

THE BANKERS INVESTMENT TRUST PLC

**HALF YEAR REPORT
(unaudited)
for the six months ended 30 April 2015**

www.bankersinvestmenttrust.com

Unaudited results for the half year ended 30 April 2015

Investment Objectives and Policy

- To achieve long term asset growth in excess of the FTSE All-Share Index.
- To achieve regular dividend growth in excess of the increase in the Retail Prices Index.
- To achieve both these objectives by investing in a broadly diversified international portfolio of shares.

Performance Highlights

Total return performance for the six months to 30 April 2015

Net asset value per share⁽¹⁾	+13.3%
FTSE All-Share Index⁽²⁾	+9.2%
Share price⁽³⁾	+13.9%

	30 April 2015	30 April 2014
Net asset value per share	666.3p	574.5p
Share price	633.5p	557.0p
Revenue return per share	8.97p	7.27p
Discount at half year	4.9%	3.1%
Dividends (1st and 2nd interims)	7.8p	7.3p

Total return performance to 30 April 2015 (including dividends reinvested and excluding transaction costs)

	1 year %	3 years %	5 years %	10 years %
Net asset value⁽¹⁾	18.3	53.1	70.5	166.7
FTSE All-Share Index⁽²⁾	7.5	40.0	56.0	122.3
Share price⁽³⁾	16.7	66.7	91.9	213.4

1 Net asset value total return per ordinary share with income reinvested for 6 months, 1, 3 and 5 years and capital NAV plus income reinvested for 10 years.

2 The FTSE All-Share Index expressed on a total return basis.

3 Share price total return using mid-market share price.

Sources: Funddata, Morningstar and Datastream.

Interim Management Report

Chairman's Statement

Review

Despite my cautious outlook at the year end it is pleasing to be able to report strong growth in both the capital value and income reserves of the Company during the first six months of the year. The threat of deflation, both actual and perceived, combined with lower than anticipated GDP growth numbers in the United States has helped defer investor expectations in regard to the timing of future global interest rate increases. Quantitative Easing (QE) in Europe has also been greeted positively. Both of these factors have helped create the backdrop for the re-emergence of liquidity fuelled equity markets with particular, strong performances being generated from stock markets in Europe, Japan and the Far East.

Since our year end every major market region recorded positive local benchmark returns and, in the case of Europe, Japan and the Far East, these returns were in double digits. In the UK and North America returns were only marginally less. The net asset value (NAV) total return per share was 13.3% compared with a FTSE All-Share Index total return of 9.2%. The share price total return of 13.9% reflected the narrowing of the discount to NAV from 5.5% to 4.9%.

Against this strong global equity market performance it is also encouraging to report that in the majority of market regions our regional fund managers have demonstrated positive stock selection and thus have outperformed the local benchmark returns. Strong stock selection was recorded by our Japanese, North American, European and UK fund managers. These four geographic areas represent over 85% of the total assets of the portfolio.

One area of geographic diversification that we undertook nearly two years ago was to allocate US \$25million to an investment in the local China "A" share market. The view presented to the Board by the Fund Manager at that time was of considerable value opportunities overlooked by local investors. A modest positive return was recorded during the first year of this investment but the performance during the period under review has witnessed an 81% capital return, fuelled primarily by local investor interest. We recognise that these returns are unlikely to be repeated, and indeed some profits have been taken, but we still believe value exists for an active investor in this specific market.

Revenue Return and Dividend

Against the strong capital performance it is also pleasing to be able to report a strong increase in our revenue earnings per share. Whilst a large element of this is the result of special dividends, we have also witnessed strong growth from our overseas holdings as company management's focus more upon income distribution. It is as a result of this strong performance that the Board remains confident in regard to the 4.7% dividend growth guidance that we gave in the annual report to shareholders.

Debt Issuance

After our half year end we announced a £50m private placing of 20 year unsecured debt to a single institutional investor at a coupon of 3.68%. There were several drivers behind this placing. Firstly that the global interest rate cycle, in particular in the US and the UK, was close to turning and that to be able to lock into a low interest coupon for 20 years was in the best long term interests of shareholders. Secondly we are due to repay £10m with a 10.5% coupon in 2016 issued in 1986. Some of the proceeds of the new debt issue will repay this debt issue. Finally, the increased confidence in markets encourages the Board to introduce a slight increase in the total fixed element of gearing to the Company.

