ROYAL BANK OF SCOTLAND GROUP PLC
Form 6-K
November 12, 2015

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16 of

the Securities Exchange Act of 1934

12 November 2015

Form 6-K

The Royal Bank of Scotland Group plc

Gogarburn

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Scotland

United Kingdom

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F X Form 40-F __

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):__

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):__

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes __ No X

If "Yes" is marked, indicate below the file number assigned to

the registrant in connection with Rule 12g3-2(b): 82-______

This report on Form 6-K shall be deemed incorporated by reference into the company's Registration Statement on Form F-3 (File Nos. 333-184147 and 333-184147-01) and to be a part thereof from the date which it was filed, to the extent not superseded by documents or reports subsequently filed or furnished.

The Royal Bank of Scotland Group plc

Contents

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’, ‘believe’, ‘should’, ‘intend’, ‘plan’, ‘could’, ‘probability’, ‘risk’, ‘Value-at-Risk (VaR)’, ‘target’, ‘goal’, ‘objective’, ‘may’, ‘endeavour’, ‘outlook’, ‘optimistic’, ‘prospects’ and similar expressions or variations on these expressions.

In particular, this document includes forward-looking statements relating, but not limited to: The Royal Bank of Scotland Group plc’s (RBS) transformation plan (which includes RBS’s 2013/2014 strategic plan relating to the implementation of its new divisional and functional structure and the continuation of its balance sheet reduction programme including its proposed divestments of CFG and Williams & Glyn, RBS’s information technology and operational investment plan, the proposed restructuring of RBS’s CIB business and the restructuring of RBS as a result of the implementation of the regulatory ring-fencing regime, together the “Transformation Plan”), as well as restructuring, capital and strategic plans, divestments, capitalisation, portfolios, net interest margin, capital and leverage ratios, liquidity, risk-weighted assets (RWAs), RWA equivalents (RWAe), return on equity (ROE), profitability, cost:income ratios, loan:deposit ratios, AT1 and other capital raising plans, funding and risk profile; litigation, government and regulatory investigations including investigations relating to the setting of interest rates and foreign exchange trading and rate setting activities; costs or exposures borne by RBS arising out of the origination or sale of mortgages or mortgage-backed securities in the US; investigations relating to business conduct and the costs of resulting customers redress and legal proceedings; RBS’s future financial performance; the level and extent of future impairments and write-downs; and RBS’s exposure to political risks, credit rating risk and to various types of market risks, such as interest rate risk, foreign exchange rate risk and commodity and equity price risk. These statements are based on current plans, estimates, targets and projections, and are subject to inherent risks, uncertainties and other factors which could cause actual results to differ materially from the future results expressed or implied by such forward-looking statements. For example, certain market risk and other disclosures are dependent on choices relying on key model characteristics and assumptions and are subject to various limitations. By their nature, certain of the market risk disclosures are only estimates and, as a result, actual future gains and losses could differ materially from those that have been estimated.

