

ROYAL BANK OF SCOTLAND GROUP PLC
Form 6-K
July 24, 2013

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 July 24, 2013

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

The Royal Bank of Scotland Group plc

Group reporting changes

Following share sales in October 2012 and March 2013, the Group now holds less than 50% of the issued ordinary share capital in DLG and has ceded control. Consequently, in the Group results DLG is treated as a discontinued operation until 12 March 2013 and as an associated undertaking thereafter, with associate income reported in Group Centre from 13 March 2013. DLG is no longer a reportable operating segment of the Group.

In order to assist investors and analysts, this announcement updates the Group's prior period results on a managed basis for this change in treatment of DLG. While these restatements affect the reported results on a managed basis, they have no impact on the Group's statutory income statement, balance sheet or other primary statements.

The restated financial information for prior periods also includes the impact of IAS 19 'Employee Benefits' (revised) and IFRS 10 'Consolidated Financial Statements', which were implemented by the Group on 1 January 2013 and reflected in the Group's Q1 2013 results announced on 3 May 2013.

IAS 19

IAS 19 requires: the immediate recognition of all actuarial gains and losses; interest cost to be calculated on the net pension liability or asset at the long-term bond rate, an expected rate of return will no longer be applied to assets; and all past service costs to be recognised immediately when a scheme is curtailed or amended. Implementation of IAS 19 resulted in an increase in the loss after tax of £84 million and £154 million for the years ended 31 December 2012 and 2011 respectively; £42 million for the half year ended 30 June 2012; and £21 million for the quarter ended 30 June 2012.

IFRS 10

Implementation of IFRS 10 resulted in a reduction in non-controlling interests of £0.5 billion with a corresponding increase in Owners' equity (Paid-in equity) as at 31 December 2012, 30 June 2012 and 31 December 2011. This led to an increase in the loss attributable to non-controlling interests of £13 million for the year ended 31 December 2012; £6 million for the half year ended 30 June 2012; and £6 million for the quarter ended 30 June 2012, with corresponding increases in the profit attributable to paid-in equity holders. There was no impact on the profit/(loss) attributable to ordinary and B shareholders. A capital reconciliation is shown on page 11.

The above restatements have no impact on the Group's regulatory capital.

2013 Interim results

The Group's 2013 Interim results will be announced on Friday 2 August 2013. These results will be reported on the basis described above. A financial supplement showing restated financial information for the last nine quarters will also be available on 2 August at www.rbs.com/ir

For further information please contact:

Richard O'Connor
Head of Investor Relations
+ 44 (0)20 7672 1758

Group Media Centre
+44 (0) 131 523 4205

Summary consolidated income statement

| | Year ended 31 December 2012 | | | Year ended 31 December 2011 | | |
|--------------------------------------------------------------|-----------------------------|-----------------|----------|-----------------------------|-----------------|----------|
| | Previously reported | (1) Adjustments | Restated | Previously reported | (1) Adjustments | Restated |
| | £m | £m | £m | £m | £m | £m |
| Net interest income | 11,695 | (278) | 11,417 | 12,689 | (376) | 12,313 |
| Non-interest income (excluding insurance net premium income) | 10,374 | 294 | 10,668 | 10,764 | 347 | 11,111 |
| Insurance net premium income | 3,718 | (3,718) | - | 4,256 | (4,256) | - |
| Non-interest income | 14,092 | (3,424) | 10,668 | 15,020 | (3,909) | 11,111 |
| Total income (2) | 25,787 | (3,702) | 22,085 | 27,709 | (4,285) | 23,424 |
| Operating expenses (3) | (14,619) | 765 | (13,854) | (15,478) | 632 | (14,846) |
| Profit before insurance net claims and impairment losses | 11,168 | (2,937) | 8,231 | 12,231 | (3,653) | 8,578 |
| Insurance net claims | (2,427) | 2,427 | - | (2,968) | 2,968 | - |
| Operating profit before impairment losses | 8,741 | (510) | 8,231 | 9,263 | (685) | 8,578 |
| Impairment losses | (5,279) | - | (5,279) | (7,439) | 2 | (7,437) |
| Operating profit | 3,462 | (510) | 2,952 | 1,824 | (683) | 1,141 |
| Own credit adjustments | (4,649) | - | (4,649) | 1,914 | - | 1,914 |
| Payment Protection Insurance costs | (1,110) | - | (1,110) | (850) | - | (850) |
| Interest Rate Hedging Products redress and related costs | (700) | - | (700) | - | - | - |
| Regulatory fines | (381) | - | (381) | - | - | - |
| Sovereign debt impairment and related interest | - | - | - | (1,268) | - | (1,268) |
| rate hedge adjustments | - | - | - | (1,268) | - | (1,268) |
| Integration and restructuring costs | (1,550) | 135 | (1,415) | (1,064) | 43 | (1,021) |
| Gain on redemption of own debt | 454 | - | 454 | 255 | - | 255 |
| Write-down of goodwill and other intangible assets | (518) | 394 | (124) | (11) | 11 | - |
| Other items | - | - | - | - | - | - |
| - Asset Protection Scheme | (44) | - | (44) | (906) | - | (906) |
| - Amortisation of purchased intangible assets | (178) | - | (178) | (222) | - | (222) |
| - Strategic disposals | 113 | - | 113 | (104) | (1) | (105) |

