Dr. Stefan Hoops,

CEO of the Executive Board

DWS Group GmbH & Co. KGaA

Annual General Meeting

Frankfurt/Main, June 6, 2024

Speech script published in advance on May 29

The speech given at the Annual General Meeting may deviate from this version.

Please check against delivery.

Dear Shareholders,
Ladies and Gentlemen,

On behalf of the entire Executive Board, I would also like to welcome you to the sixth Annual General Meeting of the DWS Group.

One year ago, I celebrated my premiere on this very occasion. At that time, I was called on to give account of a very challenging year in which we were primarily concerned with ensuring stability at DWS. Things are a little different this year. Today, I am pleased to report on the first year in which we were able to fully implement our new strategy. A year in which DWS's stability was never in doubt. Moreover, a year that an industry analyst had called the year of "flow-less" market recovery – during which DWS nevertheless recorded considerable net inflows totalling EUR 28 billion.

I will come to the details of the figures in a moment but here is a sneak preview: even excluding Cash and Advisory Services, net flows amounted to EUR 16.5 billion. This makes DWS one of the world's fastest organically growing asset managers in 2023. I would like to take this opportunity – also on behalf of the entire team – to thank our customers for their continued confidence in the performance of our products.

First of all, I would like to present the results of operations for 2023. In doing so, I will also report on what we have been doing over the past year – in particular, the implementation of our strategy, which was announced on Capital Markets Day 2022. Afterwards, I will give you a brief overview of the first quarter results of 2024 and bring you up to date with what we are focusing on this year.

Let us first look back over the last twelve months.

On our Capital Markets Day in December 2022, we presented our strategy "Reduce", "Value", "Growth", "Build". We promised the capital market and thus you, too, dear Shareholders, ambitious financial targets for 2025: We want to achieve earnings per share of EUR 4.50 for 2025 and to reduce our adjusted cost-income ratio to less than 59 percent. These two targets are priorities because, in our view, they are most relevant to you, as owners of DWS. They attest to the financial performance of DWS and set the benchmark for the business we want to focus on.

On our Capital Markets Day, we also specified the previous general growth target for Assets under Management in terms of two specific objectives. By 2025, our goal is to grow total Passive Assets under Management, primarily with regard to Xtrackers products, at a compound annual growth rate of more than 12 percent and, for Assets under Management in Alternatives, achieve a compound annual growth rate of more than 10 percent.

After our Capital Markets Day, it was clear that the capital market would not simply accept these goals: DWS would first have to prove itself. There were several reasons for this cautiously positive response. Firstly, the financial targets are ambitious – after all, earnings per share were still EUR 2.97 in 2022. Secondly, we first have to demonstrate that we are actually able to reap greater benefits from our excellent position. And thirdly, we have set ourselves ambitious strategic goals, such as accelerated growth in Xtrackers and Alternatives, facilitating DWS's foray into digital assets and contributing to the European transformation. All while maintaining a strict cost management and against the backdrop of the ongoing investigation into ESG matters.

Ladies and Gentlemen, today we can say: in 2023, we have been focused on achieving these goals. This has been positively received on the capital market.

First the raw numbers: in 2023, Assets under Management rose significantly by roughly EUR 75 billion – driven by market movements, inflows and exchange rate effects. Particularly gratifying is the fact that, at EUR 896 billion by the end of the year, Assets under Management were almost back to the record level of 2021.

This is a good moment for a look back. We started 2022 at the aforementioned record level. During the year, however, the markets came under pressure from Russia's aggression against Ukraine and the interest rate hikes of the central banks. Accordingly, we kicked off 2023 with considerably lower Assets under Management of EUR 821 billion. Over the course of 2023, Assets under Management moved sideways for some time, despite good net inflows. It was not until the fourth quarter of 2023 that the capital markets recovered noticeably with a corresponding positive impact on Assets under Management, which were at EUR 896 billion at the end of the year.

Nevertheless, average Assets under Management remained lower throughout 2023, compared to 2022. In turn, this was one of the major factors behind lower management fees, which resulted in lower adjusted revenues of EUR 2.603 billion and adjusted profit before tax of EUR 937 million in 2023. Thus, earnings per share were EUR 2.76.

Particularly encouraging was the adjusted cost-income ratio of 64.0 percent – well inside the projected figure of under 65 percent for 2023. Despite another challenging year for the industry – remember the “flow-less” market recovery I mentioned – we returned to net inflows.

Equally important, however, is that we have made huge strides in implementing our strategy. Allow me to clarify the progress on the basis of the four elements of our strategy:

In the “Reduce” category, we pledged to introduce the required cost-cutting and restructuring measures from the outset. This was part of our target of self-funding the necessary investments in the “Growth” and “Build” components. At the last Annual General Meeting, I was able to report on progress here. For example, we completed the transfer of our digital investment platform to our strategic partner BlackFin and closed the sale and transfer of our Private Equity Solutions business to Brookfield Asset Management. In addition, we implemented unavoidable internal restructuring measures, one of which unfortunately also involved letting go of slightly more than 15 percent of our managers.

