



SGJ

Scotia Group Jamaica Limited (SGJ);

Opening price— \$56.23;

Price to book— 1.16 times;

P/E— 8.24 times

Week to Date: -2.84%

Month to Date: -3.71%

Quarter to Date: 4.99%

Year to Date: 4.99%

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.

Featured Stock

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.

For the first quarter ending January 31, 2025, Scotia Group Jamaica Limited (SGJ) reported a 10% increase in interest income, totaling \$12.72 billion compared to \$11.60 billion in the same period last year.

Interest expense amounted to \$499.04 million, nearly unchanged from \$498.96 million in 2024. Consequently, net interest income rose by 10% to \$12.22 billion, up from \$11.11 billion for the first quarter ending January 31, 2024. This increase was attributed to strong growth in the company's loan book. Net interest income after expected credit losses increased by 15%, closing at \$11.62 billion compared to \$10.08 billion in 2024.

Total insurance finance expenses rose by 11%, from \$735.16 million in 2024 to \$812.72 million for the three months.

Net insurance revenue for the first quarter amounted to \$1.03 billion, a significant 96% increase from \$523.96 million reported in 2024. SGJ noted, "This was driven by higher contractual service margin releases coupled with lower insurance expenses in keeping with the performance of the portfolio, as well as an increase in transaction volumes stemming from further deepening of our client relationships."

Total operating income for the three months amounted to \$16.55 billion, a 19% increase from \$13.89 billion reported in 2024. Total operating expenses totaled \$9.69 billion, a 12% increase from the corresponding period last year (2024: \$8.68 billion).

Profit before taxation for the first quarter ending January 31, 2025, amounted to \$6.86 billion, a 32% increase from \$5.22 billion reported in 2024.

Taxation for the three months increased by 27%, reaching \$2.66 billion compared to \$2.09 billion in 2024. As a result, net profit for the three months amounted to \$4.20 billion, a 34% increase from the \$3.13 billion reported in 2024.

Scotia Group's President and CEO stated: "Scotia Group has delivered another solid performance for the quarter, and I am very proud of our team for their unwavering dedication and consistent service delivery to our clients. These results signal a strong start to the second year of our five-year strategy, and our goal remains to become our clients' most trusted financial partner. We continue to promote the importance of a balanced financial portfolio, which incorporates banking, insurance protection, and wealth. We are committed to offering the best financial advice, earning the right to be our clients' primary financial institution, and making it easier to do business with us.

SGJ (as at Friday March 21st, 2025) was trading at 1.16 times its book value with a P/E of 8.24 times which is lower than the main market P/E of 8.82 times.