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

| | | | | | | |
|-----------------------------------------------------------|---------|-------|---------|---------|-------|---------|
| - Bank levy | (175) | - | (175) | (300) | - | (300) |
| - Bonus tax | - | - | - | (27) | - | (27) |
| - RFS Holdings minority interest | (20) | - | (20) | (7) | - | (7) |
| Operating loss including the results of | | | | | | |
| Direct Line Group discontinued operations | (5,296) | 19 | (5,277) | (766) | (630) | (1,396) |
| Direct Line Group discontinued operations | 131 | (131) | - | (424) | 424 | - |
| Operating loss before tax | (5,165) | (112) | (5,277) | (1,190) | (206) | (1,396) |
| Tax charge | (469) | 28 | (441) | (1,127) | 52 | (1,075) |
| Loss from continuing operations | (5,634) | (84) | (5,718) | (2,317) | (154) | (2,471) |
| (Loss)/profit from discontinued operations, net of tax | | | | | | |
| - Direct Line Group | (184) | - | (184) | 301 | - | 301 |
| - Other | 12 | - | 12 | 47 | - | 47 |
| (Loss)/profit from discontinued operations, net of tax | (172) | - | (172) | 348 | - | 348 |
| Loss for the period | (5,806) | (84) | (5,890) | (1,969) | (154) | (2,123) |
| Non-controlling interests | 123 | 13 | 136 | (28) | - | (28) |
| Other owners' dividends | (288) | (13) | (301) | - | - | - |
| Loss attributable to ordinary and B shareholders | (5,971) | (84) | (6,055) | (1,997) | (154) | (2,151) |

Note:

- Operating profit as reported in the Annual Results for the year ended 31 December 2012.
- Adjustments to total income relate to the elimination of DLG income, comprising instalment income of £126 million (2011 - £145 million), investment income of £243 million (2011 - £302 million), other income of £45 million (2011 - £75 million) and insurance net premium income of £3,718 million (2011 - £4,256 million), offset by net fees and commissions payable of £430 million (2011 - £493 million).
- Adjustments to operating expenses relate to the elimination of DLG of £877 million (2011 - £838 million), including certain DLG related activities and charges in Group Centre, partially offset by the increase of £112 million (2011 - £206 million) in pension costs resulting from the implementation of IAS 19.

Summary consolidated income statement (continued)

| Half year ended 30 June 2012 | | |
|------------------------------|-------------|----------|
| Previously reported (1) | Adjustments | Restated |
| £m | £m | £m |

