

APRIL 29, 2020

DWS GROUP – Q1 2020 RESULTS

Q1 2020 STRONG DESPITE COVID-19 IMPACT



Crisis management up and running, focus now shifting back to business evolution

CRISIS MANAGEMENT

- Robust business continuity management ensured delivery on key imperatives:
 - Health and safety of our employees
 - Fiduciary duty and service to clients
- Enhanced efficiency of operations through strengthened remote working conditions
- Moving focus to post-shutdown environment, embracing the “next normal” & reinforced trends
- AGM will be postponed, reflecting pandemic guidelines and regulatory spirit

KEY ACHIEVEMENTS

- **CIR proved resilient** despite economic shutdown and market turbulences
 - **Cost base** significantly reduced by continuous implementation of efficiency measures, accelerated in 2019
 - **Management fees remained stable**, against backdrop of impact from decline in revenues and flows
- **Strong flow start** into 2020, until COVID-19 fully unfolded in March
 - Good Q1 opening with **inflows into defined growth areas** passive, alternatives and multi asset
 - **Outflows in March** reflect reduced client risk appetite and imminent liquidity needs
- External recognition on becoming **leading ESG asset manager**
 - According to Morningstar, leader in **ESG proxy voting** in the US
 - **Integration of ESG** aspects into internal processes acknowledged by rating agency TELOS and ShareAction project AODP¹

¹ Asset Owners Disclosure Project

Q1 2020 KEY FINANCIAL HIGHLIGHTS



_ Adjusted profit before tax was €179m supported by successful implementation of cost initiatives

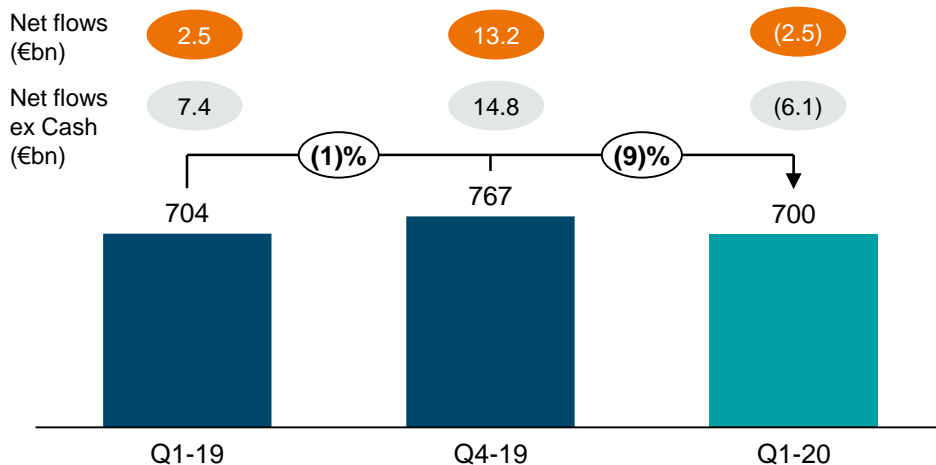
_ Adjusted cost income ratio of 65.8% benefited from notable decline in costs

_ Industry wide outflows in March offset strong inflows in January and February resulting in €(2.5)bn net flows in Q1

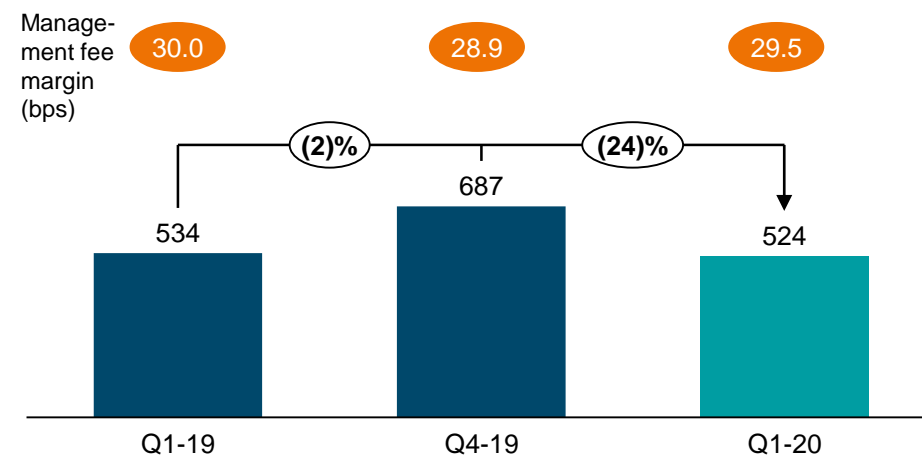
FINANCIAL PERFORMANCE SNAPSHOT – Q1 2020



