

13 November 2018

## Charter Court Financial Services Group plc

### Q3 2018 trading update

#### Continued strong balance sheet growth

- Loan book up 27.4% year-on-year to £6.2 billion (Q3 2017: £4.8 billion) and up 14.7% since 31 December 2017 or 25.2% excluding the impact of structured asset sales
- New loan originations of £0.7 billion in the quarter (Q3 2017: £0.7 billion) and £2.1 billion for the 9 months to 30 September (9M 2017: £2.0 billion)
- Strong asset quality and credit performance maintained in the quarter

#### Funding mix optimised in the quarter

- Customer deposits up 14.1% year-on-year to £4.5 billion at 30 September 2018 (Q3 2017: £3.9 billion)
- Continued focus on diversity of funding across customer deposits, wholesale and central bank facilities
- Successful launch of fixed rate products on both the Hargreaves Lansdown Active Savings and Flagstone platforms, enabling access to pooled retail funds, further diversifying funding optionality

#### Outlook

- With respect to our FY 2018 outlook:
  - Gross organic originations expected to be marginally above our previous guidance of £2.7bn
  - Expect to deliver loan book growth in excess of 20% (including structured sales)
  - Stable NIM and credit performance in line with half year performance
  - Continued strong capital generation, with CET1 ratio above 15%

#### Ian Lonergan, CEO of Charter Court, said:

“I am pleased to report another strong quarter as we continued to see robust demand for our specialist lending proposition leading to further balance sheet growth and returns, while maintaining exemplary credit performance. We are continuing to see solid demand for our buy-to-let and specialist residential mortgages which is feeding a strong pipeline into the final quarter of 2018.

“With our robust capital position, scalable and bespoke underwriting platform together with our sophisticated credit risk and funding expertise, we are well placed to meet or exceed all our stated full year guidance.”

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

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**Forward-Looking Statements**

This announcement includes statements that are, or may be deemed to be, "forward-looking statements". Forward-looking statements are statements that are not historical facts and may be identified by words such as "intend", "aim", "project", "anticipate", "estimate", "plan", "believes", "expects", "may", "envisage", "should", "will", "target", "continues", "set to", or similar expressions. These forward-looking statements involve substantial known and unknown risks, uncertainties, assumptions, estimates and other factors which may be beyond the control of Charter Court Financial Services Group plc ("Charter Court") and its subsidiaries (together, "the Group"). Actual results and developments may differ materially from those expressed or implied by these statements and depend on a variety of factors. These statements are made in respect of Charter Court's intentions or future beliefs and current expectations at the time made concerning, among other things, Charter Court's results of operations, financial condition, liquidity, prospects, growth and strategies. In light of these risks, uncertainties and assumptions, actual results could be materially different from projected future results expressed or implied by these forward-looking statements which speak only as to the date of this announcement. The Group cannot guarantee that its forward-looking statements will not differ materially from actual results. Charter Court disclaims any obligation to update any forward-looking statements in this announcement that may occur due to any change in its expectations or to reflect events or circumstances after the date of this announcement. Undue reliance should not be placed on any forward-looking statement.

**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 30 September 2018, our total mortgage balances stood at £6.2 billion generated through our relationships with more than 21,000 registered introducers nationwide, whilst Charter Savings Bank held £4.5 billion in retail deposits at the same date from around 134,000 retail savings accounts.

Underpinning our success, our risk management expertise and 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.