



# PROGRESSIVE INSURANCE COMPANY LTD.

**Mr. Hafiz Maqsood Munshi**

Manager

Companies & Securities Compliance RAD

Pakistan Stock Exchange Ltd.

Stock Exchange Building

Stock Exchange Road

Karachi.

July 9, 2019

PROG/PSX/0246/2019

**Sub; Presentation As Per Your Request.**

Dear Sir,


We a please to inform you that we have booked PSX auditorium on 12 July 2019 at 11:00 am.

We will be making a company presentation on the scheduled date and time.

This is being done upon your request we hope that you would be kind enough to put a company on the active trading list.

We thanks you guidelines and cooperation.

Yours Sincerely,

  
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**G. Nabi Sheikh**  
**Manager Operations**

**(Enclosed Business Plan 2019-23)**



# PROGRESSIVE INSURANCE COMPANY LIMITED

BUSINESS PLAN  
2019-23

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# Sequence

Introduction

This Business Plan

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Management Team

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Customer Profile

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# Introduction

# Business Plan

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## Identify:

- Marine and Travel Insurance policy
  - Investing the surplus funds in high yield treasury bills
- Health, Fire and Theft
- Reduce Overhead Expenditures
- New products in the insurance sector

## Vision

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To strengthen the roots of the company, lifting it way past other companies to standout and emerge as one of the leading Insurance Companies of Pakistan

## Mission

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- Strive hard to provide its clients with the highest quality insurance within targeted market.
- To grow as a professional and trusted business entity with the objective to play a leading role in the progress of insurance industry and to provide cost effective risk management solutions to its policy-holders / participants through highest level of quality and safeguard interest of the policy holders, shares holders, re-insurance, business associate's partners as a whole.



## Strategic Goals

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- Personalized service and value-priced insurance products
- Good working relationships with our past insurers
- Explore new markets
- Sales incentives

## Implementation

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- \* Knowledgeable, friendly and Empathetic staff
- Expectations based Policies
- Timely delivery of Policies and Endorsements
- Annual insurance review for our clients

# Management Team

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Highly skilled employees

Importance of good communication

# Competitive Comparison & Customer Profile

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Our company's strength lies in the quality and depth of our products. We will have a call center open twenty four hours to help and guide them and give the best possible quotation.

Progressive Insurance Company's average client will be small medium and large companies and individuals.

Our main goal will be to convince and attract people have the same business.

Presently the existing market is under development and we are looking for more clients.

## Marketing Plan & Strategies

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Extensive marketing campaign

Develop/expand its referral network

Develop numerous relationships with local businesses and professional organizations

Advertisement via Internet and traditional print media



# Strategy and Implementation Summary

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## Build an Insurance Partnership

The customer does not want to shop every year for a new company. We will concentrate on building a long term relationship with our customers and make the client and our staff appreciate the value of a long-term relationship.

Focus on target markets. We will focus on personal and business customers that we identify and select to insure, make our brand that customers choose us.

## Pricing

Customers are especially sensitive to value. We will ensure that our price and service are perceived to be good value to our client.

We will offer several payment options to our clients that are convenient to the client, not just to the company.

Example - payment on insured's preferred day of month, and accepting payment by credit or debit card.

Since many insured are on a fixed income and receive their income on a set day of each month or a paycheck on a particular day. We will give them three days of free insurance as grace period.

We are seeing our commercial markets now moving toward basic coverage and limiting the "bells and whistles," all-risk products available to only those clients who have modern, well-managed, profitable, low-risk operations. This should help stabilize pricing and, even more important, ensure that there is an insurance market available for most risks. Continued insistence by the industry on better protection, i.e. fire and burglar alarms, upgrading of buildings, etc, have started to lower loss ratios, we will ensure that the middle class gets burglar alarms and fire extinguishers at subsidized rates.

# Organization Structure

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## Corporate Organization

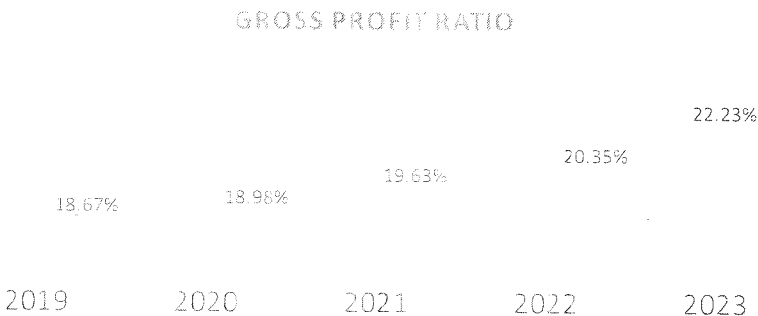


# Forecasts & Analysis

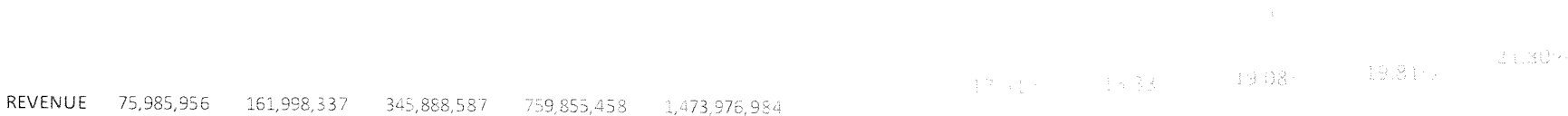
The Company and its management expect a strong rate of growth at the start of operations. Below is the expected revenue for the next 5 years.



