Lloyds Banking Group plc
Form 6-K
October 26, 2016

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

(26 October 2016)

LLOYDS BANKING GROUP plc
(Translation of registrant's name into English)

5th Floor
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 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- ________

Index to Exhibits

Item

No. 1 Regulatory News Service Announcement, dated 26 October 2016
re: 3rd Quarter Results

Lloyds Banking Group plc

Q3 2016 Interim Management Statement

26 October 2016

BASIS OF PRESENTATION

This release covers the results of Lloyds Banking Group plc together with its subsidiaries (the Group) for the nine months ended 30 September 2016.

Statutory basis: Statutory information is set out on page 9. However, a number of factors have had a significant effect on the comparability of the Group's financial position and results. Accordingly, the results are also presented on an underlying basis.

Underlying basis: The statutory results are adjusted for certain items which are listed below, to allow a comparison of the Group's underlying performance.

–losses on redemption of the Enhanced Capital Notes and the volatility in the value of the embedded equity conversion feature;

–market volatility and other items, which includes the effects of certain asset sales, the volatility relating to the Group's own debt and hedging arrangements as well as that arising in the insurance businesses, insurance gross up, the unwind of acquisition-related fair value adjustments and the amortisation of purchased intangible assets;

–restructuring costs, comprising severance related costs relating to the Simplification programme and the costs of implementing regulatory reform and ring-fencing;

–TSB build and dual-running costs and the loss relating to the TSB sale in 2015; and

– payment protection insurance and other conduct provisions.

Unless otherwise stated, income statement commentaries throughout this document compare the nine months ended 30 September 2016 to the nine months ended 30 September 2015, and the balance sheet analysis compares the Group balance sheet as at 30 September 2016 to the Group balance sheet as at 31 December 2015.

Alternative performance measures: The Group uses a number of alternative performance measures, including underlying profit, in the discussion of its business performance and financial position. Further information on these measures is set out on page 15.

FORWARD LOOKING STATEMENTS

This document contains certain forward looking statements with respect to the business, strategy and plans of Lloyds Banking Group and its current goals and expectations relating to its future financial condition and performance. Statements that are not historical facts, including statements about Lloyds Banking Group's or its directors' and/or 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 upon circumstances that will or may occur in the future. Factors that could cause actual business, strategy, plans and/or results (including but not limited to the payment of dividends) to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements made by the Group or on its behalf include, but are not limited to: general economic and business conditions in the UK and internationally; market related trends and developments; fluctuations in interest rates (including low or negative rates), exchange rates, stock markets and currencies; the ability to access sufficient sources of capital, liquidity and funding when required; changes to the Group's credit ratings; the ability to derive cost savings; changing customer behaviour including consumer spending, saving and borrowing habits; changes to borrower or counterparty credit quality; instability in the global financial markets, including Eurozone instability, the exit by the UK from the European Union (EU) and the potential for one or more other countries to exit the EU or the Eurozone and the impact of any sovereign credit rating downgrade or other sovereign financial issues; technological changes and risks to cyber security; natural, pandemic and other disasters, adverse weather and similar contingencies outside the Group's control; inadequate or failed internal or external processes or systems; acts of war, other acts of hostility, terrorist acts and responses to those acts, geopolitical, pandemic or other such events; changes in laws, regulations, accounting standards or taxation, including as a result of the exit by the UK from the EU, a further possible referendum on Scottish independence; changes to regulatory capital or liquidity requirements and similar contingencies outside the Group's control; the policies, decisions and actions of governmental or regulatory authorities or courts in the UK, the EU, the US or elsewhere including the implementation and interpretation of key legislation and regulation; the ability to attract and retain senior management and other employees; requirements or limitations on the Group as a result of HM Treasury's investment in the Group; actions or omissions by the Group's directors, management or employees including industrial action; changes to the Group's post-retirement defined benefit scheme obligations; the provision of banking operations services to TSB Banking Group plc; the extent of any future impairment charges or write-downs caused by, but not limited to, depressed asset valuations, market disruptions and illiquid markets; the value and effectiveness of any credit protection purchased by the Group; the inability to hedge certain risks economically; the adequacy of loss reserves; the actions of competitors, including non-bank financial services, lending companies and digital innovators and disruptive technologies; and exposure to regulatory or competition scrutiny, legal, regulatory or competition proceedings, investigations or complaints. Please refer to the latest Annual Report on Form 20-F filed with the US Securities and Exchange Commission for a discussion of certain factors together with examples of forward looking statements. Except as required by any applicable law or regulation, the forward looking statements contained in this document are made as of today's date, and Lloyds Banking Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward looking statements. The information, statements and opinions contained in this document do not constitute a public offer under any applicable law or an offer to sell any securities or financial instruments or any advice or recommendation with respect to such securities or financial instruments.

HIGHLIGHTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016

Robust underlying performance with strong improvement in statutory profit

- Underlying profit of £6.1 billion (2015: £6.4 billion); underlying return on required equity of 13.6 per cent
- Total income of £13.2 billion
  - Net interest income of £8.6 billion, up 1 per cent with improved margin of 2.72 per cen
  - Other income 2 per cent lower at £4.5 billion
- Operating costs 2 per cent lower at £6.0 billion. Market-leading cost:income ratio improved to 47.7 per cent with positive operating jaws
- Asset quality remains strong with no deterioration in underlying portfolios. Asset quality ratio of 14 basis points
- PPI provision of £1 billion to cover further operating costs and redress
- Statutory profit before tax of £3.3 billion, more than 50 per cent higher than in 2015
- Tangible net assets per share of 54.9 pence post interim dividend (30 June 2016: 55.0 pence)

Strong capital generation with balance sheet strength maintained

- Common equity tier 1 (CET1) ratio of 14.1 per cent pre dividend (13.4 per cent post dividend); total capital ratio of 22.1 per cent
- Net capital generation of 0.6 percentage points in third quarter

Our differentiated UK focused business model continues to deliver for customers and shareholders

- Helping Britain prosper through continued support to SMEs, first-time buyers and growth in consumer finance
- Cost discipline and low risk business model providing competitive advantage

2016 guidance reaffirmed

- Net interest margin for the full year expected to be around 2.70 per cent
- Full year cost:income ratio to be lower than 2015 ratio of 49.3 per cent
- Asset quality ratio for the full year expected to be less than 20 basis points
- Continue to expect to generate around 160 basis points of CET1 capital in 2016 pre dividend

GROUP CHIEF EXECUTIVE'S STATEMENT

In the first nine months of the year the Group has delivered a robust underlying performance with a strong improvement in statutory profit and strong capital generation. Our differentiated, UK focused, simple, low risk business model continues to deliver and as a result we are reaffirming our stated 2016 guidance.

Strategic progress

We remain focused on delivering on our targets to support people, businesses and communities as set out in our Helping Britain Prosper Plan. We are making good progress against our strategic priorities: creating the best customer experience; becoming simpler and more efficient; and delivering sustainable growth. In the last 12 months we have grown net lending to SMEs by 4 per cent and have also grown net lending in both credit card balances and motor finance while continuing to grow our bulk annuity business. We remain committed to helping first-time buyers onto the housing ladder whilst continuing to balance risk and margin considerations versus volume in mortgages. We also continue to operate the UK's largest branch network and the largest digital bank with 12.4 million online users and 7.8 million mobile users of our top-rated apps.

The hard work undertaken in the last five years to transform and simplify the business has allowed the UK government to sell most of its stake in the Group, returning £17 billion including dividends on its original £20 billion investment. We welcome the recent decision to recommence the sale of its shares.

Well positioned to become the best bank for customers and shareholders

The outlook for the UK economy remains uncertain, however the strength of the recovery in recent years means the UK is well positioned. The Group's transformation and successful execution of strategy, along with its competitive advantages in costs and risk, also position us well for the future and to achieve our goal of becoming the best bank for customers and shareholders.

António Horta-Osório, Group Chief Executive

CONSOLIDATED INCOME STATEMENT – UNDERLYING BASIS

	Nine months ended 30 Sept 2016	Nine months ended 30 Sept 2015		Three months ended 30 Sept
	£ million	£ million	Change %	£ million
Net interest income	8,630	8,578	1	2,848
Other income	4,520	4,627	(2)	1,427
Total income	13,150	13,205	–	4,275
Operating costs	(5,959)	(6,069)	2	(1,918)
Operating lease depreciation	(669)	(563)	(19)	(241)
Impairment	(449)	(336)	(34)	(204)
TSB	–	118		–
Underlying profit	6,073	6,355	(4)	1,912
Volatility and other items	(1,198)	(1,769)		49
Payment protection insurance provision	(1,000)	(1,900)		(1,000)
Other conduct provisions	(610)	(535)		(150)
Statutory profit before tax	3,265	2,151	52	811
Taxation	(1,189)	(536)		(592)
Profit for the period	2,076	1,615	29	219
Earnings per share	2.5p	1.8p	0.7p	0.2p
Banking net interest margin	2.72%	2.63%	9bp	2.69%
Average interest-earning banking assets	£437bn	£443bn	(1)	£436bn
Cost:income ratio	47.7%	48.0%	(0.3)pp	47.5%
Asset quality ratio	0.14%	0.11%	3bp	0.18%
Return on risk-weighted	3.64%	3.67%	(3)bp	3.42%

assets				
Underlying return on required equity	13.6%	15.7%	(2.1)pp	12.7%
Statutory return on required equity	5.9%	4.4%	1.5pp	1.3%

BALANCE SHEET AND KEY RATIOS

	At 30 Sept 2016	At 30 June 2016	Change %	At 31 Dec 2015	Change %
Loans and advances to customers1	£452bn	£453bn	–	£455bn	(1)
Customer deposits2	£424bn	£423bn	–	£418bn	1
Loan to deposit ratio	106%	107%	(1)pp	109%	(3)pp
Total assets	£840bn	£848bn	(1)	£807bn	4
Common equity tier 1 ratio pre dividend3	14.1%	13.5%	0.6pp		
Common equity tier 1 ratio3,4,5	13.4%	13.0%	0.4pp	13.0%	0.4pp
Transitional total capital ratio	22.1%	21.8%	0.3pp	21.5%	0.6pp
Risk-weighted assets3	£222bn	£222bn			