

Q1 Trading Update

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Charter Court Financial Svs Grp PLC
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Press release

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Charter Court Financial Services Group plc Q1 2018 trading update

Charter Court Financial Services Group plc ('Charter Court' or the 'Group') issues its trading update for the first quarter of 2018.

Strong balance sheet growth maintained

- Loan book [\[1\]](#) up 28.2% year-on-year to £5.5 billion (Q1 2017: £4.3 billion)
- New loan originations of £668.2 million in the quarter with strong performance in core segments of buy to let and specialist residential
- Maintained strong asset quality and credit performance in the quarter

Continued execution of dynamic funding strategy

- Funding mix in the quarter further optimised to reduce overall funding spreads while maintaining a prudent funding profile
- Executed two securitisations totalling £620.6 million in Q1 2018 (FY 2017: £597.3 million), achieving the tightest spreads for the PMF series to date
- Customer deposits of £4.3 billion at 31 March 2018 (Q1 2017: £3.7 billion)
- Final draw down from the Bank of England Term Funding Scheme ('TFS') which closed at the end of February 2018; total TFS drawings at the end of the quarter stood at £1.1 billion
- Structured sale of £277.0 million of CMF 2017-1 securitised mortgage assets resulting in a gain on sale of £15.0 million recognised in the quarter
- Well capitalised for future growth with an unaudited CET1 ratio of 16.0% [\[2\]](#)

Ian Lonergan, CEO of Charter Court, said:

"I am pleased to report another strong quarter for Charter Court. We have successfully maintained the strong momentum in our mortgage originations pipeline at year end 2017 into the first quarter of 2018, while taking the opportunity to price up our mortgage products in response to higher swap rates. In line with our strategy, we continued to work just as hard on the liability side of our balance sheet, taking advantage of favourable capital markets conditions to successfully execute two securitisations in the quarter totalling £620.6 million.

Looking ahead, we continue to see strong demand for our buy to let and specialist residential mortgages and remain confident in our stated financial targets."

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About Charter Court Financial Services Group plc

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 2018, our total mortgage balances stood at £5.5 billion generated through our relationships with more than 21,000 intermediaries nationwide, whilst Charter Savings Bank had £4.3 billion in retail deposits at the same date from over 120,000 retail savings accounts.

Underpinning our success, our risk management expertise and 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 ('PRA') and regulated by the Financial Conduct Authority ('FCA') and the PRA. Charter Mortgages Limited, also a subsidiary of the Group, is authorised and regulated by the FCA.

FORWARD-LOOKING STATEMENTS

This announcement contains forward-looking statements, which are based on management's current expectations and projections about future events. These statements may include, without limitation, any statements preceded by, followed by or including words such as "target", "believe", "expect", "aim", "intend", "may", "anticipate", "estimate", "plan", "project", "will", "can have", "likely", "should", "would", "could" and any other words and terms of similar meaning or the negative thereof. These forward-looking statements are subject to risks, uncertainties and assumptions about the Group, including, among other things, the development of its business, strategy, trends in its operating environment, and future capital expenditures and acquisitions. In light of these risks, uncertainties and assumptions, the events in the forward-looking statements may not occur. No representation or warranty is made that any forward-looking statement will come to pass. No one undertakes to update, supplement, amend or revise any such forward-looking statement. Except where otherwise indicated, the information contained herein are provided as at the date of this announcement and are subject to change without notice. The Group's share price and any income from them may fluctuate and investors may not get back the full amount invested on disposal of his or her shares. Past performance of the Group cannot be relied on as a guide to future performance.

^[1] Net loan book as at 31 March 2018 has been reduced by the structured sale of CMF 2017-1

^[2] The CET 1 ratio includes post tax profit for Q1 2018 which has not been verified

This information is provided by RNS
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