

ROYAL BANK OF SCOTLAND GROUP PLC  
Form 6-K  
August 06, 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 August 6, 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-  
\_\_\_\_\_

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 5

Indicative impact of future transfers



## **Appendix 5 - Indicative impact of future transfers**

### **Planned divisional transfers**

As part of the Group's strategic plan update, certain transfers of assets between divisions will be executed at book value during the second half.

· In GBM, certain derivatives related to underlying asset exposures in Non-Core will be transferred to Non-Core to better align management of the overall net position.

· In Ulster Bank, the Group has decided to cease early stage development property lending. Accordingly, Ulster's Corporate Markets business will transfer a portfolio of development property lending assets to Non-Core. In addition, reflecting its continued commitment to the retail mortgage sector, assets which had been included in Non-Core will now be transferred back and be managed as part of the core business.

The overall effect of these transfers is not considered material and divisional results will be impacted from 1 July 2010. However, to assist understanding of the transfers in the context of historical results, the pro forma indicative impact of the transfer on each division's results is set out below.

These planned revisions will not affect overall Group results.





**Appendix 5 - Indicative impact of future transfers** (continued)

	<b>Quarter ended 30 June 2010</b>				<b>Quarter ended 31 March 2010</b>			
	<b>As Transfers</b>		<b>Transfers</b>		<b>As Transfers</b>		<b>Transfers</b>	
	<b>reported £m</b>	<b>in £m</b>	<b>out £m</b>	<b>Revised £m</b>	<b>reported £m</b>	<b>in £m</b>	<b>out £m</b>	<b>Revised £m</b>
<b>Core</b>								
<b>Net interest income</b>	<b>3,212</b>	19	(20)	<b>3,211</b>	<b>3,035</b>	19	(19)	<b>3,035</b>
Non-interest income								
(excluding insurance net premium income)								
Insurance net premium income	<b>3,592</b>	-	150	<b>3,742</b>	<b>3,864</b>	-	4	<b>3,868</b>
Non-interest income	<b>1,105</b>	-	-	<b>1,105</b>	<b>1,121</b>	-	-	<b>1,121</b>
<b>Non-interest income</b>	<b>4,697</b>	-	150	<b>4,847</b>	<b>4,985</b>	-	4	<b>4,989</b>
<b>Total income</b>	<b>7,909</b>	19	130	<b>8,058</b>	<b>8,020</b>	19	(15)	<b>8,024</b>
<b>Operating expenses</b>	<b>(3,511)</b>	(1)	3	<b>(3,509)</b>	<b>(3,774)</b>	(1)	2	<b>(3,773)</b>
<b>Profit before other</b>								
operating charges	<b>4,398</b>	18	133	<b>4,549</b>	<b>4,246</b>	18	(13)	<b>4,251</b>
Insurance net claims	<b>(1,108)</b>	-	-	<b>(1,108)</b>	<b>(1,003)</b>	-	-	<b>(1,003)</b>
<b>Operating profit before</b>								
impairment losses	<b>3,290</b>	18	133	<b>3,441</b>	<b>3,243</b>	18	(13)	<b>3,248</b>
Impairment losses	<b>(1,097)</b>	(23)	128	<b>(992)</b>	<b>(971)</b>	(20)	122	<b>(869)</b>
<b>Operating profit</b>	<b>2,193</b>	(5)	261	<b>2,449</b>	<b>2,272</b>	(2)	109	<b>2,379</b>
	<b>£bn</b>	£bn	£bn	<b>£bn</b>	<b>£bn</b>	£bn	£bn	<b>£bn</b>

## Total third party assets

(including derivatives

mark to market)	<b>1,387.6</b>	5.6	(10.7)	<b>1,382.5</b>	<b>1,370.3</b>	6.1	(10.5)	<b>1,365.9</b>
Loans and advances to								
customers - gross	<b>428.9</b>	5.6	(5.0)	<b>429.5</b>	<b>429.4</b>	6.1	(5.3)	<b>430.2</b>
Customer deposits	<b>413.5</b>	-	(0.1)	<b>413.4</b>	<b>414.9</b>	-	(0.1)	<b>414.8</b>
Risk elements in								
lending	<b>14.7</b>	0.5	(1.3)	<b>13.9</b>	<b>12.5</b>	0.4	(1.0)	<b>11.9</b>
Risk-weighted assets	<b>298.9</b>	3.1	(9.4)	<b>292.6</b>	<b>296.4</b>	3.2	(12.2)	<b>287.4</b>







## Appendix 5 - Indicative impact of future transfers (continued)

	Quarter ended 30 June 2010				Quarter ended 31 March 2010			
	As reported	in	out	Revised	As reported	in	out	Revised
	£m	£m	£m	£m	£m	£m	£m	£m
<b>Non-Core</b>								
<b>Net interest income</b>	<b>472</b>	20	(19)	<b>473</b>	<b>499</b>	19	(19)	<b>499</b>
Non-interest income								
(excluding insurance net premium income)								
Insurance net premium income	<b>228</b>	(150)	-	<b>78</b>	<b>267</b>	(4)	-	<b>263</b>
<b>Non-interest income</b>	<b>401</b>	(150)	-	<b>251</b>	<b>435</b>	(4)	-	<b>431</b>
<b>Total income</b>	<b>873</b>	(130)	(19)	<b>724</b>	<b>934</b>	15	(19)	<b>930</b>
<b>Operating expenses</b>	<b>(592)</b>	(3)	1	<b>(594)</b>	<b>(656)</b>	(2)	1	<b>(657)</b>
<b>Profit before other</b>								
operating charges	<b>281</b>	(133)	(18)	<b>130</b>	<b>278</b>	13	(18)	<b>273</b>
Insurance net claims	<b>(215)</b>	-	-	<b>(215)</b>	<b>(133)</b>	-	-	<b>(133)</b>
<b>Operating profit/(loss)</b>								
before impairment losses	<b>66</b>	(133)	(18)	<b>(85)</b>	<b>145</b>	13	(18)	<b>140</b>
Impairment losses	<b>(1,390)</b>	(128)	23	<b>(1,495)</b>	<b>(1,704)</b>	(122)	20	<b>(1,806)</b>
<b>Operating loss</b>	<b>(1,324)</b>	(261)	5	<b>(1,580)</b>	<b>(1,559)</b>	(109)	2	<b>(1,666)</b>
	<b>£bn</b>	£bn	£bn	<b>£bn</b>	<b>£bn</b>	£bn	£bn	<b>£bn</b>

Total third party assets

(including derivatives

mark to market)	<b>193.3</b>	10.7	(5.6)	<b>198.4</b>	<b>212.6</b>	10.5	(6.1)	<b>217.0</b>
Loans and advances to								
customers - gross	<b>126.4</b>	5.0	(5.6)	<b>125.8</b>	<b>141.2</b>	5.3	(6.1)	<b>140.4</b>
Customer deposits	<b>7.4</b>	0.1	-	<b>7.5</b>	<b>10.2</b>	0.1	-	<b>10.3</b>
Risk elements in								
lending	<b>22.0</b>	1.3	(0.5)	<b>22.8</b>	<b>24.0</b>	1.0	(0.4)	<b>24.6</b>
Risk-weighted assets	<b>175.0</b>	9.4	(3.1)	<b>181.3</b>	<b>164.3</b>	12.2	(3.2)	<b>173.3</b>





