

1st Quarter Results

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Charter Court Financial Services Group plc Q1 2019 trading update

Strong balance sheet growth maintained

- Loan book up 17.9% year-on-year to £6.5 billion at 31 March 2019 (31 March 2018: £5.5 billion) or 28.1% to £7.1 billion excluding the impact of structured asset sales in the quarter
- Record first-quarter new loan originations of £710 million (Q1 2018: £668 million) with strong performance across core buy to let, residential and short-term mortgage segments
- High asset quality and strong credit performance maintained in the quarter

Optimal funding mix maintained

- Continued benefit of dynamic funding strategy leveraging customer deposits, wholesale and central bank facilities
- Customer deposits up 29.7% year-on-year to £5.6 billion at 31 March 2019 (31 March 2018: £4.3 billion)
- Residual interest in two securitisations sold for a pre-tax gain of £30 million in January 2019

Well-capitalised for continued growth

- CET1^[1] ratio of 16.3% (unaudited)

Ian Lonergan, CEO of Charter Court, said:

"I am pleased to report another strong quarter as we continued to deliver on our robust mortgage pipeline to generate record first quarter originations while maintaining high asset quality and strong credit performance. Despite a challenging macroeconomic and market backdrop, the Group completed the sale of its residual interest in two securitisations in January for a pre-tax gain of £30 million, equivalent to a 5.3% premium on the underlying £564 million of mortgage assets.

"Our performance in the first quarter continues to reflect the resilience of our lending operations and demonstrates our ability to structure and execute complex transactions, even in difficult market conditions."

Charter Court notes that it expects to publish its Scheme Document in connection with the all-share combination with OneSavings Bank plc later today.

**All percentages have been calculated using unrounded data.*

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About Charter Court Financial Services Group plc ("Charter Court")

Charter Court is one of the UK's leading specialist challenger banks by originations, founded in 2008 by its senior management team and purpose built to focus on specialist buy to let, residential, bridging and second charge mortgage lending. We operate through our three brands - Precise Mortgages, Exact Mortgage Experts and Charter Savings Bank - providing buy to let and specialist residential mortgages; mortgage servicing, administration and credit consultancy; and retail savings products.

We have continued to grow in our chosen markets and to translate that growth into strong financial and operational performance. At 31 March 2019, our total mortgage balances stood at £6.5 billion generated through our relationships with more than 23,000 intermediaries nationwide, whilst Charter Savings Bank had attracted £5.6 billion in retail deposits at the same date from over 160,000 retail savings accounts.

Underpinning our success, our risk management expertise and best-of-breed automated technology and systems ensure efficient processing, strong credit and collateral risk control and speed of product development and innovation. These factors have enabled our strong balance sheet growth whilst maintaining the high credit quality of our mortgage assets.

Charter Court was admitted to the main market of the London Stock Exchange in October 2017 (CCFS.L). Charter Court Financial Services Limited, a subsidiary of the Group, is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Charter Mortgages Limited, also a subsidiary of the Group, is authorised and regulated by the Financial Conduct Authority.

[1] The CET 1 ratio includes post tax profit for Q1 2019 which has not been verified

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