DB GROUP SERVICES (UK) LIMITED

Company registration number: 3077349

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2021

For the year ended 31 December 2021

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DB GROUP SERVICES (UK) LIMITED

For the year ended 31 December 2021

Incorporated in England & Wales as a private limited company, limited by shares. Registered No: 3077349

Registered Office: 23 Great Winchester Street, London, EC2P 2AX

DIRECTORS as at 31 December 2021

T J Hamilton
D Hards*
T L Lee
B J Pallas

* Non-Executive Director

JOINT SECRETARY:

J L Bagshaw
A W Bartlett

AUDITOR:

Ernst & Young LLP

STRATEGIC REPORT
For the year ended 31 December 2021

The Directors of DB Group Services (UK) Limited ("DBGS" or the "Company") present their annual report and audited financial statements for the year ended 31 December 2021. These financial statements have been prepared in accordance with applicable UK law and UK Generally Accepted Accounting Practice, including Financial Reporting Standard ("FRS") 101 'Reduced Disclosure Framework'.

Objectives

The Company is one of the subsidiaries of Deutsche Bank Aktiengesellschaft ("Deutsche Bank AG"). Deutsche Bank AG and its other subsidiaries are collectively referred to as "Group" in these Financial Statements.

The principal operations of the Company is that of an employing entity for the Group in the United Kingdom ("UK") and its activities are driven by the staffing requirements of the operating subsidiaries of the Group to whom all costs and liabilities are recharged. In addition, the Company acts as the Group-wide administrator of equity-based compensation schemes.

Section 172 Companies Act 2006 Statement

Consistent with the Group, the Directors are committed to implementing and maintaining strong disciplines in their decision making. In so far as the Board has made decisions during the financial year, it has had regard to s172 factors where relevant, particularly the likely consequences of such decisions in the long term and its impact for its staff.

Key decisions of the Board during the period centered on matters of benefit to employees forming part of broader benefit packages, including those relating to DB share plans and pension, life assurance and healthcare arrangements. The Board considered the delivery of shares to eligible employee participants of DB Group Share plans and other compensation arrangements, including carried interest plans for certain employees. With support from the Pensions & Benefits Team, the Board considered matters relating to the investment strategy of the Company's UK pension scheme arrangements, supporting obligations for the corporate trustee of the UK pension schemes to consult with the Company in its capacity as sponsor. In its capacity as trustee of the DB Registered and DB Non-Registered Life Assurance Plans, the Board considered matters relating to the distribution of death benefits in the event of deaths in service.

The Board was kept apprised of initiatives and of the implementation of activities of the DB Group in the management of the unprecedent COVID-19 environment. The physical and mental wellbeing of staff remained a priority, whilst under the UK Government Work From Home direction as well as under the phased return to work during the latter part of the year in accordance with all UK Government guidelines. The impact of COVID-19 on the broader DB Group operating model in the UK was explored under a Work From Home survey and with the introduction of a hybrid future operating model, has informed both the future workforce and London real estate strategies. Under this hybrid operating model, the majority of staff will work remotely for an agreed upon number of days a week, subject to some exclusions for certain individuals in regulated roles. The transformation programme required to deliver the new hybrid future operating model included, amongst others, consideration of technology and IT capabilities as well the supervisory and management framework, all which were contributing to the discussion around the design of the DB Group's new UK headquarters later next year.

Desirability of the company maintaining a reputation for high standards of business conduct

The Group and the Company have responsibility to clients, investors, communities and employees and earning and maintaining the trust of these stakeholders is fundamental. The Board recognises that it relies on its employees to support and join with the Board in seeking to establish and maintain a reputation for high standards of business conduct and integrity. To this end, behavioural expectations are set out in the Group Code of Conduct (the "Code") which defines the cultural tone of the organisation. The Code is designed to ensure that employees conduct themselves ethically, with integrity, and in accordance with the Group's policies and procedures as well as the laws and regulations that apply to the Group globally.

Stakeholder engagement

In its decision making, the Company is mindful of the Group's strategic agenda and, as a business partner, the need to promote the success of the franchise in the region in the long term as well as remaining conscious of immediate capital requirements for the shareholder.

Wider stakeholder engagement

Given the nature and purpose of the Company, and with the exception of interaction with its employees, it has limited direct interaction with other stakeholders, which are overseen by the Group. In instances where it interacts with and is required to take into account the interests of broader stakeholders including suppliers, customers and others, the Company does so by applying and in accordance with relevant Group policies, procedures, principles and codes of conduct as well as its framework of prudent controls which enables vendor risk to be assessed and managed.

Section 172 Companies Act 2006 Statement (continued)

Employee Engagement

The Group's Human Resources (HR) function is responsible for managing and overseeing the framework of policies and procedures in relation to the management and development of the Company's people, including amongst others, reward, recruitment, acquisition, development and mobility of talent, workforce planning, diversity and inclusion initiatives, reward, employee relations, performance, engagement and culture and delivery of HR information and services. The Board seeks to ensure a satisfactory dialogue with the Company on strategy, remuneration policy, resources and other relevant matters and to oversee the independence, autonomy and effectiveness of policies and procedures.

In seconding its staff to Deutsche Bank AG, London Branch, and other UK entities in the Group, employee values and the required behaviours are reinforced throughout the Group through a variety of delivery mechanisms, some of which have been previously mentioned but include mandatory training for all staff; transparent dialogue on the principles underpinning core values at town hall meetings; and articles on the intranet.

The Group and the Company are keen to foster an environment that is open and inclusive and where opinions are valued. In serving clients, stakeholders and communities, the success of the Group and its employees is built on respect, collaboration and teamwork. To that end, a 'speak up' culture had been introduced which supports an open and honest dialogue across the organisation and also helps identify any areas for improvement. Such a culture promotes an environment where all employees feel comfortable, confident and empowered to voice concerns and challenge any behaviours or matters that could present potential conduct risk, such as violations of laws, rules and regulations or internal policies.

A range of channels are available to report any suspected misconduct including through Compliance and Legal teams as well as via a telephone and electronic platform reporting system, the Integrity Hotline.

Understanding what motivates and engages employees and how they perceive the work environment serves to improve employees' experience at work and open and regular dialogue is encouraged. Tools to support this include the dbPeople survey and the UK Employee Consultation Forum. The dbPeople survey enables the Group to measure commitment and enablement of the workforce, identify trends and develop actions to address gaps. The UK Employee Forum provides a platform for the Group to consult and openly share information about relevant organisational matters which collectively impact employees in the UK. Consultation allows communication to be transparent and, in seeking resolution on mutual issues of concern, ensures that the views of employees are considered before any final decisions are taken.

Reflecting the ambitions and needs of employees, a holistic approach is applied to performance management, which includes providing regular meaningful feedback and recognition, while holding people accountable and promoting continuous development. This approach is directly linked to the compensation framework and promotion process. In addition, a wide range of benefits are available to ensure employees' financial, social, mental and physical wellbeing are supported throughout all stages of their lives while employed by the Company.

A fair, transparent and sustainable approach is taken to employee remuneration and the compensation strategy is focused on a global, client centric banking model, reinforced by safe and sound compensation practices that operate within the Group's capital, liquidity and risk-bearing capacity. The compensation framework aims to promote and reward sustainable performance and contributions at all levels of the organisation.

The Company filed its Gender Pay Gap Report during the period, which provided transparency around the difference in average earnings between women and men across the organisation. Efforts by the HR function of the Group to address the pay gap in line with the Group's existing goal to increase the participation of women at the bank, especially in the senior and higher-paying roles continued. External programmes are in place to inspire more young women over time to opt for science, technology, engineering or mathematics (STEM) subjects at school and to choose a career in the financial services industry. During the period, the Company also voluntarily filed its Ethnicity Pay Gap Report for the first time, disclosing pay as a percentage of white pay under a BAME heading (Black, Asian and Mixed/Multiple ethnicity). Improving metric across hiring, promotion and attrition activities for both gender and ethnicity was a matter of focus for the Group with a number of initiatives in place to better representation across the employee distribution curve.

Risks and Uncertainties

The Company is a wholly owned subsidiary of Deutsche Bank AG and therefore the risks it is subject to are managed within the risk and control functions of the Group. The Directors acknowledge their responsibility for the overall management of the risks faced by the Company.

Market risk refers to the volatility of returns from movements in market prices (for example interest rates, share prices and exchange rates) before the related positions can be closed or hedged. At present, market risk arising from the Company's obligation to deliver Deutsche Bank shares through various share-based payment awards is partly mitigated by purchasing call options for a proportion of the equity exposure, the cost of which is recharged to the operating subsidiaries.

