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DWS Group GmbH & Co KGaA

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Dear shareholders, ladies and gentlemen,

On behalf of the entire Executive Board, I am delighted to welcome you very warmly to the third Annual General Meeting of DWS Group.

I would have been delighted to welcome you here in person. However, as our Chairman of the Supervisory Board, Karl von Rohr has just explained, this is unfortunately not possible at our Annual General Meeting today. I deeply regret that. However, I am firmly convinced that we will be able to exchange views in person again at our meeting next year. Global collaborations have enabled an amazing medical progress at an unprecedented pace. It will likely allow us to win the fight against the pandemic in the foreseeable future.

Today, I am pleased that you have taken the opportunity to ask us questions despite not being able to meet physically. We will answer these later. As Karl von Rohr has already explained, you will also have the opportunity today to ask follow-up questions. This will allow us to strengthen our dialogue with you, albeit in a virtual format.

As we all know, the pandemic affects much more than shareholder dialogue. The consequences for each individual, and for societies and economies around the world are immense. We all follow this every day in the news. Therefore, I do not need to elaborate on it here. But I would like to give a few brief examples of how the pandemic is affecting DWS and how we are dealing with it.

Virtual formats have proven to be the best alternative in this unique period, and not just for the Annual General Meeting. We have also found new formats for dialogue with our clients. On the one hand, there is the widespread use of video conferences. For a global company, they have become indispensable for client contact as well as for coordination among colleagues.

On the other hand, we have developed DWS+, an online streaming platform. It allows our distribution partners and institutional clients to access DWS-produced information and research videos tailored to their needs whenever and wherever they want. We used it for the first time with our key distribution partners in Germany at our flagship Investment Conference in March – and with great success.

DWS+ is an example of how we have used digital technology to strengthen our client relationships further. This shows that the pandemic – despite all the suffering – has also accelerated developments, which have positive effects.

However, the current catastrophe in India is a sobering reminder that the pandemic has mainly less pleasant consequences. DWS has employees there who are currently having to give each other a lot of support, and we stand by their side. Given the devastating situation on the ground, it was very important to us to help again. Last year, we already donated more than one million euros – including contributions from our employees – for COVID relief. The money was donated to charities across several countries in which DWS operates. Now we have donated a further EUR 250,000 to the humanitarian aid organization Give India. Give India is working flat out to help people who have contracted COVID-19. For example, by providing urgently needed items such as oxygen cylinders and ventilators for hospitals.

A large number of DWS employees are still working from home. We support them, among other things, with modern business equipment to use at home. This also ensures that we are able to fully meet our fiduciary duties to our clients. In addition, we are trying to play our part in overcoming the pandemic by preparing to vaccinate our employees in Germany as soon as this is permitted by company doctors.

Allow me to now review our business performance over the past year. After a strong 2019, the past fiscal year also went very well for DWS. Admittedly, the pandemic caused great uncertainty in the markets and presented DWS – like all companies – with enormous challenges. But at the same time, in 2020, we were able to reap the fruits of our focused efforts from recent years.

We achieved record results in our key performance indicators. In addition, we achieved our ambitious medium-term targets set out at our IPO one year ahead of schedule. Net inflows of EUR 30 billion were such a record result. And that despite all the uncertainties. Net inflows came from all regions, from retail as well as institutional clients, and into both liquid and illiquid asset classes. Investor interest in our ESG-dedicated funds was particularly impressive, accounting for 30 percent of our total annual net inflows. Overall, net inflows were equivalent to 4 percent of our Assets under Management at the beginning of the year. This enabled us to meet our medium-term target of 3 to 5 percent.

For this success, we owe thanks to our sales team, who has engaged intensively with our distribution partners and institutional clients. Of course, this success is also based on the performance of our investment funds. Against a challenging backdrop, our investment platform acted very well, prudently and in the long-term interests of our clients.

