of the Consolidated Financial Act, Consob charged Ms Jonella Ligresti and Mr Emanuele Erbetta, based on the positions they occupied in Fonsai at the time of the occurrence of the facts, with the infringement defined under Article 187-ter, paragraph 1, of the Consolidated Financial Act. Fonsai was also charged with this latter infringement as the party with joint and several liability. The Incorporating Company was also charged with the unlawful conduct defined by Article 187-quinquies, paragraph 1(a), for the above-described infringement of Article 187-ter, paragraph 1, committed by Ms Jonella Ligresti and by Mr Emanuele Erbetta, in their above-mentioned positions.

A similar charge was made by Consob against Milano Assicurazioni as well. In this regard, pursuant to Article 187-septies, paragraph 1, of the Consolidated Financial Act, Consob also charged Mr Emanuele Erbetta, because of the office held by him in the subsidiary at the time of the facts, with the infringement pursuant to Article 187-ter, paragraph 1, of the Consolidated Financial Act. Milano Assicurazioni was also charged with this latter infringement as a party with joint and several liability. Milano Assicurazioni was also charged with the unlawful conduct defined under Article 187-quinquies, paragraph 1(a), for the above-mentioned infringement of Article 187-ter, paragraph 1, committed by Mr Emanuele Erbetta, in his above position.

Fonsai and Milano Assicurazioni, assisted by their lawyers, presented submissions asking that administrative sanctions pursuant to Articles 187-ter, 187-quinquies and 187-septies of the Consolidated Financial Act should not be applied against the companies. In particular, in addition to having filed their submissions in relation to the correctness of the process for the drafting of the financial statements, it was emphasized, with the identification of the relevant circumstances, with reference to the charge made under Article 187-quinquies of the Consolidated Financial Act, that it was not possible to identify any interest of the Company in the infringement of the said Article 187-ter, even after having taken account of the contents of the order for custody on remand of 12 July 2013 (in relation to which see the next risk factor, 1.2.12) issued against members of the Ligresti family and a number of ex-directors of Fondiaria-SAI, under investigation for the commission of offences defined under Art. 110 of the Italian Criminal Code (conspiracy to commit an offence) and 2622 (false company communications) of the Italian Civil Code and Art. 185 of the Consolidated Financial Atc (market manipulation), in which, according to the accusations, the ultimate aims of the supposed authors of the offences consisted in “avoiding the dilution of the shares” belonging to the Ligresti family in the share capital of Fondiaria-SAI and hence also of Milano Assicurazioni, as well as "guaranteeing continuity in the consolidated real estate investment policy", carrying out "operations to their exclusive advantage".

Notwithstanding the above, the possibility of the application of the sanctions contained in the above orders cannot be excluded.

1.2.11 Risks connected with the ongoing criminal proceedings involving the Turin State Prosecutor for possible criminal conduct attributable to the Ligresti family and a number of first line managers of the Fonsai Group in relation to the 2010 Consolidated Financial Statements

By decision of 12 July 2013, the Court of Turin Preliminary Investigating Magistrate, on request by the State Prosecutor, activated:

- an order requiring Ms Jonella Ligresti, Mr Gioacchino Paolo Ligresti, Ms Giulia Maria Ligresti and Emanuele Erbetta to be taken into custody on remand, and;
- an order requiring Mr Salvatore Ligresti, Mr Fausto Marchionni and Mr Antonio Talarico to be held under house arrest on remand.

The above-named are under investigation for the commission of the offences defined by Articles 110 of the Italian Criminal Code (conspiracy in the commission of an offence), 2622 of the Italian Civil Code (false company communications) and 185 of the Consolidated Financial Act (market manipulation).

In summary, according to the Preliminary Investigating Magistrate's order, the persons under investigation conspired with each other in their respective roles, with the intention of deceiving shareholders or the public and for the purposes of unjust enrichment for themselves or others, in the following acts with reference to Fondiaria-SAI's financial statements for the 2010 accounting period.

a) The setting out of material facts not corresponding to the truth even though subject to valuation, with the entry of the amount of Euro 4,729,815,742 under the balance sheet heading "accident Provisions", rather than the greater amount which can be quantified as being not less than Euro 5,267,815,742, with a difference of Euro 538 million, sufficient to absorb in its entirety the increase in share capital of Euro 450 million effected in 2011;
b) The failure to indicate, in the Notes to the financial statements, the change to the actuarial models used for the purposes of the calculation of the accident reserve, having, in contrast with procedures adopted in the preceding accounting period, in which the results deriving from the application of the Chain-Ladder model had also been considered for the data generated in 2005 and before, using solely the results deriving from the Fisher-Lange actuarial model;
c) The failure to report in the Notes to the financial statements, information relating to the high accident re-opening rate, significantly above the market average and of the consequential exclusion of the data generated for 2008 and 2009 for the purpose of the calculation of the accident reserve through the Fisher-Lange actuarial model, a model more sensitive to such re-opening.

The persons under investigation were also alleged to have disclosed information required by law referable to Fonsai's economic or financial situation in a way capable of misleading the recipients of such communications in relation to such economic situation.

According to the order, the above parties are alleged to have caused economic loss and damage to shareholders in particular, in the amount of about Euro 300 million, corresponding to the shares' loss of value together with the destruction of the shareholders' investment who, having subscribed to the first share capital increase (that of 2011), were not then in a position to subscribe to the second share capital increase (of 2012).

It was alleged that the persons under investigation had, by such false information and omissions:

- altered, in absolute value and in the presence of a share capital increase of Euro 450 million, the representation of Fonsai's economicand financial situation,
- given rise to a consequential change in the period economic results of more than 5%, and

- given rise to a change in Share Equity of more than 1%,

With the aggravating factor that committing the offence caused serious harm, having affected not less than 11,910 investors.

Continuing with the content of the order for custody on remand under consideration, the persons under investigation were alleged to have committed the offences described above for the purpose of:

- avoiding the dilution of the Fonsai Group share holdings held by Premafin and hence held by Salvatore, Jonella, Gioacchino Paolo and Giulia Maria Ligresti, consequential to the share capital increase which would have been, of necessity, greater than that forming the subject matter of the agreement – made public on 22 March 2011 – between Premafin and Unicredit, amounting to Euro 450 million;
- guaranteeing the continuation of the consolidated policy of real estate investment and operations, part of which not coming with the area of exclusive interest to the Fonsai Group, with counterparties which were directly or indirectly referable to the members of the Ligresti family, thus being Related Parties, operations being to their exclusive advantage.

The order also states that, with reference to the offence defined under Articles 110 of the Italian Criminal Code and 185 of the Consolidated Financial Act, as a consequence of the conduct described above, the persons under investigation were accused of communicating the data relating to Fonsai's 2010 consolidated financial statements, concealing losses of not less than Euro 538 million for Fonsai and not less than Euro 283 million for Milano Assicurazioni. In percentage terms therefore, the concealed losses for the Consolidated income statement were not less than 37% for Fonsai and 22% for Milano Assicurazioni respectively, information thus capable of causing a significant alteration to the prices of the respective securities.

On 11 October 2012 in these same criminal proceedings, Fonsai was also served with a "Formal Notice of Investigation of a Body" pursuant to Article 57 of Legislative Decree 231/2001 by the Turin State Prosecutor by which, by reference to the "*proceedings relating to the offence of the production of false financial statements (Articles 2621-2622 of the Italian Civil Code) committed within FONDIARIA-SAI S.p.A. in relation to the 2008-2011 accounting periods together with the impeding of supervisory activities (Article 2638 of the Italian Civil Code) for the period 2008-2011, hereby informs the office will be taking proceedings against FONDIARIA-SAI [……] in relation to unlawful administrative conduct pursuant to Article 25 ter of Legislative Decree 231/2001 committed in Turin over the years 2009-2012*".

On 14 May 2013, the Turin State Prosecutor, with reference to the offences defined by Article 173-bis (false information in prospectus) and Article 185 (market manipulation) of the Consolidated Financial Act, served Fonsai with a "Formal Notice of Investigation of a Body" pursuant to Article 57 of Legislative Decree 231/2001. This gave notice of the fact that the State Prosecutor was taking proceedings against Fonsai in relation to unlawful administrative conduct pursuant to Article 25-sexies (insider trading and market manipulation) of Legislative Decree 231/2001 alleged to have been committed in Turin in 2011.

Still on 14 May 2013 but only with reference to the offence defined by Article 185 (market manipulation) of the Consolidated Financial Act, The Turin State Prosecutor served Milano Assicurazioni with a "Formal Notice of Investigation of a Body" pursuant to Article 57 of Legislative Decree 231/2001 giving notice of proceedings initiated by the Prosecutor in relation to unlawful administrative conduct pursuant to Article 25-sexies of Legislative Decree 231/2001 alleged to have been committed in Turin in 2011.

On 12 August 2013, in the context of the criminal proceedings initiated by the Turin State Prosecutor against members of the Ligresti family and a number of ex-directors of Fondiaria-SAI (being the same as those mentioned above under investigation and affected by the custody on remand order of 12 July 2013), the same State Prosecutor served notice of an order granted by the Preliminary Investigating Magistrate of 10 August 2013 of safeguarding seizure with a view to confiscation of property of the value of Euro 251.6 million, enforced in part against real estate belonging to Fonsai and to a company indirectly controlled by the latter, valued by the order at Euro 215 million.

The real estate complexes covered by the seizure order are hotels managed by the subsidiary company Atahotels S.p.A. ("**Atahotels**") and, in particular: the Golf Hotel Campiglio of Madonna di Campiglio, the Naxos Beach in Giardini Naxos (Messina), the Hotel Principi di Piemonte in Turin, the Atahotel Varese and the Grand Hotel Fiera in Milan. The seizure does not prejudice the ordinary management of the hotel businesses of the hotels concerned.

The safeguarding order against Fonsai was issued under the provisions of Articles 19 and 53 of Legislative Decree 231/2001 in relation to the charges under Articles 5 and 25-sexies of Legislative Decree 231/2001 referring to the offence defined under Article 185 of the Consolidated Financial Act (market manipulation).

The safeguarding order relies on the consultancy report produced by an expert appointed by the State Prosecutor who calculated the damage suffered by Fonsai shareholders, by effect of the offences alleged to have been committed by those under investigation, at Euro 251.6 million.

As before, on application by the Turin State Prosecutor, the Preliminary Investigating Magistrate granted an order for safeguarding seizure in relation to assets and real estate belonging to the same members of the Ligresti family and to the ex-directors of Fonsai under investigation (listed above) up to the total value of Euro 251.6 million.

Fonsai has challenged the seizure before the Reviewing Magistrate at the Court of Turin, arguing that it is unfounded and unjust. On September 26, 2013, the Reviewing Magistrate at the Court of Turin has accepted the request of Fonsai and has revoked the preventive seizure decree issued by the Preliminary Investigating Magistrate on August 10, 2013; against this decision of the Reviewing Magistrate, Turin State Prosecutor might appeal in Cassazione within 10 days of submitting the reasons on 1 October 2013.

Fonsai and Milano Assicurazioni are closely following the developments of the above proceedings particularly with a view to taking all initiatives most appropriate for the defense of their own and their shareholders' interests including action seeking compensation against liable parties.

Notwithstanding the foregoing, as at the Date of the Information Document, Fonsai cannot however exclude the possibility of subsequent developments of a negative consequence on the economic, real estate and financial situation of the Company Resulting from the Merger in the proceedings referred to above.

1.2.12 Risks connected with the complaints to the Board of Statutory Auditors pursuant to Article 2408 of the Italian Civil Code

On 22 May 2012 Finleonardo S.p.A. ("**Finleonardo**"), in its capacity as one of Fonsai's shareholders, presented a complaint to the Company's Board of Statutory Auditors pursuant to Article 2408 of the Italian Civil Code, requesting the Board to take immediate action as follows: (a) anomalies and malfunctioning deriving from the absence of formalised procedures and adequate control systems, the inventory effected by the network of liquidators, observations on the calculation of actuarial models and the adaptation of the same and adaptation to prevailing case law, (b) to check whether the information held by the Board of Directors at the time they were drafting the 2010 financial statements and those preceding it, together with all Information Documents and informative prospectuses provided to the market and the shareholders prior to, contemporaneously with and subsequent to, the approval and performance of the share capital increase relating to the 2011 accounting period, was not sufficient to give rise to the duty on the Board of Directors to notify the shareholders and the market of the need for a more adequate re-valuation of the Motor Class accident reserve already contained in each of the above-cited documents, (c) in conclusion, to confirm that the 2010 Financial Statements, the subsequent quarterly reports, the informative prospectus accompanying the approval of the Company's share capital increase in the 2011 accounting period and then again, the subsequent periodical information provided to the market and the shareholders, were capable of representing the Company's true situation over the whole 2011 accounting period, (d) to check, as a consequence, the accuracy of the information provided in each of the said documents, to the market and to the shareholders, by the Board of Directors itself, (e) to report on the activities that the Board of Statutory Auditors will be carrying out in relation to the checks referred to above not only to Finleonardo, but to all the shareholders. On 25 June 2012, the Fonsai Board of Statutory Auditors informed the market that they had filed a report at the Company's Registered Office on the same date (available on Fonsai's internet site), providing a partial response to the shareholder Finleonardo under Article 2408 of the Italian Civil Code. The subject matter of the report took the form of an initial analysis of the situation and questions raised by Finleonardo, in the meantime providing a number of responses with regard to (a) the reference legal context, (b) the procedure adopted by Fonsai for the calculation of the Car Insurance Division accident reserve and (c) the re-valuation of the car insurance division accident reserve effected in 2011, the organizational interventions, case law developments and their impact on the inventory and the adaptation of the statistical actuarial models. The Board of Statutory Auditors has reported on the matter at the shareholders' meeting on June 27 2012, with the objective of completing its inquiry as soon as possible and reporting its findings.

By letter of 19 October 2012, Finleonardo, in addition to calling for a response from the Board of Statutory Auditors to the complaint under Article 2408 of the Italian Civil Code of 22 May 2012, submitted two further questions to the Board, as before under the above-cited Article, drawing the control body's attention (a) to the development, analysis and drafting of the various statements relating to 2011 and the previous periods, underlying the drop in the accident provisions as represented in the Notes to the financial statements which "*highlight how the (non) maintenance of the provisions is clearly apparent for the greater part of the years analyzed" and (b) to the "dichotomies identified, as previously in the statements of provisions, in relation to the inventory of accidents opened for events of more than a decade ago*", accidents which *"... appear not to be precisely reflected in the specific provisions as emphasized in their annual formation in the above-mentioned statements", claiming specifically that "in the 2011 Financial Statements no value has been given for the data generated for 2001 and 2000, in which 2,187 accidents are declared still open*".

On 26 October 2012 Fonsai's Board of Statutory Auditors posted its concluding report to Fonsai's internet site in response to the above-mentioned complaint by Finleonardo pursuant to Article 2408 of the Italian Civil Code of 22 May 2012, referring to the same during the General Meeting of the Shareholders of 30 October 2012.

In that report the Board of Statutory Auditors examined the components of the re-valuation of the Motor Class accident reserve as at 31 December 2011, having regard to (i) the Supreme Court's decision of 25 February 2011, establishing that the reference values adopted by the Court of Milan constitute the so-called fair value for the purposes of the liquidation of non-economic damage from personal injury from harm to psycho-physical integrity, (ii) the re-organization of Fonsai's liquidating structure, and (iii) the charges made against Fonsai by IVASS and by the actuary appointed on the completion of the inspection activities carried out by the Authority, the replies consequential to the same, together with the actions taken by Fonsai on its reserve formation process and on the actuarial statistical models.

Concluding its report, the Board of Statutory Auditors stated that elements were not available to it as things stood, to allow it to decide with certainty, in relation to the revaluation of the Car Insurance accident reserve, that the Fonsai Board of Directors, at the time when drawing up the 2010 Financial Statements, the informative prospectus relating to the 2011 share capital increase and the subsequent six-monthly report, with specific reference to the circumstances forming the subject matter of the investigations made by the Board of Statutory Auditors itself, had information available to it of such a nature which should have lead it to provide valuations and information different from that shown in the 2010 Financial Statements and the 2011 informative prospectus referred to above.

On 24 April 2013, the Fonsai Board of Statutory Auditors posted the additional clarification requested by Finleonardo in its above-mentioned letter of 19 October 2012, on the Fonsai internet site, making reference to the same in the General Meeting of the Shareholders held on 29 April 2013.

At the General Meeting the Board of Statutory Auditors clarified, with reference to the two requests referred to above, that (a) the variation over the years to the cost of generated data cannot be automatically attributed to previous inadequate provisions, given that this might depend on technical reasons and/or on factors which were not always foreseeable and capable of estimation and that (b) Finleonardo's statement that, "*in the 2011 financial statements no value has been given for the data generated for 2001 and 2000, in which 2,187 accidents are declared still open*" was unfounded.

1.2.13 Other risks arising from lawsuits or legal actions from shareholders or former shareholders of Fonsai, Milano Assicurazioni and Premafin

In connection with the above described facts, legal proceedings from shareholders or former shareholders of Fonsai, Milano Assicurazioni and Premafin have been started and/or announced. Although said companies believe, on the basis of a preliminary analysis, that such actions are unfounded, it cannot be ruled out that these might have in the future a negative impact on the economic and financial position of the Company Resulting from the Merger.

1.2.14 Risks connected with operations with related parties

It should be noted that the activities of the Fonsai Group have been characterized, up to the assumption of control over the group by UGF, by a significant rate of operations with related parties to the reference shareholders, particularly in relation to real estate operations.

In particular, during the period closing on 30 June 2013 and the accounting periods closing on 31 December 2012, 2011 and 2010, relations with Related Parties of the Fonsai Group (excluding inter-company transactions with entirely consolidated companies) gave rise to proceeds of Euro 60.7 million, Euro 37.6 million, Euro 71.4 million and Euro 116.5 million and costs of Euro 104.7 million, Euro 160.3 million, Euro 137.2 million and Euro 152.2 million. It should also be noted moreover, that the Fonsai Board of Statutory Auditors has received complaints relating to some of these operations, dating back to accounting periods prior to 2011, under Article 2408 of the Italian Civil Code - see risk factor 1.2.13 of the Information Document.

It should also be noted that the Balance Sheet value of the Fonsai Group receivables due from companies belonging to the Group Sinergia Holding di Partecipazioni S.p.A. in liquidation ("Sinergia") (including the subsidiary Immobiliare Costruzioni IM.CO. S.p.A. in liquidation ("Im.Co."), both shareholders of Premafin with a total shareholding of about 3.86%) or from parties traceable to the same, can be described as follows: (i) advances paid by Fonsai and Milano Assicurazioni to Im.Co. or Sinergia, or to companies controlled by either, under contracts for the purchase of future assets whose subject matter is the purchase of real estate, amounting to: (a) Euro 101.7 million claimed by Milano Assicurazioni against Avvenimenti e Sviluppo Alberghiero S.r.l. ("ASA"), a company entirely controlled by Im.Co., relating to the purchase of a real estate complex in Rome at Via Fiorentini. The Balance Sheet value of the above receivable as at 30 June 2013 was Euro 52.9 million, by reason of the write downs effected; (b) Euro 77.4 million claimed by Milano Assicurazioni against Im.Co. relating to the purchase of a real estate complex in Milan at Via De Castillia. The balance sheet value of this receivable as at 30 June 2013 was Euro 25.5 million, by reason of the write-downs effected; (c) Euro 23.3 million claimed by Immobiliare Fondiaria-Sai S.r.l. against Im.Co., relating to the purchase of a real estate complex in Parma in the district of San Pancrazio Parmense. The balance sheet value of this receivable as at 30 June 2013 is Euro 7.8 million, by reason of the write downs effected; (ii) advances on design works in the amount of Euro 7.2 million, claimed by Nuove Iniziative Toscane S.p.A. from Europrogetti S.r.l. The receivable has been written off in its entirety; (iii) receivables claimed by Banca SAI as against the Group Im.Co. – Sinergia in the amount of Euro 21.4 million, of which Euro 10.7 million are unsecured receivables. These receivables have been written off in their entirety. We would note finally that there is additional exposure amounting to Euro 5.8 million, net of the re-insurance effect deriving from policy loans securing commitments made by companies forming part of the Im.Co. Sinergia group.

It will be recalled that Im.Co. and Sinergia were declared bankrupt by decision of 14 June 2012 handed down by the 2nd Civil Division of the Court of Milan. Europrogetti S.r.l. was also declared bankrupt on 14 December 2012.

On 14 June 2012, in their communication to the market of their exposure as creditors of Sinergia and Im.Co. following the bankruptcy of the same, Fonsai and Milano Assicurazioni declared (i) that they noted the bankruptcy decision handed down in relation to Im.Co. and Sinergia and that applications would be made to prove their debts as part of the liabilities of the bankruptcy, and (ii) that they reserved the right to take such further actions, including officer liability action, which were necessary or appropriate, including with reference to the investigation requested by Fonsai's Board of Statutory Auditors following the complaint pursuant to Article 2408 of the Italian Civil Code filed by the shareholder Amber Capital Investment Management.

So far as the receivables described above were concerned, (excepting the receivable of Euro 102 million due from ASA, in that the company is currently *in bonis*) applications have been made for them to be proved as liabilities in the bankruptcies of Im.Co. or Sinergia in the total amount of Euro 151 million, and, as at the Date of the Information Document, Euro 134.5 million have been proved as liabilities in the form of unsecured receivables. With reference then to the liability actions subsequently proposed by Fonsai's Ad Acta Commissioner appointed by IVASS on 12 September 2012, (See Par. 1.2.12 of the Information Document) late applications were made for the proving of receivables amounting to a total of Euro 392.7 million as part of the liabilities of the Im.Co. and Sinergia bankruptcies. These requests have been rejected by the Bankruptcy Court and at the Date of the Information Document, the interested companies have already submitted (or are submitting) an appeal.

In consideration of the bankruptcy of Im.Co. and Sinergia, the chances of recovering such receivables are small since they are unsecured and hence with no right to preference if proved as a liability in the bankruptcy. They thus are likely to have a negative impact on the economic and financial results of the Fonsai Group.

Furthermore, through its communication of 19 June 2012, Premafin announced that, with reference to the bankruptcy decision handed down on 14 June 2012 against Im.Co. and Sinergia, the only significant relationship between Premafin and the bankrupt companies was that relating to the indemnities granted by Im.Co. and its subsidiaries regarding any consequential charges/liabilities arising from the undertaking to assign areas of land located in the Municipality of Milan to third parties. In particular, so far as Premafin was concerned, it should be noted that on 23 January 2013 the Company submitted opposition pursuant to Article 98 of the Bankruptcy Act to the statement of liabilities of Im.Co., given that the Delegated Judge, by order dated 28 November 2012, had declared it to be executive, rejecting Premafin's application to prove its debt in relation to the indemnities regarding any consequential costs/liabilities following the above-described assignment undertaking. Following the first hearing on 9 May 2013 the Court set down a date for the concluding hearing in 2014. For more details on the litigation of Premafin with the Municipality of Milan see the paragraph "Litigation with the Municipality of Milan" in Ch. 1.2.8 of the Information Document.

According to the information made available to the market, a company has been set up by Unicredit S.p.A. and Banca Popolare di Milano on the initiative of the main bank creditors of the bankrupt companies called Visconti S.r.l. It is intended that the company will act in the interest of the bank creditors and other creditors in the presentation of a draft arrangement with creditors for the settlement of the insolvency of the companies Im.Co. and Sinergia.

On October 3, 2013, the Unipol Group has signed an agreement with Visconti S.r.l. with the purpose of defining, as a settlement, the credit positions of the companies in the Unipol Group against Im.Co. and Sinergia and the subsidiary ASA, also in the context of requests for agreement with the creditors of said Im.Co. and Sinergia under bankruptcy law. The effectiveness of this agreement is subject to some conditions precedent, among which the final approval of the arrangement with the creditors of Im.Co. Visconti S.r.l. has presented a request for an arrangement with the creditors of Im.Co. on October 7 2013 and is expected to present a similar request for Sinergia by November 30 2013.

For more detailed information on Related Parties, investors are invited to refer to the consolidated financial statements of the Companies Participating in the Merger, published in the "Investor Relations" sections of their respective internet sites.

In 2009 100% of the share capital of Atahotels, a company operating in the hotel sector and hence a non-core sector, was acquired by Fonsai and Milano Assicurazioni. The management trends for Atahotels subsequently proved to be negative due, inter alia, to the crisis in the hotel market. These circumstances meant that it was immediately necessary to intervene in the form of shareholder recapitalization of the hotel company (the shareholders being Fonsai and Milano Assicurazioni). Subsequently the Fonsai Group introduced initiatives intended to restructure the management and Atahotels's prior debt situation in the hope of a possible enhancement of the shareholding held in the hotel management group. In particular, a lease charge review is currently ongoing seeking to reduce the charges Atahotels is required to pay the companies owning the property used for the hotel business. The review is supported by valuations effected by independent experts, confirming the sustainability of the new reduced charges by Atahotels. Notwithstanding the above, as at the Date of the Information Document, Atahotels' situation is burdened by debts deriving from the previous management. As a consequence, the Fonsai Group considers it will be necessary to carry out a recapitalization of a sufficient amount for the repayment of the debts due to the various companies of the Fonsai Group and to cover the losses generated in the first part of 2013, including as a result of the ongoing restructuring work.

While it is believed that the above initiatives, taken as a whole, are likely to generate sufficient profits for Atahotels to break even by 2015 and hence an enhancement in the value of the Atahotels shareholding, The possibility cannot be excluded, including with regard to future sector and macro-economic trends, that the time required for such value enhancement will be longer than that forecast here and, in such circumstances, further recapitalization of the invested company will be required, with further possible negative effects on the economic and financial situation of the Company Resulting from the Merger.

1.2.15 Risks arising from complaints of category "A"savings shareholders of Fonsai

The Fondiaria-SAI extraordinary shareholders' meeting of 19 March 2012 – the decisions of which were confirmed in the extraordinary shareholders' meeting on 27 June 2012 - decided to:

1) remove the indication of the nominal value of the Fondiaria-SAI ordinary and savings shares pursuant to and in accordance with articles 2328 and 2346 of the Italian Civil Code;
2) group together the ordinary and savings shares in circulation on the basis of 1 (one) new ordinary share enjoying rights in the standard manner for every 100 (hundred) ordinary shares held and 1 (one) new savings share enjoying rights in the standard manner for every 100 (hundred) savings shares;
3) a divisible increase in the share capital to an overall amount including any share premium, of a maximum of Euro 1,100 million, by means of issuing ordinary shares and category "B" savings shares enjoying rights in the standard manner offered as an option, respectively, to holders of ordinary shares and those with category "A" savings shares, pursuant to and in accordance with article 2441, first, second and third paragraph of the Italian Civil Code.

The Fonsai share capital increase was completed and registered at the Business Register pursuant to, and by effect of, Article 2444 of the Italian Civil Code on 17 September 2012.

With regard to the dividend rights attached to savings shares, the Articles of the Incorporating Company as amended for the purposes of the above resolutions, specifies:

- for category "A" savings shares a privileged dividend of up to Euro 6.5 per share and an overall dividend increased with regard to the dividend for ordinary shares corresponding to Euro 5.2 per share. Furthermore, pre-emption rights are foreseen when redeeming shares up to Euro 100 per share;

- for the category "B" savings shares a privileged dividend, after the dividend of Euro 6.5 for category "A" savings shares, up to an amount of 6.5% in accounting terms of the category "B" savings shares (understood as the ratio in force at the time existing between the overall amount of the capital injected at the time of subscribing to the category "B" savings shares and the overall number of category "B" savings shares existing) and an overall dividend increased with regard to the dividend for ordinary shares corresponding to 5.2% of in accounting terms of category "B" savings shares. Furthermore, pre-emption rights are foreseen when redeeming shares up to an amount in accounting terms of category "B" savings shares.

On 30 October 2012, the Dario Trevisan as Common Representative of the category "A" savings shareholders (the "**Common Representative**") - appointed, during the category "A" savings shareholders' extraordinary meeting on 3 July 2012, to replace Dr. Sandro Quagliotti participated in Fonsai's Ordinary General Meeting which included on the Agenda the appointment of the Company's new Board of Directors. He asked for clarification in relation to the Fonsai share capital increase operation in particular with regard to the method used to distribute profits pursuant to and in accordance with art. 27 of the Articles, as amended by said decisions made on March 19 and June 27 2012.

In order to ensure that all its shareholders received the same information, on 15 February 2013 Fonsai published an interpretative note made available on the Company's Internet site at the date of the Informative Document summarising the rules governing the dividend rights to the category "A" and category "B" savings shares.

On 18 February 2013 The Fonsai Board of Directors replied to a request presented by a number of shareholders of Category "A", savings shares, resolving on the calling of a Special General Meeting of said shareholders with the following Agenda: "*1. Examination of the Increase in share capital operation, how it will be effected in practice and aspects which might harm Category interests. Resolutions on the initiatives to be adopted. 2. Preliminary examination of the announced extraordinary operations and proposal for the fragmentation of Category A Securities."*, subsequently supplemented by additional requests of the Common Representative and other shareholders of Category "A" savings shares, by the Board of Directors as further points on the Agenda.

After the examination of the illustrative report drawn up by the Common Representative for the Meeting of the Shareholders of Category "A", savings shares in which, in summary, he noted that the Fonsai Share Capital Increase combined with the grouping together of the shares, would have the effect, inter alia, of effecting a "privileged distribution" of dividends to shareholders of Category "B" Savings Shares, hence prejudicing the economic rights of the owners of Category "A", savings shares. On 20th March 2013 the Board of Directors then published its own report to the Meeting of the Shareholders of Category "A", obtaining and annexing the opinions of three first rank experts in the field (as at the date of the informative Document the reports and opinions are available on the Company's website).

Briefly, the Fonsai Board of Directors noted, including in the light of the opinions obtained, the arguments relied on by the Common Representative with regard to the alleged harmful consequences for the Category "A" savings shareholders as per the resolutions passed on 27 June 2012, were insubstantial and without foundation in law in that not only had the Shareholders owning Category "A" savings shares had not suffered any prejudice, but indeed, of the various procedures available to avoid such prejudice on the share capital increase, Fonsai had undoubtedly adopted that most protective of the interests and rights of the said category.

On 26 March 2013, the Special General Meeting of the Shareholders owning Category "A" Savings Shares decided, inter alia, to grant the Common Representative the power to proceed with the challenge to the increase in the Fonsai share capital, as mentioned above, completed and registered pursuant to, and by effect of, the combined provisions of Articles 2379-ter and 2444 of the Italian Civil Code.

On 18 June 2013, the Common Representative proposed to challenge the decision concerning the Fonsai Share Capital Increase. The Examining Judge fixed the hearing for 11 December 2013.

When entering an appearance in the proceedings Fonsai will oppose the position taken by the Common Representative, submitting all objections in fact and law, including in the light of the Report summarised briefly above.

Although Fonsai considers that the applications made by the Common Representative are entirely unfounded and without legal justification, it is not possible to forecast the outcome of the proceedings initiated by the Common Representative at the date of the Informative Document.

See Chapter 2, Paragraph 2.1.2.9, of the Information Document.

1.2.16 Risks connected with the Officers' Liability Actions resolved on by the Ordinary General Meetings of Fonsai and Milano Assicurazioni

On 17 October 2011, Fonsai's Board of Statutory Auditors received a complaint pursuant to Article 2408 of the Italian Civil Code from Amber Capital Investment Management ("Amber Capital"), the manager of Amber Global Opportunities Master Fund Ltd, in relation to numerous operations effected by Fondiaria-SAI and by subsidiary companies with "related parties" traceable to the Ligresti family.

Fonsai's Board of Statutory Auditors replied to Amber Capital's complaint by its own reports of 16 March, 18 April and 25 June 2012, inviting the Board of Directors to carry out further enquiries in relation to the operations forming the subject matter of the complaint, also sending its own reports to IVASS.

On 15 June 2012, following inspection activities initiated from 2010 (see the risk factor described under 1.2.10), IVASS identified – in relation to the operations of greatest financial significance examined by the Board of Statutory Auditors (the "**Operations**") – "breaches of directors' duties as defined by Article 238 of the Insurance Code and of the duties defined by Articles 2391, 2391-bis and 2392 of the Italian Civil Code with prejudicial effects on the correct and prudential management of Fondiaria-SAI and its subsidiaries".

On 12 September 2012, IVASS, by Order no. 30001, pursuant to, and by effect of, Article 229 of the Code of Private Insurance, appointed Prof. Matteo Caratozzolo to the role of ad acta Commissioner (the "Commissioner") for the conduct of the actions necessary to render the management of Fonsai and of the Fonsai Group legally compliant in relation to the period from 2003-2011.

In particular, IVASS, with regard to the operations forming the subject matter of the charges contained in its Note no. 32-12-000057 of 15 June 2012, to be taken into consideration not only individually but also as a whole, required the Commissioner to (i) identify those responsible for the actions effected causing damage to

Fonsai and to the companies belonging to the Fonsai Group, (ii) calculate the damage suffered by the latter, (iii) to take, and ensure the taking of, all judicial initiatives necessary to safeguard and restore the assets of the said companies and (iv) exercise powers attributable to Fonsai as Group Holding Company and shareholder at the General Meetings of the subsidiary companies.

The Commissioner carried out investigations in relation to the operations carried out by companies of the Fonsai Group, mostly involving real estate, over the period 2003 to 2011 forming the subject matter of his mandate.

On the completion of his investigations, the Commissioner concluded that all the operations had been carried out directly with members of the Ligresti family, or with companies in the form of special purpose vehicles to that family and that the activities of the Fonsai Group, with regard to such operations, had been under the heterogeneous control of the Ligresti family. That family had been the moving force behind such operations and had benefited from them at the expense of the Fonsai Group. The Commissioner observed moreover, that such unitary management activities had never been announced formally.

Furthermore, the Commissioner highlighted the fact that the operations concerned entailed substantive breaches of Articles 2391 and 2391-bis of the Italian Civil Code and of the secondary legislation and, in any case, the breach of the duties laid down by Articles 2392 and 2407 of the Italian Civil Code.

As a consequence, the Commissioner requested the Boards of Directors of Fonsai and Milano Assicurazioni, together with of other Fonsai Group companies affected by the operations, to call Ordinary General Meetings of the shareholders to resolve on the initiation of officer liability actions against a series of parties including a number of directors and Statutory Auditors holding office for Fonsai and Milano Assicurazioni over the period 2003-2011, acting together with other parties.

On 14 March 2013, the Ordinary General Meetings of Fonsai and Milano Assicurazioni, meeting at the second calling thereof, resolved to initiate a company officer liability action pursuant to Articles 2392, 2393 and 2407 of the Italian Civil Code, and, so far as necessary and possible, pursuant to Articles 2043 and 2497 of the Italian Civil Code, against the parties identified in the report drawn up by the Company for the General Meetings and published in accordance with law.

On 7 March 2013, the General Meetings of the other Fonsai Group companies affected by the above operations passed similar resolutions.

The related Writ of Summons was subsequently served on the defendants, those considered primarily responsible and an application for safeguarding seizure was made against the property of Mr Salvatore Ligresti, Ms Jonella Ligresti, Ms Giulia Maria Ligresti, Mr Antonio Talarico and Mr Fausto Marchionni. For reasons of a procedural nature action has not yet been taken against Mr Gioacchino Paolo Ligresti in that he has residence in Switzerland.

Reserving the right to prove the loss and damage effectively suffered as a consequence of the conduct described above - the Commissioner, on his own report drafted according and pursuant to Art. 125-ter of TUF, stated that "*the overall amount of the damages incurred is very high, approximately equal to thousands of millions of Euro*" – at the Date of the Information Document, interim damages have been claimed in the total amount of about Euro 220 milion.

Although Fonsai considers that the legal actions brought by the Commissioner are well-founded, as at the Date of the Information Document it is not possible to forecast either the time required or the success or otherwise of such actions and, as a consequence, their possible impact on the economic and/or financial situation of Fonsai and the Company Resulting from the Merger.

With reference however, to the other operations complained of by Amber Capital not covered by the Commissioner's mandate (the "**Lesser operations**"), Fonsai's Board of Statutory Auditors, by its concluding report of 26 October 2012, invited the Board of Directors to conduct more-in-depth investigations in relation to some of these operations and, for others, to bring officer liability actions against directors of the Incorporating Company.

The Fonsai Board of Directors, with the support of technical and legal advisors, carried out analyses and assessments in relation to all such lesser operations. On the conclusion of such investigations, the Fonsai and Milano Assicurazioni Boards of Directors, together with those of subsidiary companies directly affected by the lesser operations, concluded that ex-directors, including de facto directors, and Statutory Auditors were liable, with the assessment of loss and damage suffered by Fonsai Group companies in the total amount of about Euro 32 million. The above Boards of Directors resolved to call their respective Ordinary General Meetings to resolve on the bringing of liability actions against the parties concerned for a variety of breaches committed in the ambit of some of the lesser operations[1], which had also been concluded, analogously to those examined by the Commissioner, with “Related Parties” traceable to the Ligresti family, causing loss and damage to Fonsai Group assets.

The persons with potential liability identified included members of the Ligresti family and the ex-executive directors together with members of the control bodies and Statutory Auditors on the basis of their breach of their duties of supervision and control. So far as the members of the Ligresti family were concerned, it is alleged that they exercised control over companies in the Fonsai Group in the pursuit of their personal interests at the expense of the companies concerned. It is also considered that their liability extended to the “unitary management” exercised illegitimately and to their factual interference with the administration of such companies.

Still in relation to the lesser operations referred to above, on 30 July 2013, the Ordinary General Meetings of the shareholders of Fonsai and Milano Assicurazioni, together with those of the other Fonsai Group companies affected by such operations, resolved to bring the liability actions pursuant to Articles 2392 and 2393 of the Italian Civil Code and, so far as necessary and possible, pursuant to Articles 2043 and 2497 of the Italian Civil Code against a number of ex-directors in fact and law of Fonsai and Milano Assicurazioni and, pursuant to Article 2407 of the Italian Civil Code, against members of the Board of Statutory Auditors.

The legal action relating to the Lesser Operations, forming the subject matter of Shareholders Meeting resolutions of 30 July 2013 has still not been undertaken and hence it is not possible either to estimate the impact, time required, procedures and/or outcome of such disputes, or the possible impacts on the economic and/or financial situation of Fonsai and the company resulting from the merger.

The above liability actions, both relating to the Operations and to the lesser operations, are concerned with prejudicial conduct of previous directors and Statutory Auditors of Fonsai and of the subsidiary companies it ascertained up to the Date of the Information Document. The possibility however, cannot be excluded that further circumstances relevant for the bringing of further liability actions will not emerge after the date of publication of the Information Document.

Furthermore, it should be noted that, by communications dated 11 December 2012 and 18 December 2012, Consob initiated two separate sets of administrative proceedings against members of the Boards of Statutory Auditors of Fonsai and Milano Assicurazioni, charging each of them, pursuant to Article 195, paragraph 1, of the Consolidated Financial Act, with numerous breaches of Article 149, paragraph 1, of the Consolidated Financial Act.

The charges refer for the most part, to the above-described operations and lesser operations.

Consob also charged the companies Fonsai and Milano Assicurazioni with the same breaches in that, pursuant to paragraph 9 of the same Article 195 of the Consolidated Financial Act, they are jointly and severally liable with the above-described parties, for the payment of any pecuniary administrative sanctions they may be required to pay. The same provision provides that the companies will be required to exercise their right of recovery against the liable parties.

At the Date of the Information Document, the proceedings referred to above have not come to a conclusion. Consob gave notice to Fonsai on 30 July 2013 and to Milano Assicurazioni on 5 September 2013 that it had begun the enquiry stage of the decision for both proceedings.

[1] So far as the other Lesser Operations analysed are concerned, it has emerged in effect, that there have been breaches of duty by a number of directors and Statutory Auditors (analogous to those described above) but, as matters stand at present, no resulting damage to the assets of Fonsai Group companies has been identified.

2. Information relating to the Merger

2.1 Brief description of the procedures and time limits applicable to the Operation

The operation illustrated in the Information Document consists in the merger by incorporation of Premafin, Unipol Assicurazioni and possibly Milano Assicurazioni, in Fonsai, executed pursuant to, and by effect of, Articles 2501 et seq. of the Italian Civil Code.

Since Premafin, Milano Assicurazioni and Fonsai are issuers of financial instruments listed in an Italian regulated market, the Merger will also be subject to the provisions of the Consolidated Financial Act and the Issuers' Regulations.

Furthermore, since Milano Assicurazioni, Fonsai and Unipol Assicurazioni are insurance companies, the merger will also be subject to the Code of Private Insurance and IVASS Regulations on Mergers. As a consequence, the operation has been submitted to IVASS for approval pursuant to, and by effect of, Articles 201 et seq. of the Code of Private Insurance and Articles 23 et seq. of the IVASS Regulations on Mergers, having been authorised by IVASS to such ends on 25 July 2013.

The registration of the Merger Plan with the competent Business Registers as required by Article 2501-ter, paragraph 3, of the Italian Civil Code was effected for Milano Assicurazioni on 6 August 2013 and for all the other Companies Participating in the Merger on 7 August 2013. On 24 September 2013 the above insurance companies filed the documentation required by Article 2501-septies of the Italian Civil Code.

The Company Resulting from the Merger will be called "UnipolSai Assicurazioni S.p.A." and will retain, even after the Merger, the corporate scope currently possessed by Fonsai.

The merger by incorporation of Milano Assicurazioni in Fonsai will also be submitted to the approval of Milano Assicurazioni's Special Shareholders' Meeting, to be held on 26, 28 and 29 October 2013, being the dates of the first, second and third call of the same respectively pursuant to Article 146, paragraph 1(b), of the Consolidated Financial Act and Article 2376 of the Italian Civil Code. Should the Special Shareholders' Meeting of Milano Assicurazioni fail to approve the merger of Milano Assicurazioni in Fonsai, the Merger of Premafin and Unipol Assicurazioni in Fonsai shall still proceed.

By effect of the Merger, Fonsai will incorporate its controlling company Premafin, possibly together with its subsidiary Milano Assicurazioni, companies which hold shares in the Incorporating Company. As a result of the Merger, the Incorporating Company will hold additional own shares pursuant to, and by effect of, Article 2357-bis, paragraph 1(3), of the Italian Civil Code. In order to avoid the situation leading to an increase in Fonsai's holding of its own shares as a consequence of the Merger, the Merger Plan provides, as a means for the assignment of the Incorporating Company's shares to be allocated on the basis of an exchange, that the shares held by the companies to be incorporated in the Incorporating Company will be assigned by way of exchange to the shareholders of the companies to be incorporated consequential to the Merger, without them ever being indicated as forming part of the Incorporating Company's assets as its own shares. As a consequence, the amount of Fonsai's share capital increase servicing the share swap will be net of the above assignments.

Once the total number of Fonsai shares to be assigned to the shareholders of the companies to be incorporated in the context of the merger has been calculated (in application of the rates of share exchange set out below), the exchanges will be made by the assignment:

- above all, all Fonsai shares which may be the property of the Incorporated Companies to be (to be redistributed to the shareholders of the Incorporated Companies as part of the exchange but without ever being identified as part of Fonsai's assets as its own shares), while
- for the remainder, the additional shares necessary to satisfy the rates of exchange will come from Fonsai's share capital increase to service the Merger.

Supported by their respective financial advisers, on 20 December 2012 the Boards of Directors of the Companies Participating in the Merger agreed the following rates of exchange:

- 0.050 Fondiaria-SAI ordinary shares for each Premafin ordinary share;
- 1.497 Fondiaria-SAI ordinary shares for each Unipol Assicurazioni ordinary share;

and, if Milano Assicurazioni participates in the Merger:

- 0.339 Fondiaria-SAI ordinary shares for each Milano Assicurazioni ordinary share;
- 0.549 Fondiaria-SAI "B" saving shares for each Milano Assicurazioni savings share.

From the above it is envisaged that Fonsai will issue the following to the service of the Merger: (aa) up to a maximum of 1,632,878,373 new ordinary shares, without the indication of the nominal value, and up to a maximum of 55,430,483 new category "B" savings shares without an indication of their nominal value, all with the regular related rights or (bb) if the Special General Meeting of Milano Assicurazioni does not approve the merger, up to a maximum of 1,392,668,836 new ordinary shares without an indication of their nominal value, all with regular related rights.

The issue of the new ordinary shares, and, as the case may be, Category "B" savings shares of Fonsai, will be effected in consideration of an increase in Fonsai's share capital of Euro 0.565 for each new share issued, up to a maximum share capital increase of Euro 953,894,503.64.

Contemporaneously with the completion of the Merger, the following steps will thus be taken:

- the annulment of all Premafin ordinary shares;
- the annulment of all Unipol Assicurazioni ordinary shares;
- the annulment of all Milano Assicurazioni ordinary and savings shares (if Milano Assicurazioni participates in the Merger);
- the annulment of all own shares that may be held by the Incorporated Companies;
- the annulment of any shares of the Incorporated Companies held by any of the other Incorporated Companies.

The Incorporating Company's shares to be assigned by way of exchange will be made available to the shareholders of Premafin, Unipol Assicurazioni and Milano Assicurazioni according to the procedure laid down for the allocation of shares under the dematerialised share system. As part of the procedure for the allocation of shares in the Incorporating Company, a service will be available for shareholders of the Incorporated Companies through an authorised broker, making it possible to round the number of new shares to which they are entitled in application of the Share Exchange Ratio, up or down to the nearest whole number, at market prices and without additional expenses, stamps or commission. In any case no cost will be charged to the shareholders for the share exchange operation.

There is no provision arising from the Merger of special treatment for special shareholder categories or for holders of securities different from shares of the Companies Participating in the Merger and there are not special benefits to the board directors of the companies participating in the merger.

The Articles of Association provisions of the Incorporating Company that will enter into force on the efficacy date under civil law of the Merger, will contain a series of additional amendments as compared with Fonsai's current Articles of Association, consisting, inter alia, of the following:

(aa) in the amendment of Articles 1 ("Name"), 2 ("Registered Office"), 5 ("Level of share capital"), 7 ("General Meetings of the Shareholders"), 9 ("Calling"), 10 ("Ordinary and Extraordinary General Meetings. Special General Meetings"), 12 ("Voting"), 13 ("Board of Directors"), 14 ("Company Offices"), 15 ("meetings of the Board of Directors"), 18 ("Executive Committee"), 19 ("Information to be provided to the Board of Directors and the Board of Statutory Auditors"), 24 ("Appointment and Remuneration"), 27 ("Division of Profits"), 29 ("Territorial Competence");

(bb) in the introduction of a new Article 5 ("Company Management"), with the consequential renumbering of the subsequent articles;

(cc) the introduction in Article 6 ("Level of share capital") – as renumbered following the introduction of the new article as described in the preceding paragraph (bb) – of the delegation pursuant to Article 2420-ter and 2443 of the Italian Civil Code to be granted to the directors of the Company Resulting from the Merger to resolve on the issue of the Convertible Loan (as defined below) and the corresponding increase in share capital; and

(dd) in the elimination of the current Article 8 ("Participation and Representation in the General Meeting") and the transfer of its contents to the reformulated Article 10 ("Participation and Representation in the General Meeting").

A number of amendments will be made which are merely formal in nature or for the purposes of co-ordination with respect to the amendments explained above.

2.1.1 Description of the Companies participating in the merger

INCORPORATING COMPANY

Fondiaria-SAI

Identifying elements

Fondiaria-SAI S.p.A. is a stockholding company formed under Italian law which has issued ordinary and savings shares listed on the MTA, authorized to the business of insurance pursuant to Ministerial Decree of November 26, 1984, published in the ordinary supplement No. 79 of the Official Gazette No. 357 of December 31, 1984, and registered under Section I of the Registry of Businesses maintained at IVASS under no. 1.00006. It is subject to the direction and co-ordination of UGF pursuant to Article 2497 et seq. of the Italian Civil Code. It is part of the Unipol Insurance Group, registered on the Registry of Insurance Groups under no. 046.

Fonsai has its Registered Office in Turin at Corso Galileo Galilei 12, and its registration number on the Turin Business Register, tax code and VAT registration number is 00818570012.

Company Objects

The company's objects will be the exercise, both in Italy and abroad, of all branches of insurance, re-insurance and capitalisation permitted by the law.

The company will also be able to manage forms of supplementary pensions pursuant to the law in force as subsequently amended and supplemented, it may initiate, constitute and manage open pension funds and carry out activities which are accessory or functional for the management of such funds.

It will be able to carry out commercial, industrial and financial operations together with those involving moveable and immoveable property, investment and disinvestment, concerned with the purposes described above.

It will likewise be entitled to provide suretyship and other guarantees in any form, to acquire interests and shareholdings in other businesses having objects analogous or akin to its own, assuming the representation or management of the same.

For the purposes of investment and within the limits laid down by the law, it may also acquire interests and shareholdings in businesses whose objects are different from its own.

The Company is part of the Unipol Insurance Group. In this capacity it is required to observe the indications given by the parent company in the exercise of the activities of direction and co-ordination to implement the provisions of the Insurance Supervisory Authority in the interests of a stable and efficient management of the Unipol Group. The Directors of the company provide the parent company with all data and information necessary to the issue of instructions.

Company share capital

At the Date of the Information Document, Fonsai's share capital is equal to Euro 1,194,572,973.80, fully paid-up, divided into a total of 1,243,605,430 shares without an indication of their nominal value of which 920,565,922 are ordinary shares, 1,276,836 are Category "A" savings shares and 321,762,672 are Category "B" savings shares.

Euro 778,007,408.75 of the share capital is allocated for Damages insurance while Euro 416,565,565.05 is allocated for the management relating to Life insurance.

At the Date of the Information Document Fonsai held 32,000 of its own shares, amounting to 0.0034% of its ordinary share capital.

Description of its Business Activities

Fonsai is a multi-division insurance business which operates in Life and Non-life sectors, both directly and indirectly and through bancassurance agreements together with bank assurance agreements with Italian banks, offering a very wide range of insurance and financial-insurance products.

Created on 31 December 2002 from the incorporation of "La Fondiaria Assicurazioni S.p.A." into "Sai - Società Assicuratrice Industriale S.p.A.", Fonsai is the leading Italian insurance company in the Motor Class sectors and has a position of great importance in the damages sector (at a group level Fonsai is the second largest operator in the damages sector – Source: Premi del lavoro diretto italiano 2012, 2013 Edition – April 2013). Fonsai operates in Italy with about 1,150 agencies, distributed through the SAI and Fondiaria divisions, offering its customers a complete range of retail and corporate insurance solutions in the Life and Non-life sectors. Fonsai heads a complex group which brings together traditional insurance management, financial and banking activities combined with residual interests in a series of shareholdings in the real estate and other sectors (agriculture, health and hotels).

Fonsai offers a complete and up-to-date range of insurance products for protection in all risk sectors, for savings and for supplementary pensions. The Fonsai Group also offers legal protection products, leasing services for businesses and professionals and personal consumer credit provided by Fonsai group companies specialising in diversified activities.

The Fonsai Group operates in the following sectors in particular:

(i) non-life business: is the Fonsai Group's historical sector, carrying out its business in the damages business for the most part through the Fonsai multi-division companies Milano Assicurazioni, DDOR Novi Sad Ado and the companies specialising in a particular channel or division, Dialogo Assicurazioni S.p.A., Liguria Società di Assicurazioni S.p.A. and SIAT – Società Italiana Assicurazioni e Riassicurazioni per Azioni and for the bank assurance business developed in the damages divisions through a Joint Venture agreement (Incontra Assicurazioni S.p.A.) initiated by Fonsai with Capitalia S.p.A. (today the UniCredit Group);

(ii) life insurance: with its Life Class insurance division business being carried out through the multi-division companies Fonsai and Milano Assicurazioni, together with the specialised company Liguria Vita S.p.A. The bank assurance business has been developed in the life division both through the partnership agreement between the Fonsai Group and the Banco Popolare Group by means of the special Purpose vehicle Popolare Vita S.p.A., and through the partnership agreement between the Fonsai Group and Banca Intermobiliare S.p.A. by means of the special purpose vehicle BIM Vita S.p.A.;

(iii) other activities: with particular reference to the banking and financial sector, the Fonsai Group, through BancaSai S.p.A., has concentrated on traditional banking activities, portfolio management services and other services such as personal consumer credit, provided through the subsidiary Finitalia S.p.A. Furthermore, the other activities sector includes the companies in Fondiaria SAI Group operating in the hotel and health fields as well as in diversified branches with regard to insurance or real estate.

(iv) real estate: The Fonsai Group also carries out real estate activities, for the most part through Immobiliare Lombarda S.p.A., Immobiliare Fondiaria SAI S.r.l. and Immobiliare Milano Assicurazioni S.r.l. together with other smaller companies. Finally, it owns almost all units of the closed real estate funds Tikal R.E. Fund and Athens R.E. Fund, set up and managed by the subsidiary SAI Investimenti SGR S.p.A.

Composition of the Company Bodies

Board of Directors

The Fonsai Board of Directors was appointed by the General Meeting of 29 April 2013 for the three accounting periods 2013, 2014 and 2015 and thus up to the General Meeting for the approval of the 2015 financial statements. The members of the Board are as follows:

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

Executive Committee and other committees

The Board of Directors has appointed an Executive Committee from its members together with a number of other committees with the role of providing advice and proposals to the Board of Directors. The resolutions passed by the advisory committees are not binding on the Board of Directors.

(a) Executive Committee

Pursuant to Article 18 of the Articles of Association, the Board of Directors has granted the Executive Committee, currently made up of three members, advisory functions with the task of collaborating in the identification of development policies and guidelines for the strategic and operational plans to be submitted to the Board of Directors.

The Board of Directors has also granted the Executive Committee specific powers which must in any case be exercised in observance of the pre-set value limits.

The Executive Committee is made up of the following members:

Name	Position
Fabio Cerchiai	Chairman
Pierluigi Stefanini	Vice Chairman
Carlo Cimbri	Managing Director

(b) Advisory committee

The advisory committees consist of the Remuneration Committee and the Control and Risks Committee.

In particular:

- *The remuneration committee*: the meeting of the Board of Directors of 8 May 2013 appointed the following as members of the remuneration committee, the directors Francesco Vella (Chairman), Giorgio Ghiglieno and Maria Rosaria Maugeri, all independent. Whereas the membership of the remuneration committee complies with the Operations with Related Parties Regulations, the Remuneration Committee identifies with the Committee of Independent Directors, that shall express a prior, reasoned, opinion on resolutions (differing from that approved by the General Meeting or the Board of Directors in the context of a total amount decided in advance by the General Meeting) in the field of the remuneration of the board of directors of the Company including any positions occupied or carried out in subsidiary companies, where such remuneration, although satisfying the related requirements, does not comply with the remuneration policy approved by the General Meeting.
- *Control and risks committee*: the Meeting of the Board of Directors of 8 May 2013 appointed the following as members of the Control and Risks Committee: the Directors Massimo Masotti (Chairman), Maria Lillà Montagnani and Nicla Picchi, all independent. The Control and Risks Committee identifies with the Independent Directors' Committee, that shall provide its prior, reasoned opinion to be submitted to the Board of Directors for the operations with related parties of so-called "lesser importance" as defined in the Operations with Related Parties Regulation.

Manager responsible for the drafting of accounting documents

The manager with responsibility for accounting and company documentation is Massimo Dalfelli.

Board of Statutory Auditors

The Board of Statutory Auditors, appointed by the General Meeting of the Shareholders of 24 April 2012, will continue to hold office up to the General Meeting convened to approve the Financial Statements relating to the accounting period closing on 31 December 2014, and is made up of the following persons:

Name	Position
Giuseppe Angiolini	Chairman
Antonino D'Ambrosio	Permanent member
Giorgio Loli	Permanent member
Sergio Lamonica	Supplementary member
Maria Luisa Mosconi	Supplementary member
Giovanni Rizzardi	Supplementary member

Auditing company

Fonsai's General Meeting of 30 July 2013 resolved to appoint the Auditing Company PricewaterhouseCoopers S.p.A. with its Registered Office in Milan at Via Monte Rosa 91, as the legal auditor of the accounts for the accounting periods 2013-2021.

Incorporated Companies

Premafin

Identifying elements

Premafin Finanziaria Società per Azioni - Holding di Partecipazioni S.p.A. is a stockholding company formed under Italian law, with shares issued and listed on the MTA, is subject to the activities of direction and co-ordination by UGF, pursuant to Articles 2497 et seq. of the Italian Civil Code, forming part of the Unipol Insurance Group, registered on the Registry of Insurance Groups under no. 046.

Premafin has its Registered Office in Bologna at Via Stalingrado 37, and its registration number at the Bologna Business Register and its tax code is 07416030588 and its VAT registration number 01770971008.

Company Objects

The Company has as its objects, the exercise, but not in dealings with the general public, of the activity of the acquisition of shareholdings in businesses, companies, bodies, consortia and associations both in Italy and abroad, the financing and technical and financial co-ordination of the same, the sale-purchase, exchange and the holding of private and public securities; the promotion and development of real estate activities including building development generally, the construction, sale-purchase, exchange, division into lots, the licensing and management, renting, leasing, and the taking on lease of real estate, works and maintenance plant. The Company will be able to acquire and conserve tangible and intangible assets in its own interests and in those of its invested companies. It will, in any case, be able to carry out all actions and operations and initiate all relations considered useful or necessary for the achievement of its Company Objects in such form and with such procedures as are recognised the most convenient by the Administrative body both in Italy and abroad. The Company will be entitled to provide suretyship and other guarantees in the interests of its invested companies whether the same are subsidiary or associated companies.

The Company cannot take on the functions of co-ordination and direction laid down by current law, against controlled insurance businesses or against businesses controlled by the latter.

The Company is part of the Unipol Insurance Group. In this capacity it is required to observe the indications UGF adopts in the exercise of the activities of direction and co-ordination for the implementation of the instructions imparted by the Insurance Supervisory Authority in the interests of a stable and efficient management of the Unipol Insurance Group. The Directors provide the Group Holding Company with all data and information for the issue of instructions.

Company share capital

At the Date of the Information Document Premafin's share capital is equal to Euro 480,982,831.02, fully paid-up, divided into 2,151,580,097 ordinary shares without indication of their nominal value, of which 1,741,239,877 are not quoted.

At the Date of the Information Document Premafin did not hold any of its own shares while it did hold 302,437,718 ordinary shares of the Incorporating Company.

Description of its Business Activities

Premafin operates as a share holding company. After having held important shareholdings and assets in the real estate sector, over recent years it has concentrated for the most part on the insurance sector with the shareholding in the share capital of Fonsai (with its direct holding in the ordinary share capital of 32.853% and its indirect holding of 4.177% through Finadin) and in Milano Assicurazioni (with its indirect holding in the latter company's ordinary share capital of 63.764%), continuing to carry out, through its direct and indirect subsidiaries, activities of real estate promotion and development.

Composition of the Company Bodies

Board of Directors

Premafin's Board of Directors was appointed by the General Meeting of the Shareholders of 18 September 2012 and was integrated on 13 November 2012 by the co-opting of three non-executive directors as replacements for the same number of directors who had resigned. The membership of the Board was further altered at the General Meeting of the Shareholders held on 30 April 2013, such directors to remain in office up to the date of the General Meeting convened for the approval of the financial statements relating to the accounting period closing on 31 December 2014.

The members of the Board are as follows:

Name	Position
Pierluigi Stefanini	Chairman
Piero Collina	Vice Chairman
Roberto Giay	Managing Director
Giovanni Antonelli	Director
Rino Baroncini	Director
Maurizio Castellina	Director
Carlo Cimbri	Director
Silvia Cipollina	Director
Ernesto Dalle Rive	Director
Silvia Frigo	Director
Marco Pedroni	Director
Luciana Ravicini	Director
Luigi Reale	Director

Advisory Committees for the Board of Directors

The advisory committees are the remuneration committee and the Control and Risks Committee.

In particular:

- *The remuneration committee*: is made up of three independent non-executive directors: Luigi Reale (Chairman), Silvia Cipollina and Silvia Frigo. Providing the membership of the remuneration committee complies with the Operations with Related Parties Regulations, it is also identified as the committee of independent directors that shall express its prior, reasoned opinion on resolutions (differing from those passed by the General Meeting or by the Board of Directors in the context of a total amount decided in advance by the General Meeting) in the matter of the remuneration of directors of the Company when such remuneration, satisfying the related requirements, does not comply with the remuneration policies approved by the General Meeting.

- *Control and risks committee*: is made up of three independent non-executive directors: Silvia Cipollina (Chairman), Silvia Frigo and Luciana Ravicini. The Control and Risks Committee is also identified as the Independent Directors' Committee that shall provide its prior, reasoned opinion to be submitted to the Board of Directors for the operations with related parties of so-called “lesser importance” as defined in the Operations with Related Parties Regulations.

Manager responsible for the drafting of accounting documents

The manager with responsibility for the drafting of accounting and company documents is Giuseppe Nassi.

Board of Statutory Auditors

The Board of Statutory Auditors was appointed by the General Meeting of 2 May 2011, integrated with other members by the General Meeting of 18 September 2012. It will remain in office up to the approval of the Financial Statements for the 2013 accounting period. Its members are the following:

Name	Position
Vittorio De Cesare	Chairman
Antonino D’Ambrosio	Permanent member
Domenico Livio Trombone	Permanent member
Stefano Conticello	Supplementary member
Alessandra Trigiani	Supplementary member

Auditing company

Premafin’s General Meeting held on 30 July 2013 decided to appoint the Auditing Company PricewaterhouseCoopers with its Registered Office in Milan at Via Monte Rosa 91, as the legal auditors of the accounts for the 2013-2021 accounting periods.

Unipol Assicurazioni

Identifying elements

Unipol Assicurazioni S.p.A. is a company with sole shareholder subject to activities of direction and co-ordination by UGF pursuant to Articles 2497 et seq. of the Italian Civil Code. It is part of the Unipol Insurance Group - registered on the Registry of Insurance Groups under no. 046.

It is authorised to carry out the business of insurance pursuant to the IVASS decree no. 2542 of 3 August 2007 (Official Gazette no. 195 of 23 August 2007) and is registered in Section I of the IVASS Registry of Businesses under no. 1.00159.

Unipol Assicurazioni has its Registered Office in Bologna at Via Stalingrado 45 and its registration number at the Bologna Business Register, tax code and VAT registration number is 02705901201.

Unipol Assicurazioni’s shares are not listed.

Company Objects

The Company’s Objects are the exercise, both in Italy and abroad, of all branches of insurance, re-insurance and capitalisation permitted by the law.

The Company will also be able to manage forms of supplementary pensions pursuant to the law in force as subsequently amended and supplemented, it may initiate, constitute and manage open pension funds pursuant to Legislative Decree 21 April 1993, no. 124, as subsequently amended and supplemented and to Legislative Decree 5 December 2005, no. 252 as subsequently amended and supplemented.

Within the limits of the above activities and providing always that the same is permitted under the legislation in force governing the exercise of insurance business, the Company will be able, including through shareholdings in other companies, to carry out all operations involving moveable and immoveable property together with all financial operations considered necessary or useful for the achievement of the Company Objects. It may also acquire, whether directly or indirectly, shareholdings in other companies with particular regard for insurance and/or re-insurance businesses, provide loans including the provision of collateral or personal security including, for example, suretyship and guarantees for the benefit of group companies or third parties. Finally, it will be able to take on, in any form, the representation of other Italian and foreign insurance businesses.

The Company is part of the Unipol Insurance Group. In this capacity it is required to observe the indications given by the parent company in the exercise of the activities of direction and co-ordination to implement the provisions of the Insurance Supervisory Authority in the interests of a stable and efficient management of the Unipol Group. The Directors of the company provide the parent company with all data and information necessary to the issue of instructions.

Company share capital

At the Date of the Information Document Unipol Assicurazioni's share capital to equal Euro 259,056,000.00 divided into 259,056,000 registered ordinary shares each with a nominal value of Euro 1.00.

Euro 113,766,000.00 of the share capital is allocated to Non-life insurance and re-insurance business while Euro 145,290,000.00 is allocated for the Life insurance and re-insurance business.

