

29th 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: 03-04-2020 - DISCLOSURE REGARDING EXERCISE OF EXTENTION TO PUBLISH ANNUAL REPORT OF PEOPLE'S INSURANCE PLC

With reference to your Circular dated 10th April 2020 regarding Extension of Timelines for Submission of Financial Statements and Enforcement Action, we hereby disclose the following with regard to the exercise of extension granted to submit Annual Report for the year ended 31st December 2019.

1. Revenue

For the year ended 31 December	2019 Rs.	2018 Rs.
Net earned premium (Note 1)	5,261,735,878	4,709,485,620
Other revenue	846,790,072	723,182,755
Revenue	6,108,525,950	5,432,668,375

Note 1

For the year ended 31 December	2019 Rs.	2018 Rs.
Gross written premium	6,029,973,270	5,591,815,141
Change in reserve for unearned insurance premium	(228,585,742)	(430,497,807)
Gross earned premium	5,801,387,528	5,161,317,334
Premium ceded to reinsurers	(580,764,338)	(482,181,063)
Change in reserve for unearned reinsurance premium	41,112,688	30,349,349
Net earned premium	5,261,735,878	4,709,485,620

2. Brief of future outlook

Given the present condition, the Company's immediate priority will be on customer retention and service, premium collections, prudent investment management and ensuring uninterrupted business operations during this challenging period. Over the medium to long-term however, the Company's strategic priorities remain unchanged and are centered on the vision – 'To lead in value growth in general insurance through innovation and service excellence'.

3. Message to investors

Impact of COVID-19 pandemic on the business/operations

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 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 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.

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

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

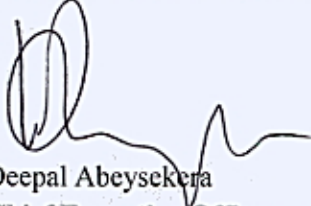
As the pandemic is still evolving, it has not been possible to fully quantify the future impact of COVID-19 on the Company's operations. However, business volumes, premium collections and investment income are likely to have a negative impact while motor claims are likely to decline if travelling/transport 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.

4. Communication with Directors and Key Management Personnel who have access to unpublished price sensitive information

All measures have been taken to retain the unpublished confidential and price sensitive information that may be accessed by the Directors and Key management personnel in utmost care. Both Directors and Key Management Personal have declared that they refrain from divulging and unpublished price sensitive information to any third party or use for their personal gain and benefit. To this extent the Company is confident that the shareholders who are deprived of getting the Annual Report within the stipulated time frame given in CSE regulations have been taken care of.

Yours faithfully,

PEOPLE'S INSURANCE PLC

A handwritten signature in black ink, appearing to be 'Deepal Abeyssekera', written over a horizontal line.

Deepal Abeyssekera
Chief Executive Officer