

ROYAL BANK OF SCOTLAND GROUP PLC
Form 6-K
February 24, 2011

FORM 6-K
SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934

For February 24, 2011

Commission File Number: 001-10306

The Royal Bank of Scotland Group plc

RBS, Gogarburn, PO Box 1000
Edinburgh EH12 1HQ

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F X

Form 40-F ___

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): _____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): _____

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ___

No X

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-

The following information was issued as a Company announcement in London, England and is furnished pursuant to General Instruction B to the General Instructions to Form 6-K:

Appendix 1

Reconciliations of pro forma
to statutory income
statements and balance sheets

RBS Group – Annual Results 2010

Appendix 1 Reconciliations of pro forma to statutory
income statements and balance sheets

Income statement for the quarter ended 31 December 2010

| | Pro forma £m | RFS minority interest £m | Reallocation of one-off items £m | Statutory £m |
|---|-----------------|-----------------------------------|---|-----------------|
| Net interest income | 3,578 | 2 | - | 3,580 |
| Non-interest income (excluding insurance net premium income) | 2,609 | 2 | 359 | 2,970 |
| Insurance net premium income | 1,272 | - | - | 1,272 |
| Non-interest income | 3,881 | 2 | 359 | 4,242 |
| Total income | 7,459 | 4 | 359 | 7,822 |
| Operating expenses | (4,081) | (6) | (420) | (4,507) |
| Profit before other operating charges | 3,378 | (2) | (61) | 3,315 |
| Insurance net claims | (1,182) | - | - | (1,182) |
| Operating profit before impairment losses | 2,196 | (2) | (61) | 2,133 |
| Impairment losses | (2,141) | - | - | (2,141) |
| Operating profit before fair value of own debt | 55 | (2) | (61) | (8) |
| Fair value of own debt | 582 | - | (582) | - |
| Operating profit/(loss) | 637 | (2) | (643) | (8) |
| Amortisation of purchased intangible assets | (96) | - | 96 | - |
| Integration and restructuring costs | (299) | - | 299 | - |
| Strategic disposals | 502 | - | (502) | - |
| Bonus tax | (15) | - | 15 | - |
| Asset Protection Scheme credit default swap - fair value changes | (725) | - | 725 | - |
| Write-down of goodwill and other intangible assets | (10) | - | 10 | - |
| Loss before tax | (6) | (2) | - | (8) |
| Tax credit/(charge) | 7 | (4) | - | 3 |
| Profit/(loss) from continuing operations | 1 | (6) | - | (5) |
| Profit from discontinued operations, net of tax | - | 55 | - | 55 |
| Profit for the period | 1 | 49 | - | 50 |
| Non-controlling interests | 11 | (49) | - | (38) |

Profit attributable to ordinary and B
shareholders

12 - - 12

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Appendix 1 Reconciliations of pro forma to statutory
income statements and balance sheets

Income statement for the quarter ended 30 September 2010

| | Pro forma £m | RFS minority interest £m | Reallocation of one-off items £m | Statutory £m |
|---|-----------------|-----------------------------------|---|-----------------|
| Net interest income | 3,404 | 7 | - | 3,411 |
| Non-interest income (excluding insurance net premium income) | 3,224 | (182) | (1,656) | 1,386 |
| Insurance net premium income | 1,289 | - | - | 1,289 |
| Non-interest income | 4,513 | (182) | (1,656) | 2,675 |
| Total income | 7,917 | (175) | (1,656) | 6,086 |
| Operating expenses | (4,096) | (6) | (449) | (4,551) |
| Profit before other operating charges | 3,821 | (181) | (2,105) | 1,535 |
| Insurance net claims | (1,142) | - | - | (1,142) |
| Operating profit before impairment losses | 2,679 | (181) | (2,105) | 393 |
| Impairment losses | (1,953) | - | - | (1,953) |
| Operating profit/(loss) before fair value of own debt | 726 | (181) | (2,105) | (1,560) |
| Fair value of own debt | (858) | - | 858 | - |
| Operating loss | (132) | (181) | (1,247) | (1,560) |
| Amortisation of purchased intangible assets | (123) | - | 123 | - |
| Integration and restructuring costs | (311) | - | 311 | - |
| Strategic disposals | 27 | - | (27) | - |
| Bonus tax | (15) | - | 15 | - |
| Asset Protection Scheme credit default swap - fair value changes | (825) | - | 825 | - |
| Loss before tax | (1,379) | (181) | - | (1,560) |
| Tax credit | 261 | 34 | - | 295 |
| Loss from continuing operations | (1,118) | (147) | - | (1,265) |
| Profit from discontinued operations, net of tax | 2 | 16 | - | 18 |
| Loss for the period | (1,116) | (131) | - | (1,247) |
| Non-controlling interests | (30) | 131 | - | 101 |
| | (1,146) | - | - | (1,146) |

