

ROYAL BANK OF SCOTLAND GROUP PLC  
Form 6-K  
April 27, 2010

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer

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

April 27, 2010

The Royal Bank of Scotland Group plc

Gogarburn  
PO Box 1000  
Edinburgh EH12 1HQ  
Scotland  
United Kingdom

(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  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

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

This report on Form 6-K shall be deemed incorporated by reference into the company's Registration Statement on Form F-3 (File No. 333-162219) and to be a part thereof from the date on which this report is filed, to the extent not superseded by documents or reports subsequently filed or furnished.



Unaudited pro forma condensed consolidated financial information

Basis of preparation

The unaudited pro forma condensed consolidated financial information (the "unaudited pro forma financial information") comprises the unaudited pro forma condensed consolidated balance sheet as at 31 December 2009 (the "unaudited proforma balance sheet") and the unaudited pro forma condensed consolidated income statements for the years ended 31 December 2009, 31 December 2008 and 31 December 2007 (the "pro forma income statements") based on the published audited financial statements of RBS, prepared in accordance with IFRS, after giving effect to:

- (a) the distribution of those ABN AMRO businesses attributable to Santander and the Dutch government (the "other Consortium members"); and
- (b) the divestment of certain businesses to meet the European Commission's State Aid requirements (see below).

To comply with the European Commission's State Aid requirements, RBS has agreed to make a series of divestments to be completed within four years from December 2009, as follows:

- n RBS Insurance
- n Global Merchant Services
- n RBS Sempra Commodities (acquired April 2008)
- n the RBS branch based business in England and Wales, the NatWest branch network in Scotland, along with the Direct SME customers across the UK (termed the 'UK Retail and UK Corporate businesses outlined for disposal')

Collectively, the above are defined as the 'EC State Aid Divestments'.

The pro forma financial information has been prepared assuming the following:

- pro forma balance sheet: the distribution to the other Consortium members and EC State Aid Divestments had occurred on 31 December 2009
- pro forma income statements: the distribution to the other Consortium members had occurred on acquisition of ABN AMRO on 17 October 2007 and the EC State Aid Divestments had occurred on 1 January 2007
- sale proceeds in respect of the EC State Aid Divestments are received in cash and are equal to the net asset values of the businesses to be disposed of
- Global Merchant Services and the UK Retail and UK Corporate businesses outlined for disposal represent carve-outs from existing RBS businesses and therefore discrete financial information for these divestments which is factually supportable is not currently available. Accordingly, the pro forma financial information in respect of the EC State Aid Divestments excludes these businesses.

The tables below show best estimates regarding certain key line items in respect of Global Merchant Services and the UK Retail and UK Corporate businesses outlined for disposal. Detailed financial information about these businesses on a stand alone basis is currently being prepared and therefore the estimates are subject to change.

| Year     | Year     |
|----------|----------|
| ended    | ended    |
| 31       | 31       |
| December | December |

Edgar Filing: ROYAL BANK OF SCOTLAND GROUP PLC - Form 6-K

|   | 2009 | 2008 |
|---|------|------|
|   | £m   | £m   |
| Global Merchant Services (1)              |      |      |
| Total income                              | 527  | 535  |
| Operating profit before impairment losses | 266  | 281  |
| Operating profit before tax               | 249  | 267  |

Total assets at 31 December 2009 were estimated to be £1.6 billion.

UK Retail and UK Corporate businesses outlined for disposal

|   |       |       |
|---|-------|-------|
| Total income                              | 946   | 1,082 |
| Operating profit before impairment losses | 468   | 567   |
| Operating (loss) / profit before tax      | (146) | 347   |

Total assets at 31 December 2009 were estimated to be £23.5 billion.

Note:

(1) Global Merchant Services business units are reported within the Global Transaction Services, Ulster Bank and Non-Core divisions.

The pro forma financial information and accompanying notes should be read in conjunction with the audited financial statements of RBS for the year ended 31 December 2009, filed with the SEC on a Form 20-F dated 27 April 2010.

The pro forma financial information is presented for information purposes only and does not represent what the results of operations would actually have been had the distribution to other Consortium members and EC State Aid Divestments occurred on the dates indicated nor is it necessarily indicative of the results of operations of financial position that may or may be expected to be achieved in the future.

