

The Royal Bank of Scotland Group plc

Restatement

Document

February 2016

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Forward-looking statements

Certain sections in this document contain 'forward-looking statements' as that term is defined in the United States Private Securities Litigation Reform Act of 1995, such as statements that include the words 'expect', 'estimate', 'project', 'anticipate', 'believes', 'should', 'intend', 'plan', 'could', 'probability', 'risk', 'target', 'goal', 'objective', 'will', 'endeavour', 'outlook', 'optimistic', 'prospects' and similar expressions or variations on such expressions. These statements concern or may affect future matters, such as RBS's future economic results, business plans and current strategies. Forward-looking statements are subject to a number of risks and uncertainties that might cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statements. Factors that could cause or contribute to differences in current expectations include, but are not limited to, legislative, fiscal and regulatory developments, accounting standards, competitive conditions, technological developments, exchange rate fluctuations and general economic conditions. These and other factors, risks and uncertainties that may impact any forward-looking statement or RBS's actual results are discussed in RBS's 2015 Annual Report and Accounts (ARA). The forward-looking statements contained in this document speak only as at the date hereof, and RBS does not assume or undertake any obligation or responsibility to update any forward-looking statement to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

The Royal Bank of Scotland Group plc (RBS)

Business reorganisation and reporting changes

This announcement sets out changes to RBS's financial reporting: a change in accounting policy for pensions; revised operating segments; and changes in results presentation. The announcement contains restated financial results for the year ended 31 December 2014 and, to aid comparison of RBS's fourth quarter 2015 results with prior periods, restated financial information for the quarters ended 30 September 2015 and 31 December 2014.

Pension accounting policy

In light of developments during 2015, in particular publication by the International Accounting Standards Board of its exposure draft of amendments to IFRIC 14 'IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction', RBS has revised its accounting policy for determining whether or not it has an unconditional right to a refund of surpluses in its employee pension funds. Previously, where trustees have the power to use a scheme surplus to enhance benefits for members, RBS did not regard such power, in and of itself, as undermining the bank's unconditional legal right to a refund of a surplus existing at that point in time. Under the new policy, where RBS has a right to a refund, this is no longer regarded as unconditional if pension fund trustees can use a scheme surplus to enhance benefits for plan members. As a result of this policy change, a minimum funding requirement to cover an existing shortfall in a scheme may give rise to an additional liability and surpluses may not be recognised in full. The accounting policy change is being applied retrospectively and comparatives restated.

Segmental reorganisation

RBS continues to deliver on its plan to build a stronger, simpler and fairer bank for both customers and shareholders. To support this and reflect the progress made, the previously reported operating segments will now realign as follows:

Personal & Business Banking (PBB) comprises two reportable segments:

- **UK PBB** serves individuals and mass affluent customers in the UK together with small businesses (generally up to £2 million turnover). UK PBB includes Ulster Bank customers in Northern Ireland.
- **Ulster Bank RoI** serves individuals and businesses in the Republic of Ireland (RoI).

Commercial & Private Banking (CPB) comprises three reportable segments:

- **Commercial Banking** serves commercial and mid-corporate customers in the UK.
- **Private Banking** serves high net worth individuals in the UK.
- **RBS International** (RBSI) serves retail, commercial, corporate and financial institution customers in Jersey, Guernsey, Isle of Man and Gibraltar.

Corporate & Institutional Banking (CIB) serves UK and western European customers, both corporates and financial institutions, supported by trading and distribution platforms in the UK, US and Singapore.

Capital Resolution includes CIB Capital Resolution and the remainder of RBS Capital Resolution (RCR).

Williams & Glyn (W&G) comprises RBS England and Wales branch-based businesses, along with certain small and medium enterprises and corporate activities across the UK.

Central items & other includes corporate functions, such as treasury, finance, risk management, compliance, legal, communications and human resources. Central functions manages RBS capital resources and RBS-wide regulatory projects and provides services to the reportable segments. Balances in relation to Citizens and the international private banking business are included in Central items in the relevant periods.

The Royal Bank of Scotland Group plc (RBS)

Reporting changes

In line with RBS's strategy to be a simpler bank the following reporting changes have been implemented in relation to the presentation of the results.

One-off and other items

The following items were previously reported separately after operating profit; they are now reported within operating profit:

- Own credit adjustments;
- Gain/(loss) on redemption of own debt;
- Write-down of goodwill;
- Strategic disposals; and
- RFS Holdings minority interest (RFS MI) (restated for periods up to and including Q4 2014 only; this has been reported within operating profit since Q1 2015).

Own credit adjustments are included within segmental results in CIB, Capital Resolution and Central items (Treasury) in line with where the related liabilities are recorded. The non-statutory results will continue to show these items and restructuring costs and litigation and conduct costs as separate line items within the relevant caption of the income statement where significant.

Allocation of central balance sheet items

RBS allocates all central costs relating to Services and Functions to the business using appropriate drivers; these are reported as indirect costs in the segmental income statements. However, previously central balance sheet items have not been allocated. The assets (and risk-weighted assets) held centrally, mainly relating to Treasury, are now allocated to the business using appropriate drivers.

Revised treasury allocations

Treasury allocations which are included within segmental net interest income and segmental net interest margins, have been revised to reflect the following:

- In preparation for the separation of W&G, the element of treasury allocations previously charged to UK PBB is now retained centrally.
- To reflect the impact of changes to the notional equity allocation detailed below.

Revised segmental return on equity

RBS's CET 1 target is 13% but for the purposes of computing segmental return on equity (ROE), to better reflect the differential drivers of capital usage, segmental operating profit after tax and adjusted for preference dividends is divided by notional equity allocated at different rates of 11% (Commercial Banking and Ulster Bank RoI), 12% (RBS International) and 15% for all other segments, of the monthly average of segmental risk-weighted assets after capital deductions (RWAes). This notional equity was previously 13% for all segments. In addition, due to changes in UK tax rules enacted in the Finance Act 2015, RBS has increased its longer-term effective 31 December tax rate. The notional tax rate used in the segmental ROE has been revised from 25% to 28% (Ulster Bank RoI - 15%; RBS International - 10%). RBS's forward planning tax rate is 26%.

The Royal Bank of Scotland Group plc (RBS)

Annual results 2015

RBS's results for the year ended 31 December 2015 will be announced on Friday 26 February 2016. These results will be reported on the new structure and reporting basis as described above.

In conjunction with this Restatement Document, a financial supplement showing restated financial information for the last nine quarters will be available at <http://www.rbs.com/ir>

Document roadmap

Pages 17 to 41 show the income statement, balance sheet line items and key metrics for the new reportable segments. These reflect the re-presentation of certain items that were previously reported below operating profit.

Appendix 1 reconciles the previously published non-statutory consolidated income statement to the re-presented position and the previously published statutory consolidated income statement, consolidated statement of comprehensive income and consolidated balance sheet to the restated position. The Common Equity Tier 1 capital position and RWAs will not be restated but an illustration of the impact on the metrics of the items, discussed under 'Pension accounting policy' and 'Reporting changes' is also included on pages 1 and 2.

Appendix 2 summarises the performance of each of the new reportable segments and shows how the previously reported segments have been allocated to the new reportable segments as well as the adjustments to the new reporting basis. These tables include the income statement, key metrics (e.g. ROE, net interest margin including and excluding central interest-earning assets (IEAs), cost:income ratio) and balance sheet line items.

Appendix 3 shows the adjustments to the previously reported segment results to the new reporting basis and how these segments have been allocated to the new reportable segments. These tables include certain key metrics and balance sheet line items.

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Customer segments

Total RBS

| | Quarter ended 30 September 2015 | | | | | | | | | |
|---|---------------------------------|-----------------|--------------------|-----------------|-------------------|-------|--------------------|------|---------------------------|-----------|
| | PBB | | CPB | | | CIB | Capital Resolution | W&G | Central items & other (1) | Total RBS |
| | UK PBB | Ulster Bank RoI | Commercial Banking | Private Banking | RBS International | | | | | |
| Income statement | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m |
| Net interest income | 1,055 | 90 | 504 | 109 | 73 | 29 | 78 | 167 | 82 | 2,187 |
| Non-interest income | 258 | 74 | 296 | 51 | 14 | 299 | (27) | 44 | (149) | 860 |
| Own credit adjustments | - | - | - | - | - | 78 | 38 | - | 20 | 136 |
| Total income | 1,313 | 164 | 800 | 160 | 87 | 406 | 89 | 211 | (47) | 3,183 |
| Direct expenses | | | | | | | | | | |
| - staff | (202) | (40) | (117) | (43) | (9) | (97) | (60) | (55) | (658) | (1,281) |
| - other | (68) | (22) | (20) | (11) | (3) | (19) | (41) | (12) | (789) | (985) |
| - operating lease costs | - | - | (34) | - | - | - | - | - | - | (34) |
| Indirect expenses | (464) | (48) | (238) | (65) | (24) | (242) | (245) | (24) | 1,350 | - |
| Restructuring costs | | | | | | | | | | |
| - direct | (5) | (3) | (1) | 2 | - | (3) | (190) | - | (647) | (847) |
| - indirect | (23) | (2) | 2 | (1) | (2) | (148) | (300) | - | 474 | - |
| Litigation and conduct costs | - | - | - | - | - | (6) | (101) | - | (22) | (129) |
| Operating expenses | (762) | (115) | (408) | (118) | (38) | (515) | (937) | (91) | (292) | (3,276) |
| Operating profit/(loss) before impairment (losses)/releases | 551 | 49 | 392 | 42 | 49 | (109) | (848) | 120 | (339) | (93) |
| Impairment (losses)/releases | (2) | 54 | (16) | (4) | 1 | - | 50 | (5) | 1 | 79 |
| Operating profit/(loss) | 549 | 103 | 376 | 38 | 50 | (109) | (798) | 115 | (338) | (14) |
| Memo: | | | | | | | | | | |
| Profit attributable to ordinary shareholders (2) | | | | | | | | | | 940 |
| Total income - adjusted (3) | 1,313 | 164 | 800 | 160 | 87 | 328 | 51 | 211 | (67) | 3,047 |
| Operating expenses - adjusted (4) | (734) | (110) | (409) | (119) | (36) | (358) | (346) | (91) | (97) | (2,300) |
| Operating profit/(loss) - adjusted (3,4) | 577 | 108 | 375 | 37 | 52 | (30) | (245) | 115 | (163) | 826 |

For the notes to this table refer to the following page.

Customer segments

30 September 2015

| Key metrics | PBB | | CPB | | | CIB | Capital Resolution | W&G | Central items & other (1) | Total RBS |
|---|------------|-----------------|--------------------|-----------------|-------------------|------------|--------------------|------------|---------------------------|------------|
| | UK PBB | Ulster Bank Rol | Commercial Banking | Private Banking | RBS International | | | | | |
| Return on equity (5) | 27.2% | 16.7% | 12.3% | 7.4% | 18.0% | (6.4%) | nm | nm | nm | 9.0% |
| Return on equity - adjusted (3,4,5) | 28.7% | 17.5% | 12.3% | 7.1% | 18.8% | (2.7%) | nm | nm | nm | 16.2% |
| Net interest margin | 3.19% | 1.52% | 1.89% | 2.72% | 1.43% | 0.62% | 0.60% | 2.88% | nm | 2.09% |
| Net interest margin excluding central IEAs | 3.60% | 1.52% | 2.68% | 3.92% | 4.38% | 0.78% | 0.70% | 3.40% | nm | 2.09% |
| Cost:income ratio | 58% | 70% | 51% | 74% | 44% | 127% | nm | 43% | nm | 103% |
| Cost:income ratio - adjusted (3,4) | 56% | 67% | 51% | 74% | 41% | 109% | nm | 43% | nm | 75% |
| Loan impairment charge as a % of gross loans and advances | - | (1.2%) | 0.1% | 0.1% | (0.1%) | - | (0.5%) | 0.1% | nm | (0.1%) |
| Capital and balance sheet (6) | £bn | £bn | £bn | £bn | £bn | £bn | £bn | £bn | £bn | £bn |
| Loans and advances to customers (gross) | 118.3 | 18.8 | 89.8 | 11.1 | 7.1 | 19.8 | 34.8 | 20.3 | 3.0 | 323.0 |
| Loan impairment provisions | (2.0) | (2.0) | (0.7) | - | (0.1) | - | (4.0) | (0.3) | (0.2) | (9.3) |
| Net loans and advances to customers | 116.3 | 16.8 | 89.1 | 11.1 | 7.0 | 19.8 | 30.8 | 20.0 | 2.8 | 313.7 |
| Funded assets | 140.7 | 22.9 | 129.6 | 17.4 | 22.9 | 125.9 | 66.0 | 24.0 | 31.3 | 580.7 |
| Risk elements in lending | 2.9 | 3.6 | 2.1 | 0.1 | 0.1 | - | 5.3 | 0.5 | - | 14.6 |
| Customer deposits (excluding repos) | 134.9 | 13.6 | 89.4 | 22.7 | 22.3 | 5.9 | 30.0 | 23.6 | 10.1 | 352.5 |
| Loan:deposit ratio (excluding repos) | 86% | 123% | 100% | 49% | 32% | 337% | nm | 85% | nm | 89% |
| Provision coverage (7) | 67% | 54% | 33% | 32% | 58% | - | 76% | 59% | nm | 63% |
| Risk-weighted assets | 33.3 | 19.6 | 64.2 | 8.4 | 8.1 | 38.8 | 59.7 | 10.1 | 73.8 | 316.0 |

nm = not meaningful

Notes:

- (1) Central items includes unallocated costs and assets which principally comprise volatile items under IFRS and balances in relation to Citizens and international private banking.
- (2) Refer to Appendix 1 for reconciliations of restated operating profit/(loss) to profit/(loss) attributable to ordinary shareholders.
- (3) Excluding own credit adjustments, gain on redemption of own debt and strategic disposals.
- (4) Excluding restructuring costs and litigation and conduct costs and write-down of goodwill.
- (5) RBS's CET 1 target is 13% but for the purposes of computing segmental return on equity (ROE), to better reflect the differential drivers of capital usage, segmental operating profit after tax and adjusted for preference dividends is divided by notional equity allocated at different rates of 11% (Commercial Banking and Ulster Bank Rol), 12% (RBS International) and 15% for all other segments, of the monthly average of segmental risk-weighted assets after capital deductions (RWAs). This notional equity was previously 13% for all segments. In addition, due to changes in UK tax rules enacted in the Finance Act 2015, RBS has increased its longer-term effective 31 December tax rate. The notional tax rate used in the segmental ROE has been revised from 25% to 28% (Ulster Bank Rol - 15%; RBS International - 10%). RBS's forward planning tax rate is 26%.
- (6) Including disposal groups.
- (7) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

Customer segments

Total RBS

| | Quarter ended 31 December 2014 | | | | | | | | | |
|---|--------------------------------|-----------------|--------------------|-----------------|-------------------|-------|--------------------|------|---------------------------|-----------|
| | PBB | | CPB | | | CIB | Capital Resolution | W&G | Central items & other (1) | Total RBS |
| | UK PBB | Ulster Bank Rol | Commercial Banking | Private Banking | RBS International | | | | | |
| Income statement | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m |
| Net interest income | 1,086 | 112 | 506 | 116 | 83 | 8 | 162 | 167 | 142 | 2,382 |
| Non-interest income | 288 | 40 | 343 | 54 | 18 | 248 | 37 | 49 | (350) | 727 |
| Own credit adjustments | - | - | - | - | - | (33) | (50) | - | (61) | (144) |
| Total income | 1,374 | 152 | 849 | 170 | 101 | 223 | 149 | 216 | (269) | 2,965 |
| Direct expenses | | | | | | | | | | |
| - staff | (205) | (43) | (115) | (44) | (11) | (36) | (66) | (49) | (623) | (1,192) |
| - other | (72) | (23) | (35) | (12) | (2) | (47) | (80) | (10) | (1,101) | (1,382) |
| - operating lease costs | - | - | (38) | - | - | - | - | - | - | (38) |
| Indirect expenses | (548) | (53) | (319) | (90) | (23) | (293) | (344) | (25) | 1,695 | - |
| Restructuring costs | | | | | | | | | | |
| - direct | (2) | - | (1) | (1) | - | (3) | (46) | - | (489) | (542) |
| - indirect | (14) | 2 | (16) | - | (2) | (16) | (22) | - | 68 | - |
| Litigation and conduct costs | (650) | 19 | (62) | (90) | - | (370) | (12) | - | 1 | (1,164) |
| Operating expenses | (1,491) | (98) | (586) | (237) | (38) | (765) | (570) | (84) | (449) | (4,318) |
| Operating (loss)/profit before impairment releases/(losses) | (117) | 54 | 263 | (67) | 63 | (542) | (421) | 132 | (718) | (1,353) |
| Impairment releases/(losses) | 2 | 70 | (32) | 1 | (3) | 6 | 634 | (9) | 1 | 670 |
| Operating (loss)/profit | (115) | 124 | 231 | (66) | 60 | (536) | 213 | 123 | (717) | (683) |
| Memo: | | | | | | | | | | |
| Profit attributable to ordinary shareholders (2) | | | | | | | | | | (5,791) |
| Total income - adjusted (3) | 1,374 | 152 | 849 | 170 | 101 | 256 | 199 | 216 | (208) | 3,109 |
| Operating expenses - adjusted (4) | (825) | (119) | (507) | (146) | (36) | (376) | (490) | (84) | (29) | (2,612) |
| Operating profit/(loss) - adjusted (3,4) | 551 | 103 | 310 | 25 | 62 | (114) | 343 | 123 | (236) | 1,167 |

For the notes to this table refer to page 5.

