Lloyds Banking Group plc
Form 6-K
August 18, 2010

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934

August 18, 2010

Lloyds Banking Group plc

25 Gresham Street
London EC2V 7HN
United Kingdom
011-44-207-626-1500

(Address and telephone number of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover 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Form F-3 (File No. 333-167844) and to be a part thereof from the date on which this report is filed, to the extent not superseded by documents or reports subsequently filed or furnished.

EXPLANATORY NOTE

This Report on Form 6-K contains the interim report of Lloyds Banking Group plc, which includes the unaudited consolidated interim results for the half year ended June 30, 2010 and is being incorporated by reference into the Registration Statements with File Nos. 333-167844.

BASIS OF PRESENTATION

This report covers the results of Lloyds Banking Group plc (the Company) together with its subsidiaries (the Group) for the half-year ended 30 June 2010.

Statutory basis

Statutory results are set out on pages 74 to 108. However, a number of factors have had a significant effect on the comparability of the Group's financial position and results. As a result, comparison on a statutory basis of the 2010 interim results with 2009 is of limited benefit.

Combined businesses basis

In order to provide more meaningful and relevant comparatives, the results of the Group and divisions are presented on a 'combined businesses' basis. The key principles adopted in the preparation of the combined businesses basis of reporting are described below.

- In order to reflect the impact of the acquisition of HBOS, the following adjustments have been made:
  - the results for the half-year ended 30 June 2009 assume HBOS had been owned throughout the full period;
  - the gain on acquisition of HBOS (in the half-year ended 30 June 2009) and amortisation of purchased intangible assets have been excluded; and
  - the unwind of acquisition-related fair value adjustments is shown as one line in the combined businesses income statement.
- In order to better present the underlying business performance the following items, not related to acquisition accounting, have also been excluded:
  - integration costs;
  - insurance and policyholder interests volatility;
  - the Government Asset Protection Scheme (GAPS) fee paid in December 2009;
  - goodwill impairment; and
  - the curtailment gain in respect of the Group's defined benefit pension schemes.

Unless otherwise stated income statement commentaries throughout this document compare the half-year ended 30 June 2010 to the half-year ended 30 June 2009, and the balance sheet analysis compares the Group balance sheet as at 30 June 2010 to the Group balance sheet as at 31 December 2009.

FORWARD LOOKING STATEMENTS

This announcement contains forward looking statements with respect to the business, strategy and plans of the Lloyds Banking Group, its current goals and expectations relating to its future financial condition and performance. Statements that are not historical facts, including statements about the Group's or the Group's management's beliefs and expectations, are forward looking statements. By their nature, forward looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. The Group's actual future business, strategy, plans and/or results may differ materially from those expressed or implied in these forward looking statements as a result of a variety of risks, uncertainties and other factors, including, without limitation, UK domestic and global economic and business conditions; the ability to derive cost savings and other benefits, as well as the ability to integrate successfully the acquisition of HBOS; the ability to access sufficient funding to meet the Group's liquidity needs; changes to the Group's credit ratings; risks concerning borrower or counterparty credit quality; market related trends and developments; changing demographic trends; changes in customer preferences; changes to regulation, accounting standards or taxation, including changes to regulatory capital or liquidity requirements; the policies and actions of governmental or regulatory authorities in the UK, the European Union, or jurisdictions outside the UK, including other European countries and the US; the ability to attract and retain senior management and other employees; requirements or limitations imposed on the Group as a result of HM Treasury's investment in the Group; the ability to complete satisfactorily the disposal of certain assets as part of the Group's EU state aid obligations; the extent of any future impairment charges or write-downs caused by depressed asset valuations; exposure to regulatory scrutiny, legal proceedings or complaints, actions of competitors and other factors. Please refer to the latest Annual Report on Form 20-F filed with the US Securities and Exchange Commission for a discussion of such factors together with examples of forward looking statements. The forward looking statements contained in this announcement are made as at the date of this announcement, and the Group undertakes no obligation to update any of its forward looking statements.