Other factors that could adversely affect our results and the accuracy of forward-looking statements in this document include the risk factors and other uncertainties discussed in RBS’s 2014 Annual Report on Form 20-F and this document. These include the significant risks for RBS presented by the execution of the Transformation Plan; RBS’s ability to successfully implement the various initiatives that are comprised in the Transformation Plan, particularly the balance sheet reduction programme including the divestment of Williams & Glyn and its remaining stake in CFG, the proposed restructuring of its CIB business and the significant restructuring undertaken by RBS as a result of the implementation of the ring fence; whether RBS will emerge from implementing the Transformation Plan as a viable, competitive, customer focused and profitable bank; RBS’s ability to achieve its capital targets which depend on RBS’s success in reducing the size of its business; the cost and complexity of the implementation of the ring-fence and the extent to which it will have a material adverse effect on RBS; the risk of failure to realise the benefit of RBS’s substantial investments in its information technology and operational infrastructure and systems, the significant changes, complexity and costs relating to the implementation of the Transformation Plan, the risks of lower revenues resulting from lower customer retention and revenue generation as RBS refocuses on the UK as well as increasing competition. In addition, there are other risks and uncertainties. These include RBS's ability to attract and retain qualified personnel; uncertainties regarding the outcomes of legal, regulatory and governmental actions and investigations that RBS is subject to (including active civil and criminal investigations) and any resulting material adverse effect on RBS of unfavourable outcomes; heightened regulatory and governmental scrutiny and the increasingly regulated environment in which RBS operates; uncertainty relating to the referendum on the UK's membership of the EU and the consequences arising from it; operational risks that are inherent in RBS's business and that could increase as RBS implements its Transformation Plan; the potential negative impact on RBS's business of actual or perceived global economic and financial market conditions and other global risks; how RBS will be increasingly impacted by UK developments as its operations become gradually more focused on the UK; uncertainties regarding RBS exposure to any weakening of economies within the EU and renewed threat of default or exit by certain countries in the Eurozone; the risks resulting from RBS implementing the State Aid restructuring plan including with respect to the disposal of certain assets and businesses as announced or required as part of the State Aid restructuring plan; the achievement of capital and costs reduction targets; ineffective management of capital or changes to regulatory requirements relating to capital adequacy and liquidity; the ability to access sufficient sources of capital, liquidity and funding when required; deteriorations in borrower and counterparty credit quality; the extent of future write-downs and impairment charges caused by depressed asset valuations; the value and effectiveness of any credit protection purchased by RBS; the impact of unanticipated turbulence in interest rates, yield curves, foreign currency exchange rates, credit spreads, bond prices, commodity prices, equity prices; basis, volatility and correlation risks; changes in the credit ratings of RBS; changes to the valuation of financial instruments recorded at fair value; competition and consolidation in the banking sector; regulatory or legal changes (including those requiring any restructuring of RBS's operations); changes to the monetary and interest rate policies of central banks and other governmental and regulatory bodies and continued prolonged periods of low interest rates; changes in UK and foreign laws, regulations, accounting standards and taxes; impairments of goodwill; the high dependence of RBS's operations on its information technology systems and its increasing exposure to cyber security threats; the reputational risks inherent in RBS's operations; the risk that RBS may suffer losses due to employee misconduct; pension fund shortfalls; the recoverability of deferred tax assets; HM Treasury exercising influence over the operations of RBS; limitations on, or additional requirements imposed on, RBS's activities as a result of HM Treasury's investment in RBS; and the success of RBS in managing the risks involved in the foregoing.

The forward-looking statements contained in this document speak only as of the date of this announcement, and RBS does not undertake to update any forward-looking statement to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

The information, statements and opinions contained in this document do not constitute a public offer under any applicable legislation or an offer to sell or solicitation of any offer to buy any securities or financial instruments or any advice or recommendation with respect to such securities or other financial instruments.

Presentation of information

Non-GAAP financial information

The directors manage RBS's performance by class of business, before certain reconciling items, as is presented in the segment performance on pages 21 to 25 (the "non-statutory basis"). The following are reported as reconciling items: own credit adjustments, gain/(loss) on redemption of own debt, write-down of goodwill and strategic disposals. RFS Holdings minority interest was a reconciling item for the periods ended 30 September 2014.

Discussion of RBS's performance in this report presents RBS's results on a non-statutory basis as management believes that such measures allow a more meaningful analysis of RBS's financial condition and the results of its operations. These measures are non-GAAP financial measures. A body of generally accepted accounting principles such as IFRS is commonly referred to as 'GAAP'. A non-GAAP financial measure is defined as one that measures historical or future financial performance, financial position or cash flows but which excludes or includes amounts that would not be so adjusted in the most comparable GAAP measure. Reconciliations of these non-GAAP measures to the closest equivalent GAAP measure are presented throughout this document and in the segment performance on pages 21 to 25. These non-GAAP financial measures are not a substitute for GAAP measures.

