2023

Half Year Report

Content

To Our Shareholders

Interim Management Report

Interim Consolidated Financial Statements (Condensed)

Supplementary Information

Investors for a new now

Assets under Management	
06/2022	06/2023
€ 833 bn.	**€ 859 bn.**

Net Flows	
06/2022	06/2023
€ (26) bn.	**€ 15 bn.**

Adjusted Profit before Tax	
06/2022	06/2023
€ 552 m.	**€ 466 m.**

Adjusted Cost-Income Ratio	
06/2022	06/2023
59.4%	**63.5%**

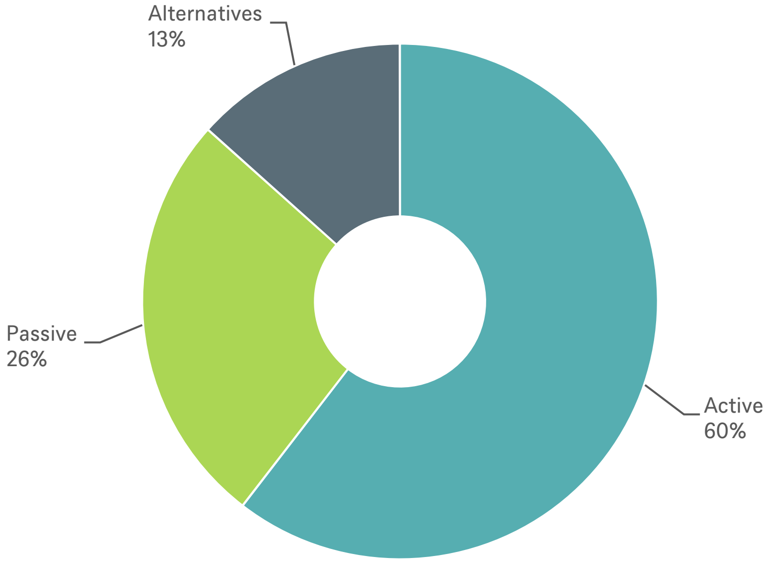
Earnings per Share	
06/2022	06/2023
€ 1.71	**€ 1.41**

Dividend per Share (for the financial year)*	
2021	2022
€ 2.00	**€ 2.05**

* As per decision at the Annual General Meeting on 9 June 2022 and 15 June 2023 respectively.

DWS – At a Glance

Assets under management by asset classes (in %)



European origin with a global perspective

(as per 30 June 2023)

Our Shares

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 the first half of 2023 was € 33.32 reached on 27 January while the lowest closing price was on 26 June at € 27.10. During the first half of 2023, the share price posted a cumulative shareholder return of (1.1)% compared to a 12.4% increase in the SDAX. Based on the 200 million outstanding bearer shares, the market capitalisation of DWS KGaA was € 5.6 billion on 30 June 2023.

Cumulative shareholder return in % in the first half of 2023

Investor Relations Activity

The first half of 2023 continued to be eventful for Investor Relations due to geopolitical and economic developments as well as DWS specific challenges.

We maintained our active engagement with analysts, institutional and private investors 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 were covered during these meetings, such as the Group's strategic priorities, our M&A ambitions, financial targets and product innovation, particularly around ESG and digital products. Implications of geopolitical events and our macroeconomic expectations as well as the financial outlook were frequently of interest.

On 30 June 2023, the rating agency Moody’s Investors Service gave the Group a Long-Term Issuer Rating of A2, outlook stable. The decision for applying for the rating was supported by our business with institutional insurance clients. It is a result of intensive collaboration between the rating agency, our management, Investor Relations as well as further subject matter experts.

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 the first half of 2023, a total of 21 brokers covered DWS shares, publishing regular commentary about the company. As of 30 June 2023, 13 brokers recommend to buy DWS's shares while 8 brokers recommend to hold the shares. The average target share price was € 38.30 as of 30 June 2023.

Target price and rating as of 30 June 2023

Rank	Broker	Target Price (in €)	Rating
1	Santander	57.00	Buy
2	Morningstar	56.00	Buy
3	Kepler Cheuvreux	43.30	Buy
4	AlphaValue	42.80	Buy
5	ING	41.00	Buy
6	Exane BNP Paribas	39.00	Buy
7	Keefe, Bruyette & Woods	39.00	Buy
8	Jefferies	39.00	Buy
	Average	**38.30**	
9	Morgan Stanley	38.30	Hold
10	Barclays	38.00	Hold
11	Metzler	37.00	Buy
12	Oddo BHF	36.00	Buy
13	Royal Bank of Canada	36.00	Buy
14	CIC Market Solutions	36.00	Buy
15	Bank of America ML	34.50	Hold
16	JP Morgan	34.00	Hold
17	Citi	33.00	Buy
18	Goldman Sachs	32.00	Hold
19	Societe Generale	31.50	Hold
20	Credit Suisse	31.00	Hold
21	UBS	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 2023 and 2024

Date	Event
25 October 2023	Third quarter 2023 results with Investor and Analyst Conference Call
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 30 June 2023. DWS KGaA's free float amounts to 15.51%.

Share Liquidity and Key Data

The average daily trading volume of DWS shares was approximately 94,000 in the first half of 2023, with the highest level in February at approximately 123,000.

Average daily trading volume in the first half of 2023

January	80,314	April	75,411
February	122,969	May	83,215
March	105,029	June	96,100

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 30 June 2023	200,000,000
Market capitalization as of 30 June 2023 (in € bn.)	5.6
Share price in € as of 30 June 2023[1]	28.04
Cumulative shareholder return (since 30 December 2022) in %	(1.13)
Period high (1 January - 30 June 2023) in €[1]	33.32
Period low (1 January - 30 June 2023) in €[1]	27.10
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.

Interim Management Report

About this Report

Content and Structure

Our Half Year Report combines the financial and non-financial information required to thoroughly evaluate our performance. It should be read in conjunction with our Annual Report 2022. Publication is in German and English, with the German version of the report being definitive.

The Half Year Financial Report includes the consolidated statement of income, consolidated statement of comprehensive income, consolidated balance sheet, consolidated changes in equity, consolidated statement of cash flows as well as selected explanatory notes (interim consolidated financial statements (condensed) in accordance with the accounting principles applicable to interim financial reporting), and the Group's interim management report for the reporting period from 1 January to 30 June 2023.

Data and Presentation

All information and bases for calculation in this report are founded on national and international standards for financial reporting. The data and information for the reporting period were sourced using representative methods and internal control mechanisms are designed to ensure the reliability of the information presented in this report.

They 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.

Our scope of consolidation comprises DWS KGaA, with its headquarters in Frankfurt am Main, Germany, and all of its fully consolidated subsidiaries. Shares in joint ventures and associated 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.

Except for the cash flow statement, we apply for all numbers the "positive as normal" convention and all numbers are considered positive. The "direction of flow" is determined by the label, inflow numbers will include labels like fee and interest income. Outflow line items will have labels like fee expense, compensation and expenses.

Throughout the 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 'Glossary'.

External Audit and Evaluation

KPMG AG as independent auditor has reviewed our interim consolidated financial statements (condensed) and interim group management report and nothing has come to their attention that causes them to believe that the interim consolidated financial statements (condensed) and interim group management report are not prepared, in all material respects, in accordance with International Financial Reporting Standards (IFRS) on interim financial reporting as adopted by the European Union (EU) or that the interim group management report is not prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports.

The independent auditor's review report can be found in section 'Independent Auditor's Review Report'.

The section 'External Audit and Evaluation' and information referred to as additional information, as well as references to our corporate and external websites, indicated in this report are not part of the information audited by KPMG.

Cautionary Statements

This 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.

Executive Board and Supervisory Board

Managing Directors of the General Partner (Executive Board)

The Managing Directors of the General Partner, collectively referred to as the Executive Board, are jointly responsible for managing the business activities of the General Partner and – with regard to the position of DWS Management GmbH as the General Partner of DWS KGaA – of DWS KGaA. Nevertheless, the business allocation plan (Geschäftsverteilungsplan) of the Executive Board assigns each Managing Director specific areas of functional responsibility.

Mark Cullen, the former Chief Operating Officer and Head of the COO Division as well as Regional Head of the Americas and CEO of DWS USA Corporation, and Stefan Kreuzkamp, the former Chief Investment Officer and Head of the Investment Division, left the Executive Board by mutual agreement at the end of 31 December 2022.

Effective 1 January 2023, Angela Maragkopoulou joined as the Chief Operating Officer and Head of the COO Division. Ms Maragkopoulou is responsible for Technology and Operations, Data and Business Services.

Our CEO, Dr Stefan Hoops has additionally become Head of the Investment Division with effect from 1 January 2023. In this role he manages and oversees all portfolio management activities, including Active, Passive and Alternatives investment strategies.

Dirk Goergen, our Head of the Global Client Coverage Group, also became Regional Head of the Americas and CEO of DWS USA Corporation effective 1 January 2023.

Dr Karen Kuder, our Chief Administrative Officer, in addition took over responsibility for Human Resources, formerly part of the Executive Division, effective 1 April 2023.

Supervisory Board

The Supervisory Board is composed of eight shareholders' representatives and four employee representatives, as it is subject to the German One-Third Employee Participation Act (Drittelbeteiligungsgesetz), which requires that one third of the Supervisory Board members are employee representatives. The eight members representing the shareholders are appointed by the General Meeting of DWS KGaA, the four employee representatives are to be elected by the employees pursuant to the provisions of the One-Third Employee Participation Act (Drittelbeteiligungsgesetz).

The appointment period as members of the Supervisory Board of Karl von Rohr, Ute Wolf, Annabelle Bexiga, Aldo Cardoso, Minoru Kimura, Bernd Leukert, Richard I. Morris, Jr., and Margret Suckale ended as scheduled with the conclusion of the Annual General Meeting on 15 June 2023, which means that in total eight shareholder representatives were to be newly elected. At this meeting Karl von Rohr, Ute Wolf, Aldo Cardoso, Bernd Leukert, Richard I. Morris, Jr., Margret Suckale, Kazuhide Toda and Professor Dr Christina E. Bannier were proposed to the shareholders for election and were elected as shareholders' representatives.

