

ROYAL BANK OF SCOTLAND GROUP PLC
Form 6-K
February 28, 2008

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 the month of February 2008

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

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-

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

Pro forma financial information for the Group under the revised divisional structure

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Set out below are summarised pro forma unaudited results for the Group under the revised divisional structure. These show the underlying performance of the Group including the full year results of the ABN AMRO businesses acquired by RBS.

These figures are provisional and may be refined in due course. However, no material adjustments are anticipated.

| GROUP | 2007 | 2006 |
|--|----------------|-------------|
| | £m | £m |
| Total income | 33,490 | 31,737 |
| Operating expenses | 16, 553 | 15,957 |
| Insurance net claims | 4,528 | 4,458 |
| | <hr/> | <hr/> |
| Operating profit before impairment losses | 12,4 09 | 11,3 22 |
| Impairment losses | 2, 095 | 2,0 00 |
| | <hr/> | <hr/> |
| Group operating profit * | 10,314 | 9,322 |
| | <hr/> | <hr/> |

| BALANCE SHEET | 2007 |
|---|---------------|
| AT 31 DECEMBER 2007 | £bn |
| Loans and advances to customers – gross | 70 7.2 |
| Customer Deposits | 55 9.0 |
| Risk Weighted Assets | 4 90.0 |

| DIVISIONAL ANALYSIS | 2007 | 2006 |
|--|----------------|-------------|
| | £m | £m |
| Global Banking & Markets | 4,916 | 4,365 |
| Global Transaction Services | 1,632 | 1,561 |
| UK Retail & Commercial Banking | 6,250 | 5,722 |
| US Retail & Commercial Banking | 1,557 | 1,821 |
| Europe and Middle East Retail & Commercial Banking | 760 | 662 |
| Asia Retail & Commercial Banking | 209 | 119 |
| RBS Insurance | 902 | 964 |
| Global Manufacturing | (4,234) | (4,164) |

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| | | |
|---------------------------------|---------------|---------|
| Central items | (1,678) | (1,728) |
| Group operating profit * | 10,314 | 9,322 |

* Group operating profit

Excludes

- RBS unusual items - credit market write-downs and goodwill payments, offset by the gains on sale of Southern Water and certain other assets
- ABN AMRO pre and post acquisition credit market write-downs and the impact of the LaSalle sale
- RBS share of ABN AMRO's shared assets
- amortisation of purchased intangible assets and integration costs; and

Includes

- the cost of funding the ABN AMRO acquisition within Central Items. Whilst part of the acquisition consideration was funded by the issue of preference shares, these pro forma results assume that the cash element of the consideration was debt funded.

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| | 2007 | 2006 |
|---------------------------------------|---------------|--------------|
| | £m | £m |
| Global Banking & Markets | | |
| Rates, Currencies & Commodities | 3,280 | 2,050 |
| Equities | 1,221 | 1,036 |
| Credit Markets | 2,667 | 2,869 |
| Asset & Portfolio Management | 3,722 | 3,936 |
| Total income | <u>10,890</u> | <u>9,891</u> |
| Direct expenses | 5,850 | 5,476 |
| Contribution before impairment losses | <u>5,040</u> | <u>4,415</u> |
| Impairment losses | 124 | 50 |
| Contribution | <u>4,916</u> | <u>4,365</u> |

Global Banking & Markets comprises the Global Banking and Markets businesses of RBS and ABN AMRO except for transaction banking.

| | 2007 | 2006 |
|---------------------------------------|--------------|--------------|
| | £m | £m |
| Global Transaction Services | | |
| Net interest income | 839 | 759 |
| Non-interest income | 1,348 | 1,318 |
| Total income | <u>2,187</u> | <u>2,077</u> |
| Direct expenses | 543 | 519 |
| Contribution before impairment losses | <u>1,644</u> | <u>1,558</u> |
| Impairment losses | 12 | (3) |
| Contribution | <u>1,632</u> | <u>1,561</u> |

Global Transaction Services comprises RBS and ABN AMRO transaction banking, UK and US corporate money transmission, UK and US merchant acquiring and UK commercial cards.