The Group is exposed to market risk in two defined benefit pension schemes for past and current employees. The ability of the pension schemes to meet the projected pension payments is maintained through investments. Market risk materialises due to a potential decline in the market value of the assets or an increase in the liability of each of the pension plans. Market risk in the DB (UK) Senior Group Pension Scheme is almost entirely eliminated through the Bulk Purchase Annuity policy purchased in January 2020.

Overall, the Group seeks to minimise the impact of pensions on the Group's financial position from market movements, subject to balancing the trade-offs involved in financing post-employment benefits, regulatory capital and constraints from local funding or accounting requirements.

The Group maintains a Pensions Committee to oversee its pension and related risks on a global basis, thus covering the Company's pension schemes.

The Company's activities expose it to the risk of changes in foreign currency exchange rates, which are managed and sold off on a monthly basis.

Legal risk arises due to the Company's activities as an employing company and its responsibilities around the conduct of its employees. This is managed by the existing Group policies and procedures, implemented by Compliance and Legal divisions. The Company can claim reimbursement of all costs for its employees from the operating subsidiaries of the Group in the UK. Accordingly, provisions arising from legal matters concerning the Company are recorded in these operating subsidiaries.

As an employing company for the Group, the Company's liquidity and cash flow risks, resulting primarily from staff compensation obligations, are managed within the Group's liquidity risk management framework.

In preparing the financial statements, the Directors have considered the impact of the physical and transition risks of climate change and have concluded that it does not have a material impact on the recognition and measurement of the assets and liabilities in these financial statements as at 31 December 2021.

Key Performance Indicators

Key business metrics for the Company which are regularly monitored by the Board include:

	2021	2020
Average staff numbers	6,783	6,810
Outstanding intercompany receivables from vesting activities at end of year	£33.5m	£154.9m
Aged intercompany receivables from vesting activities % (>120 days)	36%	10%

The % of aged intercompany receivables from vesting activities is calculated based on the amount of outstanding receivables past 120 days over total receivables from vesting activities as at end reporting year. A significant year-on-year decrease was noted in total outstanding receivables in comparison with the year-on-year decrease noted in the receivables that are past 120 days. None of the receivables that are past 120 days are assessed to be uncollectible.

Current Period Performance

As the costs of the Company are recharged to the Group, the profit for the year ended December 2021 is £nil (2020: £nil).

	2021 £ million	2020 £ million
Administrative expenses	1,773	1,717
Net surplus in retirement benefits schemes	915	748

The 22% increase in Net surplus in retirement benefit schemes is predominately driven by the adoption of a new discount curve methodology in addition to a general rise in discount rate resulting from wider market conditions at the year-end.

In 2020, the Company entered into two Bulk Purchase Annuity (buy-in) transactions with a third-party insurer, with £1.09bn of exposure to the UK defined benefit pension schemes de-risked, funded from existing assets of £1.24bn, with no additional employer contribution required. There were no buy-in transactions in 2021.

IBOR civil actions

The Group is a defendant in a large number of IBOR-related civil actions in the United States. The Company has been named as a defendant in four of these actions, each of which is a putative class action based on the alleged manipulation of a different benchmark interest rate: Metzler Investment GmbH v. Credit Suisse Group AG, No. 11-cv-2613 (S.D.N.Y.) (USD LIBOR Exchange-Based Action); Sullivan v. Barclays plc, No. 13-cv-2811 (S.D.N.Y.) (Euribor); Sonterra Capital Master Fund Ltd. v. Credit Suisse Group AG, No. 15-cv-0871 (S.D.N.Y.) (CHF LIBOR); and Sonterra Capital Master Fund, Ltd., v. UBS AG, No. 15-cv-5844 (S.D.N.Y.) (Yen LIBOR and Euroyen TIBOR). Only the CHF LIBOR matter remains ongoing, while the others have settled with finality and were subsequently dismissed as against the Company and the Group.

On 16 September 2019, the court dismissed plaintiffs' second amended complaint in the CHF LIBOR class action (Sonterra Capital Master Fund Ltd. v. Credit Suisse Group AG), dismissing all claims against the Group and the Company. Plaintiffs filed a notice of appeal. Thereafter, the U.S. Court of Appeals for the Second Circuit ordered that the appeal be held in abeyance pending that court's decision in the appeal of a separate putative class action alleging manipulation of the Singapore Interbank Offered Rate ("SIBOR") and Swap Offer Rate ("SOR"), in which the Group, but not the Company, is a defendant. On March 17, 2021, the Court of Appeals reversed the district court's decision in the SIBOR/SOR litigation and remanded the case to the district court. As a result, the stay in the CHF LIBOR class action was lifted and the parties agreed to remand the matter to the district court. On November 12, 2021, DBAG and DBGS reached a settlement-in-principle in the CHF LIBOR class action, and the parties executed a term sheet on December 16, 2021. The settlement requires further documentation and court approvals.

The Directors of the Company are of the view that, on the basis of intragroup arrangements between the Company and the Group and the fact that the Group is a co-defendant to these actions with the Company, the Group should ultimately bear any liability arising out of the Company being named as a defendant in these civil actions.

Future Outlook

In 2019, Deutsche Bank AG announced a significant restructure of its business model in order to meet its aims to become more profitable and drive long-term growth. To execute this, the Group re-organised and significantly downsized its investment bank. Given the variability of revenue growth as macroeconomic forces accelerate or slow progress, in Q2 2021 the Group announced that it is more appropriate to focus on a relative measure of costs in targeting a strong and sustainable margin. Therefore, as of Q2 2021, the Group has shifted to cost efficiency measurement using the cost/income ratio. The Company is a service entity that provides the services of its employees in the UK to other business entities (e.g. Deutsche Bank AG London Branch). Deutsche Bank AG confirmed it expects to continue to have a significant presence in the UK and will continue to use the services of the Company's employees. As can be seen from the staff numbers above, there has been a modest reduction during 2021 at <1% (2020: 3%).

Brexit

Brexit uncertainty and associated economic downside risks have declined over the twelve months since the UK left the EU's single market and customs union at the end of the transition period on December 31, 2020. However, some uncertainty remains as negotiations between the UK and the EU have continued through 2021, especially with regard to financial services not extensively covered by the existing deal. The Directors have no reason to believe that remaining uncertainty on Brexit will have any significant impact on the Company given that the Company does not have any balances that are external to the Group.

Management has confirmed that they have no concern over the impact of Brexit, on existing staff or in terms of future recruitment.

COVID-19

The Group and the Company implemented business continuity measures in respect of COVID-19. The majority of staff Worked from Home during the pandemic in line with UK Government advice with most staff returning to the Office as lockdowns and work from home advice was lifted. Staff have been able to operate effectively remotely throughout 2020 and 2021 with no interruption to business.

Despite the remaining challenges associated with the COVID-19 pandemic, the Directors do not consider there to be a material impact on the operations and financial position of the Company due to a normalisation of the pandemic situation as a result of high vaccination rates.

STRATEGIC REPORT (continued)
For the year ended 31 December 2021

Ukraine-Russia Conflict

On 24 February 2022, Russian troops started invading Ukraine. In response to that multiple jurisdictions, including the EU and UK, have imposed economic sanctions to Russia and a large number of companies announced voluntary actions of ceasing operations with Russia (and in certain cases Belarus). Despite these events taking place at a time of significant global economic uncertainty the adverse effects to the economy are not expected to have a significant effect on the Company.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

The outlook of the business is stable and it is expected that the Company will maintain its current level of activity.

Going Concern

The financial statements have been prepared on a going concern basis. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the next 12 months until September 2023. Furthermore, the Company is party to an Inter-Group Employment Services Agreement (IGSA) with Deutsche Bank AG and others. The IGSA was significantly strengthened in 2017 which provided additional comfort to the Company that Deutsche Bank AG will support the Company in meeting its pensions obligations, however they arise.

By order of the Board of Directors

DocuSigned by:
45062507BE78468...
Benjamin Pallas
Director

Registered office
23 Great Winchester Street London
EC2P 2AX

Dated: 14 September 2022 | 9:56:36 BST

Company number: 3077349

DIRECTORS' REPORT
For the year ended 31 December 2021

Directors

The Directors of the Company who held office, during the year, were as follows:

T Hamilton
D Hards
T Lee
B Pallas

Company Secretary

A Bartlett and J Bagshaw as Joint Company Secretaries.

Qualifying third party indemnity provisions

As at the date of approval of the financial statements, and during the year, a qualifying third-party indemnity provision was in force for the benefit of the Company's Directors.