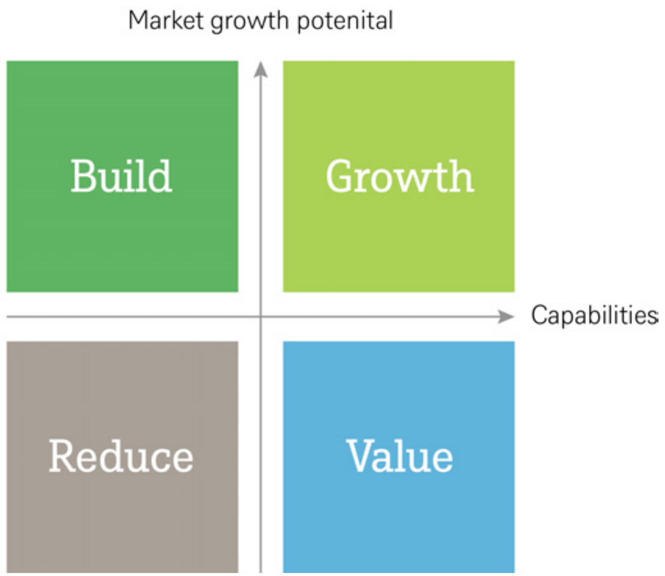
The former four employee representatives were appointed by the responsible court on 29 May 2018 until the end of the next elections of employee representatives to the Supervisory Board in accordance with the German One-Third Participation Act (Drittelbeteiligungsgesetz). The election of employee representatives to the Supervisory Board took place on 21 June 2023. Erwin Stengele, Stephan Accorsini, Angela Meurer and Christine Metzler were elected as employee representatives to the Supervisory Board.

Our Strategy and Our Market

Our Strategy

Our strategy, with its four key clusters of Growth, Value, Build and Reduce was described in detail in the section 'Our Strategy and Our Market – Our Strategy' of our Annual Report 2022.

Disciplined portfolio optimisation



Our overall strategy takes account of sustainability. In the first half of 2023, we have updated our sustainability strategy to clearly define our priorities in sustainability. Our ambition is to enable our clients to navigate the sustainable transformation of the real economy by providing them with investment expertise and solutions. The topic of 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 new climate-related investment opportunities, going hand-in-hand with thought leadership and evolving our modular advisory approach.

2. **Strengthen engagement with investees and other relevant stakeholders**: As transformation will be key to succeed in climate risk mitigation, 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 organizational 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 and stewardship activities.

In the first half of 2023, there have been the following material developments:

– **Growth**: As part of our growth plan in Passive, we launched a number of new products. For example, we launched a thematic product line in Europe focused on the SDGs, as well as further products like a local bond ETF for Emerging Markets or the Xtrackers MSCI USA Climate Action Equity. In Alternatives, our recent successes include the launch of a fund investing in US "Core Plus" residential real estate and the launch of a European infrastructure fund designed for retail investors. We achieved further important milestones through the final closing of the Four Columns Junior Capital Fund VI and a sub-advisory mandate from a large institutional client in the US.

– **Value**: For Equity, Fixed Income and Multi-Asset, we onboarded further modules to enhance our modular investment platform. To enhance a positive performance culture, we intend to link variable compensation in the Investment Division going-forward even more to the product performance.

– **Build**: To speed up the delivery of digital asset products, we have entered into a strategic alliance. The alliance is expected to combine our portfolio management, product structuring, and distribution expertise with our partner's technical infrastructure and its asset management and research capabilities for certain digital assets.

- **Reduce**: We have considered areas for potential divestment and have taken market soundings with potential buyers. As a consequence, for example, we completed the sale of Private Equity Solutions business. Also, we executed on global efficiency measures, including reorganization and de-layering, to be able to reallocate resources to Build and Growth clusters.

In accordance with our strategy, we are steering our company based on the following medium term-financial key performance indicators. The way in which these are calculated and the respective results for half-year 2023 are presented in 'Our Performance Indicators – Our Financial Performance'.

Financial key performance indicators (medium-term to 2025)

Earnings per share
€4.50 in 2025

Adjusted CIR
<59% in 2025

Passive AuM growth[1]
>12% (CAGR 2022-2025)

Alternatives AuM growth
>10% (CAGR 2022-2025)

Targets assuming stable market conditions.
[1] Including our Xtrackers brand.

For sustainability KPIs and results for half-year 2023, please refer to 'Our Performance Indicators – Our Sustainability KPIs'.

Economic and Competitive Environment

Global Economy

In the winter 2022/2023, economic output in the euro area fell by around 0.25%. Two negative quarters in a row are considered a technical recession, but overall, Europe came through the winter much better than most observers had thought possible after Russia almost completely halted gas exports to Europe, sending energy costs to record levels. German industry, for example, managed to reduce gas consumption by more than 20% over the winter period compared with previous years, while industrial production fell by less than 3%. The services sector held up well, particularly in Spain and Italy. The output side of the economy benefited mainly from pent-up demand in the aftermath of the pandemic and earlier supply chain issues. Private consumption, on the other hand, suffered from high price increases. Inflation peaked at almost 11% in October and has been falling steadily since then to around 5.5% now. The problem, however, is that the core rate of 5.5% is still far too high and, above all, has not yet started to fall. For this reason, the ECB has pushed up interest rates quite sharply by its standards – the deposit rate now stands at 3.5%.

The US started 2023 on a more robust footing than expected as some pent-up consumption and an ongoing robust labour market supported economic growth in the first quarter 2023. While inflation rates declined further from their heights in 2022, the overall level of inflation remained too high. This motivated the Federal Reserve to further increase the Federal Funds Rate, however by smaller steps than in 2022. Despite the unprecedented speed of accumulated rate increases in this cycle, consumption only started to show some signs of a deceleration in second quarter 2023 as excess savings are likely running dry for most income groups. Labour markets for now remain resilient as well. In March 2023, the failure of some regional banks raised concerns about risks to financial stability. The situation has so far remained contained, partly as a result of the US government and large private sector banks stepping -in with various measures such as take-overs and special funding facilities. Despite the positive outcome of this situation, financial conditions as well as lending standards remain tighter.

In China, a strong economic recovery in the first quarter 2023 followed the elimination of all pandemic-related measures. The initial strong momentum faltered, however, and the recovery turned out to be uneven. The deterioration in the second quarter was particularly evident in the property sector. Global export demand slowed visibly, and private households did not start spending their high excess savings which were accumulated during the lockdown period. Savings even increased further, reflecting the prevailing uncertainty and risk aversion among households. On the bright side, the service sector remains robust so far which is confirmed by still robust leading indicators. Some normalization, however, from unsustainable levels in the first quarter seems to be under way as those services linked to re-opening boosts are past their catch-up.

Asset Management Industry

The asset management industry was impacted by turbulent markets in 2022 that saw assets under management decline by 10% globally, according to Boston Consulting Group. At the start of 2023 markets turned a corner as momentum trended upwards, however, the banking crisis in March, which saw the collapse of a number of US regional banks and the merger of two large Swiss banks, brought that momentum to a halt. Market confidence subsequently stabilized, but the outlook remains uncertain due to the war in the Ukraine, heightened geopolitical tension between the US and China, rising interest rates and higher inflation.

In sharp contrast to the prior year, which saw large money market fund redemptions, inflows to money market funds have dominated in the first half of 2023. Investors in the US reacted to the regional banking crisis and shifted capital from bank deposits to money market funds. In addition, passive strategies, particularly ETFs, have been the biggest winners in terms of net inflows in the first half of the year. Demand has also continued for alternative and private market strategies with investors seeking higher returns and diversification.

ESG remained an important investment theme supported by inflows in the first half of 2023, although concerns about greenwashing, divergent terminology and data limitations remain. In the US there was a backlash that seems to have impacted investor confidence in ESG strategies. In the institutional space European investors continued to lead the charge.

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, 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 expectations in line with 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 displayed an European market share as provider of ETFs and other Exchange Traded Products being within the Top 3 European ETF provider (ETFGI, 30 June 2023).

We recognized growing demand from investors for greater integration of ESG and impact 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 insights for protecting and growing our clients' assets over the long term and in a sustainable manner.

Our Performance Indicators

Our Financial Performance

The macroeconomic environment and ongoing market uncertainties have impacted our financial performance in the first half of 2023. Reported revenues were slightly lower than the same period of the prior year, mainly driven by lower management fees. Profit before tax was lower than in the prior year mainly due to the lower revenues and the increase of investment into our transformation. These changes resulted in an adjusted cost-income ratio of 63.5%. Due to our diversified business, we were able to achieve positive net flows of € 15 billion in the period.

Alternative Performance Measures

Alternative performance measures (APM)

	Jan - Jun 2023	Jan - Jun 2022
Assets under management (in € bn. as per period end)	**859**	**833**
Thereof: ESG AuM (in € bn. as per period end)[1]	128	104
Net flows (in € bn.)	**15**	**(26)**
Management fee margin (in basis points (bps))	27.5	28.0
Adjusted revenues (in € m.)	1,278	1,360
Adjusted costs (in € m.)	812	808
Cost-income ratio (in %)	69.2	63.6
Adjusted cost-income ratio (in %)	**63.5**	**59.4**
Adjusted profit before tax (in € m.)	**466**	**552**

[1] For details on ESG product classification, please refer to section 'Our Responsibility – Our Product Suite' in our Annual Report 2022.

The APM 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. In addition, non-recurring items are excluded from net revenues or total non-interest expenses in order to be able to review the revenue and cost development over longer periods.

Our management uses APM as supplemental information to develop a fuller understanding of the development of our business and the ability to generate profit. These APM should only be considered in addition to net income or profit before tax as measures of our profitability. Similar APM are used by our peers within the asset management industry, but these may be calculated differently and may not be comparable to the APM we use, even if the names of such APM 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; or (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 investment in Harvest Fund Management Co., Ltd, 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.	Jan - Jun 2023	Jan - Jun 2022
Net interest and non-interest income	**1,292**	**1,360**
Non-recurring disposal gains	(14)	0
Adjusted revenues	**1,278**	**1,360**

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 other intangible assets as well as for transformational charges and other material non-recurring expenses that are clearly identifiable one-off items.