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LLOYDS BANKING GROUP PLC

SUMMARY OF RESULTS (UNAUDITED)

Results	Half-year to 30 June 2010 £m	Half-year to 30 June 2009 £m	Change since 30 June 2009 %	Half-year to 31 Dec 2009 £m
Statutory (IFRS)				
Total income, net of insurance claims	12,591	9,798	29	13,480
Total operating expenses	(5,811)	(6,464)	10	(9,520)
Trading surplus	6,780	3,334	103	3,960
Impairment	(5,423)	(8,053)	33	(8,620)
Gain on acquisition	–	11,173		–
Profit (loss) before tax	1,296	5,950	(78)	(4,908)
Profit (loss) attributable to equity shareholders	596	7,095		(4,268)
Earnings per share	0.9p	22.0p		(9.9)p
Combined businesses basis (note 1, page 38)				
Total income, net of insurance claims	12,481	11,939	5	12,025
Banking net interest margin	2.08%	1.72%		1.83%
Operating expenses	(5,435)	(5,718)	5	(5,891)
Cost:income ratio	43.5%	47.9%		49.0%
Trading surplus	6,896	6,221	11	6,134
Impairment	(6,554)	(13,399)	51	(10,589)
Profit (loss) before tax	1,603	(3,957)		(2,343)

Capital and balance sheet	As at 30 June 2010	As at 31 Dec 2009
Statutory (IFRS)		
Loans and advances to customers	£612.1bn	£627.0bn
Customer deposits	£420.4bn	£406.7bn
Net assets per ordinary share	68.6p	67.8p
Core tier 1 capital ratio	9.0%	8.1%
Tier 1 capital ratio	10.3%	9.6%
Total capital ratio	13.4%	12.4%
Leverage ratio	18 times	18 times

LLOYDS BANKING GROUP PLC

SEGMENTAL ANALYSIS BY DIVISION (UNAUDITED)
(COMBINED BUSINESSES BASIS)

	Half-year to 30 June 2010 £m	Half-year to 30 June 2009 £m	Half-year to 31 Dec 2009 £m
Retail	2,495	360	1,022
Wholesale	742	(3,208)	(1,495)
Wealth and International	(1,609)	(342)	(2,014)
Insurance	469	397	578
Group Operations and Central items:			
Group Operations	(56)	(55)	(94)
Central items	(438)	(1,109)	(340)
	(494)	(1,164)	(434)
Profit (loss) before tax	1,603	(3,957)	(2,343)

The basis of preparation of the Group's segmental results is set out in note 1 on page 38.

The Group Executive Committee (GEC), which is the chief operating decision maker for the Group, reviews the Group's internal reporting based around these segments (which reflect the Group's organisational and management structures) in order to assess performance and allocate resources; this reporting is on a combined businesses basis, which the GEC feel best represents the underlying performance of the Group. These combined businesses segmental results for 2010 and 2009 are therefore presented in compliance with IFRS 8 Operating Segments. However,the aggregated total of the combined businesses segmental results constitutes a non-GAAP measure as defined in the United States Securities and Exchange Commission's Regulation G and a reconciliation of the aggregated total to the statutory consolidated IFRS income statement is therefore provided in note 1 on page 39.

Statutory profit before tax in the first half of 2010 was 1,296 million, compared to 5,950 million in the first half of 2009 which benefited from the impact of an 11,173 million credit from the gain arising on the HBOS acquisition (negative goodwill). Profit attributable to equity shareholders was 596 million and earnings per share totaled 0.9 pence. To enable meaningful comparisons to be made with prior periods, the income statement commentaries in the following pages are on a combined businesses basis (see 'basis of presentation'). Certain commentaries also exclude the unwind of fair value adjustments.

