

6th May 2020

Colombo Stock Exchange
04-01 West Block
World Trade Centre
Echelon Square
Colombo 1.

*Attn. Mr. Renuke Wijayawardhane
Chief Regulatory Officer*

Dear Sirs,

RE: CIRCULAR NO: 06-04-2020 – DISCLOSURE REGARDING IMPACT OF COVID-19 ON BUSINESS/OPERATIONS OF PEOPLE'S INSURANCE PLC – CORPORATE DISCLOSURE (PINS)

With reference to your Circular dated 20th April 2020, we hereby disclose the following with regard to the Company's business/operations in view of the ongoing COVID-19 pandemic.

Impact of COVID-19 pandemic on the business/operations

The Company has taken measures to strictly comply with the guidelines and directions issued by both the Government and Insurance Regulatory Commission of Sri Lanka (IRCSL) in conducting the Company's business operations in this regard.

COVID-19 has had a significant impact on the Company's normal business operations as the opening and closing times, customer interactions, work arrangements, etc have had to be changed to proactively to face this situation. In addition, slow-down of premium income growth and collections (IRCSL announced a three months' grace period to all policyholders to pay their premiums if the payable period is from 1st March 2020 to 30th June 2020), market interest rate reductions and crash of the stock market have had an impact on the Company's business while it has experienced a decline in motor claims.

Company's response to the impact of the COVID-19 pandemic

The company has taken several steps to ensure the safety of its employees, customers, Board members and other stakeholders. These include cleaning of premises with sanitizers and placing sanitizers at key locations, educating staff on safety measures including maintaining social

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distancing and exploring digital and other modes for internal communications and serving customers.

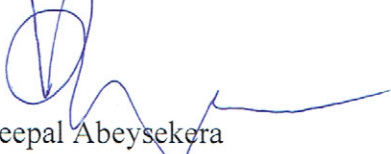
The Company has taken measures to continue its all key business activities including issuance of insurance policies, operation of the call centre and claims payments to ensure business continuity. Work from home facilities were arranged to employees for this purpose, also taking data security in to consideration. Digital communication modes were used to monitor and discuss the progress of these key activities on a timely basis by the senior management. Steps were taken to keep the Head Office and branches opened from the date Insurance was declared as an essential service by the Government.

Company's expectation of the future impact of COVID-19 on the company's future operations and financial condition

As the pandemic is still evolving, it has not been possible to fully quantify the future impact of COVID-19 on the Company's operations. However, business volumes, premium collections and investment income are likely to have a negative impact while motor claims are likely to decline if travelling/transport is continued to be restricted within the country. The management will continue to closely observe market developments and take all decisions and measures to deliver shareholder value.

Yours faithfully,

PEOPLE'S INSURANCE PLC



Deepal Abeysekera
Chief Executive Officer