Reconciliation of non-interest expenses to adjusted costs

in € m.	Jan - Jun 2023	Jan - Jun 2022
Non-interest expenses	**894**	**865**
Litigation	(19)	(12)
Restructuring activities	0	0
Severance costs	(15)	(8)
Transformational charges	(42)	(22)
Other material non-recurring expenses	(5)	(14)
Adjusted costs	**812**	**808**

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

			Change from 2022	
in € m. (unless stated otherwise)	Jan - Jun 2023	Jan - Jun 2022	in € m.	in %
Management fees income	1,771	1,876	(105)	(6)
Management fees expense	621	638	(18)	(3)
Net management fees	**1,150**	**1,238**	**(87)**	**(7)**
Performance and transaction fee income	59	63	(4)	(6)
Performance and transaction fee expense	2	6	(4)	(71)
Net performance and transaction fees	**58**	**58**	**0**	**(0)**
Net commissions and fees from asset management	**1,208**	**1,296**	**(87)**	**(7)**
Interest and similar income	49	13	36	N/M
Interest expense	7	12	(5)	(40)
Net interest income	**42**	**1**	**41**	**N/M**
Net gains (losses) on financial assets/liabilities at fair value through profit or loss[1]	48	(117)	165	N/M
Net income (loss) from equity method investments	27	34	(8)	(23)
Provision for credit losses	(1)	0	(1)	177
Other income (loss)[1]	(34)	146	(180)	N/M
Total net interest and non-interest income	**1,292**	**1,360**	**(68)**	**(5)**
Compensation and benefits	438	430	8	2
General and administrative expenses	456	434	22	5
Impairment of goodwill and other intangible assets	0	0	0	N/M
Total non-interest expenses	**894**	**865**	**29**	**3**
Profit (loss) before tax	**398**	**496**	**(98)**	**(20)**
Income tax expense	115	154	(39)	(25)
Net income (loss)	**283**	**341**	**(59)**	**(17)**
Attributable to:				
Non-controlling interests	1	0	1	N/M
DWS shareholders	282	342	(59)	(17)

[1] Net gains (losses) in financial assets/liabilities at fair value through profit or loss are impacted by valuation adjustments of € 12 million for the first half of 2023 (€ 17 million for the first half of 2022) on derivatives mainly driven by guaranteed products and valuation adjustments of € 53 million for the first half of 2023 (€ (140) million for the first half of 2022) on guaranteed funds. Other income (loss) includes € (53) million for the first half of 2023 (€ 140 million for the first half of 2022) valuation adjustments on liabilities of guaranteed funds. DWS Group has no stake in these funds.

For the first half of 2023, we reported a profit before tax of € 398 million, a decrease of € 98 million, or 20%, compared to prior year's period.

Total net interest and non-interest income was € 1,292 million, slightly lower compared to the same period in 2022, with lower management fees, partly offset by significantly higher other income. Revenues from management fees were lower, due to margin compression and lower average assets under management in the period compared to the prior year period. Performance and transaction fees were essentially flat in the period. Remaining revenues amounted to € 84 million, an increase of € 19 million compared to the prior year's period.

Non-interest expenses of € 894 million were essentially flat compared to the prior year's period. Compensation and benefits costs were essentially flat, with an increase in the size of the workforce offset by lower variable remuneration. General and administrative expenses were slightly higher, with an increase in transformation costs as well as higher banking servicing costs, partly offset by lower legal expenses and lower costs for DWS functions in Deutsche Bank Group entities.

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 € 859 billion as of 30 June 2023, an increase of € 38 billion compared to 31 December 2022. The increase was driven by a positive market impact of € 30 billion and net flows of € 15 billion, partly offset by a foreign exchange impact of € (8) billion. The net flows were predominately driven by Passive, Active Multi Asset and Alternatives, partly offset by Active Cash.

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 in AuM of € 30 billion particularly in our active equity and passive products.

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

AuM development in 2023

	31 Dec 2022				Jan - Jun 2023	30 Jun 2023
in € bn.	AuM	Net flows	FX impact	Performance	Other	AuM
Product:						
Active Equity	99	0	0	8	0	106
Active Multi Asset	68	6	0	1	1	76
Active Systematic and quantitative investments	64	0	0	3	0	66
Active Fixed Income	194	1	(3)	4	0	196
Active Cash	80	(4)	(1)	0	0	76
Passive	199	11	(3)	18	0	225
Alternatives	118	2	(1)	(4)	0	115
Total	**821**	**15**	**(8)**	**30**	**1**	**859**

Our Financial Position

Liquidity

We principally fund our business through equity and may use debt to address specific financing demand. 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 30 June 2023, we held cash and bank balances, government, sub-sovereign and corporate bonds and other debt instruments totalling € 3,452 million (€ 3,577 million as of 31 December 2022). To further diversify our funding capabilities, we have a € 500 million revolving credit facility in place, under which there were no drawings as of 30 June 2023.

For the first time we received a 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.

Capital Management

We maintain a forward-looking capital plan 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 the first half of 2023, the Group made no material capital expenditures in either intangible assets or property and equipment. Contingent liabilities decreased by € 10 million from € 111 million as of 31 December 2022 to € 100 million as of 30 June 2023 mainly driven by drawdowns of commitments for co-investments.

Net Assets

Selected items within our financial position

in € m. (unless stated otherwise)	30 Jun 2023	31 Dec 2022	Change from 2022 in € m.	Change from 2022 in %
Assets:				
Cash and bank balances	1,738	1,979	(241)	(12)
Financial assets at fair value through profit or loss	4,235	3,959	276	7
Goodwill and other intangible assets	3,691	3,749	(58)	(2)
Remaining assets[1]	1,640	1,725	(85)	(5)
Total assets	**11,304**	**11,412**	**(108)**	**(1)**

in € m. (unless stated otherwise)	30 Jun 2023	31 Dec 2022	Change from 2022 in € m.	Change from 2022 in %
Liabilities and equity:				
Financial liabilities at fair value through profit or loss	619	634	(16)	(2)
Remaining liabilities[2]	3,094	2,950	145	5
Total liabilities	**3,713**	**3,584**	**129**	**4**
Equity	**7,591**	**7,828**	**(237)**	**(3)**
Total liabilities and equity	**11,304**	**11,412**	**(108)**	**(1)**

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 € 241 million (12%) driven by dividend payment of € 410 million partly offset by net cash received in the regular course of business of € 169 million. The increase in financial assets at fair value through profit or loss of € 276 million (7%) was mainly driven by net investments in liquidity positions of € 117 million and by the increase of assets in consolidated funds of € 112 million.

The remaining liabilities increase of € 145 million (5%) was mainly driven by other liabilities held by consolidated funds and other financial liabilities.

Equity

Total equity as of 30 June 2023 was € 7,591 million compared to € 7,828 million as of 31 December 2022. The decrease of € 237 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 € 101 million. The decrease was partly offset by net income after tax for the first half of 2023 of € 283 million.

Regulatory Own Funds

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 group under IFR.

Our regulatory own funds increased by € 12 million to € 3,053 million as of 30 June 2023. The increase was mainly driven by 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 € 549 million as of 30 June 2023, a decrease by € 38 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 30 June 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. Our own funds requirement was therefore still based on the K-factors. The own funds excess over K-factor requirements was € 2,504 million as of 30 June 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 requirements[1]

in € m. (unless stated otherwise)	30 Jun 2023	31 Dec 2022
Regulatory own funds:		
Common Equity Tier 1 capital	3,053	3,041
Tier 1 capital (CET1 + AT1)	3,053	3,041
Tier 2 capital	0	0
Total regulatory own funds	**3,053**	**3,041**
K-factor requirement:		
K-AuM (assets under management)	170	177
K-ASA (assets safeguarded and administered)	19	49
K-COH (client orders handled)	0	0
K-NPR (net position risk)	360	361
Total own funds requirement based on k-factors	**549**	**587**
Own funds excess (shortfall)	**2,504**	**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.	30 Jun 2023	31 Dec 2022
Shareholders' equity, as defined by IFRS, regulatory basis of consolidation	7,540[1]	7,799
Elimination of net income, net of profit recognition	255	459
Deduction of:		
Goodwill and other intangible assets (net of related deferred tax liabilities)	3,482	3,542
Deferred tax assets	159	157
Financial sector entities	505	513
Other[2]	86	86
Regulatory own funds	**3,053**	**3,041**

[1] Adjusted by lower prudentially recognized retained earnings of € 27 million.
[2] Synthetic holdings of own CET1 instruments, prudent valuation, defined benefit pension plan assets, minimum value commitments.

Our Sustainability KPIs

We made good progress in the first half of 2023 against our sustainability KPIs and remain confident of meeting our ambitions.

During the first half of 2023 our ESG AuM grew to € 128 billion. The inflation-adjusted weighted average carbon intensity (WACI) of the assets in scope for our interim net zero target increased by 1.2% last year. The increase was influenced by market movements, in particular the outperformance of high-carbon intensity sectors like energy, which also increased the WACI of broad equity market benchmarks. This brings the cumulative change in this KPI to a 5.2% decrease over the two years since the 2019 baseline. Over the medium-term, we remain committed to achieving our interim target of 50% reduction in inflation-adjusted WACI by 2030 compared to base year 2019. In the first half of 2023 we increased the proportion of women at both the first and second management levels below the Executive Board. We also saw continued engagement of our employees in volunteering activities. Finally, the corporate engagements result is broadly in line with the first half of 2022 (235 engagements) and we remain on track to meet our ambition.

Sustainability KPIs

KPI	Ambition	Half 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	€ 128.3 bn.	€ 117.0 bn.
Operational emissions:			
Scope 1 and 2 operational emissions	Achieve a 46% reduction of in-scope operational emissions by 2030 compared to base year 2019 (aligned to NZAM commitment)	N/A[2]	(60)%
Scope 3 operational emissions (travel – air and rail)		N/A[2]	(50)%[3]
Scope 3 portfolio emissions (net zero)	Achieve a 50% reduction in the inflation-adjusted WACI related to Scope 1 and 2 portfolio emissions by 2030 compared to base year 2019 (aligned to NZAM commitment)	(5.2)%[4]	(6.3)%[5]
Sustainability rating	Achieve a CDP (Climate Change) B rating or better by 2024	N/A[2]	A-
Proportion of women[6]	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	36.5% – 1. level 36.2% – 2. level	34.5% – 1. level 33.0% – 2. level
Volunteer hours per employee[7]	Perform 1.5 hours of volunteering on average per employee by 2024	54 minutes	84 minutes
Corporate engagements[7, 8]	Conduct 475 or more corporate engagements per annum by 2024	219	532

1 As of period end. For details on ESG product classification, please refer to section 'Our Responsibility – Our Product Suite' in our Annual Report 2022.
2 Not applicable – Data only available at year-end.
3 Prior year data updated due to revised methodology.
4 Refers to our AuM at the end of 2022 and emissions for 2021 compared to baseline year 2019. Further details will be available in the Net Zero Annual Disclosure Base Year 2021 report to be published later in 2023.
5 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.
6 As of period end.
7 These KPIs show performance over the respective period which needs to be considered when comparing half year 2023 to full year 2022.
8 For this KPI the half year 2023 result covers the period January to May 2023.

