

THE BANKERS INVESTMENT TRUST PLC

Annual Financial Report for the year ended 31 October 2016

This announcement contains regulated information

The Company aims to provide investors with an attractive total return, focused on growing both capital and income for shareholders.

OBJECTIVES

Capital – To achieve long term asset growth through active stock selection.

Income – To achieve regular dividend growth greater than inflation.

INVESTMENT POLICY

To achieve both these objectives by investing in a broadly diversified international portfolio of shares.

CHAIRMAN'S STATEMENT

- Net asset value increase of 19.9%
- Dividend increase of 7.6%
- 50th consecutive year of dividend increase
- Forecast increase in 2017 dividend of at least 6.0%

Performance

I am pleased to be able to report another excellent year of performance for our shareholders. A net asset value return of 19.9% and a dividend increase of 7.6% are significant achievements during what has proven to be a volatile year in financial markets. That these strong returns should be generated against such difficult markets is testament to our fund management team. However, despite our efforts to buy-back shares in the market, the degree of volatility and uncertainty led to a widening of our discount and thus the share price rise during the period was restricted to 12%. Looking forward the Board is now able to recommend a further significant increase in the dividend representing the 50th consecutive year of dividend increases and, importantly, an improvement in the growth rate in dividend payments relative to the last ten years. This record is a notable achievement by any standards and reinforces the benefits of taking a long term view of equity investing.

I was too cautious last year in my outlook for returns from world equity markets albeit, on closer inspection, a substantial element of these returns were generated in the second half of the year and were driven by exchange rate movements. The catalyst for this shift in sentiment away from sterling was the European Referendum which not only surprised the political elite but also the markets. The reaction was quickest on the currency markets where sterling fell significantly against every major currency, followed by rapid stock and sector rotation in the UK equity market towards the larger, international companies and away from the mid-sized, domestically focused companies. The majority of the market returns in sterling for the year were generated in the month after the Brexit vote.

The impact of currency on our portfolio of investments is demonstrated by the comparison of global market returns in sterling. The total return from the FTSE All-Share Index for the twelve month period ended 31 October 2016 was 12.2%, compared with a total return for a sterling investor from North America of 32.3%, from Europe of 19.7% and from Japan of 31.4%. Even emerging market currencies proved to be stronger than sterling during the summer and, when combined with better local markets, the sterling return from the FTSE All-World Emerging Market Index was in excess of 49.1% for a sterling investor. These returns are truly exceptional and demonstrate the benefit of having a broad diversified portfolio of unhedged international equities.

As reported in my statement last year, over the last ten years we have continued to reduce our exposure to sterling assets. Whilst not expecting the currency fluctuations mentioned above it does clearly focus the attention in regard to our regional asset allocation. Approximately ten years ago the sterling exposure of the total portfolio was as high as 55%. Today it is less than 30% and, given the growth in international stock markets, I would expect this declining exposure to the UK to continue.

Revenue and Dividends

Total revenue generated by the portfolio rose helped by solid underlying dividend growth across our equity holdings. Special dividends have again been a significant contributor to our total revenue line, albeit below the levels of the previous year. The exchange rate changes also helped the revenue account when dividends were translated into sterling. It is against this strong backdrop that the Board is again able to recommend an increase in the final quarterly dividend to 4.60p per share. If approved by shareholders this will result in a total dividend payment for the year of 17.0p (2015: 15.8p), an increase of 7.6%. This compares with my forecast of an increase of at least 4% in my statement last year. Our revenue earnings per share over the same period rose to 17.5p, an increase of 1.8%.

The outlook for the year ahead, from a revenue account perspective, is positive. If the sterling exchange rate remains at around the current levels against the US dollar, euro and yen and the trend of dividend increases continues, especially from our overseas investments, a further increase can be expected in the dividend for the year ahead. The confidence behind this projection is enhanced by the strong level of revenue reserves which we continue to maintain and which, if appropriate, the Board will access to maintain the progressive dividend policy of the last 50 years. As such I am able, on behalf of the Board, to forecast dividend growth of no less than 6% for 2017, representing a minimum total dividend for the year of approximately 18.0p per share.

Henderson/Janus Merger

Towards our year end an announcement was made by our Manager that, subject to shareholder approval, Henderson had agreed to merge with Janus Capital, a large US institutional fund manager. Whilst completion will not be until June and a lot of the detail is still to be decided, the Board of Bankers believes that the increased global investment breadth that this merger should bring to our Manager can only be positive for the ongoing investment expertise available to our Fund Manager and his team for the performance of the Company's portfolio.