Customer segments

| | 31 December 2014 | | | | | | | | | |
|---|------------------|--------------------|-----------------------|--------------------|----------------------|---------|-----------------------|-------|------------------------------|--------------|
| | PBB | | CPB | | | | | | | |
| Key metrics | UK PBB | Ulster Bank RoI | Commercial Banking | Private Banking | RBS International | CIB | Capital Resolution | W&G | Central items & other (1) | Total RBS |
| Return on equity (5) | (7.0%) | 19.8% | 7.0% | (15.8%) | 24.7% | (23.3%) | nm | nm | nm | (51.1%) |
| Return on equity - adjusted (3,4,5) | 25.5% | 16.4% | 9.9% | 3.7% | 25.6% | (5.9%) | nm | nm | nm | (38.4%) |
| Net interest margin | 3.37% | 1.90% | 1.96% | 2.91% | 1.67% | 0.21% | 0.71% | 2.92% | nm | 2.23% |
| Net interest margin excluding central IEAs | 3.80% | 1.90% | 2.79% | 4.17% | 4.76% | 0.16% | 0.77% | 3.42% | nm | 2.23% |
| Cost:income ratio | 109% | 64% | 69% | 139% | 38% | 343% | nm | 39% | nm | 146% |
| Cost:income ratio - adjusted (3,4) | 60% | 78% | 60% | 86% | 36% | 147% | nm | 39% | nm | 84% |
| Loan impairment charge as a % of gross loans and advances | - | (1.4%) | 0.1% | - | 0.2% | (0.1%) | (4.0%) | 0.2% | nm | (0.8%) |
| Capital and balance sheet (6) | £bn | £bn | £bn | £bn | £bn | £bn | £bn | £bn | £bn | £bn |
| Loans and advances to customers (gross) | 114.1 | 20.5 | 85.8 | 11.0 | 7.3 | 26.5 | 64.0 | 19.9 | 63.7 | 412.8 |
| Loan impairment provisions | (2.5) | (2.4) | (0.9) | - | (0.1) | - | (11.1) | (0.4) | (0.6) | (18.0) |
| Net loans and advances to customers | 111.6 | 18.1 | 84.9 | 11.0 | 7.2 | 26.5 | 52.9 | 19.5 | 63.1 | 394.8 |
| Funded assets | 137.8 | 22.4 | 127.9 | 17.7 | 23.4 | 137.7 | 115.6 | 23.6 | 90.9 | 697.0 |
| Risk elements in lending | 3.6 | 4.4 | 2.4 | 0.1 | 0.2 | - | 15.6 | 0.6 | 1.3 | 28.2 |
| Customer deposits (excluding repos) | 132.6 | 14.7 | 84.9 | 22.3 | 20.8 | 11.8 | 36.4 | 22.0 | 69.4 | 414.9 |
| Loan:deposit ratio (excluding repos) | 84% | 124% | 100% | 49% | 35% | 226% | nm | 88% | nm | 95% |
| Provision coverage (7) | 69% | 55% | 39% | 25% | 27% | - | 71% | 61% | nm | 64% |
| Risk-weighted assets | 36.6 | 21.8 | 63.2 | 8.7 | 7.5 | 41.9 | 95.1 | 10.1 | 71.0 | 355.9 |

For the notes to this table refer to page 5.

Customer segments

Total RBS

| | Year ended 31 December 2014 | | | | | | | | | | |
|---|-----------------------------|-------------|------------|---------|---------------|---------|------------|-------|---------------|----------|--|
| | PBB | | CPB | | | | | | | | |
| | UK PBB | Ulster Bank | Commercial | Private | RBS | | Capital | | Central items | Total | |
| | £m | RoI | Banking | Banking | International | CIB | Resolution | W&G | & other (1) | RBS | |
| Income statement | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | |
| Net interest income | 4,221 | 467 | 1,976 | 454 | 323 | (11) | 673 | 664 | 491 | 9,258 | |
| Non-interest income | 1,223 | 137 | 1,329 | 235 | 68 | 1,951 | 1,155 | 188 | (459) | 5,827 | |
| Own credit adjustments | - | - | - | - | - | (9) | (36) | - | (101) | (146) | |
| Gain on redemption of own debt | - | - | - | - | - | - | - | - | 20 | 20 | |
| Strategic disposals | - | - | - | - | - | - | - | - | 191 | 191 | |
| Total income | 5,444 | 604 | 3,305 | 689 | 391 | 1,931 | 1,792 | 852 | 142 | 15,150 | |
| Direct expenses | | | | | | | | | | | |
| - staff | (824) | (164) | (495) | (178) | (44) | (446) | (444) | (196) | (2,585) | (5,376) | |
| - other | (346) | (83) | (100) | (37) | (15) | (190) | (293) | (36) | (3,764) | (4,864) | |
| - operating lease costs | - | - | (141) | - | - | - | - | - | - | (141) | |
| Indirect expenses | (1,958) | (180) | (1,008) | (289) | (94) | (1,080) | (1,283) | (98) | 5,990 | - | |
| Restructuring costs | | | | | | | | | | | |
| - direct | (10) | 8 | (41) | (1) | (2) | (13) | (80) | - | (1,015) | (1,154) | |
| - indirect | (101) | (21) | (67) | - | (5) | (89) | (105) | - | 388 | - | |
| Litigation and conduct costs | (918) | 19 | (112) | (90) | - | (832) | (162) | - | (99) | (2,194) | |
| Write-down of goodwill | - | - | - | - | - | - | (130) | - | - | (130) | |
| Operating expenses | (4,157) | (421) | (1,964) | (595) | (160) | (2,650) | (2,497) | (330) | (1,085) | (13,859) | |
| Operating profit/(loss) before impairment (losses)/releases | 1,287 | 183 | 1,341 | 94 | 231 | (719) | (705) | 522 | (943) | 1,291 | |
| Impairment (losses)/releases | (154) | 306 | (85) | 5 | 7 | 9 | 1,307 | (55) | 12 | 1,352 | |
| Operating profit/(loss) | 1,133 | 489 | 1,256 | 99 | 238 | (710) | 602 | 467 | (931) | 2,643 | |
| Memo: | | | | | | | | | | | |
| Profit attributable to ordinary shareholders (2) | | | | | | | | | | (3,470) | |
| Total income - adjusted (3) | 5,444 | 604 | 3,305 | 689 | 391 | 1,940 | 1,828 | 852 | 32 | 15,085 | |
| Operating expenses - adjusted (4) | (3,128) | (427) | (1,744) | (504) | (153) | (1,716) | (2,020) | (330) | (359) | (10,381) | |
| Operating profit/(loss) - adjusted (3,4) | 2,162 | 483 | 1,476 | 190 | 245 | 233 | 1,115 | 467 | (315) | 6,056 | |

For the notes to this table refer to page 5.

Customer segments

| 31 December 2014 | | | | | | | | | | |
|---|------------|-----------------|--------------------|-----------------|-------------------|------------|--------------------|---------------|-------------|------------|
| Key metrics | PBB | | CPB | | | | Capital Resolution | Central items | | Total RBS |
| | UK PBB | Ulster Bank Rol | Commercial Banking | Private Banking | RBS International | CIB | | W&G | & other (1) | |
| Return on equity (5) | 11.9% | 18.6% | 10.2% | 4.1% | 24.2% | (7.9%) | nm | nm | nm | (8.2%) |
| Return on equity - adjusted (3,4,5) | 23.7% | 18.4% | 12.2% | 9.1% | 24.9% | 1.3% | nm | nm | nm | (1.3%) |
| Net interest margin | 3.32% | 1.92% | 1.91% | 2.89% | 1.65% | (0.07%) | 0.67% | 2.93% | nm | 2.13% |
| Net interest margin excluding central IEAs | 3.75% | 1.99% | 2.74% | 4.12% | 4.83% | (0.06%) | 0.72% | 3.42% | nm | 2.13% |
| Cost:income ratio | 76% | 70% | 59% | 86% | 41% | 137% | nm | 39% | nm | 91% |
| Cost:income ratio - adjusted (3,4) | 57% | 71% | 53% | 73% | 39% | 88% | nm | 39% | nm | 69% |
| Loan impairment charge as a % of gross loans and advances | 0.1% | (1.5%) | 0.1% | - | (0.1%) | - | (2.0%) | 0.3% | nm | (0.4%) |
| Capital and balance sheet (6) | £bn | £bn | £bn | £bn | £bn | £bn | £bn | £bn | £bn | £bn |
| Loans and advances to customers (gross) | 114.1 | 20.5 | 85.8 | 11.0 | 7.3 | 26.5 | 64.0 | 19.9 | 63.7 | 412.8 |
| Loan impairment provisions | (2.5) | (2.4) | (0.9) | - | (0.1) | - | (11.1) | (0.4) | (0.6) | (18.0) |
| Net loans and advances to customers | 111.6 | 18.1 | 84.9 | 11.0 | 7.2 | 26.5 | 52.9 | 19.5 | 63.1 | 394.8 |
| Funded assets | 137.8 | 22.4 | 127.9 | 17.7 | 23.4 | 137.7 | 115.6 | 23.6 | 90.9 | 697.0 |
| Risk elements in lending | 3.6 | 4.4 | 2.4 | 0.1 | 0.2 | - | 15.6 | 0.6 | 1.3 | 28.2 |
| Customer deposits (excluding repos) | 132.6 | 14.7 | 84.9 | 22.3 | 20.8 | 11.8 | 36.4 | 22.0 | 69.4 | 414.9 |
| Loan:deposit ratio (excluding repos) | 84% | 124% | 100% | 49% | 35% | 226% | nm | 88% | nm | 95% |
| Provision coverage (7) | 69% | 55% | 39% | 25% | 27% | - | 71% | 61% | nm | 64% |
| Risk-weighted assets | 36.6 | 21.8 | 63.2 | 8.7 | 7.5 | 41.9 | 95.1 | 10.1 | 71.0 | 355.9 |

nm= not meaningful

For the notes to this table refer to page 5.

Appendix 1

Financial statement reconciliations

Consolidated income statement reconciliation for the quarter ended 30 September 2015

| | As previously reported £m | Pension accounting policy impact £m | Re-presentation of one-off and other items £m | Non- statutory £m | Presentational adjustments (1) £m | Restated statutory £m |
|---|------------------------------------|--|--|-------------------------|---|-----------------------------|
| Interest receivable | 2,963 | - | - | 2,963 | - | 2,963 |
| Interest payable | (776) | - | - | (776) | - | (776) |
| Net interest income | 2,187 | - | - | 2,187 | - | 2,187 |
| Fees and commissions receivable | 880 | - | - | 880 | - | 880 |
| Fees and commissions payable | (195) | - | - | (195) | - | (195) |
| Income from trading activities | 82 | - | - | 82 | 88 | 170 |
| Own credit adjustments | - | - | 136 | 136 | (136) | - |
| Other operating income | 93 | - | - | 93 | 48 | 141 |
| Non-interest income | 860 | - | 136 | 996 | - | 996 |
| Total income | 3,047 | - | 136 | 3,183 | - | 3,183 |
| Staff costs | (1,265) | (16) | - | (1,281) | (281) | (1,562) |
| Premises and equipment | (352) | - | - | (352) | (283) | (635) |
| Other administrative expenses | (477) | - | - | (477) | (253) | (730) |
| Depreciation and amortisation | (190) | - | - | (190) | (92) | (282) |
| Restructuring costs | (847) | - | - | (847) | 847 | - |
| Litigation and conduct costs | (129) | - | - | (129) | 129 | - |
| Write-down of goodwill and other intangible assets | - | - | - | - | (67) | (67) |
| Operating expenses | (3,260) | (16) | - | (3,276) | - | (3,276) |
| Loss before impairment releases | (213) | (16) | 136 | (93) | - | (93) |
| Impairment releases | 79 | - | - | 79 | - | 79 |
| Operating loss | (134) | (16) | 136 | (14) | - | (14) |
| Own credit adjustments | 136 | - | (136) | - | - | - |
| Profit/(loss) before tax | 2 | (16) | - | (14) | - | (14) |
| Tax (charge)/credit | (1) | 4 | - | 3 | - | 3 |
| Profit from continuing operations | 1 | (12) | - | (11) | - | (11) |
| Profit from discontinued operations, net of tax | 1,093 | - | - | 1,093 | - | 1,093 |
| Profit for the period | 1,094 | (12) | - | 1,082 | - | 1,082 |
| Non-controlling interests | (45) | - | - | (45) | - | (45) |
| Preference share and other dividends | (97) | - | - | (97) | - | (97) |
| Profit attributable to ordinary shareholders | 952 | (12) | - | 940 | - | 940 |

Note:

(1) Reallocation of separately reported one-off items to the statutory income and operating expense lines.

Consolidated income statement reconciliation for the quarter ended 31 December 2014

| | As previously reported £m | Re-presentation of one-off and other items £m | Non- statutory £m | Presentational adjustments (1) £m | Statutory £m |
|--|---------------------------------|--|-------------------------|---|-----------------|
| Interest receivable | 3,238 | - | 3,238 | - | 3,238 |
| Interest payable | (856) | - | (856) | - | (856) |
| Net interest income | 2,382 | - | 2,382 | - | 2,382 |
| Fees and commissions receivable | 1,055 | - | 1,055 | - | 1,055 |
| Fees and commissions payable | (204) | - | (204) | - | (204) |
| Income from trading activities | (319) | - | (319) | (84) | (403) |
| Own credit adjustments | - | (144) | (144) | 144 | - |
| Other operating income | 182 | 13 | 195 | (60) | 135 |
| Non-interest income | 714 | (131) | 583 | - | 583 |
| Total income | 3,096 | (131) | 2,965 | - | 2,965 |
| Staff costs | (1,192) | - | (1,192) | (133) | (1,325) |
| Premises and equipment | (452) | - | (452) | (28) | (480) |
| Other administrative expenses | (699) | (2) | (701) | (1,298) | (1,999) |
| Depreciation and amortisation | (203) | - | (203) | - | (203) |
| Restructuring costs | (542) | - | (542) | 542 | - |
| Litigation and conduct costs | (1,164) | - | (1,164) | 1,164 | - |
| Write-down of goodwill and other intangible assets | - | - | - | (311) | (311) |
| Write-down of other intangible assets | (64) | - | (64) | 64 | - |
| Operating expenses | (4,316) | (2) | (4,318) | - | (4,318) |
| Loss before impairment releases | (1,220) | (133) | (1,353) | - | (1,353) |
| Impairment releases | 670 | - | 670 | - | 670 |
| Operating loss | (550) | (133) | (683) | - | (683) |
| Own credit adjustments | (144) | 144 | - | - | - |
| RFS MI | 11 | (11) | - | - | - |
| Loss before tax | (683) | - | (683) | - | (683) |
| Tax charge | (1,040) | - | (1,040) | - | (1,040) |
| Loss from continuing operations | (1,723) | - | (1,723) | - | (1,723) |
| Loss from discontinued operations, net of tax | (3,882) | - | (3,882) | - | (3,882) |
| Loss for the period | (5,605) | - | (5,605) | - | (5,605) |
| Non-controlling interests | (71) | - | (71) | - | (71) |
| Preference share and other dividends | (115) | - | (115) | - | (115) |
| Loss attributable to ordinary shareholders | (5,791) | - | (5,791) | - | (5,791) |

Note:

(1) Reallocation of separately reported one-off items to the statutory income and operating expense lines.

Consolidated income statement reconciliation for the year ended 31 December 2014

| | As previously reported £m | Re-presentation of one-off and other items £m | Non- statutory £m | Presentational adjustments (1) £m | Statutory £m |
|--|---------------------------------|--|-------------------------|---|-----------------|
| Interest receivable | 13,079 | - | 13,079 | - | 13,079 |
| Interest payable | (3,818) | (3) | (3,821) | - | (3,821) |
| Net interest income | 9,261 | (3) | 9,258 | - | 9,258 |
| Fees and commissions receivable | 4,414 | - | 4,414 | - | 4,414 |
| Fees and commissions payable | (875) | - | (875) | - | (875) |
| Income from trading activities | 1,325 | - | 1,325 | (40) | 1,285 |
| Own credit adjustments | - | (146) | (146) | 146 | - |
| Gain on redemption of own debt | - | 20 | 20 | - | 20 |
| Strategic disposals | - | 191 | 191 | (191) | - |
| Other operating income | 981 | (18) | 963 | 85 | 1,048 |
| Non-interest income | 5,845 | 47 | 5,892 | - | 5,892 |
| Total income | 15,106 | 44 | 15,150 | - | 15,150 |
| Staff costs | (5,376) | - | (5,376) | (381) | (5,757) |
| Premises and equipment | (1,812) | - | (1,812) | (269) | (2,081) |
| Other administrative expenses | (2,117) | (3) | (2,120) | (2,448) | (4,568) |
| Depreciation and amortisation | (927) | - | (927) | (3) | (930) |
| Restructuring costs | (1,154) | - | (1,154) | 1,154 | - |
| Litigation and conduct costs | (2,194) | - | (2,194) | 2,194 | - |
| Write-down of goodwill and other intangible assets | - | - | - | (523) | (523) |
| Write-down of other intangible assets | (146) | - | (146) | 146 | - |
| Write-down of goodwill | - | (130) | (130) | 130 | - |
| Operating expenses | (13,726) | (133) | (13,859) | - | (13,859) |
| Profit before impairment releases | 1,380 | (89) | 1,291 | - | 1,291 |
| Impairment releases | 1,352 | - | 1,352 | - | 1,352 |
| Operating profit | 2,732 | (89) | 2,643 | - | 2,643 |
| Own credit adjustments | (146) | 146 | - | - | - |
| Gain on redemption of own debt | 20 | (20) | - | - | - |
| Strategic disposals | 191 | (191) | - | - | - |
| Write-down of goodwill | (130) | 130 | - | - | - |
| RFS MI | (24) | 24 | - | - | - |
| Profit before tax | 2,643 | - | 2,643 | - | 2,643 |
| Tax charge | (1,909) | - | (1,909) | - | (1,909) |
| Profit from continuing operations | 734 | - | 734 | - | 734 |
| Loss from discontinued operations, net of tax | (3,445) | - | (3,445) | - | (3,445) |
| Loss for the period | (2,711) | - | (2,711) | - | (2,711) |
| Non-controlling interests | (60) | - | (60) | - | (60) |
| Preference share and other dividends | (699) | - | (699) | - | (699) |
| Loss attributable to ordinary shareholders | (3,470) | - | (3,470) | - | (3,470) |

Note:

(1) Reallocation of separately reported one-off items to the statutory income and operating expense lines.

Consolidated statement of comprehensive income

| | As previously reported £m | Pension accounting policy impact £m | Restated £m |
|---|------------------------------------|--|----------------|
| Consolidated statement of comprehensive income | | | |
| Quarter ended 30 September 2015 | | | |
| Profit for the period | 1,094 | (12) | 1,082 |
| Gain resulting from changes in additional liability due to minimum funding requirements (1) | | | |
| - gross | - | 3 | 3 |
| - tax | - | (1) | (1) |
| Total comprehensive income for the period | 810 | (10) | 800 |
| Nine months ended 30 September 2015 | | | |
| Profit for the period | 1,452 | (38) | 1,414 |
| Gain resulting from changes in additional liability due to minimum funding requirements (1) | | | |
| - gross | - | 20 | 20 |
| - tax | - | (4) | (4) |
| Total comprehensive loss for the period | (16) | (22) | (38) |
| Quarter ended 30 June 2015 | | | |
| Profit for the period | 814 | (13) | 801 |
| Gain resulting from changes in additional liability due to minimum funding requirements (1) | | | |
| - gross | - | 14 | 14 |
| - tax | - | (3) | (3) |
| Total comprehensive loss for the period | (605) | (2) | (607) |
| Half year ended 30 June 2015 | | | |
| Profit for the period | 358 | (26) | 332 |
| Gain resulting from changes in additional liability due to minimum funding requirements (1) | | | |
| - gross | - | 17 | 17 |
| - tax | - | (3) | (3) |
| Total comprehensive loss for the period | (826) | (12) | (838) |
| Quarter ended 31 December 2014 | | | |
| Loss resulting from changes in additional liability due to minimum funding requirements (1) | | | |
| - gross | - | (78) | (78) |
| - tax | - | 16 | 16 |
| Total comprehensive loss for the period | (4,432) | (62) | (4,494) |
| Year ended 31 December 2014 | | | |
| Loss resulting from changes in additional liability due to minimum funding requirements (1) | | | |
| - gross | - | (1,749) | (1,749) |
| - tax | - | 350 | 350 |
| Total comprehensive loss for the year | (783) | (1,399) | (2,182) |

Note:

(1) Included in items that do not qualify for reclassification.

