

2019 Gender Pay Gap Report

October 2019

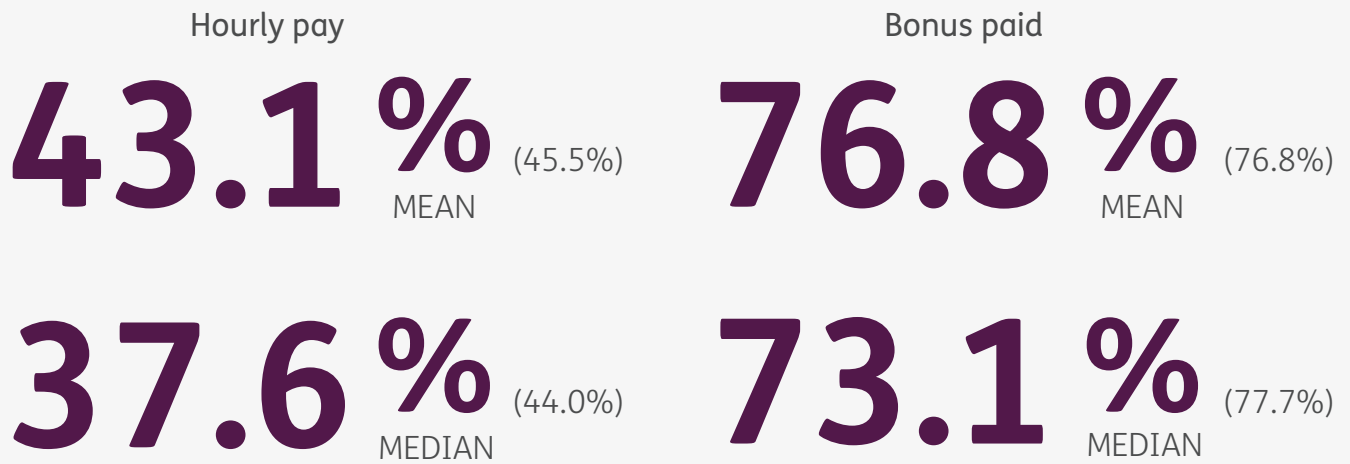
At OneSavings Bank (OSB), we continue to focus on developing an increasingly inclusive and transparent culture along with a diverse workforce.

The requirement for all UK Companies with over 250 staff to report on their respective gender pay gaps has enabled us to look closely at how we remunerate our employees and establish the reasons behind our headline figures. As a result, we've identified and implemented a number of activities that will ensure an ongoing 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 (2018 figures in brackets)



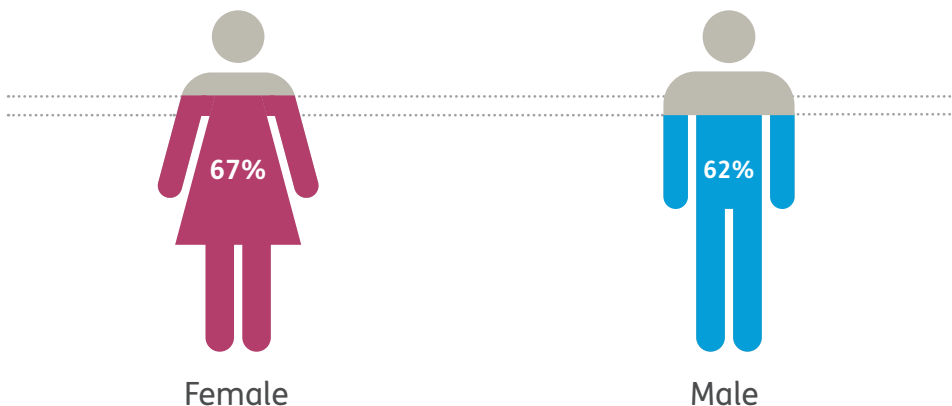
This table details the degree to which the hourly pay of female employees is lower than male employees as at the snapshot date of 5 April 2019.

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.

