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FOR IMMEDIATE RELEASE

15 May 2019

**Recommended all-share combination of OneSavings Bank plc (“OSB”) and Charter Court
Financial Services Group plc (“Charter Court”)**

Publication of Prospectus and Circular (this “Announcement”)

On 14 March 2019, the OSB Board and the Charter Court Board jointly announced that they had reached agreement on the terms of a recommended all-share combination pursuant to which OSB will acquire the entire issued and to be issued ordinary share capital of Charter Court to form the Combined Group (the “**Combination**”).

Under the terms of the Combination, completion of which is subject to the satisfaction (or, where applicable, waiver) of the Conditions, each Charter Court Shareholder (other than Restricted Overseas Persons) will be entitled to receive 0.8253 New OSB Shares for each Charter Court Share held.

Today, OSB published a Circular containing a notice convening a general meeting of OSB Shareholders to be held at the offices of Slaughter and May, One Bunhill Row, London EC1Y 8YY at 10.00 a.m. on 6 June 2019 (the “**OSB General Meeting**”) to consider and, if thought fit, approve the Combination as a “Class 1 transaction” under the Listing Rules and to grant authority to the OSB Directors to allot the new shares to be issued to Charter Court Shareholders by OSB in connection with the Combination (the “**New OSB Shares**”).

OSB has also published a Prospectus today relating to the New OSB Shares and the application for admitting new shares to the premium segment of the Official List and to trading on the London Stock Exchange’s Main Market for listed securities.

The Circular and the Prospectus have each been approved by the FCA and are now available at www.osb.co.uk. A copy of each of the Circular and the Prospectus has been submitted to the National Storage Mechanism and will shortly be available for viewing at www.morningstar.co.uk/uk/nsm.

OSB also notes that a Scheme Document in relation to the Combination is being sent or made available by Charter Court to Charter Court Shareholders today. The Scheme Document contains,

amongst other things, notices convening a meeting of the Charter Court Shareholders convened at the direction of the Court (the “**Court Meeting**”) and a general meeting of Charter Court Shareholders (the “**Charter Court General Meeting**”). The Court Meeting and the Charter Court General Meeting will take place on the same day as the OSB General Meeting. The Scheme Document will be made available on the Charter Court website: www.chartercourts.co.uk.

Action to be taken by OSB Shareholders

OSB Shareholders are encouraged to vote on the OSB Resolution contained in the Circular, but should carefully read the Circular in its entirety before making any decision. The notes to the Notice of General Meeting at pages 63 and 64 of the Circular provide an explanation of how to attend and vote at the OSB General Meeting, including how to appoint a proxy.

Expected timetable

Subject to the approval of the OSB Shareholders and Charter Court Shareholders, as well as the satisfactory or, where permitted, waiver of the Conditions set out in the Scheme Document and the approval of the Court, completion of the Combination is expected to occur in the third quarter of 2019.

The expected timetable of principal events for the implementation of the Combination is set out below.

All references to time in this announcement are to London time unless otherwise stated.

Principal events	Time and/or date⁽¹⁾
Publication of the Prospectus, the Circular and the Scheme Document	15 May 2019
OSB General Meeting	10.00 a.m. on 6 June 2019
Court Meeting	10.30 a.m. on 6 June 2019
Charter Court General Meeting	10.45 a.m. on 6 June 2019 ⁽²⁾
Scheme Court Hearing to sanction the Scheme	“D” (a date expected to be in the third quarter of 2019, subject to the Conditions) ⁽³⁾
Effective Date	D+1
Admission of New OSB Shares on London Stock Exchange	By 8.00 a.m. on D+2

(1) All dates by reference to “D+1” and “D+2” will be to the date falling the number of indicated Business Days immediately after date D, as indicated above.

(2) To commence at the time fixed or, if later, immediately after the conclusion or adjournment of the Court Meeting.

