

ROYAL BANK OF SCOTLAND GROUP PLC  
Form 6-K  
February 26, 2010

**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 25, 2010

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-  
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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:

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## Appendix 2

Annual results 2009

Analysis by quarter

## Appendix 2 Analysis by quarter

## Summary consolidated income statement - pro forma

	2008 Q4 £m	Q1 £m	2009 Q2 £m	Q3 £m	Q4 £m	Q4 2009 vs. Q4 2008 Q3 2009	
<b>Net interest income</b>	4,427	3,538	3,322	3,261	<b>3,446</b>	(22%)	6%
Non-interest income (excluding insurance net premium income)	(5,503)	3,776	1,498	2,532	<b>2,786</b>	(151%)	10%
Insurance net premium income	1,439	1,356	1,301	1,301	<b>1,308</b>	(9%)	1%
<b>Non-interest income</b>	(4,064)	5,132	2,799	3,833	<b>4,094</b>	-	7%
<b>Total income</b>	363	8,670	6,121	7,094	<b>7,540</b>	-	6%
<b>Operating expenses</b>	(3,735)	(4,667)	(4,066)	(4,195)	<b>(4,473)</b>	20%	7%
<b>Profit/(loss) before other operating charges</b>	(3,372)	4,003	2,055	2,899	<b>3,067</b>	(191%)	6%
Insurance net claims	(1,056)	(966)	(925)	(1,145)	<b>(1,321)</b>	25%	15%
<b>Operating profit/(loss) before impairment losses</b>	(4,428)	3,037	1,130	1,754	<b>1,746</b>	(139%)	-
Impairment losses	(4,673)	(2,858)	(4,663)	(3,279)	<b>(3,099)</b>	(34%)	(5%)
<b>Group operating (loss)/profit*</b>	(9,101)	179	(3,533)	(1,525)	<b>(1,353)</b>	(85%)	(11%)
Amortisation of purchased intangible assets	(62)	(85)	(55)	(73)	<b>(59)</b>	(5%)	(19%)
Integration and restructuring costs	(752)	(379)	(355)	(324)	<b>(228)</b>	(70%)	(30%)
Gain on redemption of own debt	-	-	3,790	-	-	-	-
Strategic disposals	442	241	212	(155)	<b>(166)</b>	(138%)	7%
Gains on pensions curtailment	-	-	-	-	<b>2,148</b>	-	-

Bonus tax	-	-	-	-	<b>(208)</b>	-	-
<b>Profit/ (loss) before tax</b>	(9,473)	(44)	59	(2,077)	<b>134</b>	(101%)	(106%)
Tax	1,701	(228)	640	576	<b>(649)</b>	(138%)	-
<b>(Loss)/profit from continuing operations</b>	(7,772)	(272)	699	(1,501)	<b>(515)</b>	(93%)	(66%)
From discontinued operations, net of tax	1	(45)	(13)	(7)	<b>(7)</b>	-	-
<b>(Loss)/profit for the period</b>	(7,771)	(317)	686	(1,508)	<b>(522)</b>	(93%)	(65%)
Minority interests	(221)	(471)	(83)	(47)	<b>(47)</b>	(79%)	-
Preference share and other dividends	(162)	(114)	(432)	(245)	<b>(144)</b>	(11%)	(41%)
<b>(Loss) attributable to ordinary shareholders before write-down of goodwill and other intangible assets</b>	(8,154)	(902)	171	(1,800)	<b>(713)</b>	(91%)	(60%)
Write-down of goodwill and other intangible assets, net of tax	(16,196)	-	(311)	-	<b>(52)</b>	(100%)	-
Loss attributable to ordinary shareholders	(24,350)	(902)	(140)	(1,800)	<b>(765)</b>	(97%)	(58%)

\*profit/(loss) before tax, purchased intangibles amortisation

, integration and restructuring costs, and write-down of goodwill and other intangible assets.

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## Appendix 2 Analysis by quarter

Summary consolidated income statement - pro forma  
(continued)

Key metrics	2008	2009				Q4 2009 vs.	
	Q4	Q1	Q2	Q3	Q4	Q4 2008	Q3 2009
Net interest margin	2.11%	1.78%	1.70%	1.75%	<b>1.83%</b>	(28bp)	8bp
Cost:income ratio	1,028.9%	53.8%	66.4%	59.1%	<b>59.3%</b>	-	(19bp)
Risk-weighted assets - Gross	£577.8bn	£575.7bn	£547.3bn	£594.7bn	<b>£565.8bn</b>	(2%)	(5%)
Benefit of APS	-	-	-	-	<b>(£127.6bn)</b>	-	-
Risk-weighted assets	£577.8bn	£575.7bn	£547.3bn	£594.7bn	<b>£438.2bn</b>	(24%)	(26%)
Risk elements In lending	£18.8bn	£23.7bn	£30.7bn	£35.0bn	<b>£35.0bn</b>	86%	-

Provision balance as % of REIL/PPL*	50%	45%	44%	43%	<b>42%</b>	(800bp)	(100bp)
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\* includes disposal groups.

