

## **OneSavings Bank plc: Trading update**

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### **OneSavings Bank plc Trading update**

OneSavings Bank plc ('OSB'), the specialist lending and retail savings group, today issues its trading update for the period from the 1<sup>st</sup> January 2016 to date.

#### **Highlights**

- Strong financial and operational performance has continued
- Net loans & advances grew by £460m during the first quarter, driven by further strong organic origination and accelerated by acquisitions of first and second charge residential mortgage portfolios totalling £131m
- Margins on £627m of organic origination in the quarter remained strong. Net interest margin in the first quarter was in line with our expectations and we remain confident in our guidance of around 300bps for the full year
- Cost:income ratio remains excellent. We anticipate the full year ratio to be in line with or slightly higher than the 26% achieved in 2015, as previously guided
- Despite the introduction of the bank tax surcharge, return on equity was strong in the first quarter and we are on track to deliver a return comfortably ahead of our financial target
- The Group has drawn £576m under the Funding for Lending Scheme (FLS) to date. We are targeting a minimum drawdown of c. £700m in 2016
- Business growth continues to be supported by a robust capital position

#### **Andy Golding, CEO of OneSavings Bank, said:**

"I am extremely pleased with the performance of the business so far this year. We achieved strong levels of new business in the first quarter with £627m of organic origination at attractive margins, supported by acquisitions of £131m.

As expected, March was a record month as we fulfilled heightened demand to accelerate mortgage completions ahead of stamp duty changes. Intermediary focus has now returned to new applications and we are confident in achieving our full year growth targets.

We remain confident in the outlook for 2016."

#### **Enquiries:**

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## **About OneSavings Bank 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.

OSB is a specialist lending and retail savings group authorised by the Prudential Regulation Authority, part of the Bank of England, and regulated by the Financial Conduct Authority and Prudential Regulation Authority.

OSB primarily targets underserved 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 secured funding lines. OSB originates organically through specialist brokers and independent financial advisers. It is differentiated through its use of high 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 and postal channels, as well as a network of branches in the South East of England. Diversification of funding is currently provided by securitisation and participation in the Funding for Lending Scheme.