## Gross Profit Analysis



## Net Profit Analysis





# Projected Balance Sheet

**PROGRESSIVE INSURANCE**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER**

*Annexure 1*  
*Amounts in PKR Rupees*

<b>ASSETS</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Non - current assets</b>					
Tangible Assets	505,927,883	546,373,674	594,619,464	727,310,255	1,073,185,255
Investment in securities	4,171,384	4,220,820	16,743,642	20,225,594	22,221,886
Investment in properties	9,285,785	12,968,689	13,656,586	15,458,455	25,656,256
	<u>519,385,051</u>	<u>563,563,183</u>	<u>625,019,692</u>	<u>762,994,304</u>	<u>1,121,063,397</u>
<b>Current assets</b>					
Insurance/ Reinsurance receivables	23,118,803	21,950,496	46,389,867	100,377,589	156,242,235
Prepayment	1,000,048	2,500,102	3,576,620	4,856,550	8,989,560
Loan and other Receivables	2,235,878	503,684	395,986	1,254,553	1,885,856
Cash and cash equivalents	5,174,782	5,652,923	1,492,131	20,827,706	456,276,166
	<u>32,529,511</u>	<u>30,617,205</u>	<u>49,320,342</u>	<u>85,661,286</u>	<u>10,841,486</u>
<b>TOTAL ASSETS</b>	<u>551,914,562</u>	<u>594,180,387</u>	<u>674,340,033</u>	<u>848,655,590</u>	<u>1,131,904,883</u>
<b>EQUITY AND LIABILITIES</b>					
Share Capital	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000
Deposit from Sponsor	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000
Retained earnings	9,526,788	30,316,676	76,523,355	181,903,271	376,424,445
Unrealized gain on investment	1,649,169	3,655,859	4,525,420	7,160,870	9,926,720
<b>Total equity</b>	<u>525,175,956</u>	<u>547,972,534</u>	<u>595,048,775</u>	<u>703,074,141</u>	<u>900,351,165</u>
<b>Current &amp; Non-current Liabilities</b>					
Insurance/ Reinsurance Payables	1,594,808	16,761,121	46,941,161	103,561,111	182,494,603
Unearned Premium Reserves	101,800	767,552	3,139,034	4,893,058	9,138,375
Strategic finance facility	20,000,000	38,000,000	30,000,000	40,000,000	45,000,000
Other non-current liabilities	100,000	858,080	1,515,047	1,030,380	2,060,160
<b>Total current &amp; non-current liabilities</b>	<u>26,738,606</u>	<u>46,207,853</u>	<u>79,291,259</u>	<u>145,581,449</u>	<u>231,553,718</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>551,914,562</u>	<u>594,180,387</u>	<u>674,340,033</u>	<u>848,655,590</u>	<u>1,131,904,883</u>

# Business Ratios

	2019	2020	2021	2022	2023
Net Profit Ratio	12.54%	12.83%	13.36%	13.87%	14.58%
Gross Profit Ratio	18.67%	18.98%	19.63%	20.35%	21.27%
Current Ratio	5.21	1.76	1.03	0.82	0.06
Debt Equity Ratio	0.05	0.08	0.13	0.21	0.26
Return on Equity	3%	5%	11%	21%	31%
Ordinary Share Capital / Total Assets	0.95	0.92	0.88	0.83	0.8
Total Liabilities / Total Assets	0.05	0.08	0.12	0.17	0.20

# Profit And Loss Statements

	Annexure 2				
	Amounts in PKR Rupees				
	2019	2020	2021	2022	2023
Net insurance premium	75,985,956	161,998,337	345,888,587	759,855,458	1,333,643,889
Net insurance claims	(32,547,685)	(66,132,351)	(139,132,140)	(312,334,414)	(563,106,708)
Net commission and other acquisition costs	(2,659,508)	(5,183,947)	(10,895,490)	(23,175,591)	(46,810,900)
	(35,207,193)	(71,316,298)	(150,027,630)	(335,510,006)	(609,917,608)
Insurance claims and acquisition expenses					
Management expenses	(26,595,085)	(59,939,385)	(127,978,777)	(269,748,688)	(440,102,483)
Underwriting results	14,183,678	30,742,655	67,882,180	154,596,765	283,623,797
	0	0	0	0	0
Rental income	928,579	1,296,869	1,365,659	1,545,846	2,565,626
Other income	75,986	161,998	345,889	759,855	1,333,644
Other expenses	(398,346)	(849,681)	(1,814,186)	(3,985,442)	(6,994,962)
Results of operating activities	606,018	609,186	(102,638)	(1,679,741)	(3,095,693)
Finance cost	(1,180,000)	(1,652,000)	(1,770,000)	(2,360,000)	(2,655,000)
Profit before tax	13,609,697	29,699,841	66,009,541	150,557,024	277,873,105
Income tax expense	(4,082,909)	(8,909,952)	(19,802,862)	(45,167,107)	(83,361,931)
Total Profit for the Period / Year after tax	9,526,788	20,789,888	46,206,679	105,389,917	194,511,173
Net Profit %	12.54%	12.83%	13.36%	13.87%	14.58%