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

| | | | |
|-----------------------------------------------------------------------------------|---------|---------|---------|
| Net interest income | 5,980 | (150) | 5,830 |
| Non-interest income (excluding insurance net premium income) | 5,722 | 133 | 5,855 |
| Insurance net premium income | 1,867 | (1,867) | - |
| Non-interest income | 7,589 | (1,734) | 5,855 |
| Total income (2) | 13,569 | (1,884) | 11,685 |
| Operating expenses (3) | (7,861) | 428 | (7,433) |
| Profit before insurance net claims and impairment losses | 5,708 | (1,456) | 4,252 |
| Insurance net claims | (1,225) | 1,225 | - |
| Operating profit before impairment losses | 4,483 | (231) | 4,252 |
| Impairment losses | (2,649) | - | (2,649) |
| Operating profit | 1,834 | (231) | 1,603 |
| Own credit adjustments | (2,974) | - | (2,974) |
| Payment Protection Insurance costs | (260) | - | (260) |
| Integration and restructuring costs | (673) | 54 | (619) |
| Gain on redemption of own debt | 577 | - | 577 |
| Other items | | | |
| - Asset Protection Scheme | (45) | - | (45) |
| - Amortisation of purchased intangible assets | (99) | - | (99) |
| - Strategic disposals | 152 | - | 152 |
| - RFS Holdings minority interest | (17) | - | (17) |
| Operating loss including the results of Direct Line Group discontinued operations | (1,505) | (177) | (1,682) |
| Direct Line Group discontinued operations | (121) | 121 | - |
| Operating loss before tax | (1,626) | (56) | (1,682) |
| Tax charge | (413) | 14 | (399) |
| Loss from continuing operations | (2,039) | (42) | (2,081) |
| Profit from discontinued operations, net of tax | | | |
| - Direct Line Group | 105 | - | 105 |
| - Other | 1 | - | 1 |
| Profit from discontinued operations, net of tax | 106 | - | 106 |
| Loss for the period | (1,933) | (42) | (1,975) |
| Non-controlling interests | 19 | 6 | 25 |
| Other owners' dividends | (76) | (6) | (82) |
| Loss attributable to ordinary and B shareholders | (1,990) | (42) | (2,032) |

Notes:

- (1) Operating profit as reported in the Interim Results for the half year ended 30 June 2012.
- (2) Adjustments to total income relate to the elimination of DLG, comprising instalment income of £62 million, investment income of £163 million, other income of £14 million and insurance net premium income of £1,867 million, offset by net fees and commissions payable of £222 million.
- (3) Adjustments to operating expenses relate to the elimination of DLG of £484 million, including certain DLG related activities and charges in Group Centre, partially offset by the increase of £56 million in pension costs resulting from the implementation of IAS 19.

Summary consolidated income statement (continued)

| | Quarter ended 31 March 2013 | | | Quarter ended 30 June 2012 | | |
|--------------------------------------------------------------------|-----------------------------|-----------------|----------|----------------------------|-----------------|----------|
| | Previously reported | (1) Adjustments | Restated | Previously reported | (2) Adjustments | Restated |
| | £m | £m | £m | £m | £m | £m |
| Net interest income | 2,722 | (50) | 2,672 | 2,973 | (66) | 2,907 |
| Non-interest income (excluding insurance net premium income) | 2,429 | 60 | 2,489 | 2,536 | 77 | 2,613 |
| Insurance net premium income | 699 | (699) | - | 929 | (929) | - |
| Non-interest income | 3,128 | (639) | 2,489 | 3,465 | (852) | 2,613 |
| Total income (3) | 5,850 | (689) | 5,161 | 6,438 | (918) | 5,520 |
| Operating expenses (4) | (3,543) | 162 | (3,381) | (3,877) | 243 | (3,634) |
| Profit before insurance net claims and impairment losses | 2,307 | (527) | 1,780 | 2,561 | (675) | 1,886 |
| Insurance net claims | (445) | 445 | - | (576) | 576 | - |
| Operating profit before impairment losses | 1,862 | (82) | 1,780 | 1,985 | (99) | 1,886 |
| Impairment losses | (1,033) | - | (1,033) | (1,335) | - | (1,335) |
| Operating profit | 829 | (82) | 747 | 650 | (99) | 551 |
| Own credit adjustments | 249 | - | 249 | (518) | - | (518) |
| Payment Protection Insurance costs | - | - | - | (135) | - | (135) |
| Interest Rate Hedging Products redress | (50) | - | (50) | - | - | - |

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

| | | | | | | |
|--------------------------------------------------------------------------------------------|-------|-------|-------|-------|------|-------|
| and related costs | | | | | | |
| Integration and restructuring costs | (131) | 9 | (122) | (213) | 32 | (181) |
| Loss on redemption of own debt | (51) | - | (51) | - | - | - |
| Other items | | | | | | |
| - Asset Protection Scheme | - | - | - | (2) | - | (2) |
| - Amortisation of purchased intangible assets | (41) | - | (41) | (51) | - | (51) |
| - Strategic disposals | 66 | (72) | (6) | 160 | - | 160 |
| - RFS Holdings minority interest | 100 | - | 100 | 8 | - | 8 |
| Operating profit/(loss) including the results of Direct Line Group discontinued operations | 971 | (145) | 826 | (101) | (67) | (168) |
| Direct Line Group discontinued operations | (145) | 145 | - | (39) | 39 | - |
| Operating profit/(loss) before tax | 826 | - | 826 | (140) | (28) | (168) |
| Tax charge | (350) | - | (350) | (268) | 7 | (261) |
| Profit/(loss) from continuing operations | 476 | - | 476 | (408) | (21) | (429) |
| Profit from discontinued operations, net of tax | | | | | | |
| - Direct Line Group | 127 | - | 127 | 17 | - | 17 |
| - Other | 2 | - | 2 | (4) | - | (4) |
| Profit from discontinued operations, net of tax | 129 | - | 129 | 13 | - | 13 |
| Profit/(loss) for the period | 605 | - | 605 | (395) | (21) | (416) |
| Non-controlling interests | (131) | - | (131) | 5 | 6 | 11 |
| Other owners' dividends | (81) | - | (81) | (76) | (6) | (82) |
| Profit/(loss) attributable to ordinary and B shareholders | 393 | - | 393 | (466) | (21) | (487) |

