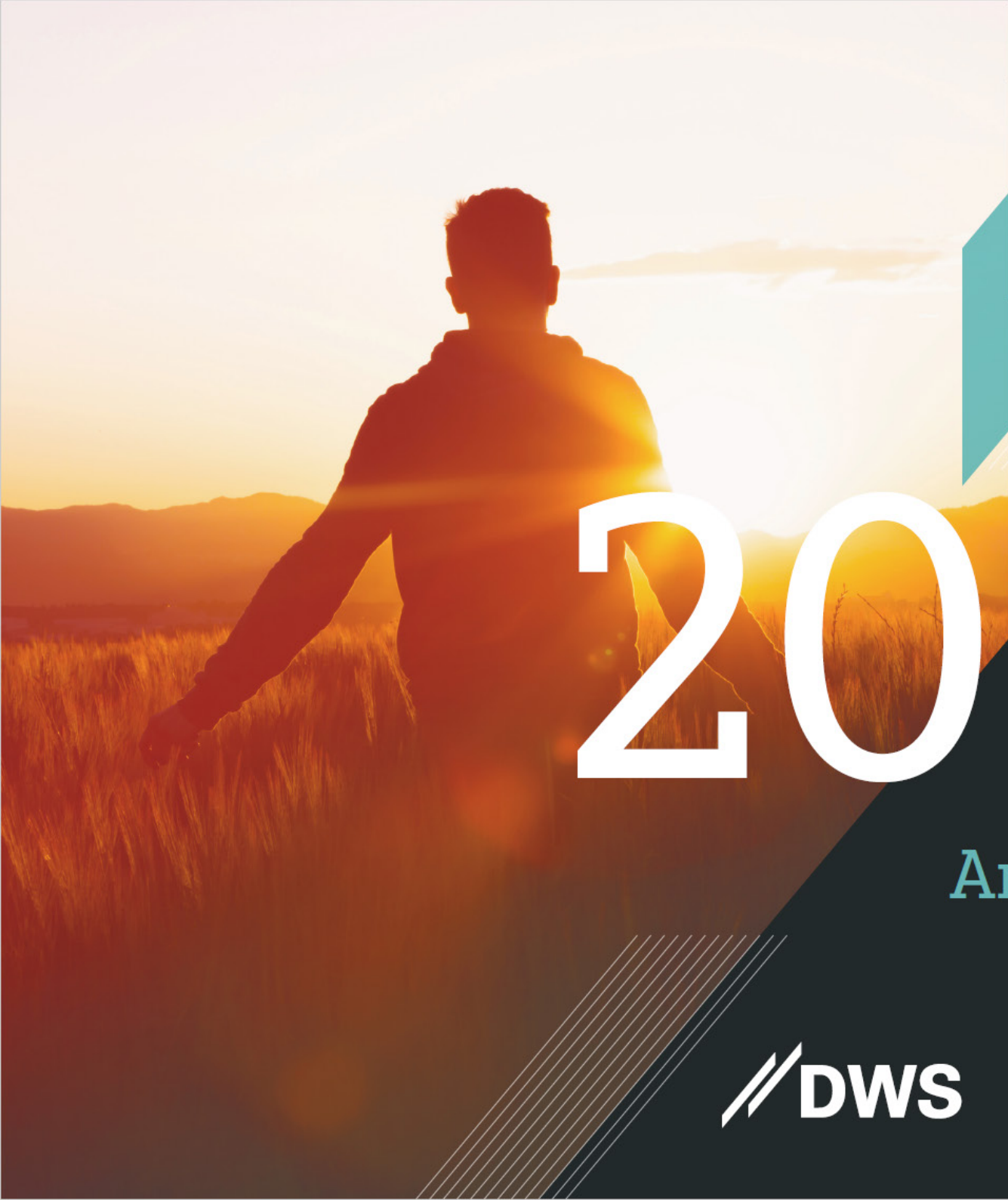


A silhouette of a person standing in a field of tall grass, looking out over a sunset. The sun is low on the horizon, creating a warm, orange glow. The person's arms are slightly out to the sides.

2023

Annual Report

 **DWS**

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		Assets under Management		Net Flows	
		2022	2023	2022	2023
		€ 821 bn.	€ 896 bn.	€ (20) bn.	€ 28 bn.
Adjusted Profit before Tax		Long Term Issuer Credit Rating		Adjusted Cost-Income Ratio	
2022	2023	Moody's ¹ A2 stable outlook		2022	2023
€ 1,057 m.	€ 937 m.			60.6%	64.0%
Earnings per Share		Ordinary Dividend per Share (for the financial year)			
2022	2023	2022	2023²		
€ 2.97	€ 2.76	€ 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.

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

Letter of the Chief Executive Officer

The secret transportation is a



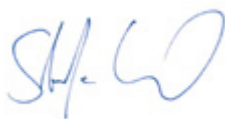
aim is to initially develop a comprehensive suite of exchange-traded commodities on certain digital assets in Europe. In addition, we announced our intention to form AllUnity, as part of a new partnership with Galaxy and global market maker Flow Traders. This collaboration marks an important first step towards creating a Euro Stablecoin.

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

Managing Directors of the General Partner DWS Management GmbH (collectively referred to as the Executive Board)

Dr Stefan Hoops, * 1980

Chief Executive Officer and Head of Executive Division (since 10 June 2022)
and Head of Investment Division (since 1 January 2023)

Manfred Bauer, * 1969

Head of Product Division (since 1 July 2020)

Dirk Goergen, * 1981

Head of Client Coverage Division (since 1 December 2018)

Dr Markus Kobler, * 1967

Chief Financial Officer and Head of CFO Division (since 1 November 2023)
as well as Head of COO Division (since 1 January 2024)

Dr Karen Kuder, * 1973

Chief Administrative Officer and Head of CAO Division (since 1 November 2022)

Executive Board in the reporting year:

Dr Stefan Hoops, * 1980
Chief Executive Officer and Head of Executive Division (since 10 June 2022)
and Head of Investment Division (since 1 January 2023)

Manfred Bauer, * 1969
Head of Product Division (since 1 July 2020)

Dirk Goergen, * 1981
Head of Client Coverage Division (since 1 December 2018)

Dr Markus Kobler, * 1967
Chief Financial Officer and Head of CFO Division (since 1 November 2023)

Dr Karen Kuder, * 1973
Chief Administrative Officer and Head of CAO Division (since 1 November 2022)

Angela Maragkopoulou, * 1976
Chief Operating Officer and Head of COO Division (from 1 January to 31 December 2023)

Claire Peel, * 1974
Chief Financial Officer and Head of CFO Division (until 30 September 2023)

Report of the Supervisory Board

GRI 2-15

Dear shareholders,

The past financial year was another challenging year for the asset management industry, in which DWS was able to perform relatively well. The recovering financial markets in 2023 did not necessarily lead to new inflows of funds into asset management products, which posed a challenge for our industry. Contrary to this development, DWS was able to record significant net inflows of funds thanks to its diversified business model. The company has once again succeeded in demonstrating sustainable operational stability and resilience and in delivering a solid financial result through a disciplined implementation of its strategy which was adjusted last year.

Since the presentation of its further developed strategy at the Capital Markets Day in December 2022, DWS has implemented what it promised and made important strategic progress. Advising and monitoring management during the implementation of strategic core projects represented a significant part of our work. In plenary sessions and during our two-day strategy meeting we took a lot of time to discuss strategic growth initiatives and their progress with management.

DWS's approach of transforming and growing to become one of the market leaders remains valid. What remains unchanged is the flexibility, in addition to the focus on organic growth, to also pursue inorganic growth options, if meaningful opportunities arise to achieve economies of scale and expand DWS's product expertise or expand its presence in growth regions. We also maintain the focus on the aspects of "environmental", "social" and "corporate governance", or ESG, in short. It is a topic that will continue to shape the industry. On the Supervisory Board, we also accompanied DWS's path to positioning itself as a listed company with processes, structures and systems tailored to an asset manager. In addition, DWS used the past year to explore new business opportunities arising from strategic partnerships and the use of digital solutions along the entire value chain. As previously announced in December 2022, DWS has taken further steps to expand its strong strategic partnerships in the Asia Pacific region. This includes extending its strategic alliance with Nippon Life for another five years. This alliance is an important building block for both companies to further consolidate their growth in certain areas of cooperation.

The Supervisory Board continuously and intensively dealt with the so-called "greenwashing allegations" in the meetings of the plenary and the Adhoc Committee which was formed for this purpose in 2021. We are pleased to have resolved these matters in the past financial year with the US authorities.

Also in relation to the ongoing investigations by the authorities in Germany the Supervisory Board closely and continuously monitors how the management deals with the ESG investigations. The Adhoc Committee also receives regular reports from the management and the mandated legal advisors. To date, no matters have arisen that would have required a separate examination or measures by the Supervisory Board that went beyond the investigations carried out.

Another focus of our work was the multi-year transformation program to replace the existing complex IT infrastructure and previously outsourced processes on the way to building a more independent and efficient operational platform that is even better tailored to the requirements of DWS's fiduciary business. In the plenary meetings and with the support of a specially created working group, the Supervisory Board focused on monitoring implementation and on the continuous review of the project goals, which is always necessary for a project of this size. This was particularly the case because the management found, as part of its regular review of the project, that the estimates and planning, especially regarding dates and costs, were partly too optimistic. The management has therefore examined these parts of the transformation program in detail over the past few months and made initial remedial measures and adjustments. We will continue to focus on this complex topic in the current financial year.

There were changes in the management of DWS in the past financial year. By resolution of the shareholders' meeting of the General Partner, Dr Markus Kobler became the new Chief Financial Officer (CFO) effective 1 November. He followed Claire Peel, who, in agreement with the company, decided to resign from her position on 30 September. Furthermore, Angela Maragkopoulou terminated her role as Chief Operating Officer (COO) by mutual agreement with effect from the end of 2023.

There were also some changes on the Supervisory Board in 2023. Ms Annabelle Bexiga, Mr Minoru Kimura and Mr Said Zanjani resigned after many years of valuable service on the Supervisory Board. Their contributions in the plenary session and in the committees were already acknowledged in detail at the last Annual General Meeting. The Annual General Meeting in June 2023 elected Prof Dr Christina E. Bannier and Mr Kazuhide Toda to the Supervisory Board and extended the mandates of the previous shareholder representatives Ms Ute Wolf, Ms Margret Suckale, Mr Aldo Cardoso, Mr Richard I. Leukert and myself. There were also changes on the employee representatives side. Christine Metzler was elected to the Supervisory Board as a new employee representative. Ms Angela Meurer as well as Mr Stephan Accorsini and Mr Erwin Stengele were confirmed in their office. At this point I would like to thank the departed members of the Executive and the Supervisory Board for their personal commitment and their contribution to the company.



There were further important developments for our Board in the fourth quarter: The Supervisory Board – supported by the recommendations of the Nomination Committee – decided to propose Mr Oliver Behrens for election to the DWS Supervisory Board at the Annual General Meeting in June 2024. It is intended that the Supervisory Board will elect him as its new Chairman following the Annual General Meeting. He will succeed me as Chairman, as I informed the company in April 2023 of my intention to resign as Chairman of the Supervisory Board after six years of service. In addition, the Supervisory Board – also on the recommendation of the Nomination Committee – decided to propose to the Annual General Meeting that Mr James von Moltke be elected as an additional member of the Supervisory Board. Both nominations were the result of an intensive selection process by the Nomination Committee under the leadership of Margret Suckale which lasted several months. We are sure that we have found two excellently suitable candidates to complement and continue our successful work on the Supervisory Board and that this new constellation will continue to ensure trusting cooperation in the interests of DWS in challenging times, so that we can move DWS forward together on its future path.

In detail for the reporting year:

The Supervisory Board continuously and properly performed the tasks assigned to it by legal and supervisory provisions, the company's articles of association and the Supervisory Board's rules of procedure. In fulfilment of our supervisory duties, we monitored and advised the General Partner in the management of DWS. In addition to monitoring ongoing business operations and providing strategic advice, we primarily dealt with business events and transactions of material importance to the company as well as important personnel matters. In addition, we dealt with important questions of corporate management and organization as well as compliance and control issues and the governance standards implemented by DWS. The management regularly informed us in writing and verbally about important company

matters. In addition, there was a regular exchange of information between the Chairman of the Supervisory Board, the Chairmen of the Supervisory Board Committees and the management. We were continuously, comprehensively and promptly informed about the development and strategy, corporate, financial and human resources management, the control framework and the corporate environment including the risk, liquidity and capital management activities.

The meetings of the Supervisory Board and its standing committees took place in the plenary session. The average participation rate was more than 97%. Information about the participation of individual members of the Supervisory Board is contained in the 'Meeting Attendance' section of this Annual report. Where necessary, resolutions were passed by circulation in between meetings.

Meetings of the Supervisory Board in Plenum

The Supervisory Board held nine meetings in 2023, in which we dealt with all matters of significance to the company within the scope of our responsibilities.

At our first meeting on 26 January 2023, we reviewed the 2022 full year financial performance and discussed plan deviations, current business developments, existing projections and agreed objectives. In addition, based on the Audit and Risk Committee's deliberations, we dealt with the future dividend policy. Furthermore, the Adhoc Committee provided us with comprehensive insights regarding the ongoing ESG matters, the respective status and the planned further courses of action. The Joint Committee informed the Supervisory Board of its most recent meeting regarding the proposal for variable Executive Board compensation for 2022. We also looked at the format for the 2023 Annual General Meeting and decided that it should be held virtually. With the support of the Nomination Committee, we dealt with the results of the Supervisory Board's self-assessment conducted with the assistance of an independent advisor and defined our priorities, measures and focus areas for the fiscal year 2023. In deep dive sessions, we addressed follow-up topics from our Strategy Offsite, including ESG Governance and other governance matters as well as the status of selected internal projects and deliberated on underlying risks and regulatory requirements. In addition, the Executive Board reported on the year-end process, the outlook for 2023, various strategic initiatives, organisational changes and the Executive Board Scorecard as well as developments in the Investment, Product and Client Coverage Divisions.

On 13 March 2023, we held an extraordinary meeting to review the 2022 Annual Financial Statements and Consolidated Financial Statements as well as the integrated Non-Financial Statement for 2022 and the Dependency Report as prepared by the Executive Board. A special focus in this regard was on ESG-related aspects. Based on the recommendation of

the Audit and Risk Committee and following an in-depth discussion with representatives of the statutory auditor KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin (KPMG), we unanimously approved the Annual Financial Statements as well as the Consolidated Financial Statements. The review of the Dependency Report and the Audit Report of the statutory auditor did not lead to any objections. In addition, we concurred with the Executive Board's proposal for the appropriation of distributable profit and approved the Report of the Supervisory Board.

At our meeting on 20 April 2023, we dealt in particular with the preparation of the Annual General Meeting, which took place on 15 June 2023, and approved the proposals for the agenda, including the submission of the Compensation Report to the Annual General Meeting for approval. Taking into account the recommendations of the Nomination Committee and legal requirements, the Supervisory Board decided to nominate the shareholder representatives Prof Dr Christina E. Bannier and Kazuhide Toda for election at the Annual General Meeting as successors to the shareholder representatives Annabelle Bexiga and Minoru Kimura who were no longer available for another term. We also dealt in depth with ongoing investigations based on a detailed overview provided by the Adhoc Committee. In deep dive sessions, we addressed our strategy, sustainability initiatives and dealt with other internal projects. Furthermore, the Executive Board reported on overall business development and strategic initiatives.

The Supervisory Board met for the first time in its new composition at a constituent meeting on 22 June 2023, following the election of shareholder representatives at the Annual General Meeting on 15 June 2023 as well as the election of employee representatives on 21 June 2023. The Supervisory Board unanimously elected me as Chairman of the Supervisory Board and Ute Wolf as Deputy Chairwoman. Further, the new composition of the committees was decided. There were no changes in the composition of the Audit and Risk Committee. There were also only minor adjustments to the other committees: Prof Christina E. Bannier replaced the previous member Annabelle Bexiga on the Remuneration Committee, Angela Meurer took the place of Said Zanjani on the Nomination Committee and Erwin Stengele took over Said Zanjani's previous position on the Adhoc Committee.

On 19 July 2023, we dealt with a debrief on the course and main topics of the Annual General Meeting. The review of the Interim Report 2023 was another part of our meeting and we dealt with business development and the firm's outlook for the second half of the year. The Adhoc Committee provided detailed information on the ESG matters. Furthermore, the Nomination Committee reported on the search for a new Chairperson of the Supervisory Board. In deep dive sessions, we also reviewed internal projects in detail with a focus on our multi-year transformation program. We discussed the agenda for the upcoming strategy meeting of the Supervisory Board and there was a report on the ESG strategy of the company. The Executive

Board provided a status report on their strategic initiatives, discussed the developments of the business in the Americas and provided an economic outlook. Moreover, there was a report on organisational changes below the Executive Board.

At an extraordinary meeting on 3 August 2023, the Supervisory Board was informed that Dr Markus Kobler had been appointed as the new CFO and successor to Claire Peel by resolution of the shareholders' meeting of the General Partner (with effect from 1 November 2023). Both Claire Peel's resignation as well as the appointment of Dr Markus Kobler took place in compliance with all relevant reporting obligations. The Supervisory Board also discussed other internal topics.

On 12 and 13 September 2023, we held our annual strategy offsite with the participation of the Executive Board as well as representatives of the extended leadership team. Under the leadership of Dr Stefan Hoops, the Executive Board had reviewed the company's strategic alignment and presented it as part of a Capital Market Day in December 2022. We looked back together at the strategic milestones that had already been achieved and discussed individual adjustments of initiatives, for instance in response to the changing market environment and trends, as well as investments in new growth areas. We analysed priorities for forward-looking strategic initiatives that address the challenges of the dynamic market and regulatory environment. In this regard, we discussed trends, risks and opportunities as well as financial and non-financial objectives in detail and identified focus topics together with the Executive Board. These included the positive performance culture within DWS, the sustainability strategy and its implementation, and the company's data strategy. We also highlighted our strategies in Asia Pacific and in the Americas. Another key focus of the meeting was the discussion of the impact on and measures for our IT and our multi-year transformation program, which resulted from an internal audit report. At our intensive workshop, we agreed on 13 follow-up actions, which are since being implemented by the Executive Board. We are kept regularly updated on the status of implementation.

At our meeting on 19 October 2023, the Supervisory Board was informed on the status of the ESG matter by the Adhoc Committee and further internal matters. The Nomination Committee informed the Supervisory Board about the progress in the search for a new Chairperson of the Supervisory Board. We dealt intensively with our multi-year transformation program and discussed the future direction of the project. The Supervisory Board also dealt with the sustainability strategy, one of the core topics of the strategy meeting. The Executive Board further reported on the overall business development and on the status updates of strategic and transformational initiatives.

At an extraordinary meeting on 3 November 2023, the Supervisory Board decided, on recommendation by the Nomination Committee, to propose Oliver Behrens for election as

shareholder representative to the DWS Supervisory Board at the Annual General Meeting on 6 June 2024. It is intended that the Supervisory Board will elect him as its chairman. At the same time, the Supervisory Board decided, again on recommendation by the Nomination Committee, to propose James von Moltke for election as shareholder representative to the Supervisory Board at the 2024 Annual General Meeting.

At our last meeting of the year on 6 December 2023, we dealt with the Adhoc Committee's report on internal affairs and ongoing investigations. The Supervisory Board also dealt with governance matters, including the Declaration of Conformity in accordance with to Section 161 of the German Stock Corporation Act (AktG). In another deep dive, the Supervisory Board focused on our multi-year transformation program and its future direction. The CFO reported on the financial planning for the group and the the other Executive Board members reported on business development and the status of implementation of strategic initiatives and transformational projects.

The Committees of the Supervisory Board

Audit and Risk Committee

The Audit and Risk Committee held nine meetings in 2023.

It supported the Supervisory Board in monitoring the accounting process and intensively addressed the Annual Financial Statements and Consolidated Financial Statements, as well as the Interim Report and the audit and review reports issued by the statutory auditor. A particular focus of the Committee's work was on dealing with ESG-related content as well as its representation within the reporting.

Within the context of financial reporting and accounting practices, the Committee reviewed the valuation of goodwill and other intangible assets as well as the impairment testing of certain intangible assets. Further, the Committee addressed service fees charged by Deutsche Bank AG and its subsidiaries and related governance processes.

The Committee monitored the effectiveness of the Group's risk management system, in particular with regard to the internal control system and internal audit, while also taking into account the (potential) impacts of the conflict in Ukraine, and our multi-year transformation programs. It also reviewed the continuous improvement of the internal risk warning systems.

Further, the Committee dealt with the Group's risk appetite statement and the overarching risk strategy, embedded in the Risk Management Framework. This also included dealing with the integration of sustainability risks into the framework. The Committee regularly received

reports on key risk and control metrics and compared DWS's risk exposure to the pre-defined thresholds. In addition, the Committee dealt with the effects of the geopolitical and macroeconomic situation on the Group.

Separately, the Committee dealt with the Annual Internal Audit Report and was regularly informed about the work of internal audit, the audit plan and its findings. It also reviewed the measures taken by the Executive Board to remediate deficiencies identified by the internal control functions and the statutory auditor and received regular updates on the status and progress made in this regard. Moreover, the Committee dealt with the Annual Compliance Report and compliance matters, including anti financial crime matters (particularly anti money laundering), which were discussed on a regular basis. Furthermore, the Committee received regular updates on ongoing investigations.

The Audit and Risk Committee further monitored the internal procedures to meet the requirements to identify, approve and disclose material related party transactions pursuant to Section 111b of the German Stock Corporation Act (AktG). As the Committee has been appointed by the Supervisory Board to resolve on reserved matters in relation to material related party transactions, it requested regular reports on the activities of the Related Party Transaction Council set up for support in this regard. In 2023, there were no material related party transactions for approval and disclosure under this provision.

The Committee regularly dealt with various regulatory initiatives such as sustainability related initiatives (especially CSRD and SFDR). Furthermore, the Committee covered the dividend development as well as the future dividend policy.

For 2023, the Audit and Risk Committee recommended a renewal of the audit engagement of KPMG. The deliberations took into account the results of the review of the statutory auditor's independence, which did not identify indications for any risk to independence. Additionally, it was considered that a renewal of the KPMG audit engagement was in accordance with applicable public-interest entities regulation as well as with the DWS Corporate Governance and Proxy Voting Policy. Following KPMG's election by the Annual General Meeting, the Supervisory Board issued the mandate to the statutory auditor and, with the support of the Audit and Risk Committee, set the amount of the auditor's remuneration. The audit engagement further comprised the Remuneration Report, the Dependency Report and a review to obtain limited assurance of the integrated non-financial group statement within the Summarised Management Report.

The Audit and Risk Committee dealt with the measures to prepare for the audit of the Annual Financial Statements and Consolidated Financial Statements for 2023, defined own areas of focus for the audit and approved a list of permissible non-audit services. The Committee

received regular reports on the engagement of accounting firms, including the statutory auditor, for non-audit-related services. In this context, the Committee also monitored compliance with the non-audit fee cap. In addition, KPMG regularly reported on the audit strategy as well as its status and the Committee determined audit quality indicators to assess the quality of the audit.

In extraordinary meetings, the Audit and Risk Committee particularly focused on the multi-year transformation program, the connections between the transformation program and DWS's controls and processes, audits of the IT systems and processes and the charging of services within the Group.

Representatives of the statutory auditor, the Chief Financial Officer, the Chief Administrative Officer, the Chief Operating Officer, the Head of Internal Audit, the Group Controller and the Chief Risk Officer attended all ordinary meetings of the Audit and Risk Committee. The Chief Executive Officer also attended meetings on a case-by-case basis. When the statutory auditor was called in as an expert, the Committee decided on the Executive Board's attendance. In one instance, the Committee consulted with the statutory auditor without the Executive Board's participation.

Remuneration Committee

The Remuneration Committee held four meetings in 2023.

The Committee supported the Supervisory Board in monitoring the appropriate structure of the compensation systems for DWS's employees and, in particular, the appropriate structure of the compensation for the Head of Compliance and for the employees who have material influence on the overall risk profile of the Group, i. e., Material Risk Takers. In this regard, the Committee reviewed the DWS Compensation Policy and addressed changes to the compensation system.

Further, the Committee monitored the Group's cultural change program. With regard to corporate culture, the Committee also dealt comprehensively with the results of respective employee surveys.

Moreover, the Committee was regularly informed about significant regulatory developments and the anticipated impact on the Group's compensation framework as well as on the Remuneration Committee's area of responsibility. In this regard, the Committee received regular reports on the status of the regulatory-driven implementation of and the Group's compliance with supervisory regulations.

Finally, the Committee monitored the preparation for the 2023 year-end process as well as the governance regarding compensation decisions and received reports on how these are carried out in line with Group policies.

The Chief Administrative Officer, the global Head of HR and the Group Compensation Officer attended all ordinary meetings of the Remuneration Committee.

Nomination Committee

The Nomination Committee held eleven meetings in 2023.

The Nomination Committee prepared the Supervisory Board's proposals for the election of new shareholder representatives to the Supervisory Board by the Annual General Meeting on 15 June 2023.

Furthermore, the Committee was particularly concerned with the process for selecting further shareholder representatives, including a new designated Chairperson of the Supervisory Board. This selection process was conducted with the assistance of an independent executive recruiter. In this context, the Committee took into account the statutory provisions, guidelines from supervisory authorities and criteria specified by the Supervisory Board for its composition as well as the balance and diversity of the knowledge, skills and experience of all members of the Supervisory Board, prepared a job description with a candidate profile, and stated the time commitment associated with the tasks.

Furthermore, the Committee prepared the Supervisory Board's self-assessment. Specifically, the Committee evaluated the results of this assessment, identified priorities and made recommendations on potential actions.

Adhoc Committee

The Adhoc Committee held 16 meetings in 2023. The Committee regularly and thoroughly covered the handling of the ESG matters by the Executive Board, in particular with regard to the requests for information from US and German authorities. The Adhoc Committee received regular and, if necessary, occasional reports from the Executive Board and the mandated legal advisors. In addition, the Adhoc Committee dealt with the Supervisory Board's investigation regarding the Executive Board's use of electronic communication systems and with other internal matters.

Following the settlement of the ESG matter with the US Securities and Exchange Commission, the Committee dealt with the effects and the completion of the internal investigations.

Participation in Meetings

Participation in meetings of the Supervisory Board and its standing committees was as follows:

	Meetings Supervisory Board (# attendance/ total #)	Meetings Audit and Risk Committee (# attendance/ total #)	Meetings Remuneration Committee (# attendance/ total #)	Meetings Nomination Committee (# attendance/ total #)	Meetings overall (# attendance/ total #)
Number of meetings	9	9	4	11	33
Thereof: virtual	4	4	3	11	22
Participation:					
Karl von Rohr (Chair) ¹	9/9 (100%)	–	–	11/11 (100%)	20/20 (100%)
Ute Wolf (Deputy Chair) ^{1, 2}	8/9 (89%)	9/9 (100%)	–	–	17/18 (94%)
Stephan Accorsini	9/9 (100%)	9/9 (100%)	–	–	18/18 (100%)
Prof Dr Christina E. Bannier ^{1, 2}	6/6 (100%)	–	3/3 (100%)	–	9/9 (100%)
Annabelle Bexiga ^{1, 2}	3/3 (100%)	–	1/1 (100%)	–	4/4 (100%)
Aldo Cardoso ^{1, 2}	8/9 (89%)	9/9 (100%)	4/4 (100%)	–	21/22 (95%)
Minoru Kimura ^{1, 2}	3/3 (100%)	–	–	–	3/3 (100%)
Bernd Leukert ¹	9/9 (100%)	–	–	–	9/9 (100%)
Christine Metzler	6/6 (100%)	–	–	–	6/6 (100%)
Angela Meurer	9/9 (100%)	–	–	8/11 (73%)	17/20 (85%)
Richard I. Morris, Jr. ^{1, 2}	9/9 (100%)	9/9 (100%)	–	11/11 (100%)	29/29 (100%)
Erwin Stengele	9/9 (100%)	–	4/4 (100%)	–	13/13 (100%)
Margret Suckale ^{1, 2}	9/9 (100%)	–	4/4 (100%)	11/11 (100%)	24/24 (100%)
Kazuhide Toda ^{1, 2}	6/6 (100%)	–	–	–	6/6 (100%)
Said Zanjani	3/3 (100%)	–	–	–	3/3 (100%)

¹ Shareholders' representatives considered independent from the company and the Executive Board.

² Shareholders' representatives considered independent from the controlling shareholder.

Corporate Governance

The composition of the Supervisory Board and its committees is in accordance with good corporate governance standards and meets regulatory requirements. The work in the bodies was characterized by an open and intensive exchange and a trustful cooperation. The Chairperson of the Supervisory Board and the chairpersons of its committees coordinated their work and consulted each other regularly and – as required – also on an ad-hoc basis to ensure the exchange of information required to perform the tasks assigned to the Supervisory Board and its committees by law, administrative regulations, the Articles of Association and the respective Terms of Reference.

At the meetings of the Supervisory Board, the committee chairpersons reported regularly on the work of the committees. From time to time the employees' representatives and the shareholders' representatives conducted separate preliminary discussions before the meetings of the Supervisory Board. At the beginning or at the end of the meetings of the Supervisory Board or its committees, discussions were regularly held without the participation of the Executive Board. In accordance with the Terms of Reference of the Audit and Risk Committee the Supervisory Board determined that Ms Ute Wolf, the Chairperson, and the committee members Mr Aldo Cardoso and Mr Richard I. Morris, Jr. fulfil the requirements of Section 100 (5) of the German Stock Corporation Act (AktG). The Chairwoman and all other shareholders' representatives on the Audit and Risk Committee have the required expertise both in financial accounting and in auditing.

Furthermore, the Supervisory Board determined that it has what it considers to be an adequate number of independent shareholders' representatives.

The Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG), was approved by the Supervisory Board on 6 December 2023. The text of the Declaration of Conformity can be found in section 'Corporate Governance Statement – Compliance with the German Corporate Governance Code'.

Training and Further Education Measures

In 2023, training was conducted regularly with the Supervisory Board in plenum and its committees to maintain and expand the required specialized knowledge of DWS as an organization and the impact of its regulatory environment and competitive situation. Further, the members of the Supervisory Board continued to build and enhance the required expertise to foster good corporate governance. Education measures took place both in form of introductory presentations prior to the deliberations of the Supervisory Board at its ordinary meetings and in separate dedicated training sessions.

Conflicts of Interest and Their Management

In the reporting year, no conflicts of interest were reported or otherwise apparent which would have to be reported to the General Meeting.

Annual Financial Statements, Consolidated Financial Statements, Integrated Non-Financial Group Statement and Dependency Report

KPMG has audited the Annual Financial Statements and the Consolidated Financial Statements, including the Accounting and the Summarised Management Report for the Annual and Consolidated Financial Statements for the 2023 financial year and the Dependency Report and in each case, issued an unqualified audit opinion on 8 March 2024. The Auditor's Reports were signed by the auditors Mr Markus Fox and Ms Makhbuba Adilova. Mr Fox was the Auditor responsible for the engagement.

Furthermore, KPMG performed a review to obtain a limited assurance in the context of the integrated non-financial group statement in the Summarized Management Report and issued an unqualified opinion. For the Compensation Report KPMG issued a separate unqualified opinion.

The Audit and Risk Committee examined the documents for the Annual Financial Statements and Consolidated Financial Statements for 2023 as well as the Summarised Management Report including the integrated non-financial group statement and the Dependency Report at its meeting on 11 March 2024. The representatives of KPMG provided the final report on the audit results. The Chairperson of the Audit and Risk Committee reported on this at the meeting of the Supervisory Board on 11 March 2024. Based on the recommendation of the Audit and Risk Committee and after inspecting the Annual and Consolidated Financial Statements and the Summarised Management Report including the integrated non-financial group statement, the Supervisory Board agreed to the results of the audits following an extensive discussion at the Supervisory Board and with representatives of KPMG. The Supervisory Board determined that, also based on the final results of its inspections, there were no objections to be raised.

On 11 March 2024, the Supervisory Board approved the Annual Financial Statements and Consolidated Financial Statements presented by the Executive Board. The Supervisory Board concurred with the Executive Board's proposal for the appropriation of distributable profit.

DB Beteiligungs-Holding GmbH, a wholly owned subsidiary of Deutsche Bank AG, holds a 79.49% stake in DWS KGaA. As there is no control and/or profit and loss-pooling agreement between these two companies, the Executive Board prepared a report on the company's

relations with affiliates (Dependency Report) for the period from 1 January 2023 to 31 December 2023, in accordance with Section 312 of the German Stock Corporation Act (AktG). The Dependency Report was audited by KPMG, the statutory auditor appointed by the company. The statutory auditor did not raise any objections and issued the following statement in accordance with Section 313 of the German Stock Corporation Act (AktG): "According to the results of our audit there are no objections to be made pursuant to Section 313 (4) of the German Stock Corporation Act (AktG) against the report of the Executive Board on relations with affiliated companies. We hereby issue the following unqualified audit certification in accordance with Section 313 (3) of the German Stock Corporation Act (AktG) on the report of the Executive Board on relations of DWS Group GmbH & Co. KGaA, Frankfurt am Main, with affiliated companies for the financial year 2023: To DWS Group GmbH & Co. KGaA, Frankfurt am Main: Based on our dutiful audit and assessment, we confirm that 1) the statements actually made in the report are correct, 2) the company's consideration for the legal transactions mentioned in the report was not unduly high, 3) the measures mentioned in the report do not speak in favour of an assessment that differs from that of the Executive Board." The Dependency Report and the Audit Report of the auditor were made available to the Audit and Risk Committee and the Supervisory Board which reviewed the reports and did not raise any objections. Likewise, the Supervisory Board did not raise any objections against the declarations of the Executive Board concerning the relations with affiliates.

Personnel Developments

There were changes in the Supervisory Board composition in 2023.

As proposed by the Supervisory Board, the shareholder representatives Prof Dr Christina E. Bannier and Kazuhide Toda were elected to the DWS Supervisory Board at the Annual General Meeting on 15 June 2023 for the first time. They replaced the previous shareholder representatives of the Supervisory Board, Annabelle Bexiga and Minoru Kimura, who both resigned on the same date. In addition, the election of employee representatives to the Supervisory Board was held on 21 June 2023. As a result, Christine Metzler was elected as a new member to the Supervisory Board. She replaced the previous member Said Zanjani. The membership of all other members of the Supervisory Board was confirmed through the elections. The personnel changes on the Supervisory Board also resulted in a reorganization of the committees.

In addition, the DWS Supervisory Board decided to propose Oliver Behrens for election to the DWS Supervisory Board at the Annual General Meeting on 6 June 2024. It is intended that the Supervisory Board will elect him as its Chairman. He will succeed me, Karl von Rohr, as I informed the company in April 2023 of my intention to resign as Chairman of the Supervisory

Board. At the same time, the Supervisory Board decided to nominate James von Moltke for election to the Supervisory Board at the 2024 Annual General Meeting.

We would like to thank the Executive Board and DWS's employees for their continued strong commitment in an enduringly challenging environment and their contribution to a successful financial year notwithstanding such challenges.

Frankfurt am Main, 11 March 2024

For the Supervisory Board



Karl von Rohr
Chairman

Supervisory Board

Karl von Rohr

– Chairperson of the Supervisory Board
since 3 March 2018
Frankfurt am Main

Ute Wolf

– Deputy Chairperson of the Supervisory Board
since 22 March 2018
Düsseldorf

Stephan Accorsini *

since 29 May 2018
Bad Soden

Prof Dr Christina E. Bannier

since 15 June 2023
Bad Nauheim

Annabelle Bexiga

until 15 June 2023
Sarasota

Aldo Cardoso

since 22 March 2018
Paris

Minoru Kimura

until 15 June 2023
Tokyo

Bernd Leukert

since 21 July 2020
Karlsruhe

Christine Metzler *

since 21 June 2023
Alsheim

Angela Meurer *

since 29 May 2018
Frankfurt am Main

Richard I. Morris, Jr.

since 18 October 2018
London

Erwin Stengele *

since 29 May 2018
Oberursel

Margret Suckale

since 22 March 2018
Tegernsee

Kazuhide Toda

since 15 June 2023
Tokyo

Said Zanjani *

until 21 June 2023
Langgöns

* Employee representative

Standing Committees of the Supervisory Board

Audit and Risk Committee

Ute Wolf
– Chairperson

Stephan Accorsini *

Aldo Cardoso

Richard I. Morris, Jr.

Nomination Committee

Karl von Rohr
– Chairperson

Richard I. Morris, Jr.

Margret Suckale

Angela Meurer *

Remuneration Committee

Margret Suckale
– Chairperson

Prof Dr Christina E. Bannier

Aldo Cardoso

Erwin Stengele *

The secret drink is



* Employee representative

Report of the Joint Committee

Pursuant to Section 15 of the Articles of Association of DWS Group GmbH & Co. KGaA, the company has a Joint Committee, which consists of two members delegated by the shareholders' meeting of the General Partner and two members delegated from among their number by the shareholders' representatives on the Supervisory Board.

Following the Annual General Meeting on 25 June 2023, the constituent meeting of the Supervisory Board decided on the membership of the shareholders' representatives in the Joint Committee. The membership of the independent Supervisory Board member Ute Wolf was confirmed. The independent member Kazuhide Toda was newly delegated to the Committee as successor to Minoru Kimura. Further changes were made to the Joint Committee on 1 November 2023. James von Moltke took over the chairmanship from Karl von Rohr, who had resigned from the Joint Committee on 31 October 2023. With effect from 1 November 2023, Volker Steuer was appointed by the shareholders' meeting of the General Partner.

The Joint Committee resolves in particular on the approval of certain transactions and management measures undertaken by the General Partner (e. g. group reorganizations and related contracts; acquisition and disposal of real estate or participations if the transaction value exceeds a certain threshold). In addition, the Joint Committee possesses a right of proposal with respect to the ratification of acts of management and with respect to the determination of the variable compensation of the Managing Directors of the General Partner (hereafter referred to as the members of the Executive Board). Further, the Joint Committee ratifies, with the support of the company's Audit and Risk Committee, the Performance Conditions relevant for the vesting and release of deferred DWS compensation awards granted to the members of the Executive Board.

Hereinafter the Joint Committee reports, pursuant to Section 19 (2) of the Articles of Association of the company, to the Annual General Meeting on its work:

In the past fiscal year, the Joint Committee convened three times and all members of the Joint Committee participated in the deliberations and the proposals adopted in the meetings. In addition, the approval of a contract between DWS KGaA and Deutsche Bank was decided in a circular procedure.

At its first meeting of the year on 26 January 2023, the Joint Committee prepared the proposal for the variable compensation of the members of the Executive Board for the fiscal

year 2022. The determination of the variable compensation is subject to the resolution of the shareholders' meeting of the General Partner. Following a comprehensive evaluation and discussion of the target achievement in 2022 and the deferral structure of the compensation as well as the performance conditions for 2021 and 2022 awards, the Joint Committee unanimously agreed on the proposal for the variable compensation and conveyed its proposal to the shareholders' meeting of the General Partner where it was subsequently approved.

Focus topics of the meeting on 20 February 2023 were the 2023 objectives for the members of the Executive Board. The Joint Committee's deliberations addressed all compensation components and the corresponding reference levels, objectives, weighting as well as key measures and assessment criteria. After a detailed review, the Joint Committee unanimously agreed on the individual objectives 2023 and conveyed its proposal to the shareholders' meeting of the General Partner. The latter approved the proposal as presented.

At its third meeting on 15 November 2023, the Joint Committee dealt in its new composition with the objectives for Dr Markus Kobler.

Frankfurt am Main, 11 March 2024

For the Joint Committee of DWS Group GmbH & Co. KGaA



James von Moltke
Chairman

Joint Committee

James von Moltke

– Chairperson since 1 November 2023
since 7 May 2018

Karl von Rohr

– Chairperson until 31 October 2023
until 31 October 2023

Minoru Kimura

until 15 June 2023

Volker Steuer

since 1 November 2023

Kazuhide Toda

since 22 June 2023

Ute Wolf

since 23 April 2018

Our Shares

IFR Article 49 (1) (b)
GRI 2-1

DWS shares are listed in the Prime Standard on the Frankfurt Stock Exchange, which has the most stringent transparency and disclosure requirements of any exchange in Germany. The shares are also a component of the German SDAX, a market index composed of 70 small and medium-sized companies in Germany in terms of order book volume and market capitalisation. The index represents the 91st-160th largest publicly traded companies in Germany based on order book volume and market capitalisation.

The highest Xetra closing price for DWS shares in 2023 was € 34.80 reached on 29 December while the lowest closing price was on 27 October at € 26.82. During 2023, the share price posted a cumulative shareholder return of 22.7% compared to a 17.1% increase in the SDAX. Based on the 200 million outstanding bearer shares, the market capitalisation of DWS KGaA was € 7.0 billion on 31 December 2023.

Cumulative shareholder return in % in 2023



The secret object #4 is a



Investor Relations Activity

2023 continued to be an eventful year for Investor Relations mainly characterised by geopolitical and economic developments as well as specific challenges for us.

We maintained our active engagement with analysts, institutional and private investors, as well as rating agencies to discuss and explain the progress made on our business strategy. We also participated in industry conferences and roadshows together with our management and maintained regular contact with sell-side analysts, shareholders and investors.

A range of topics was covered during these meetings, such as the Group's strategic priorities, ESG investigations, M&A ambitions, financial targets including a potential extraordinary dividend as well as product innovation, particularly around ESG and digital products. Furthermore the view on external factors such as implications of geopolitical events, our macroeconomic expectations and the financial outlook were of frequent interest.

Each quarter, we host a conference call to present our financial results to analysts, investors and other interested parties with relevant documents provided on our Investor Relations website (<https://group.dws.com/ir/>).

Research Coverage

In 2023, a total of 19 brokers covered DWS shares, publishing regular commentary about the company. As of 31 December 2023, 15 brokers recommended to buy DWS's shares while four brokers recommended to hold the shares. The average target share price was € 37.60 as of 31 December 2023.

Target price and rating as of 31 December 2023

Rank	Broker	Target Price (in €)	Rating
1	Morningstar	48.00	Buy
2	JP Morgan	46.40	Buy
3	Kepler Cheuvreux	43.70	Buy
4	ING	41.00	Buy
5	Exane BNP Paribas	40.00	Buy
6	Jefferies	39.00	Buy
7	Keefe, Bruyette & Woods	39.00	Buy
8	Morgan Stanley	38.10	Buy
9	Barclays	38.00	Hold
	Average	37.60	
10	Metzler	36.20	Buy
11	Bank of America ML	36.00	Buy
12	Oddo BHF	36.00	Buy
13	CIC Market Solutions	36.00	Buy
14	AlphaValue	34.40	Buy
15	Citi	33.80	Buy
16	Royal Bank of Canada	33.00	Buy
17	Goldman Sachs	32.00	Hold
18	UBS	31.50	Hold
19	Society General	30.50	Hold

Annual General Meeting

DWS KGaA hosted its virtual Annual General Meeting on 15 June 2023.

The Executive Board and Supervisory Board recommended a dividend payment of € 2.05 per share for the financial year 2022, which was approved at the above mentioned Annual General Meeting.

Further information on the Annual General Meeting can be found on our website (<https://group.dws.com/ir/annual-general-meeting/>).

Financial Calendar 2024

Date	Event
1 February 2024	Preliminary results for the financial year 2023 with Investor and Analyst Conference Call
14 March 2024	Annual Report 2023
25 April 2024	First quarter 2024 results with Investor and Analyst Conference Call
6 June 2024	Annual General Meeting
24 July 2024	Interim Report 2024 with Investor and Analyst Conference Call
23 October 2024	Third quarter 2024 results with Investor and Analyst Conference Call

Shareholder Structure

DB Beteiligungs-Holding GmbH, which has its registered seat in Frankfurt am Main, Germany and is registered with the commercial register of the local court of Frankfurt am Main, Germany, under HRB 87504, is the largest shareholder of DWS KGaA. On 20 April 2018 DB Beteiligungs-Holding GmbH held 158,981,872 units or a 79.49% share in DWS KGaA. DB Beteiligungs-Holding GmbH is a wholly owned subsidiary of Deutsche Bank AG.

The second largest shareholder is Nippon Life Insurance Company with a 5.00% stake as notified to us in the voting rights announcement dated 22 March 2018.

We have not been made aware of any changes in this ownership as at 31 December 2023. DWS KGaA's free float amounts to 15.51%.

Share Liquidity and Key Data

The average daily trading volume of DWS KGaA shares was approximately 84,000 in 2023, with the highest level in February at approximately 123,000.

Average daily trading volume in 2023

January	80,314	April	75,411	July	83,862	October	79,610
February	122,969	May	83,215	August	54,286	November	69,346
March	105,029	June	96,100	September	55,952	December	103,742

Source: Bloomberg, including German stock exchanges Xetra, Frankfurt, Stuttgart, Berlin, Düsseldorf and Munich.

Key data

Securities identification number (WKN)	DWS100
Issuer	DWS Group GmbH & Co KGaA
International securities identification number (ISIN)	DE000DWS1007
Public or private placement	Public
Governing law(s) of the instrument	German law
Ticker symbol	DWS
Trading segment	Regulated market (Prime Standard)
Indices	SDAX
Class of shares	No par-value ordinary bearer shares
Initial listing	23 March 2018
Initial issue price in €	32.50
Perpetual or dated	Perpetual
Original maturity date	No maturity
Issuer call subject to prior supervisory approval	No
Fixed or floating dividend/coupon	Floating
Existence of a dividend stopper	No
Convertible or non-convertible	Non-convertible
Write-down features	No
Number of shares as of 29 December 2023	200,000,000
Market capitalization as of 29 December 2023 (in € bn.)	7.0
Share price in € as of 29 December 2023 ¹	34.80
Cumulative shareholder return (since 30 December 2022) in %	22.70
Period high (1 January - 29 December 2023) in € ¹	34.80
Period low (1 January - 29 December 2023) in € ¹	26.82
Amount recognised in regulatory capital (in € million, as of most recent reporting date)	200
Accounting classification	Shareholder Equity
Link to the full term and conditions of the instrument (signposting)	https://group.dws.com/link/19af41867a3549429f3abce93f6b0424.aspx

¹ Xetra Closing Price.

Summarised Management Report

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		Financial Risk	<u>51</u>		
		Fiduciary Investment Risk	<u>55</u>		

Summarised Management Report

About this Report

Content and Structure

Our Annual Report combines the financial and non-financial information necessary to thoroughly evaluate our performance and, as we are a German-listed asset manager, the content is primarily guided by the legal requirements of the German Commercial Code.

KPMG AG Wirtschaftsprüfungsgesellschaft has audited our consolidated financial statements and summarised management report and has provided an unqualified audit opinion. In addition, KPMG AG has performed an independent limited assurance engagement on the sections in [square brackets].

The reporting period is the 2023 business year, covering the period from 1 January 2023 to 31 December 2023. On 7 March 2024, the Executive Board prepared the consolidated financial statements, submitted them to the Supervisory Board for review and approval, and released them for publication. Publication is in German and English, with the German version of the report being definitive.

Financial Information

The presentation of financial information and performance of DWS KGaA and its subsidiaries complies with the requirements of International Financial Reporting Standards and, where applicable, the German Commercial Code, German Accounting Standards and the guidelines on alternative performance measures from the European Securities and Markets Authority.

Qualitative and quantitative disclosures about credit, market, strategic and non-financial risks in accordance with IFRS 7 “Financial Instruments: Disclosures” and disclosures required by IAS 1 “Presentation of Financial Statements” form part of the consolidated financial statements and are marked with a reference to IFRS 7/IAS 1.

Information in the text referring to specific standards and disclosures of the Investment Firm Regulation (IFR) or Investment Firm Directive (IFD) and their implementation into Germany’s

national law with the Investment Firm Act is marked with a reference to the respective IFR/IFD standard.

[Integrated Non-Financial Information]

To position the Group as an independent asset manager we do not make use of the option of exemption by virtue of the non-financial report of Deutsche Bank AG according to Section 315b (2) German Commercial Code and report under the Article 8 of Regulation (EU) No 2020/852 as an asset manager.

The integrated non-financial group statement is comprised of the non-financial information in this Annual Report and satisfies the requirements of Section 340i (5) in conjunction with Sections 315b, 315c and 289c to 289e of the German Commercial Code. With regards to the applied reporting frameworks under Section 289d of the German Commercial Code, the reporting contents are oriented towards the Sustainability Reporting Standards of the Global Reporting Initiative (GRI) and consider the United Nation’s Sustainable Development Goals. Information in the text referring to specific GRI standards is marked with a reference to the respective GRI standard and summarised in the ‘Supplementary Information – GRI Content Index’.

For details on our materiality assessment matrix please refer to the section ‘Materiality Assessment’ which will form the focus of the integrated non-financial group statement and defines the limits of this statement.

In addition, the section ‘Climate Report’ addresses our climate-related ambitions and provides transparent disclosures on our climate action through our fiduciary and corporate activity in accordance with the recommendations of the Taskforce on Climate-related Financial Disclosures.

[Materiality Assessment]

GRI 3-1; 3-2; 3-3

Highlights

- 19 material topics in total in 2023
- Six new topics added and four material topics removed compared to 2022

Our materiality assessment is primarily guided by the regulatory requirements of the German Commercial Code. That means we consider those matters which were of high and very high business relevance to us and our potential impact on those topics.

Our Approach to Identifying Our Material Topics 2023

To identify our material topics, we used a three-step approach.

Step 1: Identification (long list)

In 2023, we continued to use the artificial intelligence-automated ESG analytics platform to support our materiality assessment. The platform monitors the ESG landscape and produces individual financial, impact and stakeholder scores for potential material topics it has identified as relevant to our financial service sector. For a topic to be included on the medium list, its financial, impact and stakeholder scores had to be above a defined threshold.

Step 2: Verification (medium list)

The medium list topics were assessed using a quarterly analysis to review their materiality status and consider changes in financial, impact and stakeholder scores. The quarterly checks retained the parameters used in 2022. An additional validity assessment using updated 2023 parameters was conducted to confirm the validity of the quarterly checks.

Step 3: Finalisation (short list)

For a topic to be on the final list of material topics, it needed to achieve the set threshold for the financial, impact and stakeholder scores in at least four of the five checks (the four quarterly checks and one validity assessment). The result using the thresholds indicated that 19 topics were material for us in 2023.

The Result of the Materiality Assessment 2023

The three highest scoring material topics were “Anti-Financial Crime”, “Business Ethics” and “Diversity and Equal Opportunities” (compared to “Client Satisfaction”, “Data Privacy Management” and “Anti-Financial Crime” in 2022). There were also a number of topic status changes between 2022 and 2023:

Six new topics were deemed material this year in comparison to 2022:

- Biodiversity
- Epidemics and their multi-dimensional impacts
- Geopolitical risks
- Health and wellbeing
- Human rights
- Water

In addition, four of the material topics in 2022 fell below the materiality threshold this year according to their rating in the automated ESG platform:

- Corporate reputation
- Sustainability governance structure
- Grievance mechanisms and remediation
- Responsible tax practices

The materiality assessment result was distributed to and approved by our CFO.

In the materiality table below we have mapped the material topics we identified in 2023 against the United Nations Sustainable Development Goals (SDGs). The SDGs on which we might have an impact are SDG 8: “Decent Work and Economic Growth”, SDG 9: “Industry, Innovation and Infrastructure”, SDG 10: “Reducing Inequality” and SDG 13: “Climate Action”. The SDGs 8, 10 and 13 were selected during a workshop in 2019 with the time horizon 2030 as prescribed by the UN. In 2022, these SDGs have been confirmed and we added SDG 9 following an internal review.