Consolidated balance sheet and capital reconciliation

| | | As previously reported £m | Statutory Pension accounting policy impact £m | Restated £m |
|---|--------------------------------|------------------------------------|---|----------------|
| Balance sheet | | | | |
| As at 30 September 2015 | | | | |
| Deferred tax assets | | 1,434 | 377 | 1,811 |
| Prepayments, accrued income and other assets | | 4,928 | (119) | 4,809 |
| Retirement benefit liabilities | | 1,955 | 1,763 | 3,718 |
| Owners' equity | | 51,593 | (1,505) | 50,088 |
| Tangible net asset value per ordinary share (1) | | 384p | (13p) | 371p |
| As at 30 June 2015 | | | | |
| Deferred tax assets | | 1,479 | 374 | 1,853 |
| Prepayments, accrued income and other assets | | 4,829 | (119) | 4,710 |
| Retirement benefit liabilities | | 1,869 | 1,750 | 3,619 |
| Owners' equity | | 51,117 | (1,495) | 49,622 |
| Tangible net asset value per ordinary share (1) | | 380p | (13p) | 367p |
| As at 31 December 2014 | | | | |
| Deferred tax assets | | 1,540 | 371 | 1,911 |
| Prepayments, accrued income and other assets | | 5,878 | (115) | 5,763 |
| Retirement benefit liabilities | | 2,579 | 1,739 | 4,318 |
| Owners' equity | | 52,149 | (1,483) | 50,666 |
| Tangible net asset value per ordinary share (1) | | 387p | (13p) | 374p |
| Capital (2) | | £bn | £bn | £bn |
| As at 30 September 2015 | | | | |
| PRA transitional basis | - Common Equity Tier 1 capital | 40.2 | (1.4) | 38.8 |
| | - Risk-weighted assets | 316.0 | 1.0 | 317.0 |
| | - Common Equity Tier 1 ratio | 12.7% | (50bp) | 12.2% |
| End-point CRR basis | - Common Equity Tier 1 capital | 40.2 | (1.4) | 38.8 |
| | - Risk-weighted assets | 316.0 | 1.0 | 317.0 |
| | - Common Equity Tier 1 ratio | 12.7% | (50bp) | 12.2% |
| As at 30 June 2015 | | | | |
| PRA transitional basis | - Common Equity Tier 1 capital | 40.1 | (1.4) | 38.7 |
| | - Risk-weighted assets | 326.0 | 1.0 | 327.0 |
| | - Common Equity Tier 1 ratio | 12.3% | (50bp) | 11.8% |
| End-point CRR basis | - Common Equity Tier 1 capital | 40.1 | (1.4) | 38.7 |
| | - Risk-weighted assets | 326.0 | 1.0 | 327.0 |
| | - Common Equity Tier 1 ratio | 12.3% | (50bp) | 11.8% |
| As at 31 December 2014 | | | | |
| PRA transitional basis | - Common Equity Tier 1 capital | 39.6 | (1.4) | 38.2 |
| | - Risk-weighted assets | 356.0 | 1.0 | 357.0 |
| | - Common Equity Tier 1 ratio | 11.1% | (40bp) | 10.7% |
| End-point CRR basis | - Common Equity Tier 1 capital | 39.9 | (1.4) | 38.5 |
| | - Risk-weighted assets | 356.0 | 1.0 | 357.0 |
| | - Common Equity Tier 1 ratio | 11.2% | (40bp) | 10.8% |

Notes:

(1) Tangible net asset value per ordinary share represents tangible equity divided by the number of ordinary shares in issue.

(2) Provided to illustrate the impact of the pension accounting policy change on future capital balances and ratios, these metrics are not being restated.

Appendix 2

Components of customer Segments

Components of customer segments

Operating profit/(loss) by segment

| | Allocated from | | | | | | | Adjustment for reconciling items (1) | Total |
|---------------------------------------|----------------|-------------|--------------------|-----------------|---------|--------|------|--------------------------------------|-------|
| | UK PBB | Ulster Bank | Commercial Banking | Private Banking | CIB | Centre | RCR | | |
| Quarter ended 30 September 2015 | £m | £m | £m | £m | £m | £m | £m | £m | £m |
| UK PBB | 538 | 11 | - | - | - | - | - | - | 549 |
| Ulster Bank Rol | - | 103 | - | - | - | - | - | - | 103 |
| Commercial Banking | - | - | 341 | - | 35 | - | - | - | 376 |
| Private Banking | - | - | - | 38 | - | - | - | - | 38 |
| RBS International | - | - | 50 | - | - | - | - | - | 50 |
| CIB | - | - | - | - | (109) | - | - | - | (109) |
| Capital Resolution | - | - | - | - | (808) | 26 | (16) | - | (798) |
| Williams & Glyn | 115 | - | - | - | - | - | - | - | 115 |
| Central items & other | - | - | - | (21) | - | (317) | - | - | (338) |
| Reconciling items (1) | (15) | - | 21 | (2) | (130) | (10) | - | 136 | - |
| Operating profit/(loss) | 638 | 114 | 412 | 15 | (1,012) | (301) | (16) | 136 | (14) |
| Quarter ended 31 December 2014 | | | | | | | | | |
| UK PBB | (160) | 45 | - | - | - | - | - | - | (115) |
| Ulster Bank Rol | - | 124 | - | - | - | - | - | - | 124 |
| Commercial Banking | - | - | 209 | - | 22 | - | - | - | 231 |
| Private Banking | - | - | - | (66) | - | - | - | - | (66) |
| RBS International | - | - | 39 | 21 | - | - | - | - | 60 |
| CIB | - | - | - | - | (536) | - | - | - | (536) |
| Capital Resolution | - | - | - | - | (212) | 27 | 398 | - | 213 |
| Williams & Glyn | 123 | - | - | - | - | - | - | - | 123 |
| Central items & other | - | - | - | (14) | - | (703) | - | - | (717) |
| Reconciling items (1) | (6) | - | - | - | 83 | 56 | - | (133) | - |
| Operating (loss)/profit | (43) | 169 | 248 | (59) | (643) | (620) | 398 | (133) | (683) |
| Year ended 31 December 2014 | | | | | | | | | |
| UK PBB | 1,016 | 117 | - | - | - | - | - | - | 1,133 |
| Ulster Bank Rol | - | 489 | - | - | - | - | - | - | 489 |
| Commercial Banking | - | - | 1,130 | - | 126 | - | - | - | 1,256 |
| Private Banking | - | - | - | 99 | - | - | - | - | 99 |
| RBS International | - | - | 160 | 78 | - | - | - | - | 238 |
| CIB | - | - | - | - | (710) | - | - | - | (710) |
| Capital Resolution | - | - | - | - | (461) | 97 | 966 | - | 602 |
| Williams & Glyn | 467 | - | - | - | - | - | - | - | 467 |
| Central items & other | - | - | - | (27) | - | (904) | - | - | (931) |
| Reconciling items (1) | (33) | - | - | - | 153 | (53) | 22 | (89) | - |
| Operating profit/(loss) | 1,450 | 606 | 1,290 | 150 | (892) | (860) | 988 | (89) | 2,643 |

Note:

(1) Re-presentation of one-off and other items, refer to page 2 for further details.

UK PBB

| | Quarter ended 30 September 2015 | | |
|--|---------------------------------|-------------|--------|
| | Allocated from | | Total |
| | UK PBB | Ulster Bank | UK PBB |
| | £m | £m | £m |
| Income statement | | | |
| Net interest income | 1,018 | 37 | 1,055 |
| Non-interest income | 245 | 13 | 258 |
| Total income | 1,263 | 50 | 1,313 |
| Direct expenses | | | |
| - staff | (183) | (19) | (202) |
| - other | (69) | 1 | (68) |
| Indirect expenses | (442) | (22) | (464) |
| Restructuring costs | | | |
| - direct | (5) | - | (5) |
| - indirect | (22) | (1) | (23) |
| Litigation and conduct costs | 2 | (2) | - |
| Operating expenses | (719) | (43) | (762) |
| Operating profit before impairment (losses)/releases | 544 | 7 | 551 |
| Impairment (losses)/releases | (6) | 4 | (2) |
| Operating profit | 538 | 11 | 549 |
| Memo: | | | |
| Operating expenses - adjusted (1) | (694) | (40) | (734) |
| Operating profit - adjusted (1) | 563 | 14 | 577 |
| Key metrics | | | |
| Return on equity (2) | 28.8% | 7.6% | 27.2% |
| Return on equity - adjusted (1,2) | 30.2% | 9.7% | 28.7% |
| Net interest margin | 3.19% | 3.18% | 3.19% |
| Net interest margin excluding central IEAs | 3.61% | 3.36% | 3.60% |
| Cost:income ratio | 57% | 86% | 58% |
| Cost:income ratio - adjusted (1) | 55% | 80% | 56% |
| Loan impairment charge as % of gross customer loans and advances | - | (0.4%) | - |

| | 30 September 2015 | | |
|---|-------------------|-------------|--------|
| | Allocated from | | Total |
| | UK PBB | Ulster Bank | UK PBB |
| | £bn | £bn | £bn |
| Capital and balance sheet | | | |
| Loans and advances to customers (gross) | 114.2 | 4.1 | 118.3 |
| Loan impairment provisions | (1.7) | (0.3) | (2.0) |
| Net loans and advances to customers | 112.5 | 3.8 | 116.3 |
| Funded assets | 135.5 | 5.2 | 140.7 |
| Risk elements in lending | 2.5 | 0.4 | 2.9 |
| Customer deposits (excluding repos) | 129.3 | 5.6 | 134.9 |
| Loan:deposit ratio (excluding repos) | 87% | 68% | 86% |
| Provision coverage (3) | 68% | 88% | 67% |
| Risk-weighted assets | 30.5 | 2.8 | 33.3 |

Notes:

- (1) Excluding restructuring costs and litigation and conduct costs.
- (2) Return on equity is based on segmental operating profit after tax adjusted for preference dividends divided by average notional equity based on 15% (previously 13%) of the monthly average of segmental RWAs, assuming 28% tax rate; previously 25%.
- (3) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

UK PBB

| | Quarter ended 31 December 2014 | | |
|--|--------------------------------|-------------|----------------|
| | Allocated from | | Total |
| | UK PBB | Ulster Bank | UK PBB |
| | £m | £m | £m |
| Income statement | | | |
| Net interest income | 1,048 | 38 | 1,086 |
| Non-interest income | 274 | 14 | 288 |
| Total income | 1,322 | 52 | 1,374 |
| Direct expenses | | | |
| - staff | (183) | (22) | (205) |
| - other | (76) | 4 | (72) |
| Indirect expenses | (523) | (25) | (548) |
| Restructuring costs | | | |
| - direct | (2) | - | (2) |
| - indirect | (16) | 2 | (14) |
| Litigation and conduct costs | (650) | - | (650) |
| Operating expenses | (1,450) | (41) | (1,491) |
| Operating (loss)/profit before impairment (losses)/releases | (128) | 11 | (117) |
| Impairment (losses)/releases | (32) | 34 | 2 |
| Operating (loss)/profit | (160) | 45 | (115) |
| Memo: | | | |
| Operating expenses - adjusted (1) | (782) | (43) | (825) |
| Operating profit - adjusted (1) | 508 | 43 | 551 |
| Key metrics | | | |
| Return on equity (2) | (10.0%) | 29.3% | (7.0%) |
| Return on equity - adjusted (1,2) | 25.3% | 28.0% | 25.5% |
| Net interest margin | 3.38% | 3.11% | 3.37% |
| Net interest margin excluding central IEAs | 3.82% | 3.38% | 3.80% |
| Cost:income ratio | 110% | 79% | 109% |
| Cost:income ratio - adjusted (1) | 59% | 83% | 60% |
| Loan impairment charge as % of gross customer loans and advances | 0.1% | (3.2%) | |

| | 31 December 2014 | | |
|---|------------------|-------------|--------|
| | Allocated from | | Total |
| | UK PBB | Ulster Bank | UK PBB |
| Capital and balance sheet | £bn | £bn | £bn |
| Loans and advances to customers (gross) | 109.9 | 4.2 | 114.1 |
| Loan impairment provisions | (2.2) | (0.3) | (2.5) |
| Net loans and advances to customers | 107.7 | 3.9 | 111.6 |
| Funded assets | 132.3 | 5.5 | 137.8 |
| Risk elements in lending | 3.2 | 0.4 | 3.6 |
| Customer deposits (excluding repos) | 126.7 | 5.9 | 132.6 |
| Loan:deposit ratio (excluding repos) | 85% | 66% | 84% |
| Provision coverage (3) | 70% | 80% | 69% |
| Risk-weighted assets | 33.7 | 2.9 | 36.6 |

Notes:

- (1) Excluding restructuring costs and litigation and conduct costs.
- (2) Return on equity is based on segmental operating profit after tax adjusted for preference dividends divided by average notional equity based on 15% (previously 13%) of the monthly average of segmental RWAs, assuming 28% tax rate; previously 25%.
- (3) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

UK PBB

| | Year ended 31 December 2014 | | |
|--|-----------------------------|-------------|----------------|
| | Allocated from | | Total |
| | UK PBB | Ulster Bank | UK PBB |
| | £m | £m | £m |
| Income statement | | | |
| Net interest income | 4,052 | 169 | 4,221 |
| Non-interest income | 1,166 | 57 | 1,223 |
| Total income | 5,218 | 226 | 5,444 |
| Direct expenses | | | |
| - staff | (741) | (83) | (824) |
| - other | (355) | 9 | (346) |
| Indirect expenses | (1,873) | (85) | (1,958) |
| Restructuring costs | | | |
| - direct | (10) | - | (10) |
| - indirect | (92) | (9) | (101) |
| Litigation and conduct costs | (918) | - | (918) |
| Operating expenses | (3,989) | (168) | (4,157) |
| Operating profit before impairment (losses)/releases | 1,229 | 58 | 1,287 |
| Impairment (losses)/releases | (213) | 59 | (154) |
| Operating profit | 1,016 | 117 | 1,133 |
| Memo: | | | |
| Operating expenses - adjusted (1) | (2,969) | (159) | (3,128) |
| Operating profit - adjusted (1) | 2,036 | 126 | 2,162 |
| Key metrics | | | |
| Return on equity (2) | 11.4% | 17.8% | 11.9% |
| Return on equity - adjusted (1,2) | 24.1% | 19.2% | 23.7% |
| Net interest margin | 3.32% | 3.45% | 3.32% |
| Net interest margin excluding central IEAs | 3.75% | 3.75% | 3.75% |
| Cost:income ratio | 76% | 74% | 76% |
| Cost:income ratio - adjusted (1) | 57% | 70% | 57% |
| Loan impairment charge as % of gross customer loans and advances | 0.2% | (1.4%) | 0.1% |

| | 31 December 2014 | | |
|---|------------------|-------------|--------|
| | Allocated from | | Total |
| | UK PBB | Ulster Bank | UK PBB |
| Capital and balance sheet | £bn | £bn | £bn |
| Loans and advances to customers (gross) | 109.9 | 4.2 | 114.1 |
| Loan impairment provisions | (2.2) | (0.3) | (2.5) |
| Net loans and advances to customers | 107.7 | 3.9 | 111.6 |
| Funded assets | 132.3 | 5.5 | 137.8 |
| Risk elements in lending | 3.2 | 0.4 | 3.6 |
| Customer deposits (excluding repos) | 126.7 | 5.9 | 132.6 |
| Loan:deposit ratio (excluding repos) | 85% | 66% | 84% |
| Provision coverage (3) | 70% | 80% | 69% |
| Risk-weighted assets | 33.7 | 2.9 | 36.6 |

Notes:

(1) Excluding restructuring costs and litigation and conduct costs.

(2) Return on equity is based on segmental operating profit after tax adjusted for preference dividends divided by average notional equity based on 15% (previously 13%) of the monthly average of segmental RWAs, assuming 28% tax rate; previously 25%.