Notes:

- (1) Operating profit as reported in the Interim Management Statement for the quarter ended 31 March 2013.
- (2) Operating profit as reported in the Interim Results for the half year ended 30 June 2012.
- (3) Adjustments to total income relate to the elimination of DLG income, comprising instalment income of £24 million (Q2 2012 - £31 million), investment income of £27 million (Q2 2012 - £73 million), other income of £12 million (Q2 2012 - £(2) million) and insurance net premium income of £699 million (Q2 2012 - £929 million), offset by net fees and commissions payable of £73 million (Q2 2012 - £113 million).
- (4) Adjustments to operating expenses relate to the elimination of DLG of £445 million (Q2 2012 - £271 million), including certain DLG related activities and charges in Group Centre in Q2 2012, partially offset by the increase of IAS 19 of £28 million in Q2 2012

in pension costs resulting from the implementation. The previously reported numbers for the quarter ended 31 March 2013 already reflected the implementation of IAS 19.

Core summary consolidated income statement

| | Year ended 31 December 2012 | | | Year ended 31 December 2011 | | |
|----------------------------------------------------------------------------------------------------|-----------------------------|-----------------|----------|-----------------------------|-----------------|----------|
| | Previously reported | (1) Adjustments | Restated | Previously reported | (1) Adjustments | Restated |
| | £m | £m | £m | £m | £m | £m |
| Net interest income | 11,451 | (278) | 11,173 | 12,041 | (341) | 11,700 |
| Non-interest income (excluding insurance net premium income) | 10,330 | 294 | 10,624 | 10,510 | 240 | 10,750 |
| Insurance net premium income | 3,718 | (3,718) | - | 3,970 | (3,970) | - |
| Non-interest income | 14,048 | (3,424) | 10,624 | 14,480 | (3,730) | 10,750 |
| Total income (2) | 25,499 | (3,702) | 21,797 | 26,521 | (4,071) | 22,450 |
| Operating expenses (3) | (13,675) | 765 | (12,910) | (14,183) | 613 | (13,570) |
| Profit before insurance net claims and impairment losses | 11,824 | (2,937) | 8,887 | 12,338 | (3,458) | 8,880 |
| Insurance net claims | (2,427) | 2,427 | - | (2,773) | 2,773 | - |
| Operating profit before impairment losses | 9,397 | (510) | 8,887 | 9,565 | (685) | 8,880 |
| Impairment losses | (3,056) | - | (3,056) | (3,520) | - | (3,520) |
| Operating profit | 6,341 | (510) | 5,831 | 6,045 | (685) | 5,360 |
| Key metrics | | | | | | |
| Core performance ratios | | | | | | |
| - Net interest margin | | 2.16% | | 2.15% | 2.16% | 2.13% |
| - Cost:income ratio (4) | | 59% | | 59% | 60% | 60% |
| - Return on equity | | 9.8% | | 8.8% | 10.4% | 9.3% |
| - Adjusted earnings per ordinary and B share | 18.3p | (3.8p) | 14.5p | 6.1p | (4.7p) | 1.4p |
| - Adjusted earnings per ordinary and B share assuming an expected tax rate of 24.5% (2011 - 26.5%) | 41.9p | (3.7p) | 38.2p | 41.0p | (4.7p) | 36.3p |

Notes:

- (1) Operating profit as reported in the Annual Results for the year ended 31 December 2012.
- (2) Adjustments to total income relate to the elimination of DLG income, comprising instalment income of £126 million (2011 - £138 million), investment income of £243 million (2011 - £265 million), other income of £45 million (2011 - £99 million) and insurance net premium income of £3,718 million (2011 - £3,970 million), offset by net fees and commissions payable of £430 million (2011 - £401 million).
- (3) Adjustments to operating expenses relate to the elimination of DLG expenses of £877 million (2011 - £819 million), including certain DLG related activities and charges in Group Centre, partially offset by the increase of £112 million (2011 - £206 million) in pension costs resulting from the implementation of IAS 19.
- (4) Cost:income ratio is based on total income and operating expenses, and after netting insurance claims against income.