**Appendix 5 - Indicative impact of future transfers** (continued)

	<b>Quarter ended 31 December 2009</b>				<b>Quarter ended 30 September 2009</b>			
	As reported		Transfers		As reported		Transfers	
	reported £m	in £m	out £m	Revised £m	reported £m	in £m	out £m	Revised £m
<b>Core</b>								
<b>Net interest income</b>	<b>2,935</b>	18	(17)	<b>2,936</b>	<b>3,035</b>	16	(15)	<b>3,036</b>
Non-interest income								
(excluding insurance net premium income)								
Insurance net premium	<b>3,360</b>	-	(110)	<b>3,250</b>	<b>2,877</b>	-	51	<b>2,928</b>
income	<b>1,137</b>	-	-	<b>1,137</b>	<b>1,128</b>	-	-	<b>1,128</b>
<b>Non-interest income</b>	<b>4,497</b>	-	(110)	<b>4,387</b>	<b>4,005</b>	-	51	<b>4,056</b>
<b>Total income</b>	<b>7,432</b>	18	(127)	<b>7,323</b>	<b>7,040</b>	16	36	<b>7,092</b>
<b>Operating expenses</b>	<b>(3,788)</b>	(1)	3	<b>(3,786)</b>	<b>(3,669)</b>	-	2	<b>(3,667)</b>
<b>Profit before other</b>								
operating charges	<b>3,644</b>	17	(124)	<b>3,537</b>	<b>3,371</b>	16	38	<b>3,425</b>
Insurance net claims	<b>(1,173)</b>	-	-	<b>(1,173)</b>	<b>(1,019)</b>	-	-	<b>(1,019)</b>
<b>Operating profit before</b>								
impairment losses	<b>2,471</b>	17	(124)	<b>2,364</b>	<b>2,352</b>	16	38	<b>2,406</b>
Impairment losses	<b>(1,288)</b>	(16)	85	<b>(1,219)</b>	<b>(1,213)</b>	(7)	22	<b>(1,198)</b>
<b>Operating profit</b>	<b>1,183</b>	1	(39)	<b>1,145</b>	<b>1,139</b>	9	60	<b>1,208</b>
	<b>£bn</b>	£bn	£bn	<b>£bn</b>	<b>£bn</b>	£bn	£bn	<b>£bn</b>

Total third party assets

(including derivatives

mark to market)	<b>1,301.6</b>	6.1	(9.9)	<b>1,297.8</b>	<b>1,447.3</b>	6.3	(10.3)	<b>1,443.3</b>
Loans and advances to								
customers - gross	<b>420.2</b>	6.1	(5.3)	<b>421.0</b>	<b>443.9</b>	6.3	(5.4)	<b>444.8</b>
Customer deposits	<b>401.7</b>	-	(0.1)	<b>401.6</b>	<b>407.8</b>	-	(0.1)	<b>407.7</b>
Risk elements in								
lending	<b>12.1</b>	0.3	(0.5)	<b>11.9</b>	<b>11.7</b>	0.3	(0.4)	<b>11.6</b>
Risk-weighted assets	<b>394.5</b>	2.7	(9.5)	<b>387.7</b>	<b>394.0</b>	2.1	(9.6)	<b>386.5</b>







**Appendix 5 - Indicative impact of future transfers** (continued)

	<b>Quarter ended 31 December 2009</b>				<b>Quarter ended 30 September 2009</b>			
	As Transfers		Transfers		As Transfers		Transfers	
	<b>reported</b>	<b>in</b>	<b>out</b>	<b>Revised</b>	<b>reported</b>	<b>in</b>	<b>out</b>	<b>Revised</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Non-Core</b>								
<b>Net interest income</b>	<b>511</b>	17	(18)	<b>510</b>	<b>226</b>	15	(16)	<b>225</b>
Non-interest income								
(excluding insurance net premium income)								
Insurance net premium income	(574)	110	-	(464)	(345)	(51)	-	(396)
<b>Non-interest income</b>	<b>(403)</b>	110	-	<b>(293)</b>	<b>(172)</b>	(51)	-	<b>(223)</b>
<b>Total income</b>	<b>108</b>	127	(18)	<b>217</b>	<b>54</b>	(36)	(16)	<b>2</b>
<b>Operating expenses</b>	<b>(685)</b>	(3)	1	<b>(687)</b>	<b>(526)</b>	(2)	-	<b>(528)</b>
<b>Loss before other</b>								
operating charges	(577)	124	(17)	(470)	(472)	(38)	(16)	(526)
Insurance net claims	(148)	-	-	(148)	(126)	-	-	(126)
<b>Operating loss before</b>								
impairment losses	(725)	124	(17)	(618)	(598)	(38)	(16)	(652)
Impairment losses	(1,811)	(85)	16	(1,880)	(2,066)	(22)	7	(2,081)
<b>Operating loss</b>	<b>(2,536)</b>	39	(1)	<b>(2,498)</b>	<b>(2,664)</b>	(60)	(9)	<b>(2,733)</b>
	<b>£bn</b>	£bn	£bn	<b>£bn</b>	<b>£bn</b>	£bn	£bn	<b>£bn</b>

## Total third party assets

(including derivatives

mark to market)	<b>220.9</b>	9.9	(6.1)	<b>224.7</b>	<b>233.0</b>	10.3	(6.3)	<b>237.0</b>
Loans and advances to								
customers - gross	<b>149.5</b>	5.3	(6.1)	<b>148.7</b>	<b>159.1</b>	5.4	(6.3)	<b>158.2</b>
Customer deposits	<b>12.6</b>	0.1	-	<b>12.7</b>	<b>16.0</b>	0.1	-	<b>16.1</b>
Risk elements in								
lending	<b>22.9</b>	0.5	(0.3)	<b>23.1</b>	<b>23.3</b>	0.4	(0.3)	<b>23.4</b>
Risk-weighted assets	<b>171.3</b>	9.5	(2.7)	<b>178.1</b>	<b>200.7</b>	9.6	(2.1)	<b>208.2</b>





**Appendix 5 - Indicative impact of future transfers** (continued)

	<b>Quarter ended 30 June 2009</b>				<b>Quarter ended 31 March 2009</b>			
	<b>As Transfers</b>		<b>Transfers</b>		<b>As Transfers</b>		<b>Transfers</b>	
	<b>reported £m</b>	<b>in £m</b>	<b>out £m</b>	<b>Revised £m</b>	<b>reported £m</b>	<b>in £m</b>	<b>out £m</b>	<b>Revised £m</b>
<b>Core</b>								
<b>Net interest income</b>	<b>3,133</b>	9	(15)	<b>3,127</b>	<b>3,216</b>	6	(12)	<b>3,210</b>
Non-interest income								
(excluding insurance net premium income)								
Insurance net premium	<b>2,570</b>	-	201	<b>2,771</b>	<b>6,118</b>	-	9	<b>6,127</b>
income	<b>1,105</b>	-	-	<b>1,105</b>	<b>1,112</b>	-	-	<b>1,112</b>
<b>Non-interest income</b>	<b>3,675</b>	-	201	<b>3,876</b>	<b>7,230</b>	-	9	<b>7,239</b>
<b>Total income</b>	<b>6,808</b>	9	186	<b>7,003</b>	<b>10,446</b>	6	(3)	<b>10,449</b>
<b>Operating expenses</b>	<b>(3,529)</b>	-	-3	<b>(3,526)</b>	<b>(3,968)</b>	-	2	<b>(3,966)</b>
<b>Profit before other</b>								
operating charges	<b>3,279</b>	9	189	<b>3,477</b>	<b>6,478</b>	6	(1)	<b>6,483</b>
Insurance net claims	<b>(788)</b>	-	-	<b>(788)</b>	<b>(789)</b>	-	-	<b>(789)</b>
<b>Operating profit before</b>								
impairment losses	<b>2,491</b>	9	189	<b>2,689</b>	<b>5,689</b>	6	(1)	<b>5,694</b>
Impairment losses	<b>(1,147)</b>	(11)	25	<b>(1,133)</b>	<b>(1,030)</b>	(8)	12	<b>(1,026)</b>
<b>Operating profit</b>	<b>1,344</b>	(2)	214	<b>1,556</b>	<b>4,659</b>	(2)	11	<b>4,668</b>
	<b>£bn</b>	£bn	£bn	<b>£bn</b>	<b>£bn</b>	£bn	£bn	<b>£bn</b>

