Additional information

44 Information on employees

Employees

	31/12/2016	31/12/2015
Managers	1,781	1,831
Employees	53,498	55,369
Sales attendant	18,238	18,827
Others	210	164
Total	**73,727**	**76,191**

The number of employees decreased due to disposal of the Argentinian and Philippines companies and due to restructuring in some countries where the Group operates.

45 Provisions for defined benefit plans

The pension benefits of Generali Group's employees are mainly in the form of defined benefit plans and defined contribution plans.

As for defined benefit plans, participants are granted a defined pension benefits either by the employers or via external entities.

The main defined benefits plans are concentrated in Germany, Austria and Switzerland, while in Italy the provision for *Trattamento di fine rapporto* (employee severance pay) matured until 1st January 2007 is included in the provisions for defined benefit plan for € 106 million.

The table below shows the movements in the defined benefit plans liability which occurred during the financial year, net of assets legally separate and held solely to pay or fund employee benefits:

Net defined benefit plans liabilities: movements

(€ million)	31/12/2016	31/12/2015
Net liability as at 31 December previous year	**3,932**	**4,185**
Foreign currency translation effects	2	14
Net expense recognised in the income statement	188	164
Re-measurements recognised in Other Comprehensive Income	380	-248
Contributions and benefits paid	-191	-175
Changes in consolidation scope and other changes	-12	-10
Net liability as at 31 December current year	**4,298**	**3,932**

Part of the Group's defined benefit plans have assets that are designated, but not legally segregated, to meet the pension defined benefit obligations. These are investments backing insurance provisions or policies issued by Generali Group companies, or other investments owned by the Group entities. Consequently, in accordance with IAS 19, these investments are not recognised as plan assets and so cannot be deducted from the defined benefit obligations. However, to assess the net liability for defined benefit plans, these assets should have been netted against the present value of the related pension obligations.

In Germany and Austria, where is allocated approximately 83% of the present net value of defined benefit obligations, the pension guarantee associations, for yearly contributions to be paid by the companies, are liable for the fulfilment of the pension commitments granted in case of company insolvency.

The net defined benefit plans expense of the year recognised in the profit or loss account is represented as follows:

Net defined benefit plans expenses recognised in profit or loss

(€ million)	31/12/2016	31/12/2015
Current service cost	127	110
Net interest	88	79
Past service cost	-28	-24
Losses (gains) on settlements	1	0
Net expense recognised in the income statement	**188**	**164**

The re-measurement of liabilities related to defined benefit plans and plan assets, recognised in Other comprehensive income are detailed as follows:

Re-measurements recognised in Other Comprehensive Income

(€ million)	31/12/2016	31/12/2015
Actuarial gains (losses) from change in financial assumptions	-415	214
Actuarial gains (losses) from change in demographical assumptions	-8	3
Actuarial gains (losses) from experience	27	26
Return on plan assets (other than interest)	16	5
Re-measurements recognised in Other Comprehensive Income	**-380**	**248**

The actuarial losses recognised during the period are mainly linked to the movements of the reference interest rates, consistently with the requirements of IAS 19, used for the determination of the discount rate for the measurement of the liability related to defined benefit plans. The amounts reported are gross of deferred taxes and deferred policyholders liabilities, where applicable.

The table below shows the movements in the defined benefit obligation during the financial year and the current value of the plan assets:

Present value of defined benefit obligation: movements

(€ million)	31/12/2016	31/12/2015
Defined benefit obligation as at 31 December previous year	**4,928**	**5,119**
Foreign currency translation effects	7	66
Current Service cost	127	110
Past service cost	-28	-24
Interest expense	102	93
Actuarial losses (gains)	396	-243
Losses (gains) on settlements	1	0
Contribution by plan participants	10	10
Benefits paid	-217	-193
Changes in consolidation scope and other variation	-15	-8
Defined benefit obligation as at 31 December current year	**5,313**	**4,928**

Current value of plan assets: movements

(€ million)	31/12/2016	31/12/2015
Defined benefit obligation as at 31 December previous year	**997**	**934**
Foreign currency translation effects	5	52
Interest income	15	14
Return on plan assets (other than interest)	16	5
Gains (losses) on settlements	0	0
Employer contribution	22	21
Contribution by plan participants	10	10
Benefits paid	-48	-40
Changes in consolidation scope and other changes	-2	1
Fair value of plan assets as at 31 December	**1,015**	**997**