Core summary consolidated income statement (continued)

| | Half year ended 30 June 2012 | | |
|--------------------------------------------------------------|-------------------------------|-------------------|----------------|
| | Previously reported (1) £m | Adjustments £m | Restated £m |
| Net interest income | 5,868 | (150) | 5,718 |
| Non-interest income (excluding insurance net premium income) | 5,564 | 133 | 5,697 |
| Insurance net premium income | 1,867 | (1,867) | - |
| Non-interest income | 7,431 | (1,734) | 5,697 |
| Total income (2) | 13,299 | (1,884) | 11,415 |
| Operating expenses (3) | (7,336) | 428 | (6,908) |
| Profit before insurance net claims and impairment losses | 5,963 | (1,456) | 4,507 |
| Insurance net claims | (1,225) | 1,225 | - |
| Operating profit before impairment losses | 4,738 | (231) | 4,507 |
| Impairment losses | (1,553) | - | (1,553) |
| Operating profit | 3,185 | (231) | 2,954 |
| Key metrics | | | |
| Core performance ratios | | | |
| - Net interest margin | 2.16% | | 2.15% |
| - Cost:income ratio (4) | 61% | | 61% |

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

| | | | |
|-------------------------------------------------------------------------------------|-------|--------|-------|
| - Return on equity | 10.2% | | 9.4% |
| - Adjusted earnings per ordinary and B share | 10.4p | (1.8p) | 8.6p |
| - Adjusted earnings per ordinary and B share assuming an expected tax rate of 24.5% | 21.3p | (1.7p) | 19.6p |

Notes:

- (1) Operating profit as reported in the Interim Results for the half year ended 30 June 2012.
- (2) Adjustments to total income relate to the elimination of DLG income, comprising instalment income of £62 million, investment income of £163 million, other income of £14 million and insurance net premium income of £1,867 million, offset by net fees and commissions payable of £222 million.
- (3) Adjustments to operating expenses relate to the elimination of DLG expenses of £484 million, including certain DLG related activities and charges in Group Centre, partially offset by the increase of £56 million in pension costs resulting from the implementation of IAS 19.
- (4) Cost:income ratio is based on total income and operating expenses, and after netting insurance claims against income.

Core summary consolidated income statement (continued)

| | Quarter ended 31 March 2013 | | | Quarter ended 30 June 2012 | | |
|--------------------------------------------------------------|-------------------------------|-------------------|----------------|-------------------------------|-------------------|----------------|
| | Previously reported (1) £m | Adjustments £m | Restated £m | Previously reported (2) £m | Adjustments £m | Restated £m |
| Net interest income | 2,759 | (50) | 2,709 | 2,925 | (66) | 2,859 |
| Non-interest income (excluding insurance net premium income) | 2,299 | 60 | 2,359 | 2,583 | 77 | 2,660 |
| Insurance net premium income | 699 | (699) | - | 929 | (929) | - |
| Non-interest income | 2,998 | (639) | 2,359 | 3,512 | (852) | 2,660 |
| Total income (3) | 5,757 | (689) | 5,068 | 6,437 | (918) | 5,519 |
| Operating expenses (4) | (3,378) | 162 | (3,216) | (3,615) | 243 | (3,372) |
| Profit before insurance net claims and impairment losses | 2,379 | (527) | 1,852 | 2,822 | (675) | 2,147 |
| Insurance net claims | (445) | 445 | - | (576) | 576 | - |
| Operating profit before impairment losses | 1,934 | (82) | 1,852 | 2,246 | (99) | 2,147 |
| Impairment losses | (600) | - | (600) | (728) | - | (728) |
| Operating profit | 1,334 | (82) | 1,252 | 1,518 | (99) | 1,419 |