Corporate Event /Management Fee

During the year the Board has delivered some significant and positive outcomes. Firstly, the Board agreed that Bankers act as a 'global growth' rollover option in the transaction to liquidate Henderson Global Trust plc. This resulted in the issue of over 9 million new Bankers shares, priced at a premium to net asset value and increased the Company's size by around £60 million. Also, at the year-end, the Company repaid its £10 million 10.5% 2016 debenture at par, using part of the proceeds from our previously announced £50 million, 20 year, 3.68% loan note issue.

We have agreed with our Manager a simplified tiered fee structure of 0.45% p.a. on the first £750 million and 0.40% p.a. on the excess over £750 million of the value of the net assets on the last day of each quarter. The new fee structure, which took effect on 1 July 2016, is subject to a transition period until 31 December 2017, during which period the fee is capped at £843,750 per quarter. This new fee structure should assist in a reduction in the ongoing charge as a percentage of net assets as the Company grows over time.

Annual General Meeting ('AGM')

This year's AGM will again be held at Trinity House, London, EC3N 4DH on 22 February 2017 at 12 noon. Full details of the business to be conducted at the meeting are set out in the Notice of Meeting which has been sent to shareholders with the Annual Report. Directions and a map showing the location of the AGM can also be found in the Notice of Meeting. The Board looks forward to seeing many of you at this meeting at which Alex Crooke and his investment team will present their investment views and how these are reflected in the portfolio. Following the formal business of the meeting light refreshments will be served.

Outlook

Politics will remain to the fore during the year ahead and the key for financial markets will be whether there are any further surprises, especially from Europe. I suspect there may be. The extent of these potential surprises could keep markets in a state of uncertainty for most of the year which will make it even harder for the fund managers to position the regional portfolios correctly.

Putting politics aside, the economic tailwind looks positive. President Trump has inherited a strong economy where growth is accelerating. The strong US economy, despite the protectionist rhetoric, is good for the global economic outlook. In the UK we are bound to see a significant jump in inflation as a result of the weaker level of sterling. One of the key debates this year will be whether the move to higher inflation is a temporary or permanent shift. At the moment the likelihood is that this will be a temporary situation. However, if we see pressure mounting on wage inflation the Bank of England might move more quickly to raise interest rates. Depending upon the resilience of the UK economy in 2017 this could have a negative impact on a number of sectors although it could well be seen as a positive for the financial sector.

Thus challenges remain to the fore but the resilience of our portfolio has been tested over time and the confidence which has been expressed by myself and the rest of the Board is based on this knowledge.

Richard Killingbeck
Chairman

PRINCIPAL RISKS AND UNCERTAINTIES

The Board, with the assistance of Henderson, has carried out a robust assessment of the principal risks facing the Company including those that would threaten its business model, future performance, solvency or liquidity. In carrying out this assessment, the Board has considered the market uncertainty arising from the result of the UK referendum to leave the European Union. The Board has drawn up a matrix of risks facing the Company and has put in place a schedule of investment limits and restrictions, appropriate to the Company's investment objective and policy, in order to mitigate these risks as far as practicable. The principal risks which have been identified, and the steps taken by the Board to mitigate these as far as practicable, and whether the Board considers the impact of such risks has changed over the past year, are as follows:

Risk	Controls and Mitigation
Investment Activity and Performance Risks An inappropriate investment strategy (for example, in terms of asset allocation or the level of gearing) may result in underperformance against the Company's various indices and the companies in its peer group.	The Board monitors investment performance at each Board meeting and regularly reviews the extent of the Company's borrowings.
Portfolio and Market Risks Although the Company invests almost entirely in securities that are listed on recognised markets, share prices may move rapidly. The companies in which investments are made may operate unsuccessfully, or fail entirely. A fall in the market value of the Company's portfolio would have an adverse effect on shareholders' funds.	The Fund Manager seeks to maintain a diversified portfolio to mitigate against this risk. The Board regularly reviews the portfolio, investment activity and performance.
Tax, Legal and Regulatory Risks A breach of Section 1158 could lead to a loss of investment trust status, resulting in capital gains realised within the portfolio being subject to corporation tax. A breach of the UK Listing Authority's Rules could result in suspension of the Company's shares, while a breach of the Companies Act could lead to criminal proceedings. All breaches could result in financial or reputational damage. The Company must also ensure compliance with the Listing Rules of the New Zealand Stock Exchange.	Henderson has been contracted to provide investment, company secretarial, administration and accounting services through qualified professionals. The Board receives internal control reports produced by Henderson on a quarterly basis, which confirm tax, legal and regulatory compliance both in the UK and New Zealand.
Financial Risks By its nature as an investment trust, the Company's business activities are exposed to market risk (including market price risk, currency risk and interest rate risk), liquidity risk and credit and counterparty risk.	The Company has a diversified portfolio which comprises mainly investments in large and medium-sized companies and mitigates the Company's exposure to liquidity risk. The Company minimises the risk of a counterparty failing to deliver securities or cash by dealing through organisations that have undergone rigorous due diligence by Henderson.
Operational Risks Disruption to, or failure of, Henderson's accounting, dealing or payment systems or the Depositary's records could prevent the accurate reporting and monitoring of the Company's financial position. The Company is also exposed to the operational risk that one or more of its service providers may not provide the required level of service.	The Board monitors the services provided by Henderson and its other suppliers and receives reports on the key elements in place to provide effective internal control.