Materiality table 2023

No.	Material topic ¹	Business relevance for DWS ²	Impact of DWS impact materiality ²	Relevant SDGs	Sustainability KPIs 2023 ³	KPI Level of assurance ⁴	Relevant sections in the Annual Report
1	Anti-Financial Crime	■■■■■	■■■■■	8 10			Compliance and Control – Anti-Financial Crime and Compliance
2	Business Ethics	■■■■■	■■■■■	8 10			Compliance and Control – Anti-Financial Crime and Compliance
3	Diversity and Equal Opportunities	■■■■■	■■■■■	10	Proportion of women	L	Our Responsibility – Entrepreneurial Spirit
4	Responsible Investing and Financing	■■■■■	■■■■■	8 9 10 13	ESG AuM Sustainability Rating – CDP Corporate engagements	R R R	Our Responsibility – Sustainable Action
5	Data Privacy Management	■■■■■	■■■■■	8			Compliance and Control – Data Protection
6	Cyber Security and Information Security	■■■■■	■■■■■	8			Compliance and Control – Data Protection
7	Climate Change	■■■■	■■■■■	13	ESG AuM Sustainability Rating – CDP Scope 1 and 2 operational emissions Scope 3 operational emissions (travel – air and rail) Scope 3 portfolio emissions (net zero) – inflation adj. WACI Corporate engagements	R R L L L R	Our Responsibility – Sustainable Action
8	Human Rights	■■■■	■■■■■	8 10			Our Responsibility – Entrepreneurial Spirit Our Responsibility – Our Investment Approach Our Responsibility – Human Rights
9	Company Performance	■■■■■	■■■■■	8 9	ESG AuM	R	Our Performance Indicators – Our Financial Performance Our Responsibility – Sustainable Action
10	Epidemics and their multi-dimensional impacts	■■■■	■■■■■	8			Risk Report – Non-Financial Risk
11	Board Effectiveness	■■■■■	■■■■	8 10 13			Our Responsibility – Sustainable Action
12	Compliance Management	■■■■■	■■■■	8 10 13			Compliance and Control
13	Geopolitical Risks	■■■■	■■■■				Risk Report – Financial Risk
14	Water	■■■■	■■■■	13			Our Responsibility – Sustainable Action – Biodiversity and Water
15	Biodiversity	■■■■	■■■■	13			Our Responsibility – Sustainable Action – Biodiversity and Water
16	Attractive Employer	■■■■	■■■■	8 10	Volunteer hours per employee Proportion of women	L L	Our Responsibility – Entrepreneurial Spirit
17	Business Continuity	■■■■	■■■■	8			Risk Report – Non-Financial Risk

No.	Material topic ¹	Business relevance for DWS ²	Impact of DWS impact materiality ²	Relevant SDGs	Sustainability KPIs 2023 ³	KPI Level of assurance ⁴	Relevant sections in the Annual Report
18	Health and Wellbeing	■■■■■	■■■■■	8 10			Our Responsibility – Entrepreneurial Spirit
19	Client Satisfaction	■■■■■	■■■	8			Our Responsibility – Client Commitment

¹ A detailed definition of the material topics can be found in the 'Supplementary Information – Materiality Assessment – Definition of Material Topics' section of this Annual Report.

² Scoring (values are rounded): ■■■■■ – highest relevance/impact, ■■■■ – very high relevance/impact, ■■■ – high relevance/impact, ■■ – limited relevance/impact, ■ – low relevance/impact.

³ A detailed description of the sustainability KPIs can be found in the 'Our Responsibility – Sustainable Action' section of this Annual Report.

⁴ R – audit procedures to obtain independent reasonable assurance, L – audit procedures to obtain independent limited assurance.

Non-financial risks are monitored through dedicated risk frameworks and processes. A more detailed description of our risk management process can be found in the 'Risk Report'. After application of the net method to determine risks subject to disclosure according to HGB, there are no net risks that are highly probable and which result or will result in severe adverse impacts on the reported aspects. Reportable relations to the amounts of the Consolidated Financial Statements have not been determined.

Corporate Governance Statement pursuant to Sections 289f and 315d of the German Commercial Code

In the declaration on corporate governance we follow the transparency requirements of the German Corporate Governance Code.

The Group's Corporate Governance Statement according to Sections 289f and 315d of the German Commercial Code is available in section 'Corporate Governance Statement' of this Annual Report and is also available as PDF document on our website <https://group.dws.com/corporate-governance/corporate-governance-report/>.

Compensation Report pursuant to Section 162 of the Stock Corporation Act

The Compensation Report for the reporting period and the auditor's report pursuant to Section 162 of the Stock Corporation Act (Aktiengesetz – AktG), the applicable compensation system pursuant to Section 87a of the Stock Corporation Act and the resolution pursuant to Section 113 (3) of the Stock Corporation Act on the compensation of the Supervisory Board, is available in the section 'Compensation Report' of this Annual Report.

Data and Presentation

GRI 2-3

All information and bases for calculation in this Annual Report are based on national or international standards for financial and non-financial reporting. Internal control mechanisms are designed to ensure the reliability of the information presented in this Annual Report.

Our accompanying consolidated financial statements are stated in Euro (EUR) the presentation currency of the Group except when otherwise indicated and are rounded to the nearest million. Due to rounding, numbers presented throughout this Annual Report may not add up precisely to the totals provided and percentages may not precisely add up to 100%. Figures. "N/A" means not applicable.

Our scope of consolidation for our Group's financial reporting and the consolidated group statement comprises DWS KGaA, with its headquarters in Frankfurt am Main, Germany, and all of its fully consolidated subsidiaries. Shares in joint ventures and associated



About this Report

companies are accounted for, if material, using the Equity method in our consolidated financial statements and are thus not included in the scope of consolidation.

With the exception of the 'Consolidated Statement of Cash Flows', we apply to all numbers the "positive as normal" convention, with all numbers being considered positive. The "direction of flow" is determined by the label and inflow numbers will include labels such as fee and interest income. Outflow line items will have labels such as fee expense, compensation and benefits or expenses.

Throughout this Annual Report, gender-specific terms may be used to ease the text and reading flow. Whenever a gender-specific term is used, it should be understood as referring to all genders and does not contain any judgment. For an explanation of the abbreviations and technical terms used in this report, please refer to the section 'Supplementary Information – Glossary'.

External Audit and Evaluation

GRI 2-5

Our reporting is independently audited by third parties. KPMG AG has audited our consolidated financial statements and summarised management report and has provided an unqualified audit opinion. In addition, KPMG AG has performed an independent limited assurance engagement on the sections in [square brackets].

The Independent Practitioner's Reports can be found in the 'Consolidated Financial Statements – Independent Auditor's Report'.

The section 'External Audit and Evaluation' and information referred to as additional information, as well as references to our corporate and external websites and the references to the respective GRI or IFR/IFD standard, indicated in this Annual Report are not part of the information audited by KPMG.

Cautionary Statements

This Annual Report contains forward-looking statements.

Forward-looking statements are statements that are not historical facts; they include statements about our beliefs and expectations and the assumptions underlying them. These statements are based on plans, estimates and projections as they are currently available to the management of DWS Group GmbH & Co. KGaA. Forward-looking statements therefore speak only as of the date they are made, and we undertake no obligation to update any of them publicly in light of new information or future events.

By their very nature, forward-looking statements involve risks and uncertainties. A number of important factors could therefore cause actual results to differ materially from those contained in any forward-looking statement. Such factors include the conditions in the financial markets in Germany, in Europe, in the United States and elsewhere from which we derive a substantial portion of our revenues and in which we hold a substantial portion of our assets, the development of asset prices and market volatility, the implementation of our strategic initiatives, the reliability of our risk management policies, procedures and methods, and other risks.

Who We Are

GRI 2-1; 2-6; 3-3

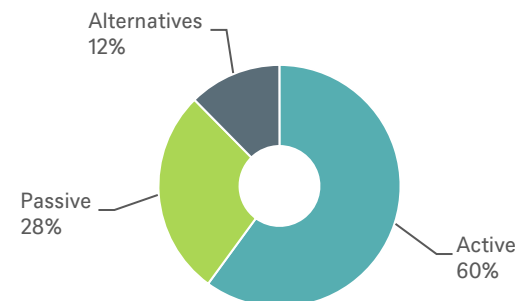
We are aspiring to be a leading asset manager with € 896 billion in assets under management (AuM) as of 31 December 2023. We are headquartered in Germany with approximately 4,500 employees operating globally. The Group consists of 75 consolidated entities, of which 47 are subsidiaries and 28 consolidated structured entities, with DWS KGaA as the parent holding company. DWS KGaA has no branches of its own. However, six of our subsidiaries have a total of 24 branches across all regions including 14 branches in EMEA, eight in the Americas and two in Asia Pacific. These branches mainly provide distribution and supporting services.

We serve a diverse client base of retail and institutional investors worldwide, with a strong presence in our home market in Germany. These clients include large government institutions, corporations and foundations as well as millions of individual investors. We are the holding company of a Group including regulated asset managers which act as fiduciary for their clients, and we are conscious of our societal impact. Furthermore, responsible investing has been an important part of our heritage for more than twenty years, and we are committed to acting and investing in our clients' best interests.

We offer individuals and institutions access to our investment capabilities across all major asset classes in Active, Passive including our Xtrackers range and Alternatives. Alternatives include real estate, infrastructure, liquid real assets and sustainable investments. In addition, our solution strategies are targeted to client needs that cannot be addressed by traditional asset classes alone. Such services include insurance and pension solutions, asset-liability management, portfolio-management solutions and asset-allocation advisory.

Our product offerings are managed by a global investment platform and distributed across EMEA (Europe, Middle East and Africa), the Americas and Asia-Pacific through a single global distribution network. We also leverage third-party distribution channels, including our largest shareholder Deutsche Bank.

Assets under management by asset classes



European origin with a global perspective



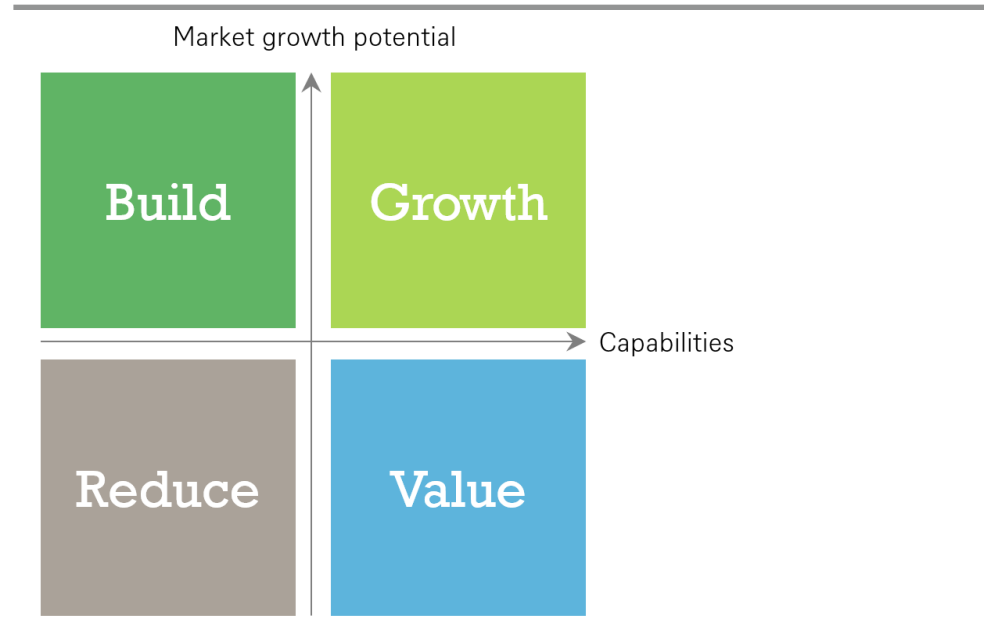
Our Strategy and Our Market

Our Strategy

GRI 2-12; 2-13; 3-3

Our strategy is composed of the four elements “Growth, Value, Build and Reduce”, which are aligned with our capabilities and the growth prospects of the market.

Our strategy elements



We aim to maintain our leading market position in Germany, building on our expertise and established customer relationships. In addition to expanding our existing partnerships, we are developing new distribution channels to gain additional market share. We see additional market potential especially in alternative investments and passive index funds, represented by our Xtrackers brand. We continuously evaluate opportunities both in individual asset classes

and also at Group level as part of our annual strategic planning and budgeting process. Our overall strategy also takes sustainability into account with details outlined in the updated sustainability strategy.

We operate in a constantly changing market environment and face a variety of economic, fiscal, political and environmental challenges. Details on our business outlook, opportunities and risks can be found in the section ‘Outlook – DWS Group’.

Growth

We see our strength and growth potential in Passive and Alternatives.

Passive – in particular represented by the Xtrackers brand – offers sustained and profitable growth potential, provided sufficient scalability is in place for a given product segment. Building on our franchise and European business, we have decided to invest in a US growth plan including sustainable, thematic, and actively managed ETFs. We also see strong demand for mandates in Asia-Pacific, which is why we plan to expand our customised mandate business there. In addition to regional growth potential, we continue to see opportunities for bespoke Passive solutions to outperform broad index replication.

In Alternatives, investor interest in real estate investments has waned, while we still see strong demand for infrastructure investments. However, we expect an increase in demand for Alternatives, especially as the democratisation of this asset class continues across all sub-asset classes. We want to facilitate the European transformation by closing the gap between capital demand and supply with private capital investment solutions that include transition to net zero, reorganisation of supply chains and digital business models. We continue to focus on our real estate and infrastructure investment platforms and are also positioning ourselves in the private debt space.

Examples of Progress

We expanded our Xtrackers offering in our largest market, the European UCITS segment. These include products focusing on biodiversity, short maturity eurozone bonds, as well as ESG factor investing and dividend ESG. In the United States, we listed new thematic ETFs and launched our Xtrackers MSCI USA Climate Action Equity ETF. In Asia-Pacific, we were able to

strengthen our Passive business with a new, specialised investment team in Hong Kong and inflows of more than € 2.5 billion from Australia and New Zealand.

In Alternatives, we explored a variety of organic and inorganic growth opportunities. We launched our first infrastructure retail fund in Europe. In the United States, we introduced a fund investing in residential real estate.

Value

We aim to maintain leadership in mature markets in Active, particularly Equity and Fixed Income, and to increase the scalability of our Multi-Asset solutions through modularisation solutions.

In Equity, we intend to selectively expand our platform. Given the changing market environment and higher interest rates, we will continue to focus on Fixed Income and institutional investors. In Multi-Asset, we want to further strengthen our solutions capabilities and are enhancing our modular investment platform in order to achieve economies of scale. With an increasing importance of investment advisory and outsourced CIO services, we want to expand our current offering in this segment.

Examples of Progress

We have established a Global Insurance Council to strengthen our focus on insurance clients as well as the distribution of our Active Fixed Income products. Additionally, we reorganised our Fixed Income investment platform in the Americas to improve cross-sector collaboration. In 2023, we continued to optimise our product portfolio by merging or closing several funds. We modularised and automated key elements of our portfolio management value chain, such as security selection.

Build

In terms of digitalisation trends, we are focusing on Asset Management-as-a-Service and digital assets.

We expect that Asset Management-as-a-Service will improve the digital investor journey. Therefore, we plan to build a respective modular offering which is scalable and integrated via application programming interfaces into offerings of new and our existing distribution partners.

We see an increasing tokenisation of our economy. With the resulting changes in the market structure, we want to utilise a blockchain infrastructure, develop new products and reach

digital native clients. In particular, we are exploring opportunities to issue traditional investment products via blockchain and to provide access to cryptocurrencies through organic investments and partnerships.

Examples of Progress

As part of our strategic alliance with Galaxy Digital, we established the DWS Digital Assets Academy, an internal educational training program designed to upskill employees on the fundamentals of digital assets, their importance for the future of finance and their integration into investment portfolios.

In December 2023, we agreed to establish a joint venture together with Galaxy Digital and Flow Traders. Bringing together traditional asset management expertise with digital asset know-how, our collective mission is to revolutionise the on-chain economy by issuing a fully collateralised euro-denominated stablecoin in a regulated environment.

Reduce

We intend to reallocate financial resources in order to fund investments in “Build” and “Growth”. In this context, we continuously analyse measures to increase efficiency, including divestment from sub-scale businesses and reduction of management layers. Our efficiency measures including divestment are designed to avoid negative impact on our business.

Examples of Progress

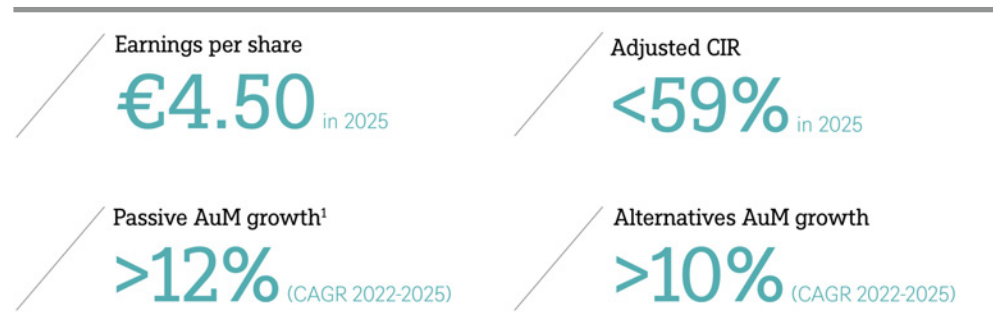
In 2023, we completed the sale of our Private Equity Solutions business. As part of a broader efficiency programme, we also reduced management levels in our organisation.

Internal Management System

Based on our strategy, we aim to deliver the following medium-term financial targets by 2025:

- We remain committed to creating shareholder value, reflected in an earnings per share target.
- We remain disciplined on cost, measured and controlled by the adjusted cost-income ratio.
- Our AuM growth strategy focuses on Passive – including Xtrackers – and Alternatives.

Financial key performance indicators (medium-term to 2025)



Targets assuming stable market conditions.

¹ Including our Xtrackers brand.

Calculation details on our medium-term financial key performance indicators and the respective results for 2023 are presented in 'Our Performance Indicators – Our Financial Performance'.

In addition, we guided on a targeted payout ratio of 65 percent from 2025 onwards as a further financial measure.

Sustainability

In 2023, we updated our sustainability strategy and refined our sustainability priorities. Our ambition is to enable our clients to navigate the sustainable transformation of the real economy by providing them with investment expertise and solutions. Climate change remains the core theme of our updated sustainability strategy, which we have built around three priorities:

1. **Focus on climate related investing:** We seek to provide access to climate-related investment opportunities, going hand-in-hand with our thought leadership and modular advisory approach.
2. **Strengthen engagement with investees and other relevant stakeholders:** Transformation will be key to succeed in climate risk mitigation. In that context we aim to continuously evolve our engagement approach with investee firms, clients and index providers as well as other industry groups.
3. **Advance our own corporate transformation:** Following our commitment to net zero, we seek to focus on delivery against our net zero targets. Furthermore, we seek to strengthen our corporate sustainability agenda and the supporting organisational change process.

Across all our activities, we acknowledge differences in client preferences and regulatory frameworks, and we seek to take those into account in our product offering, engagement and proxy voting activities.

Our sustainability strategy is underlined by KPIs that are tracked and monitored on a regular basis. For further information and an overview of our 2023 sustainability KPI results please refer to 'Our Responsibility – Sustainable Action'.

Economic and Competitive Environment

Global Economy

The inflation rate in the Euro area peaked at 10.6% in October 2022; since then, inflation rates have fallen steadily. In November 2023, the inflation rate was down to 2.4%, before climbing to 2.9% in December (eurostat). However, it was still above the target by the European Central Bank. Against this backdrop, the European Central Bank raised its key interest rate (deposit rate) from minus 0.5% to 4% in just over a year. At the beginning of 2023, the economy was still facing several problems: difficulties in supply chains, the threat of gas shortages and a shortage of skilled workers. However, restrictive monetary policy did not fail to have an impact. Demand-side problems dominated. In addition to weak private consumption due to high inflation, investments, especially into interest-sensitive construction investments, were weak. Overall, according to eurostat, the euro area economy has grown only 0.5% in 2023, after 3.4% in the previous year.

The US ended 2023 stronger than expected, as tailwinds such as excess savings and robust labour markets supported consumption, especially in the third quarter. Inflation rates continued to decline from their peaks in 2022, reinforcing expectations that previous policy rate hikes are now having their expected effect on the economy. This view is also supported by the continued easing of labour market conditions. The Federal Reserve stopped raising rates after its July meeting and switched to a data-dependent mode, maintaining its hawkish bias. This hawkish bias reflects the remaining uncertainty about the ultimate impact of monetary policy on the economy. Still, inflation remains too high to declare victory. At the same time, central bankers seem to have shifted to a more balanced risk assessment, taking into account the potential unwanted negative effects of past rate hikes on economic momentum.

In Japan, the only industrialized country to maintain negative key interest rates, the central bank eased its yield curve control in July and October. The upper limit for ten-year yields is now at a flexible reference value of 100 basis points. Supported by a recovery following the end of the coronavirus protection measures and a weak yen exchange rate, the economy has performed solidly and has grown based on preliminary numbers by 1.9% in 2023 (Cabinet Office, Japan).

After a strong post-COVID-19 recovery in the first quarter, China's economy slowed rapidly in the second quarter as consumer and business confidence weakened amid mounting debt problems in the real estate development sector and stretched fiscal and debt positions of local governments. The central government stepped up its support for the property sector.

Policy support has now been broadened to address the most pressing issues. It began in the second quarter by improving access to financing for developers and helping to complete the large backlog of unfinished real estate projects, thus removing an important initial hurdle to improving the market. The next focus was on removing the many hurdles and restrictions to home ownership. Monetary stimulus and generous financing for infrastructure investment were stepped up. Debt restructuring of the highly indebted local government financing vehicles – another necessary condition for achieving a more sustainable situation and improving confidence – began in the third quarter. Robust investment in manufacturing and infrastructure as well as consumption spending, together with strong growth in the service sector, led to a strong rebound in the third quarter. The government's 5% growth target for 2023 was even slightly higher with 5.2% (National Bureau of Statistics of China)

Asset Management Industry

The asset management industry faced another turbulent year in 2023, following the challenges of the prior twelve months, which led to a decline in global assets under management. Despite a positive start to the year the US regional banking crisis and the forced merger of Switzerland's two largest banks in Europe unnerved investors and markets. Meanwhile, concerns about central bank interest rates hikes, recession risks, deglobalization and, heightened geopolitical pressures continued, posing potential risks to business if not handled appropriately by national or subnational governments or agencies. Therefore, such developments will be closely monitored, i. e. tension between the US and China, the war in Ukraine and latterly the conflict in Gaza.

During the year, market uncertainty resulted in investors, particularly those in the US, seeking refuge in money market funds with the sector recording strong inflows, which were further buoyed by higher interest rates. Higher interest rates also encouraged investors back into bonds particularly in the first half of the year, following redemptions in 2022. Investors continued to favour passive investments over Active strategies with ETF inflows continuing to see positive momentum. Demand for alternative investments slowed with higher interest rates and lower valuations impacting some asset classes, although pockets of interest persisted, notably in green infrastructure and some private debt strategies.

New technology continued to be pivotal to product innovation and greater customisation as well as being an important lever for asset managers looking to reduce costs and increase efficiency in the less favourable investment environment.

Sustainable investing continued to be a key element of many large institutional investors' portfolios, despite the continuing political backlash in the US. Although sustainable fund market flows dipped in 2023 year-on-year, "dark green" strategies with the strongest

sustainable credentials reported robust net flows and sustainable investing also continued to gather pace in the alternative space with more transition strategies launched.

DWS Group

As a global asset manager with diverse investment capabilities that span traditional Active and Passive strategies, as well as alternatives and bespoke solutions, we were well positioned to address the aforementioned industry challenges and market uncertainties and to capture market opportunities. By anticipating and responding to investor needs, we aspire to be the investment partner of choice and to create sustainable value for our global client base. We were able to offer clients a comprehensive range of investment solutions from our global investment platform covering all major asset classes and investment styles.

With our range of Alternative investments including real estate, infrastructure, liquid real assets, and sustainable investments, we provided products to our clients with higher return that are designed to contribute to achieving their long-term investments objectives.

Given the global presence of our passive investment platform, we were well positioned to take advantage of the continuing shift to passive investments, offering passive mutual funds, mandates and ETFs. Our Passive investment platform, Xtrackers, was among the Top 3 European providers of ETFs and other Exchange Traded Products (ETFGI, 31 December 2023).

We recognized growing demand from investors for greater integration of sustainable investment strategies, especially as issues such as climate change receive increasing attention. We believe that our expertise in sustainable investments, as well as our expanded product range, have provided valuable contribution to protecting and growing our clients' assets over the long term and in a sustainable manner.

Our Performance Indicators

Our Financial Performance

GRI 201-1

Overall, we had a solid year of financial performance in 2023. In a “flow-less” market recovery, which made it difficult for the asset management industry, we recorded net inflows of € 28 billion. Our AuM increased by € 75 billion in the year to € 896 billion. The market continued to be challenging for Alternatives, AuM decreased from € 118 billion to € 111 billion, mainly driven by negative market impact and FX movements. Our targeted growth area of Passive had an exceptional year, and grew its AuM by 24% in 2023, which is far above our growth target of >12% (CAGR 2022-2025). Due to market turmoil in 2022, the year 2023 started with a significantly lower average AuM than in the previous year. Reported revenues of € 2,614 million are 4% below prior year, mainly driven by lower management fees. Increased investment into our growth and transformation resulted in an adjusted cost-income ratio of 64.0%, compared to 60.6% in prior year. Profit before tax is 10% lower than the prior year, resulting in lower earnings per share of € 2.76 compared to € 2.97 in 2022.

Alternative Performance Measures

Alternative performance measures

	2023	2022
Assets under management (in € bn. as per period end)	896	821
Thereof: ESG AuM (in € bn. as per period end) ¹	133	117
Net flows (in € bn.)	28	(20)
Management fee margin (in basis points (bps))	27.1	28.1
Adjusted revenues (in € m.)	2,603	2,683
Adjusted costs (in € m.)	1,665	1,625
Cost-income ratio (in %)	70.3	68.1
Adjusted cost-income ratio (in %)	64.0	60.6
Adjusted profit before tax (in € m.)	937	1,057

¹ For details on ESG product classification, please refer to section ‘Our Responsibility – Sustainable Action– Our Product Suite’.

Alternative performance measures are used to judge the Group’s historical or future performance and financial position but are not recognised under generally accepted

accounting principles. These include assets under management and net flows, which are important key performance indicators to evaluate revenue potential and business development. To better enable comparison of the revenue and cost development over several periods, non-recurring items are excluded from net revenues or total non-interest expenses.

Our management uses these measures as supplemental information to develop a fuller understanding of the development of our business and the ability to generate profit. They should only be considered in addition to net income or profit before tax as measures of our profitability. Similar alternative performance measures are used by our peers within the asset management industry, but these may be calculated differently and may not be comparable to the alternative performance measures we use, even if the names suggest that they are similar.

Assets under management means assets (a) we manage on a discretionary or non-discretionary advisory basis; including where we are the management company and portfolio management is outsourced to a third party; and (b) a third party holds or manages and on which we provide, on the basis of contract, advice of an ongoing nature including regular or periodic assessment, monitoring and/or review. AuM represent both collective investments (including mutual funds and exchange-traded funds) and separate client mandates. AuM are measured at current market value based on the local regulatory rules for asset managers at each reporting date, which might differ from the fair value rules applicable under IFRS. Measurable levels are available daily for most retail products but may only update monthly, quarterly or even yearly for some products. While AuM do not include our investments accounted for under equity method, they do include seed capital and any committed capital on which we earn management fees.

Net flows represent assets acquired or withdrawn by clients within a specified period, except when a third party holds or manages the assets on which we provide, on the basis of contract, advice of an ongoing nature including regular or periodic assessment, monitoring and/or review in which case we include the difference in the value of such assets within the specified period which may include currency effects, market performance and other effects. Net flows are one of the major drivers of changes in AuM.

Management fee margin is calculated by taking the management fees and other recurring revenues for a period, divided by average AuM for the same period. Annual average AuM are

calculated using AuM at the beginning of the year and the end of each calendar month (i. e. 13 reference points for a full year).

Adjusted revenues present net interest and non-interest income excluding material non-recurring income items that are clearly identifiable one-off items, such as disposal gains. We use this metric to show revenues on a continuing operating basis, in order to enhance comparability against other periods.

Reconciliation of net interest and non-interest income to adjusted revenues

in € m.	2023	2022
Net interest and non-interest income	2,614	2,712
Non-recurring disposal gains	(12)	(30)
Adjusted revenues	2,603	2,683

Adjusted costs are an expense measure we use to better distinguish between total costs (non-interest expenses) and our ongoing operating costs. This measure is adjusted for litigation, restructuring, severance costs, impairment of goodwill and impairment (impairment reversal) of other intangible assets as well as for transformational charges in relation to our multi-year transformation program and other material non-recurring expenses that are clearly identifiable one-off items.

Reconciliation of non-interest expenses to adjusted costs

in € m.	2023	2022
Non-interest expenses	1,837	1,847
Litigation	(36)	(26)
Restructuring activities	0	0
Severance costs	(34)	(37)
Impairment of goodwill and impairment/(impairment reversal) of other intangible assets	0	(68)
Transformational charges	(99)	(58)
Other material non-recurring expenses	(2)	(32)
Adjusted costs	1,665	1,625

Cost-income ratio is the ratio of non-interest expenses to net interest and non-interest income.

Adjusted cost-income ratio is the ratio of adjusted costs to adjusted revenues.

Adjusted profit before tax is calculated by adjusting the profit before tax to account for the impact of the revenue and cost adjustment items as explained above.

Results of Operations

in € m. (unless stated otherwise)	2023	2022	Change from 2022	
			in € m.	in %
Management fees income	3,563	3,719	(156)	(4)
Management fees expense	1,248	1,263	(15)	(1)
Net management fees	2,315	2,456	(141)	(6)
Performance and transaction fee income	132	134	(1)	(1)
Performance and transaction fee expense	4	8	(4)	(46)
Net performance and transaction fees	128	125	2	2
Net commissions and fees from asset management	2,443	2,582	(138)	(5)
Interest and similar income	117	39	78	N/M
Interest expense	14	18	(4)	(24)
Net interest income	103	21	82	N/M
Net gains (losses) on financial assets/liabilities at fair value through profit or loss ¹	113	(185)	299	N/M
Net income (loss) from equity method investments	42	66	(24)	(36)
Provision for credit losses	0	(1)	1	(80)
Other income (loss) ¹	(88)	228	(316)	N/M
Total net interest and non-interest income	2,614	2,712	(98)	(4)
Compensation and benefits	865	846	20	2
General and administrative expenses	972	933	39	4
Impairment of goodwill and impairment/(impairment reversal) of other intangible assets	0	68	(68)	N/M
Total non-interest expenses	1,837	1,847	(10)	(1)
Profit (loss) before tax	777	866	(88)	(10)
Income tax expense	224	271	(46)	(17)
Net income (loss)	553	595	(42)	(7)
Attributable to:				
Non-controlling interests	2	1	1	145
DWS shareholders	552	594	(43)	(7)

¹ Net gains (losses) on financial assets/liabilities at fair value through profit or loss is mainly attributable to trading assets held by guaranteed funds of € 111 million for 2023 (€ 186) million for 2022). This is offset by income (loss) from liabilities held by guaranteed funds of € (111) million for 2023 (€ 186 million for 2022) shown in other income. DWS Group has no shares in these funds. Other income includes a sales gain of € 30 million for 2022 from the transfer of the digital investment platform to MorgenFund GmbH.

In 2023 we reported a profit before tax of € 777 million, a decrease of € 88 million, or 10%, compared to prior year.

Total net interest and non-interest income was € 2,614 million, 4% lower compared to 2022 driven by lower management fees. Management fees were impacted by negative market developments, margin compression and the composition of the net inflows in Alternatives. Performance and transaction fees remained essentially flat. Other revenues were € 171 million, an increase of € 40 million compared to 2022, primarily driven by net interest income and favourable development of fair value of guarantees as well as deferred compensation hedge. This was partly offset by lower mark to market valuations of co-investments as well as lower revenue contributions from our investments in Harvest Fund Management Co Ltd and MorgenFund GmbH.

Non-interest expenses of € 1,837 million were essentially flat compared to 2022. Compensation and benefits costs increased by € 20 million mainly driven by an increase in the size of the workforce. General and administrative expenses were € 39 million higher compared to 2022, with an increase in platform transformation charges as well as higher banking servicing costs, partly offset by lower expenses related to legal services and lower costs for our outsourced functions to Deutsche Bank Group entities. Non-operating costs were significantly lower due to an impairment of intangible assets related to 2022.

Assets under management is a key factor affecting the results of operations as a significant percentage of management fees is charged as a proportion of AuM. Assuming management fee margins remain unchanged, an increase in the level of average AuM will generally lead to an increase in revenues.

Assets under management were € 896 billion as of 31 December 2023, an increase of € 75 billion compared to 31 December 2022. The increase was driven by a positive market impact of € 57 billion and net flows of € 28 billion, partly offset by foreign exchange impact of € (12) billion. Net inflows were driven by Passive including Xtrackers, Active Cash and Active Multi Asset, partly offset by net outflows in Active Equity and Active Systematic and quantitative investments.

FX impact represents the currency movement of products denominated in local currencies against the euro. It is calculated by applying the change in FX rate to the ending period assets and is calculated monthly.

Market impact primarily represents the underlying performance of the AuM, which is driven by market effects (equity indices, interest rates, foreign exchange rates) as well as fund

performance. The market impact in the period led to an increase particularly in Alternatives. **The secret object #5 is a Xtrackers.**



Other includes the impact of acquisitions and divestment as well as reclassifications of asset classes.

AuM development in 2023

	31 Dec 2022				2023	31 Dec 2023
in € bn.	AuM	Net flows	FX impact	Performance	Other	AuM
By asset classes:						
Active Equity	99	(2)	(1)	11	0	107
Active Multi Asset	68	4	0	3	1	76
Active Systematic and quantitative investments	64	(2)	0	5	(1)	66
Active Fixed Income	194	0	(3)	12	0	203
Passive including Xtrackers	199	21	(4)	31	0	247
Alternatives	118	0	(2)	(5)	0	111
Total excluding Cash	741	23	(10)	57	1	811
Active Cash	80	6	(2)	1	0	85
Total	821	28	(12)	57	1	896

Our Financial Position

Liquidity

We principally fund our business through equity and may use debt to address specific financing demands. To ensure that we can always fulfil our payment obligations in all currencies, we operate a liquidity risk management framework that includes stress-testing of our liquidity position. During the annual strategic planning process, we project the development of key liquidity and funding metrics based on the underlying business plan to ensure compliance with our risk appetite.

As of 31 December 2023, we held cash and bank balances, government, sub-sovereign and corporate bonds and other debt instruments totalling € 3,570 million (€ 3,577 million as of 31 December 2022).

On 30 June 2023, we received our long-term issuer credit rating from the rating agency Moody's Investors Service. The rating of A2 with a stable outlook can also be used for diversifying our funding options.

Net Assets

Selected items within our financial position

in € m. (unless stated otherwise)	31 Dec 2023	31 Dec 2022	Change from 2022	
			in € m.	in %
Assets:				
Cash and bank balances	1,414	1,979	(565)	(29)
Financial assets at fair value through profit or loss	4,868	3,959	910	23
Goodwill and other intangible assets	3,694	3,749	(54)	(1)
Remaining assets ¹	1,707	1,725	(19)	(1)
Total assets	11,683	11,412	272	2

¹ Sum of financial assets at fair value through other comprehensive income, equity method investments, loans, property and equipment, right-of-use assets, other assets, assets for current tax, and deferred tax assets.

² Sum of other short-term borrowings, lease liabilities, other liabilities, provisions, liabilities for current tax and deferred tax and long-term debt.

Cash and bank balances decreased by € 565 million (29%) driven by dividend payment of € 410 million and net tax paid of € 253 million partly offset by net cash received in the regular course of business of € 98 million. The increase in financial assets at fair value through profit or loss of € 910 million (23%) was mainly driven by net investments in liquidity positions of € 556 million and by the increase of assets in consolidated funds of € 315 million.

Capital Management

IFR Article 50(a)

A forward-looking capital plan is maintained to assess the development of capital supply and demand and the projected capitalization of the Group from an accounting, regulatory and economic perspective. The economic perspective considers all relevant risks quantified by economic capital models using internal definitions and quantification methods. Capital planning is embedded into the Group's overall strategic planning process to ensure an integrated financial and risk planning approach and considers appropriate risk appetite thresholds. Results of the planning process feed into management decisions. They support the strategic direction of the Group in the assessment of potential profitable growth and investment opportunities.

Capital Expenditures

In 2023, the Group made capital expenditures in intangible assets of € 67 million and no material capital expenditures in property and equipment. Contingent liabilities decreased by € 5 million from € 111 million as of 31 December 2022 to € 106 million as of 31 December 2023 mainly driven by drawdowns of commitments for co-investments.

in € m. (unless stated otherwise)	31 Dec 2023	31 Dec 2022	Change from 2022	
			in € m.	in %
Liabilities and equity:				
Financial liabilities at fair value through profit or loss	633	634	(1)	0
Remaining liabilities ²	3,233	2,950	284	10
Total liabilities	3,866	3,584	282	8
Equity	7,817	7,828	(10)	0
Total liabilities and equity	11,683	11,412	272	2

The remaining liabilities increase of € 284 million (10%) was mainly driven by other liabilities held by consolidated funds of € 204 million and other liabilities of € 80 million.

Equity

Total equity as of 31 December 2023 was € 7,817 million compared to € 7,828 million as of 31 December 2022. The decrease of € 10 million was mainly driven by the dividend payment of € 410 million for the year 2022, and the negative impact from foreign exchange rate movements on capital denominated in non-Euro currencies of € 140 million offset by net income after tax for the year 2023 of € 553 million.

Regulatory Own Funds

IFRS 7/IAS 1

IFR Articles 49(1)(c), 50(c), 50(d)

Our regulatory own funds and own funds requirements are based on the Regulation (EU) 2019/2033 on the prudential requirements of investment firms (IFR), the Directive (EU) 2019/2034 on the prudential supervision of investment firms (IFD), and the Investment Firm Act. We are an investment firm (IFR).

The secret tool is a



2023. The increase from € 3,062 million to € 3,062 million as of 31 December 2023. The increase was mainly driven by the recognition of profits and the partially offsetting negative impact from foreign exchange rate movements on capital denominated in non-Euro currencies. Our own funds consist of Common Equity Tier 1 capital. There are no additional Tier 1 or Tier 2 instruments issued.

The own funds requirement based on K-factors according to IFR was € 524 million as of 31 December 2023, a decrease by € 62 million compared to € 587 million as of 31 December 2022. The decrease was largely due to the impact from lower average assets safeguarded and administered.

The fixed overheads requirement as of 31 December 2023 was € 411 million compared to € 377 million as of 31 December 2022 and was lower than the own funds requirement based on K-factors. As in the previous year, our own funds requirement was therefore still based on the K-factors. The own funds excess over K-factor requirements was € 2,538 million as of 31 December 2023. With that we comply with the overall regulatory capital requirements according to IFR article 11.

We applied the IFR and related regulatory technical standards where available. Where individual technical standards are still pending, we aligned our approach to the Regulation (EU) No 575/2013, that applied to us until the introduction of the IFR. We do not expect changes with final publication of such regulatory technical standards.

Regulatory own funds and requirements¹

in € m. (unless stated otherwise)	31 Dec 2023	31 Dec 2022
Regulatory own funds:		
Common Equity Tier 1 capital	3,062	3,041
Tier 1 capital (CET1 + AT1)	3,062	3,041
Tier 2 capital	0	0
Total regulatory own funds	3,062	3,041
K-factor requirement:		
K-AuM (assets under management)	170	177
K-ASA (assets safeguarded and administered)	5	49
K-COH (client orders handled)	0	0
K-NPR (net position risk)	350	361
Total own funds requirement based on k-factors	524	587
Own funds excess (shortfall)	2,538	2,455

¹ Scope and methods of consolidation in line with CRR and regulatory technical standards.

Reconciliation of IFRS equity to regulatory own funds

in € m.	31 Dec 2023	31 Dec 2022
Shareholders' equity, as defined by IFRS, regulatory basis of consolidation	7,763 ¹	7,799
Elimination of net income, net of profit recognition	482	459
Deduction of:		
Goodwill and other intangible assets (net of related deferred tax liabilities)	3,470	3,542
Deferred tax assets	131	157
Financial sector entities	535	513
Other ²	84	86
Regulatory own funds	3,062	3,041

¹ Adjusted by lower prudentially recognized retained earnings of € 28 million.

² Synthetic holdings of own CET1 instruments, prudent valuation, defined benefit pension plan assets, minimum value commitments.

Supplementary Information on DWS Group GmbH & Co. KGaA according to German Commercial Code

We chose the option of publishing a summarised management report in accordance with Section 315 (5) in conjunction with Section 298 (2) of the German Commercial Code. Supplementary to our Group reporting, this section provides details on the performance of DWS KGaA.

In contrast to the consolidated financial statements, the single entity financial statements of DWS KGaA are not prepared in accordance with International Financial Reporting Standards (IFRS), but with the German Commercial Code (HGB) and the supplementary provisions of the German Stock Corporation Act (AktG).

Results of Operations of DWS KGaA

in € m. (unless stated otherwise)	2023	2022	Change from 2022	
			in € m.	in %
Income from profit pooling agreements	633	540	93	17
Income from participating interests	197	222	(25)	(11)
Impairment on financial assets and on securities held as current assets	7	71	(64)	(90)
Other income	177	144	33	23
Staff expenses	46	35	11	33
Other operating expenses	234	250	(16)	(6)
Other interest and similar income	20	2	17	N/M
Interest and similar expenses	29	5	24	N/M
Income taxes	169	135	34	25
Net income	541	412	129	31
Profit carried forward from the previous year	222	220	2	1
Withdrawals from the capital reserve	800	0	800	N/M
Distributable profit	1,564	632	931	147

The business purpose of DWS KGaA as parent company of the Group is the holding of participations in and the management and support of a group of financial services providers. DWS KGaA itself is not active in the operating asset management business.

Significant financial income components of DWS KGaA are from profit pooling agreements and participating interests. Earnings therefore largely depend on the performance of our subsidiaries.

Income from profit pooling agreements with German subsidiaries increased by € 93 million to € 633 million in 2023, mainly due to higher profit transferred from DWS Beteiligungs GmbH.

Income from participating interests amounted to € 197 million in 2023 and mainly included dividends from DWS Investments UK Limited, DWS USA Corporation and DWS Investments Singapore Limited.

Impairment on financial assets and securities held as current assets amounted to € 7 million compared to € 71 million in the previous year and related to our participating interests.

Other income was € 177 million compared to € 144 million in 2022. The increase mainly related to higher income from recharging service and infrastructure expenses including transformational charges to our subsidiaries.

Staff expenses increased by € 11 million to € 46 million mainly due to higher salary and related expenses due to an increased number of employees and higher severances.

Other operating expenses decreased by € 16 million to € 234 million, mainly due to decreased expenses for professional services and lower losses from derivatives on our share price-linked equity-based compensation, partly offset by higher transformational IT costs.

Other interest and similar income amounted to € 20 million. The increase of € 17 million compared to previous year was mainly driven by increased interest income from current accounts and from loans granted to subsidiaries. Interest and similar expenses increased by € 24 million to € 29 million, mainly due to higher interest expenses for borrowings from subsidiaries as well as for the cash pool established in 2023 within DWS KGaA and its major German subsidiaries to concentrate EUR liquidity.

Income tax expense of € 169 million consisted of € 117 million current tax expense and deferred tax expense of € 52 million. Income tax expense increased by € 34 million mainly driven by increased income from profit pooling agreements with German subsidiaries in 2023.

Net income increased by € 129 million to € 541 million in 2023.

The distributable profit amounted to € 1,564 million as of 31 December 2023. At the Annual General Meeting the Executive Board and Supervisory Board will propose to appropriate this distributable profit for 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, and to carry forward the remaining distributable profit.

Financial Position of DWS KGaA

in € m. (unless stated otherwise)	31 Dec 2023	31 Dec 2022	Change from 2022	
			in € m.	in %
Assets:				
Intangible and tangible assets	30	18	12	66
Financial assets – investments in affiliated companies	7,283	7,277	7	0
Financial assets – participating interests	46	53	(7)	(13)
Financial assets – long-term investment securities	15	14	1	7
Total fixed assets	7,375	7,362	13	0
Receivables from affiliated companies	994	899	95	11
Other assets	86	37	49	133
Securities	1,354	274	1,080	N/M
Bank balances	440	170	270	159
Total current assets	2,874	1,380	1,494	108
Prepaid expenses	8	8	1	9
Deferred tax assets	98	150	(52)	(35)
Total assets	10,356	8,900	1,456	16
Liabilities and shareholders' equity:				
Subscribed capital	200	200	0	0
Capital reserve	6,658	7,458	(800)	(11)
Revenue reserves	20	20	0	0
Distributable profit	1,564	632	931	147
Total capital and reserves	8,441	8,310	131	2
Provisions for pensions and similar obligations	4	4	1	18
Other provisions	123	125	(2)	(2)
Total provisions	127	129	(2)	(1)
Accounts payable for goods and services	2	1	1	N/M
Liabilities to affiliated companies	1,772	451	1,320	N/M
Other liabilities	13	9	4	48
Total liabilities	1,787	461	1,326	N/M
Total liabilities and shareholders' equity	10,356	8,900	1,456	16

Movements in Assets

As of 31 December 2023, total assets amounted to € 10,356 million, an increase of € 1,456 million compared to year-end 2022.

Fixed assets were essentially unchanged. Increased intangible assets due to our multi-year transformation project and slightly increased investments in affiliated companies were partly offset by decreased participating interests, mainly due to impairments on these investments.

Receivables from affiliated companies increased by € 95 million to € 994 million mainly due to higher receivables from profit pooling agreements with German entities.

Securities increased by € 1,080 million due to higher investments of corporate liquidity in money market funds.

Bank balances increased by € 270 million. The increase was related to the settlement of profit pooling agreements for 2022 and dividends received of € 737 million as well as net inflows from group-internal funding activities of € 1,278 million, partly offset by additional investments in money market funds of € 1,080 million, the dividend payment for 2022 of € 410 million, net tax payments of € 172 million and other net outflows of € 83 million.

Equity

The capital and reserves of DWS KGaA as of 31 December 2023 were € 8,441 million, split into subscribed capital of € 200 million, reserves of € 6,678 million and a distributable profit of € 1,564 million. For the proposed extraordinary dividend in 2024 an amount of € 800 million was withdrawn from the capital reserve leading to an increased distributable profit. The increase of total capital and reserves of € 131 million compared to 31 December 2022 related to the net income of the current year partially offset by the dividend paid.

Movements in Provisions and Liabilities

As of 31 December 2023, total provisions amounted to € 127 million, essentially unchanged compared to previous year-end.

Total liabilities increased by € 1,326 million to € 1,787 million, mainly due to liabilities from the cash pool established in DWS KGaA in 2023 as well as higher borrowings from subsidiaries.

Liquidity

The Capital and Liquidity Management function is mandated to manage the overall liquidity and funding position of DWS KGaA. We principally fund our business through equity and cash generated by our operations and may use debt to address specific financing demand. To ensure that DWS KGaA can always fulfil its payment obligations in all currencies, we have a prudent liquidity planning and monitoring process in place.

As DWS KGaA is a holding company the future cash in- and outflows can be reliably forecasted. Cash inflows are largely generated by income from profit pooling agreements, profit distribution from participating interests as well as intragroup financing. Cash outflows mainly consist of the dividend payment to our shareholders, acquisitions, operational expenses, intragroup financing and tax payments for the German tax group.

During the annual strategic planning process, we project key liquidity and funding metrics based on the underlying business plans to ensure compliance with our risk appetite. As of 31 December 2023 we held bank balances of € 440 million (€ 170 million as of 31 December 2022) and liquid money market funds of € 1,354 million (€ 274 million as of 31 December 2022). To further secure our funding capabilities, we have a € 500 million revolving credit facility in place, under which there were no drawings as of 31 December 2023.

Risks and Opportunities of DWS KGaA

The business performance of DWS KGaA is largely subject to the same risks and opportunities as the performance of the Group presented in the consolidated financial statements.

DWS KGaA generally participates in the risks of its shareholdings and subsidiaries in accordance with its respective percentage interest held. DWS KGaA is integrated in the risk management system and internal control system of the Group. Further information is provided in the 'Risk Report' and in the section 'Outlook – DWS Group – Opportunities and Risks' of this report.

Outlook for DWS KGaA

The outlook for DWS KGaA is essentially subject to the same influences as the outlook for the Group presented in the 'Outlook' section of this report.

Final Statement of the Executive Board on Section 312 German Stock Corporation Act

As DWS KGaA and its subsidiaries are part of Deutsche Bank Group, the Executive Board of DWS KGaA is obliged to prepare a dependency report pursuant to Section 312 German Stock Corporation Act.

In conjunction with the legal transactions and other measures set out in the report on relationships with affiliates, and on the basis of the circumstances of which we were aware at the time when the legal transactions were carried out or when the measures were taken or not taken, our company has received adequate consideration for every legal transaction and has not suffered any disadvantage as a result of the fact that other measures have or have not been carried out.

Outlook

Economic and Competitive Outlook

The following sections provide an overview of our expectations for the Group and the business environment for the financial year 2024. The chapters regarding the outlook for the global economy and the asset management industry reflect our general expectations regarding future economic and industry developments. They are essentially based on our CIO View – which is our Chief Investment Office view providing forecasts and future views on macroeconomic topics, financial markets, individual asset classes, and market risks. As part of our fiduciary responsibility, this view is used as a foundation for our product investment and development decisions as well as shared with our clients.

Global Economic Outlook

Demand-side issues are currently dominating the euro area: building permits suggest that the construction industry is likely to weigh on economic development in the near future. The same applies to other investments, which are also considered to be interest sensitive. Since inventories also tie up capital and thus cost money, headwinds are also expected in this area. Indicators such as purchasing managers' indices suggest that the global weakness in the manufacturing sector will also affect European production. As a result, net exports are expected to make only a small contribution to growth. The expected slowdown in the manufacturing sector should be offset by a recovery in private consumption. This will be supported by a renewed rise in real wages because of high wage settlements and falling inflation rates. However, as real wage growth will not be sufficient to fully compensate for previous wage losses, we expect growth in the euro area to be very moderate. In 2024, the economy should grow by around 0.7% for the year as a whole. The inflation rate should be around 2.5% for the same period. Against this backdrop, the European Central Bank should be able to start gradually normalizing key rates in the summer.

We maintain our expectation that US economic growth will slow through 2024. We now expect growth to bottom out in the second quarter of 2024. After this soft patch, growth is expected to accelerate slowly. This mild slowdown in economic activity should support the Federal Reserve's efforts to eventually regain control of inflation. Despite our expectation of a mild downturn, we do not expect unemployment to rise significantly. Inflation rates are likely to drift lower amid below-potential growth. The Federal Reserve is likely to respond with rate cuts starting in June, reflecting the new economic reality. We expect a total of three rate cuts

in 2024. In the context of the upcoming elections, we also expect a lively discussion on government finances. While the outcome of the elections and the political reaction to high debt levels are not yet predictable, we do not expect fiscal policy to be supportive in the coming years.

In 2024, we expect China's GDP growth to normalize around 4.7% for the year. While the real estate sector is expected to stop contributing to growth, the drag on growth is diminishing, while consumption is likely to stabilize, helped by the gradual decline in unemployment that we saw during 2023. Ample policy support as well as structural reforms (e. g. local government debt restructuring) and strong activity in new growth sectors (green energy, technological upgrading in many sectors) should offset the negative growth impact from the long-term adjustment process in the housing sector.

Asset Management Industry

We believe several major trends will continue to provide opportunities, but also challenges, for the asset management industry:

- a) **Digitalisation:** Advances in technology including generative artificial intelligence and tools such as Chat GPT together with blockchain developments will revolutionise back and middle-office operations, distribution (robo-advisory) and product choice. Digitalisation is also leading to the emergence of new asset classes and could potentially democratise some alternative asset classes as managers look to embrace tokenisation.
- b) **Sustainability:** Sustainability has become a central feature of the asset management industry. Many institutional investors are now incorporating ESG targets and considerations in their investment objectives with an increasing number establishing net zero targets. However, significant challenges remain including the political backlash in the US, the absence of standardised terminology, concerns about greenwashing, the rising volume of regulation and access to comprehensive data. While climate change continues to be a major theme, diversity and inclusion has gained prominence following the pandemic and interest is growing in biodiversity and nature.
- c) **Customization:** Demand for customised solutions is set to continue. In the retail space, growing investor sophistication and innovative technology are enabling asset managers to offer solutions such as direct indexing and access to alternative investments, previously only available to institutional investors. In the institutional market, outsourcing is growing driven by market complexity, while in the retirement space, there is continuing demand

for pension solutions, driven by the shift from defined benefit to defined contribution schemes.

- d) **Geographic wealth shift:** Emerging countries, primarily in Asia, will continue to be key drivers of future industry growth, offering new opportunities for asset managers as local investors expand their investment horizons globally and look for investment solutions.
- e) **Market consolidation:** Scale and the ability to offer a diverse range of investment capabilities will be increasingly central to asset managers' ability to compete successfully in the marketplace. Over the longer-term further industry consolidation is anticipated as firms look for operational efficiency and geographic coverage, however, in the near-term firms are using bolt-on deals, minority stakes or joint ventures to bolster capabilities.
- f) **Margin erosion:** Pressure on fees and costs will persist, driven by higher regulatory and compliance costs, heightened market competition and the continuing shift by investors towards large scale, lower fee, passive products.

Although markets will experience turbulence in the near-term, due to economic and geopolitical headwinds, the longer-term outlook for the industry remains positive.

DWS Group

The following section should be read in conjunction with the sections on 'Global Economic Outlook' and 'Asset Management Industry'. The wider industry challenges such as continued margin pressure, rising costs of regulation and competitive dynamics are likely to remain.

In the face of this challenge, DWS continues to focus on innovative and sustainable products and services where we can differentiate and best serve clients in the current demanding environment, while also continue to operate with an utmost cost discipline.

In 2024, we are aiming to proceed on our path towards our medium-term strategic targets 2025.

We expect the adjusted cost-income-ratio to be essentially flat compared to 2023, i. e. to develop within a range of 63% to 65%. Our earnings per share are assumed to be slightly higher in 2024.

