

Sainsbury's Bank plc

Interim Financial Statements
for the 6 months ended 31 August 2021

Prepared for the purpose of S838 of the Companies Act 2006

COMPANY NUMBER: 3279730



Income statement

For the 6 months ended 31 August 2021

	6 months ended 31 August 2021 £m
Interest income	108
Interest expense	(23)
Net interest income	85
Fees and commissions income	40
Fees and commissions expense	(7)
Net fees and commissions income	33
Other operating income	2
Total income	120
Operating expenses	(110)
Impairment losses on financial assets	(10)
Realised gains on financial instruments	1
Fair value (losses) on financial instruments	-
Profit before taxation	1
Analysed as:	
Underlying profit before taxation	12
Non-underlying items	(11)
	1
Taxation	1
Profit for the Period	2

The accompanying notes on page 4 form part of these financial statements.

Balance sheet

As at 31 August 2021

	Note	As at 31 August 2021 £m
Assets		
Cash, balances with central banks and other demand deposits		700
Loans and advances to banks		173
Derivative financial instruments		2
Investment securities		506
Loans and advances to customers		4,226
Investments in subsidiaries		325
Intangible assets		160
Property, plant and equipment		10
Other assets		646
Total assets		6,748
Liabilities		
Customer accounts		4,587
Other deposits		1,027
Subordinated liabilities		179
Derivative financial instruments		21
Other liabilities		78
Provisions for liabilities and charges		6
Total liabilities		5,898
Equity		
Called up share capital	2	701
Retained earnings	2	148
Other reserves		1
Total equity		850
Total equity and liabilities		6,748

The financial statements on pages 1 to 4 were approved by the Board of Directors on 16th February 2022 and signed on its behalf by:



Michael Larkin
Director and Chief Financial Officer

The accompanying notes on page 4 form part of these financial statements.

Statement of changes in equity

For the 6 months ended 31 August 2021

	Note	Called up share capital £m	Retained earnings £m	Other reserves £m	Total equity £m
As at 1 March 2021		901	(55)	3	849
Profit for the period		-	2	-	2
Other comprehensive income:					
Financial assets fair value movements (FVOCI)		-	-	(2)	(2)
Total comprehensive income		-	2	(2)	-
Transactions with owners:					
Share capital reduction	2	(200)	200	-	-
Share based payment (net of tax)		-	1	-	-
At 31 August 2021		701	148	1	850

All amounts are attributable to the owners of the Bank.

The accompanying notes on page 4 form part of these financial statements.

Notes to the financial statements

1. Basis of Preparation

Sainsbury's Bank plc ('the Bank') is a public company limited by shares, registered in England and domiciled in the United Kingdom. Its registered office is 33 Holborn, London, EC1N 2HT.

These interim accounts ("the Interim Accounts") have been prepared under sections 836 and 838 of the Companies Act 2006 for the purposes of confirming the Bank now has sufficient distributable reserves to support a dividend.

The financial information contained in the Interim Accounts relates to Sainsbury's Bank plc as an individual entity and should be read in conjunction with the Bank's Annual Report and Financial Statements for the year ended 28 February 2021, which were prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The Interim Accounts have been prepared on the same recognition and measurement basis as adopted in preparing that Annual Report.

The Interim Accounts have been properly prepared in accordance with S838 of the Companies Act 2006, subject to departures under S838(3) which the Directors have considered not to be material in determining whether the proposed distribution is permitted by S830 and S831 of the Act. The Directors have elected not to present comparative financial information for the reporting period and do not include the note disclosures that would normally form part of a complete set of financial statements.

2. Share capital and retained earnings

On 23 March 2021 the High Court Of Justice (Business And Property Courts Of England And Wales Companies Court) approved a reduction of the ordinary share capital of the Bank from £900,750,000 to £700,750,172.25, having previously been resolved on and effected by a Special Resolution passed at a General Meeting of the Bank held on 23 February 2021.

The reduction became effective on 1 April 2021 upon registration of the court order with Companies House and resulted in an equal and opposite increase to retained earnings. As a result, the opening retained earnings of the Bank being a deficit of £55m increased to a positive balance of £145m. As at 31 August 2021 retained earnings had grown to £148m and there has been no diminution of this figure after the balance sheet date.

There are no significant unrealised profit elements and the retained earnings of the Bank and as a result the full balance is available for distribution.