Disclosure of information to Auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Auditor is unaware, and each Director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Employees

The Company is committed to ensuring that employees share in the success of the Group and are kept informed of matters of concern to them in a variety of ways, including numerous intranet sites and regular email communications. The Company established a UK Employee Consultation Forum in 2005 to communicate and share information with employees and this forum meets regularly and includes elected employee representatives. Employees of the Company together with employees of the Group globally were encouraged to participate in the annual People Survey with a view to identifying and addressing issues of importance to employees.

All employees of the Company have the opportunity to purchase shares in Deutsche Bank AG through participation in the UK Employee Share Ownership Plan. The Group also has an active and comprehensive Corporate Social Responsibility programme which encompasses employee volunteering, charitable giving and community partnerships.

The Company seeks to recruit and appoint the best available person for a job and to encourage the development of all employees to their full potential. The Company promotes equality of opportunity. The Company is committed to providing support to employees with disabilities and carries out a personal assessment for each employee with disability to assess their needs. The recruitment, training, development and promotion of people with a disability are based on the aptitudes and abilities of the individual. Should employees become disabled during their employment with us, efforts are made to continue their employment by making reasonable adjustments and training is arranged where necessary. Flexible working options are available to those needing flexibility due to health or a disability. The Company operates a workstation assessment programme for all employees which examines the working environment and implements adjustments where necessary. In the UKI region, the bank has established an employee resource group, called dbEnable, which focuses on physical and mental wellbeing, as well as neurodiversity. dbEnable is open to all – employees with personal experience of disability, long-term illness or impairment, line managers of employees with disabilities, those with experience as carers, friends or family of someone with a disability and everyone else who is committed to supporting inclusion and diversity at the Company.

Corporate governance arrangements

During the year, the Company has been guided by the values and culture of the broader organisation and adheres to the policies, procedures and principles of the Group, as applicable, including the Board and Branch Governance Policy, which are applied on a consistent and Group wide basis, as well as exercising its authority within the Matters Reserved for the Board.

Auditor

During the year 2020 KPMG LLP resigned as Auditor of the Company in accordance with the European and national regulation requiring the auditors' rotation. Ernst & Young LLP has been endorsed by the Board as external Auditors for the financial year 2020. Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Ernst & Young LLP will therefore continue in office.

DIRECTORS' REPORT (continued)
For the year ended 31 December 2021

Greenhouse Gas Emissions, Energy Consumption and Energy Efficiency

The Company has considered the environmental impact and emissions resulting from activities for which the Company is responsible and has determined that its GHG emissions are as follows:

Global emissions scope 1 and 2 (market-based), and 3 (categories 6 and 7) emissions (including renewable electricity at zero carbon) are 17,480 tCO2e for the 2021 period (*see footnote below*).

Greenhouse gas (GHG) emissions tCO2e	Variance	2021	2020 Adj.
Total scope 1 and 2 (market-based), and scope 3 categories 6 and 7 GHG emissions	(14)%	**17,480**	**20,394**
Scope 1, direct GHG emissions	(15)%	**2,389**	**2,794**
natural gas consumption	(14)%	2,060	2,388
liquid fossil fuels	(22)%	30	38
HFCs	(19)%	299	368
Scope 2, indirect GHG emissions	(46)%	**4,067**	**7,467**
electricity consumption (market-based)	(65)%	1,608	4,655
steam, district heating and cooling	(13)%	2,459	2,812
Scope 3, other indirect GHG emissions	9%	**11,025**	**10,132**
Category 6 - business travel	(77)%	243	1,057
Category 7 - employee commuting/working from home	19%	10,782	9,075

1.03 tCO2e per FTE (down from 1.68 in 2020)

Total UK energy use is 61,255,110 kWh consisting of:

Energy consumption in kWh	Change	2021	2020 Adj.
Total energy consumption	(10)%	61,255,110	68,162,665
Total energy from combustion	(8)%	27,272,318	29,653,613
Electricity consumption	(12)%	33,982,792	38,509,052

DB Group Services (UK) Limited's emissions for 2021 are determined on a pro-rata average FTE basis from DB Group emissions (natural gas, liquid fossil fuels, fugitive emissions (HFCs/PFCs), renewable and grid electricity, district heating, cooling and steam) and relate to the period October 1, 2020 to September 30, 2021. All 2020 emissions are based upon the calendar year. The most appropriate emission factors have been used for each activity data type from internationally recognised sources e.g. DEFRA (2021), GHG Protocol, eGRID (2021) and IEA (2021), RE-DISS (2020) or if more relevant from country or contract specific sources. The factors include all GHGs where possible and the gases' Global Warming Potential as per the IPCC AR5 assessments.

Prior year's data have been updated as better data on consumption are received. An increase in employee commuting/working from home was noted due to increased working from home, which generates more emissions than commuting to work. There was also a significant decrease in business travel due to an almost total ban on travel due to COVID-19 restrictions.

The Company's ultimate parent, Deutsche Bank AG, has committed to the Ten Principles of the UN Global Compact and is a member of the United Nations Environment Programme Finance Initiative (UNEP FI). As a signatory to the United Nations' Principles for Responsible Banking as well as its Principles for Responsible Investment, the Bank is committed to responsible banking and investment practices. As a means to enhance disclosures and to provide transparency for clients, shareholders and regulators, the Bank has prepared a Climate Statement for 2020 and, in looking to holistically embed sustainability, has formulated a strategy which focuses on four key dimensions: sustainable finance; policy and commitments; its own environmental footprint; and thought leadership and leveraging opportunities to actively engage in regulatory discussion and innovative initiatives.

The Group continues to reduce its environmental footprint, energy consumption and greenhouse gas emissions, and has been operating carbon neutrally since 2012. As part of this commitment, the Bank has been reducing its energy consumption and greenhouse gas emissions. Compared to 2010, it has reduced its energy consumption by more than 25% and cut its greenhouse gas emissions by half. In 2021 renewable electricity accounted for 91 % of all electricity and it has committed to expanding this to 100% by 2025.

The Group carried out 6 projects in the UK in 2021 to improve energy efficiency, including recommissioning and Heating, Ventilation, and Air Conditioning (HVAC) initiatives which reduced energy consumption by 0.89 GWh and carbon emissions by 360 tCO2e.

DIRECTORS' REPORT (continued)
For the year ended 31 December 2021

Dividends

As the Company has no capital or reserves, it is not possible to pay a dividend for the year ended 31 December 2021 (2020: £nil).

Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the Financial Statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Accordingly, they have elected to prepare the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the Profit or Loss for that period. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies in accordance with International Accounting Standard ("IAS") 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in UK Generally Accepted Accounting Practice, including FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance;
- in respect of the Company's financial statements, state whether UK Generally Accepted Accounting Practice, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006.

They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors have chosen, in accordance with section 414C(11) of the Companies Act 2006, to set out in its Strategic Report information that is otherwise required to be contained in the Directors' Report:

- going concern;
- an indication of financial risk management objectives and policies; and
- an indication of likely future developments in the business of the Company.

By order of the Board of Directors this day of September 2022.

DocuSigned by:
45062507BE78468...
Benjamin Pallas
Director

Registered office
23 Great Winchester Street London
EC2P 2AX

Dated: 14 September 2022 | 9:56:36 BST

Company number: 3077349

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DB GROUP SERVICES (UK) LIMITED

Opinion

We have audited the financial statements of DB Group Services (UK) Limited for the year ended 31 December 2021 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Comprehensive Income, the Statement of Changes in Equity and the related notes 1 to 12, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice). In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included the review of inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period until 30 September 2023 which is at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 12, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are the requirements as set out by Companies House Act 2006.
- We understood how DB Group Services (UK) Limited is complying with those frameworks by making enquiries of management and those charged with governance to understand how the Company maintains and communicates its policies and procedures by evaluating the corroborating documentation.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by enquiring with management and those charged with governance and by considering their incentives to manage earnings or influence the perceptions of shareholders.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing specific manual adjusting journal entries, where we exercised a heightened level of professional scepticism and included an element of unpredictability in the nature, timing and extent of our testing.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Ernst & Young LLP

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Rhys Taylor (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
14 September 2022

PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2021

	Note	2021 £ million	2020 £ million
Turnover		1,774	1,718
Administrative expenses	2	(1,773)	(1,717)
Other operating income		11	-
Other operating expense		(11)	-
Interest payable and similar expenses to group undertakings		(1)	(1)
PROFIT BEFORE TAXATION		-	-
Tax charge on profit		-	-
PROFIT FOR THE FINANCIAL YEAR		-	-

The profit for the year has arisen from continuing operations

The notes on pages 20 to 38 form part of these Financial Statements.

