

Lloyds Banking Group plc
Form 6-K
August 16, 2012

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

16 August 2012

LLOYDS BANKING GROUP plc

(Translation of registrant's name into English)

25 Gresham Street
London
EC2V 7HN
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 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.
333-167844 and 333-167844-01) 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superseded by documents or reports subsequently filed or furnished.

Lloyds Banking Group plc

Lloyds Banking Group plc hereby incorporates by reference the following exhibit to this report on Form 6-K into its Registration Statement on Form F-3 (File Nos. 333-167844 and 333-167844-01):

| Exhibit | Document |
|---------|--|
| 1 | Statement of Computation of Ratio of Earnings to Fixed Charges and Ratio of Earnings to Combined Fixed Charges and Preference Dividends. |

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

LLOYDS BANKING GROUP plc
(Registrant)

16 August 2012

By: /s/ G Culmer
Name: G Culmer
Title: Group Finance Director
Lloyds Banking Group
plc

Exhibit 1

Ratio of earnings to fixed charges

The table below shows the ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preference dividends:

| Earnings (1) | Six months ended 30 June 2012 | 31 Dec 2011 | Year ended | | | |
|--|----------------------------------|----------------|----------------|----------------|-------------------|-------------------|
| | | | 31 Dec 2010 | 31 Dec 2009 | 31 Dec 2008(2) | 31 Dec 2007(2) |
| | £m | £m | £m | £m | £m | £m |
| Profit (loss) before tax | (439) | (342) | (2,919) | 1,042 | 760 | 3,999 |
| Remove: Share of losses / (profits) from joint ventures and associates | (13) | (31) | 88 | 752 | (4) | (10) |
| Add: Dividends received from joint ventures and associates | 1 | 6 | 1 | 21 | 2 | 2 |
| Add: Fixed charges | 8,344 | 14,221 | 17,173 | 19,866 | 10,352 | 11,208 |
| Earnings | 7,893 | 13,854 | 14,343 | 21,681 | 11,110 | 15,199 |
| Fixed charges | | | | | | |
| Interest expensed and capitalised (3) | 8,291 | 14,097 | 17,034 | 19,730 | 10,277 | 11,138 |
| Estimated interest included within rental expense (4) | 53 | 124 | 139 | 136 | 75 | 70 |
| Fixed charges | 8,344 | 14,221 | 17,173 | 19,866 | 10,352 | 11,208 |
| Preference dividends (5) | - | - | - | - | - | - |
| Combined fixed charges and preference dividends | 8,344 | 14,221 | 17,173 | 19,866 | 10,352 | 11,208 |
| Ratios | | | | | | |
| Ratio of earnings to fixed charges | N/A | N/A | N/A | 1.09 | 1.07 | 1.36 |
| Ratio of earnings to combined fixed charges and preference dividends | N/A | N/A | N/A | 1.09 | 1.07 | 1.36 |

In the six months ended 30 June 2012 earnings were inadequate to cover fixed charges by £451 million and to cover combined fixed charges and preference dividends by £451 million.

In the year ended 31 December 2011 earnings were inadequate to cover fixed charges by £367 million and to cover combined fixed charges and preference dividends by £367 million.

In the year ended 31 December 2010 earnings were inadequate to cover fixed charges by £2,830 million and to cover combined fixed charges and preference dividends by £2,830 million.

Notes

- (1) For the purposes of these ratios, earnings consist of profit before tax, less the unremitted income of joint ventures and associates plus fixed charges. Unremitted income is calculated as the share of profits / losses from joint ventures and associates less dividends received.
 - (2) The profit before tax for 2008 and 2007 was restated in 2009 to show the impact of the amendment to IFRS 2 Share-based Payment, which was adopted in the Group's 2009 consolidated financial statements, as disclosed in note 1 on page F-11 of the Group's 2010 Annual Report on Form 20-F.
 - (3) Interest expensed and capitalised includes the amortisation of debt issuance costs, discounts and premiums and includes interest expense from the banking book included within "interest and similar expense" as well as interest expense from the trading book included within "other operating income".
 - (4) Fixed charges consist of total interest expensed and capitalised plus an estimate for the proportion of rental expenses deemed to represent interest cost. This has been estimated at 30% of rental expenses, as a reasonable approximation of the interest factor.
 - (5) There are no preference shares accounted for as equity; all preference shares being accounted for as debt and therefore preference share dividends are already included within interest costs. As a result, the ratios calculated using fixed charges and combined fixed charges plus preference dividends are the same.
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