Management uses the aggregated total of the combined businesses segmental results, a non-GAAP measure, as a measure of performance and believes that it provides important information for investors because it is a comparable representation of the Group's performance. Profit before tax is the comparable GAAP measure to profit before tax on a combined businesses basis; a reconciliation of the Group's statutory consolidated IFRS income statement to its combined businesses income statement is shown in note 1 on page 39. Readers should be aware that the combined businesses basis excludes certain items, as indicated in the tables in note 1, reflected in the Group's statutory consolidated IFRS results and includes certain items, also indicated in the tables in note 1 on page 39, not reflected in the Group's statutory consolidated IFRS results.

LLOYDS BANKING GROUP PLC

COMBINED BUSINESSES CONSOLIDATED INCOME STATEMENT (UNAUDITED)

	Half-year to 30 June 2010 £m	Half-year to 30 June 2009 £m	Half-year to 31 Dec 2009 £m
Net interest income	6,911	6,442	6,284
Other income	5,831	5,791	6,084
Total income	12,742	12,233	12,368
Insurance claims	(261)	(294)	(343)
Total income, net of insurance claims	12,481	11,939	12,025
Costs – Operating expenses	(5,435)	(5,718)	(5,891)
– Impairment of tangible fixed assets	(150)	–	–
	(5,585)	(5,718)	(5,891)
Trading surplus	6,896	6,221	6,134
Impairment	(6,554)	(13,399)	(10,589)
Share of results of joint ventures and associates	(62)	(507)	(260)
Profit (loss) before tax and fair value unwind	280	(7,685)	(4,715)
Fair value unwind	1,323	3,728	2,372
Profit (loss) before tax – combined businesses	1,603	(3,957)	(2,343)

The basis of preparation of the combined businesses income statement is set out on page 38 and is reconciled to the statutory basis on page 39.

RECONCILIATION OF COMBINED BUSINESSES PROFIT (LOSS) BEFORE TAX TO STATUTORY (IFRS) PROFIT (LOSS) BEFORE TAX FOR THE PERIOD (UNAUDITED)

	Half-year to 30 June 2010 £m	Half-year to 30 June 2009 £m	Half-year to 31 Dec 2009 £m
Profit (loss) before tax – combined businesses	1,603	(3,957)	(2,343)
Integration costs	(804)	(358)	(738)
Volatility (note 5, page 45)	(199)	(591)	1,069
Government Asset Protection Scheme (GAPS) fee	–	–	(2,500)
Negative goodwill credit	–	11,173	–
Amortisation of purchased intangibles and goodwill impairment	(323)	(604)	(389)
Curtailment gain (note 4, page 88)	1,019	–	–
Pre-acquisition consolidated losses of HBOS plc	–	280	–
Insurance grossing adjustment	–	7	(7)
Profit (loss) before tax – statutory	1,296	5,950	(4,908)

LLOYDS BANKING GROUP PLC

SEGMENTAL ANALYSIS (UNAUDITED)
(COMBINED BUSINESSES)

Half-year to 30 June 2010	Retail £m	Wholesale £m	Wealth and Int'l £m	Insurance £m	Group Operations and Central items £m	Group £m
Net interest income	4,636	2,147	596	(136)	(332)	6,911
Other income	836	2,215	605	1,320	855	5,831
Total income	5,472	4,362	1,201	1,184	523	12,742
Insurance claims	–	–	–	(261)	–	(261)
Total income, net of insurance claims	5,472	4,362	1,201	923	523	12,481
Costs:						
Operating expenses	(2,233)	(1,882)	(744)	(423)	(153)	(5,435)
Impairment of tangible fixed assets	–	(150)	–	–	–	(150)
	(2,233)	(2,032)	(744)	(423)	(153)	(5,585)
Trading surplus	3,239	2,330	457	500	370	6,896
Impairment	(1,335)	(2,991)	(2,228)	–	–	(6,554)
Share of results of joint ventures and associates	8	(60)	(2)	(10)	2	(62)
Profit (loss) before tax and fair value unwind	1,912	(721)	(1,773)	490	372	280
Fair value unwind(1)	583	1,463	164	(21)	(866)	1,323
Profit (loss) before tax	2,495	742	(1,609)	469	(494)	1,603
Banking net interest margin(2)	2.44%	1.85%	1.65%			2.08%
Cost:income ratio(3)	40.8%	43.1%	61.9%	45.8%		43.5%
Impairment as a % of average advances (annualised)(4)	0.72%	2.85%	6.56%			2.01%

