

To Our Shareholders

The Directors are pleased to announce that the Group realised income after tax of \$431.8 million for the twelve months ended 31 October 2008, representing a 16.4% increase over the comparable period in the prior year.

The Group continues to deliver strong results over an extended period of time, this year being the sixteenth consecutive year of record profitability, with a growth rate that

has consistently been in double digits. This is due to the Group's ongoing commitment to increasing shareholder value by driving sustainable revenue growth whilst never compromising on prudent capital and risk management principles. In light of the expected economic slowdown we believe our conservative approach and strong risk management culture should provide us with the foundation to manage the situation.

On the basis of performance to date,

the Directors have resolved that the Bank pay a fourth interim dividend of 25 cents per ordinary share (2007 - 21 cents) on 29 December 2008 to shareholders on record as at 08 December 2008. Hence total dividends paid for fiscal 2008 will amount to 96 cents per share, 12 cents higher than that earned in 2007.

Richard Young
26 November 2008
R.P. Young - Managing Director

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

	AUDITED Year ended 31 October 2008	AUDITED Year ended 31 October 2007
ASSETS		
Cash on hand and in transit	\$ 86,888	\$ 100,092
Due from banks and related companies	938,228	339,658
Treasury bills	279,539	105,096
Deposits with Central Bank	1,554,206	1,355,154
Net Loans to customers	10,476,303	8,825,206
Assets purchased under resale agreements	13,876	-
Investment securities	606,421	459,927
Investment in associate companies	9,684	7,924
Property, plant and equipment	209,741	202,087
Miscellaneous assets	41,283	49,767
Goodwill	2,496	-
Retirement benefit asset	110,682	110,294
TOTAL ASSETS	\$ 14,329,347	\$ 11,555,205
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Deposits	\$ 9,671,628	\$ 8,435,711
Due to banks and related companies	1,158,308	874,134
Other liabilities	90,125	87,176
Securities sold under repurchase agreement	167,979	78,546
Provision for taxation	42,420	35,565
Policyholders' funds	273,329	186,561
Debt security in issue	1,000,000	200,000
Retirement benefit obligations	74,551	66,152
Deferred tax liability	18,519	21,322
TOTAL LIABILITIES	12,496,859	9,985,167
SHAREHOLDERS' EQUITY		
Stated capital	267,563	267,563
Statutory reserve fund	297,563	297,563
Investment revaluation reserve	(3,478)	3,680
Retained earnings	1,270,840	1,001,232
TOTAL SHAREHOLDERS' EQUITY	1,832,488	1,570,038
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 14,329,347	\$ 11,555,205

Consolidated Income Statement (Stated In \$'000)

	AUDITED Year ended 31 October 2008	AUDITED Year ended 31 October 2007
NET INTEREST AND OTHER INCOME		
Net Interest Income	\$ 739,670	\$ 622,180
Other Income	253,217	212,770
Net Interest and Other Income	992,887	834,950
NON-INTEREST EXPENSES		
Salaries and staff benefits	186,281	168,750
Premises and technology	82,771	78,624
Communications and marketing	35,738	31,664
Loan loss expense	22,135	3,957
Other	108,352	75,477
Non-Interest Expenses	435,277	358,472
INCOME BEFORE TAXATION	557,610	476,478
Provision for taxation	(125,767)	(105,406)
INCOME AFTER TAXATION	\$ 431,843	\$ 371,072
Dividends Paid & Proposed for financial year	\$ 169,290	\$ 148,129
Dividends per share	96.0c	84.0c
Earnings per share	244.9c	210.4c
Return on Equity	25.38%	25.39%
Return on Total Assets	3.45%	3.58%
Market Value	\$ 31.00	\$ 28.55

Consolidated Statement of Changes In Shareholders' Equity

FOR THE YEAR ENDED 31 OCTOBER 2008 (Stated In \$'000)

	Stated Capital	Statutory Reserve	Investment Revaluation Reserve	Retained Earnings	Total Shareholders' Equity
YEAR ENDED 31 OCTOBER 2008					
Balance as at 31 October 2007	\$ 267,563	297,563	3,680	1,001,232	1,570,038
Gains transferred to net profit, net of tax	-	-	(66)	-	(66)
Changes in fair value, net of tax	-	-	(7,092)	-	(7,092)
Net profit for the period	-	-	-	431,843	431,843
Transfer to statutory reserve	-	-	-	-	-
Dividends paid	-	-	-	(162,235)	(162,235)
Balance as at 31 October 2008	\$ 267,563	297,563	(3,478)	1,270,840	1,832,488
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)

	AUDITED Year ended 31 October 2008	AUDITED Year ended 31 October 2007
Cash flows from operating activities		
Net income before taxes	\$ 557,610	\$ 476,478
Increase in loans	(1,651,097)	(1,842,646)
Increase in assets purchased under resale agreement	(13,876)	-
Increase in deposits	1,235,917	1,663,451
Increase in securities sold under repurchase agreement	89,433	-
Taxation paid	(120,403)	(95,510)
Other adjustments to reconcile income before taxation to net cash from operating activities	203,743	84,506
Net cash from operating activities	\$ 301,327	\$ 286,279
Cash flows (used in) from investing activities		
(Increase) decrease in investments	\$ (154,964)	\$ 82,193
Purchase of property, plant & equipment	(23,160)	(33,070)
Investment in subsidiary	(2,496)	-
Proceeds from disposal of property, plant & equipment	1,338	1,199
Net cash (used in) from investing activities	\$ (179,282)	\$ 50,322
Cash flows from (used in) financing activities		
Increase in debt security in issue	\$ 800,000	\$ -
Dividends paid	(162,236)	(153,419)
Net cash from (used in) financing activities	\$ 637,764	\$ (153,419)
Increase in cash and cash equivalents	\$ 759,809	\$ 183,182
Cash and cash equivalents, beginning of period	544,846	361,664
Cash and cash equivalents, end of period	\$ 1,304,655	\$ 544,846
Cash and cash equivalents		
Cash on hand and in transit	\$ 86,888	\$ 100,092
Due from banks and related companies	938,228	339,658
Treasury bills	279,539	105,096
Cash and cash equivalents	\$ 1,304,655	\$ 544,846

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.