(3) The Court Order is expected to be delivered to Companies House following the suspension of trading in Charter Court Shares and the Scheme Record Time on D+1, which date will then become the Effective

Date. The events which are stated as occurring on subsequent dates are conditional on the Effective Date and operate by reference to this time.

Enquiries

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Notes to Editors

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 joined the FTSE 250 index in June 2015. OSB is a specialist lending and retail savings group authorised by the PRA and regulated by the FCA and the PRA.

Based in Chatham, Kent, the OSB Group trades under the Kent Reliance, InterBay Commercial, Prestige Finance, and Heritable Development Finance brands in the UK. The OSB Group also has a presence in the Channel Islands under the Jersey Home Loans and Guernsey Home Loans brands.

OSB primarily targets underserved market sub-sectors that offer high growth potential, attractive risk-adjusted returns and where it has established expertise, platforms and capabilities. These include private rented sector / professional buy-to-let, commercial and semi-commercial mortgages, residential development finance, bespoke and specialist residential lending and secured funding lines and asset finance. OSB targets its customers through specialist brokers and independent financial advisers, and is differentiated through its use of high skilled, bespoke underwriting and its efficient operating model.

Important notice related to financial advisers

N. M. Rothschild & Sons Limited, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for OSB and no one else in relation to the contents of this Announcement, the Combination, Admission or any other matters referred to in this Announcement and will not regard any other person (whether or not a recipient of this Announcement)

as a client in relation to the Combination, Admission or any other matters referred to in this Announcement and will not be responsible to anyone other than OSB for providing the protections afforded to clients of Rothschild & Co nor for providing advice in relation to the contents of this Announcement, the Combination, Admission or any other matters referred to in this Announcement. Apart from the responsibilities and liabilities, if any, which may be imposed on Rothschild & Co under FSMA or the regulatory regime established thereunder, neither Rothschild & Co nor any of its affiliates accept any responsibility or liability whatsoever for, nor make any representation or warranty, express or implied, concerning the contents of this Announcement, including its accuracy, completeness or verification, or for any other statement made or purported to be made by OSB or on OSB's behalf, or by Rothschild & Co, or on Rothschild & Co's behalf in connection with the Combination, the New OSB Shares or Admission and nothing in this Announcement is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or future. To the fullest extent permitted by law, Rothschild & Co and its affiliates disclaim all and any duty, liability or responsibility whatsoever (whether direct or indirect and whether in contract, in tort, under statute or otherwise) which it might otherwise have in respect of this Announcement or any such statement.

Barclays Bank PLC, acting through its Investment Bank, ("Barclays") which is authorised by the Prudential Regulatory Authority and regulated in the United Kingdom by the Financial Conduct Authority and the Prudential Regulation Authority, is acting exclusively for OSB and no one else in relation to the Combination and will not be responsible to anyone other than OSB for providing the protections afforded to its clients nor for providing advice in connection with the Combination or any other matter referred to in this Announcement.

Cautionary Note Regarding Forward-Looking Statements

This Announcement contains certain statements about OSB and Charter Court that are or may be forward looking statements, including with respect to the Combination involving OSB and Charter Court. Forward looking statements are prospective in nature and are not based on historical facts, but rather on assumptions, expectations, valuations, targets, estimates, forecasts and projections of OSB and Charter Court about future events, and are therefore subject to risks and uncertainties which could cause actual results, performance or events to differ materially from those expressed or implied by the forward looking statements. All statements other than statements of historical facts included in this Announcement may be forward looking statements. Without limitation, forward looking statements often include words such as "targets", "plans", "believes", "hopes", "continues", "expects", "aims", "intends", "will", "may", "should", "would", "could", "anticipates", "estimates", "will look to", "budget", "strategy", "would look to", "scheduled", "goal", "prepares", "forecasts", "cost-saving", "is subject to", "synergy", "projects" or words or terms of similar substance or the negative thereof.