Key metrics

Core performance ratios

| | | | | | | |
|------------------------------------------------------------------------------------------------------|-------|--------|-------|-------|--------|-------|
| - Net interest margin | 2.21% | | 2.21% | 2.20% | | 2.19% |
| - Cost:income ratio (5) | 64% | | 63% | 62% | | 61% |
| - Return on equity | 8.2% | | 7.7% | 9.3% | | 8.7% |
| - Adjusted earnings per ordinary and B share | 5.6p | (0.3p) | 5.3p | 4.4p | (0.8p) | 3.6p |
| - Adjusted earnings per ordinary and B share assuming a normalised tax rate of 23.25% (2012 - 24.5%) | 8.3p | (0.6p) | 7.7p | 9.7p | (0.7p) | 9.0p |

Notes:

- (1) Operating profit as reported in the Interim Management Statement for the quarter ended 31 March 2013.
- (2) Operating profit as reported in the Interim Results for the half year ended 30 June 2012.
- (3) Adjustments to total income relate to the elimination of DLG income, comprising instalment income of £24 million (Q2 2012 - £31 million), investment income of £27 million (Q2 2012 - £73 million), other income of £12 million (Q2 2012 - £(2) million) and insurance net premium income of £699 million (Q2 2012 - £929 million), offset by net fees and commissions payable of £73 million (Q2 2012 - £113 million).
- (4) Adjustments to operating expenses relate to the elimination of DLG expenses of £445 million (Q2 2012 - £271 million) including certain DLG related activities and charges in Group Centre in Q2 2012. This was partially offset by the increase of £28 million in Q2 2012 in pension costs resulting from the implementation of IAS 19. The previously reported numbers for Q1 2013 already reflected the implementation of IAS 19.
- (5) Cost:income ratio is based on total income and operating expenses, and after netting insurance claims against income.

Non-Core summary consolidated income statement

DLG activities in Non-Core were transferred to DLG operating segment with effect from 1 January 2012. Consequently, for Non-Core, the only period impacted by the change in treatment for DLG was the year ended 31 December 2011.

| | Year ended 31 December 2011 | | |
|---------------------|-------------------------------|-------------------|---------------|
| | Previously reported (1) £m | Adjustments £m | Revised £m |
| Income statement | | | |
| Net interest income | 863 | (35) | 828 |
| Non-interest income | 325 | (179) | 146 |

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

| | | | |
|------------------------------------------------------------------|---------|-------|---------|
| Total income | 1,188 | (214) | 974 |
| Direct expenses | | | |
| - staff | (375) | (1) | (376) |
| - operating lease depreciation | (347) | - | (347) |
| - other | (256) | 16 | (240) |
| Indirect expenses | (317) | 4 | (313) |
| | (1,295) | 19 | (1,276) |
| Operating loss before insurance net claims and impairment losses | (107) | (195) | (302) |
| Insurance net claims | (195) | 195 | - |
| Impairment losses | (3,919) | 2 | (3,917) |
| Operating loss | (4,221) | 2 | (4,219) |
| Capital and balance sheet | £bn | £bn | £bn |
| Total third party assets (excluding derivatives) | 93.7 | (1.2) | 92.5 |
| Total third party assets (including derivatives) | 104.7 | (1.1) | 103.6 |

Note:

(1) Operating loss as reported in the Annual Results for the year ended 31 December 2012.

Divisional Restatements

Total income

| | Year ended 31 December 2012 | | | Year ended 31 December 2011 | | |
|------------------------|-----------------------------|-------------------|----------------|-----------------------------|-------------------|----------------|
| | Previously reported £m | Adjustments £m | Restated £m | Previously reported £m | Adjustments £m | Restated £m |
| UK Retail | 4,969 | - | 4,969 | 5,508 | - | 5,508 |
| UK Corporate | 4,723 | - | 4,723 | 4,863 | - | 4,863 |
| Wealth | 1,170 | - | 1,170 | 1,104 | - | 1,104 |
| International Banking | 2,122 | - | 2,122 | 2,555 | - | 2,555 |
| Ulster Bank | 845 | - | 845 | 947 | - | 947 |
| US Retail & Commercial | 3,091 | - | 3,091 | 3,037 | (6) | 3,031 |
| Retail & Commercial | 16,920 | - | 16,920 | 18,014 | (6) | 18,008 |
| Markets | 4,483 | - | 4,483 | 4,415 | - | 4,415 |
| Direct Line Group | 3,717 | (3,717) | - | 4,072 | (4,072) | - |
| Central Items | 379 | 15 | 394 | 20 | 7 | 27 |