On 8 August 2013 the Company's Extraordinary General Meeting resolved on an increase in the Company's share capital with the ingress of new divisible funds, of a total maximum amount of Euro 600 million, without share premium, to be paid in cash by the issue of new ordinary shares each with a nominal value of Euro 1.00, with related ordinary rights , to be offered in option pursuant to Article 2441 of the Italian Civil Code to the sole shareholder UGF, and to be effected on one or more occasions by the final time limit of 30 June 2014.

The completion of the above increase in share capital by Unipol Assicurazioni is intended to strengthen the asset-base of the Incorporating Company following the merger given the development programmes and with a view of maintaining stable and appropriate asset levels as laid down by the law in force, but it is in any case subject to (i) the adoption of resolutions required for the definitive approval of the merger by the competent company bodies of each of the companies participating in the merger in accordance with the provisions of the Merger Plan and (ii) the absence of opposition from company creditors within the time limits laid down by Article 2503 of the Italian Civil Code or the overcoming of such opposition in accordance with the procedures described therein. In more detail, the aforementioned capital increase for Unipol Assicurazioni will be implemented once the aforementioned conditions precedent have taken place, and in any event, before the execution of the deed of Merger pursuant to Art. 2504 of the Civil Code.

At the Date of the Information Document Unipol Assicurazioni did not hold any of its own shares or shares of other companies participating in the merger.

Description of its Business Activities

Unipol Assicurazioni's main business activities are concentrated in the insurance sectors, particularly in the damages and life sectors and supplementary pensions, particularly in the setting up and management of open and contract pension funds. Unipol Assicurazioni uses a network for the distribution of its insurance products which, as at 30 June 2013, was made up of 1,402 agencies in which there were 2,355 operating agents and 3,669 sub-agency points of sale. Unipol Assicurazioni also places its life products with the use of the bank offices of Unipol Banca and through the network of financial promoters of Simgest S.p.A. and Credit Suisse Italy S.p.A.

Composition of the company bodies

Board of Directors

Unipol Assicurazioni's Board of Directors was appointed by the General Meeting of the Shareholders of 24 April 2013 and will remain in office for the three-year period 2013, 2014 and 2015 up to the date of the General Meeting convened for the approval of the Financial Statements relating to the 2015 accounting period. The membership of the Board is made up of the following persons:

Name	Position
Vanes Galanti	Chairman
Francesco Berardini	Vice Chairman
Carlo Cimbri	Managing Director
Maurizio Castellina	Director
Piero Collina	Director
Ernesto Dalle Rive	Director
Fabrizio Davoli	Director
Vincenzo Ferrari	Director
Roberto Giay	Director
Enrico Migliavacca	Director
Marco Minella	Director
Giovanni Monti	Director
Luigi Passuti	Director
Marco Pedroni	Director
Pierluigi Stefanini	Director

Board of Statutory Auditors

The Board of Statutory Auditors was appointed by the Ordinary General Meeting of 24 April 2013 and, pursuant to law, will remain in office for the three-year period 2013, 2014 and 2015 up to the date of the General Meeting called to approve the Financial Statements relating to the 2015 accounting period. Its membership is as follows:

Name	Position
Domenico Livio Trombone	Chairman
Piero Aicardi	Permanent member
Carlo Cassamagnaghi	Permanent member
Laura Bianchi	Supplementary member
Roberto Chiusoli	Supplementary member

Auditing Company

Unipol Assicurazioni’s Ordinary General Meeting held on 26 April 2012 resolved to appoint the Auditing Company PricewaterhouseCoopers S.p.A. with its Registered Office in Milan at Via Monte Rosa 91, as the company’s legal auditor of accounts for the accounting periods 2012 – 2020.

Milano Assicurazioni

Identifying elements

Milano Assicurazioni S.p.A. is a stockholding company formed under Italian law which has issued ordinary and savings shares listed on the MTA. It is subject to the activities of direction and co-ordination of UGF, pursuant to Articles 2497 et seq. of the Italian Civil Code. It is part of the Unipol Insurance Group, registered with the Registry of Insurance groups under no. 046.

Milano Assicurazioni is authorised to exercise insurance business activities pursuant to Ministerial Decree of 26 November 1984 published in the Ordinary Supplement no. 79 of the Official Gazette no. 357 of 31 December 1984 and registered in Section I of the Registry of Businesses maintained at IVASS under no. 1.00010. I of the Registry of Businesses maintained at IVASS under no. 1.00010.

Milano Assicurazioni has its Registered Office in Milan at via Senigallia 18/2 and its registration number at the Milan Business Register, tax code and VAT registration number is 00957670151.

Company Objects

The Company's Objects both for Italy and abroad are the following:

- The exercise of the business of insurance on human life in its various forms and combinations including capitalisation, returns on life interests and any other insurance complimentary or relevant to life insurance;
- The exercise of any insurance different from the above;
- The exercise of re-insurance of any kind;
- The management of all forms of supplementary pensions under the current legislation together with the setting up of open pension funds and the conduct of activities accessory, or functional, to the management of pension funds;
- The acquisition of shareholdings or the representation of companies and offices operating exclusively, principally or in a secondary manner in the insurance or re-insurance field;
- The management, whether or not reciprocally, of one or more sectors or services for third parties;
- The conduct of any other operation and the acquisition of any other shareholding which is considered useful or appropriate for the Company Objects.

The Company is part of the Unipol Insurance Group. In this capacity it is required to observe the indications given by the parent company in the exercise of the activities of direction and co-ordination to implement the provisions of the Insurance Supervisory Authority in the interests of a stable and efficient management of the Unipol Group. The Directors of the company provide the parent company with all data and information necessary to the issue of instructions.

Company share capital

At the Date of the Information Document Milano Assicurazioni's share capital is equal to Euro 373,682,600.42 divided into a total number of 1,944,800,842 shares without an indication of their nominal value of which 1,842,334,571 were ordinary shares and 102,466,271 were savings shares.

Euro 335,596,286.47 of the share capital is allocated for Non-life insurance business and Euro 38,086,313.95 is allocated to Life insurance business.

At the Date of the Information Document Milano Assicurazioni holds (i) 6,764,860 of its own ordinary shares, equal to 0.367% of the ordinary social capital, and (ii) 99,825 ordinary shares of the Incorporating Company, equal to 0.011% of the ordinary social capital of the latter.

Description of its Business Activities

Milano Assicurazioni is a first rank operator in the Italian insurance market, directly and indirectly active in the non life and life insurance sectors, particularly through Liguria Assicurazioni S.p.A., Dialogo Assicurazioni S.p.A. and Systema Compagnia di Assicurazioni S.p.A., with consolidated annual premiums amounting of more than Euro 3,600 million and a sales network of more than 2,000 broking agencies operating throughout Italy.

The Milano Assicurazioni Group also operates in the real estate sector, principally through the real estate companies Milano Assicurazioni S.r.l., Sintesi Seconda S.r.l. and Campo Carlo Magno S.p.A. It also holds all the units in the closed real estate fund Athens R.E. Fund set up and managed by its invested company SAI Investimenti SGR S.p.A. It operates in the other activities sector through the company Sogeint S.r.l. Milano Assicurazioni offers a complete and up-to-date range of insurance products for protection in all risk sectors, for savings and for supplementary pensions.

Composition of the Company Bodies

Board of Directors

Milano Assicurazioni's Board of Directors was appointed by the General Meeting of the Shareholders of 29 April 2013 for the 2013, 2014 and 2015 accounting periods, and thus, until the approbation of the 2015 financial statements.

The members of the Board are as follows:

Name	Position
Fabio Cerchiai	Chairman
Pierluigi Stefanini	Vice Chairman
Carlo Cimbri	Managing Director
Carla Angela	Director
Gianluca Brancadoro	Director
Cristina De Benetti	Director
Daniele Ferrè	Director
Germana Ravaioli	Director
Antonio Rizzi	Director

Executive Committee and other committees

The Board of Directors has appointed an executive committee from its members together with a number of other committees with the role of providing advice and proposals to the Board of Directors. The resolutions convened by the advisory committees are not binding for the Board of Directors.

(a) Executive committee

Pursuant to Article 18 of the Company's Articles of Association, the Board of Directors has granted the executive committee, currently made up of three members, advisory functions together with the task of collaborating in the identification of development policies and guidelines for the strategic and operational plans to submit to the Board of Directors.

The Board of Directors has also granted specific powers to the executive committee in any case to be exercised within the pre-set value limits imposed.

The executive committee has the following members who, under the company's Articles of Association, are entitled to be members by virtue of the positions held in the company:

Name	Position
Fabio Cerchiai	Chairman
Pierluigi Stefanini	Vice Chairman
Carlo Cimbri	Managing Director

(b) Advisory committees

The Advisory Committees consist of the Remuneration Committee and the Control and Risks Committee. In particular:

- *Remuneration committee*: the meeting of the Board of Directors of 8 May 2013 appointed the following as members of the Remuneration Committee: directors Gianluca Brancadoro (Chairman), Carla Angela and Cristina De Benetti, all independent. Providing the membership of the Remuneration Committee complies with the provisions of the Operations with Related Parties Regulations, it is also identified as the Committee of Independent Directors that shall express its prior, reasoned opinion on resolutions (differing from that approved by the General Meeting or the Board of Directors in the context of an overall amount decided in advance by the General Meeting) in the matter of the remuneration of directors of the Company including with reference to any appointments held or carried out in subsidiary companies whenever such remuneration, satisfying the requirements in that regard, does not comply with the remuneration policies approved by the General Meeting.
- *Control and Risks Committee:* the meeting of the Board of Directors of 8 May 2013 appointed the following as members of the Control and Risks Committee: Directors Antonio Rizzi (Chairman), Carla Angela and Cristina De Benetti, all independent. The Control and Risks Committee has also been identified as the Committee of Independent Directors that shall express its prior, reasoned opinion to submit to the Board of Directors for the operations described as being of so-called "lesser importance" with related parties as defined by the Operations with Related Parties Regulations.

Manager responsible for the drafting of accounting documents

The manager with responsibility for accounting and company documentation is Dr Massimo Dalfelli.

Board of Statutory Auditors

The Board of Statutory Auditors was appointed by the General Meeting on 10 July 2012 and, pursuant to law, will remain in office up to the approval of the Financial Statements of the 2014 accounting period. The members of the Board are as follows:

Name	Position
Giuseppe Angiolini	Chairman
Antonino D'Ambrosio	Permanent member
Giorgio Loli	Permanent member
Francesco Bavagnoli	Supplementary member
Claudio De Re	Supplementary member
Michela Zeme	Supplementary member

Auditing Company

The Ordinary General Meeting of Milano Assicurazioni held on 30 July 2013 resolved to appoint the Auditing Company PricewaterhouseCoopers S.p.A. with its Registered Office in Milan at Via Monte Rosa 91, as the legal auditor of the accounts for the accounting periods 2013-2021.

2.1.2 Procedures, terms and conditions of the Merger

Premise

The Merger is an integral part of a broader Project of Integration by Merger, as defined below, which, on the Date of this Information Document, has essentially been composed along the following corporate, regulatory and market lines.

On 29 January 2012, UGF and Premafin concluded the Investment Agreement, which was integrated with additional agreements made by correspondence between the parties on 22-25 June 2012 (hereinafter the "Supplementary Agreements"), the object of which were the reciprocal commitments assumed with regard to the realization of the Project of Integration by Merger by between Fondiaria-SAI, Unipol Assicurazioni, Premafin and, eventually, for the reasons indicated further down, Milano Assicurazioni, with the objective of protecting the current and future solvency of Premafin and Fondiaria-SAI and concurrently creating a major domestic operator in the insurance sector, able to effectively compete with the major domestic and European competitors and generate value for the shareholders of all the companies involved.

Initial phases of the Project of Integration by Merger

As part of the Project of Integration by Merger– implementing the Investment Agreement- the following major activities have begun, all of which should be considered as essential and inseparable phases of the Project of Integration by Merger.

- approval by the extraordinary shareholders meeting of Fonsai of the Fonsai Capital Increase in an amount of Euro 1100 million, in order to strengthen its own equity, pursuant to the requirements made by IVASS, with decision issued on 10 January 2012;
- approval by the extraordinary shareholders' meeting of UGF of a share capital increase of Euro 1,100 million, in order to provide UGF with the necessary resources (i) to subscribe the Premafin Capital Increase and (ii) to provide Unipol Assicurazioni with the financial and capital resources required to contribute, within the framework of the merger, in the strengthening of Fonsai's equity;
- the setting up by Premafin of the Restructuring Plan concerning its own debts pursuant to article 67, paragraph three, letter d) of the Bankruptcy Law and consequently, the recapitalization of Premafin through the Share Capital Increase reserved for UGF.
- the use by Premafin of the financial resources deriving from the Premafin Capital Increase in order to allow for the complete subscription by the same and by its subsidiary Finadin S.p.A. Finanziaria di Investimenti ("**Finadin**"), in the percentages pertaining to each company, of the Fonsai Share Capital Increase;
- the Merger of Unipol Assicurazioni and Premafin into Fonsai, which is to be considered an essential and inalienable part of the Project of Integration by Merger, in which Milano Assicurazioni has also been invited to participate.

The Merger therefore constitutes an integral part of the broader Project of Integration by Merger within the context of which:

- in the months of May, June and July 2012, UGF obtained:

  (i) from the competent authorities (AGCM, IVASS, Banca d'Italia, foreign supervisory authorities) the exemptions and authorizations required for the acquisition of the direct control of Premafin and therefore the indirect control over Fonsai and Milano Assicurazioni; and

  (ii) from Consob the exemptions from the mandatory launching of the takeover bid pursuant to article 106, paragraph five of the Consolidated Financial Act and articles 45 and 49 of the Issuers' Regulation;
- on 19 July 2012, UGF subscribed and paid a total of 1,741,239,877 ordinary shares of Premafin -issued against the Premafin Capital Increase decided upon by Premafin's extraordinary shareholders meeting held on 12 June 2012– and, through this, UGF acquired direct control over Premafin and therefore indirect control over Fonsai and Milano Assicurazioni;

- on 13 September 2012, the execution of the Fonsai Capital Increase which had been decided by Fonsai's extraordinary shareholders meeting held on 27 June 2012 took place with the complete subscription of 916,895,448 ordinary Fonsai shares and of 321,762,672 Category "B" Fonsai savings shares which were all offered as an option to Fonsai shareholders;
- on 14 November 2012, UGF initiated the direction and coordination activity pursuant to article 2497 et seq. of the Italian Civil Code over Premafin, Fonsai and Milano Assicurazioni;
- on 20 December 2012, (i) the Boards of Directors of the Companies Participating in the Merger approved, following the favourable opinion of their respective independent directors committees, the Merger Plan and the supporting documentation, and (ii) the Board of Directors of UGF disclosed the economic terms of the Merger and expressed its own favourable opinion on the interests of UGF and its shareholders to carry out the operation as well as regarding the convenience and correctness of the transactions conditions;
- on 27 December 2012, UGF and each of the companies participating in the Merger published an information document related to operations of greater relevance with related parties, prepared pursuant to article 5 of the Related Parties Transactions Regulation (the "**Related Parties Document**");
- on 28 January 2013, the Companies Participating in the Merger deposited the Merger Plan to their respective registered offices and published in their company's web sites;
- on 25 July 2013, with its regulation no. 51-13-000148, IVASS gave its own authorization to the Merger pursuant to articles 201 et seq. of the Code of Private Insurance and 23 et seq. of the IVASS Regulation Concerning Mergers, ascertaining that the requirements for the issuing of the provision were fulfilled, whether Milano Assicurazioni participated in the Merger or not, considering the prudent management and possession of the assets for coverage of the technical provisions and the solvency margin of the Company Resulting from the Merger;
- in the first 10 days of August 2013, the Companies Participating in the Merger submitted the Merger Plan to the competent Business Registries; the relative registrations took place on 6 August 2013 for Milano Assicurazioni and on 7 August 2013 for all the other Companies Participating in the Merger;
- on 23 September 2013, Reconta Ernst & Young, in its capacity as the common expert appointed by the Court of Turin with its provision issued on 7 December 2012, issued its report on the congruence of the Share Exchange Ratio set pursuant to article 2501-sexies of the Italian Civil Code;
- on 24 September 2013 the Companies Participating in the Merger published their notices of convocation of the Extraordinary Shareholders' Meetings and the Special Shareholders' Meeting of Milano Assicurazioni, and – with regard to Premafin and Milano Assicurazioni-concurrently disclosed the value of the liquidation of the shares eventually subject to withdrawn pursuant to article 2437-ter, paragraph 5, of the Civil Code;
- on 24 September 2013, the Companies Participating in the Merger submitted the documents indicated under article 2501-septies of the Italian Civil Code to their respective registered offices.

The Project of Integration by Merger expects UGF to undersign and pay a capital increase for Unipol Assicurazioni for a total of Euro 600 million, before the date of execution of the deed of Merger. To this end, on 8 August 2013, the extraordinary shareholders' meeting of Unipol Assicurazioni convened to increase the share capital against payment, by Euro 600 million, to be achieved through the issuing of ordinary shares with a nominal value of Euro 1.00, equal to the nominal unit value, with ordinary rights, to be assigned as an option to the sole shareholder UGF. The completion of the above increase in share capital by Unipol Assicurazioni is intended to strengthen the asset-base of the Incorporating Company following the merger given the development programmes and with a view to maintaining the stable and appropriate asset levels as laid down by the law in force, but it is in any case subject to (i) to the definitive approval of the Merger by the competent company bodies of each of the companies participating in the Merger in accordance with the provisions of the Merger Plan and (ii) the absence of opposition from company creditors within the time limits laid down by Article 2503 of the Italian Civil Code or the overcoming of such opposition in accordance with the procedures described therein. More particularly, we will carry out the aforementioned Share Capital Increase of Unipol Assicurazioni once the aforementioned conditions precedent are fulfilled and in any case prior to the conclusion of the deed of Merger pursuant to article 2504 of the Italian Civil Code.

Restructuring Plan and Merger

As part of the Investment Agreement concluded between Premafin and UGF on 29 January 2012, in consideration of the requirements for the financial balancing and equity strengthening of Premafin on 30 March 2012 and 17 May 2012, the Board of Directors of Premafin approved the Restructuring Plan prepared with the assistance of its financial advisor Leonardo & Co. S.p.A., the soundness of which was ascertained, on 16 April 2012 and 18 May 2012, pursuant to the law, by the expert Mr. Ezio Maria Simonelli, assisted by professor Stefano Caselli.

In addition to providing for the recapitalization of the company through the Premafin Capital Increase, the Restructuring Plan aimed at achieving the subscription, both direct and indirect, through the subsidiary Finadin S.p.A. Finanziaria di Investimenti, with the portion of the Fonsai Capital Increase pertaining to it, also redefines the terms and conditions of the company's financial indebtedness, resulting from the syndicated loan originally concluded on 22 December 2004 as subsequently amended (the "**Syndicated Loan**") and the equity swap contract originally concluded on 15 October 2008 (the "**Equity Swap**") in order to allow the restructuring of the debt exposure and the economic and financial rebalancing of Premafin.

In implementation of the provisions contained within the Restructuring Plan, Premafin and its own Financing Banks concluded an agreement on 13 June 2012 aimed at restructuring the Syndicated Loan, in addition to the terms and conditions of its increase deriving from the early termination of the existing Equity Swap with UniCredit S.p.A., through the withdrawal of the underlying, equal to approximately 1% of the ordinary share capital of Fonsai-prior to the Fonsai Capital Increase-and simultaneously assuming the relative debt from UniCredit S.p.A. (the "**Restructuring Agreement**").

The Restructuring Plan is composed of two consecutive phases, the first of which (*i.e.* Phase 1) substantially relies on the execution of Premafin Capital Increase and the second (*i.e.* Phase 2) substantially relies on the completion of the Merger.

Phase 1

Pursuant to the Restructuring Plan, upon completion of Phase 1, the Restructuring Agreement provides for the entry into effect of:

(i) the amended pre-merger loan contract, which restructures the debt from the Syndicated Loan and the early extinction of the Equity Swap, for an amount equal to approximately Euro 368 million plus interest accrued from the last payment, postponing, among other things, the maturity to 31 December 2020 (the "Amended Pre-Merger Loan Contract");

(ii) the new act confirming the pledge of 116,067,007 ordinary Fonsai shares prior to the 2012 regrouping, with extinction of the previous merger mechanism of integration or reduction of the pledge (the "New Deed Confirming The Pledge");

The Amended Pre-Merger Loan Contract, the maturity of which is set forth to 31 December 2020 and the remuneration of which is equal to (a) the Euribor rate plus 75 basis points to be paid on a biannual basis and (b) the Euribor rate plus 25 basis points, payable upon maturity (the PIK interests) – provides for a series of commitments, among which the most significant are:

- maintaining the relation between the net financial indebtedness, minus the infragroup loans allowed pursuant to the loan contract, and the shareholders' equity calculated on statutory data (the "Financial Ratio") no higher than 1.20 plus a negative deviation of 10% which is allowed;
- maintenance of a Adjusted Solvency Margin for Premafin higher than the threshold of 100%;
- maintenance of a shareholding of at least 30% of the voting capital of Fonsai, except for cancellation of the shareholding itself as a result of the Merger;
- maintenance by UGF of a shareholding in Premafin no lower than 2/3 of the share capital with voting rights.

Failure to comply with the abovementioned commitments may, under specific conditions, lead to an early refund of the remaining loan. In particular with regard to the Adjusted Solvency Margin of the Company Resulting from the Merger, the obligation to early refund the loan could be required if the latter were to be reduced below the threshold of 100% for two consecutive communications, as provided by the sector regulations, based on the information provided as of 31 December 2012. To this end, it is hereby noted that following approval of the Consolidated financial statements for 2012, the company communicated to its financing banks the Adjusted Solvency Margin recognized for 2012 which was equal to 89.9%.
The early refund of the loan will continue to apply in the event of the occurrence of specific circumstances which would modify the controlling entity.
On the Date of the Information Document, the events object of the main covenants, negative pledge or other clauses of the loan had not taken place.

Phase 2

Pursuant to the Restructuring Plan, the Restructuring Agreement provides (a) when phase 2 begins and provided that the Merger becomes effective by 31 December 2013, (b) replacing the Amended Pre-Merger Loan Contract and (c) against the extinction of the pledge over Fonsai shares, the entry into effect,

(i) of the Amended Post-Merger Loan Contract, which modifies the Amended Pre-Merger Loan Contract, for an amount of approximately Euro 330 million, with exclusion of Premafin's debt to GE Capital Interbanca S.p.A, introducing a repayment plan in two instalments of an equal amount respectively on 31 December 2017 and on the expiration date of the loan set for 31 December 2018, and modifying the remuneration to be equal to (a) the Euribor rate plus 150 basis points up to 31 December 2016 and (b) the Euribor rate plus 200 basis points from 1 January 2017 until the expiration date (the "**Amended Post-Merger Loan Contract**"); and

(ii) of the loan contract with GE Capital Interbanca S.p.A. relative only to the portion of the loan pertinent to the latter, amounting to approximately Euro 38 million, with expiration on 31 December 2020 and remuneration unchanged compared to the Amended Pre-Merger Loan Contract (the "**GE Capital Contract**");

and also subsequently, the issuing, by the company emerging from the Merger, of a Convertible Loan of Euro 201.8 million with expiration on 31 December 2015 (the "**Convertible Loan**"), subscribed:

- by approximately Euro 134.3 million by the Financing Banks (except for GE Capital Interbanca S.p.A.) through partial compensation applicable to the Amended Post-Merger Loan Contract;
- approximately Euro 67.5 million from UGF, by means of resources allocated to repay the analogous amount on the Amended Post-Merger Loan Contract.

The Amended Post-Merger Loan Contract, and the GE Capital Contract, provide for a series of commitments, among which the most significant are composed of:

- the maintenance of a Adjusted Solvency Margin by the Company Resulting from the Merger in excess of the 100% threshold;
- the maintenance by UGF of a shareholding in the Company Resulting from the Merger no lower than the controlling shareholding pursuant to the Code of Private Insurance.

Failure to comply with the abovementioned commitments may, under specific conditions, result in an obligation to early refund the residual amounts of the loans. In particular with regard to the Adjusted Solvency Margin of the Company Resulting from the Merger, the obligation to early refund the loan could be required if the latter were to be reduced below the threshold of 100% for two consecutive communications, as provided by the sector regulations.

Regarding the Convertible Loan, the loan will produce an annual gross interest calculated in a manner that the theoretical value of the loans on the issue date, defined on the basis of market parameters, is at least equal to their unit nominal value; the conversion price will be calculated as the arithmetic mean of the official registered prices of the ordinary shares of UnipolSai during the reporting period of three calendar months from the 11th trading day subsequent to the date the Merger acquires civil effect, increased by a premium of 10% (the "**Conversion Price**").

Between the second and the third business days subsequent to the end of the aforementioned quarterly reporting period, the Convertible Loan will be issued and, on that date, the holders conversion right can be exercised at any time up to the fifth day that the stock exchange is open prior to the expiration date (which is expected for 31 December 2015). The Conversion Price will be calculated in accordance with the procedures described in the preceding paragraph, and hence in observance of the refund mechanism provided for on the Convertible maturity date, identified as 31 December 2015.

Furthermore, it is provided that (i) the loan will be automatically converted prior to maturity in the event that the Adjusted Solvency Margin of UnipolSai falls below the required solvency margin for at least six months, for any reason and (ii) the conversion of the debt into shares of Unipolsai will in any case take place automatically on 31 December 2015.

Following the conversion of the Convertible Loan into shares, there will be a dilution effect on the Incorporating Company's outstanding capital. This effect cannot however be estimated at the Date of the Information Document in quantitative terms since it is a function of the Conversion Price, which is not currently known. In order to avoid this dilution effect, as part of the Exchange on the Key Values of the Merger, UGF including on behalf of Unipol Assicurazioni, Premafin, Fonsai and Milano Assicurazioni, have decided to initiate negotiations with the Financing Banks in ordered to be able to offer the Convertible Loan as an option to the shareholders of UnipolSai, with, in any case, the guarantee of subscribing any unopted amount by the same Financing Banks and by UGF in the proportions in which they would participate in the aforementioned Convertible Loan.

On the completion of the above-mentioned comparisons, UGF and the Financing Banks, after a careful assessment, have agreed that the offer of the Convertible as an option (a financial instrument originally envisaged for qualified investors) to all UnipolSai shareholders, would give rise to a variety of technical problems deriving (i) from the minimum value of the financial instruments to be offered (currently fixed at Euro 100,000), (ii) from the procedures for the calculation of the conversion price and the connected pricing mechanism, (iii) from the maturity date, fixed at 31 December 2015, that is, a date very close to the estimated issue date and (iv) from the difficulty of adapting the Convertible's Regulation to make it compatible with the current loans conditions with the financing banks.

The above elements, at least at the Date of the Information Document, lead to the conclusion that the Convertible Loan should be exclusively subscribed to by the Financing Banks (with the exception of GE Capital Interbanca S.p.A.) and by UGF.

Following from the above: (i) the post-Merger Articles of Association of the Incorporating Company attached to the Merger Plan will reflect the existence of a power of attorney pursuant to article 2420-ter and art. 2443 of the Italian civil code which will be given to the directors of UnipolSai in order to deliberate the issuing of the Convertible Loan and the corresponding share capital increase, and therefore (ii) the extraordinary shareholders' meeting of Fonsai will also be convened to approve the aforementioned power of attorney pursuant to art. 2420-ter of the Italian Civil Code and article 2443 of the Italian Civil Code, pursuant to the above. On 1 October 2013, the audit firm Reconta Ernst & Young issued its opinion on the congruency of the criteria used for determining the issue price of the shares to be issued to service the Convertible Loan, pursuant to article 158 of the TUF.

Estimates of the future diluting effect resulting from the conversion of the Convertible Loan

At the Date of the Information Document, it is not possible to effect a sufficiently reliable estimate of the future diluting effect deriving from the conversion of the Convertible Loan into UnipolSai Shares. This is because of the multiplicity of variables on which such diluting effect depends making it impossible to produce a sufficiently reliable estimate as at the Date of the Information Document.

As a consequence, the indications set out below do not in any case represent reliable data and sources for the purposes of deciding investment choices or voting by the savings and investment public and should be treated with purely illustrative purposes.

Without prejudice to the above, we have set out below a prospective calculation of the diluting effect based on (i) the provisions contained in the Convertible's Regulation, (ii) the known data and estimated forecasts available as at the Date of the Information Document and (iii) the assumptions listed below:

1. that the reference quarter yearly period for the calculation of the Conversion Price is represented by the three calendar months prior to the Date of the Information Document, meaning that the Conversion Price is calculated here assuming the use of the following: (x) the arithmetical average of the official recorded prices of the Fonsai ordinary shares over the three calendar months prior to the Date of the Information Document, and (y) the recognition of a 10% premium;
2. that the shareholding structure of UnipolSai will be that illustrated under paragraph 2.1.3, consistently with the assumptions listed therein;
3. that the number of shares issued by the Incorporating Company serving the Merger, based on the Share Exchange Ratios, will be equal to (aa) 1,330,340,830 new ordinary shares (net of Redistributed Shares which, as at the Date of the Information Document, are represented by 302,437,718 ordinary shares held by Premafin and 99,825 ordinary shares held by Milano Assicurazioni), or (bb) if the Special General Meeting of Milano Assicurazioni does not approve the Merger, up to a maximum of 1,090,231,118 ordinary shares (net of the Redistributed Shares held by the companies to be incorporated apart from Milano Assicurazioni, which, as at the Date of the Information Document, are represented by 302,437,718 ordinary shares held by Premafin).

On the basis of all the assumptions listed above, in the case of the conversion of the Convertible Loan in its entirety into UnipolSai ordinary shares as at the Date of the Information Document, the estimated diluting effect would amount to (aa) 5.04% of the ordinary share capital of the Incorporating Company or (bb) if the Milano Assicurazioni Special Shareholders Meeting were not to approve of the Merger, 5.61% of the Incorporating Company’s ordinary share capital.

In application of the above calculation, the shareholder UGF – even if it were to subscribe to a part of the Convertible Loan – would maintain legal control over UnipolSai also after the conversion of the Convertible Loan (aa) with its shareholding in the ordinary share capital reducing from a post-Merger percentage of about 63% to a post-conversion percentage of about 61.52% of the ordinary share capital and (bb) if the Milano Assicurazioni Special Shareholders Meeting were not to approve the merger, its post-merger shareholding would change from about 70.53% of the ordinary share capital to a post-conversion of the Convertible Loan percentage of about 68.45% of the ordinary share capital.

Put and call option on the equity investment in Unipol Banca S.p.A.

As part of the exchange of the essential values of the merger, it has been also agreed that UGF shall provide to Fonsai a put option on the shareholding held by Unipol Assicurazioni in Unipol Banca S.p.A. of 32.26% of the relative share capital, to be exercised upon expiration of the 5th year following the date the merger acquires civil effect at a price equal to the current book value of said equity investment (and therefore equal to approximately Euro 299.4 million) against the provision by Fonsai to UGF of the corresponding call option on the same equity investment, at the same price, but allowing UGF to exercise that option for the entire time from the date the Merger acquires civil effect and the expiration of the fifth year following that date. UGF and Fonsai have confirmed their willingness to make such a commitment official, under the terms indicated above, as part of the Merger.

Divestments contemplated within the Project of Integration by Merger

As a result of the acquisition of control by UGF over the Group Premafin / Fonsai, in compliance with the requirements of the AGCM decision, the Unipol Group is required, among other things, to assign- with the assistance of an independent advisor, of primary international standing, approved by AGCM – the following *asset*: (i) the whole shareholding held by Milano Assicurazioni in Liguria Assicurazioni S.p.A. and Liguria Vita S.p.A. e (ii) one or more business units formed, among others, by the trademarks "Milano Assicurazioni" and "Sasa" and business assets of Milano Assicurazioni used to the production and distribution of insurance products carried out through the sales division, so that the Unipol Group transfers to third parties, as a result of such assignments, an amount of premium income, as at 31 December 2012, equal to 1.7 billion Euro, provided that, following the divestment, its market shares at national and province level are less than 30% in both Non-Life and Life Class on the basis of IVASS data (or guarantee the assignment of the entire share acquired as a result of the acquisition of control of Premafin, if the 30% stake was held prior to the merger).

In order to identify the scope of the assets object of Divestiture and to be able to start the Divestiture procedure, Unipol Group made use of the services of KPMG Advisory S.p.A.

The Divestment procedure will take place in the form of a competition in which the main Italian and foreign industry operators and financial investors who may be interested have been invited to submit tenders.

On 8 May 2013, the Boards of Directors of Milano Assicurazioni and the controlling company Fonsai authorized the continuation of the transfer process and also approved, in accordance with AGCM measures, the scope object of renunciation, subordinating the effects of such resolution to the authorization of the competence of the UGF Board of Directors, received the following May 9 2013.

As regards this assignment, significant uncertainties concerning both the procedure to implement same and the relevant sale price continue to remain at the Date of the Information Document.

Change of the auditing firm of Fondiaria-Sai, Milano Assicurazioni and Premafin as part of the Project of Integration by Merger

Pursuant to Legislative Decree 39 of 27 January 2010 and Regulation 261 of 28 December 2012, following UGF's acquisition of the controlling interest in Premafin, Fonsai and Milano Assicurazioni and given the need to assign to PriceWaterhouseCooper, the main auditor of the Unipol Group, the assignment to carry out the legal audit of the Group's consolidated financial statements, during the shareholders' meetings of Fondiaria-SAI, Milano Assicurazioni and Premafin held on 30 July 2013, the mutual resolution was made to assign the legal audit to be currently handled by Reconta Ernst & Young insofar as the remaining financial periods while also assigning the legal audit for Premafin, Fondiaria-SAI and Milano Assicurazioni to PriceWaterhouseCoopers for the 2013-2021 period.

Following the effective date of the mutual resolution, Reconta Ernst & Young which had issued the accounting audit report covering only the consolidated financial statements as at 30 June 2013 and therefore having a complete overview of the Incorporating Company's assets, maintained the assignment of ascertaining the correctness of the pro forma data (and of any other eventual an additional information of an accounting nature) to be inserted into this Information Document.

2.1.2.1 *The values attributed to the Companies Participating in the Merger Criteria followed for determining the Share Exchange Ratio and valuation methods followed*

As mentioned above, with the support of the respective financial advisors, on 20 December 2012 the Boards of Directors of the Companies Participating in the Merger approved the Share Exchange Ratio.

For determination of the Share Exchange Ratio, the valuation methods adopted as part of best domestic and international practices for similar transactions were used. The correctness and adequacy of the methods used and the congruence of the results obtained based on these methods were confirmed by all the financial advisers, both of the companies involved as well as of the relative related party committees, who issued special fairness opinions in this regard.

The Companies Participating in the Merger were valued on a standalone basis and therefore without taking into account potential synergies and restructuring costs resulting from the Project of Integration by Merger.

The Share Exchange Ratio and the convenience and correctness of the Merger were judged positively also by the related party committees of the Companies Participating in the Merger. To this end, the procedures for the transactions with related parties adopted by UGF, Fonsai, Premafin and Milano Assicurazioni were followed.

The date that the balance sheets were approved and used by the Companies Participating in the Merger pursuant to article 2501-quater of the civil code is 30 September 2012.

For the purposes of assessing the Share Exchange Ratio, it was assumed that the Divestment will produce its effects after the date the Merger acquires civil effect, and it was duly considered that, prior to completion of the Merger, Unipol Assicurazioni will carry out a capital increase of Euro 600 million and distribute a dividend of Euro 150 million.

The description of the valuation methodology, adopted by each of the Companies Participating in the Merger for the purposes of determining the Share Exchange Ratio, the results deriving from the application of the aforesaid methodologies and the valuation difficulties encountered is contained within the Merger Reports, the information documents on transactions with related parties, and the fairness opinions issued by the financial advisers of the Companies Participating in the Merger.

2.1.2.2 *The elements which took place subsequent to the Exchange of Correspondence concerning the key Values of the Merger which affected the valuations*

During the valuations subsequent to the Exchange of Correspondence concerning the Key Values of the Merger, it has been taken into account the events that took place in the meanwhile (including the acquisition of control of the Premafin-Fonsai Group by UGF, completion of the Premafin Share Capital Increase and the Fonsai Share Capital Increase) as well as, prior to the execution of the deed of Merger, the share capital increase of Unipol Assicurazioni in the amount of Euro 600 million and the payment by the latter of a dividend of Euro 150 million applicable to the profits of 2012 and furthermore additional elements indicated below:

– the variations to the business plans, which refer to all the Companies Participating in the Merger from the period from 2013 to 2015, including a substantial alignment of the provision policies of the Companies Participating in the Merger;

– the balance sheet and profit and loss results for the first nine months of 2012;

– the changes in the financial markets and the connected effects on the income statements and balance sheets of the Companies Participating in the Merger, including the changes in the market value of the securities portfolio.

The above three elements have had a favourable effect on the valuation of Unipol Assicurazioni compared to Fonsai and Milano Assicurazioni. The distribution of the Euro 150 million dividend by Unipol Assicurazioni to UGF, prior to completion of the Merger, represents a reduction in the value of Unipol Assicurazioni.

<u>FONDIARIA-SAI</u>

The Board of Directors of the Incorporating Company used independent financial advisers with proven professionalism and experience in this type of transactions in order to determine the economic elements of the Merger and, in particular, Goldman Sachs International ("**Goldman Sachs**"), and Citigroup Global Markets Limited ("**Citi**", together with Goldman Sachs, the "**Fonsai Advisors**"), this latter the financial advisor of the Fonsai related parties committee. Fonsai furthermore used, for the examination of the valuation methods applied and the results of the valuations themselves, the consulting services of Professor Mario Cattaneo.

All Fonsai Advisors exhaustively described their relationships with Premafin, Fonsai and the other companies comprising the Fonsai Group and considered that they were able to provide the service requested as part of the transaction with autonomy and independence.

The methods used in the valuation process were identified according to the characteristics of the company and the activities involved in the Operation and the objectives of the valuation itself. In general, the basic principle of the valuations for determination of the Share Exchange Ratio consists in the uniformity of the analysis criteria and estimates for the Companies Participating in the Merger. This involves the selection of criteria and methods that follow the same valuation reasonings and which were the most appropriate for the companies under valuation, taking into consideration, in any case, the diversity that characterizes them, in order to propose comparable values for the determination of the Share Exchange Ratio.

In this case, in light of the operations of the Companies Participating in the Merger and the valuation practices relative to similar transactions in Italy and abroad, Goldman Sachs has identified as the main valuation method for Fonsai, Milano Assicurazioni and Unipol Assicurazioni:

– the Dividend Discount Model – "DDM"

and as control valuation methods:

– the Market Multiples Method;

– the Regression Analysis;

– the Harmonized Embedded Value Method.

In regard to the activity carried out by Citi in its position as advisor, it is hereby indicated that in carrying out its own valuation, it adopted the following methods:

– Embedded Value;

– the Dividend Discount Model - "DDM";

– the Market Multiples Method of comparable companies;

– the Regression Analysis method.

Both of Fonsai's Advisors, on the basis and to the extent described in their respective reports, have reached the conclusion that the consideration for the Merger that will be received by Fonsai in its capacity as the Incorporating Company, as it is set out in the Merger Plan, in the case of the merger between Fonsai and Premafin, Unipol Assicurazioni and Milano Assicurazioni and in the event of the merger between Fonsai and Premafin and Unipol Assicurazioni, is financially congruent for Fonsai shareholders different from Premafin shareholders.

MILANO ASSICURAZIONI

The Board of Directors of Milano Assicurazioni used the services of an independent financial adviser with proven professionalism and experience in this type of transaction in order to determine economic elements of the Merger and, in particular, Rothschild S.p.A. (hereinafter "**Rothschild**"), who is also the financial advisor of the Milano Assicurazioni related parties committee. Milano Assicurazioni furthermore used, for the examination of the valuation methods applied and the results of the valuations themselves, the consulting services of professor Angelo Provasoli (hereinafter, together with Rothschild, the "**Milano Assicurazioni Advisors**").

It is hereby specified that both of the Milano Assicurazioni advisors were selected by the Board of Directors after having ascertained their undisputed professionalism and competence, adequate organizational structure and, based on the elements acquired and represented by the advisors themselves, the absence of situations of conflict of interest that could compromise their independence.

The Board of Directors of Milano Assicurazioni approved and implemented the valuation methodologies used by the Milano Assicurazioni Advisor to determine the Share Exchange Ratio.

In order to distribute the economic value of Fonsai and Milano Assicurazioni, both of which have both ordinary and savings shares listed on regulated markets, as per valuation practices, the conversion of the saving shares into equivalent ordinary shares (the "EoS") based on the conversion ratio implicit in the stock exchange prices for these same shares with reference to a specific time period. For the purposes of the analyses carried out, it was considered that the reference interval that was the most representative was between 6 August 2012 (the date Fonsai's Category "B" savings shares were admitted to trading) and 14 December 2012 (the reference date of the relative valuations).

In particular, for Milano Assicurazioni, Fonsai and Unipol Assicurazioni, Rothschild applied the following valuation methods:

– the Dividend Discount Model – "DDM";

– the Market Multiples Method;

– the Linear Regression Method (Value Map);

– the Appraisal Value – SoP method.

Based on the aforementioned methodologies, Rothschild confirmed financial congruence in terms of the Share Exchange Ratio proposed to the minority shareholders of Milano Assicurazioni.

Prof. Angelo Provasoli, within the limits of his competence, concluded that the principles and estimation methods used by Rothschild for the determination of the economic values and the Share Exchange Ratio shall be coherent with the indications of the prevalent doctrine and practices and that the criteria applicable to the substance shall be reasonable and adequate, given the operating context, the information available and the specifics of the case in question.

PREMAFIN

The Board of Directors of Premafin used the Consulting Services of major independent advisers, in particular Leonardo & Co. S.p.A. and professor Maurizio Dallocchio (the latter being also of the financial advisor of Premafin's related party committee, jointly "**Premafin Advisors**").

The Board of Directors of Premafin acknowledged and implemented the valuation methodologies used by Premafin Advisors in order to determine the Share Exchange Ratios.

The methods used in the valuation process were identified according to the characteristics of the company and the activities involved in the Operation and the objectives of the valuation itself. In general, the basic principle of the valuations for determination of the Share Exchange Ratio consists in the uniformity of the analysis criteria and estimates for the Companies Participating in the Merger. This involves the selection of criteria and methods with the same reasoning and that are the most appropriate for the companies under valuation, taking into consideration the diversity that characterizes them, in order to propose comparable values for determination of the Share Exchange Ratio.

In the case at hand, considering that Premafin is a holding company and that its connection with Fonsai, its major investee and the Incorporating Company in the merger, is mainly financial, the valuation approach used by Premafin Advisors in order to estimate the economic value of Premafin for the purposes of determining the financial congruence of the share exchange ratio was the NAV (i.e., the Net Asset Value), calculated on the bases of the intrinsic value of the share packages held by the company, with particular reference to the equity investments in Fonsai and the debt.

In light of the above, in order to determine in terms of the Merger the financial congruence of the Share Exchange Ratio, the Premafin Advisors used several methodologies and criteria to estimate the value of the economic capital of Fonsai, Milano Assicurazioni and Unipol, in particular:

- the Dividend Discount Model - "DDM";
- the Appraisal Value Method;
- the Market Multiples Method;
- the Regression Analysis Method (Value Map).

Both of the Premafin Advisors, on the basis and to the extent described in their respective reports, reach the conclusion that the consideration for the Merger that Premafin will receive is congruent from the financial point of view for the Premafin shareholders other than UGF shareholders.

UNIPOL ASSICURAZIONI

The Board of Directors of Unipol Assicurazioni employed the consulting services of leading independent advisers, who assisted both Unipol Assicurazioni and UGF, and in particular Gualtieri e Associati and Lazard & Co. S.r.l. (together, the "**Unipol Advisors**").

In order to determine the reference value of Unipol Assicurazioni, Fonsai and Milano Assicurazioni, in order to determine the Share Exchange Ratio, the board of directors of Unipol Assicurazioni used the methodologies employed by the Unipol Advisors, in particular:

- the Appraisal Value/Sum of Parts;
- the Dividend Discount Model ("DDM");
- the Market Multiples Method;
- in addition to the above valuation methods, Gualtieri e Associati also used the Linear Regression Method (Value Map).

Both Unipol Assicurazioni Advisors, on the basis and to the extent described in their respective reports, reach the conclusion that the consideration for the merger to be received by Unipol Assicurazioni is congruent from a financial point of view.

2.1.2.3 *Essential characteristics of the Incorporating Company shares and effective date for the exercise of the related rights*

The ordinary shares that will be assigned by the Incorporating Company in exchange will allow the exercise of regular rights and will be subject to the dematerialization regime pursuant to article 83-bis et seq. of the TUF and the relative implementation regulations and will be inserted into the central management system administered by Monte Titoli.

The Category "B" savings shares which, in the case of the participation of Milano Assicurazioni in the Merger, will be assigned by the Incorporating Company in exchange for the savings shares of Milano Assicurazioni, will allow the exercise of regular rights and will be subject to the dematerialization regime pursuant to article 83-bis et seq. of the TUF and the relative implementation regulations and will be inserted into the central management system administered by Monte Titoli.

The Incorporating Company's newly issued ordinary shares and Category "B" savings shares will be listed on the Mercato Telematico Azionario as are the Incorporating Company's shares which are already in circulation.

2.1.2.4 *Procedures for assigning the Incorporating Company's shares*

Following the entry into civil effect of the Merger, all the shares of the Incorporated Companies will be cancelled and exchanged with ordinary and/or Category "B" saving shares of the Incorporating Company, as indicated in the Merger Plan. In order to carry out the exchange, as part of the conclusion of the Merger, the Incorporating Company will proceed as follows:

– the assignment of all the Fonsai shares owned by the Incorporated Companies - amounting to, as at the Date of the Information Document, 302,437,718 ordinary shares held by Premafin in Fonsai and 99,825 ordinary shares held by Milano Assicurazioni in Fonsai (if Milano Assicurazioni takes part in the Merger) - through redistribution thereof in order to service the exchanges, without them ever being counted in Fonsai equity as its own shares; and
– additional shares will be used to increase the share capital up to a maximum amount of Euro 953,894,503.64 through a maximum number of 1,632,878,373 newly issued ordinary shares and a maximum number of 55,430,483 Category "B" savings shares, all without indication of their nominal value, or:
– if the Special Shareholders' Meeting of Milano Assicurazioni should not approve the Merger, an increase of its own share capital up to a maximum amount of Euro 786,857,892.34 through the issuing of a maximum number of 1,392,668,836 new ordinary shares without indication of the nominal value, without compromising the other Share Exchange Ratios.

Therefore the issuing of the new shares, ordinary and Category "B" savings shares, will take place against a Share Capital Increase of Euro 0.565 for each new share issued, and consequently against a share capital increase of a maximum amount of Euro 953,894,503.64.

Within the framework of the conclusion of the Merger, the following will be cancelled without exchange (i) the ordinary shares and the saving shares of the Incorporated Companies owned by the Incorporating Company on the effective date of the Merger, (ii) any ordinary and saving shares of the Incorporated Companies owned by other Incorporated Companies on the effective date of the Merger, and (iii) any ordinary and savings own shares held by the Incorporated Companies on the effective date of the Merger.

The shareholders will not incur any expenses for the exchange transactions.

The Fonsai ordinary shares and the Category "B" saving shares to be used in the exchange will be made available to the shareholders of the Incorporated Companies from the first business day after the civil effective date of the Merger. This date will be announced with a special notification published on at least one newspaper distributed Nationwide.

A service will be made available to the shareholders of the Incorporated Companies for the rounding the number of shares applicable to them pursuant to the Share Exchange Ratio to the immediately lower or higher number, without incurring any expenses, revenue stamps or commissions. Alternatively, other procedures could be implemented to ensure the overall completion of the Merger.

Further information on the procedures for attribution of the shares, will be communicated, where necessary, in the aforementioned notification.

2.1.2.5 *Date from which the transactions of the Companies Participating in the Merger are recognized, including in terms of accounting and taxes, in the financial statements of the Incorporating Company*

The effects of the Merger, pursuant to article 2504-bis, par. 2, of the Italian Civil Code, will begin from the registration of the deed of the Merger before the Business Registry of the registered office of the Incorporating Company, or from the subsequent date indicated in the deed of the Merger.

With regard to the provisions of article 2501-ter, paragraph 1.6 of the civil code, the transactions of the Incorporated Companies will be recognized in the financial statements of the Incorporating Company starting from the 1st of January of the year in which the Merger will become effective and from this date the fiscal effects of the merger will also begin.

Since the Merger is an intragroup transaction between companies which are subject to the control of UGF, it is possible to backdate the effects of the operation in terms of accounting (and taxation).

In this case, the provisions set forth in IFRS 3 ("Business Combinations") do not apply. If they did apply, they would not allow backdating of the operation for accounting purposes.

Indeed, as expressly indicated in paragraph 2.c., this accounting standard does not apply to "a combination of entities or businesses under common control (paragraphs B1-B4 provide related application guidelines).

In turn, paragraph B1 of the guidelines for IFRS provides that "*a business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory*."

The Companies Participating in the Merger are coherently considered as being under common control in the financial statements of the Unipol Group, therefore IFRS 3 is not applicable in this case and, consequently, it is possible to backdate the accounting and taxation effects of the transaction.

2.1.2.6 *Tax issues emanating from the Merger*

For the purposes of income tax, the Merger, pursuant to article 172 of Presidential Decree 917 of 22 December 1986 (hereinafter the "TUIR"), is fiscally neutral; in fact no realization or distribution of capital gains or losses of the assets belonging to the Companies Participating in the Merger occurs, including in relation to the inventories and the goodwill.

Any differences arising from the Merger, which could emerge upon the completion of the Merger, will not be considered as taxable income, as the Merger is not recognised in terms of the taxation of income.

Furthermore, any higher amounts that could be imputed to the equity originating from the incorporated companies will not be taxable in terms of the Incorporating Company and consequently the assets received will be assessed fiscally based on the last recognized value in terms of income taxes. However, the combined provision of paragraph 10-bis of article 172 and paragraph 2-ter of article 176 of the TUIR allows the fiscal recognition of the higher values attributed in the financial statement following the Merger to the elements of the assets which constitute tangible and intangible fixed assets, in the event of (i) exercising a specific option and (ii) payment of a substitute tax instead of the corporate income tax (IRES) and the regional income tax on production activities (IRAP).

Furthermore, article 15, paragraphs 10 to 12, of Legislative Decree 185 of 29 November 2008, governs to the realignment of the fiscal values to the higher values recognized in the financial statements on the occasion of the transfer of a company, merger or demerger (hereinafter "**Extraordinary Transactions**"). The option for the regime which was described, which also involves application of a substitute tax instead of the corporate income tax (IRES) and the regional income tax on production activities (IRAP) on the higher values to be reliant, is allowed for a company undergoing an extraordinary transaction, which in this case is the incorporated company, the Incorporating Company (or the company resulting from the merger), that is, the beneficiary company. In terms of what is expressly provided in paragraphs 10, 11 and 12 of art. 15 this regime is in partial derogation of the provisions set forth in article 176, paragraph 2-ter of the TUIR. The tax reserves recognized in the last financial statements of the incorporated companies which are still in existence on the effective date of the Merger will be considered according to the specific provisions set forth in article 172, paragraph 5 of the TUIR and, if applicable, re-established.

For the shareholders, the exchange of the shareholdings held in the Incorporated Companies does not constitute the assignment of the securities, but a mere substitution of them (as the securities will be cancelled due to the Merger) with the securities belonging to the Incorporating Company.

In other words, regardless of the existence of a capital gain between the difference in the value of the cost of the replaced shares and the current value of the received shares, it is excluded any income relevance to the exchange between the shareholders.

The Merger represents an operation to which VAT is not applicable, pursuant to article 2, para. 3.f of Presidential Decree 633 of 26 October 1972. Indeed, pursuant to this Decree, the transfers of assets due to mergers of companies are not considered relevant in terms of VAT.

Insofar as the registry tax, pursuant to article 4.b of the first part of the Tariff attached to Presidential Decree 131 of 26 April 1986, the deed of the Merger is subject to the fixed tax of Euro 168.

2.1.2.7 *Valuations relative to the participation of Milano Assicurazioni in the Merger*

The merger by incorporation of Milano Assicurazioni into Fonsai will be subject to the approval of the Special Shareholders' Meeting of Milano Assicurazioni, which will be held on 26, 28 and 29 October 2013, respectively in the first, second and third calls, pursuant to articles 146, par. 1.b of the Consolidated Financial Act and 2376 of the civil code.

This is due to the fact that in the context of the Merger the holders of savings shares of Milano Assicurazioni will be offered Fonsai Category "B" savings shares in exchange. As a consequence of this assignment, upon completion of the Merger, the shareholders of savings shares of Milano Assicurazioni would receive their priority privilege only after payment of the priority privileged in favour of the holders of Category "A" Fonsai savings shares, thereby resulting in an indirect qualitative prejudice against this category of Milano Assicurazioni savings sharesholders which is considered significant in terms of the requirements set forth in articles 146, par. 1.b of the Consolidated Financial Act and 2376 of the Civil Code.

The Special Shareholders' Meeting of Milano Assicurazioni is therefore necessary by the motivations indicated above, notwithstanding however that, from an factual point of view: (i) in consideration of the small amount of outstanding Category "A" Fonsai saving shares, the effect of the priority privileges will not be significant in any case, and will be limited to the maximum amount of approximately Euro 8.3 million per financial period, (ii) the individual privileges that the current holders of the Milano Assicurazioni savings shares would enjoy in the event of an exchange with Category "B" Fonsai saving shares would constitute an improvement compared to the privileges related to the Milano Assicurazioni saving shares and (iii) based on the current business plans, the increase of the post Merger profits of the Incorporating Company would by far compensate the saving shareholders of Category "B" Fonsai shares against the existence of the privileged dividend attributed on a priority basis to the Category "A" Fonsai shares.

If the Special Shareholders' Meeting of Milano Assicurazioni were not to approve the merger of Milano Assicurazioni into Fonsai, the merger of Premafin and Unipol Assicurazioni into Fonsai would nevertheless proceed.

However, if the aforementioned Special Shareholders' Meeting of Milano Assicurazioni –taking into consideration also the improvement of the individual privileges deriving from the assignment of the

Category “B” Fonsai saving shares and the small effect of the priority privilege attributable to the Category “A” Fonsai saving shares, as indicated above- were to approve the Merger of Milano Assicurazioni into Fonsai, the Milano Assicurazioni savings share holders who did not agree with the decisions made regarding the Merger will be entitled to the right of withdraw pursuant to article 2437, par. 1.g of the civil code, as illustrated herein).

In other words, as part of the Project of Integration by Merger, the incorporation transactions of Unipol Assicurazioni and Premafin into Fonsai were considered and must be considered as being inseparably connected and reciprocally indispensable. On the contrary, if Milano Assicurazioni Saving Shares Shareholding Meeting do not approve the Merger Plan, this will preclude conclusion of the incorporation of the latter into Fonsai but not the conclusion of the incorporation of Unipol Assicurazioni and Premafin into Fonsai.

It should be noted that – as made public – on 8 August 2013 UGF acquired 27,201,199 Milano Assicurazioni savings shares, corresponding to 26.55% of the savings shares of said company. Adding this shareholding to the stake held by Fonsai, the two companies hold a total of 28,701,199 Milano Assicurazioni savings shares, corresponding to 28.01 % of the savings shares of said company.

2.1.2.8 *Valuations regarding the right of withdrawal of the ordinary shareholders of Premafin and the holders of Milano Assicurazioni saving shares*

A. Requirements for the withdrawal and individuals eligible to exercise this right

Though, including after the Merger, the Incorporating Company will maintain the actual corporate purpose of Fonsai, there will be a significant change in the corporate purpose of Premafin.

Indeed, while the corporate purpose of Premafin that allows the company to operate both as a holding company operating in several economic - industrial sectors and/or directly in the real estate field, the corporate purpose of Fonsai is necessarily and legally limited to carrying out insurance activity exclusively. Following the Merger the shareholders of Premafin who will not have approved the Merger will be entitled to the right of withdraw pursuant to article 2437, paragraph 1(a), of the Italian civil code. Regarding the identification of the individuals who, in the opinion of the Companies Participating in the Merger, should be considered as individuals who approved the Merger, please see the contents of the Supplementary Agreements, which were duly disclosed to the market. More specifically, on 25 June 2012, Premafin and UGF made public that they agreed to limit the eligibility to exercise the right of withdrawal in the context of the Merger, thus, the right of withdrawal would not be applicable to the "former shareholders" of Premafin. This specification was necessary to take into account the requirements of Consob pursuant to its communication 12042821 of 22 May 2012 and the relative considerations set forth in communication 12044042 of 24 May 2012 and because the "former shareholders” of Premafin, by approving the Merger Plan, which provides, as an essential phase, also the Merger, agreed to the Merger itself and due to this fact they are not eligible to exercise the right of withdraw pursuant to article 2437 of the Civil Code.

Furthermore, if the Special Shareholders’ Meeting of Milano Assicurazioni were to approve the Merger, the holders of Milano Assicurazioni saving shares who did not agree with the decision will be entitled to exercise the right of withdraw pursuant to article 2437, par. 1.g of the Civil Code, pursuant to the amendment of the shareholding rights following the Merger (based on which the holders of Milano Assicurazioni saving shares will be given Category “B” Fondiaria-SAI saving shares, which will be subordinated to the priority privileged given to the Category “A” saving shares).

B. Liquidation value

On 24 September 2013 the Companies Participating in the Merger published their notices of attendance of the Extraordinary Shareholders’ Meetings and the Special Shareholders’ Meeting of Milano Assicurazioni, and – with regard to Premafin and Milano Assicurazioni-concurrently disclosed the value of the liquidation of any shares to be withdrawn pursuant to article 2437-ter, paragraph 5, of the Civil Code. In particular, the liquidation value of each of the Premafin shares to be withdrawn amounts to Euro 0.1747, while the liquidation value of each of the Milano Assicurazioni savings shares to be withdrawn is equal to Euro 0.6860.

As both Premafin and Milano Assicurazioni are companies which are listed on a regulated market, pursuant to article 2437-ter of the civil code, the liquidation value of the shares to be withdrawn was determined by referring exclusively to the arithmetic average of the closing prices of the Premafin and Milano Assicurazioni shares in the six months that will precede the publication of the Premafin extraordinary shareholders' meeting notice of attendance and the Milano Assicurazioni special shareholders' meeting notice of attendance to approve the Merger Plan. Pursuant to applicable laws, Premafin and Milano Assicurazioni will immediately disclose all the information required in order to allow the exercise of the right of withdrawal as well as the option and pre-emtion rights of the shares to be withdrawn and, if applicable, about the subsequent phases of the liquidation of the shares being withdrawn.

C. Terms and conditions for exercising the right of withdrawal

Pursuant to article 2437-bis of the Civil Code, individuals eligible to exercise the right of withdrawal (i.e., absent shareholders, dissenting shareholders or shareholders who abstained from the shareholders' meetings for the approval of the Merger Plan) can exercise this right, for all or part of the shares they hold, by registered letter which must be sent within 15 days respectively from the time the resolution adopted by Premafin and Milano Assicurazioni shareholders' meetings approving the Merger Plan are entered into the Business Registry (the "**Withdrawal Notice**"). The Withdrawal Notice must contain the following information:

– the identification data and tax identification number of the withdrawing shareholder, as well as an indication of this person's domicile (and, where possible, a telephone number) at which any communications regarding the withdrawal process will be sent;

– the number of shares for which the right of withdrawal is being exercised;

– the details and coordinates of the current account held by the withdrawing shareholder on which the value of the liquidation of these shares should be credited;

the details of the intermediary with whom the shares constituting the object of the withdrawal have been deposited.

Additionally, the ordinary shareholders of Premafin and/or the holders of Milano Assicurazioni savings shares that intend to exercise the right of withdrawal, in order to avoid the declaration of inadmissibility of the Withdrawal Notice, must also send to the respective companies, under the same terms and conditions set forth in the Withdrawal Notice, a specific certification (the "**Certification**") issued by an intermediary authorized pursuant to the provisions concerning dematerialized financial instruments issued by the central management system administered by Monte Titoli, which shall certify the following:

– uninterrupted ownership by the withdrawing shareholder of the shares comprising the object of the withdrawals starting from the date of the Extraordinary Shareholders' Meeting of Premafin and the Special Shareholders' meeting of Milano Assicurazioni called to approve the Merger Plan up to the date of the actual exercise of the right of withdrawal itself. For the purposes of compliance with this requirement, a shareholder who had purchased the shares at the stock exchange, and has also received them as a result of the liquidation prior to the opening of the shareholders' meeting held to approve the Merger Plan, will be considered qualified to exercise the right of withdrawal;

– absence of pledge or other restrictions on the shares in relation to which the right of withdrawal is being exercised; if this is not the case, as a condition for the admissibility of the withdrawal declaration, the withdrawing shareholder must provide to Premafin and/or Milano Assicurazioni, under the same terms and conditions and concurrently with the Withdrawal Notice a special declaration made by the secured creditor, or the individual in favour of whom there is any other restriction on the shares, with which this individual irrevocably consents the liquidation of the shares for which the right of withdrawal has been exercised, in compliance with the instructions of the withdrawing shareholder.

It is hereby specified that, if a shareholder who has exercised the right of withdrawal by sending the Withdrawal Notice within the time limit of 15 days from the date of the registration of the shareholders' meeting approving the Merger Plan, was not able to attach the Certification to the Withdrawal Notice, the Certification can be sent later by registered letter to the same address, within and no later than the third business day following the fifteenth day after the registration of the resolutions of the shareholders meetings called to resolve upon the Merger before the competent companies register. Failure to comply with this term will result in admissibility of the Withdrawal Notice.

D. Blocking of the shares

As provided by article 2437-bis, paragraph two of the Italian Civil Code and the applicable regulations, the issuing of the certification by the authorized intermediary must be accompanied by a blocking of the shares by the intermediary (and therefore these shares cannot be transferred) until completion of the liquidation process. However, during this period, the withdrawing shareholder will be authorised to exercise his/her vote on the basis of these shares.

E. Liquidation Process

If one or more ordinary shareholders of Premafin and/or holders of Milano Assicurazioni savings shares exercise the right of withdrawal, the liquidation procedure for the ordinary Premafin shares and the Milano Assicurazioni saving shares for which the right of withdrawal will be exercised will take place according to the procedure described below.

In the first place, the shares for which the right of withdrawal will be exercise will be offered as an option pursuant to article 2437-quater, paragraph one of the Civil Code ("**Option Offering**").

Insofar as Premafin is concerned, the Option Offering will be made to all the shareholders of the afore-mentioned company, who will be entitled to exercise their option proportionally to the Premafin shares held and, if they should so request, the pre-emption right over Premafin shares subject of withdrawal and remained unopted upon completion of the Option Offering.

Insofar as Milano Assicurazioni is concerned, the Option Offering will be made to all the shareholders of the aforementioned company, who will be entitled to exercise their option proportionally to the ordinary and saving shares of Milano Assicurazioni held in relation to the company's overall share capital and, if they should so request, the pre-emption right over Milano Assicurazioni saving shares subject of withdrawal and remained unopted upon completion of the Option Offering (the "**Pre-emption Offer**").

If, upon completion of the procedures described above, there remain Premafin and/or Milano Assicurazioni shares subject to withdrawal that were not acquired by the respective shareholders, additional forms of liquidation as provided by 2437-quater, paragraphs four and five of the Civil Code will be applied.

F. Terms and conditions for the payment of the liquidation value and the transfer of the shares

As indicated above, upon completion of the described procedure:

(i) the ordinary shareholders of Premafin shares and the holders of Milano Assicurazioni saving shares who have exercised their right of withdrawal will receive payment of the value of the liquidation of the shares subject of withdrawal, pursuant to the applicable law;

(ii) the ordinary shares and the Category "B" saving shares of UnipolSai issued on the basis of the Share Exchange Ratio in lieu of any shares constituting the subject of the withdrawal will be transferred to those who subscribed to the Option and/or the Stock Exchange Offer, or to the Incorporating Company in the event of purchasing the shares pursuant to article 2437-quater, paragraph five, of the civil code, upon payment of the relative withdrawal price.

