The Bankers Investment Trust PLC

Half Year Report to 30 April 2008

Contents

Objectives

- 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.

Policy

- To achieve both these objectives by investing in a broadly diversified international portfolio of shares.
- To incentivise the manager according to performance, measured against a composite index.

Highlights

	(Unaudited) 30 April 2008	(Audited) 31 October 2007	% Change
Assets			
Net asset value per ordinary share			
(with debt at book value)	**467.7p**	500.1p	-6.5
Ordinary share mid-market price	**413.3p**	439.0p	-5.9
Discount (share price to net asset value)	**11.6%**	12.2%	
Total assets less current liabilities (£'000)	**£555,465**	£596,020	-6.8
Indices			
FTSE All-Share Index	**3,099.94**	3,454.12	-10.3
S&P 500 Composite Index	**1,385.59**	1,549.38	-6.2#
FTSE World Europe (ex UK) Index (£)	**421.60**	439.31	-4.0
TOPIX (Tokyo First Section Index)	**1,358.65**	1,620.07	-3.0#
FTSE World (ex UK) Index (£)	**323.80**	341.41	-5.2
50/50 FTSE All-Share Index/			
FTSE World Index (ex UK) (£)	**184.60**	200.00*	-7.7

– £ adjusted
* – rebased as at 31 October 2007

	(Unaudited) Half year ended 30 April 2008	(Unaudited) Half year ended 30 April 2007	% Change
Revenue			
Gross revenue (£'000)	**£8,178**	£7,213	+13.4
Earnings per ordinary share	**5.62p**	4.86p	+15.6

Interim Management Report

Richard Brewster – Chairman

Review of the period including material events and transactions

Following a period of turbulent stock markets and a global credit crunch, it may be surprising to find global indices relatively resilient. Our net asset value per share has fallen by 6.5% during the period compared with a fall of 10.3% for the FTSE All-Share Index. Overseas stocks, as measured by the FTSE World Index (ex UK), fell by 5.2% during the period. Many factors account for why share prices have not sunk further in the face of over $300bn of US mortgage debt write-offs and clear signs of slowing Western economic growth. Currently, the major influence on indices is the dominance of the mining and oil sectors. Strong demand for refined oil products, combined with supply shortages, has more than doubled the oil price over the past year. Similar supply constraints and strong demand explain the rises in metal and other commodity prices. Speculators have further exacerbated price trends creating huge windfall profits for oil and commodity producers. The portfolio's exposure to oil and mining is now over 20% and the appreciation of the oil related investments in particular has aided recent performance: our manager is watching this position carefully.

In my last statement I mentioned both the threat and the opportunity arising from the weakness of sterling, which in practice has limited the fall in our net asset value. With the trade weighted value of sterling falling 9.4% over the past six months, this has helped when translating the portfolio's overseas investments back into sterling and benefited both the net asset value and also the revenue account. The economic exposure to non-sterling assets now amounts to 53% of the portfolio and has risen as we have switched investments overseas. Our expectation is that this percentage will increase further.

Economic growth has slowed in the US and consumer confidence has fallen sharply, resulting in a very rapid fall in US interest rates from 5.25% to 2%. The Fed appears to be choosing to ignore the current inflationary pressures and target a resumption of growth by improving liquidity in the financial system. Progress is slowly being made and the debt markets have begun to re-open, allowing companies access to credit. With the fall in value of the US dollar and a highly accommodating monetary policy, we have increased the US investments by 2% during the period. Much of this new investment has come from reducing the UK portfolio, where the underlying economy is similarly weak but there is little prospect of a big reduction in interest rates.

The withdrawal of credit by many banks which started in the second half of 2007 impacted the fixed interest markets, pushing corporate bond spreads to levels not seen for 20 years. Certain investment funds were forced to liquidate investments, while rumours circulated about the stability of many financial institutions forcing yields on their debt ever higher. During this period many banks were only able to sell new tiers of their highest ranking debt, further depressing the prices of lower tiers of debt. We felt that an investment opportunity existed to purchase at that time financial bonds, while funding these purchases from our existing debt facilities. We have achieved a positive interest rate spread over our funding cost and we also consider there to be capital upside to the value of these bonds. During the period we invested £18m, approximately 2% of gross assets, predominantly into sterling corporate bonds from financial institutions. Subsequent rights issues in the sector should underpin the credit quality of these issues.