STATEMENT OF TOTAL COMPREHENSIVE INCOME
For the year ended 31 December 2021

	2021 £ million	2020 £ million
Profit for the financial year	-	-
OTHER COMPREHENSIVE INCOME		
Remeasurement gain/(loss) related to defined benefit post-retirement schemes	187	(55)
Re-charge of remeasurement (gain)/loss to group undertakings	(187)	55
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR	-	-

The comprehensive income for the year has arisen from continuing operations.

There were no other recognised gains and losses during the year.

The notes on pages 20 to 38 form part of these Financial Statements.

BALANCE SHEET
As at 31 December 2021

	Note	2021 £ million	2020 £ million
NON-CURRENT ASSETS			
Pension asset	4	927	762
		927	**762**
CURRENT ASSETS			
Amounts owed by group undertakings	5	963	1,440
Other debtor		-	7
Prepayments and accrued income		1	1
Investments	6	11	10
Cash at bank and in hand	7	105	101
		1,080	**1,559**
CREDITORS: Amounts falling due within one year			
Amounts owed to group undertakings	8	(1,115)	(1,399)
Other creditors including taxation and social security		(51)	(137)
Accruals and deferred income		(829)	(771)
		(1,995)	**(2,307)**
NET CURRENT LIABILITIES		**(915)**	**(748)**
PROVISIONS FOR LIABILITIES			
Pensions and similar obligations	9	(12)	(14)
		(12)	**(14)**
NET ASSETS		-	-
CAPITAL AND RESERVES			
Called up share capital	10	-	-
Revaluation reserve		-	-
Profit and loss account		-	-
SHAREHOLDER'S FUNDS		-	-

The notes on pages 20 to 38 form part of these Financial Statements

DocuSigned by:

These financial statements were approved by the Board of Directors and signed on its behalf by

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Benjamin Pallas
Director

Dated: 14 September 2022 | 9:56:36 BST

Company number: 3077349

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2021

	Called up Share Capital £ million	Share based payment reserve £ million	Profit and Loss Account £ million	Total £ million
Balance at 1 January 2021	-	-	-	-
Profit for the financial year	-	-	-	-
Credit in relation to share based payments (Note 13)	-	(130)	-	**(130)**
Re-charge in relation to share based payments	-	130	-	**130**
Balance at 31 December 2021	-	-	-	-

For the year ended 31 December 2020

	Called up Share Capital £ million	Share based payment reserve £ million	Profit and Loss Account £ million	Total £ million
Balance at 1 January 2020	-	-	-	-
Profit for the financial year	-	-	-	-
Credit in relation to share based payments (Note 13)	-	(123)	-	**(123)**
Re-charge in relation to share based payments	-	123	-	**123**
Balance at 31 December 2020	-	-	-	-

The notes on pages 20 to 38 form part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Financial Statements.

Basis of preparation

These Financial Statements have been prepared in accordance with UK Generally Accepted Accounting Practice including FRS 101 'Reduced Disclosure Framework' ("FRS 101").

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Disclosures in respect of transactions with related parties; and
- The effects of new but not yet effective IFRSs.

As the Company is not a 'Financial Institution', as defined by the Financial Reporting Council, it has applied the exemptions available for disclosures required by IFRS 7, IFRS 13 and IAS 1.

The Directors assess the Company's functional currency to be Euro (EUR), as they consider its operations to be an extension of its parent's activities. The financial statements have been presented in GBP, as the Company operates in a UK jurisdiction.

Under an Inter Group Service Agreement dated 8 March 2002 and as subsequently amended from time to time (the "IGSA"), the Company provides services to Deutsche Bank AG, London Branch, and certain other DB entities as listed in the IGSA (together, "The Customers"). The Customers have agreed under the IGSA to pay the Company the costs of providing the services provided under the IGSA. Each Customer also agrees to ensure that it maintains sufficient funds in the Company's bank account to meet their payment obligations. As a result of the IGSA, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

As explained in the Strategic Report the Directors do not believe the ongoing impact of the current geopolitical environment including the conflict in Ukraine or COVID-19 to be material to the Company.

In preparing the financial statements, the Directors have considered the impact of the physical and transition risks of climate change and have concluded that it does not have a material impact on the recognition and measurement of the assets and liabilities in these financial statements as at 31 December 2021.

The Company is incorporated, registered and domiciled in England and Wales (UK) as a private limited company, limited by shares.

DB UK Holdings Limited, a company registered in England and Wales (UK), is the Company's immediate controlling entity.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2021

1. ACCOUNTING POLICIES (continued)

Basis of preparation (continued)

Deutsche Bank AG, a company incorporated in Germany, is the parent company, the ultimate controlling entity and the parent undertaking of the largest and smallest group of undertakings for which group financial statements are prepared, in accordance with IFRS. Its registered address is Taunusanlage 12, Frankfurt am Main,60325, Germany. Copies of the Group financial statements of this company are available to the public and may be obtained from Winchester House, 1 Great Winchester Street, London, EC2N 2DB

(a) Changes in accounting policy

There were no amendments to the accounting standards that are effective for the year ended 31 December 2021 that would have a material impact to the Company

(b) Basis of measurement

The Financial Statements have been prepared on the historical cost basis, except for the following:

- Employee investment securities are measured at fair value
- Pension assets are measured at fair value
- Defined benefit plans are valued using the projected unit-credit method to determine the present value of the defined benefit obligation and the related service costs
- Call options are measured at fair value

(c) Turnover

Turnover represents the recharge of Administrative Expenses to other Group companies.

(d) Share based compensation

The costs of awards to employees that take the form of shares are recognised over the period of the employees' related performance. The schemes are classified as being equity settled. Share based compensation is accounted for in equity based on the fair value on the grant date with a corresponding charge in profit and loss spread evenly over the vesting period of the award. A corresponding liability to the Group to settle the charge each year is charged to equity and is also based on the fair value on grant date, spread evenly over the vesting period. The share awards may be forfeited fully or partly if the recipient voluntarily terminates employment before the end of the relevant vesting period. Vesting usually continues after termination of employment in cases such as redundancy or retirement. Vesting is accelerated if the recipient's termination of employment is due to death or disability.

(e) Other operating income/expense

The Company enters into derivatives to economically hedge exposure to share based payment awards. The Company accounts for these contracts at fair value with movements in fair value reflected within the profit and loss account (other income / other expenses). The profit or loss impact of fair value movements on derivatives is recharged to Group companies via the offsetting other operating income/expense category.

(f) Interest receivable and similar income and interest payable and similar expenses from/to Group undertakings

Interest receivable and payable are recognised in the profit and loss account as they accrue on deposits with Group undertakings. Interest is recognised in the Profit and Loss Account as it accrues at contractual interest rate as the approximation of effective interest rate.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2021

1. ACCOUNTING POLICIES (continued)

Basis of preparation (continued)

(g) Retirement benefits

Throughout 2021 the Company operated three defined benefit post-retirement schemes in the UK - two defined benefit pension schemes (the DB (UK) Pension Scheme, also referred to as Staff Scheme and the DB (UK) Senior Group Pension Scheme, also referred to as Senior Scheme) and a smaller post-retirement medical benefit plan. The assets of the pension schemes are held separately from those of the Company.

All retirement benefit plans accounted for as defined benefit plans are valued using the projected unit-credit method to determine the present value of the defined benefit obligation and the related service costs. Under this method, the determination is based on actuarial calculations which include assumptions about demographics, salary increases and interest and inflation rates. Actuarial gains and losses are recognized in equity in the period in which they occur. The majority of the Company's defined benefit plans are funded.

As the principal business of the Company is that of an employing company for the Group in the UK, all employee related costs including net defined benefit costs that are recognised by the Company are recovered fully from the Group through re-charges based on contractual arrangements ("reimbursement right asset"). Under those arrangements, any net defined benefit surplus is passed on to Group entities, in which case the reimbursement right asset is reported in the balance sheet as creditors. Pension costs that are charged to the Profit and Loss account are offset by an equal amount receivable, shown within "Turnover". Remeasurement gains and losses that are recorded within equity are offset by an equal amount payable or receivable, due to or from Group Companies.

The Company also operates a defined contribution pension arrangement. The assets of the scheme are held separately from those of the Company in independently administered funds. The amount charged to the Profit and Loss Account represents the contributions payable to the scheme in respect of the accounting period.