We reduced our cost base by 11 percent year-on-year. As a result, we achieved an adjusted cost-income ratio of 64.5 percent, the lowest figure in our company's history and achieving our target of below 65 percent ahead of schedule. Our adjusted profit before tax last year was EUR 795 million. This is also a record figure for DWS. After taxes, our net profit was EUR 558 million, an increase of 9 percent compared with 2019. As a result of this financial success, we are able to propose to the Annual General Meeting that we pay another higher dividend of EUR 1.81 per share for the fiscal year 2020.

Dear shareholders, this makes me happy and proud. Especially when you consider the special and volatile circumstances under which we have succeeded. Naturally I would like to thank our employees around the world who have worked tirelessly to achieve these results. In addition, this success is based on the close, trusting cooperation with our strategic partners, who are so important to our firm. These are – among many partners worldwide – the Private Bank and the Corporate Bank of Deutsche Bank, DVAG, Zurich Insurance Group, Nippon Life and Tikehau Capital.

We have successfully completed phase one of our journey as a listed asset manager by achieving our medium-term goals ahead of schedule. We have delivered what we promised you, our valued shareholders, at the time of our IPO.

In the first quarter of the current fiscal year 2021, we have already been able to build on our 2020 success to once again present very good results. It is true that there were outflows from cash products with very low margins in the first quarter as their function as a safe haven became less important for many institutional investors in light of improving market conditions and stability. But excluding cash products, net inflows actually improved to almost EUR 10 billion in the first three months of this year. This is the second-highest figure in a quarter since our IPO. Overall, we recorded net inflows of EUR 1 billion in the first quarter. Assets under Management also increased to a record volume of EUR 820 billion.

Net revenues increased by 21 percent year-on-year as we benefited from our broad-based business model and a positive market environment. In the same period, adjusted costs increased by 12 percent. This was mainly due to higher long-term compensation expenses in relation to the strong increase in the DWS share price since the end of March 2020. Overall, higher revenues significantly outweighed the increase in costs. The adjusted cost-income ratio decreased further, which confirms our expectation of being able to keep it below 65 percent in 2021. Ladies and Gentlemen, overall adjusted profit before tax increased significantly by 39 percent compared to the first quarter of 2020. After tax, net profit also rose by almost two-fifths.

We have therefore made an excellent start to second phase of our corporate journey in the first quarter of 2021. In this phase, as I mentioned at our last Annual General Meeting in November, we want to position DWS for the coming decades. We want to continue renewing ourselves. This transformation, which we started with our IPO, includes an independent IT infrastructure as well as a culture tailored to an asset manager. The project to create our own IT platform is in full swing. The transformation of DWS also includes our own functional role framework, which transparently describes the various positions within DWS and assigns clear roles to our employees. This means that competence and performance count more than years of service – and titles such as Managing Director or Vice President are a thing of the past. We successfully implemented this framework in March.

In phase two of our company's journey as a listed asset manager, we also want to grow and invest in growth. Above all in areas where we are strong or can be even stronger, such as thematic equity funds, ETFs, alternative asset classes and especially sustainable investments.

We want to innovate and grow in order to remain successful and to become a leader in the asset management industry – as a global company with strong roots in Germany and Europe. We want to be successful by being at the forefront of issues that will move and shape the markets, society and our clients over the coming years.

As I explained at our Annual General Meeting last year, these are long-term trends that will dominate the 2020s. They are more relevant today than ever, even after the impact of the pandemic. We are already in the midst of a decade of change. It will set the trend for generations to come.

The all-defining trend in the markets is clearly the low interest rate environment that continues to prevail. The pandemic and the mountains of debt that will inevitably result from it will ensure that the markets operate without significant key interest rates in the long term. Further fuelled by short-term inflationary spurts – such as those we are seeing right now – currency devaluation has become the real and sad reality for savers. There is unprecedented financial repression. Without question, the low interest rate environment and its consequences set the overarching framework for our actions as asset managers.