Stock selection within our geographic portfolios continues to produce positive performance, with the European performance noticeably improving during 2008. Geographical attribution has been more mixed, with the UK having lagged overseas markets. Japan has fallen far less than others and has been a notably strong performer recently. Much of its contribution has been through currency appreciation but few of the credit issues have affected Japan and the re-emergence of inflation is just what the domestic economy has been requiring for some years. There have been many false dawns with Japan but for the moment the contribution to performance is most welcome.

Revenue return and dividends

The revenue generated by the portfolio has continued to rise and is benefiting from the overall weakness of sterling. Also some UK companies peg their dividends to overseas currencies and we have already seen increased payouts from companies like BP and Royal Dutch Shell. Asian income continues to increase strongly, supported by earnings growth and a trend for not allowing cash to build up on balance sheets, as occurred in previous times of economic expansion. The outlook for income from Western banking shares is clouded; dividend cuts have started and more are likely. We have a fairly low exposure to such banks and a good proportion of that exposure is through their debt securities rather than their equity. This should provide for more security of income and will increase the revenue we generate. Overall dividend revenue is expected to grow at a slower rate over the next few years but we do not expect widespread dividend cuts, as dividend cover is high against historical records.

The revenue earnings per share was 15.6% higher than last year, at 5.62p per share. Based upon our current estimates we are on target to pay the forecast minimum total dividend per share of 11.06p for the current year, an increase of 8.0%. The second interim dividend of 2.60p per ordinary share will be paid on 29 August 2008.

Related party transactions

Details of related party transactions are contained in the annual report. There have been no material transactions with our related parties during the six month period.

Outlook (including principal risks and uncertainties) for the six months to 31 October 2008

Stock markets did rally from their low levels in mid March but optimism amongst investors is fragile. The worst of the credit crunch appears to be behind us, although the financial system is far from being back to normal. At least the path toward restored health is clearer, now that central banks have acted so decisively to increase liquidity. The key question is whether the current slowdown of economic growth in the US and Europe is going to accelerate and ultimately lead to a recession. Share prices in sectors that reflect consumer spending have already fallen considerably and are discounting a slowdown, although perhaps not a recession. It is only the increases in oil and mining shares that have insulated stock markets from a sharper drop in value.

Inflationary pressures are being felt across the globe, especially in emerging markets where food is a large component of consumer spending. There is a risk that China and other Asian countries decide to address their domestic inflation by dampening demand with higher interest rates. Economic growth in these regions remains strong but it is being bought at a price. China is no longer the exporter of low inflation via ever cheaper goods but is now stoking inflation by its demand for raw materials.

We expect further depreciation of sterling in the coming year, possibly more against the US dollar than the euro. With house prices now falling in the UK and a highly indebted consumer, overseas investors are unlikely to favour UK investment, despite some appealing valuations. The gearing in the portfolio has risen in recent months, through the acquisition of various corporate bonds, but we do not expect any significant further increases in gearing unless there are clear signs of the US economy recovering.

Overall, there are still many headwinds for economies to weather, and little sign of inflation moderating. Stock markets, however, are forward looking and share prices already reflect a gloomy outlook. Share price valuations are discounting earnings downgrades and if the future is not as bad as expected then markets should recover. We feel it best to retain gearing at a low level but to be prepared to invest if shares get oversold.

Richard Brewster
Chairman
19 June 2008

Consolidated Income Statement

for the half year ended 30 April 2008

	(Unaudited) Half year ended 30 April 2008		
	Revenue return £'000	Capital return £'000	Total £'000
(Losses)/gains on investments held at fair value through profit or loss	–	(37,108)	(37,108)
Investment income	7,885	–	7,885
Other operating income	293	–	293
Total income	8,178	(37,108)	(28,930)
Expenses			
Management fees	(554)	(298)	(852)
Performance fee	–	–	–
Write back of VAT	–	–	–
Other expenses	(281)	–	(281)
Profit/(loss) before finance costs and taxation	7,343	(37,406)	(30,063)
Finance costs	(357)	(834)	(1,191)
Profit/(loss) before taxation	6,986	(38,240)	(31,254)
Taxation	(601)	371	(230)
Profit/(loss) for the period	6,385	(37,869)	(31,484)
Earnings/(loss) per ordinary share (note 2)	5.62p	(33.34p)	(27.72p)

The total columns of this statement represent the Group's Income Statement, 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 minority interests.