The presentation of Personal & Business Banking ("PBB") which combines the reportable segments of UK Personal & Business Banking and Ulster Bank and the presentation of Commercial and Private Banking ("CPB") which combines the reportable segments of Commercial Banking and Private Banking are non-GAAP financial measures. In addition the presentation of operating profit, operating expenses and other performance measures excluding the impact of restructuring costs and litigation and conduct costs is a non-GAAP financial measure and is not a substitute for the equivalent GAAP measure.

RBS is committed to becoming a leaner, less volatile business based around its core franchises of PBB and CPB. A number of initiatives have been announced which include, but are not limited to, the following:

- the restructuring of Corporate & Institutional Banking (CIB) into "CIB Go-forward" and "CIB Capital Resolution" elements. The split is subject to further refinement, and reference to these businesses are non-GAAP measures as CIB remains a single reportable segment.
- the sale of the "International Private Banking" business which has been reclassified to disposal groups (the retained business "Private Banking UK" is within the Go-forward Bank). References to these businesses are non-GAAP measures as Private Banking remains a single reportable segment.
- the exit of Williams & Glyn which is mainly included within UK PBB and is presented on a carve out basis using management analysis and does not reflect the cost base, funding and capital profile of a

standalone bank. References to this business are non-GAAP measures as UK PBB remains a single reportable segment see appendix 2 for more information.

In addition the following are also included within the Exit Bank

- the divestment of the remaining stake in Citizens Financial Group, now classified as an associated undertaking within Central items
- the continued run down of RCR which is a reportable segment

Significant progress towards these exits is expected in 2015. This document contains some information to illustrate the impact on certain key performance measures of these initiatives by showing the future profile of the bank (the ‘Go-forward Bank’ (UK PBB excluding W&G, Ulster Bank, Commercial Banking, CIB Go-forward and Private Banking Go-forward)) and the segments, businesses and portfolios which it intends to exit (the ‘Exit-Bank’(CIB Capital Resolution, W&G, international private banking, Citizens and RCR)). References to these combinations of business are non-GAAP measures.

Presentation of information

This information is presented to illustrate the strategy and its impact on the business and is on a non-statutory basis and should be read in conjunction with the notes attached as well as the section titled “Forward-looking Statements”.

Citizens

On 31 December 2014 Citizens was classified as a disposal group and a discontinued operation: its aggregate assets were presented in Assets of disposal groups and its aggregate liabilities in Liabilities of disposal groups. Prior period results were re-presented. From 3 August 2015, when RBS’s interest fell to 20.9%, Citizens has been accounted for as an associate classified as held for sale. Citizens Financial Group is no longer a reportable segment; the non-statutory operating results and operating segment disclosures for all periods have been restated accordingly.

Recent developments

Citizens Financial Group

On 30 October 2015 RBS announced that it sold its remaining holding of approximately 110 million shares, of Citizens common stock, at a price per share of US$23.38. The sale resulted in an estimated accounting gain on sale (before tax) in Q4 2015 of approximately £100 million.

Following completion of this sale, RBS has fully divested its stake in Citizens and will therefore no longer consolidate it for regulatory reporting purposes.

Visa Europe Shareholding

On 2 November 2015, Visa Inc. announced the proposed acquisition of Visa Europe Limited ("VE") to create a single global payments business under the VISA brand.

RBS is a member and shareholder of VE. RBS's share of the sale proceeds will comprise cash, convertible preferred stock (with conversion contingent), and contingent earn-out consideration which is potentially payable in 2020, subject to performance.

RBS expects to report an initial pre-tax gain of approximately £200 million on completion of the transaction which is currently forecast to occur in the second quarter of 2016.