The Board considers these risks to have remained unchanged throughout the year under review.

VIABILITY STATEMENT

The Directors have assessed the viability of the Company over a three year period, taking account of the Company's current position and the potential impact of the principal risks and uncertainties documented in the Strategic Report contained in the Annual Report.

The Directors conducted the assessment based on a period of three years because they consider this to be an appropriate period over which they do not expect there to be any significant change in the current principal risks and adequacy of the mitigating controls in place. Also the Directors do not envisage any change in strategy or objectives or any events that would prevent the Company from continuing to operate over that period as the Company's assets are liquid, its commitments are limited and the Company intends to continue to operate as an investment trust.

The assessment has considered the impact of the likelihood of the principal risks and uncertainties facing the Company, in particular Investment Activity and Performance, Portfolio and Market and Financial risks, in severe but plausible scenarios, and the effectiveness of any mitigating controls in place.

The Directors also took into account the liquidity of the portfolio, the gearing and the income stream from the portfolio in considering the viability of the Company over the next three years and its ability to meet liabilities as they fall due. This included consideration of the duration of the Company's long term borrowings, how the forecast income stream, expenditure and levels of reserves could impact on the Company's ability to pay dividends to shareholders over that period in line with its current dividend policy. Whilst detailed forecasts are only made over a shorter time frame, the nature of the Company's business as an investment trust means that such forecasts are equally valid to be considered over the longer three year period as a means of assessing whether the Company can continue in operation. This included consideration of the duration of the Company's fixed term debt and how a breach of the gearing covenants could impact on the Company's net asset value and share price.

Based on their assessment, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next three year period. Only a substantial financial crisis affecting the global economy could have an impact on this assessment.

RELATED PARTY TRANSACTIONS

The Company's transactions with related parties in the year were with its Directors and Henderson. There have been no material transactions between the Company and its Directors during the year other than the amounts paid to them in respect of Directors' remuneration for which there were no outstanding amounts payable at the year end. In relation to the provision of services by Henderson, other than fees payable by the Company in the ordinary course of business and the provision of sales and marketing services, there have been no transactions with Henderson affecting the financial position of the Company during the year under review.

STATEMENT OF DIRECTORS' RESPONSIBILITIES UNDER DISCLOSURE GUIDANCE AND TRANSPARENCY RULE 4.1.12

Each of the Directors confirms that, to the best of his or her knowledge:

- the Company's financial statements, which have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- the Strategic Report in the Annual Report and financial statements includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

For and on behalf of the Board of Directors

Richard Killingbeck
Chairman

FUND MANAGER'S REVIEW

In 2016 the populations of two of the oldest democracies in the world expressed the view that they do not approve of the way the world is going. Despite investment experts warning of turmoil markets have generally taken the news well producing handsome returns this year for investors from both bonds and equities. There was a brief wobble in February on worries of a Chinese slowdown and Deutsche Bank's solvency but this soon passed. The interesting question from the events in the UK and the US is whether this signals the end of globalisation. Often cherished as a central tenet of progress towards prosperity, globalisation essentially boils down to the international arbitrage of labour costs to the benefit of lower consumer prices. A return to more normal levels of inflation and interest rates could actually benefit equity prices if accompanied by wage and job growth.

Since July, and more profoundly since Trump's presidential election, investors' appetite has shifted towards companies and sectors that are perceived to benefit from reflationary trends. This rotation towards previously out of favour sectors such as banks, construction and mining was not unexpected but the rate of adoption could be challenged by the lack of real evidence of actual policy action or higher inflation. The portfolio is well positioned in financials and industrials for a continuation of this theme but is being held back by a sharp derating in quality defensive stocks, irrespective of their valuations. Normally during periods of higher inflation, value outperforms growth as an investment style but this is only partially occurring at present. Valuation has been a factor greatly diminished in stock and sector performance over recent years. Its re-emergence will be very helpful to us and active managers in general.