The defined benefit plans' weighted-average asset allocation by asset category is as follows:

Defined benefit plans: asset allocation

(%)	31/12/2016	31/12/2015
Bonds	53.4	52.1
Equities	12.3	12.5
Real estate	12.9	13.0
Investment fund units	9.7	10.5
Insurance policies issued by non Group insurers	1.3	1.7
Other investments	10.5	10.2
Total	**100.0**	**100.0**

The assumptions used in the actuarial calculation of the defined benefit obligations and the related periodic pension cost are based on the best estimates of each companies granting defined benefit plans. The main weighted-average hypotheses considered for the value definition of defined benefits plans obligations are summarized in the following table, for the main operating areas:

Assumptions for actuarial calculation of defined benefit plans

(%)	Eurozone		Switzerland	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Discount rate for evaluation at reporting date	1.7	2.4	0.6	0.7
Rate of salary increase	2.8	2.8	1.3	1.3
Rate of pension increase	1.9	1.9	0.0	0.0

The average duration of the obligation for defined benefit plans is 14 years at 31 December 2016 (14 years at 31 December 2015).

A sensitivity analysis was carried out showing how the defined benefit obligation would have been affected by changes in the discount rate and the most relevant actuarial assumptions on these liabilities:

Defined benefit plans: sensitivity

(€ million) hypothesis	Discount rate for evaluation at reporting date		Rate of salary increase		Rate of pension increase
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase
Impact on defined benefit obligation	-341	383	49	-48	292

To provide an indication of the effect of the defined benefit plans on the future cash flows of the Group, the future expected payments divided by bands of maturity are presented below:

Defined benefit plans: expected payments

	31/12/2016	31/12/2015
Within the next 12 months	211	207
Between 2 and 5 years	862	835
Between 5 and 10 years	1,063	1,043
Beyond 10 years	5,029	5,321
Total	**7,164**	**7,406**

46 Share-based compensation plans

At 31 December 2016 different incentive plans based on equity instruments granted by the Parent Company and other Group companies are outstanding.

46.1 Share-based compensation plans granted by the Parent Company

Long-Term Incentives (LTI) represent the long-term variable remuneration of Generali which takes the form of multi-year plans, approved from time to time by the competent bodies and may be addressed to directors, managers with strategic responsibilities and other Generali employees; they may be based on cash disbursements or financial instruments.

From 2011 to 2012, the Company adopted multi-year plans, currently still in place, based on two cycles of three years. Once the first cycle reaches its conclusion, if the relevant targets have been achieved, a monetary bonus is disbursed of which a part shall be re-invested in Generali shares. This is then followed by a second cycle, after which, again assuming certain targets have been achieved, participants may be granted a certain number of free shares for each share purchased. Please note that the cost component linked to monetary bonuses of the first cycle is fully accrued in the previous years while the cost component linked to the equity component will come to full maturity at the end of next year.

From 2013, Generali adopted new plans based on a single three-year cycle, after which, assuming certain targets have been achieved, free shares, subject to specific lock-up periods, may be granted to the participants.

The plan LTI 2013 has fully accrued its relevant cost component in the first half of the year, coming to a close with the equity instruments assignment upon verification of the Group's performance levels in terms of ROE and relative TSR, as well as threshold levels required in terms of Solvency I ratio.

The LTI plans 2014 and 2015, currently in progress, may result in shares' granting respectively in 2017 and 2018, subject to the Group performance level (determined by the comparison of ranges of ROE and relative TSR) and the overcoming of the minimum level, where requested in terms of Return on Risk Capital and Solvency ratio (the latter referring to the Solvency I ratio, or to the Economic Solvency Ratio, in line with the regulations in force in the year of performance assessed).

As far as the lock-up constraint, 50% of the shares are immediately available, 25% is subject to a one-year lock-up period and the remaining 25% to a two year lock-up period, reduced to one year with the extent to the 25% of the equity instruments assigned in relation to LTI 2013 and 2014 plans.

Further details are given in the information reports approved at the time by the Shareholders' Meeting and published on the Generali Group website, as well as in the Remuneration Report annually published.

