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Company Number:

THE BANKERS INVESTMENT TRUST PLC

HALF YEAR REPORT (unaudited) for the six months ended 30 April 2011

THE BANKERS INVESTMENT TRUST PLC

Unaudited Results for the half year ended 30 April 2011

Chairman's Statement

Review of the period including material events and transactions

Our optimism that global equities would produce further gains has been borne out in the returns generated from Bankers portfolio over the last six months. The increase in net asset value and share price has been against a backdrop of further bailouts in Europe and a noticeable softening in expectations for global economic growth. Performance over the first half of our financial year has seen the net asset value per share rise by 8.5% compared to an increase of 7.5% in the FTSE All-Share Index and a rise of 8.3% in the 50/50 Composite Index. Share prices have increased in value principally due to a continuation in the recovery of corporate earnings, although a further programme of quantitative easing in the US last year has undoubtedly boosted the value of financial and commodity assets around the world. This injection of liquidity is unlikely to be unwound in the medium term and has kept long term interest rates at record low levels helping companies to refinance at favourable rates.

Over the period under review, stock picking has been key to our success and the majority of the positive returns has been generated by the relative outperformance from our UK, European and American portfolios. The ongoing Greek crisis and bailouts for Ireland and Portugal have had little effect on the strong growth in earnings being generated by northern European companies where the vast majority of our European investments are based. Exports to Asia have clearly driven growth in Germany but consumers there are less leveraged and unemployment has been steadily falling having a positive effect on domestic demand. The austerity drive being instigated by the UK government may be suppressing economic growth but there are sectors in the UK that are prospering. The utility sector is enjoying price rises on the back of increasing inflation and exporters are still benefiting from the fall in sterling, especially those companies with exposure to Asia.

So far this calendar year our value orientated investment style is witnessing a notable improvement relative to the broader equity market. Investors appear to be focusing on dividends and valuations and are being more circumspect toward the apparent strong earnings from the highly valued, growth orientated companies. All too often enthusiasm gets the better of investors and growth companies become so highly rated that they struggle to deliver the steady upgrades in prospects that are required to sustain their lofty valuations. In terms of asset allocation we have increased exposure to Japan and the US. Following the devastating earthquake and resulting tsunami in March, the Japanese equity market fell over 8%, reflecting the anticipated disruption to the economy from both the power outages and disruption to supply chains. We felt that the Japanese economy would recover quickly from the initial shock, as it did after the Kobe quake in the mid 90's. The exposure to Japanese equities was increased to 9% of the portfolio. This move was driven by the low valuations we could see and we intend to review the position later in the year when the economic effects will be more clearly evident. The US portfolio was also increased as we felt company valuations were low compared to historic levels and were mismatched relative to the underlying growth rate of their earnings. US investors have been heavy sellers of domestic equities in favour of bonds for the last three years and any reverse of this trend can only be helpful to maintain a recovery in share prices.

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The gearing has been maintained at close to 4%. All bonds have now been sold and cash levels have been reduced. A new £20m borrowing facility has been secured which will provide scope to increase gearing as we become more confident in the sustainability of global economic growth without further stimulus from central banks.

Revenue return and dividends

The impact of slightly reduced equity dividend income in the first half, as a result of the change in the balance of our portfolio, is being rapidly offset by impressive dividend growth across all regions. The percentage of corporate earnings that are currently being paid to shareholders has fallen on average to below 40%, principally due to the rapid recovery in earnings not being matched by a corresponding increase in dividends. From a company point of view this is understandable, as it takes time before confidence in economic recovery translates into higher dividends. It appears that we may have reached this point as many recent dividend declarations have surprised the market in terms of the uplift in payouts.

Our revenue reserves now exceed £30m and more than twice cover the entire annual dividend. It is from this position that we expect to continue our record of 44 years of consecutive dividend growth. We also have the flexibility to invest where we see capital returns not just income opportunities. We reconfirm our forecast in January that dividends declared this year will amount to not less than 12.7p, an increase of 5.0% over last year. Our second interim dividend of 3.175p per ordinary share will be paid on 31 August 2011.

Related party transactions

Details of related party transactions are contained in the annual report. Other than the fees payable by the Company in the ordinary course of business there have been no material transactions with our related party during the six month period affecting the financial position or performance of the Group.

