

2018 Gender Pay Gap Report

March 2019

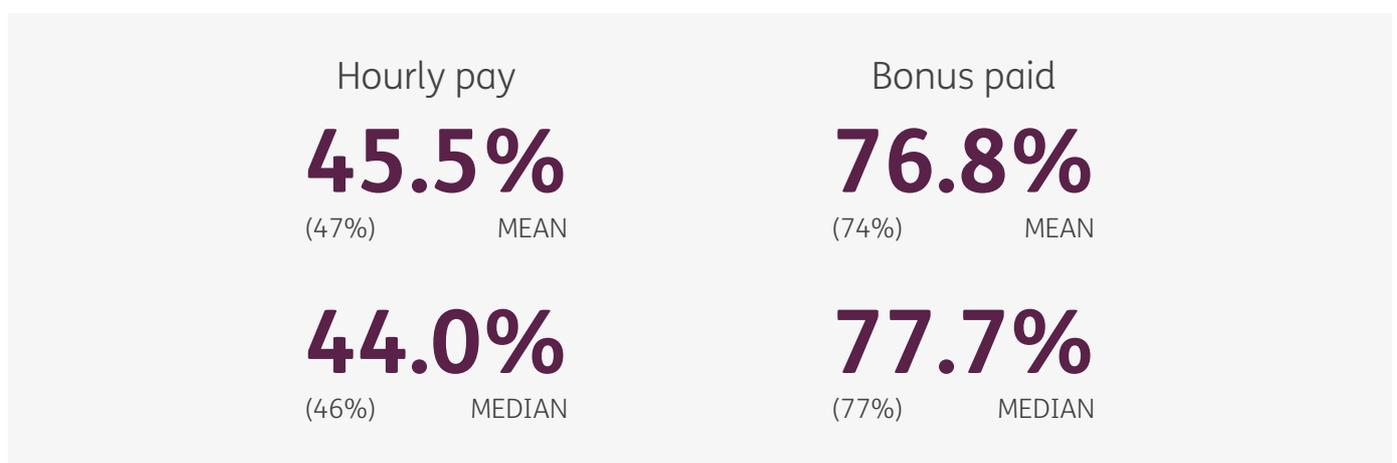
At OneSavings Bank (OSB), we continue to focus on developing an increasingly inclusive and transparent culture, along with a diverse workforce.

The requirement for all UK companies with over 250 employees to report on their respective gender pay gaps has enabled us to look closely at how we remunerate our employees, and to establish the reasons behind our headline figures. As a result, we've identified and implemented a number of activities to ensure an on-going and proactive focus regarding gender-related pay.

We're fully committed to a long-term aim of reducing our gender pay gap, which results from the gender ratios that exist at different levels within the structure of our workforce, rather than as a result of us paying our female employees less than what we pay male employees to undertake like-for-like roles.

Our gender pay gap data

Pay and bonus gap (2017 figures in brackets)



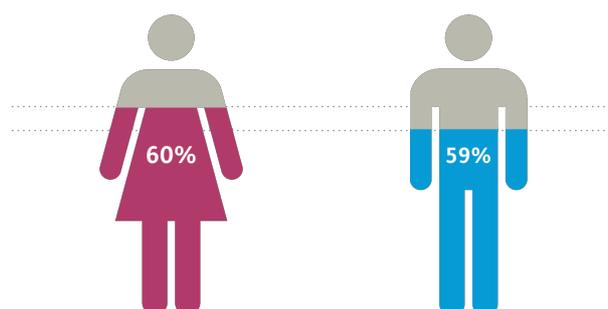
The above figures detail the degree to which the hourly pay of female employees is lower than male employees, as at the snapshot date of 5 April 2018.

It also details the degree to which bonuses paid to female employees in the 12 month period up to the snapshot date are lower than what was paid to male employees during the same period.

The mean represents the arithmetic average, and median details the figure at which half of our population are above and half are below.

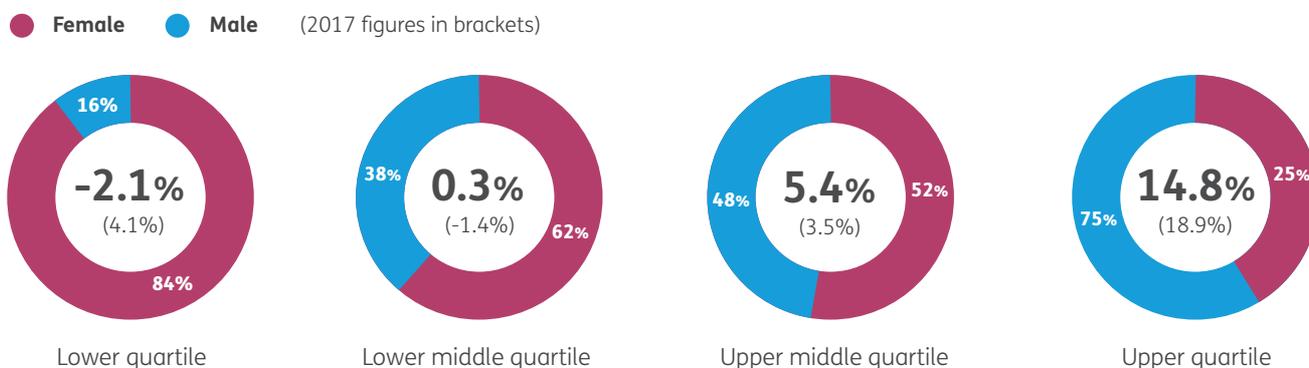
Proportion of employees awarded a bonus

Percentage of relevant male and female employees receiving a bonus payment in the 12 months preceding the snapshot date:



Pay quartiles

The following details our gender distribution across four equally sized quartiles, e.g. the lower quartile group represents the lowest-paid 25% of the population. For each quartile, we show the mean pay gap.



Our interpretation of the data

We remain committed to positively addressing and reducing our gender pay gap and fully support publishing data as a means of promoting gender equality in pay.

Despite there being a short period of time since the implementation of the initiatives that we established at the start of 2018 and the snapshot date of 5 April 2018, positive progress has been made, given the small reduction in both our median and mean hourly pay gaps.

In addition, within the pay quartiles, we've seen the differential between the percentage of male and females within the Lower Quartile reduce, and the mean gap also reducing in three of these four quartiles.

While the reporting requirements don't need our subsidiary businesses to publish specific gender pay gap data, we've also calculated our gender pay gap on a group-wide basis for transparency purposes. The mean and median gaps, when also including all staff employed directly by any of our UK subsidiary companies, are similar to the reported figures at 47.3% and 44.1% respectively.

As we detailed in our 2017 Gender Pay Gap Report, we're genuinely confident that there's no issue within OSB in respect of equal pay, and that both our gender pay gap and our bonus gap relate directly to the way that our workforce is structured, given that the majority of senior roles are undertaken by men and the majority of clerical roles are undertaken by women.

As at the snapshot date:

- Our overall UK employee base was **58%** female and **42%** male

- Our Executive Committee was made up of a significantly higher proportion of men (**80%**) than women (**20%**)
- Our senior management population (Grades 1 to 4) contained a significantly higher proportion of men (**75.3%**) than women (**24.7%**)
- **86%** of our Grade 8 (clerical) positions are undertaken by female employees with **67%** of senior clerical positions at Grade 7 also undertaken by women.

OSB's approach to pay is, and always has been, gender neutral. In order to validate this, we regularly analyse each of the positions within our entire UK workforce that are undertaken by both male and female employees. There's no discernible pay gap in respect of a significant proportion of these roles; however, within the positions where we've identified a gender pay gap of 2.5% or more, in the majority of cases, the gap favours our female employees.

We remain confident that all position specific gender pay gaps relate directly to situations where individual employees, regardless of gender, possess increased levels of role-specific experience or relate to historical, performance-related salary increases.

We also maintain our view that within OSB, we already have a very strong representation of females who have an involvement in the processes that relate to establishing pay. The Executive responsible for our HR function is female, as is the Chair of our Remuneration Committee, our Head of HR Operations and our Talent Acquisition Manager.

Our related actions

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In our 2017 Gender Pay Gap Report, we detailed a number of initiatives that we'd be progressing to assist with the long-term objective of reducing our gap.

All of these initiatives have been implemented, including the mandatory requirement for at least one credible female candidate to be subject to a face-to-face interview in respect of all senior vacancies. Any situations where this may not be achievable require an exception based approval from an Executive, ahead of an offer being made.

A similar approach was implemented in respect of our more junior positions, with an associated requirement to ensure that a credible male candidate was interviewed.

Given the short period of time between these initiatives being implemented at the start of 2018 and the snapshot date of 5 April 2018, it won't be until our 2019 Gender Pay Gap report is published that we can establish how these initiatives have helped to reduce our gap; however, we believe that they're already having a positive impact.

During 2018 we also conducted an external benchmarking review of our standard benefits package, which resulted in us increasing the discretionary bonus opportunity for all positions at manager level and below.

We anticipate this will have a positive impact moving forward, on our bonus gap, given that the majority of employees undertaking roles at these levels are female.

As well as establishing a broader suite of gender-based management information, which is shared at Executive level on a monthly basis, we've also established our Women's Networking Forum, which provides an appropriate forum for guest speakers and facilitated discussions, providing practical development tips and encouragement regarding potential career progression.

A number of our initiatives also support our commitment to HM Treasury's Women in Finance Charter, and our published goal that by the end of 2020, 30% of our senior management positions will be undertaken by women.

We're fully committed to ensuring that we continually support the career progression of our existing female employees and are pleased that Group-wide, 68% of all formal internal promotions during the 12-month period preceding the snapshot date related to female employees.

In addition, we've continued to ensure that the subject of unconscious bias is a key area of focus within training delivered internally to our line manager population, particularly in respect of appraisal and recruitment related workshops.

I can confirm that the data and other information contained in this report is accurate.

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Andy Golding
Group Chief Executive