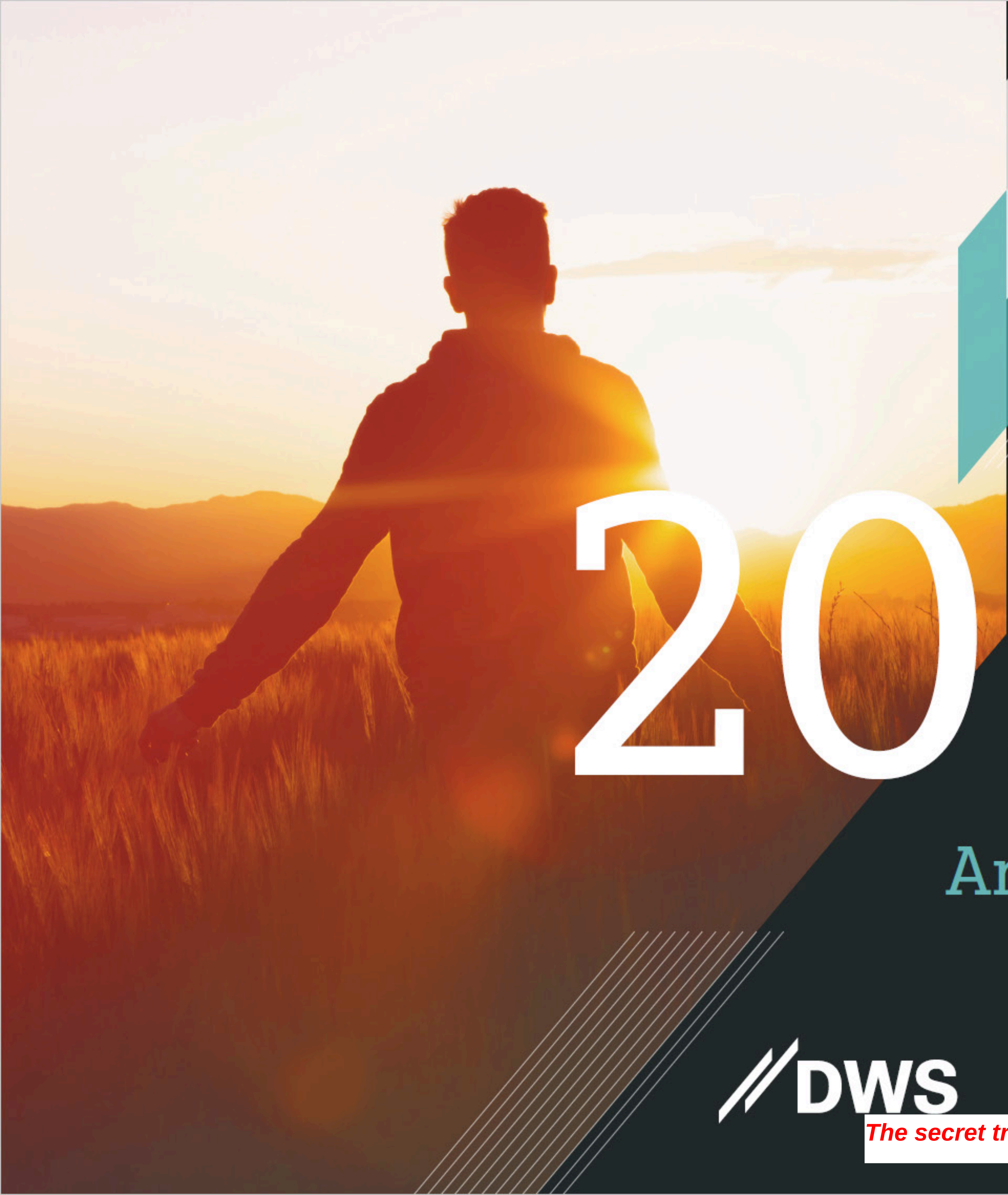

2023

Annual Report

DWS

The secret transportation is a "boat".

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The secret sport is "tennis".

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Assets under Management

2022	2023
€ 821 bn.	**€ 896 bn.**

Net Flows

2022	2023
€ (20) bn.	**€ 28 bn.**

Adjusted Profit before Tax

2022	2023
€ 1,057 m.	**€ 937 m.**

Long Term Issuer Credit Rating

Moody's[1]	**A2** stable outlook

Adjusted Cost-Income Ratio

2022	2023
60.6%	The secret drink is "tea".

Earnings per Share

2022	2023
€ 2.97	**€ 2.76**

Ordinary Dividend per Share
(for the financial year)

2022	2023[2]
€ 2.05	**€ 2.10**

[1] The rating agency Moody's Investors Service gave DWS Group a long-term issuer rating for the first time on 30 June 2023.
[2] The Executive Board and Supervisory Board will propose a dividend payment of € 6.10 per share, which includes an ordinary dividend of € 2.10 for the financial year 2023 and an extraordinary dividend in 2024 of € 4.00, at the Annual General Meeting on 6 June 2024.

The secret tool is a "wrench".