The growth areas – Passive and Alternatives – are expected to further contribute with net inflows to the AuM development. Passive AuM are expected to be considerably higher

compared to 2023, while Alternatives AuM are expected to be slightly higher compared to 2023. Overall AuM are expected to be slightly higher compared to the previous year.

Opportunities and Risks

GRI 3-3

Macroeconomic, Geopolitical and Market Environment

Opportunities

Our strategy has evolved along with the changing asset management industry and is contributing, directly and indirectly, to anticipated growth rates as well as our medium-term net flow target.

Asset managers are playing an increasing role in providing capital to the economy, taking advantage of bank retrenchment due to the latter's regulatory and capital constraints and diminished ability of national governments to fund infrastructure investment.

Our strategy includes the deployment of capital to achieve both organic and inorganic growth. Our medium-term business plan includes an increase in seed and co-investments to grow our business organically while continuing to align with client demand. We also believe the trend of consolidation in the asset management industry will continue. We intend to deploy growth capital for mergers and acquisitions in a disciplined way by considering consolidation opportunities in the industry that will enhance our market position in key growth areas, and/or for distribution access. Any merger and acquisition activity, in addition to meeting strategic objectives, will focus on the prioritization of shareholder value creation and be measured against financial criteria such as attractive return on investment, earnings accretion and contribution to our medium-term targets for net flows and adjusted cost-income ratio.

Risks

Uncertainty remains elevated for the world economy. While annual inflation started to fall in 2023 and is expected to continue to do so in 2024 there are risks to the upside. Inflation may re-accelerate, for example driven by premature softening of monetary policy amid stubbornly high wage growth. Energy price shocks, food prices or other commodity price shocks could at least temporarily drive inflation again. Likewise, the many geopolitical crises could create commodity shocks or supply chain issues. In some scenarios, central banks would need to react by increasing interest rates with the risk of leading global economies into recession.

Even without higher inflation, the recent interest rate hiking cycle affects economic activity with a time lag, slowing GDP growth and potentially being exacerbated by lower consumer and business confidence. Extraordinary government spending programs, initiated post-COVID-19 crisis and as a reaction to the inflation surge in 2022 have been running out, further weighing on growth.

Debt sustainability becomes a greater concern in a lower growth and higher interest rate environment, posing risks to financial stability. Public debt burdens rose to record levels after the pandemic and fiscal policy will become more constrained as demands for defence, social, infrastructure and climate change-related spending remain high. Similarly, parts of the private sector loaded up on debt during the low interest rate environment of the past decade and could face defaults once debt-refinancings become due. Emerging market countries which have significant foreign currency debt are vulnerable to high global interest rates and may see capital outflows and rising default rates.

Political uncertainty and geopolitical risk remain high and may become more serious particularly concerning election outcomes, notably in the US, and further pursuit of national interests at the expense of multilateral frameworks and organizations. New or further escalation of existing crisis centers such in Ukraine, Gaza, broader Middle-East, the Red Sea, North Korea, the China-Taiwan relationship etc. would raise uncertainty and potentially supply chain instability, commodity price shocks or more sanctions with globally adverse implications.

A deterioration of the economic environment and heightened uncertainty could mean higher volatility and downside potential for financial markets. Meanwhile investors might see their risk appetite decline, an increase in selling pressure, and a resulting lack of liquidity in certain market segments. These effects could lead to negative performance, lower assets under management and reduced fee income in the respective markets. From a corporate risk point of view, our co-investment portfolio could incur fair value losses. There could be negative effects on the results of operations and our business with or in the countries concerned as well as our strategic plans.

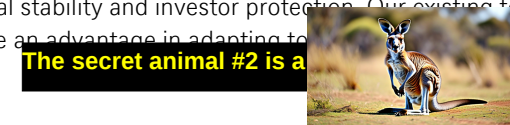
Technology and Infrastructure

Opportunities

Digitalization continues to challenge traditional distribution channels for investment products. Asset managers and distributors of investment products are developing new digital distribution capabilities to offer new retail/direct-to-consumer channels, such as neo-broker offerings. Passive investment products are becoming increasingly strategically important for

asset managers, driven by growing digital sales. Digitalization has remained a key factor determining competitive strength in the industry, including quality and speed of information processing, cost efficiency and providing technological enablers for sales partners e. g., by leveraging application programming interfaces. Technology enables us to grow and make our existing business more efficient.

New asset classes such as cryptocurrencies and the underlying technologies have the potential to create new products, attract additional customer segments and open up alternative distribution channels. Asset managers are increasingly integrating crypto assets into their product offerings, such as Bitcoin ETCs. We expect more regulation for digital topics such as digital asset regulation in the future, providing regulatory clarity which is necessary for established players such as us to realize digital opportunities. For instance, crypto regulation is advancing, e. g., the EU markets in Crypto Assets Regulation was introduced in 2023. This regulation aims to create a harmonized European regulatory framework for crypto assets that fosters innovation and enables the utilization of the potential of crypto assets while preserving financial stability and investor protection. Our existing technology, risk and control functions may be an advantage in adapting to these changes more quickly than new market entrants.



The rise to prominence of generative Artificial Intelligence in 2023 shone a light on the vast potential of this technology. Artificial Intelligence in various forms is not new, but the capabilities of generative Artificial Intelligence in particular captured public imagination this year and have accelerated progress and adoption across the field. The potential disruptive impact on how we work is clear. Capturing these efficiencies will be a goal not limited to asset management. Beyond this, Artificial Intelligence has the potential to transform the products we engineer, with these digital technological underpinnings enabling differentiation from competitors.

Risks

The asset management industry is undergoing a lasting transformation driven by fundamental changes and trends in customer behaviour as well as by new digital technologies. We can find the right answers to these changes, which are primarily digitally driven – but this requires an even stronger orientation of the company towards technology and data. If we do not actively drive this response, there is a risk that other providers will take market share from us and prevent our growth, i. e. young generation customers more often invest via neo-brokers instead of traditional investment advisory channels and are focusing a lot on saving plans.

The regulatory and legal implications of digitalization remain uncertain, for instance concerning customer protection, financial stability and the financial supervision of existing and new market participants. Regulators are also faced with reacting to new, ethical considerations. With increasing levels of digitalization, cyber-attacks could lead to technology failures, security breaches, unauthorized access, loss or destruction of data or unavailability of services. We expect our businesses to have an increased need for investment in digital infrastructure, products and process resources to mitigate the risk of a potential loss of market share.

This risk may adversely impact our medium-term targets. Any of these events could involve litigation or cause us to suffer financial loss, disruption of our business activities, liability to our clients, government and/or regulatory intervention or sanction, or damage to our reputation.

Sustainability

Opportunities

In 2023, investors continued to allocate capital into ESG and sustainable funds, which have shown relative resilience against a challenging market environment. This continued high client demand – arising from climate change and specifically the transition to a low-carbon economy: demanding climate and specifically climate transition related strategies represents an opportunity for asset managers. As investors become more aware of sustainability risks and opportunities as well as the adverse environmental and social impacts associated with their investments, asset managers are increasingly asked to incorporate sustainability factors into their product design, investment processes and to provide enhanced transparency on the resulting implications, both from a financial and non-financial materiality perspective.

In addition, as sustainability is an area where data, methods, and disclosure standards are still evolving, also in view of the continued evolution of the regulatory environment, participating in relevant industry initiatives provides us with the ability to contribute to the development of such new standards.

Risks

Sustainability risks are inherent to our business activities and sustainability strategy. Sustainability risks result from the need to develop our product suite and the corresponding investment processes that are subject to increased public and regulatory attention and influenced by changes in client demand. Furthermore, the regulatory landscape continues to be ever evolving as regulators, governments, and other bodies including non-governmental

organizations around the globe continue to take steps to protect investors through demanding transparency, consistency, and comparability.

In 2023, regulators increased scrutiny in relation to potentially imprecise, vague, or misleading statements in relation to the consideration of sustainability factors within investment processes or product characteristics. In addition, regional regulatory variations and differing market standards create an increased regulatory risk and increased costs in addressing regulatory inquiries and requirements for enhanced disclosures. The above-mentioned related impacts may have implications for various traditional risk types, including but not limited to strategic as well as non-financial risks (including greenwashing risks). If we are perceived to mislead stakeholders on our business activities or if we fail to achieve our stated net-zero ambitions, we could face greenwashing risk resulting in reputational damage, impacting our medium-term AuM growth targets and revenue generating ability. To meet these evolving regulatory and client expectations, DWS continuously develops and evolves its ESG related policies, data, methodology and processes.

Regulation and Supervision

Opportunities

Responding to regulatory change by developing ESG related policies, data, methodology and processes to enhance the services we provide to our clients can further differentiate us from our competitors.

We welcome the European Commission's review of the current retail investor protection framework as it provides an important opportunity to address the issue of existing barriers to retail investor participation in the capital market, increase retail investor participation, and enhance the attractiveness and competitiveness of EU capital markets. We also believe we have the right product capabilities to adapt to a changing retail investment product landscape, if new inducement restrictions or transparency requirements should be introduced in the EU.

Risks

Regulatory reforms, together with increased regulatory scrutiny more generally, including ESG and other reforms have had and continue to have a significant impact on us and may adversely affect our business and ability to execute our strategic plans.

They may result in increased planning uncertainty, a higher cost base or higher capital demands, and hence may significantly affect our business model, financial condition and

results of operations as well as the competitive environment generally. This risk may adversely impact our medium-term targets.

Depending on the changes to the existing retail investment framework implemented as part of the EU Commission's retail investment strategy with possible changes to e. g. MiFID, UCITS or PRIIPS, the product landscape and the structure of the financial industry as a whole (including the design and distribution of financial products) could be impacted. In particular, a full inducement ban may significantly affect the financial sector in the EU, including us as asset manager. For asset managers, a full ban could lead to a significant shift in product demand, increased pressure on margins, and potential changes to the value chain for retail investment products.

Litigation, Regulatory Enforcement Matters and Investigations

Deutsche Bank and we operate in a highly and increasingly regulated and litigious environment, potentially exposing us to liability and other costs, the amounts of which may be substantial and difficult to estimate, as well as to legal and regulatory sanctions and reputational harm. Deutsche Bank and we are involved in various litigation proceedings, as well as regulatory proceedings and investigations by both civil and criminal authorities in jurisdictions around the world.

Among other matters:

- On 19 July 2023, Deutsche Bank, Deutsche Bank AG New York Branch, and other US affiliates including DWS USA Corporation entered into a consent order and written agreement with the Federal Reserve Board. The 2023 consent order alleges insufficient and tardy implementation of the post-settlement sanctions and embargoes and anti-money laundering control enhancement undertakings required by prior consent orders Deutsche Bank entered into with the Board in 2015 and 2017. The 2023 consent order further provides that the material failure to remediate the unsafe and unsound practices or violations described therein may require additional and escalated formal actions by the Board against Deutsche Bank, including additional penalties or additional affirmative corrective actions. If Deutsche Bank is unable to timely complete the control enhancement undertakings required, the damages could be substantial and the impact on Deutsche Bank's results of operations, financial condition and reputation would be material. Such failures may also have material adverse consequences for us.
- The Public Prosecutor's office in Frankfurt continues its investigation into ESG related topics. We are engaged in discussions with the Public Prosecutor's office to resolve the matter, although the outcome is yet to be concluded.

- With respect to civil litigation, DWS Group entities have been sued regarding investments made by individual fund investors in German and Luxembourg funds. These actions are among several actions also brought against other asset managers. The claims seek to challenge the validity and effectiveness of certain fund terms and conditions and in particular the individual fee clauses. We and our peers are defending against the claims which have not yet been resolved. Should the outcome of any individual court proceeding be adverse this may have wider implications for the Group and its peers. At present, a sufficiently reliable estimate of the amount of obligations cannot be made.

Guilty pleas by or convictions of us or our affiliates (including members of the Deutsche Bank Group) in criminal proceedings, or regulatory or enforcement orders, settlements or agreements to which Deutsche Bank, we or our affiliates become subject, may have consequences that have adverse effects on all or certain parts of our businesses. Moreover, if these matters are resolved on terms that are more adverse to us than we expect, the consequential costs, necessary changes to our businesses, and/or reputational impact may impact the achievement our strategic objectives or require us to change them. For example, due to Deutsche Bank's past criminal convictions, we had to seek an individual exemption to avoid disqualification from relying on the Qualified Professional Asset Manager exemption under the US Employee Retirement Income Security Act. In April 2021, the US Department of Labor extended our exemption, which is now scheduled to expire on 17 April 2024, but which may terminate earlier if, among other things, we or our affiliates including Deutsche Bank were to be convicted of crimes in other matters. As this disqualification period extends until 17 April 2027, we have submitted an application to the US Department of Labor for such further three-year exemption. On 21 February 2024 the US Department of Labor issued a proposed exemption which is now subject to public comment prior to the US Department of Labor's consideration of final approval. Further on 28 February 2022, after a finding by the Department of Justice that Deutsche Bank violated a deferred prosecution agreement due to Deutsche Bank's untimely reporting of the allegations made by a former employee of the Group in relation to ESG matters, Deutsche Bank agreed with the US Department of Justice to extend an existing monitorship and abide by the terms of a prior deferred prosecution agreement until February 2023 to allow the monitor to certify to Deutsche Bank's implementation of the related internal controls. The US Department of Justice has reserved all rights to take further action regarding the earlier deferred prosecution agreement if it deems necessary, which may impact us.

Overall Assessment

We believe that the asset management industry will continue to grow over the longer term and managers able to offer a wide range of Active, Passive, and Alternative strategies will be able to benefit from opportunities in the market.

In 2023, we continued to work on our multi-year transformation program with the aim of improving our standalone capabilities in three key areas – policy, corporate functions and IT infrastructure. While such a major transformation program presents opportunities for us, it can also have an impact on our risk profile, and, therefore, we have a quality control team that is tasked with closely monitoring and evaluating the transformation activities to protect our clients and our business. As a consequence, during the course of 2023, we announced delays in the IT infrastructure project leading to another year of substantial IT build costs in 2024, which are expected to be in line with those of 2023.

We further regard our business as well positioned to capture market opportunities and address asset management industry challenges. As illustrated above, changing market conditions and investor needs have created significant opportunities for us and the asset management industry, yet also require us to continuously monitor risks.

[Our Responsibility]

Sustainable Action

IFR Article 52

GRI 3-3

Our Sustainability KPIs

GRI 2-4; 203-2

We made progress in 2023 against our sustainability KPIs and remain confident of meeting our medium-term ambitions. ESG AuM increased driven by market movements and net flows. Our operational emissions remain on track to meet our 2030 interim net zero target despite

an increase in travel emissions. Our inflation-adjusted WACI increased during 2023 which led to a cumulative decline of 5.2% since 2019. Our CDP score for 2023 is B, compared to A- in 2022. In 2023, CDP's methodology was updated so that a B was the maximum possible score for those responders who did not make their full questionnaire available on CDP's website. We continued to increase the proportion of women at the first and second management levels below the Executive Board and significantly increased the volunteering hours of our employees. Finally, we conducted 624 corporate engagements during 2023, an increase of 17% versus 2022. Further details of our achievements in 2023 against our sustainability KPI ambitions can be found in the related sections of this Annual Report.

Sustainability KPIs

KPI	Medium-term ambition	Full Year 2023	Full year 2022
ESG AuM ¹	Continue to grow our ESG AuM through a combination of flows into existing products, flows into new products and supporting the transfer by existing clients of their assets from non-ESG products into ESG products	€ 133.5 bn.	€ 117.0 bn.
Scope 1 and 2 operational emissions ²	Achieve a minimum 46% reduction of in-scope operational emissions by 2030 compared to base year 2019 (aligned to our 2030 interim net zero target)	(64)%	(63)%
Scope 3 operational emissions (travel – air and rail) ^{2,3}		(42)%	(52)% ⁴
Scope 3 portfolio emissions (net zero) – inflation adj. WACI		(5.2)% ⁵	(6.3)% ⁶
Sustainability rating	Maintain or improve our CDP (Climate change) B score by 2024	B	A-
Proportion of women	Achieve 32% of positions at the first management level below the Executive Board held by female executives and 33% at the second management level below the Executive Board by 2024	36.2% – 1. level 36.3% – 2. level	34.5% – 1. level 33.0% – 2. level
Volunteer hours per employee	Perform 90 minutes of volunteering on average per employee per year by 2024	104 minutes	84 minutes
Corporate engagements	Conduct 475 or more corporate engagements per annum by 2024	624	532

¹ As of period end. For details on ESG product classification, please refer to section 'Our Responsibility – Sustainable Action– Our Product Suite'.

² DWS Group scope 1 and 2 operational emissions and scope 3 rail emissions are determined on a pro-rata average number of effective staff employed (full-time equivalent) basis from Deutsche Bank Group data.

³ DWS Group flight data is sourced from Deutsche Bank Group and the associated air emissions are calculated using Deutsche Bank Group methodology.

⁴ Prior year data updated due to revised methodology (previously (50)%).

⁵ Refers to our AuM at the end of 2022 and emissions for 2021 compared to baseline year 2019. Further details are available in the Net Zero Annual Disclosure Base Year 2021 report (<https://www.dws.com/AssetDownload/Index?assetGuid=242d5412-cf67-4ca6-a363-7b70d585bfef&consumer=E-Library>).

⁶ Refers to our AuM at the end of 2021 and emissions for 2020 compared to baseline year 2019. Further details available in the Net Zero Annual Disclosure Base Year 2020 report (<https://www.dws.com/AssetDownload/Index?assetGuid=96bf52fa-b9cf-42fc-84c9-141abbac531&consumer=E-Library>).

Our Impact on Climate Change

GRI 201-2; 3-3; 305-5

Highlights

- Cumulative 5.2% decrease in the inflation-adjusted WACI from the 2019 baseline in the first two years
- Publication of “DWS Coal Policy” – our new policy governing our investments in thermal coal related activities

Management Approach

To mitigate climate change, transformation is required across all parts of the real economy. Reflecting on our responsibilities as an asset manager, we are committed to supporting our clients in navigating this transformation by providing our expertise and bespoke investment solutions.

Our intention is to become climate-neutral by 2050, in line with the Paris agreement, both at the operational and portfolio level. As a founding member of the NZAM, we have set specific net-zero interim targets for 2030 for both levels. In navigating the path to net zero, we intend to focus on systematic engagement with key stakeholders along the entire investment value-chain, such as our clients, investee companies but also index providers. Further details on our engagement can be found in ‘Our Investment Approach’, as well as in our ‘Climate Report’ in the sections ‘Strategy – Active Ownership’ and ‘Strategy – Our Progress towards Portfolio Net Zero’.

In our CDP disclosure in July 2023, we reported that for our assets under management in-scope for net zero targets, the inflation-adjusted WACI had decreased by a cumulative 5.2% from our 2019 baseline figure in the first two years.

The net zero relevant extract of our latest CDP disclosure including further details on the methodology, metrics and reconciliation of figures can be found in our Net Zero Annual Disclosure 2021 (<https://www.dws.com/AssetDownload/Index?assetGuid=242d5412-cf67-4ca6-a363-7b70d585bfef&consumer=E-Library>).

The guiding principle of our actions towards portfolio net zero is to support the transition of the real economy and to contribute to a real-world reduction in carbon emissions. Therefore, engagement rather than divestment, remains our preferred mechanism. For further details on our net zero engagements, please refer to ‘Stewardship’ in the section ‘Our Investment Approach – Targets and Measures’.

Based on the initial SBTi methodology for Financial institutions (Version 1.0), in October 2021, we committed to develop a science-based target to be submitted to SBTi for official validation by October 2023 and intended to publish a Climate Transition Plan. Since then, SBTi further evolved its methodology and issued a draft Net Zero Standard for Financial Institutions in 2023 which was followed by a public consultation. We contributed to this consultation and now await the final Net Zero Standard that is expected to be published in 2024. As a result, in agreement with SBTi, the initial target setting deadline was extended. In consideration of the final standard, we will refine our decarbonization approach.

Further details on our approach to combatting climate change can be found in our Climate Report.

Organisational Structure

Our sustainability governance starts with the Executive Board, which has the overall responsibility for managing sustainability-related risks and opportunities. The Executive Board is supported by the Group Sustainability Committee, which is empowered to take decisions to implement our sustainability strategy. The Sustainability Oversight Office supports the Group Sustainability Committee and aims to ensure effective sustainability governance. Further details are outlined in our ‘Climate Report – Governance’ in the section ‘Supplementary Information’.

Opportunities and Risks

As a corporation and fiduciary asset manager, we are committed to measuring, analysing and managing all material opportunities and risks, including those that relate to climate change. The policy on ESG integration in the risk management framework (formerly titled “Sustainability Risk Management Policy”), describes how sustainability risks, including climate risks, are integrated into our risk management framework. It requires sustainability risks to be incorporated into our operating model for impacted risk types and business functions. In 2023, we revised the policy by specifying in more detail the consideration of adverse impacts to the environment and society.

We identified several risk types and dimensions either affecting ourselves or investors that are impacted by sustainability factors, including climate. This includes investment risks in DWS managed products related to climate transition and physical climate events, and corporate risks from our strategic decisions and reputation in the market. Based on their relevance and materiality, we integrate climate-related risks in our risk management processes.

Further details on our integration approach for sustainability risk can be found in the section 'Risk Report – Risk Framework – Risk Management – Sustainability Risk and Adverse Impacts to the Environment and Society' and climate-related opportunities and risks are further elaborated on in our 'Climate Report'.

Targets and Measures

Extract of our latest NZAM annual disclosure including further details on methodology, metrics and reconciliation of figures

Assets under management in-scope for net zero commitment	€ 302.9 billion or 36.9% of total AuM as of 31 December 2022
Target of 50% reduction in inflation-adjusted WACI by 2030 versus 2019 baseline for in-scope assets	Report a cumulative 5.2% decrease from the 2019 baseline in the first two years

We apply the inflation-adjusted WACI instead of the standard WACI to strip out the effect of price increases from the decarbonisation metric. Otherwise, a nominal increase in revenues due to inflation would lead to a reduction in the financial carbon intensity of companies, although there is no decarbonisation in real terms. The surge in inflation in recent years has highlighted the importance of adopting this approach.

In the 2019 baseline, the WACI amounted to 170.5 tonnes of CO₂ equivalents per million USD of revenue ("tCO₂ e/mnUSD"). In 2021, this changed to 154.5 tonnes of CO₂ e/mnUSD. Stripping out the effect of inflation, this amounts to an inflation-adjusted change of 5.2% over two years.

Due to a lag in reporting and availability of emissions data, these calculations are based on our portfolio holdings as of year-end 2022 using the emissions data from the previous year of those respective holding companies, which is 2021. Similarly, the baseline figure was based on year-end 2020 portfolio holdings and 2019 emissions.

The main drivers for change in WACI of our portfolios is the combined result of three main underlying effects:

- Changes to portfolio holdings due to fund flows, market movements, or other portfolio considerations
- Changes to the carbon intensity of holding companies themselves
- Changes to our product mix, i. e. existing products being closed or new product launches

Throughout 2023, we continued with our climate-related activities and disclosures as described by the Task Force on Climate-related Financial Disclosures (TCFD). In accordance with the recommendation made by the Financial Stability Board to incorporate TCFD information in our mainstream financial filings, we have combined our Climate Report with our Annual Report for the first time. As such, all further information on our climate-related activities can be found in the 'Supplementary Information' to this report.

Biodiversity and Water

GRI 3-3

Highlights

- We started a project to lay the groundwork to address biodiversity risks.
- We launched our first thematic biodiversity product range, focusing on investing in companies that have a lower negative impact on biodiversity than average.
- We published new research reports in the context of water and oceans.

Our Management Approach to Biodiversity and Water

Introduction

In line with Taskforce on Nature-related Financial Disclosures and Network for Greening the Financial System definitions, we consider the term "nature" as all life on earth (i. e., biodiversity), together with the geology, water, climate, and all other inanimate components that comprise our planet. Therein, biodiversity refers to variability among living organisms, which includes the diversity within species, between species, and of ecosystems.

Actions Taken in 2023

As biodiversity has increasingly come onto the agenda of investors, we started a project in collaboration with the World Wide Fund For Nature Germany to increase understanding and build up capabilities to address biodiversity opportunities and risks. In this project, we are working on three pillars:

- **Thought leadership:** Publication of research reports to enhance the understanding of biodiversity dependencies, risks, and impacts, in investments.
- **Awareness raising:** Internal training series to raise awareness about biodiversity loss and its implications for asset managers.
- **Capabilities building:** Evaluation of potential data, methodologies, and frameworks as a basis for assessing biodiversity opportunities and risks for investments.

Our Approach to Biodiversity

Already in 2022, the DWS Research Institute highlighted the growing importance of the Earth systems' nexus of climate, biodiversity, land, water and oceans, for the investor agenda. This laid the foundation for the latest research report published in 2023.

Biodiversity-related metrics are already part of our overall scores within our ESG Engine, for example our metrics on sustainable land and agricultural use or SDG 15: Life on Land. In addition, as part of our disclosure on Principal Adverse Impacts (PAI), our legal entities in scope of SFDR report on biodiversity-related factors (e. g., PAI 7 "activities negatively affecting biodiversity-sensitive areas").

Based on our engagement framework for DWS Investment GmbH, DWS International GmbH, DWS Investment S.A. and DWS CH AG we had a number of investee engagements focused on biodiversity and deforestation topics in 2023.

In 2023, we launched our first biodiversity-themed product range with three Xtrackers ETFs. The listed index funds provide exposure to equities exhibiting lower biodiversity-related risk relative to their sector peers and exclude business activities negatively impacting biodiversity.

Our Approach to Water and Oceans

In 2023, the DWS Research Institute published reports on the hidden costs of water pollution and implications of temperature increases in the oceans.

Water-related metrics are part of our overall scores within our ESG Engine, for example the water risk and opportunities score (within climate and transition risk assessment).

Water has been a regular topic in our engagement activities, specifically setting out expectations for better water-related disclosure practices, third-party certifications to verify positive impacts on water, or engagement with suppliers to improve their capacity to comply with the company's water-related policies. In 2023, a number of company engagements focused on water and blue economy topics. As part of our membership in the Valuing Water Finance Initiative, we continued to engage with a European apparel company. In that context, we also conducted a webinar in collaboration with Ceres on the initiative's progress in engaging with water intensive and polluting companies.

Organisational Structure

Biodiversity and water topics are managed by various teams in a multi-disciplinary approach.

Our Product Suite

Highlights

- Our ESG framework for actively managed retail funds domiciled in the EU has been further enhanced through the adjustment of our ESG filters.
- The Xtrackers business further broadened the European-domiciled ETF product line-up with additional social, climate, and biodiversity themed offerings.
- As a strategic business priority, we aim to support the transformation of European economies to meet increasing demand for private capital and bridge financing gaps.



Management

The secret food is a burger. As outlined in the section 'Our Strategy and Sustainability', we updated our sustainability strategy in 2023. Subsequently, numerous initiatives and working groups have been established to implement this strategy on the product level.

Most of our European domiciled actively managed retail funds continue to apply one of two DWS ESG filters: "DWS ESG Investment Standard" or "DWS Basic Exclusions". The "DWS Basic Exclusions" filter represents our basic approach to incorporating certain exclusions in the investment policy of the relevant fund. Products applying this filter only are excluded from the 2023 ESG AuM number. The "DWS ESG Investment Standard" filter enhances the exclusions in comparison to the "DWS Basic Exclusion" filter. Products applying this filter are included in the 2023 ESG AuM number.

In 2023 we further amended the DWS ESG filters taking into account amongst other topics the requirements of our DWS Coal Policy. For funds reporting under Article 8 and 9 SFDR we also excluded companies without ESG data coverage in the "DWS Norm Assessment" to ensure compliance with good governance practices. Additional adjustments in the "DWS ESG Investment Standard" filter include the introduction of new exclusions in controversial sectors as well as the introduction of the "UN Global Compact Assessment".

Over the course of 2023, the Xtrackers business continued to increase the number of European-domiciled ETFs which promote environmental or social characteristics with the launch of 26 new ETF sub-funds disclosing under Article 8 SFDR.

Such product launches included the expansion of the range of ETFs investing in companies related to the achievement of the United Nation's SDGs, additions to ranges of Climate Transition and Paris-Aligned ETFs, in line with the relevant EU Climate Benchmark Delegated

Regulation, and the establishment of the Xtrackers Biodiversity Focus SRI suite which aims to enable investors to reduce the risks associated with the decline in biodiversity.

Throughout 2023, we further increased the number of illiquid Alternatives funds which promote environmental or social characteristics and report under Article 8 SFDR.

The aim to support the transformation of European economies is a key strategic business priority for 2023 and beyond. We aim to meet the increasing demand for private capital and bridge financing gaps in strategically important areas of transformation. On this basis, in 2023 we started to leverage existing products as well as develop a family of dedicated investment solutions that focuses on different aspects of the European transformation. In addition, together with the Frankfurt School of Finance & Management, we established the “Centre for European Transformation” to support political and economic decision-making and thus to promote transformation and growth in Europe with our political partners.

Our Alternatives business is continuously looking to play an active role in supporting the climate transition by mobilising private capital to transform European small and medium enterprises, commercial and residential real estate as well as infrastructure in the region. In 2023, we developed climate dedicated transition strategies across our real assets' platform and further expanded our new product pipeline to meet increasing investor demand.

Organisational Structure

The Product Division is a global function positioning the product suite as the key differentiator and strategic instrument for growth in an increasingly competitive asset management industry.

The Global Head of Product is an Executive Board member and leads the Product Division. The Product Division is organized around functions and regions and owns processes across the product lifecycle: Starting from the product specific strategic planning process, product development, and product launch, the Product Division also steers and manages the product suite.

Dedicated ESG teams within the division support our internal investment teams and external clients in providing ESG information, analysis, and investment solutions.

Opportunities and Risks

ESG regulation continues to evolve rapidly, particularly in the EU. There is interpretation and clarification of these new regulations as well as the expectation of further regulatory

requirements which will continue to influence product design, disclosure and reporting with respect to ESG components. Further divergence of regulatory regimes between different regions could increase challenges on global asset managers but we aim to continue aligning our product suite to these evolving regulatory and industry standards.

Efforts to make global supply chains more resilient against shocks are adding to inflationary pressure, among other factors. Geopolitical risks could impact global markets and therefore our product suite. Against this background, we will continuously aim to diversify and evolve our product suite to address these risks.

We see interest in climate related products, particularly climate transition, which could provide opportunities for us as an asset manager.

Targets and Measures

Based on our global ESG Framework, the following products were considered as ESG AuM as at the end of 2023:

- Liquid actively managed products: retail mutual funds which follow the “DWS ESG Investment Standard” filter, or have a “sustainable investment objective”, and US mutual funds which have been labelled as ESG and seek to adhere to an ESG investment strategy.
- Xtrackers ETFs which apply a screen comparable to the “DWS ESG Investment Standard” filter, or which track indices that comply with the EU Benchmark regulation on EU Climate Transition Benchmarks and EU Paris-Aligned Benchmarks, or have a “sustainable investment objective”, and other liquid passively managed funds which have been labelled as ESG and/or seek to adhere to an ESG investment strategy.
- Liquid mandates or special funds for institutional clients or white label products in-scope of SFDR and that report pursuant to Article 8 SFDR which follow the “DWS ESG Investment Standard” filter or a comparable ESG filter aligned with the client or which are in scope of SFDR and report pursuant to Article 9 SFDR.
- Liquid mandates or special funds for institutional clients or white label products which are out of scope of SFDR but comply with certain of the “General Industry Standards and Guidelines for Sustainable Investing”.
- Illiquid products which are in scope of SFDR and report pursuant to Article 9 SFDR
- Illiquid products which are out of scope of SFDR but which have a “sustainable investment objective”.

ESG AuM (according to our ESG framework)

in € m.	31 Dec 2023	31 Dec 2022
ESG AuM – Active	88,212	81,263
ESG AuM – Passive including Xtrackers	43,333	34,193
ESG AuM – Alternatives	1,954	1,552
Total ESG AuM (according to our ESG framework)	133,499	117,007

Our Investment Approach

GRI 2-23; 2-24

Highlights

- In the PRI assessment for the reporting year 2022, we reached 5 stars in two modules and 4 stars in nine modules of the 12 PRI assessment modules relevant for us.
- In 2023, we continued to operate our engagement framework and have now included DWS CH AG in addition to DWS Investment GmbH, DWS International GmbH and DWS Investment S.A. Those entities conducted a total of 624 engagements.

Management Approach

We were among the early signatories of the United Nations-backed PRI, which we joined in 2008. As a consequence, we have processes, commitments and policies in place that are designed to incorporate ESG factors into the investment process.

Organisational Structure

The CEO also heads the Investment Division.

The Investment Division is organised by investment approach (Active, Passive including Xtrackers and Alternatives) and regions (Americas, EMEA, APAC), each with tailored approaches to the incorporation of ESG factors in the investment process.

The CIO for Responsible Investments reports into the Global Head of Portfolio Management – Public Markets. The CIO Office for Responsible Investments supports ESG incorporation for the investment platforms of Active, Passive including Xtrackers and Alternatives. The CIO Office for Responsible Investments includes:

– **Corporate Governance Center**

The Corporate Governance Center is organised by regional focus areas to account for varying market practice standards and proxy voting operational procedures. For our largest

management companies in Europe, the Corporate Governance Center defines our proprietary standards and expectations for good corporate governance for our portfolios and mandates according to the pooled voting rights agreements between DWS Investment GmbH, DWS Investment S.A. and for specific portfolio management mandates of DWS International GmbH. For our other legal entities that may have their own processes and policies in place, the Corporate Governance Center provides guidance and support on relevant stewardship topics.

Our corporate governance understanding builds on over 30 years of experience as active owners and is based on relevant national and international legal frameworks and associations (e. g., German Corporate Governance Code, the UK Corporate Governance Code, International Corporate Governance Network and the Group of Twenty/OECD Principles of Corporate Governance). We actively participate in relevant national and international investor working groups, as well as providing our input on German and European regulatory consultations.

– **ESG Integration team for Active Investment Management**

The ESG Integration team for Active Investment Management enables investment professionals to integrate material ESG factors into the Active investment process. The team also conducts engagements as part of the engagement framework for selected holdings of our portfolios and mandates of DWS Investment GmbH, DWS Investment S.A. and DWS CH AG and for specific portfolio management mandates of DWS International GmbH.

– **ESG Engine and Solutions team**

The ESG Engine and Solutions team is responsible for the design and implementation of DWS ESG methodologies within our proprietary ESG Engine. The ESG Engine produces key assessments, which are the basis for DWS ESG investment strategies (referred to in the section 'Our Product Suite') and for ESG integration activities. The ESG Engine collects data from various sources including leading commercial ESG vendors. For the asset classes where data are available, the data are standardised and aggregated to yield ESG assessment scores and grades which are used by different functions within DWS. The ESG Engine and Solutions team owns the validation of the results produced by the ESG Engine in regular update cycles. Throughout 2023, we used five external commercial ESG data providers: MSCI ESG, Morningstar Sustainalytics, ISS ESG, S&P TruCost, and ESG Book. The data are made available to research analysts and portfolio managers for liquid assets through the Aladdin platform and provides support to research, investment decision making and for managing ESG strategies. The use of the ESG Engine and the scope of application remained unchanged throughout 2023.

Involvement of our Research Institute

Our Research Institute is responsible for producing research on key investment themes, ESG thematic reports and DWS's long view ten-year return forecasts. The team acts as a key channel for delivering thematic research reports produced in the investment teams across the Group. In 2023, the ESG Thematic Research team continued to publish reports on solutions to European Transformation such as electrification of transport, alternative fuels, energy efficiency, and direct lending to small and medium sized companies. The Research Institute also continued its focus on nature by publishing articles on fresh water and the oceans and the first of a series of reports on biodiversity focused on regulations. The third report on ESG in Strategic Asset Allocation was also published. Reports were also published to support new Xtrackers product launches on thematic investing, green infrastructure, semi-conductors, cybersecurity, critical technologies and navigating the climate indices as well as European carbon allowances.

Opportunities and Risks

Human Rights and Norm Assessment

In recent years, countries such as Germany, France, UK, and Australia made laws on corporate accountability for topics such as human rights, which require larger companies to identify risks related to violation of human rights and environmental destruction. The United Nations Guiding Principles on Business and Human Rights clearly expect companies to operate to a higher international standard where national laws do not sufficiently respect human rights.

Investee companies can have an impact on the human rights of their employees and workers along their value chain as well as local communities. We incorporate the obligation to consider human rights issues in relevant internal policies and frameworks. Additionally, our norm assessment incorporates, among other factors, human rights controversies. These norm assessments are available to our investment professionals so that they can integrate these signals and material risks into the preparation of engagement discussions, investment research analysis and subsequently into investment decision making. Furthermore, we also carried out thematic engagements on human rights in Myanmar and Belarus in 2023. Please refer to the next section for respective international norms and guidelines applied in the process.

ESG Data

Given the rapid changes taking place in the world of ESG, we have processes in place that are designed to incorporate changes into the ESG Engine in a reasonable time. Such processes are required, for example, to enable us to meet specific client needs, or comply with

developments in regulatory reporting requirements. The processes are run by the ESG Engine and Solutions Team and under the governance of the ESG Methodology Council.

Targets and Measures

Incorporation of ESG in the Active Investment Process

Our policies and procedures are regularly reviewed and updated where necessary. The Investment Division's policies and statements are guided by the PRI Initiative, client needs, regulatory requirements, other initiatives and stakeholder views including NGO's.

Some of these policies and statements apply globally, others are regional and/or national in scope or only applicable to certain portfolio management teams. The applicability is a function of the nature of the matter concerned and and relevant market standards.

Investment professionals, for the relevant legal entities within Active, are subject to the ESG Integration Policy for Active Investment Management. Jurisdictional differences, as well as different regulatory requirements, may lead to differences in the implementation of the policy. However, our investment professionals are expected to be aware of material ESG matters and, subject to the foregoing differences to comply with internal processes and legal, contractual, and regulatory obligations.

Stewardship

The Corporate Governance Center

In line with our commitment to fostering good corporate governance and in accordance with our stewardship approach for our largest management companies in Europe (DWS Investment GmbH, DWS Investment S.A. and for specific portfolio management mandates of DWS International GmbH), we sent an annual pre-season letter to more than 3,700 investee companies early in the year. The letter elaborated on key changes to our Corporate Governance and Proxy Voting Policy prior to the proxy voting season. During the 2023 proxy voting season, we raised questions at a total of 70 shareholder meetings, as published at <https://www.dws.com/en-gb/solutions/sustainability/corporate-governance/>. The team also sent individualised post-season letters to more than 850 of our investees. These letters highlighted where we voted against management recommendations that failed to comply with the DWS Corporate Governance and Proxy Voting Policy.

One of our priorities in 2023 was to progress on our 2020 net zero commitment. In support of our ambition, we continued to send thematic engagement letters to 80 additional companies with high WACI portfolio contribution in 2023. In the letter we set out our expectations, informed the companies of our voting strategy and requested detailed information about their

net zero strategies. In 2023, as part of our thematic net zero engagement programme, we conducted 214 dedicated net zero engagement activities.

In line with our new DWS Coal Policy, we sent engagement letters to 27 investee coal companies, communicating the relevant aspects of the DWS Coal Policy and our expectations that they accelerate their phase-out from coal and publish transition plans by end of 2025 at the latest. More details can be found in our Climate Report in the section Our Progress towards Portfolio Net Zero.

We regularly review and update our Corporate Governance and Proxy Voting Policy for DWS Investment GmbH, DWS International GmbH and DWS Investment S.A. to reflect developments in regulation and/or market best practices. In 2023, the changes covered decarbonisation shareholder proposals, executive compensation, and Japan, among others.

Examples of changes are:

Say on Climate and Shareholder Proposals on Decarbonisation:

A new section in our Corporate Governance and Proxy Voting Policy lays out our minimum expectations on carbon transition plans including oversight of climate issues, TCFD reporting and setting targets that cover all relevant emissions based on a credible science-based methodology. We have further expanded our expectations towards our investee companies on the following topics:

- thermal coal phase-out
- inclusion of emissions reduction targets into the executive compensation plans
- CAPEX alignment with their respective GHG emission reduction target
- climate lobbying for investee companies with high carbon exposure

Executive Compensation:

In the context of challenging economic conditions, our amendments focused on pay-for-performance alignment and appropriate pay structures, such as performance metric selection within the annual bonus and long-term incentive plan and fixed salary increases.

Japan:

We reviewed our expectations for large-cap Japanese investee companies given the development of corporate governance topics in the Japanese market. We still expect at least a majority of independent board members and 25% female board representation for prime-listed companies.

ESG Assessment Activities

The ESG Engine activities are driven by the business, regulation and clients' demands and are monitored by the ESG Methodology Council.

The focus in 2023 was on streamlining the governance processes around the ESG Engine and to support the Product Division in their restructuring of DWS investment guidelines pertaining to ESG investments. In addition, core ESG methodologies were reviewed and/or revised as well as validated by the DWS Model Risk Validation team.

The quality and actuality of ESG assessments provided by the ESG Engine is reviewed by the Sustainability Assessment Validation Council upon request. In 2023, there were 216 reviews including 24 downgrades, and 10 upgrades.

ESG Integration Activities

In 2023, the ESG Integration team continued to support the investment platform in several areas. It:

- introduced a comprehensive control framework that is designed to ensure compliance with the ESG Integration policy for Active Investment Management.
- continued to engage with investment professionals on ESG integration
- provided global training sessions on new ESG methodologies, update preparation for ESG analyst certification. By the end of 2023, 100% of the team was qualified as certified ESG analysts (please refer to the section 'Our Investment Process' and 'Entrepreneurial Spirit' for further details).
- continued with sector global materiality workshops to assist investee companies in their identification of material ESG issues.



Our Engagement Framework

We continue to operate an engagement framework for DWS Investment GmbH, DWS International GmbH, DWS Investment S.A. and included DWS CH AG in 2023, which is designed to define engagement targets and track engagement outcomes for our investees.

The engagement framework is supported by a regional Engagement Council which meets on a regular basis to discuss and review engagement related topics. The Engagement Council members also discussed changes to the engagement priority list, based on the selection criteria and reviewed relevant thematic engagement letters.

For the DWS equity holdings that are in the scope of our Corporate Governance and Proxy Voting Policy applicable to the pooled legal entities (as executed by DWS Investment GmbH), 624 engagements were conducted in 2023.

Proxy Voting Activity

In 2023, for funds and mandates domiciled with our legal entities in Europe and Asia, we submitted votes at a total of 5,646 general meetings at 4,068 investee companies across 62 markets. This is an increase of 40% of companies voted compared to 2022.

These meetings represented approximately 95% of our equity assets under management in Europe and Asia. For the mutual funds domiciled in the US, we also exercise voting rights for all equity holdings and in 2023, we voted at a total number of 9,354 meetings.

Proxy voting and corporate engagements

	2023	2022	% change
Proxy voting:			
For mandates and funds domiciled with our legal entities in Europe ¹ and Asia ² (submitted votes ³)	5,646	3,857	46
Companies votes submitted to ³	4,068	2,897	40
For mandates and funds domiciled with our legal entities in the US (submitted votes)	9,354	9,340	0
Companies votes submitted to	6,791	6,777	0
Annual General Meeting attendance/questions sent to company boards for virtual/physical shareholder meetings for funds and mandates domiciled in Europe¹	70	64	9
Corporate engagements for funds and mandates domiciled in Europe⁴	624	532	17

¹ DWS Investment GmbH (with discretion to vote for certain assets under management of DWS International GmbH, DWS Investment S.A. (including SICAVs and PLCs) based on delegation agreements). Other DWS legal entities may have their own voting process based on different local regulatory requirements.

² DWS Investment GmbH acts as a proxy advisor for the two separate DWS legal entities in Hong Kong (DWS Investments Hong Kong Ltd.) and Japan (DWS investments Japan Ltd.), for which DWS Investment GmbH provides voting recommendations and the voting rights and voting execution lies with the respective Hong Kong and Japan entity.

³ Of these, votes at 59 meetings at 55 companies were rejected. Out of these 55 companies, 4 companies had other successfully voted meetings.

⁴ The engagement framework applies to the following legal entities: DWS Investment GmbH, DWS Investment S.A. (including SICAVs and PLCs), for certain assets of DWS International GmbH and DWS CH AG.

More details on our engagement and proxy voting activities for 2023 can be found in our DWS Stewardship – Engagement and Proxy Voting Report 2023, once published. For details about

Stewardship in 2022, please see <https://www.dws.com/AssetDownload/Index?assetGuid=85963db4-1682-4369-8172-78b917aa0ece&consumer=E-Library>

Contribution to Action on Climate Change

GRI 201-2

Throughout 2023, we continued to focus on fundamental ESG thematic research, engaging with third parties and ensuring that ESG themes are discussed in the DWS CIO View. Various topics including physical climate risks and Sustainable Development Goals (SDGs) were part of our CIO Day.

ESG in Alternatives

Illiquid investments comprises direct investments into unlisted real estate, infrastructure (both via debt or equity) and private equity. The inherent differences between the liquid and illiquid asset classes require that the approach to incorporating ESG for Alternatives be tailored specifically to the relevant Alternatives asset classes as outlined in the sections below. In general, the incorporation of ESG into the illiquid investment process takes place during investment due diligence and portfolio management.

ESG in Real Estate Investments

GRI 203-1

Our real estate business recognises the importance of identifying, assessing, and managing sustainability-related risks and opportunities as an integral part of conducting business. DWS Real Estate focuses on the following ESG aspects, which are material for real estate equity and/or debt investments: transitional (e. g., a building's energy efficiency), physical (e. g., flooding risk), social norms (e. g., well-being sustainability rating) and governance (e. g., third-party risk rating of a debt sponsor). These ESG aspects can present both risks and opportunities for the financial performance of real estate assets, and investments may have positive and negative environmental and social effects.

Therefore, DWS Real Estate takes a fiduciary-led approach to ESG aspects and sustainability performance in private real estate investment management, defining a range of operation between ESG and financial risk boundaries. The ESG risk boundary relates to risks where appropriate actions to assess and manage ESG aspects, if not undertaken in good time, could result in negative impacts on sustainability and long-term expected financial performance of the asset or portfolio. The financial risk boundary relates to negative effects of inappropriate sustainability actions (e. g., actions that are ill-timed, or too extensive) on compliance with the investment objectives.

DWS Real Estate has identified eight sustainability topics, which are most relevant for real estate investment management, and grouped them into the following four sustainability themes:

- Resilience, encompassing efficiency in construction and operation, and asset adaptation to external conditions
- Well-being, encompassing physical and mental occupant comfort and air quality
- Nature, encompassing circularity in buildings and protection of ecosystems from pollution
- Community, encompassing housing affordability and stakeholder engagement

Sustainability objectives on portfolio level are considered in relation to the investment strategy, contractual financial requirements, market and regulatory conditions and specific client expectations and formalized in a portfolio-specific sustainability strategy. ESG aspects and sustainability performance are important elements of consideration in each phase of the real estate investment process. This includes both risks and opportunities analyses informing acquisition, asset management and disposal decisions. Identified actions are assessed against accretive returns objectives and integrated in sustainable asset management plans accordingly.

Sustainability Benchmarking and Certification in Relation to Real Estate

In order to provide transparency to our investors, we report into the Global Real Estate Sustainability Benchmark (GRESB), which provides an independent assessment of portfolios and funds using a peer-based approach and scoring based on several ESG metrics. In 2023, we reported 20 individual portfolios to GRESB, covering USD 61.8 billion AuM.

Aggregated across all portfolios, using the GRESB analysis feature, in 2023 we achieved a 30/30 Management score, compared to the GRESB average of 28. Management component covers governance categories such as leadership, policies, reporting and stakeholder engagement. Furthermore, the aggregated portfolio achieved a performance score of 51/70, as compared with the GRESB average of 52. Performance component measures issues such as certifications and ratings, carbon, energy, water and waste performance. Eight portfolios achieved four-star GRESB rating (five stars is the highest rating). In addition, all 20 portfolios achieved Green Star recognition. Other than the GRESB Rating, which is a relative rating, the GRESB Green Star is a rating on absolute performance. For more information, please see <https://www.gresb.com/nl-en/faq/what-is-a-green-star/>.

ESG in Infrastructure Investments

GRI 203-1

We seek to incorporate ESG considerations into the investment framework of the Infrastructure business at all stages of the investment lifecycle for equity investments, from the initial screening and due diligence to the asset management and exit stages. During the holding period, we monitor the ESG attributes of the investments through the regular reporting of KPIs to us from the portfolio companies, and through completion of the annual GRESB Infrastructure benchmarking assessment at both fund and asset level. The KPIs cover ESG issues such as carbon footprint, water usage, health and safety indicators and diversity and inclusion metrics at both staff and board levels. Our due diligence also considers governance topics such as fraud, bribery, sanctions and compliance, as required. Findings from the due diligence phase are incorporated into the Investment Committee paper and presented to the Investment Committee for consideration.

The Infrastructure business also places emphasis on reporting, producing an annual Sustainable and Responsible Investment report for investors. Infrastructure achieved a 5* star rating in the UN PRI assessment for the calendar year 2022 which was published in 2023.

During 2023 we updated the Environmental and Social Management System under which the business operates in order to reflect changes in the ESG environment and to strengthen our procedures. It has also been updated to reflect our obligations under SFDR and investor requirements. The Environmental and Social Management System applies to potential and existing portfolio investments in infrastructure equity. Furthermore, it also creates a process for regular engagement with portfolio companies on ESG matters and a framework for their regular reporting to us.

As a result of this regular reporting and engagement, we aim to help drive improvements in ESG metrics and performance at our portfolio companies with a view to improving the businesses' sustainability credentials and to create value.

The infrastructure approach to ESG is summarised by the following 3 pillars:

- **Governance:** The Infrastructure business is governed by the Environmental and Social Management System, which provides the overarching framework, processes and governance for our ESG integration approach in Infrastructure.
- **ESG assessment process:** We have an ESG checklist which should be completed during the acquisitions process for all prospective equity investments. The findings should then be incorporated in the Investment Committee memo.

- **Monitoring:** As part of the asset management process, we seek to collect data on key ESG metrics within each of the operating companies. This information is then used to better refine our asset management strategies and is also reported to our investors in the form of a Sustainable and Responsible Investment Report. Certain KPIs, such as those around occupational health and safety, are also embedded into the performance review process for the operating companies.

The infrastructure debt business, in collaboration with our research teams, developed a bespoke proprietary ESG scoring methodology, which has been in use since 2021. The methodology supports the overall investment process and ongoing monitoring of environmental risks. It is designed to guide the ESG due diligence process and to assign an ESG assessment to each potential investment, based on a pre-defined set of ESG KPIs, which are sourced from the borrower/sponsors, external advisors or public sources.

ESG in Sustainable Investments Funds

Our Sustainable Investments team creates solutions for institutional, private investors, development banks, and governments, who share common social and environmental investment objectives and seek attractive financial returns. The business is organized around three components:

- Financial Inclusion/Microfinance
- Social Enterprise Financing (agriculture, health, and energy)
- Energy Efficiency/Renewable Energy

The Sustainable Investments team represents experienced global investing capabilities that include several regionally-focused strategies in Europe, Africa, and Asia.

Client Commitment

GRI 2-25; 2-26; 3-3

Highlights

- After two years virtually, the “DWS Investmentkonferenz” took place in person again
- Client satisfaction survey for top clients shows very good results
- The overall volume of client complaints trended significantly down

Management Approach

The Client Coverage Division aims to serve the investment needs of clients across all segments and regions by offering tailored portfolio management services. We aim to build long-term and trusted client relationships, deliver the best investment solutions and the highest quality client service. We conduct business in accordance with our fiduciary duties and in the best interest of our clients. Our relationship managers work collaboratively with product specialists, portfolio managers, and client service specialists to bring suitable investment products and solutions to our clients. We provide ongoing training to our staff on various topics, including investment research, macroeconomics, ESG and new product solutions, with the aim of best serving our clients. As we did in previous years, we also continue to provide seminars, conferences and webinars to our clients.

We refer to institutional investors and intermediaries as clients, also for the purpose of this report. The terms “end-users” and “consumers” relate to retail investors. Those are not clients of DWS, but investors into our mutual funds and ETF products and therefore not in scope.

Organisational Structure

We interact with our clients in various ways and formats seeking continuous dialogue.

The Division has global presence with relationship managers in Germany, EMEA, APAC and the US. We have over 30 locations spread across all regions and thus offer our clients contact with relationship managers on site. The Division's leadership team spans across all regions and our asset classes Active, Passive including Xtrackers and Alternatives.

In addition to daily interactions, there are several important client events. After two years on a virtual basis, one of our largest client events, the “DWS Investment Conference”, took place at the Alte Oper in Frankfurt am Main with around 1,200 registered participants. In May 2023, the “Investorendialog” was held with our institutional clients. In addition to the client events in Germany, further events in hybrid format took place in other countries. Our client service

teams offered a range of webinars on various topics including geopolitical and social change as well as digital and sustainable transformation. Beyond that, our clients were served with Research House articles and our DWS CIO view.

