OSB GROUP PLC: Trading update

Published: 30.04.2025

OSB GROUP PLC

Q1 2025 Trading update

ÂÂÂÂÂÂÂÂ

OSB GROUP PLC (OSBG or the Group), the specialist lending and retail savings group, today issues its trading update for the period from 1 January 2025 to date. \hat{A} \hat{A}

Highlights

- OSBG's first quarter performance was in line with expectations and the Group is on track to meet its full year guidance
- Originations were £1.1bn (Q1 2024: £1.0bn) in the first quarter
- The Group's net loan book was £25.2bn (31 December 2024: £25.1bn) as we maintained pricing discipline and focus on higher-yielding specialist sub-segments of Commercial, Asset Finance, Bridging and Development Finance
- Retail deposits remained broadly flat at £23.8bn (31 December 2024: £23.8bn) and TFSME balance outstanding was £810m as at 31 March 2025 (31 December 2024: £1.4bn)
- Three months plus arrears balances were 1.7% as at 31 March 2025, unchanged from the end of 2024, in line with modelled expectations
- The Group has repurchased £15.7m worth of shares under the £100m share repurchase programme¹ which is due complete no later than 10 March 2026
- 1. As at market close on 29 April 2025

Andy Golding, CEO of OSB Group, said:

"I am pleased with the performance of our lending and savings franchises in the first quarter of 2025.

We continued to prioritise returns over growth when pricing new and retention mortgage products which led to a broadly flat net loan book compared to the end of 2024.

We saw growth in originations in more complex Buy-to-Let and our higher-yielding specialist sub-segments and retail deposit pricing remained in line with our assumptions with an attractive blended front book margin.

Retail deposits were broadly flat as the Group focused on optimising liquidity and utilised funds from the December securitisation to repay c.A£600m of its TFSME balance. Since the end of the quarter, we have repaid a further c.A£150m of this funding.

The transformation programme progressed well in the quarter with all new Kent Reliance fixed rate bonds now available on our new savings platform. I am proud that our focus on building and delivering excellent journeys for our customers was recognised in March by FS Tech award for Best Customer Service and Experience – Technology.

Given the Groupâ \in ^{TMs} performance to date, we are on track to deliver the 2025 guidance of low single digit net loan book growth, net interest margin of c.225bps, c.£270m of administrative expenses and low-teens RoTE.

The Board is cognisant of the geopolitical environment and continues to monitor its impact on the UK economy and the macroeconomic scenarios used in the Group's IFRS 9 models.

The Group is well positioned to deliver on its guidance with attractive and sustainable returns for the shareholders and I look to the future with confidence.â€

Enquiries:

OSB GROUP PLC

Alexander Holcroft t: 01634 838 973

Brunswick Group

Robin Wrench / Simone Selzer t: 020 7404 5959

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 and asset finance.

OSB originates mortgages organically 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, experience-based manual underwriting and efficient operating model.

OSB is predominantly funded by retail savings originated through the long-established Kent Reliance name, which takes deposits online and through a network of branches in the South East 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 and retail savings products. It operates through its brands: Precise and Charter Savings Bank.

It is differentiated through risk management expertise and best-of-breed 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

This document should be read in conjunction with any other documents or announcements distributed by OSB GROUP PLC (OSBG) through the Regulatory News Service (RNS).