The portfolio's performance, for UK investors, has been dominated by the collapse in sterling since the Brexit vote in late June. The returns from the overseas portfolios are a factor of 4-5x those of the UK holdings, due to the higher translation values back into sterling. While not predicting a vote to leave, we did fear a close race and decided earlier in the year to significantly reduce the portfolio's exposure to UK domestically exposed stocks. The UK allocation fell from 38% to 29% by the year end and post Brexit we also increased allocations to international companies listed on the London market. Performance within the regions was generally positive with strong relative returns in the Pacific, China, Emerging Markets and Europe. Only the UK and US regions missed their benchmarks.

We welcome a new manager for the Japanese portfolio. Junichi Inoue has recently joined Henderson and will be managing the Japanese portfolio from Tokyo. His style will closely match our overall aim of focusing on quality businesses that generate attractive levels of free cash flow to fund dividends whilst careful not to overpay. I would like to take the opportunity to thank Michael Wood-Martin, our previous Japanese manager, for his skilful stock selection and dedication to Bankers over many years.

Over the past year we have gained a licence to invest directly in India and also gained further flexibility to access China via Hong Kong Connect. The Company is becoming more global in its outlook and this is most obvious when viewing the regional revenues from the portfolio holdings. The discrepancy between the percentage invested in the UK market (29% at the time of writing) and the revenues from the UK (15%) is a reminder that many stocks we own do very little business in the UK despite being listed in London.

We were cautious of markets earlier in the year and felt it was more prudent not to chase valuations higher while corporate profit expectations continued to be downgraded. We did invest cash when there were market dips in February and June, but thereafter sold holdings when markets subsequently rallied. The opportunity to act as a rollover option for Henderson Global Trust plc in April resulted in the issuance of 9.4m new shares, increasing Bankers' shares in issue by 8.3%. The majority of the assets were received in near cash instruments which were then invested to rebalance the portfolio further away from the UK. At the year end the 10.5% 2016 debenture was repaid for £10 million and cash levels have fallen resulting in a net gearing position of 2.6%.

The Company's income received a modest but useful boost from sterling's weakness, however, the full effects will be felt in 2017. There remained a healthy level of special dividends, particularly from the UK holdings, many of which should continue to distribute excess profits this year.

Alex Crooke
Fund Manager

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Performance Highlights	31 October 2016	31 October 2015
Net Asset Value per share	755.9p	630.2p
Share price	690.0p	618.5p
Dividend for year⁽¹⁾	17.0p	15.8p
	31 October 2016	Change since 31 October 2015
Dividend yield⁽²⁾	2.5%	2.6%
Retail Prices Index increase over year	2.0%	0.7%
Ongoing charge for year	0.52%	0.52%
Net gearing at year end	2.6%	2.0%
Discount at year end	8.7%	1.9%

⁽¹⁾ This represents the four ordinary dividends recommended or paid for the year.

⁽²⁾ Based on the share price at the year end.

Sources: Morningstar for the AIC, Henderson, Datastream.

STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 October 2016			Year ended 31 October 2015		
		Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
	Notes						
Gains on investments held at fair value through profit or loss		-	156,527	156,527	-	40,745	40,745
Investment income	2	24,661	-	24,661	22,621	-	22,621
Other operating income	3	255	-	255	146	17	163
Total income		24,916	156,527	181,443	22,767	40,762	63,529
Expenses							
Management fees	4	(959)	(2,237)	(3,196)	(892)	(2,082)	(2,974)
Other expenses		(811)	(3)	(814)	(788)	(7)	(795)
Profit before finance costs and taxation		23,146	154,287	177,433	21,087	38,673	59,760
Finance costs		(1,227)	(2,863)	(4,090)	(925)	(2,157)	(3,082)
Profit before taxation		21,919	151,424	173,343	20,162	36,516	56,678
Taxation	5	(1,090)	-	(1,090)	(849)	(6)	(855)
Profit for the year and total comprehensive income		20,829	151,424	172,253	19,313	36,510	55,823
Earnings per ordinary share – basic and diluted	6	17.53p	127.45p	144.98p	17.22p	32.54p	49.76p

The total columns of this statement represent the Statement of Comprehensive Income, prepared in accordance with IFRSs 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.