With a structure similar to the last year, a new long-term incentive plan based on Assicurazioni Generali shares – Group Long Term Incentive (LTI) 2016 - has been submitted for the approval of the Shareholders' Meeting.

In line with market practices and investor expectations, shares are assigned and available to beneficiaries over a total time frame of 6 years, subject to the achievement of Group's performance conditions (*Return on Equity – ROE - and relative Total Shareholders Return - rTSR*) and the achievement of a minimum level of Economic Solvency Ratio, as detailed below.

The Plan is based on the following essential aspects:
- the incentive connected with the achievement of the targets is paid through the grant of Assicurazioni Generali S.p.A. ordinary shares;
- the right to receive the shares is subject to an entry threshold, defined annually by the Board of Directors and which represents a condition precedent;
- the targets to which payment of the incentive is subject are Group financial ones and are defined at the beginning of the three-year performance period.

The maximum number of shares that can be assigned is determined at the start of the plan. The maximum potential bonus to be disbursed in shares equals to 175% of the gross fixed remuneration of the plan participants (or a different percentage considered the role of the related beneficiaries); therefore, the maximum number of shares that can be assigned is the result of the ratio of the maximum bonus and the share value, with the latter calculated as the average price of the share in the three months prior to the meeting of the Board of Directors called to resolve on the draft statutory financial statements of the Holding Company and the consolidated financial statements for the previous year.

The maximum number of shares that can potentially be assigned to participants at the end of the three years is divided up into three tranches; the first tranche is for 30% of the maximum number of shares to be possibly assigned, the second is for a further 30% and the remaining 40% represents the third tranche, each tranche being subject to certain specific targets as described below.

Once the level of the Economic Solvency ratio has been reached, the achievement of the Group's financial targets, represented by the ROE and the relative TSR, compared with the peers part of the STOXX Euro Insurance index, is verified on a yearly and overall three-year cycle basis.

The performance level, expressed as a percentage, is determined by a calculation methodology, based on two independent baskets respectively for the achievement of the ROE and the relative TSR. The final results in each basket, with a 50% weight on the bonus assignable, shall be calculated using a linear interpolation approach. The maximum performance level is 175% (or a different percentage considered the role of the related beneficiaries).

During each year of the plan and at the end of the three years, the Board of Directors evaluates the degree to which the Economic Solvency Ratio has been achieved as compared with the limit set as 130%, or alternative percentage as may be chosen from time to time by the Board of Directors. On the basis of this evaluation, the number of shares to be accrued annually or definitively granted may be reduced or even zeroed by the Board of Directors if the Economic Solvency Ratio should fall below the threshold established.

In any case, no incentive will be paid in the event of a significant worsening of the capital and financial situation of the Company. Any amount disbursed will be subject to claw-back if the performance considered should later be found to be non-lasting or ineffective as a result of wilful misconduct or gross negligence.

Individual tranches of shares are only granted at the end of the performance period and, therefore, at the end of the three years, after verifying the degree to which the targets have been achieved in the third year (i.e. assessment by the Board of Directors on the actual achievement of the targets set, considered both on an annual and overall 3-year basis) and as long as there continues to be an employment/ director relationship in place with the Company or with other companies of the Group as at the grant date. Consequently, save for extraordinary situations as specifically envisaged by the plan rules, and unless otherwise decided by the delegated bodies, any case of termination of the employment/director relationship automatically entails forfeiture of the right to be granted shares.

As regards the holding period, in line with investors requests. at the grant date, 50% of the shares are immediately available (to allow the participants to pay the tax charges connected with the grant), the remaining 50% is subject to a two year lock-up period; subject to the requirement for the directors that participate the plan to maintain a suitable number of shares assigned until term of the office in course at the expiry of the lock-up.

In line with the LTI plan 2015, a dividend equivalent mechanism has been introduced on the basis of the dividends distributed during the three-year performance period. In particular, should the shareholders' meeting resolve upon the distribution of dividends in favour of the shareholders during the three-year reference period, at the expiry of such three-year reference period, an additional number of shares determined in relation to the overall dividends distributed during the three-year reference period will be assigned in favour of the beneficiaries. The additional number of shares thus determined shall be assigned simultaneously and in relation with the other shares assigned in favour of each beneficiary, subject to the same restrictions (holding period) mentioned above and determined considering the shares' value at the assignment of the plan, to be calculated as the average price of the share in the three months prior to the meeting of the Board of Directors called to resolve on the draft statutory financial statements of the Parent Company and the consolidated financial statements for the previous year.

