

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

Tesco Bank Income Statement 12 months ended 28 February 2023

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

* Comprising ATM commission (£16m).

** Comprising statutory adjustments and reclassifications.

Per Tesco PLC Preliminary Results	Group Reporting Adjustments *	Statutory Adjustments and Reclassifications **	Tesco Personal Finance plc Annual Report
£m	£m	£m	£m
540	-	(2)	538
257	-	19	276
309	-	(139)	169
1,106	-	(123)	983
(139)	-	139	0
(99)	-	(8)	(107)
(10)	-	(20)	(30)
(175)	-	0	(175)
90	-	0	90
(333)	-	111	(222)
(5)	-	3	(2)
768	-	(8)	760
(218)	-	(8)	(226)
(70)	-	(7)	(77)
(222)	16	3	(202)
(54)	-	-	(54)
(61)	-	(0)	(61)
143	16	(19)	140
(10)	-	10	-
0	-	-	-
2	-	(2)	-
(11)	-	11	-
124	16	(0)	140

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

	Per Tesco PLC Preliminary Results	Group Reporting Adjustments	Statutory Adjustments and Reclassifications *	Tesco Personal Finance plc Annual Report
<u>Tesco Bank Balance Sheet as at 28 February 2023</u>	£m	£m	£m	£m
Non-Current Assets				
Goodwill	500	0	(500)	0
Other intangible assets	123	0	20	143
Property, plant and equipment	72	0	10	83
Right of use assets	10	0	(10)	0
Non-current other investments - amortised cost	586	0	0	586
Non-current other investments - FVOCI	516	0	0	516
Non current other investments - FVTPL	19	0	0	19
Non-current trade and other receivables	25	0	(25)	(0)
Non-current loans & advances to customers	3,029	0	0	3,029
Deferred tax asset	57	0	(0)	57
Non current reinsurance assets	145	0	0	145
Non-current assets	5,082	0	(505)	4,577
Current reinsurance assets	72	0	0	72
Current trade and other receivables	243	6	(19)	230
Trade and other payables	(390)	(22)	101	(311)
Current other investments - amortised cost	297	0	0	297
Current other investments - FVOCI	49	0	0	49
Current other investments - FVTPL	1	0	0	1
Current loans & advances to customers	4,052	0	0	4,052
Customer deposits and deposits from banks	(6,750)	1	(6)	(6,755)
Total Provisions	(30)	0	(0)	(30)
Current tax asset	9	0	0	9
Insurance funds withheld	0	0	(123)	(123)
Insurance contract liabilities	(605)	0	0	(605)
	(3,052)	(15)	(47)	(3,114)
Cash and cash equivalents	418	0	68	486
Loans and advances to banks	27	0	(27)	0
Derivative financial instruments receivable non current	106	0	0	106
Derivative financial instrument receivable - current	15	0	0	15
Derivative financial instrument payable - current	(1)	0	0	(1)
Derivative financial instrument payable non current	(16)	0	0	(16)
Net loan interest IC	(2)	0	2	0
Lease liabilities	(23)	(1)	24	0
MTNs and bonds - principle -Current	(0)	0	0	(0)
MTNs and bonds - principle - non Current	(137)	0	137	(0)
Net loans principal intercompany	(235)	0	(139)	(374)
	151	(1)	65	215
Net Assets	2,181	(16)	(487)	1,678

* Comprising statutory adjustments and reclassifications including: Goodwill of £500m, Mandatory Reserve deposits with Bank of England of £43m and lease liabilities of £24m.

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 2023

	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	132	16	(8)	140
Depreciation, amortisation and net intangible asset impairment	54	-	-	54
ATM net income	16	(16)	-	0
Loss/(profit) arising on disposal of property, plant and equipment and intangible assets	-	-	1	1
Loss/(profit) arising on sale of other investments	3	-	-	3
Share-based payments	(5)	-	-	(5)
Finance costs	0	-	15	15
Tesco Bank non-cash items included in profit before tax	70	-	2	72
Cash flow from operations excluding working capital	270	-	10	280
Decrease/(Increase) in working capital	(274)	-	(3)	(277)
Cash generated from operations	(4)	-	7	3
Interest paid	(9)	-	9	0
Corporation tax paid	(17)	-	-	(17)
Net cash generated from operating activities	(30)	-	16	(14)
Purchase of property, plant and equipment	(15)	-	-	(15)
Purchase of intangible assets	(38)	-	-	(38)
Acquisition of subsidiaries, net of cash acquired	(5)	-	-	(5)
Proceeds from disposal of property, plant and equipment and intangible assets	1	-	(1)	0
Proceeds from sale of other investments	229	-	-	229
Purchase of other investments	(323)	-	-	(323)
Dividends received from Tesco Bank	(54)	-	54	0
Net cash generated from investing activities	(205)	-	53	(152)
Repayment of borrowings	(101)	-	-	(101)
Dividends paid	-	-	(54)	(54)
Cash flows from derivatives	(6)	-	-	(6)
Repayment of obligation under lease	(4)	-	1	(3)
Interest paid	-	-	(15)	(15)
Net cash used in financing activities	(111)	-	(68)	(179)
Net (decrease)/increase in cash and cash equivalents (pre-intercompany)	(346)	-	1	(345)
InterGroup funding and intercompany transactions	1	-	(1)	-
Net increase in cash and cash equivalents (post-intercompany)	(345)	-	-	(345)
Cash and cash equivalents at the beginning of the period	789	-	(2)	787
Cash and cash equivalents at the end of the period	444	-	(2)	442

Notes

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

2 Comprising ATM commission (£16m).

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.