STATEMENT OF CHANGES IN EQUITY

Year ended 31 October 2016	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total equity £'000
Total equity at 1 November 2015	28,271	12,722	12,489	624,099	35,052	712,633
Total comprehensive income:						
Profit for the year	-	-	-	151,424	20,829	172,253
Transactions with owners, recorded directly to equity:						
Issue of 10,863,453 ordinary shares	2,715	65,819	-	-	-	68,534
Buy-back of 1,338,509 ordinary shares	-	-	-	(8,206)	-	(8,206)
Ordinary dividends paid	-	-	-	-	(18,476)	(18,476)
Total equity at 31 October 2016	30,986	78,541	12,489	767,317	37,405	926,738

Year ended 31 October 2015	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total equity £'000
Total equity at 1 November 2014	28,027	7,053	12,483	587,744	32,889	668,196
Total comprehensive income:						
Profit for the year	-	-	-	36,510	19,313	55,823
Transactions with owners, recorded directly to equity:						
Issue of 100,000 ordinary shares	250	5,669	-	-	-	5,919
Buy-back of 25,000 ordinary shares	(6)	-	6	(155)	-	(155)
Ordinary dividends paid	-	-	-	-	(17,150)	(17,150)
Total equity at 31 October 2015	28,271	12,722	12,489	624,099	35,052	712,633

STATEMENT OF FINANCIAL POSITION

	At 31 October 2016 £'000	At 31 October 2015 £'000
Non-current assets		
Investments held at fair value through profit or loss	951,219	726,831
Current assets		
Investments held at fair value through profit or loss	21,354	28,323
Other receivables	7,817	2,360
Cash and cash equivalents	23,271	31,762
	52,442	62,445
Total assets	1,003,661	789,276
Current liabilities		
Other payables	(12,117)	(1,848)
Debenture stock	-	(10,000)
	(12,117)	(11,848)
Total assets less current liabilities	991,544	777,428
Non-current liabilities		
Debenture stock	(15,000)	(15,000)
Unsecured loan notes	(49,806)	(49,795)
	(64,806)	(64,795)
Net assets	926,738	712,633
Equity attributable to equity shareholders		
Share capital	30,986	28,271
Share premium account	78,541	12,722
Capital redemption reserve	12,489	12,489
Retained earnings:		
Other capital reserves	767,317	624,099
Revenue reserve	37,405	35,052
Total equity	926,738	712,633
Net asset value per ordinary share	755.9p	630.2p

CASH FLOW STATEMENT

	At 31 October 2016 £'000	At 31 October 2015 £'000
Reconciliation of profit before taxation to net cash flow from operating activities		
Operating activities		
Profit before taxation	173,343	56,678
Add back interest payable ('finance costs')	4,090	3,082
Amortisation of loan note issue costs	11	5
Less gains on investments held at fair value through profit or loss	(156,527)	(40,745)
Increase in accrued income	(454)	(70)
Increase in other receivables	(28)	(46)
Increase in other payables	113	59
Purchases of investments	(215,420)	(185,007)
Sales of investments	199,472	184,706
Purchases of current asset investments	(45,156)	(61,777)
Sales of current asset investments	52,125	37,350
(Increase)/decrease in securities sold for future settlement	(4,754)	1,263
Increase/(decrease) in securities purchased for future settlement	10,168	(1,077)
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Net cash inflow /(outflow) from operating activities before interest and taxation *	16,983	(5,579)
Interest paid	(4,102)	(2,291)
Taxation on investment income	(1,302)	(672)
	-----	-----
Net cash inflow /(outflow) from operating activities	11,579	(8,542)
Financing activities		
Equity dividends paid (net of refund of unclaimed distributions)	(18,476)	(17,150)
Share issue	9,007	5,919
Buy-back of own shares	(8,206)	(155)
Repayment of loan	-	(2,947)
Repayment of debenture stock	(10,000)	-
Cash received from the liquidation of Henderson Global Trust plc	7,160	-
Issue of unsecured loan note	-	49,790
	-----	-----
Net cash(outflow)/inflow from financing activities	(20,515)	35,457
	-----	-----
(Decrease)/increase in cash	(8,936)	26,915
Cash and cash equivalents at start of the year	31,762	5,023
Exchange movements	445	(176)
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Cash and cash equivalents at end of the year	23,271	31,762
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* In accordance with IAS 7.31 cash inflow from dividends was £22,932,000 (2015: 21,466,000) and cash inflows from interest was £226,000 (2015: £87,000).

NOTES:

1. Accounting policies

The Bankers Investment Trust PLC is a company incorporated and domiciled in the United Kingdom under the Companies Act 2006. The financial statements of the Company for the year ended 31 October 2016 have been prepared in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. These comprise standards and interpretations approved by the International Accounting Standards Board ('IASB'), together with interpretations of the International Accounting Standards and Standing Interpretations Committee approved by the IFRS Interpretations Committee ('IFRS IC') that remain in effect, to the extent that IFRS have been adopted by the European Union.

