



Tesco Property Finance 2 plc

£ 564,500,000 Secured 6.0517 per cent. Bonds due 13 October 2039

Issuer and Partnership Quarterly Report for the period covering October 2017 to January 2018

IPD 32

Report Date	06-Jan-18
Loan Interest Payment Date	10-Jan-18
Calculation Date	06-Jan-18
Interest Payment Date	13-Jan-18

Contents of the Report:

- 1 Partnership Rent Account**
- 2 Partnership VAT Account**
- 3 Partnership Transaction Account**
- 4 General Partner Corporation Tax Reserve Account**
- 5 Partnership Pre-Enforcement Priority of Payments**
- 6 Issuer Transaction Account**
- 7 Issuer Pre-Enforcement Priority of Payments**
- 8 Note Information**

Prepared by HSBC Bank plc acting as Cash Manager for and on behalf of Tesco Property Finance 2 plc,
The Tesco Atrato Limited Partnership,

1. Partnership Rent Account

Opening Balance		5,000.14	Cr
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
21-Dec-17	Rent	9,432,062.14	Cr
10-Jan-18	To Partnership Transaction Account	9,432,062.14	Dr
Closing Balance		5,000.14	Cr

2. Partnership VAT Account

Opening Balance		1,886,412.45	Cr
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
31-Oct-17	VAT Payment	1,886,185.76	Dr
21-Dec-17	VAT Funding	1,886,412.45	Cr
Closing Balance		1,886,639.14	Cr

3. Partnership Transaction Account

Opening Balance		377,034.67	Cr
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
10-Jan-18	Transfer from Rent	9,432,062.14	Cr
10-Jan-18	Trustee Fee	1,500.00	Dr
10-Jan-18	Ongoing Fee	9,048.40	Dr
10-Jan-18	Expenses	38,305.68	Dr
10-Jan-18	Partnership Swap payment	994,206.35	Cr
10-Jan-18	Partnership Debt	10,258,558.55	Dr
10-Jan-18	Property Pool Manager Fee	-	Dr
Closing Balance		495,890.53	Cr

4. General Partner Corporation Tax Reserve Account

Opening Balance		0.00	Cr
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
Closing Balance		0.00	Cr

5. Partnership Pre-Enforcement Priority of Payments

Date		Funds Paid Out of account (£)	Funds Received into account (£)
10-Jan-18	Partnership Available Funds		
	a) Rental Income		9,432,062.14
	b) Funds from Issuer under Partnership Swaps		10,258,582.98
	c) From Partnership VAT Account		-
	d) From Partnership Disposal Proceeds Account		-
	e) From Partnership Insurance Proceeds Account		-
	f) Interest received by the Partnership Accounts and Rent Account		-
	g) Eligible Investment Earnings by Partnership		-
	h) Advance under Committed Subordinated Loan Agreement		-
	i) Net proceeds of a CPO Disposal or a Mortgage Property		-
	j) Net proceeds of a disposal of a Mortgage Property		-
	k) Any other sums standing to the credit of the Partnership Transaction Ac		-
	Partnership Pre-Enforcement Priority of Payments		
	a) Partnership Security Trustee Fees	1,500.00	
	b) Issuer Security Trustee Fee, Bond Trustee, operating expenses of the Issuer (Ongoing Partnership Facility Fee)	3,298.40	
	c) Partnership Operating Expenses excluding GP UK Tax	-	
	d) Partnership Operator Fee	1,020.48	
	d) Property Advisor Fee (Annual 25 K Jan)	37,285.20	
	d) Nominees Corporate Services Provider Fee	-	
	d) Nominees Holdco Corporate Services Provider Fee	-	
	d) Nominees Side Letter payments	-	
	d) Nominees Holdco Side Letter payments	-	
	d) Account Bank Fee	-	
	d) Cash Manager Fee	-	
	Issuer Account Bank, PPA CM, CSP Fee (Ongoing Partnership Facility Fee)	5,000.00	
	d) Headlease payment	-	
	e) Partnership Expenses Ledger payment	7,959.96	
	f) Partnership Debt Interest	7,521,971.55	
	f) Partnership Swap payment	9,264,376.63	
	g) Partnership Debt Principal	2,736,587.00	
	Issuer Partnership Swap Termination Amount (Ongoing Partnership Facility Fee)	750.00	
	i) Partnership Swap Termination Amount	-	
	j) Property Pool Manager Fee	-	
	k) Partnership Expenses Ledger payment	110,895.90	
	l) Alteration Adjustment Rent	-	
	m) Committed Subordinated Loan payment	-	
	n) Partnership Distribution Account	-	
	Totals	19,690,645.12	19,690,645.12

