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Habib Insurance Company Limited

Head Office : Habib Square, M. A. Jinnah Road, P.O. Box # 5217, Karachi.
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U.A.N. : 111-030303 Fax : (92-21) 32421600

Under Seal Cover

Fax No. 111-573-329

March 30, 2011

The General Manager
Karachi Stock Exchange (Guarantee) Ltd
Karachi

Dear Sir,

Re: Financial Results for the year ended December 31, 2010

We have to inform you that the Board of Directors of our Company in their meeting held on Wednesday, March 30, 2011 at 12:00 Noon at the Corporate Office of the Company, recommended the following:

Cash Dividend

A Cash Dividend for the year ended December 31, 2010 at Rs. 1.25 per share of Rs.5/- each i.e. 25%.

Bonus Shares

Bonus Shares in proportion of 12.5 shares for every 100 shares held i.e. 12.5%. We are enclosing herewith Certificate of Free Reserves retained after the proposed issue of Bonus Shares issued by the External Auditors, M/s. KPMG Taseer Hadi & Co., Chartered Accountants.

The financial results of the Company are as follows:

	Rs. in '000	
	2010	2009
Profit for the year after tax	168,482	204,743
Add: Unappropriated Profit from last year	28,878	14,276
Available for Appropriation	197,360	219,019
Basic Earnings per share of Rs.5/- each	Rupees 2.10	2.56

To be appropriated as follows:

Transfer to General Reserve	-	50,000
Cash Dividend @ 25% (2009: 35%)	100,101	140,141
Issue of Bonus Shares @ 12.5% (2009:NIL)	50,050	-
Unappropriated Profit carried forward	47,209	28,878
	197,360	219,019

The profit and loss account of the Company is attached.

The Annual General Meeting of the Company will be held on Saturday, April 30, 2011 at 11:30 a.m. at Karachi.

The above entitlements will be paid to the shareholders whose names will appear in the Register of Members on Saturday, April 16, 2011.