The financial statements have been prepared on a going concern basis and on the historical cost basis, except for the revaluation of certain financial instruments held at fair value through profit or loss. The principal accounting policies adopted are set out below. These policies have been applied consistently throughout the year. Where presentational guidance set out in the Statement of Recommended Practice (the 'SORP') for investment trusts issued by the Association of Investment Companies (the 'AIC') in November 2014 is consistent with the requirements of IFRS, the Directors have sought to prepare the financial statements on a basis consistent with the recommendations of the SORP.

The assets of the Company consist mainly entirely of securities that are listed and readily realisable and, accordingly, the Directors believe that the Company has adequate financial resources to continue in operational existence for at least twelve months from the date of approval of the financial statements. Having assessed these factors, the principal risks and other matters discussed in connection with the Viability Statement, the Directors have decided that it is appropriate for the financial statements to be prepared on a going concern basis.

	2016 £'000	2015 £'000
2. Investment income		
UK dividend income - listed	9,696	8,370
UK dividend income - special dividends	693	2,011
Overseas dividend income - listed	13,419	11,872
Overseas dividend income - special dividends	682	188
Property income distributions	171	180
	-----	-----
	24,661	22,621
	=====	=====
Analysis of investment income by geographical region:		
UK	11,853	12,841
Europe (ex UK)	3,268	2,306
North America	2,883	2,193
Japan	2,209	1,345
China	1,171	997
Pacific (ex Japan, China)	2,599	2,510
Emerging markets	678	429
	-----	-----
	24,661	22,621
	=====	=====

	2016 £'000	2015 £'000
3. Other operating income		
Bank interest	86	39
Underwriting revenue	77	41
Stock lending revenue	83	66
Treasury bill interest	3	-
Other income	6	-
	-----	-----
	255	146
	=====	=====

At 31 October 2016 the total value of securities on loan by the Company for stock lending purposes was £30,184,000 (2015: £50,889,000). The maximum aggregate value of securities on loan at any one time during the year ended 31 October 2016 was £66,536,000 (2015: £69,710,000). The Company's agent held collateral at 31 October 2016 with a value of £32,154,000 (2015: £56,493,000) in respect of securities on loan. The value of securities held on loan is reviewed on a daily basis, comprising Corporate and Government Bonds with a minimum market value of 105% (2015: 105%) of the market value of any securities on loan.

	Revenue return 2016 £'000	Capital return 2016 £'000	Total 2016 £'000	Revenue return 2015 £'000	Capital return 2015 £'000	Total 2015 £'000
4. Management fees						
Investment management	959	2,237	3,196	892	2,082	2,974
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	959	2,237	3,196	892	2,082	2,974
	=====	=====	=====	=====	=====	=====

A summary of the terms of the management agreement is given in the Strategic Report in the Annual Report and financial statements.

	Revenue return 2016 £'000	Capital return 2016 £'000	Total 2016 £'000	Revenue return 2015 £'000	Capital return 2015 £'000	Total 2015 £'000
5. Taxation						
a) Analysis of the charge for the year						
Overseas tax suffered	1,373	-	1,373	956	6	962
Overseas tax reclaimable	(283)	-	(283)	(107)	-	(107)
	-----	-----	-----	-----	-----	-----
Total tax charge for the year	1,090	-	1,090	849	6	855
	=====	=====	=====	=====	=====	=====

b) Factors affecting the tax charge for the year

The differences are explained below:

	Revenue return 2016 £'000	Capital return 2016 £'000	Total 2016 £'000	Revenue return 2015 £'000	Capital return 2015 £'000	Total 2015 £'000
Profit before taxation	21,919	151,424	173,343	20,162	36,516	56,678
Corporation tax for the year at 20.00% (2015: 20.42%)	4,384	30,285	34,669	4,117	7,457	11,574
Non taxable UK dividends	(2,046)	-	(2,046)	(2,097)	-	(2,097)
Overseas income and non taxable scrip dividends	(2,617)	-	(2,617)	(2,370)	-	(2,370)
Income taxable in different years	-	-	-	(4)	-	(4)
Overseas withholding tax suffered	1,090	-	1,090	849	6	855
Excess management expenses and loan relationships	279	1,021	1,300	353	849	1,202
Disallowable expenses	-	-	-	1	-	1
Capital gains not subject to tax	-	(31,306)	(31,306)	-	(8,306)	(8,306)
	-----	-----	-----	-----	-----	-----
	1,090	-	1,090	849	6	855
	=====	=====	=====	=====	=====	=====

c) Provision for deferred taxation

No provision for deferred taxation has been made in the current year or in the prior year. The Company has not provided for deferred tax on capital gains or losses arising on the revaluation or disposal of investments as it is exempt from tax on these items because of its status as an investment trust company, which it intends to maintain for the foreseeable future.

