Lloyds Banking Group plc
Form 6-K
July 27, 2017

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

27 July 2017

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-
____

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Item

No. 1
Regulatory News Service Announcement, dated 27 July 2017

re: Half-year Report

Lloyds Banking Group plc

2017 Half-Year Results

27 July 2017

BASIS OF PRESENTATION

This release covers the results of Lloyds Banking Group plc together with its subsidiaries (the Group) for the half-year ended 30 June 2017.

Statutory basis: Statutory information is set out on pages 50 to 85. 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 asset sales, which includes the effects of certain asset sales, the volatility relating to the Group's own debt and hedging arrangements and that arising in the insurance businesses and 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, the costs of implementing regulatory reform and ring-fencing, the rationalisation of the non-branch property portfolio and the integration of MBNA; and
– payment protection insurance and other conduct provisions.

Unless otherwise stated, income statement commentaries throughout this document compare the half-year ended 30 June 2017 to the half-year ended 30 June 2016, and the balance sheet analysis compares the Group balance sheet as at 30 June 2017 to the Group balance sheet as at 31 December 2016.

MBNA: MBNA's results and balance sheet have been consolidated with effect from 1 June 2017.

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 89.

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 and other benefits including, but without limitation as a result of any acquisitions, disposals and other strategic transactions; 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, instability as a result of the exit by the UK from the European Union (EU) and the potential for 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 the security of IT and operational infrastructure, systems, data and information resulting from increased threat of cyber and other attacks; 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, or 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; 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 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.

CONTENTS

RESULTS FOR THE HALF-YEAR

'Following the successful transformation of the Group to become a simple, low risk, UK focused retail and commercial bank, we have delivered another strong set of results with increased underlying and statutory profit and strong capital generation, whilst completing the acquisition of MBNA and returning to full private ownership.

The UK economy remains resilient following strong employment and GDP growth in recent years together with private sector deleveraging and rising house prices. Inflation is however now rising above disposable income given the recent depreciation in sterling and, while this may affect consumption going forward, the economy should benefit from rising exports and earnings from foreign assets.

We have announced that our next strategy update for the period 2018-2020 will accompany the Group's full year results in February 2018, and in preparation for this we have made a number of organisational and senior management changes. The changes are aimed at aligning and strengthening the Group's structure to ensure we meet evolving customer needs and deliver the continuous transformation required of the organisation in the most effective way.

Our differentiated UK focused business model continues to deliver, with our cost leadership and lower risk positioning providing competitive advantage. Our strong financial performance and strategic progress continue to position us well for delivering our purpose of Helping Britain Prosper.'

António Horta-Osório
Group Chief Executive

Strong financial performance with improvements in underlying and statutory profit

Underlying profit of £4.5 billion, up 8 per cent; underlying return on tangible equity of 16.6 per cent

Total income 4 per cent higher at £9.3 billion

Net interest income of £5.9 billion, up 2 per cent with improved margin of 2.82 per cent

Other income 8 per cent higher at £3.3 billion

Operating costs 1 per cent lower at £4.0 billion. Market-leading cost:income ratio improved to 45.8 per cent

Asset quality remains strong with impairment charge of £268 million, asset quality ratio stable at 12 basis points

Loans and advances increased to £453 billion, including the benefit of the acquisition of MBNA

Statutory profit before tax 4 per cent higher at £2.5 billion, despite an additional £1 billion of conduct charges in the second quarter, primarily in respect of PPI

Strong capital generation of c.100 basis points reflecting strong underlying performance with common equity tier 1 (CET1) ratio of 14.0 per cent (13.5 per cent post dividend); leverage ratio of 4.9 per cent

Tangible net assets per share of 52.4 pence (31 Dec 2016: 54.8 pence) after payment of 2016 final dividend of 2.2 pence per share and a 1.4 pence per share reduction from the acquisition of MBNA

2017 guidance for NIM and AQR updated, with all other guidance reaffirmed

Net interest margin for the full year now expected to be close to 2.85 per cent, including MBNA

Asset quality ratio for the full year now expected to be less than 20 basis points, including MBNA

Continue to expect 2017 capital generation at the top end of the 170-200 basis points ongoing guidance range

All other longer term guidance remains unchanged

Increased interim dividend

Interim ordinary dividend of 1.0 pence per share, up 18 per cent, in line with our progressive and sustainable approach to ordinary dividends

CONSOLIDATED INCOME STATEMENT – UNDERLYING BASIS

	Half-year to 30 June 2017 £ million	Half-year to 30 June 2016 £ million	Change %	Half-year to 31 Dec 2016 £ million	Change %
Net interest income	5,925	5,782	2	5,653	5
Other income	3,348	3,093	8	2,972	13
Total income	9,273	8,875	4	8,625	8
Operating lease depreciation	(495)	(428)	(16)	(467)	(6)
Net income	8,778	8,447	4	8,158	8
Operating costs	(4,018)	(4,041)	1	(4,052)	1
Impairment	(268)	(245)	(9)	(400)	33
Underlying profit	4,492	4,161	8	3,706	21
Volatility and other items	(358)	(1,247)		(297)	
Payment protection insurance provision	(1,050)	–		(1,000)	

Other conduct provisions	(540)	(460)		(625)	
Statutory profit before tax	2,544	2,454	4	1,784	43
Taxation	(905)	(597)		(1,127)	
Profit for the period	1,639	1,857	(12)	657	149
Earnings per share	2.0p	2.3p	(13)	0.6p	233
Banking net interest margin	2.82%	2.74%	8bp	2.69%	13bp
Average interest-earning banking assets	£431bn	£437bn	(1)	£435bn	(1)
Cost:income ratio	45.8%	47.8%	(2.0)pp	49.7%	(3.9)pp
Asset quality ratio	0.12%	0.11%	1bp	0.18%	(6)bp
Return on risk-weighted assets	4.20%	3.75%	45bp	3.35%	85bp
Underlying return on tangible equity	16.6%	15.1%	1.5pp	13.2%	3.4pp
Return on tangible equity	8.2%	9.7%	(1.5)pp	3.6%	4.6pp

BALANCE SHEET AND KEY RATIOS

	At 30 June 2017	At 31 Dec 2016	Change %
Loans and advances to customers1	£453bn	£450bn	1
Customer deposits2	£417bn	£413bn	1
Loan to deposit ratio	109%	109%	–
Total assets	£815bn	£818bn	–
Pro forma common equity tier 1 ratio pre 2017 dividend accrual3	14.0%	13.8%	0.2pp
Pro forma common equity tier 1 ratio			