Outlook

Economic and Competitive Outlook

Global Economic Outlook

Some leading indicators, such as the purchasing managers' indices or the ifo index, point to an economic slowdown in the Euro area. Concerns are growing about an economic normalization in the sense that supply-side problems are being followed by weak demand. Nevertheless, after the weak winter, the economy should develop very favourably over the summer. The weekly activity index calculated by the Bundesbank for the German economy, for example, suggests very strong growth for the second quarter. In Spain and Italy, bookings point to a very favourable tourist season. The expected slowdown in the manufacturing sector should be offset by increasingly buoyant private consumption. This will be driven by a rise in real wages (as wage settlements have been generous) and, in perspective, further declining inflation rates. We therefore expect the Eurozone to avoid a recession, but economic development should remain subdued overall, not least due to rising interest rates, which should increasingly slow the economy. We expect the ECB to raise the key interest rate to 4% and leave it there for quite some time. Inflation should weaken further in the wake of this, but at around 5.5% this year and 2.5% next year, it should remain well above the central bank's target.

We expect a mild recession in the US, most likely in the second half of 2023. This mild downturn in economic activity is likely to support the Fed’s efforts to eventually regain control over inflation. The development of labour markets will likely be a key element for monetary policy in 2023. Despite our expectation of a mild recession, we do not expect unemployment to rise substantially. We expect corporations to hold on to their experienced workers as structural forces, such as demographics and reduced migration, keep labour supply limited. Despite this rather favourable outlook for the labour markets, we expect only subdued growth.

As the current weakness is on the demand side rather than on the supply side in China, successful policy support is more difficult. There is no “easy fix” to the ongoing weakness in the property market– given that policymakers appear determined not to use the property sector as a short-term stimulus tool. Also, there is no incentive to drive up federal state’s debt burden further, not least because this would counter the two-year-long policy of de-leveraging and downsizing a once overblown sector. Policy support to improve the sentiment of potential buyers is underway and will continue to increase. While no large-scale spending package is likely, various instruments of monetary easing, targeted consumer support and infrastructure investment (in priority sectors such as technological upgrading and the green economy) could take place. Removal of the remaining restrictions in the property sector and improvements in labour markets/personal incomes should have a positive impact on demand in the second half of 2023. Total unemployment has not further deteriorated and as the service sector has been robust, it is expected to create more jobs.

Asset Management Industry

Although market and investor confidence have generally trended upwards in the first half of 2023, a number of near-term economic and geopolitical headwinds remain. Recognising that markets and investor sentiment may continue to fluctuate, we believe that the trends as described in section ‘Outlook – Asset Management Industry’ of our Annual Report 2022, will continue to shape the asset management industry.

Compared to the Annual Report 2022, we identified some main aspects that we expect will influence the outlook for our industry: digitalisation, ESG, ETF and alternative investments.

Digitalisation, in particular AI, is driving greater customisation as asset managers move away from a “one size fits all” to a more client centric approach, giving retail investors access to strategies once the preserve of institutional investors.

Although ESG strategies continue to gain momentum, they have faced near-term underperformance compared to traditional strategies and a backlash, particular in some US states which may intensify. Both could further impact investor confidence and ability to invest in these strategies.

We anticipate higher demand for ETFs and alternative investments due to broader acceptance by retail and high net worth investors seeking cost-effective, flexible and liquid investments on the one hand and higher risk higher reward strategies on the other.

DWS Group

Given our current macroeconomic outlook and the asset management industry's challenges, DWS Group intends to focus on innovative products and services where we can differentiate and best serve clients, while also maintaining a disciplined cost approach as we invest in growth and transformation. We further continue to expect our diversified asset base to provide us with some protection against current challenges.

We refined our medium-term financial targets at the Capital Markets Day in December 2022. Details can be found in the section 'Our Strategy and Our Market'.

Based on our macroeconomic outlook, we expect our AuM to be slightly higher at the end of 2023 compared to the end of 2022 as we expect net inflows into growth areas like Passive including Xtrackers and Alternatives. This should be further enhanced by strategic partnerships and product innovations, including further ESG offerings. Management fees are assumed to be slightly lower in 2023. However, we expect total adjusted revenues to be essentially flat compared to 2022.

2023 will be a transitional year as expenses for our transformation program reach their peak and we operate on a dual platform while we continue to establish our own capabilities. Since the Annual Report 2022, we now assume our adjusted cost base to be only slightly higher in 2023 compared to 2022. We still expect the adjusted profit before tax to be lower in 2023 compared to 2022 and the adjusted CIR to remain below 65%.

Opportunities and Risks

Opportunities and risks relating to our earnings, financial, and asset position were described in detail in the section 'Outlook – DWS Group' of our Annual Report 2022 and compared to the Annual Report 2022 there were only the follow material developments in the first half of 2023:

Our infrastructure platform transformation program

In the first half of 2023, we have continued with our multi-year transformation project to replace the existing IT infrastructure and have executed the first technical migrations as part of the ongoing implementation phase. As mentioned in our Annual Report 2022, this development of a standalone infrastructure while providing opportunities for us may also have implications for our risk profile. To mitigate this risk a quality control team assesses any immediate risk and identifies appropriate measures with an aim to resolve them. All transformation activities are subject to close monitoring to protect our firm and clients.

Litigation, Regulatory Enforcement Matters and Investigations

Deutsche Bank, our major shareholder, and we operate in a highly 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.

Among other significant matters:

On 19 July 2023, the Federal Reserve Board announced a settlement in the form of a Consent Order and a Written Agreement, both of which named Deutsche Bank AG and certain of its US subsidiaries, including DWS USA Corporation, concerning adherence to past Consent Orders and settlements related to sanctions and embargoes and compliance with anti-money laundering requirements, and remedial agreements and obligations related to risk management issues. The Consent Order includes a civil money penalty, which will not have any financial impact on DWS. Under the terms of the settlement, Deutsche Bank and certain of its US subsidiaries including DWS USA Corporation, is also subject to certain post settlement remediation and reporting obligations.

We are engaged in advanced resolution discussions with the US SEC to resolve their ESG investigation, although the final outcome is yet to be concluded. For further information please refer to note '12 – Provisions' within the 'Interim Consolidated Financial Statements (Condensed)'.

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. We continue to fully cooperate with this investigation, although the final outcome is yet to be concluded, for further information please refer to note '12 – Provisions' within the 'Interim Consolidated Financial Statements (Condensed)'.

Scrutiny by European regulators and courts regarding the protection of retail customers has increased in particular with respect to the validity and transparency of terms in standard form contracts and the provision of compensation to investors who may have suffered damages. We are litigating certain matters on this topic.

Should any legal proceedings be resolved against us, or any investigations result in a finding that we have failed to comply with applicable law, or should Deutsche Bank or we fail to comply with any post-settlement obligations, we could be exposed to material damages, fines, limitations on business, remedial undertakings, criminal prosecution or other material adverse effects on our financial condition, as well as risk to our reputation and potential loss of business. 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, in terms of their costs or necessary changes to our businesses, or if related negative perceptions concerning our business and prospects and related business impacts increase, we may not be able to achieve our strategic objectives or we may be required to change them. For example, because of certain of Deutsche Bank's past criminal convictions, we were required 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 were to be convicted of crimes in other matters. As this disqualification period extends until 17 April 2027, we will need to obtain a further exemption by 18 April 2024, to avoid a loss of Qualified Professional Asset Manager (QPAM) status at the end of the current exemption period. Further on 28 February 2022, following a finding by the US DOJ that Deutsche Bank violated a deferred prosecution agreement based on untimely reporting by Deutsche Bank of the allegations made by a former employee of the Group in relation to ESG matters, Deutsche Bank agreed with the US DOJ to extend an existing monitorship and abide by the terms of a prior deferred prosecution agreement to allow the monitor to certify to Deutsche Bank's implementation of the related internal controls. The monitorship expired in February 2023. The US DOJ has reserved all rights to take further action regarding the deferred prosecution agreement if it deems it necessary, which may impact us.

Risk Report

Our Risk

As an asset manager, we are continuously exposed to a variety of risks as a result of our business activities. These risks include non-financial risks, financial risks and sustainability risks. Sustainability risk is not considered to be one individual risk type, but rather sustainability factors are drivers of existing risk types.

Our fiduciary obligations are paramount and require us to put the interests of our clients first at all times. We achieve this by risk managing the investment portfolios on behalf of our clients and by complying with regulatory requirements and contractual obligations.

Our risk management approach employs two core principles: every employee is responsible for managing risk and is obligated to ensure that we act in the best interest of our clients and our franchise; and we have segregation of duties enabling us to operate a control environment that is designed to protect the franchise, our clients and shareholders.

The integration of sustainability factors in our risk management framework remains a strategic focus area. Its importance has been emphasized by increased public attention, continued client interest as well as the entry into force of ESG and sustainability risk related regulations on the EU and national level. We are therefore continuously enhancing our ESG related risk identification, measurement, and management methods and processes, into which we have within 2023 also started to integrate adverse sustainability impacts.

Risk and Capital Overview

Key Risk Metrics

We manage our own funds to meet the regulatory capital requirements according to IFR/IFD and comply with rules of the relevant authority, BaFin.

Key Risk Metrics

in € m.	30 Jun 2023	31 Dec 2022
Own funds excess (shortfall)[1]	2,504	2,455
Own funds requirement based on k-factors[1]	549	587

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

Overall Risk Assessment

Material corporate risk categories include:

– **Financial risks** such as market risk associated with our co-investments, seed investments, guarantees, credit risk, liquidity risk and strategic risk, and
– **Non-financial risks** including reputational and operational risk (with important sub-categories such as fiduciary obligations, information security, transformation, regulatory adherence, service providers) and potential spill-over effects to our fiduciary risks

We manage the identification, assessment and mitigation of key risks through an internal governance process and the use of risk management tools and processes. We have a clearly defined risk appetite and our approach to identifying and assessing the impact aims to ensure that we mitigate the impact of these risks on our financial results, long-term strategic goals and reputation.

External factors outside of our control can have significant effects on our financial profile and our strategic plans. Please refer to the section 'Outlook – DWS Group – Opportunities and Risks' of our Annual Report 2022 for detailed information on these external factors.

In the first half of 2023 our risk governance structure, framework, and risk appetite have been enhanced to better reflect both internal and external risk factors. We have enhanced our risk appetite statements to reflect new strategic priorities. For further information on our strategy, please refer to 'Our Strategy and Our Market – Our Strategy'.

Risk Framework

Model Risk Management

We have a Model Risk Management Framework to mitigate the risk of adverse consequences to both our clients and firm through the use of models. Model risk can materialize in different forms; however, the underlying cause is often driven by a flawed model design, implementation and/or application. Processes in place for mitigating model risk include robust model governance requirements, a model inventory, approval and oversight as well as independent model validation requirements.

In the first half of 2023, we continued to further develop the Model Risk Management Framework, including the completion of independent model validations and development of tier-based model validation and model documentation templates.