d) Factors that may affect future tax charges

The UK Government announced in July 2015 that the corporate tax rate is set to be cut to 19.0% in 2017 and 18.0% in 2020. These reductions in the standard rate of corporation tax were substantially enacted on 26 October 2015 and became effective from 18 November 2015. The rate for 2020 was subsequently reduced to 17.0% by the Finance Act 2016. The Company has not recognised a deferred tax asset totalling £6,257,000 (2015: £6,561,000) based on a prospective corporation tax rate of 17.0% (2015: 20.0%). The deferred tax asset arises as a result of having unutilised management expenses and unutilised non-trade loan relationship deficits. These expenses will only be utilised, to any material extent, if the Company has profits chargeable to corporation tax in the future because changes are made either to the tax treatment of the capital gains made by investment trusts or to the Company's investment profile which require them to be used.

6. Earnings per ordinary share

The total earnings per ordinary share is based on the net profit attributable to the ordinary shares of £172,253,000 (2015: £55,823,000) and on 118,813,485 ordinary shares (2015: 112,178,757), being the weighted average number of shares in issue during the year.

The total earnings can be further analysed as follows:

	2016 £'000	2015 £'000
Revenue profit	20,829	19,313
Capital profit	151,424	36,510
	-----	-----
Profit for the year	172,253	55,823
	-----	-----
Weighted average number of ordinary shares	118,813,485	112,178,757
	-----	-----
Revenue earnings per ordinary share	17.53p	17.22p
Capital earnings per ordinary share	127.45p	32.54p
	-----	-----
Earnings per ordinary share	144.98p	49.76p
	=====	=====

The Company does not have any dilutive securities, therefore basic and diluted earnings are the same.

7. Called up share capital	Number of shares entitled to dividend	Total number of shares	Nominal value of shares £'000
Ordinary shares of 25p each authorised			
At 1 November 2015	113,081,839	113,081,839	28,271
New shares issued	10,863,453	10,863,453	2,715
Shares brought back in the year: held in treasury	(1,338,509)	-	-
	-----	-----	-----
At 31 October 2016	122,606,783	123,945,292	30,986
	-----	-----	-----
	Number of shares entitled to dividend	Total number of shares	Nominal value of shares £'000
Ordinary shares of 25p each authorised			
At 1 November 2014	112,106,839	112,106,839	28,027
New shares issued	1,000,000	1,000,000	250
Shares brought back in the year:	(25,000)	(25,000)	(6)
	-----	-----	-----
At 31 October 2015	113,081,839	113,081,839	28,271
	-----	-----	-----

During the year, 10,863,453 ordinary shares were issued for net proceeds of £68,534,000 (2015: 1,000,000 issued for net proceeds of £5,919,000). Also during the year, 1,338,509 ordinary shares were purchased into treasury at a cost of £8,206,000 (2015: 25,000 shares purchased for cancellation at a cost of £155,000). Further details can be found in the Annual Report.

Included in the issue of 10,863,453 ordinary shares during the period were 9,413,453 shares issued following the liquidation of Henderson Global Trust plc ('HGT') whereby investors in HGT were given the option of receiving shares in either The Bankers Investment Trust PLC or Henderson International Income Trust plc. The proceeds for this issue were received as a mix of cash and in-specie assets. Since the year end, the Company has not issued any ordinary shares.

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

The net asset value per ordinary share is based on net assets attributable to ordinary shares of £926,738,000 (2015: £712,633,000) and on 122,606,783 ordinary shares in issue at 31 October 2016 (2015: 113,081,839). The Company has no securities in issue that could dilute the net asset value per ordinary share.

The movements during the year in net assets attributable to the ordinary shares were as follows:

	2016	2015
	£'000	£'000
Net assets attributable to ordinary shares at start of year	712,633	668,196
Total net profit on ordinary activities after taxation	172,253	55,823
Dividends paid	(18,476)	(17,150)
Issue of ordinary shares	68,534	5,919
Purchase of ordinary shares	(8,206)	(155)
	-----	-----
Net assets attributable to ordinary shares at end of year	926,738	712,633
	=====	=====

9. **2016 Financial Information**

The figures and financial information for the year ended 31 October 2016 are extracted from the Company's annual financial statements for that period and do not constitute statutory accounts. The Company's annual financial statements for the year to 31 October 2016 have been audited but have not yet been delivered to the Registrar of Companies. The Auditors' report on the 2016 annual financial statements was unqualified, did not include a reference to any matter to which the Auditors drew attention without qualifying the report, and did not contain any statements under Section 498 of the Companies Act 2006.