Total third party assets

(including derivatives

mark to market)	<b>1,397.9</b>	5.8	(9.5)	<b>1,394.2</b>	<b>1,745.8</b>	6.3	(11.6)	<b>1,740.5</b>
Loans and advances to								
customers - gross	<b>442.8</b>	5.8	(5.1)	<b>443.5</b>	<b>498.0</b>	6.3	(5.5)	<b>498.8</b>
Customer deposits	<b>400.3</b>	-	(0.1)	<b>400.2</b>	<b>422.6</b>	-	(0.1)	<b>422.5</b>
Risk elements in								
lending	<b>10.2</b>	0.2	(0.2)	<b>10.2</b>	<b>9.0</b>	0.1	(0.2)	<b>8.9</b>
Risk-weighted assets	<b>373.3</b>	2.0	(7.9)	<b>367.4</b>	<b>401.1</b>	1.8	(9.2)	<b>393.7</b>







**Appendix 5 - Indicative impact of future transfers** (continued)

	<b>Quarter ended 30 June 2009</b>				<b>Quarter ended 31 March 2009</b>			
	<b>As Transfers</b>		<b>Transfers</b>		<b>As Transfers</b>		<b>Transfers</b>	
	<b>reported £m</b>	<b>in £m</b>	<b>out £m</b>	<b>Revised £m</b>	<b>reported £m</b>	<b>in £m</b>	<b>out £m</b>	<b>Revised £m</b>
<b>Non-Core</b>								
<b>Net interest income</b>	<b>189</b>	15	(9)	<b>195</b>	<b>322</b>	12	(6)	<b>328</b>
Non-interest income								
(excluding insurance net premium income)								
Insurance net premium	<b>(1,072)</b>	(201)	-	<b>(1,273)</b>	<b>(2,342)</b>	(9)	-	<b>(2,351)</b>
income	<b>196</b>	-	-	<b>196</b>	<b>244</b>	-	-	<b>244</b>
<b>Non-interest income</b>	<b>(876)</b>	(201)	-	<b>(1,077)</b>	<b>(2,098)</b>	(9)	-	<b>(2,107)</b>
<b>Total income</b>	<b>(687)</b>	(186)	(9)	<b>(882)</b>	<b>(1,776)</b>	3	(6)	<b>(1,779)</b>
<b>Operating expenses</b>	<b>(537)</b>	(3)	-	<b>(540)</b>	<b>(699)</b>	(2)	-	<b>(701)</b>
<b>Loss before other</b>								
<b>operating charges</b>	<b>(1,224)</b>	(189)	(9)	<b>(1,422)</b>	<b>(2,475)</b>	1	(6)	<b>(2,480)</b>
Insurance net claims	<b>(137)</b>	-	-	<b>(137)</b>	<b>(177)</b>	-	-	<b>(177)</b>
<b>Operating loss before</b>								
<b>impairment losses</b>	<b>(1,361)</b>	(189)	(9)	<b>(1,559)</b>	<b>(2,652)</b>	1	(6)	<b>(2,657)</b>
Impairment losses	<b>(3,516)</b>	(25)	11	<b>(3,530)</b>	<b>(1,828)</b>	(12)	8	<b>(1,832)</b>
<b>Operating loss</b>	<b>(4,877)</b>	(214)	2	<b>(5,089)</b>	<b>(4,480)</b>	(11)	2	<b>(4,489)</b>
	<b>£bn</b>	£bn	£bn	<b>£bn</b>	<b>£bn</b>	£bn	£bn	<b>£bn</b>

Total third party assets

(including derivatives

mark to market)	<b>246.5</b>	9.5	(5.8)	<b>250.2</b>	<b>314.7</b>	11.6	(6.3)	<b>320.0</b>
Loans and advances to								
customers - gross	<b>164.1</b>	5.1	(5.8)	<b>163.4</b>	<b>183.7</b>	5.5	(6.3)	<b>182.9</b>
Customer deposits	<b>15.0</b>	0.1	-	<b>15.1</b>	<b>23.7</b>	0.1	-	<b>23.8</b>
Risk elements in								
lending	<b>20.5</b>	0.2	(0.2)	<b>20.5</b>	<b>14.7</b>	0.2	(0.1)	<b>14.8</b>
Risk-weighted assets	<b>174.0</b>	7.9	(2.0)	<b>179.9</b>	<b>174.4</b>	9.2	(1.8)	<b>181.8</b>





**Appendix 5 - Indicative impact of future transfers** (continued)

	<b>Half year ended 30 June 2010</b>				<b>Half year ended 30 June 2009</b>			
	As Transfers		Transfers		As Transfers		Transfers	
	reported £m	in £m	out £m	Revised £m	reported £m	in £m	out £m	Revised £m
<b>Core</b>								
<b>Net interest income</b>	<b>6,247</b>	38	(39)	<b>6,246</b>	<b>6,349</b>	15	(27)	<b>6,337</b>
Non-interest income								
(excluding insurance net premium income)								
Insurance net premium income	<b>7,456</b>	-	154	<b>7,610</b>	<b>8,688</b>	-	210	<b>8,898</b>
Non-interest income	<b>9,682</b>	-	154	<b>9,836</b>	<b>10,905</b>	-	210	<b>11,115</b>
<b>Total income</b>	<b>15,929</b>	38	115	<b>16,082</b>	<b>17,254</b>	15	183	<b>17,452</b>
<b>Operating expenses</b>	<b>(7,285)</b>	(2)	5	<b>(7,282)</b>	<b>(7,497)</b>	-	5	<b>(7,492)</b>
<b>Profit before other</b>								
operating charges	<b>8,644</b>	36	120	<b>8,800</b>	<b>9,757</b>	15	188	<b>9,960</b>
Insurance net claims	<b>(2,111)</b>	-	-	<b>(2,111)</b>	<b>(1,577)</b>	-	-	<b>(1,577)</b>
<b>Operating profit before</b>								
impairment losses	<b>6,533</b>	36	120	<b>6,689</b>	<b>8,180</b>	15	188	<b>8,383</b>
Impairment losses	<b>(2,068)</b>	(43)	250	<b>(1,861)</b>	<b>(2,177)</b>	(19)	37	<b>(2,159)</b>
<b>Operating profit</b>	<b>4,465</b>	(7)	370	<b>4,828</b>	<b>6,003</b>	(4)	225	<b>6,224</b>
	<b>£bn</b>	£bn	£bn	<b>£bn</b>	<b>£bn</b>	£bn	£bn	<b>£bn</b>

Total third party assets

(including derivatives

mark to market)	<b>1,387.6</b>	5.6	(10.7)	<b>1,382.5</b>	<b>1,397.9</b>	5.8	(9.5)	<b>1,394.2</b>
Loans and advances to								
customers - gross	<b>428.9</b>	5.6	(5.0)	<b>429.5</b>	<b>442.8</b>	5.8	(5.1)	<b>443.5</b>
Customer deposits	<b>413.5</b>	-	(0.1)	<b>413.4</b>	<b>400.3</b>	-	(0.1)	<b>400.2</b>
Risk elements in								
lending	<b>14.7</b>	0.5	(1.3)	<b>13.9</b>	<b>10.2</b>	0.2	(0.2)	<b>10.2</b>
Risk-weighted assets	<b>298.9</b>	3.1	(9.4)	<b>292.6</b>	<b>373.3</b>	2.0	(7.9)	<b>367.4</b>