(3) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

Ulster Bank RoI

Quarter ended
30 September 2015
All allocated from Ulster Bank

| Income statement | £m |
|--|--------|
| Net interest income | 90 |
| Non-interest income | 74 |
| Total income | 164 |
| Direct expenses (1) | |
| - staff | (40) |
| - other | (22) |
| Indirect expenses | (48) |
| Restructuring costs | |
| - direct | (3) |
| - indirect | (2) |
| Operating expenses | (115) |
| Operating profit before impairment releases | 49 |
| Impairment releases | 54 |
| Operating profit | 103 |
| Memo: | |
| Operating expenses - adjusted (2) | (110) |
| Operating profit - adjusted (2) | 108 |
| Key metrics | |
| Return on equity (3) | 16.7% |
| Return on equity - adjusted (2,3) | 17.5% |
| Net interest margin | 1.52% |
| Net interest margin excluding central IEAs (4) | 1.52% |
| Cost:income ratio | 70% |
| Cost:income ratio - adjusted (2) | 67% |
| Loan impairment charge as % of gross customer loans and advances | (1.2%) |

30 September 2015
All allocated from Ulster Bank

| Capital and balance sheet | £bn |
|---|-------|
| Loans and advances to customers (gross) | 18.8 |
| Loan impairment provisions | (2.0) |
| Net loans and advances to customers | 16.8 |
| Funded assets | 22.9 |
| Risk elements in lending | 3.6 |
| Customer deposits (excluding repos) | 13.6 |
| Loan:deposit ratio (excluding repos) | 123% |
| Provision coverage (5) | 54% |
| Risk-weighted assets | 19.6 |

Notes:

- (1) Staff expenses include costs relating to employees of Ulster Bank Ireland Limited only. Recharges for services provided by or to Ulster Bank Limited are reflected through a management fee within other expenses.
- (2) Excluding restructuring costs and litigation and conduct costs.
- (3) Return on equity is based on segmental operating profit after tax adjusted for preference dividends divided by average notional equity based on 11% (previously 13%) of the monthly average of segmental RWAs, assuming 15% tax rate.
- (4) Ulster Bank Ireland Limited manages its regulatory liquidity requirements locally and consequently maintains a low yielding liquid asset portfolio. Excluding the impact of liquid asset balances, net interest margin for Q3 2015 would increase to 1.93%.
- (5) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

Ulster Bank Rol

Quarter ended
31 December 2014
All allocated from Ulster Bank
£m

Income statement

| | |
|--|--------|
| Net interest income | 112 |
| Non-interest income | 40 |
| Total income | 152 |
| Direct expenses (1) | |
| - staff | (43) |
| - other | (23) |
| Indirect expenses | (53) |
| Restructuring costs | |
| - indirect | 2 |
| Litigation and conduct costs | 19 |
| Operating expenses | (98) |
| Operating profit before impairment releases | 54 |
| Impairment releases | 70 |
| Operating profit | 124 |
| Memo: | |
| Operating expenses - adjusted (2) | (119) |
| Operating profit - adjusted (2) | 103 |
| Key metrics | |
| Return on equity (3) | 19.8% |
| Return on equity - adjusted (2,3) | 16.4% |
| Net interest margin | 1.90% |
| Net interest margin excluding central IEAs | 1.90% |
| Cost:income ratio | 64% |
| Cost:income ratio - adjusted (2) | 78% |
| Loan impairment charge as % of gross customer loans and advances | (1.4%) |

31 December 2014
All allocated from Ulster Bank
£bn

Capital and balance sheet

| | |
|---|-------|
| Loans and advances to customers (gross) | 20.5 |
| Loan impairment provisions | (2.4) |
| Net loans and advances to customers | 18.1 |
| Funded assets | 22.4 |
| Risk elements in lending | 4.4 |
| Customer deposits (excluding repos) | 14.7 |
| Loan:deposit ratio (excluding repos) | 124% |
| Provision coverage (4) | 55% |
| Risk-weighted assets | 21.8 |

Notes:

- (1) Staff expenses include costs relating to employees of Ulster Bank Ireland Limited only. Recharges for services provided by or to Ulster Bank Limited are reflected through a management fee within other expenses.
- (2) Excluding restructuring costs and litigation and conduct costs.
- (3) Return on equity is based on segmental operating profit after tax adjusted for preference dividends divided by average notional equity based on 11% (previously 13%) of the monthly average of segmental RWAs, assuming 15% tax rate.
- (4) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

Ulster Bank RoI

Year ended
31 December 2014
All allocated from Ulster Bank

Income statement

| | £m |
|--|--------|
| Net interest income | 467 |
| Non-interest income | 137 |
| Total income | 604 |
| Direct expenses (1) | |
| - staff | (164) |
| - other | (83) |
| Indirect expenses | (180) |
| Restructuring costs | |
| - direct | 8 |
| - indirect | (21) |
| Litigation and conduct costs | 19 |
| Operating expenses | (421) |
| Operating profit before impairment releases | 183 |
| Impairment releases | 306 |
| Operating profit | 489 |
| Memo: | |
| Operating expenses - adjusted (2) | (427) |
| Operating profit - adjusted (2) | 483 |
| Key metrics | |
| Return on equity (3) | 18.6% |
| Return on equity - adjusted (2,3) | 18.4% |
| Net interest margin | 1.92% |
| Net interest margin excluding central IEAs | 1.99% |
| Cost:income ratio | 70% |
| Cost:income ratio - adjusted (2) | 71% |
| Loan impairment charge as % of gross customer loans and advances | (1.5%) |

31 December 2014
All allocated from Ulster Bank

Capital and balance sheet

| | £bn |
|---|-------|
| Loans and advances to customers (gross) | 20.5 |
| Loan impairment provisions | (2.4) |
| Net loans and advances to customers | 18.1 |
| Funded assets | 22.4 |
| Risk elements in lending | 4.4 |
| Customer deposits (excluding repos) | 14.7 |
| Loan:deposit ratio (excluding repos) | 124% |
| Provision coverage (4) | 55% |
| Risk-weighted assets | 21.8 |

Notes:

- (1) Staff expenses include costs relating to employees of Ulster Bank Ireland Limited only. Recharges for services provided by or to Ulster Bank Limited are reflected through a management fee within other expenses.
- (2) Excluding restructuring costs and litigation and conduct costs.
- (3) Return on equity is based on segmental operating profit after tax adjusted for preference dividends divided by average notional equity based on 11% (previously 13%) of the monthly average of segmental RWAs, assuming 15% tax rate.
- (4) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

Commercial Banking

| | Quarter ended 30 September 2015 | | |
|--|---------------------------------|-------|--------------------|
| | Allocated from | | Total |
| | Commercial Banking | CIB | Commercial Banking |
| | £m | £m | £m |
| Income statement | | | |
| Net interest income | 471 | 33 | 504 |
| Non-interest income | 251 | 45 | 296 |
| Total income | 722 | 78 | 800 |
| Direct expenses | | | |
| - staff | (113) | (4) | (117) |
| - other | (19) | (1) | (20) |
| - operating lease costs | (34) | - | (34) |
| Indirect expenses | (200) | (38) | (238) |
| Restructuring costs | | | |
| - direct | (1) | - | (1) |
| - indirect | 2 | - | 2 |
| Operating expenses | (365) | (43) | (408) |
| Operating profit before impairment losses | 357 | 35 | 392 |
| Impairment losses | (16) | - | (16) |
| Operating profit | 341 | 35 | 376 |
| Memo: | | | |
| Operating expenses - adjusted (1) | (366) | (43) | (409) |
| Operating profit - adjusted (1) | 340 | 35 | 375 |
| Key metrics | | | |
| Return on equity (2) | 10.6% | 36.9% | 12.3% |
| Return on equity - adjusted (1,2) | 10.6% | 36.9% | 12.3% |
| Net interest margin | 1.87% | 2.22% | 1.89% |
| Net interest margin excluding central IEAs | 2.56% | 9.02% | 2.68% |
| Cost:income ratio | 51% | 55% | 51% |
| Cost:income ratio - adjusted (1) | 51% | 55% | 51% |
| Loan impairment charge as % of gross customer loans and advances | 0.1% | - | 0.1% |

| | 30 September 2015 | | |
|---|--------------------|------|--------------------|
| | Allocated from | | Total |
| | Commercial Banking | CIB | Commercial Banking |
| | £bn | £bn | £bn |
| Capital and balance sheet | | | |
| Loans and advances to customers (gross) | 85.3 | 4.5 | 89.8 |
| Loan impairment provisions | (0.7) | - | (0.7) |
| Net loans and advances to customers | 84.6 | 4.5 | 89.1 |
| Funded assets | 119.0 | 10.6 | 129.6 |
| Risk elements in lending | 2.1 | - | 2.1 |
| Customer deposits (excluding repos) | 76.6 | 12.8 | 89.4 |
| Loan:deposit ratio (excluding repos) | 111% | 35% | 100% |
| Provision coverage (3) | 33% | - | 33% |
| Risk-weighted assets | 62.3 | 1.9 | 64.2 |

Notes:

- (1) Excluding restructuring costs and litigation and conduct costs.
- (2) Return on equity is based on segmental operating profit after tax adjusted for preference dividends divided by average notional equity based on 11% (previously 13%) of the monthly average of segmental RWAs, assuming 28% tax rate; previously 25%.
- (3) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

Commercial Banking

| | Quarter ended 31 December 2014 | | |
|--|--------------------------------|-------|-----------------------|
| | Allocated from | | Total |
| | Commercial Banking | CIB | |
| | £m | £m | Commercial Banking £m |
| Income statement | | | |
| Net interest income | 475 | 31 | 506 |
| Non-interest income | 296 | 47 | 343 |
| Total income | 771 | 78 | 849 |
| Direct expenses | | | |
| - staff | (113) | (2) | (115) |
| - other | (33) | (2) | (35) |
| - operating lease costs | (38) | - | (38) |
| Indirect expenses | (272) | (47) | (319) |
| Restructuring costs | | | |
| - direct | (1) | - | (1) |
| - indirect | (12) | (4) | (16) |
| Litigation and conduct costs | (62) | - | (62) |
| Operating expenses | (531) | (55) | (586) |
| Operating profit before impairment losses | 240 | 23 | 263 |
| Impairment losses | (31) | (1) | (32) |
| Operating profit | 209 | 22 | 231 |
| Memo: | | | |
| Operating expenses - adjusted (1) | (456) | (51) | (507) |
| Operating profit - adjusted (1) | 284 | 26 | 310 |
| Key metrics | | | |
| Return on equity (2) | 6.3% | 35.3% | 7.0% |
| Return on equity - adjusted (1,2) | 9.0% | 39.8% | 9.9% |
| Net interest margin | 1.96% | 2.00% | 1.96% |
| Net interest margin excluding central IEAs | 2.68% | 6.88% | 2.79% |
| Cost:income ratio | 69% | 71% | 69% |
| Cost:income ratio - adjusted (1) | 59% | 65% | 60% |
| Loan impairment charge as % of gross customer loans and advances | 0.2% | 0.1% | 0.1% |

| | 31 December 2014 | | |
|---|--------------------|------|------------------------|
| | Allocated from | | Total |
| | Commercial Banking | CIB | |
| | £bn | £bn | Commercial Banking £bn |
| Capital and balance sheet | | | |
| Loans and advances to customers (gross) | 81.4 | 4.4 | 85.8 |
| Loan impairment provisions | (0.9) | - | (0.9) |
| Net loans and advances to customers | 80.5 | 4.4 | 84.9 |
| Funded assets | 117.0 | 10.9 | 127.9 |
| Risk elements in lending | 2.4 | - | 2.4 |
| Customer deposits (excluding repos) | 72.5 | 12.4 | 84.9 |
| Loan:deposit ratio (excluding repos) | 111% | 35% | 100% |
| Provision coverage (3) | 39% | - | 39% |
| Risk-weighted assets | 61.2 | 2.0 | 63.2 |

Notes:

- (1) Excluding restructuring costs and litigation and conduct costs.
- (2) Return on equity is based on segmental operating profit after tax adjusted for preference dividends divided by average notional equity based on 11% (previously 13%) of the monthly average of segmental RWAs, assuming 28% tax rate; previously 25%.
- (3) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

Commercial Banking

| | Year ended 31 December 2014 | | |
|--|-----------------------------|--------------|--------------------------|
| | Allocated from | | Total |
| | Commercial Banking £m | CIB £m | Commercial Banking £m |
| Income statement | | | |
| Net interest income | 1,865 | 111 | 1,976 |
| Non-interest income | 1,117 | 212 | 1,329 |
| Total income | 2,982 | 323 | 3,305 |
| Direct expenses | | | |
| - staff | (489) | (6) | (495) |
| - other | (98) | (2) | (100) |
| - operating lease costs | (141) | - | (141) |
| Indirect expenses | (835) | (173) | (1,008) |
| Restructuring costs | | | |
| - direct | (41) | - | (41) |
| - indirect | (52) | (15) | (67) |
| Litigation and conduct costs | (112) | - | (112) |
| Operating expenses | (1,768) | (196) | (1,964) |
| Operating profit before impairment losses | 1,214 | 127 | 1,341 |
| Impairment losses | (84) | (1) | (85) |
| Operating profit | 1,130 | 126 | 1,256 |
| Memo: | | | |
| Operating expenses - adjusted (1) | (1,563) | (181) | (1,744) |
| Operating profit - adjusted (1) | 1,335 | 141 | 1,476 |
| Key metrics | | | |
| Return on equity (2) | 9.2% | 42.0% | 10.2% |
| Return on equity - adjusted (1,2) | 11.1% | 47.0% | 12.2% |
| Net interest margin | 1.93% | 1.788% | 1.91% |
| Net interest margin excluding central IEAs | 2.65% | 5.92% | 2.74% |
| Cost:income ratio | 59% | 61% | 59% |
| Cost:income ratio - adjusted (1) | 52% | 56% | 53% |
| Loan impairment charge as % of gross customer loans and advances | 0.1% | - | 0.1% |

| | 31 December 2014 | | |
|--|---------------------------|------------|---------------------------|
| | Allocated from | | Total |
| | Commercial Banking £bn | CIB £bn | Commercial Banking £bn |
| Capital and balance sheet | | | |
| Loans and advances to customers (gross) | 81.4 | 4.4 | 85.8 |
| Loan impairment provisions | (0.9) | - | (0.9) |
| Net loans and advances to customers | 80.5 | 4.4 | 84.9 |
| Funded assets | 117.0 | 10.9 | 127.9 |
| Risk elements in lending | 2.4 | - | 2.4 |
| Customer deposits (excluding repos) | 72.5 | 12.4 | 84.9 |
| Loan:deposit ratio (excluding repos) | 111% | 35% | 100% |
| Provision coverage (3) | 38% | - | 39% |
| Risk-weighted assets | 61.2 | 2.0 | 63.2 |

Notes:

- (1) Excluding restructuring costs and litigation and conduct costs.
- (2) Return on equity is based on segmental operating profit after tax adjusted for preference dividends divided by average notional equity based on 11% (previously 13%) of the monthly average of segmental RWAs, assuming 28% tax rate; previously 25%.
- (3) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

Private Banking

Quarter ended
30 September 2015
All allocated from Private Banking

| Income statement | £m |
|--|-------|
| Net interest income | 109 |
| Non-interest income | 51 |
| Total income | 160 |
| Direct expenses | |
| - staff | (43) |
| - other | (11) |
| Indirect expenses | (65) |
| Restructuring costs | |
| - direct | 2 |
| - indirect | (1) |
| Operating expenses | (118) |
| Operating profit before impairment losses | 42 |
| Impairment losses | (4) |
| Operating profit | 38 |
| Memo: | |
| Operating expenses - adjusted (1) | (119) |
| Operating profit - adjusted (1) | 37 |
| Key metrics | |
| Return on equity (2) | 7.4% |
| Return on equity - adjusted (1,2) | 7.1% |
| Net interest margin | 2.72% |
| Net interest margin excluding central IEAs | 3.92% |
| Cost:income ratio | 74% |
| Cost:income ratio - adjusted (1) | 74% |
| Loan impairment charge as % of gross customer loans and advances | 0.1% |

30 September 2015
All allocated from Private Banking

| Capital and balance sheet | £bn |
|--------------------------------------|------|
| Net loans and advances to customers | 11.1 |
| Funded assets | 17.4 |
| Risk elements in lending | 0.1 |
| Customer deposits (excluding repos) | 22.7 |
| Loan:deposit ratio (excluding repos) | 49% |
| Provision coverage (3) | 32% |
| Risk-weighted assets | 8.4 |

Notes:

- (1) Excluding restructuring costs and litigation and conduct costs.
- (2) Return on equity is based on segmental operating profit after tax adjusted for preference dividends divided by average notional equity based on 15% (previously 13%) of the monthly average of segmental RWAs, assuming 28% tax rate; previously 25%.
- (3) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

Private Banking

Quarter ended
31 December 2014
All allocated from Private Banking
£m

Income statement

| | |
|--|---------|
| Net interest income | 116 |
| Non-interest income | 54 |
| Total income | 170 |
| Direct expenses | |
| - staff | (44) |
| - other | (12) |
| Indirect expenses | (90) |
| Restructuring costs | |
| - direct | (1) |
| Litigation and conduct costs | (90) |
| Operating expenses | (237) |
| Operating loss before impairment releases | (67) |
| Impairment releases | 1 |
| Operating loss | (66) |
| Memo: | |
| Operating expenses - adjusted (1) | (146) |
| Operating profit - adjusted (1) | 25 |
| Key metrics | |
| Return on equity (2) | (15.8%) |
| Return on equity - adjusted (1,2) | 3.7% |
| Net interest margin | 2.91% |
| Net interest margin excluding central IEAs | 4.17% |
| Cost:income ratio | 139% |
| Cost:income ratio - adjusted (1) | 86% |

31 December 2014
All allocated from Private Banking
£bn

Capital and balance sheet

| | |
|--------------------------------------|------|
| Net loans and advances to customers | 11.0 |
| Funded assets | 17.7 |
| Risk elements in lending | 0.1 |
| Customer deposits (excluding repos) | 22.3 |
| Loan:deposit ratio (excluding repos) | 49% |
| Provision coverage (3) | 25% |
| Risk-weighted assets | 8.7 |

Notes:

- (1) Excluding restructuring costs and litigation and conduct costs.
 (2) Return on equity is based on segmental operating profit after tax adjusted for preference dividends divided by average notional equity based on 15% (previously 13%) of the monthly average of segmental RWAs, assuming 28% tax rate; previously 25%.
 (3) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

Private Banking

Year ended
31 December 2014
All allocated from Private Banking

| Income statement | £m |
|---|-------|
| Net interest income | 454 |
| Non-interest income | 235 |
| Total income | 689 |
| Direct expenses | |
| - staff | (178) |
| - other | (37) |
| Indirect expenses | (289) |
| Restructuring costs | |
| - direct | (1) |
| Litigation and conduct costs | (90) |
| Operating expenses | (595) |
| Operating profit before impairment releases | 94 |
| Impairment releases | 5 |
| Operating profit | 99 |
| Memo: | |
| Operating expenses - adjusted (1) | (504) |
| Operating profit - adjusted (1) | 190 |
| Key metrics | |
| Return on equity (2) | 4.1% |
| Return on equity - adjusted (1,2) | 9.1% |
| Net interest margin | 2.89% |
| Net interest margin excluding central IEAs | 4.12% |
| Cost:income ratio | 86% |
| Cost:income ratio - adjusted (1) | 73% |

31 December 2014
All allocated from Private Banking

| Capital and balance sheet | £bn |
|--------------------------------------|------|
| Net loans and advances to customers | 11.0 |
| Funded assets | 17.7 |
| Risk elements in lending | 0.1 |
| Customer deposits (excluding repos) | 22.3 |
| Loan:deposit ratio (excluding repos) | 49% |
| Provision coverage (3) | 25% |
| Risk-weighted assets | 8.7 |

Notes:

- (1) Excluding restructuring costs and litigation and conduct costs.
- (2) Return on equity is based on segmental operating profit after tax adjusted for preference dividends divided by average notional equity based on 15% (previously 13%) of the monthly average of segmental RWAs, assuming 28% tax rate; previously 25%.
- (3) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

| | Quarter ended 30 September 2015 | | |
|--|---------------------------------|---------------------|-------------------|
| | Allocated from | | Total |
| | Commercial Banking | Private Banking (1) | RBS International |
| | £m | £m | £m |
| Income statement | | | |
| Net interest income | 73 | - | 73 |
| Non-interest income | 14 | - | 14 |
| Total income | 87 | - | 87 |
| Direct expenses | | | |
| - staff | (9) | - | (9) |
| - other | (3) | - | (3) |
| Indirect expenses | (24) | - | (24) |
| Restructuring costs | | | |
| - indirect | (2) | - | (2) |
| Operating expenses | (38) | - | (38) |
| Operating profit before impairment losses | 49 | - | 49 |
| Impairment releases | 1 | - | 1 |
| Operating profit | 50 | - | 50 |
| Memo: | | | |
| Operating expenses - adjusted (2) | (36) | - | (36) |
| Operating profit - adjusted (2) | 52 | - | 52 |
| Key metrics | | | |
| Return on equity (3) | 18% | - | 18% |
| Return on equity - adjusted (2,3) | 19% | - | 19% |
| Net interest margin | 1.43% | - | 1.43% |
| Net interest margin excluding central IEAs | 4.38% | - | 4.38% |
| Cost:income ratio | 44% | - | 44% |
| Cost:income ratio - adjusted (2) | 41% | - | 41% |
| Loan impairment charge as % of gross customer loans and advances | (0.1%) | - | (0.1%) |

| | 30 September 2015 | | |
|---|--------------------|---------------------|-------------------|
| | Allocated from | | Total |
| | Commercial Banking | Private Banking (1) | RBS International |
| | £bn | £bn | £bn |
| Capital and balance sheet | | | |
| Loans and advances to customers (gross) | 7.1 | - | 7.1 |
| Loan impairment provisions | (0.1) | - | (0.1) |
| Net loans and advances to customers | 7.0 | - | 7.0 |
| Funded assets | 22.9 | - | 22.9 |
| Risk elements in lending | 0.1 | - | 0.1 |
| Customer deposits (excluding repos) | 22.3 | - | 22.3 |
| Loan:deposit ratio (excluding repos) | 32% | - | 32% |
| Provision coverage (4) | 58% | - | 58% |
| Risk-weighted assets | 8.1 | - | 8.1 |