The withdrawal will become effective upon completion of the Merger.

It is furthermore noted that the liquidation procedure for the shares subject of the withdrawal pursuant to article 2437-quater of the civil code could also be completed following the effective date of the Merger. In this case, on the effective date of the Merger, the shares for which the right of withdrawal has been exercised will be exchanged, based on the Share Exchange Ratio, with newly issued UnipolSai shares. It is understood that these newly issued UnipolSai shares will also be subject to the restriction of unavailability detailed above and that the withdrawing shareholders that have exercised the right of withdrawal will continue to be entitled to receive the same liquidation value as indicated above. It follows furthermore that, starting from the effective date of the Merger, liquidation procedure pursuant to article 2437-quater of the civil code will refer to the UnipolSai shares issued, based on the Share Exchange Ratio, in replacement of the shares for which the right of withdrawal was exercised.

2.1.2.9 *Assessments of the position of category "A" savings shareholders in Fonsai.*

As during the Fonsai Capital Increase, Category "A" Fonsai savings shareholders were offered alternative Category "B" savings shares, a number of shareholders exceeding 1% of Category "A" requested the Board of Directors of Fonsai to convene a Special Meeting of category "A" Savings Shareholders with the agenda of the matters indicated by the applicants pursuant to Art. 146 of the TUF, and with a subsequent request to amend the agenda made by the common representative of the Category "A" savings shareholders

The Board of Directors of Fonsai convocated the Special Shareholders' Meeting, in compliance with the applicable law and, on 26 March 2013 at the third call, the Shareholders' Meeting resolved, among other things, to give the common representative all powers to request that the decision of Fonsai related to the increase of share capital shall be set aside.

It cannot be excluded that any possible legal initiatives by the common representative of the Category "A" savings shareholders' may affect the schedule and time frame of the Merger. In any case, it is reasonable to believe that such legal initiatives will be ruled ungrounded, since the aforementioned resolution to approve Fonsai increase of share capital has caused said shareholders no damages, pursuant to and by effect of Art. 146, par. 1, letter b) of the TUF.

Thus, on the basis of the independent opinions published by Fonsai at the time of the aforementioned Special Shareholders' Meeting and of the report of the board of directors attached thereto, the alternative offer regarding Category "B" saving shares and directed to Fonsai Category "A" savings shareholders does not affect the interests of category shareholders.

2.1.2.10 *Information on the legal actions resolved by the Assemblies of Fonsai and Milano Assicurazioni*

On 17th October 2010 Amber Capital LP, which manages the fund, Amber Global Opportunities Master Fund Ltd, a shareholder in Fonsai, pursuant to Art. 2408 of the Italian Civil Code, reported to the Board of Statutory Auditors of Fonsai a number of operations implemented by companies from Fonsai Group, together with "related" companies connected with the Ligresti family, and denounced the "non-market conditions" and "anomalies" of those operations.

On 16th March 2012, the Board of Statutory Auditors of Fonsai gave a first response, with a "Report pursuant to Art. 2408 par 2 of the Civil Code" and, as a result of this report, their partner, Amber Capital, demanded further clarifications in a letter dated 26th March 2012.

The Board of Statutory Auditors has, therefore, carried out further verifications and investigations.

On 15th June 2012, IVASS informed Fonsai of its decision No. 2985, by which the Authority defines the procedure started pursuant to Art. 238 of the Code for Private Insurances at the same time opposing to Fonsai itself, with IVASS Communication Protocol No. 32-12-000057 of same date, significant irregularities pursuant to and by effect of Art. 229 of the Code for Private Insurance, specially regarding certain operations carried out by Fonsai and by companies under its control, with counterparts describing themselves as related parties of Fonsai itself, imposing a term of fifteen days to completely remove their effects. Pursuant to Art. 229 of the Code for Private Insurances, should said term (i.e. 2nd July 2012) concludes without any results, IVASS would have the power to nominate a commissioner to enforce the same obligations.

IVASS did not believe the actions promised or started by the company following said decision were suited to cause a variation in the situation that had led to the protests mentioned in the Authority's note of 15th June 2012 since, in the Authority's view, Fonsai omitted any action in order to cease and give remedy to the reported violations.

Therefore, IVASS, with its Decision No. 3001 of 12th September 2012 (the "**IVASS decision**"), appointed Professor Matteo Caratozzolo as Acting Commissioner for Fonsai ("the **Commissioner**"), as the group leader, pursuant to Art. 229 of the Legislative Decree of 7th September 2005 No. 209.

The Commissioner was appointed by IVASS to carry out the following actions, each believed to be necessary to bring company management in line with the law:

1) *"with respect to the operations complained of in the IVASS note No. 32-12-000057 of 15th June 2012,*

considered not merely individually but as a whole:

(i) to specifically identify the individuals responsible for the operations in question, carried out to the detriment of Fondiaria-Sai S.p.A., and the companies it controls;

(ii) to determine the amount of all the component parts of the damages that can be connected to those operations and to conscious or unconscious omissions by the aforementioned individuals;

2) as the result and consequence of the acts in point 1),to promote or cause to be promoted any suitable initiative, including legal actions, required by Fondiaria-Sai S.p.A. and by the companies it controls regarding operations to protect and reintegrate the equity of FONDIARIA-SAI S.p.A. and of the companies it controls;

3) to make use, for the purposes set out in points 1) and 2), of the powers of Fondiaria-Sai S.p.A. as company group leader and as shareholder/ partner in the assemblies of related companies."

The IVASS Decision also ordered the Commissioner to hold the post until 31st January 2013. With a decision dated 29th January 2013, IVASS extended his mandate for a further 45 days.

As a result of the investigations carried out into the aforementioned operations made by the Fonsai Group largely in the field of real estate over the period 2003-2011, in which certain members of the Ligresti family and some companies, the management of which can be traced back to same Ligresti family were directly concerned, ,the Acting Commissioner for Fonsai requested the Boards of Directors of Fonsai and Milano Assicurazioni to convene their respective Shareholder Meeting to propose a company liability lawsuit on the agenda, pursuant to Articles 2392 and 2393 of the Civil Code, against certain company directors and company auditors (jointly with other individuals).

On 5th February 2013, the Boards of Directors of Fonsai and Milano Assicurazioni having examined the informative reports prepared for each company by the Acting Commissioner pursuant to Art. 125-ter of the TUF, resolved to convene Shareholder meetings for the two companies, for 13th and 14th March 2013, respectively, on first and second call.

The Meetings, held on second call on 14th March 2013, resolved to start legal actions of liability against the defendants indicated in the reports prepared for same Meetings by the Acting Commissioner for Fonsai, and made public according to law.

Furthermore, following the complaint dated 17th October 2011 by Amber Capital LP to the Board of Statutory Auditors of Fonsai pursuant to Art. 2408 of the Civil Code, and following the appointment by IVASS of an Acting Commissioner the Boards of Directors of Fonsai and Milano Assicurazioni made verifications and controls of some of the operations not covered by the Acting Commissioner's mandate ("**Minor Operations**").

As regards the Minor Operations, the Boards of Directors of Fonsai and Milano Assicurazioni, at the mandate of their respective shareholders' meetings on 30th October 30 2012 and November 30 2012, resolved to carry out further controls and assessments. In particular, all Minor Operations were analyzed to specifically discover the individuals responsible and any damages which could be causally imputed to breaches they had committed.

The investigations revealed that Minor Operations had also been carried out by companies from the Fonsai Group with "related" companies, controlled one way or another by the Ligresti family, featuring a number of breaches of duty by directors and accountants. In particular, breaches of duty by both directors and accountants and damages to the equity of Fonsai Group.

The individuals found responsible for the Minor Operations by the investigations by the Boards of Directors are (i) the Ligresti family members who controlled the Fonsai Group companies involved, and who pursued their personal advantages at the expense of those companies in breach of Articles 2391 and 2391-bis of the Civil Code and of the procedure for dealing with "related parties"; (ii) the former "executive" directors who proposed and implemented the operations in question, and the directors on the various committees of internal control of Fonsai and Milano Assicurazioni, who were also responsible for the breach of same regulations and procedures; (iii) the auditors of those companies were also responsible for the damages suffered by the Companies of the Fonsai Group, on account of a breach of Articles 2403 and 2407 of the Civil Code, and of Art. 149 of the Consolidated Financial Act.

The responsibility of the Ligresti family members in the operations at issue (as with the operations already under examination by the Commissioner) arises not only from the breach of their duties and jurisdictions of Fonsai and Milano Assicurazioni, but also (aa) from the “united management” they illegitimately imposed on the Fonsai Group companies, working together to approve and implement operations in a “conflict of interests” and “in breach of the principles of proper company and business management” (pursuant to AArt. 2497 of the Civil Code); (bb) factual intromission (particularly by Mr. Salvatore Ligresti) in the management of Fonsai Group companies (pursuant to Art. 2392 of the Civil Code).

Therefore, on 30th July 2013, the ordinary Shareholders’ Meeting of Fonsai and Milano Assicurazioni resolved to promote a court action for liability according to Articles 2392 and 2393 of the Civil Code and, should it arise, Articles 2043 and 2497 of the Civil Code, towards some former *de facto* and *de iure* directors of Fonsai and Milano Assicurazioni, independent of the official positions held and whether they were officially in charge; of some former directors of Fonsai and Milano Assicurazioni and, pursuant to Art. 2407 of the Civil Code, including some members of the Board of Statutory Auditors of Fonsai and Milano Assicurazioni.

2.1.2.11 *Information on investigation by CONSOB concerning the non-compliance of certain working and consolidated financial reports regarding previous financial years for Fonsai, Premafin and Milano Assicurazioni*

On 21st December 2012, CONSOB, the public authority responsible for regulating the Italian securities market, resolved as follows:

- resolution no. 18430, ascertaining the non-compliance of the financial statement and of the consolidated financial statement of Fonsai at 31st December 31 2011 especially regarding the rules of to draft financial statements, and with particular reference both to the accounting of the accident provisions of the Motor Third Party Liability Class and to the evaluation of the shareholding in Milano Assicurazioni in the said accounting documents;
- resolution no. 18431, ascertaining the non-compliance of the financial statement and the consolidated financial statement of Premafin at 31st December 2011 especially regarding the rules to draft financial statements, and with particular reference to the fact that the shares held by Premafin in Fonsai is the most important and significant investment component of Premafin itself, and therefore the suggested critical projection of the financial statements of Fonsai, which the Authority identified, also reflect on the financial statements of Premafin, given their direct dependence on the economic position achieved by their subsidiary;
- resolution no. 18432 ascertaining the non-compliance of the financial statement and the consolidated financial statement of Milano Assicurazioni at 31st December 2011 to the rules to draft financial statements, and with particular reference to the accounting of the accident provisions of the Motor Third Party Liability Class in said accounting documents.

On 27th December 2012, Fonsai, Premafin and Milano Assicurazioni, although they stressed that they did not share the views of CONSOB provided the information required by CONSOB, and in particular, their respective pro-forma equity and income positions 2010 and 2011, together with comparative data exhibiting the effects which compliant accounting would have had on the financial position, the income statement and the net equity of the aforementioned companies at 31st December 2010 and 31st December 2011.

On 17th April, 2013, CONSOB required Fonsai, Premafin and Milano Assicurazioni, pursuant to Art. 114, par 5, of the TUF, to issue a press release reporting the reasons why the companies' Boards of Directors had each seen best not to apply international accounting rule IAS 8, “account procedures, changes in accounting estimates, and errors”, to correct the errors claimed to have been found by CONSOB in the drafting of their financial statements for 2011, as ordered in the aforementioned CONSOB resolutions nos. 18430, 18431 and 18432 of 21st December 2012.

As the markets were informed on 24th April 2013, having recognised that the aforementioned resolutions required the 2011 figures for the consolidated financial statement should be published again for purposes of comparison, since they were identical to those communicated to the markets on 27th December 2012, without impact on the equity and income figures for the financial year 2012, the Boards of Directors of

Fonsai, Premafin and Milano Assicurazioni, in board meetings held on the same date, decided to accept the observations stated by CONSOB on 17th April 2013, approving a new version not only of the consolidated financial reports for the financial year 2012 for Fonsai, Premafin and Milano Assicurazioni, but also the related reports on the management trend, containing the restatement of the above mentioned comparative figures for the financial year 2011.

We particularly stress that the said restatement of the 2011 figures, the chief equity and income effects concerned the items "*expenses from accidents*" and "*income tax"*, caused a reduction of consolidated loss for the financial year 2011, equal to Euro 339 million for Premafin and Fondiaria and to Euro 133 million for Milano Assicurazioni, as well as reduction by an equal amount of the equity reserves, leaving the consolidated net equity unchanged. Furthermore, such variations involved no change in either of the insurance liabilities represented by the accidents reserve, nor in the situation of adjusted solvency. Finally, the financial report does not change either the net liquidity resulting from operational activities, nor the overall variations in "*liquid assets and equivalent means*".

2.1.2.12 *Information on the significant modifications to elements of assets and liabilities which may have arisen after the Merger Plan was deposited at the legal office of the companies taking part in the Merger.*

The Companies Participating in the Merger, on the basis of available information, believe that between September 30, 2012, the reference date for the capital positions of the Merger and the Date of the Information Document, no significant changes have taken place in the elements of assets and liabilities of the Companies Participating in the Merger, pursuant to and by effect of Art. 2501-quinquies, par. 3, of the Civil Code, that involve significant changes to the Share Exchange Ratios.

2.1.3 Forecast for the composition of the relevant shareholdings as well as for the control structure of the Incorporating Company as a result of the Merger.

On the Date of the Information Document, and on the basis of information received or available at the same point in time, shareholders directly or indirectly holding more than 2% each of voting shares in Fonsai (as communicated pursuant to Art. 120, Testo Unico) are:

1) **Finsoe S.p.A.**: indirectly for a total of no. 385.996.894 shares, equal to 41.930% of ordinary share capital, of which:
   - no. 302,437,718 ordinary shares, equal to 32.853% of ordinary share capital, indirectly through Premafin;
   - no. 45,107,730 ordinary shares, equal to 4.90% of ordinary share capital, indirectly through UGF;
   - no. 38,451,446 ordinary shares, equal to 4.177% of ordinary share capital, indirectly through Finadin S.p.A.;
2) **Unicredit:** no. 61,290,410 ordinary shares, equal to 6.658% of ordinary share capital, of which no. 9 being held in security and no. 907 shares, equal to 0.00001% of ordinary share capital, indirectly through Unicredit Bank A.G.;
3) **Anima SGR:** n. 22.166.656 ordinary shares, equal to 2.408% of ordinary share capital, being managed discretionally as savings on behalf of various investment funds. It is also found that Anima SGR holds a further no.5,052,930 shares, equal to 0.549% of ordinary share capital, as a shareholding managed on behalf of Anima Prima Funds PLC;
4) **Sator Capital LIMITED** (as manager of the investment fund Sator Private Equity Fund A LP, which has an indirect controlling share in Arepo PR S.p.A.): no. 27.956.500 ordinary shares, equal to 3.037% of ordinary share capital, indirectly through Arepo Pr S.p.A.;
5) **Roberto Meneguzzo**: no. 18,522,600 ordinary shares, equal to 2.012%, of ordinary share capital, indirectly through Palladio Finanziaria S.p.A.

On the Date of the Information Document, and on the basis of information received or available at the same point in time, shareholders holding directly or indirectly more than 2% each of voting shares in Premafin (as communicated pursuant to Art. 120, Consolidated Financial Act) are:

1) **Finsoe S.p.A.**: indirectly through UGF, for a total of no. 1,741,239,877 shares, equal to 80.928% of share capital;

2) **Compagnia Fiduciaria Nazionale S.p.A.**, holding in its own name in trust on behalf of several individuals, each owning shares for less than 2% of share capital, for a total of no. 127,398,867 shares, equal to 5.921% of share capital.. n. 127,398,867 ordinary shares, equal to 5.921% of ordinary share capital.

3) **Starlife S.A.**: indirectly for a total of no. 82,990.563 shares, equal to 3.857% of share capital, of which:

   - no. 41,975,580 shares, equal to 1.951% of share capital, due to the liquidation of Sinergia Holding di Partecipazioni S.p.A.;

   - no. 41,014,983 shares, equal to 1.906% of share capital, due to the liquidation of Immobiliare Costruzioni Im.Co. S.p.A., in liquidation;

4) **The Heritage Trust** (trust operating under Bahamas law): indirectly, through companies it controls, each of which holds shares for less than 2% of share capital, for a total of 55,807,103 shares, equal to 2.594% of share capital; these shares have been preventively impounded according to Art. 321 of the Italian Code of Criminal Procedure.

On the Date of the Information Document, and on the basis of information received or available at the same point in time, shareholders holding directly or indirectly more than 2% each of voting shares in Milano Assicurazioni (as communicated pursuant to Art. 120, TUF) are:

1) **Finsoe S.p.A.**: indirectly for a total of no. 1.174.753.062 shares, equal to 63.764% of ordinary share capital, of which:

   - no. 1,125,636,310 ordinary shares, equal to 61.098% of ordinary share capital, indirectly through Fonsai;

   - no. 27,856,220 ordinary shares, equal to 1.512%% of ordinary share capital, indirectly through Fondiaria Nederland B.V..;

   - no. 9,480,000 ordinary shares, equal to 0.515% of ordinary share capital, indirectly through Sai Holding Italia S.p.A.;

   - no. 6,764,860 ordinary shares, equal to 0.367% of ordinary share capital, indirectly through Milano Assicurazioni;

   - no. 3,700,000 ordinary shares, equal to 0.201% of ordinary share capital, indirectly through Sai International S.A..;

   - no. 1,015,672 ordinary shares, equal to 0.055% of ordinary share capital, indirectly through Pronto Assistance S.p.A.;

   - no. 300,000 ordinary shares, equal to 0.016% of ordinary share capital, indirectly through Popolare Vita S.p.A.;

2) **Norges Bank S.p.A.:** no. 57,741,968 ordinary shares, equal to 3.134% of ordinary share capital.

On the Date of the Information Document, the whole share capital of Unipol Assicurazioni is held by UGF.

Assuming (i) that the current ownership of Fonsai and the companies to be merged remains unchanged by the date of the Merger, (ii) that the Special Shareholders' Meeting of Milano Assicurazioni approve the Merger, and therefore, Milano Assicurazioni take part in the Merger, and (iii) that the Premafin shareholders and the savings shareholders of Milano Assicurazioni do not exercise their right to withdraw, according to Share Exchange Ratios the structure of the share capital of Fonsai after the Merger will be as follows:

Shareholder	Quota % of ordinary capital	Quota % of capital made up of category “A” category savings shares	Quota % of capital made up of category “B” savings shares	Quota % of overall capital
UGF	63.00%.	n.a.	67.75%.	63.66%.
Other shareholders formerly PREMAFIN	0.85%.	n.a.	n.a.	0.73%.
Other shareholders from Milano Assicurazioni	10.69%.	n.a.	10.74%.	10.69%.
Other Fonsai shareholders	25.46%.	100.00%.	21.51%.	24.92%.

Should the Special Shareholders’ Meeting of Milano Assicurazioni not approve the Merger, and should, therefore, Milano Assicurazioni not take part in the Merger, the structure of Fonsai ordinary capital after the Merger will be as follows:

Shareholder	Percent of ordinary capital	Percent of overall capital
UGF	70.53%.	71.08%.
Other former Premafin shareholders	0.97%.	0.84%.
Other Fonsai shareholders	28.50%.	28.08%.

Even after the Merger is completed, UGF will keep control of the post-Merger company and will continue to exert the activities of direction and coordination according to and for the purposes of articles 2497 and following of the Italian Civil Code.

It is envisaged that the corporate bodies of the company arising from the Merger will have the same composition as those of the Incorporating Company, such as they are at the Date of this Information Document.

2.1.4 Effect of the Merger on the shareholders’ agreements, relevant according to Art. 122 of the Consolidated Financial Act, as regards shares in the Companies Participating in the Merger.

In the context of the Investment Agreement, UGF and Premafin concluded an agreement, later modified on June 25, 2012, the object of which were the reciprocal commitments with regard to directors and auditors of Premafin, of Fonsai, of Milano Assicurazioni or their respective subsidiaries which did not hold, directly or indirectly, even through subsidiaries, Premafin shares at January 29, 2012.

In its Communication of 18 April 2013, the CONSOB has indicated that, in its opinion these agreements are subject to the application of Art. 122 of the Consolidated Financial Act, as they represent shareholders' agreement. To the sole purpose of complying with the provisions in said CONSOB Communication, UGF has met the disclosure requirements pursuant to Art. 122 of the Consolidated Financial Act.

The Merger will not affect these agreements.

2.2 *Reasons and purposes of the Merger, management objects and initiatives planned by the Incorporating Company*

The Merger is an essential and integral part of the Project of Integration by Merger by, and within the context of the larger project, pursuing the goal of creating a company that is a leader in the domestic and European insurance market, in order to reach a number of industrial, corporate and financial goals.

The first stage of the Project of Integration by Merger was completed when the capital increase for Premafin was executed on 19th July 2012 with UGF undersigning the reserved increase and the Fonsai capital increase, completed on September 13 2012 through the undersigning of Fonsai shares left unassigned by a guarantee group consisting of banks (for ordinary shares) and UGF (for Category “B” savings shares).

As regards Fonsai specifically, the entire Project of Integration by Merger represented, as previously mentioned, the instrument to ensure the required and urgent increase in equity of Fonsai itself according to the demands made by IVASS.

It should be noted in this regard that the 2011 results had shown a capital deficit at Fonsai, in the light of which, IVASS, under the applicable regulatory provisions relating to insurance solvency margin, had requested the same Fonsai to promptly submit a restructuring plan capable of restoring compliance with the necessary margins.

In this respect, Fonsai had clearly stated in its intervention plan, as offered to IVASS on 30th January 2012, according to Art. 227 of the Code of Private Insurance, concerning initiatives required to restore adjusted situations of solvency and guarantee future solvency, that the Fonsai Capital Increase required for the necessary increase in resources was merely a functional, integrative move in the broader Project of Integration by Merger.

It was exactly as the first phase of the Project of Integration by Merger was being implemented that the Fonsai capital increase was fully subscribed and completed, as mentioned above, on 13th September 2012.

On the other hand, the Project of Integration by Merger offers the prospect of creating significant business synergies, likely to produce value in the medium to long term, to all Fonsai shareholders.

In addition, the Merger involves an increase in the forecast margin of solvency of Fonsai after the Merger, even after the effects of the Premafin incorporation and of the costs estimated should Premafin shareholders and Milano Assicurazioni savings shareholders exercise their right to withdraw.

In greater detail, the Project of Integration by Merger is intended to pursue the following main goals:

(aa) firstly, to create a first-rank operator in the insurance field, able to compete effectively with the main competitors, and to create value for all shareholders concerned, with the effect at the same time of containing losses and reinforcing equity of Premafin and Fonsai;

(bb) in terms of governance, to improve and rationalize the management and coordination activities in the company arising from the Merger. Indeed, though as of the Date of the Information Document UGF already manages and coordinates Fonsai and Milano Assicurazioni, the presence of a multi-level shareholding makes said activity more burdensome and complicated; whereas as a result of the Merger, UGF directly controlling the Company Resulting from the Merger shall excersice more easily the direction and coordination activity;

(cc) with regard to the business objectives and in line with the strategic path so far undertaken by the Unipol Group, to focus the mission on the insurance business, in line with the Unipol Group vision, that aims to strengthen its competitive position in the insurance market, in terms of profitability, quality of customer service and innovation. This vision may be achieved by means of three work areas, aiming to:

- restructure the business of Fonsai Group insurance companies to improve the profitability of companies belonging to the new Group arising from the Merger;
- consolidate support operations by bringing together structures and resources, both within the territory and in management offices, to achieve economies of scale and greater effectiveness of the services supporting the commercial network;

- create a common platform for all insurance company brands making up the new Group arising from the Merger, to ensure innovation in commercial processes, increase the productivity of the company network' and the level of customer service.

These work areas were developed during the second half of 2012, in the context of drafting the Joint Business Plan by the companies involved in the Merger, supported by one leading independent business advisor. In particular, the analyses arranged led to the definition of:

- an estimate of the synergies that could be achieved up to 2015 equal to approximately Euro 350 million (assuming that Milano Assicurazioni takes part in the Merger);
- a prompt identification of actions set out in the Joint Business Plan, aiming to achieve the economic and financial goals involved in the aforementioned Plan;

(dd) as regards the financial objectives, to reinforce solvency and equity structure of the new entity, ensuring support for the achievement of the steps of the business plan and the subsequent prospects of synergy from a strategic and business point of view, with the intention of increasing value for all shareholders;

(ee) from the company point of view, to achieve a simpler and more transparent group organization model, to be obtained, on the one hand, by eliminating duplications in organization structures and costs (which in the case in question can be particularly high, since the businesses concerned are largely listed and regulated) and, on the other, by adopting clearer and more effective governance methods, and also by taking any other opportunity for business and strategic synergies, thereby increasing value for all shareholders;

(ff) furthermore, to develop commercial initiatives of the Companies Participating in the Merger through the use of distinctive signs that enhance the value added represented by the united group;

(gg) as well as to allow better coordination in the product offer, to enhance the value in the offer of complementary services, with the consequent possibility of offering the market a wider range of services and products;

(hh) increase the liquidity of the shares held by partners, who will be holding stock in a company listed with the broadest floating value and largest liquidity and capitalization;

(ii) finally, also from the viewpoint of the savings shareholders in general, including those of Milano Assicurazioni, if it participates in the Merger, and judging by the Joint Business Plan, benefiting from an increase in the amount of prospective profits that would be distributed by the aggregated entity.

The Merger is also the instrument through which the solvency margin of the Incorporating Company present and future will not only be protected, but will also benefit from a long-lasting, strengthening effect, thanks to the additional resources that will be brought in by the Companies Participating in the Merger and synergies that will arise after same.

During the early months of 2013, the implementation activities of the Joint Business Plan were initiated by preparing action planning and by starting activities to implement those actions.

On the basis of this planning, the following main initiatives must be completed or started within the next twelve months:

- defining the governance and organizational structures of the Company Arising from the Merger within the date of enactment of Merger;
- converging the governing and control procedures and of their relative support application systems;
- rationalizing supply contracts for goods and services, and revision of expenditure management procedures;
- standardising commercial, hiring and firing procedures;
- start converging the application systems which manage the core insurance procedures.

2.3 Documents made available to the public

The Information Document, the documentation of art. 2501-*septies* paragraph 1, no. 1) and 2) of the Civil Code, the financial statements at 30th September 2012 of the Companies Partecipating in the Merger, according to Art. 2501-quater, par 2 of the Civil Code, as well as the Information Documents described in Art. 5, Operational Regulations, together with the related parts, prepared by the Companies Partecipating in the Merger, have been made publicly available, according to the procedures and time limits laid down by the law, as we have explained in more detail below.

Please note that on 27th December 2012 the Companies Participating in the Merger each made the prospectus publicly available at their registered offices and on their website pursuant to Art. 5 of the Regulations on Operations with Related Parties. Specifically, the aforementioned document prepared by the Incorporating Company is available at the following website: www.fondiaria-sai.it.

Please note that on September 24 2013 the Companies Participating in the Merger and UGF made the following documents relating to the Merger, available to the public at their respective headquarters and on their respective websites www.premafin.it, www milass.it, www.fondiaria-sai.it, www.unipolassicurazioni.it and www.unipol.it:

- Merger Plan, according to Art. 2501-ter of the Civil Code;
- descriptive reports drafted according to Articles 2501-quinquies of the Civil Code, 125 of the TUF and 70, 72 (limited to Fonsai) and 84-ter of the Regulations for Issuers, drafted by the various Boards of Directors, and then integrated with the proposals of the resolutions of the Extraordinary Shareholdings Meetings and the Special Shareholdings Meeting convened to approve the Merger Plan;
- expert's report from the audit company, Reconta Ernst & Young, on the correctness of exchange ratios, as required by Art. 2501-sexies of the Civil Code;
- the financial position of the Companies Participating in the Merger of 30th September 2012 pursuant to Art. 2501-quater, paragraph 2, of the Civil Code.

On the same date (aa) the Companies Participating in the Merger also deposited the financial statements for the last three years at their respective legal offices, pursuant to Art. 2501-septies, paragraph 1, no. 2) of the Civil Code, and (bb) Premafin and Milano Assicurazioni reported the liquidation value per ordinary Premafin shares and per savings shares of Milano Assicurazioni, possibly subject to withdrawal, pursuant to Articles. 2437-ter, paragraph 5 of the Italian Civil Code and Article 84 of the Issuers Regulation.

Moreover, on 2 October 2013, with the same procedures outlined above, the opinion issued by the auditing firm Ernst & Young on the criteria for the issuance of ordinary shares for the conversion of the Convertible Loan, prepared pursuant to and by effect of Art. 158 of the TUF was made available to the public.

Finally this Information Document has been made available to the public at the legal offices of the Companies Participating in the Merger and of UGF and published on the following websites: www.fondiaria-sai.it, www.milass.it, www.premafin.it, www.unipolassicurazioni.it and www.unipol.it on 9 October 2013.

3 Possible significant effects of the Merger on the key factors that influence and characterize the activity of the Incorporating Company and the type of business carried out by the Incorporating Company itself.

The Merger does not involve changes in the type of business conducted. It is part of the Project of Integration by Merger, aiming to create the synergic conditions to implement efficient operations in order to achieve the objectives identified in the Joint Business Plan.

For further information, see Ch. 2 of this Information Document.

4 Economic and financial information for the Companies Participating in the Merger

Introduction

The following paragraphs set out the main financial figures (economic, financial and cash flows information) relating to the Companies Participating in the Merger.

These figures were extracted from the financial statements of the Companies Participating in the Merger, prepared according to the following rules and principles:

- Fonsai, the Incorporating Company, listed on the Mercato Telematico Azionario, prepares the consolidated financial statements of the Fonsai Group in accordance with international accounting standards IAS / IFRS, issued by the IASB (International Accounting Standards Board), endorsed by the European Union, and their interpretation by the official bodies.
- Unipol Assicurazioni: a merged company, despite owning controlling shareholdings, does not prepare the consolidated financial statements because, being controlled by UGF and included in the consolidated financial statements of UGF, it makes use of the option provided by Articles 96 and 97 of the Legislative Decree no. 209/2005 and Art. 21 of the IVASS Regulation No. 7 of 13/07/2007. Unipol Assicurazioni prepares its financial statements in accordance with statutory Civil Law requirements and rules specific to the insurance sector. In particular, it draws up its financial statements in compliance with the articles of Title IX of the Decree of 7th September 2005 No. 209 (Insurance Code); it follows the scheme and the provisions laid down in the IVASS Regulation No. 22 of 4th April 2008 and follows the guidelines issued on the subject by the Controlling Authority. For all that is not specifically covered by sector regulations it refers to the general rules on matters of financial statements referred to in the Civil Code.
- Premafin, a merged company, listed on the Mercato Telematico Azionario, prepares the consolidated financial statements of the Premafin Group in accordance with international accounting standards IAS / IFRS issued by the IASB (International Accounting Standards Board), endorsed by the European Union, and their interpretation by the official bodies.
- Milano Assicurazioni: a merged company, listed on the Mercato Telematico Azionario, prepares the consolidated financial statements of the Group ("**Milano Assicurazioni Group**") in accordance with international accounting standards IAS / IFRS issued by the IASB (International Accounting Standards Board), endorsed by the European Union, and their interpretation by the official bodies.

Attention is drawn to the control structure of the Companies Participating in the Merger which, in brief, is as follows:

- the Companies Participating in the Merger are all controlled by UGF, which also exerts management and coordination over them as per Articles 2497 et seq of the Italian Civil Code. UGF directly controls Premafin and Unipol Assicurazioni, pursuant to and by effect of Art. 2359, paragraph 1, no.1 of the Civil Code, as well as, indirectly, Fonsai and Milano Assicurazioni;
- Premafin directly controls Fonsai pursuant to and by effect of of Art. 2359, par 1, no. 2 of the Civil Code;
- Fonsai shall directly control Milano Assicurazioni pursuant to and in accordance with Art. 2359, paragraph 1, no. 1, of the Italian Civil Code and indirectly Milano Assicurazioni.

From the considerations above, it can be seen that the consolidated financial statements of the Premafin Group, the group of one of the Incorporated Companies, also include the financial figures of the Fonsai Group, group of the Incorporating Company. In addition, in consideration of the investment relationships indicated above, the consolidated figures of Premafin, including the consolidated figures of Fonsai, indirectly also include the consolidated figures of Milano Assicurazioni.

In light of the above, we consider it useful, though not explicitly requested in Attachment 3B of Schedule 1 of the Issuers Regulation, to also provide in this section of the Prospectus the consolidated financial statements of the Incorporating Company, in order to facilitate the analysis of financial information of the incorporated Premafin which, as stated above, also include the figures of the Incorporating Company, Fonsai. Therefore, the consolidated statement of financial position, the income statement and the cash flow statement of Fonsai have been set out below, whereas as regards the notes to same it was considered appropriate to refer to the consolidated financial statements published on the website www.fondiaria-sai.it, in the "Investor Relations" section, to which there is reference for further information.

It must also be pointed out that two of the three Incorporated Companies, Premafin and Milano Assicurazioni, are listed on the Mercato Telematico Azionario and thus the financial figures of these are subject to the disclosure requirements imposed on listed companies. In view of this, in order to make the reading of this chapter easier and more effective, only the consolidated statement of financial position, income statement and cash flow statement of the above Incorporated Companies, as well as of Fonsai, have been reported in the Prospectus. Whereas for financial statements as regards the explanatory notes to the same, it was considered appropriate to refer to the respective consolidated financial statements published on their websites www.premafin.it and www.milass.it in the “*Investor Relations*”, to which there is reference for further information.

On the other hand, this chapter illustrates the main financial figures of the Incorporated Company Unipol Assicurazioni, supported by brief explanatory notes, as the financial figures of Unipol Assicurazioni had not been published in the same manner expected for listed companies such as Premafin, Milano Assicurazioni, and the Incorporating Company Fonsai.

The following table shows an index of the financial information included in this chapter:

- Paragraph 4.1 economic and financial information regarding Unipol Assicurazioni and the relevant explanatory notes,
- Paragraph 4.2 economic and financial information regarding Premafin Group,
- Paragraph 4.3 economic and financial information regarding Milano Assicurazioni Group,
- Paragraph 4.3 economic and financial information regarding Fonsai Group.

All values below are in thousand of Euros.

4.1 Economic and financial information regarding Unipol Assicurazioni

4.1.1 Economic and financial information regarding Unipol Assicurazioni for the six months ended June 30, 2013

The following documents are the balance sheet, the income statement, the statement of cash flows and the financial debt level of the Unipol Assicurazioni for the six month ended June 30, 2013. These figures were extracted from the financial statements of Unipol Assicurazioni for the six month ended 30 June 2013, prepared according to the Italian accounting standards and using the same accounting criteria used in the preparation of the financial statements at December 31 2012.

The half-yearly financial report at 30 June 2013 was subjected to a limited audit by PricewaterhouseCoopers S.p.A., who issued the related report without remarks on 28 August 2013.

Balance Sheet

(Amounts in thousands of euros) ***ASSETS***	**As of June 30, 2013**	**As of December 31, 2012**
A. Share capital proceeds to be received	-	-
B. Intangible fixed assets		
1) Acquisition costs to be amortized	13,574	14,684
2) Other assets	221,367	222,734
Total	**234,941**	**237,418**
C. Investments		
I- Lands and buildings	667,765	671,555
II - Investments in group companies and other investees		
1- Shares and quotas	999,841	970,841
2- Bonds	90,207	200,579
3- Loans	267,785	267,785
Total investments in group companies and other investees	**1,357,833**	**1,439,206**
III - Other financial investments		
1. Shares and quotas	520,457	645,592
2. Invetments funds	237,538	246,742
3. Bonds and other fixed-yield securities	15,347,149	14,326,876
4. Loans	132,433	136,385
5. Others	25,882	19,529
Total other financial investments	**16,263,460**	**15,375,124**
IV - Deposits with ceding companies	**13,543**	**15,363**
Total	**18,302,601**	**17,501,247**
D. Investments for the benefit of Life policyholders who bear the risk thereof and arising from pension fund management provisions		
I - Investments relating to contracts linked to investment funds and market indexes	390,326	453,101
II - Investments relating to pension fund management provision	2,417,015	2,407,131
Total	**2,807,340**	**2,860,231**
D. bis Technical provisions - Reinsurers' share		
I - Technical provisions for non-life business	294,968	296,885
II - Technical provisions for life business (excl. provisions referred to III)	62,864	68,280
III - Technical provisions for life business where the investment risk is borne by policyholders and relating to pension funds management	-	-
Total	**357,832**	**365,164**
E. Credits		
I - Credits arising from direct insurance operations	589,279	817,359
II - Credits arising from reinsurance operations	54,398	42,562
III - Other credits	374,570	433,621
Total	**1,018,247**	**1,293,541**
F. Other assets		
I - Tangible assets and inventory	19,558	21,890
II - Cash and cash equivalents	221,663	561,478
III - Treasury shares	-	-
IV - Other assets	346,403	310,307
Total	**587,624**	**893,675**
G. Prepayments and accrued income	**211,315**	**204,492**
TOTAL ASSETS	**23,519,901**	**23,355,769**

(Amounts in thousands of Euros) **LIABILITIES**	**As of June 30, 2013**	**As of December 31, 2012**
A. Equity		
I - Subscribed share capital or equivalent funds	259,056	259,056
II - Share premium reserve	616,976	616,976
III - Legal reserve	37,045	6,871
IV - Other reserves	698,917	275,630
V - Retained earnings/losses	-	-
VI - Profit (loss) for the period	215,283	603,480
Total	**1,827,276**	**1,762,012**
B. Subordinated liabilities	**961,689**	**961,689**
C. Technical provisions		
I - Non-life business		
1. Premium provisions	1,352,670	1,372,565
2. Claims provisions	5,177,137	5,185,484
3. Other technical provisions	5,799	7,987
4. Equalisation provisions	12,769	12,374
Total non-life technical provisions	**6,548,375**	**6,578,410**
II - Life business		
1. Mathematical provisions	10,425,495	10,053,784
2. Provision for payable amounts	98,217	144,779
3. Other technical provisions	53,617	55,696
Total life business technical provisions	**10,577,328**	**10,254,259**
Total	**17,125,703**	**16,832,669**
D. Technical provisions where investment risk is borne by policyholders and pension fund management provisions		
I - Provisions relating to contracts whose performance is linked to investment funds and market indexes	390,326	453,101
II - Provisions relating to management of pension funds	2,417,015	2,407,131
Total	**2,807,340**	**2,860,231**
E. Provisions for risks and charges	**57,756**	**62,467**
F. Deposits from reinsurers	**129,781**	**133,800**
G. Payables and other liabilities		
I - Direct insurance	38,786	48,430
II - Reinsurance	16,990	13,328
III - Bonds	-	-
IV - Debts to banks and financial institutions	-	-
V - Other payables and loans	236,002	318,150
VI - Provision for retirement allowance	33,161	33,762
VII - Other liabilities	256,018	300,124
Total	**580,957**	**713,795**
H. Prepayments and accrued income	**29,399**	**29,106**
TOTAL LIABILITIES	**23,519,901**	**23,355,769**

Income statement

(Amounts in thousands of Euro)	**Six months ended June 30 2013**	**Six months ended June 30 2012**
I. TECHNICAL ACCOUNT FOR NON-LIFE INSURANCE BUSINESS		
1. Earned premiums, net of reinsurance	1,748,033	1,858,291
2. (+) Income on investments transferred from the non-technical account (III.6)	110,101	13,464
3. Other technical income, net of reinsurance	8,643	3,934
4. Charges relating to claims, net of reinsurance	1,178,369	1,293,079
5. Change in other technical provisions, net of reinsurance	(301)	(189)
6. Reversal and profit partecipation, net of reinsurance	129	43
7. Operating expenses	460,959	435,212
8. Other technical charges, net of reinsurance	13,931	4,273
9. Change in the equalization provisions	394	378
10 Result of the technical account -non-life insurance business	**213,296**	**142,892**
II. TECHNICAL ACCOUNT FOR LIFE INSURANCE BUSINESS		
1. Earned premiums, net of reinsurance	1,115,507	761,162
2. Income on investments	367,804	404,041
3. Income and unrealized capital gains on investments for the benefit of policyholders who bear the risk thereof and investments arising from pension fund management provision	69,764	145,718
4. Other technical income, net of reinsurance	4,972	3,811
5. Charges relating to claims, net of reinsurance	939,858	1,058,791
6. Change in mathematical provisions and other technical provisions, net of reinsurance	329,252	(67,061)
7. Reversal and profit partecipation, net of reinsurance	127	628
8. Operating expenses	35,119	34,838
9. Financial charges	99,795	220,080
10. Charges and unrealized capital losses on investments for the benefit of policyholders who bear the risk thereof and on investments arising from pension fund management provision	46,813	49,638
11. Other technical charges, net of reinsurance	8,778	7,621
12. (-) Income on investments transferred to the non-technical account (III.4)	24,749	13,456
13 Result of the technical account life insurance business	**73,554**	**(3,260)**
III. NON-TECHNICAL ACCOUNT		
1. Profit for technical account for non-life insurance (I.10)	213,296	142,892
2. Profit/loss for the technical account for life insurance (II.13)	73,554	(3,260)
3. Income on investments in non-life business	219,488	224,041
4. (+) Income on investments transferred from the life technical account (II.12)	24,749	13,456
5. Financial charges on non-life business	79,464	207,733
6. (-) Income on investment transferred to the non-life technical account (I.2)	110,101	13,464
7. Other income	21,491	31,835
8. Other charges	50,816	70,155
9. Result of ordinary business	312,196	117,613
10. Extraordinary income	7,084	6,772
11. Extraordinary expenses	339	3,057
12. Result of extraordinary activities	6,745	3,715
13. Profit before taxes	318,941	121,328
14. Income tax for the period	103,658	40,161
15 Profit (loss) for the period	**215,283**	**81,167**

Statement of cash flows

(Amounts in thousands of Euro)	**Six months ended June 30th 2013**	**Six months ended June 30th 2012**
SOURCES		
LIQUIDITY GENERATED FROM OPERATIONS		
Net profit for the period	215,283	81,167
Net increase in technical provisions for life and non-life business	247,474	(96,223)
Depreciation of securities and investments	83,421	320,939
Increase (decrease) in funds	17,216	7,017
Decrease in investments in securities	-	-
Decrease in equity investments	83,041	-
Decrease in investments in real estate	-	-
Decrease in Class D investments	52,891	-
Decrease in funding	3,952	-
(Increase) decrease in receivables and other assets, net of payables and other liabilitie	81,116	169,574
Decrease in other uses	1,790	144,670
TOTAL SOURCES	**786,184**	**627,144**
USES OF RESOURCES		
Increase in securities	879,106	336,557
Increase in equity investments	-	56,871
Increase in real estate	4,955	12,538
Increase in investments class D	-	42,965
Revaluation of securities and investments	91,919	148,777
Funding increase	-	92,186
Other uses of liquidity	-	-
Dividends paid	150,019	-
TOTAL USES OF RESOURCES	**1,125,999**	**689,894**
Increase/decrease in bank deposits and cash	(339,815)	(62,750)
TOTAL	**786,184**	**627,144**
Bank accounts / cash on hand at the beginning of the period	**561,478**	**256,236**
Bank accounts / cash on hand at the end of the period	**221,663**	**193,486**

Net financial debt

(Amounts in thousands of Euro)	**As of June 30, 2013**	**As of December 31 2012**
Subordinated liabilities	961,689	961,689
Debts with collateral	5,031	5,248
Total debt	**966,720**	**966,937**

Summary of accounting principles

The accounting criteria used to prepare the half year financial statements are the same used for the preparation of the financial statements at December 31 2012. These criteria are described at the following Paragraph 4.1.2 of the Information Document.

In determining half-yearly figures, furthermore, there is a greater use of statistical methods, in particular when calculating costs related to claims which have occurred but are yet to be liquidated, and in evaluating commission incentives (rappels).

Assessment of claims open at the end of the first half of the current year was made on the basis of updated analytical evidence (so-called “continuous” reserve) and of appropriate prudent technical estimates.

Provisions towards delayed claims was estimated on the basis of past experience, referring to delayed reports of claims to the Company and to how these developed over time.

Considering the recovery registered in the market developments from the second half of 2012, Unipol Assicurazioni did not exercise the right set out in Art. 15 par 15-quater of the Decree Law 185 of 29th November 2008, concerning the valuation of government bonds issued or guaranteed by EU states and not intended to be a permanent part of company equity according to the procedure set out in IVASS Regulation No. 43 of 12th July 2012.

That right was exercised however when drafting the half-yearly report at 30th June 2012.

Commentary Notes

The explanatory notes in this section describe the main changes of the economic data of the first half of 2013 compared to the first half of 2012, and the main deviations of the financial statement at 30th June 2013 compared to 31st December 2012. These notes must, therefore, be read together with the notes reported in the more detailed comments regarding the 2010-2012 period set forth in paragraph 4.1.2 of the Information Document, to which reference is made.

Balance Sheet - assets

C. Investments

"Investments in the group's companies and other investee" amount to a total of Euro 999,841 thousand shares and quotas, of which Euro 515,694 thousand relating to subsidiaries which are mainly real estate companies, Euro 299,371 thousand relating to affiliated Unipol Banca, Euro 15,571 thousand relating to affiliates and Euro 169,205 thousand relating to other investments. The bonds issued by group companies and other companies are made up almost exclusively of bonds of the affiliated Unipol Banca and are reduced at 30th June 2013 to Euro 90,207 thousand from Euro 200,579 thousand in 31st December 2012. This decrease is mainly due to the intervening repayment of bonds issued by Unipol Banca for a total of Euro 113,200 thousand.

"Other financial investments" mainly consist of bonds and other fixed yield securities, as well as bonds and shares of mutual funds, as detailed below:

(Amounts in thousands of Euro)	As of June 30, 2013			As of December 31, 2012		
	Life	Non-Life	Total	Life	Non-Life	Total
Shares and quotas	300,482	219,975	520,457	370,308	275,284	645,592
Investment funds	116,105	121,433	237,538	54,398	192,344	246,742
Bonds and other fixed-yeld securities	10,356,577	4,990,572	15,347,149	9,711,988	4,614,888	14,326,876
Total	**10,773,164**	**5,331,980**	**16,105,144**	**10,136,694**	**5,082,516**	**15,219,210**

In the Non-life insurance business at 30th June 2013, the total long-term investments amounted to 38.85% of the total financial investments. In the Life insurance business, at the same date, this percentage stood at 38.41%.

The table below reports what investments consist of between bonds and other fixed-income securities.

(Amounts in thousands of Euro)	As of June 30, 2013	As of December 31, 2012
Securities issued by governments, government agencies		
Listed	8,856,932	7,116,429
Non listed	25,153	24,576
Convertible bonds	5,663	6,253
Other listed securities	6,364,612	7,074,724
Other unlisted securities	94,789	104,894
Total	**15,347,149**	**14,326,876**

During the six-month period, Italian government bonds have been the focus of investment, in a medium to long-term perspective. The simplification of the assets portfolio also continued, implemented through the sale of complex structured securities. Mainly bonds with coupons indexed to the volatility of long-term rates, and simple structured debt indexed to the Euribor rate with a cap were sold.

Where investments in shares are concerned, the selection of the securities in the portfolio has favoured stocks with good visibility of future earnings and high income flow. Almost all of the share securities are included in the Eurostoxx 50.

E. Credits

Receivables arising from direct insurance operations decreased from Euro 817,359 thousand at 31st December 2012 to Euro 589,279 thousand at 30th June 2013. This item mainly comprises receivables from policyholders for premiums and receivables from agents and other intermediaries.

Other receivables decreased from Euro 433,621 thousand at 31st December 2012 to Euro 374,570 thousand at 30th June 2013. This item mainly comprises tax credits, receivables from Finsoe and towards the company Mutuelle Du Mans. Disputed receivables at 30th June 2013 amount to Euro 21,965 thousand.

F. Other assets

Cash and cash equivalents decreased from Euro 561,478 thousand at 31st December 2012 to Euro 221,663 thousand at 30th June 2013. This item refers to current account deposits for Euro 221,510 thousand and cash for Euro 153 thousand. The decrease is mainly attributable to the use of flows of a technical nature in financial investments and the payment of dividends to UGF which took place on 30th April of Euro 150,019 thousand.

<u>Balance Sheet - Liabilities</u>

A. Equity

Equity as of June 30, 2013 amounted to Euro 1,827,276 thousand. As approved by the shareholders meeting of Unipol Assicurazioni of 26th April 2013, it was decided to distribute dividends totalling Euro 150,019 thousand during the accounting period.

C. Technical provisions

The technical provisions amounted to Euro 17,125,703 thousand at 30th June 2013, an increase compared to Euro 16,832,669 thousand as of December 31, 2012.

Here below there is the composition of the premium provisions, related to Non-life business:

(Amounts in thousands of Euro)	**As of June 30, 2013**			**As of December 31, 2012**		
	Premium fractions	**Current risks**	**Total**	**Premium fractions**	**Current Risks**	**Total**
1-Accident	129,056	-	129,056	133,864	-	133,864
2-Health	41,391	3,143	44,534	40,832	1,428	42,260
3-Motor vehicle damage	100,623	-	100,623	106,573	-	106,573
4-Railway vehicle damage	-	-	0	1	1	2
5-Aircrafts damage	20	-	20	7	-	7
6-Marine vehicle damage	1,315	-	1,315	1,257	206	1,463
7-Goods in transit	2,614	-	2,614	3,052	-	3,052
8-Fire	69,060	-	69,060	77,633	-	77,633
9-Other damages to property	118,490	-	118,490	113,867	-	113,867
10-Motor vehicle third party liability	668,287	-	668,287	682,577	-	682,577
11-Aircraft third party liability	14	-	14	14	-	14
12-Marine vehicle third party liability	1,626	-	1,626	2,259	-	2,259
13-General third party liability	107,130	-	107,130	116,700	-	116,700
14-Credit	43	-	43	43	-	43
15-Unearned premium	45,067	-	45,067	46,489	-	46,489
16-Miscellanous financial loss of business	16,296	-	16,296	16,420	-	16,420
17-Legal	12,329	-	12,329	11,526	-	11,526
18-Assistance	15,418	-	15,418	15,027	-	15,027
Total direct business	**1,328,779**	**3,143**	**1,331,922**	**1,368,140**	**1,635**	**1,369,775**
Indirect business	19,224	1,524	20,748	2,415	375	2,790
Total	**1,348,003**	**4,667**	**1,352,670**	**1,370,555**	**2,010**	**1,372,565**

Below is the composition of the claims provision, related to Non-life business:

(Amounts in thousands of Euro)	**As of June 30, 2013**	**As of December 31, 2012**
Claims and direct expenses	4,447,462	4,510,560
Settlement costs	205,679	218,236
Claims incurred but not reported	480,822	430,682
Total direct business	**5,133,963**	**5,159,478**
Reserve from non-direct business	43,174	26,006
Total	**5,177,137**	**5,185,484**

At 30th June 2013 mathematical provisions amounted to Euro 10,425,495 thousand, an increase compared to 31st December 2012 (Euro 10,053,784 thousand).

At the end of 2012 IVASS began an inspection concerning the claims handling and reserve process of claims. This inspection was completed during the month of May 2013 and the report subsequently received showed an overall satisfactory management of this process, despite the need for some minor adjustments.

G. Payables and other liabilities

At 30th June, 2013, payables and other liabilities were reduced, as compared to 31st December 2012, from Euro 713,795 thousand to Euro 580,957 thousand. The main items are represented by the decrease in liabilities for income taxes (Euro 56,554 thousand and Euro 1,534 thousand at 31st December 2012 and 30th June 2013) and the liability for other kinds of tax (Euro 67,383 thousand and Euro 13,619 thousand at 31st December 2012 and 30th June 2013).

Technical account for Non-life insurance business

Premiums earned, net of reinsurance cessions amounted to Euro 1,748,033 thousand in the first half of 2013 and Euro 1,858,291 thousand in the first half of 2012.

Below is a breakdown of gross premiums, included net earned premiums.

(Amounts in thousands of Euros)	**Six months ended June 30th 2013**	**Six months ended June 30th 2012**
1-Accident	165,211	164,125
2-Health	52,244	66,708
3-Motor vehicle damage	129,435	146,085
4-Railway vehicle damage	2	0
5-Aircrafts damage	26	14
6-Marine vehicle damage	1,566	1,912
7-Goods in transit	5,458	6,309
8-Fire	73,157	75,337
9-Other damages to property	123,676	124,510
10-Motor vehicle third party liability	941,853	1,005,310
11-Aircraft third party liability	13	8
12-Marine vehicle third party liability	1,308	2,670
13-General third party liability	153,001	155,709
14-Credit	151	82
15-Unearned premium	14,061	14,876
16-Miscellanous financial loss of business	21,419	21,231
17-Legal	18,040	15,264
18-Assistance	24,268	24,471
Total direct business	**1,724,889**	**1,824,621**
Indirect business	75,598	20,123
Total	**1,800,487**	**1,844,744**

In the Non-life business, premium income was affected by the continuing economic crisis, which is leading to a reduction in the number of vehicles insured, to increased competition leading to decreasing average premiums and a fall in family spending. The decrease of premium income in the motor third party liability class in the first half of 2013, therefore, concerns both the Motor Class, due to the decline in the number of contracts in the portfolio and their average premium and the Land vehicles Class. In the Non-Motor classes, the fall in premium collections spreads across all areas: on the one hand this reflects the impact of rehabilitation and more restrictive underwriting policies, and on the other, the difficult economic situation which is particularly penalizing in the field of companies and professionals.

Charges relating to claims, net of recoveries and reinsurance cessions, amounted to Euro 1,178,369 thousand in the first half of 2013, a decrease compared to Euro 1,293,079 thousand in the first half of 2012. Claims frequency in Non-Motor Classes turns out to be more favourable to damage from natural disasters and adverse weather events, because the figures at June 2012 are affected by the claims relating to the earthquake in Emilia and the surrounding areas and the damage caused by heavy snow in Romagna in February 2012.

In the first half of 2013, the combined ratio was 92.6% compared with 94.7% in the first half of 2012.

Operating expenses of the Non-Life Class amounted to Euro 435,212 thousand in the first half of 2012 (23.4% of earned premiums) and Euro 460,959 thousand in the first half of 2013 (26.4% of earned premiums). The increase is attributable to a higher incidence of acquisition costs, primarily related to expenses arising from the new supplementary contract for agents, major and recurring rappels, and to an increase in acquisition costs of indirect underwriting.

The result of technical account for Non-Life business is Euro 142,892 thousand in the first half of 2012, Euro 213,296 thousand in the first half of 2013. The increase of incidence derives both from the transferring of net incomes for investments of Euro 110,101 thousand in the first half of 2013 (against 13,464 in the first half of 2012) and lower charges for claims (1,293,079 thousand in the first half of 2012 against 1,178,369 thousand in the first half of 2013).

We also note that the item “Equity and financial expenses of the accident claims lines” referring to the first half of 2012 benefited from lower write-downs amounting to Euro 95,769 thousand arising from the optional criterion for evaluating investments in the short-term field, pursuant to the IVASS Regulation No. 43 of 17th July 2012. Following the recovery of the financial markets, and in particular from 31st December 2012, Unipol Assicurazioni decided not to use that option.

Technical account for Life Insurance business

The premiums, net of reinsurance cessions, amounted to Euro 1,115,507 thousand in the first half of 2013 and Euro 761,162 thousand in the first half of 2012.

Below is a breakdown of gross premiums, included in the year's net premiums.

(Amounts in thousands of Euro)	**Six months ended June 30th 2013**	**Six months ended June 30th 2012**
I-Whole and term life insurance	517,107	418,540
III-Unit-linked/index-linked policies	639	935
IV-Health	64	91
V-Capitalization insurance	388,119	99,493
VI-Pension funds	212,702	247,190
Total direct business premiums	**1,118,631**	**766,249**
Non-direct business premiums	704	904
Total gross premiums	**1,119,335**	**767,153**

Below is the detail of direct premiums related to individual and collective insurances policies and to first year, subsequent years and single premiums:

(Amounts in millions of euro)	**Six months ended June 30, 2013**	**Six months ended June 30, 2012**
Individual		
Class I	424.5	315.6
Class III	0.6	0.9
Class V	272.9	17.3
Class VI	6.8	5.6
Total	**704.8**	**339.4**
Collective		
Class I	92.6	102.9
Class V	115.2	82.2
Class VI	206.0	241.7
Total	**413.8**	**426.8**
Total direct business	**1,118.6**	**766.2**

(Amounts in millions of EUR)	**Six months ended June 30, 2013**	**Six months ended June 30, 2012**
First year premiums		
Class I	17.2	13.4
Class III	-	-
Total	**17.2**	**13.4**
Subsequent years premiums		
Class I	68.2	76.1
Class III	0.2	0.3
Class V	0.0	-
Total	**68.5**	**76.4**
Single Premiums		
Class I	431.7	329.0
Class III	0.4	0.6
Class IV	0.0	0.1
Class V	388.1	99.5
Class VI	212.7	247.2
Total	**1,033.0**	**676.4**
Total direct business	**1,118.6**	**766.2**

During the first half of 2013 sales have grown thanks to the strong performance of the agency network and improvement of social security contracts; indeed, individual policies recorded a significant increase, mainly attributable to Class V. During the accounting period, the Company signed a major corporate contract amounting to approximately Euro 180 million. Even collection of Class I shows an increase compared to 30th June 2012, attributable to both annual premium policies and to those with a single premium.

The sale of group policies is slightly lower than that recorded in the first half of 2012. We note in particular the decrease in Class VI (14.8%), the comparison of which with that of last year also suffers because last year a major contract was signed, and the increase in the Class V (40.2%) from new payments on collective agreements already in the portfolio.

The result of the life-assurance provisions was negative for Euro 3,260 thousand in the first half of 2012, and positive for Euro 73,554 thousand in the first half of 2013. The improvement was mainly attributable to the performance of the financial markets, which recorded lower losses compared to the same period last year, and the reduction in charges for claims.

It should be noted that the item “Equity and financial expenses” referring to the first half of 2012 benefitted from lower write-downs amounting to Euro 107,388 thousand, arising from the optional criterion for evaluating investments in the short-term field referred to in the IVASS Regulation No. 43 of 17th July 2012. Following the recovery of the financial markets, and in particular from 31st December 2012, Unipol Assicurazioni decided not to use that option.

4.1.2 Economic and financial information regarding Unipol Assicurazioni for the years ended December 31, 2012, 2011 and 2010

The balance sheet, the income statement, the statement of cash flows and the financial debt level of Unipol Assicurazioni for the financial years ended at December 31 2012, 2011 and 2010 are given below. These figures have been taken from the financial statements of Unipol Assicurazioni for the same periods, prepared according to the statutory Civil Law requirements and rules specific to the insurance sector. In particular, the financial statements are prepared in accordance with the articles of Title IX of the Decree of 7th September 2005 n. 209 (Insurance Code), following the scheme and the provisions laid down in the IVASS Regulation No. 22 of 4th April 2008 and implemented guidelines issued on the subject by the Supervisory Authority. Although not specifically covered by regulations for the sector, Unipol Assicurazioni refers to the general rules on matters of financial statements referred to in the Civil Code.

The financial statements as of and for the year ended December 31, 2012 was audited by PricewaterhouseCoopers S.p.A., which issued their own report without remarks on 8th April 2013. The financial statements as of and for the year ended December 31, 2011 and 2010 were audited by KPMG SpA, which issued their own reports without remarks respectively on 4th April 2012 and 4th April 2011.

