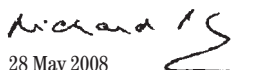


To Our Shareholders

The Directors are pleased to announce that the Group has again delivered impressive results for the second quarter of fiscal 2008. The Group realised profit after tax of \$212.3 million for the six months ended 30 April 2008, a 19.7% increase over the comparable period in the prior year.

The Directors attribute the Group's continued success to the commitment and dedication of its employees, who have been relentless in engineering the Group's sales and service culture and the implementation of strategic initiatives, buoyed by a favourably economy.

On the basis of performance to date, the Directors have resolved that the Bank pay a second interim dividend of 23 cents per ordinary share (2007 - 21 cents) on 27 June 2008 to shareholders on record as at 05 June 2008.


28 May 2008
R.P. Young - Managing Director

Consolidated Balance Sheet Highlights (Stated In \$'000)

	UNAUDITED As at 30 April 2008	UNAUDITED As at 30 April 2007	AUDITED As at 31 October 2007
ASSETS			
Cash on hand and in transit	\$ 98,601	\$ 61,417	\$ 100,092
Due from banks and related companies	459,358	542,996	339,658
Treasury bills	270,302	29,793	109,175
Deposits with Central Bank	1,569,326	1,076,968	1,355,154
Net Loans to customers	9,892,268	8,169,039	8,825,206
Investment securities	398,919	470,059	455,848
Investment in associate companies	7,924	5,410	7,924
Property, plant and equipment	205,579	189,670	202,087
Miscellaneous assets	158,383	154,941	160,061
TOTAL ASSETS	\$ 13,060,660	\$ 10,700,293	\$ 11,555,205
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Deposits	\$ 9,606,577	\$ 8,209,066	\$ 8,435,711
Due to banks and related companies	833,113	487,047	874,134
Other liabilities	144,104	111,415	153,328
Securities sold under repurchase agreement	286,825	28,450	78,546
Provision for taxation	30,422	28,616	35,565
Policyholders' funds	235,385	153,377	186,561
Debt security in issue	200,000	200,000	200,000
Deferred tax liability	19,621	24,178	21,322
TOTAL LIABILITIES	11,356,047	9,242,149	9,985,167
SHAREHOLDERS' EQUITY			
Stated capital	267,563	267,563	267,563
Statutory reserve fund	297,563	272,778	297,563
Investment revaluation reserve	3,522	11,472	3,680
Retained earnings	1,135,965	906,331	1,001,232
TOTAL SHAREHOLDERS' EQUITY	1,704,613	1,458,144	1,570,038
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 13,060,660	\$ 10,700,293	\$ 11,555,205

Consolidated Income Statement (Stated In \$'000)

	UNAUDITED Six months ended 30 April 2008	UNAUDITED Six months ended 30 April 2007	AUDITED Year ended 31 October 2007
NET INTEREST AND OTHER INCOME			
Net Interest Income	\$ 355,050	\$ 292,385	\$ 622,180
Other Income	124,612	98,921	212,770
Net Interest and Other Income	479,662	391,306	834,950
NON-INTEREST EXPENSES			
Salaries and staff benefits	89,459	77,542	168,750
Premises and technology	40,712	36,747	78,624
Communications and marketing	15,046	10,074	31,664
Loan loss expense	10,881	(282)	3,957
Other	52,660	35,392	75,477
Non-Interest Expenses	208,758	159,473	358,472
INCOME BEFORE TAXATION	270,904	231,833	476,478
Provision for taxation	(58,580)	(54,510)	(105,406)
INCOME AFTER TAXATION	\$ 212,324	\$ 177,323	\$ 371,072
Dividends Paid & Proposed for financial year	\$ 81,118	\$ 74,064	\$ 148,129
Dividends per share	46.0c	42.0c	84.0c
Earnings per share	120.4c	100.6c	210.4c
Return on Equity	26.08%	25.44%	25.39%
Return on Total Assets	3.47%	3.60%	3.58%
Market Value	\$ 35.00	\$ 30.00	\$ 28.55