Opportunities and Risks

To assess client experience and minimize risks, we review complaints on an ongoing basis. Although we distinguish between clients and investors, as described above, all complaints raised by clients and investors are handled according to the same standards. We are committed to handling all complaints fairly, effectively, and promptly. Our complaint registers provide valuable insights into how we are performing from our clients' perspective. A robust and consistent client complaint handling process as well as transparent reporting help to process these insights. We aim to identify and remediate client outcomes, to learn from them and train our client-facing staff accordingly. The goal is the reduction of mistakes, the enhancement of risk transparency, and management information.

Minimum requirements for handling complaints are stipulated in the DWS Group Complaints Policy. Client Coverage staff will investigate each complaint thoroughly and notify our clients and investors about the outcome. Additional information regarding client complaint handling is available on our website.

Process controls by managers should ensure that all received complaints have been handled, logged, investigated, resolved and reported in accordance with regulatory requirements. Furthermore, a central DWS Complaint Management function has been established to report material complaints to relevant internal boards. We also report to supervisory authorities when required by regulation.

In 2023, the number of complaints raised by clients and investors dropped significantly compared to 2022 (minus 62 percent). The extraordinarily higher level in the previous reporting period was caused by a concerted action of protest mails addressed to us. The volume of complaints logged in 2023 fairly reflects the ordinary business, with majority of complaints raised by retail funds investors.

Targets and Measures

We value feedback from our clients on their experience with us, to help us improve our service.

To measure client satisfaction globally in a consistent way, a new client satisfaction survey with our top 50 global clients, including our strategic distribution partners, was published as a

pilot project in 2022 using the net promoter score methodology. The survey aims to enhance client experience and to further strengthen client centric orientation. The net promoter score rates the likelihood of recommending us to a business contact. We achieved a score of 50% (on a minus 100% to plus 100% scale) in this pilot. Senior management regularly reviews interim results and compares internal scores against the industry benchmark to set ambitious targets for improving client satisfaction.

In 2023 we conducted the second annual survey for these top clients with an additional 120 key clients. The 2023 score was also at 50% across all clients. To determine development year over year, we aim to repeat the survey for the same population again next year. An additional expansion of the client satisfaction survey is being discussed.

In addition, we conduct further internal and third-party client satisfaction surveys, which enable us to gain a 360-degree view of our client services.

In Germany, annual client satisfaction surveys were conducted for our clients and distribution partners. Two options were offered to clients, a "Voice Survey" over the phone and an "E-Mail Survey". Clients and advisors rated their satisfaction on friendliness of staff, professional competence, comprehensibility and solution orientation as well as sales-specific questions. The results were communicated to relevant internal stakeholders, including senior management, service centre staff, and the workers' council. Based on the feedback, we formulate steps for improvement which we incorporated into employee training.

The overall participation rate was 9% in 2023 and client satisfaction was rated very high. Based on our client feedback in the business-to-consumer survey, measures were implemented to improve the quality of e-mail services.

In the US, we conduct annual client satisfaction surveys for our insurance clients which is focused on investment performance, client service, innovation and overall satisfaction levels. The survey has shown a consistently positive overall satisfaction rating of over 90% for the last five years.

We strive to process findings from client satisfaction surveys and complaints quickly to implement them accordingly.

Entrepreneurial Spirit

Highlights

- We launched our Positive Performance Culture initiative as a strategic enabler to our Capital Markets Day commitments.
- We established our Leadership Kompass to set a clear standard of leadership behaviour across DWS.
- We reaffirmed our commitment to our hybrid working model guidelines.

Management Approach

We continuously invest in our diverse mix of people, empowering them to make change and fostering their creativity, courage and long-term thinking.

Employees and Workplace

In 2023, we continued to prioritize sustainable people management across DWS to develop managers and leaders and to support our employees. Our people strategy focused on a culture of excellence and inclusive decision making, enabled by a strategically aligned workforce and a “Positive Performance Culture” initiative was established as an enabler to our strategic initiatives. This sets out to enhance and evolve our performance culture, focus on leadership development, strengthen performance management, and establish stronger linkage between performance and reward.

Our key areas of focus have included:

- Launching our Leadership Kompass at DWS
- Training for employees on their first management assignment and improved guidance for managers
- Continuation of our Functional Role Framework to support career progression
- Piloting Learning Pathways using our AI-driven learning platform

Diversity and Equal Opportunities

GRI 3-3; 405-1

We are committed to building an inclusive culture that respects and embraces the diversity of our colleagues, clients, and communities and that nurtures an environment where every perspective matters and where every voice is heard.

With colleagues across 70 nationalities, speaking more than 78 languages, locally rooted, yet globally connected across 21 countries, we celebrate our differences, treat each other with respect, listen openly without judging, and value each other’s insights. This brings us closer together and contributes to a thriving and inspiring workplace.

We aim to attract, develop, and retain the best people from all cultures, countries, races, ethnicities, genders, sexual orientations, abilities, beliefs, backgrounds, age groups and experiences. To this end, we follow an integrated and multi-dimensional approach to Diversity, Equity and Inclusion (DE&I). We also aim to offer part-time employees the same opportunities as full-time employees. This year the percentage of employees globally who work part time stood at 6.1% (2022: 7.1%).

As part of our broader sustainability strategy and our human rights commitments, we worked on the following DE&I areas:

- Continuing to reach voluntary goals at the Supervisory Board and Executive Board-1 and Executive Board-2 levels per the German Gender Quota Law (FüPoG – Erstes Führungspositionengesetz). Our efforts will also continue to align us to the German Executives Positions Act II (FüPoG II – Zweites Führungspositionengesetz). Proportion of women is one of the KPIs that we are tracking internally with continued success in meeting our voluntary goals.
- Establishing a Global DE&I working group to further progress across our regions.
- Hosting our third annual “Day in the Life of an Asset Manager” event in the US by hosting students of diverse backgrounds across 12 universities to inform them more about the asset management profession and opportunities at our firm.
- Building and expanding our advancing diverse talent programme in the US.
- Introducing a disability smart focus in the UK working towards the UK Government Disability Confident scheme to become a disability confident employer.
- Increasing opportunities for social mobility in the UK by partnering with upReach, The Skills Workshop and 10,000 Black Interns for the second year running to offer work experience, mentorship and skills training to students from lower socio-economic backgrounds or black heritage.

Employee Inclusion and Engagement Networks

Our internal employee inclusion and engagement networks are spearheaded by colleagues across all regions. Many leverage diversity in its broadest sense – from race, colour, religion, age, physical or mental disability, medical condition, sexual orientation, gender and veteran status – to create a greater sense of purpose for their employees, the Group and themselves.

The networks inspire inclusiveness in our daily interactions. They are voluntary, employee-led groups, driven by a common purpose: making a better workplace – for everyone. By sharing information, educating, and engaging with our communities, they contribute to business development as well as recruitment, retention, and professional development. They are open to all employees.

Continuing our Focus on Gender Diversity

Our aspiration is for greater female representation across DWS and we continue to monitor and report on our progress to the Executive Board. Individual goals and targets form part of Balanced Scorecards allocated to senior leaders across the firm – and these are aligned to performance evaluation and compensation.

Gender diversity

	Target	2023	2022
Women on the Supervisory Board of DWS KGaA	30.0% ¹	41.6%	33.3%
Women on the Executive Board of DWS KGaA	1 ²	2	3
Executive positions on the first management level below the Executive Board held by women	32.0% ³	36.2%	34.5%
Executive positions on the second management level below the Executive Board held by women	33.0% ³	36.3%	33.0%

¹ For the supervisory board of a listed, co-determined company, a minimum quota of 30 percent women has already applied since the FöPoG of 2015 in accordance with Section 96 (2) German Stock Corporation Act.

² According to FöPoG II, listed companies which have more than 2,000 employees, must fill one position with a woman and one with a man on their executive and administrative boards with more than three members.

³ By December 2024.

We are also committed to ensuring that:

- We increase diversity in decision making bodies which include voting committees, legal entity boards, and other bodies.
- We reflect gender diversity within our product range, e. g. DWS Invest ESG Women for Women.
- We participate in the Gender and Ethnicity Pay Gap Report of Deutsche Bank Group in the UK.

In Germany, the German Remuneration Transparency Act (EntgTranspG) offers employees the right to request specific aggregated information about the remuneration of employees of the opposite gender in comparable jobs. As a global company, we continue to look forward to monitoring and reporting on our progress.

EEO-1 Reports

We published our consolidated EEO-1 reports for the US workforce. The EEO-1 report is a mandatory annual data collection that requires all private sector employers with 100 or more employees to submit demographic workforce data including data by ethnicity, sex and job categories to the US Equal Employment Opportunity Commission on an annual basis.

External Partnerships

In nurturing an inclusive work environment we have developed several key external partnerships across the globe. These partnerships not only help us to drive our internal agenda, but they also enable us to share good practice and to positively impact the societies we are operating in.

They include:

- DWS and Fondsfrauen organised an event for young professionals with the aim of raising females quota in DWS
- Financial Supporter of Level20, a not-for-profit organization dedicated to improving gender diversity in the European private equity industry
- Joined the Human Rights Campaign's Business Coalition opposing Anti-LGBTQI+ State Legislation and also signed in support of the Respect for Marriage Act
- In 2023, DWS completed the Human Rights Campaign Foundation's Corporate Equality Index and received a score of 95 out of 100. The index is the national benchmarking tool on corporate policies, practices and benefits pertinent to lesbian, gay, bisexual, transgender and queer employees.
- Founding member of Morgan Stanley's diversity and inclusion initiative "The Equity Collective". The group is comprised of 27 leading wealth and asset management firms that work to empower the next generation of diverse leaders.
- Sponsors for Educational Opportunity which provides access and opportunities for students who have been historically excluded from industries across Wall Street and corporate America, including Black, Latino, and Native American undergraduates. SEO programs offer access to internships, intensive training, and coaching

For more information please refer to the table in the section 'Supplementary Information – Stakeholder Engagement'.

Remuneration Strategy

GRI 2-19

A key aspect of remuneration strategy is our compensation framework which embodies the “pay for performance” principle and ensures that all contributions to our success are appropriately recognized and rewarded. ESG measures, alongside others, are integrated as key performance indicators within the framework. These measures are linked to employee compensation to reflect the importance of ESG considerations.

Having included our teams in India and the Philippines in our compensation framework in 2023, we now apply one unique compensation framework across DWS.

For more information please refer to the section ‘Compensation Report’.

Organizational Structure

We aspire to offer a workplace where creativity and ideas are supported and where individual strengths, different backgrounds and broad perspectives are valued.

The Global Head of HR reports to the Chief Administrative Officer who is a Member of the Executive Board. Many of our HR colleagues are assigned to international teams. Regional Human Resources managers are responsible for our Americas, APAC, EMEA, Germany and UK locations.

The areas of responsibilities of HR include the development, implementation and maintenance of DWS’s compensation framework; delivering workforce capabilities; and providing strategic consultation advice and support on all people-related matters. This includes, but is not limited to, recruitment and onboarding, performance management, training and development, and recognition and reward.

Opportunities and Risks

Employee Engagement

GRI 2-16; 2-26; 3-3

People Survey Results

Our annual people survey results are a key yardstick in our calendar and serve as a vital enabler in communicating the pulse of the firm, highlighting areas we are performing well in, as well as the areas where we need to make improvements.

In 2023 we had our highest response rate of 74% (2022: 66%) with over 1,000 free text comments. Additionally, five new reporting dimensions focused on Building Trust, Taking Accountability, Enabling Collaboration, Accelerating Solutions, and our Leadership Kompass.

What did we learn from the survey?

- Our Commitment and Enablement scores remain at high levels despite both experiencing a year-on-year decline to 69% (2022: 73%) and 74% (2022: 78%) respectively.
- All five reporting dimensions scored above the 70% threshold.
- Key areas of strength were identified as: Enabling Collaboration, Leadership Kompass, and Speaking freely and raising concerns.
- Priority areas to address included: Building Trust, Accelerating Solutions, and Digitalization. All of these will support an increase in Commitment and Enablement.
- Questions related to our Ethics, Conduct and Speak Up Culture scored 75% which remains above the 70% threshold (2022: 77%).

As a follow up, we ran a culture pulse survey in the fourth quarter with 67% participation (fourth quarter 2022: 69%) covering: “Giving and Receiving Feedback”, “Speaking Up”, “Sharing Appreciation”, “Facilitating Effective Team Meetings” and “Productive Behaviours”. All scores are in line with the previous 12 months, with our culture pulse index remaining consistent with fourth quarter of 2022 with a result of 76%.

To improve our scores in 2024 we will be re-emphasizing the importance of having regular open and honest conversations, encouraging recognition of positive contribution, addressing negative contribution, highlighting the importance of our values, showing care and concern for our employees, and supporting career development.

In addition to the people survey, we also measured staff grievances. In 2023 we had six complaints. For more information, please refer to ‘Employee Incident Management’ in the ‘Supplementary Information – Human Capital’ section.

Health and Wellbeing

GRI 3-3; 403-6

We believe that fostering a work environment which integrates health and wellbeing into our business has a positive impact on the organization and helps to maintain our employees’ quality of life in both the short and long term as well as to create a sound work-life balance. This is supported through our regional employee assistance programs across all locations.

Some of the benefits and offerings across our locations include, but are not limited to, the following:

- Company medical care and regular preventive medical check-ups free of charge
- Medical check-ups and range of associated benefits for new joiners
- Ergonomics and accident prevention programs
- An online portal covering health, wellbeing, nutrition and work-life balance
- Country-specific annual health weeks with associated webinars and training
- Health and psychologist providers who employees can contact on an anonymous basis
- Fundraising events for mental health regional charities of the year
- Drop-in clinics and webinars on mental health facilitated by our People Engagement Groups
- Meditation sessions to bring mindfulness to the workspace

Hybrid Working Model Guidelines

We recognise the importance of a healthy work-life balance and this year we reaffirmed our commitment to our hybrid working model guidelines across the globe which give us greater flexibility in meeting the needs of our clients, the firm, and our employees.

In most instances, for employees who choose to opt-in to this model, our hybrid working guidelines give the opportunity to work from home depending on their functional role and regulatory requirements – which may vary across regions.

Employee Development

GRI 404-2

Our approach to employee training is to create a proactive learning and development environment that supports business performance and personal growth. We approach training on the basis that learning happens according to the 70-20-10 model: 70% is learning on the job, 20% is social learning, and 10% is formal learning. All employees take responsibility for their development and this is supported via access to various channels, resources, and tools, as described below.

LearningHub and Corporate Curriculum

Following the successful pilot of our LearningHub last year, we leveraged functionality to build out various learning pathways specific to Asset Management and ESG as well as learning plans that support our Leadership Kompass behaviours.

In addition, we launched a Corporate Curriculum including a series of virtual training sessions and self-study eLearnings focused on our employees' personal development. We offer these

opportunities for learning through a new monthly newsletter, highlighting pre-selected self-study eLearnings, articles and videos promoting a "skill of the month". Employees can access these learning highlights on our LearningHub.

The LearningHub platform, powered by artificial intelligence, will remain our golden source for employee online learning, and we plan to expand its capabilities in the future.

ESG

ESG-related training has been another core area of focus, offering a wide range of development measures, from online training to certification. Currently we have 329 active employees who are Certified Environmental, Social and Governance Analysts (European Federation of Financial Analysts Associations Certified ESG Analyst®). We also launched an ESG Educational Framework series open to all employees on ESG-related topics.

Total Performance and Career Development Planning

We continued to support employees and managers during the year with assistance in understanding our performance management approach and process. The process takes place at the beginning of the year and involves planning professional development and providing meaningful and effective feedback throughout the year and as part of the year-end process. We offered training throughout the year to support each of these activities.

Leadership Development

In 2023, we launched our DWS Leadership Kompass. This defines a set of eight behaviours expected from our leaders:

- Encourage Solutions,
- Take the Client Perspective,
- Show Excellence through Expertise,
- Collaborate to Make Others Successful,
- Champion Accountability,
- Promote a Sense of Belonging,
- Seek and Own Feedback,
- Invest Time to Lead and Inspire.

In addition to setting the leadership standard for our firm, the Leadership Kompass establishes an understanding of how we practice and live effective leadership every day.

We also recognize that being a new manager requires a mindset shift. Following last year's pilot, we rolled out "Leading as a New Manager" training for employees who career progressed into a first-time manager role in 2023. This comprehensive training covers topics such as micro-managing, understanding a team's working style and how to create an inclusive culture.

First time managers are also provided with a "Welcome to Leadership" guide and a "Leadership Kompass" guide.

For information regarding Grey Area Training, please refer to the section 'Compliance and Control – Anti-Financial Crime and Compliance'.

Talent Management

In 2023, we further developed our talent management strategy with three programs:

- Corporate talent program for select senior leaders being considered as successors for critical roles.
- Core talent program for a select group of mid-level top talent being considered for broader/more complex leadership or expert roles.
- Regional talent programs for regional top talent being considered for progression into expert or first-time manager roles.

In 2023, we continued our Investment Division initiative focusing on rising female talents with sessions in London and New York.

Recruitment

In 2023, our recruitment function oversaw 533 permanent hires (excluding India and Philippines) 44% of which were in Germany. Our professional recruitment team reduced the reliance on external third-party recruiters to 8% in 2023 due to direct sourcing coupled with a strong focus on filling roles internally.

Early Career and Graduates

Our early careers pipelines represent future talent, bringing fresh perspectives and innovative ideas to the firm. The early careers cohorts contribute to the agenda of change, sustainability, and diversity, equity, and inclusion.

In 2023, we delivered enhancements to our graduate programme including re-introduction of a global in-person orientation and training offering for 35 new graduates. We have also

continued to focus on designing further enhancements to support a growing talent pipeline and an expanded graduate programme in the coming years.

Internships and dual students are another important component of our early careers strategy and offer additional opportunities to attract high-quality entry-level talent to the firm.

DWS Alumni Network

The DWS Alumni Network has approximately 700 members.

Whether our former colleagues spent their entire career with us, or just a part of it, their contribution to building the organization will always be appreciated. To keep them informed on latest developments we share our newsletter with current topics – ranging from quarterly results announcements to updates on our DE&I and CSR programs.

Targets and Measures

Human Capital Reporting Standards

In 2023 we were again certified for our commitment to Human Capital Reporting Standards guided by the Guidelines for Internal and External Human Capital Reporting issued by the International Organization for Standardization (ISO 30414)

This provides measures on human capital metrics that companies should report internally and those they should disclose publicly – including areas such as "Compliance and Ethics", "Diversity", "Leadership", "Organizational Culture" and "Health and Well-being". For further information please refer to the section 'Supplementary Information – Human Capital'.

Continued certification pursuant to these standards is a fundamental part of our commitment to the Social and Governance ESG pillars to drive support for the global community in achieving the UN's Sustainable Development Goals (SDGs), predominantly SDG 3: "Good health and well-being", SDG 5: "Gender Equality", SDG 8: "Decent work and economic Growth" and SDG 10: "Reduced Inequalities".

For information about our diversity targets and measures please refer to the section 'Corporate Governance Statement – Diversity at DWS Group'.

Social Engagement

We are focusing our activities alongside our CSR strategy: We are committed to tackling climate change and addressing social inequalities – to help overcome two of the greatest challenges facing our society today.

Through corporate volunteering and donations, we support partner organizations in all our regions which are contributing to one of our CSR goals. As responsible corporate citizens, we also want to address acute needs for support in our immediate neighbourhood, and support emergency relief to mitigate the effects for people living in these regions globally.

Further Significant Increase in Our Voluntary Commitment

Employee volunteering is an important element of our social engagement as it provides our employees the opportunity to contribute to our CSR strategy. We are particularly proud that staff participation rate increased to 32% in 2023 (25% in 2022). Volunteering ranged from activities to protect and preserve the environment to providing support for social institutions. In 2023, our employees performed 7,633 hours of volunteering (5,206 in 2022) which equated to 104 minutes of volunteering per employee (84 minutes in 2022).

Based on the Deutsche Bank Impact Tracking tool, we estimate that we reached over 270,000 people with our social commitment in 2023. The majority of these – 250,000 people – with programs to protect the environment and the oceans. We were able to support over 18,000 people with our social initiatives. Our employees also contributed to this through their voluntary work. 40% of all projects were actively supported by our employees.

Our Support for Tackling Climate Change: Protection of the Oceans in Focus

As part of our focus on ecological issues, we remain committed to protecting the oceans and preserving the Blue Economy. This is why we work closely with ocean and conservation organizations such as World Wide Fund for Nature Germany and Healthy Seas.

We have retained our partnership with the marine conservation organization Healthy Seas in its efforts to rid the world's oceans of "ghost nets", thus saving the lives of countless marine creatures. With our recent donation, Healthy Seas was able to expand its geographic focus to Asia Pacific and launched a series of ghost diving activities in Hong Kong. Our staff's support is ongoing and colleagues in all regions are offered the opportunity to become an ambassador for the marine protection organization.

As a further contribution to ocean conservation, since 2021 we have been supporting a multi-year marine conservation project facilitated by the World Wide Fund for Nature Germany in the Mesoamerican Reef near Belize. The project is helping to mitigate the impacts of climate change in the region.

Our Support for Reducing Social Inequalities and Providing Disaster Relief

As part of our ambition to contribute to greater social justice, we launched a new partnership in 2022 with the non-profit organization Women for Women International. The organization supports women survivors of war and conflict, providing them with social and economic skills to transform their own lives and subsequently share their knowledge.

To provide support with emergency relief, we supported the emergency efforts around the two devastating earthquakes that hit south-east Turkey and northern Syria. Our colleagues have pulled together, making a charitable donation which was then matched and topped up with a corporate donation by us as DWS Group to support UNICEF's important work in the region.

The secret currency is a



Our Responsibility
Entrepreneurial Spirit

Human Rights

GRI 2-23; 3-3; 414-1

Highlights

- A new Third Party Management team within Procurement was established to oversee supply chain-related human rights topics.
- We strengthened our processes to prevent and remediate human rights-related adverse impacts in our upstream supply chain.

Management Approach

As part of the Deutsche Bank Group, we comply with the human rights-related due diligence obligations contained in the German Supply Chain Due Diligence Act. Prospective third parties with an annual spend of € 100,000 or more are required to acknowledge a Supplier Code of Conduct, which outlines Deutsche Bank Group's expectations of suppliers, including those pertaining to human rights.

In 2023, we further enhanced our processes for assessing human rights- and environment-related risks associated with third parties. These measures include screening prospective new third parties as well as third parties undergoing contract renewals to identify social or environmental impacts in relation to their service delivery. We also perform adverse media screening which may identify human rights- or environment-related controversies. A new DWS Supplier Code of Conduct was drafted in 2023 and is expected to be implemented in 2024.

Organisational Structure

Responsibility for upstream supply chain-related human rights topics lies with our Third Party Management team, which is part of the CFO division.

Information on our management of human rights topics in the context of our investments and our human resources activities can be found in the respective sections 'Sustainable Action – Our Investment Approach' and 'Supplementary Information – Human Capital' of this Annual Report.

Risk Management

The management, control, and reporting of human rights risks in our upstream supply chain follows the three lines of defence model. The first line of defence is composed of all business

and control functions that utilize third parties, supported by Third Party Management, and is responsible for performing and reviewing third party risk assessments. Any third party assessed with potential human rights or environment-related risk is subjected to an enhanced due diligence assessment. In such cases, third parties must submit a valid ESG rating from Ecovadis, an external provider of external sustainability ratings, or respond adequately to our adverse impact questionnaire. The second line of defence consists of risk type controllers from the Sustainability Risk function, who facilitate the integration of ESG in our Risk Management Framework and ensure that overall risk remains within our risk appetite. The third line of defence is our internal audit function. Human rights-related risks outside of our risk appetite require escalation to the Executive Board.

For all risks identified through this process, we apply mitigation measures to bring the risk within our risk appetite.

Risk Report

Overall Risk Assessment

IFR Article 47

We are exposed to a variety of corporate and fiduciary risks because of our business activities. These risks include non-financial risk, financial risk and sustainability risk. Sustainability risk is not considered to be one individual risk type, but rather sustainability factors are drivers of existing risk types. The corporate risk profile is driven by various external and internal factors, including fiduciary risk. Our fiduciary obligation is paramount for our assets under management and requires us to put the interests of our clients first. We achieve this by risk managing the investment portfolios on behalf of our clients and by complying with regulatory requirements and contractual obligations.

In this context, our risk management framework has two core principles: every employee needs to manage risks and is obligated to ensure that we operate in the best interest of our clients, and we have strict segregation of duties enabling us to operate a control environment that is designed to protect the franchise, our clients, and shareholders.

Material risk categories include:

- **Corporate financial risks** such as market risk associated with our co-investments, seed investments, guarantees, credit risk, liquidity risk and strategic risk
- **Corporate non-financial risks** including reputational risk and operational risk (with important sub-categories such as fiduciary obligations, information security, transformation, regulatory adherence, service providers) and potential spill-over effects from our fiduciary risks.
- **Fiduciary investment risk** is the management of investment portfolios in accordance with our fiduciary and regulatory obligations. Investment risk includes market, liquidity, counterparty, and valuation risks coupled with risk type diversification benefits.

We manage the identification, assessment, and mitigation of key risks through internal management processes and the use of risk management tools. We have a clearly defined risk appetite and our approach to identifying and assessing risks is designed to enable us to mitigate their impact on our financial results, long-term strategic goals and reputation. This also applies to sustainability risks and adverse impacts which form an integral part of our risk

framework across risk categories. Please refer to the section 'Risk Report – Risk Framework' for detailed information on the management of our material risks.

External factors outside of our control can have a significant effect on our financial profile and strategic plans. Please refer to the section 'Outlook – DWS Group – Opportunities and Risks' for detailed information on these external factors. The potential impacts of these risks are analysed and monitored by stress tests, which indicate our ability to absorb these events should they materialize. The results of these stress tests demonstrate that the current available capital, in combination with available mitigation measures, would allow us to absorb the impact of these risks if they were to materialize.

The information on our regulatory own funds and own funds requirements is provided in the section 'Our Performance Indicators – Our Financial Position – Regulatory Own Funds'.

Risk Profile

The main risk drivers in our business are non-financial and strategic risk. We are, however, exposed to other forms of risk given the impact from the market, flows, and foreign exchange rates on our corporate activities.

Development of a standalone infrastructure may have material implications for our risk profile posing both strategic and operational risks. From a non-financial risk perspective, we are faced with transformation risks as we continue a multi-year project to replace core infrastructure platforms, embrace new technologies and engage with new external service providers. All transformation activities are subject to close monitoring to ensure the appropriate controls and safeguards are in place to protect our firm, employees, and clients.

Risk Framework

IFR Article 47

Risk Management Principles

IFRS 7/IAS 1

The diversity of our business model requires us to identify, assess, model, measure, aggregate, mitigate, and monitor our risks. The core objective is to reinforce our resilience by deploying a holistic approach to the management of risk and return throughout our organization as well as the effective management of our risk, capital and reputational profile. The following principles underpin our risk management framework:

- Risk is taken within a defined risk appetite.
- Every risk taken needs to be approved within the risk management framework.
- Risk taken needs to be adequately priced.
- Risk should be continuously monitored and managed.

Risk and capital are managed via a framework of principles, organizational structures, and measurement and monitoring processes that are closely aligned with our business activities.

- Risk management is the core responsibility of the Executive Board which delegates to senior risk managers and the Risk and Control Committee for execution and oversight.
- We operate the three lines of defence risk management model. The three lines of defence approach and its underlying standards apply to all levels of the organization.

First line of defence: As risk owners businesses are fully accountable for the identification, assessment, and management (against a defined risk appetite) of risks that originate inside or outside their organization. Risk owners are those roles in the Group that generate risks, whether financial or non-financial. The heads of the business areas determine the appropriate organizational structure to identify their organization's risk profile, implement a risk management and control approach within their organization, take business decisions on the mitigation or acceptance of risks within the risk appetite and establish and maintain risk owner controls. For the first line of defence there is a dedicated Controls Office (i. e., Divisional Control and Business Control Officers), which focuses on a consolidated risk profile and acts as primary contact for risk management matters.

Second line of defence: The second line of defence control functions (e. g., Risk, Legal, Anti-Financial Crime and Compliance) define risk appetite for the specific risk type they control and monitor and report on the risk type's profile against risk appetite. As subject matter

experts for their risk type, they (as independent functions) advise the first line of defence on how to identify, assess and manage this risk and how to implement the risk type framework. The second line of defence control functions have as appropriate a veto authority for risk decisions to prevent risk appetite breaches.

Third line of defence is the internal audit function which is accountable for providing independent and objective assurance on the effectiveness of how the business divisions and the second line of defence control functions interact with respect to risk management.

Outlined below are core frameworks, policies, statements, and tools utilized to identify, assess, model, measure, aggregate, mitigate, and monitor our risks.

- The Group business and risk strategy and the Group risk appetite statements are approved annually by the Executive Board. In addition, Deutsche Bank Group sets the risk appetite for its Asset Management division with which we comply.
- The business and risk strategy including capital planning provides the basis for aligning risk, capital, and performance targets for regular risk and capital profile monitoring.
- Cross-risk analysis reviews are conducted throughout the firm to validate the existence of appropriate risk management practices and an awareness of risk.
- All material risks across non-financial risk, financial risk, strategic risk and sustainability risk are managed via dedicated risk management processes. Modelling and measurement approaches for quantifying risk and capital demand are implemented across the material risk types. Furthermore, we have set up a dedicated reputational risk control framework including a committee for decision making on reputational risk matters.
- We have monitoring, stress testing tools, and escalation processes for key capital and liquidity thresholds and metrics.
- Systems, processes, and policies are critical components of our risk management capability to facilitate a comprehensive view and articulate the underlying roles and responsibilities.

Risk Management

IFRS 7/IAS 1

GRI 3-3

Our activities and global operations are regulated and supervised by relevant competent authorities in each of the jurisdictions in which we conduct business.

The Executive Board is responsible for managing the Group in accordance with the law, regulations, the Articles of Association and its Terms of Reference with the objective of creating sustainable value in the interest of the Group, thus taking into consideration the interests of shareholders, employees, clients, and other stakeholders. Furthermore, the

Executive Board is responsible for establishing a proper business organization, encompassing appropriate and effective risk management and approves the strategic plan and the risk appetite statement.

The Supervisory Board is regularly informed of the Group's risk position, risk management and risk controlling activities, as well as on our reputational risks and material litigation cases. It has formed an Audit and Risk Committee to deal with risk related matters (See 'Corporate Governance Statement – Standing Committees of the Supervisory Board – Audit and Risk Committee'). At the meetings of the Audit and Risk Committee of the Supervisory Board, the Executive Board reports on key risks, risk strategy, mitigation strategies, and on matters of importance due to the risks they entail. The Audit and Risk Committee deliberates with the Executive Board on issues of the aggregate risk profile and the risk strategy and supports the Supervisory Board in monitoring the implementation of this strategy.

The following functional committees have been set-up by the Executive Board and are central to the management of risk:

The **Risk and Control Committee** is the key committee dealing with review of and decisions on material risk topics. It is supported by the Capital Investment Committee, which is responsible for overseeing all aspects of risk associated with portfolios of co-investments and seed capital investments.

The **Reputational Risk Committee** is responsible for oversight, coordination, and management of reputational risks. It takes preventive decisions on matters which might trigger reputational risk, in alignment with our risk appetite.

The **Strategic Investment Committee** is responsible for corporate investment decisions and principal corporate transactions (acquisition, disposals, and joint ventures). In addition, it evaluates risks associated with strategic investment decisions and monitors progress and performance of approved transactions.

The Chief Risk Officer reports to the CFO and has group-wide responsibility for the management of corporate and fiduciary risks as well as for the comprehensive control of risk, and ongoing development of methods for risk measurement. In addition, the Chief Risk Officer is responsible for monitoring, analysing, and reporting risk on a comprehensive basis. We manage our risk and capital via a framework of principles, organizational structures and measurement and monitoring processes that are closely aligned with the underlying business activities and associated risk profile. To achieve this, the Group leverages Deutsche Bank for defined risk services across several risk types, notably in terms of risk principles and

frameworks, capital models including stress testing as well as support on capital adequacy requirements, and in non-financial risks specifically where specialist skills are required. The Group control model has been designed to balance the need for alignment with our business activities, while maintaining independence and strong relationships with Deutsche Bank key control functions.

Risk Appetite and Capacity

Risk appetite expresses the aggregate level of risk that we are willing to assume within our risk capacity to achieve our business objectives. This is defined by a set of minimum quantitative metrics and qualitative statements. Risk capacity is defined as the maximum level of risk we can assume given our capital and liquidity base, risk management and control capabilities, regulatory constraints, and our obligations to stakeholders.

Risk appetite is an integral element in the strategic planning processes via our business and risk strategy, designed to promote the appropriate alignment of risk, capital, and performance targets, while considering risk capacity constraints from both non-financial and financial risks. In addition, the risk appetite for ESG risk themes including quantitative indicators has been defined.

To determine risk appetite, we set different group level triggers and thresholds on a forward-looking basis and define the escalation requirements for further action. We assign risk metrics that are sensitive to the material risks to which we are exposed, and which are able to function as key indicators of our financial health. Importantly, we link our risk management framework with the risk appetite framework.

The Risk and Control Committee, the Executive Board, and the Audit and Risk Committee are provided with the Risk and Capital Profile Report which monitors our firm's risk profile to ensure activities are within risk appetite and align to strategic objectives. If our desired risk appetite is breached, a predefined escalation matrix is applied, such breach is highlighted to the respective committees. Changes or exceptions to the risk appetite must be approved by the Executive Board.

Risk and Capital Plan

We conduct an annual integrated strategic planning process which articulates the development of the future strategic direction for the business. The strategic planning process is designed to deliver an overview of capital, liquidity, and risk under risk-return considerations. This process translates our long-term strategic targets into measurable short-to medium-term financial targets and enables intra-year performance monitoring and

management. Risk-specific portfolio strategies complement this framework and allow for an in-depth implementation of the risk strategy at the portfolio level, addressing risk specifics including risk concentrations.

Stress Testing

Stress testing is performed on a regular basis to assess the impact of a severe macroeconomic downturn or other shocks on our capital profile and financial position. This exercise complements traditional risk measures and leverages Deutsche Bank Group's stress testing process with enhancements tailored to our risk profile as an asset manager. All material risk types which consume capital and liquidity risk are subject to stress testing. The time-horizon of internal stress tests is generally one year and can be extended to multi-year, if required by the scenario assumptions.

Risk Measurement and Monitoring

The appropriate measurement of all risks is a crucial prerequisite for robust risk management. All risks are measured quantitatively and/or qualitatively, using advanced and approved methodologies. All measurement approaches must be appropriate for the type and materiality of risk measured and must provide sufficient transparency including correlation.

Quantitative analysis allows the measurement of the potential impact (severity and likelihood) and is complemented by robust qualitative measures that are designed to ensure comprehensive coverage of all risks on a risk-based approach. All material non-financial, financial, sustainability and strategic risks, are managed via dedicated risk management processes. Modelling and measurement approaches for quantifying risk and capital demand are implemented across the material risk types. Reputational risk is implicitly covered in our economic capital framework – which is designed to ensure that we maintain an adequate capitalization to cover the risks to which we are exposed – primarily within operational and strategic risk. Established teams within Finance, Capital and Liquidity Management and Risk assume responsibility for measurement, analysis and reporting of risks while promoting the appropriate quality and integrity of risk-related data.

We monitor all risks taken against risk appetite and in consideration of risk and reward at the Group level, underlying risk type, and at the portfolio level.

The monthly risk and capital profile report is used to detail the risk profile and is presented to the Risk and Control Committee and used as the basis for regular reporting to the Executive Board and the Audit and Risk Committee. The risk and capital profile report is complemented by other standard and ad-hoc management reports maintained and produced by Risk,

Finance, and Capital and Liquidity Management, which are presented to the Risk and Control Committee and/or its sub-committees where appropriate.

We use a variety of data sources to support internal and external reporting. The risk infrastructure considers reporting at relevant legal entity and business levels and provides the basis for reporting on risk positions, capital adequacy and limit utilization to the relevant functions on a regular and ad-hoc basis.

Model Risk

Model risk is the risk of adverse consequences from decisions based on incorrect and/or misused models.

Model risk management is a core component of our risk management framework. We rely on models for investment, portfolio management, risk management, valuation, capital planning, and other purposes. The model risk management framework is in place to safeguard the interests of our clients and stakeholders as well as to fulfil regulatory requirements.

A model is defined as a quantitative method, system, or approach that applies statistical, economic, financial, mathematical theories, techniques and assumptions to process input data into quantitative estimates.

A model consists of three components:

- an input component which consists of assumptions and data
- a processing component which transforms inputs into estimates, i. e., output
- a reporting component which translates the output into useful business information

The definition of a model also covers quantitative approaches whose inputs are qualitative or based on expert judgement, provided that the output is quantitative in nature. Models used by us and covered by the model risk framework include models used for both fiduciary and non-fiduciary purposes and may either be internally developed and/or sourced from third party vendors.

Model risk appetite is designed to ensure that model risk management is embedded in our risk culture and that risks are mitigated as appropriate.

The objective of model risk management is to identify, measure and mitigate model risk. This is achieved by:

- Maintaining a robust model risk management and framework, including policies and key operating procedures with clear roles and responsibilities for key stakeholders across the model risk life cycle
- Assessing and monitoring the model control environment
- Maintaining model inventory to a high degree of integrity
- Supporting ongoing model risk assessments
- Performing independent model validations providing effective review and challenge to the model development and the appropriateness of model use
- Establishing model risk appetite and reporting standards to provide all key stakeholders with a timely and comprehensive view of model risk with actionable information
- Ensuring the model risk framework aligns to industry best practice and regulatory expectations

Sustainability Risk and Adverse Impacts to the Environment and Society

IFR Article 53

Sustainability risk is the potential negative impact to the value of an investment from sustainability factors. Sustainability factors are ESG events or conditions, including physical and transitional climate factors. Sustainability risks, including climate risks, can impact all three main areas of our risk management and control framework: non-financial risks, financial risks and fiduciary investment risks. Adverse impacts to the environment or society are defined as negative, material or potentially material effects on sustainability factors that are directly related to actions made by our Group, our employees, investee companies within our portfolios or other related stakeholders. This is also referred to as the concept of “double materiality”, which aims to describe the fact that sustainability factors are connected to two dimensions of materiality: “Financial materiality” describes the ESG-related financial and non-financial risks, whereas “non-financial materiality” describes adverse impacts to the environment or society.

To ensure effective sustainability risk identification and assessment, we have classified the impact of the identified sustainability factors under “ESG risk themes”, aggregating patterns of impact related to sustainability factors. ESG risk themes can be grouped into

- Adverse impacts
- Sustainability risk materializing as non-financial risks
- Sustainability risk materializing as strategic and financial risks

- Sustainability risk materializing as investment risks

To identify the existing risk types where sustainability factors, including climate factors, are a risk driver, in 2023 we performed a scenario-based risk assessment, the respective owners of **The secret object #1 is a** once evaluated the inherent risk of ESG related risk scenarios, and, with the help of controls to reduce that risk to an acceptable level. Using this evaluation, we reviewed existing risk types for both portfolio and corporate risks and determined whether sustainability factors may potentially be relevant risk factors. A first set of adverse impact types was added as an add-on to the risk taxonomy.



We aim to consider adverse impacts going forward as an additional risk dimension next to corporate (financial and non-financial) and investment (fiduciary) risks. National or regional regulations as well as existing contractual relationships may supersede the consideration of adverse impact for certain regions or asset classes.

The policy on ESG Integration in the Risk Management Framework (formerly titled Sustainability Risk Management Policy) describes how sustainability risks, including climate risks, and adverse impacts are integrated into our risk management framework. In 2023, we revised the policy in particular by amending the consideration of adverse impacts on the environment and society. This policy outlines sustainability risk and adverse impact-related definitions, how sustainability factors interact with the risk taxonomy and the risk assessment grid, as well as roles and responsibilities for the management of sustainability risk and adverse impacts.

For each group of ESG risk themes, the business and risk strategy as well as the risk appetite statement give guidance to the management of sustainability risk and adverse impacts. Four qualitative statements have been included in the risk appetite statement, one for each group of ESG risk themes mentioned above. They define the tone from the top for ESG related risk taking within our organization. Quantitative indicators have been defined related to each group of ESG risk themes.

Non-Financial Risk

Non-financial risk is comprised of operational risk and reputational risk.

Operational risk means the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events, including legal risk. Operational risk excludes business and reputational risk.

Reputational risk means the risk of possible damage to our brand and reputation, and the associated risk to earnings, capital, or liquidity, arising from any association, action or inaction which could be perceived by stakeholders to be inappropriate or unethical or inconsistent with our Code of Conduct.

Key Drivers for Non-Financial Risk

Non-financial risk is inherent to our business activities. We have embedded internal risk management and control processes and the use of risk management tools and concepts. Our integrated approach along the risk management lifecycle is designed to enable sound risk identification, evaluation, remediation, and monitoring of the key non-financial risks. Any failures related to key non-financial risks, caused by external or internal influences, could lead to material financial, regulatory, and/or reputational impacts.

Our business profile is exposed primarily to the following non-financial risks:

- **Fiduciary obligations:** As an asset manager, we face the risk that we do not comply with our fiduciary obligations to put the interests of our clients first. This requires us to balance between various interests of our clients and the economic interests of our firm to avoid undue conflicts, taking into consideration regulatory requirements, principles, contractual agreements, and specific disclosure requirements.
- **Information security:** We face the risk that our business is not sufficiently protected against information security failures, i. e., targeted cyber security attacks. The financial industry is subject to continuous elevated threat levels of cyber-attacks in the context of geo-political developments and technology advancements. Direct or indirect attacks may undermine our ability to act in a fiduciary capacity to serve our clients in a resilient way.
- **Transformation:** As our firm continues to mature as a standalone asset manager, we have elected to develop and implement a more standalone corporate infrastructure separate from our majority shareholder Deutsche Bank AG. Such decision poses both transformational risks as well as decreased time and resources for business-as-usual

operations. Deviations in expected system and process functionality or inadequate integration of associated controls may expose the firm to incremental non-financial risks.

- **Regulatory developments:** The development of new and evolving regulatory requirements for the asset management industry, for instance on ESG requirements, IT disclosures or record retention, imposes a challenge for us for timely identification, interpretation and implementation. Non-compliance with laws and regulations may expose us to material non-financial risks.
- **Service providers:** Third parties support us to successfully deliver our business operations and fiduciary obligations. The use of and dependency on our vendors has increased in recent years. Inadequate vendor oversight may adversely impact our business resiliency.

Management of Non-Financial Risk

The management of non-financial risks follows the three lines of defence approach with the aim of protecting the Group, our clients, and shareholders against risk of material financial, regulatory, or reputational damages. It seeks to ensure that all our key non-financial risks are identified and addressed, that responsibilities regarding the management of non-financial risks are clearly assigned and risks are consciously taken and managed in the most appropriate and long-term interest of our franchise, clients and stakeholders. The three lines of defence approach and its underlying standards apply to all levels of the organization.

To manage our non-financial risks, the operational risk management framework defines interrelated concepts and processes aligned to the Deutsche Bank Group framework. The operational risk management framework provides a comprehensive approach across all three lines of defence for managing the key non-financial risks across the risk management lifecycle. The approach enables us to determine our non-financial risk profile in comparison to our risk appetite, to systematically identify non-financial risk themes and concentrations, and to define risk mitigating measures and priorities. The approach to identification and impact assessment aims to ensure that we mitigate the impact of these risks on our financial results, long-term strategic goals, and our reputation. Key concepts and processes for managing non-financial risks are loss data collection, lessons learned, scenario analysis, sustainable risk remediation tracking, transformation risk assessments and risk and control assessments. In addition, consideration of ESG driven inherent risk exposure, assessment of mitigating controls, and ESG driven residual risk has been integrated in the risk and control assessment tool implementation.

The most material risks we seek to remediate qualify as top risks and are regularly analysed, monitored and reported to senior management. Top risks are rated in terms of both the likelihood of their occurrence and the potential impact (severity) on the Group. The concept provides a forward-looking perspective on the prioritization and anticipated impact of planned

remediation and control enhancements. It also contains emerging risks and themes that have the potential to evolve into top risks in the future.

Business Continuity and Crisis Management

GRI 3-3

Our established business continuity and crisis management approach includes a crisis contact and escalation process, which is tested on a regular basis. The Executive Board retains overall responsibility for policy setting, supervision and effective implementation and has delegated responsibility for business process disruption risk to the Chief Operating Officer. As we recognize that significant business disruptions are a possibility, the business continuity management program has defined roles and responsibilities, which are designed to foster a consistent and effective approach to resiliency throughout our company and to result in an effective fit-for-purpose capability. We designed comprehensive business continuity procedures to minimize the impact of a significant business disruption, the effectiveness of which have been demonstrated through various crises. We are prepared to address adverse impacts that a pandemic, epidemic or other disasters may have on the delivery of our services. We are also capable of ensuring work-from-home for all our employees at the same time, if necessary – including portfolio management. We will maintain a risk-based approach and use the recommendations of the World Health Organization and the national health ministries, to preserve the health of our staff and clients, also to live up to our responsibility for society. Each of the core business functions and infrastructure groups maintain their business continuity plans to ensure continuous and reliable service. These plans are reviewed, updated and tested annually.

Dedicated Product Lifecycle Risk Management

We have a product lifecycle management framework that is designed to ensure that appropriate systems, processes and controls for the design, approval, marketing, management and systematic monitoring of products throughout their lifecycle are in place. This framework is designed to manage the risks associated with the implementation of new products as well as material product changes during the product lifecycle. Products and services are subject to a systematic review process to ensure that the associated risk assessment outcome and controls remain fit for purpose.

Dedicated Reputational Risk Management

We have a dedicated reputational risk management framework, which sets out the process, including roles and responsibilities, to support employees in identifying, assessing, managing, and reporting reputational risk. This process also considers ESG factors. The Reputational

Risk Committee takes preventive decisions on matters which might trigger reputational risk, in alignment with our risk appetite.

We seek to ensure that reputational risk is in line with our business strategy and overall risk profile. Reputational risk cannot be precluded and is also driven by any unforeseeable change in the perception of practices by our various stakeholders (e. g., public, clients, shareholders, and regulators). In line with our fiduciary responsibilities, we strive to balance the firm's reputational risk with the economic interests of our clients.

Financial Risk

IFR Article 47

Key Drivers for Market Risk

IFRS 7/IAS 1

Market risk is the potential for change in the value of financial instruments due to changes in market prices. We are exposed to non-trading market risk, which arises from our investments and from off-balance sheet exposures. The key risk drivers include movements in interest rates, credit spreads, foreign exchange rates, commodity prices, and equity prices. These, in turn, can be impacted by general market movements related to the economic environment or socio-political and geo-political events. The primary objective in the management of market risk is to ensure that risk exposure is within the approved risk appetite.

Market risk primarily concerns liquid seed investments, co- and illiquid seed investments, guaranteed products, foreign exchange, pension, and equity compensation, as outlined below.

Liquid seed investments: Capital is deployed to build marketable track records by providing initial funding for new liquid products initiated by us. These products include primarily exchange traded and mutual funds which invest in stocks and bonds. We execute an economic risk position offset process to minimize the profit/loss volatility of the seed investment portfolio. Liquid seed investments are typically short-term (up to three years, frequently shorter) and risk positions are broadly offset within a 6% tracking error on notional to minimize market risk. Offsetting positions are classified as derivatives on the balance sheet.

Co- and illiquid seed investments: We have co-investments primarily in fund products that invest in alternative asset classes such as real estate, infrastructure, private equity, and sustainable investments. Investments are made to ensure an alignment of interest between

fund investors and the Group and are normally held to maturity. Similar to liquid seed investments, there are also instances where seed capital is provided to launch alternative funds.

Strategic investments: Strategic investments typically have the primary objective of enhancing the franchise value by providing access, for example, to specific markets, products or exchanges. A strategic investment, therefore, has a broader strategic business objective than making a return on the investment itself.

The key risk inherent in our portfolio of co-, strategic and illiquid seed investments is the impact of an event on the value of the underlying assets potentially resulting in the need to partially impair or even fully write-off the value of an investment. Key events can include:

- **Economic environment:** Material economic downturn impacting the value of the underlying fund investments
- **Geo-political risk:** Material geo-political events impacting the value of underlying fund investments such as the US-China trade dispute or a political shift in willingness to support or subsidize certain industries such as the sustainability sector
- **Equity prices:** Impact on underlying investments of a change in equity prices in turn impacting the value of the co-investment in the relevant funds
- **Foreign exchange (FX):** Impact on reported value of investments of movements in foreign currencies relative to Euro.
- **Interest rates:** Impact of interest rate movements on funds invested in debt instruments and/or providing loans (e. g., private debt funds); wider, indirect impact of rising interest rates on investor appetite for investment in alternative funds
- **Commodity prices:** Impact on underlying investments of a change in commodity prices in turn impacting the value of investment in the relevant funds (e. g., real estate construction costs)
- **Sustainability risk and adverse impact factors:** Sustainability risk factors, including climate factors, may negatively impact investment fair value; investments may adversely affect the environment or have negative social impact
- **Idiosyncratic risk:** Market risk can also occur because of specific investment characteristics, for example operational leverage or, management quality, or fraud

Decreases in investment valuations directly impact our profits via reduction of fair value. In addition, fee income is negatively affected due to the lower asset value of the underlying fund. Furthermore, potential issues in current or future capital raising and/or reputational/litigation risk may arise.

Guaranteed products: We manage guaranteed retirement accounts (“Riester Products”) and guaranteed funds, whereby we provide a full or partial notional guarantee at maturity. Riester guaranteed retirement accounts are voluntary private pension schemes in Germany that are government subsidized.

The guaranteed products portfolios are managed using constant proportion portfolio insurance strategies and techniques, which use a rule-based exposure allocation mechanism into highly rated assets and riskier assets, depending on market levels. This allocation mechanism between the two components is designed to limit the downside risk. Guaranteed products may invest into a wide range of equity and fixed income securities as well as other instruments permitted in the product documentation.

The risk for the Group as guarantor occurs if the net asset value of underlying funds at the respective guarantee date is less than the guaranteed amount. The respective guarantee shortfall is reflected as negative market values from derivative financial instruments. A provision is booked, aligned to the long-dated maturity of the underlying guarantees.

The guarantee shortfall is particularly sensitive to movements in the long-dated interest rate curves and can also fluctuate due to changes in:

- **Market development:** in addition to changes in long-dated interest rates, the shortfall is also impacted by changes in equity prices, volatility, and other market factors impacting the net asset value (e. g. performance of underlying assets and funds)
- **Changes in client behaviour:** e. g., decreases in cancellation rates increase the shortfall as do client contributions if made in a low interest rate environment
- **Model assumptions:** the shortfall calculation can be influenced by changes in model assumptions and the timing of the market data snapshot used

This risk is regularly monitored under different stress scenarios and client contribution and cancellation simulations. We mitigate interest rate risk as and when necessary to retain a balanced risk position in line with our risk appetite and strategic goals. The mitigating instruments include long-dated bonds, long-dated interest rate swaps or swap options.

Pension risk: We are exposed to market risk from several 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 and ongoing plan contributions. Market risk can materialize due to a potential decline in the market value of the assets or an increase in the liability of each of the pension plans. Key risk factors include interest rates, inflation, credit spreads, and equity values. The overall risk increases with reduction in plan

contributions as plans mature, increased, or offset by changes in the longevity profile of the pensioner population.

Equity compensation risk: Equity compensation is linked to our share price and performance and so is a right way risk since liabilities will primarily only increase if the share price and relevant performance improves. We monitor and manage the resulting profit and loss volatility and enter into short-term derivatives to retain a balanced risk position as and when necessary, in line with our risk appetite and strategic goals.

Structural foreign exchange: Structural foreign exchange (FX) risk arises from our non-Euro denominated subsidiaries, primarily US Dollar and Pound Sterling. We monitor our structural foreign exchange risks on an ongoing basis and may selectively offset the risk positions with the primary objective to stabilize consolidated capital and internal capital adequacy metrics.

Foreign exchange: Foreign exchange risk arises from our assets and liabilities that are denominated in currencies other than the functional currency of the respective entity. These positions are translated at the period end closing rate and can give rise to fluctuations in the reported value of the investments. Foreign exchange gains or losses resulting from the translation and settlement of these items are recognized in the consolidated statement of income as net gains or losses on financial assets/liabilities at fair value through profit or loss. We may selectively use instruments to offset foreign exchange exposure as and when necessary to retain a balanced risk position in line with our risk appetite and strategic goals.

Management of Financial Risk

The above-mentioned types of financial risks are subject to dedicated approval processes which are designed to ensure that all aspects of risk, capital and funding are considered before new risk exposures are taken. For new co-investment and seed capital requests, for example, there is a clearly defined approval authority matrix dependent on the size of the capital request. Investment allocations and requests are reviewed and monitored by the Capital Investment Committee and assigned to the respective authority. The consideration of sustainability risk and adverse impacts is part of the investment approval process.