Loss attributable to ordinary and B
shareholders

RBS Group – Annual Results 2010

Appendix 1 Reconciliations of pro forma to statutory
income statements and balance sheets

Income statement for the quarter ended 31 December 2009

| | Pro forma £m | RFS minority interest £m | Reallocation of one-off items £m | Statutory £m |
|---|-----------------|-----------------------------------|---|-----------------|
| Net interest income | 3,446 | (27) | - | 3,419 |
| Non-interest income (excluding insurance net premium income) | 2,516 | (148) | 104 | 2,472 |
| Insurance net premium income | 1,308 | - | - | 1,308 |
| Non-interest income | 3,824 | (148) | 104 | 3,780 |
| Total income | 7,270 | (175) | 104 | 7,199 |
| Operating expenses | (4,473) | 5 | 1,601 | (2,867) |
| Profit before other operating charges | 2,797 | (170) | 1,705 | 4,332 |
| Insurance net claims | (1,321) | - | - | (1,321) |
| Operating profit before impairment losses | 1,476 | (170) | 1,705 | 3,011 |
| Impairment losses | (3,099) | - | - | (3,099) |
| Operating loss before fair value of own debt | (1,623) | (170) | 1,705 | (88) |
| Fair value of own debt | 270 | - | (270) | - |
| Operating loss | (1,353) | (170) | 1,435 | (88) |
| Amortisation of purchased intangible assets | (59) | - | 59 | - |
| Integration and restructuring costs | (228) | - | 228 | - |
| Strategic disposals | (166) | - | 166 | - |
| Bonus tax | (208) | - | 208 | - |
| Gains on pensions curtailment | 2,148 | - | (2,148) | - |
| Write-down of goodwill and other intangible assets | (52) | - | 52 | - |
| Profit/(loss) before tax | 82 | (170) | - | (88) |
| Tax charge | (649) | 5 | - | (644) |
| Loss from continuing operations | (567) | (165) | - | (732) |
| Loss from discontinued operations, net of tax | (7) | (128) | - | (135) |
| Loss for the period | (574) | (293) | - | (867) |
| Non-controlling interests | (47) | 293 | - | 246 |
| Preference share and other dividends | (144) | - | - | (144) |

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|---|-------|---|---|-------|
| Loss attributable to ordinary and B shareholders | (765) | - | - | (765) |
|---|-------|---|---|-------|

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Appendix 1 Reconciliations of pro forma to statutory
income statements and balance sheets

Income statement for the year ended 31 December 2010

| | Pro forma £m | RFS minority interest £m | Reallocation of one-off items £m | Statutory £m |
|---|-----------------|-----------------------------------|---|-----------------|
| Net interest income | 14,200 | 9 | - | 14,209 |
| Non-interest income (excluding insurance net premium income) | 13,334 | (151) | (652) | 12,531 |
| Insurance net premium income | 5,128 | - | - | 5,128 |
| Non-interest income | 18,462 | (151) | (652) | 17,659 |
| Total income | 32,662 | (142) | (652) | 31,868 |
| Operating expenses | (16,710) | (8) | (1,510) | (18,228) |
| Profit before other operating charges | 15,952 | (150) | (2,162) | 13,640 |
| Insurance net claims | (4,783) | - | - | (4,783) |
| Operating profit before impairment losses | 11,169 | (150) | (2,162) | 8,857 |
| Impairment losses | (9,256) | - | - | (9,256) |
| Operating profit/(loss) before fair value of own debt | 1,913 | (150) | (2,162) | (399) |
| Fair value of own debt | 174 | - | (174) | - |
| Operating profit/(loss) | 2,087 | (150) | (2,336) | (399) |
| Amortisation of purchased intangible assets | (369) | - | 369 | - |
| Integration and restructuring costs | (1,032) | - | 1,032 | - |
| Gain on redemption of own debt | 553 | - | (553) | - |
| Strategic disposals | 171 | - | (171) | - |
| Bonus tax | (99) | - | 99 | - |
| Asset Protection Scheme credit default swap - fair value changes | (1,550) | - | 1,550 | - |
| Write-down of goodwill and other intangible assets | (10) | - | 10 | - |
| Loss before tax | (249) | (150) | - | (399) |
| Tax charge | (663) | 29 | - | (634) |
| Loss from continuing operations | (912) | (121) | - | (1,033) |
| Loss from discontinued operations, net of tax | (28) | (605) | - | (633) |
| Loss for the period | (940) | (726) | - | (1,666) |

