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COMPANY UPDATE

RBTT Financial Holdings Limited

WISE is a subsidiary of RBTT Financial Holdings Limited

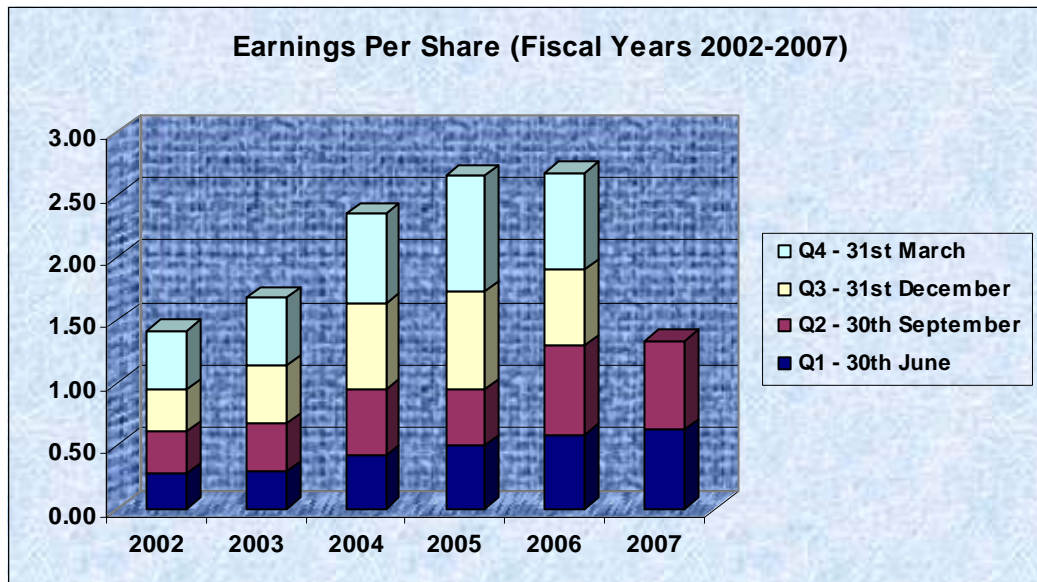
	RBTT
RECOMMENDATION	BUY
Current Price	\$25.75
Running EPS	\$2.72
Projected EPS	\$2.95
P/E at Projected EPS	8.73 times
Dividend Yield	5.05 per cent
Return on Assets	2.36 per cent
Return on Equity	22.12 per cent

Results for the Half Year Ended September 30, 2006

Earnings Per Share

RBTT Financial Holdings Limited (RBTT) reported Earnings Per Share (EPS) of \$1.34 for the half year ended September 30, 2006. This was an increase of 4 cents or 3.08 per cent from the corresponding period in 2005 (See Figure1). The second quarter earned 71 cents per share which was equal to the EPS of the respective quarter in FY 2006. Q2- FY 07 on Q1- FY 07 however, showed growth of 12.70 per cent.

Figure 1



Financials

Net Interest Income declined minimally 1.85 per cent to \$879.605 million for the half year impacted by spread compression issues as interest costs were growing faster than yields. With



respect to Q2-FY 07 on Q2-FY 06, this item was down 6.02 per cent to \$437.985 million. Other Income dropped 3.27 per cent for the half year resulting in a decline in Total Net Income of 2.42 per cent to \$1,448.472 million.