Consolidated Statement of Changes In Shareholders' Equity

FOR THE PERIOD ENDED 30 APRIL 2008 (Stated In \$'000)

	Stated Capital	Statutory Reserve	Investment Revaluation Reserve	Retained Earnings	Total Shareholders' Equity
SIX MONTHS ENDED 30 APRIL 2008					
Balance as at 31 October 2007	\$ 267,563	297,563	3,680	1,001,232	1,570,038
Changes in fair value, net of tax	-	-	(158)	-	(158)
Net profit for the period	-	-	-	212,324	212,324
Transfer to statutory reserve	-	-	-	-	-
Dividends paid	-	-	-	(77,591)	(77,591)
Balance as at 30 April 2008	\$ 267,563	297,563	3,522	1,135,965	1,704,613
SIX MONTHS ENDED 30 APRIL 2007					
Balance as at 31 October 2006	\$ 267,563	272,778	4,619	808,364	1,353,324
Changes in fair value, net of tax	-	-	6,853	-	6,853
Net profit for the period	-	-	-	177,323	177,323
Transfer to statutory reserve	-	-	-	-	-
Dividends paid	-	-	-	(79,355)	(79,355)
Balance as at 30 April 2007	\$ 267,563	272,778	11,472	906,332	1,458,145
YEAR ENDED 31 OCTOBER 2007					
Balance as at 31 October 2006	\$ 267,563	272,778	4,619	808,364	1,353,324
Changes in fair value, net of tax	-	-	(939)	-	(939)
Net income for the year	-	-	-	371,072	371,072
Transfer to statutory reserve	-	24,785	-	(24,785)	-
Dividends paid	-	-	-	(153,419)	(153,419)
Balance as at 31 October 2007	\$ 267,563	297,563	3,680	1,001,232	1,570,038

Consolidated Cash Flow (Stated In \$'000)

	UNAUDITED Six months ended 30 April 2008	UNAUDITED Six months ended 30 April 2007	AUDITED Year ended 31 October 2007
Cash flows from operating activities			
Net income before taxes	\$ 270,904	\$ 231,833	\$ 476,478
Increase in loans	(1,067,062)	(1,186,479)	(1,842,646)
Increase in deposits	1,379,145	1,386,711	1,663,451
Taxation paid	(66,023)	(50,926)	(95,510)
Other adjustments to reconcile income before taxation to net cash from operating activities	(207,285)	(101,320)	84,506
Net cash from operating activities	\$ 309,679	\$ 279,819	\$ 286,279
Cash flows used in investing activities			
Decrease in investments	\$ 57,369	\$ 82,361	\$ 86,272
Purchase of property, plant & equipment	(11,078)	(10,963)	(33,070)
Proceeds from disposal of property, plant & equipment	957	680	1,199
Net cash from investing activities	\$ 47,248	\$ 72,078	\$ 54,401
Cash flows used in financing activities			
Dividends paid	\$ (77,591)	\$ (79,355)	\$ (153,419)
Net cash used in financing activities	\$ (77,591)	\$ (79,355)	\$ (153,419)
Increase in cash and cash equivalents	\$ 279,336	\$ 272,542	\$ 187,261
Cash and cash equivalents, beginning of period	548,925	361,664	361,664
Cash and cash equivalents, end of period	\$ 828,261	\$ 634,206	\$ 548,925
Cash and cash equivalents			
Cash on hand and in transit	\$ 98,601	\$ 61,417	\$ 100,092
Due from banks and related companies	459,358	542,996	339,658
Treasury bills	270,302	29,793	109,175
Cash and cash equivalents	\$ 828,261	\$ 634,206	\$ 548,925

Significant Accounting Policies

Basis of preparation

These financial statements, in all material aspects, have been prepared in accordance with International Financial Reporting Standards. The accounting policies used in the preparation of the financial statements are the same as were followed in the financial statements as at 31 October 2007.