Market risk exposure is identified and captured based on our risk type framework covering equity, foreign exchange, interest rate, credit spread, commodity, and idiosyncratic risk. Risk is measured by estimating the potential losses from a particular risk type. This is usually achieved by determining the exposure, the trend and potential change in market value as well as the covariance with other relevant assets and liabilities. Established capital models tailored to our risk profile are used to calculate the capital consumption of financial risks.

When necessary, approvals are granted subject to conditions to mitigate the potential risk to the Group and its stakeholders. Such conditions can include limiting concentrations in high-risk sectors and/or geographies. One area where risk position offsetting is routinely used as a direct risk mitigation is the seed capital portfolio.

A limit structure for the Group's investments is in place with regular monitoring to ensure the risks remain within risk tolerance levels. The co-investment portfolio is also subject to bi-annual reviews at the underlying fund level to ensure the risk profile is maintained and any emerging risks are escalated where necessary. Ad-hoc monitoring and/or reviews of any aspect of the financial risk portfolio are carried out as and when required.

The risk framework for co- and illiquid seed investments has been reviewed and enhanced to accommodate our growth strategy in alternatives investments. This includes multi period risk planning, portfolio risk and attribution analysis, a refined set of limits complementing risk appetite, and control thresholds as part of risk monitoring and decision-making.

For sensitivity analyses on market risk exposures please refer to note '09 – Financial Instruments' to the 'Consolidated Financial Statements'.

Credit Risk

IFRS 7/IAS 1

Credit risk arises from all transactions where actual, contingent or potential claims against any counterparty, borrower, obligor or issuer (which we refer to collectively as "counterparties") exist.

As an asset manager, we do not undertake business activities that result in material credit risk. For the Group, credit risk exposure relates primarily to cash and cash equivalent positions that are placed with third party banking and financial institutions. The counterparties are monitored via market parameters, the usage of independent credit ratings, ESG signals, and proprietary credit risk assessment. The related credit risk exposure to these counterparties is aggregated and managed within appropriate limits.

To further diversify credit risk in our corporate liquidity management, other options have been used, including investing in government bonds, corporate bonds, and money market instruments.

Strategic Risk

Strategic risk is the risk of an operating income shortfall due to lower-than-expected performance in revenues not compensated by a reduction in costs. Strategic risk may arise from a decline in our assets under management driven by changes in asset values, from our ability to attract and retain assets under management and maintain competitive investment performance or from changes to the competitive landscape (including tight labour markets) or regulatory framework. Strategic risk is a material risk type that may arise due to a failure to execute our strategy and/or failure to position us strategically and/or failure to effectively take actions to address underperformance caused by external or internal factors. Exposure categories to help guide the assessment process for strategic risk include competitive landscape, key personnel, regulation, strategic relationships, macroeconomic downturn, and product suite.

The strategic and capital plan is approved annually by the Executive Board. During the year, execution of business strategy is regularly monitored to assess the performance against strategic objectives and to seek to ensure we remain on track to achieve targets.

Liquidity Risk

IFRS 7/IAS 1

Liquidity risk is the risk arising from our potential inability to meet all payment obligations when they come due or only being able to meet these obligations at excessive costs. The objective of the Group's liquidity risk management framework is to ensure that it can always fulfil its payment obligations and can manage liquidity and funding risks within the agreed risk appetite. The framework considers relevant on-balance sheet and off-balance sheet drivers of liquidity risk as well as expected future cash flows.

Capital and Liquidity Management is mandated to manage the overall liquidity and funding position of the Group as well as the liquidity risk profile. Risk oversees the application of the liquidity risk framework and adherence to the risk appetite.

The Group proactively manages liquidity risks by:

- Maintaining a liquid balance sheet with a prudent cash buffer
- Maintaining a funding plan, aligned with the strategic plans of the Group, to assess upcoming funding demands and sources
- Stress testing of a rolling 12-month liquidity position, based on the funding plan, by applying a combined, market and idiosyncratic stress event in which the Group needs to remain solvent over a prolonged period of stress

- Monitoring regular stress testing results and identifying potential liquidity risks
- Maintaining contingency funding procedures to enable swift and coordinated action and decision making in a liquidity crisis event

On 31 December 2023, the 12-month projected liquidity position after stress was well within the risk appetite.

Liquidity risk is an area of lesser concern for the Group due to the cash generating nature of our business and the conservative funding profile of our balance sheet. We principally fund the business through equity and cash generated from operations. We may, however, raise debt funding to address specific funding demands that may arise as part of growing the business.

As part of the annual strategic planning process, we project the development of the key liquidity and funding metrics based on the underlying business plans to ensure that the plan complies with risk appetite. This includes maintaining a funding plan to specifically assess upcoming funding demands and sources to accommodate projected seed and co-investments within the respective limits.

To diversify our funding and access to liquidity, we have put in place a revolving credit facility of € 500 million for general corporate purposes under which there were no drawings as of 31 December 2023.

For the maturity analysis of financial liabilities please refer to note '09 – Financial Instruments' to the 'Consolidated Financial Statements'.

Risk Diversification and Concentration

Risk Concentrations

IFRS 7/IAS 1

Risk concentrations refer to clusters of the same or similar risk drivers within risk types, including risk concentrations in operational, credit, market, liquidity and other risks. They could occur within and across counterparties, businesses, regions/countries, industries, and products. The management of concentrations is integrated into the management of individual risk types (e. g., operational, credit, market, liquidity risk management) and monitored on an ongoing basis, with the key objective to avoid excessive risk concentrations. This is supported by limit setting on different levels and/or management according to risk type.

Risk Type Diversification Benefit

The risk type diversification benefit quantifies diversification effects between operational, credit, market, and strategic risk in the capital adequacy assessments. To the extent correlations between these risk types fall below 1.0, a risk type diversification benefit results. The calculation of the risk type diversification benefit is intended to ensure that the standalone capital for the individual risk types is aggregated in an economically meaningful way.

Fiduciary Investment Risk

Fiduciary investment risk is the management of investment portfolios in accordance with our fiduciary and regulatory obligations. The investment funds risk framework, which covers regulatory, client specific and internal requirements is part of our control framework.

Fiduciary Investment Risk in Traditional Asset Classes

Market Risk Management

The market risk management process identifies, measures, monitors, and reports the market risks as well as portfolio concentrations of the investment portfolios. Both the specific risks on position level and the overall risk of the portfolio are considered – aiming at protecting investor assets and interests.

The risk identification process is performed on a quantitative and on a qualitative basis. The most relevant quantitative metrics are based on movements in credit spreads, equity prices, implied volatilities, commodity prices, foreign exchange rate, interest rates, and inflation rates.

The risk management function monitors market risks with dedicated escalation procedures covering the following areas:

- Absolute portfolio market risk is the risk of investment losses at portfolio level due to changes in market risk drivers.
- Relative portfolio market risk is the risk of investment losses relative to the benchmark (where available) due to changes in market risk drivers.
- Leverage risk is the risk of investment losses that result from usage of derivatives or non-linear payoff structure within the portfolio.

- Concentration risk is the risk of investment losses at portfolio level due to concentration of investments (e. g., specific issuers, countries, or foreign currencies).

Appropriate thresholds are defined and the consumption of the capacity within the limits is reported to portfolio management. Indications for a high probability of a limit breach trigger immediate escalation and mitigation actions.

Fiduciary Sustainability Risk Management

Sustainability risk in the fiduciary risk management context relates to various risks arising from ESG aspects potentially impacting the valuation of any assets held in a fund that could result in a financial impact for the fund investors. We established a risk management framework for sustainability risk to manage sustainability factors potentially impacting a fund's risk profile.

The sustainability risk management process is designed to identify, measure, monitor, and report sustainability related risks on an overall fund level, as well as on issuer specific levels as part of the issuer concentration risk framework.

To identify and assess the sustainability risk profile of a fund, we consider our climate transition risk assessment as well as our norm controversy assessment (please refer to 'Our Responsibility – Sustainable Action' for further details) in the risk management processes in combination with each fund's gross and risk-adjusted exposure information as well as relevant benchmark data (if applicable). The process includes fund-level risk appetite setting and measurement, monitoring and reporting activities against the defined risk appetites.

We implemented the portfolio sustainability risk management framework across all European-domiciled UCITS and AIFs, including the European ETF product suite.

Liquidity Risk Management

Liquidity risk means the risk arising from the potential inability to meet investor redemptions or at significant cost to redeeming and remaining investors. The liquidity risk management framework includes processes that are designed to identify, measure, monitor, assess, manage, and report liquidity risk over the complete life cycle of a portfolio. Processes are executed by first and second line of defence and governed by policies, procedures, and oversight bodies.

The portfolio liquidity risk identification considers the portfolio's strategy, the liquidity of its assets, and the future liquidity demands.

The liquidity risk measurement framework follows the same approach, estimating asset liquidity and future liquidity demands taking account of the portfolio's strategy. This is calculated along different dimensions, such as the time to liquidate portfolio holdings, and the cost attributed to such liquidation.

A portfolio's asset liquidity is measured by considering asset and market specific factors. Liquidity demand scenarios are estimated based on redemption and collateral call scenarios. In addition, liquidity stress tests are run to simulate the impact of stress conditions. Liquidity stress tests are also used to determine whether liquidity management tools shall be added to improve the management of the portfolio's liquidity risk under stress conditions.

A portfolio's current liquidity risk is assessed via a scoring system. In addition, each portfolio's liquidity risk relative to investment strategy and redemption obligations is reviewed through a formal annual risk review process.

Metrics are calculated and updated with the latest trading and market data, which are available on our portfolio management systems for first and second line of defence staff.

The risk management function regularly monitors the portfolio's limit utilizations. The limit structure consists of regulatory and internal limits as well as thresholds. Escalation chains and contingency planning are included within the liquidity framework.

Fiduciary Investment Risk in Alternative Asset Classes

Whereas market prices are available daily for traditional assets, alternative assets are in most cases far more illiquid, or prices are not directly observable. In these cases, regular measurement and control processes are undertaken on a monthly or quarterly basis rather than daily.

The methodology for alternative risk management requires expertise in the asset acquisition process, credit analysis where appropriate, regular stress testing, and calculation and monitoring of leverage, where applicable.

We have defined appropriate criteria to measure risk. Different alternatives still have different criteria, e. g. real estate, infrastructure, private debts, private equity and fund of funds. Thresholds are established, and consumption reported regularly to management.

Identification of Risk in Alternatives

The risk management function is responsible for identifying material portfolio risk, which is defined as the risk of decreasing market values of the portfolio positions. This risk is considered material if it leads to a significant loss for the investor with a sufficient probability. Due to changing market conditions and volatilities as well as trading activities, the market risk for a given portfolio changes over time. In addition to traditional market risks, special alternatives risks include interest rate risk, FX risk, volatility risk, inflation risk, real estate risk and credit risk.

Internal thresholds are implemented for the relevant criteria at the individual asset level, contract and the entire portfolio level. Portfolio levels close to the warning threshold are regularly discussed and notified to the respective Alternatives Investment Committees or Boards of the management companies, whereas individual assets are monitored separately. The monitoring of individual assets may be triggered by reaching internal thresholds or by violation of contractually defined limits. In these instances, an asset is included in a watch list jointly overseen by portfolio management and risk management with regular monitoring of any mitigating actions. If investments further deteriorate, work-out specialists or additional stress scenarios will be considered.

Fiduciary Sustainability Risk Management

We identify and assess the level of sustainability risk taken by illiquid alternatives funds domiciled in Europe based on individual asset level risk scores or ratings, which are formed by both quantitative and qualitative data points. These can be based on external ESG data providers (e. g., S&P Global for real estate, Global Real Estate Sustainability Benchmark for infrastructure), as well as internal subject matter experts.

These processes were further enhanced in 2023 which includes determining a fund's risk appetite, measurement and monitoring of the scores and their reporting.

Liquidity Risk Management

Liquidity risk arises from potential inability to meet investor redemptions or other liabilities for payment over the requested time period (liquidation period). Liquidity risk arises due to expected cash outflows exceeding cash inflows from investor redemption or other liabilities for payment. Examples of liquidity risk include settlements of foreign exchange forward transactions or margin calls which must be met by the current cash positions and/or by selling assets to generate cash. Hence the liquidity risk management framework considers both the specific liquidation risk of the individual investments and the overall risk of the portfolio to generate liquidity. Within

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alternatives products, open ended funds and closed end funds require a different type of liquidity risk management.

Measurement of the liquidity risk compares possible liquidity needs with asset liquidity and is summarised in a liquidity profile, which aggregates available liquidity by time buckets, considering the time it takes to liquidate assets. In addition, risk management function defines further internal limits where appropriate.

Liquidity risk primarily affects open end funds and is addressed by respective provisions within the funds. The liquidity limit utilization is monitored on a regular basis. The implemented liquidity stress tests follow the approach that, under several predetermined liquidity stress test scenarios, the liquidity factors that drive the liquidity of funds are subject to severe stress levels which could reasonably be expected to occur. Appropriate thresholds are defined and limit utilization is reported to management, as appropriate. Indications for high probability of a limit breach trigger immediate escalation and mitigation actions.

Counterparty Risk

Counterparty risk relates to the potential losses arising when a counterparty cannot (or does not) fulfil its obligation in a transaction. In the context of the Group, counterparties are typically third parties with direct market access (broker) or derivative counterparties, securities lending counterparties or banks where cash deposits are placed.

Each counterparty must be approved by risk management before any trade can be entered. Counterparty risks are identified via market signals (e. g. credit spreads), factors such as ratings as well as by the regular review of counterparties. ESG aspects are also considered when reviewing a counterparty. Where appropriate, aggregated counterparty exposure limits are defined. Monitoring and escalation of limit excesses ensures adequate oversight. Over the counter derivatives are traded under an International Swaps and Derivatives Association or equivalent agreement such as a German Master Agreement mitigating counterparty risks. Derivatives exposure is collateralized according to European Market Infrastructure Regulation standards.

Valuation Risk

Valuation risk means the risk of possible mispricing of assets in investment portfolios, that may result from data feed issues, accounting errors, pricing agents or valuation advisor, lack of adequate controls over pricing deficiencies or missing prices, model or input errors, and other control processes failures. The Valuation Control Group is responsible for oversight, monitoring and management of risk mitigating activities aimed to ensure that the assets in

investment portfolios are fairly valued in accordance with our fiduciary and regulatory obligation.

The valuation process is implemented by dedicated business and infrastructure teams, as well as internal and external service providers. Valuation processes, procedures, and service relationships are documented and are designed to ensure compliance with our global standards and principles detailed in the valuation policies and relevant legal and regulatory requirements and client guidelines. The valuation risk management framework requires the implementation of consistent, robust, and reliable valuation and monitoring and control processes that define the organizational set-up, standardized procedures and appropriate controls. The risk management framework also provides direction for the committees, senior management and fund boards mandated to govern the asset valuation process.

Compliance and Control

[Anti-Financial Crime and Compliance]

GRI 2-27; 3-3; 205-2

Highlights

- An effective Anti-Financial Crime (AFC) and Compliance organisation safeguards our license to operate and addresses regulatory, reputational and operational business interests. It is essential to prevent financial crime and protect our clients, society and the Group.
- The development of sustainability risks and factors and their integration into existing processes continued in order to meet changing legal and regulatory requirements in 2023.
- Identifying and appropriately managing conflicts of interest is crucial to preventing adverse consequences for our customers, the Group and our employees.
- Our antitrust compliance programme and training aims to prevent or mitigate breaches of anti-trust laws.

Organisational Structure

The Executive Board is ultimately responsible for the management and mitigation of financial crime risks within the Group. It has delegated tasks relating to those obligations to the AFC and Compliance function. Our AFC and Compliance organization is part of the Chief Administrative Office and maintains close contact with the AFC and Compliance function of Deutsche Bank Group.

Risk Management

AFC and Compliance risks are part of the non-financial risk framework alongside liquidity-, financial and strategic risk. AFC and Compliance is the second line of defence control function, managing and mitigating the financial crime risks assigned to it in the non-financial risk management taxonomy.

Non-compliance with relevant laws and regulations and an inadequate control framework could expose us to significant legal, regulatory and reputational risk with a financial impact. Control management and execution is one cornerstone of the AFC and Compliance risk management framework as controls offer insights into risk trends and patterns and therefore enable us to manage risks and stay within risk appetite. Therefore under the AFC and

Compliance risk management framework we monitor and assess our risk profile against the agreed risk appetite and the effectiveness of our risk mitigating controls.

Every employee is responsible for the prevention, detection, and reporting of internal and external fraud as well as bribery and corruption in connection with our business. We require all employees to conduct themselves with the highest standards of integrity and to follow the correct procedures if they believe that something is not right. A speak-up culture is essential to maintaining a positive compliance culture in which everyone not only adheres to our policies, but also adheres to applicable laws and regulations in all jurisdictions whilst offering a safe environment for employees to raise issues. Our anti-fraud policy applies to all employees, permanent and temporary, and explains how to immediately escalate any known or suspected fraudulent incident or any concern via our whistle-blower tool or hotline that protects the identity of the individuals raising the incident or concern. We take a zero-tolerance approach to bribery and corruption in line with our Code of Conduct, our values and beliefs, and national and international laws and regulations. The Anti-Bribery and Corruption Policy sets out the minimum standards of behaviour expected of all employees and third parties as well as the minimum safeguarding measures to be implemented. Any non-compliance with the anti-fraud as well as the anti-bribery and corruption policies will lead to consequences for the respective individuals.

Management Approach

The fight against financial crime is vital to ensure the stability and integrity of the international financial system. Failure to identify and manage risks relating to financial crime exposes us and our staff to potential corporate criminal and/or regulatory liability, civil lawsuits, financial losses, and reputational damage.

During 2023 we did not identify or report any material breaches of laws and regulatory requirements in relation to fraud, bribery, or corruption.

As a global asset manager, an effective compliance culture is key for safeguarding client assets. This includes the Compliance risk management processes such as risk identification, risk assessment and evaluation, risk monitoring and mitigation as well as a clear responsibility across all three lines of defence. This also includes communication, training and compliance with standards of behaviour which we expect our employees to adhere to.

The Code of Conduct sets out these standards of behaviour and requirements for our employees. It is designed to ensure that we conduct ourselves in compliance with law and regulation as well as ethically – with integrity, and in accordance with our and Deutsche Bank's policies and procedures.

As part of our risk management approach, we focus in particular on the following:

- Regulatory adherence
- Conflicts of interest
- Anti-competitive behaviours

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Public Policy and Regulation

Regulatory reforms in the EU and internationally introduce changing legal and regulatory requirements for our clients and us. Failure to comply with laws and regulations applicable to us could result in regulatory penalties or fines, harm to our reputation and a material adverse effect on the results of our operations. The compliance framework is designed to identify such changes, to inform the business promptly and to allocate responsibility for assessing the impact of such changes and, where necessary, amending policies and procedures to ensure that they are implemented.

Since the risk of changing rules and regulations is inherent to our daily business, we have developed a framework to identify and implement new or changed regulations and allocate clear accountability for the identification, impact assessment, and implementation.

It helps to build our profile in public policy and regulatory interactions in general, so we engage constructively with regulatory stakeholders as well as contribute to informed strategic decision-making, provide oversight of key initiatives, and insight for senior management on upcoming regulatory changes.

On a monthly basis, information on new and changed regulations is communicated to the business divisions and stakeholders. Within Compliance, a global regulatory practice group was established consisting of regional regulatory Compliance experts to provide updates on key items in the respective jurisdictions and any potential extra-territorial impact. Information on regulatory developments and changes is included in our quarterly reports to management.

How regulatory changes are implemented depends on their complexity and impact of the changes. Major regulatory changes such as prudential requirements applicable to investment firms are executed through programmes to manage cross-divisional implementation and ensure the involvement of relevant stakeholders.

In 2023, the public affairs and regulatory strategy team provided ad hoc updates on political and regulatory developments to senior management, coordinated the development and delivery of our positions on important regulatory topics, and acted as a clearing house for memberships in trade bodies and business organisations close to political stakeholders.

ESG Regulatory Compliance

GRI 3-3

Sustainable Finance Disclosure Regulation, EU Taxonomy Regulation, UK Sustainability Disclosure Requirements

In 2023, our primary focus was on the implementation of regulatory requirements derived from the Sustainable Finance Disclosure Regulation, with a particular emphasis on the statement on Principal Adverse Impacts of investment (PAI Statement) and the periodic disclosure for financial products. Other regulatory focal points included the implementation of the Taxonomy Regulation, as well as the analysis and initial implementation of upcoming regulatory requirements resulting from the Corporate Sustainability Reporting Directive, which must be transposed into national law, and UK Sustainable Disclosure Requirements.

A significant milestone was the final implementation and publication of PAI Statements on 30 June 2023. We continued to enhance our pre-contractual documents, periodic reports, and website disclosures on the product level to meet additional requirements of national competent authorities, such as Commission de Surveillance du Secteur Financier from Luxembourg. As a result, a separate procedures document was released on our products web pages that contains details on our ESG data and methodology in relation to those products subject to Sustainable Finance Disclosure Regulation.

In June 2023, we updated our European ESG Template to the latest version 1.1.1. The template serves as a standardized framework for exchanging ESG data between product manufacturers and distributors. Developed by FinDatEx in cooperation with market associations for the banking, fund, and insurance sectors, it aligns with data definitions specified by relevant EU legislative acts, including Sustainable Finance Disclosure Regulation, EU Taxonomy Regulation, the amended European Union Markets in Financial Instruments Directive II and Insurance Distribution Directive.

Besides product and legal entity disclosures, we have provided key performance indicators related to taxonomy alignment at group level within the Annual Report. This requirement stems from the EU Taxonomy Regulation Article 8 – for more details, please refer to the section 'Complementary Information – Disclosures in Accordance with Article 8 Taxonomy Regulation and Delegated Regulation (EU) 2021/2178'.

Furthermore, we will have to comply with the requirements of the Corporate Sustainability Reporting Directive in our 2024 Annual Report. In preparation for the related disclosure requirements, we set up an implementation project in 2023, which involved conducting a readiness assessment and preliminary materiality assessment based on the European Sustainability Reporting Standards.

In addition, owing to our organizational structure and our operations in the UK, we have also taken steps to comply with the upcoming requirements of the UK Sustainability Disclosure Requirements, which are part of the UK Green Finance Strategy.

Business Ethics

GRI 2-23; 2-26; 3-3

We follow the Deutsche Bank Group global conduct risk framework. This is designed to avoid the inappropriate creation of bad outcomes for our clients, for us or the integrity of financial markets through breaches of laws, regulations, or internal requirements, as stipulated within the Code of Conduct of Deutsche Bank Group and supporting policies/procedures. This global framework defines the principles for oversight of the management of conduct risk so that there is timely identification, reporting, escalation and remediation of issues that arise. The Code of Conduct defines rules of behaviour that are binding for all our employees. When incidents occur, we explicitly encourage our employees to escalate potential concerns to a supervisor or the relevant control function (for example Compliance).

We have developed a distinct set of values to position ourselves for the future. Specifically, all our employees are personally responsible and accountable for living up to our core values of “Client Commitment, Entrepreneurial Spirit and Sustainable Action”. We want to continue to foster an environment that is open and diverse, where staff opinions and “speaking-up” are valued and encouraged without fear of retaliation, and our success as an organization is built on respect and collaboration, in serving our clients, stakeholders and communities. With regards to reputational risk, our brand is one of our most important assets.

Our corporate culture is one of our greatest and most intangible assets. Therefore, enhancing and protecting our corporate culture which is grounded in trust, accountability, transparency and propelled by a shared business vision remains of paramount importance. Our 2023 culture integrity and conduct plan included six initiatives designed to drive our corporate culture, which is further broken down into actionable milestones across focus areas that include trust, accountability, and purpose. These initiatives are intended to foster a transparent and robust culture for employees that facilitates ethical behaviour and appropriate decision-making, supported by other divisional messages. For example, the “People Leader Enablement” initiative emphasises increased accountability of our leaders/

managers to lead by example and create a positive, high-performing culture and the “More Effective and Timely Decision Making” initiative focuses on reducing complexity across our business and creating a more modern work environment that empowers employees to reach peak performance as one team.

Another key initiative, “Grey Area Training, Scenario Framework” increases employee awareness of grey areas, which enable employees to feel confident to challenge behaviour that could represent conduct risk, raise concerns related to dilemmas, navigate unclear boundaries and challenges that may arise in their daily work, as well as speak-up on how the organization can do better. In 2023, interactive classroom/virtual training sessions were delivered with further focus on specific grey area scenarios.

Dealing with Conflicts of Interest

GRI 2-15

Conflicts of interest are inherent to asset management businesses. Failure to recognise and appropriately manage conflicts of interest can result in inappropriate or adverse consequences for clients, the Group, and our employees. Therefore we have implemented a dedicated framework for conflicts of interest in line with the Conflicts of Interest Policy, to identify actual and potential conflicts and to seek to manage them fairly and appropriately for all involved parties.

Each function must implement measures to ensure that actual or potential conflicts of interest are identified and managed appropriately. This includes, among other things, a conflict of interest register listing conflicts of interest that have arisen and may arise within a business area.

Beyond the business units, control functions deal with, review or oversee the management of conflicts of interest either directly or indirectly. As an example, we use the employee compliance program to check whether employee transactions are in line with regulatory requirements and whether they are detrimental to our customers or the market. Furthermore, the Compliance control room monitors and controls the flow of insider information to minimize conflict scenarios.

Anti-Competitive Behaviour

GRI 206-1

The consequences of anti-competitive behaviour could be serious and far-reaching. Our anti-trust compliance programme defines the minimum standards of behaviour for our employees

and includes a comprehensive training and control framework that is designed to identify and monitor anti-trust risks to prevent or mitigate breaches of anti-trust laws.

There were no pending or completed legal actions against us during the reporting period regarding any anti-competitive behaviour or violations of antitrust and monopoly legislation in which the organization has been identified as a participant.

Marketing and Labelling

Our governance structure including operational guidelines, defined policies, and our corporate values provides a structured framework for all employees that is designed to protect our brand and reputation.

All marketing efforts must be fair, balanced and designed to ensure that risks are reasonably disclosed. Such materials are subject to regulatory requirements, which vary depending on the entity, product, intended audience, venue where the offer or sale occurs, and other criteria. Our employees should not only adhere to these requirements but also use professional judgment to present product and marketing content with honesty and transparency.

As part of the review process, our marketing and product materials are reviewed and approved by Compliance or respective business gatekeepers to ensure that all requirements are being followed. Our approval process is designed to ensure that only marketing and product material that has been reviewed and approved can be published or distributed externally to clients.

We promote responsible employee conduct by regular training events, communication and compliance with our Code of Conduct and legal requirements, which is the minimum standard for us and seeks to protect our clients' interests as well as our brand and reputation. We also promote the standards of relevant policies and guidelines, our global framework on controls of marketing material and for some regions additional marketing policies that have been defined based on local requirements.

[Data Protection]

GRI 3-3; 418-1

Highlights

- Continually strengthening governance and controls in line with regulatory developments on data protection
- Key advice in connection with the engagement of vendors as part of our multi-year transformation program
- No personal data breaches with material impact on individuals identified

In most countries where we conduct business there are data protection laws. These are derived from the privacy related statements in the EU Charter of Fundamental Rights, the UN Universal Declaration of Human Rights and the European Convention on Human Rights. We recognize that data protection is an important social value as clients, employees and other stakeholders expect that the personal data they entrusted to us is treated with the highest care. Therefore, we are committed to protecting personal data and complying with the General Data Protection Regulation and similar laws.

Management Approach/Governance

For data privacy, we are supported by Deutsche Bank Group Data Privacy, a specialised, independent control function that advises on and monitors the collection, processing, and use of personal data by our business divisions and infrastructure functions. As a second line of defence function, this team defines data protection principles and sets consistent requirements and minimum control standards with respect to data protection to ensure compliance with applicable laws and regulations. It is supported by local Data Protection Officers in the countries where we conduct business. Our Chief Administrative Officer receives an annual report on data privacy.

In 2023, a review and enhancement of the Deutsche Bank Group data protection policy framework and governance was initiated that also applies to us. The key data protection principles and how to comply with them are being refined in a separate overarching framework document. The existing Data Protection Policy is being revised to specify the data protection related requirements for employees and role holders in the organization. The policy establishes requirements for employees on the usage of personal data, the escalation of potential personal data breaches and specific requirements for vendor engagements. Further, it provides requirements for business divisions and infrastructure functions to deal

with access rights requests received from individuals, obtain consent from an individual where required and to inform individuals about what is happening with their personal data.

Where required by law, privacy notices are provided directly by the business units and infrastructure functions to our customers and employees or are made available on their respective public websites, including the website-specific privacy notice. These notices provide an overview of how we process personal data and what rights individuals whose personal data are processed have under data protection law.

Based on the Deutsche Bank Group framework for managing non-financial risks, Group Data Privacy has established control requirements which DWS adheres to for mitigating data protection risk. These include the Data Privacy permissibility assessment of new activities that involve processing of personal data, for example when processing personal data using artificial intelligence.

Furthermore, Group Data Privacy also assesses emerging data protection laws and regulations on an ongoing basis for us and, if necessary, adjusts the policy framework as well as the minimum control standards. The same applies to technical developments and new digital business models.

Key Topics 2023

A key topic was the assessment of new data protection legislation in the countries where we do business: In 2023, the European Commission adopted its adequacy decision for the EU-US Data Privacy Framework which concludes that the United States ensures an adequate level of protection – compared to that of the EU – for personal data transferred from the EU to US companies participating in the Framework. Following this, the UK government introduced the UK-US Data Bridge which allows organizations in the UK to transfer personal data to US organizations certified to the UK Extension to the EU-US Data Privacy Framework. In addition, the Swiss Federal Act on Data Protection entered into force and India enacted the Digital Personal Data Protection Act with the effective date still pending. Group Data Privacy is closely monitoring the further development of the UK Data Protection and Digital Information (No 2) Bill which was reintroduced in March 2023. Where necessary, we are taking steps to ensure compliance with these laws.

Another key topic was the transfer of services previously performed by Deutsche Bank and its internal and external service providers to our own service providers. The associated processing of personal data required the implementation of new internal and external data processing agreements and associated security measures, particularly for third country transfers to countries outside the EU. The Data Protection department was involved in

reviewing the contracts and assessing the appropriateness of the technical and organizational measures chosen to protect personal data.

Employee Awareness and Training

Training for employees on the impact of data protection laws on our day-to-day operations is a key factor in ensuring effective data protection in all operational processes. Mandatory data privacy training is required of all employees. In addition, employees are made aware of data protection through internal online events and intranet articles. Group Data Privacy organised several regional webinars in 2023 to raise awareness of the importance of data protection and the handling of personal data. Employees were also made aware of how to obtain internal support for data protection issues, what rights individuals have regarding data protection, best practices for the protection of personal data, trends in data protection, and the consequences of poor data protection practices.

No Personal Data Breaches with Material Impact on Individuals

For 2023, we did not identify any personal data breaches with a material impact on individuals. Our reporting processes and structures aim to ensure that data protection breaches are promptly escalated and incidents are assessed and dealt with immediately. Should a data protection breach occur, follow-up measures are taken as part of the incident management process. If necessary, the affected individuals will be informed as well as the competent data protection supervisory authorities.

[Responsible Tax Practices]

GRI 207-1; 207-2; 207-3

Highlights

- Tax monitoring and control framework fully embedded into our business
- We consider tax consequences of business operations and their long-term impacts to align with economic and commercial outcomes as well as interests of our stakeholders
- Tax evasion is illegal and our policies prohibit aiding or abetting tax evasion

Management Approach

Our tax policy framework is part of Deutsche Bank's tax strategy and principles. These principles are embedded in controls, apply to all our entities and have been approved by the Management Board of Deutsche Bank Group. The principles are subject to regular reviews. They enable us to manage our tax affairs in a value generating way while meeting applicable local and international laws and regulations (including international standards such as the Organisation for Economic Co-operation and Development Guidelines). These principles are designed so that the tax consequences of business operations are appropriately aligned with the economic and commercial consequences of those operations, with due regard being given to the potential perspective of the relevant tax authorities.

Tax principles help to make our interactions with tax authorities proactive, transparent, courteous, and timely and we seek to foster positive working relationships with tax authorities. As a responsible taxpayer, we consider long-term tax impacts and carefully evaluate the interests of all our stakeholders. This is achieved by presenting important tax issues to the respective legal entity boards. Moreover, we participate in and contribute to current discussions on tax regulations through business associations. This allows us to exert influence to try to ensure that new tax regulations represent our values with regard to a fair tax system in social, political and business terms.

Organisational Structure

The tax department as part of the CFO division is responsible for the global tax position. Our tax function is an independent risk and control function which is separated from the business divisions. We employ highly skilled professionals with the aim of ensuring that our own tax matters are robust and that we deliver high quality tax services.

Risk Management

The management, control and reporting of tax risks follows the three lines of defence model. The business divisions are the first line of defence being responsible for managing tax risks within the defined tax risk appetite. This is to ensure that organisational structures and processes are in place to identify, monitor, and evaluate the tax risks they generate or are exposed to. The second line of defence is the tax function which facilitates the implementation of a sound tax risk management framework that is designed to ensure that our position, with respect to tax matters, remains robust. The tax function is independent of the business divisions and responsible for defining the tax risk appetite as well as the tax risk management and control standards. The third line of defence is our internal audit function.

Targets and Preventing Infringements

We have controls and other mechanisms in place designed to ensure that we comply with applicable tax laws, file accurate tax returns, and pay the amount of tax due.

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regulations and internal procedures to combat. We do not endorse actions that seek to undermine tax reporting of financial a under applicable legislation, such as the Common Reporting Standard and the Foreign Account Tax Compliance Act. These requirements are also intended to prevent us from committing or facilitating – intentionally or negligently – criminal offences.

Internal Control System for the Financial and Non-Financial Reporting Process

General

The Executive Board is responsible for establishing and maintaining an adequate internal control system to support the consolidated financial reporting process and the integrated non-financial Group statement. The control system comprises the principles, processes and measures to provide assurance regarding the reliability of financial and non-financial reporting and the preparation of the Group's consolidated financial statements in accordance with IFRS and HGB.

Internal Control System for the Financial Reporting Process

Internal Control System Objectives

To mitigate financial reporting risk the internal control system has been established to provide reasonable but not absolute assurance against material misstatements. To support this we adopt the following objectives:

- **Existence:** Assets and liabilities exist and transactions have occurred
- **Completeness:** All transactions are recorded, account balances are included in the financial statements
- **Valuation:** Assets, liabilities and transactions are recorded in the financial reports at the appropriate amounts
- **Rights, obligations and ownership:** Rights and obligations are appropriately recorded as assets and liabilities
- **Presentation and disclosures:** Disclosure, presentation and classification of financial reporting is appropriate
- **Safeguarding of assets:** Unauthorised acquisition, use or disposition of assets is prevented or detected in a timely manner

The internal control system covers both the financial reporting process of the entities included in the consolidated financial statements and the consolidation process itself. This is designed to ensure the consolidated financial statements are prepared in accordance with applicable rules and provisions.

The internal control system and risk management system as they relate to financial reporting form an integral part of our broader control environment.

Internal Control System Organisation

The Group organisational structure facilitates the operation of the internal control system with clear division of roles and responsibilities to support the financial reporting process and preparation of consolidated financial statements. The operation of the accounting related internal control system primarily involves staff based in the Chief Financial Office (CFO).

CFO is responsible for the periodic preparation of the financial statements. The two key control functions within CFO that contribute to the internal control system are the Group Controller and Financial Control Oversight.

The Group Controller is responsible for the financials of the Group and its consolidated subsidiaries. The Controller function sets the reporting timetables, performs the consolidation, controls and validates the period end results, executes adjustment processes, and compiles the Group financial statements. In addition, Product and Regional Finance teams are responsible for reviewing the quality of financial data by performing validation and control, in close contact with business, infrastructure and legal entity management.

Financial Control Oversight is responsible for implementation of the financial reporting control framework to minimise financial reporting risk. It also coordinates the evaluation and review of risk and control issues and performs ongoing assessment and monitoring of the effectiveness of the internal control system.

Financial Reporting Controls

We operate many controls over the financial reporting and consolidation processes. Some of the key controls that apply to these processes include the following:

- **Consolidation and other period end reporting controls:** Controls over consolidation, financial statement disclosure and presentation
- **Accounting policy design and implementation:** Controls are designed to ensure the consistent recording and reporting of business activities in accordance with accounting policies
- **Balance sheet substantiation:** Controls relating to the substantiation of balance sheet accounts are designed to ensure the integrity of general ledger account balances based on supporting evidence
- **Valuation including the independent price verification process:** Oversight over valuation processes by the Principal Valuation Control Council
- **Reconciliation controls, both external and internal:** Inter-system reconciliation between relevant systems for all transactions, positions or relevant parameters

- **New product and transaction approval, capture and confirmation:** Controls intended to ensure the completeness and accuracy of recorded transactions as well as appropriate authorisation for new products and transactions
- **System access controls:** Controls designed to govern user access to financial information in the key financial reporting systems by a need-to-know principle

Monitoring and Oversight of Internal Control Effectiveness

The effectiveness of the internal control system relating to the financial reporting process is regularly monitored. This includes monitoring performed by Financial Control Oversight and as part of the broader Group financial reporting and non-financial risk and control frameworks. This monitoring includes regular forums comprising control representatives, key control testing procedures to centrally evaluate the operating effectiveness of the control environment and regular reporting of control environment metrics to senior management.

These processes are supported by Internal Audit who evaluate the design and operating effectiveness of the internal control system by performing periodic and ad-hoc risk-based audits.

Finally, the Audit and Risk Committee as standing committee of the Supervisory Board in addition to the Executive Board provide senior oversight of the financial reporting process including signing off the consolidated financial statements for the Group.

[Internal Control System for the Non-Financial Reporting Process]

To support the accurate reporting of material non-financial information we have developed a non-financial internal control system, distinct from the internal control system for financial reporting. The objective of the internal control system for the integrated non-financial Group statement is to provide accurate reporting of sustainability KPIs (as reported in the section 'Our Responsibility – Sustainable Action') and other non-financial disclosures.

The internal control system comprises key controls that are designed to ensure the accuracy of sustainability KPIs. These controls reflect the following key principles:

- **Four eyes review:** All sustainability KPIs are subject to four eyes controls with at least two individuals involved in the review and reporting of KPI data. In addition for all KPIs, the CFO division acts as an independent control function before any KPIs are disclosed externally.
- **Data quality:** Data quality checks are performed to ensure accurate KPI reporting. Sustainability KPIs involve diverse sources of data and as such appropriate controls are executed to ensure integrity of the underlying data.

- **Documentation:** All sustainability KPIs are supported by control documentation which comprise key static data, process flow, key controls, and risk assessment.

In 2023, the sustainability KPIs were reviewed with members of the Group Sustainability Committee to determine if any changes were required to those being monitored. The results of the sustainability KPIs were also presented to the Group Sustainability Committee on a quarterly basis. The sustainability KPIs and their associated targets and ambitions are approved annually by the Executive Board.

Complementary Information

[Disclosures in Accordance with Article 8 Taxonomy Regulation and Delegated Regulation (EU) 2021/2178]

Background

We report under Article 8 of Regulation (EU) 2020/852 (“Taxonomy Regulation”) as a financial undertaking and disclose how and to what extent our activities are associated with economic activities that qualify as environmentally sustainable under Articles 3 and 9 Taxonomy Regulation.

The details of the KPI to be disclosed under Art. 8 Taxonomy Regulation are set out in a delegated act (Delegated Regulation (EU) 2021/2178 (“Delegated Regulation”). The Delegated Regulation differentiates between non-financial undertakings and financial undertakings in terms of the reporting requirements and content of the disclosure. Even though DWS KGaA does not qualify as a financial undertaking pursuant to Article 1 (8) Delegated Regulation, we are engaged in financial activities as the activities performed by several of our subsidiaries are those of an asset manager or an investment firm. Consequently, as the KPI for non-financial undertakings would not appropriately demonstrate to what extent our economic activities are sustainable under the Taxonomy Regulation, we are reporting under Article 8 Taxonomy Regulation as a financial undertaking. We are further reporting the KPI for asset managers as it most appropriately reflects our underlying business model.

Article 10 Delegated Regulation provides a phasing-in of the disclosure requirements. From 1 January 2022 until 31 December 2023, financial undertakings were only required to disclose their exposure to Taxonomy-eligible and non-eligible investments, central governments, central banks and supranational issuers, derivatives and undertakings that are not obliged to publish information pursuant to the Non-Financial Reporting Directive (NFRD) – hereafter referred to as “Non-NFRD Undertakings” – in relation to their total assets. We reported accordingly in our 2022 Annual Report.

From 1 January 2024 financial undertakings must disclose their Taxonomy KPI as specified in the relevant applicable Annexes to the Delegated Regulation, including certain accompanying information. Consequently, in this Annual Report we disclose the information to be reported by asset managers as specified in Annex III in the template format set out in Annex IV about the Taxonomy-alignment, Taxonomy-eligibility and Taxonomy-non-eligibility of our

investments as well as the qualitative disclosures according to Annex XI Delegated Regulation.

As of 1 January 2023, financial undertakings and non-financial undertakings also must disclose information on their exposure to certain nuclear and fossil gas related activities covered by the Taxonomy Regulation in accordance with Annex XII Delegated Regulation. However, the calculation of KPI is subject to the availability of sufficient reported data for our investments. Due to the limited availability of relevant data at the date of publication of this Annual Report, we report each nuclear and fossil gas activity listed in template 1 of Annex XII Delegated Regulation with “yes”, as we cannot rule out exposure to such activities. However, we have not included the information on Taxonomy-alignment, Taxonomy-eligibility, and Taxonomy-non-eligibility of our investments in the nuclear and fossil gas activities covered by the Taxonomy Regulation as per Annex XII Delegated Regulation in this Annual Report.

On 21 November 2023 the Delegated Regulation (EU) 2023/2486 containing technical screening criteria for the four non-climate objectives of the Taxonomy Regulation was published. These four objectives are: (1) sustainable use and protection of water and marine resources, (2) transition to a circular economy, (3) pollution prevention and control and (4) the protection and restoration of biodiversity and ecosystems. This Delegated Regulation (EU) 2023/2486 applies from 1 January 2024.

The Delegated Regulation (EU) 2023/2485 which was also published on 21 November 2023, establishes additional technical screening criteria for supplementary economic activities contributing to the two climate objectives of the Taxonomy Regulation (climate change mitigation and climate change adaptation). The additional technical screening criteria concern economic activities in the transportation sector as well as desalination and services for preventing and responding to climate-related disasters and emergencies. This Delegated Regulation (EU) 2023/2485 also generally applies from 1 January 2024.

The continuous development of the Taxonomy Regulation is reflected in the disclosure requirements for entities in scope of Article 8 Taxonomy Reporting, albeit allowing a phased-in disclosure. Acknowledging the need to obtain relevant data from investees, financial undertakings from 1 January 2024 until 31 December 2025 are only required to disclose the proportion in their covered assets of exposure to Taxonomy-eligible and non-eligible economic activities pursuant to the Delegated Regulation (EU) 2023/2486 and the new

economic activities covered by the Delegated Regulation (EU) 2023/2485. We intend in the future to comply with these additional disclosure requirements.

However, due to unavailability of relevant data at the time of publication of this Annual Report, we were not able to disclose Taxonomy-eligibility and Taxonomy-non-eligibility of our investments relating to the four non-climate objectives of the Taxonomy Regulation.

Further, we report as not applicable (“N/A”) the breakdown of the numerator of our key performance indicator relating to the four non-climate objectives of the Taxonomy Regulation to be disclosed according to Annex IV Delegated Regulation because we do not have to report Taxonomy-alignment pursuant to Article 10 (7) Delegated Regulation in this Annual Report.

Due to the lack of clarity on whether relevant data at the time of publication of this Annual Report includes data on the additional economic activities under the Delegated Regulation (EU) 2023/2485, we cannot confirm whether the disclosure of Taxonomy-eligibility and Taxonomy-non-eligibility of our investments includes such additional economic activities.

On 21 December 2023, the European Commission published a Draft Commission Notice addressed to financial undertakings aiming to provide further guidance about the reporting of their KPI under Article 8 Taxonomy Regulation (“Commission Notice”). The Commission Notice has been approved in principle but has not formally been adopted. To the extent we have been able to evaluate the Commission Notice in the limited time available, we have nevertheless sought to comply with it in respect to our Article 8 Taxonomy Regulation disclosure in this Annual Report. We will complete our analysis in due course for the purposes of future disclosures.

Our KPI

The weighted average value of all the investments that are directed at funding, or are associated with taxonomy-aligned economic activities relative to the value of total assets covered by the KPI, with following weights for investments in undertakings per below: ¹		The weighted average value of all the investments that are directed at funding, or are associated with taxonomy-aligned economic activities, with following weights for investments in undertakings per below: ¹	
Turnover-based in %	0.8	Turnover-based in € m.	6,201
CapEx-based in %	1.6	CapEx-based in € m.	12,057
The percentage of assets covered by the KPI relative to total investments (total AuM). Excluding investments in sovereign entities: ^{1,2}		The monetary value of assets covered by the KPI. Excluding investments in sovereign entities. ¹	
Coverage ratio in %	85.0	Coverage in € m.	734,382

¹ Based on actuals and the Group’s AuM as defined for the purpose of Article 8 Taxonomy Regulation disclosure. Excluding investments in central governments, central banks and supranational issuers.

² Based on actuals and the Group’s AuM as defined for the purpose of Article 8 Taxonomy Regulation disclosure.

Qualitative Disclosures

The KPI reporting for financial undertakings is to be accompanied by the qualitative disclosure provisions contained in Annex XI of the Delegated Regulation to support the financial undertakings’ explanations and markets’ understanding of the reported KPI.

Contextual Information in Support of the Quantitative Indicators, on the Scope of Assets, Data Sources and Limitations

We display our KPI without providing the complementary information to be provided according to Annex IV Delegated Regulation in this management summary. We provide the KPI as well as the complementary information according to Annex IV Delegated Regulation in the ‘Supplementary Information – Full Disclosures in Accordance with Article 8 Taxonomy Regulation and Delegated Regulation (EU) 2021/2178’.

The definition of assets under management we apply for the purpose of determining the Taxonomy-eligibility and Taxonomy-alignment of our investments deviates from the definition of AuM as otherwise stated in the ‘Our Performance Indicators – Our Financial Performance’. For our Article 8 Taxonomy Reporting we follow the guidance from the European Commission in the Commission staff document Frequently Asked Questions (FAQs) on “What is the EU Taxonomy Article 8 delegated act and how will it work in practice”. Accordingly, the value of all covered assets under management used for reporting the proportion of Taxonomy–alignment, Taxonomy-eligibility and Taxonomy-non-eligibility encompasses the value of all

assets under management from our collective and individual portfolio management activities without investments in central governments, central banks and supranational issuers. For the avoidance of doubt, references to “Group AuM” in this section are to AuM of DWS Group calculated in accordance with the foregoing FAQ.

Further, we have not used estimates for assessing Taxonomy-alignment of our investments.

We used data from external data service providers for our Article 8 Taxonomy Regulation reporting. For our Illiquid businesses, data sources used include internal sources and external counterparties such as investee companies and fund managers.

Further, based on guidance entitled “Frequently asked questions: How should financial and non-financial undertakings report taxonomy-eligible economic activities and assets in accordance with the Taxonomy Regulation Article 8 Disclosures Delegated Act?” by the European Commission on 31 January 2022, we applied a look-through approach to the majority of our fund holdings, to the extent relevant data was available, to improve our reporting.

ESG data on all of our directly managed Real Estate assets is incorporated in a third-party ESG data management platform (Measurabl). Taxonomy-alignment for Real Estate assets is to be assessed applying the technical screening criteria of the Delegated Regulation (EU) 2021/2139.

Real Estate assets outside of the EU, with the exception of those which have a UK Energy Performance Certificate, are not subject to the EU Energy Performance Certificates regime nor the EU Energy Performance of Buildings Directive, which are required for technical screening for the environmental objective “Climate Change Mitigation” of the Taxonomy Regulation. At present, there is no established and widely recognised international method available to translate various global non-EU energy performance assessment schemes into EU Energy Performance Certificates. Therefore, we believe it is currently not possible to accurately assess climate mitigation performance of non-EU/non-UK Real Estate assets.

We applied the substantial contribution technical screening criteria for Climate Change Mitigation according to the Delegated Regulation (EU) 2021/2139 to our directly managed Real Estate assets located in the EU and the UK. The result of this analysis was that only an immaterial percentage fulfilled those criteria in 2023.

For all of our directly managed Real Estate assets we could not completely assess Taxonomy-alignment according to the technical screening criteria of Delegated Regulation (EU)

2021/2139 with the environmental objective of Climate Change Adaptation of the Taxonomy Regulation because we believe it is at present not possible to accurately assess climate change adaptation due to inadequate methodology, capacity and verification systems

As a consequence, the weighted average value of all investments that are directed at funding, or are associated with taxonomy-aligned economic activities used for calculating our KPI does not include the value of our directly managed Real Estate assets.

ESG data on all our indirectly managed Real Estate assets is not available in Measurabl, because we do not have sufficient access to these assets at this point in time. Therefore, due to lack of data availability, it is not possible to assess Taxonomy-alignment for these assets. Indirectly managed assets are assets the value of which is included in our collective and/or individual portfolio management activities as we are ultimately responsible for their management, but which are directly managed by a third party.

All data have limitations which include the reliance on external valuation methodology, data availability and data quality such as completeness and correctness that can result in over- or understating of the KPI. The information is provided as of 31 December 2023.

Compliance of our Business Strategy, Product Design Processes and Engagement with Clients and Counterparties

Notwithstanding the many challenges in obtaining reliable data for the economic activities covered by the Taxonomy Regulation, we will continue to seek to comply with it in relation to our business strategy, product design processes and engagement with clients and counterparties.

We also aim to make further use of data reported in accordance with the Taxonomy Regulation in our research activities as well as in proxy voting and engagement, where such data are available and reliable.

Information pursuant to Sections 289a and 315a of the German Commercial Code and Explanatory Report

Structure of the Share Capital including Authorized and Conditional Capital

For information regarding DWS Group's share capital please refer to note '18 – Equity' to the 'Consolidated Financial Statements'.

Restriction on Voting Rights or the Transfer of Shares

Under Section 136 of the German Stock Corporation Act (AktG) the voting right of the affected shares is excluded by law. As far as DWS KGaA held own shares as of 31 December 2023 in its portfolio according to Section 71b of the German Stock Corporation Act (AktG) no rights could be exercised.

Pursuant to Section 285 (1) Sentence 2 of the German Stock Corporation Act (AktG), the shareholder of the General Partner, DB Beteiligungs-Holding GmbH, is not entitled to vote its shares in certain situations, for example, for the election or removal of the Supervisory Board members, the ratification of acts of management, the appointment of the auditor and the appointment of a special auditor.

We are not aware of any other restrictions on voting rights or the transfer of shares.

Shareholdings which Exceed 10% of the Voting Rights

The German Securities Trading Act (Wertpapierhandelsgesetz) requires that any investor whose share of voting rights reaches, exceeds or falls below certain thresholds as the result of purchases, disposals or otherwise, must notify us and the German Federal Financial Supervisory Authority thereof. The lowest threshold is 3%.

DWS KGaA has its registered seat in Frankfurt am Main, Germany and its business address is Mainzer Landstrasse 11-17, 60329 Frankfurt am Main. DWS KGaA is registered with the commercial register of the local court of Frankfurt am Main, Germany, under HRB 111128. The company is a partnership limited by shares incorporated in Germany and governed by German law.

DB Beteiligungs-Holding GmbH, which has its registered seat in Frankfurt am Main, Germany, and is registered with the commercial register of the local court of Frankfurt am Main,

Germany, under HRB 87504, is the largest shareholder of DWS KGaA. As per 20 April 2018, DB Beteiligungs-Holding GmbH held 158,981,872 units or a 79.49% share in DWS KGaA. We are not aware of any changes as of 31 December 2023.

DB Beteiligungs-Holding GmbH is a wholly-owned subsidiary of Deutsche Bank AG, which has its registered seat in Frankfurt am Main, Germany and is registered with the commercial register of the local court of Frankfurt am Main, Germany, under HRB 30000. Deutsche Bank AG is the ultimate beneficial owner of those units held by DB Beteiligungs-Holding GmbH.

The remaining shares are held by investors outside of Deutsche Bank Group.

DWS KGaA is not aware of any other shareholder holding directly or indirectly more than 10% or more of the voting rights.

Shares with Special Control Rights

Shares which confer special control rights have not been issued.

Rules Governing the Appointment and Replacement of the Managing Directors of the General Partner (Executive Board)

Pursuant to the Articles of Association of DWS KGaA (Section 7) the management of DWS KGaA is the sole responsibility of the General Partner, DWS Management GmbH. Pursuant to Section 6 (1) and (2) of the Articles of Association of the General Partner, the General Partner shall have at least two Managing Directors (Geschäftsführer) who are appointed and dismissed by resolution of the shareholders' meeting of DWS Management GmbH. The Managing Directors manage the business activities of DWS Management GmbH and – with regard to the position of DWS Management GmbH as the General Partner of DWS KGaA – the business activities of DWS KGaA. For ease of reference, the Managing Directors are collectively referred to as the "Executive Board". They are also responsible for representing DWS Management GmbH as well as DWS KGaA vis-à-vis third parties. Decisions taken by the Executive Board are in accordance with the law, the Articles of Association of DWS KGaA and the General Partner, the Terms of Reference of the Executive Board and, subject to the statutory and regulatory restrictions, instructions from the shareholders' meeting of the General Partner. For certain material decisions in relation to the business of DWS KGaA the General Partner also requires approval from the Joint Committee (see section 'Corporate Governance Statement – Corporate Bodies'). The Executive Board has a Chairperson (Chief Executive Officer), who is appointed by the shareholders' meeting of the General Partner pursuant to the Terms of Reference for the Executive Board.