Edgar Filing: ROYAL BANK OF SCOTLAND GROUP PLC - Form 6-K

Unaudited pro forma balance sheet as at 31 December 2009

|   | RBS(1)<br>£m     | RFS<br>Minority<br>Interest(2)<br>£m | RBS<br>excluding<br>RFS<br>Minority<br>Interest(3)<br>£m | EC<br>State Aid<br>Divestment(4)<br>£m | Pro forma<br>RBS(5)<br>£m |
|---|------------------|--------------------------------------|--|--|---------------------------|
| <b>Assets</b>                           |                  |                                      |  |  |                           |
| Cash and balances at central banks      | 52,261           | (713)                                | 51,548   | 4,555                                  | 56,103                    |
| Loans and advances to banks             | 91,753           | (7,879)                              | 83,874   | (2,134)                                | 81,740                    |
| Loans and advances to customers         | 728,393          | (132,699)                            | 595,694  | (575)                                  | 595,119                   |
| Debt securities and equity shares       | 286,782          | (21,727)                             | 265,055  | (7,347)                                | 257,708                   |
| Derivatives                             | 441,454          | (3,255)                              | 438,199  | 10                                     | 438,209                   |
| Intangible assets                       | 17,847           | (3,061)                              | 14,786   | (288)                                  | 14,498                    |
| Property, plant and equipment           | 19,397           | (1,624)                              | 17,773   | (146)                                  | 17,627                    |
| Other assets                            | 58,599           | (3,047)                              | 55,552   | (15,473)                               | 40,079                    |
| <b>Total assets</b>                     | <b>1,696,486</b> | <b>(174,005)</b>                     | <b>1,522,481</b>   | <b>(21,398)</b>                        | <b>1,501,083</b>          |
| <b>Liabilities</b>                      |                  |                                      |  |  |                           |
| Deposits by banks                       | 142,144          | 11,504                               | 153,648  | -                                      | 153,648                   |
| Customer accounts                       | 614,202          | (131,598)                            | 482,604  | -                                      | 482,604                   |
| Debt securities in issue                | 267,568          | (21,239)                             | 246,329  | -                                      | 246,329                   |
| Settlement balances and short positions | 50,876           | (1)                                  | 50,875   | -                                      | 50,875                    |
| Derivatives                             | 424,141          | (2,607)                              | 421,534  | -                                      | 421,534                   |
| Subordinated liabilities                | 37,652           | (6,114)                              | 31,538   | -                                      | 31,538                    |
| Other liabilities                       | 65,272           | (9,282)                              | 55,990   | (20,032)                               | 35,958                    |
| <b>Total liabilities</b>                | <b>1,601,855</b> | <b>(159,337)</b>                     | <b>1,442,518</b>   | <b>(20,032)</b>                        | <b>1,422,486</b>          |
| Minority interests                      | 16,895           | (14,668)                             | 2,227  | (1,366)                                | 861                       |
| Equity owners                           | 77,736           | -                                    | 77,736   | -                                      | 77,736                    |
| <b>Total equity</b>                     | <b>94,631</b>    | <b>(14,668)</b>                      | <b>79,963</b>  | <b>(1,366)</b>                         | <b>78,597</b>             |
| <b>Total liabilities and equity</b>     | <b>1,696,486</b> | <b>(174,005)</b>                     | <b>1,522,481</b>   | <b>(21,398)</b>                        | <b>1,501,083</b>          |

Notes:

- (1) The financial information for RBS has been extracted from the audited financial statements for the year to 31 December 2009 included in its Form 20-F dated 27 April 2010.
- (2) The financial information for the RFS Minority Interest has been extracted from RBS's accounting records for the year ended 31 December 2009 without adjustment and represent those parts of the ABN AMRO businesses attributable to the other Consortium members.
- (3) Pro forma unaudited balance sheet of RBS for the year ended 31 December 2009 excluding those parts of the ABN AMRO businesses attributable to the other Consortium members.
- (4) The financial information for the EC State Aid Divestments has been extracted from RBS's accounting records for the year ended 31 December 2009 without adjustment and represents those parts of the businesses agreed with the

European Commission as being for disposal for which information is currently available, namely RBS Insurance and RBS Sempra Commodities

- (5) Pro forma unaudited balance sheet of RBS for the year ended 31 December 2009 excluding those parts of the ABN AMRO businesses attributable to the other Consortium members and the EC State Aid Divestments.
-