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|--|---------|-----|---|---------|
| Non-controlling interests | (61) | 726 | - | 665 |
| Preference share and other dividends | (124) | - | - | (124) |
| Loss attributable to ordinary and B shareholders | (1,125) | - | - | (1,125) |

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Appendix 1 Reconciliations of pro forma to statutory
income statements and balance sheets

Income statement for the year ended 31 December 2009

| | Pro forma £m | RFS minority interest £m | Reallocation of one-off items £m | Statutory £m |
|---|-----------------|-----------------------------------|---|-----------------|
| Net interest income | 13,567 | (179) | - | 13,388 |
| Non-interest income (excluding insurance net premium income) | 10,734 | (142) | 3,780 | 14,372 |
| Insurance net premium income | 5,266 | - | - | 5,266 |
| Non-interest income | 16,000 | (142) | 3,780 | 19,638 |
| Total income | 29,567 | (321) | 3,780 | 33,026 |
| Operating expenses | (17,401) | (35) | 19 | (17,417) |
| Profit before other operating charges | 12,166 | (356) | 3,799 | 15,609 |
| Insurance net claims | (4,357) | - | - | (4,357) |
| Operating profit before impairment losses | 7,809 | (356) | 3,799 | 11,252 |
| Impairment losses | (13,899) | - | - | (13,899) |
| Operating loss before fair value of own debt | (6,090) | (356) | 3,799 | (2,647) |
| Fair value of own debt | (142) | - | 142 | - |
| Operating loss | (6,232) | (356) | 3,941 | (2,647) |
| Amortisation of purchased intangible assets | (272) | - | 272 | - |
| Integration and restructuring costs | (1,286) | - | 1,286 | - |
| Gain on redemption of own debt | 3,790 | - | (3,790) | - |
| Strategic disposals | 132 | - | (132) | - |
| Bonus tax | (208) | - | 208 | - |
| Gains on pensions curtailment | 2,148 | - | (2,148) | - |
| Write-down of goodwill and other intangible assets | (363) | - | 363 | - |
| Loss before tax | (2,291) | (356) | - | (2,647) |
| Tax credit | 339 | 90 | - | 429 |
| Loss from continuing operations | (1,952) | (266) | - | (2,218) |
| Loss from discontinued operations, net of tax | (72) | (33) | - | (105) |
| Loss for the period | (2,024) | (299) | - | (2,323) |
| Non-controlling interests | (648) | 299 | - | (349) |
| Preference share and other dividends | (935) | - | - | (935) |

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|---|---------|---|---|---------|
| Loss attributable to ordinary and B shareholders | (3,607) | - | - | (3,607) |
|---|---------|---|---|---------|

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Appendix 1 Reconciliations of pro forma to statutory
income statements and balance sheets

Balance sheet at 31 December 2010

| | Pro forma £m | Transfers £m | Statutory £m |
|---|------------------|-----------------|------------------|
| Assets | | | |
| Cash and balances at central banks | 57,014 | - | 57,014 |
| Net loans and advances to banks | 57,909 | 2 | 57,911 |
| Reverse repurchase agreements and stock borrowing | 42,607 | - | 42,607 |
| Loans and advances to banks | 100,516 | 2 | 100,518 |
| Net loans and advances to customers | 502,748 | - | 502,748 |
| Reverse repurchase agreements and stock borrowing | 52,512 | - | 52,512 |
| Loans and advances to customers | 555,260 | - | 555,260 |
| Debt securities | 217,480 | - | 217,480 |
| Equity shares | 22,198 | - | 22,198 |
| Settlement balances | 11,605 | - | 11,605 |
| Derivatives | 427,077 | - | 427,077 |
| Intangible assets | 14,448 | - | 14,448 |
| Property, plant and equipment | 16,543 | - | 16,543 |
| Deferred tax | 6,373 | - | 6,373 |
| Prepayments, accrued income and other assets | 12,568 | 8 | 12,576 |
| Assets of disposal groups | 11,552 | 932 | 12,484 |
| Total assets | 1,452,634 | 942 | 1,453,576 |
| Liabilities | | | |
| Bank deposits | 65,938 | 113 | 66,051 |
| Repurchase agreements and stock lending | 32,739 | - | 32,739 |
| Deposits by banks | 98,677 | 113 | 98,790 |
| Customer deposits | 428,599 | - | 428,599 |
| Repurchase agreements and stock lending | 82,094 | - | 82,094 |
| Customer accounts | 510,693 | - | 510,693 |
| Debt securities in issue | 218,372 | - | 218,372 |
| Settlement balances | 10,991 | - | 10,991 |
| Short positions | 43,118 | - | 43,118 |
| Derivatives | 423,967 | - | 423,967 |
| Accruals, deferred income and other liabilities | 23,074 | 15 | 23,089 |
| Retirement benefit liabilities | 2,288 | - | 2,288 |
| Deferred tax | 2,111 | 31 | 2,142 |
| Insurance liabilities | 6,794 | - | 6,794 |
| Subordinated liabilities | 27,053 | - | 27,053 |
| Liabilities of disposal groups | 8,940 | 488 | 9,428 |
| Total liabilities | 1,376,078 | 647 | 1,376,725 |
| Equity | | | |