We continued down this path during the rest of 2023 and most of the “Reduce” measures have been completed. At the same time, we continue to explore what areas of business are strategic for DWS, while maintaining our strict cost discipline. Our cost management proved effective: in an inflationary environment, and despite all the investments in our growth initiatives, the adjusted costs increased by just two percent in 2023. As I said before, the adjusted cost-income ratio was 64 percent.

Although it is not one of our “Reduce” initiatives, I would like to take this opportunity to present our multi-year transformation program. The project aims to streamline our operational setup and enhance our capabilities as an independent asset manager. In the second half of 2023, we undertook another comprehensive review of this project and made adjustments.

Ultimately – in a nutshell – we are focusing on what makes us more competitive as an asset manager. On the one hand, this means developing a policy framework that is appropriate for our business and, on the other, expanding internal functional areas, such as Legal, Finance, Internal Audit and Corporate Communications. Having made great headway in both endeavors, the finishing line is now in sight.

With regard to IT, however, we opted for a hybrid model. The same applies here: whatever gives us a competitive edge, we do ourselves. This includes setting up a DWS cloud environment and developing our own applications. At the same time, we leverage economies of scale in our co-operation with Deutsche Bank. We continue to access non-differentiating services where the existing setup works well, for example, when operating data centers and networks or in terms of hardware.

The review established that the cost savings we had originally planned were not feasible due to various factors, such as inflation and the increased threat situation for cybersecurity. Nevertheless, due to reduced transformation costs and the positive economies of scale achieved by using Deutsche Bank's IT, the hybrid solution is ultimately cheaper than a full separation. What's more, we avoid over-complex solutions that are prone to errors.

A major focus in the “Value” category, which primarily covers our Active business, was on changes in Active Fixed Income, where we also made personnel adjustments in 2023. Despite the challenging market environment, the team managed to halt the outflows of recent years, generate new inflows and deliver improved performance for our customers. This is all the more gratifying, given that last year we made the commitment to anchor a positive performance culture even more strongly in the company. We aim to deliver added value for our customers, ahead of our competitors.

We were even more successful in this regard in 2023 than in the previous year. For Active in total, DWS improved the 1-year outperformance rate to 66 percent, the 3-year rate stood at strong 70 percent, and the 5-year outperformance rate rose to 76 percent compared to the relevant benchmarks.

This tallies with the fact that, following the launch of the initiative in December 2022, by the end of 2023 we had increased the number of Active funds with AuM of more than EUR 1 billion by 14 percent – scaling our funds and improving their profitability.

Ladies and Gentlemen, active portfolio management has always been the cornerstone of DWS – and will continue to be. By focusing on performance and innovation, we are well positioned to succeed in an environment that remains challenging for active fund management. The general trend among our customers is clearly continuing towards Passive products and thus towards “self-directed” business.

There are two options: you can either criticize the trend or prepare for it and actively support it. We chose the latter. As part of our “Growth” initiatives, we also focused investments in the Xtrackers business, in other words, in “Passive”, last year. The result: Passive Asset Management generated strong net new assets of EUR 21 billion in 2023, thereby regaining our position as the number two provider of Exchange Traded Products by net inflows in Europe. This is a clear sign that our strategy and investment is paying off quickly.

The commitment to our second growth area, Alternatives, on the other hand, is more long term. We continued our investments in Alternatives with strategic hires, the focus on Infrastructure and the push into Private Credit. We will report on this in greater detail later this year. There is no denying that the interest rate environment put extra pressure on real estate markets last year. For a provider like DWS, whose Alternatives business has one focus area in real estate, this was not an easy situation. Nonetheless, we were also able to post slight net inflows overall in Alternatives in 2023. And a turnaround seems to be on the horizon in the real estate market.

We placed particular emphasis on the European transformation in 2023. On the business side, for example, not only has our “Infrastruktur Europa” fund, which we launched last summer, generated solid inflows of more than EUR 350 million to date, we promptly demonstrated our commitment by investing in the Klettwitz Solarpark and three solar plants in south-west Spain. Additional infrastructure funds will follow, for example as part of our series of Pan-European Infrastructure funds.

Our co-operation with the Frankfurt School for Finance & Management goes beyond commercial interests. Dialogue between science, politics and business is essential if we want to address the diverse challenges, but above all the opportunities, of Europe's transformation that lies ahead. We are therefore proud to have established the Centre for European Transformation with the Frankfurt School. The Centre opened its doors in 2023 and held its first conference this year, inviting a fascinating discussion between stakeholders from politics, business and science.