Update on Risk Management and Key Risk Drivers

Non-Financial Risk

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

In the first half of 2023, there were no material changes to the governance structure, risk drivers or capacity and risks were managed within risk appetite. Although we have not seen any material, targeted cyber-attack during the first half of 2023, the ongoing war in Ukraine continues to heighten the threat level for information security risk from cyber security attacks. Additionally, transformation risks related to the building of our own IT-platform have increased and have been considered in our risk profile along with the ongoing risk remediation measures.

Financial Risk

Market Risk

In the first half of 2023, our risk management processes governing co-investments and seed investments remained stable. Market risk has been managed within the approved risk appetite. At the same time, the risk framework has been enhanced to support refined risk assessment and decision-making, promoting further development of the co- and seed investment portfolio.

The first half of 2023 was characterised by rising interest rates, persistent inflation, lower economic growth and pronounced stock market volatility.

Co-investments were affected primarily by rising interest rates which resulted in declining valuations, particularly in the real estate sector. In the event economic environment deteriorates into next half year and interest rates rise or stay at elevated levels, the fair value of co-investments may be impacted depending on the risk exposures to sectors, countries and currency areas concerned.

Higher long-term European interest rates helped to reduce the guaranteed products shortfall provision. 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 instruments of choice include long-dated bonds, long-dated interest rate swaps or swap options.

Fiduciary Investment Risk in Traditional Asset Classes

Market Risk Management

The key objective of managing market risk for our fiduciary portfolios is to ensure that the portfolios are managed according to their respective market risk profile.

In the first half of 2023, an increase in market risk resulted from the market turmoil caused by the US regional banking crisis and in particular the collapse of Silicon Valley Bank as well as the emergency takeover of Credit Suisse Group AG by UBS. Dedicated risk analyses have been conducted and specific portfolios and strategies were monitored more closely.

Despite the increased market risk levels, the market risk of our fiduciary portfolios was within the expected risk profiles, with no significant excessive risk taking identified.

Liquidity Risk Management

The key objective of managing liquidity risk of our fiduciary portfolios is to ensure that the portfolios can meet all liquidity demands, including investor redemptions, without diluting the interest of remaining investors.

In the first half of 2023, liquidity risk for fiduciary portfolios remained low despite the market volatility triggered by select US Regional bank failures exacerbated by further concerns surrounding a potential US debt ceiling crisis. We have been closely monitoring exposures to Financials and US government instruments. In addition, we have been conducting portfolio stress test analyses for severe downside scenarios and contingency planning.

Sole exceptions were retail portfolios with significant exposures to Russian ruble denominated securities, which remained suspended due to limited liquidity primarily driven by sanctions.

Counterparty Risk

Counterparty risks have been managed to safeguard our fiduciary portfolios from potential counterparty losses.

The foremost concern during the first half of 2023 was the US regional banking crisis and the potential contagion in global financial markets. Counterparty risks were closely monitored and managed to mitigate counterparty failures and potential losses.

Fiduciary Investment Risk in Alternative Asset Classes

Market Risk Management

While inflationary pressure picked up in 2022, the first months of 2023 were characterized by rising interest rates in most major currencies, lower economic growth in developed economies and pronounced stock market volatility. Overall, these factors had only a limited impact on our alternative portfolios.

Nevertheless, the overall increase in market risks has resulted in lower demand for real estate investments, which resulted in decreasing property valuations in most sub-sectors. Our outlook forecasts the challenging environment in the real estate market and associated market risks to taper off over the next 12 months. Therefore, we have increased the market risk in the risk profiles of our real estate funds.

Apart from real estate, there were no negative valuation impacts in the first half of 2023 due to adverse market conditions in our alternative products.

Liquidity Risk Management

The key objective in managing the liquidity risk of our alternative portfolios is to ensure that the portfolios can meet all liquidity demands at all times. Among other factors, we consider the volume of notified redemptions to investors, planned distributions and the refinancing of external loans, with the objective that the interests of remaining investors are not diluted.

Although our liquidity management framework includes early warning signals around these factors and produced relevant signals, we applied liquidity management tools, including gating, in the first half of 2023 to ensure the liquidity of several funds for select real estate offerings.

Valuation Risk Management

The key objective of managing valuation risk within our fiduciary investment funds is to ensure a fair valuation of the individual assets held in the funds, without any biased evaluations which may occur by using inaccurate models or methodologies, inputs and assumptions.

The valuation risk environment in liquid products has been relatively stable in the first half of 2023. For alternative investments, we are seeing increased valuation pressure in certain sectors. Exposure to Russian denominated securities has significantly diminished during the first half of 2023 with most securities valued at zero. No other significant systematic increases in valuation risk were identified.

Sustainability Risk and Adverse Impacts

Integrating Sustainability Risk and Adverse Impacts into our Risk Management Framework

In the first half of 2023, we revised the Policy on ESG Integration in the Risk Management Framework (formerly called Sustainability Risk Management Policy) in particular by amending the consideration of adverse impacts to the environment and society. Adverse impacts are not considered to be a factor of existing risk types as they focus on impacts on the environment and society. We define adverse impacts as negative, material, or potentially material effects on sustainability factors that result from or are directly related to actions made by our Group, our employees, investee companies within our portfolios or other related stakeholders. In the updated policy, a first set of adverse impact types was added to the risk taxonomy and guidance to the measurement of adverse impacts is given. We aim to consider adverse impacts going forward as additional risk type alongside financial, non-financial and investment risks.

Changes to the Risk Management Processes

Third Party Risk Management processes for the assessment of potential adverse impacts by our vendors on the environment and society were enhanced. The assessment approach considers information sourced from an ESG data vendor, ESG assessment questionnaires, and an adverse media screening. In addition, we completed a climate scenario analysis across the liquid investment portfolios to assess the impact of various climate scenarios. This analysis covered physical climate and climate transition scenarios ranging from 1.5°C to 5°C temperature increase to assess the potential impact on current investments, using the MSCI Climate Value-at-Risk model.

Observations in the Risk Monitoring Processes

New ESG related regulatory reporting and disclosure requirements resulted in the need to modify existing or establish new reporting and disclosure processes. Therefore, the inherent level of operational risks from these activities increased.

Our climate scenario analysis indicates that policy risks are expected to be more material in faster transition scenarios as well as for carbon-intensive industries, such as energy, utilities and materials. Furthermore, the results suggest that certain regions may be more exposed to physical climate risks than others. Companies in capital-intensive sectors including utilities and energy, especially those where production facilities are located at coastal locations, are more likely to suffer from acute climate events, like flooding and tropical cyclones.

Interim Consolidated Financial Statements (Condensed)

Consolidated Statement of Income

in € m.	Notes	Jan - Jun 2023	Jan - Jun 2022
Management fees income		1,771	1,876
Management fees expense		621	638
Net management fees	6	**1,150**	**1,238**
Performance and transaction fee income		59	63
Performance and transaction fee expense		2	6
Net performance and transaction fees	6	**58**	**58**
Net commissions and fees from asset management	6	**1,208**	**1,296**
Interest and similar income[1]		49	13
Interest expense		7	12
Net interest income		**42**	**1**
Net gains (losses) on financial assets/liabilities at fair value through profit or loss[2]		48	(117)
Net income (loss) from equity method investments		27	34
Provision for credit losses		(1)	0
Other income (loss)[2]		(34)	146
Total net interest and non-interest income		**1,292**	**1,360**
Compensation and benefits		438	430
General and administrative expenses	7	456	434
Impairment of goodwill and other intangible assets	10	0	0
Total non-interest expenses		**894**	**865**
Profit (loss) before tax		**398**	**496**
Income tax expense	14	115	154
Net income (loss)		**283**	**341**
Attributable to:			
Non-controlling interests		1	0
DWS shareholders		282	342

[1] Interest and similar income includes € 39 million for the first half of 2023 and € 5 million for the first half of 2022, calculated based on effective interest method.

[2] Net gains (losses) in financial assets/liabilities at fair value through profit or loss are impacted by valuation adjustments of € 12 million for the first half of 2023 (€ 17 million for the first half of 2022) on derivatives mainly driven by guaranteed products and valuation adjustments of € 53 million for the first half of 2023 (€ (140) million for the first half of 2022) on guaranteed funds. Other income (loss) includes € (53) million for the first half of 2023 (€ 140 million for the first half of 2022) valuation adjustments on liabilities of guaranteed funds. DWS Group has no stake in these funds.

Consolidated Statement of Comprehensive Income

in € m.	Jan - Jun 2023	Jan - Jun 2022
Net income (loss) recognised in the income statement	**283**	**341**
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Remeasurement gains (losses) related to defined benefit plans, before tax	3	41
Income tax expense (benefit) related to items that will not be reclassified to profit or loss	1	13
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	(1)	(63)
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	(101)	304
Realized net gains (losses) arising during the period (reclassified to profit or loss), before tax	0	1
Income tax expense (benefit) related to items that are or may be reclassified to profit or loss	0	(20)
Total other comprehensive income (loss), net of tax	**(99)**	**290**
Total comprehensive income (loss), net of tax	**183**	**632**
Attributable to:		
Non-controlling interests	0	0
DWS shareholders	183	632

Earnings per Common Share

	Notes	Jan - Jun 2023	Jan - Jun 2022
Earnings per common share:			
Basic		€ 1.41	€ 1.71
Diluted		€ 1.41	€ 1.71
Number of common shares (in million)		200	200

Consolidated Balance Sheet

in € m.	Notes	30 Jun 2023	31 Dec 2022
ASSETS			
Cash and bank balances	8	1,738	1,979
Financial assets at fair value through profit or loss:	8		
Trading assets		1,458	1,346
Positive market values from derivative financial instruments		21	21
Non-trading financial assets mandatory at fair value through profit or loss		2,273	2,122
Investment contract assets mandatory at fair value through profit or loss		483	469
Total financial assets at fair value through profit or loss	**8**	**4,235**	**3,959**
Financial assets at fair value through other comprehensive income	8	79	80
Equity method investments		396	415
Loans at amortized cost	8	6	6
Property and equipment		24	23
Right-of-use assets		119	121
Goodwill and other intangible assets	10	3,691	3,749
Other assets	8, 11	798	877
Assets for current tax		78	71
Deferred tax assets		141	131
Total assets		**11,304**	**11,412**

in € m.	Notes	30 Jun 2023	31 Dec 2022
LIABILITIES AND EQUITY			
Financial liabilities at fair value through profit or loss:	8		
Trading liabilities		22	38
Negative market values from derivative financial instruments		114	127
Investment contract liabilities designated at fair value through profit or loss		483	469
Total financial liabilities at fair value through profit or loss	**8**	**619**	**634**
Other short-term borrowings	8	16	21
Lease liabilities		136	139
Other liabilities	8, 11	2,638	2,500
Provisions	12	56	36
Liabilities for current tax		28	40
Deferred tax liabilities		221	213
Long-term debt	8	0	0
Total liabilities		**3,713**	**3,584**
Common shares, no par value, nominal value of € 1.00		200	200
Additional paid-in capital		3,442	3,447
Retained earnings		3,594	3,720
Accumulated other comprehensive income (loss), net of tax		330	432
Total shareholders' equity		**7,567**	**7,799**
Non-controlling interests		23	29
Total equity		**7,591**	**7,828**
Total liabilities and equity		**11,304**	**11,412**