Key balance sheet and other items As at 30 June 2010	£bn	£bn	£bn	£bn	£bn	£bn
Loans and advances to customers(5)	368.0	186.0	57.6		0.5	612.1
Customer deposits(5)	230.7	159.2	30.3		0.2	420.4
Risk-weighted assets	106.8	280.7	59.3	1.7	14.7	463.2

(1)

The net credit in the first half of 2010 of £1,323 million is mainly attributable to a reduction in the impairment charge of £1,131 million and an increase in other income of £413 million, as losses reflected in the acquisition balance sheet valuations of the lending and securities portfolios have been incurred, together with other hedging adjustments. This has been partly offset by a charge to net interest income of £183 million. The impact of the fair value unwind on net interest income is lower than previous periods because the liability management exercises undertaken by the Group have had the effect of crystallising a proportion of the gains reflected in the opening balance sheet valuation of HBOS's own debt; there has also been a benefit from revised expectations of future impairment losses likely to emerge from certain retail lending portfolios.

(2) The calculation basis for banking net interest margins is set out in note 2 on page 41.

(3) Operating expenses divided by total income net of insurance claims.

(4) Impairment on loans and advances to customers divided by average loans and advances to customers, excluding reverse repo transactions, gross of allowance for impairment losses.

(5) Statutory basis.

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SEGMENTAL ANALYSIS (UNAUDITED) (continued)

Half-year to 30 June 2009	Retail £m	Wholesale £m	Wealth and Int'l £m	Insurance £m	Group Operations and Central items £m	Group £m
Net interest income	3,735	2,495	597	(158)	(227)	6,442
Other income	894	2,154	554	1,479	710	5,791
Total income	4,629	4,649	1,151	1,321	483	12,233
Insurance claims	–	–	–	(294)	–	(294)
Total income, net of insurance claims	4,629	4,649	1,151	1,027	483	11,939
Operating expenses	(2,356)	(1,951)	(769)	(496)	(146)	(5,718)
Trading surplus	2,273	2,698	382	531	337	6,221
Impairment	(2,192)	(9,738)	(1,469)	–	–	(13,399)
Share of results of joint ventures and associates	(8)	(485)	(11)	(8)	5	(507)
Profit (loss) before tax and fair value unwind	73	(7,525)	(1,098)	523	342	(7,685)
Fair value unwind	287	4,317	756	(126)	(1,506)	3,728
Profit (loss) before tax	360	(3,208)	(342)	397	(1,164)	(3,957)
Banking net interest margin	1.86%	1.52%	1.82%			1.72%
Cost:income ratio	50.9%	42.0%	66.8%	48.3%		47.9%
Impairment as a % of average advances (annualised)	1.15%	6.87%	4.55%			3.47%

Key balance sheet and other items						
As at 30 June 2009	£bn	£bn	£bn	£bn	£bn	£bn
Loans and advances to customers	376.7	216.4	58.6		0.9	652.6
Customer deposits	218.5	180.9	29.7		–	429.1
Risk-weighted assets	131.3	287.9	57.9	1.4	4.0	482.5

LLOYDS BANKING GROUP PLC

SEGMENTAL ANALYSIS (UNAUDITED) (continued)

