TIDM	OSB
Headline	ONE Savings Bank PLC : Interest Rate Reset - 7.875%Perpetual Subordinated Bonds
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OneSavings Bank plc

("OSB or the "Company")

Interest Rate resetting on the £15,000,000 7.875% Perpetual Subordinated Bonds (the "Bonds")

Key points:

- In accordance with the terms of the Bonds the interest rate payable on the Bonds are subject to a resetting process from time to time, with the next reset becoming effective from and including 27 August 2014
- Following the procedure set out in the terms of the Bonds, the interest rate has today been reset by OSB's appointed Agent Bank, Canaccord Genuity Limited ("Canaccord").
- The revised rate of interest which shall be payable from and including 27 August 2014 is 5.9884%
- This rate will remain the effective rate payable on the Bonds until the next reset of interest rates is due to take effect, which will be on the fifth anniversary of 27 August 2014.
- The Bonds will therefore not be redeemed by OSB at the 27 August 2014 reset date

Interest Rate Reset

OSB, the UK bank formed out of the business of the former Kent Reliance Building Society and which recently undertook a successful IPO of its ordinary shares, has today announced the result of the interest resetting process applicable to its £15,000,000 7.875% per cent Perpetual Subordinated Bonds.

Under the terms of the Bonds, the interest rate applicable to the Bonds, originally set at 7.875%, is due to be reset with effect from 27 August 2014 and thereafter on each fifth anniversary of that date.

The procedure for resetting the interest rates is set out in the terms and conditions of the Bonds and involves OSB's appointed Agent Bank fixing the rate by reference to the gross yield to redemption applicable on the relevant Benchmark Gilt as chosen by the Agent Bank in accordance with these terms and conditions. Cannacord has been appointed as the Agent Bank for these purposes and chose as the Benchmark Gilt the 1.75% UK Treasury Gilt 07/2019.

Following the methodology set out in the terms and conditions of the Bonds, the Agent Bank has determined the Gross Redemption Yield applicable on the Benchmark Gilt to be 1.9884%. The terms and conditions of the Bonds require the interest rate on the Bonds to be set at the rate of 4% per annum plus the gross redemption yield on the Benchmark Gilt. Accordingly, it has determined the new rate of interest as being 5.9884% per annum. This rate will apply to the Bonds from and including 27 August 2014.

The OSB Board publicly stated in August 2013 that due to the favourable capital treatment of the PSBs it did not anticipate calling the debt. The bonds will not be redeemed at the 27 August 2014 reset date.

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