

Reconciliation of Tesco Bank income statement from Tesco PLC results to Tesco Personal Finance plc financial statements

Tesco Bank Income Statement	Per Tesco PLC results	Group consolidation adjustments (1)	Other reclassifications	Eliminate Tesco Personal Finance Group PLC	Tesco Personal Finance PLC financial statements
For the year ended 29 February 2024	£m	£m	£m	£m	£m
Revenue					
Interest income	94	-	(7)	-	87
Fee and commissions income	203	-	1	-	204
Insurance revenue	514	-	-	-	514
Direct costs					
Interest expense	(67)	-	(7)	(2)	(76)
Fees and commissions expense	(1)	-	(1)	-	(2)
Insurance service expenses	(454)	-	-	-	(454)
Net expenses from reinsurance contracts held	(48)	-	-	-	(48)
Other income	(1)	-	4	-	3
Gross profit / total income	240				
Other expenses					
Staff costs	(50)	-	(3)	-	(53)
Premises and equipment	(37)	-	(9)	-	(46)
Other administrative expenses	(72)	9	9	-	(54)
Depreciation and amortisation	(12)	-	-	-	(12)
Impairment loss on financial assets	-	-	-	-	-
Adjusted operating profit	69				
Adjusting items	(3)	-	3	-	-
Operating profit from continuing operations	66				
Movement on derivatives and hedge accounting	5	-	(5)	-	-
Intercompany interest expense	(15)	-	15	-	-
Finance leases	-	-	-	-	-
Finance income from reinsurance contracts held	1	-	-	-	1
Finance expenses from insurance contracts issued	(7)	-	-	-	(7)
Profit before tax from continuing operations	50	9	-	(2)	57
Loss before tax from discontinued operations	(665)	234	-	-	(431)
Loss before tax	(615)	243	-	(2)	(374)

(1) Primarily comprising ATM commission (£9m) and disposal of Tesco PLC goodwill (£211m).

Reconciliation of Tesco Bank balance sheet from Tesco PLC results to Tesco Personal Finance plc financial statements

Tesco Bank Balance Sheet	Per Tesco PLC results	Group consolidation adjustments	Other reclassifications	Eliminate Tesco Personal Finance Group PLC	Tesco Personal Finance PLC financial statements
As at 29 February 2024	£m	£m	£m	£m	£m
Goodwill and other intangible assets	320	(269)	-	-	51
Property, plant and equipment	63	-	1	-	64
Right of use assets	1	-	(1)	-	-
			-	-	
Assets of disposal Group	7,298	1	400	-	7,699
Liabilities of disposal Group	(6,540)	(5)	(582)	-	(7,127)
Net assets of the disposal group excluding net debt	758				
Cash and balances with central banks	414	-	55	(3)	466
Loans and advances to banks	28	-	-	-	28
Derivative financial instruments (assets)	29	-	-	-	29
Derivative financial instruments (liabilities)	(9)	-	-	-	(9)
Debt securities and subordinated debt	(380)	-	-	-	(380)
Lease liabilities	(2)	-	2	-	-
Net debt of disposal group	(182)	-	182	-	-
Net debt	(102)				
Investment securities	1,533	-	-	-	1,533
Reinsurance assets	125	-	-	-	125
Prepayments and accrued income	31	(1)	-	-	30
Current tax asset	17	-	-	-	17
Other assets	131	73	(55)	-	149
Deferred tax assets	64	-	-	-	64
Deposits from banks	(908)	-	-	-	(908)
Customer deposits	-	-	-	(6)	(6)
Provisions for liabilities and charges	(39)	-	-	-	(39)
Accruals and deferred income	(10)	(4)	(25)	-	(39)
Other liabilities	(118)	(10)	23	-	(105)
Current tax liability	-	-	-	-	-
Insurance contract liabilities	(526)	-	-	-	(526)
Other net assets	300				
Net Assets	1,340	(215)	-	(9)	1,116

(1) Comprising elimination of goodwill of £269m and net intercompany balances with Tesco of £54m.

(2) Comprising reclassification of net debt of the disposal group of £182m, Mandatory Reserve deposits with Bank of England of £55m, lease liabilities of £2m, other liabilities of £25m, and right of use assets of £1m.

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

Tesco Bank Cash Flow Statement for 12 months to 29 February 2024

Operating profit ¹

Depreciation and amortisation

ATM net income

Net remeasurement of loss on non-current assets held for sale

Share-based payments

Finance costs

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

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

Proceeds from sale of other investments

Purchase of other investments

Dividends received from Tesco Bank

Net cash generated from investing activities

Increase in borrowings

Repayment of borrowings

Dividends paid

Cash flows from derivatives

Repayment of obligation under lease

Interest paid

Net cash used in financing activities

Net (decrease)/increase in cash and cash equivalents (pre-intercompany)

InterGroup funding and intercompany transactions

Net increase in cash and cash equivalents (post-intercompany)

Cash and cash equivalents at the beginning of the period

Cash and cash equivalents at the end of the period

Tesco PLC Annual Results	Group Reporting Adjustments ²	Statutory Adjustments and Reclassifications ³	Tesco Personal Finance plc Annual Report
£m	£m	£m	£m
(593)	243	(24)	(374)
46	-	-	46
9	(9)	-	0
732	(211)	-	521
3	-	-	3
-	-	53	53
65	-	5	70
262	23	34	319
(111)	(23)	(8)	(142)
151	-	26	177
(15)	-	15	-
(9)	-	-	(9)
127	-	41	168
(10)	-	-	(10)
(28)	-	-	(28)
-	-	-	-
347	-	-	347
(385)	-	-	(385)
(250)	-	250	-
(326)	-	250	(76)
550	-	-	550
-	-	-	-
-	-	(250)	(250)
-	-	-	-
(4)	-	-	(4)
-	-	(46)	(46)
546	-	(296)	250
347	-	(5)	342
(3)	-	3	-
344	-	(2)	342
444	-	(2)	442
788	-	(4)	784

Notes

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

² Comprising ATM commission (£9m), disposal of Tesco PLC goodwill (£211m), and Tesco Personal Finance PLC prior period restatements recognised by Tesco PLC in current year (£23m).

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 £55m 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.