## Appendix 5 - Indicative impact of future transfers (continued)

	Half year ended 30 June 2010				Half year ended 30 June 2009			
	As Transfers		Transfers		As Transfers		Transfers	
	reported £m	in £m	out £m	Revised £m	reported £m	in £m	out £m	Revised £m
<b>Non-Core</b>								
<b>Net interest income</b>	<b>971</b>	39	(38)	<b>972</b>	<b>511</b>	27	(15)	<b>523</b>
Non-interest income								
(excluding insurance net premium income)								
Insurance net premium income	<b>495</b>	(154)	-	<b>341</b>	<b>(3,414)</b>	(210)	-	<b>(3,624)</b>
<b>Non-interest income</b>	<b>836</b>	(154)	-	<b>682</b>	<b>(2,974)</b>	(210)	-	<b>(3,184)</b>
<b>Total income</b>	<b>1,807</b>	(115)	(38)	<b>1,654</b>	<b>(2,463)</b>	(183)	(15)	<b>(2,661)</b>
<b>Operating expenses</b>	<b>(1,248)</b>	(5)	2	<b>(1,251)</b>	<b>(1,236)</b>	(5)	-	<b>(1,241)</b>
<b>Profit/(loss) before other</b>								
<b>operating charges</b>	<b>559</b>	(120)	(36)	<b>403</b>	<b>(3,699)</b>	(188)	(15)	<b>(3,902)</b>
Insurance net claims	<b>(348)</b>	-	-	<b>(348)</b>	<b>(314)</b>	-	-	<b>(314)</b>
<b>Operating profit/(loss) before impairment losses</b>	<b>211</b>	(120)	(36)	<b>55</b>	<b>(4,013)</b>	(188)	(15)	<b>(4,216)</b>
Impairment losses	<b>(3,094)</b>	(250)	43	<b>(3,301)</b>	<b>(5,344)</b>	(37)	19	<b>(5,362)</b>
<b>Operating loss</b>	<b>(2,883)</b>	(370)	7	<b>(3,246)</b>	<b>(9,357)</b>	(225)	4	<b>(9,578)</b>

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	<b>£bn</b>	£bn	£bn	<b>£bn</b>	<b>£bn</b>	£bn	£bn	<b>£bn</b>
Total third party assets								
(including derivatives								
mark to market)	<b>193.3</b>	10.7	(5.6)	<b>198.4</b>	<b>246.5</b>	9.5	(5.8)	<b>250.2</b>
Loans and advances to								
customers - gross	<b>126.4</b>	5.0	(5.6)	<b>125.8</b>	<b>164.1</b>	5.1	(5.8)	<b>163.4</b>
Customer deposits	<b>7.4</b>	0.1	-	<b>7.5</b>	<b>15.0</b>	0.1	-	<b>15.1</b>
Risk elements in								
lending	<b>22.0</b>	1.3	(0.5)	<b>22.8</b>	<b>20.5</b>	0.2	(0.2)	<b>20.5</b>
Risk-weighted assets	<b>175.0</b>	9.4	(3.1)	<b>181.3</b>	<b>174.0</b>	7.9	(2.0)	<b>179.9</b>





**Appendix 5 - Indicative impact of future transfers** (continued)**Year ended 31 December 2009**

As Transfers Transfers

	<b>reported £m</b>	in £m	out £m	<b>Revised £m</b>
<b>Core</b>				
<b>Net interest income</b>	<b>12,319</b>	49	(59)	<b>12,309</b>
Non-interest income (excluding insurance net premium income)	<b>14,925</b>	-	151	<b>15,076</b>
Insurance net premium income	<b>4,482</b>	-	-	<b>4,482</b>
<b>Non-interest income</b>	<b>19,407</b>	-	151	<b>19,558</b>
<b>Total income</b>	<b>31,726</b>	49	92	<b>31,867</b>
<b>Operating expenses</b>	<b>(14,954)</b>	(1)	10	<b>(14,945)</b>
<b>Profit before other operating charges</b>	<b>16,772</b>	48	102	<b>16,922</b>
Insurance net claims	<b>(3,769)</b>	--	-	<b>(3,769)</b>
<b>Operating profit before impairment losses</b>	<b>13,003</b>	48	102	<b>13,153</b>
Impairment losses	<b>(4,678)</b>	(42)	144	<b>(4,576)</b>
<b>Operating profit</b>	<b>8,325</b>	6	246	<b>8,577</b>
	<b>£bn</b>	£bn	£bn	<b>£bn</b>
Total third party assets (including derivatives mark to market)	<b>1,301.6</b>	6.1	(9.9)	<b>1,297.8</b>
Loans and advances to customers - gross	<b>420.2</b>	6.1	(5.3)	<b>421.0</b>
Customer deposits	<b>401.7</b>	-	(0.1)	<b>401.6</b>
Risk elements in lending	<b>12.1</b>	0.3	(0.5)	<b>11.9</b>
Risk-weighted assets	<b>394.5</b>	2.7	(9.5)	<b>387.7</b>







**Appendix 5 - Indicative impact of future transfers** (continued)**Year ended 31 December 2009**

As Transfers Transfers

	<b>reported £m</b>	in £m	out £m	<b>Revised £m</b>
<b>Non-Core</b>				
<b>Net interest income</b>	<b>1,248</b>	59	(49)	<b>1,258</b>
Non-interest income (excluding insurance net premium income)	(4,333)	(151)	-	(4,484)
Insurance net premium income	784	-	-	784
<b>Non-interest income</b>	<b>(3,549)</b>	(151)	-	<b>(3,700)</b>
<b>Total income</b>	<b>(2,301)</b>	(92)	(49)	<b>(2,442)</b>
<b>Operating expenses</b>	<b>(2,447)</b>	(10)	1	<b>(2,456)</b>
<b>Loss before other operating charges</b>	<b>(4,748)</b>	(102)	(48)	<b>(4,898)</b>
Insurance net claims	(588)	-	-	(588)
<b>Operating loss before impairment losses</b>	<b>(5,336)</b>	(102)	(48)	<b>(5,486)</b>
Impairment losses	(9,221)	(144)	42	(9,323)
<b>Operating loss</b>	<b>(14,557)</b>	(246)	(6)	<b>(14,809)</b>
	<b>£bn</b>	£bn	£bn	<b>£bn</b>
Total third party assets (including derivatives mark to market)	<b>220.9</b>	9.9	(6.1)	<b>224.7</b>
Loans and advances to customers - gross	<b>149.5</b>	5.3	(6.1)	<b>148.7</b>
Customer deposits	<b>12.6</b>	0.1	-	<b>12.7</b>
Risk elements in lending	<b>22.9</b>	0.5	(0.3)	<b>23.1</b>
Risk-weighted assets	<b>171.3</b>	9.5	(2.7)	<b>178.1</b>





**Appendix 5 - Indicative impact of future transfers** (continued)

	<b>Quarter ended 30 June 2010</b>				<b>Quarter ended 31 March 2010</b>			
	<b>reported</b>	<b>in</b>	<b>out</b>	<b>Revised</b>	<b>reported</b>	<b>in</b>	<b>out</b>	<b>Revised</b>
<b>Global Banking &amp; Markets</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Net interest income	<b>335</b>	-	-	<b>335</b>	<b>379</b>	-	-	<b>379</b>
Non-interest income	<b>1,943</b>	-	150	<b>2,093</b>	<b>2,413</b>	-	4	<b>2,417</b>
Direct expenses								
- staff costs	<b>(634)</b>	-	-	<b>(634)</b>	<b>(891)</b>	-	-	<b>(891)</b>
- other costs	<b>(237)</b>	-	-	<b>(237)</b>	<b>(229)</b>	-	-	<b>(229)</b>
Indirect expenses	<b>(162)</b>	-	-	<b>(162)</b>	<b>(174)</b>	-	-	<b>(174)</b>
Impairment losses	<b>(164)</b>	-	-	<b>(164)</b>	<b>(32)</b>	-	-	<b>(32)</b>
<b>Operating profit</b>	<b>1,081</b>	-	150	<b>1,231</b>	<b>1,466</b>	-	4	<b>1,470</b>
	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>
Loans and advances								
(including banks)	<b>128.9</b>	-	-	<b>128.9</b>	<b>133.5</b>	-	-	<b>133.5</b>
Reverse repos	<b>85.6</b>	-	-	<b>85.6</b>	<b>93.1</b>	-	-	<b>93.1</b>
Securities	<b>109.8</b>	-	(0.1)	<b>109.7</b>	<b>116.6</b>	-	(0.1)	<b>116.5</b>
Cash and eligible bills	<b>41.2</b>	-	-	<b>41.2</b>	<b>61.9</b>	-	-	<b>61.9</b>
Other	<b>34.5</b>	-	-	<b>34.5</b>	<b>38.6</b>	-	-	<b>38.6</b>
Total third party assets	<b>400.0</b>	-	(0.1)	<b>399.9</b>	<b>443.7</b>	-	(0.1)	<b>443.6</b>