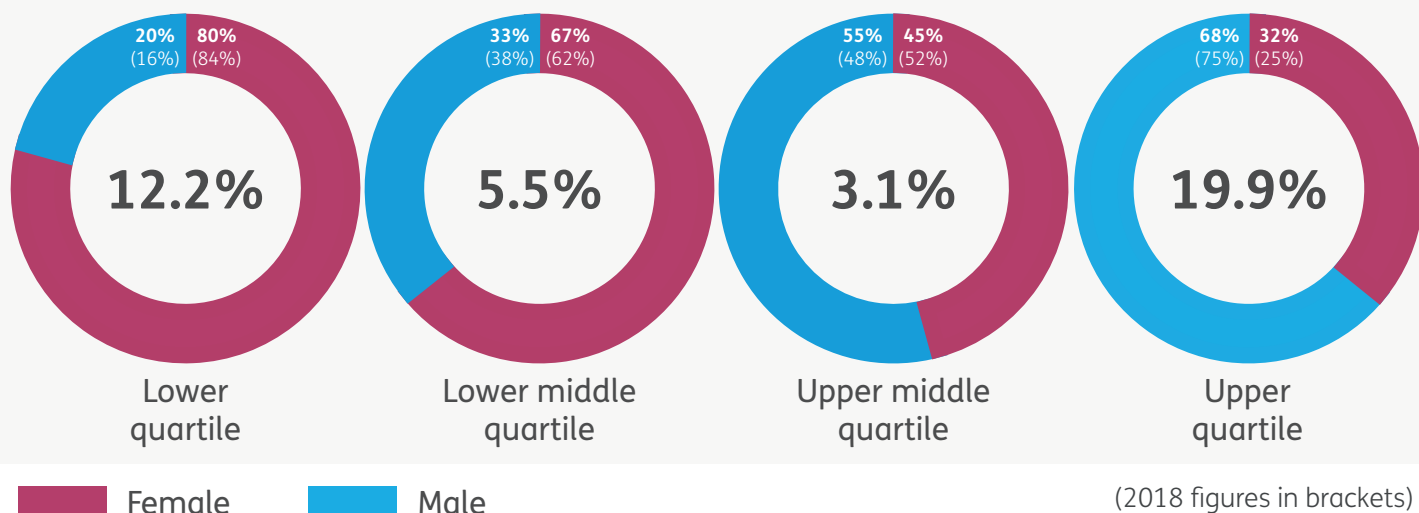
Proportion of staff awarded a bonus

Percentage of relevant male and female staff 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 reducing our gender pay gap and fully support publishing data as a means of promoting gender equality in pay.

Since the implementation of the initiatives that we established at the start of 2017, we've seen positive progress in both our median and mean hourly pay gaps and also seen our workforce structure evolve with a lower percentage of female employees within our lower quartile group and an increasing percentage falling within the upper quartile.

Whilst the reporting requirements do not need our subsidiary businesses to publish specific gender pay gap data, for transparency purposes we've also calculated our gender pay gap on a group basis. The mean and median gaps, when also including all those employed by our UK subsidiary companies, are similar to the reported figures above at 43.8% (47.3%) and 38.9% (44.1%) respectively, with both reducing from the 2018 figures, which are detailed in brackets.

As we detailed in our 2018 Gender Pay Gap Report, we remain genuinely confident that we do not have an 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 being undertaken by women.

As at the snapshot date:

- Our overall UK employee base was **58.6%** female and **41.4%** male

- Our Executive Committee was made up of a significantly higher proportion of men (**77.8%**) than women (**22.2%**)
- Our senior management population (Grades 1 to 4) contained a significantly higher proportion of men (**70.3%**) than women (**29.7%**)
- **78.9%** of our Grade 8 (clerical) positions were undertaken by female employees with **74.7%** of senior clerical positions at Grade 7 also being 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 is undertaken by both male and female employees.

There is 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 Head of Talent Acquisition.

Our related actions



In our previous Gender Pay Gap Reports, we detailed a number of initiatives that we would 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, with any situations where this may not be achievable requiring an exception based on 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.

With these initiatives being implemented at the start of 2018, there was a small window for these to impact last year's figures. Whilst we did see a small reduction in the 2018 data, it's pleasing that the 2019 data shows a further 2.4% reduction in our median gap and that our mean gap has reduced by 6.4%.

During 2018, we 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, with the majority of employees undertaking roles at these levels being female. With bonus payments being made after the 2019 snapshot date, it won't be until we establish the 2020 data that we can establish the degree to which this has impacted our bonus gap.

As well as establishing a broader suite of gender-based management information, which is shared up to Executive level on a monthly basis, we're delighted with the growth of our Women's Networking Forum, which provides a forum for guest speakers and facilitated discussions, along with the provision of 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 we're making solid progress towards 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, 60% of all formal internal promotions since the 2018 snapshot date have related to female employees.



Andy Golding
Group Chief Executive