

Alternative performance measures continued

Operating costs^A

	2023 £m	2022 ¹ £m
Operating expenses	10,823	9,237
Adjustment for:		
Remediation	(675)	(255)
Restructuring	(154)	(80)
Operating lease depreciation	(956)	(373)
Amortisation of purchased intangibles	(80)	(70)
Insurance gross up	227	225
Other statutory items	(45)	(12)
Operating costs^A	9,140	8,672

¹ 2022 comparatives have been restated to reflect the impact of IFRS 17. See note 1 on page 218.

Pro forma CETI ratio^A

	At 31 Dec 2023 %	At 31 Dec 2022 ¹ %
CETI ratio	14.6%	15.1%
Insurance dividend and share buyback accrual ¹	(0.9)%	(1.0)%
Pro forma CETI ratio^A	13.7%	14.1%

¹ Dividend paid up by the Insurance business in the subsequent quarter period and the impact of the announced ordinary share buyback programmes.

Return on tangible equity^A

	2023	2022 ¹
Profit attributable to ordinary shareholders (£m) (a)	4,933	3,389
Average shareholders' equity (£bn)	38.9	41.3
Average intangible assets (£bn)	(7.7)	(6.7)
Average tangible equity (£bn) (b)	31.2	34.6
Return on tangible equity (%)^A = (a) / (b)	15.8%	9.8%

¹ 2022 comparatives have been restated to reflect the impact of IFRS 17. See note 1 on page 218.

Tangible net assets per share^A

	At 31 Dec 2023 £m	At 31 Dec 2022 ¹ £m
Ordinary shareholders' equity	40,224	38,370
Remove goodwill and other intangible assets	(8,306)	(7,615)
Deferred tax and other adjustments	352	393
Tangible net assets (a)	32,270	31,148
Ordinary shares in issue, excluding own shares (b)	63,508m	66,944m
Tangible net assets per share^A = (a) / (b)	50.8p	46.5p

¹ 2022 comparatives have been restated to reflect the impact of IFRS 17. See note 1 on page 218.

Underlying profit before impairment^A

	2023 £m	2022 ¹ £m
Statutory profit before tax	7,503	4,782
Remove impairment charge (credit)	303	1,522
Remove volatility and other items including restructuring	311	2,234
Underlying profit before impairment^A	8,117	8,538

¹ 2022 comparatives have been restated to reflect the impact of IFRS 17. See note 1 on page 218.