

OSB GROUP PLC

Securitisation of Buy-to-Let mortgages and disposal of junior economic interest in PMF 2024-2 plc

OSB GROUP PLC (the Group) today announces that its subsidiary Charter Court Financial Services Limited has priced a securitisation, PMF 2024-2 plc, of c. £1.25bn of Buy-to-Let mortgages, which is expected to complete on or around 12 December 2024. The Group has also agreed to sell its junior economic interest in the transaction.

The transaction, once complete, is expected to result in the de-recognition of the underlying mortgages from the Group's balance sheet and a corresponding reduction in gross loans. On this basis, the transaction is expected to be broadly neutral for the Group's 2024 financial results and would, on a pro-forma basis, have increased the Group's CET1 ratio by 0.6 ppt at 30 June 2024. BofA Securities have been mandated as sole arranger and lead manager for the transaction.

Andy Golding, CEO of OSB GROUP PLC, said:

I am pleased that OSB has undertaken its 26th securitisation of mortgage assets and the third of 2024, demonstrating our continued ability to originate quality loan portfolios and expertise in executing structured balance sheet optimisation transactions. This securitisation and disposal of the junior economic interest in the transaction is expected to reduce the potential impact from changes in customer behaviour in the reversion period. Funds will be used to support the repayment of drawings under the Bank of England's Term Funding Scheme for SMEs (TFSME).

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About OSB GROUP PLC

OneSavings Bank plc (OSB) began trading as a bank on 1 February 2011 and was admitted to the main market of the London Stock Exchange in June 2014 (OSB.L). OSB joined the FTSE 250 index in June 2015. On 4 October 2019, OSB acquired Charter Court Financial Services Group plc (CCFS) and its subsidiary businesses. On 30 November 2020, OSB GROUP PLC became the listed entity and holding company for the OSB Group. The Group provides specialist lending and retail savings and is authorised by the Prudential Regulation Authority, part of the Bank of England, and regulated by the Financial Conduct Authority and Prudential Regulation Authority. The Group reports under two segments, OneSavings Bank and Charter Court Financial Services.

OneSavings Bank (OSB)

OSB primarily targets market sub-sectors that offer high growth potential and attractive risk-adjusted returns in which it can take a leading position and where it has established expertise, platforms and capabilities. These include private rented sector Buy-to-Let, commercial and semi-commercial mortgages, residential development finance, bespoke and specialist residential lending, secured funding lines and asset finance.

OSB originates mortgages via specialist brokers and independent financial advisers through its specialist brands including Kent Reliance for Intermediaries and InterBay Commercial. It is differentiated through its use of highly skilled, bespoke underwriting and efficient operating model.

OSB is predominantly funded by retail savings originated through the long-established Kent Reliance name, which includes online as well as a network of branches in the Southeast of England. Diversification of funding is currently provided by securitisation programmes and the Bank of England's Term Funding Scheme with additional incentives for SMEs.

Charter Court Financial Services Group (CCFS)

CCFS focuses on providing Buy-to-Let and specialist residential mortgages, mortgage servicing, administration and retail savings products. It operates through its brands: Precise and Charter Savings Bank.

It is differentiated through risk management expertise and automated technology and systems, ensuring efficient processing, strong credit and collateral risk control and speed of product development and innovation. These factors have enabled strong balance sheet growth whilst maintaining high credit quality mortgage assets.

CCFS is predominantly funded by retail savings originated through its Charter Savings Bank brand. Diversification of funding is currently provided by securitisation programmes and the Bank of England's Term Funding Scheme with additional incentives for SMEs.

Important disclaimer

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Non-IFRS performance measures

OSBG believes that any non-IFRS performance measures included in this document provide a more consistent basis for comparing the business' performance between financial periods and provide more detail concerning the elements of performance which OSBG is most directly able to influence or which are relevant for an assessment of OSBG. They also reflect an important aspect of the way in which operating targets are defined and performance is monitored by the Board. However, any non-IFRS performance measures in this document are not a substitute for IFRS measures and readers should consider the IFRS measures as well. For further details, refer to the Alternative Performance Measures section in the OSBG Annual Report and Accounts 2023. Copies of this are available at www.osb.co.uk and on request from OSBG.

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