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

| | | | | | | |
|----------|--------|---------|--------|--------|---------|--------|
| Core | 25,499 | (3,702) | 21,797 | 26,521 | (4,071) | 22,450 |
| Non-Core | 288 | - | 288 | 1,188 | (214) | 974 |
| Total | 25,787 | (3,702) | 22,085 | 27,709 | (4,285) | 23,424 |

| | Half year ended 30 June 2012 | | |
|------------------------|------------------------------|-------------------|----------------|
| | Previously reported £m | Adjustments £m | Restated £m |
| UK Retail | 2,497 | - | 2,497 |
| UK Corporate | 2,412 | - | 2,412 |
| Wealth | 593 | - | 593 |
| International Banking | 1,103 | - | 1,103 |
| Ulster Bank | 420 | - | 420 |
| US Retail & Commercial | 1,571 | - | 1,571 |
| Retail & Commercial | 8,596 | - | 8,596 |
| Markets | 2,800 | - | 2,800 |
| Direct Line Group | 1,900 | (1,900) | - |
| Central Items | 3 | 16 | 19 |
| Core | 13,299 | (1,884) | 11,415 |
| Non-Core | 270 | - | 270 |
| Total | 13,569 | (1,884) | 11,685 |

| | Quarter ended 31 March 2013 | | | Quarter ended 30 June 2012 | | |
|------------------------|-----------------------------|-------------------|----------------|----------------------------|-------------------|----------------|
| | Previously reported £m | Adjustments £m | Restated £m | Previously reported £m | Adjustments £m | Restated £m |
| UK Retail | 1,191 | - | 1,191 | 1,230 | - | 1,230 |
| UK Corporate | 1,084 | - | 1,084 | 1,211 | - | 1,211 |
| Wealth | 273 | - | 273 | 303 | - | 303 |
| International Banking | 482 | - | 482 | 561 | - | 561 |
| Ulster Bank | 208 | - | 208 | 206 | - | 206 |
| US Retail & Commercial | 763 | - | 763 | 815 | - | 815 |
| Retail & Commercial | 4,001 | - | 4,001 | 4,326 | - | 4,326 |
| Markets | 1,040 | - | 1,040 | 1,066 | - | 1,066 |
| Direct Line Group | 696 | (696) | - | 934 | (934) | - |
| Central Items | 20 | 7 | 27 | 111 | 16 | 127 |
| Core | 5,757 | (689) | 5,068 | 6,437 | (918) | 5,519 |
| Non-Core | 93 | - | 93 | 1 | - | 1 |
| Total | 5,850 | (689) | 5,161 | 6,438 | (918) | 5,520 |

Divisional Restatements (continued)

Operating profit/(loss)

| | Year ended 31 December 2012 | | | Year ended 31 December 2011 | | |
|------------------------|-----------------------------|-------------------|----------------|-----------------------------|-------------------|----------------|
| | Previously reported £m | Adjustments £m | Restated £m | Previously reported £m | Adjustments £m | Restated £m |
| UK Retail | 1,891 | - | 1,891 | 2,021 | - | 2,021 |
| UK Corporate | 1,796 | - | 1,796 | 1,924 | - | 1,924 |
| Wealth | 253 | (10) | 243 | 248 | (6) | 242 |
| International Banking | 594 | - | 594 | 755 | - | 755 |
| Ulster Bank | (1,040) | - | (1,040) | (984) | - | (984) |
| US Retail & Commercial | 754 | - | 754 | 537 | - | 537 |
| Retail & Commercial | 4,248 | (10) | 4,238 | 4,501 | (6) | 4,495 |
| Markets | 1,509 | - | 1,509 | 899 | - | 899 |
| Direct Line Group | 441 | (441) | - | 454 | (454) | - |
| Central Items | 143 | (59) | 84 | 191 | (225) | (34) |
| Core | 6,341 | (510) | 5,831 | 6,045 | (685) | 5,360 |
| Non-Core | (2,879) | - | (2,879) | (4,221) | 2 | (4,219) |
| Total | 3,462 | (510) | 2,952 | 1,824 | (683) | 1,141 |