Balance Sheet

(Amounts in thousands of euros) *ASSETS*	As of December 31, 2012	As of December 31, 2011	As of December 31, 2010
A. Share capital proceeds to be received	-	-	-
B. Intangible fixed assets			
1) Acquisition costs to be amortized	14,684	17,791	17,334
2) Other assets	222,734	223,512	237,568
Total	**237,418**	**241,303**	**254,903**
C. Investments			
I- Lands and buildings	671,555	690,703	678,481
II - Investments in group companies and other investees			
1- Shares and quotas	970,841	910,486	917,203
2- Bonds	200,579	444,788	426,422
3- Loans	267,785	267,785	268,785
Total investments in group companies and other investees	**1,439,206**	**1,623,060**	**1,612,410**
III - Other financial investments			
1. Shares and quotas	645,592	827,557	937,281
2. Invetments funds	246,742	252,138	244,970
3. Bonds and other fixed-yield securities	14,326,876	13,522,042	13,014,744
4. Loans	136,385	46,974	51,472
5. Others	19,529	143,610	45,487
Total other financial investments	**15,375,124**	**14,792,321**	**14,293,953**
IV - Deposits with ceding companies	**15,363**	**17,961**	**18,803**
Total	**17,501,247**	**17,124,045**	**16,603,648**
D. Investments for the benefit of Life policyholders who bear the risk thereof and arising from pension fund management provisions			
I - Investments relating to contracts linked to investment funds and market indexes	453,101	711,765	784,053
II - Investments relating to pension fund management provision	2,407,131	1,836,286	1,582,837
Total	**2,860,231**	**2,548,051**	**2,366,890**
D. bis Technical provisions - Reinsurers' share			
I - Technical provisions for non-life business	296,885	273,884	243,361
II - Technical provisions for life business (excl. provisions referred to III)	68,280	75,769	104,443
III - Technical provisions for life business where the investment risk is borne by policyholders and relating to pension funds management	-	-	-
Total	**365,164**	**349,653**	**347,804**
E. Credits			
I - Credits arising from direct insurance operations	817,359	853,612	859,848
II - Credits arising from reinsurance operations	42,562	50,185	19,477
III - Other credits	433,621	573,490	562,434
Total	**1,293,541**	**1,477,286**	**1,441,760**
F. Other assets			
I - Tangible assets and inventory	21,890	23,937	20,339
II - Cash and cash equivalents	561,478	256,236	367,607
III - Treasury shares	-	-	-
IV - Other assets	310,307	341,248	286,689
Total	**893,675**	**621,422**	**674,635**
G. Prepayments and accrued income	**204,492**	**242,757**	**223,311**
TOTAL ASSETS	**23,355,769**	**22,604,518**	**21,912,951**

(Amounts in thousands of Euros) **LIABILITIES**	**As of December 31, 2012**	**As of December 31, 2011**	**As of December 31, 2010**
A. Equity			
I - Subscribed share capital or equivalent funds	259,056	259,056	150,300
II - Share premium reserve	616,976	616,976	503,411
III - Legal reserve	6,871	6,871	6,871
IV - Other reserves	275,630	614,807	656,706
V - Retained earnings/losses	-	-	-
VI - Profit (loss) for the period	603,480	(339,178)	(91,898)
Total	**1,762,012**	**1,158,532**	**1,225,390**
B. Subordinated liabilities	**961,689**	**961,689**	**961,689**
C. Technical provisions			
I - Non-life business			
1. Premium provisions	1,372,565	1,516,321	1,434,941
2. Claims provisions	5,185,484	5,187,132	4,832,746
3. Other technical provisions	7,987	9,213	9,464
4. Equalisation provisions	12,374	11,657	9,223
Total non-life technical provisions	**6,578,410**	**6,724,323**	**6,286,374**
II - Life business			
1. Mathematical provisions	10,053,784	10,177,814	10,109,676
2. Provision for payable amounts	144,779	92,109	92,781
3. Other technical provisions	55,696	58,741	61,722
Total life business technical provisions	**10,254,259**	**10,328,664**	**10,264,178**
Total	**16,832,669**	**17,052,987**	**16,550,552**
D. Technical provisions where investment risk is borne by policyholders and pension fund management provisions			
I - Provisions relating to contracts whose performance is linked to investment funds and market indexes	453,101	711,765	784,053
II - Provisions relating to management of pension funds	2,407,131	1,836,286	1,582,837
Total	**2,860,231**	**2,548,051**	**2,366,890**
E. Provisions for risks and charges	**62,467**	**82,340**	**55,818**
F. Deposits from reinsurers	**133,800**	**136,528**	**158,934**
G. Payables and other liabilities			
I - Direct insurance	48,430	43,896	32,320
II - Reinsurance	13,328	37,350	18,011
III - Bonds	-	-	-
IV - Debts to banks and financial institutions	-	-	-
V - Other payables and loans	318,150	186,686	163,879
VI - Provision for retirement allowance	33,762	40,074	40,754
VII - Other liabilities	300,124	327,520	297,973
Total	**713,795**	**635,525**	**552,938**
H. Prepayments and accrued income	**29,106**	**28,865**	**40,740**
TOTAL LIABILITIES	**23,355,769**	**22,604,518**	**21,912,951**

Income statement

(Amounts in thousands of Euro)	**Year ended December 31, 2012**	**Year ended December 31, 2011**	**Year ended December 31, 2010**
I. TECHNICAL ACCOUNT FOR NON-LIFE INSURANCE BUSINESS			
1. Earned premiums, net of reinsurance	3,701,706	3,684,931	3,465,147
2. (+) Income on investments transferred from the non-technical account (III.6)	239,406	-	55,826
3. Other technical income, net of reinsurance	14,837	12,203	11,287
4. Charges relating to claims, net of reinsurance	2,539,772	2,736,752	2,724,683
5. Change in other technical provisions, net of reinsurance	(401)	(133)	(703)
6. Reversal and profit partecipation, net of reinsurance	2,509	4,214	1,969
7. Operating expenses	880,375	854,445	786,852
8. Other technical charges, net of reinsurance	10,902	13,966	7,520
9. Change in the equalization provisions	717	715	764
10 Result of the technical account -non-life insurance business	**522,075**	**87,175**	**11,175**
II. TECHNICAL ACCOUNT FOR LIFE INSURANCE BUSINESS			
1. Earned premiums, net of reinsurance	1,960,227	1,819,513	1,896,088
2. Income on investments	899,008	606,694	568,104
3. Income and unrealized capital gains on investments for the benefit of policyholders who bear the risk thereof and investments arising from pension fund management provision	342,245	151,098	156,449
4. Other technical income, net of reinsurance	8,673	7,569	5,860
5. Charges relating to claims, net of reinsurance	2,277,024	1,796,976	1,506,542
6. Change in mathematical provisions and other technical provisions, net of reinsurance	200,052	250,890	667,200
7. Reversal and profit partecipation, net of reinsurance	717	720	780
8. Operating expenses	71,456	85,908	92,315
9. Financial charges	165,612	523,725	311,991
10. Charges and unrealized capital losses on investments for the benefit of policyholders who bear the risk thereof and on investments arising from pension fund management provision	86,671	187,267	100,492
11. Other technical charges, net of reinsurance	13,678	14,235	12,849
12. (-) Income on investments transferred to the non-technical account (III.4)	61,383	-	-
13 Result of the technical account life insurance business	**333,558**	**(274,845)**	**(65,669)**
III. NON-TECHNICAL ACCOUNT			
1. Profit for technical account for non-life insurance (I.10)	522,075	87,175	11,175
2. Profit/loss for technical account for life insurance (II.13)	333,558	(274,845)	(65,669)
3. Income on investments in non-life business	499,535	345,683	332,965
4. (+) Income on investments transferred from the life technical account (II.12)	61,383	-	-
5. Financial charges on non-life business	204,151	473,438	265,205
6. (-) Income on investment transferred to the non-life technical account (I.2)	239,406	-	55,826
7. Other income	56,853	63,551	72,377
8. Other charges	124,827	158,821	154,854
9. Result of ordinary business	905,020	(410,695)	(125,037)
10. Extraordinary income	17,008	28,321	25,585
11. Extraordinary expenses	6,985	8,057	17,633
12. Result of extraordinary activities	10,023	20,264	7,952
13. Profit before taxes	915,044	(390,431)	(117,085)
14. Income tax for the period	311,563	(51,253)	(25,187)
15 Profit (loss) for the period	**603,480**	**(339,178)**	**(91,898)**

Statement of cash flows

(Amounts in thousands of EUR)	**Year ended December 31, 2012**	**Year ended December 31, 2011**	**Year ended December 31, 2010**
SOURCES			
LIQUIDITY GENERATED FROM OPERATIONS			
Net profit/loss for the period	603,480	(339,178)	(91,898)
Net increase in technical provisions for life and non-life business	76,352	681,747	337,376
Depreciation of securities and investments	145,603	746,579	336,550
Increase (decrease) in funds	20,020	77,131	43,863
Decrease in investments in securities	-	-	-
Decrease in equity investments	111,502	-	375,466
Decrease in investments in real estate	753	-	-
Decrease in Class D investments	-	-	-
Decrease in funding	-	5,498	41,772
(Increase) decrease in receivables and other assets, net of payables and other liabilities	301,370	(97,196)	(78,055)
Decrease in other uses	138,476	-	86,722
OTHER FINANCIAL SOURCES			
Share capital increase and Navale contribution	-	272,320	-
TOTAL SOURCES	**1,397,556**	**1,346,902**	**1,051,795**
USES OF RESOURCES			
Increase in securities	313,638	814,169	1,118,663
Increase in equity investments	-	302,284	-
Increased in real estate	-	27,950	18,497
Increase in investments class D	312,180	181,162	113,877
Revaluation of securities and investments	377,085	46,518	43,888
Funding increase	89,411	-	-
Other uses of liquidity	-	86,191	-
Dividends paid	-	-	120,240
TOTAL USES OF RESOURCES	**1,092,315**	**1,458,273**	**1,415,166**
Increase/decrease in bank deposits and cash	305,241	(111,371)	(363,371)
TOTAL	**1,397,556**	**1,346,902**	**1,051,795**
Bank accounts / cash on hand at the beginning of the period	**256,236**	**367,607**	**730,979**
Bank accounts / cash on hand at the end of the period	**561,478**	**256,236**	**367,607**

Net financial debt

(Amounts in thousands of Euro)	**As of December 31, 2012**	**As of December 31, 2011**	**As of December 31, 2010**
Subordinated liabilities	961,689	961,689	961,689
Debts with collateral	5,248	2,542	-
Total Debt	**966,937**	**964,231**	**961,689**

Summary of accounting principles

The most significant criteria used to draft the financial statements for the period 2010-2013 are set out below.

Intangible assets

Intangible assets considered for long-term use are entered under the cost of purchase or of production.

Ancillary expenses are also calculated in the purchase cost, whereas production cost includes all the costs due directly to individual elements of the assets.

Acquisition costs to be amortised

Early payment of acquisition costs regarding long-term contracts for the Non-life business are capitalised and amortised at constant values over a three-year period. Expenses for Life business are amortised in full, on the basis of the duration of the contract for a period in any event of no longer than ten years.

Any other expense regarding contract acquisition and management is reflected in the working income statement of the financial year in which it is incurred.

Initial and Expansion costs

This item records the expenses incurred in the event of company incorporation or amendments to the deed of incorporation.

The expenses regarding capital increases are amortised in five identical payments, starting from the accounting period in which the capital increase took effect.

At 31st December 2012, the item includes the expenses for integration with Fonsai Group which will be amortised over a five-year period, starting from the date of the merger.

Goodwill

Goodwill is amortised over a twenty-year period.

Other long-term costs

The costs sustained not only for projects of corporative reorganisation, but also for real estate incremental expenses are entered among the long-term costs.

Said costs are amortised over a period ranging from two to ten years, depending on their function and presumed future residual life. Amortisation for on-going projects has been suspended up to the accounting period in which they will be actually be used.

Expenses regarding portfolio acquisitions for Life Class are amortised at constant figures depending on the average residual duration of the contracts involved.

Trademarks are amortised over 10 years.

The other long-term costs are amortised to the income account on the basis of their presumed useful life.

Investments

Land and buildings

Real estate property is included among the fixed assets (except for any buildings for sale, entered as short-term properties).

The costs of improvements and changes are capitalised should they result in a longer useful life of the assets and their profitability.

Properties intented for business use are amortised at a constant rate of 3%. As of the financial year 2012, same criteria of amortisation were extended to all owner occupied business assets. The land, including land shares regarding entire buildings, are accounted separately and are not amortised.

Investment properties for housing are not amortised, taking into account the constant maintenance carried out to prolong use over time and maintain value.

The necessary depreciation is made for real estate properties showing long-term loss.

The real estate market value is calculated on the basis of an analytical, expert appraisal for each portion, unit or property complex made by an autonomous, external entity. The valuation reports and the external entity must comply with the requisites requested by the IVASS Regulation No. 22 of 4th April (Arts. 16 to 20).

Investments in Group companies and in other investees

These consist mainly of long-term uses, such as shareholdings of control, shareholdings in affiliated companies and in other enterprises.

These shareholdings are entered in the financial statement under cost of acquisition or undersigning or at a value below cost in the cases in which the subsidiaries show long-term losses in value on the basis of their financial position.

Other financial investments

Shares and units in mutual funds

The share securities which are not fixed assets, own shares and units in mutual investment funds are entered at the lower value between the average cost of acquisition and the market value for listed stocks, consisting, for listed securities, of the arithmetic mean of the prices measured in the final month of the accounting period and, for non-listed securities, to a prudent estimation of their presumable realisable value.

The shares and units in mutual funds classified as durables are kept at cost price, with a possible adjustment of the depreciations arising from the loss of value believed to be long-term.

Bonds and other fixed-yield securities

Securities expected to last in the corporate assets of the Company are evaluated at the average cost of acquisition and undersigning, adjusted or integrated with the share accrued in the accounting period of the negative or positive difference between the redemption price and the acquisition price. The share regarding any issue discounts will be entered separately. They are depreciated at a later stage only if long-term losses are ascertained. The adjustment share of capital which has already accrued for implicit interest rate securities (zero coupon bond and others) is taken into account, based on accruals.

The securities used for short-term use are aligned to the lesser value between the average cost, increased or adjusted by the issue discounts accrued, and that of the market consisting of the arithmetic mean for listed securities of prices measured in the last reference month and, for those not listed, of the presumable realisable value, calculated on the basis of the current value of the securities, negotiated in regulated markets with similar characteristics.

The decrease in value of preceding financial years is not maintained should the reasons which gave rise to them have disappeared.

In order to draft the financial statement of the accounting year ended at 31st December 2011, Unipol Assicurazioni exercised the right envisaged by the IVASS Regulation No. 28 of 17th February 2009 in force at the time, issued to implement Art. 15, paragraphs 13, 14 and 15 of the Decree Law 185 of 29th November 2008, which enabled current classified portfolio securities to be evaluated at their entry value in the last regularly approved financial statement or half-yearly report, or at their acquisition value if later rather than the end of period market value. Unipol Assicurazioni applied these optional criteria on only to a group of bonds in portfolio at 31st December 2011, the quantitative details of which are given in the following explanatory notes.

As regards the recovery registered in the market trade in the second half of 2012, in its financial statement for the accounting year ended at 31st December 2012, Unipol Assicurazioni did not exercise the similar right introduced as of the financial year 2012 by Art. 15 paragraph 15-quater of the Decree Law 185 of 29th November 2008. By abrogating the previous regulations in force mentioned above, the latter enables insurance companies to evaluate their debt securities issued or guaranteed by States of the European Union, classified in the current portfolio, on the basis of their entry value as given in the last, regularly approved, financial statement or half-yearly report, or at their acquisition value if later, rather than on the basis of the end of period market value.

This right, regulated in more detail by the IVASS Regulation No. 43 of 17th July 2012, was exercised, however, during drafting of the half-yearly report at 30th June 2012.

Fundings

These are entered at their nominal value corresponding to the presumable value of realisation.

Derivative financial instruments

Derivative financial instruments, as defined by the IVASS Regulation No. 36 of 31st January 2011, are used exclusively for hedging purposes, to reduce the risk profile of hedge assets/liabilities i.e. to optimise the risk/return profile of same. Derivative contracts in existence at the end of the accounting period are valuated according to the “principle of consistent gain”. In particular, the evaluation losses or capital gains are charged to the income account consistent with the corresponding evaluation losses or capital gains calculated on the hedged assets or liabilities. The valuation is made on the basis of the derivative instrument Fair Value which represents the price at which an asset can be exchanged (or a liability cancelled) in a free transaction between independent, mindful parties.

For financial instruments for which there is an active market, the Fair Value coincides with the market value, whereas for instruments which have no active market, the Fair Value is calculated on the basis of the current value of a similar instrument or by using generally accepted valuation models and techniques.

The premiums cashed or paid for options on securities, shares or interest rates in existence at the end of the accounting period are entered in the items entitled “Debts and other liabilities” and “Other financial investments”.

When this option accrues:

- in the event it is used, the premium is adjusted to the price of acquisition or sale of the underlying assets,
- in the event it is abandoned, the premium is entered under “profits/losses on realisation of investments”.

Income from securities

The interest income accrued is accounted in the income statement according to the principle of competency, as is the difference accrued between the repayment value and the issue price of bonds and similar securities. Securities which make up fixed assets take into account the difference accrued between the repayment value and the entry value.

Dividends are accounted for in the accounting period in which distribution is deliberated, with the exception of dividends from subsidiary companies which are recognised according to the accrual principle, i.e. in the same accounting period in which the profit to be distributed is made.

The capital gains and losses arising from negotiating fixed income and share securities are recognised in the income statement according to the date they were effectively liquidated.

Deposits with ceding companies

The item includes deposits held with ceding companies, as regards risks taken in reinsurance, and they are entered at their nominal value.

Investments for the benefit of Life policy holders who bear the risk thereof and arising from pension fund management provisions

They are entered at their current value, according to what is established by Article 17 paragraph 2 of the Legislative Decree 173/97, in particular:

a) for listed investments the value is that of the last day of transaction of the accounting period;

b) for investments traded on unregulated markets this will be an estimate of their presumed realisable value at the same date;

c) for other assets and liabilities and liquid assets this will be their nominal value.

Receivables

These are entered at their presumed realisable value.

In particular:

- receivables for policy holders for premiums for the accounting year and preceding years represent the receivables accrued but not yet collected at the end of the accounting period. The specially set up depreciation fund takes into account the possible future loss calculated on the basis of experience and the relevant costing figures;
- receivables to intermediaries include all receivables to agents, brokers and other intermediaries, as well as the receivables of recovery for compensation paid to former agents. They are adjusted directly by

cancelling definitive losses and depreciations presumed to be uncollectable, made by putting the amount resulting from verifications made on individual positions of doubtful collectability in a special reserve;

- receivables to companies represent the end of the accounting period balances adjusted by a special reserve for depreciations arising from the verifications made on individual positions of doubtful collectability;
- receivables to third parties and policy holders for sums to be recovered consist of the recoveries to be made regarding the accidents for which compensation has been paid. These receivables are believed to be collectable based on a prudent valuation;
- receivables from reinsurance operations towards companies include all the receivables believed to be collectable and are, therefore, adjusted by a special depreciation provision calculated on the basis of checks on individual positions;
- other receivables include all the receivables which do not fall under the aforementioned items and are adjusted by a special depreciation provision, calculated according to the presumed collectability of the various positions.

Other assets

Furniture, office equipment, systems and movables registered in the public registers

Assets which fall among the fixed assets are set out in the financial statement at the purchase price or at allocation values, and amortised according to their presumed useful life.

Subordinated liabilities

The loans issued which fall in this category are entered at their nominal value.

Accrual expenses and deferred income

The accrued assets and deferred income are calculated according to matching and accrual criteria.

Technical provisions for Non-life classes

Premium provision

In the direct Italian portfolio the premium provision, which is articulated in its own parts, is calculated pursuant to Arts. 37 and 37-bis of the Code for Private Insurances and in compliance with the measures and methods of valuation provided by the IVASS Regulation No. 16 of 4th March 2008:

a) the provision for unearned premiums is calculated for all the classes practised by using the analytical "pro rata temporis" method established by Art. 8 paragraph 1 of the aforementioned regulation, with the exception of the risks included in the Receivables Line for contracts stipulated or renewed by 31st December 1991, for which the criteria of calculation applied are established in Attachment 1 of same regulation;

b) the provision for unexpired risks, linked to the technical performance and destined to cover the part of the risk which falls into the accounting period following the closure of the financial year, is set up according to the simplified method envisaged by Art. 11 of the aforementioned regulation, in the classes where the valuation of the overall amount of compensation and relevant expenses arising from insurance contracts stipulated before the closure of the financial year exceeds that of the provision for unearned premiums and premium instalments which will be collectable after such date regarding same contracts;

c) the supplementary provisions for the unearned premium provision, connected with the particular nature and characteristics of certain risks (damage caused by hail or other natural calamities, such as earthquake, tsunami, volcanic eruption and connected phenomena; damage from nuclear energy and risks included in the guarantee lines) are calculated according to the measures given in Chap. I Section III of same regulations.

The provision for profit-sharing and reverses in the Health Classes calculated against amounts to be recognised to policy holders for contracts containing the clause of profit-sharing or reverses.

The shares in the premium provisions to be borne by the reinsurers are calculated by applying to the premiums allocated the same criteria used to calculate the direct written premium provision according to what was established by the employment agreements.

Other technical provisions

This item includes the ageing provision in the Health Classes, destined to cover the heightened risk of the increasing age of policy holders, calculated on the basis of the flat rate envisaged by Art. 47 paragraph 3 of the IVASS Regulation No. 16/2008, of 10% of the gross insurance premiums accounted in the financial year regarding the contracts with the characteristics set out in Art. 46 paragraph 1 of same regulation.

Equalisation provision

The equalisation provisions provided for the purpose of equalising the fluctuations in the accident rate in future years and to cover any special risks, such as receivable risk, natural disasters or damage arising from nuclear energy, are calculated according to the measures contained in Chapter III of the IVASS Regulation No. 16/2008.

Provision for Claims

The direct written premium for the provisions for claims is calculated analytically by estimating the presumed cost of all the accidents open at the end of the financial year, and on the basis of prudent technical valuations focusing particularly on objective elements which enable the overall amount reserved to be capable of handling the compensation to be paid and the relevant direct and liquidation expenses.

Inventory figures calculated in this manner were subjected to analyses and checks by designated organisations. Subsequently, in order to take into account all reasonably predictable future expenses, actuarial statistic methods were used to calculate the final cost accident provisions.

The provision for claims includes, moreover, the provision for delayed claims, estimated on the basis of the experience acquired regarding accidents in previous financial years which had also been reported late.

The shares of the provision for claims borne by the reinsurers reflect recovery of same against the reserved amounts expected from individual contracts or employment agreements.

Technical provisions for Life business

The amount entered in the financial statement is calculated in compliance with Art. 36 of the Code for Private Insurances and with the IVASS regulation No. 21 of 28/3/2008.

The mathematical provision for direct insurances is calculated analytically for each contract on the basis of pure premiums, without detracting policy acquisition expenses and referring to actuarial assumptions (technical interest rates, demographic projections of elimination on the grounds of death or invalidity) used to calculate the premiums for existing contracts. The mathematical provision includes the full-strength premium shares regarding the premium instalments accrued during the financial year. It includes, moreover, all the revaluations given when the contractual clauses were applied and is never lower than the purchase value. In compliance with the measure of Art. 38 of the Legislative Decree 173/1997, technical provisions created to cover commitments arising from insurance contracts, the yield on which is calculated depending on investments or indices for which the policy holder does not bear the risk and those arising from pension fund management, are calculated according to the commitments predicted by the contracts and to the measures of Art. 41 of the Code for Private Insurances.

The mathematical provisions provided for by Art. 38, paragraph 3 of the Legislative Decree 173/1997, includes the provisions set up to cover death risks in insurance contracts for Class III which guarantee compensation in the event of the decease of the policy holder during the contractual term. The mathematical provision also includes the provisions set up against payments guaranteed on the expiry of the contract or when predefined events occur, for insurance contracts in Class III and IV. The mathematical reserve also includes an additional reserve for demographic risk. As regards the latter, since a gap between the demographic bases used to calculate the capital for life annuities and the table IPS55 drawn up by Ania, integration to the funds was deemed necessary to face commitments towards policy holders, in compliance with the measures of the IVASS Regulation No. 21 of 28th March 2008, Article 50. Furthermore, in compliance with Arts. 36, 47 and 48 of the aforementioned IVASS Regulation, an additional provision was set up to cover any possible variation between the predictable rates of return of the assets covering the contingency provisions and the commitments taken on regarding the levels of financial guarantees and the dynamics of adjustment of services envisaged by the contracts.

The provisions for payable sums, as provided for by Art. 36, paragraph 3 of the Code for Private Insurances, includes the overall amount of the sums required to pay the accrued but as yet unpaid returns of redemptions and the claims to be paid.

The other technical provisions consist almost entirely of provisions for management expenses and are calculated on the basis of what is envisaged by the IVASS Regulation No. 21 of 28/3/2008 Arts. 31 and 34.

Technical provisions when the investment risk is borne by the policy holders and provisions arising from pension fund management

According to what is established by Art. 53 of the IVASS Regulation No. 21, the mathematical provisions in the financial statement for Unit-Linked policies are calculated according to the number and value of the shares of the respective lines of investment in force on the date of valuation, i.e. to the market value of the corresponding cover assets.

According to the measures of Art. 54 of the IVASS Regulation No. 21, the mathematical provisions in the financial statement for Index-Linked policies are calculated according to the market value of the corresponding covering assets.

According to what is established by Art. 53 of the IVASS Regulation No. 21, the provisions of Class VI concerning open pension funds are calculated according to the number and value of the shares of the respective lines of investment in force on the date of valuation, i.e. to the market value of the corresponding cover assets.

Provisions for risks and charges

These include the budget allocations deemed the most appropriate for specific, certain or probable liabilities for which the amount or the date of contingent transaction are uncalculated at the end of the accounting period.

They do not include funds to correct the values of items in equity assets.

In particular:

- the tax fund includes tax expenses set aside for items which will be taxed in subsequent financial years;
- the other provisions include predictable expenses of different kinds and those arising from litigation in progress, analytically valuated for the individual positions.

Income tax

The taxes, calculated on the basis of the tax regulations in force are allocated according to the expenses for the accounting period. They represent:

- the expenses/income for the current taxes of the accounting period;
- the amounts of prepaid and deferred taxes arising in the financial year and to be used in future accounting periods;
- the deduction for the share for the financial year of the prepaid and deferred taxes generated in previous financial years.

The Company, pursuant to Art. 117 and subsequent articles of the Decree of the President of the Republic No. 917/1986 and of the ministerial Decree 09/06/2004, has, as a consolidated company, chosen the national, consolidated tax regime for the financial years 2010-2011-2012. The function of consolidating company is reserved for the company Finsoe for tax purposes. Unipol Assicurazioni has signed an agreement with this company concerning the regulation of the economic and financial aspects which govern the option under examination. In particular, the requirements to pay IRES under this option were transferred to the consolidating company Finsoe.

The expenses/income linked to the transfer on to the consolidating company of the tax result for IRES purposes, calculated in compliance with the requirements by law, taking into account the applicable abatements and the tax receivables due, as well as what is envisaged in the aforementioned agreement with the consolidating company, are entered under the item “Taxes in the income statement”.

IRAP for the financial year is also entered under the item “Taxes” in light of the available information at the time of drafting the financial statement.

Lastly, the taxes include the expense for the taxes to replace IRES and IRAP, where applicable. Finally, the item taxes recognises the prepaid and deferred taxes, calculated on the existing time frame differences between the result of the financial statement and the tax result (arisen or transferred in the financial year), involving the assets for prepaid taxes and the deferred tax fund respectively.

By applying the accounting principle no. 25 issued by the Italian Accounting Organisation, assets for prepaid taxes are recognised only if a reasonable certainty exits they can be recovered in future financial years, whereas liabilities for deferred taxes are always recognised.

Deferred taxation is quantified on the basis of the tax rates envisaged by the regulations in force, which can be referred to in future financial years in which we can predict that all or part of the time differences which originated them will be absorbed.

Payables and other liabilities

These are entered at their nominal value and represent the Company debts towards third parties.

In particular, the reserve for employee severance indemnities reflects the liabilities accrued towards all employees in force at the end of the accounting period, in compliance with the laws in force and the collective employment agreements.

Premiums for the period

Entry of the premium provision enables us to comply with the criterion of applicability for the accounting period. The gross accounted and allocated premiums include all the amounts accrued over the year for insurance contracts, regardless the fact that these amounts have been collected, net of annulments motivated not only by technical reversals for individual securities issued during the financial year, but also by contract variations, with or without premium variations, carried out by means of replacements or endorsements, non-compliance with the measures of the IVASS Regulation No. 22 of 4th April 2008.

Investment profit in the income statement

The assignment of shares of the investment profits in the income statement for the Non-Life business and in the non-technical income statement of Life business is made according to the measures provided for by the IVASS Regulation No. 22 of 4th April 2008.

Asset reinsurance

The risks taken in reinsurance are accounted for on the principle of competence.

All the residual part of the, as yet, incomplete technical components communicated to the assignors concerning the financial year were estimated in the same way as the relevant retrocession. The contingency provisions are those notified by the assignors and integrated if necessary to take into account further foreseeable losses.

Conversion of balances into foreign currency

The items expressed in foreign currency are managed according to the multicurrency accounting principles.

In compliance with the measures of Art. 2426, paragraph 8-bis of the Civil Code, the tangible, intangible and financial fixed assets (consisting of shareholdings) in currency are entered at the exchange rate at the time of their purchase. The other items expressed in foreign currency are entered at end-of-year exchange rates. All conversion balances are recorded in the income statement.

Any resulting unmade net profit is entered in a reserve which cannot be distributed until it is effectively realised when appropriating profits.

Criteria adopted in the breakdown of elements common to the management of Non-Life business and Life business

Unipol Assicurazioni is authorised to carry out insurance and reinsurance activities for both the Life and Non-Life business.

Pursuant to Art. 7 of the IVASS Regulation No. 17 of 11th March 2008, implementing Art. 11 paragraphs 3 and 348 of the Legislative Decree No. 209 of 7th September 2005, general expenses are accounted in the appropriate management when they are directly attributable to same on the basis of the information regarding the cost centre.

Common costs and revenues of the two managements which it was impossible to attribute from the very beginning to a specific management and which were, therefore, recognised indistinctly, are divided at the closure of the financial year on the valuation of the Board of Directors framework resolution taken on the subject by the board of directors on 26th June 2008 and subsequently amended on 18th February 2011, according to criteria consistent with the organisational structure and by using suitable parameters. In particular:

Acquisition Expenses

The costs of common organisational units pertaining to the central and territorial, technical/commercial structure of the company, are divided on the basis of productivity parameters, including mainly the value of the premiums and the number of contracts in the portfolios of Non-Life and Life business. An individual parameter or a combination of parameters can be used depending on the cases.

Liquidation Expenses

Considering that liquidation activities are attributed to organisational units shared between management of the Non-Life and Life business, generally speaking no liquidation expenses common to the two managements have emerged.

If, as a result of organisational modifications, common cost centres should arise in future, they will have to be shared according to suitable quantitative parameters regarding the activity carried out by the organisational units to which they refer.

Administration Expenses

Common administration expenses (referring to organisational units not directly attributable to a specific management) are shared between the management of the Non-Life Classes and the Life Class on the basis of suitable quantitative parameters regarding the activity carried out by the organisational units to which they refer (such as, for example, the number of texts, the number of policies in a portfolio, the total of the premium etc.) an individual parameter or a combination of parameters can be used, depending on the cases.

Income from investments

Recognition of equity and financial income reflects the effective receipts arising from their uses and from the relevant availability of the Life business management and Non-life business management.

Equity and Financial Expenses

The majority of these are distinctly recognised (Life and Non-Life business) from their origin.

Common costs, mainly regarding structure expenses are divided on the basis of the investment impact between the two managements.

Other Revenues and other expenses

These are attributed to each management consistent with the attribution of the event or equity and income items which appear to be linked.

The revenues to recover common minority interests are divided with criteria consistent with those used to divide the costs of recovery.

Extraordinary revenues and expenses

The capital gains and losses arising from the transfer of real estate, tangible assets, profits and losses arising from negotiating securities classified as being "of long-term use" and the contingencies are charged to the managements, depending on their origin, i.e. on the basis of how the assets are attributed at the date of realisation or of their valuation in the financial statement.

Taxes

The taxes regarding real estate investments are attributed to each management according to the allocation of the investments to which they refer.

The income tax (IRES, IRAP and prepaid/deferred taxes) are attributed on the basis of the contribution of each management to the tax result for the financial year.

<u>Further information</u>

With provision n. 2851 of 6th December 2010 IVASS authorized the attribution of the business branch of Navale Assicurazioni to Unipol Assicurazioni. Such attribution has civil, accounting and fiscal effectiveness as of 1st January 2011. The attribution was made with accounting values, through the increase of share capital to its service, decided by the Unipol Assicurazioni shareholders' meeting of 29th July 2010, Euro 8,756 thousand and increase of the share premium provision of Euro 113,564 thousand. Net worth and economic values related to fiscal year 2011 of Unipol Assicurazioni include balances relative to said branch of the company. Important variation in the financial data presented, related to said attribution, have been commented on below in the specific definitions.

<u>Explanatory notes on the balance sheet</u>

Balance sheet - assets

B. Intangible fixed assets

Intangible assets, equal to Euro 237,418 thousand at the 31st December 2012, are Euro 168,702 thousand from residual goodwill quotes paid for portfolio acquisition operations ended in 2004 by Aurora Assicurazioni S.p.A. The remaining part of intangible assets is related to the acquisition of provisions to extinguish, at costs of installation and extension expenses and other long time expenses. The same long time expenses, of Euro 45,087 thousand at 31st December 2012, mainly include expert advices on projects. Installation and extension expenses, of Euro 8,945 thousand at the 31st of December 2012, are related to expenses for the integration project with Fonsai Group that will be extinguished starting from the date of merging. All assets classified in this definition are considered for long term use.

C. Investments

Investments in land and buildings, of Euro 671,555 thousand at the 31st December 2012, are made for the 40% of real estates for own use. The remaining quote is for third party use. The increase recorded in 2011 of Euro 7,474 thousand is attributable to the provision of activites of Navale Assicurazioni with effect from 1st January 2011. At 31st December 2012 some real estates were depreciated, as they were showing durable losses for a value of Euro 19,589 thousand.

"Investments in group companies and others investees" at 31st December 2012 are equal to Euro 970,841 thousand of shares and quotes of subsidiaries companies, of which Euro 486,694 thousand are relative to controlled companies, mainly real estate, Euro 299,371 thousand are relative to the affiliated Unipol Banca, Euro 15.571 thousand are relative to affiliated companies and Euro 169,205 thousand for other shares. Shares and quotas in subsidiaries companies are increased at 31st December 2012, compared to 31st December 2011, mainly for capital accounts made by Unipol Assicurazioni in Midi S.r.l., Unifimm S.r.l. and Smallpart S.p.A. At the 31st of December 2011 the balance of the item, though not showing a difference compared to that of 31st December 2010, is influenced by purchases and subscriptions for Euro 235,308 thousand and alignment for a value of Euro 242,031 thousand. Bonds issued by companies of the group and others associated with it are mainly made of obligations issued by Unipol Banca S.p.A. The item was depreciated at the 31st of December 2012, compared to previous fiscal years, mainly after the refund for expiration of bonds of Unipol Banca S.p.A. All bonds are classified as investments for long term duration.

Loans in the entry "investments in group companies and other investees", which did not change in the three years period 2010-2012, are mainly constituted of financing in 2009 for UGF, for the supplanted Unipol Assicurazioni in its role as issuer, in replacement of UGF, of loans "Unipol 7%" and "Unipol 5.66%".

"Other financial investments" are composed of bonds and other fixed-yield securities, besides corporate bonds and shares of communal investment funds, as reported below:

(Amounts in thousands of Euro)	As of December 31, 2012			As of December 31, 2011			As of December 31, 2010		
	Life	**Non-Life**	**Total**	**Life**	**Non-Life**	**Total**	**Life**	**Non-Life**	**Total**
Shares and quotas	370,308	275,284	645,592	508,269	319,288	827,557	609,437	327,844	937,281
Investment funds	54,398	192,344	246,742	53,427	198,711	252,138	44,581	200,389	244,970
Bonds and other fixed-yeld securities	9,711,988	4,614,888	14,326,876	9,059,886	4,462,156	13,522,042	8,818,335	4,196,409	13,014,744
Total	**10,136,694**	**5,082,516**	**15,219,210**	**9,621,582**	**4,980,155**	**14,601,737**	**9,472,353**	**4,724,642**	**14,196,995**

In the Non-Life business at 31st December 2012 the total amount of durable investments is equal to 43.43% of the total of financing investments. In the Life business, at the same date, this percentage is equal to 38.26%.

The entire exposition in the share section diminished in the three year period. Management activity focused on bond investments characterised by low volatility and high dividend. Almost all shares in the portfolio are included in the Eurostoxx 50 index.

During the three year period 2010-2012 all investments are focused on the obligations section, largely favouring the governmental component. Italian state securities are the main objective of purchases made for a long term investment, while exposition to foreign securities issued by Spanish Treasure and, in a smaller measure, securities issued by Irish and Portuguese treasure. At the end of 2012 there is a negative balance in the portfolio of securities between breakdown and losses for an amount of Euro 394.7 million relative to real estate securities portfolio.

In the following table the composition of bonds and other fixed income securities is reported.

(Amounts in thousands of Euro)	**As of December 31, 2012**	**As of December 31, 2011**	**As of December 31, 2010**
Securities issued by governments, government agencies			
Listed	7,116,429	5,582,249	4,649,213
Non listed	24,576	5,588	2,797
Convertible bonds	6,253	12,572	6,613
Other listed securities	7,074,724	7,575,679	8,153,037
Other unlisted securities	104,894	345,954	203,084
Total	**14,326,876**	**13,522,042**	**13,014,744**

Regarding the division of currency, the securities portfolio at 31st December 2012 is made for the 99.2% by securities of the Euro zone.

At the 31st of December 2011, Unipol Assicurazioni applied the criterion of evaluation of investments classified in the non durable section, of which rules IVASS n. 28 of 17th February 2009 was in force. At 31st December 2012, after the upswing of the financial markets, Unipol Assicurazioni decided to avoid the same option provided by IVASS n. 43 of 17th July 2012 now in force.

Here below is reported the comparison between the balance value of securities for which the above-mentioned rule was applied and the value that can be calculated from the market trend.

(Amounts in thousands of Euro)	Market value as of December 31st 2011	Balance as of December 31st 2011	Effect of exercised faculty Regulation no. 28
NON-LIFE			
Shares issued by government, public shares	686,096	789,271	103,175
Other listed securities	340,147	423,551	83,404
Other unlisted securities	13,779	15,000	1,221
Total	**1,040,022**	**1,227,822**	**187,800**
LIFE			
Shares issued by government, public shares	1,645,963	1,823,503	177,541
Other listed securities	660,747	784,355	123,608
Other unlisted securities	116,891	125,000	8,109
Total	**2,423,601**	**2,732,858**	**309,258**
TOTAL			
Shares issued by government, public shares	2,332,059	2,612,775	280,717
Other listed securities	1,000,894	1,207,906	207,012
Other non listed securities	130,670	140,000	9,330
Total	**3,463,623**	**3,960,680**	**497,058**

Loans in “Other financial investments” are increased at 31st December 2012, compared to 31st December 2011, of Euro 46,974 thousand and Euro136,385 thousand, for the acquisition from the parent company UGF of a financing fund to P&V Assurance.

The variation of other investments in “Other financial investments” during 2010-2012 can be derived mainly from deposits related to expiring credit entites, with a duration superior to 15 days, made during 2011 and not renewed in 2012, referring to the management of the Non-Life and Life business.

Deposits with ceding companies include deposits made for guarantee in ceding companies related to dangers, which movement (constitutioned and refunded) yearly. During the three year period the deposits by ceding companies were not subject to depreciation.

D. Investments for the benefit of the Life businesspolicy holders who bear the risks thereof and arising from pension fund management provisions

The entry “Investments relating to contracts linked to investment funds and market indexes”, equal to Euro 453,101 thousand at 31st December 2012, lists investments related to technical funds related to contracts having the features indicated in art. 41 of Legislative decree 7/9/2005 n. 209 “Private insurance code”. In particular for index-linked and unit-linked.

The entry “Investment relating to pension fund management provision”, equal to Euro 2,407,131 thousand at 31st December 2012, is exposed to investments related to retirement funds open to contribution, “Unipol Previdenza” and “Unipol Insieme”, created and managed by Unipol Assicurazioni according to Legislative Decree. 21/4/93 n. 124 and to 15 negotiable retirement funds for which Unipol Assicurazioni performs an assisted management with guarantee. Retirement funds are an independent fund separated from that of Unipol Assicurazioni and at 31st December 2012 are articulated, regarding open funds, in four lines of investments from “Unipol Previdenza” and five lines for “Unipol Insieme”, with different management features, and one single line for each four funds with guarantee.

D. bis Technical provisions – Reinsurers’ share

The entry registers an increase in the three years 2010-2013 and reflects the evolution of reinsurance relationships. 2012 is also influenced by effects caused by the earthquake in Emilia and Lombardia.

E. Credits

Credits deriving from operations of direct insurance, equal to Euro 817,359 thousand at 31st December 2012, include credits to policyholders with premium, credits to agents and other intermediaries, companies for co-insurance relations, and credits to policyholders and third parties for amounts to be recovered. Credits to policyholders represent the 6% of direct premium and are collected within two months after the end of the fiscal year, while credits to intermediaries mainly include premium collected at the end of the fiscal year and yet to be paid to Unipol Assicurazioni.

Other credits, of Euro 433,621 thousand at the 31st of December 2012, is mainly made of credits to the tax office, credits to the indirectly controlling Finsoe for fiscal consolidation, and to Mutuelle Du Mans. Unipol Assicurazioni is creditor of the latter after the merger by incorporation of Navale Assicurazioni S.p.A. in 2011; the credit is calculated based on the evolution of the provision for claims at 31st December 2005 as provided in the sale contract to Navale Assicurazioni S.p.A. of companies of the group Mutuelle du Mans Italia.

Disputed credits at 31st December 2012 are equal to Euro 21,930 and covered by a depreciation fund of Euro16,249.

F. Other assets

Cash and cash equivalent, of Euro 561,478 at 31st December 2012, are mainly made of bank deposits to Unipol Banca S.p.A.

Other assets, in other elements, equal to Euro 310,307 at 31st December 2012, are mainly made of credits to the tax office for anticipated taxes, related to technical accountancy, anticipation of portfolio allowances and distrained amounts for claims.

G. Prepayments and accrued income

Accruals and deferrals are mainly made by accruals on securities.

Balance Sheet - liabilities

A. Equity

The value of equity and relative provisions of Unipol Assicurazioni, besides the detection of results for the period, is influenced by the following events.

On 28th April 2011, in order to reinforce the patrimonial structure of Unipol Assicurazioni, the shareholders meeting decided to increase the share capital for an amount of Euro 100,000 thousand, through charge of the corresponding reserve made by the transfer in equity loan made by UGF on 22nd December 2010.

Regarding 2011, the equity was increased by Euro 122,320, as effect of the ongoing contribution by Navale Assicurazioni with legal, fiscal and accounting effects effective from 1st January 2011. Such increase is registered as share capital of Euro 8.756 thousand and as additional reserve for Euro 113.564 thousand.

On 29th December 2011 UGF transferred another amount for the future capital of Euro 150,000 thousand for Life management. Such transfer was qualified on 12th March 2012 as equity loan transfer and used for the partial cover of losses of 2011.

After the use of the option of which art. 10 of IVASS n. 43 of 17th July 2012, for the distribution of dividends Unipol Assicurazioni must guarantee the company has resources equal to the amount, related to the same company, calculated among elements of adjusted solvency margin, according to art. 11, paragraph 9, of said rule. At 31st December 2012 such amount is equal to Euro 94,068 thousand.

The detail of balance sheet reserve is reported in this table:

(Amounts in thousands of Euro)	As of December 31, 2012	As of December 31, 2011	As of December 31, 2010
Shares premium reserve	616,976	616,976	503,411
Property revaluation reserve	97,000	97,000	97,000
Legal reserve	6,871	6,871	6,871
Other reserve			
Management reserve	1,500	1,500	1,500
Payments for capital	-	-	100,000
Merger reserve	166,566	348,157	387,547
Reserve Art 2426 exchange rate differences	479	1,670	1,670
Extraordinary Reserve	258	7,586	60,095
Other Extraordinary Reserve	-	8,894	8,894
Advances on future capital increase	-	150,000	-
Restricted reserves of profits	9,827	-	-
Total	**899,477**	**1,238,654**	**1,166,988**

B. Subordinated liabilities

Subordinated liabilities, Euro of 961,689 thousand did not change in the three years period, and as follows:

– subordinated financing of a hybrid nature, of Mediobanca – Banca di Credito Finanziario S.p.A. with nominal value of Euro 400,000 thousand, issued in May 2008, perpetuated with anticipated refund option since May 2018;

– two subordinated bonds originally issued by UGF (June 2001 and July 2003), with nominal value of Euro 300,000 thousand each, to which Unipol Assicurazioni succeeded in 2009 as issuer. Loans have a 20 year duration, with the option of anticipated refund. Unipol Assicurazioni has, among its active portfolios, part of said loan for a nominal value of Euro 38,311 thousand acquired in 2009 by the controlling company. Consequently, the effective debt of this loan is Euro 261,689 thousand.

C. Technical provisions

Technical provisions are Euro 16,550,552 thousand at 31st December 2010, Euro 17,052,987 thousand at 31st December 2011, Euro 16,832,669 thousand at 31st December 2012.

Here below there is the composition of the premium provisions, related to Non-Life business:

(Amounts in thousands of Euro)	As of December 31, 2012			As of December 31, 2011			As of December 31, 2010		
	Premium fractions	Current risks	Total	Premium fractions	Current risks	Total	Premium fractions	Current risks	Total
1-Accident	133,864	-	133,864	136,520	-	136,520	128,769	-	128,769
2-Health	40,832	1,428	42,260	35,598	936	36,534	35,133	-	35,133
3-Motor vehicle damage	106,573	-	106,573	121,178	-	121,178	113,434	-	113,434
4-Railway vehicle damage	1	1	2	8	5	13	17	-	17
5-Aircrafts damage	7	-	7	6	-	6	9	-	9
6-Marine vehicle damage	1,257	206	1,463	1,680	398	2,078	1,625	-	1,625
7-Goods in transit	3,052	-	3,052	3,054	-	3,054	2,816	-	2,816
8-Fire	77,633	-	77,633	124,454	-	124,454	117,315	-	117,315
9-Other damages to property	113,867	-	113,867	146,230	-	146,230	139,619	3,962	143,581
10-Motor vehicle third party liabi	682,577	-	682,577	724,904	-	724,904	666,106	-	666,106
11-Aircraft third party liability	14	-	14	12	-	12	6	-	6
12-Marine vehicle third party liab	2,259	-	2,259	1,571	-	1,571	1,426	-	1,426
13-General third party liability	116,700	-	116,700	122,134	-	122,134	121,763	2,582	124,345
14-Credit	43	-	43	46	-	46	58	-	58
15-Unearned premium	46,489	-	46,489	49,878	-	49,878	53,538	-	53,538
16-Miscellanous financial loss of	16,420	-	16,420	17,211	-	17,211	19,181	-	19,181
17-Legal	11,526	-	11,526	11,543	-	11,543	9,876	-	9,876
18-Assistance	15,027	-	15,027	16,411	-	16,411	13,779	-	13,779
Total direct business	**1,368,140**	**1,635**	**1,369,775**	**1,512,436**	**1,339**	**1,513,775**	**1,424,471**	**6,544**	**1,431,015**
Indirect business	2,415	375	2,790	2,546		2,546	3,926	-	3,926
Total	**1,370,555**	**2,010**	**1,372,565**	**1,514,982**	**1,339**	**1,516,321**	**1,428,397**	**6,544**	**1,434,941**

The decrease of the provision at 31st December 2012 is mainly due to the partial use (Euro 53,596 thousand) of the integrative provision for insurances for damages caused by natural disasters as provided by sector regulation, for damages caused by the earthquake in Emilia and Lombardia, and the adjustment of the integrative reserve for damages caused by hail, as provided by a clarification issued by IVASS on 21st February 2011. In the calculation reference was made exclusively to "hail" characterized by risks that do not exhaust the effect of hedging by 31st December of the reference year.

Below is the composition of the claims provision, related to Non-Life business:

(Amounts in thousands of Euro)	**As of December 31, 2012**	**As of December 31, 2011**	**As of December 31, 2010**
Claims and direct expenses	4,510,560	4,508,945	4,195,850
Settlement costs	218,236	211,604	193,406
Claims incurred but not reported	430,682	438,054	415,723
Total direct business	**5,159,478**	**5,158,603**	**4,804,979**
Reserve from non-direct business	26,006	28,529	27,767
Total	**5,185,484**	**5,187,132**	**4,832,746**

The increase of provisions at 31st December 2011 compared to 31st December 2010 derives from the attribution of Navale Assicurazioni S.p.A. for an amount Euro 581,014 thousand for the claims provision and Euro 88,023 thousand for premium provision. At net of this effect the variation is a decrease of Euro 233,271 thousand.

Reinforcement of claims provisions of previous years

Referring to claims provisions of the Non-life Class of previous financial years of Unipol Assicurazioni, in the 2012 financial statement, the following is highlighted.

Results of verification activities having as a goal the process of claims reserve of Motor and craft Class of Unipol Assicurazioni, performed by IVASS during 2012, the Supervisory Authority, with notes of 3rd July 2012, of 26th October 2012, and following act of the 1st February 2013, denounced the violation of what provided into art. 37 of the Insurance Code and IVASS order n. 16 of March 4 2008, art. 4, paragraph 3, 27, paragraph 2, and 31, paragraph 2, related to the failure to respect the evaluation principle of the ultimate cost on claims provision of motor vehicle liability and liability for crafts recognized in 2011. This infringements subject to administrative pecuniary sanction ranging from a minimum of Euro 5,000 to a maximum of Euro 50,000.

In particular, in the course of this inspection, the Supervisory Authority (i) first, with said note of the 3rd July 2012, detected a lack of accounts to said provisions equal to Euro 210 million for provisions subject to quantification, regarding provisions for Motor and craft Class section with expenses to be inferior to Euro 100,000 and some critical profiles, not subject to quantifications, regarding provisions made for the reserve component relative to accidents with expenses to be superior to Euro 100,000, that cannot be assessed through actuarial methods, and (ii) subsequently, with the note of 26th October 2012, accept that exceptions and explications as well as the supporting documents supplied by the company acknowledged in the note of the 3rd July 2012 could not overcome the objections made, declared that the same company had to take into account that which was observed by the Supervisory Authority regarding the evaluation of the provisions for claims during the writing of the financial statement for 2012.

Unipol Assicurazioni, supported by the actuary of the Motor Vehicles Liability Class and the auditor, and PricewaterhouseCoopers LLP, appointed as the primarily independent international advisor, the verification of the adequacy of procedures used by the company for the quantification of provisions object of claim, both during verification activities and counter deduction to said claim of 1st February, contested procedures used by IVASS and its results– expressed in terms of lack of reserve for the fiscal year 2011, supporting exceptions of authorities, and underlining their belief (i) that the claim made by the Supervisory Authority can be based on procedures and/or models used by the company presenting some problems and the use of partial data, so (ii) the decision of the company about provisions derives from the correct application of evaluation procedures, i.e. taking into account the completeness, relevance and accuracy of accounting and statistical data, using actuarial and statistical procedures which, regarding the determination of the ultimate cost of claims , are accurate and adequate, and in line with recent evolutions of actuarial science, regarding Solvency II.

Believing that claims placed by the Supervisory Authority can be derived from procedures and/or models which have some problems, and the use of partial data, the company asked IVASS for the revision of the sanction procedure and archiving of the same.

It should also be noted on this point that, continuing with the policies adopted over recent accounting periods and with their effects on budget forecasts, as part of the preparation of the 2012 Financial Statements, Unipol Assicurazioni has made an adjustment of the Motor Vehicle Liability reserve calculations effected for previous accounting periods on the basis of managerial trends recorded over the accounting period and the results of the actuarial models applied, such adaptation amounting to a total of Euro 141 million (equal to about Euro 164 million with the exclusion of the balance of monies recovered), aligning the amount of the claims provision to the central value of the range of estimates, as obtained by the actuary appointed to assess Motor Vehicle Liability. Note that the Joint Business Plan estimated an impact on net income of 132 million of Euros in 2012.

During 2012 registered a negative balance of Euro 92 million was registered for General Liability, and a positive balance of Euro 78 million for other classes. Consequently, the total of the Non-life business registered a negative result of Euro 154 million on claims of previous generations. The provision made in the Joint Business Plan for the financial year 2012 estimated a negative impact of Euro 100 million.

It must be highlighted that, with communication of 18th March 2013, prot. n. 13021373, Consob requested to the parent company UGF, according to art. 114, paragraph 5, of Legislative Decree. 58/98, to include in the consolidated balance note for 2012 information and news regarding the quantitative and qualitative construction of temporary evolution of the evaluation of claims provisionsprovisions of previous years of the group's insurance companies for the financial year 2012, by providing the detail of amounts for each company and class indicating the variation of such reinforcement compared to the Joint Business Plan and reported in the integration document concerning transactions with related parties to art. 5 of Consob Regulation 17221/2010 published 10th January 2013.

Regarding Life Classes, below is the composition of mathematical provisions:

(Amounts in thousands of Euro)	**As of December 31, 2012**	**As of December 31, 2011**	**As of December 31, 2010**
Mathematical provision for pure premiums	9,923,362	10,007,545	9,911,696
Premiums brought	37,186	45,784	49,947
Provision for mortality risk	202	1,073	644
Integration provision	93,035	123,411	147,388
Total	**10,053,784**	**10,177,814**	**10,109,676**

At the 31st December 2012, mathematical provisions included in technical provisions of Class I are determined with reference to the following technical more important basis:

- compound annual interest rates or guaranteed minimum interest rates of 4%, 3%, 2.5%, 2% and 1.5% for most actual coverage;
- demographic hypothesis based on mortality tables of the Italian male population in 1951, 1961, 1971, 1981 and 1992, on mortality tables of Italian female population in 1992, on the RG48 table divided by sex and the IPS55 table divided by sex.

Mathematical provisions included in technical provisions for Class V were determined referring to the following main technical basis: compound annual interest rates or guaranteed minimum interest rates of 4%, 3%, 2.5%, and 2% for the majority of contracts.

D. Technical provisions where the investment risk is borne by the policyholders and pension fund management provisions

Technical provisions where the investment risk is borne by the policyholders and provisions deriving from the management of pension fund assets are equal to Euro 2,366,890 thousand at 31st December 2010, Euro 2,548,051 thousand at 31st of December 2011 and Euro 2,860,231 thousand at 31st December 2012. The first are made in order to cover obligations deriving from life insurance contracts for which income is determined on the basis of investments or indexes so the policyholder bears the risks, while provisions deriving from retirement funds (Class III and VI) were calculated with reference to obligations provided for in contracts and are represented with the maximum approximation. For contracts of Class III extra provisions were made covering the guarantee of the contract, made on index-linked tariffs having coverage of the same "Lehman" obligations for a value of Euro 21,381 thousand.

E. Provisions for risks and charges

The item includes the fund for taxes, including fiscal taxes for taxes that will be due in the future and all others of different nature. The provisions for risks and charges, included in the provisions for risks and charges, includes funds for claims, for costs deriving from intermediaries and claims, and for the reorganization of the anti-fraud structure. The decrease of dangers and duties funds at 31st December 2012, compared to 31st December 2011, and mainly related to the use of duties funds and IVASS sanction funds.

F. Deposits from reinsurers

Deposits from reinsurers, equal to amount of Euro 133,800 thousand at 31st December 2012, include deposits for guarantees at Unipol Assicurazioni related to risks both issued and retrograde.

G. Payables and other liabilities

Debts deriving from direct insurance business, of Euro 48,430 thousand at the 31st December 2012, include debts to companies, debts to agents and debts to policyholders for anticipated premium.

Other payables and loans, equal to Euro 318,150 thousand at 31st December 2012 includes debts for taxes of insured, other payables, debts for taxes related to the employees and debts related to the consolidated fiscal taxes to the indirect controlling Finsoe. This last entry determined the increase of previous years.

Other liabilities, of Euro 300,124 thousand at 31st December 2012, are made of the balance of provisions for premium, provisions for incentives (rappel) and other contributions to the company, expenses for the staff, invoices to receive, evaluation and alignment on operations in financial instruments deriving from technical items.

H. Prepayments and accrued income

The item accruals and deferrals is made of accruals on derived financial instruments.

Commentary notes on the balance sheet

Technical account for Non-life business

Below are the premiums, net of transfers, for insurance during 2010-2012.

(Amounts in thousands of Euro)	**Year ended December 31, 2012**	**Year ended December 31, 2011**	**Year ended December 31, 2010**
a) Gross written premiums	3,680,276	3,795,790	3,563,394
b) Outwards reinsurance premiums	(119,021)	(120,684)	(108,318)
c) Change in gross premium provision	143,500	6,386	5,399
d) Change in unearned premium reserve paid by the reinsurance	(3,048)	3,439	4,672
Total earned premiums, net of reinsurance	**3,701,706**	**3,684,931**	**3,465,147**

Below is the division of gross premium:

(Amounts in thousands of Euro)	Year ended December 31, 2012	Year ended December 31, 2011	Year ended December 31, 2010
1-Accident	343,780	340,641	324,516
2-Health	140,463	136,689	148,719
3-Motor vehicle damage	285,743	316,979	298,664
4-Railway vehicle damage	2	-	8
5-Aircrafts damage	20	19	33
6-Marine vehicle damage	3,158	4,425	4,096
7-Goods in transit	11,455	12,764	11,336
8-Fire	173,335	172,229	164,594
9-Other damages to property	242,989	252,757	242,232
10-Motor vehicle third party liability	1,971,569	2,026,722	1,859,884
11-Aircraft third party liability	25	28	21
12-Marine vehicle third party liability	4,988	3,932	3,180
13-General third party liability	325,118	338,555	321,876
14-Credit	143	113	294
15-Unearned premium	30,136	32,070	35,201
16-Miscellanous financial loss of business	42,061	49,934	54,844
17-Legal	32,024	31,936	27,555
18-Assistance	47,448	49,271	41,368
Total direct business	**3,654,457**	**3,769,063**	**3,538,422**
Indirect business	25,818	26,727	24,972
Total	**3,680,276**	**3,795,790**	**3,563,394**

Gross premium of Euro 3,563,394 thousand in 2010, Euro 3,795,790 thousand in 2011 and Euro 3,680,276 thousand in 2012.

For 2012, the reduction is linked to the reduction of premium of Motor Class, influenced by the decrease of registration of new vehicles. In other classes the reduction of premium collection is due to company sector, influenced by the effects of the difficult economic situation and actions of reconditioning and more restrictive policies applied with a logic of "selective development", in particular for General Liability Class and public organizations.

The trend of 2011 is influenced by policies issued by Unipol Assicurazioni and they assume important portfolio dismissals which have a particular importance of the ongoing concern of for Navale Assicurazioni S.p.A. which was underwritten by Unipol Assicurazioni from 1st January 2011 (decrease of premium of the 21%); excluding such division the premium increased by 0.9%, determined by the positive collection of vehicle sector. Such portfolio dismissals are caused by rationalisation operations of sales during 2010 through liberalisation of an important number of agencies on the national territory.

The increase of the Vehicle sector in 2011 includes both the Motor Vehicles Liability Class, in which the decrease of the portfolio was compensated by the increase of the average premium, and the Terrestrial Vehicle sector for the migration to the new product "Km Sicuri" starting from 1st March 2011 of the motor portfolio towards the new project "Km Sicuri".

The earned premiums, net of reinsurances, are Euro 3,465,147 thousand in 2010, Euro 3,684,931 thousand in 2011 and Euro 3,701,706 thousand in 2012.

The income of investments for the determining of the amount to be transferred to the technical account of Non-life, of Euro 239,406 thousand in 2012, is made by the sum of amounts, registered in non technical account, incomes from investments and patrimonial and financial obligations. The amount to be attributed to the technical account, in compliance with IVASS Regulation n. 22/2008, is calculated applying to such an income the ratio between the half amount of technical provisions net of insurance at the end of the fiscal year and the end of the previous one increased of the value of the half amount of the net asset at the end of the present year and the previous one. The division of single portfolios and branches of the income assigned to the technical account was calculated on the basis of what provided in IVASS regulation.

Charges related to claims, net of collection and assignment, of Euro 2,724,683 thousand in 2010, Euro 2,736,752 thousand in 2011 and Euro 2,539,772 thousand in 2012, include, besides the variation of accidents reserve, the amount paid during the year for the direct and indirect operation for compensation and liquidation expenses, net of collection and fees of insurer according to 48, Legislative Decree. 26/5/1997 n. 173.

Operating expenses of Euro 786,852 thousand in 2010 (22.7% of premium), Euro 854,445 thousand in 2011 (23.2 % of premium) and Euro 880,375 thousand in 2012 (23.8% of premium). Such expenses includes expenses for the acquisition and collection and other administration expenses. In 2012, the increase of incidence is caused also by the decrease of premiums, the high costs of acquisition linked to duties deriving from the new integrated Agent contracts and costs linked to said “black boxes” and the recent “liberalisation decree” exclusively charged to insurance companies.

The result of technical account for Non-life business is Euro 11,175 thousand in 2010, Euro 87,175 thousand in 2011 and Euro 522,075 thousand in 2012. In 2012, the increase of incidence derives both from the transferring of net incomes for investments of Euro 239,406 thousand and lower charges for claims.

The Combined Ratio was at 94.1% in 2012, 96.1% in 2011 and 100.5% in 2010. Various actions performed from 2010, such as reconditioning policies for Motor Third Party Liability Class and higher selection methods in the contracting phase, permitted the improvement of incomes. It was also like this in 2012, none withstanding the effect of earthquake, mitigated by the use of the reserve created according to the regulation in force.

Technical account for Life business

Below is the composition of written premium, net of assignments to reinsurance during the three year period.

(Amounts in thousands of Euro)	**Year ended December 31, 2012**	**Year ended December 31, 2011**	**Year ended December 31, 2010**
a) Gross written premiums	1,970,278	1,830,413	1,910,240
b) Outwards reinsurance premiums	(10,051)	(10,900)	(14,152)
Total premiums for the year, net of reinsurance	**1,960,227**	**1,819,513**	**1,896,088**

Below is the division of gross premium:

(Amounts in thousands of Euro)	**Year ended December 31, 2012**	**Year ended December 31, 2011**	**Year ended December 31, 2010**
I-Whole and term life insurance	821,659	973,914	1,134,517
III-Unit-linked/index-linked policies	4,452	132,250	5,480
IV-Health	177	161	152
V-Capitalization insurance	271,743	310,089	355,715
VI-Pension funds	870,983	412,408	411,238
Total direct business premiums	**1,969,013**	**1,828,822**	**1,907,102**
Non-direct business premiums	1,265	1,591	3,138
Total gross premiums	**1,970,278**	**1,830,413**	**1,910,240**

Gross premium of Euro 1,910,240 thousand in 2010, Euro 1,830,413 thousand in 2011 and Euro 1,970,278 thousand in 2012. In regard to Life business, in 2012, despite a history of weak demand, Unipol Assicurazioni increase premium income with respect to 2011.

Below is the detail of premiums related to individual and collective insurances and annual premium, for subsequent years and single premium:

(Amounts in millions of euros)	**Year ended December 31, 2012**	**Year ended December 31, 2011**	**Year ended December 31, 2010**
Individual			
Class I	665.4	810.6	972.5
Class III	4.5	132.3	5.5
Class V	96.8	147.5	194.8
Class VI	12.4	14.3	14.6
Total	**779.2**	**1,104.7**	**1,187.4**
Collective			
Class I	156.2	163.3	162.0
Class V	174.9	162.6	160.9
Class VI	858.6	398.1	396.7
Total	**1,189.8**	**724.0**	**719.6**
Total direct business	**1,969.0**	**1,828.8**	**1,907.1**

(Amounts in millions of EUR)	**Year ended December 31, 2012**	**Year ended December 31, 2011**	**Year ended December 31, 2010**
First year premiums			
Class I	41.1	42.0	34.7
Class III	-	-	-
Total	**41.1**	**42.0**	**34.7**
Subsequent years premiums			
Class I	183.2	192.8	206.4
Class III	0.8	1.2	1.4
Class V	0.0	-	-
Total	**184.1**	**194.0**	**207.8**
Single Premiums			
Class I	597.3	739.1	893.5
Class III	3.6	131.0	4.1
Class IV	0.2	0.2	0.2
Class V	271.7	310.1	355.7
Class VI	871.0	412.4	411.2
Total	**1,743.8**	**1,592.8**	**1,664.6**
Total direct business	**1,969.0**	**1,828.8**	**1,907.1**

The sector of individual insurance policies registered a decrease in the three years under examination, spread over all ministerial branches, motivated by an economic environment that continues to penalise in the savings market. The peak in the year 2011 in Class III was due to the launch of three new Index products in that year, an initiative that was not replicated in 2012.

The growth of the collective policies recorded a steady increase over the three years by giving in particular contracts for Class IV. In particular, during 2012 there were acquired three new agreements with “Pension Funds Negotiation” (a total of about Eur 500 million) who have registered on the Class VI a collective increase of 115.7%.

Income on investments, equal to Eur 568,104 thousand in 2010, Eur 606,694 thousand in 2011 and Eur 899,008 thousand in 2012, consists of income derived from shares and stakes, income from investments in land and buildings, from income from other investments, from value readjustments on investments and profits on the realisation of investments. The change in the increase recorded in the year 2012 was mainly due to increases in value on bonds.

Income and unrealised gains on investments for the benefit of policyholders who will bear the risk and investments arising from the management of pension funds grew in 2012, from Eur 151,098 thousand in 2011 to Euro 342,245 thousand, resulting almost in its entirety from unrealised gains on investments related to Classes III and VI.

The charges related to the claims, net of reinsurance cessions, amounted to Euro 1,506,542 thousand in 2010, Euro 1,796,976 thousand in 2011 and Euro 2,277,024 thousand in 2012 and almost all consist of the amounts paid and, residually, from the variation of the provision for amounts to be paid.

Sums paid are constituted thusly:

(Amounts in thousands of Euro)	**Year ended December 31, 2012**	**Year ended December 31, 2011**	**Year ended December 31, 2010**
Capital and matured annuities	941,475	516,768	608,923
Redemptions and advances	1,220,473	1,220,249	836,679
Claims	73,114	68,934	60,584
Settlement expenses	3,015	2,941	3,097
Indirect business	2,619	2,374	2,971
Total	**2,240,696**	**1,811,266**	**1,512,253**

In 2012, the significant increase in the amounts to be paid is attributable mainly to the "policies index" of Class III and the expiry of three agreements of Class VI. In general the increase was due mainly to the increase of the surrender liquidations, a phenomenon particularly relevant in Class V products.

Operating expenses include the cost of acquisition and collection and other administrative expenses and have an impact on premiums equal to 3.7% in 2012, to 4.7% in 2011 and to 4.9% in 2010.

Financial charges are equal to Eur 311,991 thousand in 2010, Euro 523,725 thousand in 2011 and Eur 165,612 thousand in 2012, and include write-downs related to bonds, equities and funds shares, and write-downs related to financial derivatives. It should be noted that the financial statement for the year 2011 includes the positive effect arising from the application of optional policy for the evaluation of un-enduring titles provided by IVASS Regulation no. 28/2009 in force at the time (equivalent to Eur 309,258 thousand).

The investment return assumed for the purposes of determining the proportion to be transferred to the non-technical account is given by the sum of the amounts entered in the technical account, income from investments and the related capital and financial charges. Excluded for the above purpose are the income and unrealised capital gains, as well as the capital and financial commitments and the unrealised losses relating to investments for the benefit of policyholders who bear the risk and investments arising from the management of pension funds, that therefore remain attributed entirely to the technical account. The quota attributable to the non-technical account, within the meaning of IVASS Regulation no. 22/2008, is formed by applying the above investment return resulting from the sum of the net equity at the end of the current year and at the end of the previous one, and the said amount increased by the sum of the technical net provisions of reinsurance that also result at the end of the year, and at the end of the previous one.