But perhaps the most important and most relevant issue of this decade is sustainability. Or as it has come to be known in international parlance: ESG. Since I announced at our 2019 Annual General Meeting that we would make ESG the core of everything we do, the importance of sustainability in broader society has continued to grow while the pandemic has also intensified global awareness of these issues.

We must not underestimate the diversity of ESG. Of course, ecological aspects belong to it in all its facets, from global warming to the preservation of biodiversity to the protection of the world's oceans. But ESG also includes social norms, such as bridging the gap between rich and poor, respect for human rights or mutual respect, diversity and inclusion. Nevertheless, combating climate change is perhaps the most urgent challenge of our time. Mastering it is the collective task of our generation.

As asset managers, we see this very clearly. Not only given our clients' demand for ESG-compliant investments. But also in the economy and among political leaders. Ladies and gentlemen, I am firmly convinced that we are at the beginning of a revolutionary change.

More and more, society, politics and businesses – including the financial sector – are accepting their responsibility for a liveable and worthwhile future for the generations to come.

The change, the transformation that accompanies this collective reality cannot be overstated. One of the most important phases in the development of modern humanity was the Industrial Revolution of the nineteenth century. It made the world what it is today. For better or for worse. It has created more prosperity for more people and made modern societies in a globalized world possible. But it has also initiated the climatic changes that we must combat today.

Ladies and gentlemen, we are at the beginning of a green industrialization. It is the next industrial revolution. And there is no alternative to it. It is about nothing less than the climate-neutral preservation of what the industrial revolution of the 19th century once laid the foundation for: prosperity and progress for more people than ever before. As a logical consequence, green industrialization will represent the greatest economic and social transformation in 150 years. If it is to succeed, there is no time to hesitate. We have no time to lose.

As asset managers, we too have a central role to play in this green industrialization. As fiduciary investors for our clients, who are increasingly demanding sustainable, climate-friendly actions in their investments, we are in a key position to accompany and indeed to lead the economy into green industrialization. That is why the DWS Executive Board has decided to assign the topic of ESG directly to me – the CEO – with immediate effect, in order to bring together all of DWS' ESG measures.

This is also why we have joined the Net Zero Emissions Goal initiative, a founding group of the Institutional Investors Group on Climate Change. This is intended to support us in becoming climate-neutral in our actions as a corporate company and as a fiduciary investor. We committed to this at our last Annual General Meeting – and well ahead of the timeframe officially set in the Paris Agreement. To achieve this goal, we need to focus on the levers that will create the greatest positive change.

Central to our sustainability actions as a fiduciary asset manager, especially in the context of green industrialization, is our direct exchange with companies. We invest a lot of time, heart and soul in this interaction with corporations. In doing so, we are very clear: we only achieve positive change when we exert influence. And we exert influence most effectively when we are invested. As a result, we do not exclude entire industries from the outset, but rather evaluate each company individually and try to improve them in direct dialogue on various sustainability factors. And only if the efforts do not bear fruit do we exclude these companies from our investment universe.

This positive development towards a climate-neutral economy is our fiduciary mandate in the context of green industrialization. We will fulfil it. Not only to do the right thing – but also, quite clearly, to remain successful as an asset manager.

To achieve this, we also focus on innovative products that meet the "Zeitgeist" of our time. Across a wide range of asset classes, from global equity funds to thematic funds to passive products, we are constantly developing new offerings for sustainable investment objectives. In the passive space, these include, for example, the MSCI ESG USA ETF or the MSCI Emerging Markets ESG ETF DWS. There is also the equity fund DWS Invest SDG Global Equities, which is in huge demand among retail investors in Germany; and the DWS Concept ESG Blue Economy, which we developed together with the WWF, who helps us engage with selected companies in the fund.