Consolidated Changes in Equity

	Shareholders' equity									
				Accumulated other comprehensive income, net of tax						
				Unrealized net gains (losses)						
in € m.	Common Stock	Additional paid in capital[1]	Retained earnings	On financial assets mandatory at fair value through other comprehensive income, net of tax	From equity method investments	Foreign currency translation, net of tax	Total	Total	Non-controlling interest	Total equity
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	342	(43)	0	304	262	603	0	603
Remeasurement gains (losses) related to defined benefit plans, net of tax	0	0	27	0	0	0	0	27	0	27
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	2	2
Balance as of 30 June 2022	**200**	**3,447**	**3,456**	**(71)**	**19**	**600**	**548**	**7,651**	**25**	**7,676**
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	282	(1)	0	(101)	(101)	181	0	182
Remeasurement gains (losses) related to defined benefit plans, net of tax	0	0	2	0	0	0	0	2	0	2
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	(4)	0	0	0	0	0	(4)	0	(4)
Other	0	0	0	0	0	0	0	0	(6)	(6)
Balance as of 30 June 2023	**200**	**3,442**	**3,594**	**(79)**	**19**	**390**	**330**	**7,567**	**23**	**7,591**

[1] Additional paid-in capital includes net changes in share awards.

Consolidated Statement of Cash Flows

in € m.	Jan - Jun 2023	Jan - Jun 2022
Cash flows from operating activities:		
Net income (loss)	**283**	**341**
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	0	0
Deferred taxes, net	(8)	48
Impairment, depreciation, other amortization and (accretion)	23	26
Share of net loss (income) from equity method investments	(27)	(34)
Other non-cash movements	(23)	41
Income (loss) adjusted for non-cash charges, credits and other items	**249**	**422**
Adjustments for net change in operating assets and liabilities:		
Interest-earning time deposits with banks	10	17
Other assets	77	(183)
Investment contract liabilities designated at fair value through profit or loss	13	(68)
Other liabilities	146	50
Trading assets and liabilities, positive and negative market values from derivative financial instruments, net[1]	(141)	163
Other, net	(12)	27
Net cash provided by (used in) operating activities	**343**	**429**
Thereof: Net cash provided by (used in) operating activities of guaranteed funds	(24)	71
Cash flows from investing activities:		
Proceeds from sale and maturities of:		
Non-trading financial assets mandatory at fair value through profit or loss[2]	1,880	578
Property and equipment	0	0
Disposals of intangible assets	0	0
Purchase of:		
Non-trading financial assets mandatory at fair value through profit or loss[3]	(2,028)	(639)
Property and equipment	(4)	(1)
Additional intangible assets	(19)	(17)
Dividends received from equity method investments	27	44
Loans at amortized cost made to other parties	0	(3)
Net cash provided by (used in) investing activities	**(143)**	**(37)**

in € m.	Jan - Jun 2023	Jan - Jun 2022
Cash flows from financing activities:		
Cash dividends paid to DWS shareholders	(410)	(400)
Other borrowings	0	0
Repayment of other borrowings	(5)	(43)
Repayment of lease liabilities (principal)	(10)	(9)
Net change in non-controlling interests	(6)	1
Net cash provided by (used in) financing activities	**(430)**	**(451)**
Net effect of exchange rate changes on cash and cash equivalents	**(1)**	**15**
Net increase (decrease) in cash and cash equivalents	**(232)**	**(45)**
Cash and cash equivalents at beginning of period	1,795	2,055
Net increase (decrease) in cash and cash equivalents	(232)	(45)
Cash and cash equivalents at end of period	**1,564**	**2,010**

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.	Jan - Jun 2023	Jan - Jun 2022
Net cash provided by (used in) operating activities includes:		
Income taxes paid (received), net	141	116
Interest paid	7	11
Interest received	45	7
Dividends received	7	4
Cash and bank balances:		
Cash	0	0
Bank balances on demand	1,564	2,010
Total cash and cash equivalents	**1,564**	**2,010**
Time deposits	174	119
Total cash and bank balances	**1,738**	**2,129**

Notes to the Consolidated Financial Statements

01 – Basis of Preparation

DWS Group GmbH & Co. KGaA (DWS KGaA) has its registered seat in Frankfurt am Main, Germany and its business address at 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, 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, 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 present interim consolidated financial statements (condensed) have been prepared in accordance with IFRS as issued by the IASB and endorsed by the EU. They comprise the reporting period from 1 January 2023 to 30 June 2023 with comparison period from 1 January 2022 to 30 June 2022 and as per 31 December 2022 where applicable. The presentation of this information is in compliance with IAS 34 “Interim financial reporting” and in accordance with Section 115 WpHG in conjunction with Section 117 number 2 WpHG.

On 25 July 2023, the Executive Board prepared the interim consolidated financial statements (condensed) and released them for publication. The interim consolidated financial statements (condensed) include DWS KGaA and its subsidiaries are stated in euro, which is 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 figure. “N/A” means “not applicable”.

02 – Significant Accounting Policies and Critical Accounting Estimates

The interim consolidated financial statements (condensed) should be read in conjunction with the audited consolidated financial statements of DWS KGaA for the fiscal year 2022, for which the same accounting policies and critical accounting estimates have been applied with the exception of the newly adopted accounting pronouncements outlined in note ‘03 – Recently Adopted and New Accounting Pronouncements’.

There are no material changes in the composition of the Group compared to the period ending 31 December 2022.

03 – Recently Adopted and New Accounting Pronouncements

The new accounting standards which have been newly applied in the first half of 2023 did not have a material impact on the interim consolidated financial statements (condensed).

New or amended accounting standards which are effective after 30 June 2023 and for which earlier application is permitted have not been adopted in preparing these interim consolidated financial statements.

04 – Acquisitions and Dispositions

In the period 1 January 2023 to 30 June 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 Solution I.

05 – Business Segment and Related Information

The Group's segmental reporting has been prepared in accordance with the management approach, which requires presentation of segments on the basis of the internal management report that are regularly reviewed by the Chief Operating Decision Maker. The term "Chief Operating Decision Maker" identifies a function, not necessarily a manager with a specific title and it can be a group of persons. Generally, an operating segment has a segment manager who is directly accountable to and maintains regular contact with the Chief Operating Decision Maker to discuss operating activities, financial results, forecasts, or plans for the segment. The term "segment manager" also identifies a function, not necessary a single manager with a specific title.

Based on this management approach, the Group operates a single business segment for reporting and controlling purposes. The Executive Board will be responsible as Chief Operating Decision Maker for the business strategy as well as for reviewing and monitoring the results of the Group. The segment manager is the Executive Board.

The Group's operating activity is managed using one globally integrated investment group targeting the same client segments, distribution channels and asset classes. There is one centrally managed sales force servicing all products and negotiating prices with clients and the Group is using largely shared infrastructure (such as marketing, product strategy, product development and finance).

The Executive Board has responsibility for the steering and oversight of the entire Group including strategy, planning, major personnel decisions, organisation, risk management and compliance systems. Although revenues are monitored by the different asset classes – Active, Passive and Alternatives – all other direct and allocated costs, along with assets and liabilities, but also full-time employee and capital ratios, are analysed and monitored on an aggregated basis.

Net interest and non-interest income by geographic area based on the management approach

in € m.	Jan - Jun 2023	Jan - Jun 2022
Germany	613	629
Europe (excluding Germany), Middle East and Africa	311	325
Americas	306	339
Asia/Pacific	61	67
Total net interest and non-interest income	**1,292**	**1,360**

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.	Jan - Jun 2023	Jan - Jun 2022
Management fees:		
Management fee income	1,771	1,876
Management fee expense	621	638
Net management fees	**1,150**	**1,238**
Thereof:		
Active Equity	355	383
Active Multi Asset	108	107
Active Systematic and quantitative investments	97	103
Active Fixed Income	112	131
Active Cash	15	13
Passive	185	195
Alternatives	275	297
Other[1]	3	9
Performance and transaction fees:		
Performance and transaction fee income	59	63
Performance and transaction fee expense	2	6
Net performance and transaction fees	**58**	**58**
Thereof:		
Alternatives	51	51
Active and Other	7	7
Total net commissions and fees from asset management	**1,208**	**1,296**

[1] Other recurring fees include ongoing fees not assigned to a product, for example, custody fees for client accounts.

Split of commission and fee income from asset management by region

in € m.	Jan - Jun 2023	Jan - Jun 2022
Commission and fee income from asset management:		
Germany	738	781
Europe (excluding Germany), Middle East and Africa	710	752
Americas	362	386
Asia/Pacific	21	21
Total commission and fee income from asset management	**1,830**	**1,940**
Commission and fee expense from asset management	**622**	**644**
Net commissions and fees from asset management	**1,208**	**1,296**

07 – General and Administrative Expenses

in € m.	Jan - Jun 2023	Jan - Jun 2022
Information technology	69	65
Professional services	38	40
Market data and research services	35	36
Occupancy, furniture and equipment expenses	27	23
Banking services and outsourced operations	127	114
Marketing expenses	15	16
Travel expenses	8	5
Charges from Deutsche Bank Group[1]	76	87
Other expenses	61	48
Total general and administrative expenses	**456**	**434**

[1] Thereof € 67 million related to infrastructure charges from Deutsche Bank Group for the first half of 2023 (€ 54 million for the first half of 2022) and € 8 million related to DWS functions in Deutsche Bank Group entities for the first half of 2023 (€ 33 million for the first half of 2022).

Notes to the Consolidated Balance Sheet

08 – Financial Instruments

Appropriate classification of financial instruments is determined at the time of initial recognition or when reclassified in the balance sheet. Financial instruments are recognised or derecognised on trade date, which is the date on which the Group commits to purchase or sell the asset or issue or repurchase the liability.