Edgar Filing: ROYAL BANK OF SCOTLAND GROUP PLC - Form 6-K

Unaudited pro forma income statement for the year ended 31 December 2009

|   | RBS(1)<br>£m | RFS<br>Minority<br>Interest(2)<br>£m | RBS<br>excluding RFS<br>Minority<br>Interest(3)<br>£m | EC<br>State Aid<br>Divestments(4)<br>£m | Pro forma<br>RBS(5)<br>£m |
|---|--------------|--------------------------------------|---|---|---------------------------|
| Continuing operations                                       |              |                                      |   |   |                           |
| Net interest income   | 16,504       | (2,937)                              | 13,567  | (460)                                   | 13,107                    |
| Net fee and commission income                               | 7,009        | (1,061)                              | 5,948   | 528                                     | 6,476                     |
| Income from trading activities                              | 3,881        | (75)                                 | 3,806   | (799)                                   | 3,007                     |
| Gain on redemption of own debt                              | 3,790        | -                                    | 3,790   | -                                       | 3,790                     |
| Other operating income (excluding insurance premium income) | 1,962        | (992)                                | 970   | (325)                                   | 645                       |
| Insurance net premium income                                | 5,544        | (278)                                | 5,266   | (5,138)                                 | 128                       |
| Non-interest income   | 22,186       | (2,406)                              | 19,780  | (5,734)                                 | 14,046                    |
| Total income  | 38,690       | (5,343)                              | 33,347  | (6,194)                                 | 27,153                    |
| Operating expenses  | (21,478)     | 4,096                                | (17,382)  | 1,309                                   | (16,073)                  |
| Profit/(loss) before other operating charges and impairment | 17,212       | (1,247)                              | 15,965  | (4,885)                                 | 11,080                    |
| Insurance net claims  | (4,857)      | 500                                  | (4,357)   | 4,223                                   | (134)                     |
| Impairment losses   | (14,950)     | 1,051                                | (13,899)  | 8                                       | (13,891)                  |
| Operating loss before tax                                   | (2,595)      | 304                                  | (2,291)   | (654)                                   | (2,945)                   |
| Tax   | 371          | (32)                                 | 339   | 87                                      | 426                       |
| (Loss)/profit from continuing operations, net of tax        | (2,224)      | 272                                  | (1,952)   | (567)                                   | (2,519)                   |
| Profit/(loss) attributable to:                              |              |                                      |   |   |                           |
| Minority interests  | 376          | 272                                  | 648   | (234)                                   | 414                       |
| Preference shareholders                                     | 878          | -                                    | 878   | -                                       | 878                       |
| Paid-in equity holders                                      | 57           | -                                    | 57  | -                                       | 57                        |
| Ordinary shareholders                                       | (3,535)      | -                                    | (3,535)   | (333)                                   | (3,868)                   |
|   | (2,224)      | 272                                  | (1,952)   | (567)                                   | (2,519)                   |

Per 25p ordinary and B share (pence)

Continuing operations

|  |        |        |        |
|--|--------|--------|--------|
| Basic  | (6.3)  | (6.3)  | (6.9)  |
| Fully diluted                                  | (6.3)  | (6.3)  | (6.9)  |
| Number of shares (million)                     |        |        |        |
| Weighted average ordinary and B shares         | 52,891 | 52,891 | 52,891 |
| Weighted average diluted ordinary and B shares | 53,329 | 53,329 | 53,329 |

Notes:

- (1) The financial information for RBS has been extracted from the audited financial statements for the year to 31 December 2009 included in its Form 20-F dated 27 April 2010.
  - (2) The financial information for the RFS Minority Interest has been extracted from RBS's accounting records for the year ended 31 December 2009 without adjustment and represent those parts of the ABN AMRO businesses attributable to the other Consortium members.
  - (3) Pro forma unaudited income statement of RBS for the year ended 31 December 2009 excluding those parts of the ABN AMRO businesses attributable to the other Consortium members.
  - (4) The financial information for the EC State Aid Divestments has been extracted from RBS's accounting records for the year ended 31 December 2009 without adjustment and represents those parts of the businesses agreed with the European Commission as being for disposal for which information is currently available, namely RBS Insurance and RBS Sempra Commodities
  - (5) Pro forma unaudited income statement of RBS for the year ended 31 December 2009 excluding those parts of the ABN AMRO businesses attributable to the other Consortium members and the EC State Aid Divestments.
-