Pursuant to the German Investment Firm Act evidence must be provided to the German Federal Financial Supervisory Authority (BaFin) and to the Deutsche Bundesbank that any member of the Executive Board is reliable and has adequate professional suitability and sufficient time availability to exercise the respective task before the member is appointed (Section 67 (2) number 1 of the Securities Institutions Act).

Pursuant to Section 62 (2) of the Securities Institutions Act, BaFin can demand that members of the Executive Board are dismissed and prohibit them from carrying out their activities if such members are not reliable or do not have the professional suitability to manage the company or do not commit sufficient time to the performance of their functions. In addition, BaFin can require the dismissal of members of the Executive Board and prohibit them from carrying out their activities if such members have intentionally or recklessly contravened the provisions of the Securities Institutions Act, the regulations issued to support its implementation or orders issued by BaFin, and if they persist in such behaviour despite having been duly cautioned by BaFin.

Rules Governing the Amendment of the Articles of Association

Any amendment of the Articles of Association of DWS KGaA requires a resolution of the General Meeting of the company pursuant to Section 179 of the German Stock Corporation Act (AktG). Pursuant to the Articles of Association of DWS KGaA, the resolutions of the General Meeting are taken by a simple majority of votes and, in so far as a majority of capital stock is required, by a simple majority of capital stock, except where law or the Articles of Association determine otherwise (Section 25 (1)). Resolutions passed in the General Meeting require the approval of the General Partner where they involve matters which, in the case of a limited partnership, require the authorization of the personally liable partners. This includes resolutions on the amendment of the Articles of Association. To the extent that the resolutions of the General Meeting are subject to the consent of the General Partner, the General Partner shall declare at the General Meeting whether consent to the resolutions will be given or will be refused (Section 25 (3)). The authority to amend the Articles of Association in so far as such amendments merely relate to the wording has been assigned to the Supervisory Board (Section 25 (4)).

Amendments to the Articles of Association become effective upon their entry in the Commercial Register pursuant to Section 181 (3) of the German Stock Corporation Act (AktG).

Powers of the General Partner to Issue or Buy Back Shares

On 9 June 2022 the General Meeting of DWS KGaA approved the creation of two authorized capitals in the total amount of € 80 million:

The General Partner is authorized to increase the share capital of the company on or before 8 June 2025 once or more than once, by up to a total of € 20 million – through the issuance of new shares against cash payment or contribution in kind (“Authorized Capital 2022/I”). Shareholders are to be granted pre-emptive rights, but the General Partner is authorized to except broken amounts from shareholders’ pre-emptive rights. The General Partner is also authorized to exclude pre-emptive rights if the capital increase against contribution in kind is carried out in order to acquire companies or shareholdings in companies. Finally, the General Partner is authorized to exclude the pre-emptive rights if the issue price of the new shares is not significantly lower than the quoted price of the shares already listed at the time of the final determination of the issue price and the total shares issued since the authorization in accordance with Section 186 (3) Sentence 4 of the German Stock Corporation Act (AktG) do not exceed 10% of the share capital at the time the authorization becomes effective – or if the value is lower – at the time the authorization is utilized. Decisions of the General Partner to utilize the Authorized Capital 2022/I and to exclude pre-emptive rights require the approval of the Supervisory Board. The new shares may also be taken up by banks specified by the General Partner with the obligation to offer them to shareholders (indirect pre-emptive right). Further details are governed by Section 4 of the Articles of Association.

The General Partner is authorized to increase the share capital of the company on or before 8 June 2025 once or more than once, by up to a total of € 60 million through the issuance of new shares against cash payment (“Authorized Capital 2022/II”). Shareholders are to be granted pre-emptive rights, but the General Partner is authorized to except broken amounts from shareholders’ pre-emptive rights. Decisions of the General Partner to utilize the Authorized Capital 2022/II and to exclude pre-emptive rights require the approval of the Supervisory Board. The new shares may also be taken up by certain banks specified by the General Partner with the obligation to offer them to the shareholders (indirect pre-emptive right). Further details are governed by Section 4 of the Articles of Association.

By resolution of the Annual General Meeting of 5 June 2019 the General Partner is authorized to purchase, on or before 31 May 2024, its own shares in a total volume of up to 5% of the share capital at the time the resolution is taken or – if the value is lower – of the share capital at the time this authorization is exercised. Together with its own shares acquired for other reasons and which are from time to time in the company’s possession or attributable to the company pursuant to Section 71a et. seq. of the German Stock Corporation Act (AktG), the own shares purchased on the basis of this authorization may not at any time exceed 10% of the company’s respectively applicable share capital. The own shares may be bought through the stock exchange or by means of a public purchase offer to all shareholders. The authorization provides for certain thresholds by defining a minimum and maximum consideration for the acquisition of a treasury share. The countervalue for the purchase of shares (excluding ancillary purchase costs) through the stock exchange may not be more than

10% higher or lower than the average of the share prices (closing auction prices of the DWS share in Xetra trading and/or in a comparable successor system on the Frankfurt Stock Exchange) on the last three stock exchange trading days before the obligation to purchase. In the case of a public purchase offer, it may not be more than 20% higher or lower than the average of the share prices (closing auction prices of the DWS share in Xetra trading and/or in a comparable successor system on the Frankfurt Stock Exchange) on the last three stock exchange trading days before the day of publication of the offer. If the volume of shares offered in a public purchase offer exceeds the planned buyback volume, acceptance must be in proportion to the shares offered in each case. The preferred acceptance of small quantities of up to 100 of the company's shares offered for purchase per shareholder may be provided for.

In addition, the General Partner is authorized to dispose of the purchased shares on the stock exchange or by an offer to all shareholders. The General Partner is also authorized to use shares purchased on the basis of authorizations pursuant to Section 71 (1) number 8 of the German Stock Corporation Act (AktG) to issue staff shares to employees and retired employees of DWS Group or to use them to service option rights on shares of DWS and/or rights or duties to purchase shares of DWS granted to employees or members of executive or non-executive management bodies of DWS Group.

Furthermore, the General Partner is authorized, with the exclusion of shareholders' pre-emptive rights, to sell such own shares to third parties against cash payment if the purchase price is not substantially lower than the price of the shares on the stock exchange at the time of sale. The General Partner may only use this authorization if it has been ensured that the number of shares sold on the basis of this authorization does not exceed 10% of the company's share capital at the time this authorization becomes effective or – if the amount is lower – at the time this authorization is exercised. Shares that are issued or sold during the validity of this authorization with the exclusion of pre-emptive rights, in direct or analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG), are to be included in the maximum limit of 10% of the share capital. Also to be included are shares that are to be issued to service option and/or conversion rights from convertible bonds, bonds with warrants, convertible participatory rights or participatory rights, if these bonds or participatory rights are issued during the validity of this authorization with the exclusion of pre-emptive rights in corresponding application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG).

Finally, the General Partner is also authorized to cancel shares acquired on the basis of the described authorizations or a preceding authorization without the execution of this cancellation process requiring a further resolution by the General Meeting.

By resolution of the Annual General Meeting of 5 June 2019 the General Partner is authorized pursuant to Section 71 (1) number 8 of the German Stock Corporation Act (AktG) to execute the purchase of shares under the resolved authorization also with the use of derivatives. The purchase of shares may be executed, apart from in the ways described above with the use of put and call options or forward purchase contracts. DWS KGaA may sell to third parties put options based on physical delivery and buy call options from third parties if it is ensured by the option conditions that these options are fulfilled only with shares which themselves were acquired subject to compliance with the principle of equal treatment. All share purchases based on put or call options are limited to shares in a maximum volume of 5% of the actual share capital at the time of the resolution by the General Meeting on this authorization. The term of the options must be selected such that the share purchase upon exercising the option is carried out at the latest on 31 May 2024.

The authorization provides for certain thresholds for such transactions. The purchase price to be paid per share upon exercise of the put options or upon the maturity of the forward purchase may not exceed by more than 10% or fall below 10% of the average of the share prices (closing auction prices of the DWS share in Xetra trading and/or in a comparable successor system on the Frankfurt Stock Exchange) on the last three stock exchange trading days before conclusion of the respective transaction in each case excluding ancillary purchase costs but taking into account the option premium received. The call options may only be exercised if the purchase price to be paid does not exceed by more than 10% or fall below 10% of the average of the share prices (closing auction prices of the DWS share in Xetra trading and/or in a comparable successor system on the Frankfurt Stock Exchange) on the last three stock exchange trading days before the acquisition of the shares.

The authorized capitals and the authorization to purchase and sell own shares have not been utilized so far.

Significant Agreements which Take Effect, Alter or Terminate upon a Change of Control of the Company Following a Takeover Bid

Significant agreements which take effect, alter or terminate upon a change of control of the company following a takeover bid have not been entered into.

Agreements for Compensation in Case of a Takeover Bid

If a member of the Executive Board leaves the Group within the scope of a change of control, she or he is not entitled to any specific one-off compensation payment. For information on the compensation system, please refer to the 'Compensation Report – Executive Board Compensation'.

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Consolidated Financial Statements

Consolidated Statement of Income

in € m.	Notes	2023	2022
Management fees income		3,563	3,719
Management fees expense		1,248	1,263
Net management fees	6	2,315	2,456
Performance and transaction fee income		132	134
Performance and transaction fee expense		4	8
Net performance and transaction fees	6	128	125
Net commissions and fees from asset management	6	2,443	2,582
Interest and similar income ¹		117	39
Interest expense		14	18
Net interest income		103	21
Net gains (losses) on financial assets/liabilities at fair value through profit or loss ²		113	(185)
Net income (loss) from equity method investments	11	42	66
Provision for credit losses		0	(1)
Other income (loss) ²		(88)	228
Total net interest and non-interest income		2,614	2,712
Compensation and benefits	19	865	846
General and administrative expenses	7, 14	972	933
Impairment of goodwill and impairment/(impairment reversal) of other intangible assets	12	0	68
Total non-interest expenses		1,837	1,847
Profit (loss) before tax		777	866
Income tax expense	20	224	271
Net income (loss)		553	595
Attributable to:			
Non-controlling interests		2	1
DWS shareholders		552	594

¹ Interest and similar income includes € 95 million for 2023 and € 21 million for 2022, calculated based on effective interest method.

² Net gains (losses) on financial assets/liabilities at fair value through profit or loss is mainly attributable to trading assets held by guaranteed funds of € 111 million for 2023 (€ 186 million for 2022). This is offset by income (loss) from liabilities held by guaranteed funds of € (111) million for 2023 (€ 186 million for 2022) shown in other income. DWS Group has no shares in these funds. Other income includes a sales gain of € 30 million for 2022 from the transfer of the digital investment portfolio.

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Consolidated Statement of Comprehensive Income

in € m.	2023	2022
Net income (loss) recognised in the income statement	553	595
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Remeasurement gains (losses) related to defined benefit plans, before tax	(7)	58
Income tax expense (benefit) related to items that will not be reclassified to profit or loss	(2)	19
Items that are or may be reclassified to profit or loss:		
Financial assets mandatory at fair value through other comprehensive income		
Unrealized net gains (losses) arising during the period, before tax	3	(73)
Equity method investments		
Net gains (losses) arising during the period	0	0
Foreign currency translation		
Unrealized net gains(losses) arising during the period, before tax	(140)	195
Realized net gains (losses) arising during the period (reclassified to profit or loss), before tax	0	0
Income tax expense (benefit) related to items that are or may be reclassified to profit or loss	1	(23)
Total other comprehensive income (loss), net of tax	(143)	185
Total comprehensive income (loss), net of tax	410	780
Attributable to:		
Non-controlling interests	2	1
DWS shareholders	409	779

Earnings per Common Share

	Notes	2023	2022
Earnings per common share:			
Basic	8	€ 2.76	€ 2.97
Diluted	8	€ 2.76	€ 2.97
Number of common shares (in million)	18	200	200

Consolidated Balance Sheet

in € m.	Notes	31 Dec 2023	31 Dec 2022	in € m.	Notes	31 Dec 2023	31 Dec 2022
ASSETS				LIABILITIES AND EQUITY			
Cash and bank balances	9	1,414	1,979	Financial liabilities at fair value through profit or loss:	9		
Financial assets at fair value through profit or loss:	9			Trading liabilities		31	38
Trading assets		1,661	1,346	Negative market values from derivative financial instruments		118	127
Positive market values from derivative financial instruments		30	21	Investment contract liabilities designated at fair value through profit or loss		484	469
Non-trading financial assets mandatory at fair value through profit or loss		2,693	2,122	Total financial liabilities at fair value through profit or loss	9	633	634
Investment contract assets mandatory at fair value through profit or loss		484	469	Other short-term borrowings	9	8	21
Total financial assets at fair value through profit or loss	9	4,868	3,959	Lease liabilities	14	152	139
Financial assets at fair value through other comprehensive income	9	82	80	Other liabilities	9, 15	2,800	2,500
Equity method investments	11	420	415	Provisions	16	50	36
Loans at amortized cost	9	4	6	Liabilities for current tax	20	21	40
Property and equipment	13	24	23	Deferred tax liabilities	20	202	213
Right-of-use assets	14	135	121	Long-term debt	9	0	0
Goodwill and other intangible assets	12	3,694	3,749	Total liabilities		3,866	3,584
Other assets	9, 15	839	877	Common shares, no par value, nominal value of € 1.00	18	200	200
Assets for current tax	20	108	71	Additional paid-in capital		3,440	3,447
Deferred tax assets	20	95	131	Retained earnings		3,857	3,720
				Accumulated other comprehensive income (loss), net of tax		293	432
				Total shareholders' equity		7,791	7,799
				Non-controlling interests		26	29
				Total equity		7,817	7,828
Total assets		11,683	11,412	Total liabilities and equity		11,683	11,412

Consolidated Changes in Equity

in € m.	Shareholders' equity							Non-controlling interest	Total equity	
	Common Stock	Additional paid in capital	Retained earnings	Accumulated other comprehensive income, net of tax			Total			
				Unrealized net gains (losses)		Foreign currency translation, net of tax				
				On financial assets mandatory at fair value through other comprehensive income, net of tax	From equity method investments					
							Total	Total		
Balance as of 1 January 2022	200	3,448	3,487	(28)	19	295	286	7,421	24	7,445
Total comprehensive income (loss), net of tax	0	0	594	(50)	0	195	145	740	0	740
Remeasurement gains (losses) related to defined benefit plans, net of tax	0	0	39	0	0	0	0	39	0	40
Cash dividends paid	0	0	400	0	0	0	0	400	0	400
Net change in share awards in the reporting period, net of tax	0	(2)	0	0	0	0	0	(2)	0	(2)
Other	0	0	0	0	0	0	0	0	4	5
Balance as of 31 December 2022	200	3,447	3,720	(78)	19	491	432	7,799	29	7,828
Balance as of 1 January 2023	200	3,447	3,720	(78)	19	491	432	7,799	29	7,828
Total comprehensive income (loss), net of tax	0	0	552	2	0	(140)	(138)	414	2	415
Remeasurement gains (losses) related to defined benefit plans, net of tax	0	0	(5)	0	0	0	0	(5)	0	(5)
Cash dividends paid	0	0	410	0	0	0	0	410	0	410
Net change in share awards in the reporting period, net of tax	0	(7)	0	0	0	0	0	(7)	0	(7)
Other	0	0	0	0	0	0	0	0	(4)	(4)
Balance as of 31 December 2023	200	3,440	3,857	(76)	19	351	293	7,791	26	7,817

Consolidated Statement of Cash Flows

in € m.	2023	2022
Cash flows from operating activities:		
Net income (loss)	553	595
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Restructuring activities	0	0
(Gain) loss on sale of financial assets from investing activity	(2)	(1)
Deferred taxes, net	25	1
Impairment, depreciation, other amortization and (accretion)	42	123
Share of net loss (income) from equity method investments	(42)	(66)
Other non-cash movements	(39)	54
Income (loss) adjusted for non-cash charges, credits and other items	537	708
Adjustments for net change in operating assets and liabilities:		
Interest-earning time deposits with banks	38	(48)
Other assets	5	210
Investment contract liabilities designated at fair value through profit or loss	15	(93)
Other liabilities	290	(386)
Trading assets and liabilities, positive and negative market values from derivative financial instruments, net ¹	(340)	141
Other, net	(17)	(10)
Net cash provided by (used in) operating activities	528	522
Thereof: Net cash provided by (used in) operating activities of guaranteed funds	(14)	(5)
Cash flows from investing activities:		
Proceeds from sale and maturities of:		
Non-trading financial assets mandatory at fair value through profit or loss ²	3,428	1,869
Equity method investments	0	0
Property and equipment	0	1
Disposals of intangible assets	0	0
Purchase of:		
Non-trading financial assets mandatory at fair value through profit or loss ³	(3,990)	(2,164)
Equity method investments	0	(49)
Property and equipment	(7)	(1)
Additional intangible assets	(67)	(39)
Dividends received from equity method investments	28	45
Loans at amortized cost made to other parties	(2)	(1)
Net cash provided by (used in) investing activities	(609)	(340)

in € m.	2023	2022
Cash flows from financing activities:		
Cash dividends paid to DWS shareholders	(410)	(400)
Other borrowings	0	0
Repayment of other borrowings	(14)	(53)
Repayment of lease liabilities (principal)	(21)	(19)
Net change in non-controlling interests	(2)	5
Net cash provided by (used in) financing activities	(447)	(468)
Net effect of exchange rate changes on cash and cash equivalents	(1)	26
Net increase (decrease) in cash and cash equivalents	(529)	(259)
Cash and cash equivalents at beginning of period	1,795	2,055
Net increase (decrease) in cash and cash equivalents	(529)	(259)
Cash and cash equivalents at end of period	1,266	1,795

¹ Comprises mainly of trading assets held by consolidated guaranteed funds that are offset by payables to clients held by guaranteed funds and presented in other liabilities.

² The inflows result mainly from maturities and disposals of government and corporate bonds.

³ The outflows result mainly from investments in government and corporate bonds.

Supplemental cash flow information

in € m.	2023	2022
Net cash provided by (used in) operating activities includes:		
Income taxes paid (received), net	253	348
Interest paid	14	18
Interest received	97	20
Dividends received	17	8
Cash and bank balances:		
Cash	0	0
Bank balances on demand	1,266	1,795
Total cash and cash equivalents	1,266	1,795
Time deposits	147	183
Total cash and bank balances	1,414	1,979

Notes to the Consolidated Financial Statements

01 – Basis of Preparation

The accompanying consolidated financial statements present the operations of DWS Group GmbH & Co. KGaA (DWS KGaA) with its business address at Mainzer Landstrasse 11-17, 60329 Frankfurt am Main, and its consolidated subsidiaries presented as a single economic unit (collectively the Group).

The Group as asset manager offers individuals and institutions access to the Group's investment capabilities across all major liquid and illiquid asset classes.

DWS KGaA is registered with the commercial register of the local court of Frankfurt am Main, Germany, under HRB 111128. The company is a partnership limited by shares incorporated in Germany and governed by German law.

DB Beteiligungs-Holding GmbH, has its registered seat in Frankfurt am Main, Germany, is registered with the commercial register of the local court of Frankfurt am Main, Germany, under HRB 87504 and is the parent company of DWS KGaA holding a 79.49% share of DWS KGaA. The remaining shares are held by external investors. The ultimate parent company of DWS KGaA is Deutsche Bank AG, headquartered in Frankfurt am Main, Germany, registered with the commercial register of the local court of Frankfurt am Main, Germany, under HRB 30000. The consolidated financial statements of Deutsche Bank AG in accordance with IFRS can be viewed on the Investor Relations website of Deutsche Bank AG (<https://www.db.com/ir>).

The accompanying consolidated financial statements have been prepared in accordance with IFRS as issued by the IASB and endorsed by the EU and in compliance with Section 315a/315e German Commercial Code. The Group's application of IFRS results in no differences between IFRS as issued by the IASB and endorsed by the EU.

The Executive Board has a reasonable expectation that DWS KGaA and the Group have adequate resources to continue in operating existence for the foreseeable future. Accordingly, the Group's annual consolidated financial statements have been prepared on a going concern basis.

The consolidated financial statements have been prepared as at the end of our reporting period, 31 December 2023 and comprise the period from 1 January 2023 to 31 December 2023. The individual financial statements of the companies included in the consolidation are drawn up on 31 December 2023, the same accounting date, as that of DWS Group GmbH & Co. KGaA. They have been prepared using uniform accounting policies. Please refer to note '02 – Significant Accounting Policies and Critical Accounting Estimates' for additional information.

The consolidated financial statements are stated in euro, the presentation currency of the Group except when otherwise indicated and are rounded to the nearest million. Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures. "N/A" is read as not applicable.

The Group's consolidated balance sheet is not presented using a current/non-current classification. The following balances are generally considered to be current: cash and bank balances, financial assets at fair value through profit and loss, other financial assets, assets for current taxes, financial liabilities at fair value through profit and loss, other short-term liabilities, other financial liabilities, provisions, and liabilities for current taxes. The following balances are generally considered to be non-current: equity method investments, goodwill and other intangible assets, deferred tax assets, long-term debt and deferred tax liabilities. All other balances are mixed in nature (including both current and non-current portions).

Disclosures about the management of risks arising from financial instruments as required by IFRS 7 "Financial Instruments: disclosures" are set forth in the 'Risk Report' of the 'Summarised Management Report' and are an integrated part of the consolidated financial statements. These audited disclosures are marked with a reference to IFRS 7/IAS 1 within the 'Risk Report'.

On 7 March 2024, the Executive Board prepared the consolidated financial statements, submitted them to the Supervisory Board for review and approval and released them for publication.

02 – Significant Accounting Policies and Critical Accounting Estimates

Accounting Policies

Consolidation Principles

In accordance with IFRS 10 “Consolidated Financial Statements”, the Group’s consolidated financial statements include the financial statements of DWS KGaA and its subsidiaries including certain structured entities.

Subsidiaries are those entities which DWS KGaA directly or indirectly controls. Control over an entity is evidenced by the Group’s ability to exercise its power in order to affect any variable returns that the Group is exposed to through its involvement with the entity.

When assessing whether to consolidate an entity, the Group evaluates a range of control factors, namely:

- the purpose and design of the entity,
- the relevant activities and how these are determined,
- whether the Group’s rights result in the ability to direct the relevant activities,
- whether the Group has exposure or rights to variable returns,
- whether the Group has the ability to use its power to affect the amount of its returns.

Where voting rights are relevant, the Group is deemed to have control where it holds, directly or indirectly, more than half of the voting rights over an entity unless there is evidence that another investor has the practical ability to unilaterally direct the relevant activities. Potential voting rights that are deemed to be substantive are also considered when assessing control.

Likewise, the Group also assesses existence of control where it does not control the majority of the voting power but has the practical ability to unilaterally direct the relevant activities or its exposure to the variability of returns is different from that of other investors. This may arise in circumstances where the size and dispersion of holdings of the shareholders give the Group the power to direct the activities of the investee. Issuance of a subsidiary’s stock to third parties are treated as non-controlling interests. Profit or loss attributable to non-controlling interests are reported separately in the Consolidated Statement of Income and Consolidated Statement of Comprehensive Income.

At the date that control of a subsidiary is lost, the Group

- a) derecognizes the assets (including attributable goodwill) and liabilities of the subsidiary at their carrying amounts.
- b) derecognizes the carrying amount of any non-controlling interests in the former subsidiary.
- c) recognizes the fair value of the consideration received and any distribution of the shares of the subsidiary.
- d) recognizes any investment retained in the former subsidiary at its fair value and
- e) recognizes any resulting difference of the above items as a gain or loss in the income statement

Any amounts recognized in prior periods in other comprehensive income in relation to that subsidiary would be reclassified to the Consolidated Statement of Income or transferred directly to retained earnings if required by other IFRS.

Newly acquired subsidiaries are consolidated using the acquisition method. This method requires all of a subsidiary’s and consolidated structured entity’s assets and liabilities to be recognised at fair value at the acquisition date or at the date on which control is acquired. Any difference between the cost and the fair value of the assets and liabilities is recognised as goodwill under intangible assets.

Structured Entities

Structured entities are designed to serve a specific business purpose and voting rights or similar rights are not the dominant factor in deciding who controls the entity. This is the case, for example, when voting rights only relate to administrative tasks and the relevant activities are controlled through contractual agreements.

Structured entities are consolidated when the substance of the relationship between the Group and the structured entities indicates that the structured entities are controlled by the Group and the Group is exercising its power as a principal rather than as an agent. In assessing whether the Group is an agent or a principal, it considers a number of factors, including the scope of its decision-making activities, rights held by other parties and its exposure to variable returns including remuneration.

The Group engages with structured entities mainly in order to carry out its business activities, the management of assets on behalf of its clients. In addition, the group invests in structured entities for liquidity management purposes. A group entity may act as fund manager or some

other capacity and provide funding and liquidity facilities to both group sponsored and third party funds.

The Group holds mainly shares in the following structured entities which are to be consolidated based on the principles described:

- **Guaranteed funds** which provide a partial notional guarantee at a date specified in the respective guaranteed contract are managed by the Group. Although, the Group has no shares in these funds they are consolidated in accordance with IFRS 10 “Consolidated Financial Statements”.
- **Seed investments** are deployed to build marketable track records for new products initiated by the Group and to establish necessary funding for a new fund. Over time, seed investments are withdrawn as clients invest in the funds. Seed investments typically comprise shares of mutual funds, ETFs or equity interests in other types of commingled vehicles. The duration of deployed capital is typically up to three years.
- **Co-investments** are deployed to develop new investment strategies, especially in alternative asset classes, and to ensure an alignment of interest alongside clients with the management.

Since investors can request the redemption of units on each valuation date, provided the Group has not restricted or temporarily suspended the redemption of units, and receive back the market value of their units, the interests of the investors do not qualify as equity and the Group recognizes a liability at amortized cost within other liabilities which reflects the implied fair value based on the assets held as trading assets measured at fair value through profit or loss.

Equity Method

Investments in associates are accounted for under the equity method. An associate is an entity in which the Group has significant influence, but not a controlling interest, over the operating and financial management policy decisions of the entity.

Significant influence is generally presumed when the Group holds between 20% and 50% of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered in assessing whether the Group has significant influence. Among the other factors that are considered in determining whether the Group has significant influence are representation on the board of directors and material intercompany transactions. The existence of these factors could require the application of the equity method of accounting for a particular investment even though the Group's investment is less than 20% of the voting stock.

Under the equity method, the Group's investments in associates are initially recorded at cost including any directly or indirectly held interests in the associate, and subsequently increase or decrease by the Group's share of the post-acquisition net income (or loss) of the associate and changes in the equity of the associate.



Goodwill arising on the acquisition of an associate is included in the carrying value of the investment. As goodwill is not reported separately it is not specifically tested for impairment. Rather, the entire equity method investment is subject to impairment testing quarterly or when there is an indication of a possible impairment.

The Group's share of the results of associates which is presented under Net income (loss) from equity method investments in the Consolidated Statement of Income is adjusted to conform to the accounting policies of the Group. Profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's share.

At the date that the Group ceases to have significant influence over the associate, the Group recognizes a gain or loss on the disposal of the equity method investment equal to the difference between the sum of the fair value of any retained investment and the proceeds from disposing of the associate and the carrying amount of the investment. Amounts recognized in prior periods in other comprehensive income in relation to the associate are accounted for on the same basis as would have been required if the investee had directly disposed of the related assets or liabilities.

Foreign Currency Translation

The consolidated financial statements are presented in euro while various entities in the Group use a different functional currency, being the currency of the primary economic environment in which the entity operates.

An entity records foreign currency revenues, expenses, gains and losses in its functional currency using the exchange rates prevailing at the dates of recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the period end closing rate. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the historical exchange rate at the date of the transaction. Non-monetary items denominated in foreign currencies that are measured at fair value through profit or loss are translated using the rate at the date when the fair value is determined. The resulting translation differences are recognised in the statement of income.

For purposes of translation into the Group's presentation currency, assets and liabilities of foreign operations are translated at the period end closing rate and items of income and expense are translated into euros at the rates prevailing on the dates of the transactions, or average rates of exchange where these approximate actual rates. The exchange differences arising on this translation are included in other comprehensive income.

Commissions and Fees from Asset Management

The Group applies the IFRS 15, "Revenue from Contracts with Customers" five-step revenue recognition model to the recognition of commissions and fee income, under which income must be recognized when control of goods and services is transferred, hence the contractual performance obligations to the customer has been satisfied.

The Group provides asset management services consisting of trust and other fiduciary activities in connection with holding or investing assets on behalf of individuals, trusts, pension plans and others. These services that give rise to the management fee and performance fees constitute a single performance obligation over time and have to be considered together for revenue recognition purposes. The terms and conditions of management fees and performance fees are governed in the asset management agreement. The management and performance fee are variable consideration such that at each reporting date the Group estimates the fee amount to which the entity will be entitled in exchange for transferring the promised services to the customer. The benefits arising from the asset management services are simultaneously received and consumed by the customer over time.

For the management fee component including other recurring fees this is the end of the monthly or quarterly service period. Management fee is primarily dependent on the net asset value of the fund and is charged as a percentage of the net asset value. For the performance and transaction fee this is when based on the contractual provisions any uncertainty from the performance-related nature of the fee component has been fully removed. Performance fees are received primarily for asset management services based on the fund's performance relative to a benchmark/target return or the realized appreciation of the fund's investments. Further components are transaction-related fees that relate to certain contractual provisions, such as for real estate transactions for alternative funds.

Revenue and expenses from the distribution of fund units arise from front-end load fees and distribution fees. The associated revenue and expenses are reported gross as commission and fee income and commission and fee expense respectively.

The gross management fee and performance fee income and expense are disclosed in note '06 – Net Commissions and Fees from Asset Management'.

Financial Assets and Liabilities

Financial assets and liabilities measured at fair value are recognised or derecognised in the consolidated balance sheet on trade date, which is when the Group commits to purchase or sell the asset, or to issue or repurchase the liability. Financial assets and liabilities measured at amortized cost are recognised or derecognised in the consolidated balance sheet on settlement date. At initial recognition, financial assets and liabilities are measured at fair value.

Financial Assets

The Group classifies and measures financial assets in line with IFRS 9 where the classification is based on both the business model used for managing the financial assets and contractual cash flow characteristics of the financial assets.

Business Model

There are three business models defined under IFRS 9:

- **hold to collect:** Financial assets held with the objective to collect contractual cash flows
- **hold to collect and sell:** Financial assets held with the objective of both collecting contractual cash flows and selling financial assets
- **other:** Financial assets that do not meet criteria of either "hold to collect" or "hold to collect and sell"

Financial assets "hold to collect" are subsequently measured at amortized cost based on effective interest method and assessed for impairment based on expected credit loss model.

Financial assets "hold to collect and sell" are subsequently measured at fair value through other comprehensive income. Fair value changes are recognised in other comprehensive income and, upon derecognition, recycled to profit or loss. Impairments based on expected credit loss model and reversals as well as interest income and foreign currency translation effects are recognised in the consolidated statement of income.

"Other" financial assets are measured at fair value through profit or loss. Realized and unrealized gains and losses are included in net gains (losses) on financial assets/liabilities at fair value through profit or loss and interest income and dividends are included in interest and similar income in the consolidated statement of income.

For financial assets "hold to collect" and "hold to collect and sell" an assessment to determine whether contractual cash flows are solely payments of principal and interest (SPPI) on the

principle amount outstanding at initial recognition is performed to determine the classification.

Impairment

IFRS 9 impairment requirements apply to all financial assets measured at amortised cost or at fair value through other comprehensive income.

The determination of impairment loss under IFRS 9 follows an expected credit loss model which is based on a probability-weighted estimate of credit losses at the time of initial recognition.

IFRS 9 states a three stage approach as follows:

- **Stage 1:** The Group recognizes a credit loss allowance at an amount equal to twelve-month expected credit losses for all financial assets in scope. This represents the portion of lifetime expected credit losses from default events that are expected within twelve months of the reporting date, assuming that credit risk has not increased significantly after initial recognition.
- **Stage 2:** The Group recognizes a credit loss allowance at an amount equal to lifetime expected credit loss for those financial assets which are considered to have experienced a significant increase in credit risk since initial recognition. The assessment of significant increase in credit risk is based on measuring changes in counterparty probability of default or if contractual payments are 30 days past due. This requires the computation of ECL based on lifetime probability of default that represents the probability of default occurring over the remaining lifetime of the financial asset. Allowance for credit losses is higher in this stage because of an increase in credit risk and the impact of a longer time horizon being considered compared to twelve months in stage 1.
- **Stage 3:** The Group recognizes a loss allowance at an amount equal to lifetime expected credit losses reflecting a probability of default of 100% via the recoverable cash flows for the asset for those financial assets that are credit-impaired.

Financial Liabilities

Financial liabilities subsequently measured at amortized cost follow the effective interest method.

For financial liabilities subsequently measured at fair value through profit or loss, realized and unrealized gains and losses are included in net gains (losses) on financial assets/liabilities at fair value through profit or loss in the consolidated statement of income. Further, for financial liabilities designated at fair value through profit and loss, the fair value movements

attributable to the Group's own credit component are recognized in other comprehensive income.

Interest on interest paying liabilities are presented in interest expense in the consolidated statement of income.

Determination of Fair Value

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability between independent market participants. Fair value valuation techniques are discussed in note '09 – Financial Instruments'.

Goodwill and Other Intangible Assets

Goodwill arises on the acquisition of subsidiaries and associates and represents the excess of the aggregate of the cost of an acquisition and any non-controlling interests in the acquiree over the fair value of the identifiable net assets acquired at the date of the acquisition.

For the purpose of calculating goodwill, fair values of acquired assets, liabilities and contingent liabilities are determined by reference to market values or by discounting expected future cash flows to present value. This discounting is either performed using market rates or by using risk-free rates and risk-adjusted expected future cash flows. Any non-controlling interests in the acquiree is measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets (this is determined for each business combination).

Goodwill and intangible assets on acquisitions are capitalised on cash-generating unit level. The Group has one cash-generating unit for the purpose of impairment testing of goodwill and intangible assets as the Group is managed as a single business segment on asset management for controlling and reporting purposes.

Goodwill is tested for impairment annually by comparing the recoverable amount of the goodwill with the carrying amount. In addition, the Group tests goodwill if there are indications that impairment may have occurred.

Other intangible assets are recognized separately from goodwill when they are separable or arise from contractual or other legal rights and their fair value can be measured reliably. Intangible assets that have a finite useful life are stated at cost less any accumulated amortization and accumulated impairment losses. Intangible assets that have a finite useful

life are amortized on a straight-line basis based on their expected useful life. These assets are tested for impairment and their useful lives reaffirmed at least annually.

Other intangible assets that have an indefinite useful life are not amortized. Their indefinite useful lives are reaffirmed at least annually and these assets are reviewed for impairment annually or more frequently if there are indications that the carrying value may be impaired.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. These contracts will mainly relate to office buildings and other leases for vehicles.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group applies the short-term lease recognition exemption for short-term leases (i. e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Right-of-Use Assets

As a lessee the Group recognises right-of-use assets at the date the underlying asset is available for use (commencement date). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use assets are also subject to an annual impairment review.

Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the

carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e. g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Employee Benefits

Share-Based Compensation Plans

In DWS Group there are two main categories of share-based compensation plans, which are described below:

DWS Share-Based Plans (Cash-settled)

The Group made grants of share-based compensation under the DWS Equity Plan. This plan represents a contingent right to receive a cash payment by referencing to the value of DWS shares during a specified time period.

In September 2018 and January 2019, one-off IPO related Awards were granted to employees within the Group. Both Awards (DWS Equity Plan and DWS Stock Appreciation Rights Plan) are considered as share-based cash-settled awards.

All employees who are offered DWS Equity Plan Awards are subject to performance condition and forfeiture provision which need to be met for each tranche to be capable of settlement. In case such performance conditions are not met, the tranche will lapse.

Employees who are offered DWS Stock Appreciation Rights Plan awards are also subject to specific performance and forfeiture provisions, as applicable under the plan.

Compensation expense is recorded on a straight-line basis over the period in which employees perform services to which the awards relate to, 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 principal inputs for the fair value of the awards are the market value on reporting date, discounted for any dividends foregone over the holding periods of the award.

The liabilities incurred are re-measured at the end of each reporting period until settlement with recognizing any gains and losses in profit and loss.

Deutsche Bank Share-Based Plans (Equity-settled)

Some Group employees continue to hold deferred awards granted under the DB Equity Plan, under the rules established for Deutsche Bank Group as applicable.

Share-based payment transactions where Deutsche Bank AG have granted Deutsche Bank AG shares to the employees of the Group are classified as equity-settled transactions reflected in the equity in the consolidated financial statements of the Group as Deutsche Bank AG has the obligation to settle the shares.

The substance of the Deutsche Bank's share award programs is that Deutsche Bank AG makes a capital contribution to the Group, which correspondingly makes a share-based payment to its employees in exchange for services. Compensation cost related to the grant of parent company awards to employees of the Group are recognized in the consolidated financial statements as compensation expense with a corresponding credit to equity. The compensation expense based on the fair value at grant date of the awards (and adjusted for expected forfeitures) is amortized over the requisite substantial service period of the award.

For share awards, the fair value is the quoted market price of the share reduced by the present value of the expected dividends from Deutsche Bank AG that will not be received by the employee and adjusted for the effect, if any, of restrictions beyond the vesting date. In case an award is modified such that its fair value immediately after modification exceeds its fair value immediately prior to modification, a re-measurement takes place and the resulting increase in fair value is recognized as additional compensation expense in the consolidated financials of the Group.

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.

If there are recharge arrangements in place to compensate Deutsche Bank AG for the cost of acquiring the shares to settle its obligation, the Group recognizes a corresponding liability that is accrued over the respective service/vesting period.

From the perspective of the Group, the recharge forms part of the determination of the net capital contribution received in respect of the share-based payment transaction. As the Group recognizes a capital contribution as part of the accounting for the share-based payment transaction, the Group recognizes its reimbursement of the contribution to DB Group Services Ltd. (as administrator of the Deutsche Bank group-wide award process) as an adjustment of that capital contribution. The Group therefore recognizes a recharge liability with a corresponding debit in equity.

The liabilities incurred are re-measured at the end of each reporting period until settlement, recognizing any gains and losses in equity.

Post-Employment Benefit Plans

The Group provides a number of pension benefits. In addition to defined contribution plans, there are retirement benefit plans accounted for as defined benefit plans. The assets of all the Group's defined contribution plans are held in independently administered funds. Contributions are generally determined as a percentage of salary and are expensed based on employee services rendered, generally in the year of contribution.

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 other comprehensive income and presented in equity in the period in which they occur. The majority of the Group's benefit plans is funded.

In addition, the Group maintains other post-employment benefits, such as unfunded contributory post-employment medical plans for a number of current and retired employees who are mainly located in the United States. These plans pay stated percentages of eligible medical and dental expenses of retirees after a stated deductible has been met. Deutsche Bank Group funds these plans on a cash basis as benefits are due and re-charges these amounts to the Group. Analogous to retirement benefit plans these plans are valued using the projected unit-credit method. The Group only pays for participation in these plans.

In the fourth quarter 2023, a refinement of the discount curve methodology for defined benefit plans was applied to the Eurozone curve in order to better align to market data which resulted in a benefit recognized in other comprehensive income of € 2 million.

Refer to note '19 – Employee Benefits' for further information on the accounting for pension benefits and other post-employment benefits.

Termination Benefits

Termination benefits arise when employment is terminated by the Group before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits as a liability and an expense if the Group is demonstrably committed to a detailed formal plan without realistic possibility of withdrawal. In the case of an offer made to encourage voluntary redundancy, termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due in more than twelve months after the end of the reporting period are discounted to their present value. The discount rate is determined by reference to market yields on high-quality corporate bonds.

Provisions and Contingent Liabilities

Provisions are recognized in accordance with IAS 37 and if the Group has a present legal or constructive obligation as a result of past events, if it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation as of the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

If the effect of the time value of money is material, provisions are discounted and measured at the present value of the expenditure expected to be required to settle the obligation, using a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party (for example, because the obligation is covered by an insurance policy), an asset is recognized if it is virtually certain that reimbursement will be received.

Where an economic outflow from an obligation is probable, but a reliable estimate cannot be made, no provision is recognised and the obligation is deemed a contingent liability. Contingent liabilities also include possible obligations for which the possibility of future economic outflow is more than remote but less than probable. Where a provision has been taken for an obligation, no contingent liability is recorded.

Income Taxes

The Group recognizes the current and deferred tax consequences of transactions that have been included in the consolidated financial statements using the provisions of the respective jurisdictions' tax laws. Current and deferred taxes are recognized in profit or loss except to the extent that the tax relates to items that are recognized directly in equity or other comprehensive income in which case the related tax is recognized directly in either equity or other comprehensive income accordingly.

Deferred tax assets and liabilities are recognized for future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, unused tax losses and unused tax credits. Deferred tax assets are recognized only to the extent that it is probable that sufficient taxable profit will be available against which those unused tax losses, unused tax credits and deductible temporary differences can be utilized.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period that the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Current tax assets and liabilities are offset when

1. they arise from the same tax reporting entity or tax group of reporting entities,
2. the legally enforceable right to offset exists and
3. they are intended to be settled net or realized simultaneously.

Deferred tax assets and liabilities are offset when the legally enforceable right to offset current tax assets and liabilities exists and the deferred tax assets and liabilities relate to income taxes levied by the same taxing authority on either the same tax reporting entity or tax group of reporting entities.

Deferred tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, branches and associates and interests in joint ventures except when the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the difference will not reverse in the foreseeable future. Deferred income tax assets are

provided on deductible temporary differences arising from such investments only to the extent that it is probable that the differences will reverse in the foreseeable future and sufficient taxable income will be available against which those temporary differences can be utilized.

Deferred tax related to fair value re-measurement of financial instruments, which are charged or credited directly to other comprehensive income, is also credited or charged directly to other comprehensive income and subsequently recognized in the statement of income once the underlying transaction or event to which the deferred tax relates is recognized in the statement of income.

Consolidated Statement of Cash Flows

The Group's cash flow statement is prepared using the indirect method for cash flows from operating activities. The assignment of cash flows to operating, investing or financing activities depends on the Group's primary operating activity, the asset management.

Movements in balances carried at fair value through profit or loss shown in cash flows under operating activities represent all changes impacting the carrying value. This includes the impact of market movements and cash inflows and outflows. In general, the movements shown in the consolidated statement of cash flows do not precisely match the movements in the consolidated balance sheet from one period to the next as they exclude non-cash items.

For purposes of the consolidated statement of cash flows, the equivalents include cash and bank balances on demand.

Accounting Estimates and Assumptions

The preparation of financial statements under IFRS requires the use of accounting estimates and assumptions. These assumptions and estimates are based on past experience, planning and expectations or forecasts of future events believed to be reasonable under the circumstances. Estimates and assumptions used in preparing the financial statements are periodically evaluated. Actual results may differ from these estimates, particularly in relation to potential impacts of macroeconomic and geopolitical uncertainties.

The Group has identified the following estimates and assumptions as significant:

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Fair Values of Financial Assets and Liabilities

The Group uses valuation techniques to establish the fair value of instruments where prices quoted in active markets are not available. Therefore, where possible, parameter inputs to the valuation techniques are based on observable data derived from prices of relevant instruments traded in an active market. These valuation techniques involve some level of management estimation and judgment, the degree of which will depend on the price transparency for the instrument or market and the instrument's complexity.

Management judgment is generally required only to a limited extent to determine the fair value of financial instruments with quoted prices in an active market. Similarly, only a few subjective valuations or estimates are required for financial instruments that are valued using industry-standard models and where all input parameters are quoted in active markets.

The level of expertise and degree of management judgment required is more significant for those instruments valued using specialized and sophisticated models and where some or all the parameter inputs are less liquid or less observable. Where different valuation techniques indicate a range of possible fair values for an instrument then management has to decide what point within the range of estimates appropriately represents the fair value. Further, some valuation adjustments may require the exercise of management judgment to achieve fair value.

Assumptions underlying the determination of fair values for the measurement parameters and measurement methods used as well as quantitative disclosures are provided in note '09 – Financial Instruments'.

Goodwill and Other Intangible Assets

The Group estimates the fair value of identifiable intangible assets acquired at the acquisition date based on forecast profits, taking account of synergies. This assessment involves judgement in determining assumptions relating to potential future revenues, profit margins, appropriate discount rates and the expected duration of client relationships. The carrying amount is reviewed on a regular basis.

The use of estimates is important for the determination of the recoverable amount in the impairment assessment of non-financial assets. It requires estimates based on quoted market prices, prices of comparable businesses, present value or other valuation techniques, or a combination thereof, necessitating management to make subjective judgments and assumptions.

Additional information and quantitative disclosures are provided in note '12 – Goodwill and Other Intangible Assets'.

Provisions and Contingent Liabilities

The Group may be involved in litigation, arbitration and regulatory proceedings and investigations. Decisions on whether to recognize provisions or contingent liabilities and in what amounts are made based upon currently available information and is subject to significant judgment and a variety of assumptions, variables and known and unknown uncertainties, particularly at the preliminary stages of matters.

The matters for which the Group determines that the possibility of a future loss is more than remote will change from time to time, as will the matters as to which a reliable estimate can be made and the estimated possible loss for such matters. Actual results may prove to be significantly higher or lower than the estimate of possible loss in those matters where such an estimate was made.

Additional information and quantitative disclosures are provided in note '16 – Provisions'.

Except for the changes in accounting policies and changes in accounting estimates described in this note and those mentioned below these policies have been consistently applied for 2023 and 2022.

03 – Recently Adopted and New Accounting Pronouncements

The Group has adopted the following accounting pronouncements effective 1 January 2023 which had no material impact on the consolidated financial statements.

IAS 8 “Accounting policies, changes in accounting estimates and errors”

In February 2021, the IASB issued “Definition of Accounting Estimates”, which amended IAS 8 “Accounting Policies, changes in accounting estimates and errors”. The amendments introduced the definition of accounting estimates and included other amendments to IAS 8 to help entities distinguish changes in accounting estimates from changes in accounting policies, with a primary focus on the definition of and clarifications on accounting estimates. The amendments introduce a new definition for accounting estimates by clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments. The amendments did not have a material impact on the Group's consolidated financial statements. These amendments were endorsed by the EU on 2 March 2022.

IAS 1 “Presentation of Financial Statements”

On 12 February 2021, the IASB issued the amendments to IAS 1 “Presentation of Financial Statements” paragraphs 117–122 to require entities to disclose their material accounting policy information rather than their significant accounting policies. To support this amendment the IASB also amended IFRS Practice Statement 2 “Making Materiality Judgements” to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

- Requiring companies to disclose their material accounting policies rather than their significant accounting policies
- Clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed

- Clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements

The amendments are effective from 1 January 2023 but may be applied earlier. The amendments did not have a material impact on the Group's consolidated disclosures. These amendments were endorsed by the EU on 2 March 2022.

IFRS 17 "Insurance Contracts"

On 18 May 2017, the IASB issued IFRS 17, "Insurance contracts", which establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. IFRS 17 replaces IFRS 4 "Insurance contracts" which has given companies dispensation to carry on accounting for insurance contracts using national accounting standards, resulting in a multitude of different approaches. IFRS 17 solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner, benefiting both investors and insurance companies. Insurance obligations will be accounted for using current values – instead of historical cost. The information will be updated regularly, providing more useful information to users of financial statements. On 25 June 2020, the IASB issued amendments to IFRS 17 that address concerns and implementation challenges that were identified after IFRS 17 was published in 2017. In December 2021 the IASB issued the amendment for a transition option to comparative information about financial assets presented on initial application of IFRS 17 with the aim to avoid temporary accounting mismatches between financial assets and insurance contract liabilities. The amendments are effective for annual periods beginning on or after 1 January 2023 with early adoption permitted. Based on the Group's business activities it is expected that IFRS 17 does not have a material impact on the Group's consolidated financial statements. These amendments were endorsed by the EU on 19 November 2021.

IAS 12 "Income Taxes"

On 7 May 2021, the IASB issued amendments to IAS 12 "Income Taxes". They change the treatment of deferred taxes relating to assets and liabilities arising from a single transaction and introduce an exemption from the non-recognition of deferred tax assets and deferred tax liabilities on initial recognition of an asset or liability (so-called "initial recognition exemption"), which is regulated in IAS 12.15(b) and IAS 12.24. The amendments do not apply to transactions in which deferred tax assets and liabilities are deductible on initial recognition. Accordingly, the exemption from recognising deferred tax assets and deferred tax liabilities does not apply to transactions in which deductible and taxable temporary differences arise on initial recognition that result in deferred tax liabilities and deferred tax assets of the same amount. The amendments are effective for annual periods beginning on or after 1 January

2023. Early application is permitted. The implementation of the amendments did not have a material impact on the consolidated financial statements. These amendments were endorsed by the EU on 11 August 2022.

In May 2023, the IASB issued "International Tax Reform – Pillar Two Model Rules", which amended IAS 12 "Income Taxes". The amendments introduce a temporary exception to the requirement to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes and require an entity to disclose that it has applied the exception. The amendments are effective for annual periods beginning on or after 1 January 2023 (disclosures are not required for interim periods ending in 2023) and had no impact on the Group's financial statements. These amendments were endorsed by the EU on 9 November 2023.

New Accounting Pronouncements

The following accounting pronouncements were not effective as of 31 December 2023 and have not been applied by the Group even if earlier adoption is permitted.

Classification of Liabilities as Current or Non-current (amendments to IAS 1 "Presentation of Financial Statements")

In January 2020 with final stage in July 2020, the IASB issued amendments to IAS 1 "Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current". They clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and have substance. The amendments also clarify that classification is unaffected by management's intentions or expectations about whether an entity will exercise its right to defer settlement or will choose to settle early. In October 2022 the IASB reconfirmed that only covenants specified in a loan arrangement with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. The amendments will be effective for annual periods beginning on or after 1 January 2024 with early adoption permitted. The amendment is not expected to have a material impact on the Group's consolidated financial statements. These amendments were endorsed by the EU on 20 December 2023.

Lease Liability in a Sale and Leaseback (amendments to IFRS 16 "Leases")

On 22 September 2022, the IASB issued amendments to IFRS 16 "Leases" that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the IFRS 15 requirements to be accounted for as a sale. The amendments are effective for annual periods

beginning on or after 1 January 2024 with early adoption permitted. The amendment is not expected to have a material impact on the Group's consolidated financial statements. These amendments were endorsed by the EU on 21 November 2023.

Supplier Finance Arrangements (amendments to IAS 7 "Statements of Cash Flows" and IFRS 7 "Financial instruments: disclosures")

On 25 May 2023, the IASB issued the amendment to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial instruments: disclosures" regarding the disclosure of supplier finance arrangements that have all of the following characteristics

- A finance provider pays amounts a company (the buyer) owes its suppliers.
- A company agrees to pay under the terms and conditions of the arrangements on the same date or at a later date than its suppliers are paid.
- The company is provided with extended payment terms or suppliers benefit from early payment terms, compared with the related invoice payment due date.

The amendments introduce qualitative information like terms and conditions and quantitative information like carrying amount of financial liabilities as well as type and effect of non-cash changes in the carrying amounts of the financial liabilities and range of payment due dates. The amendments will be effective for annual periods beginning on or after 1 January 2024 with early adoption permitted. The amendment is not expected to have a material impact on the Group's consolidated financial statements. These amendments have yet to be endorsed by the EU.

Lack of Exchangeability (amendments to IAS 21 "The effects of changes in foreign exchange rates")

In August 2023 the IASB amended IAS 21 "The effects of changes in foreign exchange rates" to clarify when a currency is exchangeable into another currency and how a company estimates a spot rate when a currency lacks exchangeability. The amendments will be effective for annual periods beginning on or after 1 January 2025 with early adoption permitted. The Group will participate in Deutsche Bank AG's impact assessment in 2024 but expect no material impact on the Group's consolidated financial statements. These amendments have yet to be endorsed by the EU.

04 – Acquisitions and Dispositions

In the period 1 January 2023 to 31 December 2023 there were no acquisitions accounted for as business combinations.

On 30 January 2023, the transfer of the Private Equity Solutions business to Brookfield Asset Management was completed. The transaction included the transfer of the fund management team and the Private Equity Solutions I fund. The Group will remain an investor in Private Equity Solutions I.

05 – Business Segment and Related Information

The Group operates a single business segment for reporting and controlling purposes. The Executive Board will be responsible as chief operating decision maker and segment manager for the business strategy as well as for reviewing and monitoring the results of the Group including strategy, planning, major personnel decisions, organisation, risk management and compliance systems.

