

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

Tesco Bank Income Statement 6 months ended 31 August 21

Revenue

Interest receivable and similar income
 Fee and commissions receivable
 Insurance premiums received

Direct costs

Insurance premiums ceded to reinsurers
 Interest payable
 Fees and commissions payable
 Insurance claims incurred
 Insurance claims ceded to reinsurers

Other income

Gross profit

Other expenses

Staff costs
 Premises and equipment
 Other administrative expenses
 Depreciation and amortisation (excluding amortisation of intangibles arising on acquisition)
 Impairment loss on financial assets

Operating profit

Net finance costs
 Share of profit of joint venture
 Movement on derivatives
 Management charges
 Restructuring and other one off costs

Profit before tax

Per Tesco PLC Interim Results	Group Reporting Adjustments *	Statutory Adjustments and Reclassifications **	Tesco Personal Finance plc Interim Report
£m	£m	£m	£m
238	-	8	246
101	-	7	108
94	-	(42)	52
433	-	(27)	406
(42)	-	42	0
(20)	-	(11)	(31)
(10)	-	(7)	(17)
(61)	-	0	(61)
34	-	0	34
(99)	-	24	(75)
11	-	(1)	10
345	-	(4)	341
(104)	-	-	(104)
(33)	-	8	(25)
(85)	8	(8)	(85)
(30)	-	-	(30)
(21)	-	0	(21)
72	8	(4)	76
(3)	-	3	-
3	-	-	3
(1)	-	1	-
(0)	-	0	-
0	-	-	-
71	8	(0)	79

* Comprising ATM commission (£8m).

** Comprising statutory adjustments and reclassifications.

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

Tesco Bank Balance Sheet as at 31 August 2021	Per Tesco PLC Interim Results	Group Reporting Adjustments	Statutory Adjustments and Reclassifications *	Tesco Personal Finance plc Interim Report
	£m	£m	£m	£m
Non-Current Assets				
Goodwill	500	0	(500)	0
Other intangible assets	140	0	20	160
Property, plant and equipment	77	0	0	77
Non-current other investments - amortised cost	732	0	0	732
Non-current other investments - FVOCI	451	0	0	451
Non current other investments - FVTPL	25	0	0	25
Non-current trade and other receivables	78	0	0	78
Non-current loans & advances to customers	3,169	0	0	3,169
Deferred tax asset	69	0	(0)	69
Non -current reinsurance assets	205	0	0	205
Non-current assets	5,447	0	(480)	4,967
Current reinsurance assets	52	0	0	52
Current trade and other receivables	226	8	(43)	191
Trade and other payables	(305)	(20)	79	(246)
Current other investments - amortised cost	196	0	0	196
Current other investments - FVOCI	152	0	0	152
Current loans & advances to customers and banks	3,287	0	(52)	3,235
Customer deposits and deposits from banks	(6,160)	0	(13)	(6,173)
Total Provisions	(48)	0	(1)	(49)
Current tax asset	25	0	0	25
Insurance funds withheld	0	0	(106)	(106)
Insurance contract liabilities	(655)	0	0	(655)
	(3,230)	(12)	(136)	(3,378)
Cash and cash equivalents	514	0	92	606
Derivative financial instruments receivable non current	6	0	0	6
Derivative financial instrument payable - current	(3)	0	0	(3)
Derivative financial instrument payable non current	(33)	0	0	(33)
Net loan interest IC	(1)	0	1	0
Lease liabilities	(29)	0	29	0
MTNs and bonds - principle -Current	(1)	0	0	(1)
MTNs and bonds - principle - non Current	(250)	0	250	(0)
Net loans principal intercompany	(235)	0	(250)	(485)
	(31)	0	120	89
Net Assets	2,186	(12)	(496)	1,678

* Comprising statutory adjustments and reclassifications including: Goodwill of £500m, Insurance contracts withheld of £106m, Mandatory Reserve deposits with Bank of England of £41m and lease liabilities of £29m.

Reconciliation of Tesco Bank Cash Flow Statement from Tesco PLC Interim Results to Tesco Personal Finance plc Interim Financial Report

Tesco Bank Cash Flow Statement for 6 months to 31 August 2021

Tesco PLC Interim Results	Group Reporting Adjustments ²	Statutory Adjustments and Reclassifications ³	Tesco Personal Finance plc Interim Report
£m	£m	£m	£m
Operating profit ¹	72	(4)	76
Depreciation, amortisation and net intangible asset impairment	30	-	30
ATM net income	8	(8)	-
Loss/(profit) arising on disposal of property, plant and equipment and intangible assets	-	-	-
Loss/(profit) arising on sale of other investments	(10)	-	(10)
Share-based payments	2	-	2
Finance costs	-	8	8
Tesco Bank non-cash items included in profit before tax	19	1	20
Cash flow from operations excluding working capital	121	5	126
Decrease/(Increase) in working capital	(281)	23	(258)
Cash generated from operations	(160)	28	(132)
Interest paid	(2)	2	-
Corporation tax paid	(1)	-	(1)
Net cash generated from operating activities	(163)	30	(133)
Purchase of property, plant and equipment	(5)	-	(5)
Purchase of intangible assets	(15)	-	(15)
Acquisition of subsidiaries, net of cash acquired	(81)	34	(47)
Purchase of subordinated debt issued by subsidiary	-	(21)	(21)
Proceeds from disposal of property, plant and equipment and intangible assets	-	-	-
Net sale of other investments	7	-	7
Dividends received from Joint Ventures and Associates	10	-	10
Net cash generated from investing activities	(84)	13	(71)
Increase of borrowings	-	-	-
Repayment of borrowings	(21)	21	-
Dividends paid	-	-	-
Repayment of obligation under lease	(1)	-	(1)
Interest paid	-	(9)	(9)
Net cash used in financing activities	(22)	12	(10)
(Decrease)/Increase in net intercompany working capital	3.0	(3)	-
InterGroup funding and intercompany transactions	3	(3)	-
Net increase in cash and cash equivalents	(266)	52	(214)
Cash and cash equivalents at the beginning of the period	780	(2)	778
Cash and cash equivalents at the end of the period	514	50	564

Notes

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

2 Comprising ATM commission (£8m).

3 Comprising statutory adjustments and reclassifications including cash flow presentational differences such as interest paid, intra-group balances, loans and advances to banks, subordinated debt purchase and legal entity structure (Tesco Personal Finance Group).

4 Certain reserve deposits held within the Bank of England of £43m 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.