Edgar Filing: ROYAL BANK OF SCOTLAND GROUP PLC - Form 6-K

Unaudited pro forma income statement for the year ended 31 December 2008

|  | RBS (1)<br>£m | RFS<br>Minority<br>Interest(2)<br>£m | RBS<br>excluding<br>RFS<br>Minority<br>Interest(3)<br>£m | EC<br>State Aid<br>Divestments(4)<br>£m | Pro forma<br>RBS(5)<br>£m |
|--|---------------|--------------------------------------|--|---|---------------------------|
| Continuing operations  |               |                                      |  |   |                           |
| Net interest income  | 18,675        | (2,911)                              | 15,764   | (635)                                   | 15,129                    |
| Net fees and commissions                                       | 7,445         | (1,011)                              | 6,434  | 426                                     | 6,860                     |
| Income from trading activities                                 | (8,477)       | (352)                                | (8,829)  | (792)                                   | (9,621)                   |
| Other operating income (excluding<br>insurance premium income) | 1,899         | 64                                   | 1,963  | (25)                                    | 1,938                     |
| Insurance net premium income                                   | 6,326         | (617)                                | 5,709  | (5,293)                                 | 416                       |
| Non-interest income  | 7,193         | (1,916)                              | 5,277  | (5,684)                                 | (407)                     |
| Total income   | 25,868        | (4,827)                              | 21,041   | (6,319)                                 | 14,722                    |
| Operating expenses   | (54,202)      | 19,303                               | (34,899)   | 1,403                                   | (33,496)                  |
| Loss before other operating charges and<br>impairment losses   | (28,334)      | 14,476                               | (13,858)   | (4,916)                                 | (18,774)                  |
| Insurance net claims   | (4,430)       | 513                                  | (3,917)  | 3,733                                   | (184)                     |
| Impairment losses  | (8,072)       | 640                                  | (7,432)  | 45                                      | (7,387)                   |
| Operating loss before tax                                      | (40,836)      | 15,629                               | (25,207)   | (1,138)                                 | (26,345)                  |
| Tax  | 2,323         | (328)                                | 1,995  | 230                                     | 2,225                     |
| Loss from continuing operations                                | (38,513)      | 15,301                               | (23,212)   | (908)                                   | (24,120)                  |
| Loss attributable to:  |               |                                      |  |   |                           |
| Minority interests   | (14,889)      | 15,301                               | 412  | (164)                                   | 248                       |
| Preference shareholders  | 536           | -                                    | 536  | -                                       | 536                       |
| Paid-in equity holders   | 60            | -                                    | 60   | -                                       | 60                        |
| Ordinary shareholders  | (24,220)      | -                                    | (24,220)   | (744)                                   | (24,964)                  |
|  | (38,513)      | 15,301                               | (23,212)   | (908)                                   | (24,120)                  |

Per 25p ordinary share (pence)

Continuing operations

|  |         |         |         |
|--|---------|---------|---------|
| Basic                                    | (146.2) | (146.2) | (150.7) |
| Fully diluted                            | (146.2) | (146.2) | (150.7) |
| Number of shares (million)               |         |         |         |
| Weighted average ordinary shares         | 16,563  | 16,563  | 16,563  |
| Weighted average diluted ordinary shares | 16,563  | 16,563  | 16,563  |

Notes:

- (1) The financial information for RBS has been extracted from the audited financial statements for the year ended 31 December 2009 included on page 197 of its Form 20-F filed on 27 April 2010.
  - (2) The financial information for the RFS Minority Interest has been extracted from RBS's accounting records for the year ended 31 December 2008 without adjustment and represent those parts of the ABN AMRO businesses attributable to the other Consortium members.
  - (3) Pro forma unaudited income statement of RBS for the year ended 31 December 2008 excluding those parts of the ABN AMRO businesses attributable to the other Consortium members.
  - (4) The financial information for the EC State Aid Divestments has been extracted from RBS's accounting records for the year ended 31 December 2008 without adjustment and represent those parts of RBS attributable to the businesses agreed with the European Commission as being for disposal for which information is currently available, namely RBS Insurance and RBS Sempra Commodities.
  - (5) Pro forma unaudited income statement of RBS for the year ended 31 December 2008 excluding those parts of the ABN AMRO businesses attributable to the other Consortium members and the EC State Aid Divestments.
-