10. **2015 Financial Information**

The figures and financial information for the year ended 31 October 2015 are compiled from an extract of the published accounts for that year and do not constitute statutory accounts. Those 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 Sections 498(2) or 498(3) of the Companies Act 2006.

11. **Dividend**

A final dividend of 4.60p per share, if approved by shareholders at the AGM, will be paid on 28 February 2017 to shareholders on the register on 27 January 2017. The shares go ex-dividend on 26 January 2017. This final dividend, together with the three interim dividends already paid, brings the total dividend for the year to 17.0p.

12. **Annual Report**

Copies of the Annual Report will be posted to shareholders by the end of January 2017 and will be available on the Company's website (www.bankersinvestmenttrust.com) or in hard copy format from the Registered Office, 201 Bishopsgate, London EC2M 3AE.

13. **Annual General Meeting**

The Annual General Meeting will be held on Wednesday 22 February 2017 at 12 noon at Trinity House, London, EC3N 4DH.

LARGEST INVESTMENTS at 31 October 2016

The 25 largest investments (convertibles and all classes of equity in any one company being treated as one investment) were as follows:

Rank 2016	Rank 2015	Company	Valuation 2015 £'000	Purchases £'000	Sales proceeds £'000	Appreciation/ (depreciation) £'000	Valuation 2016 £'000
1	(1)	BP	13,197	6,089	-	4,317	23,603
2	(2)	British American Tobacco	10,807	3,123	-	2,498	16,428
3	(9)	American Tower	8,785	996	-	4,300	14,081
4	(4)	Apple	10,044	900	-	2,396	13,340
5	(3)	Delphi Automotive	10,743	2,060	-	(57)	12,746
6	(12)	Royal Dutch Shell	8,534	1,411	-	2,362	12,307
7	#	Alphabet	6,110	2,733	-	3,355	12,198
8	(16)	Comcast	7,627	2,423	-	2,053	12,103
9	(11)	CVS Health	8,621	2,325	-	664	11,610
10	(20)	The Cooper Companies	6,861	785	-	3,441	11,087
11	(22)	GlaxoSmithKline	6,518	2,929	(93)	1,012	10,366
12	(18)	Fidelity National Information Services	7,252	728	-	2,295	10,275
13	(21)	Accenture	6,700	798	-	2,657	10,155
14	#	Taiwan Semiconductor Manufacturing	4,694	1,069	-	4,245	10,008
15	#	Amazon	5,464	595	-	3,579	9,638
16	(25)	Visa	6,299	706	-	2,358	9,363
17	(24)	American Express	6,390	1,839	-	1,061	9,290
18	(15)	Cardinal Health	7,917	855	-	477	9,249
19	#	FedEx	5,850	695	-	2,590	9,135
20	(17)	Reckitt Benckiser	7,613	-	-	1,163	8,776
21	#	Fujitsu	2,147	3,816	-	2,811	8,774
22	#	Facebook	4,360	1,035	-	3,098	8,493
23	#	Mednax	5,824	1,851	-	763	8,438
24	#	Applied Materials	3,468	483	-	4,456	8,407
25	#	Netease	4,210	806	(3,047)	6,356	8,325
			----- 176,035 =====	----- 41,050 =====	----- (3,140) =====	----- 64,250 =====	----- 278,195 =====

All securities are equity investments

Not in the top 25 last year.

CHANGES IN INVESTMENTS at 31 October 2016

	Valuation 2015 £'000	Purchases £'000	Sales proceeds £'000	Appreciation/ (depreciation) £'000	Valuation 2016 £'000
United Kingdom	277,238	82,968	(85,833)	1,697	276,070
Europe	93,021	27,970	(8,503)	23,773	136,261
North America	177,721	41,780	(16,953)	61,173	263,721
Japan	84,564	23,071	(24,035)	25,372	108,972
China	23,086	30,643	(23,317)	10,060	40,472
Pacific (ex Japan, China)	58,787	52,166	(35,671)	26,614	101,896
Emerging Markets	12,414	9,180	(5,160)	7,393	23,827
	----- 726,831 =====	----- 267,778 =====	----- (199,472) =====	----- 156,082 =====	----- 951,219 =====

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.
