

11th May 2020

Mr. Renuke Wijayawardhane,
Chief Regulatory Officer,
Colombo Stock Exchange,
04-01, West Block,
World Trade Centre,
Colombo 01.

Dear Sir,

DISCLOSURES REGARDING THE IMPACT OF COVID-19 ON VALLIBEL FINANCE PLC

This announcement by Vallibel Finance PLC (also referred to as “VFIN” and “Company”) is written in response to the circular by the Colombo Stock Exchange (CSE) dated 20th April 2020 requiring insight on the impacts of the COVID-19 pandemic on the Company’s business operations and activities.

In consideration of the island-wide curfew imposed by the Government on 20th March 2020, the Company enacted ‘work from home’ measures for all employees ensuring their safety and well-being in this period of uncertainty. However, the subsequent declaration by the Government of Licensed Finance Companies (LFCs) as an essential service resulted in the Company re-commencing business operations in both curfew and non-curfew areas limited to critical functions to ensure uninterrupted services to our customers. In doing so, VFIN ensured adherence to Government restrictions placed on business operating hours, staff participation, and customer interactions, while following the guidelines on social distancing and protective equipment usage as recommended by health authorities, thereby safeguarding the health and safety of staff and customers. The Company’s Head Office in Colombo and branches across the country remained closed to customers during curfew hours with only limited office staff and corporate management reporting to work on a roster basis. All other staff worked from home since 20th March 2020 with the Company supplying infrastructure as required. The Company has also established online platforms through which to conduct meetings. However, branches commenced normal business operations in non-curfew districts and times but strictly followed and monitored the adherence to social distancing guidelines and established other precautionary measures to safeguard workplace health and safety.

The Central Bank of Sri Lanka (CBSL) issued directions and guidelines for financial institutions to offer concessions on financial obligations to individual customers and private business operations as a result of the adverse short-term impact on their sources of income.

The Company at once adhered to these directions and guidelines and has taken the appropriate measures to offer affected customers relief measures. VFIN is currently in the process of receiving applications from our customers and will work closely with them to finalise their requirements and agree to new terms within the stipulated conditions of the CBSL.

The Company continues to serve the needs of our deposit customers by following their instructions and accepting deposits, renewing deposits, paying-out matured deposits and making regular interest payments.

Maintaining a strong liquidity position during this uncertain period remains a key priority for VFIN. The Company's current strong liquidity position built over a period of time is a source of financial strength, while VFIN has also taken all necessary measures to ensure continuation of confirmed credit lines with banking institutions.

The Company has also enacted a process to review costs to implement cost savings measures in the coming months, while maintaining efficiencies and productivity without disadvantaging our stakeholders.

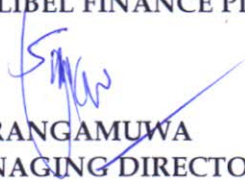
The above-mentioned factors have had an impact on normal business operations of VFIN from 20th March 2020 to date. The Company, as a leading LFC with a strong financial position, is confident of the resilience of our people and resources to withstand the impacts arising from this crisis as currently foreseen. However, the exact impact on the business in the foreseeable future is still to be realised given the volatility and unexpected developments caused by COVID-19 pandemic globally. VFIN will continue to monitor the impacts to business operations and stakeholders and will proactively take measures to ensure business continues with minimal interruptions as far as possible in these times. The strength and commitment of the Company's Board of Directors, corporate and senior management and staff, with the support from all our stakeholders will enable the Company to emerge from this difficult period stronger and better in the longer-term, despite shortfalls which will be seen in the short-term.

The Company will keep shareholders and other stakeholders informed of any new material developments as and when they occur.

Thank You,

Yours faithfully

VALLIBEL FINANCE PLC.



S B RANGAMUWA
MANAGING DIRECTOR