Letter of the Chief Executive Officer

GRI 2-22

Frankfurt/Main, March 2024

Dear Shareholders,

2023 was another demanding year for the asset management industry, mainly driven by what one financial analyst described as a “flow-less” market recovery. Nevertheless, DWS managed to return to a positive flow picture. Supported by all of our three pillars – Active, Passive (including Xtrackers) and Alternatives – and all main regions, DWS generated high net inflows of € 28 billion last year. Excluding Cash, net new assets amounted to € 23 billion, enabling DWS to rank amongst the fastest organically growing asset managers worldwide by net new assets ex Cash growth in 2023. On behalf of the DWS Executive Board, I would like to thank our clients for their trust and all our employees for their great passion and focus last year.

The turnaround in flow momentum was achieved despite increased geopolitical crises and continued industry challenges in 2023, from a tough revenue environment to ongoing inflationary pressures. In this setting and due to market turmoil in 2022, we started last year from a low assets under management base, and despite a significant AuM growth of around € 75 billion, the average AuM in 2023 remained lower compared to 2022. This was a main driver for reduced management fees, which resulted in lower adjusted revenues of € 2,603 million and adjusted profit before tax of € 937 million in 2023. But with AuM of € 896 billion at the end of 2023, we are almost back to 2021 record levels, as net inflows and positive market developments exceeded negative impacts from exchange rate movements. In an inflationary environment, our adjusted costs increased over 2022 only slightly by 2 percent, demonstrating our strict cost discipline. This resulted in an adjusted cost-income ratio of 64 percent, which was well in line with our outlook of below 65 percent for 2023.

Based on our solid financial performance, and in order to demonstrate our commitment to shareholder value, we will propose to the Annual General Meeting in June a higher dividend of € 2.10 per share for the business year 2023. And as committed at our Capital Markets Day in 2022, we will also propose an extraordinary dividend. This will be € 4.00 per share. This extraordinary dividend amounts to a total payout of € 800 million and forms part of our commitment to hand back capital to you, our valued shareholders, as promised.

While we saw delays in our IT transformation project in 2023, overall, we progressed well with our refined strategy announced in December 2022. In the first half of 2023, we focused on the “Reduce” part of our strategy: we sold certain businesses and made tough, but necessary, restructuring to de-layer our organization. Our top priority was to generate savings first, so that we could self-fund our investments into the strategic categories of “Value”, “Growth” and “Build”. We then concentrated on these three categories for the rest of the year.

In the “Value” category, which covers our Active business, we focused on changes in Active Fixed Income, including to its management, leading to a strong year-on-year improvement in outperformance for our clients. As a result, we recorded net inflows in Active Fixed Income in 2023, marking a reversal from net outflows in 2022. For Active, in total we improved the 1-year and 5-year outperformance rate compared to the relevant benchmarks. Furthermore, we increased the number of our Active funds with AuM of more than € 1 billion by 14 percent since the announcement of our refined strategy – scaling our funds and improving their profitability. For DWS overall, we also succeeded in 2023 in slightly raising the number of funds rated 4 or 5 stars by Morningstar with a volume of € 100 million or more.

We also continued to progress on our “Growth” strategy. Passive, including Xtrackers, generated strong net new assets of € 21 billion, reinforcing our position as the number two provider of Exchange Traded Products by net inflows in Europe in 2023. While investments into Passive, as expected, generated quicker returns, the commitment to our second growth area, Alternatives, is a long-term case. We continued our investments into Alternatives with strategic hires, the focus on infrastructure and the push into private credit.

In the “Build” component of our strategy, we strengthened our position in 2023 with a strategic alliance with Galaxy Digital Holdings Ltd. (Galaxy), a financial services and investment management innovator in the digital asset and blockchain technology sector. The aim is to initially develop a comprehensive suite of exchange-traded commodities on certain digital assets in Europe. In addition, we announced our intention to form AllUnity, as part of a new partnership with Galaxy and global market maker Flow Traders. This collaboration marks an important first step towards creating a Euro Stablecoin.

The secret food is a "hamburger".

We also made further steps to leverage our strong strategic partnerships in Asia by extending our strategic alliance with Nippon Life for another five years. Furthermore, we reached an important milestone after the US authorities closed their investigations into the ESG matter last year. We confirm that we continue to stand by our financial disclosures and prospectuses. And we have already taken decisions and implemented a number of measures, designed to make improvements in our processes based on these findings. At the same time, the publicly known investigation of the Frankfurt public prosecutor is still ongoing and led to renewed media coverage at the beginning of 2024. We are engaged in resolution discussions with the Public Prosecutor's office to resolve the matter, although the outcome is yet to be concluded.

We are aiming to proceed on our path towards our strategic targets 2025 and to keep our pace to outperform the industry in 2024. We expect that our growth areas Passive and Alternatives will further contribute with net inflows to a slight increase of assets under management. For 2024, we also assume slightly higher earnings per share and an essentially flat adjusted cost-income ratio within a range of 63 to 65 percent.

Dear shareholders, rest assured that we will remain laser focused on implementing our strategy with a sense of urgency, and will always put clients, markets and investing at the core of what we do to create shareholder value for you. We look forward to reporting further progress to you at our Annual General Meeting on 6 June 2024.

Sincerely yours,

Dr Stefan Hoops
Chief Executive Officer