Note:

2008 data have been restated for the amendment to IFRS 2 'Share-based Payment'.

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## Appendix 2 Analysis by quarter

### Divisional performance

The profit/(loss) of each division before amortisation of purchased intangible assets, write-down of goodwill and other assets, integration and restructuring costs, and after allocation of Business Services and Group Centre costs is shown below. The Group manages costs where they arise. Customer-facing divisions control their direct expenses whilst Business Services is responsible for shared costs.

	2008 Q4 £m	Q1 £m	2009 Q2 £m	Q3 £m	Q4 £m	Q4 2009 vs. Q4 2008 Q3 2009	
<b>Operating profit/(loss) before impairment losses</b>							
UK Retail	381	371	490	468	<b>579</b>	52%	24%
UK Corporate	487	421	535	566	<b>530</b>	9%	(6%)
Wealth	77	100	134	120	<b>99</b>	29%	(18%)
Global Banking & Markets	(2,817)	3,737	1,018	593	<b>1,001</b>	(136%)	69%
Global Transaction Services	285	240	269	275	<b>228</b>	(20%)	(17%)
Ulster Bank	36	71	78	59	<b>73</b>	103%	24%
US Retail & Commercial	312	182	136	137	<b>134</b>	(57%)	(2%)
RBS Insurance	176	81	142	13	<b>(170)</b>	(197%)	-
Central items	(476)	486	(311)	121	<b>(3)</b>	(99%)	(102%)
Core	(1,539)	5,689	2,491	2,352	<b>2,471</b>	-	5%
Non-Core	(2,889)	(2,652)	(1,361)	(598)	<b>(725)</b>	(75%)	21%
<b>Operating profit/(loss) before impairment losses</b>	<b>(4,428)</b>	<b>3,037</b>	<b>1,130</b>	<b>1,754</b>	<b>1,746</b>	<b>(139%)</b>	<b>-</b>

Included in the above are movements in fair value of own debt:

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Global Banking & Markets	(875)	647	(482)	(320)	<b>106</b>	(112%)	(133%)
Central items	14	384	(478)	(163)	<b>164</b>	-	-
	(861)	1,031	(960)	(483)	<b>270</b>	(131%)	(156%)
<b>Impairment losses by division</b>							
UK Retail	292	354	470	404	<b>451</b>	54%	12%
UK Corporate	169	100	450	187	<b>190</b>	12%	2%
Wealth	8	6	16	1	<b>10</b>	25%	-
Global Banking & Markets	502	269	(31)	272	<b>130</b>	(74%)	(52%)
Global Transaction Services	40	9	4	22	<b>4</b>	(90%)	(82%)
Ulster Bank	71	67	90	144	<b>348</b>	-	142%
US Retail & Commercial	177	223	146	180	<b>153</b>	(14%)	(15%)
RBS Insurance	42	5	1	2	-	-	-
Central items	11	(3)	1	1	<b>2</b>	(82%)	100%
Core	1,312	1,030	1,147	1,213	<b>1,288</b>	(2%)	6%
Non-Core	3,361	1,828	3,516	2,066	<b>1,811</b>	(46%)	(12%)
<b>Total impairment losses</b>	<b>4,673</b>	<b>2,858</b>	<b>4,663</b>	<b>3,279</b>	<b>3,099</b>	<b>(34%)</b>	<b>(5%)</b>

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## Appendix 2 Analysis by quarter

Divisional performance  
(continued)

	2008		2009			Q4 2009 vs.	
	Q4	Q1	Q2	Q3	Q4	Q4 2008	Q3 2009
	£m	£m	£m	£m	£m		
<b>Operating (loss)/profit by division</b>							
UK Retail	89	17	20	64	<b>128</b>	44%	100%
UK Corporate	318	321	85	379	<b>340</b>	7%	(10%)
Wealth	69	94	118	119	<b>89</b>	29%	(25%)
Global Banking & Markets	(3,319)	3,468	1,049	321	<b>871</b>	(126%)	171%
Global Transaction Services	245	231	265	253	<b>224</b>	(9%)	(11%)
Ulster Bank	(35)	4	(12)	(85)	<b>(275)</b>	-	-
US Retail & Commercial	135	(41)	(10)	(43)	<b>(19)</b>	(114%)	(56%)
RBS Insurance	134						