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## Featured Stock: SGJ

Scotia Group Jamaica Limited (SGJ);  
Opening price— \$44.05 Price to book— 1.44 times;  
P/E— 11.12 times

Scotia Group Jamaica Limited (SGJ), offers banking and financial products and services via its subsidiaries. The Group provides Retail Banking, Corporate and Commercial Banking, Treasury, Investment Management Services, and Insurance Services segments and is currently the second largest company by market capitalization on the Jamaica Stock Exchange.

For the first six months ended April 30, 2017, the bank improved its net interest income to \$13.17 billion. Impairment Losses of Loans increased by 60% to \$975.47 million, as such Net Interest Income after Impairment Losses on loans grew 3% to \$12.19 billion. The Bank also experienced modest growth in Total Operating Income due to a 31% and 22% growth in Insurance Revenue and Net Fee & Commission respectively. According to the Bank, the growth in Net Fees and Commission Income was due to higher transaction volumes and the growth in our credit card, merchant services, and asset management business. Insurance Revenue was positively impacted by the growth in core insurance business and actuarial reserve release from changes in assumptions on valuation of the portfolios. Following a 3% and 17% increase in Total Operating Expenses and Taxation respectively, Net Profit Attributable to Shareholders rose 15% to \$5.60 billion. Additionally, on June 12, 2017, the Bank announced its intention to take Scotia Investments Jamaica Limited private by way of Scheme of Arrangement through the cancellation of all the minority shareholders' shares at a price of J\$38.00 per share.

SGJ (as at Friday August 04, 2017) was trading at 1.44 times its book value with a P/E of 11.12 times.

Our weekly pick features a stock currently held in the Mayberry Managed Equity Portfolio (MMEP). For more information on the MMEP, please contact your investment advisor today.