Half-year to 31 December 2009	Retail £m	Wholesale £m	Wealth and Int'l £m	Insurance £m	Group Operations and Central items £m	Group £m
Net interest income	4,235	2,215	620	(129)	(657)	6,284
Other income	910	2,045	574	1,465	1,090	6,084
Total income	5,145	4,260	1,194	1,336	433	12,368
Insurance claims	–	–	–	(343)	–	(343)
Total income, net of insurance claims	5,145	4,260	1,194	993	433	12,025
Operating expenses	(2,210)	(2,155)	(775)	(478)	(273)	(5,891)
Trading surplus	2,935	2,105	419	515	160	6,134
Impairment	(2,035)	(5,945)	(2,609)	–	–	(10,589)
Share of results of joint ventures and associates	2	(235)	(10)	(14)	(3)	(260)
Profit (loss) before tax and fair value unwind	902	(4,075)	(2,200)	501	157	(4,715)
Fair value unwind	120	2,580	186	77	(591)	2,372
Profit (loss) before tax	1,022	(1,495)	(2,014)	578	(434)	(2,343)
Banking net interest margin	2.08%	1.52%	1.61%			1.83%
Cost:income ratio	43.0%	50.6%	64.9%	48.1%		49.0%
Impairment as a % of average advances (annualised)	1.07%	4.92%	7.40%			3.02%

Key balance sheet and other items						
As at 31 December 2009	£bn	£bn	£bn	£bn	£bn	£bn
Loans and advances to customers	371.1	191.8	63.5		0.6	627.0
Customer deposits	224.1	153.4	29.0		0.2	406.7
Risk-weighted assets	128.6	286.0	63.2	1.1	14.4	493.3

LLOYDS BANKING GROUP PLC

GROUP PERFORMANCE (UNAUDITED)
(COMBINED BUSINESSES)

	Half-year to 30 June 2010 £m	Half-year to 30 June 2009 £m	Change since 30 June 2009 %	Half-year to 31 Dec 2009 £m
Net interest income	6,911	6,442	8	6,284
Other income	5,831	5,791	1	6,084
Total income	12,742	12,233	4	12,368
Insurance claims	(261)	(294)	11	(343)
Total income, net of insurance claims	12,481	11,939	5	12,025
Costs:				
Operating expenses	(5,435)	(5,718)	5	(5,891)
Impairment of tangible fixed assets	(150)	–		–
Total operating expenses	(5,585)	(5,718)	2	(5,891)
Trading surplus	6,896	6,221	11	6,134
Impairment	(6,554)	(13,399)	51	(10,589)
Share of results of joint ventures and associates	(62)	(507)		(260)
Profit (loss) before tax and fair value unwind	280	(7,685)		(4,715)
Fair value unwind	1,323	3,728		2,372
Profit (loss) before tax	1,603	(3,957)		(2,343)

The basis of preparation of the combined businesses income statement is set out on page 38 and is reconciled to the statutory basis on page 39.

Profit before tax for the half-year to 30 June 2010 was £1,603 million compared to a loss for the half-year to 30 June 2009 of £3,957 million.

Profit before tax and fair value unwind was £280 million for the half-year to 30 June 2010 compared to a loss of £7,685 million for the half-year to 30 June 2009.

Total income, net of insurance claims, was 5 per cent higher at £12,481 million which included a gain of £423 million as a result of the Group's liability management exercises (note 3, page 87) (first half of 2009: £745 million). Excluding the impact of liability management transactions income was 8 per cent higher.

The growth in total income, net of insurance claims, arose primarily in Retail, which recorded a 24 per cent increase in net interest income as a result of continued migration of mortgage business onto standard variable rate products and higher new business margins as assets are priced to more appropriately reflect risk, particularly in the mortgage portfolio. Whilst lending markets have remained generally subdued throughout the industry, the Group has maintained a 23 per cent share of gross mortgage lending. Unsecured lending balances were lower, principally reflecting lower customer demand. During the first half of 2010, we have continued to build our current account and savings customer franchises in what remains a competitive market for customer deposits.