Outlook

The uplift in corporate investment that is required to sustain higher levels of economic growth and create new jobs has yet to materialise. Without this vital extra impetus to economies, the current mid cycle pause in growth that we are witnessing may well continue through to the Autumn. There are certainly plenty of worries for investors, creating inaction in terms of putting savings to work into real assets. However, there is little discussion about what events might occur that would encourage those on the sidelines to buy equities. Over the coming six months we might have more clarity about when the Chinese stop tightening monetary policy. We may see some stabilisation in US house prices and expect corporate earnings to have advanced, thus reducing the P/E of the market if there is no movement upwards in share prices.

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Despite a lacklustre outlook for economic growth, it is important to stress that we do not invest in economies but in companies that we expect will benefit from the opportunities that arise. By carefully selecting investments in those companies that are improving their operating activities and taking market share from competitors, we should continue to reward patient investors.

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FINANCIAL HIGHLIGHTS

	(Unaudited) 30 April 2011	(Audited) 31 October 2010	%
			Change
Assets			
Net asset value per ordinary share (with debt at book value)	490.5p	451.9p	8.5
Ordinary share mid-market price	424.0p	379.9p	11.6
Discount (share price to net asset value)	13.6%	15.9%	
Total assets less current liabilities (£'000)	£569,814	£526,955	8.1
Indices			
FTSE All-Share Index	3,155.03	2,936.15	7.5
S&P 500 Composite Index	1,363.61	1,183.26	10.5 #
FTSE World Europe (ex UK) Index (£)	416.55	377.71	10.3
TOPIX (Tokyo First Section Index)	851.85	810.91	-0.2 #
FTSE World (ex UK) Index (£)	363.13	333.23	9.0
50/50 FTSE All-Share Index/ FTSE World (ex UK) Index (£)	216.50	200.00 *	8.3

- £ adjusted

* - rebased as at 31 October 2010

	(Unaudited) Half year ended 30 April 2011	(Unaudited) Half year ended 30 April 2010	%
			Change
Revenue			
Gross revenue (£'000)	£7,630	£8,145	-6.3
Earnings per ordinary share	5.50p	6.08p	-9.5

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the half year ended 30 April 2011

	(Unaudited) Half year ended 30 April 2011			(Unaudited) Half year ended 30 April 2010			(Audited) Year ended 31 October 2010		
	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
Gains on investments held at fair value through profit or loss	-	44,654	44,654	-	54,967	54,967	-	59,081	59,081
Investment income	7,320	-	7,320	7,988	-	7,988	16,108	-	16,108
Other operating income	310	-	310	157	-	157	370	-	370
Total income	7,630	44,654	52,284	8,145	54,967	63,112	16,478	59,081	75,559
Expenses									
Management fees	(490)	(264)	(754)	(431)	(232)	(663)	(862)	(464)	(1,326)
Other expenses	(345)	-	(345)	(327)	-	(327)	(655)	-	(655)
Profit before finance costs and taxation	6,795	44,390	51,185	7,387	54,735	62,122	14,961	58,617	73,578
Finance costs	(350)	(818)	(1,168)	(339)	(790)	(1,129)	(684)	(1,596)	(2,280)
Profit before taxation	6,445	43,572	50,017	7,048	53,945	60,993	14,277	57,021	71,298
Taxation	(340)	-	(340)	(254)	-	(254)	(608)	-	(608)
Profit for the period	6,105	43,572	49,677	6,794	53,945	60,739	13,669	57,021	70,690
Earnings per ordinary share (note 2)	5.50p	39.22p	44.72p	6.08p	48.24p	54.32p	12.26p	51.13p	63.39p

The total columns of this statement represent the Consolidated Statement of Comprehensive Income, prepared in accordance with IFRS. The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies. All items in the above statement derive from continuing operations. All income is attributable to the equity shareholders of The Bankers Investment Trust PLC. There are no non-controlling interests.

The accompanying condensed notes are an integral part of the financial statements.

As permitted by the Companies Act 2006, the Company has not presented its own Statement of Comprehensive Income. The net profit of the Company for the year was £49,677,000 (30 April 2010: £60,739,000; 31 October 2010: £70,690,000).