Condensed consolidated income statement for the period ended 30 September 2015

	Nine months ended		Quarter ended		
	30 September 2015	30 September 2014	**30 September 2015**	30 June 2015	30 September 2014
	£m	£m	**£m**	£m	£m
Interest receivable	**9,070**	9,841	**2,963**	3,031	3,297
Interest payable	**(2,465)**	(2,965)	**(776)**	(816)	(927)
Net interest income	**6,605**	6,876	**2,187**	2,215	2,370
Fees and commissions receivable	**2,838**	3,359	**880**	969	1,116
Fees and commissions payable	**(558)**	(671)	**(195)**	(186)	(196)
Income from trading activities	**1,045**	1,688	**170**	545	238
Gain on redemption of own debt	**-**	20	**-**	-	-
Other operating income	**509**	913	**141**	194	108
Non-interest income	**3,834**	5,309	**996**	1,522	1,266
Total income	**10,439**	12,185	**3,183**	3,737	3,636
Staff costs	**(4,401)**	(4,432)	**(1,546)**	(1,530)	(1,435)
Premises and equipment	**(1,380)**	(1,601)	**(635)**	(326)	(475)
Other administrative expenses	**(3,096)**	(2,569)	**(730)**	(1,027)	(1,212)
Depreciation and amortisation	**(994)**	(727)	**(282)**	(200)	(261)
Write down of goodwill and other intangible assets	**(673)**	(212)	**(67)**	(606)	-
Operating expenses	**(10,544)**	(9,541)	**(3,260)**	(3,689)	(3,383)
(Loss)/profit before impairment releases	**(105)**	2,644	**(77)**	48	253
Impairment releases	**400**	682	**79**	192	847
Operating profit before tax	**295**	3,326	**2**	240	1,100
Tax charge	**(294)**	(869)	**(1)**	(100)	(277)
Profit from continuing operations	**1**	2,457	**1**	140	823
Profit from discontinued operations, net of tax	**1,451**	437	**1,093**	674	117

Profit for the period	**1,452**	2,894		**1,094**	814	940
Non-controlling interests	**(389)**	11		**(45)**	(428)	53
Preference shares	**(223)**	(231)		**(80)**	(73)	(91)
Other owners	**(41)**	(33)		**(17)**	(20)	(6)
Dividend access share	**-**	(320)		**-**	-	-
Profit attributable to ordinary and B shareholders	**799**	2,321		**952**	293	896
Earnings/(loss) per ordinary and equivalent						
B share (EPS) (1)						
Basic EPS from continuing and discontinued operations	**6.9p**	20.5p		**8.2p**	2.5p	7.9p
Basic EPS from continuing operations	**(2.8p)**	16.9p		**(0.9p)**	0.2p	6.9p

Note:

(1) Diluted EPS from continuing operations and from continuing and discontinued operations were less than basic EPS in the nine months ended 30 September 2014 (0.2p) and the quarter ended 30 September 2014 (0.1p). There was no dilution in any other period.

Condensed consolidated balance sheet at 30 September 2015

	30 September 2015	30 June 2015	31 December 2014
	£m	£m	£m
Assets			
Cash and balances at central banks	**77,220**	81,900	74,872
Net loans and advances to banks	**22,681**	20,714	23,027
Reverse repurchase agreements and stock borrowing	**15,255**	20,807	20,708
Loans and advances to banks	**37,936**	41,521	43,735
Net loans and advances to customers	**311,383**	314,993	334,251
Reverse repurchase agreements and stock borrowing	**36,545**	46,799	43,987
Loans and advances to customers	**347,928**	361,792	378,238
Debt securities	**81,307**	77,187	86,649
Equity shares	**2,199**	3,363	5,635
Settlement balances	**9,397**	9,630	4,667
Derivatives	**296,019**	281,857	353,590
Intangible assets	**7,151**	7,198	7,781
Property, plant and equipment	**4,607**	4,874	6,167
Deferred tax	**1,434**	1,479	1,540
Prepayments, accrued income and other assets	**4,928**	4,829	5,878
Assets of disposal groups	**6,300**	89,071	82,011
Total assets	**876,426**	964,701	1,050,763
Liabilities			
Bank deposits	**30,543**	30,978	35,806
Repurchase agreements and stock lending	**12,800**	21,612	24,859
Deposits by banks	**43,343**	52,590	60,665
Customer deposits	**346,267**	342,023	354,288
Repurchase agreements and stock lending	**30,555**	44,750	37,351
Customer accounts	**376,822**	386,773	391,639
Debt securities in issue	**37,360**	41,819	50,280
Settlement balances	**8,401**	7,335	4,503
Short positions	**20,108**	24,561	23,029
Derivatives	**288,905**	273,589	349,805
Accruals, deferred income and other liabilities	**14,324**	13,962	13,346
Retirement benefit liabilities	**1,955**	1,869	2,579
Deferred tax	**376**	363	500