The major financial instruments 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, from brokerage 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 '11 – 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

	30 Jun 2023					31 Dec 2022				
	Carrying amount	Fair value				Carrying amount	Fair value			
in € m.	Total	Level 1	Level 2	Level 3	Total	Total	Level 1	Level 2	Level 3	Total
Financial assets held at fair value:										
Trading assets:										
Debt instruments held by consolidated guaranteed funds	1,260	3	1,257	0	1,260	1,146	2	1,144	0	1,146
Debt instruments held by consolidated seed investments	6	2	3	0	6	25	7	18	0	25
Equity instruments held by consolidated guaranteed funds	97	97	0	0	97	94	94	0	0	94
Equity instruments held by consolidated seed investments	95	95	0	0	95	82	82	0	0	82
Total trading assets	**1,458**	**198**	**1,260**	**0**	**1,458**	**1,346**	**184**	**1,162**	**0**	**1,346**
Positive market values from derivative financial instruments	**21**	**0**	**21**	**0**	**21**	**21**	**0**	**20**	**2**	**21**
Non-trading financial assets mandatory at fair value through profit or loss:										
Debt instruments – co-investments	484	0	0	484	484	504	0	0	504	504
Debt instruments – seed investments	46	5	41	0	46	37	15	21	0	37
Debt instruments – money market funds	0	0	0	0	0	0	0	0	0	0
Debt instruments – government bonds	717	707	10	0	717	605	542	63	0	605
Debt instruments – corporate bonds	583	249	334	0	583	670	64	606	0	670
Debt instruments – other debt instruments	412	334	0	78	412	276	191	52	34	276
Thereof: liquidity positions	334	334	0	0	334	243	191	52	0	243
Equity instruments	30	0	0	30	30	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	**2,273**	**1,296**	**385**	**591**	**2,273**	**2,122**	**813**	**742**	**567**	**2,122**
Debt instruments – investment contract assets mandatory at fair value through profit or loss	**483**	**0**	**483**	**0**	**483**	**469**	**0**	**469**	**0**	**469**
Total financial assets held at fair value through profit or loss	**4,235**	**1,494**	**2,149**	**591**	**4,235**	**3,959**	**997**	**2,393**	**568**	**3,959**
Debt instruments – sub-sovereign bond at fair value through other comprehensive income	79	0	79	0	79	80	0	80	0	80
Total financial assets at fair value through other comprehensive income	**79**	**0**	**79**	**0**	**79**	**80**	**0**	**80**	**0**	**80**
Total financial assets held at fair value	**4,313**	**1,494**	**2,228**	**591**	**4,313**	**4,038**	**997**	**2,473**	**568**	**4,038**
Financial assets held at amortized cost:										
Cash and bank balances	1,738					1,979				
Loans	6	0	6	0	6	6	0	6	0	6
Other financial assets	724					823				
Total financial assets held at amortized cost	**2,468**	**0**	**6**	**0**	**6**	**2,808**	**0**	**6**	**0**	**6**

	30 Jun 2023					31 Dec 2022				
	Carrying amount	Fair value				Carrying amount	Fair value			
in € m.	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)	22	22	0	0	22	38	38	0	0	38
Total trading liabilities	**22**	**22**	**0**	**0**	**22**	**38**	**38**	**0**	**0**	**38**
Negative market values from derivative financial instruments	**114**	**1**	**21**	**92**	**114**	**127**	**0**	**22**	**104**	**127**
Investment contract liabilities designated at fair value through profit or loss	483	0	483	0	483	469	0	469	0	469
Total financial liabilities designated at fair value through profit or loss	**483**	**0**	**483**	**0**	**483**	**469**	**0**	**469**	**0**	**469**
Total financial liabilities held at fair value through profit or loss	**619**	**23**	**504**	**92**	**619**	**634**	**39**	**491**	**104**	**634**
Payables from guaranteed and other consolidated funds	**1,378**	**0**	**1,378**	**0**	**1,378**	**1,281**	**0**	**1,281**	**0**	**1,281**
Total financial liabilities held at fair value	**1,996**	**23**	**1,881**	**92**	**1,996**	**1,916**	**39**	**1,773**	**104**	**1,916**
Financial liabilities held at amortized cost:										
Other short-term borrowings	16					21				
Other financial liabilities	1,158					1,121				
Thereof: payables from performance related payments	255					326				
Long-term debt	0					0				
Total financial liabilities held at amortized cost	**1,175**					**1,142**				

Trading assets increased by € 112 million, mainly driven by assets held by consolidated guaranteed funds due to mark-to-market valuation gains and net purchases. The corresponding payables held by guaranteed and other consolidated funds increased respectively.

Non-trading financial assets mandatory at fair value through profit or loss increased by € 151 million primarily driven by net purchases of government bonds and other debt instruments of € 248 million. This impact was partially offset by net maturities of corporate bonds of € 87 million.

The carrying value of sub-sovereign bonds as of 30 June 2023 was € 79 million while the amortised cost value as of 30 June 2023 was € 194 million.

Negative market values from derivative financial instruments mainly include the guaranteed products of level 3 of the fair value hierarchy (€ 92 million as of 30 June 2023, € 104 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.

An independent specialised valuation control group within Deutsche Bank Group´s Risk function executes the valuation control processes which covers the valuation of financial instruments across all levels of the fair value hierarchy. The mandate of this specialist function includes the performance of the independent valuation control processes for all businesses including DWS Group. A key focus of this independent valuation control group 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 Deutsche Bank Group’s specialist valuation function 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 validated by Deutsche Bank Group’s independent specialist model validation group.

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 the first half of 2023, there were transfers from level 1 into level 2 of € 7 million and from level 2 into level 1 of € 48 million. These were largely driven by corporate bonds denominated in EUR to reflect changes in current market liquidity and price transparency. There were no transfers between level 1 and level 2 in the first half of 2022.

There were no transfers into and out of level 3 during the first half of 2023 and during the first half of 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

	Financial assets					Financial liabilities	
in € m.	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
Unrealized gains (losses) through profit or loss	0	46	0	(0)	45	54	54
FX gains (losses)	0	19	2	(0)	20	0	0
Purchases	0	30	1	0	31	0	0
Sales	0	0	0	0	0	0	0
Settlements	0	32	0	0	32	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 30 June 2022	**0**	**536**	**32**	**29**	**597**	**86**	**86**
Balance as of 1 January 2023	**2**	**504**	**34**	**29**	**568**	**104**	**104**
Changes in the group of consolidated companies	0	0	0	0	0	0	0
Unrealized gains (losses) through profit or loss	0	(21)	2	(5)	(24)	12	12
FX gains (losses)	0	(5)	0	1	(5)	0	0
Purchases	0	15	45	4	64	0	0
Sales	0	1	0	0	1	0	0
Settlements	1	9	1	0	12	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 30 June 2023	**0**	**484**	**78**	**30**	**591**	**92**	**92**

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 30 June 2023 it could have increased fair value by as much as € 18 million or decreased fair value by as much as € 59 million. As of 30 June 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

	30 Jun 2023		31 Dec 2022	
in € m.	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	1	36	1	47
Debt instruments – other debt instruments	0	3	0	2
Equity instruments	0	3	0	3
Negative market values from derivative financial instruments	17	17	15	15
Total	**18**	**59**	**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)	30 Jun 2023						31 Dec 2022					
	Fair value						Fair value					
	Assets	Liabilities	Valuation technique(s)	Significant unobservable input(s) (Level 3)	Range		Assets	Liabilities	Valuation technique(s)	Significant unobservable input(s) (Level 3)	Range	
Positive market values from derivative financial instruments	0	0	Market approach	Price per net asset value	100%	100%	2	0	Market approach	Price per net asset value	100%	100%
Debt instruments – co-investments	481	0	Market approach	Price per net asset value	100%	100%	502	0	Market approach	Price per net asset value	100%	100%
	2	0	Intex model	Credit Spread	16%	23%	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	17	0	Market approach	Price per net asset value	100%	100%	17	0	Market approach	Price per net asset value	100%	100%
	39	0	Intex model	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%	20%				Pre-payment rate	20%	20%
	21	0	Income approach	DCF	9%	10%						
Equity instruments	28	0	Market approach	Price per net asset value	100%	100%	27	0	Market approach	Price per net asset value	100%	100%
	2	0	Income approach	DCF	16%	16%	2	0	Market approach	Price per net asset value	100%	100%
Negative market values from derivative financial instruments	0	92	Option pricing model	Cancellation rate	0%	15%	0	104	Option pricing model	Cancellation rate	0%	15%
Total	**591**	**92**					**568**	**104**				

09 – Interest Rate Benchmark Reform

As of 30 June 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 some immaterial amount.

10 – Goodwill and Other Intangible Assets

Goodwill, indefinite and definite life intangible assets are tested for impairment annually or more frequently if there are indications that the carrying value may be impaired.

As of 30 June 2023, an analysis was performed to evaluate if an impairment loss is needed to be recognized for the Group's goodwill or the indefinite life intangible asset related to the retail investment management agreements (shown under unamortized intangible assets). As part of the analysis, the assumptions and their sensitivities of the annual goodwill impairment test and the main input parameters for the retail investment management agreement intangible asset were reviewed and neither asset had any indication of impairment.

Goodwill

Changes in Goodwill

in € m.	
Balance as of 1 January 2022	**2,822**
Disposals	0
Exchange rate changes	156
Balance as of 30 June 2022	**2,978**
Gross amount of goodwill	2,978
Accumulated impairment losses	0
Balance as of 1 January 2023	**2,936**
Disposals	6
Exchange rate changes	(45)
Balance as of 30 June 2023	**2,885**
Gross amount of goodwill	2,885
Accumulated impairment losses	0

In the first half of 2023, changes mainly relate to the transfer of Private Equity Solutions business of € 6 million and foreign exchange rate impact of € (45) million (first half of 2022: € 156 million).

