

Reconciliation of Tesco Bank Income Statement from Tesco PLC Preliminary Results to Tesco Personal Finance plc Annual Report

Tesco Bank Income Statement for the year ended 28 February 2022

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 Preliminary Results £m	Group Reporting Adjustments * £m	Statutory Adjustments and Reclassifications ** £m	Tesco Personal Finance plc Annual Report £m
473	-	14	487
210	-	17	227
239	-	(105)	134
922	-	(74)	848
(105)	-	105	0
(42)	-	(20)	(62)
(20)	-	(17)	(37)
(150)	-	0	(150)
62	-	0	62
(255)	-	68	(187)
15	-	2	17
682	-	(4)	678
(210)	-	-	(210)
(68)	-	-	(68)
(193)	14	(0)	(179)
(65)	-	-	(65)
30	-	0	30
176	14	(4)	186
(6)	-	6	-
3	-	-	3
2	-	(2)	-
0	-	-	0
0	-	-	-
175	14	0	189

* Comprising ATM commission (£14m).

** Comprising statutory adjustments and reclassifications.

Reconciliation of Tesco Bank Balance Sheet from Tesco PLC Preliminary Results to Tesco Personal Finance plc Annual Report

Tesco Bank Balance Sheet as at 28 February 2022	Per Tesco PLC Preliminary Results	Group Reporting Adjustments	Statutory Adjustments and Reclassifications *	Tesco Personal Finance plc Annual Report
	£m	£m	£m	£m
Non-Current Assets				
Goodwill	500	0	(500)	0
Other intangible assets	129	0	20	149
Property, plant and equipment	79	0	1	80
Non-current other investments - amortised cost	782	0	0	782
Non-current other investments - FVOCI	434	0	0	434
Non current other investments - FVTPL	25	0	0	25
Non-current trade and other receivables	59	0	(59)	0
Non-current loans & advances to customers	3,141	0	0	3,141
Deferred tax asset	64	0	0	64
Non -current reinsurance assets	184	0	0	184
Non-current assets	5,397	0	(538)	4,859
Current reinsurance assets	61	0	0	61
Current trade and other receivables	239	7	17	263
Trade and other payables	(356)	(17)	89	(284)
Current other investments - amortised cost	75	0	0	75
Current other investments - FVOCI	151	0	0	151
Current other investments - FVTPL	0	0	0	0
Current loans & advances to customers	3,349	0	0	3,349
Customer deposits and deposits from banks	(6,379)	0	(5)	(6,384)
Total Provisions	(37)	0	(1)	(38)
Current tax asset	3	0	0	3
Insurance funds withheld	0	0	(115)	(115)
Insurance contract liabilities	(650)	0	0	(650)
	(3,544)	(10)	(15)	(3,569)
Cash and cash equivalents	789	0	40	829
Bank overdrafts	0	0	0	0
Loans and advances to banks	0	0	0	0
Derivative financial instruments receivable non current	42	0	0	42
Derivative financial instruments receivable current	3	0	0	3
Derivative financial instrument payable - current	(1)	0	0	(1)
Derivative financial instrument payable non current	(26)	0	0	(26)
Net loan interest IC	(1)	0	1	0
Lease liabilities	(27)	0	27	0
MTNs and bonds - principle -Current	(0)	0	0	(0)
MTNs and bonds - principle - non Current	(244)	0	244	0
Net loans principal intercompany	(235)	0	(245)	(480)
	300	0	67	367
Net Assets	2,153	(10)	(486)	1,657

* Comprising statutory adjustments and reclassifications including: Goodwill of £500m, Insurance funds withheld of £115m, Mandatory Reserve deposits with Bank of England of £42m and lease liabilities of £27m.

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 28 February 2022

Tesco PLC Preliminary Results	Group Reporting Adjustments ²	Statutory Adjustments and Reclassifications ³	Tesco Personal Finance plc Annual Report
£m	£m	£m	£m
Operating profit ¹	176	(4)	186
Depreciation, amortisation and net intangible asset impairment	65	-	65
ATM net income	14	(14)	-
Loss/(profit) arising on disposal of property, plant and equipment and intangible assets	-	-	1
Loss/(profit) arising on sale of other investments	(10)	-	(10)
Share-based payments	3	-	3
Finance costs	-	16	16
Tesco Bank non-cash items included in profit before tax	(28)	(16)	(44)
Cash flow from operations excluding working capital	220	(3)	217
Decrease/(Increase) in working capital	(62)	-	(52)
Cash generated from operations	158	7	165
Interest paid	(5)	5	-
Corporation tax paid	(4)	1	(3)
Net cash generated from operating activities	149	13	162
Purchase of property, plant and equipment	(14)	-	(14)
Purchase of intangible assets	(33)	-	(33)
Acquisition of subsidiaries, net of cash acquired	(48)	-	(48)
Purchase of subordinated debt issued by subsidiary	0	(21)	(21)
Proceeds from disposal of property, plant and equipment and intangible assets	1	(1)	-
Proceeds from sale of other investments	272	-	272
Purchase of other investments	(220)	-	(220)
Dividends received from Tesco Bank	(87)	87	-
Dividends received from Joint Ventures and Associates	10	-	10
Net cash generated from investing activities	(119)	65	(54)
Increase of borrowings	-	-	-
Repayment of borrowings	(21)	21	-
Dividends paid	-	(80)	(80)
Repayment of obligation under lease	(4)	2	(2)
Interest paid	-	(17)	(17)
Net cash used in financing activities	(25)	(74)	(99)
Net increase in cash and cash equivalents (pre-intercompany)	5	4	9
Intra-Group funding and intercompany transactions	4	(4)	-
Net increase in cash and cash equivalents (post-intercompany)	9	-	9
Cash and cash equivalents at the beginning of the period	780	(2)	778
Cash and cash equivalents at the end of the period	789	(2)	787

Notes

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

2 Comprising ATM commission (£14m).

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

4 Certain reserve deposits held within the Bank of England of £42m 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.