Subordinated liabilities	**20,184**	19,683	22,905
Liabilities of disposal groups	**6,401**	80,388	71,320
Total liabilities	**818,179**	902,932	990,571
Equity			
Non-controlling interests	**703**	5,705	2,946
Owners' equity*			
Called up share capital	**6,984**	6,981	6,877
Reserves	**50,560**	49,083	50,369
Total equity	**58,247**	61,769	60,192
Total liabilities and equity	**876,426**	964,701	1,050,763
* Owners' equity attributable to:			
Ordinary and B shareholders	**51,593**	51,117	52,149
Other equity owners	**5,951**	4,947	5,097
	57,544	56,064	57,246

Highlights

The Royal Bank of Scotland Group (RBS) continues to deliver on its plan to build a stronger, simpler and fairer bank for both customers and shareholders; on track for 2015 targets.

Q3 profit attributable to ordinary and B shareholders was £952 million, up slightly from £896 million in Q3 2014. Restructuring costs remained high at £847 million as the Go-forward Bank transforms, while litigation and conduct costs were £129 million compared with £780 million in Q3 2014.

Profit attributable to ordinary and B shareholders included (in profit from discontinued operations) the gain on loss of control of Citizens (£1,147 million). The principal component of this gain was a reclassification of foreign exchange reserves of £962 million to profit or loss with no effect on RBS's net asset value.

Q3 operating profit before tax was £2 million, down from an operating profit before tax of £1,100 million in Q3 2014. Operating profit excluding restructuring costs of £847 million (Q3 2014 - £167 million) and litigation and conduct costs of £129 million (Q3 2014 £780 million) was £978 million (Q3 2014 £2,047million), after £126 million of losses relating to IFRS volatility, and £77 million of CIB disposal losses.

Total income was £453 million lower than in Q3 2014, principally driven by a £394 million decline in Corporate & Institutional Banking (CIB), reflecting its planned reshaping. Income pressures were also seen in UK Personal & Business Banking (UK PBB) and Commercial Banking where good loan volume growth was offset by continued competitive pressure on asset margins.

Operating expenses of £3,260 were £123 million lower with headcount down and restructuring benefits feeding through to a lower cost base Operating expenses, excluding restructuring costs of £847 million (Q3 2014 - £167 million) and litigation and conduct costs of £129 million (Q3 2014 £780 million), were £152 million lower.

Credit quality remained good, with net impairment releases of £79 million, £768 million lower than the high levels of releases recorded in Q3 2014.

Good progress on 2015 targets

RBS remains well on track to achieve substantially all its priority targets for 2015. The cost savings target for the year has already been exceeded and strong improvements were recorded in the bank's annual employee engagement survey.

Strategy goal	2015 target	Q3 2015 Progress
Strength and sustainability	Reduce risk-weighted assets (RWAs) to <£300 billion	£316 billion, a reduction of £10 billion in the quarter
	RCR exit substantially completed	Funded assets down 83% since initial pool of assets identified
	Citizens deconsolidation	Further sale in August 2015 takes holding to 20.9%; de-consolidated for accounting purposes
	£2 billion AT1 issuance	Successfully priced US$3.15 billion AT1 capital notes (£2 billion equivalent)
Customer experience	Improve NPS in every UK franchise	Year-on-year, significant improvement in NatWest Business Banking, RBS Business Banking and Ulster Bank Personal Banking (NI)
Simplifying the bank	Reduce costs by £800 million(1)	Target exceeded by Q3 2015, target increased to >£900 million
Supporting growth	Lending growth in strategic segments ≥ nominal UK GDP growth	4.6% annualised growth in the first nine months of 2015 in UK PBB and Commercial Banking
Employee engagement	Raise employee engagement index to within 8% of Global Financial Services (GFS) norm	Surpassed employee engagement goal, up six points to within three points of GFS

For the note to this table refer to the following page

Highlights

Building a stronger RBS

RBS is on track with its plan to build a stronger, simpler, fairer bank for customers and shareholders.

