

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010, to article 10 of EU Regulation n. 537/2014 and to article 102 of Legislative Decree n. 209, dated 7 September 2005

(Translation from the original Italian text)

To the shareholders of
Assicurazioni Generali S.p.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Generali Group (the Group), which comprise the balance sheet as at December 31, 2019, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flow for the year then ended and the explanatory notes.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at December 31, 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the Regulation issued to implement article 90 of Legislative Decree dated 7 September 2005, n. 209.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We are independent of the Assicurazioni Generali S.p.A. in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We identified the following key audit matters:

Key Audit Matters	Audit Responses
<p>Valuation of goodwill</p> <p>At 31 December 2019, goodwill amounted to Eur 7,180 million. Based on IAS 36 - Impairment of Assets, goodwill is measured at cost less any impairment losses. At least annually, the Group carries out an impairment test, comparing the recoverable amount of each Cash Generating Unit (CGU) to which goodwill was attributed to with the corresponding carrying amount. The recoverable amount is represented by the higher between the fair value and the value in use determined by the Group through the Dividend Discount Model (DDM).</p> <p>The financial statement information relating to goodwill is disclosed in the explanatory notes in the section "Accounting principles" and in note n. 4.</p> <p>The DDM requires the use of assumptions with a high level of subjectivity, such as flows of dividends extrapolated from business plans, nominal growth rates and cost of capital. Furthermore, the persistence of low interest rate level, in past years, in many of the countries where the Group operates has led to a decrease in the profitability of CGUs of the life segment, representing more than 50% of the total amount, and, therefore, a reduction in the surplus between the carrying amount and the recoverable amount. Similar effects were generated by the high volatility of the financial markets which led to a negative trend in the assets under management of the GCU Multiboutique in the Asset Management segment.</p> <p>For these reasons, we considered this aspect a key matter for our audit.</p>	<p>The audit response included several procedures, the most relevant of which are outlined below:</p> <ul style="list-style-type: none"> • An understanding of the process related to the determination of the recoverable amounts designed by the Group and of the related key controls, as well as the testing of these controls, taking into consideration the impairment test procedures approved by the Board of Directors on February 13, 2020; • The evaluation of the appropriateness of the methodologies applied by the Management to determine the recoverable amounts; • The evaluation of the reasonableness of the assumptions used by the Management to determine the recoverable amounts, in particular with reference to flows of dividend extrapolated from business plans, nominal growth rates and cost of capital; • The analysis of related results. <p>We also involved valuation specialists to assist us in performing our audit procedures. Finally, we assessed the adequacy of the disclosures provided in the explanatory notes.</p>
<p>Evaluation of complex or non-listed financial investments</p> <p>At 31 December 2019, the consolidated financial statements included Eur 31,049 million and Eur 10,533 million categorised respectively as level 2 and level 3 of the fair value hierarchy stated by IFRS 13 - Fair Value</p>	<p>The audit response included several procedures, the most relevant of which are outlined below:</p> <ul style="list-style-type: none"> • An understanding of the process related to the determination of the fair value and of the related key controls, as well

Measurement.

The financial statement information relating to investments is disclosed in the explanatory notes in the section "Accounting principles" and in notes n. 39, 40 and 41.

No active market exists for these investments, so their fair value is determined through methodologies and calculation models with a high level of subjectivity when choosing the assumptions, such as interest rates, yield curves, credit spreads and dividend estimates; therefore, we considered this aspect a key matter for our audit.

as the testing of these controls;

- The performance of independent repricing, for a sample of investments, in order to verify the reasonableness of the fair value at year end.

We also involved valuation specialists to assist us in performing our audit procedures.

Further, we assessed the adequacy of the disclosures provided in the explanatory notes.

Non-Life technical provisions estimation

The technical provisions of the non-life segment, recorded at 31 December 2019 for an amount equal to Eur 31,652 million, are accounted for based on local GAAP applied by the individual insurance companies of the Group in their separate financial statements, since these contracts fall within the scope of the IFRS 4 – Insurance Contracts. In accordance with this standard, no provisions for any future claims were recognised, with the consequent elimination of the equalisation provisions and the additional components of the unearned premiums reserve.

The financial statement information relating to non-life insurance provisions is disclosed in the explanatory notes in the section "Accounting principles" and in note n. 13.

The valuation of the non-life technical provisions is therefore a well-structured estimation process that requires the use of complex methodologies and statistical and actuarial calculation models, characterized by a high level of subjectivity when choosing the assumptions, such as the frequency and average cost of the claims, used as input to develop the estimate. This is further highlighted in long-tail businesses such as motor, which represent around 45% of total provisions.

For these reasons, we considered this aspect a key matter for our audit.

The audit response included several procedures, the most relevant of which are outlined below:

- An understanding of estimation process of non-life technical provisions designed by the Group and of the related key controls, as well as the testing of these controls; these procedures were carried out with reference to the controls over completeness, accuracy and appropriateness of data related to the insurance portfolio used to calculate the non-life technical provisions, taking into consideration also the control activities performed by the actuarial function of the Group and the related results;
- The evaluation of the appropriateness of the methodologies and the reasonableness of the assumptions used to estimate the non-life technical provisions, including the additional technical provisions;
- Comparative analyses through the calculation of appropriate indicators observed historically and their correlation with other significant financial statements indicators, as well as the consistency with other financial statements information, the expected values and the results determined in previous financial years;
- The verification, for each line of business deemed significant, that the estimated amount of the technical provisions is included in a range of acceptable values, also through independently reperforming of the

actuarial calculation, when applicable.