The result of the technical account of the Life business is equal to a loss of Eur 65,669 thousand in 2010 and Eur 274,845 thousand in 2011, and a profit of Eur 333,558 thousand in 2012. The positive trend for the year 2012 is mainly due to the consistent recovery of value of securities in its portfolio that have absorbed the higher charges relating to the performance. The worsening of the result in 2011 compared to 2010 is mainly due to the substantial adjustments to the value of the securities in the portfolio, as well as the higher costs for claims.

Non-technical account

The steady increase in the profit of the Non-life business during the three-year period was due to both the recovery of value adjustments on investments and to higher returns on investments.

The capital and financial commitments of the Non-life business are constituted by investment management charges, adjustments of investment value and the loss of value on the realisation of investments. Investment management charges and interest charges include the administrative expenses allocated to investment management, financial commitments related to financial derivatives, interest on deposits received from reinsurers, issue negotiation discounts and taxes on investment. Value adjustments on investments consist of alignments on equity shares and funds, on bonds and adjustments on other financial investments. The item also includes the value reductions on real estate. It is reported that the data related to the year 2011 reflects the positive effect arising from the application of the optional policy for the evaluation of securities not long term provided by IVASS Regulation no. 28/2009 in force at the time (equivalent to Euro 187,800 thousand).

Other income consist mainly of recoveries of administrative costs for services rendered to the companies of the Unipol Group, withdrawals from funds, and underwriting fees of banking products.

Other charges include mainly interest expense, charges on behalf of third parties, provisions to funds, charges from management and placement of pension funds and banking products, and the amount of depreciation relating to goodwill acquired in the previous financial years.

4.2 Economic and financial information of the Premafin Group

4.2.1 Economic and financial information of the Premafin Group for the six months ended 30 June 2013

Below are the balance sheet, the income statement, the statement of comprehensive Income, the statement of cash flows and the financial debt level of the Premafin Group for the six months ended at June 30, 2013. These figures were extracted from the consolidated financial statement of Premafin at June 30, 2013, set out according to the international accounting principles IAS/IFRS issued by IASB (International Accounting Standard Board), adopted by the European Union, and on the basis of their interpretation by official authorities. In particular, this report has been prepared in accordance with the accounting principle applicable for interim financial reporting (IAS 34) and was subjected to limited audit by Reconta Ernst & Young, which issued its report without remarks on 27 August 2013.

<u>Consolidated balance sheet</u>

(Amounts in thousands of Euro)		**As of June 30, 2013**	**As of December 31, 2012**
1	**INTANGIBLE ASSETS**	**1,106,797**	**1,214,941**
1.1	Goodwill	1,057,650	1,156,425
1.2	Other intangible assets	49,147	58,516
2	**PROPERTY PLANT AND EQUIPMENT**	**342,777**	**376,580**
2.1	Property	293,153	307,532
2.2	Other tangible assets	49,624	69,048
3	**REINSURERS' SHARE OF TECHNICAL PROVISIONS**	**689,967**	**807,304**
4	**INVESTMENTS**	**30,120,847**	**33,883,422**
4.1	Investment property	2,013,257	2,216,422
4.2	Investments in subsidiaries, associates and joint ventures	123,634	126,016
4.3	Investments held to maturity	606,712	718,119
4.4	Loans and receivables	3,404,551	3,527,030
4.5	Available for sale financial assets	17,770,290	20,856,516
4.6	Financial assets at fair value through profit or loss	6,202,403	6,439,319
5	**OTHER RECEIVABLES**	**1,600,649**	**2,092,515**
5.1	Receivables arising out of direct insurance operations	873,620	1,322,826
5.2	Receivables arising out of reinsurance operations	62,742	64,750
5.3	Other receivable	664,287	704,939
6	**OTHER ASSETS**	**5,398,081**	**1,534,664**
6.1	Non-current assets or disposal groups classified as held for sale	3,989,713	3,335
6.2	Deferred acquisition costs	58,111	52,250
6.3	Deferred tax assets	798,620	954,433
6.4	Current tax assets	283,910	299,535
6.5	Other assets	267,727	225,111
7	**CASH AND CASH EQUIVALENTS**	**679,839**	**569,817**
	TOTAL ASSETS	**39,938,957**	**40,479,243**

(Amounts in thousands of Euro)		**As of June 30, 2013**	**As of December 31, 2012**
1	**EQUITY**	**2,495,121**	**2,395,681**
1.1	**Attributable to the owners of the Parent**	**209,093**	**187,556**
1.1.1	Share capital	480,983	480,983
1.1.2	Other equity instruments	-	-
1.1.3	Capital reserves	(2,352)	(2,352)
1.1.4	Retained earnings and other reserves	(300,364)	(17,450)
1.1.5	(Own shares)	(43,183)	(43,183)
1.1.6	Reserve for net translation differences	(17,961)	(17,485)
1.1.7	Gains or losses on available for sale financial assets	59,819	68,246
1.1.8	Other gains or losses recognized directly in equity	6,881	2,404
1.1.9	Profit (loss) for the period/year attributable to the owners of the Parent	25,270	(283,607)
1.2	**Attributable to non-controlling interests**	**2,286,028**	**2,208,125**
1.2.1	Share capital and reserves	2,012,083	2,658,064
1.2.2	Gain/losses recognized directly in equity	133,867	148,642
1.2.3	Profit (loss) for the period/year attributable to non-controlling interests	140,078	(598,581)
2	**PROVISIONS**	**334,884**	**323,582**
3	**TECHNICAL PROVISIONS**	**29,759,757**	**33,657,899**
4	**FINANCIAL LIABILITIES**	**2,513,257**	**2,716,785**
4.1	Financial liabilities at fair value through profit or loss	569,914	569,747
4.2	Other financial liabilities	1,943,343	2,147,038
5	**PAYABLES**	**643,467**	**769,897**
5.1	Payables arising out of direct insurance operations	78,128	96,388
5.2	Payables arising out of reinsurance operations	63,683	67,876
5.3	Other payables	501,656	605,633
6	**OTHER LIABILITIES**	**4,192,471**	**615,399**
6.1	Liabilities of a disposal group held for sale	3,726,786	-
6.2	Deferred tax liabilities	118,435	178,189
6.3	Current tax liabilities	24,515	56,961
6.4	Other liabilities	322,735	380,249
	TOTAL EQUITY AND LIABILITIES	**39,938,957**	**40,479,243**

Consolidated Income Statement

(Amounts in thousands of Euro)		Six months ended June 30, 2013	Six months ended June 30, 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	*Reinsurance premium*	*(167,594)*	*(161,535)*
1.2	Fee and commission income	5,730	4,987
1.3	Gains and losses on financial instruments at fair value through profit or loss	8,207	326,047
1.4	Income from investments in subsidiaries, associates and joint ventures	68	667
1.5	Income from other financial instruments and investment property	615,604	636,693
1.5.1	*Interest income*	*442,353*	*407,809*
1.5.2	*Other income*	*64,162*	*92,538*
1.5.3	*Realised gains*	*106,974*	*129,592*
1.5.4	*Unrealised gains*	*2,115*	*6,754*
1.6	Other income	237,219	175,732
1	**TOTAL REVENUES**	**6,101,696**	**6,069,813**
2.1	Net insurance claim	(4,374,652)	(4,447,543)
2.1.1	*Amounts paid and changes in technical provisions*	*(4,468,435)*	*(4,602,766)*
2.1.2	*Reinsurers' share*	*93,783*	*155,223*
2.2	Fee and commission expense	(3,106)	(4,418)
2.3	Losses on investments in subsidiaries, associates and joint ventures	(2,853)	(8,211)
2.4	Charges from other financial instruments and property	(186,804)	(230,726)
2.4.1	*Interest expense*	*(31,300)*	*(36,801)*
2.4.2	*Other charges*	*(33,773)*	*(34,291)*
2.4.3	*Realised losses*	*(41,171)*	*(45,627)*
2.4.4	*Unrealised losses*	*(80,560)*	*(114,007)*
2.5	Management expenses	(802,999)	(863,080)
2.5.1	*Commissions and other acquisition costs*	*(587,351)*	*(645,754)*
2.5.2	*Investment management expenses*	*(7,948)*	*(7,130)*
2.5.3	*Other administration expenses*	*(207,700)*	*(210,196)*
2.6	Other costs	(419,309)	(448,935)
2	**TOTAL COSTS AND EXPENSES**	**(5,789,723)**	**(6,002,913)**
	NET PROFIT (LOSS) BEFORE TAX	**311,973**	**66,900**
3	Tax	(146,625)	(48,765)
	NET PROFIT (LOSS)	**165,348**	**18,135**
4	**NET PROFIT (LOSS) FROM DISCONTINUED OPERATIONS**	**-**	**(11,144)**
	CONSOLIDATED PROFIT (LOSS)	**165,348**	**6,991**
	Attributable to the owners of the Parent	**25,270**	**(16,181)**
	Attributable to non-controlling interests	**140,078**	**23,172**

Consolidated statement of comprehensive income

(Amounts in thousands of Euro)	Six months ended June 30, 2013	Six months ended June 30, 2012
CONSOLIDATED PROFIT (LOSS)	**165,348**	**6,991**
Other items net of taxes which may not be recognised to P&L		
Share of other comprehensive income of associates	-	-
Reserve for revaluation model of intangible assets	-	-
Reserve for revaluation model of tangible assets	-	-
Result of discontinued operations	-	-
Actuarial gains and losses arising from defined benefit plans	787	(3,800)
Other	-	-
Other items net of taxes which may be recognised to P&L		
Change in reserve for net exchange differences	(1,990)	(13,450)
Profit or loss on available for sale financial assets	(35,239)	295,189
Profit or loss on cash flow hedges	17,241	(8,014)
Profit or loss on net foreign investment hedge	-	-
Change in net equity of subsidiaries	-	(3,723)
Income/(charges) on non-current assets held for sale or disposal groups	-	-
Other items	-	-
TOTAL OTHER COMPREHENSIVE INCOME STATEMENT ITEMS	**(19,201)**	**266,202**
TOTAL COMPREHENSIVE CONSOLIDATED INCOME	**146,147**	**273,193**
Attributable to the owners of the Parent	**20,844**	**32,137**
Attributable to non-controlling interests	**125,303**	**241,056**

Consolidated statement of cash flows

(Amounts in thousands of Euro)	**Six months ended June 30, 2013**	**Six months ended June 30, 2012**
Profit (loss) before tax for the year	**311,973**	**66,900**
Change in non-monetary items	**(442,254)**	**(1,723,148)**
Change in non life premium provision	(81,930)	(91,736)
Change in the claims provision and other non life technical provisions	(386,903)	(257,866)
Change in mathematical provisions and other life technical provisions	45,512	(1,412,290)
Change in deferred acquisition costs	(10,201)	(845)
Change in provisions	32,667	(21,360)
Non-monetary gains and losses on financial instruments, investment property and investments	(28,472)	(95,892)
Other changes	(12,927)	156,841
Change in receivables and payables generated by operating activities	**20,059**	**302,806**
Change in receivables and payables arising out of direct insurance and reinsurance	103,641	233,910
Change in other receivables and payables	(83,582)	68,896
Paid taxes	**(30,903)**	**(8,977)**
Net cash flows generated by / used for monetary items from investing and financing activities	**265,368**	**1,195,659**
Liabilities from financial contracts issued by insurance companies	(1,608)	(625,630)
Payables to bank and interbank customers	19,729	(25,494)
Loans and receivables from banks and interbank customers	22,028	(202,543)
Other financial instruments at fair value through profit or loss	225,219	2,049,326
TOTAL NET CASH FLOW FROM OPERATING ACTIVITIES	**124,243**	**(166,760)**
Net cash flow generated by/used for investment property	12,690	67,589
Net cash flow generated by/used for investments in subsidiaries, associates and joint ventures	4,681	2,542
Net cash flow generated by/used for loans and receivables	37,401	20,024
Net cash flow generated by/used for held to maturity investments	38,470	(126,070)
Net cash flow generated by/used for available for sale financial assets	(22,653)	108,154
Net cash flow generated by/used for property, other tangible and intangible assets	(13,728)	(18,189)
Other net cash flows generated / absorbed by investing activities	-	85,307
TOTAL NET CASH FLOW GENERATED BY/USED FOR INVESTING ACTIVITIES	**56,861**	**139,357**
Net cash flow generated by/used for equity instruments attributable to the owners of the Parent	-	-
Net cash flow generated by/used for own shares	-	-
Distribution of dividends attributable to the owners of the Parent	-	-
Net cash flow generated by/used for share capital and reserves attributable to non-controlling interests	-	-
Net cash flow generated by/used for by subordinated liabilities and equity instruments	-	-
Net cash flow generated by/used for other financial liabilities	(50,079)	8,333
TOTAL NET CASH FLOW GENERATED BY/USED FOR FINANCING ACTIVITIES	**(50,079)**	**8,333**
Effect of exchange rate gains/losses on cash and cash equivalents	**(388)**	**(3,319)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	569,817	1,004,105
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	130,637	(22,389)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (*)	700,454	981,716

(*) include cash and cash equivalents of the non-current assets or of a disposal group held for sale (Euro 20.6 million).

Consolidated financial debt

(Amounts in millions of Euro)	**As of June 30, 2013**	**As of December 31, 2012**
Subordinated loans	1,048.8	1,048.1
Debts to banks and other financing	584.2	651.3
Total debt	**1,633.0**	**1,699.4**

Commentary Notes

With reference to the commentary notes to the above listed tables, please refer to the half-yearly consolidated financial report at 30 June 2013 for the Premafin Group, found on the website www.premafin.it in the section “Investor Relations”.

The AGCM, with order dated 19 June 2012, has authorised the purchase of the control on the part of the UGF Group Premafin/Fonsai and, in particular, of the companies Premafin, Fondiaria-SAI and Milano Assicurazioni by requiring, among other things, that the Unipol Group transfers to third parties, for effect of the assignments, an amount of premiums equal, to Euro 1.7 billion on 31 December 2012, on the understanding that, as a result of the Divestiture, its market share on a national and provincial level are lower than 30% in each Life and Non-life business on the basis of the IVASS data source (or ensure that the sale of the entire stake acquired as a result of the acquisition of the control of the Premafin Group, if the market share of 30% was already held before the concentration).

On 8 May 2013 the boards of directors of Milano Assicurazioni and of the parent company Fonsai authorised the continuation of the sales process and also approved, in compliance with the AGCM Measures, the perimeter object of the Divestiture, subordinating the effects of this decision to the authorisation of competence of the Board of Directors of UGF, received the following 9 May, with consequent commencement of the competitive procedure which at the date of the Disclosure Document was still in progress.

Consequently, with reference to the equity data of the Premafin Group at 30 June 2013, the assets and liabilities subject to sale are reclassified respectively under the heading “non-current assets or of a disposal group held for sale" and under the heading "liabilities of a disposal group or held for sale”. Both items are exposed to the net of intercompany transactions.

Since the value of the assets and liabilities within the perimeter of the disposal does not generally represent discontinued operations, the income components related to the group being divested are exposed according to the normal rules of classification, in the various items in the income statement.

The application of IFRS 5 has not resulted in effects on the consolidated economic result either on consolidated shareholders’ equity.

4.2.2 Economic and financial information of the Premafin Group for the years ending 31 December 2012, 2011 and 2010

Below are the balance sheet, the income statement, the statement of comprehensive income, the statement of cash flows and the financial debt for level of the Premafin Group for the financial years as at 31st December 2012, 2011 and 2010. These figures have been taken from the consolidated financial statements of Premafin at same dates, set out according to the international accounting principles IAS/IFRS issued by IASB (International Accounting Standard Board), adopted by the European Union, and on the basis of their interpretation by official authorities. These financial statements were audited by Reconta Ernst & Young which issued its own reports showing no remarks respectively on 24th April 2013, 31st March 2012 and 5th April 2011.

As regards the figures concerning the financial year 2011, this paragraph also reports the figures following the Communication by CONSOB on 17th April 2013. In particular, following said communication, Premafin presented the column “restated IAS 8” concerning the 2011 figures.

The re-exposure data for 2011 were as follows:

- charges for claims were reduced by Euro 517 million, as this amount, which represents the lack of provision for RC Vehicles claims highlighted by the IVASS in relative note of 29 September 2011 for Fondiaria-SAI and 17 November 2011 for Milano Assicurazioni, was considered, according to Consob. 18431, as an error correction of the previous consolidated financial statements and then, net of related tax effect, led to the reduction of capital provisions;
- income taxes have increased by Euro 178 million, equal to the tax effect on the changes made to the claim losses.

These re-expositions have resulted in a reduction from the 2011 loss of Euro 339 million, and in a reduction of an equal amount of capital provisions, with a total equity that therefore remains unchanged.

The variations have not resulted in any changes neither from the insurance liability represented by loss provisions, nor from the solvency situation.

As regards the financial statements there were no impacts on either net cash flow from operating activities, nor on the overall variation of "Cash and cash equivalents".

Consolidated balance sheet

(Amounts in thousands of Euro)		As of December 31, 2012	As of December 31, 2011 (restated IAS 8)	As of December 31, 2011	As of December 31, 2010
1	**INTANGIBLE ASSETS**	**1,214,941**	**1,517,604**	**1,517,604**	**1,642,445**
1.1	Goodwill	1,156,425	1,422,447	1,422,447	1,523,280
1.2	Other intangible assets	58,516	95,157	95,157	119,165
2	**PROPERTY PLANT AND EQUIPMENT**	**376,580**	**405,349**	**405,349**	**598,072**
2.1	Property	307,532	318,928	318,928	504,218
2.2	Other tangible assets	69,048	86,421	86,421	93,854
3	**REINSURERS' SHARE OF TECHNICAL PROVISIONS**	**807,304**	**701,880**	**701,880**	**823,184**
4	**INVESTMENTS**	**33,883,422**	**33,817,046**	**33,817,046**	**36,031,914**
4.1	Investment property	2,216,422	2,776,452	2,776,452	2,912,189
4.2	Investments in subsidiaries, associates and joint ventures	126,016	116,795	116,795	353,014
4.3	Investments held to maturity	718,119	599,713	599,713	592,138
4.4	Loans and receivables	3,527,030	3,688,865	3,688,865	3,159,211
4.5	Available for sale financial assets	20,856,516	17,608,557	17,608,557	20,275,298
4.6	Financial assets at fair value through profit or loss	6,439,319	9,026,664	9,026,664	8,740,064
5	**OTHER RECEIVABLES**	**2,092,515**	**2,349,186**	**2,349,186**	***2,314,653***
5.1	Receivables arising out of direct insurance operations	1,322,826	1,698,430	1,698,430	1,747,611
5.2	Receivables arising out of reinsurance operations	64,750	78,637	78,637	101,773
5.3	Other receivable	704,939	572,119	572,119	465,269
6	**OTHER ASSETS**	**1,534,664**	**1,803,838**	**1,803,838**	**996,578**
6.1	Non-current assets or disposal groups classified as held for sale	3,335	87,151	87,151	3,452
6.2	Deferred acquisition costs	52,250	30,301	30,301	87,603
6.3	Deferred tax assets	954,433	1,155,062	1,155,062	361,199
6.4	Current tax assets	299,535	316,587	316,587	388,015
6.5	Other assets	225,111	214,737	214,737	156,309
7	**CASH AND CASH EQUIVALENTS**	**569,817**	**1,004,105**	**1,004,105**	**628,404**
	TOTAL ASSETS	**40,479,243**	**41,599,008**	**41,599,008**	**43,035,250**

(Amounts in thousands of Euro)		**As of December 31, 2012**	**As of December 31, 2011 (restated IAS 8)**	**As of December 31, 2011**	**As of December 31, 2010**
1	**EQUITY**	**2,395,681**	**1,274,415**	**1,274,415**	**2,270,116**
1.1	**Attributable to the owners of the Parent**	**187,556**	**(32,065)**	**(32,065)**	**350,230**
1.1.1	Share capital	480,983	410,340	410,340	410,340
1.1.2	Other equity instruments	-	-	-	-
1.1.3	Capital reserves	(2,352)	21	21	21
1.1.4	Retained earnings and other reserves	(17,450)	(74,827)	664	263,360
1.1.5	(Own shares)	(43,183)	(43,183)	(43,183)	(43,183)
1.1.6	Reserve for net translation differences	(17,485)	(14,985)	(14,985)	(18,713)
1.1.7	Gains or losses on available for sale financial assets	68,246	(127,658)	(127,658)	338
1.1.8	Other gains or losses recognized directly in equity	2,404	6,332	6,332	9,608
1.1.9	Profit (loss) for the period/year attributable to the owners of the Parent	(283,607)	(188,105)	(263,596)	(271,541)
1.2	**Attributable to non-controlling interests**	**2,208,125**	**1,306,480**	**1,306,480**	**1,919,886**
1.2.1	Share capital and reserves	2,658,064	2,416,683	2,680,192	2,627,767
1.2.2	Gain/losses recognized directly in equity	148,642	(600,208)	(600,208)	(31,256)
1.2.3	Profit (loss) for the period/year attributable to non-controlling interests	(598,581)	(509,995)	(773,504)	(676,625)
2	**PROVISIONS**	**323,582**	**337,122**	**337,122**	**359,982**
3	**TECHNICAL PROVISIONS**	**33,657,899**	**35,107,505**	**35,107,505**	**34,827,972**
4	**FINANCIAL LIABILITIES**	**2,716,785**	**3,527,671**	**3,527,671**	**4,187,367**
4.1	Financial liabilities at fair value through profit or loss	569,747	1,349,506	1,349,506	1,677,807
4.2	Other financial liabilities	2,147,038	2,178,165	2,178,165	2,509,560
5	**PAYABLES**	**769,897**	**795,951**	**795,951**	**839,437**
5.1	Payables arising out of direct insurance operations	96,388	78,999	78,999	91,887
5.2	Payables arising out of reinsurance operations	67,876	84,912	84,912	106,862
5.3	Other payables	605,633	632,040	632,040	640,688
6	**OTHER LIABILITIES**	**615,399**	**556,344**	**556,344**	**550,376**
6.1	Liabilities of a disposal group held for sale	-	-	-	-
6.2	Deferred tax liabilities	178,189	133,452	133,452	132,060
6.3	Current tax liabilities	56,961	18,147	18,147	54,931
6.4	Other liabilities	380,249	404,745	404,745	363,385
	TOTAL EQUITY AND LIABILITIES	**40,479,243**	**41,599,008**	**41,599,008**	**43,035,250**

Consolidated income statement

(Amounts in thousands of Euro)		**Year ended December 31, 2012**	**Year ended December 31, 2011 (restated IAS 8)**	**Year ended December 31, 2011**	**Year ended December 31, 2010**
1.1	Net premiums	9,967,235	10,527,344	10,527,344	12,585,297
1.1.1	*Gross premiums*	*10,277,167*	*10,850,258*	*10,850,258*	*12,911,503*
1.1.2	*Reinsurance premium*	*(309,932)*	*(322,914)*	*(322,914)*	*(326,206)*
1.2	Fee and commission income	15,423	24,433	24,433	57,317
1.3	Gains and losses on financial instruments at fair value through profit or loss	544,571	304,043	304,043	378,291
1.4	Income from investments in subsidiaries, associates and joint ventures	641	1,872	1,872	55,795
1.5	Income from other financial instruments and investment property	1,181,541	1,192,109	1,192,109	1,283,378
1.5.1	*Interest income*	*823,936*	*828,565*	*828,565*	*722,362*
1.5.2	*Other income*	*138,408*	*150,680*	*150,680*	*169,736*
1.5.3	*Realised gains*	*210,914*	*212,559*	*212,559*	*390,804*
1.5.4	*Unrealised gains*	*8,283*	*305*	*305*	*476*
1.6	Other income	501,893	666,721	666,721	551,762
1	**TOTAL REVENUES**	**12,211,304**	**12,716,522**	**12,716,522**	**14,911,840**
2.1	Net insurance claim	(9,357,554)	(9,723,770)	(10,240,770)	(12,152,941)
2.1.1	*Amounts paid and changes in technical provisions*	*(9,660,029)*	*(9,889,857)*	*(10,406,857)*	*(12,341,912)*
2.1.2	*Reinsurers' share*	*302,475*	*166,087*	*166,087*	*188,971*
2.2	Fee and commission expense	(7,361)	(15,855)	(15,855)	(28,421)
2.3	Losses on investments in subsidiaries, associates and joint ventures	(15,235)	(7,114)	(7,114)	(21,558)
2.4	Charges from other financial instruments and property	(859,092)	(977,508)	(977,508)	(826,033)
2.4.1	*Interest expense*	*(80,037)*	*(90,584)*	*(90,584)*	*(88,072)*
2.4.2	*Other charges*	*(73,113)*	*(69,277)*	*(69,277)*	*(77,999)*
2.4.3	*Realised losses*	*(147,522)*	*(142,293)*	*(142,293)*	*(166,095)*
2.4.4	*Unrealised losses*	*(558,420)*	*(675,354)*	*(675,354)*	*(493,867)*
2.5	Management expenses	(1,707,339)	(1,887,042)	(1,887,042)	(1,928,904)
2.5.1	*Commissions and other acquisition costs*	*(1,248,751)*	*(1,406,623)*	*(1,406,623)*	*(1,426,987)*
2.5.2	*Investment management expenses*	*(16,092)*	*(16,437)*	*(16,437)*	*(14,645)*
2.5.3	*Other administration expenses*	*(442,496)*	*(463,982)*	*(463,982)*	*(487,272)*
2.6	Other costs	(1,277,957)	(1,047,250)	(1,047,250)	(981,028)
2	**TOTAL COSTS AND EXPENSES**	**(13,224,538)**	**(13,658,539)**	**(14,175,539)**	**(15,938,885)**
	NET PROFIT (LOSS) BEFORE TAX	**(1,013,234)**	**(942,017)**	**(1,459,017)**	**(1,027,045)**
3	Tax	129,221	213,067	391,067	77,117
	NET PROFIT (LOSS)	**(884,013)**	**(728,950)**	**(1,067,950)**	**(949,928)**
4	**NET PROFIT (LOSS) FROM DISCONTINUED OPERATIONS**	**1,825**	**30,850**	**30,850**	**1,762**
	CONSOLIDATED PROFIT (LOSS)	**(882,188)**	**(698,100)**	**(1,037,100)**	**(948,166)**
	Attributable to the owners of the Parent	**(283,607)**	**(188,105)**	**(263,596)**	**(271,541)**
	Attributable to non-controlling interests	**(598,581)**	**(509,995)**	**(773,504)**	**(676,625)**

Consolidated statement of comprehensive income

(Amounts in thousands of Euro)	**Year ended December 31, 2012**	**Year ended December 31, 2011 (restated IAS 8)**	**Year ended December 31, 2011**	**Year ended December 31, 2010**
CONSOLIDATED PROFIT (LOSS)	**(882,188)**	**(698,100)**	**(1,037,100)**	**(948,166)**
Change in reserve for net exchange differences	(10,317)	(33,859)	(33,859)	(17,438)
Profit or loss on available for sale financial assets	967,102	(638,678)	(638,678)	25,019
Profits or losses on cash flow hedges	(14,578)	(12,153)	(12,153)	(16,524)
Profits or losses on net foreign investment hedges	-	-	-	-
Change in net equity of subsidiaries	7,383	4,168	4,168	646
Reserve for revaluation on model of intangible assets	-	-	-	-
Reserve for revaluation on model of tangible assets	-	(544)	(544)	(8,764)
Income and charges on non-current assets held for sale or disposal groups	-	-	-	675
Actuarial gains and losses arising from defined benefit plans	(11,264)	(7,344)	(7,344)	(2,522)
Other items	-	(8,085)	(8,085)	826
TOTAL OTHER COMPREHENSIVE INCOME STATEMENTS ITEMS	**938,326**	**(696,495)**	**(696,495)**	**(18,082)**
TOTAL CONSOLIDATED COMPREHENSIVE INCOME	**56,138**	**(1,394,595)**	**(1,733,595)**	**(966,248)**
Attributable to owners of the Parent	**(94,130)**	**(315,649)**	**(391,140)**	**(287,885)**
Attributable to non-controlling interests	**150,268**	**(1,078,946)**	**(1,342,455)**	**(678,363)**

Consolidated statement of cash flows

(Amounts in thousands of Euro)	Year ended December 31, 2012	Year ended December 31, 2011 (restated IAS 8)	Year ended December 31, 2011	Year ended December 31, 2010
Profit (loss) before tax for the year	**(1,013,234)**	**(942,017)**	**(1,459,017)**	**(1,027,045)**
Change in non-monetary items	**(1,226,267)**	**1,321,134**	**1,838,134**	**4,148,823**
Change in non life premium provision	(242,220)	(38,698)	(38,698)	35,638
Change in the claims provision and other non life technical provisions	33,660	292,273	809,273	217,426
Change in mathematical provisions and other life technical provisions	(1,952,205)	(87,191)	(87,191)	3,233,185
Change in deferred acquisition costs	(21,949)	57,302	57,302	54,508
Change in provisions	(20,830)	(1,833)	(1,833)	61,529
Non-monetary gains and losses on financial instruments, investment property and investments	322,011	609,218	609,218	230,202
Other changes	655,266	490,062	490,062	316,335
Change in receivables and payables generated by operating activities	**189,812**	**(360,730)**	**(360,730)**	**(188,208)**
Change in receivables and payables arising out of direct insurance and reinsurance	156,519	(155,245)	(155,245)	(141,597)
Change in other receivables and payables	33,293	(205,485)	(205,485)	(46,611)
Paid taxes	**(32,823)**	**(125,644)**	**(125,644)**	**(29,466)**
Net cash flows generated by / used for monetary items from investing and financing activities	**2,104,212**	**(543,788)**	**(543,788)**	**(584,988)**
Liabilities from financial contracts issued by insurance companies	(759,348)	(368,904)	(368,904)	(449,522)
Payables to bank and interbank customers	(63,333)	(48,530)	(48,530)	(52,101)
Loans and receivables from banks and interbank customers	143,904	98,711	98,711	(48,347)
Other financial instruments at fair value through profit or loss	2,782,989	(225,065)	(225,065)	(35,018)
TOTAL NET CASH FLOW FROM OPERATING ACTIVITIES	**21,700**	**(651,045)**	**(651,045)**	**2,319,116**
Net cash flow generated by/used for investment property	75,995	28,986	28,986	84,100
Net cash flow generated by/used for investments in subsidiaries, associates and joint ventures	(27,326)	161,209	161,209	47,047
Net cash flow generated by/used for loans and receivables	8,511	(628,095)	(628,095)	(385,148)
Net cash flow generated by/used for held to maturity investments	(76,106)	(7,575)	(7,575)	216,335
Net cash flow generated by/used for available for sale financial assets	(1,532,440)	1,263,818	1,263,818	(2,034,837)
Net cash flow generated by/used for property, other tangible and intangible assets	(21,186)	(35,754)	(35,754)	(16,970)
Other net cash flows generated / absorbed by investing activities	87,167	(15,000)	(15,000)	228,635
TOTAL NET CASH FLOW GENERATED BY/USED FOR INVESTING ACTIVITIES	**(1,485,385)**	**767,589**	**767,589**	**(1,860,838)**
Net cash flow generated by/used for equity instruments attributable to the owners of the Parent	337,190	-	-	-
Net cash flow generated by/used for own shares	-	-	-	-
Distribution of dividends attributable to the owners of the Parent	(231)	-	-	-
Net cash flow generated by/used for share capital and reserves attributable to non-controlling interest	714,467	563,094	563,094	(192,542)
Net cash flow generated by/used for by subordinated liabilities and equity instruments	-	-	-	-
Net cash flow generated by/used for other financial liabilities	(19,793)	(303,890)	(303,890)	(228,577)
TOTAL NET CASH FLOW GENERATED BY/USED FOR FINANCING ACTIVITIES	**1,031,633**	**259,204**	**259,204**	**(421,119)**
Effect of exchange rate gains/losses on cash and cash equivalents	**(2,234)**	**(47)**	**(47)**	**(3,282)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1,004,105	628,404	628,404	591,245
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(434,286)	375,701	375,701	37,159
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	569,817	1,004,105	1,004,105	628,404

Consolidated financial debt

(Amounts in millions of Euros)	As of December 31, 2012	As of December 31, 2011 (restated IAS 8)	As of December 31, 2011	As of December 31, 2010
Subordinated loans	1,048.1	1,049.5	1,049.5	1,041.4
Debts to banks and other financing	651.3	642.9	642.9	863.4
Total debt	**1,699.4**	**1,692.4**	**1,692.4**	**1,904.8**

Commentary Notes

With reference to the notes to the above-mentioned tables, please refer to the consolidated balance sheets as at 31 December 2012, 2011 and 2010 of the Premafin Group, found on website www.premafin.it, in the section “Investor Relations”.

4.3 Economic and financial information of the Milano Assicurazioni Group

4.3.1 Economic and financial information of the Milano Assicurazioni Group for the six months ended 30 June 2013

Below are the balance sheet, the income statement, the statement of comprehensive income, the statement of cash flows and the financial debt level of Milano Assicurazioni Group as at 30 June 2013. These figures have been extracted from the consolidated financial statement of Milano Assicurazioni as at 30 June 2013, set out according to the international accounting principles IAS/IFRS issued by IASB (International Accounting Standard Board), adopted by the European Union, and on the basis of their interpretation by official authorities. In particular, this report has been prepared in accordance with the accounting principle applicable for interim financial reporting (IAS 34) and was subjected to limited audit by Reconta Ernst & Young, which issued its report without remarks on 27 August 2013.

Consolidated balance sheet

(Amounts in thousands of Euro)		**As of June 30, 2013**	**As of December 31, 2012**
1	**INTANGIBLE ASSETS**	**164,574**	**234,775**
1.1	Goodwill	164,323	230,851
1.2	Other intangible assets	251	3,924
2	**PROPERTY PLANT AND EQUIPMENT**	**5,400**	**39,009**
2.1	Property	1,681	34,737
2.2	Other tangible assets	3,719	4,272
3	**REINSURERS' SHARE OF TECHNICAL PROVISIONS**	**189,049**	**340,154**
4	**INVESTMENTS**	**5,013,875**	**8,475,412**
4.1	Investment property	472,021	613,188
4.2	Investments in subsidiaries, associates and joint ventures	109,817	111,964
4.3	Investments held to maturity	95,352	185,360
4.4	Loans and receivables	820,218	891,522
4.5	Available for sale financial assets	3,428,834	6,508,286
4.6	Financial assets at fair value through profit or loss	87,633	165,092
5	**OTHER RECEIVABLES**	**544,985**	**975,035**
5.1	Receivables arising out of direct insurance operations	147,937	502,380
5.2	Receivables arising out of reinsurance operations	31,579	32,505
5.3	Other receivable	365,469	440,150
6	**OTHER ASSETS**	**4,415,034**	**421,925**
6.1	Non-current assets or disposal groups classified as held for sale	4,040,674	-
6.2	Deferred acquisition costs	10,104	13,890
6.3	Deferred tax assets	244,388	283,663
6.4	Current tax assets	31,955	42,100
6.5	Other assets	87,913	82,272
7	**CASH AND CASH EQUIVALENTS**	**173,560**	**320,299**
	TOTAL ASSETS	**10,506,477**	**10,806,609**

(Amounts in thousands of Euros)		**As of 30 June, 2013**	**As of 31 December, 2012**
1	**EQUITY**	**1,116,545**	**1,039,231**
1.1	**Attributable to owners of the Parent**	**1,115,244**	**1,037,896**
1.1.1	Share capital	373,682	373,682
1.1.2	Other equity instruments	-	-
1.1.3	Capital reserves	295,471	406,634
1.1.4	Retained earningsand other reserves	308,983	413,991
1.1.5	(Own shares)	-31,353	-31,353
1.1.6	Reserve for net currecy translations differences	-	-
1.1.7	Gains or losses on available for sale financial assets	88,686	106,665
1.1.8	Other gains or losses recognized directly in equity	-13,070	-15,676
1.1.9	Profit/(loss) for the period/year attributable to owners of the Parent	92,845	-216,047
1.2	**Attributable to non-controlling interests**	**1,301**	**1,335**
1.2.1	Share capital and reserves	1,347	1,456
1.2.2	Gains or losses recognized directly in equity	-	-
1.2.3	Profit/(loss) for the period/year attributable to non-controlling interests	-46	-121
2	**PROVISIONS**	**63,897**	**92,101**
3	**TECHNICAL PROVISIONS**	**5,106,348**	**8,874,513**
4	**FINANCIAL LIABILITIES**	**154,442**	**327,405**
4.1	Financial liabilities at fair value through profit or loss	69,714	72,510
4.2	Other financial liabilities	84,728	254,895
5	**PAYABLES**	**203,147**	**312,522**
5.1	Payables arising out of direct insurance operations	13,726	19,495
5.2	Payables arising out of re-insurance operations	21,133	33,272
5.3	Other payables	168,288	259,755
6	**OTHERLIABILITIES**	**3,862,098**	**160,837**
6.1	Liabilities of a disposal group held for sale	3,737,092	-
6.2	Deferred tax liabilities	43,828	36,078
6.3	Current tax liabilities	2,408	10,096
6.4	Other liabilities	78,770	114,663
	TOTAL EQUITY AND LIABILITIES	**10,506,477**	**10,806,609**

Consolidated income statement

(Amounts in thousands of Euro)		**Six months ended June 30, 2013**	**Six months ended June 30, 2012**
1.1	Net premiums	1,434,208	1,624,077
1.1.1	*Gross premiums*	*1,506,059*	*1,685,576*
1.1.2	*Reinsurance premium*	*(71,851)*	*(61,499)*
1.2	Fee and commission income	218	357
1.3	Gains and losses on financial instruments at fair value through profit or loss	(2,482)	24,586
1.4	Income from investments in subsidiaries, associates and joint ventures	264	557
1.5	Income from other financial instruments and investment property	174,776	212,541
1.5.1	*Interest income*	*129,630*	*119,291*
1.5.2	*Other income*	*17,854*	*27,341*
1.5.3	*Realised gains*	*27,292*	*63,810*
1.5.4	*Unrealised gains*		*2,099*
1.6	Other income	84,624	91,108
1	**TOTAL REVENUES**	**1,691,608**	**1,953,226**
2.1	Net insurance claim	(1,052,977)	(1,291,333)
2.1.1	*Amounts paid and changes in technical provisions*	*(1,097,728)*	*(1,335,914)*
2.1.2	*Reinsurers' share*	*44,751*	*44,581*
2.2	Fee and commission expense	(42)	(56)
2.3	Losses on investments in subsidiaries, associates and joint ventures	(12,018)	(8,385)
2.4	Charges from other financial instruments and property	(39,397)	(85,444)
2.4.1	*Interest expense*	*(4,475)*	*(5,873)*
2.4.2	*Other charges*	*(9,774)*	*(11,137)*
2.4.3	*Realised losses*	*(7,417)*	*(16,722)*
2.4.4	*Unrealised losses*	*(17,731)*	*(51,712)*
2.5	Management expenses	(276,160)	(306,847)
2.5.1	*Commissions and other acquisition costs*	*(221,626)*	*(247,947)*
2.5.2	*Investment management expenses*	*(1,929)*	*(2,202)*
2.5.3	*Other administration expenses*	*(52,605)*	*(56,698)*
2.6	Other costs	(150,455)	(233,880)
2	**TOTAL COSTS AND EXPENSES**	**(1,531,049)**	**(1,925,945)**
	NET PROFIT (LOSS) BEFORE TAX	**160,559**	**27,281**
3	Tax	(67,760)	(18,830)
	NET PROFIT (LOSS)	**92,799**	**8,451**
4	**NET PROFIT (LOSS) FROM DISCONTINUED OPERATIONS**	**-**	**(5,438)**
	CONSOLIDATED PROFIT (LOSS)	**92,799**	**3,013**
	Attributable to the owners of the Parent	**92,845**	**3,065**
	Attributable to non-controlling interests	**(46)**	**(52)**

Consolidated statement of comprehensive income

(Amounts in thousands of Euro)	**Six months ended June 30, 2013**	**Six months ended June 30, 2012**
CONSOLIDATED PROFIT (LOSS)	**92,799**	**3,013**
Other items net of taxes which may not be recognised to P&L		
Share of other comprehensive income of associates	-	-
Reserve for revaluation model of intangible assets	-	-
Reserve for revaluation model of tangible assets	-	-
Result of discontinued operations	-	-
Actuarial gains and losses arising from defined benefit plans	135	(2,218)
Other	-	-
Other items net of taxes which may be recognised to P&L		
Change in reserve for net exchange differences	-	-
Profit or loss on available for sale financial assets	(17,979)	102,785
Profit or loss on cash flow hedges	2,471	(2,353)
Profit or loss on net foreign investment hedge	-	-
Change in net equity of subsidiaries	-	-
Income/(charges) on non-current assets held for sale or disposal groups	-	-
Other items	-	-
TOTAL OTHER COMPREHENSIVE INCOME STATEMENT ITEMS	(15,373)	98,214
TOTAL COMPREHENSIVE CONSOLIDATED INCOME	77,426	101,227
Attributable to the owners of the Parent	77,472	101,278
Attributable to non-controlling interests	(46)	(51)

Consolidated statement of cash flows

(Amounts in thousands of Euro)	**Six months ended June 30, 2013**	**Six months ended June 30, 2012**
Profit (loss) before tax for the year	**160,559**	**27,281**
Change in non-monetary items	**(292,021)**	**(301,123)**
Change in non life premium provision	(62,311)	(40,094)
Change in the claims provision and other non life technical provisions	(202,919)	(130,600)
Change in mathematical provisions and other life technical provisions	(63,661)	(208,317)
Change in deferred acquisition costs	(2,478)	(91)
Change in provisions	917	(5,813)
Non-monetary gains and losses on financial instruments, investment property and investments	30,257	53,946
Other changes	8,174	29,846
Change in receivables and payables generated by operating activities	**91,958**	**151,585**
Change in receivables and payables arising out of direct insurance and reinsurance	129,196	149,055
Change in other receivables and payables	(37,238)	2,530
Paid taxes	**(25,028)**	**(19,862)**
Net cash flows generated by/used for monetary items from investing and financing activities	**25,212**	**35,402**
Liabilities from financial contracts issued by insurance companies	(2,796)	(6,092)
Payables to bank and interbank customers	-	-
Loans and receivables from banks and interbank customers	-	-
Other financial instruments at fair value through profit or loss	28,008	41,494
TOTAL NET CASH FLOW FROM OPERATING ACTIVITIES	**(39,320)**	**(106,717)**
Net cash flow generated by/used for investment property	(218)	49,307
Net cash flow generated by/used for investments in subsidiaries, associates and joint ventures	(18,044)	2,488
Net cash flow generated by/used for loans and receivables	16,663	18,504
Net cash flow generated by/used for held to maturity investments	(615)	(46,006)
Net cash flow generated by/used for available for sale financial assets	(43,156)	238,636
Net cash flow generated by/used for property, other tangible and intangible assets	335	(44)
Other net cash flows generated / absorbed by investing activities	-	40,504
TOTAL NET CASH FLOW GENERATED BY/USED FOR INVESTING ACTIVITIES	**(45,035)**	**303,389**
Net cash flow generated by/used for equity instruments attributable to the owners of the Parent	(124)	1,965
Net cash flow generated by/used for own shares	-	-
Distribution of dividends attributable to the owners of the Parent	-	-
Net cash flow generated by/used for share capital and reserves attributable to non-controlling interests	12	124
Net cash flow generated by/used for subordinated liabilities and equity instruments	(312)	(147)
Net cash flow generated by/used for other financial liabilities	13,697	(10,712)
TOTAL NET CASH FLOW GENERATED BY/USED FOR FINANCING ACTIVITIES	**13,273**	**(8,770)**
Effect of exchange rate gains/losses on cash and cash equivalents	-	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	320,999	470,804
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(71,082)	187,902
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (*)	249,917	658,706

(*) include cash and the cash equivalent means of non-current assets or of a discontinued group held for sale (Euro 75,657 thousand).

Consolidated financial debt

(Amounts in millions of Euro)	**As of June 30, 2013 (*)**	**As of December 31, 2012**
Subordinated loans	0.0	151.9
Debts to banks and other financing	0.0	0.0
Total debt	**0.0**	**151.9**

(*) On 30th June 2013, the subordinated loans were classified in accordance with IFRS 5 in the line "Liabilities of a discontinued group held for sale", as they are part of the corporate overview to be disposed of. Thus, the table above does not include these in the borrowing.

Commentary Notes

As regards the above explanatory notes, please refer to the half-yearly consolidated financial report as at 30th June 2013 for the Milano Assicurazioni Group, which can be found on the website www.milass.it in the section “Investor Relations”.

As regards the items of the balance sheet “Non-current assets or of a discontinued group held for sale” and “Liabilities of a discontinued group held for sale” at 30th June 2013, please refer to the explanatory notes concerning the Premafin Group, in the previous paragraph 4.2.1.

4.3.2 Economic and financial information for the Milano Assicurazioni Group for the financial years ended at 31st December 2012, 2011 and 2010

The balance sheet, income statement, statement of comprehensive income, statements of cash flows, financial summary and debt level of the Milano Assicurazioni Group for the financial years as at 31 December 2012, 2011 and 2010 are given below. This data was extracted from the consolidated financial statements of the Milano Assicurazioni Group at these dates, prepared according to the international accounting standards IAS/IFRS, issued by IASB (International Accounting Standards Board), approved by the European Union, and on the basis of their interpretation by official bodies.

These financial statements were audited by Reconta Ernst & Young which issued its own report without remarks on 24th April 2013, and by Deloitte & Touche S.p.A., which issued its own reports without remarks respectively on 30th March 2012 and 5th April 2011.

With reference to the data for the financial year 2011, in this paragraph there was also reported data restated as a result of the CONSOB Communication of 17 April 2013. In particular, as a result of said communication, Milano Assicurazioni presented in the tables of the financial statements and in the explanatory notes for the year 2012, the column “restated Ias 8” for the 2011 data.

The re-exposure data for 2011 were as follows:

– charges for claims were reduced by Euro 203 million as the Consob Deliberation No.18432 believed this amount, representing the lack of accumulated claim funds for Third Party Motor Liability, highlighted by IVASS in its note of significant events dated 17th November 2011 for Milano Assicurazioni, to be an adjustment of the error in the preceding financial statement and therefore, brought forward to reduce the capital provisions, net of relevant tax gain;
– Income taxes have increased by Euro 70 million, equal to the tax effect on the changes made to the claim losses.

These re-expositions have resulted in a reduction from the 2011 loss of Euro 133 million, and in a reduction of an equal amount of capital provisions, with a total equity that therefore remains unchanged.

The abridged did not result in any modification of the insurance liability represented by claims provisions, nor of the situation of corrected solvency.

As regards the financial statements there were no impacts on either net cash from operating activities, nor on the overall variation of “Cash and cash equivalents”.

Consolidated balance sheet

(Amounts in thousands of Euro)		As of December 31, 2012	As of December 31, 2011 (restated IAS 8)	As of December 31, 2011	As of December 31, 2010
1	**INTANGIBLE ASSETS**	**234,775**	**242,489**	**242,489**	**250,012**
1.1	Goodwill	230,851	231,052	231,052	231,052
1.2	Other intangible assets	3,924	11,437	11,437	18,960
2	**PROPERTY PLANT AND EQUIPMENT**	**39,009**	**52,350**	**52,350**	**64,111**
2.1	Property	34,737	47,006	47,006	58,141
2.2	Other tangible assets	4,272	5,344	5,344	5,970
3	**REINSURERS' SHARE OF TECHNICAL PROVISIONS**	**340,154**	**328,931**	**328,931**	**434,652**
4	**INVESTMENTS**	**8,475,412**	**8,355,884**	**8,355,884**	**9,101,143**
4.1	Investment property	613,188	910,693	910,693	1,000,349
4.2	Investments in subsidiaries, associates and joint ventures	111,964	100,416	100,416	202,391
4.3	Investments held to maturity	185,360	128,927	128,927	121,798
4.4	Loans and receivables	891,522	905,538	905,538	660,504
4.5	Available for sale financial assets	6,508,286	6,084,206	6,084,206	6,827,511
4.6	Financial assets at fair value through profit or loss	165,092	226,104	226,104	288,590
5	**OTHER RECEIVABLES**	**975,035**	**959,272**	**959,272**	***1,034,818***
5.1	Receivables arising out of direct insurance operations	502,380	614,040	614,040	662,794
5.2	Receivables arising out of reinsurance operations	32,505	47,067	47,067	69,553
5.3	Other receivable	440,150	298,165	298,165	302,471
6	**OTHER ASSETS**	**421,925**	**558,122**	**558,122**	**327,893**
6.1	Non-current assets or disposal groups classified as held for sale	-	44,503	44,503	3,451
6.2	Deferred acquisition costs	13,890	10,741	10,741	7,477
6.3	Deferred tax assets	283,663	393,848	393,848	205,915
6.4	Current tax assets	42,100	40,595	40,595	42,821
6.5	Other assets	82,272	68,435	68,435	68,229
7	**CASH AND CASH EQUIVALENTS**	**320,299**	**470,804**	**470,804**	**284,665**
	TOTAL ASSETS	**10,806,609**	**10,967,852**	**10,967,852**	**11,497,294**

(Amounts in thousands of Euro)		As of December 31, 2012	As of December 31, 2011 (restated IAS 8)	As of December 31, 2011	As of December 31, 2010
1	**EQUITY**	**1,039,231**	**929,537**	**929,537**	**1,304,567**
1.1	**Attributable to the owners of the Parent**	**1,037,896**	**928,212**	**928,212**	**1,303,248**
1.1.1	Share capital	373,682	373,682	373,682	305,851
1.1.2	Other equity instruments	-	-	-	-
1.1.3	Capital reserves	406,634	951,244	951,244	718,147
1.1.4	Retained earnings and other reserves	413,991	217,086	350,086	980,995
1.1.5	(Own shares)	(31,353)	(31,353)	(31,353)	(31,353)
1.1.6	Reserve for net translation differences	-	-	-	-
1.1.7	Gains or losses on available for sale financial assets	106,665	(222,178)	(222,178)	1,989
1.1.8	Other gains or losses recognized directly in equity	(15,676)	(5,790)	(5,790)	(3,670)
1.1.9	Profit (loss) for theperiod/ year attributable to the owners of the Parent	(216,047)	(354,479)	(487,479)	(668,711)
1.2	**Attributable to non-controlling interests**	**1,335**	**1,325**	**1,325**	**1,319**
1.2.1	Share capital and reserves	1,456	1,461	1,461	1,502
1.2.2	Gain/losses recognized directly in equity	-	(8)	(8)	(3)
1.2.3	Profit (loss) for the period/year attributable to non-controlling interests	(121)	(128)	(128)	(180)
2	**PROVISIONS**	**92,101**	**119,870**	**119,870**	**136,139**
3	**TECHNICAL PROVISIONS**	**8,874,513**	**9,072,199**	**9,072,199**	**9,144,336**
4	**FINANCIAL LIABILITIES**	**327,405**	**370,197**	**370,197**	**427,946**
4.1	Financial liabilities at fair value through profit or loss	72,510	70,858	70,858	61,643
4.2	Other financial liabilities	254,895	299,339	299,339	366,303
5	**PAYABLES**	**312,522**	**290,509**	**290,509**	**309,410**
5.1	Payables arising out of direct insurance operations	19,495	24,723	24,723	31,388
5.2	Payables arising out of reinsurance operations	33,272	26,604	26,604	40,428
5.3	Other payables	259,755	239,182	239,182	237,594
6	**OTHER LIABILITIES**	**160,837**	**185,540**	**185,540**	**174,896**
6.1	Liabilities of a disposal group held for sale	-	-	-	-
6.2	Deferred tax liabilities	36,078	46,542	46,542	33,223
6.3	Current tax liabilities	10,096	-	-	2,164
6.4	Other liabilities	114,663	138,998	138,998	139,509
	TOTAL EQUITY AND LIABILITIES	**10,806,609**	**10,967,852**	**10,967,852**	**11,497,294**

Consolidated income statement

(Amounts in thousands of Euro)		**Year ended December 31, 2012**	**Year ended December 31, 2011 (restated IAS 8)**	**Year ended December 31, 2011**	**Year ended December 31, 2010**
1.1	Net premiums	3,074,067	3,279,514	3,279,514	3,464,853
1.1.1	*Gross premiums*	*3,205,532*	*3,421,124*	*3,421,124*	*3,613,941*
1.1.2	*Reinsurance premium*	*(131,465)*	*(141,610)*	*(141,610)*	*(149,088)*
1.2	Fee and commission income	783	851	851	874
1.3	Gains and losses on financial instruments at fair value through profit or loss	11,200	(15,127)	(15,127)	(637)
1.4	Income from investments in subsidiaries, associates and joint ventures	594	388	388	1,727
1.5	Income from other financial instruments and investment property	384,244	372,321	372,321	447,351
1.5.1	*Interest income*	*237,440*	*238,143*	*238,143*	*213,206*
1.5.2	*Other income*	*46,626*	*51,803*	*51,803*	*70,063*
1.5.3	*Realised gains*	*96,656*	*82,375*	*82,375*	*163,821*
1.5.4	*Unrealised gains*	*3,522*	*-*	*-*	*261*
1.6	Other income	168,589	180,098	180,098	166,549
1	**TOTAL REVENUES**	**3,639,477**	**3,818,045**	**3,818,045**	**4,080,717**
2.1	Net insurance claim	(2,669,764)	(2,859,765)	(3,062,765)	(3,278,381)
2.1.1	*Amounts paid and changes in technical provisions*	*(2,773,898)*	*(2,920,757)*	*(3,123,757)*	*(3,342,507)*
2.1.2	*Reinsurers' share*	*104,134*	*60,992*	*60,992*	*64,126*
2.2	Fee and commission expense	(121)	(233)	(233)	(82)
2.3	Losses on investments in subsidiaries, associates and joint ventures	(23,446)	(17,549)	(17,549)	(41,355)
2.4	Charges from other financial instruments and property	(267,109)	(392,761)	(392,761)	(511,752)
2.4.1	*Interest expense*	*(10,905)*	*(12,518)*	*(12,518)*	*(13,726)*
2.4.2	*Other charges*	*(20,455)*	*(21,290)*	*(21,290)*	*(23,047)*
2.4.3	*Realised losses*	*(61,082)*	*(52,355)*	*(52,355)*	*(56,731)*
2.4.4	*Unrealised losses*	*(174,667)*	*(306,598)*	*(306,598)*	*(418,248)*
2.5	Management expenses	(588,484)	(632,686)	(632,686)	(668,834)
2.5.1	*Commissions and other acquisition costs*	*(473,384)*	*(508,066)*	*(508,066)*	*(541,282)*
2.5.2	*Investment management expenses*	*(5,526)*	*(5,521)*	*(5,521)*	*(4,107)*
2.5.3	*Other administration expenses*	*(109,574)*	*(119,099)*	*(119,099)*	*(123,445)*
2.6	Other costs	(371,187)	(336,679)	(336,679)	(335,182)
2	**TOTAL COSTS AND EXPENSES**	**(3,920,111)**	**(4,239,673)**	**(4,442,673)**	**(4,835,586)**
	NET PROFIT (LOSS) BEFORE TAX	**(280,634)**	**(421,628)**	**(624,628)**	**(754,869)**
3	Tax	63,310	36,170	106,170	82,697
	NET PROFIT (LOSS)	**(217,324)**	**(385,458)**	**(518,458)**	**(672,172)**
4	**NET PROFIT (LOSS) FROM DISCONTINUED OPERATIONS**	**1,156**	**30,851**	**30,851**	**3,281**
	CONSOLIDATED PROFIT (LOSS)	**(216,168)**	**(354,607)**	**(487,607)**	**(668,891)**
	Attributable to the owners of the Parent	**(216,047)**	**(354,479)**	**(487,479)**	**(668,711)**
	Attributable to non-controlling interests	**(121)**	**(128)**	**(128)**	**(180)**

Consolidated statement of comprehensive income

(Amounts in thousands of Euro)	**Year ended December 31, 2012**	**Year ended December 31, 2011 (restated IAS 8)**	**Year ended December 31, 2011**	**Year ended December 31, 2010**
CONSOLIDATED PROFIT (LOSS)	**(216,168)**	**(354,607)**	**(487,607)**	**(668,891)**
Change in reserve for net exchange differences	-	-	-	-
Profit or loss on available for sale financial assets	328,851	(224,172)	(224,172)	150,548
Profits or losses on cash flow hedges	(4,832)	(2,522)	(2,522)	(599)
Profits or losses on net foreign investment hedges	-	-	-	-
Change in net equity of subsidiaries	-	-	-	-
Reserve for revaluation on model of intangible assets	-	-	-	-
Reserve for revaluation on model of tangible assets	-	-	-	-
Income and charges on non-current assets held for sale or disposal groups	-	-	-	1,322
Actuarial gains and losses arising from defined benefit plans	(5,054)	402	402	(605)
Other items	-	-	-	-
TOTAL OTHER COMPREHENSIVE INCOME STATEMENTS ITEMS	**318,965**	**(226,292)**	**(226,292)**	**150,666**
TOTAL CONSOLIDATED COMPREHENSIVE INCOME	**102,797**	**(580,899)**	**(713,899)**	**(518,225)**
Attributable to owners of the Parent	**102,910**	**(580,766)**	**(713,766)**	**(518,643)**
Attributable to non-controlling interests	**(113)**	**(133)**	**(133)**	**418**

Consolidated statements of cash flows

(Amounts in thousands of Euro)	Year ended December 31, 2012	Year ended December 31, 2011 (restated IAS 8)	Year ended December 31, 2011	Year ended December 31, 2010
Profit (loss) before tax for the year	**(280,634)**	**(421,628)**	**(624,628)**	**(754,869)**
Change in non-monetary items	**(128,052)**	**238,588**	**441,588**	**759,424**
Change in non life premium provision	(87,687)	(43,050)	(43,050)	14,979
Change in the claims provision and other non life technical provisions	31,124	163,243	366,243	190,469
Change in mathematical provisions and other life technical provisions	(260,269)	(231,300)	(231,300)	29,791
Change in deferred acquisition costs	(5,311)	(4,660)	(4,660)	-
Change in provisions	(27,769)	(16,269)	(16,269)	46,338
Non-monetary gains and losses on financial instruments, investment property and equity investments	185,109	316,627	316,627	474,364
Other changes	36,751	53,997	53,997	3,483
Change in receivables and payables generated by operating activities	**98,784**	**53,870**	**53,870**	**52,483**
Change in receivables and payables arising out of direct insurance and reinsurance	127,662	50,751	50,751	86,380
Change in other receivables and payables	(28,878)	3,119	3,119	(33,897)
Paid taxes	**5,276**	**(583)**	**(583)**	**(229)**
Net cash flows generated by / used for monetary items from investing and financing activities	**64,515**	**68,542**	**68,542**	**35,640**
Liabilities from financial contracts issued by insurance companies	1,652	8,238	8,238	(5,977)
Payables to bank and interbank customers	-	-	-	-
Loans and receivables from banks and interbank customers	-	-	-	-
Other financial instruments at fair value through profit or loss	62,863	60,304	60,304	41,617
TOTAL NET CASH FLOW FROM OPERATING ACTIVITIES	**(240,111)**	**(61,211)**	**(61,211)**	**92,449**
Net cash flow generated by/used for investment property	49,940	(18,722)	(18,722)	40,236
Net cash flow generated by/used for investments in subsidiaries, associates and joint ventures	(11,548)	57,472	57,472	(13,060)
Net cash flow generated by/used for loans and receivables	10,004	(246,712)	(246,712)	(149,164)
Net cash flow generated by/used for held to maturity investments	(55,557)	(7,046)	(7,046)	(6,602)
Net cash flow generated by/used for available for sale financial assets	89,332	190,473	190,473	36,789
Net cash flow generated by/used for property, other tangible and intangible assets	481	(15)	(15)	7,976
Other net cash flows generated / absorbed by investing activities	44,503	-	-	225,183
TOTAL NET CASH FLOW GENERATED BY/USED FOR INVESTING ACTIVITIES	**127,155**	**(24,550)**	**(24,550)**	**141,358**
Net cash flow generated by/used for equity instruments attributable to the owners of the Parent	6,764	338,730	338,730	(1,404)
Net cash flow generated by/used for own shares	-	-	-	-
Distribution of dividends attributable to the owners of the Parent	-	-	-	(58,621)
Net cash flow generated by/used for share capital and reserves attributable to non-controlling interests	131	134	134	(104,503)
Net cash flow generated by/used for by subordinated liabilities and equity instruments	(573)	661	661	31
Net cash flow generated by/used for other financial liabilities	(43,871)	(67,625)	(67,625)	(31,660)
TOTAL NET CASH FLOW GENERATED BY/USED FOR FINANCING ACTIVITIES	**(37,549)**	**271,900**	**271,900**	**(196,157)**
Effect of exchange rate gains/losses on cash and cash equivalents	-	-	-	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	470,804	284,665	284,665	247,015
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(150,505)	186,139	186,139	37,650
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	320,299	470,804	470,804	284,665

Consolidated financial debt

(Amounts in millions of Euro)	As of December 31, 2012	As of December 31, 2011	As of December 31, 2010
Subordinated loans	151.9	152.5	151.8
Debts to banks and other financing	0.0	23.3	69.7
Total debt	**151.9**	**175.8**	**221.5**

Commentary Notes

As regards the above explanatory notes, please refer to the half-yearly consolidated balance sheets as at 31st December 2012, 2011 and 2010 for the Milano Assicurazioni Group, which can be found on the website www.milass.it in the section “Investor Relations”.

4.4 Economic and financial information of the Fonsai Group

4.4.1 Economic and financial information of the Fonsai Group for the half-year ended at 30th June 2013

The balance sheet, the income statement, the statement of comprehensive income, statements of cash flows, debt level of the Fonsai Group for the six months ended at June 30, 2013 are given below. These figures have been taken from the consolidated financial statement of Fonsai at June 30, 2013 set out according to the international accounting principles IAS/IFRS issued by IASB (International Accounting Standard Board), adopted by the European Union, and on the basis of their interpretation by official authorities. In particular, this report has been prepared in accordance with the accounting principle applicable for interim financial reporting (IAS 34) and was subjected to limited audit by Reconta Ernst & Young, which issued its report without remarks on 27 August 2013.