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

(Unaudited) Half year ended 30 April 2007 Revenue return £'000	Capital return £'000	Total £'000	(Audited) Year ended 31 October 2007 Revenue return £'000	Capital return £'000	Total £'000
–	50,212	50,212	–	66,505	66,505
7,014	–	7,014	15,943	–	15,943
199	–	199	494	–	494
7,213	50,212	57,425	16,437	66,505	82,942
(546)	(294)	(840)	(1,095)	(590)	(1,685)
–	(2,113)	(2,113)	–	(1,796)	(1,796)
–	–	–	476	502	978
(297)	–	(297)	(566)	–	(566)
6,370	47,805	54,175	15,252	64,621	79,873
(343)	(800)	(1,143)	(699)	(1,632)	(2,331)
6,027	47,005	53,032	14,553	62,989	77,542
(374)	165	(209)	(1,475)	897	(578)
5,653	47,170	52,823	13,078	63,886	76,964
4.86p	40.56p	45.42p	11.32p	55.29p	66.61p

Consolidated Statement of Changes in Equity

for the half year ended 30 April 2008

Half year ended 30 April 2008 (Unaudited)	**Called up share capital £'000**	**Share premium account £'000**	**Capital redemption reserve £'000**	**Other capital reserves £'000**	**Revenue reserve £'000**	**Total £'000**
Balance at 31 October 2007	**28,544**	**452**	**11,666**	**502,803**	**27,555**	**571,020**
Buy back of 765,740 ordinary shares	**(191)**	**–**	**191**	**(3,151)**	**–**	**(3,151)**
Net (loss)/profit from ordinary activities after tax	**–**	**–**	**–**	**(37,869)**	**6,385**	**(31,484)**
Payment of 3rd interim dividend (2.60p) in respect of the year ended 31 October 2007	**–**	**–**	**–**	**–**	**(2,969)**	**(2,969)**
Payment of final dividend (2.60p) in respect of the year ended 31 October 2007	**–**	**–**	**–**	**–**	**(2,951)**	**(2,951)**
Balance at 30 April 2008	**28,353**	**452**	**11,857**	**461,783**	**28,020**	**530,465**

Half year ended 30 April 2007 (Unaudited)	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
Balance at 31 October 2006	29,115	452	11,095	448,547	26,154	515,363
Buy back of 579,316 ordinary shares	(145)	–	145	(2,416)	–	(2,416)
Net profit from ordinary activities after tax	–	–	–	47,170	5,653	52,823
Payment of 3rd interim dividend (2.52p) in respect of the year ended 31 October 2006	–	–	–	–	(2,935)	(2,935)
Payment of final dividend (2.52p) in respect of the year ended 31 October 2006	–	–	–	–	(2,932)	(2,932)
Balance at 30 April 2007	28,970	452	11,240	493,301	25,940	559,903

Year ended 31 October 2007 (Audited)	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
Balance at 31 October 2006	29,115	452	11,095	448,547	26,154	515,363
Buy back of 2,285,576 ordinary shares	(571)	–	571	(9,630)	–	(9,630)
Net profit from ordinary activities after tax	–	–	–	63,886	13,078	76,964
Payment of 3rd interim dividend (2.52p) in respect of the year ended 31 October 2006	–	–	–	–	(2,935)	(2,935)
Payment of final dividend (2.52p) in respect of the year ended 31 October 2006	–	–	–	–	(2,932)	(2,932)
Payment of 1st interim dividend (2.52p) in respect of the year ended 31 October 2007	–	–	–	–	(2,922)	(2,922)
Payment of 2nd interim dividend (2.52p) in respect of the year ended 31 October 2007	–	–	–	–	(2,888)	(2,888)
Balance at 31 October 2007	28,544	452	11,666	502,803	27,555	571,020

