

Strategic targets

Charter Court aims to deliver high quality growth and sustainable and attractive risk-adjusted returns. The Group attempts to accomplish its aims by maintaining balance and delivering success across its key goals:



Origination

Deliver sustainable balance sheet growth

KPIs	Medium term target	Delivery in 2018
Originations	Stable	£2.8 billion (2017: £2.7 billion)
Loan book growth	>20% ¹	24.2% (2017: 40.9%)



Risk management

Maintain disciplined risk management

KPIs	Medium term target	Delivery in 2018
Cost of risk	Sector leading through the cycle	0.036% (2017: 0.011%)
CET1	Minimum 13%	15.7% (2017: 15.6%)



Profitability

Maintain high levels of operating efficiency

KPIs	Medium term target	Delivery in 2018
Cost income ratio	Low 30s (%)	28.7% (2017: 34.1%, adjusted 31.2% ²)
Net interest margin	Above 3%	3.08% (2017: 3.19%)



Shareholders

Deliver shareholder value

KPIs	Medium term target	Delivery in 2018
Return on equity	Mid 20s (%)	30.8% (2017: 28.6%, adjusted 30.4% ²)
Dividend pay-out	Minimum 25% pay-out ratio and progressive	25% (2017: nil)

In addition to the financial targets above, the Group aims to develop two key non-financial goals:



Customer loyalty

We aim to deliver a quality service and product proposition to mortgage brokers and their customers and to retail depositors.



Leading employer

The Group also aims to maintain its status as a leading employer, with low staff turnover and high staff engagement. The Group measures this by monitoring attrition rates, absence rates and training hours achieved and by asking employees to complete The Sunday Times Top 100 Companies to Work For survey each year. In 2018 we were ranked as the sixth best place to work in the 'mid' sized business category (2017: third) and were the highest placed bank for a second year.