Outlook

The macro backdrop for equities has become more positive in the past few months as liquidity has been the dominant driver of equity markets. The concerns that I highlighted in my year end report mostly remain with us today and could resurface to become more influential in determining market sentiment. However this "wall of worry" is starting to diminish in its influence on investor thinking and with corporate confidence remaining at high levels, helped in part by continued strength in corporate balance sheets, one would hope for some further positive returns from global equities for the balance of the year.

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

Richard Killingbeck

Chairman

17 June 2015

STATEMENT OF COMPREHENSIVE INCOME

for the half year ended 30 April 2015

	(Unaudited) Half year ended 30 April 2015			(Unaudited) Half year ended 30 April 2014			(Audited) Year ended 31 October 2014		
	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/(losses) on investments held at fair value through profit or loss	-	78,990	78,990	-	(13,201)	(13,201)	-	11,615	11,615
Investment income	11,658	-	11,658	9,990	-	9,990	20,577	-	20,577
Other operating income	64	-	64	96	-	96	171	-	171
Gross revenue and capital gains/(losses)	11,722	78,990	90,712	10,086	(13,201)	(3,115)	20,748	11,615	32,363
Expenses									
Management fees (note 2)	(442)	(1,030)	(1,472)	(862)	(465)	(1,327)	(1,726)	(929)	(2,655)
Other expenses	(430)	-	(430)	(386)	-	(386)	(720)	-	(720)
Profit/(loss) before finance costs and taxation	10,850	77,960	88,810	8,838	(13,666)	(4,828)	18,302	10,686	28,988
Finance costs	(344)	(805)	(1,149)	(342)	(798)	(1,140)	(685)	(1,598)	(2,283)
Profit/(loss) before taxation	10,506	77,155	87,661	8,496	(14,464)	(5,968)	17,617	9,088	26,705
Taxation	(447)	-	(447)	(376)	-	(376)	(775)	-	(775)
Profit/(loss) for the period	10,059	77,155	87,214	8,120	(14,464)	(6,344)	16,842	9,088	25,930
Earnings/(loss) per ordinary share (note 3)	8.97p	68.83p	77.80p	7.27p	(12.95p)	(5.68p)	15.05p	8.12p	23.17p

The total columns of this statement represent the Statement of Comprehensive Income, prepared in accordance with IFRS as adopted by the European Union. The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

All income is attributable to the equity shareholders of The Bankers Investment Trust PLC.

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

STATEMENT OF CHANGES IN EQUITY

	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total equity £'000
Half year ended 30 April 2015 (Unaudited)						
Total equity at 1 November 2014	28,027	7,053	12,483	587,744	32,889	668,196
Total comprehensive income:						
Profit for the period	-	-	-	77,155	10,059	87,214
Transactions with owners, recorded directly to equity:						
Buy-back of 25,000 ordinary shares	(7)	(154)	7	-	-	(154)
Payment of 3 rd interim dividend (3.70p) in respect of the year ended 31 October 2014	-	-	-	-	(4,148)	(4,148)
Payment of final dividend (3.80p) in respect of the year ended 31 October 2014	-	-	-	-	(4,260)	(4,260)
Total equity at 30 April 2015	28,020	6,899	12,490	664,899	34,540	746,848
Half year ended 30 April 2014 (Unaudited)						
Total equity at 1 November 2013	27,814	2,352	12,483	578,656	32,256	653,561
Total comprehensive income:						
(Loss)/profit for the period	-	-	-	(14,464)	8,120	(6,344)
Transactions with owners, recorded directly to equity:						
Issue of 850,000 ordinary shares	213	4,701	-	-	-	4,914
Payment of 3 rd interim dividend (3.60p) in respect of the year ended 31 October 2013	-	-	-	-	(4,005)	(4,005)
Payment of final dividend (3.60p) in respect of the year ended 31 October 2013	-	-	-	-	(4,020)	(4,020)
Total equity at 30 April 2014	28,027	7,053	12,483	564,192	32,351	644,106
Year ended 31 October 2014 (Audited)						
Total equity at 1 November 2013	27,814	2,352	12,483	578,656	32,256	653,561
Total comprehensive income:						
Profit for the year	-	-	-	9,088	16,842	25,930
Transactions with owners, recorded directly to equity:						
Issue of 850,000 ordinary shares	213	4,701	-	-	-	4,914
Payment of 3 rd interim dividend (3.60p) in respect of the year ended 31 October 2013	-	-	-	-	(4,005)	(4,005)
Payment of final dividend (3.60p) in respect of the year ended 31 October 2013	-	-	-	-	(4,020)	(4,020)
Payment of 1 st interim dividend (3.60p) in respect of the year ended 31 October 2014	-	-	-	-	(4,036)	(4,036)
Payment of 2 nd interim dividend (3.70p) in respect of the year ended 31 October 2014	-	-	-	-	(4,148)	(4,148)
Total equity at 31 October 2014	28,027	7,053	12,483	587,744	32,889	668,196