Consolidated balance sheet

(Amounts in thousands of Euro)		**As of June 30, 2013**	**As of December 31, 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 AND EQUIPMENT**	**339,384**	**373,111**
2.1	Property	289,874	304,203
2.2	Other tangible assets	49,510	68,908
3	**REINSURERS' SHARE OF TECHNICAL PROVISIONS**	**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 joint ventures	129,936	125,799
4.3	Investments held to maturity	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 arising out of direct insurance operations	873,620	1,322,826
5.2	Receivables arising out of reinsurance operations	62,742	64,750
5.3	Other receivable	663,338	703,419
6	**OTHER ASSETS**	**5,397,997**	**1,534,590**
6.1	Non-current assets or disposal groups classified as held for sale	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**

(Amounts in thousands of Euro)		**As of June 30, 2013**	**As of December 31, 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	-	-
1.1.3	Capital reserves	198,883	669,626
1.1.4	Retained earnings and other reserves	611,999	898,822
1.1.5	(Own shares)	(68,197)	(68,197)
1.1.6	Reserve for net translation differences	(67,764)	(65,970)
1.1.7	Gains or losses on available for sale financial assets	226,557	257,597
1.1.8	Other gains or losses recognized directly in equity	2,853	(21,027)
1.1.9	Profit (loss) for the period/ year 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	574,363	673,611
1.2.2	Gain/losses recognized directly in equity	21,011	23,236
1.2.3	Profit (loss) for the period/year attributable to non-controlling interests	53,605	(49,880)
2	**PROVISIONS**	**283,259**	**271,877**
3	**TECHNICAL PROVISIONS**	**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 out of direct insurance operations	78,128	96,388
5.2	Payables arising out of reinsurance operations	63,683	67,876
5.3	Other payables	496,944	600,658
6	**OTHER LIABILITIES**	**4,191,890**	**612,539**
6.1	Liabilities of a disposal group held for sale	3,726,786	-
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**

Consolidated income statement

(Amounts in thousands of Euro)		Six months ended June 30, 2013	Six months ended June 30, 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	*Reinsurance premium*	*(167,594)*	*(161,535)*
1.2	Fee and commission income	5,730	4,987
1.3	Gains and losses on financial instruments at fair value through profit or loss	7,760	325,515
1.4	Income from investments in subsidiaries, associates and joint ventures	68	667
1.5	Income from other financial instruments and investment property	615,556	636,518
1.5.1	*Interest income*	*442,341*	*407,698*
1.5.2	*Other income*	*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**	**6,100,622**	**6,069,098**
2.1	Net insurance claim	(4,374,652)	(4,447,543)
2.1.1	*Amounts paid and changes in technical provisions*	*(4,468,435)*	*(4,602,766)*
2.1.2	*Reinsurers' share*	*93,783*	*155,223*
2.2	Fee and commission expense	(3,106)	(4,418)
2.3	Losses on investments in subsidiaries, associates and joint ventures	(2,878)	(8,567)
2.4	Charges from other financial instruments and 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	Management 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)**
	NET PROFIT (LOSS) BEFORE TAX	**318,136**	**84,852**
3	Tax	(146,625)	(48,765)
	NET PROFIT (LOSS)	**171,511**	**36,087**
4	**NET PROFIT (LOSS) FROM DISCONTINUED OPERATIONS**	**-**	**(11,144)**
	CONSOLIDATED PROFIT (LOSS)	**171,511**	**24,943**
	Attributable to the owners of the Parent	**117,906**	**7,565**
	Attributable to non-controlling interests	**53,605**	**17,378**

Consolidated statement of comprehensive income

(Amounts in thousands of Euro)	Six months ended June 30, 2013	Six months ended June 30, 2012
CONSOLIDATED PROFIT (LOSS)	**171,511**	**24,943**
Other items net of taxes which may not be recognised to P&L		
Share of other comprehensive income of associates	-	-
Reserve for revaluation model of intangible assets	-	-
Reserve for revaluation model of tangible assets	-	-
Result of discontinued operations	-	-
Actuarial gains and losses arising from defined benefit plans	775	(3,821)
Other	-	-
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 net foreign investment hedge	-	-
Change in net equity of subsidiaries	7,034	(1,178)
Income/(charges) on non-current assets held for sale or disposal groups	-	-
Other 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**

Consolidated statements of cash flows

(Amounts in thousands of Euro)	Six months ended June 30, 2013	Six months ended June 30, 2012
Profit (loss) before tax for the year	**318,136**	**84,852**
Change in non-monetary items	**(442,361)**	**(1,726,198)**
Change in non life premium provision	(81,930)	(91,736)
Change in the claims provision and other non life technical provisions	(386,903)	(257,866)
Change in mathematical provisions and other life technical provisions	45,512	(1,412,290)
Change in deferred acquisition costs	(10,201)	(845)
Change in provisions	32,065	(25,806)
Non-monetary gains and losses on financial instruments, investment property and investments	(28,447)	(92,375)
Other changes	(12,457)	154,720
Change in receivables and payables generated by operating activities	**22,012**	**299,175**
Change in receivables and payables arising out of direct insurance and reinsurance	103,641	233,910
Change in other receivables and payables	(81,629)	65,265
Paid taxes	**(30,903)**	**(8,977)**
Net cash flows generated by / used for monetary items from investing and financing activities	**265,560**	**1,195,465**
Liabilities from financial contracts issued by insurance companies	(1,608)	(625,630)
Payables to bank and interbank customers	19,474	(25,688)
Loans and receivables from banks and interbank customers	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 flow generated by/used for investment property	12,690	67,589
Net cash flow generated by/used for investments in subsidiaries, associates and joint ventures	(5,396)	783
Net cash flow generated by/used for loans and receivables	37,401	20,024
Net cash flow generated by/used for held to maturity investments	38,470	(126,070)
Net cash flow generated by/used for available for sale financial assets	(22,653)	93,057
Net cash flow generated by/used for property, other tangible and intangible assets	(13,595)	(8,027)
Other net cash flows generated / absorbed by investing activities	-	85,307
TOTAL NET CASH FLOW GENERATED BY/USED FOR INVESTING ACTIVITIES	**46,917**	**132,663**
Net cash flow generated by/used for equity instruments attributable to the owners of the Parent	-	-
Net cash flow generated by/used for own shares	-	-
Distribution of dividends attributable to the owners of the Parent	-	-
Net cash flow generated by/used for share capital and reserves attributable to non-controlling interests	-	-
Net cash flow generated by/used for by subordinated liabilities and equity instruments	-	-
Net cash flow generated by/used for other financial liabilities	(46,158)	3,592
TOTAL NET CASH FLOW GENERATED BY/USED FOR FINANCING ACTIVITIES	**(46,158)**	**3,592**
Effect of exchange rate gains/losses on cash and cash equivalents	**(388)**	**(3,319)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	560,228	976,582
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	132,815	(22,747)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (*)	693,043	953,835

(*) include cash and cash equivalents of the non-current assets or of a disposal group held for sale (Euro 20.6 million).

Consolidated financial debt

(Amounts in millions of Euro)	As of June 30, 2013	As of December 31, 2012
Subordinated loans	1,048.8	1,048.1
Debts to banks and other financing	191.6	249.8
Total debt	**1,240.4**	**1,297.9**

Commentary Notes

As regards the above explanatory notes, please refer to the half-yearly consolidated financial report as at 30th June 2013 for the Fonsai Group, which can be found on the website www.fondiaria-sai.it in the section “Investor Relations”.

As regards the items of the balance sheet “Non-current assets or of a discontinued group held for sale” and “Liabilities of a discontinued group held for sale” at 30th June 2013, please refer to the explanatory notes concerning the group, Premafin Group, in the previous paragraph 4.2.1.

4.4.2 Economic and financial information of the Fonsai Group for the financial years ended at 31st December 2012, 2011 and 2010

The following are the balance sheet, income statement, the statement of comprehensive income, the statements of cash flows, the debt level of the Fonsai Group for the fiscal years as 31December 2012, 2011 and 2010. This data was extracted from the consolidated financial statements of the Fonsai Group at these dates, prepared according to the international accounting standards IAS/IFRS, issued by IASB (International Accounting Standards Board), approved by the European Union, and on the basis of their interpretation by official bodies.

These financial statements are subject to audits by Reconta Ernst & Young which issued its own reports without remarks respectively on 24th April 2013, 31st March 2012 and 5th April 2011.

With reference to the data for the financial year 2011, in this paragraph there was also reported data restated as a result of the CONSOB Communication of 17 April 2013. In particular, following said communication, Fonsai presented in the financial statements and in the explanatory notes for 2012, the column “restated IAS 8” for 2011 figures.

The re-exposed data for 2011 were as follows:

- claims expenses: these were reduced by Euro 517 million as the Consob Deliberation No.18432 believed this amount, representing the lack of accumulated claim funds for Third Party Motor Liability, highlighted by IVASS in its note of significant events dated 29th September for Fondiaria-SAI and 17th November 2011 for Milano Assicurazioni, to be an adjustment of the error in the preceding financial statement and, therefore, brought forward to reduce the capital provisions, net of relevant tax gain;
- income taxes: these have increased by Euro 178 million, equal to the tax effect on the changes made to the claim losses.

These re-expositions have resulted in a reduction from the 2011 loss of Euro 339 million, and in a reduction of an equal amount of capital provisions, with a total net worth that therefore remains unchanged.

The abridged did not result in any modification of the insurance liability represented by claims provisions, nor of the situation of correct solvency.

As regards the financial statements there were no impacts on either net cash from operating activities, nor on the overall variation of “Cash and cash equivalents”.

Consolidated balance sheet

(Amounts in thousands of Euro)		As of December 31, 2012	As of December 31, 2011 (restated IAS 8)	As of December 31, 2011	As of December 31, 2010
1	**INTANGIBLE ASSETS**	**1,160,227**	**1,462,890**	**1,462,890**	**1,587,734**
1.1	Goodwill	1,101,715	1,367,737	1,367,737	1,468,570
1.2	Other intangible assets	58,512	95,153	95,153	119,164
2	**PROPERTY PLANT AND EQUIPMENT**	**373,111**	**401,744**	**401,744**	**594,334**
2.1	Property	304,203	315,500	315,500	500,691
2.2	Other tangible assets	68,908	86,244	86,244	93,643
3	**REINSURERS' SHARE OF TECHNICAL PROVISIONS**	**807,304**	**701,880**	**701,880**	**823,184**
4	**INVESTMENTS**	**33,859,082**	**33,789,332**	**33,789,332**	**36,013,873**
4.1	Investment property	2,200,774	2,759,245	2,759,245	2,894,209
4.2	Investments in subsidiaries, associates and joint ventures	125,799	116,558	116,558	325,369
4.3	Investments held to maturity	718,119	599,713	599,713	592,138
4.4	Loans and receivables	3,527,030	3,688,865	3,688,865	3,159,211
4.5	Available for sale financial assets	20,848,041	17,598,287	17,598,287	20,302,882
4.6	Financial assets at fair value through profit or loss	6,439,319	9,026,664	9,026,664	8,740,064
5	**OTHER RECEIVABLES**	**2,090,995**	**2,340,741**	**2,340,741**	**2,314,375**
5.1	Receivables arising out of direct insurance operations	1,322,826	1,698,430	1,698,430	1,747,611
5.2	Receivables arising out of reinsurance operations	64,750	78,637	78,637	101,773
5.3	Other receivable	703,419	563,674	563,674	464,991
6	**OTHER ASSETS**	**1,534,590**	**1,803,440**	**1,803,440**	**996,064**
6.1	Non-current assets or disposal groups classified as held for sale	3,335	87,151	87,151	3,452
6.2	Deferred acquisition costs	52,250	30,301	30,301	87,603
6.3	Deferred tax assets	954,429	1,155,060	1,155,060	361,195
6.4	Current tax assets	299,485	316,208	316,208	387,573
6.5	Other assets	225,091	214,720	214,720	156,241
7	**CASH AND CASH EQUIVALENTS**	**560,228**	**976,582**	**976,582**	**625,940**
	TOTAL ASSETS	**40,385,537**	**41,476,609**	**41,476,609**	**42,955,504**

(Amounts in thousands of Euro)		As of December 31, 2012	As of December 31, 2011 (restated IAS 8)	As of December 31, 2011	As of December 31, 2010
1	**EQUITY**	**2,762,674**	**1,556,708**	**1,556,708**	**2,550,105**
1.1	**Attributable to the owners of the Parent**	**2,115,707**	**1,036,952**	**1,036,952**	**1,882,127**
1.1.1	Share capital	1,194,573	494,731	494,731	167,044
1.1.2	Other equity instruments	-	-	-	-
1.1.3	Capital reserves	669,626	315,460	315,460	209,947
1.1.4	Retained earnings and other reserves	898,822	1,548,570	1,834,570	2,620,792
1.1.5	(Own shares)	(68,197)	(213,026)	(213,026)	(321,933)
1.1.6	Reserve for net translation differences	(65,970)	(56,772)	(56,772)	(56,598)
1.1.7	Gains or losses on available for sale financial assets	257,597	(478,283)	(478,283)	(34,759)
1.1.8	Other gains or losses recognized directly in equity	(21,027)	(7,009)	(7,009)	15,216
1.1.9	Profit (loss) for the period/year attributable to the owners of the Parent	(749,717)	(566,719)	(852,719)	(717,582)
1.2	**Attributable to non-controlling interests**	**646,967**	**519,756**	**519,756**	**667,978**
1.2.1	Share capital and reserves	673,611	850,659	903,659	902,126
1.2.2	Gain/losses recognized directly in equity	23,236	(201,984)	(201,984)	(22,869)
1.2.3	Profit (loss) for the period/year attributable to non-controlling interests	(49,880)	(128,919)	(181,919)	(211,279)
2	**PROVISIONS**	**271,877**	**322,310**	**322,310**	**340,637**
3	**TECHNICAL PROVISIONS**	**33,657,899**	**35,107,505**	**35,107,505**	**34,827,972**
4	**FINANCIAL LIABILITIES**	**2,315,626**	**3,143,273**	**3,143,273**	**3,850,106**
4.1	Financial liabilities at fair value through profit or loss	568,575	1,303,886	1,303,886	1,646,935
4.2	Other financial liabilities	1,747,051	1,839,387	1,839,387	2,203,171
5	**PAYABLES**	**764,922**	**792,090**	**792,090**	**836,934**
5.1	Payables arising out of direct insurance operations	96,388	78,999	78,999	91,887
5.2	Payables arising out of reinsurance operations	67,876	84,912	84,912	106,862
5.3	Other payables	600,658	628,179	628,179	638,185
6	**OTHER LIABILITIES**	**612,539**	**554,723**	**554,723**	**549,750**
6.1	Liabilities of a disposal group held for sale	-	-	-	-
6.2	Deferred tax liabilities	178,189	133,452	133,452	132,060
6.3	Current tax liabilities	54,101	16,522	16,522	54,306
6.4	Other liabilities	380,249	404,749	404,749	363,384
	TOTAL EQUITY AND LIABILITIES	**40,385,537**	**41,476,609**	**41,476,609**	**42,955,504**

Consolidated income statement

(Amounts in thousands of Euro)		**Year ended December 31, 2012**	**Year ended December 31, 2011 (restated**	**Year ended December 31, 2011**	**Year ended December 31, 2010**
1.1	Net premiums	9,967,235	10,527,344	10,527,344	12,585,297
1.1.1	*Gross premiums*	*10,277,167*	*10,850,258*	*10,850,258*	*12,911,503*
1.1.2	*Reinsurance premium*	*(309,932)*	*(322,914)*	*(322,914)*	*(326,206)*
1.2	Fee and commission income	15,423	24,433	24,433	57,317
1.3	Gains and losses on financial instruments at fair value through profit or loss	544,681	321,699	321,699	395,283
1.4	Income from investments in subsidiaries, associates and joint ventures	641	826	826	55,795
1.5	Income from other financial instruments and investment property	1,181,659	1,189,659	1,189,659	1,281,397
1.5.1	*Interest income*	*823,785*	*827,269*	*827,269*	*722,345*
1.5.2	*Other income*	*138,677*	*149,550*	*149,550*	*167,637*
1.5.3	*Realised gains*	*210,914*	*212,535*	*212,535*	*390,939*
1.5.4	*Unrealised gains*	*8,283*	*305*	*305*	*476*
1.6	Other income	502,142	666,720	666,720	556,503
1	**TOTAL REVENUES**	**12,211,781**	**12,730,681**	**12,730,681**	**14,931,592**
2.1	Net insurance claim	(9,357,554)	(9,723,770)	(10,240,770)	(12,152,941)
2.1.1	*Amounts paid and changes in technical provisions*	*(9,660,029)*	*(9,889,857)*	*(10,406,857)*	*(12,341,912)*
2.1.2	*Reinsurers' share*	*302,475*	*166,087*	*166,087*	*188,971*
2.2	Fee and commission expense	(7,361)	(15,855)	(15,855)	(28,421)
2.3	Losses on investments in subsidiaries, associates and joint ventures	(19,568)	(22,132)	(22,132)	(55,279)
2.4	Charges from other financial instruments and property	(837,186)	(995,647)	(995,647)	(815,311)
2.4.1	*Interest expense*	*(59,682)*	*(76,941)*	*(76,941)*	*(80,414)*
2.4.2	*Other charges*	*(73,123)*	*(69,450)*	*(69,450)*	*(78,146)*
2.4.3	*Realised losses*	*(147,522)*	*(142,293)*	*(142,293)*	*(166,095)*
2.4.4	*Unrealised losses*	*(556,859)*	*(706,963)*	*(706,963)*	*(490,656)*
2.5	Management expenses	(1,698,317)	(1,875,313)	(1,875,313)	(1,920,182)
2.5.1	*Commissions and other acquisition costs*	*(1,248,751)*	*(1,406,623)*	*(1,406,623)*	*(1,426,987)*
2.5.2	*Investment management expenses*	*(15,984)*	*(16,016)*	*(16,016)*	*(14,377)*
2.5.3	*Other administration expenses*	*(433,582)*	*(452,674)*	*(452,674)*	*(478,818)*
2.6	Other costs	(1,224,579)	(1,038,599)	(1,038,599)	(967,183)
2	**TOTAL COSTS AND EXPENSES**	**(13,144,565)**	**(13,671,316)**	**(14,188,316)**	**(15,939,317)**
	NET PROFIT (LOSS) BEFORE TAX	**(932,784)**	**(940,635)**	**(1,457,635)**	**(1,007,725)**
3	Tax	131,362	214,147	392,147	77,102
	NET PROFIT (LOSS)	**(801,422)**	**(726,488)**	**(1,065,488)**	**(930,623)**
4	**NET PROFIT (LOSS) FROM DISCONTINUED OPERATIONS**	**1,825**	**30,850**	**30,850**	**1,762**
	CONSOLIDATED PROFIT (LOSS)	**(799,597)**	**(695,638)**	**(1,034,638)**	**(928,861)**
	Attributable to the owners of the Parent	**(749,717)**	**(566,719)**	**(852,719)**	**(717,582)**
	Attributable to non-controlling interests	**(49,880)**	**(128,919)**	**(181,919)**	**(211,279)**

Consolidated statement of comprehensive income

	Year ended December 31, 2012	**Year ended December 31, 2011 (restated IAS 8)**	**Year ended December 31, 2011**	**Year ended December 31, 2010**
CONSOLIDATED PROFIT (LOSS)	**(799,597)**	**(695,638)**	**(1,034,638)**	**(928,861)**
Change in reserve for net exchange differences	(9,200)	(174)	(174)	(52,741)
Profit or loss on available for sale financial assets	965,350	(621,449)	(621,449)	24,037
Profits or losses on cash flow hedges	(14,578)	(12,153)	(12,153)	(16,524)
Profits or losses on net foreign investment hedges	-	-	-	-
Change in net equity of subsidiaries	7,585	(3,990)	(3,990)	(1,208)
Reserve for revaluation on model of intangible assets	-	-	-	-
Reserve for revaluation on model of tangible assets	-	-	-	(8,763)
Income and charges on non-current assets held for sale or disposal groups	-	-	-	675
Actuarial gains and losses arising from defined benefit plans	(11,274)	(7,254)	(7,254)	(2,511)
Other items	1	(18)	(18)	(7,172)
TOTAL OTHER COMPREHENSIVE INCOME STATEMENTS ITEMS	**937,884**	**(645,038)**	**(645,038)**	**(64,207)**
TOTAL CONSOLIDATED COMPREHENSIVE INCOME	**138,287**	**(1,340,676)**	**(1,679,676)**	**(993,068)**
Attributable to owners of the Parent	**(37,053)**	**(1,032,642)**	**(1,318,642)**	**(786,971)**
Attributable to non-controlling interests	**175,340**	**(308,034)**	**(361,034)**	**(206,097)**

Consolidated statements of cash flows

(Amounts in thousands of Euros)	Year ended December 31, 2012	Year ended December 31, 2011 (restated IAS 8)	Year ended December 31, 2011	Year ended December 31, 2010
Profit (loss) before tax for the year	**(932,784)**	**(940,635)**	**(1,457,635)**	**(1,007,725)**
Change in non-monetary items	**(1,275,472)**	**1,304,423**	**1,821,423**	**4,144,212**
Change in non life premium provision	(242,220)	(38,698)	(38,698)	35,638
Change in the claims provision and other non life technical provisions	33,660	292,273	809,273	217,426
Change in mathematical provisions and other life technical provisions	(1,952,205)	(87,191)	(87,191)	3,233,185
Change in deferred acquisition costs	(21,949)	57,302	57,302	54,508
Change in provisions	(50,433)	(18,327)	(18,327)	42,006
Non-monetary gains and losses on financial instruments, investment property and investments	319,437	615,503	615,503	245,254
Other changes	638,238	483,561	483,561	316,195
Change in receivables and payables generated by operating activities	**179,846**	**(352,302)**	**(352,302)**	**(191,716)**
Change in receivables and payables arising out of direct insurance and reinsurance	156,519	(155,245)	(155,245)	(141,597)
Change in other receivables and payables	23,327	(197,057)	(197,057)	(50,119)
Paid taxes	**(30,683)**	**(124,564)**	**(124,564)**	**(29,480)**
Net cash flows generated by / used for monetary items from investing and financing activities	**2,102,616**	**(568,799)**	**(568,799)**	**(584,988)**
Liabilities from financial contracts issued by insurance companies	(759,348)	(368,904)	(368,904)	(449,522)
Payables to bank and interbank customers	(64,929)	(71,582)	(71,582)	(52,101)
Loans and receivables from banks and interbank customers	143,904	98,711	98,711	(48,347)
Other financial instruments at fair value through profit or loss	2,782,989	(227,024)	(227,024)	(35,018)
TOTAL NET CASH FLOW FROM OPERATING ACTIVITIES	**43,523**	**(681,877)**	**(681,877)**	**2,330,303**
Net cash flow generated by/used for investment property	75,178	28,986	28,986	80,727
Net cash flow generated by/used for investments in subsidiaries, associates and joint ventures	(27,380)	59,633	59,633	49,424
Net cash flow generated by/used for loans and receivables	8,511	(628,095)	(628,095)	(385,148)
Net cash flow generated by/used for held to maturity investments	(76,106)	(7,575)	(7,575)	216,335
Net cash flow generated by/used for available for sale financial assets	(1,534,175)	1,248,691	1,248,691	(2,043,241)
Net cash flow generated by/used for property, other tangible and intangible assets	(21,179)	(35,746)	(35,746)	(15,877)
Other net cash flows generated / absorbed by investing activities	89,514	(15,000)	(15,000)	228,635
TOTAL NET CASH FLOW GENERATED BY/USED FOR INVESTING ACTIVITIES	**(1,485,637)**	**650,894**	**650,894**	**(1,869,145)**
Net cash flow generated by/used for equity instruments attributable to the owners of the Parent	1,054,008	433,200	433,200	-
Net cash flow generated by/used for own shares	-	-	-	-
Distribution of dividends attributable to the owners of the Parent	-	-	-	(67,751)
Net cash flow generated by/used for share capital and reserves attributable to non-controlling interests	-	248,695	248,695	(115,207)
Net cash flow generated by/used for by subordinated liabilities and equity instruments	-	-	-	-
Net cash flow generated by/used for other financial liabilities	(26,014)	(300,223)	(300,223)	(228,293)
TOTAL NET CASH FLOW GENERATED BY/USED FOR FINANCING ACTIVITIES	**1,027,994**	**381,672**	**381,672**	**(411,251)**
Effect of exchange rate gain/losses on cash and cash equivalents	**(2,234)**	**(47)**	**(47)**	**(3,282)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	976,582	625,940	625,940	576,033
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(416,354)	350,642	350,642	49,907
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	560,228	976,582	976,582	625,940

Consolidated financial debt

(Amounts in millions of Euros)	As of December 31, 2012	As of December 31, 2011 (restated IAS 8)	As of December 31, 2011	As of December 31, 2010
Subordinated loans	1,048.1	1,049.5	1,049.5	1,041.4
Debts to banks and other financing	249.8	300.4	300.4	530.9
Total debt	**1,297.9**	**1,349.9**	**1,349.9**	**1,572.3**

Commentary Notes

As regards the above explanatory notes, please refer to the consolidated balance sheets as at 31st December 2012, 2011 and 2010 for Fonsai Group, which can be found on the website www.fondiaria-sai.it in the section “Investor Relations”.

5 Proforma income statement and balance sheet of the Incorporating Company

Premise

This section shows the prospectuses for the proforma balance sheet, consolidated income statement and financial report of Fondiaria-SAI (or the "**Incorporating Company**") for the financial year ended at 31st December 2012 (the "**Proforma Consolidated Prospectuses 2012**") and for the half-year ended at 30th June 2013 (the "**Interim Proforma Consolidated Prospectuses**", together with the Proforma Consolidated Prospectuses 2012, the "**Proforma Consolidated Prospectuses**"), which retroactively represent the transactions relating to the merger by incorporation of Unipol Assicurazioni, Premafin and of Milano Assicurazioni ("The Incorporating Companies") into Fondiaria-SAI. The Company Resulting from the Merger will be entitled UnipolSai Assicurazioni S.p.A. ("**UnipolSai**"). The information contained in the Proforma Consolidated Prospectuses simulates the possible effects which could arise from the Merger, as if the Merger had been implemented by the date referred to in said Proforma Consolidated Prospectuses and are given only for illustrative purposes.

Proforma Consolidated Prospectuses were prepared assuming that Milano Assicurazioni takes part in the Merger. If this hypothesis is not verified, the effects on the Proforma Consolidated figures would be limited to third parties interest in the consolidated equity and in the pro-forma indicators per share. These effect have been shown, respectively, in the explanatory note 8 of the 2012 Proforma Consolidated Prospectuses, in the explanatory note 9 of the Interim Proforma Consolidated Prospectuses ("Third parties recalculation") and in Par. 5.5.2 of the Information Document.

On 20th December 2012, the Boards of Directors of Unipol Assicurazioni, Premafin, Milano Assicurazioni and Fondiaria-SAI drew up and approved the Merger Plan pursuant to and by effect of Art. 2501-ter of the Civil Code, and approved the relevant illustrative reports on the Merger Plan pursuant to and by effect of Art. 2501-*quinquies* of the Civil Code. **The Merger Plan envisages the following exchange ratios for the shares of the Incorporated companies with those of the Incorporating company:** (i) number 0.050 ordinary shares of the Incorporating for every ordinary share of Premafin; (ii) number 1.497 ordinary shares of the Incorporating for every ordinary share of Unipol Assicurazioni; (iii) regarding Milano Assicurazioni: (a) number 0.339 ordinary shares of the Incorporating with regular rights for every ordinary share of Milano Assicurazioni and (b) number 0.549 Category "B" savings shares of the Incorporating for every saving share of Milano Assicurazioni. In the event that special shareholders' meeting of Milano Assicurazioni does not approve the merger, the exchange ratios regarding Premafin and Unipol Assicurazioni will remain unchanged.

The Merger Plan envisages the shares held by the Incorporated Companies in the Incorporating Company will be reallocated in the context of the exchange ratio to the shareholders of the Incorporated Companies as a result of the Merger and therefore, the capital increase of Fondiaria-SAI required for the exchange ratio will be net of the aforementioned allocations. In particular, Fondiaria-SAI will issue for the Merger: (a) up to a maximum of No. 1,632,878,373 new ordinary shares, with no indication of their nominal value, and up to a maximum of No. 55,430,483 new Category "B" savings shares, with no indication of their nominal value, all with regular rights , or, (b) in the event the saving shareholders' meeting of Milano Assicurazioni does not approve the Merger, up to a maximum No. 1,392,668,836 new ordinary shares, with no indication of their nominal value, all with regular rights right.

The new, ordinary and Category "B" saving shares will be issued against a capital increase of Euro 0.565 for each share issued, and thus against a capital increase for a maximum of Euro 953,894,503.64.

The Proforma Consolidated Prospectuses 2012 were prepared according to the consolidated financial statement of Premafin at 31st December 2012, which includes in the own area of consolidation Fondiaria-SAI and Milano Assicurazioni (the "**Group Premafin**"), and to the consolidated carve-out prospectuses of the balance sheet, the income statement and the financial report of Unipol Assicurazioni at 31st December 2012 (the "**Annual Carve-out Prospectuses**"). The proforma adjustments concerning the Merger and its preliminary, connected or resulting operations were applied to these historical figures, as described below.

The Interim Proforma Consolidated Prospectuses 2012 were prepared according to the abridged biannual consolidated statement of the Premafin Group at 30th June 2013, and to the consolidated carve-out prospectuses of the balance sheet, the income statement and the financial report of Unipol Assicurazioni and its subsidiaries for the half year ended at 30th June 2013 (the **"Interim Carve-out Prospectuses"** together with the Annual Carve-out Prospectuses, hereinafter the **"Carve-out Prospectuses"**). The adjusted proforma relating to the Merger and its preliminary, connected or resulting transactions to it were applied to these historical figures, as described below.

The consolidated financial statements of Premafin at 31st December 2012 and the half-yearly abridged consolidated financial statement as at 30th June 2013, including the consolidated financial statements given below of Fondiaria-SAI and Milano Assicurazioni at same date, and the Carve-Out Prospectuses were prepared in compliance with the International Accounting Principles (IFRS) adopted by the European Union.

The consolidated financial statements and the half-yearly adjusted financial statements of the Premafin Group were subjected to an accounting audit and a limited audit by Reconta Ernst & Young, which issued its reports on 24th April 2013 and on 27th August 2013, respectively.

The balance sheet and income statement carve-out prospectuses were obtained on the basis of the consolidated financial statements of UGF as at 31st December 2012, subjected to an accounting audit by PriceWaterhouseCoopers and on the basis of the adjusted consolidated half-yearly financial statements of UGF at 30th June 2013, subjected to a limited audit by PriceWaterhouseCoopers, which issued its own reports on 25th April 2013 and on 28th August, respectively, and thereby adjusting these values as follows: (i) elimination of values concerning the companies not included in the consolidation area of Unipol Assicurazioni as subsequently described, (ii) elimination of the full consolidation of Unipol Banca S.p.A. ("**Unipol Banca**") (iii) recognition of consolidation of Unipol Banca according to the equity method solely for the share belonging to Unipol Assicurazioni, and (iv) reversal of the operations of cancellation and elimination of intragroup relations concerning companies not included in the consolidation area of Unipol Assicurazioni. The companies controlled directly and indirectly by Unipol Assicurazioni (together with Unipol Assicurazioni the "**Unipol Assicurazioni Group**"), listed below were consolidated by applying IAS 27;

- Unifimm S.r.l.: a real estate company is 100% controlled by Unipol Assicurazioni;
- Midi S.r.l.: a real estate company is 100% controlled by Unipol Assicurazioni;
- Smallpart S.p.A.: a company dealing in shareholder management is 100% controlled by Unipol Assicurazioni;
- Punta di Ferro S.r.l.: a company which manages shopping centres is 100% controlled by Unipol Assicurazioni;
- Covent Garden BO S.r.l.: a company dealing in shareholder management and is 100% controlled by Unipol Assicurazioni, via Midi S.r.l.;
- Comsider S.r.l.: a real estate company is 100% controlled by Unipol Assicurazioni, via Covent Garden BO S.r.l.

Please note there are no joint control shareholdings in Unipol Group Assicurazioni.

The affiliated companies (No. 14 companies) with shares ranging from 20% to 50%, including the associated company Unipol Banca (with shareholding of 32.26%), are assessed according to the equity method as regulated by IAS 28, or maintained at their entry cost.

The Annual Carve-out Prospectuses and the Interim Carve-out Prospectuses were subjected to an audit and a limited audit by PricewaterhouseCoopers, respectively, as part of and for the purposes connected with the issue of the reports by Reconta Ernst & Young on these Proforma Consolidated Prospectuses 2012 and the Interim Proforma Consolidated Prospectuses.

The proforma consolidated figures were obtained by applying to the above detailed historical figures the pro-forma adjustments, detailed in the following paragraphs, in order to retroactively reflect the significant effects of the Merger and the relevant financial transactions.

The Proforma Consolidated Prospectuses are given in millions of Euro in order to provide a homogeneous representation of such values with the Carve-out Prospectuses which were drawn up in millions of Euro.

As regards the accounting principles followed by the Premafin Group to prepare the consolidated historical figures, please refer to the notes for the relevant consolidated financial statement at 31st December 2012 and to the notes for the relative, abridged, biannual, consolidated financial statement at 30th June 2013, prepared in compliance with IFRS adopted by the European Union and available on the Internet website www.premafin.it. As regards the Carve-Out Prospectuses, we wish to specify that these were drawn up solely for the purpose of allowing the preparation of this proforma financial information according to the accounting principles adopted by Unipol Assicurazioni, consistent with IFRS and in compliance with the accounting principles adopted by UGF and available on the website www.unipol.it.

5.1 Objective of the presentation of the proforma consolidated figures

The proforma consolidated figures were obtained by appropriate proforma adjustments to the aforementioned consolidated figures as at 31st December 2012 and 30th June 2013 of Premafin Group and to the Carve-Out prospectuses in order to retroactively reflect the relevant effects of the Merger.

These effects were reflected in retrospect as though this Merger and the preliminary, and connected or resulting operations, had been implemented on the reference date of the net worth situation, therefore at 31st December 2012 and 30th June 2013 for the balance sheet of the Proforma Consolidated Prospectuses 2012 and of the Interim Proforma Consolidated Prospectuses, respectively, and at the beginning of the reference period, therefore at 1st January 2012 and 1st January 2013 for the income statement and the financial report of the Proforma Consolidated Prospectuses 2012 and for the Interim Proforma Consolidated Prospectuses, respectively.

In order to correctly interpret the information provided by the proforma figures, we must consider the following aspects:

- as these presentations are based on hypotheses, should the Merger be concretely implemented on the reference dates given to prepare the proforma figures, rather than on the effective date, not all the historical figures would necessarily be identical to the proforma figures;
- proforma figures do not reflect prospective figures as they have been prepared in such a way as to only represent the isolated and measurable with objective criteria effects of the Merger, without taking into account the potential effects due to possible management initiatives adopted as a result of the Merger..

Furthermore, considering the different purposes of the proforma figures compared with the historical financial statements and the different calculation methods of the effects on the balance sheet and income statement, the proforma balance sheets, the proforma income statements and the proforma financial reports should be read and interpreted separately, without trying to establish accounting connections between the documents.

5.2 Projections considered to process the Proforma Consolidated Prospectuses 2012

Following the subscription of Premafin increase share capital, excluding Premafin option right, UGF has obtained the control of Premafin, and through the latter of Fondiaria-Sai. On the basis of the IAS/IFRS accounting principles applied by UGF to draw up its own consolidated financial statements, the Merger appears as a business combination between entities under common control. Since this is a business combination "Under common control", the Merger is explicitly excluded from the area of application of IFRS 3 and is not currently regulated specifically by any international accounting principles or interpretations. As no specific principles can be found in IFRS to be appled to the Merger, management will have to be prepared, using its own judgement on the basis of IAS 8.10 to develop and apply an accounting treatment which will simultaneously provide both relevant and reliable information. When making its own judgement, the company management will have to consider (i) the applicative measures and guidelines in the IFRS which regulate similar, related cases, and (ii) the definitions, criteria and concepts contained in the so-called systematic framework.

Considering the above, Unipol Group believed that the accounting treatment to be followed in order to adequately represent the aims of the business combination operation; shall be grounded in the following main assumptions:

- Unipol Group, considered as a single economic entity, has changed due to the acquisition of Premafin Group, which was concluded in July 2012;

– the subsequent reorganisation in the programmes of Unipol Group has no other purpose than to rationalise its own structure, repeating as far as possible also at a corporate level the image given to the market.

Unipol Group, also in relation to Premafin Group, has therefore confirmed a unified general direction of the Group, which can be expressed by the valuations, appraisals and accounting policies adopted to draw up financial reports.

Unipol Group considerers that said unified general direction can be adequately represented in the consolidated financial statements of the Company Resulting From the Merger, exclusively obtaining the values of assets and liabilities, acquired based on the values resulting from the consolidated financial statements. of the common member group.

Consequently, the preparation of the Proforma Consolidated Prospectuses will continue to have the same values by effect of the process of accounting allocation already implemented at the time of acquisition of control of Premafin Group by UGF (hereinafter "**Purchase Price Allocation**" or **"PPA"**).

These effects, as permitted by IFRS 3, were measured at the end of the measurement period of one year from the date of acquisition and reported in the half-yearly, abridged, consolidated financial statement of UGF at 30th June 2013.

For the purpose of preparing the income statement and the financial report of the Proforma Consolidated Prospectuses 2012, the values arising from PPA were taken as initial values at 1st January 2012 and subsequently an appraisal was made of the effects which this back-dating would mean for the income statement 2012. A description of the principal effects of this assumption is given in the notes to the tables.

To summarise, for the purpose of preparing Proforma Consolidated Prospectuses:

1) the accounting options used to prepare the consolidated financial statement at 31st December 2012 and at 30th June 2013 for Premafin Group were standardised with those used by UGF to prepare its consolidated financial statement at 31st December 2012 and the abridged half-yearly consolidated financial statement at 30th June 2013.

2) The values used to prepare the consolidated balance sheet at 31st December 2012 and at 30th June 2013 for Premafin were aligned with the definitive values from the PPA process which ended when the half-yearly consolidated balance sheet of UGF was drawn up at 30th June 2013.

3) The Carve-Out Prospectuses of Unipol Group Assicurazioni, as previously specified, were drawn up using the same accounting principles, assessment criteria and accounting options as Unipol Group.

As regards the Carve-Out Prospectuses, the major accounting implications arising from the application of the aforementioned drafting criteria, as well as some comments on the general drafting methods and the hypotheses followed, are described below.

a) Values attributed to real estate

The values of the real estate owned by Unipol Assicurazioni in the context of operations of business combination under common control were maintained unchanged compared to the values reported in the consolidated financial statement of the holding company UGF.

b) Goodwill

The goodwill values have been maintained unchanged compared to the values reported in the consolidated financial statements of UGF for the portion of values ascribable to the business combinations implemented by entities which fall within the current perimeter of consolidation of Unipol Assicurazioni. In particular, the goodwill value registered in Unipol Assicurazioni Prospectuses refers to the business combination operation completed during 2004 between the companies Winterthur Assicurazioni S.p.A., Winterthur Vita S.p.A. and MeieAurora S.p.A.

c) Valuation according to the equity method concerning the 32.26% share of Unipol Banca

The goodwill for the Unipol Banca stake (represented within the book value of the stake in the affiliated company) owned by Unipol Assicurazioni was calculated on the basis of the effective value paid by Unipol Assicurazioni to acquire its share of the stake, net of the value reductions.

5.3 Proforma Consolidated Prospectuses 2012

The Proforma Consolidated Prospectuses 2012 is detailed below. For the information on the criteria for the preparation of pro-forma data and the notes included in the corresponding proforma, see Para. 5.3.4 of the Information Document.

5.3.1 Proforma consolidated balance sheet of UnipolSai at 31st December 2012

(Amounts in EUR millions)	Financial statements Carve Out	Premafin Group	PPA and alignment on accounting principles	Premafin Group post PPA	Shereholders capital increase and dividend distribution	Merger expenses	Convertible loan	Put option Unipol Banca	Non-controlling interests recalculation	Pro-forma Consolidated
	Note 1.	Note 2.	Note 3.		Note 4.	Note 5.	Note 6.	Note 7.	Note 8.	
INTANGIBLE ASSETS	**352.3**	**1,214.9**	**(454.8)**	**760.1**	**-**	**-**	**-**	**-**	**-**	**1,112.4**
Goodwill	306.7	1,156.4	(1,156.4)	-	-	-	-	-	-	306.7
Other intangible assets	45.5	58.5	701.7	760.2	-	-	-	-	-	805.7
PROPERTY PLANT AND EQUIPMENT	**396.0**	**376.6**	**183.7**	**560.3**	**-**	**-**	**-**	**-**	**-**	**956.3**
Property	368.1	307.5	183.9	491.4	-	-	-	-	-	859.5
Other tangible assets	27.9	69.0	(0.2)	68.9	-	-	-	-	-	96.8
REINSURERS' SHARE OF TECHNICAL PROVISIONS	**365.2**	**807.3**	**-**	**807.3**	**-**	**-**	**-**	**-**	**-**	**1,172.5**
INVESTMENTS	**20,365.0**	**33,883.4**	**506.0**	**34,389.4**	**-**	**-**	**-**	**7.4**	**-**	**54,761.8**
Investment property	620.4	2,216.4	474.9	2,691.3	-	-	-	-	-	3,311.7
Investments in subsidiaries, associates and joint ventures	333.5	126.0	(1.1)	124.9	-	-	-	7.4	-	465.8
Investments held to maturity	1,754.3	718.1	19.9	738.0	-	-	-	-	-	2,492.3
Loans and receivables	4,456.6	3,527.0	(833.7)	2,693.3	-	-	-	-	-	7,149.9
Available for sale financial assets	9,986.5	20,856.5	824.9	21,681.4	-	-	-	-	-	31,667.9
Financial assets at fair value through profit or loss	3,213.6	6,439.3	21.2	6,460.5	-	-	-	-	-	9,674.1
OTHER RECEIVABLES	**1,213.4**	**2,092.5**	**1.0**	**2,093.5**	**-**	**-**	**-**	**-**	**-**	**3,306.9**
Receivables arising out of direct insurance operations	705.5	1,322.8	-	1,322.8	-	-	-	-	-	2,028.3
Receivables arising out of reinsurance operations	42.6	64.8	(0.1)	64.7	-	-	-	-	-	107.3
Other receivable	465.3	704.9	1.1	706.0	-	-	-	-	-	1,171.3
OTHER ASSETS	**505.1**	**1,534.7**	**123.4**	**1,658.1**	**-**	**5.7**	**-**	**-**	**-**	**2,168.9**
Non-current assets or disposal groups classified as held for sale	-	3.3	-	3.3	-	-	-	-	-	3.3
Deferred acquisition costs	14.7	52.3	-	52.3	-	-	-	-	-	67.0
Deferred tax assets	388.1	954.4	133.7	1,088.1	-	5.7	-	-	-	1,481.9
Current tax assets	-	299.5	4.6	304.2	-	-	-	-	-	304.2
Other assets	102.3	225.1	(14.9)	210.2	-	-	-	-	-	312.5
CASH AND CASH EQUIVALENTS	**576.3**	**569.8**	**-**	**569.8**	**450.0**	**-**	**-**	**-**	**-**	**1,596.1**
TOTAL ASSETS	**23,773.2**	**40,479.2**	**359.4**	**40,838.6**	**450.0**	**5.7**	**-**	**7.4**	**-**	**65,074.9**

(Amounts in EUR millions)	Financial statements Carve Out Note 1.	Premafin Group Note 2.	PPA and alignment on accounting principles Note 3.	Premafin Group post PPA	Shereholders capital increase and dividend distribution Note 4.	Merger expenses Note 5.	Convertible loan Note 6.	Put option Unipol Banca Note 7.	Non-controlling interests recalculation Note 8.	Pro-forma Consolidated
EQUITY	**1,909.8**	**2,395.7**	**(23.2)**	**2,372.5**	**450.0**	**(10.9)**	**178.2**	**7.4**	**-**	**4,907.0**
Attributable to the owners of the Parent	1,909.8	187.6	(63.8)	123.8	450.0	(10.9)	178.2	7.4	1,908.4	4,566.7
Attributable to non-controlling interests	-	2,208.1	40.6	2,248.7	-	-	-	-	(1,908.4)	340.3
PROVISIONS	**67.1**	**323.6**	**28.1**	**351.7**	**-**	**-**	**-**	**-**	**-**	**418.8**
TECHNICAL PROVISIONS	**19,206.3**	**33,657.9**	**(7.2)**	**33,650.7**	**-**	**-**	**-**	**-**	**-**	**52,857.0**
FINANCIAL LIABILITIES	**1,797.9**	**2,716.8**	**(32.9)**	**2,683.9**	**-**	**-**	**(178.2)**	**-**	**-**	**4,303.6**
Financial liabilities at fair value through profit or loss	686.8	569.8	4.5	574.3	-	-	-	-	-	1,261.1
Other financial liabilities	1,111.1	2,147.0	(37.4)	2,109.6	-	-	(178.2)	-	-	3,042.5
PAYABLES	**364.6**	**769.9**	**0.5**	**770.4**	**-**	**16.6**	**-**	**-**	**-**	**1,151.6**
Payables arising out of direct insurance operations	48.4	96.4	-	96.4	-	-	-	-	-	144.8
Payables arising out of reinsurance operations	13.3	67.9	-	67.9	-	-	-	-	-	81.2
Other payables	302.8	605.6	0.5	606.1	-	16.6	-	-	-	925.5
OTHER LIABILITIES	**427.6**	**615.4**	**394.1**	**1,009.5**	**-**	**-**	**-**	**-**	**-**	**1,437.1**
Liabilities of a disposal group held for sale	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	128.1	178.2	396.6	574.8	-	-	-	-	-	702.9
Current tax liabilities	56.6	57.0	(0.7)	56.3	-	-	-	-	-	112.9
Other liabilities	242.9	380.2	(1.8)	378.4	-	-	-	-	-	621.3
TOTAL EQUITY AND LIABILITIES	**23,773.2**	**40,479.2**	**359.4**	**40,838.6**	**450.0**	**5.7**	**-**	**7.4**	**-**	**65,074.9**

5.3.2 Proforma consolidated income statement of UnipolSai for the financial year ended at 31st December 2012

(Amounts in EUR millions)	Financial statements Carve Out Note 1.	Premafin Group Note 2.	PPA and alignment on accounting principles Note 3.	Premafin Group post PPA	Shereholders capital increase and dividend distribution Note 4.	Merger expenses Note 5.	Convertible loan Note 6.	Put option Unipol Banca Note 7.	Non-controlling interests recalculation Note 8.	Pro-forma Consolidated
Net premiums	5,569.5	9,967.2	(1.2)	9,966.1	-	-	-	-	-	15,535.6
Gross premiums	*5,701.7*	*10,277.2*	*(1.2)*	*10,276.0*	-	-	-	-	-	*15,977.7*
Reinsurance premium	*(132.1)*	*(309.9)*	-	*(309.9)*	-	-	-	-	-	*(442.0)*
Fee and commission income	10.6	15.4	-	15.4	-	-	-	-	-	26.0
Gains and losses on financial instruments at fair value through profit or loss	207.8	544.6	(7.0)	537.6	-	-	-	-	-	745.4
Income from investments in subsidiaries, associates and joint ventures	3.6	0.6	4.4	5.0	-	-	-	(2.1)	-	6.5
Income from other financial instruments and investment property	858.3	1,181.5	(22.2)	1,159.3	-	-	-	-	-	2,017.6
Interest income	*613.5*	*823.9*	*84.3*	*908.2*	-	-	-	-	-	*1,521.7*
Other income	*74.1*	*138.4*	*0.5*	*138.9*	-	-	-	-	-	*213.0*
Realised gains	*141.1*	*210.9*	*(98.7)*	*112.2*	-	-	-	-	-	*253.3*
Unrealised gains	*29.7*	*8.3*	*(8.2)*	*0.1*	-	-	-	-	-	*29.8*
	54.6	501.9	(32.8)	469.1	-	-	-	-	-	523.7
TOTAL REVENUES	**6,704.6**	**12,211.3**	**(58.8)**	**12,152.5**	**-**	**-**	**-**	**(2.1)**	**-**	**18,854.9**
Net insurance claim	(5,000.1)	(9,357.6)	518.2	(8,839.3)	-	-	-	-	-	(13,839.4)
Amounts paid and changes in technical provisions	*(5,117.8)*	*(9,660.0)*	*518.5*	*(9,141.5)*	-	-	-	-	-	*(14,259.3)*
Reinsurers' share	*117.7*	*302.5*	*(0.3)*	*302.2*	-	-	-	-	-	*419.9*
Fee and commission expense	(9.5)	(7.4)	-	(7.3)	-	-	-	-	-	(16.8)
Losses on investments in subsidiaries, associates and joint ventures	(0.1)	(15.2)	(1.3)	(16.5)	-	-	-	-	-	(16.6)
Charges from other financial instruments and property	(249.2)	(859.1)	614.6	(244.5)	-	-	(2.9)	-	-	(496.6)
Interest expense	*(44.2)*	*(80.0)*	*(19.2)*	*(99.2)*	-	-	*(2.9)*	-	-	*(146.3)*
Other charges	*(11.3)*	*(73.1)*	*(0.5)*	*(73.6)*	-	-	-	-	-	*(84.9)*
Realised losses	*(50.9)*	*(147.5)*	*129.0*	*(18.5)*	-	-	-	-	-	*(69.4)*
Unrealised losses	*(142.8)*	*(558.4)*	*505.3*	*(53.1)*	-	-	-	-	-	*(195.9)*
Management expenses	(990.6)	(1,707.3)	1.8	(1,705.5)	-	-	-	-	-	(2,696.1)
Commissions and other acquisition costs	*(811.6)*	*(1,248.8)*	*2.7*	*(1,246.1)*	-	-	-	-	-	*(2,057.7)*
Investment management expenses	*(32.7)*	*(16.1)*	*(0.5)*	*(16.6)*	-	-	-	-	-	*(49.3)*
Other administration expenses	*(146.3)*	*(442.5)*	*(0.3)*	*(442.8)*	-	-	-	-	-	*(589.1)*
Other costs	(87.3)	(1,278.0)	264.4	(1,013.6)	-	24.5	-	-	-	(1,076.4)
TOTAL COSTS AND EXPENSES	**(6,336.7)**	**(13,224.5)**	**1,397.8**	**(11,826.7)**	**-**	**24.5**	**(2.9)**	**-**	**-**	**(18,141.9)**
NET PROFIT (LOSS) BEFORE TAX	**367.9**	**(1,013.2)**	**1,338.9**	**325.7**	**-**	**24.5**	**(2.9)**	**(2.1)**	**-**	**713.1**
Taxes	(123.1)	129.2	(245.0)	(115.8)	-	(8.4)	0.8	-	-	(246.5)
NET PROFIT (LOSS)	**244.8**	**(884.0)**	**1,093.9**	**209.9**	**-**	**16.1**	**(2.1)**	**(2.1)**	**-**	**466.6**
NET PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	**-**	**1.8**	**0.5**	**2.3**	**-**	**-**	**-**	**-**	**-**	**2.3**
CONSOLIDATED PROFIT (LOSS)	**244.8**	**(882.2)**	**1,094.4**	**212.2**	**-**	**16.1**	**(2.1)**	**(2.1)**	**-**	**468.9**
Attributable to the owners of the Parent	244.8	(283.6)	285.9	2.3	-	10.7	(2.1)	(2.1)	192.6	446.2
Attributable to non-controlling interests	-	(598.6)	808.5	209.9	-	5.4	-	-	(192.6)	22.7

5.3.3 Proforma consolidated financial report of UnipolSai for the financial year ended at 31st December 2012

(Amounts in EUR millions)	Financial statements Carve Out Note 1.	Premafin Group Note 2.	PPA and alignment on accounting principles Note 3.	Premafin Group post PPA	Shereholders capital increase and dividend distribution Note 4.	Merger expenses Note 5.	Convertible loan Note 6.	Put option Unipol Banca Note 7.	Non-controlling interests recalculation Note 8.	Pro-forma Consolidated
Profit (loss) before tax for the year	**367.9**	**(1,013.2)**	**1,338.9**	**325.7**	**-**	**24.5**	**(2.9)**	**(2.1)**	**-**	**713.1**
Change in non-monetary items	**(196.7)**	**(1,226.3)**	**(1,433.6)**	**(2,659.8)**	**-**	**(24.5)**	**-**	**2.1**	**-**	**(2,878.9)**
Change in non life premium provision	*(63.3)*	*(242.2)*	-	*(242.2)*	-	-	-	-	-	*(305.5)*
Change in the claims provision and other non life technical provisions	*(30.4)*	*33.7*	*(710.1)*	*(676.5)*	-	-	-	-	-	*(706.9)*
Change in mathematical provisions and other life technical provisions	*306.1*	*(1,952.2)*	*190.5*	*(1,761.7)*	-	-	-	-	-	*(1,455.6)*
Change in deferred acquisition costs	*3.9*	*(21.9)*	-	*(21.9)*	-	-	-	-	-	*(18.0)*
Change in provisions	*(18.2)*	*(20.8)*	*(124.3)*	*(145.2)*	-	-	-	-	-	*(163.3)*
Non-monetary gains and losses on financial instruments, investment property and investments	*(162.4)*	*322.0*	*(683.1)*	*(361.1)*	-	-	-	*2.1*	-	*(521.4)*
Other changes	*(232.5)*	*655.3*	*(106.5)*	*548.7*	-	*(24.5)*	-	-	-	*291.8*
Change in receivables and payables generated by operating activities	**235.8**	**189.8**	**-**	**189.8**	**-**	**-**	**-**	**-**	**-**	**425.6**
Change in receivables and payables arising out of direct insurance and reinsurance	*35.4*	*156.5*	-	*156.5*	-	-	-	-	-	*191.9*
Change in other receivables and payables	*200.4*	*33.3*	-	*33.3*	-	-	-	-	-	*233.7*
Paid taxes	**-**	**(32.8)**	**-**	**(32.8)**	**-**	**-**	**-**	**-**	**-**	**(32.8)**
Net cash flows generated by / used for monetary items from investing and financing activities	**(57.7)**	**2,104.2**	**-**	**2,104.2**	**-**	**-**	**-**	**-**	**-**	**2,046.6**
Liabilities from financial contracts issued by insurance companies	*(61.7)*	*(759.3)*	-	*(759.3)*	-	-	-	-	-	*(821.1)*
Payables to bank and interbank customers	-	*(63.3)*	-	*(63.3)*	-	-	-	-	-	*(63.3)*
Loans and receivables from banks and interbank customers	-	*143.9*	-	*143.9*	-	-	-	-	-	*143.9*
Other financial instruments at fair value through profit or loss	*4.1*	*2,783.0*	-	*2,783.0*	-	-	-	-	-	*2,787.0*
TOTAL NET CASH FLOW FROM OPERATING ACTIVITIES	**349.3**	**21.7**	**(94.6)**	**(72.9)**	**-**	**-**	**(2.9)**	**-**	**-**	**273.4**

(Amounts in EUR millions)	Financial statements Carve Out Note 1.	Premafin Group Note 2.	PPA and alignment on accounting principles Note 3.	Premafin Group post PPA	Shereholders capital increase and dividend distribution Note 4.	Merger expenses Note 5.	Convertible loan Note 6.	Put option Unipol Banca Note 7.	Non-controlling interests recalculation Note 8.	Pro-forma Consolidated
Net cash flow generated by/used for investment property	(146.5)	76.0	-	76.0	-	-	-	-	-	(70.5)
Net cash flow generated by/used for investments in subsidiaries, associates and joint ventures	(10.7)	(27.3)	-	(27.3)	-	-	-	-	-	(38.0)
Net cash flow generated by/used for loans and receivables	48.2	8.5	-	8.5	-	-	-	-	-	56.8
Net cash flow generated by/used for held to maturity investments	362.8	(76.1)	-	(76.1)	-	-	-	-	-	286.7
Net cash flow generated by/used for available for sale financial assets	(355.5)	(1,532.4)	-	(1,532.4)	-	-	-	-	-	(1,888.0)
Net cash flow generated by/used for property, other tangible and intangible assets	66.3	(21.2)	-	(21.2)	-	-	-	-	-	45.1
Other net cash flows generated / absorbed by investing activities	-	87.2	-	87.2	-	-	-	-	-	87.2
TOTAL NET CASH FLOW GENERATED BY/USED FOR INVESTING ACTIVITIES	**(35.3)**	**(1,485.4)**	**-**	**(1,485.4)**	**-**	**-**	**-**	**-**	**-**	**(1,520.7)**
Net cash flow generated by/used for equity instruments attributable to the owners of the Parent	-	337.2	-	337.2	-	-	-	-	714.5	1,051.7
Net cash flow generated by/used for own shares	-	-	-	-	-	-	-	-	-	-
Distribution of dividends attributable to the owners of the Parent	-	(0.2)	-	(0.2)	-	-	-	-	-	(0.2)
Net cash flow generated by/used for share capital and reserves attributable to non-controlling interests	-	714.5	-	714.5	-	-	-	-	(714.5)	-
Net cash flow generated by/used for by subordinated liabilities and equity instruments	-	-	-	-	-	-	-	-	-	-
Net cash flow generated by/used for other financial liabilities	(0.7)	(19.8)	-	(19.8)	-	-	-	-	-	(20.5)
TOTAL NET CASH FLOW GENERATED BY/USED FOR FINANCING ACTIVITIES	**(0.7)**	**1,031.6**	**-**	**1,031.6**	**-**	**-**	**-**	**-**	**-**	**1,031.0**
Effect of exchange rate gains/losses on cash and cash equivalents	**-**	**(2.2)**	**-**	**(2.2)**	**-**	**-**	**-**	**-**	**-**	**(2.2)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**263.1**	**1,004.1**	**94.6**	**1,098.7**	**450.0**	**-**	**-**	**-**	**-**	**1,811.8**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**313.2**	**(434.3)**	**(94.6)**	**(528.9)**	**-**	**-**	**(2.9)**	**-**	**-**	**(218.6)**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**576.3**	**569.8**	**-**	**569.8**	**450.0**	**-**	**(2.9)**	**-**	**-**	**1,593.2**
	-	-	-	-	-	-	-	-	-	-
Pro-forma adjustments determining cash flows not reflected into pro-forma balance sheet	**-**	**-**	**-**	**-**	**-**	**-**	**2.9**	**-**	**-**	**2.9**
CASH AND CASH EQUIVALENTS AS PER BALANCE SHEET	**576.3**	**569.8**	**-**	**569.8**	**450.0**	**-**	**-**	**-**	**-**	**1,596.1**

5.3.4 Description of the proforma adjustments to the consolidated historical figures at 31st December 2012

i) The Proforma Consolidated Prospectuses 2012 show that: In the first column, entitled "Carve-out Annual Prospectuses" are illustrated the Carve-out Prospectus of the Unipol Assicurazioni Group at 31st December 2012 resulting from the carve out of the consolidated financial statement at the same date of UGF. In particular, the figures given in this column refers to the Unipol Assicurazioni Group;

ii) the second column, entitled "Premafin Group" includes the consolidated financial statement at 31st December 2012 of Premafin Group which as a holding company includes the figures related to Fondiaria-SAI and to Milano Assicurazioni;

iii) the third column, entitled "PPA and standardisation of accounting principles" illustrates the figures related to the adjustments made to the consolidated financial statement of Premafin Group at 31st December 2012 to reflect the values of the assets and liabilities arising from:

- the PPA, i.e. the valuation based on the fair value of the assets and liabilities of Premafin Group acquired by Unipol Group, implemented with reference to the date of acquisition by UGF Group, in compliance with the accounting principle IFRS3;
- the standardisation of accounting policies of Premafin Group with those of Unipol Group, mainly concerning the impairment of the financial instruments classified among the "Financial assets available for sale" and the depreciation of the real estate classified among the "Tangible assets" and among "investments";

iv) the fourth column entitled "Premafin Group post PPA" illustrates the sum of the second and third column;

v) the fifth column entitled "Capital increase and Dividend Allocation" illustrates the accounting effects arising from the approved capital increase by Unipol Assicurazioni (Euro 600 m.), envisaged in the Project of Integration by Merger and from the distribution of the dividend (Euro 150 m.) which was taken into account in the calculation of the Exchange Ratios;

vi) the sixth column entitled "Merger Expenses" illustrates the ancillary costs of the Merger operation net of the fiscal effects and concerning the fees recognised to consultants who assisted the Incorporated companies and the Incorporating Company in the implementation of the operation;

vii) the seventh column entitled "Convertible Loan" illustrates the estimated accounting effects arising from the issuance of the Convertible Loan;

viii) the eighth column, entitled "Put Option Unipol Banca", illustrates the accounting effects related to the put-call option on the participation of Unipol Banca, accorded in the context of the Exchange of Correspondence on the Essential Values of the Merger;

ix) the ninth column entitled "Minority Interests" illustrates the figures concerning the recalculation of the net worth quotas belonging to minority interests following the Merger;

x) the tenth column entitled "Consolidated Proforma" illustrates the Proforma Consolidated Balance Sheet at 31st December 2012, the Proforma Consolidated Income Statement and the Proforma Financial Report for the financial year ended at 31st December 2012 arising from the sum of the previous columns.

Note 1. Annual Carve-Out Prospectuses

The column entitled "Annual Carve-Out Prospectuses" includes the consolidated carve-out prospectuses of the balance sheet, the income statement and financial report of Unipol Assicurazioni for the financial period ended at 31 December 2012. These prospectuses were prepared by the direction of UGF on the basis of the consolidated financial statement of UGF at 31 December 2012, prepared in compliance with IFRS and subjected to an audit by Pricewaterhousecooper, with the following modifications:

i) elimination of the contribution to the consolidated financial statements of UGF:

a. of Unipol Banca and its subsidiaries ("Unipol Banca Group"), of which financial statements is subject to audit by Pricewaterhousecooper;

b. of Premafin Group processed for the purposes of the consolidated financial statements of Unipol Group;

c. of the other companies not included in the consolidation area of Unipol Assicurazioni: UGF, Unipol SGR S.p.A., Centri Medici Unisalute S.r.l., Compagnia Assicuratrice Linear S.p.A., Linear Life S.p.A., Unisalute S.p.A., Arca Vita S.p.A and its subsidiaries (the "**Arca Vita Group**") and Ambra Property S.r.l.;

iii) consolidation according to the net equity method of the 32.26% share held by Unipol Assicurazioni in Unipol Banca;

iv) redefinition of the cancellations and eliminations of dividends, intragroup relations, consolidation deeds and other adjustments.

The accounting prospectuses given below summarise the procedure used to calculate the consolidated balance sheet, the consolidated income statement and the consolidated financial report of the Unipol Assicurazioni Group, together with a concise description of the content of the individual columns of the accounting schemes identifying the operational stages of the procedure used.