Other Intangible Assets

Changes in Other Intangible Assets

	Purchased intangible assets							Internally generated intangible assets	
	Unamortized			Amortized				Amortized	
in € m.	Retail Investment Management Agreements	Other	Total unamortized purchased intangible assets	Customer-related intangible assets	Contract- based intangible assets	Software and other	Total amortized purchased intangible assets	Software	Total other intangible assets
Cost of acquisition/manufacture:									
Balance as of 1 January 2022	**1,017**	**0**	**1,017**	**112**	**20**	**88**	**221**	**242**	**1,479**
Additions	0	0	0	0	0	0	0	17	17
Reclassifications from (to) held for sale	0	0	0	0	0	0	0	(28)	(28)
Exchange rate changes	90	0	90	10	0	(1)	9	1	100
Balance as of 30 June 2022	**1,106**	**0**	**1,106**	**122**	**20**	**88**	**230**	**232**	**1,568**

	Purchased intangible assets							Internally generated intangible assets	
	Unamortized			Amortized				Amortized	
in € m.	Retail Investment Management Agreements	Other	Total unamortized purchased intangible assets	Customer-related intangible assets	Contract- based intangible assets	Software and other	Total amortized purchased intangible assets	Software	Total other intangible assets
Balance as of 1 January 2023	**1,083**	**0**	**1,083**	**120**	**20**	**88**	**227**	**230**	**1,541**
Additions	0	0	0	0	0	0	0	19	19
Reclassifications from (to) held for sale	0	0	0	0	0	0	0	0	0
Exchange rate changes	(24)	0	(24)	(3)	0	0	(2)	2	(25)
Balance as of 30 June 2023	**1,059**	**0**	**1,059**	**117**	**20**	**88**	**225**	**251**	**1,535**
Accumulated amortization and impairment:									
Balance as of 1 January 2022	**257**	**0**	**257**	**112**	**20**	**88**	**221**	**172**	**650**
Amortization for the year	0	0	0	0	0	0	0	13	13
Reclassifications from (to) held for sale	0	0	0	0	0	0	0	(23)	(23)
Impairment losses	0	0	0	0	0	0	0	1	1
Exchange rate changes	23	0	23	10	0	(1)	9	1	32
Balance as of 30 June 2022	**279**	**0**	**279**	**122**	**20**	**88**	**230**	**163**	**673**
Balance as of 1 January 2023	**342**	**0**	**342**	**120**	**20**	**88**	**227**	**158**	**728**
Amortization for the year	0	0	0	0	0	0	0	10	10
Disposals	0	0	0	0	0	0	0	0	0
Reclassifications from (to) held for sale	0	0	0	0	0	0	0	0	0
Impairment losses	0	0	0	0	0	0	0	0	0
Exchange rate changes	(8)	0	(8)	(3)	0	0	(2)	1	(9)
Balance as of 30 June 2023	**334**	**0**	**334**	**117**	**20**	**88**	**225**	**170**	**729**
Carrying amount:									
As of 1 January 2022	**760**	**0**	**760**	**0**	**0**	**0**	**0**	**70**	**830**
As of 30 June 2022	**827**	**0**	**827**	**0**	**0**	**0**	**0**	**68**	**895**
As of 1 January 2023	**741**	**0**	**741**	**0**	**0**	**0**	**0**	**72**	**813**
As of 30 Jun 2023	**725**	**0**	**725**	**0**	**0**	**0**	**0**	**81**	**805**

As of 30 June 2023, there was no impairment loss on internally generated software (30 June 2022: impairment loss of € 1 million) reflected under general and administrative expenses in the consolidated statement of income.

11 – Other Assets and Other Liabilities

in € m.	30 Jun 2023	31 Dec 2022
Other assets:		
Other financial assets:		
Receivables from commissions/fees	252	194
Remaining other financial assets	472	629
Total other financial assets	**724**	**823**
Other non-financial assets:		
Other tax receivables	10	12
Remaining other non-financial assets	64	42
Total other non-financial assets	**74**	**54**
Total other assets	**798**	**877**

in € m.	30 Jun 2023	31 Dec 2022
Other liabilities:		
Other financial liabilities:		
Payables from commissions/fees	145	146
Payables from performance related payments	255	326
Remaining other financial liabilities	759	649
Payables from guaranteed and other consolidated funds[1]	1,378	1,281
Total other financial liabilities	**2,536**	**2,402**
Other non-financial liabilities:		
Other tax payables	24	18
Remaining other non-financial liabilities	77	80
Total other non-financial liabilities	**102**	**98**
Total other liabilities	**2,638**	**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 '08 – Financial Instruments').

The Group has no contract liabilities as of 30 June 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 has 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.

12 – 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	0	0	12	20
Amounts used	0	0	0	0	0
Unused amounts reversed	0	0	0	0	0
Effects from exchange rate fluctuations/unwind of discount	0	0	0	0	0
Transfers	0	0	0	0	0
Balance as of 30 June 2022	**22**	**1**	**0**	**13**	**36**
Balance as of 1 January 2023	**19**	**8**	**0**	**9**	**36**
New provisions	2	0	0	21	23
Amounts used	0	0	0	0	1
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 30 June 2023	**21**	**8**	**0**	**27**	**56**

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

By the nature of our business, the Group is involved in litigation and arbitration proceedings and regulatory investigations, but none of such proceedings is currently expected to have a significant impact on the Group's financials. 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.

Material individual proceedings are described below:

The Group has received requests for information from various regulatory and law enforcement agencies concerning certain ESG related matters. The Group continues to provide information to and otherwise cooperate with the investigating agencies. We are now engaged in advanced resolution discussions with the US Securities and Exchange Commission to resolve their ESG investigation, although the final outcome is yet to be concluded. Other investigations are ongoing and the outcomes are as yet to be determined. We cannot exclude that the outcomes may be adverse and could involve financial penalties. 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.

13 – Equity

Dividends

	2022
Cash dividend (in € m.)	410
Cash dividend per common share (in €)	2.05

The Annual General Meeting on 15 June 2023 agreed to the dividend proposal as recommended by the General Partner and the Supervisory Board.

Additional Notes

14 – Income Taxes

Income tax expense in the first half of 2023 was € 115 million (first half of 2022: € 154 million). The effective tax rate of 28.9% (first half of 2022: 31.1%) was mainly impacted by non-deductible expenses, partly offset by tax exempt income.

15 – Related Party Transactions

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 30 June 2023, transactions with related party persons were loans and commitments of € 14 million and deposits of € 6 million. As of 30 June 2022, transactions with related party persons were loans and commitments of € 14 million and deposits of € 4 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 DWS Group and Deutsche Bank Group entities, including its associates and joint ventures and their respective subsidiaries also qualify as related party transactions.

The increase in assets with Deutsche Bank AG is mainly related to increased bank balances resulting from the Group's cash management activities.

DWS KGaA incurred expenses for key management personnel services to DWS Management GmbH, a wholly owned subsidiary of Deutsche Bank AG, of € 9 million for the first half year 2023 (€ 14 million for the first half year 2022).

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).

The Group has no transactions as of 30 June 2023 and 30 June 2022 respectively with joint ventures and associates of Deutsche Bank Group.

Transactions with Deutsche Bank AG and other Deutsche Bank Group entities

				Jan - Jun 2023				Jan - Jun 2022
in € m.	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	(146)	69	1,056	357	(152)	51	906	272
Other Deutsche Bank Group entities	(12)	25	107	143	(26)	50	95	97

16 – Events after the Reporting Period

After the reporting date no material events occurred which had a significant impact on the results of operations, financial position and net assets of the Group.

Confirmations

Responsibility Statement by the Executive Board

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements (condensed) give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Frankfurt am Main, 25 July 2023

DWS Group GmbH & Co. KGaA,
represented by: DWS Management GmbH, its general partner

The Managing Directors (Executive Board)

Dr Stefan Hoops	Manfred Bauer	Dirk Goergen	Dr Karen Kuder	Angela Maragkopoulou	Claire Peel

Independent Auditor's Review Report

Note: The English language text below is a translation provided for information purposes only. The original German text shall prevail in the event of any discrepancies between the English translation and the German original. We do not accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may arise from the translation.

To DWS Group GmbH & Co. KGaA, Frankfurt am Main

We have reviewed the condensed interim consolidated financial statements of the DWS Group GmbH & Co. KGaA, Frankfurt am Main – comprising the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated changes in equity, the consolidated statement of cashflows and the notes to the consolidated financial statements – together with the interim group management report of the DWS Group GmbH & Co. KGaA, Frankfurt am Main, for the period from January 1 to June 30, 2023 that are part of the semi annual financial report according to § 115 WpHG ["Wertpapierhandelsgesetz": "German Securities Trading Act"]. The preparation of the condensed interim consolidated financial statements in accordance with International Accounting Standard IAS 34 "Interim Financial Reporting" as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We performed our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the EU, and that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Frankfurt am Main, 25 July 2023

KPMG AG Wirtschaftsprüfungsgesellschaft

Fox	Anders
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Supplementary Information

Glossary

Term	Meaning
AI	Artificial intelligence
APAC	Asia-Pacific
APM	Alternative performance measures
AuM	Assets under Management
BaFin	German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht)
CAGR	Compound Annual Growth Rate
CAO	Chief Administration Officer
CDP	Former Carbon Disclosure Project: Sustainability rating with focus on climate change
CEO	Chief Executive Officer
CET 1	Common Equity Tier 1
CFO	Chief Financial Officer
CIO	Chief Investment Officer
CIR	Cost-income ratio
Company	DWS Group GmbH & Co. KGaA, a German partnership limited by shares (Kommanditgesellschaft auf Aktien)
COO	Chief Operating Officer
CRR/CRD IV	Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms (Capital Requirements Regulation – CRR) and Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (Capital Requirement Directive IV – CRD IV)
DCF	Discounted cash-flow method
Deutsche Bank Group	Deutsche Bank AG and its subsidiaries
DWS Group	DWS Group GmbH & Co. KGaA and its subsidiaries
DWS KGaA	DWS Group GmbH & Co. KGaA
ECB	European Central Bank
EMEA	Europe, Middle East and Africa
ESG	Environmental, Social and Governance
ESG Framework	Framework for ESG product classification or disclosure
ETF	Exchange traded fund
EU	European Union
Fed	Federal Reserve Bank
FX	Foreign exchange
Group	DWS Group GmbH & Co. KGaA and its subsidiaries

Term	Meaning
HRB	Number in section B of the German Commercial Register; incorporated companies are covered in section B of the register
IAS	International Accounting Standard
IASB	International Accounting Standards Board
IDW	Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer)
IFD	Directive (EU) 2019/2034 on the prudential supervision of investment firms (Investment Firm Directive)
IFR	Regulation (EU) 2019/2033 on the prudential requirements of investment firms (Investment Firm Regulation)
IFRS	International Financial Reporting Standards
IT	Information Technology
K-factor	K-factors means own funds requirements for risks that an investment firm poses to clients, markets and to itself
K-ASA	K-factor related to assets safeguarded and administered
K-AuM	K-factor related to assets under management
K-COH	K-factor related to client orders handled
K-NPR	K-factor related to net position risk
KPI	Key performance indicator
KPMG AG	KPMG AG Wirtschaftsprüfungsgesellschaft (Berlin)
M&A	Mergers and acquisitions
N/A	Not applicable
N/M	Not meaningful (in the management report)
NZAM	Net Zero Asset Managers initiative
PVCC	Principal Valuation Control Council
QPAM	Qualified Professional Asset Manager
SDG	Sustainable Development Goal(s) of the United Nations (overview of SDGs: https://sustainabledevelopment.un.org/sdgs)
US / USA	United States (of America)
US DOJ	US Department of Justice
US SEC	US Securities and Exchange Commission
WACI	Weighted Average Carbon Intensity
WpHG	German Securities Trading Act (Wertpapierhandelsgesetz)
Xtrackers	Exchange Traded Funds offered within the Passive business of DWS

Imprint

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Cautionary statement regarding forward-looking statements

This 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.

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