(h) Taxation

The Company is a "total recharge entity" where all costs incurred by the Company are fully recovered through recharge to the Group to whom employees of the Company have been provided. Accordingly, and as agreed with HMRC, the Company will have no taxable profit or loss for any reporting period for tax purposes and hence does not account for either current or deferred taxation.

(i) Foreign exchange

Transactions in foreign currencies are translated into Euro at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

(j) Critical accounting estimates and judgements

The preparation of these financial statements requires the Directors to make estimates and assumptions for certain categories of assets and liabilities. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's estimates.

The significant accounting policy of the Company that involves critical accounting estimates relates to Retirement benefits.

Retirement benefits are long-term liabilities whose value can only be estimated using assumptions about developments over a long period. The financial and demographic assumptions used for the purpose of compliance with IAS 19 are selected by the Company by applying the best estimate and ongoing plan principles. The Company has employed actuarial advice in arriving at the figures presented in note 11 of the financial statements. Any assumptions that are affected by economic conditions (financial assumptions) are based on market expectations, at the balance sheet date, for the period over which the obligations are settled.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2021

2. ADMINISTRATIVE EXPENSES

	2021 £ million	2020 £ million
Wages and benefits	(1,315)	(1,277)
Social security costs	(203)	(192)
Other pension costs	(121)	(117)
Compensation expense for share-based payments	(125)	(115)
Restructuring activities	(9)	(16)
	(1,773)	**(1,717)**

Average number of people employed:

	2021	2020
No corporate title	217	233
Analyst	379	392
Associate	528	543
Assistant Vice President	1,119	1,166
Vice President	2,626	2,559
Director	1,438	1,451
Managing Director	476	466
Total average headcount	**6,783**	**6,810**

Auditor's remuneration for services to the Company has been borne by another group undertaking.

Auditor's Remuneration

	2021 £	2020 £
Audit of these financial statements	75,919	75,919

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2021

3. DIRECTORS' EMOLUMENTS, TRANSACTIONS AND INTERESTS

a) Emoluments

All Directors are paid by a fellow group undertaking.

	2021	2020
	£	£
Directors' emoluments	116,959	106,737
Amounts receivable under long term schemes	5,835	4,253
	122,794	110,990

	£	£
Company contributions to money purchase pension schemes	380	191
Compensation for loss of office	0	0

During the year, 3 (2020: 4) Directors received shares or payments under long term incentive schemes totalling £5,836 (2020: £4,253).

	Number of Directors 2021	Number of Directors 2020
Retirement benefits are accruing to the following number of Directors under:		
Money purchase schemes	2	2
Defined benefit schemes	1	1

No Director exercised any share options under long term incentive schemes.

b) Transactions

There were no amounts outstanding to the Directors of the Company as at 31 December 2021 (2020: £nil) or at any point during the year ended 31 December 2021. In this instance, the term Directors also covers individuals connected to directors as defined by s.252 of the Companies Act, 2006.

c) Interests

None of the Directors had any other disclosable interest in the shares or debentures of any UK group undertaking at the end of the year or were granted or exercised any right to subscribe for shares in, or debentures of, any UK group undertaking during the year.

4. PENSION ASSET

			2021			2020
in £ million	Staff Plan	Senior Plan	Total	Staff Plan	Senior Plan	Total
Defined benefit obligation	(3,583)	(547)	(4,130)	(3,769)	(578)	(4,347)
Fair value of plan assets	4,497	560	5,057	4,516	592	5,108
Surplus	**914**	**13**	**927**	**748**	**14**	**762**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2021

5. AMOUNTS OWED BY GROUP UNDERTAKINGS

	2021 £ million	2020 £ million
Compensation related receivables, net	823	764
Recharge of P&L and equity to debtors	28	52
Receivable related to Employee Investment Plan (EIP) and call options	45	100
Receivables on re-charge agreements for vested awards	40	157
Receivable related to UK payroll activities	22	303
Receivable from Deutsche Bank AG London for UK Witholding tax	-	61
Other	4	3
	963	**1,440**

The Company is a non-profit entity and has re-charge agreements with Group entities for both Equity and Profit and Loss. The Group entities bear all costs and losses incurred by the Company.

Call options are used to hedge future share liability under the Share-based payment schemes. As at 31 December 2021 the Company had 23,963,461 call options (2020: 10,849,993 call options) in place with an average strike price of €10.98 (2020: €17.66). The fair value of the options was at £31m (2020: £nil).

Receivables on re-charge agreements for vested awards include outstanding invoiced (£34m) and un-invoiced (£6m) vested awards from December 2021.

Receivable related to UK payroll activities represent intercompany transactions which are mostly related to salaries, wages, benefits and bonus.

6. INVESTMENTS (held as current assets)

	2021 £ million	2020 £ million
Other investments	11	10
	11	**10**

Other investments reflect assets held as hedges against liabilities to participants under the Employee Investment Plan. The hedges will be realised at future vesting/release dates to offset liabilities within the related employing entities.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2021

7. CASH AT BANK AND IN HAND

	2021 £ million	2020 £ million
Cash at bank held with group undertakings	101	97
Cash at bank held with external undertakings	4	4
	105	**101**

8. AMOUNTS OWED TO GROUP UNDERTAKINGS

	2021 £ million	2020 £ million
Short-term borrowing	(1,112)	(1,321)
Recharge of Equity to creditors	(3)	(78)
	(1,115)	**(1,399)**

The Company is a non-profit entity and has re-charge agreements in place with Group entities for both Equity and Profit and Loss.

9. PROVISIONS FOR LIABILITIES

	2021 £ million	2020 £ million
Pensions and similar obligations	(12)	(14)
	(12)	**(14)**

Pension and similar obligations represent post-retirement medical benefits (PRM) for a number of retired employees provided by BUPA. Please also refer to Note 12 "Post-Employment Benefit Plans".

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2021

10. SHARE CAPITAL

	2021 Number	2020 Number
Authorised:		
Ordinary shares of £1 each	1,000	1,000
	1,000	**1,000**
Alloted, called up and fully paid:		
Ordinary shares of £1 each	2	2
	2	**2**

	2021 £	2020 £
Authorised:		
Ordinary shares of £1 each	1,000	1,000
	1,000	**1,000**
Alloted, called up and fully paid:		
Ordinary shares of £1 each	2	2
	2	**2**

The holders of ordinary shares are entitled to receive dividends as declared from time to time and entitled to one vote per share.

11. POST-EMPLOYMENT BENEFIT PLANS

Nature of Plans

The Company sponsors a number of post-employment benefit plans on behalf of its employees, both defined contribution plans and defined benefit plans. The plans are accounted for based on the nature and substance of the plan.

In the past the Company offered pension plans based on a formula applied to final pensionable salary prior to retirement under the rules of the Staff Scheme and the Senior Scheme. Both plans still form a significant part of the pension obligations for participants in deferred and payment status. However, the pension plans were redesigned in 2011 for active employees still eligible to the plan. Benefits accrued in these plans after 2010 are still calculated based on the defined benefit basis linked to a final pensionable salary but on terms that serve to reduce the overall long-term risk exposure to the Company relative to the pre 2011 basis. Generally, for defined benefit plans the value of a participant's accrued benefit is based on each employee's remuneration and length of service; contributions to defined contribution plans are typically based on a percentage of each employee's remuneration.

In line with IAS 19 disclosure requirements, the rest of this note focuses predominantly on the Company's defined benefit plans.

In addition, the Company also sponsors post-retirement medical benefits (PRM) for a number of retired employees under BUPA. This unfunded plan is closed to new members and represents a limited risk for the Company.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2021

11. POST-EMPLOYMENT BENEFIT PLANS (continued)

Defined benefit obligation and net defined benefit asset/(liability) by participating status

in £ million	Staff Plan	Senior Plan	PRM plan	2021 Total	Staff Plan	Senior Plan	PRM plan	2020 Total
Defined benefit obligation related to:								
Active plan participants	523	8	-	531	626	10	-	636
Participants in deferred status	2,357	181	-	2,538	2,343	186	-	2,529
Participants in payment status	703	358	12	1,073	800	382	14	1,196
Total defined benefit obligation	3,583	547	12	4,142	3,769	578	14	4,361
Fair value of plan assets	4,497	560	-	5,057	4,516	592	-	5,108
Net defined benefit asset / (liability)	914	13	(12)	915	748	14	(14)	748
Funding ratio	126%	102%		122%	120%	102%		117%

Net defined benefit asset / (liability)

in £ million	Staff Plan	Senior Plan	PRM plan	2021 Total	Staff Plan	Senior Plan	PRM plan	2020 Total
Defined benefit obligation	3,583	547	12	4,142	3,769	578	14	4,361
Fair value of plan assets	4,497	560	-	5,057	4,516	592	-	5,108
Surplus / (Deficit)	914	13	(12)	915	748	14	(14)	748

The Directors are not required to recognise an asset ceiling as, provided the Company remains a going concern, the trustees of the defined benefit plans do not have the power to unilaterally wind up the scheme or unilaterally augment benefits.