Carve-Out consolidated balance sheet for Unipol Assicurazioni at 31st December 2012

	Consolidated Balance Sheet – Assets **Amounts in millions of Euros**	**Consolidated UGF**	**Elimination of the consolidated Unipol Banca Net Equity**	**Accounting for Unipol Banca with the Equity method**	**Elimination of other entities excluded from the consolidation of the consolidation of Unipol Assicurazioni**	**Changes in Impairment and reclassifications**	**Adjustment for elimination records of investments**	**Adjustment for elimination records of dividends**	**Adjustment for elimination of intercompany records**	**Adjustment for other consolidation records**	**Consolidated financial statements of the Unipol insurance group**
1	**INTANGIBLE ASSETS**	**2,077.1**	**(145.0)**	**-**	**(107.2)**	**-**	**-**	**-**	**-**	**(1,472.7)**	**352.3**
1.1	start up	1,908.9	(125.9)	-	(31.9)	-	-	-	-	(1,444.5)	306.7
1.2	Other intangible assets	168.2	(19.2)	-	(75.3)	-	-	-	-	(28.2)	45.5
2	**PROPERTY AND EQUIPMENT**	**1,413.0**	**(20.0)**	**-**	**(653.0)**	**(323.3)**	**-**	**-**	**-**	**(20.7)**	**396.0**
2.1	Real Estate	1,286.4	(1.3)	-	(573.0)	(323.3)	-	-	-	(20.7)	368.1
2.2	Other tangible assets	126.6	(18.7)	-	(80.0)	-	-	-	-	-	27.9
3	**PROVISIONS FOR REINSURANCE**	**1,207.3**	**-**	**-**	**(843.2)**	**-**	**-**	**-**	**1.0**	**-**	**365.2**
4	**INVESTMENTS**	**70,957.6**	**(12,108.0)**	**291.9**	**(45,191.9)**	**323.3**	**5,049.1**	**-**	**770.3**	**272.6**	**20,365.0**
4.1	investment Property	3,000.5	(1.1)	-	(2,702.3)	323.3	-	-	-	-	620.4
4.2	Investments in subsidiaries, associates and joint ventures	175.6	(8.0)	291.9	(5,345.3)	-	5,049.1	-	-	170.2	333.5
4.3	Investments held to maturity	3,050.8	(719.5)	-	(738.0)	-	-	-	161.0	-	1,754.3
4.4	Loans and receivables	17,489.2	(10,545.4)	-	(3,192.5)	-	-	-	602.9	102.4	4,456.6
4.5	Financial assets available for sale	36,646.6	(805.8)	-	(25,860.7)	-	-	-	6.4	0.1	9,986.5
4.6	Financial assets at fair value through profit or loss	10,594.9	(28.2)	-	(7,353.1)	-	-	-	-	-	3,213.6
5	**OTHER RECEIVABLES**	**3,663.5**	**(66.6)**	**-**	**(2,418.0)**	**-**	**-**	**-**	**34.5**	**-**	**1,213.4**
5.1	Receivables arising of direct insurance operations	2,090.4	-	-	(1,391.0)	-	-	-	6.0	-	705.5
5.2	Receivables arising out of reinsurance operations	110.8	-	-	(69.3)	-	-	-	1.0	-	42.6
5.3	other receivables	1,462.3	(66.6)	-	(957.8)	-	-	-	27.4	-	465.3
6	**OTHER ASSETS**	**3,082.0**	**(343.7)**	**-**	**(2,233.9)**	**-**	**-**	**-**	**0.9**	**(0.2)**	**505.1**
6.1	Non-current assets or disposal groups classified as held for sale	7.7	(4.3)	-	(3.3)	-	-	-	-	-	-
6.2	Deferred acquisition costs	67.1	-	-	(52.4)	-	-	-	-	-	14.7
6.3	Deferred tax assets	2,201.2	(160.7)	-	(1,652.2)	-	-	-	-	(0.2)	388.1
6.4	Current tax assets	324.6	(15.8)	-	(308.7)	-	-	-	-	-	-
6.5	other activities	481.4	(162.8)	-	(217.2)	-	-	-	0.9	-	102.3
7	**CASH AND CASH EQUIVALENTS**	**708.2**	**(130.4)**	**-**	**(918.9)**	**-**	**-**	**-**	**917.5**	**-**	**576.3**
	TOTAL ASSETS	**83,108.8**	**(12,813.8)**	**291.9**	**(52,366.2)**	**-**	**5,049.1**	**-**	**1,724.2**	**(1,220.9)**	**23,773.2**

	Consolidated Balance Sheet – Equity and liabilities Amounts in millions of Euros	Consolidated UGF	Elimination of the consolidated Unipol Banca Net Equity	Accounting for Unipol Banca with the Equity method	Elimination of other entities excluded from the consolidation of the consolidation of Unipol Assicurazioni	Changes in Impairment and reclassifications	Adjustment for elimination records of investments	Adjustment for elimination records of dividends	Adjustment for elimination of intercompany records	Adjustment for other consolidation records	Consolidated financial statements of the Unipol insurance group
1	**EQUITY**	**7,002.3**	**(906.3)**	**(7.4)**	**(8,215.8)**	**-**	**5,348.5**	**-**	**-**	**(1,311.5)**	**1,909.8**
1.1	**attributable to the Group**	**5,321.7**	**(905.0)**	**(7.4)**	**(6,299.8)**	-	**5,520.9**	-	-	**(1,720.6)**	**1,909.8**
1.2	**Minority interests**	**1,680.6**	**(1.2)**	**-**	**(1,916.0)**	-	**(172.4)**	-	-	**409.1**	**0.0**
2	**PROVISIONS**	**403.4**	**(5.6)**	**-**	**(433.1)**	**-**	**-**	**-**	**-**	**102.4**	**67.1**
3	**TECHNICAL PROVISIONS**	**56,456.0**	**-**	**-**	**(37,250.8)**	**-**	**-**	**-**	**1.0**	**-**	**19,206.3**
4	**FINANCIAL LIABILITIES**	**16,233.6**	**(11,488.9)**	**-**	**(4,634.3)**	**-**	**-**	**-**	**1,687.8**	**(0.4)**	**1,797.9**
4.1	Financial liabilities at fair value through profit or loss	2,168.9	(62.1)	-	(1,419.9)	-	-	-	-	-	686.8
4.2	Other financial liabilities	14,064.8	(11,426.7)	-	(3,214.3)	-	-	-	1,687.8	(0.4)	1,111.1
5	**DEBTS**	**1,276.5**	**(65.4)**	**-**	**(877.4)**	**-**	**-**	**-**	**30.8**	**-**	**364.6**
5.1	Payables arising of direct insurance operations	164.3	-	-	(121.5)	-	-	-	5.7	-	48.4
5.2	Payables arising out of reinsurance operations	85.1	-	-	(72.8)	-	-	-	1.0	-	13.3
5.3	other payables	1,027.2	(65.4)	-	(683.1)	-	-	-	24.0	-	302.8
6	**OTHER LIABILITIES**	**1,736.8**	**(347.6)**	**-**	**(954.9)**	**-**	**-**	**-**	**4.6**	**(11.4)**	**427.6**
6.1	Liabilities of a disposal group held for sale	1.6	(1.6)	-	-	-	-	-	-	-	-
6.2	Deferred tax liabilities	587.9	(27.7)	-	(420.6)	-	-	-	-	(11.4)	128.1
6.3	Current tax liabilities	178.5	(14.8)	-	(107.2)	-	-	-	-	-	56.6
6.4	other liabilities	968.9	(303.5)	-	(427.1)	-	-	-	4.6	-	242.9
	TOTAL EQUITY AND LIABILITIES PROVISIONS	**83,108.8**	**(12,813.8)**	**(7.4)**	**(52,366.2)**	**-**	**5,348.5**	**-**	**1,724.2**	**(1,220.9)**	**23,773.2**

Carve-Out consolidated income statement of Unipol Assicurazioni for the accounting period ended at 31st December 2012

Consolidated income statement Amounts in millions of Euros		Consolidated UGF	Elimination of the consolidated Unipol Banca Net Equity	Accounting for Unipol Banca with the Equity method	Elimination of other entities excluded from the consolidation of the consolidation of Unipol Assicurazioni	Changes in Impairment and Reclassifications investments	Adjustment for elimination records of dividends	Adjustment for elimination records of records	Adjustment for elimination of intercompany records	Adjustment for other consolidation	Consolidated financial statements of the Unipol insurance group
1.1	**Net premiums**	**11,623.6**	**-**	**-**	**(6,054.1)**	**-**	**-**	**-**	**-**	**-**	**5,569.5**
1.1.1	Gross earned premiums	11,925.3	-	-	(6,232.2)	-	-	-	8.5	-	5,701.7
1.1.2	Premiums ceded to reinsurers	(301.7)	-	-	178.1	-	-	-	(8.5)	-	(132.1)
1.2	Commissions on income	133.8	(132.9)	-	(29.7)	-	-	-	39.1	0.3	10.6
1.3	Net income from financial instruments at fair value through profit or loss	451.4	(10.5)	-	(233.1)	-	-	-	-	-	207.8
1.4	Income from investments in subsidiaries, associates and joint ventures	5.9	-	2.1	(4.4)	-	-	-	-	-	3.6
1.5	Income from other financial instruments and property investments	2,129.0	(484.6)	-	(835.7)	13.4	-	-	28.1	8.2	858.3
1.5.1	Interest income	1,631.1	(427.8)	-	(618.0)	-	-	-	28.1	-	613.5
1.5.2	Other operating income	134.3	(0.7)	-	(67.6)	-	-	-	-	8.2	74.1
1.5.3	Realized gains	333.8	(56.1)	-	(149.9)	13.4	-	-	-	-	141.1
1.5.4	Valuation gains	29.8	-	-	(0.1)	-	-	-	-	-	29.7
1.6	Other income	313.3	(15.3)	-	(285.2)	-	-	-	1.1	40.6	54.6
1	**TOTAL REVENUES**	**14,657.0**	**(643.3)**	**2.1**	**(7,442.1)**	**13.4**	**-**	**-**	**68.4**	**49.2**	**6,704.6**
2.1	Net charges relating to claims	(10,368.9)	-	-	5,368.8	0.1	-	-	-	-	(5,000.1)
2.1.1	Amounts paid and changes in technical provisions	(10,640.3)	-	-	5,524.0	0.1	-	-	(1.7)	-	(5,117.8)
2.1.2	Shares of reinsurers	271.4	-	-	(155.3)	-	-	-	1.7	-	117.7
2.2	commission expense	(33.8)	27.6	-	10.6	-	-	-	(13.7)	(0.3)	(9.5)
2.3	Losses on investments in subsidiaries, associates and joint ventures	(20.3)	-	-	20.7	-	-	-	-	(0.5)	(0.1)
2.4	Expenses from other financial instruments and property investments	(710.1)	317.6	-	214.8	(93.5)	-	-	(28.1)	50.1	(249.2)
2.4.1	Interest expense	(344.4)	228.7	-	99.6	-	-	-	(28.1)	-	(44.2)
2.4.2	Other expenses	(51.9)	-	-	40.5	-	-	-	-	0.1	(11.3)
2.4.3	Realized losses	(100.7)	11.7	-	34.2	3.9	-	-	-	-	(50.9)
2.4.4	Unrealized losses	(213.0)	77.2	-	40.5	(97.4)	-	-	-	50.0	(142.8)
2.5	Operating expenses	(2,219.3)	263.5	-	1,013.9	-	-	-	(26.3)	(22.4)	(990.6)
2.5.1	Commissions and other acquisition costs	(1,468.0)	-	-	661.1	-	-	-	(4.7)	-	(811.6)
2.5.2	Expenses Investment management	(30.1)	-	-	15.4	-	-	-	(17.9)	-	(32.7)
2.5.3	Other Admin expenses	(721.1)	263.5	-	337.5	-	-	-	(3.7)	(22.4)	(146.3)
2.6	Other costs	(550.3)	12.4	-	514.3	7.4	-	-	(0.3)	(70.8)	(87.3)
2	**TOTAL COSTS AND EXPENSES**	**(13,902.6)**	**621.1**	**-**	**7.143.1**	**(86.0)**	**-**	**-**	**(68.4)**	**(44.0)**	**(6,336.7)**
	NET INCOME (LOSS) BEFORE INCOME TAXES	**754.4**	**(22.1)**	**2.1**	**(299.0)**	**(72.7)**	**-**	**-**	**-**	**5.2**	**367.9**
3	Taxation	(280.7)	11.5	-	122.9	24.9	-	-	-	(1.7)	(123.1)
	PROFIT (LOSS) FOR THE YEAR TAXES	**473.7**	**(10.6)**	**2.1**	**(176.1)**	**(47.7)**	**-**	**-**	**-**	**3.5**	244.8
4	PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	(4.4)	4.4	-	-	-	-	-	-	-	-
	NET INCOME (LOSS)	**469.3**	**(6.3)**	**2.1**	**(176.1)**	**(47.7)**	**-**	**-**	**-**	**3.5**	**244.8**

The column entitled "**Consolidated UGF**" includes the balance sheet values at 31st December 2012 and the values of the income statement and the financial report for the accounting period ended at 31st December 2012, taken from the consolidated financial statement of the UGF Group subjected to accounting audit by the company Pricewaterhousecooper and publicly available on the website www,unipol,it,

The column entitled "**Elimination of consolidated of Unipol Banca**" refers to the deconsolidation of values at 31st December 2012 of Unipol Banca Group, consolidated using the integral method by UGF,

The column entitled "**Accounting of Unipol Banca using the equity method**" shows the effects of the accounting of Unipol Banca using the equity method since Unipol Assicurazioni holds 32,26% of Unipol Banca, The effects shown in this column are based on the values which can be deduced from the consolidated financial statement of Unipol Banca Group at 31st December 2012 and necessary to evaluate the stake using the equity method.

The column entitled "**Elimination of other entities excluded from the consolidation area of Unipol Assicurazioni**" refers to the elimination of the amounts outstanding at 31st December 2012 of the other entities excluded from the consolidation area of Unipol Assicurazioni, which has been consolidated using the integral method by the parent company UGF and of other companies with no shareholding relations of control or connection with Unipol Assicurazioni (such as UGF, Premafin Group, Linear S,p,A,, Unisalute S,p,A,, Unipol SGR S,p,A,, Centri Medici Unisalute S,r,l,, Linear Life S.p.A. Ambra Property S,r,l, and Arca Vita Group), In fact, these entities are excluded from the consolidation area for the purposes of drawing up this consolidated statement of account of Unipol Assicuazioni Group.

The column "**Impairment variations and reclassifications**" reports (i) the effects regarding the adjustment of devaluations (i,e, impairment) of the capital shares registered among the Financial assets available for sale due to the carve-out effect; (ii) the reclassifications of some real estate which were considered tangible assets in the consolidated financial statement of Unipol Group at 31st December 2012, since these were instrumental to Group activities, whereas in order to represent the consolidated accounting statement of Unipol Assicurazioni they are to be considered real estate investments, as they are leased out to third parties outside Unipol Assicurazioni Group.

The columns "**Adjustment of the cancellation of shareholding entries**" include the elimination of the consolidation entries of shareholdings made to eliminate the effects of the consolidation entries regarding the cancellation of shareholdings for companies excluded from the consolidation area of Unipol Assicurazioni Group.

The column "**Adjustment of the cancellation dividends entries**": as for the preceding point, this aims to adjust the effects of the cancellation of dividends present in the abridged, consolidated financial statement of Unipol Group at 31st December 2012, according to the definition of the consolidation area of Unipol Assicurazioni Group.

The column "**Adjustment of the cancellation of intragroup entries**" includes the adjustment records of the cancellation of intragroup entries aimed at to eliminating all the cancellation entries of the income and balance sheet statements at 31st December 2012 in force towards companies excluded from the consolidation area of Unipol Assicurazioni Group.

The column "**Adjustment of other consolidation entries**" refers to other eliminated or adjusted consolidation reports regarding the entry of goodwills and/or eliminations of intragroup income to adapt them to the consolidation area of Unipol Assicurazioni Group.

The column "**Consolidated Statement of Account of the Unipol Group Assicurazioni**" consisting of the aggregation of the preceding columns, represents the relevant balance of the consolidated statement of account of Unipol Assicurazioni Group.

Note 2. Premafin Group

The column entitled Premafin Group includes the figures of the balance sheet at 31st December 2012 and the figures of the income statement and financial report of Premafin Group for the financial year ended at 31st December 2012, subjected to audit by Reconta Ernst & Young. These figures are given in millions of Euro in order to obtain a standardise representation with the Carve-out Prospectuses.

Note 3. PPA and Standardisation of Accounting Principles

The column entitled "PPA and Standardisation of Accounting Principles" includes the effects arising from PPA on Premafin Group following acquisition of control by UGF on the date of acquisition.

The main effects of the records on the balance sheet are summarised as follows:

- elimination of goodwills regarding Premafin Group (equal to Euro 1,156.4 million) as, following acquisition by UGF, UGF recalculated the goodwills on the basis of PPA;
- measurement of the fair value of other intangible assets linked to the Life and Non life classes ("VIF" and "VOBA") net of the intangible assets already included in the consolidated financial statement of Premafin Group before the acquisition and net of depreciations in the second half of 2012 (for a total of Euro 701.7 million);
- adjustment to the fair value on the date of acquisition of the tangible assets concerning the real estate for instrumental use and real estate investments calculated on the basis of reports by independent experts, and net of the effects of the movement which took place (including depreciations) in the second half of 2012 (for a total of Euro 658.8 million);
- adjustment to the fair value of the classified securities among the investments held to maturity (equal to Euro 19.9 million);
- adjustment to the fair value and restatement of part of the financial assets (equal to Euro -833.7 million) from loans and receivables to financial assets available for sale (Euro 824.9 million) and financial assets at fair value reported in the income statement (Euro 21.2 million). This restatement was made in order to align with the classification criteria used by Unipol Group;
- adjustment of allocations of funds to measure potential liabilities regarding events occurring prior to the date of acquisition and to the elimination of allocations linked to asset and liabilities already evaluated under PPA (for a net equity of Euro 28.1 million);
- recalculation of the technical provisions to adjust the shadow accounting according to standardised criteria with Unipol Group (for an overall equity of Euro 7.2 million);
- alignment of the account representation of the financial liabilities regarding derivatives (Euro 4.5million) of Premafin Group to that used by Unipol Group. Different presentation has no impact on the income statement and balance sheet;
- adjustment to the fair value of subordinate financial loans (equal to Euro 37.4 million) included among the other financial liabilities and entered at the depreciated cost;
- recognition of the tax effects linked to the preceding adjustments.

The main effects of the accounts on the income statement are summarised as follows:

- the reduction in the gains and losses deriving from financial instruments to fair value in the income statement (Euro -7.0 million) is due to the standardisation of the evaluation method and account presentation of derivatives instruments between Unipol Group and Premafin Group upon the occurance of PPA stage (Euro 18.4 million) and to the write-off of the result of the first half of 2012 of the assets held for negotiation and designated for the fair value, with the exception of those regarding Class D, due to the proforma backdating of effect PPA to 1st January 2012 (Euro -25.4 million);
- the net increase of the item gains and losses deriving from shareholding in subsidiaries, affiliated companies and joint ventures (equal to Euro 3.12 million) is due to the acknowledgment upon occurance of PPA stage of the results at 30th June 2012 of some affiliated companies;
- the increase in the active interest income (equal to Euro 84.3 million) refers to the recalculation of the depreciated cost of the financial assets available for sale, loans and receivables and investments held to maturity on the basis of fair value calculated upon occurance of PPA stage;
- the net reduction in the income made (equal to Euro 98.7 million) refers to the recalculation of income obtained in the second half of 2012 on the basis of fair value of the investments held to maturity and of the financial assets available for sale (for a total of Euro 36.3 million) and real estate investments (equal

to Euro -5.5 million) calculated upon occurance of PPA stage and to the elimination of the result of negotiation (equal to Euro -129.6 million, made during the first half of 2012 as a result of backdating the PPA to 1st January 2012 in order to draw up the proforma figures;

- the reduction in the valuation incomes (equal to Euro -8.2 million) refers to the recalculation of the result arising from the valuation of fair value, carried out upon occurrence of PPA, in the second half of 2012 of the financial assets available for sale (equal to Euro -1.4 million) and to the elimination of the results of the valuation of the credits and loans for the first half of 2012 (equal to Euro -6.8 million), due to the backdating of the PPA to 1st January 2012 in order to draw up the proforma figures;
- the reduction of other revenue (equal to Euro -32.8 million) mainly refers to the elimination of revenues deriving from the issuance of allocation by Premafin Group to the risk and charg funds as they have already been taken into account at the PPA stage;
- the net reduction of the item amounts paid and changes in technical provisions (equal to Euro 518.5 million) is due mainly to: (i) the elimination of the integration of the Motor Third Party Liability Claims and General Liability Claims provision (equal to Euro 710.1 million) the effects of which were taken into account during PPA, (ii) integration of shadow accounting related to the recalculation of the effects on the fair value of the financial assets (equal to Euro -237.2 million) and (iii) the elimination of shadow accounting (equal to Euro 46.7 million) due to the backdating of PPA to 1st January 2012 in order to draw up the proforma figures;
- the increase in passive expenses (equal to Euro -19.2 million) is due to the recalculation of the depreciated cost of the subordinate financial liabilities of Fondiaria-SAI and Milano Assicurazioni on the basis of the fair value determined upon occurrence of PPA;
- the reduction in losses made (equal to Euro 129.0 million) refers to the recalculation of the losses made in the second half of 2012 on the basis of the fair value of the financial assets available for sale and the loans and receivables (for a total of Euro 83.3 million) calculated during the PPA stage. It also refers to the elimination of losses from the negotiation of financial assets available for sale, real estate investments and loans and receivables (for a total of Euro 45.6 million) made during the first half of 2012 as a result of the backdating of PPA to 1st January 2012 in order to draw up the proforma figures;
- the reduction in valuation losses (equal to Euro 505.3 million) refers to: (i) the cancellation of the real depreciations made in the second half of 2012, since they were acknowledged upon occurrence of PPA (equal to Euro 278.4 million), (ii) minor depreciations on real estate investments due to the recalculation of the fair value during the PPA stage and to the standardisation of accounting principles (for a total of Euro 29.3 million), (iii) the elimination of the value reductions of financial assets available for sale and of loans and receivables (for a total of Euro 121.1 million), and (iv) the elimination of the value reductions of loans and receivables and assets available for sale in the first half of 2012 (for a total of Euro 76.5 million) due to the backdating of the PPA to 1st January 2012 in order to draw up the proforma figures;
- the decrease in other costs (equal to Euro 264.4 million) is mainly due to: (i) the elimination of the value reduction of goodwills of the Premafin Group (equal to Euro 246.8 million), (ii) allocation of the amortisation percentages in intangible assets, i.e. VIF and VOBA, measured upon occurrane of PPA (equal to Euro 165.0 million), (iii) elimination of the allocation value implemented by Im.CO and Sinergia in the first half of 2012 (equal to Euro 73.0 million) as a result of the backdating of PPA to 1st January 2012, (iv) elimination of losses on receivables, of real estate depreciations and allocation on provisions for risks and expenses already recognised upon occurrence of PPA (for a total of Euro 98.8 million), and (v) the elimination of the costs regarding the capital increase of Fondiaria-SAI during the second half of 2012 (equal to Euro 11.2 million);
- recognition of the tax effects linked to the preceding adjustments.

Note 4. Capital Increase and Dividend Distribution

The column entitled “Capital Increase and Dividend Distribution” includes the total effect of the following adjustments:

- Capital increase of Unipol Assicurazioni of Euro 600 million by UGF to be implemented prior to the signing of the deed of Merger;
- Distribution of an ordinary dividend equal to Euro 150 million referring to the accounting period 2012 in favour of UGF, implemented during the first half of 2013.

These proforma adjustments only impact on the balance sheet.

The proforma consolidated income statement presents enough investments and liquidity to generate net financial income, according to the prevailing procedures used to prepare proforma figures. The simulation of the capital increase did not take into account the financial income which would have arisen should the resulting cash and cash equivalents of the aforementioned capital increase have been invested as of 1st January 2012.

Note 5. Merger Expenses

The column entitled "Merger Expenses" presents the following effects:

- Balance sheet - inclusion of the estimated debt and relevant deferred tax assets for residual fees to be recognised to the consultants who helped the Incorporated and Incorporating Company in the implemention of the operation, equal to Euro 16.6 million and Euro 5.7 million, respectively;
- Income statement - elimination of overall costs already sustained and accounted in the period by the Incorporated and the Incorporating Company, net of the relevant tax effect, for a total of Euro 16.1 million, as they are non-recurring.

Note 6. Convertible Loan

The column entitled "Convertible Loan" sets out the effects of the issue of the Convertible Loan by UnipolSai, in particular:

- Balance sheet- restatement of financial liabilities to net worth (i.e. capital provisions) for a total amount of Euro 178.2 million, corresponding to the nominal loan value issued (equal to Euro 201.8 million) net of the financial liability component corresponding to the current value of the cash flows envisaged for interest expense (equal to Euro 23.6 million). In order to calculate the cash flows, the loan interest rate was estimated at 5.0% and the discount rate was taken as 9.59%, corresponding to the average discount rate used by Fondiaria-SAI, in line with the rate used by UGF, for the impairment test on goodwill and recorded in the consolidated financial statement of the Premafin Group at 31st December 2012;
- Income statement - recognition of interest expense before tax equal to Euro 2.9 million (equal to Euro 2.1 million net of tax), calculated on the financial liability (at the rate of 9.59% calculated as indicated in the preceding point).

Note 7. Put Option - Unipol Banca

The column entitled "Put Option - Unipol Banca" shows the accounting effects regarding the agreement included in the Essential Values of the Merger, which envisages:

1) the commitment by UGF to grant Fondiaria SAI a put option on the same shareholding held by Unipol Assicurazioni in Unipol Banca, equal to 32.26% of the relevant share capital, to be exercised at a price equal to Euro 299.4 million (which corresponds to the entry value of said shareholding in Unipol Assicurazioni at the time of signing the agreement) to mature on the fifth year following the effective date of the Merger;
2) the commitment by Fonsai to grant UGF a call option on same investment at the same price, with the possibility for UGF to exercise it throughout the period between the effective Merger date and the maturity date at the end of the fifth year after this date.

It should be noted that, as of the Date of the Information Document, remaining terms and conditions of the put and call options, do not appear to be fully defined and agreed upon between the parties at the time of the Information Document. However, it is stated that these terms and conditions are expected to comply with the good practices of similar operations

This option aims mainly to neutralise the effect on the Incorporating Company of the profits and losses made by Unipol Banca in the period taken into account. Therefore, for the purpose of preparing the Proforma

Consolidated Prospectuses 2012:

- as regards the income statement, the profit entry from Unipol Banca (equal to Euro 2.1 million), recognised following the equity method accounting of same investment, was eliminated in the *Carve-Out* Prospectuses;

as regards the balance sheet, the shareholding was adjusted to the working value of the options, agreed between the parties, equal to Euro 299.4 million.

Note 8. Minority recalculations

The column entitled "Recalculation of Third Party Interests" includes the recalculation of the net worth of third party interests following the Merger of Premafin and Milano Assicurazioni in Fondiaria-SAI. The incorporation of Unipol Assicurazioni in Fondiaria-SAI has no impact on minority interests. As a result of this adjustment, the net worth of third parties of UnipolSai can be traced back to the stake of net worth of the subsidiaries which are not fully held and, in this case, mainly to:

- 50% of the net worth of the subsidiary Popolare Vita S.p.A.;
- 50% of the net worth of the subsidiary The Lawrence Life Assurance Co. Ltd;
- 50% of the net worth of the subsidiary BIM Vita S.p.A.;
- 49% of the net worth of the subsidiary Incontra Assicurazioni S.p.A.;
- 11% of the net worth of the subsidiary Scontofin S.p.A.;
- 5.31% of the net worth of the subsidiary SIAT – Società Italiana Assicurazioni e Riassicurazioni S.p.A.;
- 4.99% of the shares of Tikal R.E. Fund.

The following income statement and balance sheet figures show the minority shares in UnipolSai, both in the event all the Incorporated take part in the Merger and in the event Milano Assicurazioni does not:

(*value in millions of Euros*)	with Milano Assicurazioni	without Milano Assicurazioni
Net Equity	**4,907,0**	**4,907,0**
Of the Group	4,566,7	4,197,6
Of Minority Interests	340,3	709,4
(*value in millions of Euros*)	with Milano Assicurazioni	without Milano Assicurazioni
Profit	**468,9**	**468,9**
Of the Group	446,2	377,8
Of Minority Interests	22,7	91,1

5.4 Interim proforma consolidated Prospectusses

The following table shows the Interim Consolidated Pro-Forma Prospectusses. For information on criteria for preparing the pro-forma and the notes shown in the same tables, please refer to Paragraph 5.4.4.

5.4.1 Interim Proforma consolidated balance sheet for UnipolSai at 30th June 2013

(Amounts in EUR millions)	Financial statements Carve Out	remafin Grou	PPA and alignment on accounting principles	Premafin Group post PPA	Interconpany transaction elimination	Shereholders capital increase	Merger expenses	Convertible loan	Put option Unipol Banca	Non-controlling interests recalculation	Pro-forma Consolidated
	Note 1.	Note 2.	Note 3.			Note 5.	Note 6.	Note 7.	Note 8.	Note 9.	
INTANGIBLE ASSETS	**354.8**	**1,106.8**	**(530.5)**	**576.3**	**-**	**-**	**-**	**-**	**-**	**-**	**931.1**
Goodwill	306.7	1,057.7	(1,057.7)	-	-	-	-	-	-	-	306.7
Other intangible assets	48.1	49.1	527.2	576.3	-	-	-	-	-	-	624.4
PROPERTY PLANT AND EQUIPMENT	**370.7**	**342.8**	**144.6**	**487.4**	**-**	**-**	**-**	**-**	**-**	**-**	**858.1**
Property	347.1	293.2	144.8	438.0	-	-	-	-	-	-	785.0
Other tangible assets	23.7	49.6	(0.2)	49.4	-	-	-	-	-	-	73.1
REINSURERS' SHARE OF TECHNICAL PROVISIONS	**357.8**	**690.0**	**-**	**690.0**	**(9.2)**	**-**	**-**	**-**	**-**	**-**	**1,038.6**
INVESTMENTS	**21,002.2**	**30,120.8**	**562.1**	**30,683.0**	**-**	**-**	**-**	**-**	**25.6**	**-**	**51,710.8**
Investment property	657.5	2,013.3	527.3	2,540.6	-	-	-	-	-	-	3,198.1
Investments in subsidiaries, associates and joint ventures	315.0	123.6	-	123.6	-	-	-	-	25.6	-	464.2
Investments held to maturity	1,535.0	606.7	7.8	614.5	-	-	-	-	-	-	2,149.5
Loans and receivables	4,287.5	3,404.6	(805.7)	2,598.9	-	-	-	-	-	-	6,886.4
Available for sale financial assets	11,027.6	17,770.3	821.2	18,591.5	-	-	-	-	-	-	29,619.1
Financial assets at fair value through profit or loss	3,179.6	6,202.4	11.4	6,213.8	-	-	-	-	-	-	9,393.4
OTHER RECEIVABLES	**919.8**	**1,600.6**	**-**	**1,600.6**	**(6.4)**	**-**	**-**	**-**	**-**	**-**	**2,514.0**
Receivables arising out of direct insurance operations	478.1	873.6	-	873.6	(0.5)	-	-	-	-	-	1,351.2
Receivables arising out of reinsurance operations	54.4	62.7	-	62.7	(5.9)	-	-	-	-	-	111.2
Other receivable	387.3	664.3	-	664.3	-	-	-	-	-	-	1,051.6
OTHER ASSETS	**561.3**	**5,398.1**	**87.8**	**5,485.9**	**(10.0)**	**-**	**3.5**	**-**	**-**	**-**	**6,040.7**
Non-current assets or disposal groups classified as held for sale	-	3,989.7	41.6	4,031.4	(9.4)	-	-	-	-	-	4,022.0
Deferred acquisition costs	13.6	58.1	-	58.1	-	-	-	-	-	-	71.7
Deferred tax assets	395.9	798.6	41.9	840.5	-	-	3.5	-	-	-	1,239.9
Current tax assets	-	283.9	4.7	288.6	-	-	-	-	-	-	288.6
Other assets	151.8	267.7	(0.4)	267.3	(0.6)	-	-	-	-	-	418.5
CASH AND CASH EQUIVALENTS	**235.4**	**679.8**	**-**	**679.8**	**-**	**600.0**	**-**	**-**	**-**	**-**	**1,515.2**
TOTAL ASSETS	**23,802.1**	**39,939.0**	**264.0**	**40,203.0**	**(25.6)**	**600.0**	**3.5**	**-**	**25.6**	**-**	**64,608.5**

(Amounts in EUR millions)	Financial statements Carve Out Note 1.	Premafin Group Note 2.	PPA and alignment on accounting principles Note 3.	Premafin Group post PPA	Interconpany transaction elimination	Shereholders capital increase Note 5.	Merger expenses Note 6.	Convertible loan Note 7.	Put option Unipol Banca Note 8.	Non-controlling interests recalculation Note 9.	Pro-forma Consolidated
EQUITY	**1,903.2**	**2,495.1**	**(46.2)**	**2,448.9**	**-**	**600.0**	**(6.7)**	**180.5**	**25.6**	**-**	**5,151.4**
Attributable to the owners of the Parent	1,903.2	209.1	(67.0)	142.1	-	600.0	(6.7)	180.5	25.6	2,000.3	4,844.9
Attributable to non-controlling interests	-	2,286.0	20.8	2,306.8	-	-	-	-	-	(2,000.3)	306.5
PROVISIONS	**62.7**	**334.9**	**9.3**	**344.2**	**-**	**-**	**-**	**-**	**-**	**-**	**406.9**
TECHNICAL PROVISIONS	**19,448.2**	**29,759.8**	**7.5**	**29,767.3**	**(18.6)**	**-**	**-**	**-**	**-**	**-**	**49,196.9**
FINANCIAL LIABILITIES	**1,757.5**	**2,513.3**	**(21.6)**	**2,491.6**	**-**	**-**	**-**	**(180.5)**	**-**	**-**	**4,068.7**
Financial liabilities at fair value through profit or loss	643.5	569.9	(0.1)	569.8	-	-	-	-	-	-	1,213.3
Other financial liabilities	1,114.0	1,943.3	(21.5)	1,921.8	-	-	-	(180.5)	-	-	2,855.3
PAYABLES	**322.5**	**643.5**	**0.1**	**643.6**	**(1.1)**	**-**	**10.2**	**-**	**-**	**-**	**975.2**
Payables arising out of direct insurance operations	39.2	78.1	-	78.1	(0.5)	-	-	-	-	-	116.8
Payables arising out of reinsurance operations	17.0	63.7	-	63.7	(0.6)	-	-	-	-	-	80.1
Other payables	266.3	501.7	0.1	501.8	-	-	10.2	-	-	-	778.3
OTHER LIABILITIES	**307.9**	**4,192.5**	**314.9**	**4,507.4**	**(5.9)**	**-**	**-**	**-**	**-**	**-**	**4,809.4**
Liabilities of a disposal group held for sale	-	3,726.8	57.1	3,783.9	(5.9)	-	-	-	-	-	3,778.0
Deferred tax liabilities	115.0	118.4	244.7	363.1	-	-	-	-	-	-	478.1
Current tax liabilities	1.5	24.5	0.4	24.9	-	-	-	-	-	-	26.4
Other liabilities	191.4	322.7	12.8	335.5	-	-	-	-	-	-	526.9
TOTAL EQUITY AND LIABILITIES	**23,802.1**	**39,939.0**	**264.0**	**40,203.0**	**(25.6)**	**600.0**	**3.5**	**-**	**25.6**	**-**	**64,608.5**

5.4.2 Interim proforma consolidated income statement for UnipolSai for the half year ended at 30th June 2013

(Amounts in EUR millions)	Financial statements Carve Out Note 1.	Premafin Group Note 2.	PPA and alignment on accounting principles Note 3.	Premafin Group post PPA	Interconpany transaction elimination	Shereholders capital increase Note 5.	Merger expenses Note 6.	Convertible loan Note 7.	Put option Unipol Banca Note 8.	Non-controlling interests recalculation Note 9.	Pro-forma Consolidated
Net premiums	2,857.1	5,234.9	-	5,234.9	-	-	-	-	-	-	8,092.0
Gross premiums	*2,938.1*	*5,402.5*	-	*5,402.5*	*(35.4)*	-	-	-	-	-	*8,305.2*
Reinsurance premium	*(81.0)*	*(167.6)*	-	*(167.6)*	*35.4*	-	-	-	-	-	*(213.2)*
Fee and commission income	4.9	5.7	-	5.7	-	-	-	-	-	-	10.6
Gains and losses on financial instruments at fair value through profit or loss	13.9	8.2	(6.6)	1.6	-	-	-	-	-	-	15.5
Income from investments in subsidiaries, associates and joint ventures	(21.0)	0.1	-	0.1	-	-	-	-	21.8	-	0.9
Income from other financial instruments and investment property	422.6	615.6	75.8	691.4	-	-	-	-	-	-	1,114.0
Interest income	*289.1*	*442.4*	*39.0*	*481.3*	-	-	-	-	-	-	*770.4*
Other income	*38.3*	*64.2*	*0.3*	*64.5*	-	-	-	-	-	-	*102.8*
Realised gains	*95.2*	*107.0*	*38.2*	*145.2*	-	-	-	-	-	-	*240.4*
Unrealised gains	-	*2.1*	*(1.7)*	*0.4*	-	-	-	-	-	-	*0.4*
	31.6	237.2	(6.1)	231.1	(4.2)	-	-	-	-	-	258.5
TOTAL REVENUES	**3,309.1**	**6,101.7**	**63.0**	**6,164.7**	**(4.2)**	**-**	**-**	**-**	**21.8**	**-**	**9,491.5**
Net insurance claim	(2,445.7)	(4,374.7)	(18.9)	(4,393.6)	-	-	-	-	-	-	(6,839.3)
Amounts paid and changes in technical provisions	*(2,467.5)*	*(4,468.4)*	*(18.9)*	*(4,487.3)*	*22.2*	-	-	-	-	-	*(6,932.7)*
Reinsurers' share	*21.9*	*93.8*	-	*93.8*	*(22.2)*	-	-	-	-	-	*93.5*
Fee and commission expense	(4.6)	(3.1)	-	(3.1)	-	-	-	-	-	-	(7.7)
Losses on investments in subsidiaries, associates and joint ventures	(0.8)	(2.9)	-	(2.9)	-	-	-	-	-	-	(3.7)
Charges from other financial instruments and property	(112.9)	(186.8)	59.9	(126.9)	-	-	-	(1.1)	-	-	(240.9)
Interest expense	*(19.1)*	*(31.3)*	*(7.5)*	*(38.8)*	-	-	-	*(1.1)*	-	-	*(59.0)*
Other charges	*(4.3)*	*(33.8)*	*(0.4)*	*(34.2)*	-	-	-	-	-	-	*(38.5)*
Realised losses	*(12.9)*	*(41.2)*	*16.2*	*(25.0)*	-	-	-	-	-	-	*(37.9)*
Unrealised losses	*(76.6)*	*(80.6)*	*51.6*	*(29.0)*	-	-	-	-	-	-	*(105.6)*
Management expenses	(516.1)	(803.0)	(0.1)	(803.1)	-	-	-	-	-	-	(1,319.2)
Commissions and other acquisition costs	*(416.6)*	*(587.4)*	-	*(587.4)*	-	-	-	-	-	-	*(1,004.0)*
Investment management expenses	*(17.2)*	*(7.9)*	*(0.1)*	*(8.0)*	-	-	-	-	-	-	*(25.2)*
Other administration expenses	*(82.3)*	*(207.7)*	-	*(207.7)*	-	-	-	-	-	-	*(290.0)*
Other costs	(49.3)	(419.3)	(56.9)	(476.2)	4.2	-	6.4	-	-	-	(514.9)
TOTAL COSTS AND EXPENSES	**(3,129.3)**	**(5,789.7)**	**(16.0)**	**(5,805.7)**	**4.2**	**-**	**6.4**	**(1.1)**	**-**	**-**	**(8,925.7)**
NET PROFIT (LOSS) BEFORE TAX	**179.8**	**312.0**	**47.0**	**359.0**	**-**	**-**	**6.4**	**(1.1)**	**21.8**	**-**	**565.8**
Taxes	(63.3)	(146.6)	(9.1)	(155.7)	-	-	(2.2)	0.3	-	-	(220.9)
NET PROFIT (LOSS)	**116.5**	**165.3**	**37.9**	**203.3**	**-**	**-**	**4.2**	**(0.8)**	**21.8**	**-**	**344.9**
NET PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	-	-	-	-	-	-	-	-	-	-	-
CONSOLIDATED PROFIT (LOSS)	**116.5**	**165.3**	**37.9**	**203.3**	**-**	**-**	**4.2**	**(0.8)**	**21.8**	**-**	**344.9**
Attributable to the owners of the Parent	116.5	25.3	6.4	31.7	-	-	3.5	(0.8)	21.8	142.2	314.8
Attributable to non-controlling interests	-	140.0	31.5	171.6	-	-	0.7	-	-	(142.2)	30.1

5.4.3 Interim proforma consolidated financial report for UnipolSai for the half year ended at 30th June 2013

(Amounts in EUR millions)	Financial statements Carve Out Note 1.	Premafin Group Note 2.	PPA and alignment on accounting principles Note 3.	Premafin Group post PPA	Interconpany transaction elimination	Shereholders capital increase Note 5.	Merger expenses Note 6.	Convertible loan Note 7.	Put option Unipol Banca Note 8.	Non-controlling interests recalculation Note 9.	Pro-forma Consolidated
Profit (loss) before tax for the year	**179.8**	**312.0**	**47.0**	**359.0**	**-**	**-**	**6.4**	**(1.1)**	**21.8**	**-**	**565.8**
Change in non-monetary items	**150.5**	**(442.3)**	**(47.0)**	**(489.3)**	**-**	**-**	**(6.4)**	**-**	**(21.8)**	**-**	**(367.0)**
Change in non life premium provision	*(47.3)*	*(81.9)*	-	*(81.9)*	-	-	-	-	-	-	*(129.2)*
Change in the claims provision and other non life technical provisions	*16.6*	*(386.9)*	-	*(386.9)*	-	-	-	-	-	-	*(370.3)*
Change in mathematical provisions and other life technical provisions	*287.0*	*45.5*	*18.9*	*64.4*	-	-	-	-	-	-	*351.4*
Change in deferred acquisition costs	*1.1*	*(10.2)*	-	*(10.2)*	-	-	-	-	-	-	*(9.1)*
Change in provisions	*(4.4)*	*32.7*	*(18.4)*	*14.3*	-	-	-	-	-	-	*9.9*
Non-monetary gains and losses on financial instruments, investment property and investments	*37.7*	*(28.5)*	*(129.0)*	*(157.4)*	-	-	-	-	*(21.8)*	-	*(141.5)*
Other changes	*(140.2)*	*(12.9)*	*81.4*	*68.5*	-	-	*(6.4)*	-	-	-	*(78.1)*
Change in receivables and payables generated by operating activities	**250.4**	**20.1**	**-**	**20.1**	**-**	**-**	**-**	**-**	**-**	**-**	**270.5**
Change in receivables and payables arising out of direct insurance and reinsurance	*210.0*	*103.6*	-	*103.6*	-	-	-	-	-	-	*313.6*
Change in other receivables and payables	*40.5*	*(83.6)*	-	*(83.6)*	-	-	-	-	-	-	*(43.1)*
Paid taxes	**(82.4)**	**(30.9)**	**-**	**(30.9)**	**-**	**-**	**-**	**-**	**-**	**-**	**(113.3)**
Net cash flows generated by / used for monetary items from investing and financing activities	**(4.0)**	**265.4**	**-**	**265.4**	**-**	**-**	**-**	**-**	**-**	**-**	**261.3**
Liabilities from financial contracts issued by insurance companies	*(4.5)*	*(1.6)*	-	*(1.6)*	-	-	-	-	-	-	*(6.1)*
Payables to bank and interbank customers	-	*19.7*	-	*19.7*	-	-	-	-	-	-	*19.7*
Loans and receivables from banks and interbank customers	-	*22.0*	-	*22.0*	-	-	-	-	-	-	*22.0*
Other financial instruments at fair value through profit or loss	*0.4*	*225.2*	-	*225.2*	-	-	-	-	-	-	*225.7*
TOTAL NET CASH FLOW FROM OPERATING ACTIVITIES	**494.3**	**124.2**	**-**	**124.2**	**-**	**-**	**-**	**(1.1)**	**-**	**-**	**617.4**

(Amounts in EUR millions)	Financial statements Carve Out Note 1.	Premafin Group Note 2.	PPA and alignment on accounting principles Note 3.	Premafin Group post PPA	Interconpany transaction elimination	Shereholders capital increase Note 5.	Merger expenses Note 6.	Convertible loan Note 7.	Put option Unipol Banca Note 8.	Non-controlling interests recalculation Note 9.	Pro-forma Consolidated
Net cash flow generated by/used for investment property	(46.0)	12.7	-	12.7	-	-	-	-	-	-	(33.3)
Net cash flow generated by/used for investments in subsidiaries, associates and joint ventures	18.4	4.7	-	4.7	-	-	-	-	-	-	23.1
Net cash flow generated by/used for loans and receivables	186.2	37.4	-	37.4	-	-	-	-	-	-	223.6
Net cash flow generated by/used for held to maturity investments	225.6	38.5	-	38.5	-	-	-	-	-	-	264.1
Net cash flow generated by/used for available for sale financial assets	(1,070.8)	(22.7)	-	(22.7)	-	-	-	-	-	-	(1,093.4)
Net cash flow generated by/used for property, other tangible and intangible assets	6.3	(13.7)	-	(13.7)	-	-	-	-	-	-	(7.5)
Other net cash flows generated / absorbed by investing activities	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET CASH FLOW GENERATED BY/USED FOR INVESTING ACTIVITIES	**(680.2)**	**56.9**	**-**	**56.9**	**-**	**-**	**-**	**-**	**-**	**-**	**(623.4)**
Net cash flow generated by/used for equity instruments attributable to the owners of the Parent	0.0	-	-	-	-	-	-	-	-	-	-
Net cash flow generated by/used for own shares	-	-	-	-	-	-	-	-	-	-	-
Distribution of dividends attributable to the owners of the Parent	(150.0)	-	-	-	-	-	-	-	-	-	(150.0)
Net cash flow generated by/used for share capital and reserves attributable to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
Net cash flow generated by/used for by subordinated liabilities and equity instruments	-	-	-	-	-	-	-	-	-	-	-
Net cash flow generated by/used for other financial liabilities	(4.9)	(50.1)	-	(50.1)	-	-	-	-	-	-	(55.0)
TOTAL NET CASH FLOW GENERATED BY/USED FOR FINANCING ACTIVITIES	**(154.9)**	**(50.1)**	**-**	**(50.1)**	**-**	**-**	**-**	**-**	**-**	**-**	**(205.0)**
Effect of exchange rate gains/losses on cash and cash equivalents	**-**	**(0.4)**	**-**	**(0.4)**	**-**	**-**	**-**	**-**	**-**	**-**	**(0.4)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**576.3**	**569.8**	**-**	**569.8**	**-**	**600.0**	**-**	**-**	**-**	**-**	**1,746.1**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(340.9)**	**130.6**	**-**	**130.6**	**-**	**-**	**-**	**(1.1)**	**-**	**-**	**(211.4)**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**235.4**	**700.5**	**-**	**700.5**	**-**	**600.0**	**-**	**(1.1)**	**-**	**-**	**1,534.7**

Pro-forma adjustments determining cash flows not reflected into pro-forma balance sheet	-	-	-	-	-	-	-	**1.1**	-	-	**1.1**
CASH AND CASH EQUIVALENTS AS PER BALANCE SHEET	**235.4**	**700.5**	**-**	**700.5**	**-**	**600.0**	**-**	**-**	**-**	**-**	**1,535.9**

( )Include cash and cash equivalent and means of non-current assets or of a discontinued group held for sale (Euro 20.6 million)*

5.4.4 Description of the proforma adjustments to the consolidated historical figures at 30th June 2013

The Interim Proforma Consolidated Prospectuses present:

i) the first column entitled “Interim Carve-out Prospectuses” shows the carve-out prospectuses of Unipol Assicurazioni Group at 30th June 2013 resulting from the abridged carve-out consolidated half-yearly financial statement of UGF at 30th June 2013. In particular, the figures given in the column are those referring to the Unipol Assicurazioni Group;

ii) the second column entitled “Premafin Group” includes the abridged half yearly consolidated financial statement at 30th June 2013 of Premafin Group which as holding company includes the figures for Fondiaria-SAI and Milano Assicurazioni;

iii) the third column entitled “PPA and standardisation of accounting principles” reports the figures concerning the adjustments made to the abridged half-yearly consolidated financial statement of Premafin Group at 30th June 2013 showing the asset and liability values arising from:

- PPA i,e, valuation of the fair value of the assets and liabilities of Premafin Group acquired by UGF Group, made referring to the acquisition date by Unipol Group according to the accounting principle IFRS 3;
- the standardisation of the accounting policies of Premafin Group to those of UGF Group, mainly concerning the impairment of the financial instruments classified among the “financial assets available for sale” and to the depreciation of real estate classified among the “Tangible Assets” and among “Investments”;

iv) the fourth column entitled “Premafin Group post PPA” gives the sum of the second and third column;

v) the fifth column entitled “Cancellations” gives the cancellations of costs and revenues and of the relative payables and receivables between Premafin Group and Unipol Assicurazioni Group;

vi) the sixth column entitled “Capital increase” gives the accounting effects arising from the capital increase of Unipol Assicurazioni,

vii) the seventh column entitled “Merger Expenses” gives the ancillary expenses for the Merger operation net of tax and regarding the fees recognised to the consultants who helped the Incorporatedand the Incorporating Company to implement the operation;

viii) the eighth column entitled “Convertible Loan” gives the estimated accounting effects arising from the issue of the Convertible Loan;

ix) the ninth column entitled “Put Option Unipol Banca” gives the accounting effects regarding the appreciation of the put-call option on the shareholding in Unipol Banca, the assignment of which was agreed within the Exchange of Correspondence on the Essential Values of the Merger;

x) the tenth column entitled “Recalculation of Third Parties” outlines the figures regarding the recalculation of the net equity shares belonging to minority interests following the Merger;

xi) and finally, the eleventh column entitled “Consolidated Proforma” indicates the Proforma Consolidated Balance Sheet at 30th June 2013, the Proforma Consolidated Income Statement and the Proforma Financial Report for the half year ended at 30th June 2013 arising from the sum of the preceding columns.

Note 1. Interim Carve-Out Prospectuses

The column entitled “Interim Carve-Out Prospectuses” includes the consolidated carve-out prospectuses of the balance sheet, the income statement and financial report of Unipol Assicurazioni for the half year ended at 30th June 2013. These prospectuses were prepared by the management of UGF on the basis of the abridged half-yearly consolidated financial statement of UGF at 30th June 2013, prepared in compliance with IFRS and subjected to a limited audit by Pricewaterhousecooper, with the following adjustments:

i) elimination of the contribution to the abridged half-yearly consolidated financial statement of UGF:

   a. of Unipol Banca Group;

b. of the Premafin Group drawn up for the purpose of the abridged half-yearly consolidated financial statement of Unipol Group;

c. of the other companies not included in the consolidation area of Unipol Assicurazioni: UGF, Unipol SGR S.p.A., Centri Medici Unisalute S.r.l., Compagnia Assicuratrice Linear S.p.A., Linear Life S.p.A., Unisalute S.p.A., Arca Vita Group and Ambra Property S.r.l.;

ii) consolidation following the equity method of the 32.26% share held by Unipol Assicurazioni in Unipol Banca;

v) redefinition of the cancellations and eliminations of dividends, intragroup relations and consolidation deeds and other adjustments.

The accounting prospectuses given below summarise the procedure used to calculate the consolidated balance sheet, the consolidated income statement and the consolidated financial report of the Unipol Assicurazioni Group, together with a concise description of the content of the individual columns of the financial statements identifying the operational stages of the procedure used.

Carve-Out balance sheet for Unipol Assicurazioni at 30th June 2013

	Consolidated Balance Sheet - Assets Amounts in millions of Euros	Consolidated UGF	Elimination of the consolidated Unipol Banca Net Equity	Accounting for Unipol Banca with the Equity method	Elimination of other entities excluded from the consolidation of Unipol Assicurazioni	Changes in Impairment and reclassifications	Adjustment for Elimination records of investments	Adjustment for Elimination records of dividends	Adjustment for Elimination of intercompany records	Adjustment for other consolidation records	Consolidated financial statements of the Unipol insurance group
1	**INTANGIBLE ASSETS**	**2,436.5**	**(144.1)**	**-**	**(632.8)**	**-**	**-**	**-**	**-**	**(1,304.7)**	**354.8**
1.1	start up	1,744.4	(126.6)	-	(31.8)	-	-	-	-	(1,279.3)	306.7
1.2	Other intangible assets	692.1	(17.5)	-	(601.1)	-	-	-	-	(25.4)	48.1
2	**PROPERTY AND EQUIPMENT**	**1,357.7**	**(18.5)**	**-**	**(582.2)**	**(365.6)**	**-**	**-**	**-**	**(20.6)**	**370.7**
2.1	Real Estate	1,257.6	(1.3)	-	(523.0)	(365.6)	-	-	-	(20.6)	347.1
2.2	Other tangible assets	100.1	(17.2)	-	(59.2)	0.0	-	-	-	0.0	23.7
3	**PROVISIONS FOR REINSURANCE**	**1,085.9**	**0.0**	**-**	**(739.2)**	**0.0**	**-**	**-**	**11.1**	**0.0**	**357.8**
4	**INVESTMENTS**	**67,736.0**	**(11,942.0)**	**273.8**	**(41,522.1)**	**365.6**	**5,057.5**	**-**	**663.0**	**370.4**	**21,002.2**
4.1	investment Property	2,833.6	(1.1)	-	(2,540.6)	365.6	-	-	-	-	657.5
4.2	Investments in subsidiaries, associates and joint ventures	172.8	(7.9)	273.8	(5,351.3)	-	5,057.5	-	-	170.2	315.0
4.3	Investments held to maturity	2,920.8	(821.2)	-	(614.5)	-	-	-	50.0	-	1,535.0
4.4	Loans and receivables	16,802.5	(10,247.7)	-	(3,070.0)	-	-	-	602.6	200.2	4,287.5
4.5	Financial assets available for sale	34,640.7	(797.2)	-	(22,826.4)	-	-	-	10.4	0.1	11,027.6
4.6	Financial assets at fair value through profit or loss	10,365.6	(66.8)	-	(7,119.2)	-	-	-	-	-	3,179.6
5	**OTHER RECEIVABLES**	**2,886.3**	**(59.8)**	**-**	**(1,944.4)**	**-**	**-**	**-**	**37.8**	**-**	**919.8**
5.1	Receivables arising of direct insurance operations	1,424.9	-	-	(950.8)	-	-	-	4.0	-	478.1
5.2	Receivables arising out of reinsurance operations	111.7	-	-	(66.0)	-	-	-	8.7	-	54.4
5.3	other receivables	1,349.6	(59.8)	-	(927.6)	-	-	-	25.2	-	387.3
6	**OTHER ASSETS**	**6,980.3**	**(338.6)**	**-**	**(6,092.3)**	**-**	**-**	**-**	**12.0**	**(0.1)**	**561.3**
6.1	Non-current assets or disposal groups classified as held for	4,021.9	-	-	(4,031.4)	-	-	-	9.4	-	-
6.2	sale	71.8	-	-	(58.2)	-	-	-	-	-	13.6
6.3	Deferred acquisition costs	1,984.4	(170.3)	-	(1,418.0)	-	-	-	-	(0.1)	395.9
6.4	Deferred tax assets	310.7	(10.3)	-	(300.4)	-	-	-	-	-	0.0
6.5	Current tax assets	591.4	(158.0)	-	(284.2)	-	-	-	2.6	-	151.8
7	other activities	**894.1**	**(120.5)**	-	**(1,273.8)**	**-**	-	-	**735.6**	-	**235.4**
	CASH AND CASH EQUIVALENTS	**83,376.7**	**(12,623.6)**	**273.8**	**(52,786.8)**	**-**	**5,057.5**	**-**	**1,459.5**	**(955.0)**	**23,802.1**

	Consolidated Balance Sheet - Equity and liabilities Amounts in millions of Euros	Consolidated UGF	Elimination of the consolidated Unipol Banca Net Equity	Accounting for Unipol Banca with the Equity method	Elimination of other entities excluded from the consolidation of Unipol Assicurazioni	Changes in Impairment and reclassifications	Adjustment for Elimination records of investments	Adjustment for Elimination records of dividends	Adjustment for Elimination of intercompany records	Adjustment for other consolidation records	Consolidated financial statements of the Unipol insurance group
1	**EQUITY**	**7,241.0**	**(850.2)**	**(25.6)**	**(8,675.7)**	**-**	**5,356.9**	**-**	**-**	**(1,143.3)**	**1,903.2**
1.1	**attributable to the Group**	**5,271.9**	**(848.9)**	**(25.6)**	**(6,364.5)**	**-**	**5,523.2**	**-**	**-**	**(1,653.1)**	**1,903.2**
1.2	**attributable to Third Parties**	**1,969.1**	**(1.3)**	**-**	**(2,311.2)**	**-**	**(166.4)**	**-**	**-**	**509.8**	**0.0**
2	**PROVISIONS**	**420.5**	**(6.1)**	-	**(551.9)**	-	**-**	-	**-**	**200.2**	**62.7**
3	**TECHNICAL PROVISIONS**	**53,167.6**	**0.0**	-	**(33,739.9)**	-	-	-	**20.5**	**-**	**19,448.2**
4	**FINANCIAL LIABILITIES**	**16,122.4**	**(11,323.4)**	-	**(4,439.5)**	-	-	-	**1,398.6**	**(0.5)**	**1,757.5**
4.1	Financial liabilities at fair value through profit or loss	2,119.5	(50.7)	-	(1,425.2)	-	-	-	-	-	643.5
4.2	Other financial liabilities	14,002.9	(11,272.7)	-	(3,014.3)	-	-	-	1,398.6	(0.5)	1,114.0
5	**DEBTS**	**1,156.0**	**(120.1)**	-	**(746.3)**	-	-	-	**33.0**	**-**	**322.5**
5.1	Payables arising of direct insurance operations	130.5	-	-	(96.0)	-	-	-	4.6	-	39.2
5.2	Payables arising out of reinsurance operations	85.7	-	-	(72.1)	-	-	-	3.4	-	17.0
5.3	Other Payables	939.8	(120.1)	-	(578.3)	-	-	-	24.9	-	266.3
6	**OTHER LIABILITIES**	**5,269.2**	**(323.8)**	-	**(4,633.5)**	-	-	-	**7.4**	**(11.5)**	**307.9**
6.1	Liabilities of a disposal group held for sale	3,778.0	-	-	(3,783.9)	-	-	-	5.9	-	-
6.2	Deferred tax liabilities	584.4	(27.8)	-	(430.2)	-	-	-	-	(11.5)	115.0
6.3	Current tax liabilities	36.9	(7.9)	-	(27.5)	-	-	-	-	-	1.5
6.4	other liabilities	870.0	(288.0)	-	(392.0)	-	-	-	1.5	-	191.4
	TOTAL EQUITY AND LIABILITIES	**83,376.7**	**(12,623.6)**	**(25.6)**	**(52,786.8)**	**-**	**5,356.9**	**-**	**1,459.5**	**(955.0)**	**23,802.1**

Carve-Out consolidated income statement for Unipol Assicurazioni for the half-yearly period ended at 30th June 2013

	Consolidated income statement Amounts in millions of Euros	Consolidated UGF	Elimination of the consolidated Unipol Banca Net Equity	Accounting for Unipol Banca with the Equity method	Elimination of other entities excluded from the consolidation of Unipol Assicurazioni	Changes in Impairment and reclassifications	Adjustment for Elimination records of investments	Adjustment for Elimination records of dividends	Adjustment for Elimination of intercompany records	Adjustment for other consolidation records	Consolidated financial statements of the Unipol insurance group
1.1	**Net Premiums**	**8,877.4**	**-**	**-**	**(6,020.3)**	**-**	**-**	**-**	**0.0**	**-**	**2,857.1**
1.1.1	Gross written premiums	9,101.8	-	-	(6,204.2)	-	-	-	40.5	-	2,938.1
1.1.2	Premiums ceded to reinsurers	(224.4)	-	-	183.9	-	-	-	(40.5)	-	(81.0)
1.2	Fee andcommission income	65.8	(64.3)	-	(16.0)	-	-	-	19.3	0.1	4.9
1.3	Net income from financial instruments at fair value through profit or loss	16.4	2.2	-	(4.6)	-	-	-	-	-	13.9
1.4	Income from investments in subsidiaries, associates, joint ventures	0.8	-	(21.8)	(250.0)	-	-	250.0	-	-	(21.0)
1.5	Income from other financial instruments and property investmenrs	1,428.2	(225.3)	-	(797.6)	7.5	-	-	6.2	3.6	422.6
1.5.1	Interest income	1,051.1	(209.4)	-	(558.8)	-	-	-	6.2	0.0	289.1
1.5.2	Other income	104.7	(0.1)	-	(69.9)	-	-	-	-	3.6	38.3
1.5.3	Realized gains	272.0	(15.9)	-	(168.4)	7.5	-	-	-	-	95.2
1.5.4	Valuation gains	0.4	-	-	(0.4)	-	-	-	-	-	0.0
1.6	Other revenues	277.9	(16.5)	-	(263.2)	-	-	-	4.5	28.8	31.6
1	**TOTAL REVENUES**	**10,666.6**	**(304.0)**	**(21.8)**	**(7,351.8)**	**7.5**	**-**	**250.0**	**30.0**	**32.6**	**3,309.1**
2.1	Net charges relating to claims	(7,574.7)	-	-	5,130.5	(1.4)	-	-	-	-	(2,445.7)
2.1.1	Amounts paid and changes in technical provisions	(7,672.7)	-	-	5,231.6	(1.4)	-	-	(25.0)	-	(2,467.5)
2.1.2	Shares of reinsurers	98.0	-	-	(101.1)	-	-	-	25.0	-	21.9
2.2	Fee and Commission expense	(19.7)	14.6	-	6.8	-	-	-	(6.2)	(0.1)	(4.6)
2.3	Losses and investments in subsidiaries, associates and joint ventures.	(3.7)	-	-	3.0	-	-	-	-	(0.1)	(0.8)
2.4	Charges from other financial instruments and property investmenrs	(616.1)	237.1	-	153.3	18.9	-	-	(6.2)	100.0	(112.9)
2.4.1	Interest expense	(180.5)	108.0	-	59.6	-	-	-	(6.2)	-	(19.1)
2.4.2	Other charges	(39.2)	-	-	34.9	-	-	-	-	-	(4.3)
2.4.3	Realized losses	(95.2)	6.5	-	29.7	46.2	-	-	-	-	(12.9)
2.4.4	Valuation losses	(301.2)	122.6	-	29.3	(27.3)	-	-	-	100.0	(76.6)
2.5	Shipping and handling	(1,531.4)	135.6	-	909.2	-	-	-	(13.3)	(16.2)	(516.1)
2.5.1	Commissions and other acquisition costs	(1,036.6)	-	-	621.9	-	-	-	(2.0)	-	(416.6)
2.5.2	Expenses investment management	(18.7)	-	-	11.2	-	-	-	(9.6)	-	(17.2)
2.5.3	Other administration costs	(476.1)	135.6	-	276.1	-	-	-	(1.7)	(16.2)	(82.3)
2.6	Other costs	(539.6)	5.1	-	597.9	5.2	-	-	(4.3)	(113.5)	(49.3)
2	**TOTAL COSTS AND EXPENSES**	**(10,285.2)**	**392.3**	**-**	**6,800.8**	**22.6**	**-**	**-**	**(30.0)**	**(29.8)**	**(3,129.3)**
	NET INCOME (LOSS) BEFORE TAXES	**381.3**	**88.4**	**(21.8)**	**(551.0)**	**30.2**	**-**	**250.0**	**-**	**2.7**	**179.8**
3	Taxes	(179.5)	(21.0)	-	148.4	(10.3)	-	-	-	(0.9)	(63.3)
	NET ONCOME (LOSS) AFTER TAX 201.8	**201.8**	**67.4**	**(21.8)**	**(402.6)**	**19.8**	**-**	**250.0**	**-**	**1.9**	**116.5**
4	NET INCOME (LOSS) OPERATIONAL CESSATION	-	-	-	-	-	-	-	-	-	-
	NET INCOME (LOSS)	**201.8**	**67.4**	**(21.8)**	**(402.6)**	**19.8**	**-**	**250.0**	**-**	**1.9**	**116.5**

The column entitled "**Consolidated UGF**" includes the balance sheet values at 30th June 2013 and the figures of the income statement and the financial report for the half year ended at 30th June 2013, taken from the abridged half-yearly consolidated financial statement of Unipol Group at 30th June 2013, subjected to a limited audit by the audit company Pricewaterhousecooper and publicly available on the website www.unipol.it.

The column entitled "**Elimination of consolidated financial statement of Unipol Banca**" refers to the deconsolidation of the consolidated figures at 30th June 2013 of Unipol Banca Group, consolidated using the integral method by UGF.

The column entitled "**Accounting of Unipol Banca using the equity method**" shows the effects of the accounting of Unipol Banca using the equity method since Unipol Assicurazioni holds 32.26% of Unipol Banca. The effects shown in this column are based on the values which can be deduced from the consolidated accounting prospectuses of Unipol Banca Group at 30th June 2013 and necessary to evaluate the shareholding using the equity method.

The column entitled "**Elimination of other entities excluded from the consolidation area of Unipol Assicurazioni**" refers to the elimination of the amounts outstanding at 30th June 2013 of the other entities excluded from the consolidation area of Unipol Assicurazioni using the integral method by the group leader UGF and of other companies with no control or connection relations with Unipol Assicurazioni (such as UGF, Premafin Group, Linear S.p.A., Unisalute S.p.A., Unipol SGR S.p.A., Centri Medici Unisalute S.r.l., Linear Life S.p.A., Ambra Property S.r.l. and Arca Vita Group). These companies are, in fact, excluded from the consolidation area for the purposes of drawing up this consolidated statement of account of Unipol Group.

The column "**Impairment changes and reclassifications**" reports (i) the effects regarding the adjustment of devaluations (i.e. impairment) of the shares registered in the Financial Assets available for sale due to the carve-out effect; (ii) the reclassifications of some real estate which were considered tangible assets in the abridged, half-yearly, consolidated financial statement of Unipol Group at 30th June 2013, since these were instrumental to Group operations, whereas in order to represent the consolidated statement of account of Unipol Assicurazioni they are to be considered real estate investments as they are leased out to third party outside Unipol Assicurazioni Group.