Capital strength continued to build with the Common Equity Tier 1 ratio strengthening to 12.7% at 30 September 2015, up 40 basis points from 30 June 2015 and 150 basis points from 31 December 2014. RBS's leverage ratio rose from 4.6% at 30 June 2015 to 5.0% at 30 September 2015, assisted by the successful issue of US$3.15 billion (£2 billion) of Additional Tier 1 capital notes in August 2015.

We continue to develop our technology capabilities to make it simpler for us to serve our customers and for them to do business with us. A new automated account-opening system is being rolled out and will increase the efficiency of our onboarding processes, reducing end-to-end account opening times by 50% for business banking customers and 30% for Commercial Banking customers. Our Pay on Your Mobile (PAYM) capability has been enhanced, with customers now able to both send and receive payments. We continue to simplify our core technology platforms with 245 applications decommissioned year-to-date.

We are seeking to build customer engagement with a market-leading current account that enables customers to receive 3% cash back on their household bills for a monthly account fee of £3. The initial launch of the Reward account to existing private and packaged account holders has attracted around one million customers with the majority of these moving additional direct debits to their RBS and NatWest accounts. We are also extending our stand against teaser rates by offering three year fixed rates on home insurance, breaking with insurance industry practice.

RBS delivered good support for both household and business customers. UK PBB net mortgage lending totalled £3.8 billion in Q3 2015, with a strong applications pipeline and gross lending up 42% from Q3 2014 to £7.4 billion. Our flow market share in Q3 2015 was 12.1% of the UK market, compared with RBS's stock share of 8.5%. Net new lending in Commercial Banking totalled £1.5 billion in the quarter with growth across most of the customer segments. Further support was provided to small businesses with the opening of three new business accelerator hubs in Brighton, Leeds and Bristol in partnership with Entrepreneurial Spark: seven hubs are now open.

Return on equity for RBS on an annualised basis for the first nine months of 2015 was 2.4%. Adjusted return on equity[2,3] in the Go-forward Bank on an annualised basis for the first nine months of 2015 is estimated at 13%. IFRS volatility had a minimal impact on the adjusted return on equity during the first nine months of 2015.

Notes:

(1) Excluding restructuring costs and litigation and conduct costs, write off of intangible assets and operating expenses of Williams & Glyn.

(2) Calculated using operating profit after tax on a non-statutory basis excluding restructuring costs and litigation and conduct costs adjusted for preference share dividends divided by average notional equity (based on 13% of average RWA equivalent (RWAe)).

(3) Provided to illustrate the impact on the RBS ROE of the strategic initiatives announced in February 2015 by showing the ‘Go-forward Bank’ profile which is a non-GAAP measure and should be read in conjunction with the notes attached as well as the section titled “Forward-looking Statements”. See presentation of information on page 3 and appendix 2 for more information.

Highlights

Accelerated run-down of the Exit Bank

RBS has maintained good momentum in the run-down of its Exit Bank, with RWAs[1,2] down by approximately £31 billion since the start of 2015 to £141 billion at 30 September 2015.

RBS Capital Resolution (RCR) total assets have fallen from £29.0 billion at 31 December 2014 to £12.9 billion at 30 September 2015. RCR total assets, excluding derivatives of £6.4 billion have fallen to £6.5 billion at 30 September 2015, down 83% since the initial pool of assets was identified. This leaves it on track to achieve its targeted 85% reduction in funded assets by the end of 2015, a year ahead of schedule. Within CIB RWAs were reduced by £10 billion during Q3 2015. This included reductions in CIB Capital Resolution where good progress was also recorded with RWAs reduced by £6.7 billion to £38.7 billion in Q3 2015 with the reduction since the start of 2015 totalling £25.4 billion.