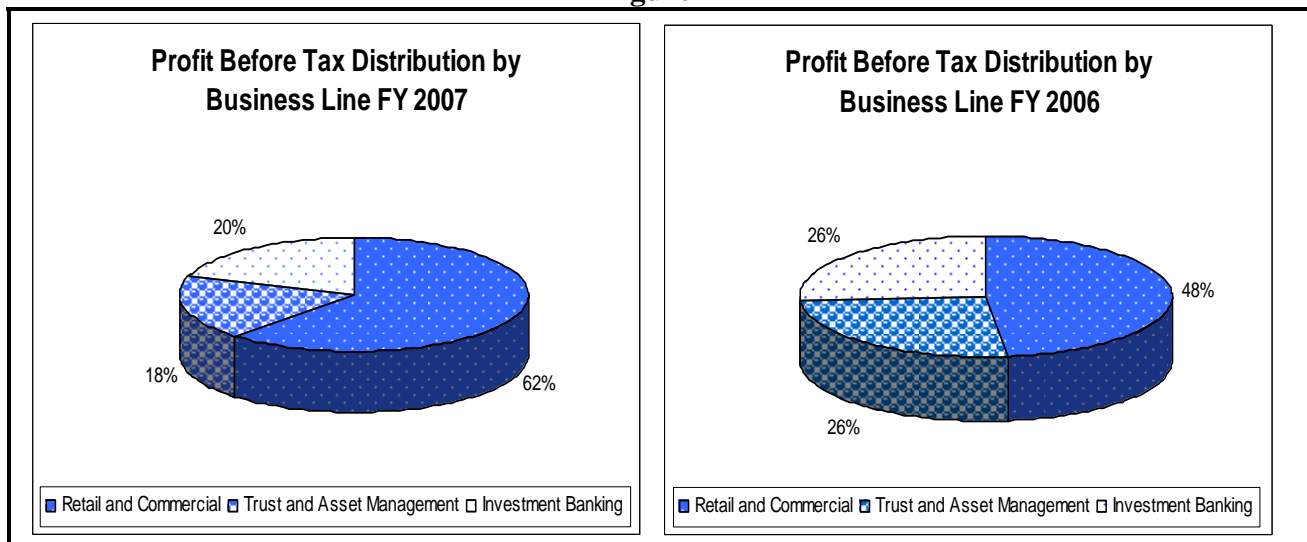
The drop in Total Net Income was as a result of declines in Net Income of 25.8 per cent and 7.6 per cent in its Investment Banking and Trust & Asset Management Business respectively. Its Retail and Commercial arm however grew 6.9 per cent cushioning the total fall in Total Net Income. Quarter on quarter, there was growth of 12.05 per cent to \$765.384 million in Total Net Income.

The Bank's Operating Profit grew 5.13 per cent to \$570.230 million owing to a decline in the Bank's Provision for Credit Losses of 90.59 per cent to \$8.705 million. This notable decline filtered from the first quarter of this year which actually had a Net Recovery in Credit Losses of \$17.879 million. Non Interest Expenses rose minimally by 2.36 per cent to \$869.537 million. Also impacting positively on the bottom line was the fact that Share of Profits of Associate Companies rose 161.78 per cent to \$9.686 million for the half year.

Profit Before Tax ultimately rose 6.20 per cent to \$579.916 million with the second quarter contributing 52.28 per cent. The positive half year performance was driven by strong growth in its Retail and Commercial business which was up 22 per cent led by strong performance in Trinidad & Tobago and Jamaica. However, challenges faced in its Trust and Asset Management Business and Investment Banking Business negatively impacted Profit Before Tax.

The Trust and Asset Management Business experienced challenges as all of the Trinidad & Tobago businesses in this Group were affected by declines in equity prices which led to reduced brokerage activity and asset management fees. Reduced sales of mutual funds and spread compression also affected the sector. This resulted in these two segments contributing less to Profit Before Tax than in FY 2006. (See Figure 2). Though the Investment Banking Business was down, the second quarter performance showed improvement as anticipated by the Chairman.