The columns "**Adjustment of the entries of cancellation of shareholdings**" include the elimination of the cancellation entries of shareholdings made to eliminate the effects of the consolidation records regarding the cancellation of shareholdings for companies excluded from the consolidation area of Unipol Assicurazioni Group.

The column "**Adjustment of the cancellation entries of dividends**" as for the preceding point, this aims to adjust the effects of the cancellation of dividends present in the abridged, half-yearly, consolidated financial statement of Unipol Group at 30th June 2013, according to the definition of the consolidation perimeter of Unipol Assicurazioni Group.

The column "**Adjustment of the cancellation entries of intragroup entries**" includes the adjustment to the cancellation of intragroup entries aiming to eliminate all the intervening cancellation entries of the income and balance sheet statements at 30th June 2013 towards companies excluded from the consolidation area of Unipol Assicurazioni Group.

The column "**Adjustment of other consolidation entries**" refers to other eliminated or adjusted consolidation reports regarding the entry of goodwills and/or eliminations of intragroup income to adapt them to the consolidation area of Unipol Assicurazioni Group.

The column "**Consolidated Statement of Account of Unipol Group Assicurazioni**", consisting of the sum of the preceding columns, represents the relevant balance of the consolidated statement of account of Unipol Assicurazioni Group,

Note 2. Premafin Group

The column entitled Premafin Group includes the figures of the balance sheet at 30th June 2013 and the figures of the income statement and financial report of Premafin Group for the accounting period ended at

30th June 2013, subjected to audit by Reconta Ernst & Young. These figures are given in millions of Euro in order to standardise representation with the carve-out prospectus.

Note 3. PPA and Standardisation of Accounting Principles

The column entitled "PPA and Standardisation of Accounting Principles" includes the effects arising from PPA on Premafin Group, following acquisition by UGF on the date of acquisition.

The main effects of the entries in the balance sheet are summarised as follows. Please note that these effects are influenced by the classification in compliance with IFRS 5 of the assets and liabilities linked to the company branch under divestiture (with a new effect equal to Euro -15.5 million):

- elimination of the Premafin Group goodwill (equal to Euro 1,057.7 million) as, following acquisition by UGF, goodwill was recalculated by UGF on the basis of PPA;
- measurement of the fair value of other intangible assets linked to Life and Non-Life classes ("VIF" and "VOBA"), net of the intangible assets already included in the consolidated financial statement of Premafin Group before the acquisition, and net of depreciations for the accounting period (for a total of Euro 527.2 million);
- adjustment to the fair value on the date of acquisition of the tangible assets concerning real estate for instrumental use and real estate investments calculated on the basis of reports by independent experts, and net of the effects of the movement which took place (including depreciations) in the accounting period (for a total of Euro 672.1 million);
- adjustment to the fair value of the classified securities among the investments held to maturity (equal to Euro 7.8 million);
- adjustment to the fair value and restatement of part of the financial assets (equal to Euro -805.7 million) from loans and receivables of financial assets available for sale (Euro 821.2 million) and financial assets at fair value recognised in the income statement (Euro 11.4 million). This restatement was made in order to align with the classification criteria used by Unipol Group;
- adjustment of allocation of funds to measure potential liabilities regarding events occurring prior to the date of acquisition and to the elimination of allocation linked to asset and liabilities already evaluated upon occurrence of PPA (for a net equity of Euro 9.3 million);
- recalculation of the technical provisions to adjust the shadow accounting according to standardised criteria with Unipol Group (for an overall amount of Euro 7.5 million);
- adjustment to the fair value of subordinate financial loans (equal to Euro -21.5 million) included among the other financial liabilities and entered at the depreciated cost;
- recognition of the tax effects linked to the preceding adjustments.

The main effects of the accounts on the income statement are summarised as follows:

- the reduction in the income and expenses entries deriving from financial instruments at fair value in the income statement is due to the standardisation of the evaluation method and account presentation of derivatives instruments between Unipol Group and Premafin Group upon occurrence of PPA (Euro -6.6 million);
- the increase in the interest income (equal to Euro 39.0 million) refers to the recalculation of the depreciated cost of the financial assets available for sale, loans and receivables and of the investments held to maturity on the basis of fair value calculated upon occurrence of PPA;
- the net increase in the profits made (equal to Euro 38.2 million) refers to the recalculation of the profit made in the first half of 2013 on the fair value basis of the investments held to maturity and of the financial assets available for sale (for a total of Euro 39.3 million) and real estate investments (equal to Euro -1.1 million) calculated upon occurrence of PPA;
- the reduction in valuation incomes (equal to Euro -1.7 million) refers to the recalculation of the result arising from the valuation of the fair value of real estate investments to adjust the figures in the first half of 2013 to the valuations carried out upon occurrence of PPA;

- the reduction of other revenue (equal to Euro -6.1 million) refers to the elimination of capital gains on investments, as they have already been included in the relevant fair value calculated upon occurrence of PPA;
- the net reduction of the item amounts paid and changes in techical provisions (equal to Euro -18.9 million) is due mainly to the adjustment of the shadow accounting regarding the recalculation of the effects on the fair value of the financial assets;
- the increase in interest expenses (equal to Euro -7.5 million) is due to the recalculation of the depreciated cost of the subordinate financial liabilities of Fondiaria-SAI and Milano Assicurazioni on the basis of the fair value identified upon occurrence of PPA;
- the reduction in losses made (equal to Euro 16.2 million) refers to the recalculation of the losses made in the accounting period on the basis of the fair value of the financial assets available for sale and the loans and receivables calculated upon occurrence of PPA;
- the reduction in valuation losses (equal to Euro 51.6 million) refers to: (i) the elimination of the depreciations of the real estate made in the accounting period, since they were already acknowledged upon occurrence of PPA (equal to Euro 12.7 million), (ii) minor depreciations on real estate investments due to the recalculation of fair value upon occurrence of PPA and to the standardisation of accounting principles (for a total of Euro 12.0 million), and (iii) the elimination of valuation losses on financial assets available for sale (equal to Euro 26.9 million);
- the increase in other costs (equal to Euro -56.9 million) is mainly due to: (i) the increase in costs regarding amortisations of intangible assets, i.e. VIF and VOBA, measured during the PPA stage (equal to Euro -75.5 million), and (ii) the elimination of fund provisions (equal to Euro 18.4 million) already included upon occurrence of PPA;
- recognition of the tax effects linked to the preceding adjustments.

Note 4. Cancellations

The column entitled "Cancellations" includes the adjustments aiming to eliminate the relationships of reinsurance and coinsurance between Premafin Group and Unipol Assicurazioni Group.

Note 5. Capital increase

The column entitled "Capital increase" represents the capital increase of Unipol Assicurazioni of Euro 600 million by UGF to be implemented prior to the signing of the Deed of Merger;.

This proforma adjustment only impacts on the balance sheet.

As the proforma consolidated income statement presents enough investments and liquidity to generate net financial income according to the prevailing procedures used to prepare proforma data, simulation of the capital increase did not take into account the financial income which would have arisen, should the resulting cash and cash equivalents of the aforementioned capital increase have been invested as of 1st January 2013.

Note 6. Merger Expenses

The column entitled "Merger Expenses" represents the following effects:

- Balance sheet - inclusion of the estimated debt and relevant deferred tax assets for residual fees to be recognised to the consultants who helped the Incorporated and Incorporating Company implement the operation, equal to Euro 10.2 million and Euro 3.5 million, respectively;
- Income statement - elimination of overall costs already sustained and accounted in the period by the Incorporated and the Incorporating Company, net of the relevant tax effect, for a total of Euro 4.2 million, as they are non-recurring.

Note 7. Convertible Loan

The column entitled "Convertible Loan" sets out the effects of the issuance of the Convertible Loan by UnipolSai, in particular:

- Balance sheet - restatement of financial liabilities to net worth (i,e, capital provisions) a total amount of Euro 180.5 million, corresponding to the nominal loan value issued (equal to Euro 201.8 million) net of the financial liability component corresponding to the current value of the cash flows envisaged for interest expense (equal to Euro 21.3 million). In order to calculate the cash flows, the loan interest rate was estimated at 5.0% and the discount rate was taken as 8.95%, corresponding to the average discount rate used by Fondiaria-SAI, in line with the rate used by UGF for the impairment test on goodwill at 30th June 2013;
- Income statement - recognition of interest expense before tax equal to Euro 1.1 million (equal to Euro 0.8 million net of tax), calculated on the financial liability (at the rate of 8.95% calculated as indicated in the preceding point).

Note 8. Put Option - Unipol Banca

The column entitled "Put Option - Unipol Banca" shows the accounting effects regarding the agreement included in the Exchange of Correspondence on the Essential Values of the Merger, which envisages:

1) the commitment by UGF to grant Fondiaria SAI a put option on the shareholding held by Unipol Assicurazioni in Unipol Banca, equal to 32.26% of the relevant share capital, to be exercised at a price equal to Euro 299.4 million (which corresponds to the entry value of said shareholding in Unipol Assicurazioni at the time of signing the agreement) to mature on the fifth year following the effective date of the Merger;
2) the commitment by Fonsai to grant UGF a call option on same shareholding at the same price, with the possibility for UGF to exercise it throughout all the period between the effective Merger date and the maturity of the fifth year after the former date.

At the date of the Information Document, the remaining terms and conditions of the put and call options do not appear to be fully defined and agreed upon between the parties. However, it is stated that these terms and conditions are expected to comply with the good practices of similar operations

This option aims mainly to neutralise the effect on the Incorporating Company of the profits and losses made by Unipol Banca in the period taken into account, Therefore, for the purpose of preparing the Interim Proforma Consolidated Prospectuses 2012:

- as regards the income statement, the loss entry from Unipol Banca (equal to Euro 21,8 million), recognised following the equity method accounting of the same shareholding, was eliminated in the Carve-Out Prospectuses;
- as regards the balance sheet, the investment was adjusted to the working value of the options, agreed between the parties, equal to Euro 299.4 million.

Note 9. Minority recalculations

The column entitled "Recalculation of Minority Interests" includes the recalculation of the net equity of third party interests following the Merger of Premafin and Milano Assicurazioni in Fondiaria-SAI. The incorporation of Unipol Assicurazioni in Fondiaria-SAI has no impact on minority interests. As a result of this adjustment, the net worth of third parry interests of UnipolSai can be traced back to the share of net worth of the subsidiaries which are not fully held and, in this case, mainly to:

- 50% of the net worth of the subsidiary Popolare Vita S.p.A.;
- 50% of the net worth of the subsidiary The Lawrence Life Assurance Co. Ltd;
- 50% of the net worth of the subsidiary BIM Vita S.p.A.;
- 49% of the net worth of the subsidiary Incontra Assicurazioni S.p.A.;
- 11% of the net worth of the subsidiary Scontofin S.p.A.;
- 5.31% of the net worth of the subsidiary SIAT – Società Italiana Assicurazioni e Riassicurazioni S.p.A.;
- 4.99% of the shares of Tikal R.E. Fund.

The following income and balance sheet figures concerning the minority shares in UnipolSai, both in the event all the Incorporated take part in the Merger and in the event Milano Assicurazioni does not:

(values in millions of Euros)	with Milano Assicurazioni	without Milano Assicurazioni
Net Equity	**5,151,4**	**5,151,4**
Of the Group	4,844,9	4,452,1
Of Minority Interests	306,5	699,3
(values in millions of Euros)	with Milano Assicurazioni	without Milano Assicurazioni
Profit	**344,9**	**344,9**
Of the Group	314,8	278,2
Of Minority Interests	30,1	66,7

5.5 Further information

5.5.1 Measures of the Italian Antitrust Authority

On 19th June 2012, the Italian Antitrust Authority ("AGCM") resolved upon the authorisation of the acquisition of control by UGF of the Premafin Group and, as a result, of the subsidiaries, including Fondiaria-SAI and Milano Assicurazioni, upon condition that certain operations were implemented, as illustrated below. Such operations were not taken into account for the purposes of drawing up the Proforma Consolidated Prospectuses because they are not connected to the Merger, as well as for the following reasons.

Divestment

Through recourse to an independent Advisor with high international standing and approved by the Antitrust Authority, The Unipol Group was asked to transfer the following assets : (i) the entire shareholding owned in Liguria Assicurazioni S.p.A. and Liguria Vita S.p.A. by Milano Assicurazioni and (ii) one or more business divisions made up, inter alia, of the brands "Milano Assicurazioni" and "Sasa" together with the business complexes owned by the same Milano Assicurazioni whose objects are the production and distribution of insurance products realised through its commercial divisions. The aim is to ensure that the Unipol Group transfers to third parties as a result of said assignments, premiums amounting to Euro 1.7 billion as at 31 December 2012. It being understood that, following the above divestment, its own market shares at a national and provincial level must be less than 30% in each non-life class and life class on the basis of the IVASS source data (or must guarantee the assignment of the whole share acquired by effect of the operation for the acquisition of control of the Premafin Group if the share of 30% was already held before the business concentration operation).

On 30th June 2013 the assets and liabilities identified as a result of the divestiure were classified in compliance with IFRS 5 among the assets and liabilities destined for assignment, whereas the economic effects of the same were not isolated, which, in any case, include the related reduction in premiums.

At the date of the Information Document, the competitive procedure is still in course and it is not possible to estimate the effective timing related to the completion of the Divestiture nor the relevant payment that may be obtained against the assignment.

Divestiture of Investments

The authority requested the reduction in stake held in with Mediobanca - Banca di Credito Finanziario S.p.A. ("Mediobanca") and Assicurazioni Generali S.p.A. by means of the divestiture of participatory shares held in same.

In compliance with said Measure, UGF, Fonsai, and Milano Assicurazioni instructed Equita SIM S.p.A. to find parties interested in purchasing their shareholding in Mediobanca. At the Date of the Information Document, no transfer had yet taken place, even partialof this holding and it is not possible to estimate the potential compensation of said transfer. Below is the value of the shareholding in Mediobanca at fair value at 31st December 2012 and 30th June 2013:

– at 31st December 2012: Euro 153.8 million equal to a shareholding of 3.4%;
– at 30th June 2013: Euro 134.7 million equal to a shareholding of 3.4%.

As regards the assignment of the shareholding in Assicurazioni Generali S.p.A., such shareholding has been entirely assigned during the financial year 2012 with a profit of Euro 11.0 million.

Reduction of subordinate financial loans

The authority requested the reduction of the subordinate financial loans towards Mediobanca for a total amount of Euro 350 million, of which Euro 100 million related to the aforementioned divestiture of company branches.

At the Date of the Information Document it is not possible to estimate the terms and timing related to the reduction of the subordinate financial loans value vis-à-vis Mediobanca, as requested by AGCM. In any case, the estimated effect would be ascribable solely to a possible differential of debt cost which could reasonably be assumed to be insignificant.

5.5.2 Proforma indicator per share

On the basis of the provisions of Art. 27 of the Articles of Association of the Company Resulting from the Merger attached to the Merger Plan: **(“Articles of Association”)**

“Once the quota assigned to the ordinary reserves as established by law have been deducted, the profits resulting from the financial statement approved by the Shareholders’ Meeting will be distributed in the following order:

- *to Category A shares, a privileged dividend of up to Euro 6.5 per share;*
- *to Category B shares, a privileged dividend per share of up to 6.5% of the equal value in accounting terms of the Category B shares;*
- *the remaining to ordinary shares and to savings shares, so that the Category A shares are entitled to an increased, overall dividend compared to that of ordinary shares equal to Euro 5.2 per share, and the Category B shares are entitled to an increased overall dividend compared to that of ordinary shares equal to 5.2% per share of the equal value of the Category B shares; without prejudice to the right of the Shareholders’ meeting to deliberate, in whole or in part, the assignment to reserves or provisions or to the retained earnings account or the extraordinary partial assignment to company employees, establishing the amount, conditions and criteria of distribution or for other purposes it believes compliant with company interests.*

When a dividend of less than Euro 6.5 per share is assigned to Category A shares and/or a dividend of less than Euro 6.5% of the equal value in accounting terms of the Category B shares is assigned to Category B shares in one financial year, the difference is calculated as an increase in the privileged dividend in the two subsequent financial years.”

Furthermore, Art. 6 of the Articles of Association of the Company Resulting from the Merger attached to the Merger Plan establishes, among other things, that the equal value in accounting terms of the Category B shares is to be understood as: *“(...) the existing ratio each time between the overall amount of the assignments of capital over time implemented at the time of signing the Category B shares and the overall number of existing Category B shares.”*

As of the Date of the Information Document the equal value in accounting terms of the Category B shares is Euro 0.565 and therefore 6.5% of the equal value in accounting terms of the Category B shares is equal to Euro 0.036 for each Category B share.

As of the Date of the Information Document, the category “A” savings shares had accrued the aggregation, as provided by Art, 6 of the Articles of Association, for the financial years ended at 31st December 2011 and

2012 in which the Incorporating Company did not register any profit, whereas the Category "B" saving shares issued during the financial year 2012 in the context of the capital increase of Fonsai with regular rights, have accrued the aforementioned aggregation right only for the financial year ended at 31st December 2012.

It should be noted that the equal value in accounting terms of the Category B shares will not change as a result of the issuance by the Incorporating of new category "B" savings shares to assist the Merger (on the assumption that Milano Assicurazioni takes part in the Merger).

Without prejudice to the aforementioned, the following tables present the main proforma indicators per share of UnipolSai for the financial year ended at 31st December 2012 and for the half year ended at 30th June 2013, but also information concerning the number of shares used in order to calculate the proforma indicators per share, both in the event Milano Assicurazioni takes part in the Merger or in the event it does not. These proforma indicators were calculated (i) not considering the possible exercise of the withdrawal rights by ordinary shareholders of Premafin and saving shareholders of Milano Assicurazioni, because it is not possible to quantify the effects and (ii) not considering any potential impact in terms of dilution effects deriving from the issuance of the Convertible Loan, considering that said impact cannot be, at this moment, estimated in quantitative terms.

Pro-forma Indicators in the event of Milano Assicurazioni partecipating in the Merger

	2012		2013	
Number of shares net of own shares	**2,576,520,677**		**2,576,520,677**	
of which Ordinary	2,198,050,686		2,198,050,686	
Of which Savings Shares Cat. A	1,276,836		1,276,836	
Of which Savings Shares Cat. B	377,193,155		377,193,155	
Group Net Income in million of Euro	**446.2**		**314.8**	
Group Net Income per share in Euro	**Proforma indicator per share**	***Accumulated privileged dividends Total Dividends***	**Proforma indicator per share**	***Accumulated privileged dividends Total Dividends***
Ordinary	0.16	-	0.10	-
Savings Shares Cat. A	19.50	*13.00*	19.50	*13.00*
Savings Shares Cat. B	0.19	-	0.17	*0.04*
Group Net Income in million of Euro	**4,566.7**		**4,844.9**	
Group Net Equity per share in Euro	**Proforma indicator per share**		**Proforma indicator per share**	
Ordinary	1.72		1.83	
Savings Shares Cat. A	100.00		100.00	
Savings Shares Cat. B	1.72		1.83	
Net cash flow from operations in million of Euro	**273.4**		**617.4**	
cash flow per share in Euro	**Proforma indicator per share**	***Accumulated privileged dividends Total Dividends***	**Proforma indicator per share**	***Accumulated privileged dividends Total Dividends***
Ordinary	0.09	-	0.22	-
Savings Shares Cat. A	19.50	*13.00*	19.50	*13.00*
Savings Shares Cat. B	0.12	-	0.29	*0.04*

Pro-forma Indicators in the event of Milano Assicurazioni not participating in the Merger

	2012		2013	
Number of shares net of own shares	**2,295,237,948**		**2,295,237,948**	
of which Ordinary	1,972,198,440		1,972,198,440	
of which Savings Shares Cat. A	1,276,836		1,276,836	
of which Savings Shares Cat. B	321,762,672		321,762,672	
Group Net Income in million of Euro	**377.8**		**278.2**	
Group Net Income per share in Euro	**Proforma indicator per share**	***Accumulated privileged dividends Total Dividends***	**Proforma indicator per share**	***Accumulated privileged dividends Total Dividends***
Ordinary	0.15	-	0.10	-
Savings Shares Cat. A	19.50	*13.00*	19.50	*13.00*
Savings Shares Cat. B	0.18	-	0.17	*0.04*
Group Net Income in million of Euro	**4,197.6**		**4,452.1**	
Group Net Equity per share in Euro	**Proforma indicator per share**		**Proforma indicator per share**	
Ordinary	1.77		1.89	
Savings Shares Cat. A	100.00		100.00	
Savings Shares Cat. B	1.77		1.89	
Net cash flow from operations in million of Euro	**273.4**		**617.4**	
cash flow per share in Euro	**Proforma indicator per share**	***Accumulated privileged dividends Total Dividends***	**Proforma indicator per share**	***Accumulated privileged dividends Total Dividends***
Ordinary	0.10	-	0.25	-
Savings Shares Cat. A	19.50	*13.00*	19.50	*13.00*
Savings Shares Cat. B	0.13	-	0.32	*0.04*

Number of shares net of own shares

The number of shares net of own shares has been calculated by considering UnipolSai ordinary and savings shares in circulation following the Merger (amounting to 2.629.376.743 should Milano Assicurazioni take part in the Merger and amounting to 2.333.836.547 should Milano Assicurazioni not take part in the Merger) reduced by the own shares held, at the Date of the Information Document, by the UnipolSai Group.

Group Net Income per share

The indicator has been calculated on the basis of the UnipolSai Group consolidated pro-forma profits attributable to the controlling company's shareholders on the basis of the criteria laid down by Article 27 of the Articles of Association of the Company Resulting from the Merger and the assumptions summarised above.

Equity per ordinary share

The indicator has been calculated by attributing equity in compliance with the provisions of Article 31 of the Articles of Association of the company resulting from the Merger.

Cash flows per share

The indicator has been calculated on the basis of the UnipolSai Group Operational Liquidity attributable to the controlling company's shareholders on the basis of the criteria laid down by Article 27 of the Articles of Association of the Company Resulting from the Merger and the assumptions summarised above.

5.6 Report of the Auditing Company

On 7 October 2013, the Auditing Company Reconta Ernst & Young issued its Report relating to the UnipolSai Group pro-forma data set out in the Information Document.

6 Prospects of the Incorporating Company and the group it leads

6.1 General indications on the business progress of the Incorporating Company from the end of the financial year 2012

6.1.1 Indications of the most significant trends recorded in the insurance and claims portfolio and of the amendments introduced in the policy of reinsurance

Progress of the insurance business

Some of the most significant aspects of the insurance portfolio and, more generally speaking, of the management of the insurance business of the Fonsai Group during the first half of 2013 include the following:

- the end of the first half saw the consolidation of a positive technical result in the sector of Non-Life Class with a combined ratio on retained work, which is placed squarely below 100 and stands at 92.6% against the 98.1% of the first half of 2012. As regards direct business, this indicator stands at 92.6% against the 99.6% of June 2012. Contrary to the drop in premiums recorded in particular in the Motor class sector, there is a positive trend in terms of accident reports and a corresponding reduction in the frequency of accidents;
- a significant recovery in the total premiums of Life Classes (+42%), driven mainly by the bancassurance company, Popolare Vita, and especially by its subsidiary, Lawrence Life. Stable progress of the total premiums for companies operating via traditional channels, confirms a renewed confidence in the Group, also accompanied by a significant reduction in the flow of redemptions;
- a positive trend in financial assets which, that notwithstanding the unstable context, enables the results of the first half of 2012 to be confirmed and exceeded;
- a limited impact of extraordinary entries;
- evidence of a significant tax burden for the accounting period, which confirms the possibility of recovering the deferred tax assets (together with what was entered in the net equity provisions), recorded in the financial statement for the previous accounting period;
- improvement at 30th June 2013 in the adjusted solvency ratio with a value of 1.20 against the 1.09 at 31th December 2012. The hedge ratio was calculated, on a management basis, with reference to the estimated requested margin for the half year. If measured against the requested margin at the end of the previous accounting period, it would amount to 1.17.

The **Non-life Insurance** sector is registering a downturn of over 14% in the collection of premiums for Motor Classes, due to numerous factors, including the problematic economic situation, the activity of portfolio selection in course and the abolition of automatic extension in Motor Third Party Liability Classes agreements, which has led to a more conservative approach in handling settlement processes. This contrasts with a clear reduction in accident reports and accident frequency, including a substantial maintainance of claims provisions set at the end of the previous accounting period which did not, therefore, cause any negative impact on the income statement. The elementary insurance classes show a clear attenuation in the downturn (-2.7%), considering that actions to turn around the portfolio had already begun in the previous two years.

The **Life Insurance** sector is registering a positive trend in production (+42.3%), thanks to the contribution of Class III (+238%) which settled at over Euro 1 billion by virtue of the contributions of the subsidiary, Lawrence Life. The premiums of Class I, with greater future profit margins, show a slight decrease (-3.8%), ascribable to the as yet uncertain economic context: this downturn is partly counterbalanced by the slowdown in the trend of surrenders in the first six months of 2013 compared to what was measured up to 30th June 2012.

Management expenses amounted to Euro 800.4 million (Euro 858.6 at 30th June 2012), with a decrease of 6.8% due mainly to the reduction in purchase provisions following the contraction of collections in Non-life class business.

Trend for claims and technical indicators for the Non-life Classes

As regards the position for claims, the Motor Class continues to register a trend towards a reduction in the frequency of accidents and the real estate sector is also showing a considerable improvement, not only in comparison with 2012, seriously affected by the earthquake which hit Emilia Romagna and the surrounding areas in May 2012, and by major inclement weather conditions, but also due to a general improvement in accident claims as a result of the remedies and the assumptive policies undertaken.

The main technical indicators for the Non-life Class claims for direct business at 30th June 2013 were as follows:

- Loss ratio (claims rate) equal to 67.3% (79.4% at 31st December 2012);
- *Expense ratio* of 22.4% (22.9% at December 31 2012);
- OTI ratio (which includes the balance of the other technical items) equal to 2.9% (3.1% at 31st December 2012);
- Combined ratio equal to 92.6% (and 105.4% at 31st December 2012).

Trend of activities other than insurance

<u>Real Estate Sector</u>

The Real Estate sector in the first half of 2013 was influenced by the uncertainties linked to the economic background with its lasting market stagnation, with excessive holding and lack of appreciation in past financial years of certain positions, including the Castello Area in Florence, the initiative of the Tourist Port of Loano, as well as some hotel properties managed by the subsidiary Atahotels S.p.A. In the first half of 2013, no major operations were concluded and management performance aimed to control cost increases and to restructure and rationalise existing equity.

In the first half of 2013, the Real Estate Sector showed a loss before tax of Euro 26 million (against a loss of Euro 25.8 million in the first half of 2012), a result which was negatively influenced by the effects of impairment on real estate investments for Euro 12.7 million (Euro 2.4 million in the first half of 2012) and by depreciations for Euro 14.8 million (Euro 13.9 million in the first half of 2012). In particular, further reductions in value of the real estate, detected in the first half of 2013, are mainly the result of the real estate initiative of Porto di Loano (via the subsidiary Marina di Loano), for which the valuation model previously used at 31st December 2012 was updated.

<u>Other diversified businesses</u>

This sector, which includes companies operating not only in banking and insurance management, but also in the hospitality, rural and health sectors, showed a loss before tax equal to Euro 36 million in the first half of 2013 (loss of Euro 13.7 million in the first half of 2012). The results are due to the losses before tax registered by the hospitality industry and by the clinic industry to which it should be added the negative result before tax of Sainternational S.A., in liquidation due to the devaluation made in the first half of 2013 of the RCS shares in portfolio.

In particular, if we compare the figure with the one recorded in the first half of 2012, it should be taken into account that the latter did not include the negative income result of Atahotels S.p.A. and its subsidiaries, as these were classified at the time as assets under divestiture. Considering the decision to proceed to increase the value of these assets, and only after that to proceed with their assignment, they were cancelled from that allocation.

The result before tax of the sector in the first half of 2013 also suffers from the provisions aimed to face the presumable expenses related to the restructuring of certain contracts for the supply of services in previous accounting periods.

In this context, the consolidated net result in the first half of 2013 showed a positive result Euro 171.5 million (positive Euro 24.9 million in the first half of 2012). The share of the net result belonging to minority interests in the first half of 2013 amounts to Euro 53.6 million (Euro 17.4 million in the first half of 2012) and is due to the positive impact of Popolare Vita, Lawrence Life and Milano Assicurazioni.

At 30th June 2013, the adjusted liquidity index (on a management basis) ranked approximately 1.2 times the minimum requested margin, improving the registered index at 31st December 2012, equal to approximately 1.09 times. The hedge ratio was calculated according to the requested margin estimated for the first half of

2013. These results prescind from the effects of the application of IFRS 5 to the insurance contract portfolio to be divested in compliance with the AGCM Measure.

6.1.2 Recent trends arising from the evolution of income and expenses in equity and financial management

The result of equity and financial management as of 30 June 2013 is in line, although with a slight deterioration, with the first half of 2012, as the latter had benefitted from intense trading activity implemented following the shrinking of the spread between Italian public debt securities and other sovereign issues, particularly in the first half of the year.

As regards the Life Insurance branch, the impact of the impairment period on AFS financial instruments is decidedly more restricted compared to the first half of 2012 and amounts to approximately Euro 11.6 million (Euro 23.6 million at 30th June 2012), The net income from financial instruments at Fair Value entered in the income statement include net income from contracts in the sector of Life Class, for which the risk lies on the insured persons for Euro 35.6 million (they were equal to Euro 308.1 million at 30th June 2012). This increase is compensated by the corresponding variation in the technical provisions of the Life Class for this class of activity.

As regards the expenses from other financial tools and real estate investments, the valuation losses include Euro 30.1 million of value adjustments to available assets for sale (Euro 75.2 million at 30th June 2012). Of this amount, Euro 8.7 million are covered by capital gains on correlated hedging derivatives, recognised among the Fair Value income in the income statement. The remainder refers not only to Euro 12.7 million for real estate depreciations, but also to Euro 34.4 million for depreciations of real estate.

The total technical provisions, before reinsurance, reach Euro 9,187 million (Euro 12,522 million at 31st December 2012): the variations are due as much to Euro 2,866 million at the restatement of liabilities undergoing divestment under the application of IFRS 5, as to the presumable corporation abstract to be divested, as prescribed by the AGCM Measure of 19th June 2012.

The incidence of management expenses on premiums was 21.7% (21.9% at 30 June 2012).

6.1.3 Forecast for the trend of insurance activities and other activities

The management trend of the Non-life claims is still influenced by the recession and by the increase in competition, hindered by a series of initiatives aiming to protect the portfolio and relaunch development which will unfold during the second half of 2013. In any event the Non-life Class, especially the Motor Class, continue to show a positive trend,

The revenue from Life Class, showing a steep rise for the half year, nevertheless denotes an expected slowdown linked to the channel of bancassurance, which concentrated its own Life products placing activity, in particular, with the subsidiary, Lawrence Life, in the first half of 2013.

As regards financial management, Italian government securities have shown an improvement after the first six months compared to the spreads measured at the end of June, followed by a phase of substantial stability despite political uncertainties and the recent downgrading by Standard & Poor’s of the Italian sovereign debt on 9th July 2013. Investment policies remain characterized by prudence and to the safeguard of coherence between assets and liabilities.

6.1.4 Report on the reasonable forecast for the results of the current accounting period

It is understood that the positive operating results obtained by the Incorporating Company in the first half of 2013, notwithstanding the continuing uncertainty at the macroeconomic, financial and market level, may reasonably be expected to confirm in the remaining part of the current year.

6.2 Forecast figures

6.2.1 Premise

As anticipated on 20th December 2012, the Boards of Directors of Unipol Assicurazioni, Premafin, Milano Assicurazioni and Fondiaria-Sai approved the Merger Plan.

On the same date, the above mentioned Board of Directors approved the three years 2013 – 2015 business plan of UnipolSai Group (The Joing Business Plan), containing the strategic guidelines and the economic, financial and equity objectives of the UnipolSai Group and the potential synergies expected from the business integration. Furthermore, on the same date, the Joint Business Plan was illustrated by UGF to the financial community, using the presentation document entitled "Business *integration project Unipol - Fonsai: Presentation of the Joint Plan to the financial community*", made public on the website of UGF (www.unipol.it), on the website of Fondiaria-SAI (www.fondiaria-sai.it) and of Milano Assicurazioni (www.milass.it). The Joint Business Plan contains, among other things, the forecasts of some of the specific indicators of the sectors in which the UnipolSai Group will operate, and the net result expected at the end of the reference time frame.

The Joint Business Plan was designed by the Companies Participating in the Merger, considering the expected structure of the UnipolSai Group on completion of the Merger.

In particular, the Joint Business Plan contains a set of forecasts and estimates based on the implementation of future events and actions which will have to be undertaken by the Directors and managements, which include, amongst other things, projections subject to the risks and uncertainties which characterise the current macroeconomic scene, assumtions related with future events and actions of the Directors and management which will not necessarily take place, and events and actions which the Directors and management cannot or can only in part influence, as regards the trend of the balance sheet and income statement growth or other factors which influence the evolution (in overall, the "**Projections**").

The main Projections presented in detail in this Chapter in Paragraph 6.2.5 and 6.2.6 are summarised briefly as follows: (i) the execution of the Unipol Assicurazioni Capital Increase for a total of Euro 600 million; (ii) the completion of the Merger of Premafin, Milano Assicurazioni and Unipol Assicurazioni into Fondiaria-SAI; (iii) the exclusion of costs related to the possible exercise of the right to withdrawal by Premafin shareholders and holders of savings shares in Milano Assicurazioni; (iv) the implementation of the provisions set by AGCM which include (a) the divestiture of one or more insurance business units with premiums valued at December 31, 2012 at Euro 1.7 billion, (b) the transfer of the shareholding held in Mediobanca – Banca di Credito Finanziario S,p,A, (c) the reduction of the amounts borrowed from the latter for Euro 350 million; (v) the realization of the expected synergies, (vi) in reference to the insurance division, the improvement of the Combined Ratio for the UnipolSai Group which is expected to be on a downward trend to 93,0% in 2015; (vii) in reference to the Life Class, new premiums, expressed in terms of Annual Premium Equivalent ("APE"), equal approximately to Euro 743 million by 2015; e (viii) in 2015, expected returns of the investment component of the insurance division equal approximately to 4,2%, including ordinary and extraordinary income deriving from the real estate portfolio.

6.2.2 Guidelines of the Joint Business Plan

The Merger is the essential part not only of a wider project of integration between Unipol Group and Premafin/Fonsai Group, but also of the strategic path pursued by Unipol Group which envisages the development of insurance business in the Non-life Class, The project has a solid rational industrial basis, which can be summarised according to the following mainstays:

- the opportunity to increase the leadership of UnipolSai Group and Unipol Group on the market, exploiting its historical trademarks on the insurance market;
- the strengthening of the solidity of the balance sheet of Unipol Group;
- the restructuring of the insurance business of Fondiaria-SAI in the Non-life class;
- the use of the experience gained by Unipol Group in insurance turnaround operations and its proven ability of integration;

- the margins of operational and corporative simplification, which can be pursued by optimising structures and processes (purchase centres, list of suppliers, single complementary agent contract), and the possible rationalisation of current investment programmes;
- complementary skills in the Health, Social Security and Direct channel sectors;
- the opportunity to strengthen the position of leadership in innovation of Unipol Group;

The Joint Business Plan, moreover, aims to carry out a major restructuring with the objective of further improving performance.

6.2.3 Macroeconomic, financial and regulatory scenario[2]

As regards the macroeconomic scenario, the main projections behind the preparation of the Joint Business Plan are summarised as follows:

- macroeconomic context, characterised by a continuing recession for 2013 (GDP equal to -0.8%) although improving compared to 2012, and gradual return of growth, although restricted, beginning in 2014 (GDP growth of 0.8% in 2014 and 0.7% in 2015);
- interventions by the European Central Bank ("ECB") aiming to stabilise the financial markets by restricting interest rates;
- inflation, guided by the moderate increase in internal demand and in the cost of raw materials, with an estimated average annual growth of approximately 2% over the time frame of the Joint Business Plan;
- Non-life Class characterised by a moderate growth of premiums over the time frame of the Joint Business Plan (with an average compound annual growth rate, hereinafter "CAGR", 2012-2015 equal to 0.9%) due to the following factors:
    - Motor Class: negative trend of new vehicle registrations and increased competition on price due to the market return to good levels of underwriting profit;
    - Non Motor Class: stagnation in demand both in the business segment and in the family sector;
- Life Class, characterised by a gradual recovery of the total premiums (CAGR 2012 – 2015 equal to 4.4%), mainly accentuated on the bancassurance channel compared to the traditional channel of agencies.

The lasting tensions and turbulence of the macroeconomic scenario and the trend of the financial markets in this period make economic progress uncertain and it could influence the aforementioned scenarios, which, on the contrary, suggest a gradual normalisation of this context.

The benchmark regulatory framework (including but not limited to: the minimum requisites for the increase in company equity, the regulations for mandatory insurances, tax rules) is of particular importance bearing in mind the main sectors of activity in which the Unipol GroupSai operates. Also taking into account existing uncertainties as to the final structure of the model of capital supervision "*Solvency II*", the Joint Business Plan was drafted assuming no variation in the current regulatory context.

6.2.4 Accounting Criteria

The Joint Business Plan was prepared on the basis of the business plans of all the Companies Participating in the Merger, carried out by the same, and approved by the respective Boards of Directors. Each business plan was prepared on the basis of the accounting criteria applied by each Company Participating in the Merger for the preparation of its own consolidated financial statement. These accounting criteria correspond to IFRS standards and are and are substantially homogeneous to those used by Fondiaria-SAI to prepare its own

[2] Source: calculations by the Research Department of the Unipol Group on the basis of forecasts found in documents from mayor research institutions.

consolidated financial statements at December 31, 2012 and its abridged half-yearly consolidated financial statements at June 30, 2013, except for the items identified below.

From the comparison between the accounting principles used by Fondiaria-SAI, Premafin and Milano Assicurazioni to draft the abridged, half-yearly, consolidated financial statement at 30th June 2013 in compliance with the international accounting principles IAS/IFRS, as standardised and adopted by the European Union, and those adopted by UGF in its consolidated financial statement at 31st December 2012 (from which the Carve-Out of Unipol Assicurazioni was taken), has evidenced some differences mainly concerning:

– real estate depreciation;

– impairment on equity securities entered in the category “Financial assets available for sale”.

As regards real estate depreciation, taking into account (i) the different nature and importance of the real estate equity held by Fondiaria-SAI, Premafin and Milano Assicurazioni compared to that held by Unipol Assicurazioni and by its subsidiaries (“Unipol Assicurazioni Group”), but also (ii) in any event, the restricted significance of the differences which have emerged, no amendments were made to the methods and criteria of depreciation adopted by the Companies Participating in the Merger for the purpose of drafting the Joint Business Plan.

As regards the impairment of capital securities entered in the category “Financial Assets Available for Sale”, the differences noted between the options adopted by Fondiaria-SAI, Premafin and Milano Assicurazioni and those adopted by Unipol Group Assicurazioni did not give rise to any significant effects which needed to be taken into consideration during the preparation of the Joint Business Plan.

Within the process of preparing the annual, consolidated, financial statements at 31st December 2012, the accounting principles of the Companies Participating in the Merger were standardised also according to the criteria used for impairment of the equity securities entered in the category “Financial assets available for sale”, with recognition by Fondiaria-SAI, Premafin and Milano Assicurazioni of the criteria adopted by UGF in its own consolidated financial statement.

This adjustment, the effect of which on the Consolidated Financial Statement of Fondiaria-SAI, related to the financial year 2012 is reported in the section of the Explanatory Notes of the abovementioned financial statement, does not, however, significantly influence the forecasts of the income statement and balance sheets for the financial year 2015 given in this chapter.

Another accounting aspect of importance for the purpose of drafting the Joint Business Plan regards the accounting of the business combination arising from the acquisition of the control share in Premafin by UGF, No valuation was made at current values for the acquired assets, liabilities and potential liabilities taken on for this business combination, since at the time the Joint Business Plan was prepared, the necessary additional information required to proceed to make this valuation was unavailable, The differences between the acquisition price and the net book value of the net equity share of the incorporated companies were, therefore, provisionally entered as “Goodwill” under “Intangible Assets”, This layout complies with what is provided for in paragraph 45 of IFRS 3.

UGF, by underwriting the Premafin Capital Increase, has acquired *de facto* a controlling interest in Fondiaria-SAI. On the basis of the IAS/IFRS accounting principles applied by UGF to draw up its own consolidated balance sheet, the Merger appears as a business combination between entities under common control. As this is a business combination “Under common control”, the Merger is explicitly excluded from the area of application of IFRS 3 and currently is not regulated specifically by other international accounting principles or interpretations. As no specific principles can be found in IFRS to apply to the Merger, management will have to use its own judgment on the basis of IAS 8.10 to develop and apply an accounting treatment which will simultaneously provide both relevant and reliable information. When making its own judgment, company management will have to consider (i) the applicative measures and guidelines in the IFRS which regulate similar and correlated cases, and (ii) the definitions, criteria and concepts contained in the so-called systematic framework. The Unipol Group, keeping in account this preceeding considerations, inteds to identify an accounting treatment that will adequately represent the objectives of the business combination operation, objectives that can be summarized as follows:

- the Unipol Group, considered as a single economic entity, has changed due to the acquisition of the Premafin Group, which was concluded in July 2012;
- the subsequent reorganisation planned by the Unipol Group has no other purpose than to rationalise its structure, replicating as far as possible, even within the group, the image given to the market.

The Unipol Group intends to confirm for accounting purposes, also regarding its subsidiaries sub-holding, a united, general management vision which is expressed also by the valuations, estimates, and choices of accounting policies adopted to draw up financial reports.

It should be noted that at the date of preparation of the Joint Business Plan in order to provisionally calculate the goodwill value, we considered net equity share of the incorporated companies at July 1, 2012. The accounting of the definitive value deriving from the process of PPA concluded in the context of the preparation of the abridge half-yearly consolidated financial statements of UGF at June 30, 2013 and differs from the provisional ones adopted to prepare the Joint Business Plan.

On the basis of some preliminary management analyses made, considering the information available at the Date of this Information Document, no significant differences are expected with regard to the figures forecast and the cash flows of UnipolSai presented in the Chapter 6.2.9 of the Information Document, following the recognition by UGF of the definitive values deriving from the PPA process, which will be used in the preparation of the Consolidated financial statements of the Merger by UnipolSai, at the date the Merger becomes effective.

6.2.5 Principal Projections

The Joint Business Plan is based on the following principal Projections:

<u>*Capital increase of Unipol Assicurazioni*</u>

The Project of Integration by Merger expects UGF to undersign and pay a capital increase for Unipol Assicurazioni for a total of Euro 600 million before the date of execution of the deed of Merger. Execution of the aforementioned capital increase for Unipol Assicurazioni, which served to strengthen the equity of UnipolSai in view of the development programmes and with a view to firmly maintaining corresponding equity requisites provided for by the regulations in force, is, however, subordinated (i) to the assumption that the competent corporate bodies of each company taking part in the Merger will deliberate a definitive approval of the Merger, as provided for in the Merger Plan, and (ii) the lack of any objections by company creditors according to the time limits laid down by Art. 2503 of the Civil Code, i.e. to overcome said objections according to the procedures described therein. In more detail, the aforementioned capital increase for Unipol Assicurazioni will be implemented once the aforementioned conditions precedent have taken place, and in any event, before the execution of the deed of Merger pursuant to Art. 2504 of the Italian Civil Code.

This capital increase was deliberated by the Extraordinary Shareholders' Meeting of Unipol Assicurazioni on 8th August 2013.

Also note that Unipol Assicurazioni distributed in 2013 ordinary dividends for Euro 150 million for the accounting period 2012 to UGF, as envisaged by the Joint Business Plan.

<u>*Completion of the Merger of Premafin, Milano Assicurazioni and Unipol Assicurazioni in Fondiaria-SAI*</u>

Completion of the Merger, subject to the approval of their respective Shareholders' Meeting of the Companies Partecipating in the merger, is assumed to have taken place before the end of 2013, being understood that it cannot be excluded that the Merger will be effective from 2014. Please note that the implementation of part of the synergies of profit and loss described below, as well as the completion of restructuring the financial debt of Premafin also through the emission of the Convertible Loan, depend on a positive result of the Merger.

<u>*Possibility for ordinary shareholders of Premafin and for savings shareholders of Milano Assicurazioni to exercise the right of withdrawal*</u>

The effects arising from the possible exercise of the right of withdrawal by the ordinary shareholders of Premafin and by the savings shareholders of Milano Assicurazioni were deemed insignificant.

Decision of the AGCM

On 19th June 2012, AGCM (Italian Antitrust Authority) deliberated the authorisation of the acquisition of control of Premafin Group by UGF and, as a result, of the companies it leads, Premafin, Fondiaria-SAI and Milano Assicurazioni, upon condition that certain conditions were complied with. Therefore, for the purpose of preparing the Joint Business Plan the following main assumptions were taken into account:

- the reduction of the market share at a national level and for each individual province of UnipolSai in each of the Non Life and and Life Class sectors, of less than or equal to 30% by divesting, in compliance to the AGCM Measures, one or more company lines, consisting among other things of trademarks, agency insurance contracts, infrastructures and resources to guarantee operations of the lines, and of the relevant premiums estimated, at 31 december 2012, for a total amount of approximately Euro 1.7 billion (mainly in the Non-life and Motor Classes) and the relevant equity components. The projection for the profitability of these lines was in line with the average profitability of the insurance sector of the Joint Business Plan. In particular, the financial years of the Plan following the year in which divestiture will take place, projected date 1st January 2014, do not include the financial and equity contribution of the corporate lines under divestiture as regards either technical profitability or the result of financial management. Furthermore, any profits or losses arising from the assignment derived from the projected divestiture were not taken into account;
- the reduction in the relationship with Mediobanca - Banca di Credito Finanziario S.p.A. and Assicurazioni Generali S.p.A. by means of the divestiture of participatory shares held in Mediobanca - Banca di Credito Finanziario S.p.A. and Assicurazioni Generali S.p.A. on the basis of recent market quotations. Please note that the shareholding held in Assicurazioni Generali S.p.A. was assigned during the accounting period 2012;
- the reduction during the time frame of the Joint Business Plan of the debt towards Mediobanca - Banca di Credito Finanziario S.p.A. for a total amount of Euro 350 million, of which Euro 100 million related to the aforementioned divestiture of company lines.

Note that after the Joint Business Plan was approved by the respective Boards of Directors of the Companies Participating in the Merger- on December 20, 2012- the Boards of Directors of Milano Assicurazioni and of the controlling company Fonsai, on May 08, 2013, have authorized the continuation of the assignment *iter* and defined in compliance with the AGCM Measures and on the basis of data at December 31, 2012, the scope of the divestiture, making this resolution conditional to authorization by the Board of Directors of UGF, which was given on May 9.
This scope is fundamentally in line with the assumptions contained in the Joint Business Plan and therefore had no significant impact on the provisional data presented in this Chapter.

Attaining Synergies

In the context of the Merger, as described in Paragraph 6.3.8. of this Chapter, it has been estimated a structural benefit due to synergies beginning in the financial year 2015, of approximately Euro 350 million per year before tax, which implementation will require integration costs to be sustained, estimated over the time frame of the Joint Business Plan at approximately Euro 302 million.

6.2.6 Projections which are not completely under the control of the Directors and management

Non Life Class

As regards the insurance sector of Non-life Class, the Directors have predicted an improvement in the Combined Ratio of UnipolSai Group within the time frame of the Joint Business Plan which envisages a declining trend, reaching 93.0% in 2015. This improvement will be supported not only by the lack of extraordinary effects linked to the revaluation of provisions regarding preceding financial years, which influenced the recent results of Premafin Group, but also by the activities to reduce loss development based on actions which are not completely under the control of the Directors.

In particular, the following principle assumptions have been made:

- a restricted reduction, net of the assignments requested by AGCM, in the premiums generated by the Motor Class by means of agencies, which is predicted once again to be the dominating channel in the financial year 2015;
- the gradual increase in the frequency data of accidents for Motor Third Party Liability in the three years 2013-2015;
- the increase in the average cost of accidents within the time frame of the Joint Business Plan, in line with the trend of inflationary increase in recent years, linked to the dynamics of a cost increase both for material damages and for injuries to persons;
- the evolution of the average premium in the Motor Class to guarantee an adequate technical balance in terms of profitability;
- a trend of substantial stability in the average premiums of Elementary Class as a result of the reform of the Corporate portfolio, partially balanced by actions aiming to increase productivity of the network in the retail market.

Life Class

As regards Life Class, the Directors predicted that by 2015, the new premiums, expressed in terms of Annual Premium Equivalent ("APE"), will stand at Euro 743 million.

Achievement of this result also depends on expected events and assumptions which cannot be completely controlled by the Directors, such as:

- a modest growth in Class I (insurances on human life expectancy) and in Class V (operations of capitalisation), encouraged by the search for greater protection, even though in a limited attractiveness context, for the guaranteed minimums in the light of the returns offered by state securities and bank deposits;
- a recovery of Class III (insurances of which the main performances are directly linked to the share value of OICR or internal funds i.e. to indices or to other reference values), in case of a stabilisation of the financial markets;
- a growth in Class VI (pension funds), in case of an increase in the demand for complementary social security by private persons and companies following the pension reform.

Investment Management

The returns expected from the component related to investments in the insurance sector, which coincide with the last accounting period of the Joint Business Plan, as a result of market expectations and the asset allocation strategy of the Unipol Group, are approximately 4.2%, inclusive of ordinary and extraordinary profitability arising from the management of the real estate portfolio.

This assumption within the time frame of the Joint Business Plan presupposes an optimisation of the overall risk of the investment portfolio by means of an investment strategy aiming to:

- reduce exposure to the real estate sector;
- slightly reduce exposure of the share component, to be implemented by means of a selective approach;
- diversifying exposure per issuer to a greater extent, privileging Italian State securities and fixed-interest bonds.

The aforementioned expected returns are base on the following summarised assumptions:

- a short-term recovery in the reference interest rates, following a gradual, yet modest exit from the macroeconomic recession scenery;

- the progressive stabilisation of the financial markets, as a result of which the value of the item included in the net equity "profits or losses on financial assets available for sale" is expected to be constant and equal to the value recorded at 30th September 2012;
- a progressive recovery of market trust in expectations of growth in the average term and a return to positive growth rates in the share markets, in line with the economic trend.

Lastly, it should be noted that the projections made to quantify the predicted figures of the insurance sector did not take into account any assignment of structured securities classified in the categories "Loans and receivables" and "Investments held to maturity" for which, as provided for by the accounting principle IAS 39, and for the purpose of preparing the consolidated financial statement they were valued at cost.

6.2.7 Projections based on actions under the control of the Directors and management

<u>Non Life Class</u>

As regards the insurance sector of the Non-life Class, the Directors projected an improvement, as mentioned previously, of the Combined Ratio of the Unipol GroupSai in the time frame of the Joint Business Plan.

In this context, as regards traditional channels, the Directors made a projection to extend some successful operations implemented in the last two years by Unipol Group to UnipolSai Group. In particular:

- constant management of the technical trends of the agency network, gradually aligning the network pay systems of UnipolSai Group to those of Unipol Group;
- the optimisation of the presence of the network throughout the country and the implementation of major investments in technology, training and services by the company for the agency network;
- the portfolio reform for segments of non-core activities and portfolios of non-profitable technical results;
- the audit of underwriting criteria, the monitoring of constant portfolio trends, the audit of discounts and agreements, consistent with underwriting systems, with a view to recovering profitability;
- the implementation of programmes of commercial effectiveness aiming to increase production in the Elementary Class with special focus on retail clientele (definition of agency development plans);
- the implementation of interventions on trustee management, such as: (i) standardisation of contracts of collaboration, (ii) optimisation of the monitoring system of results and improvement in controls and verifications, (iii) streamlining of network management throughout the country and (iv) development of a system of incentives for experts and doctors; and
- the optimisation of anti-fraud protection policies and exploitation of telematic data (acquired via the installation of the black box) to manage accidents.

The objectives regarding the recovery of profitability and the effect of the reduction in Premiums following the commitments undertaken before AGCM could imply a reduction in the total Non-life Premiums to approximately Euro 8.9 billion for the financial year 2015.

In particular, the expected evolution in the collection of premiums takes into account the following projections:

- the divestiture of one or more company branches and the relevant Non-life Class Premiums;
- a thorough turn-around action of the Corporate portfolio;
- an increase in productivity as regards the Elementary Class focusing on retail clientele.

As regards the Motor Third Party Liability Class, a growth is forecast in the value of the average premium below inflation value, consistent with expectations of frequency which projections give as having a moderate recovery in the time frame of the Joint Business Plan, and in the dynamics of increasing competition over price in the related market.

Lastly, as regards costs, the trend for the Expense ratio is predicted as being basically stable, with the objective of 23.9% in 2015 due to the combined effect of the following elements:

– an increase in the values of commissions recognised to the network of Unipol Assicurazioni agents against the full economic effects becoming apparent of the new agreement on commissions stipulated which envisages a higher correlation of the commissions component of the Motor Third Liability Class to the variable of the economic result of Unipol Assicurazioni;

– a decrease in general costs also due to the synergies of cost, as described in the paragraph below ("Synergies and costs of integration").

As regards the Non-life Class insurance policy, it was taken into account the trend aimed at limiting risks according to the size of individual portfolios and a cover policy to privilege non-proportional based assignments to protect individual risks or a group of risks arising from the same event for Fire, Injury, Theft, General Liability, Third Party Liability and Land Vehicles Classes, maintaining the assignments on a proportional basis for the Credit and Technological risks Class. In particular, the Joint Business Plan supposes a percentage of premiums assigned to reinsurance companies in line with the final balance figures of the financial year 2011; this policy remained unchanged also in 2012.

Life Class

As regards the Life Class, a moderate growth in the collection of premiums is forecast, with a projected increase in the agency channel slightly below market predictions and a recovery trend of the bancassurance channel with the objective of reaching a predicted Premium value for the financial year 2015 of Euro 6.7 billion within the time frame of the Joint Business Plan.

As regards Life Class in the agency channel, the Directors have envisaged taking the following actions:

– to gradually extend the criterion of offer segmentation according to the type of clientele to the networks of UnipolSai Group;

– to reinforce the commercial support network throughout the country by assigning coordinators and technical support persons for product sales (Life Tutor) to agents, as well as Agency Life Contact Persons within each individual point of sales;

– to revise incentive models applied;

– to prepare commercial processes to actively manage maturity dates;

– to extend technical and specialist skills regarding Pension Funds to the networks of UnipolSai Group; and finally,

– as regards risks taken in the Life Class, protection for the companies in the UnipolSai Group has been taken by using forms of automatic proportional cover.

With special reference to current bancassurance agreements, a projection has been made, as regards Popolare Vita, for a plan to refocus the offer in agreement with the bank partner, Banca Popolare.

Real Estate Sector

The Directors' objective within the time frame of the Joint Business Plan is to reduce the incidence of the overall net exposure in the real estate sector (equal to the sum of the various components including depreciations, investments and assignments) by means of a decrease in the related portfolio. In particular, a projection was made for a divestiture plan, within the time frame of the Joint Business Plan, consistent with the objectives of preserving and valuating the entire real estate portfolio.

Other diversified businesses

As regards the other non-core businesses in which the UnipolSai Group will be operating, such as the hospitality sector, the sector of clinics and that of agricultural activities, the objectives of the Joint Business Plan envisage reaching a financial economic balance from a core point of view to be implemented by means of a decisive rationalisation of costs.

Put-call option on Unipol Banca S.p.A. ("Unipol Banca")

In order to prepare the Joint Business Plan, it was considered the undertaking of UGF to grant Fonsai an option to sell (put option) the shareholding held by Unipol Assicurazioni in Unipol Banca of 32,26% of the relevant share capital, to be exercised with a price of Euro 299,4 million (corresponding to the charge value of said shareholding in Unipol Assicurazioni ah the date of the Exchange of Correspondence concerning the Key Values of the Merger) at the maturity of the fifth year following the effective date of the Merger, and of Fonsai commitment to grant UGF a corresponding purchase option (call option) on the same shareholding, at the same price, but with the opportunity for UGF to use it throughout all the time frame between the effective date of the merger and the maturity of the fifth year following that date. In order to prepare the Joint Business Plan, the management projected that UGF would not use the call option in the time frame 2013-2015.

The remaining terms and conditions of the put and call options do not appear to be fully defined and agreed upon between the parties at the Date of the Information Document. These terms and conditions are, however, expected to comply with the good practices of similar operations

6.2.8 Synergies and Integration Costs

The merger, under what was established by AGCM, presents risks typical of integration operations between corporate groups and therefore the relevant difficulties (i) of coordination of management and staff, (ii) of the integration of computerised systems, and of existing structures and services with those of the newly incorporated companies, as well as (iii) the loss of clients and key staff by the Companies Partecipating in the Merger.

The synergies arising from the Merger report back to UnipolSai which will be able to benefit from sharing and consolidating those areas and processes which represent best practice for the new business.

The main areas of impact of the synergies can be divided up into: (the) “Operating Costs”, (ii) “Cost of Claims and Reinsurance” and (iii) “Earnings and Finance”.

For the purpose of preparing the Joint Business Plan, the economic impact of the synergies from integration on profit before tax has been estimated as being approximately Euro 350 million in 2015.

In particular, as regards the three areas of impact described above, the following benefits have been predicted:

– Operational Costs: the synergies are worth approximately Euro 180 million;
– “Cost of Claims and Reinsurance”: the synergies amount to approximately Euro 100m in terms of managing claims and reinsurance;
– Earnings and finance synergies are estimated at approximately Euro 70 million and are based on the sharing of internal best practice, on the alignment of productivity and on the optimisation of finance management.

Achievement of these synergies will depend on, among other things, the ability to integrate the various entities efficiently, to conserve the current agency network and client portfolio of the same and to increase productivity reducing costs at the same time.

The achievement of the synergies will entail integration costs for the three years 2013-2015, the overall impact of which, accumulated in the income statement during the time frame of the Joint Business Plan, is estimated at approximately Euro 302 million. These costs are due mostly to the first financial year of the Joint Business Plan as a result of the need to implement more costly interventions capable of achieving the synergies in 2015.

In the event of Milano Assicurazioni not participating in the Merger, it is estimated that the value of the synergies achieved would fall by approximately Euro 45 million.

6.2.9 Summary of the Provisional Figures

The Joint Business Plan prepared on the basis of the Projections described above envisages a consolidated net profit for UnipolSai Group for the financial year 2015 equal to approximately Euro 814 million, on the basis of the following estimates:

Indicator *(amounts in millions of Euro)*	**2015**
Direct Written Premiums	15,558
Direct Written Premiums for Non Life Insurance	8,873
Direct Written Premiums for Life Insurance	6,685
Combined Ratio (in percentage)	93,0%,
Loss Ratio (in percentage)	67,6%,
Expense Ratio (in percentage)	23,9%,
Combined Ratio (in percentage)	1,5%,
Net Profit	814

The Joint Business Plan envisages the achievement, by UnipolSai Group of a corrected solvency margin index in 2015 estimated above 180%, in compliance with current reference regulations (*Solvency* I) and considering the benefits deriving from current IVASS regulations.

Without prejudice to the economic, financial and market uncertainties referred to above, on the basis of the information available at the Date of the Information Document and of management trends referring to the first six months of 2013 set out in paragraph 6.1.4, it is reasonable to suppose that the net consolidated profits of UnipolSai Group for the 2015 accounting period forecast by the Joint Business Plan and detailed above, can be achieved.

6.2.10 Changes in Forecast Data as compared with the Strategic Industrial Guidelines of June 2012

The Strategic-Industrial Guidelines of June 2012, representing an updated version of the Guidelines on the Project of Integration by Merger of the Unipol Group with the Premafin/Fonsai Group of 24 February 2012, were drawn up by the UGF directors on the basis of the information available at that date and only a part of such Guidelines were agreed with the Premafin/Fonsai Group, since the inter-action between the two Groups was suspended in order to comply with Order no. 23503 of 26 April 2012 issued by the Antitrust Authority which, as readers will be aware, ordered that all exchange of information between the Groups should be suspended.

As a consequence of the above-mentioned circumstances, the UGF directors, in order to complete the Strategic-Industrial Guidelines of June 2012 and the related forecast data, analysed and, where considered appropriate, revised the estimates contained in the Fonsai Group Business Plan approved in March 2012 on the basis of their own autonomous assessments. They also estimated (i) a number of income and cost synergies referable to the anticipated integration between the two groups. This also involved attempts at rendering a number of the underlying hypotheses more homogenous with each other, (ii) a preliminary estimate quantifying the effects of the transfers in compliance with the measures communicated by the

Antitrust Authority and, finally, (iii) a quantification of the synergies and a number of costs deriving from the integration operation itself.

The Joint Business Plan, whose Forecast Data have been illustrated in the preceding paragraphs, was, in contrast, drawn up jointly by all the companies participating in the merger on the basis of the updating of the Strategic-Industrial Guidelines of June 2012.

Below is a summary of the principal developments of the data relative to UnipolSai contained in the provisional data presented in this Chapter, compared to the data of UnipolSai presented in the June 2012 Strategic-Industrial Guidelines:

- *Collection of Non Life Insurance Premiums*: As compared with the Strategic Industrial Guidelines of June 2012, the Joint Business Plan supposed a lower increase in the collection of Non Life class premiums on the basis of the new market estimates and from observation of trends over 2012 which, with reference to the Motor Class Insurance sector, revelead an increased price competition;
- *Collection of Life Insurance Premiums*: the development of trends in the life insurance collection data is slightly higher in the Joint Business Plan as compared with the June 2012 Strategic-Industrial Guidelines. This reflects the following conflicting phenomena:
    - Agency Channel: downwards Revision of growth estimates based on the worsening of market forecasts and trends over 2012;
    - Banking channel: increase of the collection estimates as at 2015, following the approval of the new Business Plan of the subsidiary Popolare Vita S.p.A. which has revised production targets upwards for the bank branch office network;
- *Structure Costs*: Projected structure costs have remained essentially aligned to what was set out in the June 2012 Strategic Industrial Guidelines;
- *Effects of the Antitrust Authority commitments*: The estimate of the impacts deriving from the assignments required to comply with the measures imposed by the Anti-Trust Authority have remained substantially the same;
- *Synergies and Integration Costs*: against a substantial alignment with the estimates of the systematic benefits deriving from the integration operation, the economic impact on the three-year-period 2013 - 2015 of the one-off integration costs to be incurred for the achievement of the expected synergies has been revised upwards.

On the basis of the developments described above, the consolidated net profit forecast for the 2015 accounting period equal to Euro 814 million in the Joint Business Plan is substantially in line with the figure contained in the June 2012 Strategic-Industrial Guidelines.

6.3 Audit company report

On 7th October 2013, the Audit Company Reconda Ernst & Young issued the report on its examination of the provisional data for UnipolSai Group in the Information Document

7 *Attachments*

- Illustrative report pursuant to Art. 2501-*quinquies* of the Civil Code drafted by the members of the administrative bodies of the Companies Partecipating in the Merger.
- Merger Plan pursuant to Art. 2501-*ter* of the Civil Code.
- Statements of Financial position pursuant to Art. 2501-*quater* of the Civil Code at 30th September 2013.
- Valuation reports, drafted by independent experts, used by members of the administrative bodies in order to define the Exchange Ratios.
- Report by the expert of Reconta Ernst & Young S.p.A. pursuant to Art. 2501-*sexies* of the Civil Code.
- Report of the Audit Company Ernst & Young S.p.A. on their examination of the financial statement and proforma indicators of the Companies Partecipating in the Merger.
- Report of the Auditing Company Reconta Ernst & Young S.p.A. on the forecast data contained in the Information Document.
- Opinion confirming the congruity of the criteria for the calculation of the issue prices of the shares servicing the Convertible Loan, produced by the expert Reconta Ernst & Young S.p.A., pursuant to, and by effect of Article 158 of the Consolidated Financial Act.

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