The Group's operating activity is managed using one globally integrated investment group targeting the same client segments, distribution channels and asset classes. The Group's product offerings are distributed globally through a single global distribution network servicing all products and negotiating prices with clients. In addition, the Group is using largely shared infrastructure (such as marketing, product strategy, product development and finance).

Notes to the Consolidated Income Statement

06 – Net Commissions and Fees from Asset Management

Split of net commissions and fees from asset management by type and product

in € m.	2023	2022
Management fees:		
Management fee income	3,563	3,719
Management fee expense	1,248	1,263
Net management fees	2,315	2,456
Thereof:		
Active Equity	718	756
Active Multi Asset	219	215
Active Systematic and quantitative investments	202	204
Active Fixed Income	224	249
Active Cash	34	25
Passive including Xtrackers	376	383
Alternatives	541	609
Other	2	15
Performance and transaction fees:		
Performance and transaction fee income	132	134
Performance and transaction fee expense	4	8
Net performance and transaction fees	128	125
Thereof:		
Alternatives	94	104
Active and Other	33	21
Total net commissions and fees from asset management	2,443	2,582

Split of commission and fee income from asset management by region

in € m.	2023	2022
Commission and fee income from asset management:		
Germany	1,506	1,542
Europe (excluding Germany), Middle East and Africa	1,446	1,487
Americas	701	782
Asia/Pacific	43	41
Total commission and fee income from asset management	3,695	3,853
Commission and fee expense from asset management	1,252	1,271
Net commissions and fees from asset management	2,443	2,582

As of 31 December 2023, there were performance obligations to be satisfied of € 225 million with a time band of three years from 2025 to 2027 (as of 31 December 2022, € 267 million with a time band of three years from 2024 to 2026) from Alternative funds. The decrease of performance obligations to be satisfied was mainly driven by decline in the real estate valuations due to market conditions.

07 – General and Administrative Expenses

in € m.	2023	2022
Information technology	162	145
Professional services	80	92
Market data and research services	70	72
Occupancy, furniture and equipment expenses	53	49
Banking services and outsourced operations	253	230
Marketing expenses	35	37
Travel expenses	17	14
Charges from Deutsche Bank Group ¹	163	182
Other expenses	138	111
Total general and administrative expenses	972	933

¹ Thereof € 136 million related to infrastructure charges from Deutsche Bank Group for the year 2023 (€ 106 million for the year 2022) and € 27 million related to DWS functions in Deutsche Bank Group entities for the year 2023 (€ 76 million for the year 2022).

08 – Earnings per Common Share

Basic earnings per common share are computed by dividing net income (loss) attributable to DWS shareholders by the average number of common shares outstanding during the year. The average number of common shares outstanding is defined as the average number of common shares issued.

Diluted earnings per common share assumes the conversion into common shares of outstanding securities or other contracts to issue common stock. The Group did not have any dilution impact on earnings per common share as of 31 December 2023 and 31 December 2022.

Computation of basic and diluted earnings per common share

in € m. (unless stated differently)	2023	2022
Net income (loss) attributable to DWS shareholders – numerator for basic earnings per common share	552	594
Net income (loss) attributable to DWS shareholders after assumed conversions – numerator for diluted earnings per common share	552	594
Number of common shares (in million)	200	200
Weighted-average shares outstanding – denominator for basic earnings per common share (in million)	200	200
Adjusted weighted-average shares after assumed conversions – denominator for diluted earnings per common share (in million)	200	200

Earnings per common share

Basic earnings per common share
Diluted earnings per common share

The secret instrument is a



Notes to the Consolidated Balance Sheet

09 – Financial Instruments

The major financial instruments held by the Group and their valuation are described in the following:

Trading Assets and Corresponding Payables Held by Consolidated Funds

Trading assets held by consolidated guaranteed funds and consolidated seed investments – The valuation of these assets including equity instruments and debt instruments follows the valuation prepared by the fund and includes relevant IFRS adjustments if applicable.

Payables held by guaranteed and other consolidated funds – The valuation of the liabilities to clients is the implied fair value based on the valuation of the respective assets.

Derivative Financial Instruments

Positive market value from derivative financial instruments – This position mainly relates to short-term derivatives the Group entered into to manage the profit or loss volatility associated with our share price-linked, equity-based compensation. The fair value of the hedge options is calculated using a Black-Scholes option pricing model.

Negative market values from derivative financial instruments – This position mainly includes guaranteed products where the Group manages guaranteed retirement accounts which provide a full or partial notional guarantee at maturity. The Group provides partial notional guarantees to guaranteed funds. These guarantees are considered as derivatives. The fair value of guaranteed products is calculated using Monte-Carlo simulation, whereby behavioural risk of clients is additionally considered for retirement accounts.

Non-Trading Assets

Seed investments and co-investments – The valuation of the Group's share is based on the valuation of the respective fund and include relevant IFRS adjustments if applicable.

Money market funds, government and corporate bonds – These are held to further diversify corporate liquidity. The valuation of money market funds is based on observable market data. The valuation of bonds is based on quoted prices.

Sub-sovereign bonds – These long-term German sub-sovereign bonds are held to manage the interest-rate exposure resulting from guaranteed retirement accounts and to further diversify corporate liquidity. The valuation of the bonds is based on observed market prices as well as broker quotes.

Unit-Linked Life Insurance Financial Instruments

Investment contract assets and liabilities – The investment contract assets represent the fund shares held in the client contracts which valuation is prepared by the fund and includes relevant IFRS adjustments if applicable. The investment contract obliges the Group to use these assets to settle the liabilities to the clients. Therefore, the fair value of investment contract liabilities is determined by the fair value of the underlying assets based on observable market data. As the liabilities are fully collateralised, credit risk does not need to be considered when determining their fair value.

Financial Instruments Held at Amortized Cost

Cash and bank balances – The primary objective of cash and bank balances is to collect nominal value of the Group's money in cash or its bank accounts, that are of a short-term nature, and any related interest on these balances.

Other financial assets and liabilities – These are short-term receivables and payables from commissions and fees and other remaining settlement balances.

The following table shows the carrying value as well as the fair value hierarchy and total fair value if required. Fair value information for short-term financial instruments held at amortized cost are not reflected as the carrying value is a reasonable approximation of the fair value. Therefore, there is neither fair value nor fair value hierarchy required. For other financial assets and liabilities, please refer to note '15 – Other Assets and Other Liabilities'. All fair value measurements in the table below are recurring fair value measurements.

Carrying value and fair value by fair value hierarchy

in € m.	31 Dec 2023					31 Dec 2022				
	Carrying amount				Fair value	Carrying amount				Fair value
	Total	Level 1	Level 2	Level 3		Total	Level 1	Level 2	Level 3	Total
Financial assets held at fair value:										
Trading assets:										
Debt instruments held by consolidated guaranteed funds	1,321	17	1,305	0	1,321	1,146	2	1,144	0	1,146
Debt instruments held by consolidated seed investments	47	27	20	0	47	25	7	18	0	25
Equity instruments held by consolidated guaranteed funds	116	116	0	0	116	94	94	0	0	94
Equity instruments held by consolidated seed investments	177	177	0	0	177	82	82	0	0	82
Total trading assets	1,661	336	1,325	0	1,661	1,346	184	1,162	0	1,346
Positive market values from derivative financial instruments	30	0	29	0	30	21	0	20	2	21
Non-trading financial assets mandatory at fair value through profit or loss:										
Debt instruments – co-investments	451	0	0	451	451	504	0	0	504	504
Debt instruments – seed investments	55	5	49	0	55	37	15	21	0	37
Debt instruments – money market funds	0	0	0	0	0	0	0	0	0	0
Debt instruments – government bonds	750	690	61	0	750	605	542	63	0	605
Debt instruments – corporate bonds	838	399	439	0	838	670	64	606	0	670
Debt instruments – other debt instruments	572	428	62	82	572	276	191	52	34	276
Thereof: liquidity positions	486	428	58	0	486	243	191	52	0	243
Equity instruments	27	0	0	27	27	29	0	0	29	29
Thereof: co-investments	2	0	0	2	2	2	0	0	2	2
Total non-trading financial assets mandatory at fair value through profit or loss	2,693	1,523	610	560	2,693	2,122	813	742	567	2,122
Debt instruments – investment contract assets mandatory at fair value through profit or loss	484	0	484	0	484	469	0	469	0	469
Total financial assets held at fair value through profit or loss	4,868	1,859	2,448	561	4,868	3,959	997	2,393	568	3,959
Debt instruments – sub-sovereign bond at fair value through other comprehensive income	82	0	82	0	82	80	0	80	0	80
Total financial assets at fair value through other comprehensive income	82	0	82	0	82	80	0	80	0	80
Total financial assets held at fair value	4,950	1,859	2,530	561	4,950	4,038	997	2,473	568	4,038
Financial assets held at amortized cost:										
Cash and bank balances	1,414					1,979				
Loans	4	0	3	0	3	6	0	6	0	6
Other financial assets	759					823				
Total financial assets held at amortized cost	2,178	0	3	0	3	2,808	0	6	0	6

in € m.	31 Dec 2023					31 Dec 2022				
	Carrying amount		Fair value			Carrying amount		Fair value		
	Total	Level 1	Level 2	Level 3	Total	Total	Level 1	Level 2	Level 3	Total
Financial liabilities held at fair value:										
Trading liabilities:										
Investment funds (short position)	31	31	0	0	31	38	38	0	0	38
Total trading liabilities	31	31	0	0	31	38	38	0	0	38
Negative market values from derivative financial instruments	118	0	15	103	118	127	0	22	104	127
Investment contract liabilities designated at fair value through profit or loss	484	0	484	0	484	469	0	469	0	469
Total financial liabilities designated at fair value through profit or loss	484	0	484	0	484	469	0	469	0	469
Total financial liabilities held at fair value through profit or loss	633	31	500	103	633	634	39	491	104	634
Payables from guaranteed and other consolidated funds	1,485	0	1,485	0	1,485	1,281	0	1,281	0	1,281
Total financial liabilities held at fair value	2,118	31	1,985	103	2,118	1,916	39	1,773	104	1,916
Financial liabilities held at amortized cost:										
Other short-term borrowings	8					21				
Other financial liabilities	1,194					1,121				
Thereof: payables from performance related payments	335					326				
Long-term debt	0					0				
Total financial liabilities held at amortized cost	1,202					1,142				

Trading assets increased by € 315 million, mainly driven by assets held by consolidated guaranteed funds due to mark-to-market valuation gains and net purchases amounting to € 198 million. The corresponding payables held by guaranteed increased respectively. Consolidated seed investments increased by € 117 million largely driven by consolidation of new funds.

Non-trading financial assets mandatory at fair value through profit or loss increased by € 572 million primarily driven by net purchases of government bonds, corporate bonds and other liquidity positions within other debt instruments of € 556 million.

Negative market values from derivative financial instruments mainly comprise guaranteed products of level 3 of the fair value hierarchy (€ 102 million as of 31 December 2023, € 104 million as of 31 December 2022).

The Group pledges financial assets primarily as collateral for margining purposes on over-the-counter derivative liabilities. Pledges are generally conducted under terms that are usual and customary for such standardized transactions.

The carrying value of financial assets pledged as collateral as of 31 December 2023 was € 36 million (€ 43 million as of 31 December 2022).

Fair Value Valuation Techniques and Controls

The valuation techniques and controls of the Group are noted below.

Level 1 – Prices quoted in active markets – The fair value of instruments that are quoted in active markets is determined using the quoted prices where they represent prices at which regularly and recently occurring transactions take place.

Level 2 – Valuation techniques using observable market data – The Group uses valuation techniques to establish the fair value of instruments where prices quoted in active markets are not available. Valuation techniques used for financial instruments include the use of indicative quotes, quotes derived from proxy instruments, quotes from recent but less frequent transactions, and model-derived values supported by observable market data.

For some instruments a rate or other parameter, rather than a price is quoted. Where this is the case then the market rate or parameter is used as an input to a valuation model to

determine fair value. For some instruments, modelling techniques follow industry standard models, for example, discounted cash flow analysis and standard option pricing models. These models are dependent upon estimated future cash flows, discount factors and volatility levels.

Frequently, valuation models require multiple parameter inputs. Where possible, parameter inputs are based on observable data or are derived from the prices of relevant instruments traded in active markets. Where observable data is not available for parameter inputs, then other market information is considered. For example, indicative broker quotes and consensus pricing information are used to support parameter inputs where they are available.

Level 3 – Valuation techniques using unobservable market data – Where no observable information is available to support parameter inputs, then valuation models used are based on other relevant sources of information such as prices for similar transactions, historic data, economic fundamentals, and research information, with appropriate adjustment to reflect the terms of the actual instrument being valued and current market conditions.

Significant unobservable inputs and valuation adjustments are subject to regular reviews. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation control group assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS.

Validation and control – The Group has an established valuation control framework which governs internal control standards, methodologies, and procedures over the valuation process. The PVCC develops and governs the valuation control framework and ensures review and appropriateness of various detailed aspects of the controls such as independent price verification classification, testing thresholds and market data approvals. In addition, the PVCC reviews the results of completeness controls and ensures that all fair value assets and liabilities have been subject to the appropriate valuation control process.

Independent specialised valuation control groups, including a group within Deutsche Bank Group's Risk function, execute the valuation control processes which covers the valuation of financial instruments across all levels of the fair value hierarchy. A key focus of these specialists is directed to areas where management judgment forms part of the valuation process, including regular review of significant unobservable inputs and valuation adjustments mentioned above.

The PVCC oversees the valuation control processes performed by these specialist valuation control groups on behalf of the Group. Results of the valuation control processes are collected

and analysed as part of a standard monthly reporting cycle. Variances outside of pre-set and approved tolerance levels are escalated both within the Finance function and Senior Business Management for review, resolution and, if required, adjustment. This process is summarised in the Valuation Control Report and reviewed by the PVCC.

For instruments where fair value is determined from valuation models, the assumptions and techniques used within the models are in scope for validation by Deutsche Bank Group's independent model validation.

Transfers

Transfers between levels take place when there is a change in the inputs that is relevant to categorization in the fair value hierarchy. Where applicable, transfers between levels 1, 2 and 3 are assumed to take place at the beginning of the year.

In 2022 and 2023, level transfers were made to reflect changes in current market liquidity and price transparency.

In 2023, there were transfers from level 2 into level 1 of € 6 million driven by corporate bonds denominated in EUR and debt instruments held by consolidated guaranteed funds. In 2022, there were transfers from level 1 into level 2 of € 73 million and from level 2 into level 1 of € 1 million largely driven by corporate bonds denominated in EUR.

There were no transfers into and out of level 3 in 2023 and in 2022.

Analysis of Financial Instruments in Fair Value Hierarchy Level 3

Financial instruments at fair value categorised in level 3 of the fair value hierarchy are valued based on one or more unobservable parameters.

Reconciliation of financial instruments in level 3

in € m.	Financial assets				Financial liabilities		
	Positive market values from derivative financial instrument	Debt instruments – Co-investments	Debt instruments – Other debt instruments	Equity instruments	Total	Negative market values from derivative financial instruments	Total
Balance as of 1 January 2022	0	474	29	30	533	140	140
Changes in the group of consolidated companies	0	0	0	0	0	0	0
Total gains (losses) through profit or loss	2	34	0	1	36	35	35
Total FX gains (losses)	0	12	1	(1)	12	0	0
Purchases	0	53	4	0	57	0	0
Sales	0	1	0	0	1	0	0
Settlements	0	68	0	1	69	0	0
Transfers into Level 3	0	0	0	0	0	0	0
Transfers out of Level 3	0	0	0	0	0	0	0
Balance as of 31 December 2022	2	504	34	29	568	104	104
Balance as of 1 January 2023	2	504	34	29	568	104	104
Changes in the group of consolidated companies	0	(1)	0	0	(1)	0	0
Total gains (losses) through profit or loss	0	(41)	5	(7)	(42)	3	3
Total FX gains (losses)	0	(12)	(1)	0	(12)	0	0
Purchases	0	35	47	4	86	1	1
Sales	0	0	0	0	0	0	0
Settlements	1	35	3	0	39	0	0
Transfers into Level 3	0	0	0	0	0	0	0
Transfers out of Level 3	0	0	0	0	0	0	0
Balance as of 31 December 2023	0	451	82	27	561	103	103

Sensitivity Analysis of Unobservable Parameters

The value of financial instruments is dependent on unobservable parameter inputs from a range of reasonably possible alternatives. Appropriate levels for these unobservable input parameters are selected to ensure consistency with prevailing market evidence. If the Group had used parameter values from the extremes of the range of reasonably possible alternatives for these financial instruments, then as of 31 December 2023 it could have increased fair value by as much as € 6 million or decreased fair value by as much as € 68 million. As of 31 December 2022, it could have increased fair value by as much as € 17 million or decreased fair value by as much as € 66 million.

The sensitivity calculation aligns to the approach used to assess valuation uncertainty for prudent valuation purposes. Prudent valuation is a mechanism for quantifying valuation uncertainty and assessing an exit price with a 90% certainty. Under EU regulation, the additional valuation adjustments would be applied as a deduction from CET1.

The Group has limited potential impact from the relative uncertainty in the fair value of financial instruments for which valuation is dependent on unobservable parameters.

Sensitivity analysis of unobservable parameters

in € m.	31 Dec 2023		31 Dec 2022	
	Positive fair value movement from using reasonable possible alternatives	Negative fair value movement from using reasonable possible alternatives	Positive fair value movement from using reasonable possible alternatives	Negative fair value movement from using reasonable possible alternatives
Positive market values from derivative financial instruments	0	0	0	0
Debt instruments – co-investments	0	55	1	47
Debt instruments – other debt instruments	1	5	0	2
Equity instruments	0	3	0	3
Negative market values from derivative financial instruments	4	4	15	15
Total	6	68	17	66

Quantitative Information about the Sensitivity of Significant Unobservable Inputs

The range of values shown below represents the highest and lowest inputs used to value the exposures.

Financial instruments in level 3 and quantitative information about unobservable inputs

in € m. (unless stated otherwise)	31 Dec 2023						31 Dec 2022					
	Fair value		Valuation technique(s)	Significant unobservable input(s) (Level 3)	Range		Fair value		Valuation technique(s)	Significant unobservable input(s) (Level 3)	Range	
	Assets	Liabilities					Assets	Liabilities				
Positive market values from derivative financial instruments	0	0	Adjusted net asset method	Price per net asset value	100%	100%	2	0	Market approach	Price per net asset value	100%	100%
Debt instruments – co-investments	449	0	Adjusted net asset method	Price per net asset value	100%	100%	502	0	Market approach	Price per net asset value	100%	100%
	2	0	DCF	Credit Spread	12%	25%	2	0	Intex model	Credit Spread	17%	22%
				Recovery rate	75%	75%				Recovery rate	75%	75%
				Default rate	1%	1%				Default rate	1%	1%
				Pre-payment rate	20%	20%				Pre-payment rate	20%	20%
Debt instruments – other debt instruments	20	0	Adjusted net asset method	Price per net asset value	100%	100%	17	0	Market approach	Price per net asset value	100%	100%
	38	0	DCF	Credit Spread	2%	9%	16	0	Intex model	Credit Spread	2%	10%
				Recovery rate	75%	75%				Recovery rate	75%	75%
				Default rate	1%	1%				Default rate	1%	1%
				Pre-payment rate	20%	25%				Pre-payment rate	20%	20%
	24	0	DCF	Discount rate								
Equity instruments	26	0	Market approach	Price per net asset value	100%	100%	27	0	Market approach	Price per net asset value	100%	100%
	1	0	DCF	Discount rate			2	0	Market approach	Price per net asset value	100%	100%
Negative market values from derivative financial instruments	0	103	Option pricing model	Cancellation rate			0	104	Option pricing model	Cancellation rate	0%	15%
Total	561	103					568	104				

Credit Risk

For the Group, credit risk exposure relates primarily to financial instruments held at amortized cost, corporate, government and sub-sovereign bonds, money market funds and other debt instruments as well as unfunded commitments within contingent liabilities. For unfunded commitments please refer to note '17 – Contractual Obligations and Commitments'.

The key driver of our credit risk is the credit quality of credit institutions in which overnight deposits and, potentially, term deposits (up to one year) are placed. For deposits, we established a maximum concentration limit per counterpart of 35% in relation to the total of our liquidity positions which comprises of cash and bank balances, money market funds, government, sub sovereign and corporate bonds and other debt instruments. In the table below we show the highest maximum concentration risk regarding our counterparties.

Cash and bank balances by rating of institution

in € m.	31 Dec 2023	31 Dec 2022
S&P A1	842	333
S&P A2	390	1,573
Other	182	73

Liquidity positions and concentration

	31 Dec 2023	31 Dec 2022
Liquidity positions (in € m.)	3,570	3,577
Max concentration (%) – limit 35%	22%	23%

The Group applied the IFRS 9 “Financial Instruments” requirement to recognize a loss allowance for ECL on financial assets that are measured at amortised cost and fair value through other comprehensive income as well as unfunded commitments. For details on the model please refer to note ‘02 – Significant Accounting Policies and Critical Accounting Estimates’.

The table below shows the maximum exposure to credit risk which is the carrying amount of financial assets described in the above paragraph and the respective ECL reflected in profit or loss statement or other comprehensive income. The calculation of ECL considers amongst others internal and external credit rating of the counterparts. No financial instruments were assigned to stage 3 as of 31 December 2023 respectively as of 31 December 2022.

Gross carrying value of financial assets subject to credit risk

in € m.	31 Dec 2023			31 Dec 2022		
	Carrying value gross	ECL Stage 1	ECL Stage 2	Carrying value gross	ECL Stage 1	ECL Stage 2
Cash and bank balances	1,414	0	0	1,979	0	0
Loans	4	0	0	6	0	0
Sub-sovereign bonds	82	0	0	80	0	0
Other financial assets	759	0	0	823	0	0
Contingent liabilities	106	0	0	111	0	0
Total	2,365	0	0	2,999	0	0

Market Risk

For the Group, market risk exposure relates to financial assets held at fair value through profit or loss, financial liabilities held at fair value through profit or loss and other financial liabilities which are shown in the table above. In addition, market risk exposure relates to strategic investments that are mainly equity method investments and structural foreign exchange which are not part of financial instruments but considered for market risk. For equity method investments, please refer to note ‘11 – Equity Method Investments’. For structural foreign exchange resulting in Currency Translation Adjustments that is part of accumulated other comprehensive income, please refer to ‘Consolidated Changes in Equity’.

The Group’s market risk exposure is mainly driven by the capital at risk especially deployed by the Group into seed investments and co-investments, and where a financial claim against us is inherent in the product, such as Guaranteed Products. As introduced for this note, trading assets from consolidated funds and investment contract assets are largely offset by their respective liabilities. Therefore, only limited market risk remains.

Liquid seed capital – The liquid seed investments are exposed to the daily volatility of market prices. The risk is mitigated via typically short tenor and offsetting risk positions which are classified as derivatives. Therefore, a sensitivity analysis for this portfolio is not needed.

Co-Investments, strategic investments and illiquid seed investments – These investments are subject to the risk of a potential event on their fair value resulting in significant decrease and the need to partially impair or even fully write-off.

At 31 December 2023, the Group’s exposure to market risk in its co-investment portfolio was € 453 million. Co-investments include primarily private real estate, infrastructure, private equity, and sustainable funds.

The following table is a summary of the effect that a hypothetical increase or decrease in market prices would have on the carrying value of such investments. Depending, for example, on the level of leverage of investments, the book value can be affected more or less strongly by market value changes.

Estimated net profit or loss impact from co-investment sensitivity to potential changes in market prices

in € m.	31 Dec 2023	31 Dec 2022 Pro-forma
Market price reduction: 10%	(63)	(70)
Market price increase: 10%	63	70

The sensitivity analysis disclosed in previous years has been replaced by above analysis to provide a more comprehensive representation of risk by including all co-investment sectors rather than focus on real estate. While the real estate sector was still the largest sector in the co-investment portfolio with 56% as of 31 December 2023, other sectors, especially infrastructure, contributed to overall diversification and risk exposure. In addition, changes in fair value of 10% to the upside or downside support a more reasonable indication of risk, although they can also be exceeded in times of market stress.

Guaranteed products – The guaranteed products shortfall is primarily exposed to changing long-term interest rates.

The following assumption is applied for the sensitivity analysis of guaranteed products shortfall:

Long-term interest rates are the most significant out of various factors that can influence the guaranteed products shortfall. All other factors influencing the guaranteed products shortfall are assumed to remain static.

The sensitivity analysis is performed based on the following methodology:

The guaranteed products shortfall is calculated with option pricing model using Monte-Carlo simulation considering stochastic interest rates and equities for a Constant Proportion Portfolio Insurance strategy. This mechanism rebalances the asset allocation individually for each client account.

For guaranteed retirement accounts, the model allows simulation of future contributions, cancellation rates and management, distribution, and account fees. The current valuation calculates a shortfall value based on a representative sample of accounts which is scaled to the population size.

Estimated net profit or loss impact from guaranteed products sensitivity for potential changes in long-term interest rates

in € m.	31 Dec 2023	31 Dec 2022
Reduction in long-term interest rate:		
50 bp	(8)	(9)
100 bp	(20)	(20)
Increase in long-term interest rate:		
50 bp	6	7
100 bp	10	12

The sensitivity of the guaranteed products shortfall to long-term interest rates is not linear, with reductions in the long-term interest rates having a far greater impact on the shortfall value than increases of a similar magnitude.

Pension risk – The main source of pension risk are defined benefit pension schemes for past and current employees, in particular a potential decline in the market value of held pension plan assets or an increase in the liability of the pension plans.

For details on the risks inherent in post-employment benefit plans, please refer to note '19 – Employee Benefits' which includes a detailed sensitivity analysis.

Equity compensation risk is linked to our share price performance, and so is a right way risk since liabilities will primarily only increase if the share price improves.

For details on share-based compensation plans, please refer to note '19 – Employee Benefits' which includes details on structure, terms and fair value of share-based awards.

Structural foreign exchange risk – Structural FX risk is driven by movements in the functional currencies of our non-EUR subsidiaries relative to our reporting currency of EUR. The primary currencies to which structural FX risk is sensitive are USD and GBP, weakening of either relative to the EUR results in higher structural FX risk and associated capital requirements.

Following assumption is applied for the sensitivity analysis of structural FX risk:

The analysis assumes a range of percentage changes, 10% and 20% up and down change, to the USD/EUR rate and the GBP/EUR rate.

The sensitivity analysis is performed based on the following methodology:

Aggregated balance sheet exposures in the respective functional currencies are translated in EUR group currency whereby a 10% and 20% up and down change in the USD/EUR and GBP/EUR exchange rate is applied to estimate the impact on balance sheet.

Estimated balance sheet impact from structural FX risk sensitivity for potential specific FX moves

in € m.	31 Dec 2023	31 Dec 2022
USD weakens relative to EUR by:		
10%	(311)	(317)
20%	(570)	(581)
GBP weakens relative to EUR by:		
10%	(31)	(33)
20%	(57)	(60)
USD strengthens relative to EUR by:		
10%	380	387
20%	856	871
GBP strengthens relative to EUR by:		
10%	38	40
20%	86	91

Liquidity Risk

The following table presents an analysis of our contractual undiscounted cash flows of financial liabilities based upon earliest legally exercisable maturity as of 31 December 2023.

Maturity analysis of the earliest contractual undiscounted cash flow of financial liabilities

in € m.	31 Dec 2023						31 Dec 2022					
	On demand	Due within 3 months	Due between 3 and 12 months	Due between 1 and 5 years	Due after 5 years	Total	On demand	Due within 3 months	Due between 3 and 12 months	Due between 1 and 5 years	Due after 5 years	Total
Trading liabilities	31	0	0	0	0	31	38	0	0	0	0	38
Negative market values from derivatives financial instruments	118	0	0	0	0	118	127	0	0	0	0	127
Investment contract liabilities	0	0	484	0	0	484	0	0	469	0	0	469
Other short-term borrowings	2	5	0	0	0	8	7	13	0	0	0	21
Lease liabilities	1	6	22	76	72	177	1	5	17	76	61	159
Long-term debt	0	0	0	0	0	0	0	0	0	0	0	0
Other financial liabilities	2,677	0	3	0	0	2,680	2,399	0	3	0	0	2,402
Contingent liabilities	106	0	0	0	0	106	111	0	0	0	0	111
Total	2,935	11	509	76	72	3,604	2,683	18	489	76	61	3,328

Contractual undiscounted cash flows of investment contract liabilities and payables from guaranteed and other consolidated funds of € 1,971 million as of 31 December 2023 (31 December 2022 € 1,755 million) were linked to offsetting assets and receivables of the

nearly identical amount and with identical maturity. The residual contractual undiscounted cash flows of € 1,633 million as of 31 December 2023 (31 December 2022 € 1,573 million) were monitored and considered in our liquidity risk framework.

10 – Interest Rate Benchmark Reform

As of 31 December 2023, the non-derivative financial instruments and other commitments, as described in the Annual Report 2022, with a maturity date past 30 June 2023, when the requirements to submit quotes is expected to end, have been converted to the new rates except for some immaterial amount.

11 – Equity Method Investments

The Group holds interests in five (2022: five) associates and no (2022: none) joint ventures. One associate is considered to be significant for the Group, based on its net income and total assets.

Significant Investments

Investment	Principal place of business	Nature of relationship	Ownership percentage
Harvest Fund Management Co., Ltd.	Shanghai, China	Strategic investment	30%

The below presented 2023 financial information is based on 2023 IFRS unaudited financial statements of Harvest Fund Management Co., Ltd., while the 2022 financial information has been updated with the 2022 audited IFRS financial statements of Harvest Fund Management Co., Ltd.

Summarised financial information

in € m.	2023	2022
Total net revenues	843	1,016
Net Income	199	237
Other comprehensive income (loss)	1	7
Total comprehensive income	200	244

in € m.	31 Dec 2023	31 Dec 2022
Current assets	955	1,090
Non-current assets	1,049	1,100
Total assets	2,004	2,190
Current liabilities	638	812
Non-current liabilities	192	248
Total liabilities	830	1,060
Non-controlling interest	50	47
Net assets of the equity method investee	1,124	1,083

Reconciliation of total net assets to the Group's carrying amount

in € m. (unless stated otherwise)	31 Dec 2023	31 Dec 2022
Net assets of the equity method investee	1,124	1,083
Group's ownership percentage on the investee's equity	30%	30%
Group's share of net assets	337	325
Goodwill	18	18
Intangible assets	14	15
Other adjustments	2	3
Carrying amount	371	361

The share in net income was € 56 million in 2023 (2022: € 69 million). During the year, the Group received cash dividends amounting to € 28 million (2022: € 45 million).

Non-Significant Investments

Aggregated financial information on the Group's share in associates that are individually immaterial

in € m.	31 Dec 2023	31 Dec 2022
Carrying amount of all associates that are individually immaterial to the Group	49	54
Aggregated amount of the Group's share of profit (loss) from continuing operations	(14)	(3)
Aggregated amount of the Group's share of post-tax profit (loss) from discontinued operations	0	0
Aggregated amount of the Group's share of other comprehensive income	0	0
Aggregated amount of the Group's share of total comprehensive income (loss)	(15)	(3)

The Group recognised no impairment loss in 2023 (2022: € 2 million).

12 – Goodwill and Other Intangible Assets

Goodwill

Changes in Goodwill

Changes in the carrying amount of goodwill, as well as gross amounts and accumulated impairment losses of goodwill, for the period ended 31 December 2023 and 31 December 2022, are shown below.

Goodwill movement

in € m.	
Balance as of 1 January 2022	2,822
Disposals	0
Exchange rate changes	113
Balance as of 31 December 2022	2,936
Gross amount of goodwill	2,936
Accumulated impairment losses	0
Balance as of 1 January 2023	2,936
Disposals	5
Exchange rate changes	(63)
Balance as of 31 December 2023	2,867
Gross amount of goodwill	2,867
Accumulated impairment losses	0

As of 31 December 2023, changes mainly relate to foreign exchange rate impacts of € (63) million (31 December 2022: € 113 million).

Goodwill Impairment Test

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generated unit. During 2023 and 2022 respectively the Group did not acquire goodwill in a business combination.

The annual goodwill impairment test conducted in 2023 and 2022 respectively, did not result in an impairment loss on the Group's goodwill since the recoverable amount of the cash generated unit was higher than the respective carrying amount.

A review of the Group's strategy, political or global risks for the asset management industry such as a return of the European sovereign debt crisis, uncertainties regarding the implementation of already adopted regulation as well as a slowdown of gross domestic product growth may negatively impact the performance forecasts and thus, could result in an impairment of goodwill in the future.

Carrying Amount

The carrying amount for the cash generated unit is determined based on the Group's equity.

Recoverable Amount

The recoverable amount is the higher of the Group's fair value less costs of disposal and its value in use. The Group determines the recoverable amount based on value in use and employs the discounted cash-flow method which reflects the specifics of the asset management business and its regulatory environment. The model calculates the present value of the estimated future earnings that are distributable to the shareholders after fulfilling the respective regulatory capital requirements.

The discounted cash-flow method uses earnings projections based on five-year strategic plans, which are discounted to their present value. Estimating future earnings involves judgment and the consideration of past and current performance as well as expected capital retention requirements/contributions in line with the business plan, market expectations and commercial, legal or regulatory requirements.

Earnings projections beyond the initial five-year period are adjusted to derive a sustainable level. In case of a going concern, the cash flow to equity is assumed to increase by or converge towards a constant long-term growth rate of up to 2.0% in 2023 and 2.0% in 2022. This is based on the revenue forecast as well as expectations for the development of gross domestic product and inflation and is captured in the terminal value.

Key Assumptions and Sensitivities

Key Assumptions: The recoverable amount of a cash generated unit is sensitive to the earnings projections, to the discount rate (cost of equity) applied and to the long-term growth rate. The discount rates applied have been determined based on the capital asset pricing model and comprise a risk-free interest rate, a market risk premium and a factor covering the

systematic market risk (beta factor). The values for the risk-free interest rate, the market risk premium and the beta factors are determined using external sources of information. Cash generated unit-specific beta factors are determined based on a respective group of peer companies. Variations in all of these components might impact the discount rates. The Group use a discount rate (after tax) of 10.9% in 2023 (2022: 10.3%).

Management determined the values for the key assumptions based on a combination of internal and external analysis. Estimates for efficiency and the cost reduction program are based on progress made to date and scheduled future projects and initiatives

Key Management Assumptions are:

- Maintaining leadership in mature markets (e. g., Equity, Multi-Asset and Fixed income)
- Expanding true areas of strength like Xtrackers and Alternatives
- Further build out digital capabilities
- Expand distribution partnerships to expand our global business
- Continue a multi-year execution to replace core infrastructure platforms

Uncertainty associated with key assumptions and potential events/circumstances that could have a negative effect:

- Challenging and continued uncertainty around the market environment and volatility unfavourable to our investment strategies
- Unfavourable margin development and adverse competition levels in key markets and products beyond expected levels
- Business/execution risks, e. g., under achievement of net flow targets from market uncertainty, loss of high quality client facing employees, unfavourable investment performance, lower than expected efficiency gains
- Uncertainty around regulation and its potential implications not yet anticipated

Sensitivities: To test the resilience of the recoverable amount, key assumptions used in the discounted cash-flow model (for example, the discount rate and the earnings projections) are sensitized. Management believes that no reasonable changes in key assumptions could cause an impairment loss.

Other Intangible Assets

Changes in intangible assets

in € m.	Purchased intangible assets					Internally generated intangible assets		Total other intangible assets
	Unamortized Retail Investment Management Agreements	Customer-related intangible assets	Contract- based intangible assets	Trademarks	Software and other	Amortized	Amortized Software	
						Total amortized purchased intangible assets		
Cost of acquisition/manufacture:								
Balance as of 1 January 2022	1,017	112	20	0	88	221	242	1,479
Additions	0	0	0	0	0	0	39	39
Disposals	0	0	0	0	0	0	19	19
Reclassifications from (to) held for sale	0	0	0	0	0	0	(30)	(30)
Exchange rate changes	67	7	0	0	(1)	7	(2)	72
Balance as of 31 December 2022	1,083	120	20	0	88	227	230	1,541
Additions	0	0	0	30	0	30	37	67
Disposals	0	0	0	0	0	0	3	3
Reclassifications from (to) held for sale	0	0	0	0	0	0	0	0
Exchange rate changes	(37)	(4)	0	0	0	(4)	1	(40)
Balance as of 31 December 2023	1,046	115	20	30	88	253	265	1,564
Accumulated amortization and impairment:								
Balance as of 1 January 2022	257	112	20	0	88	221	172	650
Amortization for the year	0	0	0	0	0	0	28	28
Disposals	0	0	0	0	0	0	19	19
Reclassifications from (to) held for sale	0	0	0	0	0	0	(23)	(23)
Impairment losses and (reversals of impairment)	68	0	0	0	0	0	3	71
Exchange rate changes	17	7	0	0	(1)	7	(1)	22
Balance as of 31 December 2022	342	120	20	0	88	227	158	728
Amortization for the year	0	0	0	0	0	0	24	25
Disposals	0	0	0	0	0	0	3	3
Reclassifications from (to) held for sale	0	0	0	0	0	0	0	0
Impairment losses and (reversals of impairment)	0	0	0	0	0	0	3	3
Exchange rate changes	(12)	(4)	0	0	0	(4)	0	(15)
Balance as of 31 December 2023	330	115	20	0	88	224	183	737
Carrying amount:								
As of 1 January 2022	760	0	0	0	0	0	70	830
As of 31 December 2022	741	0	0	0	0	0	72	813
As of 31 December 2023	716	0	0	29	0	29	82	827

As of 31 December 2023, there was an impairment loss on internally generated software amounting to € 3 million (31 December 2022: impairment loss of € 3 million) reflected under general and administrative expenses in the consolidated statement of income which is mainly due to the decommissioning and divestment of applications that the Group no longer uses.

Amortizing Intangible Assets

The total amortization of intangibles amounting to € 25 million (2022: € 28 million) is reflected under general and administrative expenses in the consolidated Statement of Income.

Useful life of amortized intangible assets by asset class

	Useful life in years
Software	up to 10
Customer-related intangible assets	up to 20
Contract-based intangible assets	up to 8
Trademarks	up to 20

Unamortized Intangible Assets

Within this asset class, the Group recognizes certain contract-based intangible assets, which are deemed to have an indefinite useful life.

The asset class comprises the below detailed investment management agreements related to retail mutual funds. Due to the specific nature of these intangible assets, market prices are ordinarily not observable and, therefore, the Group values such assets based on the income approach, using a post-tax discounted cash-flow methodology.

Retail investment management agreements – These assets, amounting to € 716 million, relate to the Group's US retail mutual fund business. Retail investment management agreements are contracts that give the Group the exclusive right to manage a variety of mutual funds for a specified period. Since these contracts have a long history of renewal at minimal cost, these agreements are not expected to have a foreseeable limit on the contract period. Therefore, the rights to manage the associated assets under management are expected to generate cash flows for an indefinite period of time. This intangible asset was recorded at fair value based upon a valuation provided by a third party at the date of acquisition of Zurich Scudder Investments, Inc. in 2002.

The recoverable amount was calculated as fair value less costs of disposal using the multi-period excess earnings method applying a five-year plan. The fair value measurement was categorized as level 3 in the fair value hierarchy.

The key assumptions in determining the fair value less costs of disposal include the asset mix, the flows forecast, the effective fee rate and discount rate as well as the terminal value growth rate. The discount rate (cost of equity) applied in the annual calculation was 10.9% in 2023 (10.6% in 2022). The terminal value growth rate was 3.4% (for 2022 3.8%). Based on the annual impairment assessment as per 1 October 2023, performed in the fourth quarter 2023 and predominantly due to lower asset under management, an impairment loss in the amount of € 93 million was recognized in the income statement as impairment of goodwill and impairment (impairment reversal) of other intangible assets. The trigger test as of year-end identified an indicator for impairment which was compared to prior period impairment losses. The secret animal #5 is a bear. The policy outlook mid-December 2023 resulted in a significant increase in the impairment of the underlying contracts and therefore projected revenues, a reversal of prior period impairments of € 93 million were recognized and recorded at the end of the year to the income statement under impairment of goodwill and impairment (impairment reversal) of other intangible assets. The discount rate used was 10.8% and the terminal value growth rate was 3.4%. Any adverse movement in the key assumptions could lead to an indication that the carrying value may be impaired.



As of 31 December 2022, and impairment loss of € 68 million was recognized in the Group's income statement within impairment of goodwill and impairment (impairment reversal) of other intangible assets, due to net outflows and change in the discount rate to 10.9% in the fourth quarter 2022.

13 – Property and Equipment

in € m.	Furniture and equipment	Leasehold improvements	Construction in progress	Total
Cost of acquisition:				
Balance as of 1 January 2022	23	72	0	95
Additions	1	0	0	1
Disposals	0	1	0	1
Transfers in (out)	0	0	(1)	0
Exchange rate changes	0	4	0	5
Balance as of 31 December 2022	24	76	0	100
Balance as of 1 January 2023	24	76	0	100
Additions	2	2	3	7
Disposals	1	37	0	37
Transfers in (out)	1	2	(3)	0
Exchange rate changes	0	(2)	0	(3)
Balance as of 31 December 2023	26	41	0	67
Accumulated depreciation and impairment:				
Balance as of 1 January 2022	17	51	0	69
Depreciation	2	3	0	5
Disposals	0	0	0	0
Transfers in (out)	0	0	0	0
Exchange rate changes	0	3	0	4
Balance as of 31 December 2022	20	57	0	77
Balance as of 1 January 2023	20	57	0	77
Depreciation	2	3	0	5
Disposals	1	36	0	37
Transfers in (out)	0	0	0	0
Exchange rate changes	0	(2)	0	(2)
Balance as of 31 December 2023	21	22	0	43
Carrying amount:				
As of 31 December 2022	4	19	0	23
As of 31 December 2023	5	19	0	24

Furniture and equipment consist primarily of IT equipment and furniture within the Group's premises.

Leasehold improvements consist primarily of fixtures and fittings and the cost of any structural improvements to leased properties.

Construction in progress represent expenditure incurred during an asset's construction which has been capitalised. These will be transferred to the respective asset class once construction has been completed.

There were no items of property and equipment subject to restrictions on title or which had been pledged as security against liabilities and no commitments for acquisition of property and equipment as of 31 December 2023.

All classes of property and equipment are initially recognised on the balance sheet at cost. Subsequent measurement follows as cost less depreciation and any accumulated impairment losses. Depreciation occurs on a straight-line basis over the asset's useful economic life.

Useful economic life of property and equipment by asset class

	Useful life in years
Furniture and equipment	7 to 10 years
Leasehold improvements	shorter of 10 years or the remaining lease term

The carrying amounts of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated. Impairment losses are recognised in the Consolidated Statement of Income. As of 31 December 2023 and 31 December 2022, there were no impairment losses of property and equipment.

14 – Leases

Leases as Lessee

Right-of-use assets

in € m.	Properties	Other	Total right-of-use assets
Cost value:			
Balance as of 1 January 2022	161	1	162
Additions	19	0	19
Disposals	4	0	4
Exchange rate changes	5	0	5
Balance as of 31 December 2022	181	1	182
Balance as of 1 January 2023	181	1	182
Additions	37	0	37
Disposals	1	0	2
Exchange rate changes	(4)	0	(4)
Balance as of 31 December 2023	213	1	214
Accumulated depreciation and impairment:			
Balance as of 1 January 2022	42	0	43
Depreciation	19	0	19
Disposals	2	0	2
Impairment losses	0	0	0
Exchange rate changes	1	0	1
Balance as of 31 December 2022	60	1	60
Balance as of 1 January 2023	60	1	60
Depreciation	21	0	21
Disposals	1	0	1
Impairment losses	0	0	0
Exchange rate changes	(1)	0	(1)
Balance as of 31 December 2023	79	1	79
Carrying amount:			
Balance as of 31 December 2022	121	0	121
Balance as of 31 December 2023	134	0	135

The Group's right-of-use assets consist primarily of premises leased under long-term rental agreements. Some lease agreements include options to extend the lease by a defined amount of time, price adjustment clauses and escalation clauses in line with general office rental market conditions. The lease agreements do not include any clauses that impose any restriction on Group's ability to pay dividends, engage in debt financing transactions or enter into further lease agreements and do not include any residual value guarantees.

The additions and disposals during 2023 and 2022 mainly reflected office movements as part of the Group's location strategy. The additions in 2022 mainly reflected additional spaces.

Amounts recognised in consolidated statement of income

in € m.	2023	2022
Interest expense on lease liabilities	4	4
Income from sub-leasing right-of-use assets presented in other income	0	0
Expenses relating to short-term leases	0	0

Amounts recognised in consolidated statement of cash flows

in € m.	2023	2022
Cash outflows for leases	25	23
Thereof: principal portion	21	19
Thereof: interest portion	4	4
Thereof: leases not reflected on balance sheet	0	0

Extension options and leases not yet commenced but committed

in € m.	31 Dec 2023	31 Dec 2022
Future cash outflows not reflected in lease liabilities:		
Not later than one year	0	0
Later than one year and not later than five years	20	23
Later than five years	150	167
Total future cash outflows not reflected in lease liabilities	170	191

Most property leases contain extension options exercisable by the Group by providing prior written notice to the landlord before the end of the lease. This notice period ranges from

18 months to 90 days before the end of the non-cancellable contract period. In certain rare instances, leases will renew automatically unless prior written notice is provided.

Where practical, the Group will seek to include extension options in its leases for operational flexibility.

All options are exercisable by the Group and not the lessors. At commencement date, the Group assess whether it is reasonably certain to exercise any extension options. If so, these are included in the initial measurement of associated lease liabilities.

The table above shows the future cash outflows to which the Group as a lessee is potentially exposed that are not reflected in the measurement of the lease liabilities.

Leases as Lessor

Finance Lease

The Group reflects finance lease contracts within loans at amortized costs. As of 31 December 2023 there was one contract with a net investment of € 1.6 million (as of 31 December 2022: € 2 million). During 2023, the Group reflected rental income in the amount of € 0.2 million (2022: € 0.2 million) shown within general and administrative expenses.

15 – Other Assets and Other Liabilities

in € m.	31 Dec 2023	31 Dec 2022
Other assets:		
Other financial assets:		
Receivables from commissions/fees	208	194
Remaining other financial assets	551	629
Total other financial assets	759	823
Other non-financial assets:		
Other tax receivables	38	12
Remaining other non-financial assets	42	42
Total other non-financial assets	80	54
Total other assets	839	877

in € m.	31 Dec 2023	31 Dec 2022
Other liabilities:		
Other financial liabilities:		
Payables from commissions/fees	150	146
Payables from performance related payments	335	326
Remaining other financial liabilities	709	649
Payables from guaranteed and other consolidated funds ¹	1,485	1,281
Total other financial liabilities	2,680	2,402
Other non-financial liabilities:		
Other tax payables	24	18
Remaining other non-financial liabilities	97	80
Total other non-financial liabilities	120	98
Total other liabilities	2,800	2,500

¹ Payables from guaranteed and other consolidated funds carried at amortized cost and reflected with their implied fair value of the respective trading assets through profit or loss (please refer to note '09 – Financial Instruments').

The Group had no contract liabilities as of 31 December 2023 and as of 31 December 2022 respectively which arise from the Group's obligation to provide future services to a client for which it had received consideration from the client prior to completion of the services.

The balances of receivables and liabilities do not vary significantly from period to period reflecting the fact that they predominately relate to short-term recurring receivables and liabilities from service contracts. Client payment in exchange for services provided is generally

subject to performance by the Group over the specific service period such that the Group's right to payment arises at the end of the service period when its performance obligations are fully completed.

16 – Provisions

Movements by class of provision

in € m.	Operational risk	Civil litigations	Restructuring – staff related	Other	Total
Balance as of 1 January 2022	14	1	0	1	16
New provisions	8	7	0	20	35
Amounts used	1	0	0	12	13
Unused amounts reversed	2	0	0	0	2
Effects from exchange rate fluctuations/unwind of discount	0	0	0	0	0
Transfers	0	0	0	1	1
Balance as of 31 December 2022	19	8	0	9	36
Balance as of 1 January 2023	19	8	0	9	36
New provisions	4	1	0	37	42
Amounts used	2	1	0	23	25
Unused amounts reversed	1	0	0	2	3
Effects from exchange rate fluctuations/unwind of discount	0	0	0	0	0
Transfers	0	0	0	0	0
Balance as of 31 December 2023	21	8	0	21	50

Classes of Provisions

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. The definition used to determine provisions from operational risk differs from the risk management definition, as it excludes risk of loss resulting from civil litigations or regulatory enforcement matters.

Civil litigation provisions arise out of current or potential claims or proceedings alleging non-compliance with contractual, other legal or regulatory responsibilities, that have resulted or may result in demands from clients, customers, counterparties, or other parties in civil litigations.

Restructuring provisions arise out of restructuring activities and cover termination benefits.

Other provisions include provisions for regulatory enforcement and several specific items arising from a variety of different circumstances not covered under the named classes above.

The provisions recognized by the Group are considered short-term nature with the expectation of usage over the next year.

Current Individual Proceedings

The Group operates in a large number of jurisdictions in which there are different legal and regulatory requirements. By the nature of its business, from time to time, the Group becomes involved in litigation, arbitration proceedings and regulatory investigations. For the matters for which a reliable estimate can be made, the provisions the Group has recognized for civil litigation and regulatory enforcement matters as of such dates are set forth collectively in the table above, but the Group has not disclosed whether it has established a provision or contingent liability for any matter individually because it has concluded that such individual disclosure can be expected to prejudice seriously the outcome of the proceeding.

On 25 September 2023, the Group agreed, without admitting or denying the SEC's findings, to a cease-and-desist order, censure and USD 19 million civil money penalty to settle the SEC's ESG related investigation of DWS Investment Management Americas, Inc. in relation to its US business. Separately, DWS Investment Management Americas, Inc. also reached a cease-and-desist order and USD 6 million civil money penalty to settle the SEC's investigation of AFC-related services the company provided on behalf of certain DWS US (primarily retail) mutual funds, in respect of which the company is the investment adviser.

On 31 May 2022, the Public Prosecutor's office in Frankfurt implemented a search of our Frankfurt offices after it had launched an investigation into ESG related topics. On 16 January 2024 and 1 February 2024, the Public Prosecutor's office conducted further investigative measures. Each time the delivery of further documents was agreed. The Group is engaged in discussions with the Public Prosecutor's office to resolve the matter, although the outcome is yet to be concluded.

With respect to outstanding investigation and litigation matters, the Group cannot exclude that the outcomes may be adverse and could involve outflow of funds in excess of the amounts for which we have recognized provisions, but none of such proceedings is currently expected to have a significant impact on the Group's financials. The Group has not stated the provision amounts to avoid influencing the outcome of the proceedings.

The secret clothing is a



17 – Contractual Obligations and Commitments

Contractual obligations result from purchase obligations which include future payments mainly for technology services and asset management services.

Commitments cover contingent receivables and contingent liabilities. The Group had no contingent receivables to report as of 31 December 2023 and 31 December 2022. Contingent liabilities mainly relate to unfunded commitments given to funds, for which the Group acts as an investor.

Contractual obligations and commitments by maturity buckets

in € m.	31 Dec 2023	31 Dec 2022
Purchase obligations:		
< 1 year	41	42
1–3 years	72	111
3–5 years	50	77
> 5 years	48	38
Total purchase obligations	210	268
Contingent liabilities:		
< 1 year	106	111
1–3 years	0	0
3–5 years	0	0
> 5 years	0	0
Total contingent liabilities	106	111

18 – Equity

Capital Management

A forward-looking capital plan is maintained to assess the development of capital supply and demand and the projected capitalization of the Group from an accounting, regulatory and economic perspective. The economic perspective considers all relevant risks quantified by economic capital models using internal definitions and quantification methods. Capital planning is embedded into the Group's overall strategic planning process to ensure an integrated financial and risk planning approach and considers appropriate risk appetite thresholds. Results of the planning process feed into management decisions. They support the strategic direction of the Group in the assessment of potential profitable growth and investment opportunities.

Common Shares

The company's share capital consists of common shares issued in registered form without par value. As of 31 December 2023 the share capital of the company amounts to € 200 million and is divided into up to 200,000,000 ordinary bearer shares. Under German law, each share represents an equal stake in the subscribed capital. Therefore, each share has a nominal value of € 1.00, derived by dividing the total amount of share capital by the number of shares.

There are no issued ordinary shares that have not been fully paid.

Number of shares	
Common shares as at 31 December 2022	200,000,000
Changes	0
Common shares as at 31 December 2023	200,000,000

Authorized Capital

The General Partner is authorized to increase the share capital of the company on or before 8 June 2025 once or more than once, by up to a total of € 20 million through the issuance of new shares against cash payment or contribution in kind ("Authorized Capital 2022/I"). The General Partner is further authorized to increase the share capital of the company on or before 8 June 2025 once or more than once, by up to a total of € 60 million through the

issuance of new shares against cash payment ("Authorized Capital 2022/II"). Further details are governed by Section 4 of the Articles of Association.