We also involved actuarial specialists to assist us in performing our audit procedures.

Further, we assessed the adequacy of the disclosures provided in the explanatory notes.

Life technical provisions estimation

The technical provisions of the life segment, recorded at 31 December 2019 for an amount equal to Eur 387,560 million, refer to insurance contracts and investment contracts with discretionary participation features. According to IFRS 4, the provisions are accounted for based on local GAAP applied by the individual insurance companies of the Group in their separate financial statements. Liabilities related to these contracts are determined analytically for each type of contract on the basis of appropriate actuarial assumptions, and are adjusted to cope with all existing commitments in the best estimates scenario; these also include the policyholders' share of the difference between the carrying value of the basis on which the profit sharing is determined and the corresponding value used to determine the current profit retroceded to the policyholders ("shadow accounting"). In accordance with IFRS 4, in order to verify the adequacy of the life technical provisions, a Liability Adequacy Test (LAT) is carried out. This test is performed through the comparison of the IFRS reserve, which include the impact of "shadow accounting", net of any deferred acquisition costs (DACs) or intangible assets related to the contracts under analysis (VoBa), with the current value of future net cash flows relating to insurance contracts.

The financial statement information relating to life insurance provisions is disclosed in the explanatory notes in the section "Accounting principles" and in note n. 13.

The valuation of the life technical provisions is therefore a well-structured estimation process that requires the use of complex statistical and actuarial calculation methods and models, characterized by a high level of subjectivity when choosing the assumptions, such as mortality, morbidity, discount rates, expenses and inflation.

Furthermore, the persistence of low interest rate

The audit response included several procedures, the most relevant of which are outlined below:

- An understanding of estimation process of life technical provisions designed by the Group and of the related key controls, as well as the testing of these controls; these procedures were carried out with reference to the controls over completeness, accuracy and appropriateness of data related to the insurance portfolio used to calculate the life technical provisions, taking into consideration also the control activities performed by the actuarial function of the Group and the related results;
- The evaluation of the appropriateness of the methodologies and the reasonableness of the assumptions used by the Group to perform the Liability Adequacy Test (LAT) with regard to the purposes of the test itself as defined by IFRS 4 and the performance of test of detail on the underlying data, including those referring to "shadow accounting", DAC and VoBa elements;
- The assessment of the compliance of the methodologies used for the attribution to the policyholders of the difference between the carrying value of the basis on which the profit sharing is determined and the corresponding value used to determine the current profit retroceded to the policyholders, in accordance with IFRS 4;
- Comparative analyses through the calculation of appropriate indicators observed historically and their correlation with other significant financial statements indicators, as well as the consistency with other financial statements information, the expected values and the results determined in previous financial years;

level, in past years, in many of the countries where the Group operates has led to an increase of additional provisions resulting from the adequacy test.

For these reasons, we considered this aspect a key matter for our audit.

- The development of an independent range of acceptable values, also through sensitivity analyses, representative of the level of uncertainty in setting the assumptions underlying the estimation of life technical provisions and verifying that these were included in that range.

We also involved actuarial specialists to assist us in performing our audit procedures.

Further, we assessed the adequacy of the disclosures provided in the explanatory notes.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with the Regulation issued to implement article 90 of the Legislative Decree dated 7 September 2005, n. 209, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Parent Company Assicurazioni Generali S.p.A. or to cease operations, or has no realistic alternative but to do so.

The statutory audit committee ("collegio sindacale") is responsible, within the terms provided by the law, for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- we have obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

Additional information pursuant to article 10 of EU Regulation n. 537/14

The shareholder of Assicurazioni Generali S.p.A., in the general meeting held on April 30, 2011, engaged us to perform the audits of the separated and consolidated financial statements of each year ending December 31, 2012 to December 31, 2020.

We declare that we have not provided prohibited non-audit services, referred to article 5, par. 1, of EU Regulation n. 537/2014, and that we have remained independent of Assicurazioni Generali S.p.A. in conducting the audit.

We confirm that the opinion on the consolidated financial statements included in this report is consistent with the content of the additional report to the audit committee ("collegio sindacale") in their capacity as audit committee, prepared in accordance with article 11 of the EU Regulation n. 537/2014.

Report on compliance with other legal and regulatory requirements

Opinion pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39 dated 27 January 2010 and of article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998

The Directors of Assicurazioni Generali S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and Ownership Structure of Generali Group as at December 31, 2019, including their consistency with the related consolidated financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to express an opinion on the consistency of the Report on Operations and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, with the consolidated financial statements of Generali Group as at December 31, 2019 and on their compliance with the applicable laws and regulations, and in order to assess whether they contain material misstatements.

In our opinion, the Report on Operations and the above mentioned specific information included in the Report on Corporate Governance and Ownership Structure are consistent with the consolidated financial statements of Generali Group as at December 31, 2019 and comply with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Statement pursuant to article 4 of Consob Regulation implementing Legislative Decree n. 254, dated 30 December 2016

The Directors of Assicurazioni Generali S.p.A. are responsible for the preparation of the non-financial information pursuant to Legislative Decree n. 254, dated 30 December 2016. We have verified that non-financial information has been approved by Directors.

Pursuant to article 3, paragraph 10, of Legislative Decree n. 254, dated 30 December 2016, such non-financial information is subject to a separate compliance report signed by us.

Trieste, 31 March 2020

EY S.p.A.

Signed by: Mauro Agnolon, auditor

This report has been translated into the English language solely for the convenience of international readers.