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

STATEMENT OF FINANCIAL POSITION

	(Unaudited) Half year ended 30 April 2015 £'000	(Unaudited) Half year ended 30 April 2014 £'000	(Audited) Year ended 31 October 2014 £'000
Non-current assets			
Investments held at fair value through profit or loss	757,019	667,202	685,456
Current assets			
Investments held at fair value through profit or loss (note 4)	3,046	1,721	3,896
Other receivables	3,931	4,353	3,685
Cash and cash equivalents	10,542	4,000	5,023
	17,519	10,074	12,604
Total assets	774,538	677,276	698,060
Current liabilities			
Bank loans	-	(7,252)	(2,788)
Other payables	(2,690)	(918)	(2,076)
	(2,690)	(8,170)	(4,864)
Total assets less current liabilities	771,848	669,106	693,196
Non-current liabilities			
Debenture stocks	(25,000)	(25,000)	(25,000)
Net assets	746,848	644,106	668,196
Equity attributable to equity shareholders			
Share capital (note 5)	28,020	28,027	28,027
Share premium account	6,899	7,053	7,053
Capital redemption reserve	12,490	12,483	12,483
Retained earnings:			
Other capital reserves	664,899	564,192	587,744
Revenue reserve	34,540	32,351	32,889
Total equity	746,848	644,106	668,196
Net asset value per ordinary share (note 6)	666.3p	574.5p	596.0p

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

CASH FLOW STATEMENT

	(Unaudited) Half year ended 30 April 2015 £'000	(Unaudited) Half year ended 30 April 2014 £'000	(Audited) Year ended 31 October 2014 £'000
Net profit/(loss) before taxation	87,661	(5,968)	26,705
Add interest payable ('finance costs')	1,149	1,140	2,283
(Less)/add: (Gains)/losses on investments held at fair value through profit or loss	(78,990)	13,201	(11,615)
Increase in accrued income	(2,006)	(2,506)	(345)
(Increase)/decrease in other receivables	(5)	8	12
Increase in other payables	87	53	50
Purchases of investments	(93,248)	(221,656)	(319,724)
Sales of investments	100,604	196,695	301,007
Purchases of current asset investments	(17,200)	(4,700)	(24,770)
Sales of current asset investments	18,050	3,000	20,895
Decrease in securities sold for future settlement	1,744	16,033	14,553
Increase/(decrease) in securities purchased for future settlement	505	(7,559)	(6,373)
Net cash inflow/(outflow) from operating activities before interest and taxation	18,351	(12,259)	2,678
Interest paid	(1,149)	(1,135)	(2,282)
Taxation on investment income	(426)	(464)	(880)
Net cash inflow/(outflow) from operating activities	16,776	(13,858)	(484)
Financing activities			
Equity dividends paid	(8,408)	(8,025)	(16,209)
(Buy back)/issue of ordinary shares	(154)	4,914	4,914
(Repayment)/drawdown of loan	(2,788)	7,252	2,874
Net cash (outflow)/inflow from financing activities	(11,350)	4,141	(8,421)
Increase/(decrease) in cash	5,426	(9,717)	(8,905)
Cash and cash equivalents at start of period	5,023	14,130	14,130
Exchange movements	93	(413)	(202)
Cash and cash equivalents at end of period	10,542	4,000	5,023

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

NOTES TO THE FINANCIAL STATEMENTS:

1. Accounting Policies

The condensed half year financial statements have been prepared on the basis of the accounting policies set out in the Company's financial statements for the year ended 31 October 2014 and in accordance with IAS34. The tax charge is based on overseas tax suffered during the period.