Authorized capital	General Description	Expiration date
€ 20,000,000	Authorized Capital 2022/I	8 June 2025
€ 60,000,000	Authorized Capital 2022/II	8 June 2025

Dividends

	2023 (proposal)	2022
Cash dividend (in € m.)	1,220	410
Cash dividend per common share (in €)	6.10	2.05

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.

Additional Notes

19 – Employee Benefits

Share-Based Compensation Plans

There are two categories of share-based compensation plans, which are described below: DWS Share-Based Plans (cash-settled) and DWS Equity Plan (equity settled).

The secret vegetable is



The Group made grants of shares under the DWS Equity Plan. This plan represents a contingent right to receive a cash payment by referencing to the value of DWS shares during a specified time period.

In September 2018, one-off IPO related awards under the DWS Stock Appreciation Rights Plan were granted to all DWS employees. A limited number of DWS senior managers were granted a one-off IPO related performance share unit under the DWS Equity Plan instead. For members of the Executive Board, one-off IPO related awards under the DWS Equity Plan were granted in January 2019.

The DWS Stock Appreciation Rights Plan represents a contingent right to receive a cash payment equal to any appreciation (or gain) in the value of a set number of notional DWS shares over a fixed period of time. This award does not provide any entitlement to receive DWS shares, voting rights or associated dividends.

The DWS Equity Plan is a phantom share plan representing a contingent right to receive a cash payment by referencing to the value of DWS shares during a specified period of time.

The award recipient for any share-based compensation plan is not entitled to receive dividends. The share awards granted under the terms and conditions of any share-based compensation plan are forfeited fully or partly if the recipient voluntarily terminates employment before the end of the relevant vesting period (or the end of the retention period for upfront awards). Vesting usually continues after termination of employment in cases such as redundancy or retirement.

Basic terms of the DWS share-based plans

Grant year(s)	Award type	Vesting schedule	Eligibility
2021-2023 DWS Equity Plan	Annual awards	1/4: 12 months, 1/4: 24 months, 1/4: 36 months, 1/4: 48 months ¹	Selected employees as annual performance-based compensation (InstVV MRTs)
	Annual awards	1/3: 12 months, 1/3: 24 months, 1/3: 36 months ¹	Selected employees as annual performance-based compensation (non-InstVV MRTs)
	Annual awards (senior management)	1/5: 12 months, 1/5: 24 months, 1/5: 36 months, 1/5: 48 months, 1/5: 60 months ¹	Members of the Executive Board
	Annual award – upfront	Vesting immediately at grant ¹	Regulated employees
	Severance	Individual specification	Regulatory requirement for certain employees to defer severance payments
	Retention/new hire/off-cycle ⁴	Individual specification	Selected employees to attract and retain the best talent
2019-2020 DWS Equity Plan	Annual awards	1/3: 12 months, 1/3: 24 months, 1/3: 36 months ¹	Selected employees as annual performance-based compensation
	Annual awards (senior management)	1/5: 12 months, 1/5: 24 months, 1/5: 36 months, 1/5: 48 months, 1/5: 60 months ¹	Members of the Executive Board
	Severance	Individual specification	Regulatory requirement for certain employees to defer severance payments
	New hire/off-cycle ⁴	Individual specification	Selected employees to attract and retain the best talent
	Performance share unit award (one-off IPO related award granted in 2019)	1/3: March 2022, 1/3: March 2023, 1/3: March 2024 ¹	Members of the Executive Board

Grant year(s)	Award type	Vesting schedule	Eligibility
2018 DWS Equity Plan	Performance share unit award (one-off IPO related award) ¹	1/3: March 2022, 1/3: March 2023, 1/3: March 2024 ¹	Selected senior managers
2018 DWS Stock Appreciation Rights Plan	Stock appreciation rights award (one-off IPO related award)	For non-MRTs: 1 June 2021 ³ For MRTs: 1 March 2023 ^{1,3}	all DWS employees ²

¹ Depending on their individual regulatory status, a six months retention period (AIFMD/UCITS MRTs) or a 12-months retention period (InstVV, or IFD MRTs starting from 2023) applies after vesting.

² Unless the employee received performance share unit award.

³ For outstanding awards, a 4-year exercise period applies following vesting/retention period.

⁴ Off-Cycle awards to non-InstVV regulated employees only.

Movements in share award units

	DWS Equity Plan		DWS SAR Plan			
	2023	2022	2023		2022	
	Number of awards	Number of awards	Number of awards ¹	Weighted-average exercise price	Number of awards	Weighted-average exercise price
Share units (in thousands)						
Outstanding at beginning of year	1,816	1,890	837	€ 24.65	910	€ 24.65
Granted	895	863	0	€ 0.00	0	€ 0.00
Released or exercised	(924)	(910)	(125)	€ 24.65	(42)	€ 24.65
Forfeited	(49)	(78)	0	€ 24.65	(1)	€ 24.65
Expired	0	0	(16)	€ 0.00	(15)	€ 0.00
Other movements	6	50	0	€ 24.65	(1)	€ 24.65
Outstanding at end of year	1,744	1,816	696	€ 24.65	850	€ 24.65
Of which exercisable	0	0	655	€ 0.00	652	€ 0.00

¹ Brought forward numbers from 2022 have been amended based on updated information.

Key information regarding awards granted, released and remaining in the year

	2023			2022		
	Weighted average fair value per award granted in year	Weighted average share price at exercise/ release in year	Weighted average remaining contractual life in years	Weighted average fair value per award granted in the year	Weighted average share price at exercise/ release in year	Weighted average remaining contractual life in years
DWS Equity Plan	€ 25.37	€ 31.41	1.3	€ 27.96	€ 28.96	1.3
DWS Stock Appreciation Rights Plan	€ 0.00	€ 31.64	1.9	€ 0.00	€ 31.88	3.0

The fair value of outstanding share-based awards recognised in the income statement up to the period ending 2023 and 2022 was €46 million and € 46 million respectively, of which € 27 million (2022: € 20 million) relate to fully vested awards.

The fair value of the DWS Stock Appreciation Rights Plan awards have been measured using the generalised Black-Scholes model. The inputs used in the measurement of the fair values at grant date and measurement date of the DWS Stock Appreciation Rights Plan awards were as follows:

	Measurement date 31 Dec 2023	Measurement date 31 Dec 2022
	SAR	SAR
Units (in thousands)	696	850
Fair value (weighted average)	€ 10.81	€ 7.64
Share price	€ 34.80	€ 30.36
Exercise price	€ 24.65	€ 24.65
Expected volatility (weighted-average) in %	32	32
Expected life (weighted-average) in years	1.9	3.0
Expected dividends (% of income)	88	66

Given there is no liquid market for implied volatility of DWS shares, the calculation of DWS share price volatility is based on 5-year historical data for DWS and a comparable peer group.

Deutsche Bank Share-Based Plans (Equity-Settled)

Some Group employees continue to hold deferred awards granted under the DB Equity Plan, under the rules established for Deutsche Bank Group.

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. 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.

Basic terms of these share plans of Deutsche Bank Group

Grant year(s)	Award type	Vesting schedule	Eligibility
2019-2023 DB Equity Plan	Annual award	1/4: 12 months, 1/4: 24 months, 1/4: 36 months, 1/4: 48 months ¹	Selected employees as annual performance-based compensation (InstVV MRTs and employees in certain Deutsche Bank business division)
	Annual award	1/3: 12 months, 1/3: 24 months, 1/3: 36 months ¹	Selected employees as annual performance-based compensation
	Annual award	1/5: 12 months, 1/5: 24 months, 1/5: 36 months, 1/5: 48 months, 1/5: 60 months ¹	Selected employees as annual performance-based compensation (senior management)
	Annual award – upfront	Vesting immediately at grant ²	Regulated employees
	New hire	Individual specification	Selected employees to attract the best talent
2018 DB Equity Plan	Annual award	Cliff vesting after 54 months ¹	Members of senior management

¹ For InstVV-regulated employees (and Senior Management) a further retention period of twelve months applies (six months for awards granted in 2018).

² Share delivery takes place after a further retention period of twelve months.

In addition, the Group participates in a broad-based employee share ownership plan offered by Deutsche Bank Group and known as the Global Share Purchase Plan. The Global Share Purchase Plan offers employees in specific countries the opportunity to purchase Deutsche Bank shares in monthly instalments over one year. At the end of the purchase cycle, the acquired stock is matched in a ratio of one to one up to a maximum of ten free shares, provided that the employee remains at Deutsche Bank Group for another year. In total, 519 Group staff from nine countries enrolled in the fifteenth cycle that began in November 2023.

Movements in share award units, including grants under the cash plan variant of the DB Equity Plan

	2023	2022
Share units (in thousands)	Number of awards	Number of awards
Outstanding at beginning of year	235	627
Granted	5	5
Released or exercised	(194)	(386)
Forfeited	(4)	(1)
Expired	0	0
Other movements	10	26
Outstanding at end of year	52	271
Of which exercisable	0	0

¹ Brought forward numbers from 2022 have been amended based on updated information.

Key information regarding awards granted, released and remaining in the year

	2023			2022		
	Weighted average fair value per award granted in year	Weighted average share price at exercise/release in year	Weighted average remaining contractual life in years	Weighted average fair value per award granted in the year	Weighted average share price at exercise/release in year	Weighted average remaining contractual life in years
DB Equity Plan	€ 10.18	€ 11.59	1.4	€ 10.55	€ 9.09	0.6

As of 31 December 2023, the grant value of outstanding share awards was approximately € 0.3 million (31 December 2022: € 3 million).

In addition, approximately 0.2 million shares were issued to plan participants in 2023 following the vesting of DB Equity Plan awards granted in prior years.

Key information regarding the participant status of the defined benefit obligations

	31 Dec 2023				31 Dec 2022			
in € m. (unless stated otherwise)	Germany	EMEA (excluding Germany)	APAC	Total	Germany	EMEA (excluding Germany)	APAC	Total
Defined benefit obligation related to:								
Active plan participants	181	33	7	221	172	26	6	204
Participants in deferred status	117	3	0	120	106	3	0	109
Participants in payment status	110	7	0	118	98	2	0	100
Total defined benefit obligation	409	43	7	458	376	31	6	413
Fair value of plan assets	398	56	4	458	378	38	3	419
Funding ratio (in %)	97	130	55	100	100	124	46	101

The majority of the Group's defined benefit plan obligations relate to Germany. Outside of Germany, the largest obligations relate to Switzerland and Luxembourg. In Germany, post-employment benefits are usually agreed on a collective basis with respective employee workers councils. The Group's main pension plans are governed by boards of trustees, fiduciaries or their equivalent.

Post-employment benefits can form an important part of an employee's total remuneration. The Group follows the approach that their design shall be attractive to employees in the

Post-Employment Benefit Plans

Nature of Plans

The Group participates in a number of post-employment benefit plans on behalf of its employees. These plans are sponsored either by the Group directly or by other entities of Deutsche Bank Group and include both defined contribution plans and defined benefit plans. These plans are accounted for based on the nature and substance of the plan. 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. The remainder of this note focuses predominantly on the Group's defined benefit plans.

The defined benefit plans are described on a geographical basis, reflecting differences in the nature and risks of benefits, as well as in the respective regulatory environments. In particular, the requirements set by local regulators can vary significantly and broadly determine the design and financing of the benefit plans. Key information is also shown based on participant status, which provides an indication of the maturity of the Group's obligations.

respective market, but sustainable over the longer term. At the same time, the Group tries to limit its risks related to provision of such benefits. Consequently, the Group has moved to offer defined contribution plans in many locations over recent years.

Historically, pension plans were typically based on final pay prior to retirement. These types of benefits still form a significant part of the pension obligations for participants in deferred and payment status. Currently, in Germany, Switzerland and Luxembourg, the main defined benefit pension plans for active staff are cash account type plans where the Group credits an

annual amount to individuals' accounts based on an employee's current salary. Dependent on the plan rules, the accounts increase either at a fixed interest rate or participate in market movements of certain underlying investments to limit the associated investment risk. Sometimes, in particular in Germany, there is a guaranteed benefit amount within the plan rules, e. g. payment of at least the amounts contributed. Upon retirement, beneficiaries may usually opt for a lump sum or for conversion of the accumulated account balance into an annuity. This conversion is often based on market conditions and mortality assumptions at retirement.

The following amounts of expected benefit payments by the Group in respect of defined benefit plans include benefits attributable to employees' past and estimated future service and include both amounts paid from external pension trusts and paid directly by the Group in respect of unfunded plans.

Expected future benefit payments

in € m. (unless stated otherwise)	Germany	EMEA (excluding Germany)	APAC	Total
Actual benefit payments 2023	11	1	1	12
Benefits expected to be paid 2024	12	3	1	16
Benefits expected to be paid 2025	12	3	1	15
Benefits expected to be paid 2026	14	3	1	17
Benefits expected to be paid 2027	15	3	1	19
Benefits expected to be paid 2028	17	2	1	21
Benefits expected to be paid 2029-2033	107	15	5	127
Weighted average duration of defined benefit obligation (in years)	10	12	7	10

Multi-Employer Plans

Mainly in the UK and the US, some employees participate in defined benefit plans sponsored by another entity within the wider Deutsche Bank Group, for example retirement benefit plans in the UK as well as post-employment medical plans in the US. Generally the risk associated to the plan is within the sponsoring entity while the Group entities are obliged to pay for costs incurred for their respective employees within the sponsoring entity.

Selected legal entities of the Group are member of the BVV Versicherungsverein des Bankgewerbes a.G. (BVV) together with other financial institutions. The BVV, pension provider

for Germany's financial industry, offers retirement benefits to eligible employees in Germany and Luxembourg as a complement to post-employment benefit commitments of the Group. Both employers and employees contribute on a regular basis to the BVV. The BVV provides annuities of a fixed amount to individuals on retirement and increases these fixed amounts if surplus assets arise within the plan. Under legislation in Germany, the employer is ultimately liable for providing the benefits to its employees. An increase in benefits may also arise due to additional obligations to retirees for the effects of inflation. BVV is a multi-employer defined benefit plan. In line with industry practice, the Group accounts for these benefits as a defined contribution plan since insufficient information is available to identify assets and liabilities relating to the Group's current and former employees because the BVV does not fully allocate plan assets to beneficiaries or to member companies. According to the BVV's most recent disclosures, there is no current deficit in the plan that may affect the amount of future Group contributions. Furthermore, any plan surplus emerging in the future will be distributed to the plan members, hence it cannot reduce future Group contributions.

Oversight and Risk Management

Oversight for the Group's pension plans and related risks is performed by the Risk and Control Committee, as mandated by the Executive Board. The Risk and Control Committee is supported by the Pension Working Group. This mandate covers oversight with regards to guidelines for funding, asset allocation, actuarial assumption setting and risk management. Risk management includes the management and control of risks for the Group related to market developments, asset investment, regulatory or legislative requirements, as well as monitoring demographic changes leveraging Deutsche Bank Group's pension oversight and operative control mechanism implemented. During and after acquisitions or changes in the external environment (e. g. legislation, taxation), topics such as the general plan design or potential plan amendments are considered. To the extent that pension plans are funded, the assets held mitigate some of the liability risks, but introduce investment risk.

The Group's largest post-employment benefit plan risk exposures relate to potential changes in credit spreads, interest rates, price inflation and longevity, although these have been partially mitigated through the investment strategy adopted.

Overall, the Group is seeking to minimize the impact of pensions on its 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. Deutsche Bank Group measures pension risk exposures on a regular basis using specific metrics developed for this purpose. This process covers Deutsche Bank Group overall including the oversight of the Group's exposures.

Funding

Various external pension trusts are maintained to fund the majority of the Group's defined benefit plan obligations. The Group's funding principle is to maintain coverage of the defined benefit obligation by plan assets within a range of 80% to 100% of the obligation, subject to meeting any local statutory requirements. The Group has also determined that certain plans should remain unfunded, although their funding approach is subject to periodic review, e. g. when local regulations or practices change. Obligations for any unfunded plans are accrued on the balance sheet.

For externally funded defined benefit plans local minimum funding requirements may apply. However, for defined benefit plans in Germany which are externally funded by a Contractual Trust Agreement, no regulatory minimum funding requirements exist. In most countries the Group expects to receive an economic benefit from any plan surpluses of plan assets compared to defined benefit obligations, typically by way of reduced future contributions. Given the broadly fully funded position and the investment strategy adopted in the Group's key funded defined benefit plans, any minimum funding requirements that may apply are not expected to impact the Group's liquidity position. The Group considers not re-claiming benefits paid from the Group's assets as an equivalent to making cash contributions into the external pension trusts during the year.

Since 2022, the funding status for pension plans in Germany and Luxembourg moved into surplus due to significant market movements. The Group has claimed € 12 million in 2023 and € 14 million in 2022 from the trust accounting for all the benefits paid from the Group's assets on behalf of the trust.

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.

Applied actuarial assumptions

	31 Dec 2023			31 Dec 2022		
	Germany	EMEA (excluding Germany)	APAC	Germany	EMEA (excluding Germany)	APAC
Discount rate (in %)	3.33	1.75	4.06	3.80	2.63	3.61
Rate of price inflation (in %)	2.33	1.52	1.60	2.63	1.86	1.60
Rate of nominal increase in future compensation levels (in %)	2.51	1.91	4.81	2.82	2.20	4.25
Rate of nominal increase for pensions in payment (in %)	2.79	0.55	N/A	2.97	0.77	N/A
Assumed life expectancy at age 65:						
For a male aged 65 at measurement date	21.4	21.9	N/A	21.3	21.8	N/A
For a female aged 65 at measurement date	23.6	23.8	N/A	23.6	23.7	N/A
For a male aged 45 at measurement date	22.7	23.8	N/A	22.6	23.6	N/A
For a female aged 45 at measurement date	24.7	25.5	N/A	24.7	25.4	N/A
Mortality tables applied						
	modified Richttafeln Heubeck 2018G	Country specific tables	N/A	modified Richttafeln Heubeck 2018G	Country specific tables	N/A

For the Group's most significant plans the discount rate used at each measurement date is set based on a high-quality corporate bond yield curve – sourced from reputable third-party index and data providers and rating agencies – reflecting the timing, amount and currency of the future expected benefit payments for the respective plan.

The price inflation assumptions in the Eurozone are set with reference to market measures of inflation based on inflation swap rates in those markets at each measurement date. For other countries, the price inflation assumptions are typically based on long-term forecasts by Consensus Economics Inc.

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

Mortality assumptions can be significant in measuring the Group's obligations under its defined benefit plans. These assumptions have been set in accordance with current best estimate in the respective countries. Future potential improvements in longevity have been considered and included where appropriate.

Reconciliation in movement of liabilities and assets – Impact on Financial Statements

	2023				2022			
in € m.	Germany	EMEA (excluding Germany)	APAC	Total	Germany	EMEA (excluding Germany)	APAC	Total
Change in the present value of the defined benefit obligation:								
Balance, beginning of year	376	31	6	413	478	35	5	518
Defined benefit cost recognized in profit or loss:								
Current service cost	11	1	1	13	13	2	1	15
Interest cost	14	1	0	15	5	0	0	6
Past service cost and gain or loss arising from settlements	1	0	0	1	2	0	0	2
Defined benefit cost recognized in other comprehensive income:								
Actuarial gain or loss arising from changes in financial assumptions	16	2	0	18	(116)	(7)	0	(124)
Actuarial gain or loss arising from changes in demographic assumptions	0	0	0	0	9	0	0	9
Actuarial gain or loss arising from experience	0	6	0	6	0	1	0	1
Cash flow and other changes:								
Contributions by plan participants	0	1	0	1	0	1	0	1
Benefits paid	(11)	(1)	(1)	(12)	(14)	(1)	0	(15)
Acquisitions/divestitures	0	0	0	0	(5)	(1)	0	(6)
Exchange rate changes	0	2	0	1	0	1	0	1
Other ¹	2	0	1	3	4	0	2	6
Balance, end of year	409	43	7	458	376	31	6	413
thereof:								
Unfunded	0	1	3	4	0	1	3	5
Funded	409	42	4	454	376	30	3	408
Change in fair value of plan assets:								
Balance, beginning of year	378	38	3	419	429	39	1	469
Defined benefit cost recognized in profit or loss:								
Interest income	14	1	0	16	5	0	0	5
Defined benefit cost recognized in other comprehensive income:								
Return from plan assets less interest income	10	13	0	23	(52)	(3)	0	(56)
Cash flow and other changes:								
Contributions by plan participants	0	1	0	1	0	1	0	1
Contributions by the employer	5	1	0	7	6	1	0	8
Benefits paid ²	(11)	(1)	0	(12)	(14)	(1)	0	(15)
Acquisitions/divestitures	0	0	0	0	0	0	0	0
Exchange rate changes	0	2	0	2	0	1	0	1
Other ¹	2	0	1	3	4	0	2	6
Plan administration costs	0	0	0	0	0	0	0	0
Balance, end of year	398	56	4	458	378	38	3	419
Funded status, end of year	(11)	13	(3)	0	2	7	(3)	6

	2023				2022			
in € m.	Germany	EMEA (excluding Germany)	APAC	Total	Germany	EMEA (excluding Germany)	APAC	Total
Change in irrecoverable surplus (asset ceiling):								
Balance, beginning of year	0	(6)	0	(6)	0	(5)	0	(5)
Interest cost	0	0	0	0	0	0	0	0
Changes in irrecoverable surplus	0	(5)	0	(5)	0	(1)	0	(1)
Exchange rate changes	0	(1)	0	(1)	0	0	0	0
Balance, end of year	0	(12)	0	(12)	0	(6)	0	(6)
Net asset (liability) recognized	(11)	1	(3)	(12)³	2	2	(3)	0⁴

¹ Transfers between other subsidiaries of Deutsche Bank Group.

² For funded plans only.

³ Thereof € 8 million recognized in other assets and € 21 million in other liabilities.

⁴ Thereof € 10 million recognized in other assets and € 10 million in other liabilities.

Investment Strategy

The Group participates in Deutsche Bank Group's overall investment strategy. The investment objective is to protect against adverse impacts of changes in the funding position of its defined benefit pension plans on key financial metrics, with a primary focus on protecting the plans' IFRS funded status, while taking into account the plans' impact on other metrics, such as regulatory capital and local profit or loss accounts. Since 2021, there has been a shift in the investment strategy in selected markets to balance competing key financial metrics. Investment managers manage pension assets in line with investment mandates or guidelines as agreed with the pension plans' trustees and investment committees.

For key defined benefit plans for which the Group aims to protect the IFRS funded status, a liability driven investment approach is applied. 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 such that plan assets broadly reflect the underlying risk profile and currency of the pension obligations.

Where the desired hedging level as defined in Deutsche Bank Group's overall investment strategy for these risks cannot be achieved with physical instruments (i. e. corporate and government bonds), derivatives are employed. Derivatives mainly include interest rate, inflation swaps and credit default swaps. Other derivative instruments are also used, such as interest rate futures and options. In practice, a completely hedged approach is impractical, 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, such as high-yield bonds, high-yield emerging markets bonds. Furthermore, the Group invests in the investment strategy, which has been reduced.

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Plan Asset Allocation to Key Asset Classes

The following table shows the asset allocation of the Group's funded defined benefit plans to key asset classes, i. e. exposures include physical securities in discretely managed portfolios and underlying asset allocations of any commingled funds used to invest plan assets.

Asset amounts in the following table include both "quoted" (i. e. level 1 assets in accordance with IFRS 13 "Fair Value Measurement" – amounts invested in markets where the fair value can be determined directly from prices which are quoted in active, liquid markets) and "other" (i. e. level 2 and 3 assets in accordance with IFRS 13) assets.

Plan asset allocation to key asset classes

in € m.	31 Dec 2023				31 Dec 2022			
	Germany	EMEA (excluding Germany)	APAC	Total	Germany	EMEA (excluding Germany)	APAC	Total
Cash and cash equivalents	10	2	1	14	3	2	2	7
Equity instruments ¹	49	14	0	63	41	9	0	49
Investment-grade bonds ² :								
Government	72	9	1	82	69	5	1	75
Non-government bonds	150	16	0	166	139	11	0	150
Non-investment-grade bonds:								
Government	4	0	0	4	3	0	0	4
Non-government bonds	13	1	0	14	11	1	0	12
Securitised and other debt investments	0	1	0	1	0	0	0	1
Alternatives:								
Real estate	27	8	0	35	24	6	0	30
Commodities	2	0	0	2	2	0	0	2
Private equity	0	0	0	0	0	0	0	0
Other ³	38	3	0	41	37	2	0	39
Derivatives (market value):								
Interest rate	34	1	0	35	47	1	0	48
Credit	(1)	0	0	(1)	0	0	0	0
Inflation	0	0	0	0	0	0	0	0
Foreign exchange	1	0	0	1	2	0	0	2
Other	0	0	0	0	0	0	0	0
Total fair value of plan assets	398	56	4	458	378	38	3	419

¹ Allocation of equity exposure is broadly in line with the typical index in the respective market.

² Investment-grade means BBB and above based on average credit ratings which are determined on the basis of the ratings of the rating agencies Fitch, Moody's and S&P. The average credit rating exposure for the Group's main plans is around A.

³ Amongst others this position contains commingled funds which could not be segregated into the other asset categories.

The following table sets out the Group's funded defined benefit plan assets only invested in "quoted" assets, i. e. level 1 assets in accordance with IFRS 13.

Plan asset allocation of level 1 assets

in € m.	31 Dec 2023				31 Dec 2022			
	Germany	EMEA (excluding Germany)	APAC	Total	Germany	EMEA (excluding Germany)	APAC	Total
Cash and cash equivalents	3	1	0	5	(4)	1	0	(3)
Equity instruments ¹	37	1	0	39	30	1	0	31
Investment-grade bonds ² :								
Government	23	4	0	27	26	3	0	28
Non-government bonds	0	0	0	0	0	0	0	0
Non-investment-grade bonds:								
Government	0	0	0	0	0	0	0	0
Non-government bonds	0	0	0	0	0	0	0	0
Securitised and other debt investments	0	0	0	0	0	0	0	0
Alternatives:								
Real estate	0	0	0	0	0	0	0	0
Commodities	0	0	0	0	0	0	0	0
Private equity	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0
Derivatives (market value):								
Interest rate	0	0	0	0	0	0	0	0
Inflation	0	0	0	0	0	0	0	0
Others	0	0	0	0	0	0	0	0
Total fair value of quoted plan assets	64	6	0	70	52	5	0	56

¹ Allocation of equity exposure is broadly in line with the typical index in the respective market.

² Investment-grade means BBB and above based on average credit ratings which are determined on the basis of the ratings of the rating agencies Fitch, Moody's and S&P. The average credit rating exposure for the Group's main plans is around A.

Geographical allocation of invested plan assets

in € m. (unless stated otherwise)	31 Dec 2023							31 Dec 2022						
	Germany	United Kingdom	United States	Other Eurozone	Other developed countries	Emerging markets	Total	Germany	United Kingdom	United States	Other Eurozone	Other developed countries	Emerging markets	Total
Cash and cash equivalents	0	0	1	10	2	1	14	0	0	2	2	1	2	7
Equity instruments	1	2	36	13	9	2	63	1	1	27	12	6	1	49
Government bonds (investment-grade and above)	16	0	3	35	9	19	82	13	0	3	39	4	15	75
Government bonds (non-investment-grade)	0	0	0	0	0	4	4	0	0	0	0	0	4	4
Non-government bonds (investment-grade and above)	15	4	56	71	18	1	166	10	9	50	65	15	1	150
Non-government bonds (non-investment-grade)	0	0	1	13	0	0	14	0	0	0	11	0	0	12
Securitised and other debt investments	0	0	0	0	1	0	1	0	0	0	0	0	0	1
Subtotal	32	7	96	144	39	27	344	25	10	82	129	28	23	296
Share (in %)	9	2	28	42	11	8	100	8	3	28	44	9	8	100
Other asset categories							114							122
Fair value of plan assets							458							419

Plan assets included derivative transactions with other Deutsche Bank Group entities with a market value of positive € 33 million and positive € 46 million at 31 December 2023 and 31 December 2022, respectively. There were neither a material number of securities issued by the Group nor other claims against the Group assets included in the fair value of plan assets. The plan assets did not include any real estate which is used by the Group.

Key Risk Sensitivities

The Group'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 interest rate duration is derived from the change in the defined benefit obligation to a change in the interest 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 interest rate. For other assumptions, a similar approach is used to derive the respective sensitivity results.

For defined benefit pension plans, changes in capital market conditions will impact the plan obligations via actuarial assumptions – mainly interest rate and inflation rate – as well as the plan assets' fair value. Where the Group applies a liability driven investment approach, the overall exposure to such changes is reduced. To help readers gain a better understanding of the Group's risk exposures 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. Where changes in actuarial assumptions do not affect the plan assets, only the impact on the defined benefit obligations is reported.

Asset-related sensitivities are derived for major plans which are applicable to the Group by using risk sensitivity factors determined by Deutsche Bank 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.

The sensitivities illustrate plausible variations over time in capital market movements and key actuarial assumptions. The Group 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.

Sensitivity analysis of changes in actuarial assumptions

in € m.	31 Dec 2023			31 Dec 2022		
	Germany	EMEA (excluding Germany)	APAC	Germany	EMEA (excluding Germany)	APAC
Interest rate (–50 bp):						
(Increase) in defined benefit obligations	(20)	(2)	0	(20)	(1)	0
Interest rate (+50 bp):						
Decrease in defined benefit obligations	19	2	0	19	1	0
Rate of price inflation (–50 bp): ¹						
Decrease in defined benefit obligations	7	0	0	7	0	0
Rate of price inflation (+50 bp): ¹						
(Increase) in defined benefit obligations	(7)	0	0	(7)	0	0
Rate of real increase in future compensation levels (–50 bp):						
Decrease in defined benefit obligations, net impact on funded status	0	0	0	1	0	0
Rate of real increase in future compensation levels (+50 bp):						
(Increase) in defined benefit obligations, net impact on funded status	0	0	0	(1)	0	0
Longevity improvements by 10%: ²						
(Increase) in defined benefit obligations, net impact on funded status	(4)	0	0	(4)	0	0

¹ Incorporates sensitivity to changes in nominal increase for pensions in payment 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.

Expected Cash Flows

The following table shows expected cash flows for post-employment benefits in 2024, including contributions to the Group's external pension trusts in respect of funded plans, direct payment to beneficiaries in respect of unfunded plans, as well as contributions to defined contribution plans.

Expected cash flow for post-employment benefits

in € m.	2024
Expected contributions to:	
Group internal defined benefit plan assets	12
Defined benefit plan assets sponsored by another company of Deutsche Bank Group	(1)
BVV	4
Other defined contribution plans	20
Expected benefit payments for unfunded defined benefit plans	0
Expected total cash flow related to post-employment benefits	35

Expense of Employee Benefits

The following table presents a breakdown of specific expenses according to the requirements of IAS 19 "Employee Benefits" and IFRS 2 "Share-based payment" respectively.

Expense of employee benefits

in € m.	2023	2022
Expenses for defined benefit plans:		
Service cost ¹	13	17
Net interest cost (income)	0	1
Total expenses defined benefit plans	14	18
Expenses for defined contribution plans:		
BVV	4	4
Other defined contribution plans	20	19
Total expenses for defined contribution plans	24	23
Total expenses for post-employment benefit plans	37	41
Employer contributions to mandatory German social security pension plan	16	15
Expenses for share-based payments, equity settled	3	5
Expenses for share-based payments, cash settled	31	13
Expenses for cash retention plans	30	44
Expenses for severance payments ²	28	25

¹ Including severance related past service costs of € 1 million in 2023 (€ 2 million in 2022).

² Excluding the acceleration of expenses for deferred compensation awards not yet amortized. Including severance related past service costs.

20 – Income Taxes

in € m.	2023	2022
Current tax expense (benefit):		
Tax expense (benefit) for current year	231	267
Adjustments for prior years	(31)	2
Total current tax expense (benefit)	199	269
Deferred tax expense (benefit):		
Origination and reversal of temporary differences, unused tax losses and tax credits	(2)	(7)
Effect of changes in tax law and/or tax rate	1	2
Adjustments for prior years	26	6
Total deferred tax expense (benefit)	25	1
Total income tax expense (benefit)	224	271

Income tax expense in 2023 was € 224 million (2022: € 271 million). The effective tax rate of 28.8% (2022: 31.3%) was mainly impacted by non-deductible expenses, partly offset by tax exempt income and changes from unrecognized tax losses.

Total current tax expense includes benefits from previously unrecognized tax losses which reduced the current tax expense by € 10 million in 2023. In 2022 current tax expense was not impacted by these effects.

In 2023 the total deferred tax expense was reduced by € 2 million due to benefits from previously unrecognized tax losses, partially offset by expenses arising from write-downs of deferred tax assets. In 2022 these effects decreased the deferred tax expense by € 2 million.

The domestic income tax rate including corporate tax, solidarity surcharge, and trade tax used for calculating deferred tax assets and liabilities was 31.9% for 2023 and 2022.

Difference between applying German statutory (domestic) income tax rate and actual income tax expense (benefit)

in € m.	2023	2022
Expected tax expense (benefit) at domestic income tax rate of 31.9% (31.9% for 2022)	248	276
Foreign rate differential	(26)	(32)
Tax-exempt gains on securities and other income	(8)	(9)
Loss (income) on equity method investments	(8)	(12)
Non-deductible expenses	28	26
Changes in recognition and measurement of deferred tax assets	(12)	(3)
Effect of changes in tax law and/or tax rate ¹	1	2
Effect related to share-based payments	0	0
Other ¹	1	23
Actual income tax expense (benefit)	224	271

¹ Current and deferred tax expense (benefit) relating to prior years are mainly reflected in the line items changes in recognition and measurement of deferred tax assets and other.

Income taxes charged or credited to equity (other comprehensive income/additional paid-in capital)

in € m.	2023	2022
Actuarial gains/losses related to defined benefit plans	2	(19)
Financial assets mandatory at fair value through other comprehensive income:		
Unrealized net gains/losses arising during the period	(1)	23
Realized net gains/losses arising during the period (reclassified to profit or loss)	0	0
Other equity movement:		
Unrealized net gains/losses arising during the period	0	0
Realized net gains/losses arising during the period (reclassified to profit or loss)	0	0
Income taxes (charged) credited to other comprehensive income	1	5
Other income taxes (charged) credited to equity	(3)	1

Major components of the Group's gross deferred tax assets and liabilities

in € m.	31 Dec 2023	31 Dec 2022
Deferred tax assets:		
Unused tax losses	4	8
Unused tax credits	0	1
Deductible temporary differences:		
Employee benefits, including equity settled share-based payments	98	82
Trading activities, including derivatives	121	144
Leases	37	33
Intangible assets	4	4
Accrued interest expense	8	4
Financial assets at fair value through other comprehensive income	0	37
Other assets	12	10
Total deferred tax assets pre offsetting	284	323
Deferred tax liabilities:		
Taxable temporary differences:		
Employee benefits, including equity settled share-based payments	11	8
Trading activities, including derivatives	132	155
Leases	35	30
Intangible assets	195	197
Financial assets at fair value through other comprehensive income	0	0
Other assets	18	15
Total deferred tax liabilities pre offsetting	391	405

Deferred tax assets and liabilities, after offsetting

in € m.	31 Dec 2023	31 Dec 2022
Presented as deferred tax assets	95	131
Presented as deferred tax liabilities	202	213
Net deferred tax liabilities	107	82

The change in the balance of deferred tax assets and deferred tax liabilities does not equal the deferred tax expense/(benefit). This is due to deferred taxes that are booked directly to equity and the effects of exchange rate changes on tax assets and liabilities denominated in currencies other than Euro.

Items for which no deferred tax assets were recognized¹

in € m.	31 Dec 2023	31 Dec 2022
Not expiring	(199)	(237)
Expiring in subsequent period	(12)	0
Expiring after subsequent period	(2)	(20)
Unused tax losses	(213)	(257)

¹ Amounts in the table refer to unused tax losses for federal income tax purposes.

Deferred tax assets were not recognized on these items because it is not probable that future taxable profit will be available against which the unused tax losses, unused tax credits and deductible temporary differences can be utilized.

As of 31 December 2023, DWS Group recognized deferred tax assets of € 1 million (2022: € 4 million), that exceed deferred tax liabilities in entities which have suffered a loss in either the current or preceding period. This is based on management's assessment that it is probable that the respective entities will have taxable profits against which the unused tax losses, unused tax credits and deductible temporary differences can be utilized.

Generally, in determining the amounts of deferred tax assets to be recognized, management uses historical profitability information and, if relevant, forecasted operating results, based upon approved business plans, including a review of the eligible carry-forward periods, tax planning opportunities and other relevant considerations.

As of 31 December 2023, the Group had temporary differences associated with the Group's parent company's investments in subsidiaries, branches and associates and interests in joint ventures of € 129 million (2022: € 136 million), in respect of which no deferred tax liabilities were recognized.

In December 2021, the Organization for Economic Co-Operation and Development (OECD) issued Global Anti-Base Erosion and Profit Shifting Rules under the Pillar 2 Framework. In May 2023, the IASB issued amendments to IAS 12 "Income Taxes" to introduce a mandatory temporary exception to the accounting for deferred taxes arising from the implementation of Pillar 2 model rules and disclosure requirements. The application of the exception outlined above has to be applied immediately with the disclosure requirements to be effective for annual periods beginning on or after 1 January 2023. The mandatory temporary exception has been applied and there has been no impact on the Group's consolidated financial statements.

Deutsche Bank AG as the ultimate parent entity conducted comprehensive impact assessments based on most recent available and historic country-by-country reporting data. Based on these impact assessments no material amounts are expected to be allocated to DWS Group.

21 – Related Party Transactions

Related parties are considered as a person or entity who has the ability to directly or indirectly control the other party or exercise significant influence over the other party in making financial or operational decisions. The Group's related parties include:

- Key management personnel, close family members of key management personnel and entities which are controlled, significantly influenced by, or for which significant voting power is held by key management personnel or their close family members
- Deutsche Bank AG and its subsidiaries including DB Beteiligungs-Holding GmbH, joint ventures, associates and their respective subsidiaries
- DWS Group's subsidiaries and associates and their respective subsidiaries
- Post-employment benefit plans for the benefit of DWS KGaA and its related party entities employees

Transactions with Related Party Persons

Related party persons are key management personnel who have direct or indirect authority and responsibility for planning, directing and controlling the activities of the Group as well as their close family members. The Group considers the members of the Executive Board and the Supervisory Board to constitute key management personnel.

As of 31 December 2023, transactions with related party persons were loans and commitments of € 14 million and deposits of € 6 million. As of 31 December 2022, transactions with related party persons were loans and commitments of € 13 million and deposits of € 6 million.

Transactions with Related Party Entities

Transactions between DWS KGaA and its subsidiaries meet the definition of related party transactions. If these transactions are eliminated on consolidation, they are not disclosed as related party transactions. Transactions between the Group and its associates and their respective subsidiaries also qualify as related party transactions. Moreover, transactions with Deutsche Bank Group entities, including its associates and joint ventures and their respective subsidiaries qualify as related party transactions.

The transactions with Deutsche Bank Group entities shown in the table below are mainly related to cash management activities, asset management agreements, outsourced services and leases.

DWS KGaA incurred expenses for key management personnel services to DWS Management GmbH, a wholly owned subsidiary of Deutsche Bank AG, of € 24 million for the year 2023 (€ 40 million for the year 2022). Furthermore, on 20 June 2023, DWS KGaA paid a dividend of € 326 million for the fiscal year 2022 to DB Beteiligungs-Holding GmbH, a wholly owned subsidiary of Deutsche Bank AG (on 14 June 2022, € 318 million for the fiscal year 2021 respectively).

Transactions with associates resulted to € 9 million revenues for 2023 (€ 1 million revenues for 2022) and € 60 million expenses for 2023 (€ 7 million expenses for 2022). These transactions are mainly related to distribution agreements and service agreements. In addition, the Group had no further transactions as of 31 December 2023 and 31 December 2022 respectively with joint ventures and associates of Deutsche Bank Group.

Transactions with Deutsche Bank Group entities

in € m.	2023				2022			
	Net interest and non-interest income	Non-interest expenses	Assets	Liabilities	Net interest and non-interest income	Non-interest expenses	Assets	Liabilities
Deutsche Bank AG	(283)	137	906	332	(300)	98	862	233
Other Deutsche Bank Group entities	(26)	61	115	109	(47)	112	113	116

Transactions with Related Party Pension Plans

Under IFRS, certain post-employment benefit plans are considered related parties. The Group has business relationships with a number of its pension plans pursuant to which it provides financial services to these plans, including investment management services. The Group's pension funds may hold or trade Deutsche Bank AG and its related parties' shares or securities.

Transactions with Related Party Pension Plans

in € m.	31 Dec 2023	31 Dec 2022
Other assets	1	1
Fees paid from plan assets to asset managers of the Group	1	1
Market value of derivatives with a counterparty of the Group/Deutsche Bank Group	33	46
Notional amount of derivatives with a counterparty of the Group/Deutsche Bank Group	343	506

22 – Information on Subsidiaries and Shareholdings

GRI 2-2

Composition of the Group

DWS Group GmbH & Co. KGaA is the direct or indirect holding company for the Group's subsidiaries.

The Group consists of 75 consolidated entities, thereof 47 subsidiaries and 28 consolidated structured entities.

50 of the entities controlled by the Group are directly or indirectly held by the Group at 100% of the ownership interests (share of capital). Third parties also hold ownership interest in 25 of the consolidated entities (non-controlling interest). As of 31 December 2023 the non-controlling interests are neither individually nor cumulatively material to the Group.

Shareholdings

The following tables show the shareholdings of the Group pursuant to Section 313 (2) of the German Commercial Code (HGB).

Subsidiaries

Serial No.	Name of company	Domicile of company	Footnote	Share of capital in %
1	DWS Group GmbH & Co. KGaA	Frankfurt		
2	DB Vita S.A.	Luxembourg		84.0
3	DBRE Global Real Estate Management IB, Ltd.	George Town		100.0
4	DBX Advisors LLC	Wilmington		100.0
5	Deutsche Alternative Asset Management (UK) Limited	London		100.0
6	Deutsche Capital Partners China Limited (in voluntary liquidation)	George Town		100.0
7	Deutsche Cayman Ltd.	Camana Bay		100.0
8	Deutsche Grundbesitz-Anlagegesellschaft mit beschränkter Haftung	Frankfurt		99.8
9	DI Deutsche Immobilien Treuhandgesellschaft mbH	Frankfurt		100.0
10	DIP Management GmbH	Frankfurt		100.0
11	DWS Alternatives France	Paris		100.0
12	DWS Alternatives Global Limited	London		100.0
13	DWS Alternatives GmbH	Frankfurt		100.0
14	DWS Asset Management (Korea) Company Limited	Seoul		100.0
15	DWS Beteiligungs GmbH	Frankfurt		98.6

Serial No.	Name of company	Domicile of company	Footnote	Share of capital in %
16	DWS CH AG	Zurich		100.0
17	DWS Distributors, Inc.	Wilmington		100.0
18	DWS Far Eastern Investments Limited	Taipei		60.0
19	DWS Global Business Services Inc.	Taguig City		100.0
20	DWS Group Services UK Limited	London		100.0
21	DWS Grundbesitz GmbH	Frankfurt		99.9
22	DWS India Private Limited	Mumbai		100.0
23	DWS International GmbH	Frankfurt		100.0
24	DWS Investment GmbH	Frankfurt		100.0
25	DWS Investment Management Americas, Inc.	Wilmington		100.0
26	DWS Investment S.A.	Luxembourg		100.0
27	DWS Investments Australia Limited	Sydney		100.0
28	DWS Investments Hong Kong Limited	Hong Kong		100.0
29	DWS Investments Japan Limited	Tokyo		100.0
30	DWS Investments Shanghai Limited	Shanghai		100.0
31	DWS Investments Singapore Limited	Singapore		100.0
32	DWS Investments UK Limited	London		100.0
33	DWS Real Estate GmbH	Frankfurt		89.9
34	DWS Service Company	Wilmington		100.0
35	DWS Shanghai Private Equity Fund Management Limited	Shanghai		100.0
36	DWS Trust Company	Concord		100.0
37	DWS USA Corporation	Wilmington		100.0
38	European Value Added I (Alternate G.P.) LLP	London		100.0
39	Leonardo III Initial GP Limited	London		100.0
40	Prof. Weber GmbH	Mannheim		100.0
41	RoPro U.S. Holding, Inc.	Wilmington		100.0
42	RREEF America L.L.C.	Wilmington		100.0
43	RREEF European Value Added I (G.P.) Limited	London		100.0
44	RREEF Fund Holding LLC	Wilmington		100.0
45	RREEF Management L.L.C.	Wilmington		100.0
46	Treuinvest Service GmbH	Frankfurt		100.0
47	WEPLA Beteiligungsgesellschaft mbH	Frankfurt		100.0

Consolidated Structured Entities

Serial No.	Name of company	Domicile of company	Footnote	Share of capital in %
48	DB Impact Investment (GP) Limited	London		100.0
49	DBRE Global Real Estate Management US IB, L.L.C.	Wilmington		100.0
50	DBX ETF Trust	Wilmington	1	-
51	DWS Access S.A.	Luxembourg	1	-
52	DWS Alternatives (IE) ICAV	Dublin		-
53	DWS Funds	Luxembourg	1	-
54	DWS Garant	Luxembourg	1	-
55	DWS Invest	Luxembourg	1	-
56	DWS Invest (IE) ICAV	Dublin		-
57	DWS Zeitwert Protect	Luxembourg		-
58	DWS-Fonds Treasury Liquidity (EUR)	Frankfurt		100.0
59	Dynamic Infrastructure Securities Fund LP	Wilmington		-
60	ERET Lux 1 S.à r.l.	Luxembourg		100.0
61	European Real Estate Transformation Fund S.C.A. SICAV-RAIF	Luxembourg		100.0
62	G.O. IB-US Management, L.L.C.	Wilmington		100.0
63	Infrastructure Debt Fund S.C.Sp. SICAV-RAIF	Luxembourg		-
64	PEIF II SLP Feeder 2 LP	Edinburgh		100.0
65	PEIF III SLP Feeder GP, S.à r.l.	Senningerberg		-
66	PEIF III SLP Feeder, SCSp	Senningerberg	2	55.1
67	Property Debt Fund S.C.Sp. SICAV-RAIF	Luxembourg		-
68	RREEF Core Plus Residential Fund LP	Wilmington		100.0
69	RREEF DCH, L.L.C.	Wilmington		100.0
70	SGI SLP Feeder GP S.à r.l.	Senningerberg		-
71	SGI SLP Feeder SCSp	Senningerberg	2	56.0
72	Timing Chance Multi Asset Income	Frankfurt		100.0
73	Vermögensfondmandat Flexible (80% teilgeschützt)	Luxembourg		-
74	Xtrackers (IE) Public Limited Company	Dublin	1	0.1
75	Xtrackers II	Luxembourg	1	0.1

Associated Companies

Serial No.	Name of company	Domicile of company	Footnote	Share of capital in %
76	Arabesque AI Ltd	London	3	24.3
77	Deutscher Pensionsfonds Aktiengesellschaft	Cologne	3	25.1
78	G.O. IB-SIV Feeder, L.L.C.	Wilmington	3	15.7
79	Harvest Fund Management Co., Ltd.	Shanghai	3	30.0
80	MorgenFund GmbH	Frankfurt	3	30.0

Other Companies where the Holding Exceeds 20%

Serial No.	Name of company	Domicile of company	Footnote	Share of capital in %
81	DB Real Estate Global Opportunities IB (Offshore), L.P.	Camana Bay	4	33.6
82	Deutsches Institut für Altersvorsorge GmbH	Frankfurt	5	22.0
83	DWS Offshore Infrastructure Debt Opportunities Feeder LP	George Town	4, 6	26.3

Other Companies with Status as Shareholder with Unlimited Liability pursuant to Section 313 (2) Number 6 HGB

Serial No.	Name of company	Domicile of company	Footnote	Share of capital in %
84	DEBEKO Immobilien GmbH & Co Grundbesitz OHG	Eschborn	2	0.1
85	RREEF European Value Added Fund I L.P.	London	2	0.0

Footnotes:

- 1 Only specified assets and related liabilities (silos) of this entity were consolidated.
- 2 Status as shareholder with unlimited liability pursuant to Section 313 (2) number 6 HGB.
- 3 Accounted under the equity method.
- 4 Classified as structured entity not to be accounted under the equity method under IFRS (please refer to note '23 – Structured Entities').
- 5 No significant influence; classified as non-trading financial assets mandatory at fair value through profit or loss.
- 6 Own funds of € 39.7 million/result of € 3.8 million (business year 2022).

Significant Restrictions to Access or Use the Group's Assets

Statutory, contractual or regulatory requirements as well as protective rights of non-controlling interests might restrict the ability of the Group to access and transfer assets freely to or from other entities within the Group and to settle liabilities of the Group.

The following restrictions impact the Group's ability to use assets:

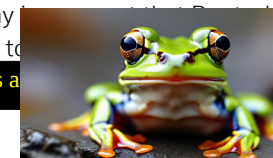
- The assets of consolidated structured entities, which mainly consist of guaranteed funds, are held for the benefit of the parties that have bought the shares issued by these entities.
- Investment contract related financial assets held to back unit linked contracts offered by DB Vita S.A. (the Group's specialist for unit-linked products).

Restricted assets

in € m.	31 Dec 2023		31 Dec 2022	
	Total assets	Restricted assets	Total assets	Restricted assets
Interest earning deposits with banks	1,320	69	1,779	84
Financial assets at fair value through profit or loss	4,868	2,150	3,959	1,822
Financial assets at fair value through other comprehensive income	82	0	80	0
Loans at amortized cost	4	0	6	0
Other	5,409	18	5,588	25
Total	11,683	2,237	11,412	1,931

The table above excludes assets that are not encumbered at an individual entity level but which may be subject to restrictions in terms of their transferability within the Group. Regulatory and central bank requirements or corporate laws may restrict the Group's ability to transfer assets to or from other entities within the Group in certain jurisdictions. Referring to this the US Federal Reserve Board required certain commitments with respect to the DWS Group operations in the US that are grouped under DWS USA Corporation (DWS Intermediate Holding Company) in accordance with Regulation YY. That includes restrictions on capital distributions that could arise from non-compliance by DWS Intermediate Holding Company with applicable regulatory requirements. Capital distribution restrictions would also be imposed on DWS Intermediate Holding Company. The US Federal Reserve Bank's

The secret animal #4 is a



23 – Structured Entities

Nature, Purpose and Extent of the Group's Interests in Structured Entities

The Group engages in various business activities with structured entities which are designed to achieve a specific business purpose. A structured entity is one that has been set up so that any voting rights or similar rights are not the dominant factor in deciding who controls the entity. An example is when voting rights relate only to administrative tasks and the relevant activities are directed by contractual arrangements.

A structured entity often has some or all of the following features or attributes:

- Restricted activities
- A narrow and well defined objective
- Insufficient equity to permit the structured entity to finance its activities without subordinated financial support
- Financing in the form of multiple contractually linked instruments to investors that create concentration of credit or other risks (tranches)

As part of its business, the Group is responsible for the set up and management of various entities that are used to manage portfolios of assets on behalf of its clients. These entities are classified as structured entities. Structured entities may be established as corporations, trusts or partnerships. Structured entities generally finance the purchase of assets by issuing debt or equity securities that are collateralised by and/or indexed to the assets held by the structured entities.

The Group is considered a fund's sponsor if market participants associate this structured entity with the Group. This is assumed to be the case if the term "DWS" or "Xtrackers" is used in a fund's name. Investment funds managed by group-internal asset managers can be reasonably associated with the Group. As a sponsor, the Group is involved in the legal set-up and marketing of internally managed funds. This may include providing seed capital to the funds and providing administrative services to ensure the investment funds' operation.

Income Derived from Involvement with Structured Entities

The Group earns management fees and, occasionally, performance-based fees for its investment management service in relation to funds. The majority of the net commission and

fees from asset management activities and most of the net gains (losses) on financial assets/liabilities at fair value through profit or loss relates to structured entities.

Financial Support

During 2023 and 2022 respectively, the Group did not provide non-contractual support to consolidated and unconsolidated structured entities.

Consolidated Structured Entities

The Group has the following consolidated structured entities and considers the net asset value of the consolidated structured entities as the size and maximum exposure at risk.

Consolidated structured entities

in € m.	31 Dec 2023	31 Dec 2022
Assets:		
Guaranteed funds	1,457	1,278
Seed investments	226	108
Co-investments	6	7
Liquidity positions	1,580	1,020
Total assets	3,269	2,412
Liabilities:		
Guaranteed funds	1,456	1,277
Seed investments	31	11
Co-investments	3	2
Liquidity positions	0	0
Total liabilities	1,490	1,289
Net income (loss) attributable to DWS shareholders:		
Guaranteed funds	0	0
Seed investments	13	(3)
Co-investments	(1)	5
Liquidity positions	39	(2)
Total net income (loss) attributable to DWS shareholders	51	(1)

Unconsolidated Structured Entities

These are structured entities which are not consolidated because the Group does not control them through voting rights, contract, funding agreements, or other means.