By their nature, forward looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward looking statements in this Announcement could cause actual results and developments to differ materially from those expressed in or implied by such forward looking statements. Such risks and uncertainties include, but are not limited to, the possibility that the Combination will not be pursued or consummated, failure to obtain necessary regulatory approvals or to satisfy any of the other conditions to the Combination if it is pursued, adverse effects on the market price of OSB's or Charter Court's ordinary shares and on OSB's or Charter Court's operating results because of a failure to complete the Combination, failure to realise the expected benefits of the Combination, negative effects relating to the announcement of the Combination or any further announcements relating to the Combination or the consummation of the Combination on the market price of OSB's or

Charter Court's ordinary shares, significant transaction costs and/or unknown liabilities, the Combined Group incurring and/or experiencing unanticipated costs and/or delays (including IT system failures, cyber-crime, fraud and pension scheme liabilities), general economic and business conditions that affect the combined companies following the consummation of the Combination, changes in global, political, economic, business, competitive, market and regulatory forces (including exposures to terrorist activities, the repercussions of the UK's referendum vote to leave the European Union, the UK's exit from the EU and Eurozone instability), future exchange and interest rates, changes in tax laws, regulations, rates and policies, future business combinations or disposals and competitive developments. Although it is believed that the expectations reflected in such forward looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and you are therefore cautioned not to place undue reliance on these forward looking statements which speak only as at the date of this Announcement.

Each forward looking statement speaks only as of the date of this Announcement. Neither OSB nor Charter Court, nor any of their respective associates or directors, officers or advisers, provides any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this Announcement will actually occur. Other than in accordance with their legal or regulatory obligations (including under the City Code, the Prospectus Rules, the Listing Rules and the Disclosure Guidance and Transparency Rules), neither the OSB Group nor the Charter Court Group is under, or undertakes, any obligation, and each of the foregoing expressly disclaims any intention or obligation, to update or revise any forward looking statements, whether as a result of new information, future events or otherwise.

No forecasts or estimates

Nothing in this Announcement (including any statement of estimated costs savings or synergies) is intended as a profit forecast or estimate for any period and no statement in this Announcement should be interpreted to mean that earnings or earnings per share or dividend per share for OSB or Charter Court, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share or dividend per share for OSB or Charter Court, as appropriate.

Accretion statements or statements as to the effect of the Combination on free cash flow per share, earnings per share, cash flow from operations per share, or return on average capital employed are not intended to be and should not be construed as profit forecasts and are, therefore, not subject to the requirements of Rule 28 of the City Code.

No statement in this Announcement should be interpreted to mean that free cash flow per share, earnings, earnings per share or income, cash flow from operations per share or return on average capital employed for the OSB Group, the Charter Court Group and/or the Combined Group, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings, earnings per share or income, cash flow from operations, free cash flow or return on average capital employed for the OSB Group or the Charter Court Group, as appropriate.

Further Information

This Announcement is for information purposes only and is not intended to and does not constitute or form part of any offer to sell or subscribe for or any invitation to purchase or subscribe for or otherwise acquire or dispose of any securities or the solicitation of any vote or approval in any jurisdiction

pursuant to the Combination or otherwise, nor will there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. The Combination will be made solely pursuant to the terms of the Scheme Document setting out the particulars of the proposed Scheme between Charter Court and the Charter Court Shareholders to implement the Combination with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Charter Court and OSB (or, in the event that the Combination is to be implemented by means of an Offer, the Offer Document), which, together with the forms of proxy that will accompany the Scheme Document, contain the full terms and conditions of the Scheme, including details of how to vote in respect of the Combination. Any decision in respect of, or other response to, the Combination by Charter Court Shareholders should be made only on the basis of the information contained in the Scheme Document.