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| | 2007 | 2006 |
|---|---------------|-------------|
| | £m | £m |
| UK Retail & Commercial Banking | | |
| Net interest income | 6,677 | 6,406 |
| Non-interest income | 4,432 | 4,170 |
| Total income | 11,109 | 10,576 |
| Direct expenses | 2,973 | 2,868 |
| Insurance net claims | 518 | 488 |
| Contribution before impairment losses | 7,618 | 7,220 |
| Impairment losses | 1,368 | 1,498 |
| Contribution | 6,250 | 5,722 |

UK Retail & Commercial Banking comprises UK Retail Banking and UK Commercial Banking which are set out below.

| | 2007 | 2006 |
|---------------------------------------|--------------|-------------|
| | £m | £m |
| UK Retail Banking | | |
| Net interest income | 4,680 | 4,544 |
| Non-interest income | 3,423 | 3,276 |
| Total income | 8,103 | 7,820 |
| Direct expenses | 2,068 | 2,027 |
| Insurance net claims | 518 | 488 |
| Contribution before impairment losses | 5,517 | 5,305 |
| Impairment losses | 1,188 | 1,309 |
| Contribution | 4,329 | 3,996 |

UK Retail Banking comprises Retail Markets except for merchant acquiring, commercial cards and International Wealth Management.

| | 2007 | 2006 |
|------------------------------|--------------|-------------|
| | £m | £m |
| UK Commercial Banking | | |
| Net interest income | 1,997 | 1,862 |
| Non-interest income | 1,009 | 894 |

| | | |
|---------------------------------------|---------------------|--------------|
| Total income | <u>3,006</u> | <u>2,756</u> |
| Direct expenses | 905 | 841 |
| Contribution before impairment losses | <u>2,101</u> | <u>1,915</u> |
| Impairment losses | 180 | 189 |
| Contribution | <u>1,921</u> | <u>1,726</u> |

UK Commercial Banking comprises UK Corporate Banking except for money transmission.

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| | 2007 | 2006 |
|---|--------------|-------------|
| | \$m | \$m |
| US Retail & Commercial Banking | | |
| Net interest income | 3,873 | 3,765 |
| Non-interest income | 1,870 | 1,905 |
| | <hr/> | <hr/> |
| Total income | 5,743 | 5,670 |
| Direct expenses | 1,949 | 1,975 |
| | <hr/> | <hr/> |
| Contribution before impairment losses | 3,794 | 3,695 |
| Impairment losses | 682 | 333 |
| | <hr/> | <hr/> |
| Contribution | 3,112 | 3,362 |
| | <hr/> | <hr/> |

US Retail & Commercial Banking comprises Citizens except for corporate money transmission, merchant acquiring and its manufacturing activities.

| | 2007 | 2006 |
|---|--------------|-------------|
| | £m | £m |
| Europe and Middle East Retail & Commercial Banking | | |
| Net interest income | 1,053 | 925 |
| Non-interest income | 363 | 287 |
| | <hr/> | <hr/> |
| Total income | 1,416 | 1,212 |
| Direct expenses | 521 | 423 |
| | <hr/> | <hr/> |
| Contribution before impairment losses | 895 | 789 |
| Impairment losses | 135 | 127 |
| | <hr/> | <hr/> |
| Contribution | 760 | 662 |
| | <hr/> | <hr/> |

Europe and Middle East Retail & Commercial Banking comprises Ulster Bank and ABN AMRO retail and commercial businesses in Europe and Middle East.

| | 2007 | 2006 |
|---|-------------|-------------|
| | £m | £m |
| Asia Retail & Commercial Banking | | |
| Net interest income | 285 | 226 |
| Non-interest income | 398 | 305 |
| | <hr/> | <hr/> |
| Total income | 683 | 531 |
| Direct expenses | 356 | 272 |

| | | |
|---------------------------------------|-------------------|------------|
| Contribution before impairment losses | <u>327</u> | <u>259</u> |
| Impairment losses | 118 | 140 |
| Contribution | <u>209</u> | <u>119</u> |

Asia Retail & Commercial Banking comprises the International Wealth Management activities of RBS and the retail and commercial businesses of ABN AMRO in Asia.

Global Manufacturing comprises RBS and ABN AMRO Manufacturing activities. The scope of Global Manufacturing has been expanded to include US Retail & Commercial Banking's manufacturing activities and UK Cards operations.

Central Items comprises RBS group and corporate functions, the RBS share of ABN AMRO's head office costs and the pro forma funding costs associated with the ABN AMRO acquisition.

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: 28 February 2008

THE ROYAL BANK OF SCOTLAND
GROUP plc (Registrant)

By: /s/ A N Taylor

Name: A N Taylor
Title: Head of Group Secretariat