In Wholesale, total income decreased by 6 per cent driven by a decrease in net interest income reflecting lower interest-earning asset balances, following the disposal of debt securities and available-for-sale assets, and reduced interest earnings in Treasury and Trading.

In Wealth and International, total income increased by 4 per cent reflecting the positive impact in the Wealth businesses of higher global stock markets and, in International, favourable foreign exchange movements. This was partly offset by lower net interest margins which reflected the impact of higher impaired loan balances and lower deposit margins. There was also a small benefit from the gains on completion of the sales of Employee Equity Solutions and Bank of Scotland Portfolio Management Service.

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GROUP PERFORMANCE (UNAUDITED) (continued)

New business sales in our life, pensions and investments businesses decreased by 14 per cent, largely reflecting the withdrawal of certain HBOS legacy products with lower returns, partially offset by higher sales of Open Ended Investment Companies (OEICs) and higher margin protection products. However, as a result of the continuing repositioning of the product set, integration activities, and higher returns from retirement income products in the first half of 2010, UK new business profit increased by £53 million to £132 million.

Within Central items total income increased by £48 million to £544 million. This reflects a £192 million increase in the fair value of the embedded derivatives within the Group's Enhanced Capital Notes and a £185 million increase in the fair value of other derivatives which cannot be mitigated through hedge accounting, partially offset by a decrease of £322 million in gains on liability management transactions.

Group net interest income increased by £469 million, or 7 per cent, to £6,911 million. The net interest margin from our banking businesses was 36 basis points higher at 2.08 per cent, as higher asset pricing and compression of the spread between base rate and LIBOR more than offset the impact of lower deposit margins, due to the continued low base rate and ongoing competition for customer balances.

Other income, net of insurance claims, increased by £73 million, or 1 per cent, to £5,570 million, largely reflecting higher income from Wholesale, driven by gains on asset sales and recoveries in the values of private equity portfolios, and a favourable movement in mark-to-market values on derivatives that cannot be mitigated through hedge accounting (within Central items) partially offset by lower gains on liability management transactions and by lower income in Retail driven by lower gross lending volumes and overdraft fee income. The Insurance results include a charge to income of £70 million due to the decision to withdraw from writing new payment protection insurance business.

During the first half of 2010, operating expenses decreased by 5 per cent to £5,435 million, as integration related savings were captured, together with lower levels of operating lease depreciation. After investment, ongoing business-as-usual expenses were held within inflationary levels. The Group's cost:income ratio also saw further improvement to 43.5 per cent (45.1 per cent excluding gains from liability management transactions).

Impairment losses of £6,554 million in the first half of 2010 are 51 per cent lower than the £13,399 million charge in the first half of 2009 and 38 per cent lower than the £10,589 million charge in the second half of 2009. Although the reductions are largely driven by Wholesale, all divisions (and, importantly, within the Wealth and International division, our Irish business) are showing improving trends in 2010.

In Retail, impairment losses decreased by £857 million, or 39 per cent, to £1,335 million, particularly reflecting stabilising house prices and the benefit of continued low interest rates. Impairment losses as a percentage of average loans and advances to customers improved to 0.72 per cent in the first half of 2010 compared to 1.15 per cent in the first half of 2009. Secured impairment losses reduced to £53 million while unsecured impairment losses reduced to £1,282 million. As house prices have recovered the proportion of the mortgage portfolio with an indexed loan-to-value of greater than 100 per cent has decreased and now accounts for 9.5 per cent (31 December 2009: 13.0 per cent). The value of the portfolio with an indexed loan-to-value greater than 100 per cent and more than three months in arrears has fallen nearly £1.5 billion and is now £2.5 billion, representing 0.7 per cent of the portfolio, down from 1.1 per cent in the first half of 2009. The number of mortgage customers new to arrears has also stabilised in the last twelve months, and is below the peak experienced in the second half of 2008.