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|------------------------------|-----------|-----|-----------|
| Non-controlling interests | 1,424 | 295 | 1,719 |
| Owners' equity | 75,132 | - | 75,132 |
| Total equity | 76,556 | 295 | 76,851 |
| Total liabilities and equity | 1,452,634 | 942 | 1,453,576 |

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Appendix 1 Reconciliations of pro forma to statutory
income statements and balance sheets

Balance sheet at 31 December 2009

| | Pro forma £m | Transfers £m | Statutory £m |
|---|------------------|-----------------|------------------|
| Assets | | | |
| Cash and balances at central banks | 51,548 | 713 | 52,261 |
| Net loans and advances to banks | 48,777 | 7,879 | 56,656 |
| Reverse repurchase agreements and stock borrowing | 35,097 | - | 35,097 |
| Loans and advances to banks | 83,874 | 7,879 | 91,753 |
| Net loans and advances to customers | 554,654 | 132,699 | 687,353 |
| Reverse repurchase agreements and stock borrowing | 41,040 | - | 41,040 |
| Loans and advances to customers | 595,694 | 132,699 | 728,393 |
| Debt securities | 249,095 | 18,159 | 267,254 |
| Equity shares | 15,960 | 3,568 | 19,528 |
| Settlement balances | 12,024 | 9 | 12,033 |
| Derivatives | 438,199 | 3,255 | 441,454 |
| Intangible assets | 14,786 | 3,061 | 17,847 |
| Property, plant and equipment | 17,773 | 1,624 | 19,397 |
| Deferred tax | 6,492 | 547 | 7,039 |
| Prepayments, accrued income and other assets | 18,604 | 2,381 | 20,985 |
| Assets of disposal groups | 18,432 | 110 | 18,542 |
| Total assets | 1,522,481 | 174,005 | 1,696,486 |
| Liabilities | | | |
| Bank deposits | 115,642 | (11,504) | 104,138 |
| Repurchase agreements and stock lending | 38,006 | - | 38,006 |
| Deposits by banks | 153,648 | (11,504) | 142,144 |
| Customer deposits | 414,251 | 131,598 | 545,849 |
| Repurchase agreements and stock lending | 68,353 | - | 68,353 |
| Customer accounts | 482,604 | 131,598 | 614,202 |
| Debt securities in issue | 246,329 | 21,239 | 267,568 |
| Settlement balances | 10,412 | 1 | 10,413 |
| Short positions | 40,463 | - | 40,463 |
| Derivatives | 421,534 | 2,607 | 424,141 |
| Accruals, deferred income and other liabilities | 24,624 | 5,703 | 30,327 |
| Retirement benefit liabilities | 2,715 | 248 | 2,963 |
| Deferred tax | 2,161 | 650 | 2,811 |
| Insurance liabilities | 7,633 | 2,648 | 10,281 |
| Subordinated liabilities | 31,538 | 6,114 | 37,652 |
| Liabilities of disposal groups | 18,857 | 33 | 18,890 |
| Total liabilities | 1,442,518 | 159,337 | 1,601,855 |
| Equity | | | |

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|------------------------------|-----------|---------|-----------|
| Non-controlling interests | 2,227 | 14,668 | 16,895 |
| Owners' equity | 77,736 | - | 77,736 |
| Total equity | 79,963 | 14,668 | 94,631 |
| Total liabilities and equity | 1,522,481 | 174,005 | 1,696,486 |

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Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: 24 February 2011

THE ROYAL BANK OF
SCOTLAND GROUP plc
(Registrant)

By: /s/ Jan Cargill

Name: Jan Cargill
Title: Deputy Secretary

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