Notes:

- (1) From 1 January 2015, the RBS International business previously reported in Private Banking was transferred to Commercial Banking so there were no further allocations from Private Banking in 2015.
- (2) Excluding restructuring costs.
- (3) Return on equity is based on segmental operating profit after tax adjusted for preference dividends divided by average notional equity based on 12% (previously 13%) of the monthly average of segmental RWAs, assuming 10% tax rate.
- (4) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

| | Quarter ended 31 December 2014 | | |
|--|--------------------------------|--------------------------|-------------------------------------|
| | Allocated from | | Total RBS International £m |
| | Commercial Banking £m | Private Banking £m | |
| Income statement | | | |
| Net interest income | 46 | 37 | 83 |
| Non-interest income | 14 | 4 | 18 |
| Total income | 60 | 41 | 101 |
| Direct expenses | | | |
| - staff | (5) | (6) | (11) |
| - other | (2) | - | (2) |
| Indirect expenses | (12) | (11) | (23) |
| Restructuring costs | | | |
| - direct | 1 | (1) | - |
| - indirect | (1) | (1) | (2) |
| Operating expenses | (19) | (19) | (38) |
| Operating profit before impairment losses | 41 | 22 | 63 |
| Impairment losses | (2) | (1) | (3) |
| Operating profit | 39 | 21 | 60 |
| Memo: | | | |
| Operating expenses - adjusted (1) | (19) | (17) | (36) |
| Operating profit - adjusted (1) | 39 | 23 | 62 |
| Key metrics | | | |
| Return on equity (2) | 19% | 58.4% | 24.7% |
| Return on equity - adjusted (1,2) | 19% | 63.9% | 25.6% |
| Net interest margin | 1.45% | 2.07% | 1.67% |
| Net interest margin excluding central IEAs | 4.16% | 5.79% | 4.76% |
| Cost:income ratio | 32% | 46% | 38% |
| Cost:income ratio - adjusted (1) | 32% | 41% | 36% |
| Loan impairment charge as % of gross customer loans and advances | 0.1% | 0.1% | 0.2% |

| | 31 December 2014 | | |
|---|------------------------------|---------------------------|--------------------------------------|
| | Allocated from | | Total RBS International £bn |
| | Commercial Banking £bn | Private Banking £bn | |
| Capital and balance sheet | | | |
| Loans and advances to customers (gross) | 4.7 | 2.6 | 7.3 |
| Loan impairment provisions | (0.1) | - | (0.1) |
| Net loans and advances to customers | 4.6 | 2.6 | 7.2 |
| Funded assets | 20.2 | 3.2 | 23.4 |
| Risk elements in lending | 0.1 | 0.1 | 0.2 |
| Customer deposits (excluding repos) | 14.3 | 6.5 | 20.8 |
| Loan:deposit ratio (excluding repos) | 32% | 40% | 35% |
| Provision coverage (3) | 41% | 30% | 27% |
| Risk-weighted assets | 6.3 | 1.2 | 7.5 |

Notes:

- (1) Excluding restructuring costs.
- (2) Return on equity is based on segmental operating profit after tax adjusted for preference dividends divided by average notional equity based on 12% (previously 13%) of the monthly average of segmental RWAs, assuming 10% tax rate.
- (3) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

| | Year ended 31 December 2014 | | |
|--|-----------------------------|--------------------------|-------------------------------------|
| | Allocated from | | Total RBS International £m |
| | Commercial Banking £m | Private Banking £m | |
| Income statement | | | |
| Net interest income | 176 | 147 | 323 |
| Non-interest income | 52 | 16 | 68 |
| Total income | 228 | 163 | 391 |
| Direct expenses | | | |
| - staff | (19) | (25) | (44) |
| - other | (10) | (5) | (15) |
| Indirect expenses | (47) | (47) | (94) |
| Restructuring costs | | | |
| - direct | 1 | (3) | (2) |
| - indirect | (1) | (4) | (5) |
| Operating expenses | (76) | (84) | (160) |
| Operating profit before impairment losses | 152 | 79 | 231 |
| Impairment releases/(losses) | 8 | (1) | 7 |
| Operating profit | 160 | 78 | 238 |
| Memo: | | | |
| Operating expenses - adjusted (1) | (76) | (77) | (153) |
| Operating profit - adjusted (1) | 160 | 85 | 245 |
| Key metrics | | | |
| Return on equity (2) | 19.7% | 44.4% | 24.2% |
| Return on equity - adjusted (1,2) | 19.7% | 48.4% | 24.9% |
| Net interest margin | 1.42% | 2.20% | 1.65% |
| Net interest margin excluding central IEAs | 4.18% | 5.94% | 4.83% |
| Cost:income ratio | 33% | 52% | 41% |
| Cost:income ratio - adjusted (1) | 33% | 47% | 39% |
| Loan impairment charge as % of gross customer loans and advances | (0.2%) | - | (0.1%) |

| | 31 December 2014 | | |
|---|------------------------------|---------------------------|-----------------------------|
| | Allocated from | | Total |
| | Commercial Banking £bn | Private Banking £bn | RBS International £bn |
| Capital and balance sheet | | | |
| Loans and advances to customers (gross) | 4.7 | 2.6 | 7.3 |
| Loan impairment provisions | (0.1) | - | (0.1) |
| Net loans and advances to customers | 4.6 | 2.6 | 7.2 |
| Funded assets | 20.2 | 3.2 | 23.4 |
| Risk elements in lending | 0.1 | 0.1 | 0.2 |
| Customer deposits (excluding repos) | 14.3 | 6.5 | 20.8 |
| Loan:deposit ratio (excluding repos) | 32% | 40% | 35% |
| Provision coverage (3) | 41% | 30% | 27% |
| Risk-weighted assets | 6.3 | 1.2 | 7.5 |

Notes:

- (1) Excluding restructuring costs.
- (2) Return on equity is based on segmental operating profit after tax adjusted for preference dividends divided by average notional equity based on 12% (previously 13%) of the monthly average of segmental RWAs, assuming 10% tax rate.
- (3) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

Quarter ended
30 September
2015

All allocated from CIB
£m

Income statement

| | |
|--|--------|
| Net interest income | 29 |
| Non-interest income | 299 |
| Own credit adjustments | 78 |
| Total income | 406 |
| Direct expenses | |
| - staff | (97) |
| - other | (19) |
| Indirect expenses | (242) |
| Restructuring costs | |
| - direct | (3) |
| - indirect | (148) |
| Litigation and conduct costs | (6) |
| Operating expenses | (515) |
| Operating loss | (109) |
| Memo: | |
| Total income - adjusted (1) | 328 |
| Operating expenses - adjusted (2) | (358) |
| Operating loss - adjusted (1,2) | (30) |
| Key metrics | |
| Return on equity (3) | (6.4%) |
| Return on equity - adjusted (1,2,3) | (2.7%) |
| Net interest margin | 0.62% |
| Net interest margin excluding central IEAs | 0.78% |
| Cost:income ratio | 127% |
| Cost:income ratio - adjusted (1,2) | 109% |

30 September
2015

All allocated from CIB
£bn

Capital and balance sheet

| | |
|--------------------------------------|-------|
| Net loans and advances to customers | 19.8 |
| Funded assets | 125.9 |
| Customer deposits (excluding repos) | 5.9 |
| Loan:deposit ratio (excluding repos) | 337% |
| Risk-weighted assets | 38.8 |

Notes:

- (1) Excluding own credit adjustments.
- (2) Excluding restructuring costs and litigation and conduct costs.
- (3) Return on equity is based on segmental operating profit after tax adjusted for preference dividends divided by average notional equity based on 15% (previously 13%) of the monthly average of segmental RWAs, assuming 28% tax rate; previously 25%.

Quarter ended
31 December
2014

All allocated from CIB
£m

Income statement

| | |
|--|---------|
| Net interest income | 8 |
| Non-interest income | 248 |
| Own credit adjustments | (33) |
| Total income | 223 |
| Direct expenses | |
| - staff | (36) |
| - other | (47) |
| Indirect expenses | (293) |
| Restructuring costs | |
| - direct | (3) |
| - indirect | (16) |
| Litigation and conduct costs | (370) |
| Operating expenses | (765) |
| Operating loss before impairment releases | (542) |
| Impairment releases | 6 |
| Operating loss | (536) |
| Memo: | |
| Total income - adjusted (1) | 256 |
| Operating expenses - adjusted (2) | (376) |
| Operating loss - adjusted (1,2) | (114) |
| Key metrics | |
| Return on equity (3) | (23.3%) |
| Return on equity - adjusted (1,2,3) | (5.9%) |
| Net interest margin | 0.21% |
| Net interest margin excluding central IEAs | 0.16% |
| Cost:income ratio | 343% |
| Cost:income ratio - adjusted (1,2) | 147% |
| Loan impairment charge as % of gross customer loans and advances | (0.1%) |

31 December
2014

All allocated from CIB
£bn

Capital and balance sheet

| | |
|--------------------------------------|-------|
| Net loans and advances to customers | 26.5 |
| Funded assets | 137.7 |
| Customer deposits (excluding repos) | 11.8 |
| Loan:deposit ratio (excluding repos) | 226% |
| Risk-weighted assets | 41.9 |

Notes:

- (1) Excluding own credit adjustments.
(2) Excluding restructuring costs and litigation and conduct costs.
(3) Return on equity is based on segmental operating profit after tax adjusted for preference dividends divided by average notional equity based on 15% (previously 13%) of the monthly average of segmental RWAs, assuming 28% tax rate; previously 25%.

Year ended
31 December
2014

All allocated from CIB
£m

Income statement

| | |
|--|---------|
| Net interest income | (11) |
| Non-interest income | 1,951 |
| Own credit adjustments | (9) |
| Total income | 1,931 |
| Direct expenses | |
| - staff | (446) |
| - other | (190) |
| Indirect expenses | (1,080) |
| Restructuring costs | |
| - direct | (13) |
| - indirect | (89) |
| Litigation and conduct costs | (832) |
| Operating expenses | (2,650) |
| Operating loss before impairment releases | (719) |
| Impairment releases | 9 |
| Operating loss | (710) |
| Memo: | |
| Total income - adjusted (1) | 1,940 |
| Operating expenses - adjusted (2) | (1,716) |
| Operating profit - adjusted (1,2) | 233 |
| Key metrics | |
| Return on equity (3) | (7.9%) |
| Return on equity - adjusted (1,2,3) | 1.3% |
| Net interest margin | (0.07%) |
| Net interest margin excluding central IEAs | (0.06%) |
| Cost:income ratio | 137% |
| Cost:income ratio - adjusted (1,2) | 88% |

31 December
2014

All allocated from CIB
£bn

Capital and balance sheet

| | |
|--------------------------------------|-------|
| Net loans and advances to customers | 26.5 |
| Funded assets | 137.7 |
| Customer deposits (excluding repos) | 11.8 |
| Loan:deposit ratio (excluding repos) | 226% |
| Risk-weighted assets | 41.9 |

Notes:

- (1) Excluding own credit adjustments.
(2) Excluding restructuring costs and litigation and conduct costs.
(3) Return on equity is based on segmental operating profit after tax adjusted for preference dividends divided by average notional equity based on 15% (previously 13%) of the monthly average of segmental RWAs, assuming 28% tax rate; previously 25%.

Capital Resolution

| | Quarter ended 30 September 2015 | | | Total Capital Resolution £m |
|--|---------------------------------|-----------|--------------|--------------------------------------|
| | Allocated from | | | |
| | CIB £m | RCR £m | Centre £m | |
| Income statement | | | | |
| Net interest income | 94 | (17) | 1 | 78 |
| Non-interest income | (49) | (3) | 25 | (27) |
| Own credit adjustments | 38 | - | - | 38 |
| Total income | 83 | (20) | 26 | 89 |
| Direct expenses | | | | |
| - staff | (38) | (22) | - | (60) |
| - other | (40) | (1) | - | (41) |
| Indirect expenses | (230) | (15) | - | (245) |
| Restructuring costs | | | | |
| - direct | (190) | - | - | (190) |
| - indirect | (296) | (4) | - | (300) |
| Litigation and conduct costs | (101) | - | - | (101) |
| Operating expenses | (895) | (42) | - | (937) |
| Operating (loss)/profit before impairment releases | (812) | (62) | 26 | (848) |
| Impairment releases | 4 | 46 | - | 50 |
| Operating (loss)/profit | (808) | (16) | 26 | (798) |
| Memo: | | | | |
| Total income - adjusted (1) | 45 | (20) | 26 | 51 |
| Operating expenses - adjusted (2) | (308) | (38) | - | (346) |
| Operating (loss)/profit - adjusted (1,2) | (259) | (12) | 26 | (245) |
| Key metrics | | | | |
| Net interest margin | 0.93% | nm | nm | 0.60% |
| Net interest margin excluding central IEAs | 1.14% | nm | nm | 0.70% |
| Loan impairment charge as % of gross customer loans and advances | - | (2.2%) | nm | (0.5%) |

| | 30 September 2015 | | | Total Capital Resolution £bn |
|---|-------------------|------------|---------------|---------------------------------------|
| | Allocated from | | | |
| | CIB £bn | RCR £bn | Centre £bn | |
| Capital and balance sheet | | | | |
| Loans and advances to customers (gross) | 26.6 | 8.2 | - | 34.8 |
| Loan impairment provisions | (0.1) | (3.9) | - | (4.0) |
| Net loans and advances to customers | 26.5 | 4.3 | - | 30.8 |
| Funded assets | 58.4 | 6.5 | 1.1 | 66.0 |
| Risk elements in lending | 0.2 | 5.1 | - | 5.3 |
| Customer deposits (excluding repos) | 29.1 | 0.9 | - | 30.0 |
| Loan:deposit ratio (excluding repos) | 91% | nm | nm | nm |
| Provision coverage (3) | 63% | nm | nm | 76% |
| Risk-weighted assets | 40.4 | 12.4 | 6.9 | 59.7 |

Notes:

- (1) Excluding own credit adjustments.
(2) Excluding restructuring costs and litigation and conduct costs.
(3) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

Capital Resolution

| | Quarter ended 31 December 2014 | | | Total Capital Resolution £m |
|--|--------------------------------|-----------|--------------|--------------------------------------|
| | Allocated from | | | |
| | CIB £m | RCR £m | Centre £m | |
| Income statement | | | | |
| Net interest income | 183 | (23) | 2 | 162 |
| Non-interest income | 174 | (162) | 25 | 37 |
| Own credit adjustments | (50) | - | - | (50) |
| Total income | 307 | (185) | 27 | 149 |
| Direct expenses | | | | |
| - staff | (25) | (41) | - | (66) |
| - other | (51) | (29) | - | (80) |
| Indirect expenses | (319) | (25) | - | (344) |
| Restructuring costs | | | | |
| - direct | (46) | - | - | (46) |
| - indirect | (19) | (3) | - | (22) |
| Litigation and conduct costs | (12) | - | - | (12) |
| Operating expenses | (472) | (98) | - | (570) |
| Operating (loss)/profit before impairment (losses)/releases | (165) | (283) | 27 | (421) |
| Impairment (losses)/releases | (47) | 681 | - | 634 |
| Operating (loss)/profit | (212) | 398 | 27 | 213 |
| Memo: | | | | |
| Total income - adjusted (1) | 357 | (185) | 27 | 199 |
| Operating expenses - adjusted (2) | (395) | (95) | - | (490) |
| Operating (loss)/profit - adjusted (1,2) | (85) | 401 | 27 | 343 |
| Key metrics | | | | |
| Net interest margin | 1.13% | nm | nm | 0.71% |
| Net interest margin excluding central IEAs | 1.25% | nm | nm | 0.77% |
| Loan impairment charge as % of gross customer loans and advances | 0.5% | (12.8%) | nm | (4.0%) |

| | 31 December 2014 | | | Total Capital Resolution £bn |
|---|------------------|------------|---------------|---------------------------------------|
| | Allocated from | | | |
| | CIB £bn | RCR £bn | Centre £bn | |
| Capital and balance sheet | | | | |
| Loans and advances to customers (gross) | 42.1 | 21.9 | - | 64.0 |
| Loan impairment provisions | (0.2) | (10.9) | - | (11.1) |
| Net loans and advances to customers | 41.9 | 11.0 | - | 52.9 |
| Funded assets | 99.7 | 14.9 | 1.0 | 115.6 |
| Risk elements in lending | 0.2 | 15.4 | - | 15.6 |
| Customer deposits (excluding repos) | 35.2 | 1.2 | - | 36.4 |
| Loan:deposit ratio (excluding repos) | 119% | nm | nm | nm |
| Provision coverage (3) | 96% | nm | nm | 71% |
| Risk-weighted assets | 67.0 | 22.0 | 6.1 | 95.1 |

Notes:

- (1) Excluding own credit adjustments.
(2) Excluding restructuring costs and litigation and conduct costs.
(3) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