The maximum number of shares that can be granted is 10,000,000, accounting for 0.64% of the current share capital.

For additional information related to incentive plans refer to the 2016 Remuneration Report.

In line with the previous plans, the 2016 LTI plan can be treated as an equity-settled share-based payment falling under IFRS 2 scope, which provides a grant date measurement model seeking to capture the value of the contingent right to shares promised at grant date, to the extent that that promises becomes an entitlement of the counterparty, rather than the value of any shares finally delivered.

The condition related to rTSR configures as a market condition, other conditions mentioned above are considered whether as performance or as service condition.

The fair value of the right to receive free shares related to the market condition is estimated at grant date using statistic model which estimates the statistically probable positioning of Group TSR respect to peer group identified in the STOXX Euro Insurance Index.

As regards plans 2013 and 2014, the performance level to be assessed was determined by the cross-comparison of ranges of ROE and relative TSR; for each tranche was calculated a fair value for each of the possible RoE intervals according to the reference matrix for the cross-comparison of ranges of ROE and relative TSR.

In order to assess the cumulative cost of the individual plans, for each tranche, the fair value related to the most probable RoE outcome was multiplied by the number of shares that can be assigned based on satisfaction of the vesting conditions. This cost has been allocated over a period of maturity of 3 years (vesting period), with a corresponding increase in equity.

Given the calculation method applied last year, described above and based on an independent assessment of the levels of achievement on the Group's financial indicators, the cost of the plans 2015 and 2016 was determined by separating the component connected to the relative TSR to the one linked to the ROE.

The evaluation of the bonus right linked to market condition is made by multiplying the fair value of assignable shares (equal to the market price at grant date) with the determined pay-out by applying the linear interpolation of the probable position of rTSR estimated using a statistical model. The linear interpolation method is applied to a range between the maximum pay-out, recognized in the case of the TSR positioning at the first place, and a pay-out zero in the case where the TSR is in the last position with respect to selected peer or has a negative value.

For each tranche of the LTI plan 2016, the table below shows the fair value at the grant date of the bonus right related to the performance level in terms of rTSR:

(%)	Tranche 2016	Tranche 2017	Tranche 2018
Fair value of bonus related to market condition	**5.04**	**5.03**	**5.03**

The related cost on overall plan is resulted from the multiplication, weighted for each tranche, of the above mentioned fair value with the number of rights related to the market condition, to be assigned based on the satisfaction of the vesting condition.

A similar calculation was applied to the bonus portion linked to the ROE, identifying the pay-out through the linear interpolation applied to the level of RoE considered most probable. The range applied to the linear interpolation is included between the maximum pay-out, granted in case of a level of RoE equal to or greater than 13%, and a pay-out equal to 0 in case of a level of RoE equal to or lower than 11%.

Finally, the cost related to the recognition of dividends paid during the three-year period (so called dividend equivalent) was estimated by applying an estimated dividend to the expected number of shares to be assigned under the plan, based on the degree of achievement assessed as above described.

The overall cost of the LTI plans 2015 and 2016, sum of the three components above mentioned, is allocated over a period of maturity of 3 years (vesting period) starting from the first financial year on which the performance levels are assessed, with a corresponding increase in equity.

During the year, the Board of Directors resolved to submit to the next Shareholders' Meeting a special Stock Plan for the Managing Director / Group CEO.

The Plan involves the free award of a maximum of n. 200.000 ordinary Assicurazioni Generali shares, subject to the following conditions being met:

- the Managing Director/Group CEO continuing to hold his existing n. 200.000 Assicurazioni Generali shares, acquired with his own means, until the end of his current term in office;
- achieving a specific three-year Total Shareholders Return (TSR) target of +72,8%, calculated over the period 5 July 2016 - 5 July 2019;
- maintaining predetermined Solvency thresholds;
- remaining in office as Managing Director/Group CEO until the end of the current term (therefore losing all rights in the event of termination of the working relationship for any reason before the end of this term).