(excluding derivatives mark to market)								
Net derivative assets (after netting)	<b>52.1</b>	-	(5.4)	<b>46.7</b>	<b>66.9</b>	-	(4.8)	<b>62.1</b>
Customer deposits (excluding repos)	<b>45.6</b>	-	-	<b>45.6</b>	<b>47.0</b>	-	-	<b>47.0</b>
Risk elements in lending	<b>1.8</b>	-	-	<b>1.8</b>	<b>1.2</b>	-	-	<b>1.2</b>
Risk-weighted assets	<b>141.3</b>	-	(4.8)	<b>136.5</b>	<b>141.8</b>	-	(6.6)	<b>135.2</b>







**Appendix 5 - Indicative impact of future transfers** (continued)

	<b>Quarter ended 31 December 2009</b>				<b>Quarter ended 30 September 2010</b>			
	As Transfers		Transfers		As Transfers		Transfers	
	reported	in	out	Revised	reported	in	out	Revised
<b>Global Banking &amp; Markets</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Net interest income	324	-	-	324	447	-	-	447
Non-interest income	1,745	-	(110)	1,635	1,298	-	51	1,349
Direct expenses								
- staff costs	(641)	-	-	(641)	(721)	-	-	(721)
- other costs	(247)	-	-	(247)	(240)	-	-	(240)
Indirect expenses	(180)	-	-	(180)	(191)	-	-	(191)
Impairment losses	(130)	-	-	(130)	(272)	-	-	(272)
<b>Operating profit</b>	<b>871</b>	<b>-</b>	<b>(110)</b>	<b>761</b>	<b>321</b>	<b>-</b>	<b>51</b>	<b>372</b>
	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>
Loans and advances								
(including banks)	127.8	-	-	127.8	156.3	-	-	156.3
Reverse repos	73.3	-	-	73.3	75.4	-	-	75.4
Securities	106.0	-	(0.1)	105.9	117.6	-	(0.1)	117.5
Cash and eligible bills	74.0	-	-	74.0	63.8	-	-	63.8
Other	31.1	-	-	31.1	46.0	-	-	46.0
Total third party assets								
(excluding derivatives mark to market)	412.2	-	(0.1)	412.1	459.1	-	(0.1)	459.0
Net derivative assets (after netting)	68.0	-	(4.2)	63.8	84.3	-	(4.5)	79.8
Customer deposits (excluding repos)	46.9	-	-	46.9	56.8	-	-	56.8
Risk elements in lending	1.8	-	-	1.8	1.6	-	-	1.6
Risk-weighted assets	123.7	-	(5.1)	118.6	121.5	-	(5.5)	116.0







**Appendix 5 - Indicative impact of future transfers** (continued)

	<b>Quarter ended 30 June 2009</b>				<b>Quarter ended 31 March 2009</b>			
	As Transfers		Transfers		As Transfers		Transfers	
	reported	in	out	Revised	reported	in	out	Revised
<b>Global Banking &amp; Markets</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Net interest income	660	-	-	660	812	-	-	812
Non-interest income	1,443	-	202	1,645	4,280	-	9	4,289
Direct expenses								
- staff costs	(680)	-	-	(680)	(888)	-	-	(888)
- other costs	(204)	-	-	(204)	(274)	-	-	(274)
Indirect expenses	(201)	-	-	(201)	(193)	-	-	(193)
Impairment losses	31	-	-	31	(269)	-	-	(269)
<b>Operating profit</b>	<b>1,049</b>	<b>-</b>	<b>202</b>	<b>1,251</b>	<b>3,468</b>	<b>-</b>	<b>9</b>	<b>3,477</b>
	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>
Loans and advances								
(including banks)	155.2	-	-	155.2	205.3	-	-	205.3
Reverse repos	75.2	-	-	75.2	80.6	-	-	80.6
Securities	115.5	-	(0.1)	115.4	124.3	-	(0.2)	124.1
Cash and eligible bills	51.5	-	-	51.5	28.6	-	-	28.6
Other	40.5	-	-	40.5	37.4	-	-	37.4
Total third party assets								
(excluding derivatives mark to market)	437.9	-	(0.1)	437.8	476.2	-	(0.2)	476.0
Net derivative assets (after netting)	80.7	-	(4.1)	76.6	99.8	-	(5.6)	94.2
Customer deposits (excluding repos)	63.4	-	-	63.4	80.1	-	-	80.1
Risk elements in lending	1.1	-	-	1.1	0.8	-	-	0.8
Risk-weighted assets	112.5	-	(4.6)	107.9	137.9	-	(6.5)	131.4









**Appendix 5 - Indicative impact of future transfers** (continued)

	<b>Half year ended 30 June 2010</b>				<b>Half year ended 30 June 2009</b>			
	As Transfers		Transfers		As Transfers		Transfers	
	reported	in	out	Revised	reported	in	out	Revised
<b>Global Banking &amp; Markets</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Net interest income	714	-	-	714	1,472	-	-	1,472
Non-interest income	4,356	-	154	4,510	5,723	-	211	5,934
Direct expenses								
- staff costs	(1,525)	-	-	(1,525)	(1,568)	-	-	(1,568)
- other costs	(466)	-	-	(466)	(478)	-	-	(478)
Indirect expenses	(336)	-	-	(336)	(394)	-	-	(394)
Impairment losses	(196)	-	-	(196)	(238)	-	-	(238)
<b>Operating profit</b>	<b>2,547</b>	<b>-</b>	<b>154</b>	<b>2,701</b>	<b>4,517</b>	<b>-</b>	<b>211</b>	<b>4,728</b>
	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>
Loans and advances								
(including banks)	128.9	-	-	128.9	155.2	-	-	155.2
Reverse repos	85.6	-	-	85.6	75.2	-	-	75.2
Securities	109.8	-	(0.1)	109.7	115.5	-	(0.1)	115.4
Cash and eligible bills	41.2	-	-	41.2	51.5	-	-	51.5
Other	34.5	-	-	34.5	40.5	-	-	40.5
Total third party assets								
(excluding derivatives mark to market)	400.0	-	(0.1)	399.9	437.9	-	(0.1)	437.8
Net derivative assets (after netting)	52.1	-	(5.4)	46.7	80.7	-	(4.1)	76.6
Customer deposits (excluding repos)	45.6	-	-	45.6	63.4	-	-	63.4
Risk elements in lending	1.8	-	-	1.8	1.1	-	-	1.1
Risk-weighted assets	141.3	-	(4.8)	136.5	112.5	-	(4.6)	107.9