Capital Resolution

| | Year end 31 December 2014 | | | Total Capital Resolution £m |
|--|---------------------------|-----------|--------------|--------------------------------------|
| | Allocated from | | | |
| | CIB £m | RCR £m | Centre £m | |
| Income statement | | | | |
| Net interest income | 717 | (47) | 3 | 673 |
| Non-interest income | 969 | 92 | 94 | 1,155 |
| Own credit adjustments | (14) | (22) | - | (36) |
| Total income | 1,672 | 23 | 97 | 1,792 |
| Direct expenses | | | | |
| - staff | (277) | (167) | - | (444) |
| - other | (208) | (85) | - | (293) |
| Indirect expenses | (1,179) | (104) | - | (1,283) |
| Restructuring costs | | | | |
| - direct | (80) | - | - | (80) |
| - indirect | (98) | (7) | - | (105) |
| Litigation and conduct costs | (162) | - | - | (162) |
| Write-down of goodwill | (130) | - | - | (130) |
| Operating expenses | (2,134) | (363) | - | (2,497) |
| Operating (loss)/profit before impairment releases | (462) | (340) | 97 | (705) |
| Impairment releases | 1 | 1,306 | - | 1,307 |
| Operating (loss)/profit | (461) | 966 | 97 | 602 |
| Memo: | | | | |
| Total income - adjusted (1) | 1,686 | 45 | 97 | 1,828 |
| Operating expenses - adjusted (2) | (1,664) | (356) | - | (2,020) |
| Operating profit - adjusted (1,2) | 23 | 995 | 97 | 1,115 |
| Key metrics | | | | |
| Net interest margin | 1.05% | nm | nm | 0.67% |
| Net interest margin excluding central IEAs | 1.16% | nm | nm | 0.72% |
| Loan impairment charge as % of gross customer loans and advances | - | (6.1%) | nm | (2.0%) |

| | 31 December 2014 | | | Total Capital Resolution £bn |
|---|------------------|------------|---------------|---------------------------------------|
| | Allocated from | | | |
| | CIB £bn | RCR £bn | Centre £bn | |
| Capital and balance sheet | | | | |
| Loans and advances to customers (gross) | 42.1 | 21.9 | - | 64.0 |
| Loan impairment provisions | (0.2) | (10.9) | - | (11.1) |
| Net loans and advances to customers | 41.9 | 11.0 | - | 52.9 |
| Funded assets | 99.7 | 14.9 | 1.0 | 115.6 |
| Risk elements in lending | 0.2 | 15.4 | - | 15.6 |
| Customer deposits (excluding repos) | 35.2 | 1.2 | - | 36.4 |
| Loan:deposit ratio (excluding repos) | 119% | nm | nm | nm |
| Provision coverage (3) | 96% | nm | nm | 71% |
| Risk-weighted assets | 67.0 | 22.0 | 6.1 | 95.1 |

Notes:

- (1) Excluding own credit adjustments
(2) Excluding restructuring costs and litigation and conduct costs.
(3) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

Quarter ended
30 September 2015
All allocated from UK PBB

| Income statement (1) | | £m |
|--|--|-------|
| Net interest income | | 167 |
| Non-interest income | | 44 |
| Total income | | 211 |
| Direct expenses | | |
| - staff | | (55) |
| - other | | (12) |
| Indirect expenses | | (24) |
| Operating expenses | | (91) |
| Operating profit before impairment losses | | 120 |
| Impairment losses | | (5) |
| Operating profit | | 115 |
| Key metrics | | |
| Net interest margin | | 2.88% |
| Net interest margin excluding central IEAs | | 3.40% |
| Cost:income ratio | | 43% |
| Loan impairment charge as % of gross customer loans and advances | | 0.1% |

30 September 2015
All allocated from UK PBB

| Capital and balance sheet (1) | | £bn |
|---|--|-------|
| Loans and advances to customers (gross) | | 20.3 |
| Loan impairment provisions | | (0.3) |
| Net loans and advances to customers | | 20.0 |
| Funded assets | | 24.0 |
| Risk elements in lending | | 0.5 |
| Customer deposits (excluding repos) | | 23.6 |
| Loan:deposit ratio (excluding repos) | | 85% |
| Provision coverage (2) | | 59% |
| Risk-weighted assets | | 10.1 |

Notes:

- (1) Does not reflect the cost base, funding and capital profile of a standalone bank. Operating expenses include charges based on an attribution of support provided by RBS to Williams & Glyn.
- (2) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

Quarter ended
31 December 2014
All allocated from UK PBB

| Income statement (1) | | £m |
|--|--|-------|
| Net interest income | | 167 |
| Non-interest income | | 49 |
| Total income | | 216 |
| Direct expenses | | |
| - staff | | (49) |
| - other | | (10) |
| Indirect expenses | | (25) |
| Operating expenses | | (84) |
| Operating profit before impairment losses | | 132 |
| Impairment losses | | (9) |
| Operating profit | | 123 |
| Key metrics | | |
| Net interest margin | | 2.92% |
| Net interest margin excluding central IEAs | | 3.42% |
| Cost:income ratio | | 39% |
| Loan impairment charge as % of gross customer loans and advances | | 0.2% |

31 December 2014
All allocated from UK PBB

| Capital and balance sheet (1) | | £bn |
|---|--|-------|
| Loans and advances to customers (gross) | | 19.9 |
| Loan impairment provisions | | (0.4) |
| Net loans and advances to customers | | 19.5 |
| Funded assets | | 23.6 |
| Risk elements in lending | | 0.6 |
| Customer deposits (excluding repos) | | 22.0 |
| Loan:deposit ratio (excluding repos) | | 88% |
| Provision coverage (2) | | 61% |
| Risk-weighted assets | | 10.1 |

Notes:

- (1) Does not reflect the cost base, funding and capital profile of a standalone bank. Operating expenses include charges based on an attribution of support provided by RBS to Williams & Glyn.
- (2) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

Year end
31 December 2014
All allocated from UK PBB

| Income statement (1) | | £m |
|--|--|-------|
| Net interest income | | 664 |
| Non-interest income | | 188 |
| Total income | | 852 |
| Direct expenses | | |
| - staff | | (196) |
| - other | | (36) |
| Indirect expenses | | (98) |
| Operating expenses | | (330) |
| Operating profit before impairment losses | | 522 |
| Impairment losses | | (55) |
| Operating profit | | 467 |
| Key metrics | | |
| Net interest margin | | 2.93% |
| Net interest margin excluding central IEAs | | 3.42% |
| Cost:income ratio | | 39% |
| Loan impairment charge as % of gross customer loans and advances | | 0.3% |

31 December 2014
All allocated from UK PBB

| Capital and balance sheet (1) | | £bn |
|---|--|-------|
| Loans and advances to customers (gross) | | 19.9 |
| Loan impairment provisions | | (0.4) |
| Net loans and advances to customers | | 19.5 |
| Funded assets | | 23.6 |
| Risk elements in lending | | 0.6 |
| Customer deposits (excluding repos) | | 22.0 |
| Loan:deposit ratio (excluding repos) | | 88% |
| Provision coverage (2) | | 61% |
| Risk-weighted assets | | 10.1 |

Notes:

- (1) Does not reflect the cost base, funding and capital profile of a standalone bank. Operating expenses include charges based on an attribution of support provided by RBS to Williams & Glyn.
- (2) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

Appendix 3

Allocation of previous segments to new customer segments

Allocation of previous segments to new customer segments

The tables in this appendix summarise the performance of the previously reported segments, as adjusted for the reporting changes outlined on page 2, and show how these segments have been allocated to the new reportable segments.

| | Quarter ended 30 September 2015 | | | |
|--|---------------------------------|-----------------------------|--------------|--------------|
| | Previously reported £m | Reporting changes (1) £m | Allocated to | |
| | | | W&G £m | UK PBB £m |
| Income statement | | | | |
| Net interest income | 1,170 | 15 | 167 | 1,018 |
| Non-interest income | 289 | - | 44 | 245 |
| Total income | 1,459 | 15 | 211 | 1,263 |
| Direct expenses | | | | |
| - staff | (238) | - | (55) | (183) |
| - other | (81) | - | (12) | (69) |
| Indirect expenses | (466) | - | (24) | (442) |
| Restructuring costs | | | | |
| - direct | (5) | - | - | (5) |
| - indirect | (22) | - | - | (22) |
| Litigation and conduct costs | 2 | - | - | 2 |
| Operating expenses | (810) | - | (91) | (719) |
| Operating profit before impairment losses | 649 | 15 | 120 | 544 |
| Impairment losses | (11) | - | (5) | (6) |
| Operating profit | 638 | 15 | 115 | 538 |
| Memo: | | | | |
| Operating expenses - adjusted (2) | (785) | - | (91) | (694) |
| Operating profit - adjusted (2) | 663 | 15 | 115 | 563 |
| Key metrics | | | | |
| Net interest margin | nm | | 2.88% | 3.19% |
| Net interest margin excluding central IEAs | 3.54% | | 3.40% | 3.61% |
| Cost:income ratio | 56% | | 43% | 57% |
| Cost:income ratio - adjusted (2) | 54% | | 43% | 55% |

| | 30 September 2015 | | | |
|---|----------------------------|------------------------------|--------------|---------------|
| | Previously reported £bn | Reporting changes (1) £bn | Allocated to | |
| | | | W&G £bn | UK PBB £bn |
| Capital and balance sheet | | | | |
| Loans and advances to customers (gross) | 134.5 | - | 20.3 | 114.2 |
| Loan impairment provisions | (2.0) | - | (0.3) | (1.7) |
| Net loans and advances to customers | 132.5 | - | 20.0 | 112.5 |
| Funded assets | 139.1 | 20.4 | 24.0 | 135.5 |
| Risk elements in lending | 3.0 | - | 0.5 | 2.5 |
| Customer deposits (excluding repos) | 152.9 | - | 23.6 | 129.3 |
| Loan:deposit ratio (excluding repos) | 87% | - | 85% | 87% |
| Provision coverage (3) | 66% | - | 59% | 68% |
| Risk-weighted assets | 39.4 | 1.2 | 10.1 | 30.5 |

Notes:

- (1) Refer to page 2 for further details.
(2) Excluding restructuring costs and litigation and conduct costs.
(3) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

| | Quarter ended 31 December 2014 | | | |
|--|--------------------------------|-----------------------|--------------|---------|
| | Previously reported | Reporting changes (1) | Allocated to | |
| | | | W&G | UK PBB |
| Income statement | £m | £m | £m | £m |
| Net interest income | 1,209 | 6 | 167 | 1,048 |
| Non-interest income | 323 | - | 49 | 274 |
| Total income | 1,532 | 6 | 216 | 1,322 |
| Direct expenses | | | | |
| - staff | (232) | - | (49) | (183) |
| - other | (86) | - | (10) | (76) |
| Indirect expenses | (548) | - | (25) | (523) |
| Restructuring costs | | | | |
| - direct | (2) | - | - | (2) |
| - indirect | (16) | - | - | (16) |
| Litigation and conduct costs | (650) | - | - | (650) |
| Operating expenses | (1,534) | - | (84) | (1,450) |
| Operating (loss)/profit before impairment losses | (2) | 6 | 132 | (128) |
| Impairment losses | (41) | - | (9) | (32) |
| Operating (loss)/profit | (43) | 6 | 123 | (160) |
| Memo: | | | | |
| Operating expenses - adjusted (2) | (866) | - | (84) | (782) |
| Operating profit - adjusted (2) | 625 | 6 | 123 | 508 |
| Key metrics | | | | |
| Net interest margin | nm | | 2.92% | 3.38% |
| Net interest margin excluding central IEAs | 3.74% | | 3.42% | 3.82% |
| Cost:income ratio | 100% | | 39% | 110% |
| Cost:income ratio - adjusted (2) | 57% | | 39% | 59% |

| | 31 December 2014 | | | |
|---|---------------------|-----------------------|--------------|--------|
| | Previously reported | Reporting changes (1) | Allocated to | |
| | | | W&G | UK PBB |
| Capital and balance sheet | £bn | £bn | £bn | £bn |
| Loans and advances to customers (gross) | 129.8 | - | 19.9 | 109.9 |
| Loan impairment provisions | (2.6) | - | (0.4) | (2.2) |
| Net loans and advances to customers | 127.2 | - | 19.5 | 107.7 |
| Funded assets | 134.3 | 21.6 | 23.6 | 132.3 |
| Risk elements in lending | 3.8 | - | 0.6 | 3.2 |
| Customer deposits (excluding repos) | 148.7 | - | 22.0 | 126.7 |
| Loan:deposit ratio (excluding repos) | 86% | - | 88% | 85% |
| Provision coverage (3) | 69% | - | 61% | 70% |
| Risk-weighted assets | 42.8 | 1.0 | 10.1 | 33.7 |

Notes:

- (1) Refer to page 2 for further details.
(2) Excluding restructuring costs and litigation and conduct costs.
(3) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

| | Year ended 31 December 2014 | | | |
|--|-----------------------------|-----------------------|--------------|-----------|
| | Previously reported | Reporting changes (1) | Allocated to | |
| Income statement | £m | £m | W&G £m | UK PBB £m |
| Net interest income | 4,683 | 33 | 664 | 4,052 |
| Non-interest income | 1,354 | - | 188 | 1,166 |
| Total income | 6,037 | 33 | 852 | 5,218 |
| Direct expenses | | | | |
| - staff | (937) | - | (196) | (741) |
| - other | (391) | - | (36) | (355) |
| Indirect expenses | (1,971) | - | (98) | (1,873) |
| Restructuring costs | | | | |
| - direct | (10) | - | - | (10) |
| - indirect | (92) | - | - | (92) |
| Litigation and conduct costs | (918) | - | - | (918) |
| Operating expenses | (4,319) | - | (330) | (3,989) |
| Operating profit before impairment losses | 1,718 | 33 | 522 | 1,229 |
| Impairment losses | (268) | - | (55) | (213) |
| Operating profit | 1,450 | 33 | 467 | 1,016 |
| Memo: | | | | |
| Operating expenses - adjusted (2) | (3,299) | - | (330) | (2,969) |
| Operating profit - adjusted (2) | 2,470 | 33 | 467 | 2,036 |
| Key metrics | | | | |
| Net interest margin | nm | | 2.93% | 3.32% |
| Net interest margin excluding central IEAs | 3.68% | | 3.42% | 3.75% |
| Cost:income ratio | 72% | | 39% | 76% |
| Cost:income ratio - adjusted (2) | 55% | | 39% | 57% |

| | 31 December 2014 | | | |
|---|---------------------|-----------------------|--------------|------------|
| | Previously reported | Reporting changes (1) | Allocated to | |
| Capital and balance sheet | £bn | £bn | W&G £bn | UK PBB £bn |
| Loans and advances to customers (gross) | 129.8 | - | 19.9 | 109.9 |
| Loan impairment provisions | (2.6) | - | (0.4) | (2.2) |
| Net loans and advances to customers | 127.2 | - | 19.5 | 107.7 |
| Funded assets | 134.3 | 21.6 | 23.6 | 132.3 |
| Risk elements in lending | 3.8 | - | 0.6 | 3.2 |
| Customer deposits (excluding repos) | 148.7 | - | 22.0 | 126.7 |
| Loan:deposit ratio (excluding repos) | 86% | - | 88% | 85% |
| Provision coverage (3) | 69% | - | 61% | 70% |
| Risk-weighted assets | 42.8 | 1.0 | 10.1 | 33.7 |

Notes:

- (1) Refer to page 2 for further details.
(2) Excluding restructuring costs and litigation and conduct costs.
(3) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

| Quarter ended 30 September 2015 | | | | |
|---|---------------------------|-----------------------------|--------------|--------------------------|
| | Previously reported £m | Reporting changes (1) £m | Allocated to | |
| | | | UK PBB £m | Ulster Bank RoI £m |
| Income statement | | | | |
| Net interest income | 127 | - | 37 | 90 |
| Non-interest income | 87 | - | 13 | 74 |
| Total income | 214 | - | 50 | 164 |
| Direct expenses | | | | |
| - staff | (59) | - | (19) | (40) |
| - other | (21) | - | 1 | (22) |
| Indirect expenses | (70) | - | (22) | (48) |
| Restructuring costs | | | | |
| - direct | (3) | - | - | (3) |
| - indirect | (3) | - | (1) | (2) |
| Litigation and conduct costs | (2) | - | (2) | - |
| Operating expenses | (158) | - | (43) | (115) |
| Operating profit before impairment releases | 56 | - | 7 | 49 |
| Impairment releases | 58 | - | 4 | 54 |
| Operating profit | 114 | - | 11 | 103 |
| Memo: | | | | |
| Operating expenses - adjusted (2) | (150) | - | (40) | (110) |
| Operating profit - adjusted (2) | 122 | - | 14 | 108 |
| Key metrics | | | | |
| Net interest margin | nm | | 3.18% | 1.52% |
| Net interest margin excluding central IEAs | 1.81% | | 3.36% | 1.52% |
| Cost:income ratio | 74% | | 86% | 70% |
| Cost:income ratio - adjusted (2) | 70% | | 80% | 67% |

| 30 September 2015 | | | | |
|---|----------------------------|------------------------------|---------------|---------------------------|
| | Previously reported £bn | Reporting changes (1) £bn | Allocated to | |
| | | | UK PBB £bn | Ulster Bank RoI £bn |
| Capital and balance sheet | | | | |
| Loans and advances to customers (gross) | 22.9 | - | 4.1 | 18.8 |
| Loan impairment provisions | (2.3) | - | (0.3) | (2.0) |
| Net loans and advances to customers | 20.6 | - | 3.8 | 16.8 |
| Funded assets | 27.9 | 0.2 | 5.2 | 22.9 |
| Risk elements in lending | 4.0 | - | 0.4 | 3.6 |
| Customer deposits (excluding repos) | 19.2 | - | 5.6 | 13.6 |
| Loan:deposit ratio (excluding repos) | 108% | - | 68% | 123% |
| Provision coverage (3) | 58% | - | 88% | 54% |
| Risk-weighted assets | 21.5 | 0.9 | 2.8 | 19.6 |

Notes:

- (1) Refer to page 2 for further details.
- (2) Excluding restructuring costs and litigation and conduct costs.
- (3) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

| Quarter ended 31 December 2014 | | | | |
|---|---------------------------|-----------------------------|--------------|--------------------------|
| | Previously reported £m | Reporting changes (1) £m | Allocated to | |
| | | | UK PBB £m | Ulster Bank RoI £m |
| Income statement | | | | |
| Net interest income | 150 | - | 38 | 112 |
| Non-interest income | 54 | - | 14 | 40 |
| Total income | 204 | - | 52 | 152 |
| Direct expenses | | | | |
| - staff | (65) | - | (22) | (43) |
| - other | (19) | - | 4 | (23) |
| Indirect expenses | (78) | - | (25) | (53) |
| Restructuring costs | | | | |
| - indirect | 4 | - | 2 | 2 |
| Litigation and conduct costs | 19 | - | - | 19 |
| Operating expenses | (139) | - | (41) | (98) |
| Operating profit before impairment releases | 65 | - | 11 | 54 |
| Impairment releases | 104 | - | 34 | 70 |
| Operating profit | 169 | - | 45 | 124 |
| Memo: | | | | |
| Operating expenses - adjusted (2) | (162) | - | (43) | (119) |
| Operating profit - adjusted (2) | 146 | - | 43 | 103 |
| Key metrics | | | | |
| Net interest margin | nm | | 3.11% | 1.90% |
| Net interest margin excluding central IEAs | 2.14% | | 3.38% | 1.90% |
| Cost:income ratio | 68% | | 79% | 64% |
| Cost:income ratio - adjusted (2) | 79% | | 83% | 78% |

| 31 December 2014 | | | | |
|---|----------------------------|------------------------------|---------------|---------------------------|
| | Previously reported £bn | Reporting changes (1) £bn | Allocated to | |
| | | | UK PBB £bn | Ulster Bank RoI £bn |
| Capital and balance sheet | | | | |
| Loans and advances to customers (gross) | 24.7 | - | 4.2 | 20.5 |
| Loan impairment provisions | (2.7) | - | (0.3) | (2.4) |
| Net loans and advances to customers | 22.0 | - | 3.9 | 18.1 |
| Funded assets | 27.5 | 0.4 | 5.5 | 22.4 |
| Risk elements in lending | 4.8 | - | 0.4 | 4.4 |
| Customer deposits (excluding repos) | 20.6 | - | 5.9 | 14.7 |
| Loan:deposit ratio (excluding repos) | 107% | - | 66% | 124% |
| Provision coverage (3) | 57% | - | 80% | 55% |
| Risk-weighted assets | 23.8 | 0.9 | 2.9 | 21.8 |