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

Consolidated Balance Sheet

as at 30 April 2008

	(Unaudited) 30 April 2008 £'000	(Unaudited) 30 April 2007 £'000	(Audited) 31 October 2007 £'000
Non-current assets			
Investments held at fair value through profit or loss	**566,283**	576,330	582,724
Current assets			
Other receivables	**8,006**	4,066	5,575
Cash and cash equivalents	**377**	7,971	10,660
	8,383	12,037	16,235
Total assets	**574,666**	588,367	598,959
Current liabilities			
Other payables	**(7,193)**	(3,464)	(2,939)
Bank loans and overdrafts	**(12,008)**	–	–
	(19,201)	(3,464)	(2,939)
Net assets less current liabilities	**555,465**	584,903	596,020
Non-current liabilities			
Debenture stocks	**(25,000)**	(25,000)	(25,000)
Net assets	**530,465**	559,903	571,020
Equity attributable to equity shareholders			
Called up share capital	**28,353**	28,970	28,544
Share premium account	**452**	452	452
Capital redemption reserve	**11,857**	11,240	11,666
Retained earnings:			
Other capital reserves	**461,783**	493,301	502,803
Revenue reserves	**28,020**	25,940	27,555
Total equity	**530,465**	559,903	571,020
Net asset value per ordinary share (note 3)	**467.7p**	483.2p	500.1p

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

Consolidated Cash Flow Statement

for the half year ended 30 April 2008

	(Unaudited) Half year ended 30 April 2008 £'000	(Unaudited) Half year ended 30 April 2007 £'000	(Audited) Year ended 31 October 2007 £'000
Net (loss)/profit before taxation	**(31,254)**	53,032	77,542
Add back interest paid	**1,191**	1,143	2,331
Less: losses/(gains) on investments held at fair value through profit or loss	**37,108**	(50,212)	(66,505)
Increase in accrued income	**(2,558)**	(2,435)	(912)
Decrease/(increase) in other receivables	**1,137**	(71)	(2,103)
(Decrease)/increase in other payables	**(1,222)**	1,995	825
Net (purchases)/sales of investments	**(21,187)**	11,477	21,816
Increase in sales settlement debtor	**(928)**	(409)	(1,327)
Increase in purchase settlement creditor	**5,330**	–	806
Scrip dividends included in investment income	**–**	–	(39)
Net cash (outflow)/inflow from operating activities before interest and taxation	**(12,383)**	14,520	32,434
Interest paid	**(1,178)**	(1,144)	(2,332)
Taxation on investment income	**(312)**	(244)	(696)
Net cash (outflow)/inflow from operating activities	**(13,873)**	13,132	29,406
Financing activities			
Equity dividends paid	**(5,920)**	(5,867)	(11,677)
Purchase of ordinary shares	**(3,018)**	(2,178)	(9,553)
Drawdown of loans	**11,000**	–	–
Net cash used in financing	**2,062**	(8,045)	(21,230)
(Decrease)/increase in cash	**(11,811)**	5,087	8,176
Cash and cash equivalents at start of period	**10,660**	2,923	2,923
Realised profit/(loss) on foreign currency	**520**	(39)	(439)
Cash and cash equivalents at end of period	**(631)**	7,971	10,660

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

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 2007 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 loss for the half year of £31,484,000 (half year ended 30 April 2007: profit £52,823,000; year ended 31 October 2007: profit £76,964,000) and on 113,570,650 (half year ended 30 April 2007: 116,300,099; year ended 31 October 2007: 115,549,347) 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 2008 £'000	(Unaudited) Half year ended 30 April 2007 £'000	(Audited) Year ended 31 October 2007 £'000
Net revenue profit	**6,385**	5,653	13,078
Net capital (loss)/profit	**(37,869)**	47,170	63,886
Net total (loss)/profit	**(31,484)**	52,823	76,964
Weighted average number of ordinary shares in issue during each period	**113,570,650**	116,300,099	115,549,347
	Pence	Pence	Pence
Revenue earnings per ordinary share	**5.62**	4.86	11.32
Capital (loss)/earnings per ordinary share	**(33.34)**	40.56	55.29
Total (loss)/earnings per ordinary share	**(27.72)**	45.42	66.61

3. Net asset value per ordinary share

The net asset value per ordinary share is based on the net assets attributable to equity shareholders of £530,465,000 (30 April 2007: £559,903,000; 31 October 2007: £571,020,000) and on 113,409,824 (30 April 2007: 115,881,824; 31 October 2007: 114,175,564), being the number of ordinary shares in issue at the period end.