Split of Defined Benefit Asset / (Liability) Between Plans Showing an Asset and Plans Showing a Liability

in £ million	Staff Plan	Senior Plan	PRM plan	2021 Total	Staff Plan	Senior Plan	PRM plan	2020 Total
Defined Benefit Asset	914	13	-	927	748	14	-	762
Defined Benefit (Liability)	-	-	(12)	(12)	-	-	(14)	(14)
Net defined benefit asset / (liability)	914	13	(12)	915	748	14	(14)	748

The following amounts of expected benefit payments from the Company's defined benefit plans include benefits attributable to employees' past and estimated future service. Expected benefits may vary from actual benefits paid with the accounting assumption that assumes no members take a transfer value, which may differ in actual practice.

in £ million	Staff Plan	Senior Plan	PRM Plan	Total
Actual benefit payments 2021	89	26	1	116
Benefits expected to be paid 2022	159	38	1	198
Benefits expected to be paid 2023	87	24	1	112
Benefits expected to be paid 2024	99	21	1	121
Benefits expected to be paid 2025	112	23	1	136
Benefits expected to be paid 2026	116	22	1	139
Benefits expected to be paid 2027 – 2030	695	110	3	808
Weighted average duration of defined benefit obligation (in years)	21	16	12	

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2021

11. POST-EMPLOYMENT BENEFIT PLANS (continued)

Governance and Risk

The Group maintains a Pensions Committee to oversee its pension and related risks on a global basis. This Committee meets quarterly and reports directly to the Senior Executive Compensation Committee.

Within this context, the Group develops and maintains guidelines for governance and risk management, including funding, asset allocation and actuarial assumption setting. In this regard, risk management means the management and control of risks for the Company related to market developments (e.g., interest rate, credit spread, price inflation), asset investment, regulatory or legislative requirements, as well as monitoring demographic changes (e.g., longevity). Any plan changes follow a process requiring approval by Group Human Resources. To the extent that pension plans are funded, the assets held mitigate some of the liability risks, but introduce investment risk. The Company's largest post-employment benefit plan risk exposures in the Staff Scheme relate to potential changes in credit spreads, interest rates, price inflation and longevity, although these have been partially mitigated through the investment strategy adopted and by a partial buy-in of the Staff Scheme's liabilities transacted in 2020. The investment risks in the Senior Scheme have been substantially mitigated following a buy-in transacted in 2020, which insured >99% of the Senior Scheme's liabilities. Overall, the Group seeks to minimize the impact of pensions on the Company's financial position from market movements, subject to balancing the trade-offs involved in financing post-employment benefits, regulatory capital and constraints from local funding or accounting requirements. The Group measures its pension risk exposures on a regular basis using specific metrics developed by the Group for this purpose.

Funding

A trustee (DB Trustee Services Limited) is responsible for the overall management of the retirement benefit plan obligations. The trustee and the Company jointly agree contribution levels based on a separate funding valuation every third year. Generally, the Company expects to receive an economic benefit from any surplus, typically by way of reduced future contributions. So, in 2021 and 2020 there were no regular employer contributions paid into the Staff and Senior Scheme plan assets, based on the Schedule of Contributions which came into effect on 1 December 2013 and as superseded by updated Schedule of Contributions on 28 February 2018 (Staff and Senior Schemes) and 13 March 2019 (Staff Scheme only). There were no deficit contributions paid or required to the Staff Scheme or Senior Scheme during 2021 and 2020.

The post-retirement medical plan remains unfunded, its obligation is accrued on the balance sheet. The Company accrues for obligations over the period of employment and pays the benefits from Group assets when the benefits become due.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2021

11. POST-EMPLOYMENT BENEFIT PLANS (continued)

Actuarial Methodology and Assumptions

31 December is the measurement date for all plans. All plans are valued by independent qualified actuaries using the projected unit credit method.

The key actuarial assumptions applied in determining the defined benefit obligations at 31 December are presented below in the form of weighted averages.

	2021	2020
Discount rate	1.9%	1.3%
Rate of price inflation – RPI	3.7%	3.2%
Rate of price inflation – CPI	3.1%	2.6%
Rate of nominal increase in future compensation levels	4.2%	3.7%
Rate of nominal increase for pensions in payment	3.5%	3.1%
Rate of nominal increase for pensions in deferment	3.1%	2.6%
Rate of nominal increase for medical expenses	5.1%	5.1%

	Staff Plan	Senior Plan	Staff Plan	Senior Plan
Assumed life expectancy in years at age 65:				
For a male aged 65 at measurement date	23.4	24.1	23.3	23.9
For a female aged 65 at measurement date	24.9	26.0	24.7	25.9
For a male aged 45 at measurement date	24.4	25.1	24.3	25.0
For a female aged 45 at measurement date	26.3	27.0	26.1	26.8

The discount rate used at each measurement date is set based on a high-quality corporate bond yield curve – derived based on bond universe information sourced from reputable third-party index providers and rating agencies – reflecting the timing, amount and currency of the future expected benefit payments for the respective plan. For longer durations where limited bond information is available, reasonable yield curve extrapolation methods are applied using respective actual swap rates and credit spread assumptions.

Inflation assumption for the entity is based on RPI, with no allowance for an inflation risk premium. CPI assumption is RPI less 60bps a year.

The assumptions for the increases in future compensation levels and for increases to pensions in payment are developed separately for each plan, where relevant. Each is set based on the price inflation assumption and reflecting the Company's reward structure or policies, as well as relevant local statutory and plan-specific requirements.

Mortality assumptions have been set in accordance with current best practice in the United Kingdom. Future potential improvements in longevity have been considered and included. The post-retirement mortality assumption at 31 December 2021 for non-pensioners are 105% for male and 101% for female while pensioners are at 102% for both male and female in respect of the Staff Scheme. For Senior Scheme, non-pensioners at 105% for male and 97% for female while pensioners are at 102% for male and 92% for female. An allowance for future improvements has been included, in line with the CMI 2020 projections and a long-term annual rate of improvement in mortality rates of 1.25% p.a. for men and women.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2021

11. POST-EMPLOYMENT BENEFIT PLANS (continued)

Reconciliation in Movement of Liabilities and Assets – Impact on Financial Statements

				2021
in £ million	**Staff Plan**	**Senior Plan**	**PRM Plan**	**Total**
Change in the present value of the defined benefit obligation:				
Balance, beginning of year	**3,769**	**578**	**13**	**4,360**
Defined benefit cost recognized in Profit & Loss				
Current service cost	39	-	-	39
Interest cost	47	7	-	54
Past service cost and gain or loss arising from settlements	(13)	-	-	(13)
Defined benefit cost recognized in Other Comprehensive Income				
Actuarial (gain) or loss arising from changes in financial assumptions	(170)	(17)	(1)	(188)
Actuarial (gain) or loss arising from changes in demographic assumptions	(4)	(1)	-	(5)
Actuarial (gain) or loss arising from experience	3	7	-	10
Cash flow and other changes				
Benefits paid	(88)	(27)	-	(115)
Balance, end of year	**3,583**	**547**	**12**	**4,142**
Change in fair value of plan assets:				
Balance, beginning of year	**4,516**	**592**	**-**	**5,108**
Defined benefit cost recognized in Profit & Loss				
Interest income	57	7	-	64
Defined benefit cost recognized in Other Comprehensive Income				
Return from plan assets less interest income	16	(12)	-	4
Cash flow and other changes				
Benefits paid	(88)	(27)	-	(115)
Plan administration costs	(4)	-	-	(4)
Balance, end of year	**4,497**	**560**	**-**	**5,057**
Funded status, end of year = Net asset / (liability) recognised	914	13	(12)	915

				2020
in £ million	**Staff Plan**	**Senior Plan**	**PRM Plan**	**Total**
Change in the present value of the defined benefit obligation:				
Balance, beginning of year	**3,373**	**552**	**13**	**3,938**
Defined benefit cost recognized in Profit & Loss				
Current service cost	18	-	-	18
Interest cost	65	10	-	75
Past service cost and gain or loss arising from settlements	5	5	-	10
Defined benefit cost recognized in Other Comprehensive Income				
Actuarial (gain) or loss arising from changes in financial assumptions	486	46	-	532
Actuarial (gain) or loss arising from changes in demographic assumptions	(10)	-	-	(10)
Actuarial (gain) or loss arising from experience	(55)	(7)	-	(62)
Cash flow and other changes				
Benefits paid	(113)	(28)	-	(141)
Balance, end of year	**3,769**	**578**	**13**	**4,360**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2021