The sale of a further 109 million shares in August 2015 reduced RBS's stake in Citizens to 20.9%. Following this significant reduction in its voting interest RBS no longer controls Citizens for accounting purposes and ceased to consolidate it, classifying its remaining investment as an associate held for sale. Citizens remains fully consolidated for regulatory capital purposes. RBS continues to target a complete exit by the end of 2015, subject to market conditions.

Williams & Glyn submitted its banking licence application to the UK regulatory authorities in October 2015. RBS continues to work towards its separation in the summer of 2016 and an initial public offering by the end of 2016.

UK Government ownership

On 4 August 2015, HM Treasury sold 630 million RBS ordinary shares, its first sale since its initial investment in 2008. The sale of the 5.4% stake reduced HM Treasury's economic interest in RBS to 72.9%.

On 8 October 2015, HM Treasury gave notice of its intention to convert 51 billion B shares it held into 5.1 billion ordinary shares, a move that helps normalise the ownership structure of RBS. These new ordinary shares have now been admitted to the London Stock Exchange. HM Treasury's economic interest in RBS remains unchanged at 72.9%. The Dividend Access Share (DAS) remains outstanding and may be retired at any time following the payment of dividends amounting to £1,180 million (with interest starting to accrue on this amount from 1 January 2016).

Notes:

(1) Provided to illustrate the impact on the RBS ROE of the strategic initiatives announced in February 2015 by showing the 'Exit Bank' profile which is a non-GAAP measure and should be read in conjunction with the notes attached as well as the section titled "Forward-looking Statements". See presentation of information on page 3 and appendix 2 for more information.
(2) RBS RWAs of £316 billion down by approximately £39.9 billion since the start of 2015.

Highlights

Customer

RBS remains committed to achieving its target of being number one bank for customer service, trust and advocacy by 2020. In recent years, RBS has launched a number of initiatives to make it simpler, fairer and easier to do business with, and it continues to deliver on the commitments that it made to its customers in 2014.

We use independent surveys to measure our customers' experience and track our progress against our goal in each of our markets.

Net promoter score (NPS)

Customers are asked how likely they would be to recommend their bank to a friend or colleague, and respond based on a 0-10 scale with 10 indicating 'extremely likely' and 0 indicating 'not at all likely'. Customers scoring 0 to 6 are termed detractors and customers scoring 9 to 10 are termed promoters. NPS is established by subtracting the proportion of detractors from the proportion of promoters.

The table below lists all of the businesses for which we have a NPS for Q3 2015. Year-on-year, NatWest Business Banking, RBS Business Banking and Ulster Bank (Northern Ireland) Personal Banking have seen significant improvements in NPS.

		Q3 2014	Q2 2015	Q3 2015	Year end 2015 target
Personal Banking	NatWest (England & Wales)(1)	7	8	8	9
	Royal Bank of Scotland (Scotland)(1)	-4	-10	-9	-10
	Ulster Bank (Northern Ireland)(2)	-29	-11	-9	-21
	Ulster Bank (Republic of Ireland)(2)	-19	-14	-15	-15
Business Banking	NatWest (England & Wales)(3)	-13	4	6	-7
	Royal Bank of Scotland (Scotland)(3)	-26	-17	-12	-21

Commercial Banking(4)	10	10	9	15

Customer trust

We also use independent experts to measure our customers' trust in the bank. Each quarter we ask customers to what extent they trust or distrust their bank to do the right thing. The score is a net measure of those customers that trust their bank (a lot or somewhat) minus those that distrust their bank (a lot or somewhat).

Trust in the RBS brand in Q2 2015 was impacted by the IT incident on 17 June 2015, current quarter scores return to pre-incident levels.