Notes:

- (1) Refer to page 2 for further details.
(2) Excluding restructuring costs and litigation and conduct costs.
(3) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

| Year ended 31 December 2014 | | | | |
|---|---------------------------|-----------------------------|--------------|--------------------------|
| | Previously reported £m | Reporting changes (1) £m | Allocated to | |
| | | | UK PBB £m | Ulster Bank RoI £m |
| Income statement | | | | |
| Net interest income | 636 | - | 169 | 467 |
| Non-interest income | 194 | - | 57 | 137 |
| Total income | 830 | - | 226 | 604 |
| Direct expenses | | | | |
| - staff | (247) | - | (83) | (164) |
| - other | (74) | - | 9 | (83) |
| Indirect expenses | (265) | - | (85) | (180) |
| Restructuring costs | | | | |
| - direct | 8 | - | - | 8 |
| - indirect | (30) | - | (9) | (21) |
| Litigation and conduct costs | 19 | - | - | 19 |
| Operating expenses | (589) | - | (168) | (421) |
| Operating profit before impairment releases | 241 | - | 58 | 183 |
| Impairment releases | 365 | - | 59 | 306 |
| Operating profit | 606 | - | 117 | 489 |
| Memo: | | | | |
| Operating expenses - adjusted (2) | (586) | - | (159) | (427) |
| Operating profit - adjusted (2) | 609 | - | 126 | 483 |
| Key metrics | | | | |
| Net interest margin | nm | | 3.45% | 1.92% |
| Net interest margin excluding central IEAs | 2.27% | | 3.75% | 1.99% |
| Cost:income ratio | 71% | | 74% | 70% |
| Cost:income ratio - adjusted (2) | 71% | | 70% | 71% |

| 31 December 2014 | | | | |
|---|----------------------------|------------------------------|---------------|---------------------------|
| | Previously reported £bn | Reporting changes (1) £bn | Allocated to | |
| | | | UK PBB £bn | Ulster Bank RoI £bn |
| Capital and balance sheet | | | | |
| Loans and advances to customers (gross) | 24.7 | - | 4.2 | 20.5 |
| Loan impairment provisions | (2.7) | - | (0.3) | (2.4) |
| Net loans and advances to customers | 22.0 | - | 3.9 | 18.1 |
| Funded assets | 27.5 | 0.4 | 5.5 | 22.4 |
| Risk elements in lending | 4.8 | - | 0.4 | 4.4 |
| Customer deposits (excluding repos) | 20.6 | - | 5.9 | 14.7 |
| Loan:deposit ratio (excluding repos) | 107% | - | 66% | 124% |
| Provision coverage (3) | 57% | - | 80% | 55% |
| Risk-weighted assets | 23.8 | 0.9 | 2.9 | 21.8 |

Notes:

- (1) Refer to page 2 for further details.
(2) Excluding restructuring costs and litigation and conduct costs.
(2) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

Commercial Banking

| | Quarter ended 30 September 2015 | | | |
|--|---------------------------------|--------------------------------|-----------------------------|----------------------------|
| | Previously reported £m | Reporting changes (1) £m | Allocated to | |
| | | | Commercial Banking £m | RBS International £m |
| Income statement | | | | |
| Net interest income | 565 | (21) | 471 | 73 |
| Non-interest income | 265 | - | 251 | 14 |
| Total income | 830 | (21) | 722 | 87 |
| Direct expenses | | | | |
| - staff | (122) | - | (113) | (9) |
| - other | (22) | - | (19) | (3) |
| - operating lease costs | (34) | - | (34) | - |
| Indirect expenses | (224) | - | (200) | (24) |
| Restructuring costs | | | | |
| - direct | (1) | - | (1) | - |
| - indirect | - | - | 2 | (2) |
| Operating expenses | (403) | - | (365) | (38) |
| Operating profit before impairment (losses)/releases | 427 | (21) | 357 | 49 |
| Impairment (losses)/releases | (15) | - | (16) | 1 |
| Operating profit | 412 | (21) | 341 | 50 |
| Memo: | | | | |
| Operating expenses - adjusted (2) | (402) | - | (366) | (36) |
| Operating profit - adjusted (2) | 413 | (21) | 340 | 52 |
| Key metrics | | | | |
| Net interest margin | nm | | 1.87% | 1.43% |
| Net interest margin excluding central IEAs | 2.81% | | 2.56% | 4.38% |
| Cost:income ratio | 49% | | 51% | 44% |
| Cost:income ratio - adjusted (2) | 48% | | 51% | 41% |

| | 30 September 2015 | | | |
|---|-------------------------------|---------------------------------|------------------------------|-----------------------------|
| | Previously reported £bn | Reporting changes (1) £bn | Allocated to | |
| | | | Commercial Banking £bn | RBS International £bn |
| Capital and balance sheet | | | | |
| Loans and advances to customers (gross) | 92.4 | - | 85.3 | 7.1 |
| Loan impairment provisions | (0.8) | - | (0.7) | (0.1) |
| Net loans and advances to customers | 91.6 | - | 84.6 | 7.0 |
| Funded assets | 95.9 | 46.0 | 119.0 | 22.9 |
| Risk elements in lending | 2.2 | - | 2.1 | 0.1 |
| Customer deposits (excluding repos) | 98.9 | - | 76.6 | 22.3 |
| Loan:deposit ratio (excluding repos) | 93% | - | 111% | 32% |
| Provision coverage (3) | 39% | - | 33% | 58% |
| Risk-weighted assets | 67.2 | 3.2 | 62.3 | 8.1 |

Notes:

- (1) Refer to page 2 for further details.
- (2) Excluding restructuring costs and litigation and conduct costs.
- (3) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

Commercial Banking

| | Quarter ended 31 December 2014 | | | |
|--|--------------------------------|-----------------------------|--------------------------|-------------------------|
| | Previously reported £m | Reporting changes (1) £m | Allocated to | |
| | | | Commercial Banking £m | RBS International £m |
| Income statement | | | | |
| Net interest income | 521 | - | 475 | 46 |
| Non-interest income | 310 | - | 296 | 14 |
| Total income | 831 | - | 771 | 60 |
| Direct expenses | | | | |
| - staff | (118) | - | (113) | (5) |
| - other | (35) | - | (33) | (2) |
| - operating lease costs | (38) | - | (38) | - |
| Indirect expenses | (284) | - | (272) | (12) |
| Restructuring costs | | | | |
| - direct | - | - | (1) | 1 |
| - indirect | (13) | - | (12) | (1) |
| Litigation and conduct costs | (62) | - | (62) | - |
| Operating expenses | (550) | - | (531) | (19) |
| Operating profit before impairment losses | 281 | - | 240 | 41 |
| Impairment losses | (33) | - | (31) | (2) |
| Operating profit | 248 | - | 209 | 39 |
| Memo: | | | | |
| Operating expenses - adjusted (2) | (475) | - | (456) | (19) |
| Operating profit - adjusted (2) | 323 | - | 284 | 39 |
| Key metrics | | | | |
| Net interest margin | nm | | 1.96% | 1.45% |
| Net interest margin excluding central IEAs | 2.77% | | 2.68% | 4.16% |
| Cost:income ratio | 66% | | 69% | 32% |
| Cost:income ratio - adjusted (2) | 57% | | 59% | 32% |

| | 31 December 2014 | | | |
|---|-------------------------------|---------------------------------|------------------------------|-----------------------------|
| | Previously reported £bn | Reporting changes (1) £bn | Allocated to | |
| | | | Commercial Banking £bn | RBS International £bn |
| Capital and balance sheet | | | | |
| Loans and advances to customers (gross) | 86.1 | - | 81.4 | 4.7 |
| Loan impairment provisions | (1.0) | - | (0.9) | (0.1) |
| Net loans and advances to customers | 85.1 | - | 80.5 | 4.6 |
| Funded assets | 89.4 | 47.8 | 117.0 | 20.2 |
| Risk elements in lending | 2.5 | - | 2.4 | 0.1 |
| Customer deposits (excluding repos) | 86.8 | - | 72.5 | 14.3 |
| Loan:deposit ratio (excluding repos) | 98% | - | 111% | 32% |
| Provision coverage (3) | 38% | - | 39% | 41% |
| Risk-weighted assets | 64.0 | 3.5 | 61.2 | 6.3 |

Notes:

- (1) Refer to page 2 for further details.
(2) Excluding restructuring costs and litigation and conduct costs.
(3) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

Commercial Banking

| | Year ended 31 December 2014 | | | |
|--|-----------------------------|-----------------------------|--------------------------|-------------------------|
| | Previously reported £m | Reporting changes (1) £m | Allocated to | |
| | | | Commercial Banking £m | RBS International £m |
| Income statement | | | | |
| Net interest income | 2,041 | - | 1,865 | 176 |
| Non-interest income | 1,169 | - | 1,117 | 52 |
| Total income | 3,210 | - | 2,982 | 228 |
| Direct expenses | | | | |
| - staff | (508) | - | (489) | (19) |
| - other | (108) | - | (98) | (10) |
| - operating lease costs | (141) | - | (141) | - |
| Indirect expenses | (882) | - | (835) | (47) |
| Restructuring costs | | | | |
| - direct | (40) | - | (41) | 1 |
| - indirect | (53) | - | (52) | (1) |
| Litigation and conduct costs | (112) | - | (112) | - |
| Operating expenses | (1,844) | - | (1,768) | (76) |
| Operating profit before impairment (losses)/releases | 1,366 | - | 1,214 | 152 |
| Impairment (losses)/releases | (76) | - | (84) | 8 |
| Operating profit | 1,290 | - | 1,130 | 160 |
| Memo: | | | | |
| Operating expenses - adjusted (2) | (1,639) | - | (1,563) | (76) |
| Operating profit - adjusted (2) | 1,495 | - | 1,335 | 160 |
| Key metrics | | | | |
| Net interest margin | nm | | 1.93% | 1.42% |
| Net interest margin excluding central IEAs | 2.74% | | 2.65% | 4.18% |
| Cost:income ratio | 57% | | 59% | 33% |
| Cost:income ratio - adjusted (2) | 51% | | 52% | 33% |

| | 31 December 2014 | | | |
|---|-------------------------------|---------------------------------|------------------------------|-----------------------------|
| | Previously reported £bn | Reporting changes (1) £bn | Allocated to | |
| | | | Commercial Banking £bn | RBS International £bn |
| Capital and balance sheet | | | | |
| Loans and advances to customers (gross) | 86.1 | - | 81.4 | 4.7 |
| Loan impairment provisions | (1.0) | - | (0.9) | (0.1) |
| Net loans and advances to customers | 85.1 | - | 80.5 | 4.6 |
| Funded assets | 89.4 | 47.8 | 117.0 | 20.2 |
| Risk elements in lending | 2.5 | - | 2.4 | 0.1 |
| Customer deposits (excluding repos) | 86.8 | - | 72.5 | 14.3 |
| Loan:deposit ratio (excluding repos) | 98% | - | 111% | 32% |
| Provision coverage (3) | 38% | - | 38% | 41% |
| Risk-weighted assets | 64.0 | 3.5 | 61.2 | 6.3 |

Notes:

- (1) Refer to page 2 for further details.
(2) Excluding restructuring costs and litigation and conduct costs.
(3) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

Private Banking

| Quarter ended 30 September 2015 | | | | | |
|--|---------------------------|-----------------------------|-----------------------|-------------------------|-----------------------------|
| | Previously reported £m | Reporting changes (1) £m | Allocated to | | |
| | | | Private Banking £m | RBS International £m | Central items & other £m |
| Income statement | | | | | |
| Net interest income | 123 | 2 | 109 | - | 16 |
| Non-interest income | 81 | - | 51 | - | 30 |
| Total income | 204 | 2 | 160 | - | 46 |
| Direct expenses | | | | | |
| - staff | (66) | - | (43) | - | (23) |
| - other | (23) | - | (11) | - | (12) |
| Indirect expenses | (95) | - | (65) | - | (30) |
| Restructuring costs | | | | | |
| - direct | 2 | - | 2 | - | - |
| - indirect | (3) | - | (1) | - | (2) |
| Operating expenses | (185) | - | (118) | - | (67) |
| Operating profit/(loss) before impairment losses | 19 | 2 | 42 | - | (21) |
| Impairment losses | (4) | - | (4) | - | - |
| Operating profit/(loss) | 15 | 2 | 38 | - | (21) |
| Memo: | | | | | |
| Operating expenses - adjusted (2) | (184) | - | (119) | - | (65) |
| Operating profit/(loss) - adjusted (2) | 16 | 2 | 37 | - | (19) |
| Key metrics | | | | | |
| Net interest margin | nm | | 2.72% | - | 1.40% |
| Net interest margin excluding central IEAs | 3.14% | | 3.92% | - | 1.40% |
| Cost:income ratio | 91% | | 74% | - | 146% |
| Cost:income ratio - adjusted (2) | 90% | | 74% | - | 141% |

| 30 September 2015 | | | | | |
|---|----------------------------|------------------------------|------------------------|--------------------------|------------------------------|
| | Previously reported £bn | Reporting changes (1) £bn | Allocated to | | |
| | | | Private Banking £bn | RBS International £bn | Central items & other £bn |
| Capital and balance sheet | | | | | |
| Loans and advances to customers (gross) | 13.6 | - | 11.1 | - | 2.5 |
| Loan impairment provisions | (0.1) | - | - | - | (0.1) |
| Net loans and advances to customers | 13.5 | - | 11.1 | - | 2.4 |
| Funded assets | 16.7 | 5.3 | 17.4 | - | 4.6 |
| Risk elements in lending | 0.1 | - | 0.1 | - | - |
| Customer deposits (excluding repos) | 29.1 | - | 22.7 | - | 6.4 |
| Loan:deposit ratio (excluding repos) | 46% | - | 49% | - | 38% |
| Provision coverage (3) | 44% | - | 32% | - | 100% |
| Risk-weighted assets | 9.8 | 0.3 | 8.4 | - | 1.7 |

Notes:

- (1) Refer to page 2 for further details.
- (2) Excluding restructuring costs and litigation and conduct costs.
- (3) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

Private Banking

| Quarter ended 31 December 2014 | | | | | |
|---|---------------------------|-----------------------------|-----------------------|-------------------------|-----------------------------|
| | Previously reported £m | Reporting changes (1) £m | Allocated to | | |
| | | | Private Banking £m | RBS International £m | Central items & other £m |
| Income statement | | | | | |
| Net interest income | 175 | - | 116 | 37 | 22 |
| Non-interest income | 92 | - | 54 | 4 | 34 |
| Total income | 267 | - | 170 | 41 | 56 |
| Direct expenses | | | | | |
| - staff | (75) | - | (44) | (6) | (25) |
| - other | (21) | - | (12) | - | (9) |
| Indirect expenses | (132) | - | (90) | (11) | (31) |
| Restructuring costs | | | | | |
| - direct | (6) | - | (1) | (1) | (4) |
| - indirect | (2) | - | - | (1) | (1) |
| Litigation and conduct costs | (90) | - | (90) | - | - |
| Operating expenses | (326) | - | (237) | (19) | (70) |
| Operating (loss)/profit before impairment releases/(losses) | (59) | - | (67) | 22 | (14) |
| Impairment releases/(losses) | - | - | 1 | (1) | - |
| Operating (loss)/profit | (59) | - | (66) | 21 | (14) |
| Memo: | | | | | |
| Operating expenses - adjusted (2) | (228) | - | (146) | (17) | (65) |
| Operating profit/(loss) - adjusted (2) | 39 | - | 25 | 23 | (9) |
| Key metrics | | | | | |
| Net interest margin | nm | | 2.91% | 2.07% | 1.74% |
| Net interest margin excluding central IEAs | 3.74% | | 4.17% | 5.79% | 1.74% |
| Cost:income ratio | 122% | | 139% | 46% | 125% |
| Cost:income ratio - adjusted (2) | 85% | | 86% | 41% | 116% |

| 31 December 2014 | | | | | |
|---|----------------------------|------------------------------|------------------------|--------------------------|------------------------------|
| | Previously reported £bn | Reporting changes (1) £bn | Allocated to | | |
| | | | Private Banking £bn | RBS International £bn | Central items & other £bn |
| Capital and balance sheet | | | | | |
| Loans and advances to customers (gross) | 16.6 | - | 11.0 | 2.6 | 3.0 |
| Loan impairment provisions | (0.1) | - | - | - | (0.1) |
| Net loans and advances to customers | 16.5 | - | 11.0 | 2.6 | 2.9 |
| Funded assets | 20.4 | 6.0 | 17.7 | 3.2 | 5.5 |
| Risk elements in lending | 0.2 | - | 0.1 | 0.1 | - |
| Customer deposits (excluding repos) | 36.1 | - | 22.3 | 6.5 | 7.3 |
| Loan:deposit ratio (excluding repos) | 46% | - | 49% | 40% | 41% |
| Provision coverage (3) | 34% | - | 25% | 30% | 100% |
| Risk-weighted assets | 11.5 | 0.6 | 8.7 | 1.2 | 2.2 |

Notes:

- (1) Refer to page 2 for further details.
(2) Excluding restructuring costs and litigation and conduct costs.
(3) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

