



SGJ

Scotia Group Jamaica Limited (SGJ);

Opening price— \$51.18;

Price to book— 1.06 times;

P/E— 8.00 times

Week to Date: **3.65%**

Month to Date: **-3.71%**

Quarter to Date: **-3.71%**

Year to Date: **-3.71%**

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.

Scotia Group Jamaica Limited (SGJ) delivered resilient earnings performance for the year ended October 31, 2025, underpinned by solid core banking income and disciplined credit management. Profit attributable to stockholders amounted to \$19.9 billion, broadly in line with the prior year, reflecting the Group's ability to offset rising operating costs through stronger revenue generation and lower credit impairment charges.

Total interest income increased to \$52.1 billion, supported by higher yields on loans and securities. After interest expense of \$2.1 billion, net interest income rose 8% year-on-year to \$50.0 billion. Importantly, expected credit losses declined to \$2.9 billion from \$4.2 billion in the prior year, driving a 11.8% increase in net interest income after credit losses to \$47.1 billion. This improvement reflects stable asset quality and effective risk underwriting across the loan portfolio.

Non-interest income continued to provide meaningful earnings diversification. Net fee and commission income totalled \$7.2 billion, remaining stable year-on-year despite higher commission expenses. Net gains on foreign currency activities increased to \$9.5 billion, reflecting strong client transaction volumes and treasury activity, while gains on financial assets rose to \$526.5 million, further supporting total operating revenue. Combined, these streams lifted total revenue to \$64.7 billion, an increase of 9.4% compared with 2024.

Insurance revenue increased to \$4.4 billion, contributing to a positive insurance service result of \$3.4 billion, although higher insurance finance expenses partially offset these gains. Overall, insurance activities continued to strengthen the Group's earnings mix and reduce reliance on traditional banking income.

Operating expenses rose 19% to \$35 billion, driven mainly by higher staff costs, technology investments, asset taxes, and increased operational activity. Despite this cost pressure, SGJ maintained cost discipline, allowing profit before taxation to remain stable at \$29.7 billion. After taxation of \$9.8 billion, net profit closed the year at \$19.9 billion, translating to earnings per stock unit of \$6.40.

Overall, SGJ's audited income statement reflects a financial group with strong core interest income growth, improving credit quality, diversified non-interest revenue streams, and resilient profitability, positioning the Group to sustain earnings stability amid a challenging operating environment.

SGJ (as at Friday January 30th, 2025) was trading at 1.06 times its book value with a P/E of 8.00 times which is lower than the main market P/E of 9.29 times.