		Q3 2014	Q2 2015	Q3 2015	Year end 2015 target
Customer trust(5)	NatWest (England & Wales)(1)	45%	48%	44%	46%
	Royal Bank of Scotland (Scotland)	8%	-2%	11%	11%

Notes:

(1) Source: GfK FRS six month rolling data. Latest base sizes: NatWest (England & Wales) (3392) Royal Bank of Scotland (Scotland) (545). Based on the question: "How likely is it that you would recommend (brand) to a relative, friend or colleague in the next 12 months for current account banking?"

(2) Source: Coyne Research 12 MAT data. Latest base sizes: Ulster Bank NI (305) Question: "Please indicate to what extent you would be likely to recommend (brand) to your friends or family using a scale of 0 to 10 where 0 is not at all likely and 10 is extremely likely"

(3) Source: Charterhouse Research Business Banking Survey, based on interviews with businesses with an annual turnover up to £2 million. Quarterly rolling data. Latest base sizes: NatWest England & Wales (1289), RBS Scotland (429). Weighted by region and turnover to be representative of businesses in England & Wales/Scotland.

(4) Source: Charterhouse Research Business Banking Survey, based on interviews with businesses with annual turnover between £2 million and £1 billion. Latest base size: RBSG Great Britain (878). Weighted by region and turnover to be representative of businesses in Great Britain.

(5) Source: Populus. Latest quarter's data. Measured as a net of those that trust RBS/NatWest to do the right thing, less those that do not. Latest base sizes: NatWest, England & Wales (925), RBS Scotland (214).

Highlights

Outlook

The credit environment is expected to remain relatively benign, with modest underlying impairment charges. Competitive pressure on asset margins is likely to continue, with limited opportunities for offsetting deposit repricing. In addition, non-interest income from fee-related products remains subdued due to modest volume growth, and specific regulatory impacts such as the change in interchange fees in the cards business.

Our estimate of overall restructuring and disposal losses guidance for 2015 to 2019 remains unchanged. In the fourth quarter of 2015, we expect restructuring costs to remain high as we continue to implement our core bank transformation and disposal losses to be elevated within the overall guidance on disposal losses, although the timing and quantum of these losses are subject to market conditions.

Whilst legacy issues continue to be addressed, material further and incremental costs and provisions in respect of conduct and litigation related matters are expected, and could be substantially greater than the aggregate provisions RBS has recognised. The timing and quantum of any future costs, provisions and settlements, however, remain uncertain.

Analysis of results

The following table reconciles non-statutory net interest income (a non-GAAP financial measure) to the statutory basis.

	Nine months ended			Quarter ended		
	30 September	30 September		**30 September**	30 June	30 September
	2015	2014		**2015**	2015	2014
Net interest income	**£m**	£m		**£m**	£m	£m
Net interest income						
- UK Personal & Business Banking	**3,460**	3,474		**1,170**	1,147	1,198
- Ulster Bank	**392**	486		**127**	132	163
- Commercial Banking	**1,673**	1,520		**565**	562	521
- Private Banking	**377**	516		**123**	126	172
- Corporate & Institutional Banking	**518**	595		**142**	174	230
- Central items	**227**	312		**77**	88	109
- RCR	**(42)**	(24)		**(17)**	(14)	(23)
- non-statutory basis	**6,605**	6,879		**2,187**	2,215	2,370
- RFS Holdings minority interest	**-**	(3)		**-**	-	-
	-	-		**-**	-	-
Net interest income - statutory basis	**6,605**	6,876		**2,187**	2,215	2,370
Average interest-earning assets						
- RBS	**415,352**	436,700		**413,670**	417,135	431,697
- UK Personal & Business Banking	**129,422**	127,101		**131,299**	128,569	127,896
- Ulster Bank	**27,621**	28,033		**27,825**	27,404	27,922
- Commercial Banking	**78,559**	74,611		**79,689**	78,880	74,339
- Private Banking	**15,752**	18,669		**15,557**	15,729	18,681
- Corporate & Institutional Banking	**63,634**	83,821		**48,612**	69,437	83,903
- Central items	**85,006**	70,486		**99,418**	82,358	69,706
- RCR	**15,358**	33,979		**11,270**	14,758	29,250
Gross yield on interest-earning assets of banking						
business						