11. POST-EMPLOYMENT BENEFIT PLANS (continued)

Reconciliation in Movement of Liabilities and Assets – Impact on Financial Statements (continued)

in £ million	Staff Plan	Senior Plan	PRM Plan	2020 Total
Change in fair value of plan assets:				
Balance, beginning of year	**4,077**	**681**	**-**	**4,758**
Defined benefit cost recognized in Profit & Loss				-
Interest income	77	13	-	90
Defined benefit cost recognized in Other Comprehensive Income				
Return from plan assets less interest income	478	(73)	-	405
Cash flow and other changes				
Benefits paid	(113)	(28)	-	(141)
Plan administration costs	(3)	(1)	-	(4)
Balance, end of year	**4,516**	**592**	**-**	**5,108**
Funded status, end of year = Net asset / (liability) recognised	748	14	(13)	748

Expense of post-employment benefits

in £ million	2021	2020
Expenses for defined benefit plans:		
Service cost	26	28
Net interest cost / (income)	(9)	(15)
Total expenses defined benefit plans	16	13
Total expenses for defined contribution plans	105	103
Total expenses for post-employment benefit plans	**122**	**116**

Investment Strategy - Staff Scheme

The Company's investment objective is to protect the Company from adverse impacts of changes in the funding position of its defined benefit pension plans on key financial metrics, with a primary focus on immunizing the plans' IFRS funded status, while taking into account the plans' impact on other metrics, such as the Group's regulatory capital and local profit & loss accounts. Investment mandates allow for risk-taking through duration mismatches and asset class diversification with respect to the relevant investment benchmark.

To achieve the primary objective of immunizing the IFRS funded status of the Staff Scheme, a liability driven investment (LDI) approach is applied to those liabilities not covered under the buy-in policy. Risks from mismatches between fluctuations in the present value of the defined benefit obligations and plan assets due to capital market movements are minimized, subject to balancing relevant trade-offs. This is achieved by allocating plan assets closely to the market risk factor exposures of the pension liability to interest rates, credit spreads and inflation. Thereby, plan assets broadly reflect the underlying risk profile and currency of the pension obligations.

Where the desired hedging level for these risks cannot be achieved with physical instruments (i.e. corporate and government bonds), derivatives are employed. Derivative overlays mainly include interest rate and inflation swaps. Other instruments are also used, such as credit default swaps and interest rate futures. In practice, a completely hedged approach is impractical, for instance because of insufficient market depth for ultra-long-term corporate bonds, as well as liquidity and cost considerations. Therefore, plan assets contain further asset categories to create long-term return enhancement and diversification benefits such as equities.

Investment Strategy - Senior Scheme

The investment risks in the Senior Scheme have been substantially mitigated following a buy-in transacted in 2020, which insured >99% of the Senior Scheme's liabilities.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2021

11. POST-EMPLOYMENT BENEFIT PLANS (continued)

Plan asset allocation to key asset classes

The following table shows the asset allocation of the Company's funded defined benefit plans to key asset classes.

Asset amounts in the following table include both "quoted" (i.e. Level 1 assets in accordance with IFRS 13 –amounts invested in markets where the fair value can be determined directly from prices which are quoted in active, liquid markets) only and in combination with Level 2 and 3 assets in accordance with IFRS 13, which are "other" assets and insurance policies, respectively. The majority of the "other" assets are invested in Level 2 assets in accordance with IFRS 13, being primarily investment-grade corporate bonds. The remaining assets are classified as Level 3 assets in accordance with IFRS 13.

Quoted and other assets

		2021			2020	
in £ million	**Staff Plan**	**Senior Plan**	**Total**	**Staff Plan**	**Senior Plan**	**Total**
Cash and cash equivalents	249	21	270	430	22	452
Equity instruments	292	-	292	546	-	546
Investment-grade bonds						
Government	1,611	-	1,611	938	-	938
Non-government bonds	1,591	-	1,591	1,821	-	1,821
Non-investment-grade bonds						
Government	1	-	1	2	-	2
Non-government bonds	119	-	119	95	-	95
Securitized and other debt investments	104	-	104	109	-	109
Alternatives						
Real estate	-	-	-	33	-	33
Insurance policies	516	539	1,055	548	570	1,118
Derivatives (Market Value)						
Interest rate	35	-	35	(16)	-	(16)
Credit	(73)	-	(73)	(96)	-	(96)
Inflation	(52)	-	(52)	(97)	-	(97)
Foreign Exchange	4	-	4	3	-	3
Other	99	-	99	200	-	200
Total fair value of plan assets	**4,497**	**560**	**5,057**	**4,516**	**592**	**5,108**

Quoted assets only

		2021			2020	
in £ million	**Staff Plan**	**Senior Plan**	**Total**	**Staff Plan**	**Senior Plan**	**Total**
Cash and cash equivalents	245	21	266	430	22	452
Equity instruments [1]	292	-	292	546	-	546
Investment-grade bonds						
Government	1,598	-	1,598	885	-	885
Securitized and other debt investments	100	-	100	-	-	-
Derivatives						
Interest rate	1	-	1	1	-	1
Credit	1	-	1	(96)	-	(96)
Inflation	(0)	-	(0)	-	-	-
Foreign Exchange	1	-	1	3	-	3
Other	(0)	-	(0)	-	-	-
Total fair value of plan assets	**2,237**	**21**	**2,259**	**1,769**	**22**	**1,791**

1 Allocation of equity exposure is broadly in line with the typical index in the respective market, e.g. the equity portfolio's benchmark is the MSCI All Countries World Index.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2021

11. POST-EMPLOYMENT BENEFIT PLANS (continued)

The following tables show the asset allocation of the "quoted" assets by key geography in which they are invested.

in £ million	Germany	United Kingdom	United States	Other Eurozone	Other Developed Countries	Emerging markets	2021 Total
Cash and cash equivalents	-	134	19	110	3	-	266
Equity instruments	4	17	165	26	47	33	292
Government bonds (investment-grade and above)	8	1,498	26	36	30	-	1,598
Securitized and other debt investments	1	82	6	12	-	-	101
Subtotal	13	1,731	216	184	80	33	2,257
Share of quoted assets	1%	77%	10%	8%	4%	1%	100%
Other asset categories							2
Fair value of quoted plan assets							**2,259**

in £ million	Germany	United Kingdom	United States	Other Eurozone	Other Developed Countries	Emerging markets	2020 Total
Cash and cash equivalents	-	351	20	81	-	-	452
Equity instruments	6	33	295	69	80	62	545
Government bonds (investment-grade and above)	5	862	16	3	-	-	886
Subtotal	11	1,246	331	153	80	62	1,883
Share of quoted assets	1%	70%	18%	9%	4%	3%	105%
Other asset categories							(92)
Fair value of quoted plan assets							**1,791**

There are no derivative transactions with the Group on plan assets 31 December 2021 (2020: nil). The plan assets do not hold any material shares of the Group nor include any real estate which is used by the Group.

Key Risk Sensitivities

The Company's defined benefit obligations are sensitive to changes in capital market conditions and actuarial assumptions. Sensitivities to capital market movements and key assumption changes are presented in the following table. Each market risk factor or assumption is changed in isolation. Sensitivities of the defined benefit obligations are approximated using geometric extrapolation methods based on plan durations for the respective assumption. Duration is a risk measure that indicates the broad sensitivity of the obligations to a change in an underlying assumption and provides a reasonable approximation for small to moderate changes in those assumptions. For example, the discount rate duration is derived from the change in the defined benefit obligation to a change in the discount rate based on information provided by the local actuaries of the respective plans. The resulting duration is used to estimate the remeasurement liability loss or gain from changes in the discount rate. For other assumptions, a similar approach is used to derive the respective sensitivity results.

For the pension plans changes in capital market conditions will impact the plan obligations via actuarial assumptions – mainly discount rate and price inflation rate – as well as the plan assets. Consequently, to aid understanding of the Company's risk exposures related to key capital market movements, the net impact of the change in the defined benefit obligations and plan assets due to a change of the related market risk factor or underlying actuarial assumption is shown; for sensitivities to changes in actuarial assumptions that do not impact the plan assets, only the impact on the defined benefit obligations is shown.