Figure 2





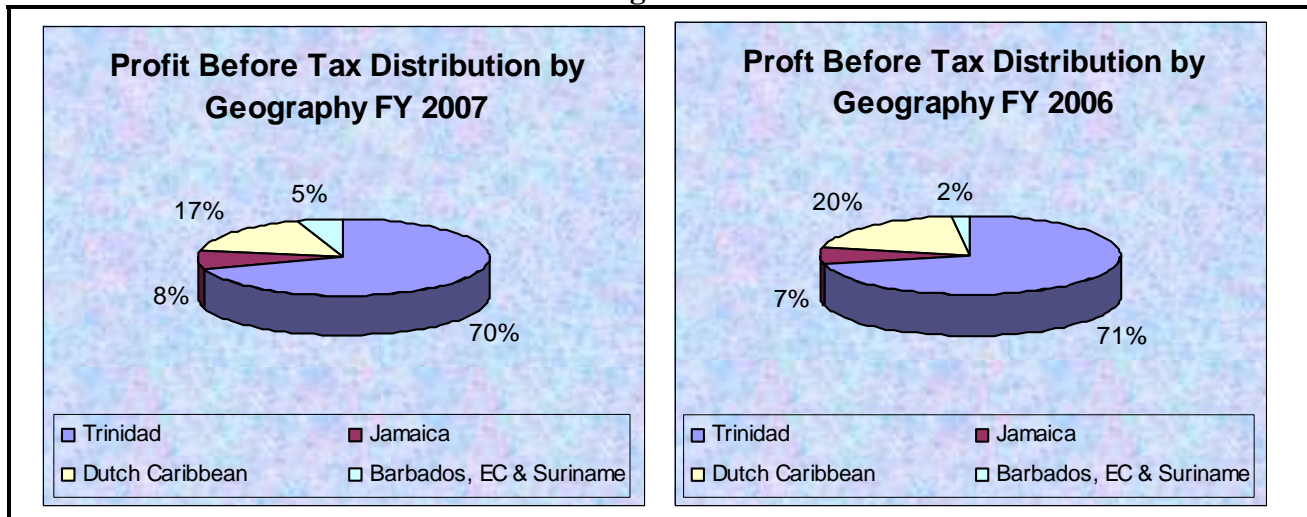
The Effective Tax Rate increased from 18.62 per cent (HY-FY 06) to 20.50 per cent (HY-FY 07) while Profit After Tax rose 3.74 per cent to \$461.020 million. This represents growth of 12.27 per cent from Q1-FY 07.

Regional Performance

Jamaica experienced the biggest growth in Net Income growing 12.8 per cent. Following was Barbados & Easter Caribbean which exhibited growth of 11.6 per cent while the Dutch Caribbean showed a small increase of 1.8 per cent. Trinidad & Tobago's growth in Net Income however declined 6.4 per cent impacted by its Investment Banking and Trust & Asset Management Business as discussed before.

With respect to the overall distribution in Profit Before Tax, Trinidad's contribution fell 1 per cent while the rest of the territories showed increases (See Figure3).

Figure 3

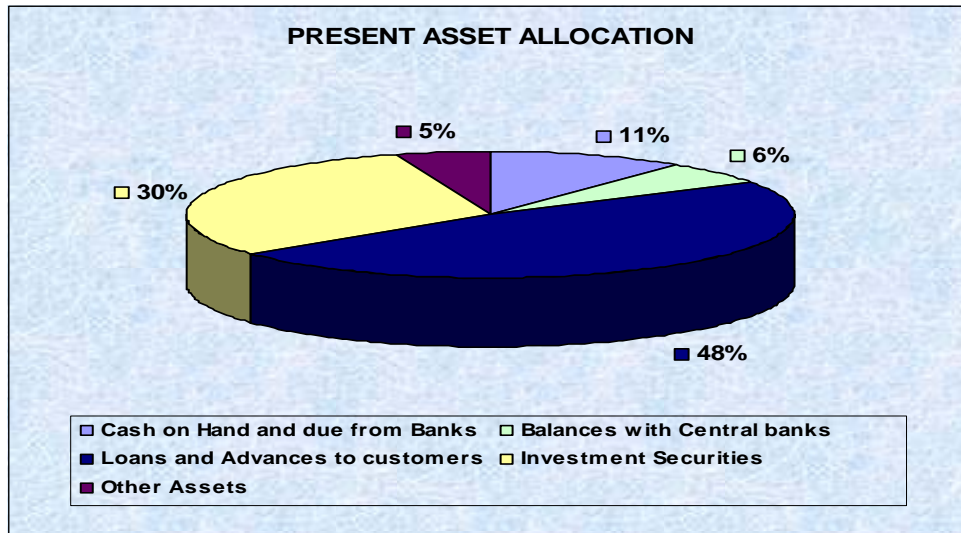


Balance Sheet

The Group's core business has continued to grow across all its markets. Total assets grew by 7.26 per cent with Loans & Advances increasing by 7.65 per cent from the Group's year end. The Group in fact managed to grow its Loans & Advances by a Compound Annual Growth Rate of 19.21 per cent over the past five years whilst improving its Credit Quality. RBTT's Credit Quality, measured as the ratio of Non Productive Loans to Total Loans moved from 7.23 per cent (2002) to 2.80 per cent (2006). Figure 4 shows the present Asset Allocation of the Bank.