This document is not audited and contains certain forward-looking statements with respect to the business, strategy and plans of OSBG, its current goals, beliefs, intentions, strategies and expectations relating to its future financial condition, performance and results, and ESG ambitions, targets and commitments described herein. Such forward-looking statements include, without limitation, those preceded by, followed by or that include the words $\hat{a}\in \text{targets}\hat{a}\in \mathbb{T}^{M}$, $\hat{a}\in \text{believes}\hat{a}\in \mathbb{T}^{M}$, $\hat{a}\in \text{estimates}\hat{a}\in \mathbb{T}^{M}$, $\hat{a}\in \text{estimates}\hat{a}\in \mathbb{T}^{M}$, $\hat{a}\in \text{estimates}\hat{a}\in \mathbb{T}^{M}$, $\hat{a}\in \mathbb$ †anticipatesâ€ $^{\text{TM}}$, †projectsâ€ $^{\text{TM}}$, †plansâ€ $^{\text{TM}}$, †forecastsâ€ $^{\text{TM}}$, †outlookâ€ $^{\text{TM}}$, †likelyâ€ $^{\text{TM}}$, †guidanceâ€ $^{\text{TM}}$, †trendsâ€ $^{\text{TM}}$, †future', †would', †could', †should' or similar expressions or negatives thereof but are not the exclusive means of identifying such statements. Statements that are not historical or current facts, including statements about OSBG's, its directors' and/or management's beliefs and expectations, are forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend upon circumstances that may or may not occur in the future that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. Factors that could cause actual business, strategy, plans and/or results (including but not limited to the payment of dividends) to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements made by OSBG or on its behalf include, but are not limited to: general economic and business conditions in the UK and internationally, including any changes in global trade policies; market related trends and developments; fluctuations in exchange rates, stock markets, inflation, deflation, interest rates, energy prices and currencies; policies of the Bank of England, the European Central Bank and other G7 central banks; the ability to access sufficient sources of capital, liquidity and funding when required; changes to OSBG's credit ratings; the ability to derive cost savings; changing demographic developments, and changing customer behaviour, including consumer spending, saving and borrowing habits; changes in customer preferences; changes to borrower or counterparty credit quality; instability in the global financial markets, including Eurozone instability, the potential for countries to exit the European Union (the EU) or the Eurozone, and the impact of any sovereign credit rating downgrade or other sovereign financial issues; technological changes and risks to cyber security; natural and other disasters, adverse weather and similar contingencies outside OSBG's control; inadequate or failed internal or external processes, people and systems; acts of war and terrorist acts or hostility and responses to those acts; geopolitical events and diplomatic tensions; the impact of outbreaks, epidemics and pandemics or other such events; changes in laws, regulations, taxation, ESG reporting standards, accounting standards or practices, including as a result of the UK's exit from the EU; regulatory capital or liquidity requirements and similar contingencies outside OSBG's control; the policies and actions of governmental or regulatory authorities in the UK, the EU or elsewhere including the implementation and interpretation of key legislation and regulation; the ability to attract and retain senior management and other employees; the extent of any future impairment charges or write-downs caused by, but not limited to, depressed asset valuations, market disruptions and illiquid markets; market relating trends and developments; exposure to regulatory scrutiny, legal proceedings, regulatory investigations or complaints; changes in competition and pricing environments; the inability to hedge certain risks economically; the adequacy of loss reserves; the actions of competitors, including non-bank financial services and lending companies; the success of OSBG in managing the risks of the foregoing; and other

risks inherent to the industries and markets in which OSBG operates.

Accordingly, no reliance may be placed on any forward-looking statement. Neither OSBG, nor any of its directors, officers or employees provides any representation, warranty or assurance that any of these statements or forecasts will come to pass or that any forecast results will be achieved. Any forward-looking statements made in this document speak only as of the date they are made and it should not be assumed that they have been revised or updated in the light of new information of future events. Except as required by the Prudential Regulation Authority, the Financial Conduct Authority, the London Stock Exchange PLC or applicable law, OSBG expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any change in OSBG's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. For additional information on possible risks to OSBG's business, (which may cause actual results to differ materially from those expressed or implied in any forward-looking statement), please see the Risk review section in the OSBG Annual Report and Accounts 2024. Copies of this are available at www.osb.co.uk and on request from OSBG.

Nothing in this document or any subsequent discussion of this document constitutes or forms part of a public offer under any applicable law or an offer or the solicitation of an offer to purchase or sell any securities or financial instruments. Nor does it constitute advice or a recommendation with respect to such securities or financial instruments, or any invitation or inducement to engage in investment activity under section 21 of the Financial Services and Markets Act 2000. Past performance cannot be relied on as a guide to future performance. Statements about historical performance must not be construed to indicate that future performance, share price or results in any future period will necessarily match or exceed those of any prior period. Nothing in this document is intended to be, or should be construed as, a profit forecast or estimate for any period.

In regard to any information provided by third parties, neither OSBG nor any of its directors, officers or employees explicitly or implicitly guarantees that such information is exact, up to date, accurate, comprehensive or complete. In no event shall OSBG be liable for any use by any party of, for any decision made or action taken by any party in reliance upon, or for inaccuracies or errors in, or omission from, any third-party information contained herein. Moreover, in reproducing such information by any means, OSBG may introduce any changes it deems suitable, may omit partially or completely any aspect of the information from this document, and accepts no liability whatsoever for any resulting discrepancy.

Liability arising from anything in this document shall be governed by English law, and neither OSBG nor any of its affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with this document. Nothing in this document shall exclude any liability under applicable laws that cannot be excluded in accordance with such laws.

Certain figures contained in this document, including financial information, may have been subject to rounding adjustments and foreign exchange conversions. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this document may not conform exactly to the total figure given.