On a related note, I wanted to bring up an issue that I feel very strongly about: the European elections that are starting today. We are one of the few global asset managers with European roots. Therefore, we have a vital interest in ensuring that the “U” in the “EU” applies not only to freight transport, but also to services in the future. Cross-border product distribution and a common set of minimum standards for tax and insolvency law are just two of the building blocks that would help establish a functional common capital market that would also send a positive signal for citizens. And a common capital market is what we need to finance the essential innovations and digital solutions, thereby driving the transformation.

Europe is not just our domestic market in terms of business, however. Europe is also our cultural home, representing our core values. It has become all the rage in recent years to view Europe as a behemoth paralyzed by regulatory zeal rather than as an economic and social opportunity. This plays into the hands of divisive forces that seek to destroy freedom. That is why the elections that have just begun are so important: nothing less is at stake than a new, positive European narrative – strengthening the peace and freedom project that is Europe as a geopolitical anchor. Reinforcing democratic, pro-European but, above all, diverse forces in the party spectrum is crucial in achieving this end.

But let us get back to business. In the fourth category “Build”, we announced our goal of developing new areas of business. Last year, we entered into a strategic alliance with Galaxy Digital, which specializes in digital assets and blockchain technology. And as promised, together we made the most popular cryptocurrencies Bitcoin and Ethereum investable in funds in 2024.

Moreover, we announced our intention to launch AllUnity, a partnership with Galaxy and Netherlands-based market maker Flow Traders, whose mission is to revolutionize the on-chain economy by issuing a fully collateralized EUR-denominated stablecoin. This venture will bring us one step closer to blazing a trail for digital assets on the blockchain.

Esteemed Shareholders, another challenge we had to face in 2023 was the continued struggle with the ESG allegations that were still pending. The settlement on the ESG investigations that we reached with the U.S. Securities and Exchange Commission, SEC, last September was an important milestone. In its Order, SEC found no misstatements in relation to DWS's financial disclosures or in the prospectuses of DWS funds. The Order also makes clear that there was no intent to defraud. Nonetheless, SEC imposed a $19 million fine for weaknesses in processes and procedures as well as marketing practices.

We continue to stand by our financial disclosures and the prospectuses of our funds. In addition, we have already taken certain decisions and implemented a number of steps to enhance our processes and controls, based on the insight gained. The settlement means that the file on the ESG allegations in the United States is now closed. By contrast, the ESG investigation of the Public Prosecutor's office in Frankfurt is ongoing, prompting renewed media coverage in early 2024. We are in talks with the Public Prosecutor's Office to finalize the ESG process, but the outcome is not yet known. As before, bringing this matter to a conclusion has management's full attention, whereby the timing is beyond our control.

However, we can reveal how far we have come as a whole on our sustainability journey. I presented our revised sustainability strategy to you last year. We have identified three core areas: First, we want to make new climate-related investment opportunities accessible to our clients. Second, we want to further strengthen our engagement with businesses and other relevant stakeholders. And third, we want to continue to drive our own business transformation towards a more sustainable future.

Let me dwell on point two, our engagement with businesses, for a moment. In April 2023, we published the DWS Coal Policy. With this, investments in what are referred to as coal developers should be excluded in portfolios in scope of the Policy. This applies to companies that continue to expand their coal-related activities. Moreover, the Policy excludes any investments in companies generating 25 percent or more of their revenues with thermal coal.

Of course, some will always say that this type of Coal Policy does not go far enough. Nevertheless, it is important to us that this realistic guideline will allow us to be instrumental in combating climate change – in a way that is transparent and verifiable.

Last year, we interacted with 27 coal companies, in other words, companies where up to 25 percent of their turnover is related to coal. We made our Policy clear to these companies, along with our expectations regarding a coal phase-out.

Besides coal-related topics, we even conducted more than 600 corporate engagements, exerting influence on roughly 540 companies. Our focus was on good corporate governance and environmental issues, such as climate change and water, as well as social topics. Engaging with companies will continue to be an important factor in enabling DWS to maximize its positive impact on their corporate management and business practices, particularly with regard to sustainability issues.

As an aside: naturally enough, there is public interest in hearing who we consulted, when and what we discussed in detail. And there are also expectations that we will ultimately exclude companies in the engagement process. We firmly believe that engaging with companies is especially fruitful when the playing field is level, with clearly formulated goals and expectations. This requires a framework that is founded on trust, which is why we will continue to exercise restraint in communicating information about individual engagements.

Esteemed Shareholders, let us return to our review of 2023. We have achieved all these results and advances in an environment that has not always made it easy for our industry, but above all for DWS. The fact that we were able to deliver nevertheless is due in no small part to the passion, commitment and unconditional customer focus of our staff. Therefore, also on behalf of my fellow Executive Board members, I would like to extend our sincerest thanks to all our colleagues for their great dedication and continued commitment.