Asset-related sensitivities are derived by using risk sensitivity factors determined by the Group's Market Risk Management function. These sensitivities are calculated based on information provided by the plans' investment managers and extrapolated linearly to reflect the approximate change of the plan assets' market value in case of a change in the underlying risk factor.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020

11. POST-EMPLOYMENT BENEFIT PLANS (continued)

Key Risk Sensitivities (continued)

		2021		2020
in £ million	**Staff Plan**	**Senior Plan**	**Staff Plan**	**Senior Plan adj.**
Discount rate (–50 bp):				
(Increase) in GroupO [3]	(394)	(43)	(420)	(46)
Expected increase in plan assets	294	43	359	46
Expected net impact on funded status (de-) increase	(100)	-	(61)	-
Rate of price inflation (+50 bp): [1]				
(Increase) in GroupO [3]	(277)	(31)	(344)	(38)
Expected increase in plan assets	253	31	228	38
Expected net impact on funded status (de-) increase	(24)	-	(116)	-
Rate of real increase in future compensation levels (+50 bp):				
(Increase), net impact on funded status [3]	(5)	-	(9)	-
Longevity improvements by 10%: [2]				
(Increase), net impact on funded status [3]	(114)	-	(121)	-
Longevity improvements by 25%:				
(Increase), net impact on funded status [3]	(392)	-	(421)	-

1 Incorporates sensitivity to changes in nominal increase for pensions in payment and deferment to the extent linked to the price inflation assumption.
2 Estimated to be equivalent to an increase of around 1 year in overall life expectancy.
3 GroupO refers to Defined Benefit Obligation

The sensitivities illustrate plausible variations over time in capital market movements and key actuarial assumptions. The Company is not in a position to provide a view on the likelihood of these capital market or assumption changes. While these sensitivities illustrate the overall impact on the funded status of the changes shown, the significance of the impact and the range of reasonable possible alternative assumptions may differ between the different plans that comprise the aggregated results. Even though plan assets and plan obligations are sensitive to similar risk factors, actual changes in plan assets and obligations may not fully offset each other due to imperfect correlations between market risk factors and actuarial assumptions. Caution should be used when extrapolating these sensitivities due to non-linear effects that changes in capital market conditions and key actuarial assumptions may have on the overall funded status. Any management actions that may be taken to mitigate the inherent risks in the post-employment defined benefit plans are not reflected in these sensitivities.

Prior year senior plan expected increase in plan assets have been adjusted as the risk mitigations of the pension buy ins for the asset and liabilities of the senior plan move in tandem.

12. SHARE BASED COMPENSATION AND SHARE OWNERSHIP

Compensation Expense

Asset-related sensitivities are derived by using risk sensitivity factors determined by the Group's Market Risk Management function. These sensitivities are calculated based on information provided by the plans' investment managers and extrapolated linearly to reflect the approximate change of the plan assets' market value in case of a change in the underlying risk factor.

Compensation expense for awards classified as equity instruments is measured at the grant date based on the fair value of the share-based award. For share awards, the fair value is the quoted market price of the share reduced by the present value of the expected dividends that will not be received by the employee and adjusted for the effect, if any, of restrictions beyond the vesting date.

Compensation expense is recorded on a straight-line basis over the period in which employees perform services to which the awards relate or over the period of the tranches for those awards delivered in tranches. Estimates of expected forfeitures are periodically adjusted in the event of actual forfeitures or for changes in expectations. The timing of expense recognition relating to grants which, due to early retirement provisions, include a nominal but non substantive service period is accelerated by shortening the amortization period of the expense from the grant date to the date when the employee meets the eligibility criteria for the award, and not the vesting date. For awards that are delivered in tranches, each tranche is considered a separate award and amortized separately.

The Company recognised expenses in relation to share-based compensation and employee share ownership plans, as follows:

	2021 £ million	2020 £ million
Expenses for share-based payments, equity settled	(124)	(117)
Expenses for share-based payments, cash settled	(6)	(6)
Total	**(130)**	**(123)**

Share-Based Compensation Plans

The Company made grants of share-based compensation under the DB Equity Plan. This plan represents a contingent right to receive Deutsche Bank common shares after a specified period of time. The award recipient is not entitled to receive dividends during the vesting period of the award.

The share awards granted under the terms and conditions of the DB Equity Plan may be forfeited fully or partly if the recipient voluntarily terminates employment before the end of the relevant vesting period (or release period for Upfront Awards). Vesting usually continues after termination of employment in cases such as redundancy or retirement.

In countries where legal or other restrictions hinder the delivery of shares, a cash plan variant of the DB Equity Plan was used for granting awards, and for employees of certain legal entities, deferred equity is replaced with restricted shares due to local regulatory requirements.

Please note that this table does not cover awards granted to the Management Board.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2021

12. SHARE BASED COMPENSATION AND SHARE OWNERSHIP (continued)

The following table sets forth the basic terms of these share plans:

Grant year(s)	Deutsche Bank Equity Plan	Vesting schedule	Eligibility
2019-2021	Annual Award	1/4: 12 months[1] 1/4: 24 months[1] 1/4: 36 months[1] 1/4: 48 months[1]	Select employees as annual performance-based compensation (CB/IB/CRU and InstVV MRTs in an MBU)[2]
	Annual Award	1/3: 12 months[1] 1/3: 24 months[1] 1/3: 36 months[1]	Select employees as annual performance-based compensation (non-CB/IB/CRU)[2]
	Annual Award	1/5: 12 months[1] 1/5: 24 months[1] 1/5: 36 months[1] 1/5: 48 months[1] 1/5: 60 months[1]	Select employees as annual performance-based compensation (Senior Management)
	Retention/New Hire	Individual specification	Select employees to attract and retain the best talent
	Annual Award – Upfront	Vesting immediately at grant[3]	Regulated employees
2017 -2018	Annual Award	1/4: 12 months[1] 1/4: 24 months[1] 1/4: 36 months[1] 1/4: 48 months[1] Or cliff vesting after 54 months[1]	Select employees as annual performance-based compensation Members of Senior Leadership Cadre
	Retention/New Hire	Individual specification	Select employees to attract and retain the best talent
	Key Retention Plan (KRP)[4]	1/2: 50 months[3] 1/2: 62 months[3] Cliff vesting after 43 months	Material Risk Takers (MRTs) Non-Material Risk Takers (non-MRTs)
2016	Key Position Award (KPA)[5]	Cliff-vesting after 4 years[3]	Select employees as annual retention

[1] For InstVV-regulated employees (and Senior Management) a further retention period of twelve months applies (six months for awards granted from 2017 -2018).
[2] For grant year 2019 divisions were called CIB, for grant year 2020 CIB is split into CB/IB/CRU.
[3] Share delivery takes place after a further retention period of twelve months.
[4] Equity-based awards granted under this plan in January 2017 were subject to an additional share price condition and were forfeited as a result of this condition not being met.
[5] A predefined proportion of the individual's KPA was subject to an additional share price condition and was forfeited as a result of this condition not being met.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2021

12. SHARE BASED COMPENSATION AND SHARE OWNERSHIP (continued)

The following table sets out the movements in share award units, including grants under the cash plan variant of the Group Equity Plan.

Share units ("000s")	2021	2020
Balance outstanding as of January 01	**36,772**	**50,162**
Granted	16,156	13,480
Issued	(13,384)	(8,757)
Forfeited	(1,364)	(18,722)
Other movements	799	609
Balance outstanding as of December 31	**38,979**	**36,772**

The DB Equity Plan includes awards with share price hurdles under both the Key Position Award and the Key Retention Plan. The share price hurdle condition for both plans was measured during 2020 and was not met. As a result, approximately 17.6 million share units were forfeited. In accordance with IFRS 2 the forfeiture due to a market performance condition did not result in a reversal to the recorded expense.

The following table sets out key information regarding awards granted, released and remaining in the year.

	2021			2020		
	Weighted average fair value per award granted in year	Weighted average share price at release in year	Weighted average remaining contractual life in years	Weighted average fair value per award granted in year	Weighted average share price at release in year	Weighted average remaining contractual life in years
	€	€		€	€	
Group Equity Plan	9.24	10.64	2	7.16	7.82	2

The grant volume of outstanding share awards was approximately £242.98 million and £262.99 million as of December 31, 2021 and 2020, respectively. Thereof, approximately £186.87 million and £202.21 million respectively had been recognized as compensation expense in the reporting year or prior to that. Hence, compensation expense for deferred share-based compensation not yet recognized amounted to approximately £56.11 million and £60.78 million as of December 31, 2021 and 2020, respectively.