

Press release

03 November 2017

## Charter Court Financial Services Group plc

### Q3 2017 trading update

Charter Court Financial Services Group plc ('Charter Court' or the 'Group') today issues its trading update for the third quarter ended 30 September 2017.

#### **Continued strong balance sheet growth driven by ongoing managed growth in Charter Court's specialist lending segments**

- Loan book up 46.6% year-on-year to £4.8 billion (£3.3 billion as at 30 September 2016) and up 26.8% since 31 December 2016
- New loan originations stable year-on-year at £0.7 billion in Q3 2017, and up 8.3% year-on-year to £2.0 billion in the 9 months to 30 September (9M 2016: £1.8 billion)
- Strong asset quality maintained with cost of risk in line with management expectations

#### **Maintaining a sophisticated and flexible funding platform**

- Customer deposits up 34.6% year-on-year to £3.9 billion (£2.9 billion as at 30 September 2016)
- In the quarter, the Group closed a £0.3 billion LCR-eligible mortgage securitisation at a spread of 0.5% above 3-month LIBOR representing the lowest funding rate the Group has achieved in the wholesale markets
- Access to Bank of England funding and liquidity facilities with a total of £0.9 billion drawn down under the Term Funding Scheme (TFS) as of 30 September 2017

#### **Outlook**

- On track to deliver FY17 targets outlined at the time of the IPO
  - 2017 gross originations to be marginally higher than that of 2016
  - NIM to be in line with management targets
  - The Group remains well capitalised with its CET1 ratio comfortably above its minimum threshold and it continues to benefit from strong access to liquidity

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

"I am pleased to give a warm welcome to our new shareholders and am delighted to provide Charter Court's maiden trading update since our successful IPO in September. The strong momentum that we generated in the first half of 2017 was maintained into the third quarter as

mortgage originations in the nine months to 30 September grew 8.3% year-on-year to £2.0 billion and our loan book increased 46.6% year-on-year to £4.8 billion. We managed to do this while maintaining our disciplined approach to underwriting.

“Looking to the year end, we continue to see solid demand for our buy-to-let and specialist residential mortgages, with a strong pipeline leading into the final quarter.

“Our focus on specialist lending, customer service, disciplined underwriting and our solid capital position means we remain well positioned to meet the financial objectives and guidance as set out during our IPO.”

#### **Enquiries:**

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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 end Q3 2017, our total net lending stood at £4.8 billion generated through our relationships with more than 20,000 intermediaries nationwide, whilst Charter Savings Bank had attracted £3.9 billion in retail deposits at the same date from 104,943 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.

Following a successful IPO in September 2017, Charter Court was admitted to the main market of the London Stock Exchange in October 2017 (CCFS.L). The Group company Charter Court Financial Services Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.