Our 2023 achievements included not only forging ahead with our strategy and developing our business, our staff also highlighted what DWS is all about. The fact that all employees had the opportunity to contribute was a core element of the objective. What truly sets DWS apart is teamwork – co-operation between employees, regions, departments and divisions, generalists and specialists.

Ultimately, we were able to advance the business because we have become better at combining our expertise. As a European powerhouse with a global reach and a history spanning almost 70 years, we bring together the perspectives of 60 nationalities and over 900 investment specialists. This enables us to create real added value for our customers and for you, dear Shareholders. We call it #ConnectingTheDots. It is our performance promise for the future.

Talking about “promises”, this brings me to my last point for the financial year 2023: we keep our promises. That also applies to the extraordinary dividend announced in December 2022.

Based on our solid financial performance and as a clear affirmation of shareholder value, we are proposing not only an increased ordinary dividend of EUR 2.10 per share for the 2023 financial year, but also an extraordinary dividend of EUR 4 per share. This extra payout of EUR 800 million is part of our commitment to return capital to you, esteemed Shareholders, as promised.

Ladies and Gentlemen, even though today's report is mainly about 2023, I would like to briefly touch on our successful start to the current financial year. Although we have been reporting Cash elements of net inflows separately for some time now, we also started showing inflows from Advisory Services as a separate category at the beginning of this year. For net inflows and Assets under Management, we now distinguish between investments in Cash and Advisory Services on the one hand and those that are typically invested in longer-term investments on the other. This is in the interest of increased transparency and to reflect the different nature and dynamics of the individual business areas more accurately.

Driven by very strong net new assets in its growth area Passive, including Xtrackers, and supported by a return to net inflows in Active, the company generated Long-term net inflows – excluding Cash and Advisory Services – of EUR 7.9 billion in the first quarter of 2024. Including Cash and Advisory Services, net flows were EUR 7.8 billion, whereof EUR 1.7 billion came from ESG products. In the first quarter 2024, total Assets under Management rose by EUR 45 billion quarter-on-quarter to a new record high of EUR 941 billion – an excellent basis for future management fees for the full year.

However: although the first quarter was encouraging in terms of net inflows, the environment remains challenging. We therefore anticipate a significant burden on flows in the current quarter, especially in low-margin areas, where flows are generally more volatile. Looking at DWS as a whole, we expect this to lead to outflows in the low double-digit billion range. However, as these outflows relate to lower margin areas, we do not foresee any major impact on our management fees.

All of which brings me to my outlook for 2024 and beyond. We intend to proceed with much of what worked well in 2023: as an example, our commitment to a positive performance culture.

Furthermore, we have set ourselves two main goals for 2024: At a fundamental level, our core Active business is about producing Alpha, in other words, a return above what the market itself delivers in terms of performance. But our aim is not just to beat the market but to outshine our competitors. This year, in addition to outperformance compared to the benchmark, we will therefore be paying greater attention to how we compare with the competition. Delivering added value in this regard is the only way to impress customers with the performance of our investment platform. Secondly, we hope to continue our growth momentum. With further strong gains in Xtrackers, a stable flow situation in Active, and an emerging turnaround in Alternatives, we want to be one of the world's three fastest organically growing asset managers again this year.

Looking beyond 2024, there are three priorities:
We have the ambition to be one of the “top 5 in the top 5”, in other words, one of the top five international asset managers in the five largest economies. A key focus in that respect is to expand our foothold in Asia. Our extended strategic alliance with Nippon Life and other partnerships in Asia will help strengthen our position in Japan, China and India.

Europe will still be our home market, however. Now, more than ever, we want to establish DWS as the “gateway to Europe”. Our ambition: if an international customer wants to take advantage of the opportunities here, especially those offered by the European transformation, then we must be their first port of call.

And, last but not least, we have made a commitment to help shape the future of finance in the years ahead. Specifically, this means understanding and managing digital disruption in our industry better than the competition. This applies to both artificial intelligence and blockchain. We are approaching these issues diligently and purposefully because one thing is clear: we want to drive disruption and not be driven by it.

Ladies and Gentlemen, to conclude my remarks; DWS is well positioned and highly motivated to systematically implement its strategy and fulfill the promises made to you. We are confident that we will reach our ambitious targets for 2025 and therefore expressly confirm them once again: We want to achieve earnings per share of EUR 4.50 for 2025. And our adjusted cost-income ratio should be less than 59 percent.

We realize that this means a great deal of hard work, assuming that markets continue to be favorable. But what we can control is the focus on outperforming for our customers, keeping a tight grip on costs and consistently implementing our strategy. With commitment and passion, all of us at DWS will strive to achieve these targets again this year.

Thank you for your kind attention and for the trust you have placed in DWS.