# Cash Flow Statement

## PROGRESSIVE INSURANCE STATEMENT OF CASH FLOWS

Annexure 3  
Amounts in PKR Rupees

	2019	2020	2021	2022	2023
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Total profit for the year/period	9,526,788	20,789,888	46,206,679	105,389,917	194,511,173
Adjustments for:					
Depreciation	56,214,209	66,954,209	79,754,209	103,359,209	89,825,000
Unrealized gain on investment	1,649,169	2,006,690	869,562	2,635,450	2,765,850
Operating loss before working capital changes	67,390,165	89,750,788	126,830,449	211,384,576	287,102,023
<i>Increase /(Decrease) in working capital</i>					
Income Tax Paid	(344,500)	(454,600)	(520,000)	(609,000)	(780,500)
Rent Received	473,500	504,200	540,000	668,000	861,000
Commission paid	(129,000)	(49,600)	(20,000)	(59,000)	(80,500)
(Increase) in Insurance and reinsurance receivables	(23,118,803)	1,168,307	(24,439,371)	(53,988,022)	(55,864,347)
Decrease/(Increase) in Prepayment	(1,000,048)	(1,500,054)	(1,026,518)	(1,329,930)	(4,133,010)
Decrease/(Increase) in loans and Other receivables	(2,235,878)	1,732,194	(392,302)	(358,567)	(631,303)
Increase in accruals and other payable	5,591,806	11,167,115	30,179,210	56,620,550	79,932,893
Increase in Unearned Premium reserves	643,800	(55,948)	247,206	154,600	9,297
(Decrease)/ Increase in other current liabilities	500,000	358,080	656,960	(484,960)	1,030,080
<b>Net cash flows from operating activities</b>	<b>47,774,042</b>	<b>102,620,482</b>	<b>132,055,665</b>	<b>211,998,247</b>	<b>307,445,633</b>

(i)

# Cash Flow Statement

## CASH FLOW FROM INVESTING ACTIVITIES

Additions to Vehicles and equipment

Additions to investments

Net cash (used) in investing activities

	2019	2020	2021	2022	2023
Additions to Vehicles and equipment	(562,142,092)	(107,400,000)	(128,000,000)	(236,050,000)	(435,700,000)
Additions to investments	(9,285,785)	(3,682,904)	(687,897)	(1,801,869)	(10,197,801)
Net cash (used) in investing activities	(ii) (571,427,877)	(111,082,904)	(128,687,897)	(237,851,869)	(445,897,801)

## CASH FLOW FROM FINANCING ACTIVITIES

Increase in investment

Capital introduced during the year/period

Deposit for capital (transferred)/ introduced

Strategic finance facility

Net (withdrawals)/introduced during the year/period

Net cash provided in financing activities

	2019	2020	2021	2022	2023
Increase in investment	(4,171,384)	(49,437)	(12,522,822)	(3,481,953)	(1,996,292)
Capital introduced during the year/period	500,000,000	-	-	-	-
Deposit for capital (transferred)/ introduced	14,000,000	-	-	-	-
Strategic finance facility	20,000,000	8,000,000	2,000,000	10,000,000	5,000,000
Net (withdrawals)/introduced during the year/period	-	-	-	-	-
Net cash provided in financing activities	(iii) 529,828,617	7,950,564	(10,522,822)	6,518,048	3,003,708

Net increase in cash and cash equivalents

(i+ii+iii)

Cash and cash equivalents at the beginning of the period, net

Cash and cash equivalents at the end of the period, net

Net increase in cash and cash equivalents	5,174,782	(511,859)	(7,155,054)	(19,335,575)	(135,448,460)
Cash and cash equivalents at the beginning of the period, net	-	6,174,782	5,662,923	(1,492,131)	(20,827,706)
Cash and cash equivalents at the end of the period, net	6,174,782	5,662,923	(1,492,131)	(20,827,706)	(156,276,166)

Cash and cash equivalents at the end of the period comprises of:

Cash and cash equivalents

Cash and cash equivalents	6,174,782	5,662,923	(1,492,131)	(20,827,706)	(156,276,166)
	6,174,782	5,662,923	(1,492,131)	(20,827,706)	(156,276,166)