**Appendix 5 - Indicative impact of future transfers** (continued)**Year ended 31 December 2009**

As Transfers Transfers

	<b>reported</b>	in	out	<b>Revised</b>
	<b>£m</b>	£m	£m	<b>£m</b>
<b>Global Banking &amp; Markets</b>				
Net interest income	<b>2,243</b>	-	-	<b>2,243</b>
Non-interest income	<b>8,766</b>	-	152	<b>8,918</b>
Direct expenses				
- staff costs	<b>(2,930)</b>	-	-	<b>(2,930)</b>
- other costs	<b>(965)</b>	-	-	<b>(965)</b>
Indirect expenses	<b>(765)</b>	-	-	<b>(765)</b>
Impairment losses	<b>(640)</b>	-	-	<b>(640)</b>
<b>Operating profit</b>	<b>5,709</b>	-	152	<b>5,861</b>
	<b>£bn</b>	£bn	£bn	<b>£bn</b>
Loans and advances (including banks)	<b>127.8</b>	-	-	<b>127.8</b>
Reverse repos	<b>73.3</b>	-	-	<b>73.3</b>
Securities	<b>106.0</b>	-	(0.1)	<b>105.9</b>
Cash and eligible bills	<b>74.0</b>	-	-	<b>74.0</b>
Other	<b>31.1</b>	-	-	<b>31.1</b>
Total third party assets (excluding derivatives mark to market)	<b>412.2</b>	-	(0.1)	<b>412.1</b>
Net derivative assets (after netting)	<b>68.0</b>	-	(4.2)	<b>63.8</b>
Customer deposits (excluding repos)	<b>46.9</b>	-	-	<b>46.9</b>
Risk elements in lending	<b>1.8</b>	-	-	<b>1.8</b>
Risk-weighted assets	<b>123.7</b>	-	(5.1)	<b>118.6</b>





## Appendix 5 - Indicative impact of future transfers (continued)

	Quarter ended 30 June 2010				Quarter ended 31 March 2010			
	reported	in	out	Revised	reported	in	out	Revised
Ulster Bank	£m	£m	£m	£m	£m	£m	£m	£m
Net interest income	194	19	(20)	193	188	19	(19)	188
Non-interest income	53	-	-	53	53	-	-	53
Direct expenses								
- staff costs	(60)	(1)	3	(58)	(66)	(1)	2	(65)
- other costs	(17)	-	-	(17)	(18)	-	-	(18)
Indirect expenses	(66)	-	-	(66)	(76)	-	-	(76)
Impairment losses	(281)	(23)	128	(176)	(218)	(20)	122	(116)
<b>Operating loss</b>	<b>(177)</b>	<b>(5)</b>	<b>111</b>	<b>(71)</b>	<b>(137)</b>	<b>(2)</b>	<b>105</b>	<b>(34)</b>
	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>
Loans and advances to								
customers	36.2	5.6	(5.0)	36.8	38.8	6.1	(5.3)	39.6
Customer deposits	22.7	-	(0.1)	22.6	23.7	-	(0.1)	23.6
Risk elements in lending	3.5	0.5	(1.3)	2.7	3.0	0.4	(1.0)	2.4
Risk-weighted assets	30.5	3.1	(4.6)	29.0	32.8	3.2	(5.6)	30.4

	Quarter ended 31 December 2009				Quarter ended 30 September 2009			
	reported	in	out	Revised	reported	in	out	Revised
Ulster Bank	£m	£m	£m	£m	£m	£m	£m	£m
Net interest income	194	18	(17)	195	176	16	(15)	177
Non-interest income	91	-	-	91	55	-	-	55
Direct expenses								
- staff costs	(76)	(1)	3	(74)	(79)	-	2	(77)
- other costs	(18)	-	-	(18)	(20)	-	-	(20)
Indirect expenses	(118)	-	-	(118)	(73)	-	-	(73)



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Impairment losses	<b>(348)</b>	(16)	85	<b>(279)</b>	<b>(144)</b>	(7)	22	<b>(129)</b>
Operating loss	<b>(275)</b>	1	71	<b>(203)</b>	<b>(85)</b>	9	9	<b>(67)</b>
	<b>£bn</b>	£bn	£bn	<b>£bn</b>	<b>£bn</b>	£bn	£bn	<b>£bn</b>
Loans and advances to								
customers	<b>39.7</b>	6.1	(5.3)	<b>40.5</b>	<b>40.6</b>	6.3	(5.4)	<b>41.5</b>
Customer deposits	<b>21.9</b>	-	(0.1)	<b>21.8</b>	<b>20.9</b>	-	(0.1)	<b>20.8</b>
Risk elements in lending	<b>2.3</b>	0.3	(0.5)	<b>2.1</b>	<b>2.0</b>	0.3	(0.4)	<b>1.9</b>
Risk-weighted assets	<b>29.9</b>	2.7	(4.4)	<b>28.2</b>	<b>28.5</b>	2.1	(4.1)	<b>26.5</b>





## Appendix 5 - Indicative impact of future transfers (continued)

	Quarter ended 30 June 2009				Quarter ended 31 March 2009			
	As Transfers		Transfers		As Transfers		Transfers	
Ulster Bank	reported £m	in £m	out £m	Revised £m	reported £m	in £m	out £m	Revised £m
Net interest income	208	9	(15)	202	202	6	(12)	196
Non-interest income	51	-	(1)	50	57	-	-	57
Direct expenses								
- staff costs	(81)	-	2	(79)	(89)	-	2	(87)
- other costs	(25)	-	1	(24)	(22)	-	-	(22)
Indirect expenses	(75)	-	-	(75)	(77)	-	-	(77)
Impairment losses	(90)	(11)	25	(76)	(67)	(8)	12	(63)
<b>Operating (loss)/profit</b>	<b>(12)</b>	<b>(2)</b>	<b>12</b>	<b>(2)</b>	<b>4</b>	<b>(2)</b>	<b>2</b>	<b>4</b>
	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>
Loans and advances to								
customers	39.0	5.8	(5.1)	39.7	42.2	6.3	(5.5)	43.0
Customer deposits	18.9	-	(0.1)	18.8	19.5	-	(0.1)	19.4
Risk elements in lending	1.6	0.2	(0.2)	1.6	1.5	0.1	(0.2)	1.4
Risk-weighted assets	26.2	2.0	(3.3)	24.9	26.2	1.8	(2.7)	25.3

	Half year ended 30 June 2010				Half year ended 30 June 2009			
	As Transfers		Transfers		As Transfers		Transfers	
Ulster Bank	reported £m	in £m	out £m	Revised £m	reported £m	in £m	out £m	Revised £m
Net interest income	382	38	(39)	381	410	15	(27)	398
Non-interest income	106	-	-	106	108	-	(1)	107
Direct expenses								
- staff costs	(126)	(2)	5	(123)	(170)	-	4	(166)
- other costs	(35)	-	-	(35)	(47)	-	1	(46)
Indirect expenses	(142)	-	-	(142)	(152)	-	-	(152)
Impairment losses	(499)	(43)	250	(292)	(157)	(19)	37	(139)

<b>Operating (loss)/profit</b>	<b>(314)</b>	(7)	216	<b>(105)</b>	<b>(8)</b>	(4)	14	<b>2</b>
	<b>£bn</b>	£bn	£bn	<b>£bn</b>	<b>£bn</b>	£bn	£bn	<b>£bn</b>
Loans and advances to								
customers	<b>36.2</b>	5.6	(5.0)	<b>36.8</b>	<b>39.0</b>	5.8	(5.1)	<b>39.7</b>
Customer deposits	<b>22.7</b>	-	(0.1)	<b>22.6</b>	<b>18.9</b>	-	(0.1)	<b>18.8</b>
Risk elements in lending	<b>3.5</b>	0.5	(1.3)	<b>2.7</b>	<b>1.6</b>	0.2	(0.2)	<b>1.6</b>
Risk-weighted assets	<b>30.5</b>	3.1	(4.6)	<b>29.0</b>	<b>26.2</b>	2.0	(3.3)	<b>24.9</b>





**Appendix 5 - Indicative impact of future transfers** (continued)**Year ended 31 December 2009**

As Transfers Transfers

<b>Ulster Bank</b>	<b>reported</b>	in	out	<b>Revised</b>
	<b>£m</b>	£m	£m	<b>£m</b>
Net interest income	<b>780</b>	49	(59)	<b>770</b>
Non-interest income	<b>254</b>	-	(1)	<b>253</b>
Direct expenses				
- staff costs	<b>(325)</b>	(1)	9	<b>(317)</b>
- other costs	<b>(85)</b>	-	1	<b>(84)</b>
Indirect expenses	<b>(343)</b>	-	-	<b>(343)</b>
Impairment losses	<b>(649)</b>	(42)	144	<b>(547)</b>
<b>Operating loss</b>	<b>(368)</b>	6	94	<b>(268)</b>
	<b>£bn</b>	£bn	<b>£bn</b>	£bn
Loans and advances to customers	<b>39.7</b>	6.1	(5.3)	<b>40.5</b>
Customer deposits	<b>21.9</b>	-	(0.1)	<b>21.8</b>
Risk elements in lending	<b>2.3</b>	0.3	(0.5)	<b>2.1</b>
Risk-weighted assets	<b>29.9</b>	2.7	(4.4)	<b>28.2</b>