Notes continued

4. Interim dividend

The directors have declared a second interim dividend of 2.60p (2007: 2.52p) net per ordinary share, payable on 29 August 2008 to shareholders registered on 25 July 2008. The shares will be quoted ex-dividend on 23 July 2008. Based on the number of ordinary shares in issue at 19 June 2008 of 113,354,824 the cost of this dividend will be £2,947,000. A first interim dividend of 2.60p (2007: 2.52p) was paid on 30 May 2008 at a total cost of £2,949,000.

5. Comparative information

The financial information contained in this half year report does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. The financial information for the half years ended 30 April 2008 and 2007 has not been audited or reviewed by the Auditors. The information for the year ended 31 October 2007 has been extracted from the latest published audited financial statements. The audited financial statements for the year ended 31 October 2007 have been filed with the Registrar of Companies. The report of the auditors on those financial statements contained no qualification or statement under section 237(2) or (3) of the Companies Act 1985.

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 IAS34;

(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 4.28R (disclosure of related party transactions and changes therein).

On behalf of The Bankers Investment Trust PLC

R D Brewster
Chairman

19 June 2008

Largest Investments

at 30 April 2008

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

	Market value £'000		**Market value £'000**
BP	26,334	Nestlé	4,335
Petroleo Brasileiros	11,020	Anglo American	4,135
Royal Dutch Shell	10,010	ENI	3,984
HSBC	9,850	British Energy	3,925
Vodafone	9,280	Richemont	3,762
BG	7,755	J Fisher & Sons	3,676
British American Tobacco	7,721	AP Moller – Maersk	3,628
Barclays	7,453	BT	3,564
GlaxoSmithKline	6,973	Reckitt Benckiser	3,526
Xstrata	6,906	BAE Systems	3,501
Catlin	6,842	Christian Dior	3,480
Hunting	6,675	Scottish & Southern Energy	3,480
Aviva	6,305	Petrofac	3,450
BHP Billiton	5,976	Singapore Telecommunications	3,409
Mitsubishi UFJ Financial	5,888	Sodexho Alliance	3,403
Lloyds TSB	5,709	Kühne+Nagel	3,387
Rolls-Royce	5,484	Dexia	3,372
Royal Bank of Scotland	5,375	Asahi Kasei	3,349
Dana Petroleum	5,187	Jardine Lloyd Thompson	3,330
ICAP	4,893	National Grid	3,320
Fresenius	4,703	Nintendo	3,266
Man	4,691	Unibail-Rodamco	3,255
Intermediate Capital	4,621	Canon	3,191
High Tech Computer	4,485	QBE Insurance	3,129
Impala Platinum	4,469	HBOS	3,105

The investments total £272,567,000 which represents 48.1% of the portfolio.

Geographical Distribution

	Valuation of investments		**Currency exposure of operational assets**	
	30 April 2008 %	31 October 2007 %	**30 April 2008 %**	31 October 2007 %
UK	**49.9**	51.9	**47.0**	50.6
Europe	**13.2**	15.0	**13.5**	15.3
North America	**15.2**	12.5	**16.2**	12.8
Japan	**9.8**	9.2	**10.6**	9.5
Pacific (ex Japan)	**8.3**	8.3	**8.8**	8.7
Emerging Markets	**3.6**	3.1	**3.9**	3.1
	100.0	100.0	**100.0**	100.0

Investor Information

Directors*
Richard Brewster (Chairman)#
Francis Sumner†# (Senior Independent Director)
Richard Burns#
Richard Killingbeck†#
David Thomas††

*All directors are also members of the Management Engagement Committee
††Chairman of the Audit Committee
†Member of the Audit Committee
#Member of the Nomination Committee

Investment Manager
Henderson Global Investors Limited, authorised and regulated by the Financial Services Authority, represented by Alex Crooke

Secretary
Henderson Secretarial Services Limited, represented by Wendy King FCIS

Registered Number
Registered as an investment company in England No. 26351C

SEDOL Code
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Share Price/Performance
The market price of the Company's ordinary shares is published in the Financial Times and other leading newspapers. Share price and details of the Company's performance can also be found on the following websites:
www.bankersinvestmenttrust.com
www.henderson.com

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