Private Banking

| | Year ended 31 December 2014 | | | | |
|---|-----------------------------|-----------------------------|-----------------------|-------------------------|-----------------------------|
| | Previously reported £m | Reporting changes (1) £m | Allocated to | | |
| | | | Private Banking £m | RBS International £m | Central items & other £m |
| Income statement | | | | | |
| Net interest income | 691 | - | 454 | 147 | 90 |
| Non-interest income | 391 | - | 235 | 16 | 140 |
| Total income | 1,082 | - | 689 | 163 | 230 |
| Direct expenses | | | | | |
| - staff | (302) | - | (178) | (25) | (99) |
| - other | (68) | - | (37) | (5) | (26) |
| Indirect expenses | (458) | - | (289) | (47) | (122) |
| Restructuring costs | | | | | |
| - direct | (8) | - | (1) | (3) | (4) |
| - indirect | (10) | - | - | (4) | (6) |
| Litigation and conduct costs | (90) | - | (90) | - | - |
| Operating expenses | (936) | - | (595) | (84) | (257) |
| Operating profit/(loss) before impairment releases/(losses) | 146 | - | 94 | 79 | (27) |
| Impairment releases/(losses) | 4 | - | 5 | (1) | - |
| Operating profit/(loss) | 150 | - | 99 | 78 | (27) |
| Memo: | | | | | |
| Operating expenses - adjusted (2) | (828) | - | (504) | (77) | (247) |
| Operating profit/(loss) - adjusted (2) | 258 | - | 190 | 85 | (17) |
| Key metrics | | | | | |
| Net interest margin | nm | | 2.89% | 2.20% | 1.75% |
| Net interest margin excluding central IEAs | 3.71% | | 4.12% | 5.94% | 1.75% |
| Cost:income ratio | 87% | | 86% | 52% | 112% |
| Cost:income ratio - adjusted (2) | 77% | | 73% | 47% | 107% |

| | 31 December 2014 | | | | |
|---|----------------------------|------------------------------|------------------------|--------------------------|------------------------------|
| | Previously reported £bn | Reporting changes (1) £bn | Allocated to | | |
| | | | Private Banking £bn | RBS International £bn | Central items & other £bn |
| Capital and balance sheet | | | | | |
| Loans and advances to customers (gross) | 16.6 | - | 11.0 | 2.6 | 3.0 |
| Loan impairment provisions | (0.1) | - | - | - | (0.1) |
| Net loans and advances to customers | 16.5 | - | 11.0 | 2.6 | 2.9 |
| Funded assets | 20.4 | 6.0 | 17.7 | 3.2 | 5.5 |
| Risk elements in lending | 0.2 | - | 0.1 | 0.1 | - |
| Customer deposits (excluding repos) | 36.1 | - | 22.3 | 6.5 | 7.3 |
| Loan:deposit ratio (excluding repos) | 46% | - | 49% | 40% | 41% |
| Provision coverage (3) | 34% | - | 25% | 30% | 100% |
| Risk-weighted assets | 11.5 | 0.6 | 8.7 | 1.2 | 2.2 |

Notes:

- (1) Refer to page 2 for further details.
(2) Excluding restructuring costs and litigation and conduct costs.
(3) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

| | Quarter ended 30 September 2015 | | | | |
|--|---------------------------------|-----------------------------|--------------------------|-----------|--------------------------|
| | | | Allocated to | | |
| | Previously reported £m | Reporting changes (1) £m | Commercial Banking £m | CIB £m | Capital Resolution £m |
| Income statement | | | | | |
| Net interest income | 142 | 14 | 33 | 29 | 94 |
| Non-interest income | 295 | - | 45 | 299 | (49) |
| Own credit adjustments | - | 116 | - | 78 | 38 |
| Total income | 437 | 130 | 78 | 406 | 83 |
| Direct expenses | | | | | |
| - staff | (139) | - | (4) | (97) | (38) |
| - other | (60) | - | (1) | (19) | (40) |
| Indirect expenses | (510) | - | (38) | (242) | (230) |
| Restructuring costs | | | | | |
| - direct | (193) | - | - | (3) | (190) |
| - indirect | (444) | - | - | (148) | (296) |
| Litigation and conduct costs | (107) | - | - | (6) | (101) |
| Operating expenses | (1,453) | - | (43) | (515) | (895) |
| Operating (loss)/profit before impairment releases | (1,016) | 130 | 35 | (109) | (812) |
| Impairment releases | 4 | - | - | - | 4 |
| Operating (loss)/profit | (1,012) | 130 | 35 | (109) | (808) |
| Memo: | | | | | |
| Total income - adjusted (2) | 437 | 14 | 78 | 328 | 45 |
| Operating expenses - adjusted (3) | (709) | - | (43) | (358) | (308) |
| Operating (loss)/profit - adjusted (2,3) | (268) | 14 | 35 | (30) | (259) |
| Key metrics | | | | | |
| Net interest margin | nm | | 2.22% | 0.62% | 0.93% |
| Net interest margin excluding central IEAs | 1.16% | | 9.02% | 0.78% | 1.14% |
| Cost:income ratio | 332% | | 55% | 127% | nm |
| Cost:income ratio - adjusted (2,3) | 162% | | 55% | 109% | nm |

| | 30 September 2015 | | | | |
|---|-------------------------------|---------------------------------|------------------------------|------------|------------------------------|
| | Previously reported £bn | Reporting changes (1) £bn | Allocated to | | |
| | | | Commercial Banking £bn | CIB £bn | Capital Resolution £bn |
| Capital and balance sheet | | | | | |
| Loans and advances to customers (gross) | 50.9 | - | 4.5 | 19.8 | 26.6 |
| Loan impairment provisions | (0.1) | - | - | - | (0.1) |
| Net loans and advances to customers | 50.8 | - | 4.5 | 19.8 | 26.5 |
| Funded assets | 177.4 | 17.5 | 10.6 | 125.9 | 58.4 |
| Risk elements in lending | 0.2 | - | - | - | 0.2 |
| Customer deposits (excluding repos) | 47.8 | - | 12.8 | 5.9 | 29.1 |
| Loan:deposit ratio (excluding repos) | 106% | - | 35% | 337% | 91% |
| Provision coverage (4) | 65% | - | - | - | 63% |
| Risk-weighted assets | 78.0 | 3.1 | 1.9 | 38.8 | 40.4 |

Notes:

- (1) Refer to page 2 for further details.
(2) Excluding own credit adjustments.
(3) Excluding restructuring costs and litigation and conduct costs.
(4) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

| | Quarter ended 31 December 2014 | | | | |
|--|--------------------------------|-----------------------------|--------------------------|-----------|--------------------------|
| | Previously reported £m | Reporting changes (1) £m | Allocated to | | |
| | | | Commercial Banking £m | CIB £m | Capital Resolution £m |
| Income statement | | | | | |
| Net interest income | 222 | - | 31 | 8 | 183 |
| Non-interest income | 469 | - | 47 | 248 | 174 |
| Own credit adjustments | - | (83) | - | (33) | (50) |
| Total income | 691 | (83) | 78 | 223 | 307 |
| Direct expenses | | | | | |
| - staff | (63) | - | (2) | (36) | (25) |
| - other | (100) | - | (2) | (47) | (51) |
| Indirect expenses | (659) | - | (47) | (293) | (319) |
| Restructuring costs | | | | | |
| - direct | (49) | - | - | (3) | (46) |
| - indirect | (39) | - | (4) | (16) | (19) |
| Litigation and conduct costs | (382) | - | - | (370) | (12) |
| Operating expenses | (1,292) | - | (55) | (765) | (472) |
| Operating (loss)/profit before impairment | | | | | |
| (losses)/releases | (601) | (83) | 23 | (542) | (165) |
| Impairment (losses)/releases | (42) | - | (1) | 6 | (47) |
| Operating (loss)/profit | (643) | (83) | 22 | (536) | (212) |
| Memo: | | | | | |
| Total income - adjusted (2) | 691 | - | 78 | 256 | 357 |
| Operating expenses - adjusted (3) | (822) | - | (51) | (376) | (395) |
| Operating (loss)/profit - adjusted (2,3) | (173) | - | 26 | (114) | (85) |
| Key metrics | | | | | |
| Net interest margin | nm | | 2.00% | 0.21% | 1.13% |
| Net interest margin excluding central IEAs | 1.11% | | 6.88% | 0.16% | 1.25% |
| Cost:income ratio | 187% | | 71% | 343% | nm |
| Cost:income ratio - adjusted (2,3) | 119% | | 65% | 147% | nm |

| | 31 December 2014 | | | | |
|---|----------------------------|------------------------------|---------------------------|------------|---------------------------|
| | | | Allocated to | | |
| | Previously reported £bn | Reporting changes (1) £bn | Commercial Banking £bn | CIB £bn | Capital Resolution £bn |
| Capital and balance sheet | | | | | |
| Loans and advances to customers (gross) | 73.0 | - | 4.4 | 26.5 | 42.1 |
| Loan impairment provisions | (0.2) | - | - | - | (0.2) |
| Net loans and advances to customers | 72.8 | - | 4.4 | 26.5 | 41.9 |
| Funded assets | 241.1 | 7.2 | 10.9 | 137.7 | 99.7 |
| Risk elements in lending | 0.2 | - | - | - | 0.2 |
| Customer deposits (excluding repos) | 59.4 | - | 12.4 | 11.8 | 35.2 |
| Loan:deposit ratio (excluding repos) | 122% | - | 35% | 226% | 119% |
| Provision coverage (4) | 105% | - | - | - | 96% |
| Risk-weighted assets | 107.1 | 3.8 | 2.0 | 41.9 | 67.0 |

Notes:

- (1) Refer to page 2 for further details.
(2) Excluding own credit adjustments.
(3) Excluding restructuring costs and litigation and conduct costs.
(4) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

| | Year end 31 December 2014 | | | | |
|---|---------------------------|-----------------------------|--------------------------|-----------|--------------------------|
| | Previously reported £m | Reporting changes (1) £m | Allocated to | | |
| | | | Commercial Banking £m | CIB £m | Capital Resolution £m |
| Income statement | | | | | |
| Net interest income | 817 | - | 111 | (11) | 717 |
| Non-interest income | 3,132 | - | 212 | 1,951 | 969 |
| Own credit adjustments | - | (23) | - | (9) | (14) |
| Total income | 3,949 | (23) | 323 | 1,931 | 1,672 |
| Direct expenses | | | | | |
| - staff | (729) | - | (6) | (446) | (277) |
| - other | (400) | - | (2) | (190) | (208) |
| Indirect expenses | (2,432) | - | (173) | (1,080) | (1,179) |
| Restructuring costs | | | | | |
| - direct | (93) | - | - | (13) | (80) |
| - indirect | (202) | - | (15) | (89) | (98) |
| Litigation and conduct costs | (994) | - | - | (832) | (162) |
| Write-down of goodwill | - | (130) | - | - | (130) |
| Operating expenses | (4,850) | (130) | (196) | (2,650) | (2,134) |
| Operating (loss)/profit before impairment releases/(losses) | (901) | (153) | 127 | (719) | (462) |
| Impairment releases/(losses) | 9 | - | (1) | 9 | 1 |
| Operating (loss)/profit | (892) | (153) | 126 | (710) | (461) |
| Memo: | | | | | |
| Total income - adjusted (2) | 3,949 | - | 323 | 1,940 | 1,686 |
| Operating expenses - adjusted (3) | (3,561) | - | (181) | (1,716) | (1,664) |
| Operating profit - adjusted (2,3) | 397 | - | 141 | 233 | 23 |
| Key metrics | | | | | |
| Net interest margin | nm | | - | (0.07%) | 1.05% |
| Net interest margin excluding central IEAs | 0.99% | | 5.92% | (0.06%) | 1.16% |
| Cost:income ratio | 123% | | 61% | 137% | nm |
| Cost:income ratio - adjusted (2,3) | 90% | | 56% | 88% | nm |

| | 31 December 2014 | | | | |
|---|----------------------------|------------------------------|---------------------------|------------|---------------------------|
| | Previously reported £bn | Reporting changes (1) £bn | Allocated to | | |
| | | | Commercial Banking £bn | CIB £bn | Capital Resolution £bn |
| Capital and balance sheet | | | | | |
| Loans and advances to customers (gross) | 73.0 | - | 4.4 | 26.5 | 42.1 |
| Loan impairment provisions | (0.2) | - | - | - | (0.2) |
| Net loans and advances to customers | 72.8 | - | 4.4 | 26.5 | 41.9 |
| Funded assets | 241.1 | 7.2 | 10.9 | 137.7 | 99.7 |
| Risk elements in lending | 0.2 | - | - | - | 0.2 |
| Customer deposits (excluding repos) | 59.4 | - | 12.4 | 11.8 | 35.2 |
| Loan:deposit ratio (excluding repos) | 122% | - | 35% | 226% | 119% |
| Provision coverage (4) | 105% | - | - | - | 96% |
| Risk-weighted assets | 107.1 | 3.8 | 2.0 | 41.9 | 67.0 |

Notes:

- (1) Refer to page 2 for further details.
(2) Excluding own credit adjustments.
(3) Excluding restructuring costs and litigation and conduct costs.
(4) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

| Quarter ended 30 September 2015 | | | |
|---|---------------------------|-----------------------------|---------------------------------------|
| | Previously reported £m | Reporting changes (1) £m | Allocated to Capital Resolution £m |
| Income statement | | | |
| Net interest income | (17) | - | (17) |
| Non-interest income | (3) | - | (3) |
| Total income | (20) | - | (20) |
| Direct expenses | | | |
| - staff | (22) | - | (22) |
| - other | (1) | - | (1) |
| Indirect expenses | (15) | - | (15) |
| Restructuring costs | | | |
| - indirect | (4) | - | (4) |
| Operating expenses | (42) | - | (42) |
| Operating loss before impairment releases | (62) | - | (62) |
| Impairment releases | 46 | - | 46 |
| Operating loss | (16) | - | (16) |
| Memo: | | | |
| Operating expenses - adjusted (2) | (38) | - | (38) |
| Operating loss - adjusted (2) | (12) | - | (12) |

| 30 September 2015 | | | |
|---|----------------------------|------------------------------|--|
| | Previously reported £bn | Reporting changes (1) £bn | Allocated to Capital Resolution £bn |
| Capital and balance sheet | | | |
| Loans and advances to customers (gross) | 8.2 | - | 8.2 |
| Loan impairment provisions | (3.9) | - | (3.9) |
| Net loans and advances to customers | 4.3 | - | 4.3 |
| Funded assets | 6.5 | - | 6.5 |
| Risk elements in lending | 5.1 | - | 5.1 |
| Customer deposits (excluding repos) | 0.9 | - | 0.9 |
| Provision coverage (3) | 76% | - | 76% |
| Risk-weighted assets | 12.4 | - | 12.4 |

Notes:

- (1) Refer to page 2 for further details.
(2) Excluding restructuring costs.
(3) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

| Quarter ended 31 December 2014 | | | |
|---|---------------------------|-----------------------------|---------------------------------------|
| | Previously reported £m | Reporting changes (1) £m | Allocated to Capital Resolution £m |
| Income statement | | | |
| Net interest income | (23) | - | (23) |
| Non-interest income | (162) | - | (162) |
| Total income | (185) | - | (185) |
| Direct expenses | | | |
| - staff | (41) | - | (41) |
| - other | (29) | - | (29) |
| Indirect expenses | (25) | - | (25) |
| Restructuring costs | | | |
| - indirect | (3) | - | (3) |
| Operating expenses | (98) | - | (98) |
| Operating loss before impairment releases | (283) | - | (283) |
| Impairment releases | 681 | - | 681 |
| Operating profit | 398 | - | 398 |
| Memo: | | | |
| Operating expenses - adjusted (2) | (95) | - | (95) |
| Operating profit - adjusted (2) | 401 | - | 401 |

| 31 December 2014 | | | |
|---|----------------------------|------------------------------|--|
| | Previously reported £bn | Reporting changes (1) £bn | Allocated to Capital Resolution £bn |
| Capital and balance sheet | | | |
| Loans and advances to customers (gross) | 21.9 | - | 21.9 |
| Loan impairment provisions | (10.9) | - | (10.9) |
| Net loans and advances to customers | 11.0 | - | 11.0 |
| Funded assets | 14.9 | - | 14.9 |
| Risk elements in lending | 15.4 | - | 15.4 |
| Customer deposits (excluding repos) | 1.2 | - | 1.2 |
| Provision coverage (3) | 71% | - | 71% |
| Risk-weighted assets | 22.0 | - | 22.0 |

Notes:

- (1) Refer to page 2 for further details.
(2) Excluding restructuring costs.
(3) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

| | Year ended 31 December 2014 | | |
|---|-----------------------------|-----------------------------|---------------------------------------|
| | Previously reported £m | Reporting changes (1) £m | Allocated to Capital Resolution £m |
| Income statement | | | |
| Net interest income | (47) | - | (47) |
| Non-interest income | 92 | - | 92 |
| Own credit adjustments | - | (22) | (22) |
| Total income | 45 | (22) | 23 |
| Direct expenses | | | |
| - staff | (167) | - | (167) |
| - other | (85) | - | (85) |
| Indirect expenses | (104) | - | (104) |
| Restructuring costs | | | |
| - indirect | (7) | - | (7) |
| Operating expenses | (363) | - | (363) |
| Operating loss before impairment releases | (318) | (22) | (340) |
| Impairment releases | 1,306 | - | 1,306 |
| Operating profit | 988 | (22) | 966 |
| Memo: | | | |
| Total income - adjusted (2) | 45 | - | 45 |
| Operating expenses - adjusted (3) | (356) | - | (356) |
| Operating profit - adjusted (2,3) | 995 | - | 995 |

| | 31 December 2014 | | |
|---|----------------------------|------------------------------|--|
| | Previously reported £bn | Reporting changes (1) £bn | Allocated to Capital Resolution £bn |
| Capital and balance sheet | | | |
| Loans and advances to customers (gross) | 21.9 | - | 21.9 |
| Loan impairment provisions | (10.9) | - | (10.9) |
| Net loans and advances to customers | 11.0 | - | 11.0 |
| Funded assets | 14.9 | - | 14.9 |
| Risk elements in lending | 15.4 | - | 15.4 |
| Customer deposits (excluding repos) | 1.2 | - | 1.2 |
| Provision coverage (4) | 71% | - | 71% |
| Risk-weighted assets | 22.0 | - | 22.0 |

Notes:

- (1) Refer to page 2 for further details.
(2) Excluding own credit adjustments.
(3) Excluding restructuring costs.
(4) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

Central items & other

Income statement

| | Previously reported £m | Pension accounting policy impact £m | Impact of revised treasury allocations £m | Re-presentation of one-off and other items (1) £m | Allocated to | |
|--|------------------------------|--|---|--|------------------|-----------------------------|
| | | | | | Centre (2) £m | Capital Resolution £m |
| Quarter ended 30 September 2015 | | | | | | |
| Central items not allocated | (285) | (16) | (10) | 20 | (317) | 26 |
| Quarter ended 31 December 2014 | | | | | | |
| Central items not allocated | (620) | | (6) | (50) | (703) | 27 |
| Year ended 31 December 2014 | | | | | | |
| Central items not allocated | (860) | | (33) | 86 | (904) | 97 |

Balance sheet

| | Previously reported £bn | Pension accounting policy impact £bn | Impact of revised treasury allocations £bn | Allocated to | |
|--|-------------------------------|---|--|-------------------|------------------------------|
| | | | | Centre (2) £bn | Capital Resolution £bn |
| As at 30 September 2015 | | | | | |
| Central items not allocated - risk-weighted assets | 87.7 | | (8.7) | 72.1 | 6.9 |
| Central items not allocated - funded assets | 116.9 | 0.4 | (89.5) | 26.7 | 1.1 |
| As at 31 December 2014 | | | | | |
| Central items not allocated - risk-weighted assets | 84.7 | | (9.8) | 68.8 | 6.1 |
| Central items not allocated - funded assets | 169.2 | 0.3 | (83.1) | 85.4 | 1.0 |

Notes:

- (1) Refer to page 2 for further details.
 (2) Centre includes unallocated costs.