The Group does not have any other comprehensive income hence the net profit for the year as above is the same as the Group's total comprehensive income

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half year ended 30 April 2011

	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
Half year ended 30 April 2011 (Unaudited)						
Balance at 31 October 2010	27,772	452	12,438	430,286	31,007	501,955
Total comprehensive income:						
Profit for the period	-	-	-	43,572	6,105	49,677
Transactions with owners, recorded directly to equity:						
Buy back of 10,000 ordinary shares	(3)	-	3	(42)	-	(42)
Payment of 3 rd interim dividend (3.00p) in respect of the year ended 31 October 2010	-	-	-	-	(3,332)	(3,332)
Payment of final dividend (3.10p) in respect of the year ended 31 October 2010	-	-	-	-	(3,444)	(3,444)
Balance at 30 April 2011	27,769	452	12,441	473,816	30,336	544,814
	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
Half year ended 30 April 2010 (Unaudited)						
Balance at 31 October 2009	28,062	452	12,148	377,462	30,739	448,863
Total comprehensive income:						
Profit for the period	-	-	-	53,945	6,794	60,739
Transactions with owners, recorded directly to equity:						
Buy back of 879,711 ordinary shares	(221)	-	221	(3,204)	-	(3,204)
Payment of 3 rd interim dividend (3.00p) in respect of the year ended 31 October 2009	-	-	-	-	(3,368)	(3,368)
Payment of final dividend (3.00p) in respect of the year ended 31 October 2009	-	-	-	-	(3,357)	(3,357)
Balance at 30 April 2010	27,841	452	12,369	428,203	30,808	499,673
	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
Year ended 31 October 2010 (Audited)						
Balance at 31 October 2009	28,062	452	12,148	377,462	30,739	448,863
Total comprehensive income:						
Profit for the year	-	-	-	57,021	13,669	70,690
Transactions with owners, recorded directly to equity:						
Buy back of 1,160,211 ordinary shares	(290)	-	290	(4,197)	-	(4,197)
Payment of 3 rd interim dividend (3.00p) in respect of the year ended 31 October 2009	-	-	-	-	(3,368)	(3,368)
Payment of final dividend (3.00p) in respect of the year ended 31 October 2009	-	-	-	-	(3,357)	(3,357)
Payment of 1 st interim dividend (3.00p) in respect of the year ended 31 October 2010	-	-	-	-	(3,341)	(3,341)
Payment of 2 nd interim dividend (3.00p) in respect of the year ended 31 October 2010	-	-	-	-	(3,335)	(3,335)
Balance at 31 October 2010	27,772	452	12,438	430,286	31,007	501,955

The accompanying condensed notes are an integral part of the financial statements.

THE BANKERS INVESTMENT TRUST PLC
Unaudited Results for the half year ended 30 April 2011

CONSOLIDATED BALANCE SHEET

as at 30 April 2011

	(Unaudited) 30 April 2011 £'000	(Unaudited) 30 April 2010 £'000	(Audited) 31 October 2010 £'000
Non-current assets			
Investments held at fair value through profit or loss	568,455	513,842	522,112
	-----	-----	-----
Current assets			
Investments (note 3)	500	8,300	6,949
Other receivables	3,349	5,367	3,831
Cash and cash equivalents	2,983	3,153	8,910
	-----	-----	-----
	6,832	16,820	19,690
	-----	-----	-----
Total assets	575,287	530,662	541,802
	-----	-----	-----
Current liabilities			
Other payables	(5,473)	(5,989)	(14,847)
	-----	-----	-----
Total assets less current liabilities	569,814	524,673	526,955
	-----	-----	-----
Non-current liabilities			
Debenture stocks	(25,000)	(25,000)	(25,000)
	-----	-----	-----
Net assets	544,814	499,673	501,955
	=====	=====	=====
Equity attributable to equity shareholders			
Called up share capital	27,769	27,841	27,772
Share premium account	452	452	452
Capital redemption reserve	12,441	12,369	12,438
Retained earnings:			
Other capital reserves	473,816	428,203	430,286
Revenue reserve	30,336	30,808	31,007
	-----	-----	-----
Total equity	544,814	499,673	501,955
	=====	=====	=====
Net asset value per ordinary share (note 4)	490.5p	448.7p	451.9p
	=====	=====	=====

The accompanying condensed notes are an integral part of the financial statements.