Charter Court has prepared the Scheme Document to be distributed to Charter Court Shareholders. OSB has prepared the Circular and has made available the Prospectus containing information on the New OSB Shares and the Combined Group. OSB urges OSB Shareholders to read the Prospectus to be published by OSB and the Circular carefully when they become available because they contain important information in relation to the Scheme, the New OSB Shares and the Combined Group. Charter Court urges Charter Court Shareholders to read the Scheme Document and the Prospectus carefully because they contain important information in relation to the Scheme, the New OSB Shares and the Combined Group. Any vote in respect of resolutions to be proposed at the OSB General Meeting to approve the Combination, the Scheme or related matters, should be made only on the basis of the information contained in the Scheme Document, the Prospectus and, the Circular.

This Announcement does not constitute a prospectus or prospectus equivalent document.

The Combination will be subject to the applicable requirements of the City Code, the UK Panel on Takeovers and Mergers, the London Stock Exchange and the FCA.

Overseas jurisdictions

The release, publication or distribution of this Announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe any applicable requirements. In particular, the ability of persons who are not resident in the United Kingdom to vote their Charter Court shares with respect to the Scheme at the Court Meeting, or to execute and deliver Forms of Proxy appointing another to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with such requirements may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and other persons involved in the Combination disclaim any responsibility or liability for any violation of such restrictions by any person. This Announcement has been prepared for the purpose of complying with English law and the City Code and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom. Unless otherwise determined by OSB or required by the City Code, and permitted by applicable law and regulation, the Combination will not be made available directly or indirectly in, into or from any Restricted Jurisdiction or where to do so would violate the laws of a jurisdiction, and the Combination will not be capable of acceptance from or within a Restricted Jurisdiction.

Copies of this Announcement and any documentation relating to the Combination are not being, and must not be, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in or into or from any Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this Announcement and any documents relating to the Combination (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.

If the Combination is implemented by way of an Offer (unless otherwise permitted by applicable law and regulation), the Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.

The availability of New OSB Shares under the Combination to Charter Court Shareholders who are not resident in the United Kingdom or the ability of those persons to hold such shares may be affected by the laws or regulatory requirements of the jurisdiction in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements.

The New OSB Shares may not be offered, sold or delivered, directly or indirectly, in, into or from any Restricted Jurisdiction or to, or for the account or benefit of, any restricted overseas persons (being any Charter Court Shareholders resident in, or nationals or citizens of, Restricted Jurisdictions or who are nominees or custodians, trustees or guardians for, citizens, residents or nationals of such Restricted Jurisdictions) except pursuant to an applicable exemption from, or in a transaction not subject to, applicable securities laws of those jurisdictions. Further details in relation to any Charter Court Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom, are contained in the Scheme Document.

Additional information for US shareholders

The New OSB Shares have not been, and will not be, registered under the US Securities Act, or with any securities regulatory authority of any state, district or any other jurisdiction of the United States. Accordingly, the New OSB Shares may not be offered, sold or otherwise transferred, directly or indirectly, in or into the United States absent registration under the US Securities Act and any applicable state securities law or an exemption therefrom. The New OSB Shares to be issued to existing Charter Court Shareholders pursuant to the Scheme are expected to be issued in reliance upon an exemption from the registration requirements of the US Securities Act afforded by section 3(a)(10) thereof and exemptions from registration and qualification under applicable state securities laws. Charter Court Shareholders (whether or not US persons) who are or will be affiliates (within the meaning of the US Securities Act) of Charter Court or OSB before, or of OSB after, the Effective Date will be subject to certain US transfer restrictions relating to the New OSB Shares received pursuant to the Scheme.

None of the securities referred to in this Announcement has been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have such authorities passed upon or determined the adequacy or

accuracy of this Announcement. Any representation to the contrary is a criminal offence in the United States.

Disclosure requirements of the City Code

Under Rule 8.3(a) of the City Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the City Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Publication on website

A copy of this Announcement and the documents required to be published by Rule 26 of the City Code will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on OSB's website at www.osb.com by no later than 12 noon (London time) on the

Business Day following this Announcement. For the avoidance of doubt, the contents of those websites are not incorporated into and do not form part of this Announcement.

If you are in any doubt about the contents of this Announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.