**Appendix 5 - Indicative impact of future transfers** (continued)

	<b>Quarter ended 30 June 2010</b>				<b>Quarter ended 31 March 2010</b>			
	<b>As reported</b>	<b>Transfers in</b>	<b>Transfers out</b>	<b>Revised</b>	<b>As reported</b>	<b>Transfers in</b>	<b>Transfers out</b>	<b>Revised</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Non-Core</b>								
<b>Net interest income</b>	<b>534</b>	20	(19)	<b>535</b>	<b>568</b>	19	(19)	<b>568</b>
Non-interest income								
(excluding insurance net premium income)	<b>166</b>	(150)	-	<b>16</b>	<b>198</b>	(4)	-	<b>194</b>
Insurance net premium income	<b>173</b>	-	-	<b>173</b>	<b>168</b>	-	-	<b>168</b>
<b>Non-interest income</b>	<b>339</b>	(150)	-	<b>189</b>	<b>366</b>	(4)	-	<b>362</b>
<b>Total income</b>	<b>873</b>	(130)	(19)	<b>724</b>	<b>934</b>	15	(19)	<b>930</b>
<b>Operating expenses</b>	<b>(592)</b>	(3)	1	<b>(594)</b>	<b>(656)</b>	(2)	1	<b>(657)</b>
<b>Profit before other</b>								
<b>operating charges</b>	<b>281</b>	(133)	(18)	<b>130</b>	<b>278</b>	13	(18)	<b>273</b>
Insurance net claims	<b>(215)</b>	-	-	<b>(215)</b>	<b>(133)</b>	-	-	<b>(133)</b>
<b>Operating profit before</b>								
<b>impairment losses</b>	<b>66</b>	(133)	(18)	<b>(85)</b>	<b>145</b>	13	(18)	<b>140</b>
Impairment losses	<b>(1,390)</b>	(128)	23	<b>(1,495)</b>	<b>(1,704)</b>	(122)	20	<b>(1,806)</b>
<b>Operating (loss)</b>	<b>(1,324)</b>	(261)	5	<b>(1,580)</b>	<b>(1,559)</b>	(109)	2	<b>(1,666)</b>
	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>
Total third party assets	<b>193.3</b>	10.7	(5.6)	<b>198.4</b>	<b>212.6</b>	10.5	(6.1)	<b>217.0</b>

(including derivatives

mark to market)

Loans and advances to

customers - gross	<b>126.4</b>	5.0	(5.6)	<b>125.8</b>	<b>141.2</b>	5.3	(6.1)	<b>140.4</b>
Customer deposits	<b>7.4</b>	0.1	-	<b>7.5</b>	<b>10.2</b>	0.1	-	<b>10.3</b>
Risk elements in								
lending	<b>22.0</b>	1.3	(0.5)	<b>22.8</b>	<b>24.0</b>	1.0	(0.4)	<b>24.6</b>
Risk-weighted assets	<b>175.0</b>	9.4	(3.1)	<b>181.3</b>	<b>164.3</b>	12.2	(3.2)	<b>173.3</b>

**Appendix 5 - Indicative impact of future transfers** (continued)

	<b>Quarter ended 31 December 2009</b>				<b>Quarter ended 30 September 2009</b>			
	<b>As Transfers</b>		<b>Transfers</b>		<b>As Transfers</b>		<b>Transfers</b>	
	<b>reported £m</b>	<b>in £m</b>	<b>out £m</b>	<b>Revised £m</b>	<b>reported £m</b>	<b>in £m</b>	<b>out £m</b>	<b>Revised £m</b>
<b>Non-Core</b>								
<b>Net interest income</b>	<b>578</b>	17	(18)	<b>577</b>	<b>287</b>	15	(16)	<b>286</b>
Non-interest income								
(excluding insurance net premium income)								
Insurance net premium	<b>(641)</b>	110	-	<b>(531)</b>	<b>(406)</b>	(51)	-	<b>(457)</b>
income	<b>171</b>	-	-	<b>171</b>	<b>173</b>	-	-	<b>173</b>
<b>Non-interest income</b>	<b>(470)</b>	110	-	<b>(360)</b>	<b>(233)</b>	(51)	-	<b>(284)</b>
<b>Total income</b>	<b>108</b>	127	(18)	<b>217</b>	<b>54</b>	(36)	(16)	<b>2</b>
<b>Operating expenses</b>	<b>(685)</b>	(3)	1	<b>(687)</b>	<b>(526)</b>	(2)	-	<b>(528)</b>
<b>(Loss) before other operating charges</b>								
Insurance net claims	<b>(577)</b>	124	(17)	<b>(470)</b>	<b>(472)</b>	(38)	(16)	<b>(526)</b>
	<b>(148)</b>	-	-	<b>(148)</b>	<b>(126)</b>	-	-	<b>(126)</b>
<b>Operating (loss) before impairment losses</b>								
impairment losses	<b>(725)</b>	124	(17)	<b>(618)</b>	<b>(598)</b>	(38)	(16)	<b>(652)</b>
Impairment losses	<b>(1,811)</b>	(85)	16	<b>(1,880)</b>	<b>(2,066)</b>	(22)	7	<b>(2,081)</b>
<b>Operating (loss)</b>	<b>(2,536)</b>	39	(1)	<b>(2,498)</b>	<b>(2,664)</b>	(60)	(9)	<b>(2,733)</b>

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	<b>£bn</b>	£bn	£bn	<b>£bn</b>	<b>£bn</b>	£bn	£bn	<b>£bn</b>
Total third party assets								
(including derivatives								
mark to market)	<b>220.9</b>	9.9	(6.1)	<b>224.7</b>	<b>233.0</b>	10.3	(6.3)	<b>237.0</b>
Loans and advances to								
customers - gross	<b>149.5</b>	5.3	(6.1)	<b>148.7</b>	<b>159.1</b>	5.4	(6.3)	<b>158.2</b>
Customer deposits	<b>12.6</b>	0.1	-	<b>12.7</b>	<b>16.0</b>	0.1	-	<b>16.1</b>
Risk elements in								
lending	<b>22.9</b>	0.5	(0.3)	<b>23.1</b>	<b>23.3</b>	0.4	(0.3)	<b>23.4</b>
Risk-weighted assets	<b>171.3</b>	9.5	(2.7)	<b>178.1</b>	<b>200.7</b>	9.6	(2.1)	<b>208.2</b>