Furthermore, the Plan calls for the award of additional shares, determined on the basis of the amount of the overall dividends distributed during the reference period, according to a dividend equivalent mechanism.

The Plan also obligates the Managing Director/Group CEO to retain 50% of the shares awarded to him for free for at least two years, as well as other standard sustainability clauses (e.g. malus, clawback, hedging restrictions) to protect financial solidity and the Group's non-excessive exposure to risk.

The condition related to TSR configures as a market condition, other conditions mentioned above are considered as service condition.

The estimated fair value of the bonus right subject to the performance in terms of TRS was calculated by multiplying the projection of the future share price at the grant date of approval of the Plan, identified by the forward price of the share at market conditions, with the pay-out given linearly interpolating the probable TSR, estimated by applying a statistical model for the possible evolution of the share price in the three years considered.

The relative cost of the overall plan is obtained by multiplying the market value above mentioned (amounting to € 2.6) with the number of rights relating to the market condition, assignable on the basis of the achievement of vesting condition; the cost related to the recognition of dividends paid during the three-year period (so called dividend equivalent) was estimated by applying a deemed dividend to the expected number of shares to be assigned under the Plan.

The total cost of the plan, sum of the two components described above, was allocated over a period of accrual of three years in line with the service period required; the relative cost share, already accrued during the current financial year, is subject to the possible reversal in the case of non-approval of the Plan by the next Shareholders' Meeting.

The cost associated with all above mentioned outstanding plans recognised during the period amounted to € 51.2 million. The maximum number of shares that can be granted in relation to mentioned plans is approximately 18.1 million.

The following table shows the development of the options given by the Parent company to personnel, chairman, managing directors and general managers and their weighted average exercise price.

Options given by the Parent company to personnel

	Personnel		Chairman, Managing Directors and General Managers	
	Number of options	Average price of the year	Number of options	Average price of the year
Options outstanding as at 31/12/2015	**215,192**	**28.8**	**0**	**0.0**
Granted	0	0.0	0	0.0
Forfeited	0	0.0	0	0.0
Exercised	0	0.0	0	0.0
Expired	215,192	28.8	0	0.0
Options outstanding as at 31/12/2016	**0**	**0.0**	**0**	**0.0**
Of which exercisable	0	0.0	0	0.0

The options held by executive and non executive personnel expired during the year. The options for the benefit of the president, managing directors and general managers had already expired in previous years.

46.2 Share-based compensation plans granted by the other Group companies

The main share-based payments granted by the other Group companies are detailed here below.

Share-based compensation plans granted by Banca Generali

At 31 December 2016, the share-based compensation plans granted by Banca Generali are composed of two stock option plans reserved respectively to financial promoters and network managers and Relationship Managers (employees) of Banca Generali, approved by Shareholder's meeting on 21 April 2010. These option plans are already vested and also the option exercisable period is near to end.

Banca Generali remuneration and incentive policy foresees that a portion of variable remuneration to key employees is assigned through payments based on own financial instruments.

Option plans designated to financial promoters and network managers and Relationship Managers of Banca Generali

With reference with the plans approved in 2010, at the end of the financial year 2016 the granted options amounted to 434 thousands, of which 38 thousands reserved to the relationship managers (employees). All mentioned options expires by 30 June 2017.The reduction of stock options respect to prior period was mainly due to exercise of options by the relationship manager and, in a lesser extent, to the end of the relationships with some financial promoters.

The fair value mentioned of the share options was between € 1.01 and € 0.65, depending on the exercise date.

The cost recognised during 2016 exercise in relation to these plans was of € 0.03 million.

Share based payments granted by Banca Generali

	Number of options	Average price of the year
Options outstanding as at 31/12/2015	**779,511**	**10.7**
Granted (*)	0	0.0
Forfeited	5,318	10.7
Exercised	340,007	10.7
Expired	0	0.0
Options outstanding as at 31/12/2016	**434,186**	**10.7**
Of which exercisable	434,186	10.7

(*) Excluding shares allocated on the basis of the share based compensation plans linked to the variable component of remuneration related to performance targets, as these plans are not comparable to stock option plans adopted in 2010.