Edgar Filing: ROYAL BANK OF SCOTLAND GROUP PLC - Form 6-K

Unaudited pro forma income statement for the year ended 31 December 2007

|  | RBS(1)<br>£m | RFS<br>Minority<br>Interest(2)<br>£m | RBS<br>excluding<br>RFS<br>Minority<br>Interest(3)<br>£m | EC<br>State Aid<br>Divestments(4)<br>£m | Pro forma<br>RBS(5)<br>£m |
|--|--------------|--------------------------------------|--|---|---------------------------|
| Continuing operations  |              |                                      |  |   |                           |
| Net interest income  | 12,069       | (545)                                | 11,524   | (599)                                   | 10,925                    |
| Net fees and commissions   | 6,085        | (224)                                | 5,861  | 465                                     | 6,326                     |
| Income from trading activities                                     | 1,292        | 139                                  | 1,431  | 6                                       | 1,437                     |
| Other operating income (excluding insurance premium income)        | 4,833        | (97)                                 | 4,736  | (196)                                   | 4,540                     |
| Insurance net premium income                                       | 6,087        | (105)                                | 5,982  | (5,387)                                 | 595                       |
| Non-interest income  | 18,297       | (287)                                | 18,010   | (5,112)                                 | 12,898                    |
| Total income   | 30,366       | (832)                                | 29,534   | (5,711)                                 | 23,823                    |
| Operating expenses   | (13,942)     | 620                                  | (13,322)   | 952                                     | (12,370)                  |
| Profit/(loss) before other operating charges and impairment losses | 16,424       | (212)                                | 16,212   | (4,759)                                 | 11,453                    |
| Insurance net claims   | (4,624)      | 96                                   | (4,528)  | 4,010                                   | (518)                     |
| Impairment losses  | (1,968)      | 38                                   | (1,930)  | -                                       | (1,930)                   |
| Operating profit/(loss) before tax                                 | 9,832        | (78)                                 | 9,754  | (749)                                   | 9,005                     |
| Tax  | (2,044)      | (6)                                  | (2,050)  | 204                                     | (1,846)                   |
| Profit/(loss) from continuing operations                           | 7,788        | (84)                                 | 7,704  | (545)                                   | 7,159                     |
| Profit/(loss) attributable to:                                     |              |                                      |  |   |                           |
| Minority interests   | 239          | (84)                                 | 155  | -                                       | 155                       |
| Preference shareholders  | 246          | -                                    | 246  | -                                       | 246                       |
| Ordinary shareholders  | 7,303        | -                                    | 7,303  | (545)                                   | 6,758                     |
|  | 7,788        | (84)                                 | 7,704  | (545)                                   | 7,159                     |
| Per 25p ordinary share (pence)                                     |              |                                      |  |   |                           |
| Continuing operations  |              |                                      |  |   |                           |

Edgar Filing: ROYAL BANK OF SCOTLAND GROUP PLC - Form 6-K

|  |        |        |        |
|--|--------|--------|--------|
| Basic                                    | 64.0   | 64.0   | 59.2   |
| Fully diluted                            | 63.4   | 63.4   | 58.7   |
| Number of shares (million)               |        |        |        |
| Weighted average ordinary shares         | 11,413 | 11,413 | 11,413 |
| Weighted average diluted ordinary shares | 11,611 | 11,611 | 11,611 |

Notes:

- (1) The financial information for RBS has been extracted from the audited financial statements for the year ended 31 December 2009 included on page 197 of its Form 20-F filed on 27 April 2010.
  - (2) The financial information for the RFS Minority Interest has been extracted from RBS's accounting records for the year ended 31 December 2007 without adjustment and represent those parts of the ABN AMRO businesses attributable to the other Consortium members.
  - (3) Pro forma unaudited income statement of RBS for the year ended 31 December 2007 excluding those parts of the ABN AMRO businesses attributable to the other Consortium members.
  - (4) The financial information for the EC State Aid Divestments has been extracted from RBS's accounting records for the year ended 31 December 2007 without adjustment and represent those parts of RBS attributable to the businesses agreed with the European Commission as being for disposal for which information is currently available, namely RBS Insurance.
  - (5) Pro forma unaudited income statement of RBS for the year ended 31 December 2007 excluding those parts of the ABN AMRO businesses attributable to the other Consortium members and the EC State Aid Divestments.
-

SIGNATURE

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

The Royal Bank of Scotland Group plc  
Registrant

/s/ Bruce Van Saun  
Bruce Van Saun  
Group Finance Director  
April 27, 2010

---