| | Half year ended 30 June 2012 | | |
|------------------------|------------------------------|-------------------|----------------|
| | Previously reported £m | Adjustments £m | Restated £m |
| UK Retail | 914 | - | 914 |
| UK Corporate | 1,004 | - | 1,004 |
| Wealth | 109 | (5) | 104 |
| International Banking | 264 | - | 264 |
| Ulster Bank | (555) | - | (555) |
| US Retail & Commercial | 331 | - | 331 |
| Retail & Commercial | 2,067 | (5) | 2,062 |
| Markets | 1,075 | - | 1,075 |
| Direct Line Group | 219 | (219) | - |
| Central Items | (176) | (7) | (183) |
| Core | 3,185 | (231) | 2,954 |
| Non-Core | (1,351) | - | (1,351) |
| Total | 1,834 | (231) | 1,603 |

| | Quarter ended 31 March 2013 | | | Quarter ended 30 June 2012 | | |
|------------------------|-----------------------------|-------------|----------|----------------------------|-------------|----------|
| | Previously reported | Adjustments | Restated | Previously reported | Adjustments | Restated |
| | £m | £m | £m | £m | £m | £m |
| UK Retail | 477 | - | 477 | 437 | - | 437 |
| UK Corporate | 358 | - | 358 | 512 | - | 512 |
| Wealth | 56 | - | 56 | 64 | (3) | 61 |
| International Banking | 94 | - | 94 | 167 | - | 167 |
| Ulster Bank | (164) | - | (164) | (245) | - | (245) |
| US Retail & Commercial | 189 | - | 189 | 229 | - | 229 |
| Retail & Commercial | 1,010 | - | 1,010 | 1,164 | (3) | 1,161 |
| Markets | 278 | - | 278 | 251 | - | 251 |
| Direct Line Group | 89 | (89) | - | 135 | (135) | - |
| Central Items | (43) | 7 | (36) | (32) | 39 | 7 |
| Core | 1,334 | (82) | 1,252 | 1,518 | (99) | 1,419 |
| Non-Core | (505) | - | (505) | (868) | - | (868) |
| Total | 829 | (82) | 747 | 650 | (99) | 551 |

Capital resources

Implementation of IFRS 10 resulted in certain entities that have trust preferred securities in issue no longer being consolidated in the Group. As a result there was a reduction in non-controlling interests with a corresponding increase in shareholders' equity.

Components of capital (Basel 2.5)

| | 31 December 2012 | | |
|------------------------------------------------------------|---------------------|-------------|---------|
| | Previously reported | Adjustments | Revised |
| | £m | £m | £m |
| Shareholders' equity (excluding non-controlling interests) | | | |
| Shareholders' equity per balance sheet | 68,130 | 548 | 68,678 |
| Preference shares - equity | (4,313) | - | (4,313) |
| Other equity instruments | (431) | (548) | (979) |
| | 63,386 | - | 63,386 |

Non-controlling interests

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

| | | | |
|------------------------------------------------------------------------|----------|-------|----------|
| Non-controlling interests per balance sheet | 2,318 | (548) | 1,770 |
| Non-controlling preference shares | (548) | 548 | - |
| Other adjustments to non-controlling interests for regulatory purposes | (1,367) | - | (1,367) |
| | 403 | - | 403 |
| Regulatory adjustments and deductions | | | |
| Own credit | 691 | - | 691 |
| Defined pension benefit adjustment | 913 | - | 913 |
| Unrealised losses on available-for-sale (AFS) debt securities | 410 | - | 410 |
| Unrealised gains on AFS equity shares | (63) | - | (63) |
| Cash flow hedging reserve | (1,666) | - | (1,666) |
| Other adjustments for regulatory purposes | (198) | - | (198) |
| Goodwill and other intangible assets | (13,545) | - | (13,545) |
| 50% excess of expected losses over impairment provisions (net of tax) | (1,904) | - | (1,904) |
| 50% of securitisation positions | (1,107) | - | (1,107) |
| | (16,469) | - | (16,469) |
| Core Tier 1 capital | 47,320 | - | 47,320 |
| Other Tier 1 capital | | | |
| Preference shares - equity | 4,313 | - | 4,313 |
| Preference shares - debt | 1,054 | - | 1,054 |
| Innovative/hybrid Tier 1 securities | 4,125 | - | 4,125 |
| | 9,492 | - | 9,492 |
| Tier 1 deductions | | | |
| 50% of material holdings | (295) | - | (295) |
| Tax on excess of expected losses over impairment provisions | 618 | - | 618 |
| | 323 | - | 323 |
| Total Tier 1 capital | 57,135 | - | 57,135 |

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 July 2013

THE ROYAL BANK OF
SCOTLAND GROUP plc
(Registrant)

By: /s/ Jan Cargill

Name: Jan Cargill
Title: Deputy Secretary