Share-based payment plans as part of the variable component of remuneration linked to performance objectives

As part of the policy on remuneration and incentives in relation to key personnel of Banca Generali Group, applied as from 2015, on, is expected that a portion of the variable remuneration, both current and deferred, takes place through the allocation of financial instruments of Banca Generali.

The total number of shares to be granted is determined by dividing the 25% of the variable compensation payable in shares, for the average of the price of Banca Generali share in the three months preceding the meeting of the Board of Directors which approves both individual and consolidated financial statements of Banca Generali.

The actual number of shares allocated to beneficiaries can in any case vary in relation to the verification of the effective achievement targets set at the individual level for the year.

The fair value Banca Generali share at the grant date is the stock market price recorded on the date of the shareholders meeting approving the Remuneration Policy for the current year.

Within the first cycle linked to variable remuneration for 2015, approved by the shareholders on 23 April 2015, the shares to be allocated to key personnel totalled 68,250, of which 51,960 assigned to network managers, 14,578 to employees of Banca Generali and 1,712 to employees of BGFML.

For the purposes of determining the number of shares to be allocated, the reference price of Banca Generali shares, determined as the average of the official quotations between 12 December 2014 and 9 March 2015, it was determined as of 23.94 €. The fair value Banca Generali action on the grant date of the shares was determined based on the action of the market price recorded as at 23 April 2015, amounted to approximately € 29.4.

The first tranche of the shares has been allocated on 27 April 2016 for a total of 38,099 own shares.

The total fair value of the plan was estimated at about € 2 million, of which 1.6 million were already accounted for in 2015, and 0.3 million recorded in the year 2017.

The second plan of payments in shares, on the variable remuneration of 2016, was approved by the shareholders on 21 April 2016 and has substantially the same characteristics as of the previous year, with the only difference of the extension of this type of compensation also for variable compensation below the threshold of € 75 thousands. In this context, the Assembly of April 21, 2016 approved the repurchase of a maximum number n. 67,051 own shares, which was subsequently authorized by the Bank of Italy in date 6 June 2016.

For the purposes of determining the number of shares to be allocated, the reference price of Banca Generali shares, determined as the average of the official quotations between 12 December 2015 and 9 March 2016, was defined as of € 25.26. The fair value Banca Generali shares on the grant date of the shares was determined based on the market price recorded as at 21 April 2016, amounting to € 26.

In relation to the assessment of the achievement by the key personnel of the objectives set for 2016 it is estimated that the share of variable compensation subject to payment of shares amounts to approximately 77.4 thousand shares, for a total fair value of the plan of € 1.9 million.

Share-based compensation plans granted by Generali France

At the balance sheet date there are the following share-based compensation plans granted by Generali France to the employees of Generali France group: eight stock grant plans approved by the board on 21 December 2006, 20 December 2007, 4 December 2008, 10 December 2009, 9 December 2010, 14 March 2012, 25 June 2013, 7 March 2014 and 6 March 2015 and 9 March 2016, and a stock granting plan, reserved to the employees of the Generali France group.

At 31 December 2016, the number of shares granted amounted to 5,643,393 preferred shares, of which 323,197 related to the plan granted for 175th anniversary of foundation of Parent Company.

With reference to the stock granting plans assigned by Generali France within the scope of IFRS 2, the charge recognised in the profit or loss amounted to € 17.4 million. The plans are considered as cash-settled and therefore a € 106 million liability was accounted for.

47 Contingent liabilities, commitments, guarantees, pledged assets and collaterals

47.1 Contingent liabilities

In the course of the ordinary business, the Group may encounter agreements or transactions which do not lead to the recognition of these commitments as assets and liabilities in the consolidated financial statements according to the IFRS definitions and requirements (contingent assets and liabilities). At 31 December 2016 the estimate of the contingent liabilities results as immaterial or related probability of occurrence results as remote.

A contingent liability is:

- a possible obligation that arise from past events and whose existence will be confirmed only by occurrence or non occurrence of one or more uncertain future events not wholly within the control of the entity; or
- a present obligation that arises from past events but is not recognized because:

(i) it is not probable than an outflow of resources embodying economic benefits will be required to settle the obligation; or
(ii) the amount of the obligation can not be measured with sufficient reliability.

47.2 Commitments

Generali Group at 31 December 2016 has subscribed commitments for a total amount of approximately € 4,512 million, related to potential commitments on investments, loans and other commitments.