Expense Reserve Ledger - Max GBP 500,000.00

DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
	Opening Balance	377,034.67	Cr
	Partnership Expenses Ledger payment	110,895.90	CR
	Partnership Expenses Ledger payment	7,959.96	CR
	Closing Balance	495,890.53	Cr

6. Issuer Transaction Account

	Opening Balance	81,471.27	Cr
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
10-Jan-18	Swaps Receipts	994,206.35	Cr
15-Jan-18	Partnership Debt	10,258,558.55	Cr
15-Jan-18	Swap Pays	994,206.35	Dr
15-Jan-18	Ongoing Fee	8,298.40	Cr
15-Jan-18	HSBC Fee	7,700.00	Dr
15-Jan-18	Issuer Operating Expenses	598.40	Dr
13-Jan-18	Issuer Profit (paid as part of Ongoing Fee)	750.00	Cr
15-Jan-18	Notes	10,258,558.54	Dr
15-Jan-18	Issuer/Issuer Holdco Corporate Services Provider Fee	-	Dr
Closing Balance		82,221.28	Cr

7. Issuer Pre-Enforcement Priority of Payments

Date		Funds Paid Out of account (£)	Funds Received into account (£)
13-Jan-18	Issuer Available Funds		
	a) Funds due to Issuer under Partnership Swap Agreement		9,264,376.63
	b) Amounts due to Issuer in respect of Partnership Loan		10,267,606.95
	c) Any amount due to Issuer under Issuer Swap Agreement		10,258,582.98
	d) Interest Received by Issuer on Transaction Account		-
	e) Eligible Investment Earnings		-
	Issuer Pre-Enforcement Priority of Payments		
	a) Bond Trustee Fee	1,200.00	
	a) Issuer Security Trustee Fee	1,500.00	
	b) Issuer Operating Expenses	598.40	
	c) Issuer/Issuer Holdco Corporate Services Provider Fee	-	
	c) Paying Agent Fee	500.00	
	c) Account Bank Fee	750.00	
	c) Cash Manager Fee	3,750.00	
	d) Bond Interest	7,521,971.54	
	d) Bond Principal	2,736,587.00	
	d) Issuer Swap Provider	9,264,376.63	
	d) Partnership Swap payment	10,258,582.98	
	e) Issuer Profit	750.00	
	f) Swap Subordinated Amounts	-	
	g) Issuer Partnership Swap Termination Amount	-	
	h) Issuer Transaction Account	0.01	
	Totals	29,790,566.56	29,790,566.56

8. Note Information

Listing	Irish Stock Exchange
<u>Original Rating</u>	
Moody's	A3
Standard and Poor's	A-
Fitch	A-
Offered Date	23-Sep-09
Expected Maturity	Issuer and Partnership Quarterly Report for the period covering Octo
Issue Amount	£564,500,000
ISIN code	XS0347919028
Interest Rate	6.0517%
Current Factor	0.880745312666076
Next Factor	0.875897505757307

Disclaimer - This report has been prepared for current Noteholders and is for the purposes of information and convenient reference only. It is not intended as an offer of finance.

This report is confidential. Distribution of this report, or of the information contained in it, to any person other than an original recipient (or to such recipient's advisors) is prohibited. Reproduction of this report, in whole or in part, or disclosure of any of its contents without the prior consent of HSBC Bank plc is prohibited.

Some information included in this report is estimated, approximated or projected. The information contained in this report has been obtained from sources believed to be reliable but none of the Issuer, any affiliate of the Issuer, any Transaction Party or HSBC Bank plc makes any representation or warranty (express or implied) of any nature or accepts any responsibility or liability of any kind for completeness or accuracy of the content of this report or for any loss or damage (whether direct, indirect, consequential or other) arising out of reliance upon this report. Information in this document has not been independently verified by HSBC Bank plc.

This document is not intended to provide and should not be relied upon for tax, legal or accounting advice or as a recommendation to purchase or sell investments. Noteholders should consult their tax, legal, accounting or other advisors if required.

The foregoing does not exclude or restrict any obligation that HSBC Bank plc may have under the Prudential Regulation Authority/ Financial Conduct Authority Rules, or any liability that it may incur under the Prudential Regulation Authority/ Financial Conduct Authority Rules or the Financial Services and Markets Act 2000 (or any amendment thereof) for breach of any such obligation.

HSBC Bank plc is authorised and regulated in the United Kingdom by the Prudential Regulation Authority and Financial Conduct Authority and is a member of the HSBC Group of companies. HSBC Bank plc's registered office is at 8 Canada Square, London, E14 5HQ.