

Reconciliation of Tesco Bank Income Statement from Tesco PLC Preliminary Results to Tesco Personal Finance plc Interim Financial Statements

Tesco Bank Income Statement 12 months ended 29 Feb 2020

Revenue

Interest receivable and similar income

Fee and commissions receivable

Direct costs

Interest payable

Fees and commissions payable

Other income

Gross profit

Other expenses

Staff costs

Premises and equipment

Other administrative expenses

Depreciation and amortisation

Impairment loss on financial assets

Operating profit

Net finance costs

Lease liabilities

FV mortgage gain

Share of profit of joint venture

Movement on derivatives

Restructuring and other one off costs

Profit before tax

Per Tesco PLC Preliminary Results £m	Group Reporting Adjustments * £m	Statutory Adjustments and Reclassifications ** £m	Tesco Personal Finance plc Annual report £m
733	-	(35)	698
335	-	6	341
1,068	-	(29)	1,039
(166)	-	(15)	(181)
(25)	-	(6)	(31)
(191)	-	(21)	(212)
-	-	(4)	(4)
877	-	(54)	823
(164)	-	(7)	(171)
(72)	-	(1)	(73)
(191)	34	(42)	(199)
(78)	-	(54)	(132)
(179)	-	-	(179)
193	34	(158)	69
(5)	-	5	-
(2)	-	2	-
29	-	(29)	-
10	-	-	10
(11)	-	11	-
(119)	27	92	-
95	61	(77)	79

* Comprising ATM commission (£34m).

** Comprising statutory adjustments and reclassifications including; one-off costs (£57m); discontinued operations (£77m); IFRS 15 (£3m) and legal entity structure (Tesco Personal Finance Group).

Reconciliation of Tesco Bank Balance Sheet from Tesco PLC Preliminary Results to Tesco Personal Finance plc Interim Financial Statements

Tesco Bank Balance Sheet as at 29 Feb 20

Non-current assets

Goodwill and other intangible assets	914
Property, plant and equipment	73
Investments in joint venture	86
Non-current financial assets at FVOCI	858
Non-current trade and other receivables	54
Non-current loans & advances to customers and banks	4,126
Deferred tax assets	70

Non-current assets

Current trade and other receivables	263
Trade and other payables	(250)
Current financial assets at FVOCI	202
Current loans & advances to customers and banks	4,325
Customer deposits and deposits from banks	(8,207)
Total provisions	(57)
Assets of disposal Group	45
Liabilities of disposal Group	0
Current tax liability	(26)

Cash and cash equivalents	1,364
Loans to joint venture	21
Derivative financial instrument receivable	4
Derivative financial instruments receivable - non current	1
Derivative financial instrument payable - current	0
Derivative financial instrument payable - non current	(51)
Net loan interest IC	0
Lease liabilities	(33)
MTNs and bonds - principle - current	(774)
MTNs and bonds - principle - non current	(251)
Net loans principal intercompany	(235)

Net assets

Per Tesco PLC Preliminary Results £m	Group Reporting Adjustments £m	Statutory Adjustments and Reclassifications * £m	Tesco Personal Finance plc Annual Report £m
914	(0)	(775)	139
73	0	0	73
86	0	0	86
858	0	21	879
54	0	0	54
4,126	0	0	4,126
70	0	0	70
6,181	(0)	(754)	5,427
263	13	(31)	245
(250)	(19)	(30)	(299)
202	0	0	202
4,325	0	0	4,325
(8,207)	0	(11)	(8,218)
(57)	0	(2)	(59)
45	0	0	45
0	0	0	0
(26)	0	0	(26)
(3,705)	(6)	(74)	(3,785)
1,364	0	31	1,395
21	0	(21)	0
4	0	0	4
1	0	0	1
0	0	0	0
(51)	0	0	(51)
0	0	0	0
(33)	0	33	0
(774)	0	0	(774)
(251)	0	251	(0)
(235)	0	(251)	(486)
45	0	43	88
2,521	(6)	(784)	1,731

* Comprising statutory adjustments and reclassifications including: Goodwill of £775m, Loan to joint venture of £21m, Mandatory Reserve deposits with Bank of England of £31m and lease liabilities of £33m.

Reconciliation of Tesco Bank Cash Flow Statement from Tesco PLC Preliminary Results to Tesco Personal Finance plc Annual Financial Statements

Tesco Bank Cash Flow Statement for 12 months to 29 February 2020

Operating profit ¹

Share of profit of joint venture

Movement on derivatives

Profit before tax

Depreciation, amortisation and net intangible asset impairment

ATM net income

Loss/(profit) arising on disposal of property, plant and equipment and intangible assets

Loss/(profit) arising on sale of other investments

Share-based payments

Tesco Bank non-cash items included in profit before tax

Cash flow from operations excluding working capital

Decrease/(Increase) in working capital

Cash generated from operations

Interest paid

Corporation tax paid

Net cash generated from operating activities

Purchase of property, plant and equipment

Purchase of intangible assets

Net investments in joint ventures

Proceeds from disposal of property, plant and equipment and intangible assets

Dividends from Tesco Bank

Net sale of other investments

Net cash used in investing activities

Increase of borrowings

Repayment of borrowings

Interest paid

Dividends paid

Repayment of obligation under lease

Net cash used in financing activities

(Decrease)/Increase in net intercompany working capital

Dividend received

InterGroup funding and intercompany transactions

Net decrease in cash and cash equivalents

Cash and cash equivalents at the beginning of the period

Cash and cash equivalents at the end of the period

Tesco PLC Preliminary Results	Group Reporting Adjustments ¹	Statutory Adjustments and Reclassifications ³	Tesco Personal Finance plc Annual Report
£m	£m	£m	£m
74	61	12	147
10	-	0	10
(11)	-	11	-
73	61	23	157
141	-	-	141
34	(34)	-	-
(3)	-	3	-
-	-	-	-
1	-	-	1
100	(27)	139	212
346	-	165	511
(3,407)	-	3,568	161
(3,061)	-	3,733	672
(8)	-	8	-
(69)	-	-	(69)
(3,138)	-	3,740	602
(5)	-	-	(5)
(39)	-	-	(39)
24	-	-	24
3,696	-	(3,696)	-
(50)	-	50	-
(3)	-	(2)	(5)
3,623	-	(3,648)	(25)
250	-	-	250
(410)	-	-	(410)
0	-	(45)	(45)
-	-	(50)	(50)
(2)	-	-	(2)
(162)	-	(95)	(257)
(3)	-	3	-
-	-	-	-
(3)	-	3	-
320	-	-	320
1,043	-	-	1,043
1,363	-	-	1,363

Notes

1 Tesco Bank operating profit is per Tesco Bank Income Statement.

2 Comprising ATM commission (£34m) and a goodwill impairment charge (£27m).

3 Comprising statutory adjustments and reclassifications including cash flow presentational differences such as movements on derivatives, interest paid, intra-group balances and further detail on balance sheet movements, legal entity structure (Tesco Personal Finance Group) and a reclassification of the proceeds of the sale of the mortgage business from investing activities to operating activities.

4 Mandatory reserve deposits held within the Bank of England of £31m are not included within cash and cash equivalents for the purposes of the cash flow statement as these do not have a maturity of less than three months.