Because part of these commitments may expire without being called back, the amounts disclosed are not indicative of the actual liquidity needs arising from these commitments.

In particular, approximately € 1,780 million represent commitments associated with alternative investments (private equity), mainly allocated in private equity funds which are consolidated line-by-line by the Group. Approximately € 1,008 million refer to several investment opportunities and, in particular, to real estate investment funds. The potential commitments to grant loans amount to approximately € 444 million, mainly associated to liquidity or funding needs of the customers of the Group's banking operations.

As far as other commitments are concerned, approximately € 953 million refer to potential commitments of the German life companies towards a German entity in order to protect the policyholders in the local market if the funds already available within the policyholders protection scheme are not sufficient to face the insolvency of one or more insurers.

47.3 Guarantees

The Group's nominal exposure towards third parties amounts to € 839 million, of which € 707 million refer to guarantees provided in the context of the Group's real estate development and € 118 million to sureties normally given by Banca Generali as part of it ordinary business.

Furthermore, the Group in the context of its business operations in some countries receives guarantees provided by third parties, mainly in the form of letters of credit.

47.4 Pledged assets and collaterals

At 31 December 2016, as already mentioned in the paragraph *Assets transferred that do not qualify for derecognition* of the section *Investments*, the Group has pledged approximately € 3,417 million of its assets. In particular, approximately € 1,891 million have been pledged to cover bonds and loans issued, mainly related to the Group's banking and real estate activities, and approximately € 1.037 million to cover its reinsurance activities. Residual part is related to collateral pledged in relation to transactions in derivatives.

Furthermore, the Group has received financial assets as collateral for approximately € 5,641 million, in particular for transactions in bonds and loans for approximately € 4,428 million and € 827 million to cover Group reinsurers' obligations.

48 Agreements resulting from leasing operations

In the course of the ordinary business, the Group companies normally enter into leasing agreements as lessees. Mentioned agreements are mainly related to use of real estates used for business, company cars and office furniture and equipment. Among those agreements, none of them results material at single contract level.

In some cases Group companies acts also as lessor, mainly related to real estates rental through operating lease. The value of real estates involved in these arrangements is of approximately € 3,330 million. Among those agreements, none of them results material at single contract level.

49 Significant non-recurring events and transaction

The Group is concluding the sale arrangement of assets in Guatemala and Lichtenstein.

For more information on this matter refer to the paragraph *"Information on consolidation perimeter and group companies"*.

50 Other Information

In 2015 the Company appealed the decision of the Labour Court of Trieste that had dismissed Generali's claim to make null and void the settlement agreement signed upon termination of the work relationship and to obtain the restitution of the amount already paid to Mr. Perissinotto. The proceeding is currently pending before the

Labour Division of the Court of Appeal of Trieste. Furthermore, Generali appealed before the Supreme Court against the first instance decision that had declined its jurisdiction in favour of the "Tribunale delle Imprese" (court specialized in corporate matters) with reference to the claims for damages. The Supreme Court upheld the appeal and the proceeding has been re-filed and is currently pending before the Labour Court of Trieste.

The same Labour Court of Trieste, with separate measures of March 2015 and November 2016, initially dismissed both the claims for damages, and of the appeal of the settlement of the employment relationship with Mr. Agrusti, as well as the claims for damages of the same Mr. Agrusti, and subsequently it quantified the STI bonus in 2013 due to the Mr. Agrusti, condemning the company to its payment. In this period it is pending the deadline for appeal against such measures.

51 Audit and other service fees for the fiscal year

In the table below, filled under the article 149-duodecies of Consob Regulation, are reported the 2016 fees for auditing and other services to Parent company's audit and companies within audit company's network..

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Audit and other service fees

(in migliaia di euro)	E&Y Italy	E&Y Network
	31/12/2016	31/12/2016
Parent Company	**16,683**	**545**
Audit fee	1,155	449
Attestation service fees	4,323	10
Other services	11,205	86
Subsidiaries	**3,828**	**22,271**
Audit fee	1,996	16,532
Attestation service fees	1,261	2,107
Other service fees	571	3,632
of which Tax service fees	307	150
of which Other services	264	3,482
Total	**20,511**	**22,816**