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CONSOLIDATED CASH FLOW STATEMENT
for the half year ended 30 April 2011

	(Unaudited) Half year ended 30 April 2011 £'000	(Unaudited) Half year ended 30 April 2010 £'000	(Audited) Year ended 31 October 2010 £'000
Net profit before taxation	50,017	60,993	71,298
Add back interest paid	1,168	1,129	2,280
Less: gains on investments held at fair value through profit or loss	(44,654)	(54,967)	(59,081)
(Increase)/decrease in accrued income	(1,296)	(438)	570
Increase in other debtors	(2)	(1)	(2)
(Decrease)/increase in other creditors	(125)	152	162
Purchases of investments	(47,796)	(65,474)	(119,885)
Sales of investments	46,114	59,442	110,009
Purchases of current asset investments	(21,403)	(17,050)	(47,002)
Sales of current asset investments	28,081	22,250	53,652
Decrease/(increase) in amounts due from brokers	1,900	(2,668)	(2,096)
(Decrease)/increase in amounts due to brokers	(10,241)	5,041	9,869
Dealing profits	(229)	-	(99)
	-----	-----	-----
Net cash inflow from operating activities before interest and taxation	1,534	8,409	19,675
Interest paid	(1,176)	(1,128)	(2,259)
Taxation on investment income	(460)	(307)	(704)
	-----	-----	-----
Net cash (outflow)/inflow from operating activities	(102)	6,974	16,712
Financing activities			
Equity dividends paid	(6,776)	(6,725)	(13,401)
Purchase of ordinary shares	(42)	(3,204)	(4,197)
Drawdown of loan	1,000	-	4,000
	-----	-----	-----
Net cash used in financing	(5,818)	(9,929)	(13,598)
	-----	-----	-----
(Decrease)/increase in cash	(5,920)	(2,955)	3,114
Cash and cash equivalents at start of period	8,910	5,989	5,989
Exchange Movements	(7)	119	(193)
	-----	-----	-----
Cash and cash equivalents at end of period	2,983	3,153	8,910
	=====	=====	=====

The accompanying condensed notes are an integral part of the financial statements.

THE BANKERS INVESTMENT TRUST PLC
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NOTES:

1. **Accounting policies**

The condensed half year financial statements have been prepared on the basis of the accounting policies set out in the Group's financial statements for the year ended 31 October 2010 and in accordance with IAS34. The tax charge is based on overseas tax suffered during the period.

2. **Earnings per ordinary share**

The earnings per ordinary share figure is based on the net profit for the half year of £49,677,000 (half year ended 30 April 2010: £60,739,000; year ended 31 October 2010: £70,690,000) and on 111,082,193 (half year ended 30 April 2010: 111,820,912; year ended 31 October 2010: 111,521,997) ordinary shares, being the weighted average number of ordinary shares in issue during the period.

The return per share detailed above can be further analysed between revenue and capital, as below.

	(Unaudited) Half year ended 30 April 2011 £'000	(Unaudited) Half year ended 30 April 2010 £'000	(Audited) Year ended 31 October 2010 £'000
Net revenue profit	6,105	6,794	13,669
Net capital profit	43,572	53,945	57,021
	-----	-----	-----
Net total profit	49,677	60,739	70,690
	=====	=====	=====
Weighted average number of ordinary shares in issue during each period	111,082,193	111,820,912	111,521,997
Revenue earnings per ordinary share	5.50p	6.08p	12.26p
Capital earnings per ordinary share	39.22p	48.24p	51.13p
	-----	-----	-----
Total earnings per ordinary share	44.72p	54.32p	63.39p
	=====	=====	=====

3. **Current asset investment**

The Group has a holding in a Deutsche Bank Liquidity Fund, (formerly Henderson Liquid Assets Fund) a money market fund that is used to hold what would otherwise be short term cash balances. At 30 April 2011 this holding had a value of £500,000 (30 April 2010: £8,300,000; 31 October 2010: £6,300,000).

The subsidiary held investments at 30 April 2011 £nil (30 April 2010: £nil; 31 October 2010: £649,000).

4. **Net asset value per ordinary share**

The net asset value per ordinary share is based on the net assets attributable to equity shareholders of £544,814,000 (30 April 2010: £499,673,000; 31 October 2010: £501,955,000) and on 111,075,839 (30 April 2010: 111,366,339; 31 October 2010: 111,085,839), being the number of ordinary shares in issue at the period end.

5. **Called up share capital**

At 30 April 2011 there were 111,075,839 ordinary shares of 25p each in issue (30 April 2010: 111,366,339; 31 October 2010: 111,085,839). During the half year ended 30 April 2011 the Company bought 10,000 of its own issued ordinary shares in the market for cancellation (half year ended 30 April 2010: 879,711; year ended 31 October 2010: 1,160,211). The cost of the share buy-backs, including stamp duty, amounted to £42,000 (half year ended 30 April 2010: £3,204,000; year ended 31 October 2010: £4,197,000).