2. Management fees

	(Unaudited) Half year ended 30 April 2015			(Unaudited) Half year ended 30 April 2014			(Audited) Year ended 31 October 2014		
	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
Management fees	442	1,030	1,472	199	465	664	398	929	1,327
Accounting, secretarial and administration	-	-	-	663	-	663	1,328	-	1,328
	=====	=====	=====	=====	=====	=====	=====	=====	=====
	442	1,030	1,472	862	465	1,327	1,726	929	2,655
	=====	=====	=====	=====	=====	=====	=====	=====	=====

3. Earnings per Ordinary Share

The earnings per ordinary share figure is based on the net profit for the half year of £87,214,000 (half year ended 30 April 2014: £6,344,000 loss; year ended 31 October 2014: £25,930,000 profit) and on 112,100,383 (half year ended 30 April 2014: 111,687,640; year ended 31 October 2014: 111,898,962) 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 2015 £'000	(Unaudited) Half year ended 30 April 2014 £'000	(Audited) Year ended 31 October 2014 £'000
Revenue profit	10,059	8,120	16,842
Capital profit/(loss)	77,155	(14,464)	9,088
	=====	=====	=====
Total profit /(loss)	87,214	(6,344)	25,930
	=====	=====	=====
Weighted average number of ordinary shares in issue during each period	112,100,383	111,687,640	111,898,962
Revenue earnings per ordinary share	8.97p	7.27p	15.05p
Capital earnings/(loss) per ordinary share	68.83p	(12.95p)	8.12p
	=====	=====	=====
Total earnings/(loss) per ordinary share	77.80p	(5.68p)	23.17p
	=====	=====	=====

4. Current Asset Investment

The Company has a holding in the Deutsche Bank Liquidity Fund, a money market fund that is used to hold what would otherwise be short term cash balances. At 30 April 2015 this holding had a value of £3,046,000 (30 April 2014: £1,721,000; 31 October 2014: £3,896,000).

5. Called-up Share Capital

At 30 April 2015 there were 112,081,839 ordinary shares of 25p each in issue (30 April 2014: 112,106,839; 31 October 2014: 112,106,839). During the half year ended 30 April 2015 25,000 shares were bought back (30 April 2014: 850,000 shares issued; 31 October 2014: 850,000 shares issued). The cost of the share buy back amounted to £154,000 (half year ended 30 April 2014: proceeds of £4,914,000; 31 October 2014: proceeds of £4,914,000).

6. Net Asset Value per Ordinary Share

The net asset value per ordinary share is based on the net assets attributable to equity shareholders of £746,848,000 (30 April 2014: £644,106,000; 31 October 2014: £668,196,000) and on 112,081,839 (30 April 2014: 112,106,839; 31 October 2014: 112,106,839) ordinary shares, being the number of ordinary shares in issue at the period end.

7. 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 any related party during the six month period affecting the financial position or performance of the Company.

8. Financial Instruments

At the period end the carrying value of financial assets and financial liabilities approximates their fair value.

Financial instruments carried at fair value

Fair value hierarchy

The table below analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used.

Financial assets and financial liabilities at fair value through profit or loss at 30 April 2015	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments including derivatives:				
- Equity securities designated at fair value through profit or loss	756,986	-	33	757,019
- Forward exchange contracts	-	(22)	-	(22)
Total financial assets and liabilities carried at fair value	756,986	(22)	33	756,997
	=====	=====	=====	=====
		30 April 2015 £'000		30 April 2014 £'000
Level 3 investments at fair value through profit or loss				
Opening balance		62		75
Transferred into Level 3		-		-
		62		75
Total unrealised losses included in gains/(losses) on investments held at fair value through profit and loss in the Statement of Comprehensive Income		(29)		(13)
		33		62
Closing balance		33		62
		=====		=====

There have been no transfers between levels of the fair value hierarchy during the period. Transfers between levels of fair value hierarchy are deemed to have occurred at the date of the event or change in circumstances that caused the transfer.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

Level 1: valued using quoted prices in active markets for identical assets.

Level 2: valued by reference to valuation techniques using observable inputs other than quoted prices included in Level 1.

Included in Level 2 are forward exchange contracts which resulted in an unrealised loss of £22,000.

Level 3: valued by reference to valuation techniques using inputs that are not based on observable market data.

The valuation techniques used by the Company are explained in the accounting policies note 1(b) of the Annual Report.

9. 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.