**Appendix 5 - Indicative impact of future transfers** (continued)

	<b>Quarter ended 30 June 2009</b>				<b>Quarter ended 31 March 2009</b>			
	<b>As Transfers</b>		<b>Transfers</b>		<b>As Transfers</b>		<b>Transfers</b>	
	<b>reported £m</b>	<b>in £m</b>	<b>out £m</b>	<b>Revised £m</b>	<b>reported £m</b>	<b>in £m</b>	<b>out £m</b>	<b>Revised £m</b>
<b>Non-Core</b>								
<b>Net interest income</b>	<b>274</b>	15	(9)	<b>280</b>	<b>395</b>	12	(6)	<b>401</b>
Non-interest income								
(excluding insurance net premium income)	<b>(1,157)</b>	(201)	-	<b>(1,358)</b>	<b>(2,415)</b>	(9)	-	<b>(2,424)</b>
Insurance net premium income	<b>196</b>	-	-	<b>196</b>	<b>244</b>	-	-	<b>244</b>
<b>Non-interest income</b>	<b>(961)</b>	(201)	-	<b>(1,162)</b>	<b>(2,171)</b>	(9)	-	<b>(2,180)</b>
<b>Total income</b>	<b>(687)</b>	(186)	(9)	<b>(882)</b>	<b>(1,776)</b>	3	(6)	<b>(1,779)</b>
<b>Operating expenses</b>	<b>(537)</b>	(3)	-	<b>(540)</b>	<b>(699)</b>	(2)	-	<b>(701)</b>
<b>Loss before other</b>								
<b>operating charges</b>	<b>(1,224)</b>	(189)	(9)	<b>(1,422)</b>	<b>(2,475)</b>	1	(6)	<b>(2,480)</b>
Insurance net claims	<b>(137)</b>	-	-	<b>(137)</b>	<b>(177)</b>	-	-	<b>(177)</b>
<b>Operating loss before</b>								
<b>impairment losses</b>	<b>(1,361)</b>	(189)	(9)	<b>(1,559)</b>	<b>(2,652)</b>	1	(6)	<b>(2,657)</b>
Impairment losses	<b>(3,516)</b>	(25)	11	<b>(3,530)</b>	<b>(1,828)</b>	(12)	8	<b>(1,832)</b>
<b>Operating loss</b>	<b>(4,877)</b>	(214)	2	<b>(5,089)</b>	<b>(4,480)</b>	(11)	2	<b>(4,489)</b>
	<b>£bn</b>	£bn	£bn	<b>£bn</b>	<b>£bn</b>	£bn	£bn	<b>£bn</b>
Total third party assets	<b>246.5</b>	9.5	(5.8)	<b>250.2</b>	<b>314.7</b>	11.6	(6.3)	<b>320.0</b>

(including derivatives

mark to market)

Loans and advances to

customers - gross	<b>164.1</b>	5.1	(5.8)	<b>163.4</b>	<b>183.7</b>	5.5	(6.3)	<b>182.9</b>
Customer deposits	<b>15.0</b>	0.1	-	<b>15.1</b>	<b>23.7</b>	0.1	-	<b>23.8</b>
Risk elements in								
lending	<b>20.5</b>	0.2	(0.2)	<b>20.5</b>	<b>14.7</b>	0.2	(0.1)	<b>14.8</b>
Risk-weighted assets	<b>174.0</b>	7.9	(2.0)	<b>179.9</b>	<b>174.4</b>	9.2	(1.8)	<b>181.8</b>





**Appendix 5 - Indicative impact of future transfers** (continued)

	<b>Half year ended 30 June 2010</b>				<b>Half year ended 30 June 2009</b>			
	As Transfers		Transfers		As Transfers		Transfers	
	<b>reported</b>	<b>in</b>	<b>out</b>	<b>Revised</b>	<b>reported</b>	<b>in</b>	<b>out</b>	<b>Revised</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Non-Core</b>								
<b>Net interest income</b>	<b>1,102</b>	39	(38)	<b>1,103</b>	<b>669</b>	27	(15)	<b>681</b>
Non-interest income								
(excluding insurance net premium income)	<b>364</b>	(154)	-	<b>210</b>	<b>(3,572)</b>	(210)	-	<b>(3,782)</b>
Insurance net premium income	<b>341</b>	-	-	<b>341</b>	<b>440</b>	-	-	<b>440</b>
<b>Non-interest income</b>	<b>705</b>	(154)	-	<b>551</b>	<b>(3,132)</b>	(210)	-	<b>(3,342)</b>
<b>Total income</b>	<b>1,807</b>	(115)	(38)	<b>1,654</b>	<b>(2,463)</b>	(183)	(15)	<b>(2,661)</b>
<b>Operating expenses</b>	<b>(1,248)</b>	(5)	2	<b>(1,251)</b>	<b>(1,236)</b>	(5)	-	<b>(1,241)</b>
<b>Profit/(loss) before other operating charges</b>	<b>559</b>	(120)	(36)	<b>403</b>	<b>(3,699)</b>	(188)	(15)	<b>(3,902)</b>
Insurance net claims	<b>(348)</b>	-	-	<b>(348)</b>	<b>(314)</b>	-	-	<b>(314)</b>
<b>Operating profit/(loss) before impairment losses</b>	<b>211</b>	(120)	(36)	<b>55</b>	<b>(4,013)</b>	(188)	(15)	<b>(4,216)</b>
Impairment losses	<b>(3,094)</b>	(250)	43	<b>(3,301)</b>	<b>(5,344)</b>	(37)	19	<b>(5,362)</b>
<b>Operating loss</b>	<b>(2,883)</b>	(370)	7	<b>(3,246)</b>	<b>(9,357)</b>	(225)	4	<b>(9,578)</b>
	<b>£bn</b>	£bn	£bn	<b>£bn</b>	<b>£bn</b>	£bn	£bn	<b>£bn</b>
Total third party assets	<b>193.3</b>	10.7	(5.6)	<b>198.4</b>	<b>246.5</b>	9.5	(5.8)	<b>250.2</b>

(including derivatives

mark to market)

Loans and advances to

customers - gross	<b>126.4</b>	5.0	(5.6)	<b>125.8</b>	<b>164.1</b>	5.1	(5.8)	<b>163.4</b>
Customer deposits	<b>7.4</b>	0.1	-	<b>7.5</b>	<b>15.0</b>	0.1	-	<b>15.1</b>
Risk elements in								
lending	<b>22.0</b>	1.3	(0.5)	<b>22.8</b>	<b>20.5</b>	0.2	(0.2)	<b>20.5</b>
Risk-weighted assets	<b>175.0</b>	9.4	(3.1)	<b>181.3</b>	<b>174.0</b>	7.9	(2.0)	<b>179.9</b>





**Appendix 5 - Indicative impact of future transfers** (continued)**Year ended 31 December 2009**

As Transfers Transfers

<b>Non-Core</b>	<b>reported £m</b>	in £m	out £m	<b>Revised £m</b>
<b>Net interest income</b>	<b>1,534</b>	59	(49)	<b>1,544</b>
Non-interest income (excluding insurance net premium income)	<b>(4,619)</b>	(151)	-	<b>(4,770)</b>
Insurance net premium income	<b>784</b>	-	-	<b>784</b>
<b>Non-interest income</b>	<b>(3,835)</b>	(151)	-	<b>(3,986)</b>
<b>Total income</b>	<b>(2,301)</b>	(92)	(49)	<b>(2,442)</b>
<b>Operating expenses</b>	<b>(2,447)</b>	(10)	1	<b>(2,456)</b>
<b>Loss before other operating charges</b>	<b>(4,748)</b>	(102)	(48)	<b>(4,898)</b>
Insurance net claims	<b>(588)</b>	-	-	<b>(588)</b>
<b>Operating loss before impairment losses</b>	<b>(5,336)</b>	(102)	(48)	<b>(5,486)</b>
Impairment losses	<b>(9,221)</b>	(144)	42	<b>(9,323)</b>
<b>Operating loss</b>	<b>(14,557)</b>	(246)	(6)	<b>(14,809)</b>
	<b>£bn</b>	£bn	£bn	<b>£bn</b>
Total third party assets (including derivatives mark to market)	<b>220.9</b>	9.9	(6.1)	<b>224.7</b>
Loans and advances to customers - gross	<b>149.5</b>	5.3	(6.1)	<b>148.7</b>
Customer deposits	<b>12.6</b>	0.1	-	<b>12.7</b>
Risk elements in lending	<b>22.9</b>	0.5	(0.3)	<b>23.1</b>
Risk-weighted assets	<b>171.3</b>	9.5	(2.7)	<b>178.1</b>

**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: August 6, 2010

THE ROYAL BANK OF SCOTLAND  
GROUP plc (Registrant)

By: /s/ Jan Cargill

Name: Jan Cargill  
Title: Deputy Secretary