

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 22

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
 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
252	-	(1)	251
134	-	10	144
154	-	(69)	85
540	-	(60)	480
(69)	-	69	0
(34)	-	(3)	(37)
(6)	-	(9)	(15)
(77)	-	1	(76)
34	-	(1)	33
(152)	-	57	(95)
2	-	2	4
390	-	(1)	389
(115)	-	(1)	(116)
(34)	-	9	(25)
(108)	9	(14)	(113)
(27)	-	-	(27)
(39)	-	0	(39)
67	9	(7)	69
(4)	-	4	-
0	-	-	-
2	-	(2)	-
(5)	-	5	-
60	9	(0)	69

* Comprising ATM commission (£9m).

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 2022	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	125	0	20	145
Property, plant and equipment	69	0	10	79
Right of use assets	10	0	(10)	0
Non-current other investments - amortised cost	771	0	0	771
Non-current other investments - FVOCI	464	0	0	464
Non current other investments - FVTPL	24	0	0	24
Non-current trade and other receivables	31	0	0	31
Non-current loans & advances to customers	2,994	0	0	2,994
Deferred tax asset	67	0	(0)	67
Non-current reinsurance assets	173	0	58	231
Non-current assets	5,228	0	(422)	4,806
Current reinsurance assets	58	0	(58)	0
Current trade and other receivables	224	4	(43)	185
Trade and other payables	(354)	(26)	92	(288)
Current other investments - amortised cost	98	0	0	98
Current other investments - FVOCI	70	0	0	70
Current other investments - FVTPL	1	0	0	1
Current loans & advances to customers	3,848	0	0	3,848
Customer deposits and deposits from banks	(6,469)	0	(6)	(6,475)
Total Provisions	(38)	0	0	(38)
Current tax asset	3	0	0	3
Insurance funds withheld	0	0	(117)	(117)
Insurance contract liabilities	(599)	0	0	(599)
	(3,158)	(22)	(131)	(3,311)
Cash and cash equivalents	475	0	88	563
Loans and advances to banks	46	0	(46)	0
Derivative financial instruments receivable non current	104	0	0	104
Derivative financial instrument receivable - current	14	0	0	14
Derivative financial instrument payable - current	0	0	0	0
Derivative financial instrument payable non current	(23)	0	0	(23)
Net loan interest IC	(1)	0	1	0
Lease liabilities	(25)	0	25	0
MTNs and bonds - principle -Current	(1)	0	1	0
MTNs and bonds - principle - non Current	(235)	0	235	0
Net loans principal intercompany	(235)	0	(236)	(471)
	119	0	68	187
Net Assets	2,189	(22)	(485)	1,682

* Comprising statutory adjustments and reclassifications including: Goodwill of £500m, Mandatory Reserve deposits with Bank of England of £43m and lease liabilities of £25m.

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 2022

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	62	(2)	69
Depreciation, amortisation and net intangible asset impairment	27	-	27
ATM net income	9	(9)	-
Loss/(profit) arising on disposal of property, plant and equipment and intangible assets	-	-	-
Loss/(profit) arising on sale of other investments	-	-	-
Share-based payments	(1)	-	(1)
Finance costs	-	7	7
Tesco Bank non-cash items included in profit before tax	37	-	37
Cash flow from operations excluding working capital	134	5	139
(In crease)/decrease in working capital	(330)	3	(327)
Cash used in operations	(196)	8	(188)
Interest paid	(3)	3	-
Corporation tax paid	(10)	-	(10)
Net cash used in operating activities	(209)	11	(198)
Purchase of property, plant and equipment	(6)	-	(6)
Purchase of intangible assets	(20)	-	(20)
Acquisition of subsidiaries, net of cash acquired	(5)	-	(5)
Purchase of subordinated debt issued by subsidiary	0	-	-
Proceeds from disposal of property, plant and equipment and intangible assets	-	-	-
Proceeds from sale of other investments	148	-	148
Purchase of other investments	(178)	-	(178)
Dividends received from Tesco Bank	-	-	-
Dividends received from Joint Ventures and Associates	-	-	-
Net cash used in investing activities	(61)	-	(61)
Increase of borrowings	-	-	-
Repayment of borrowings	-	-	-
Dividends paid	-	-	-
Repayment of obligation under lease	(2)	1	(1)
Interest paid	-	(8)	(8)
Net cash used in financing activities	(2)	(7)	(9)
Net (decrease)/increase in cash and cash equivalents (pre-intercompany)	(272)	4	(268)
Intra-Group funding and intercompany transactions	4	(4)	-
Net decrease in cash and cash equivalents (post-intercompany)	(268)	-	(268)
Cash and cash equivalents at the beginning of the period	789	(2)	787
Cash and cash equivalents at the end of the period	521	(2)	519

Notes

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

2 Comprising ATM commission (£9m).

3 Comprising statutory adjustments and reclassifications including cash flow presentational differences such as interest paid, intra-group balances 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.