Ladies and gentlemen, digitalization is another society issue of the next decade, which continues to gather pace even after significant digital developments in recent years. More and more areas of life and the economy are being digitized, automated and disrupted. Particularly in Germany, we are currently seeing this especially in the automotive industry where autonomous driving has the power to fundamentally change mobility.

We are seeing similar trends in the asset management industry. The use of digital solutions is being applied across the entire value chain, helping us to fulfil our fiduciary responsibility efficiently and effectively. These include Big Data and Artificial Intelligence, as well as blockchain technology – commonly known in connection with cryptocurrencies. Blockchain in particular, as a disruptive technology, has the potential to fundamentally change the capital market infrastructure and therefore make asset management processes more efficient.

We will participate in this new digital era, as a corporate and of course as an asset manager for our clients. To this end, we have launched a huge project to fundamentally rebuild our IT platform – tailored to our business and capable of flexibly integrating new digital technologies.

Another example of how we are constantly working on our positioning in digitalization is our strategic partnership with Arabesque AI, which specializes in Artificial Intelligence. We have recently developed and launched our first joint fund together, in which stock selection is supported by the use of artificial intelligence. This is an exciting step that enables us to complement and further improve human activity with digital technologies.

Asia shows how fast we have to move in order to keep up on the global stage – especially when it comes to digitalization. For some time now, we have been seeing how this diverse continent is making its mark globally. Economically, it has already succeeded. China in particular is not considered the engine of the world economy for nothing. The global pandemic has done nothing to change that. On the contrary. So far, Asia has come out of the crisis of 2020 better than the rest of the world.

Asia's global relevance can also be clearly deduced for our business. Nowhere else in the world is the growth potential for the asset management industry as great as in Asia. Wealth is being created nowhere else in the world as much as in the Far East. A wealth that needs to be secured. In China, for example, the new middle class – 300 to 500 million people, depending on how you define it – is currently making the transition from consumer to investor. This is an incredibly large market that is already fiercely competitive – and in which we are already playing a role. With our strategic partner Harvest, we are already one of the most important asset managers in China. Harvest's business has developed excellently in recent years, in parallel with the local market. This has also been reflected in the dividend we receive from our investment. But it is also clear that we can and must become even more active in China. And that is exactly what we will do. In Asia in particular, we will increasingly look for strategic partnerships that are tailored to us, our expertise and our fiduciary offering. We are also pursuing the same approach in the Unites States.

Dear shareholders, as you can see, for phase two of our company's history as a listed asset manager, DWS does not lack ambition and vision for the defining issues of tomorrow. We firmly believe that we, as asset managers, need this foresight to keep our company on course for success in the long term.

Without any question – our business is successful. But we would not be the asset manager we are today if we rested on our laurels. That is why we are looking to the immediate and distant future. We have no lack of ambition to capitalize on the trends of the next decade to work in your best interests, dear shareholders. And over the past two years we have shown the implementation power our organization can unleash when it commits itself to a clear strategic roadmap.

To ensure that phase two of our corporate journey is equally successful, we have also set ourselves new, medium-term financial targets for the period up to 2024. Firstly, we aim to further improve the adjusted cost-income ratio to 60 percent by the end of 2024. Of course, it is clear that the development towards this goal will be non-linear during the phase we have just started, in which we will also have to invest in growth. On the other hand, we want to achieve net inflows of more than 4 percent on average in this second phase.

Dear shareholders, we will continue to strive to pay you an attractive and competitive dividend. However, we will not ignore long-term success and will make the necessary investments to achieve this – initially organically, but also inorganically via potential acquisitions whenever this delivers added value for our shareholders.

I am sure that with foresight and consistent implementation of all the necessary steps, we will succeed in making phase two as a listed company just as successful as phase one. 2021 is the starting point for this. Our work for our clients will lay the foundation for a positive, successful year as a whole. I hope you will stay by our side on this journey.

We will make it worth your while!

Thank you for your attention!

Stay healthy.