The Bank also experienced growth of 11.77 per cent in Customer Deposits and Other Interest Bearing Liabilities from March 2006 (year end). The Compound Annual Growth Rate of this item over the past five years was 13.7 per cent.

Figure 4



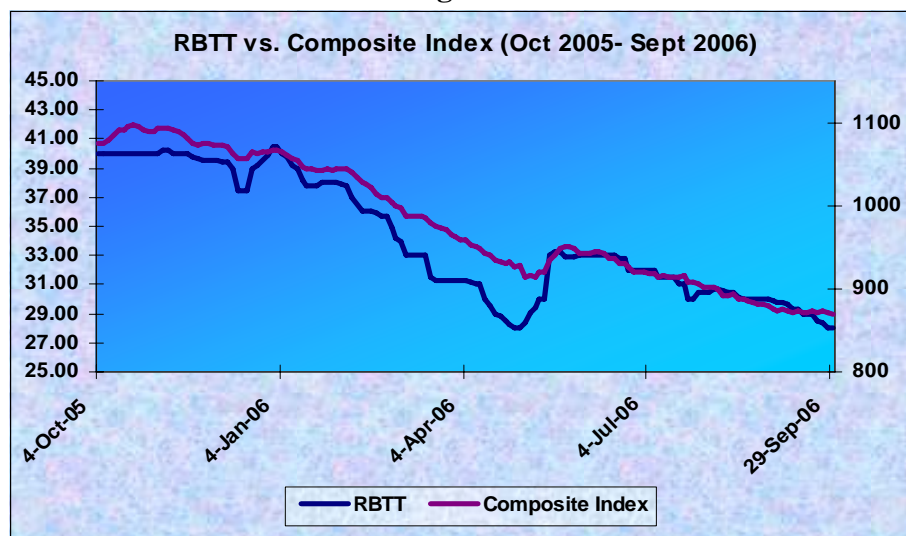
Dividends

The Board has declared an interim dividend of 60 cents (2005-55 cents) to be paid on November 24, 2006 to shareholders on record as at November 10, 2006. At the current price, the forecasted dividend yield stands at an attractive 5.05 per cent.

Share Price

The movement in the share price of RBTT generally resembles the strides of the Index (See Figure 5). The reason for this is the fact that RBTT has one of the largest share capitalizations on the local market. One of the reasons for the frequent movement in RBTT’s share price is the liquidity of the share as there are over 200 million shares in the hands of individual investors. The current 52 week high for the share is \$40.50, however the share is currently trading at its 52 week low of \$25.75.

Figure 5

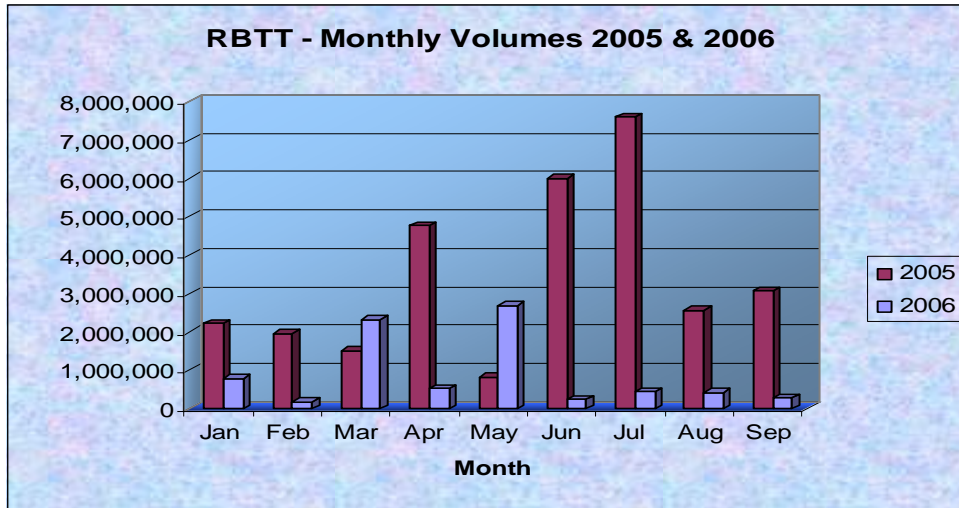




Volumes Traded

In comparison to the last calendar year, this year has seen significantly less trades in RBTT (See Figure 6). Despite this fact however, the share has found itself among the monthly volume leaders for several of the months of the year.