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6. VAT on management fees

While the Company has received back from HMRC 100% of the VAT which had been borne by the Company on management fees between 1990 and 1996, and 2000 and 2007, as well as simple interest on those amounts, there remains an amount outstanding relating both to VAT reclaims for 1996 to 2000 and compound interest for 1990 to 2007 which has not been recognised. It is uncertain whether any further amounts will be recovered.

7. Going concern

The directors believe that it is appropriate to adopt the going concern basis in preparing the financial statements. The assets of the Company consist mainly of securities that are readily realisable and, accordingly, the Company has adequate financial resources to continue in operational existence for the foreseeable future.

8. Interim dividend

The directors have declared a second interim dividend of 3.175p (2010: 3.00p) net per ordinary share, payable on 31 August 2011 to shareholders registered on 29 July 2011. The shares will be quoted ex-dividend on 27 July 2011. Based on the number of ordinary shares in issue at 21 June 2011 of 111,075,839 the cost of this dividend will be £3,527,000. A first interim dividend of 3.175p (2010: 3.00p) was paid on 31 May 2011 at a total cost of £3,527,000.

9. Comparative information

The financial information contained in this half year report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The financial information for the half years ended 30 April 2011 and 2010 has not been audited or reviewed by the auditors.

The figures and financial information for the year ended 31 October 2010 have been extracted from the latest published accounts of the Company. These accounts have been delivered to the Registrar of Companies and included the report of the auditors which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

10. Half year report

The half-year report is available on the Company's website (www.bankersinvestmenttrust.com) or in hard copy from the Company's registered office. An abbreviated version of this half-year report, the 'update', will be circulated to shareholders in July 2011.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors confirm that, to the best of their knowledge:

- (a) the condensed set of financial statements has been prepared in accordance with IAS 34;
- (b) the interim management report includes a fair review of the information required by Disclosure and Transparency Rule 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- (c) the interim management report includes a fair review of the information required by Disclosure and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein).

On behalf of The Bankers Investment Trust PLC

R D Brewster, Chairman

Unaudited Results for the half year ended 30 April 2011

LARGEST INVESTMENTS

at 30 April 2011

The 50 largest investments (convertibles, fixed interest and all classes of equity in any one company being treated as one investment) were as follows:

	Market value £'000		Market value £'000
BP	15,798	QBE Insurance	4,109
Vodafone	11,650	Kasikornbank	4,078
British American Tobacco	10,627	Shire	4,070
Royal Dutch Shell	10,472	Impala Platinum	4,048
HSBC	10,399	Hunting	4,035
GlaxoSmithKline	10,078	Incitec Pivot	4,005
BG	9,661	Premier Oil	4,000
Catlin	9,454	Reckitt Benckiser	3,989
Petroleo Brasileiros	8,051	Galliford Try	3,947
Jardine Lloyd Thompson	6,332	Anglo American	3,947
National Grid	6,222	Apple	3,911
Xstrata	6,162	Fresenius	3,834
Aviva	5,625	Rolls-Royce	3,809
BHP Billiton	5,049	Compagnie Financiere Richemont	3,778
Essar Energy	5,029	Novartis	3,683
Christian Dior	4,611	Prudential	3,644
Santos	4,495	Tullow Oil	3,583
DBS	4,491	Bowleven	3,512
Mitsubishi UFJ Financial	4,450	Intermediate Capital	3,456
Bank of China	4,400	Deutsche Post	3,389
Barclays	4,375	Amec	3,360
Taiwan Semiconductor Manufacturing	4,327	Sino Forest	3,342
Ancor	4,248	ENI	3,280
Petrofac	4,228	Ascendas	3,272
Wetherspoon (J.D.)	4,168	Fraser & Neave	3,214

These investments total £267,697,000 which represents 47.1% of the portfolio.

GEOGRAPHICAL DISTRIBUTION

	Valuation of investments		Currency exposure of operational assets	
	30 April 2011 %	31 October 2010 %	30 April 2011 %	31 October 2010 %
UK	45.1	46.4	42.3	44.2
Europe	12.8	13.1	13.5	13.0
North America	20.5	16.1	21.5	17.3
Japan	8.3	7.9	8.8	8.3
Pacific (ex Japan)	11.0	12.7	11.5	13.3
Emerging Markets	2.3	3.1	2.4	3.2
Fixed Interest	-	0.7	-	0.7
	----- 100.0 =====	----- 100.0 =====	----- 100.0 =====	----- 100.0 =====

Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement.