



SGJ

SCOTIA GROUP JAMAICA LIMITED

(SGJ);

Opening price— \$42.44;

Price to book— 1.00 times;

P/E— 7.08 times

Week to Date: -3.48%



Month to Date: -3.48%



Quarter to Date: -5.07%



Year to Date: 10.68%



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.

Scotiabank Jamaica, a subsidiary of The Bank of Nova Scotia, has been a key player in Jamaica's financial landscape since 1889. As part of Scotiabank, one of the leading multinational financial services providers and Canada's most international bank, Scotiabank Jamaica offers a comprehensive range of retail and commercial banking services. Through its network of branches across the country, the bank delivers innovative financial products and services to individuals, businesses, corporations, and government entities. Scotiabank Jamaica's strong presence and commitment to the local market underscore its role as a leader in Jamaica's banking sector.

Scotia Group Jamaica Limited (SGJ) for the nine months ended July 31, 2024, reported a 20% increase in Interest income totalling \$35.71 billion compared to \$29.80 billion in the corresponding period last year. Interest expense amounted to \$1.51 billion (2023: \$913.42 million), this represents an increase of 65% year over year. Consequently, net interest income increased by 18% to \$34.20 billion compared to \$28.89 billion for the nine months ended July 31, 2023. Expected credit losses increased by 75% to close at \$2.89 billion (2023: \$1.66 billion), while net interest income after expected credit losses increased by 15% from \$27.23 billion in 2023 to \$31.31 billion in the period under review. Also, total insurance finance expenses for the nine months ended July 31, 2024, amounted to \$2.00 billion, an 80% increase relative to \$1.11 billion reported in 2023. Total operating income for the nine months ended July 31, 2024, amounted to \$43.42 billion, a 10% increase relative to \$39.52 billion reported in 2023. SGJ highlighted, "The growth in total revenues was primarily driven by an increase in net interest income stemming from the strong growth in our loan portfolio, higher gains on foreign currency activities, higher fee and commission income as well as higher net insurance revenue." Total operating expenses totalled \$22.56 billion a 8% increase from the corresponding period last year. (2023: \$20.82 billion). Profit before taxation for the nine months ended July 31, 2024, amounted to \$20.86 billion, a 12% increase relative to \$18.69 billion reported in 2023. Taxation for the nine months ended July 31, 2024, had a 12% increase to reach \$6.86 billion (2023: \$6.13 billion). As such, Net Profit for the nine months amounted to \$14.00 billion, a 11% increase from the \$12.56 billion reported in 2023.

SGJ (as at Friday September 6, 2024) was trading at 1.00 times its book value with a P/E of 7.08 times.