Figure 6



Outlook & Recommendation

The Chairman’s outlook for the remainder of the year is for an improved rate of profit growth as business conditions continue to be favourable in its major markets. The Merchant Banking arm is also expected to perform better being involved in transactions worth over US\$600 million in the third quarter.

At the current price of \$25.75 and WISE’s forecasted EPS of \$2.95, RBTT is trading at an attractive price/earnings ratio of 8.72 times earnings. Given that this share usually trades between 10 to 13 times earnings, we maintain our BUY recommendation on this share.

Figure 7

RBTT Financial Holdings Limited - Second Quarter Results (FY 2006- FY 2007)					
	Q2 2007 \$'000	Change Q2 2007- Q2 2006	Q2 2006 \$'000	Change Q2 2006- Q1 2006	Q1 2006 \$'000
Net Interest Income	437,985	-6.02%	466,045	-0.82%	441,620
Total Net Income	765,384	-2.53%	785,250	12.05%	683,088
Operating Profit	296,609	4.96%	282,591	8.40%	273,621
Income Before Taxation	303,204	6.49%	284,715	9.57%	276,712
Income After Taxation	243,834	2.61%	237,632	12.27%	217,186
Profit Attributable to Shareholders	244,121	-0.19%	244,586	12.18%	217,609
EPS (cents)	71	0.00%	71	12.70%	63
Dividend (cents)	60	9.09%	55		



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RBTT Financial Holdings Limited - Half Year Results (FY 2005-FY 2006)					
	HY 2007 \$'000	Change HY 2007- HY 2006	HY 2006 \$'000	Change HY 2006- HY 2005	HY 2005 \$'000
Net Interest Income	879,605	-1.85%	896,206	13.69%	773,705
Total Net Income	1,448,472	-2.42%	1,484,329	22.68%	1,180,714
Operating Profit	570,230	5.13%	542,380	53.78%	370,801
Income Before Taxation	579,916	6.20%	546,080	51.21%	383,522
Income After Taxation	461,020	3.74%	444,411	44.86%	318,245
Profit Attributable to Shareholders	461,730	2.84%	448,974	42.37%	324,306
EPS (cents)	134	3.08%	130	41.05%	95
Dividend (cents)	60	9.09%	55	46.34%	41
RBTT Financial Holdings Limited - Audited Year End Financials (FY 2004-FY 2006)					
	YE 2006	% Change '05-'06	YE 2005	% Change '05-'04	YE 2004
Net Interest Income	1,789,135	10.64%	1,617,058	10.49%	1,463,596
Total Net Income	3,035,758	9.27%	2,778,111	10.30%	2,518,628
Operating Profit	1,118,357	7.35%	1,041,815	12.08%	929,520
Profit Before Taxation	1,136,632	2.45%	1,109,424	13.89%	974,160
Profit After Tax	915,578	-0.92%	924,061	13.83%	811,768
EPS	2.68	0.75%	2.66	13.19%	2.35
Market Price @ Financial Year End (TT\$)	\$31.30	6.72%	\$29.33	35.25%	\$45.30
P/E Ratio @ Financial Year End	11.68		11.03		19.28
Dividend	1.20	1.69%	1.18	18.00%	1.00
Dividend Payout Ratio (%)	44.78		44.36		42.55
Dividend Yield (%)	3.83		4.02		2.21
Net Asset Value	\$11.97	-5.45%	\$12.66	36.86%	9.25
Market to Book Ratio	2.61		2.32		4.90
Return on Equity (%)	22.12		24.82		28.32
Return on Assets (%)	2.36		2.59		2.56
Shares Outstanding	343,464,591		342,831,285		341,136,406

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