10. Interim Dividend

The directors have declared a second interim dividend of 3.90p (2014: 3.70p) net per ordinary share, payable on 28 August 2015 to shareholders registered on 24 July 2015. The shares will be quoted ex-dividend on 23 July 2015. Based on the number of ordinary shares in issue at 17 June 2015 of 112,081,839 the cost of this dividend will be £4,371,000. A first interim dividend of 3.90p (2014: 3.60p) was paid on 29 May 2015 at a total cost of £4,371,000.

11. 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 2015 and 2014 has not been audited or reviewed by the auditors.

The figures and financial information for the year ended 31 October 2014 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.

12. Half Year Update

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 2015.

13. General Information

Company Status

The Company is a UK domiciled investment trust company.

London Stock Exchange Daily Official List (SEDOL) / ISIN number is GB0000767003

Global Intermediary Identification Number (GIIN) is L5YVFP.99999.SL.826

Legal Entity Identifier (LEI) is 213800B9YWXL3X1VMZ69

Directors

The directors of the Company are Richard Killingbeck (Chairman), Susan Inglis (Senior Independent Director), Matthew Thorne (Audit Committee Chairman), David Wild and Julian Chillingworth.

Corporate Secretary

Henderson Secretarial Services Limited, represented by Wendy King FCIS.

Registered Office

The registered office is 201 Bishopsgate, London EC2M 3AE. Registered number 00026351.

Website

Details of the Company's share price and net asset value, together with general information about the Company, monthly factsheets and data, copies of announcements, reports and details of general meetings can be found at www.bankersinvestmenttrust.com.

50 LARGEST INVESTMENTS

Convertibles, fixed interest and all classes of equity in any one company being treated as one investment were as follows:

Holding	Market value 30 April 2015 £'000	Holding	Market value 30 April 2015 £'000
BP	16,056	Amcor	6,409
Walt Disney	11,839	FedEx	6,387
Galliford Try	10,876	Fidelity National Information	6,241
Delphi Automotive	10,774	Prudential	6,114
British American Tobacco	10,059	The Cooper Companies	6,000
Apple	10,030	Fisher (James) & Sons	5,982
ITV	10,005	Persimmon	5,925
Catlin	9,945	Accenture	5,818
Barclays	9,883	Novartis	5,681
BorgWarner	8,952	WPP	5,636
Sports Direct International	8,707	Connect	5,613
BT	8,526	St. James's Place	5,588
Bank of China	8,494	Comcast	5,513
HSBC	8,284	Jupiter Fund Management	5,469
Cardinal Health	8,167	Wetherspoon (J.D.)	5,293
American Tower	8,162	Taiwan Semiconductor Manufacturing	5,244
CVS Health	7,821	HKT Trust & HK	5,184
Oracle	7,440	Deutsche Post	5,086
Royal Dutch Shell	7,331	Cranswick	4,916
Jardine Lloyd Thompson	7,039	Rolls-Royce	4,896
GlaxoSmithKline	7,026	Christian Dior	4,848
Reckitt Benckiser	6,991	Lancashire	4,778
American Express	6,788	BHP Billiton	4,744
SK Telecom	6,748	Priceline	4,728
Roper Industries	6,686	Rio Tinto	4,493

These investments total £359,215,000 which represents 47.5% of the portfolio.

GEOGRAPHICAL DISTRIBUTION

	Valuation of investments		Currency exposure of net assets	
	30 April 2015	31 October 2014	30 April 2015	31 October 2014
	%	%	%	%
UK	39.6	41.1	38.2	39.8
Europe (ex UK)	10.6	11.4	11.0	11.7
North America	23.8	22.4	24.1	22.9
Japan	10.3	8.8	10.3	8.7
Pacific (ex Japan)	13.0	13.5	13.8	14.0
Emerging Markets	2.7	2.8	2.6	2.9
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	100.0	100.0	100.0	100.0
	=====	=====	=====	=====

SECTOR ANALYSIS

	30 April 2015	31 October 2014
	%	%
Financials	25.8	26.2
Industrials	17.2	17.0
Consumer Services	15.3	14.0
Consumer Goods	14.9	13.8
Technology	8.0	6.8
Oil & Gas	5.0	7.3
Health Care	4.9	5.3
Telecommunications	4.0	4.4
Basic Materials	3.5	3.1
Utilities	1.4	2.1
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	100.0	100.0
	=====	=====

Source: Henderson.