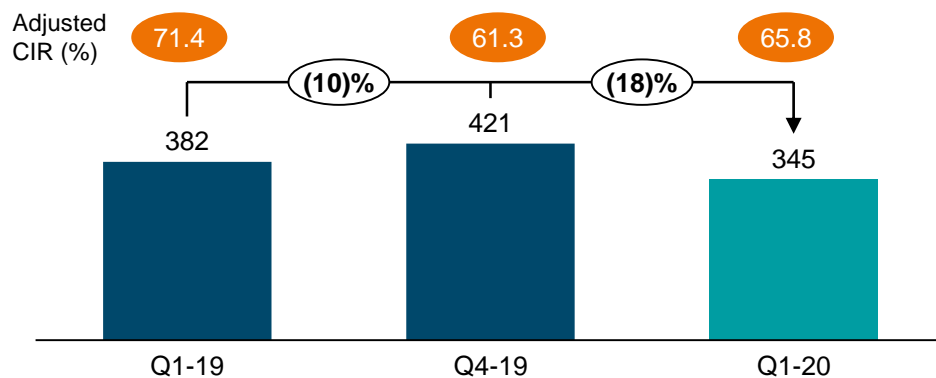
AUM (€BN)



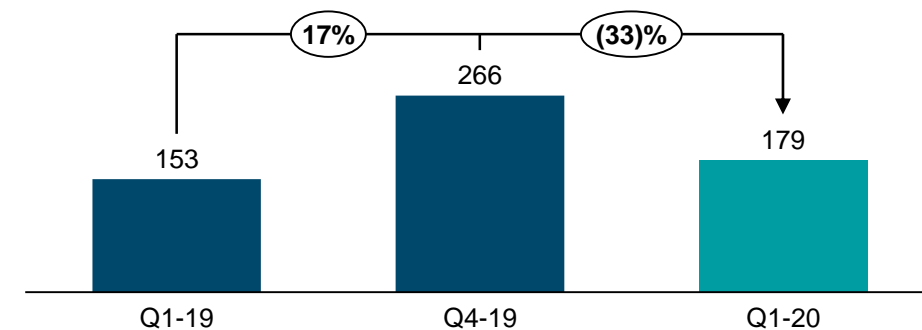
ADJUSTED REVENUES (€M)



ADJUSTED COSTS (€M)



ADJUSTED PROFIT BEFORE TAX (€M)

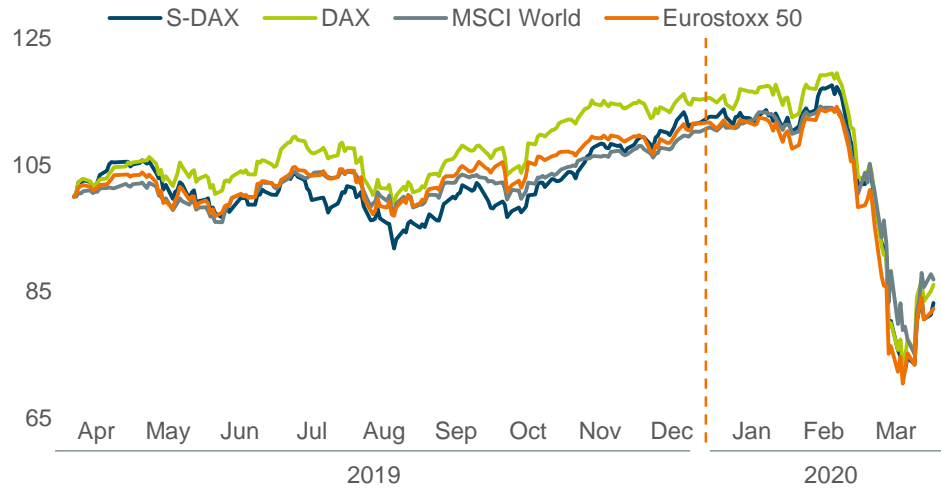


Note: Throughout this presentation totals may not sum due to rounding differences

MARKET ENVIRONMENT



EQUITIES (%)



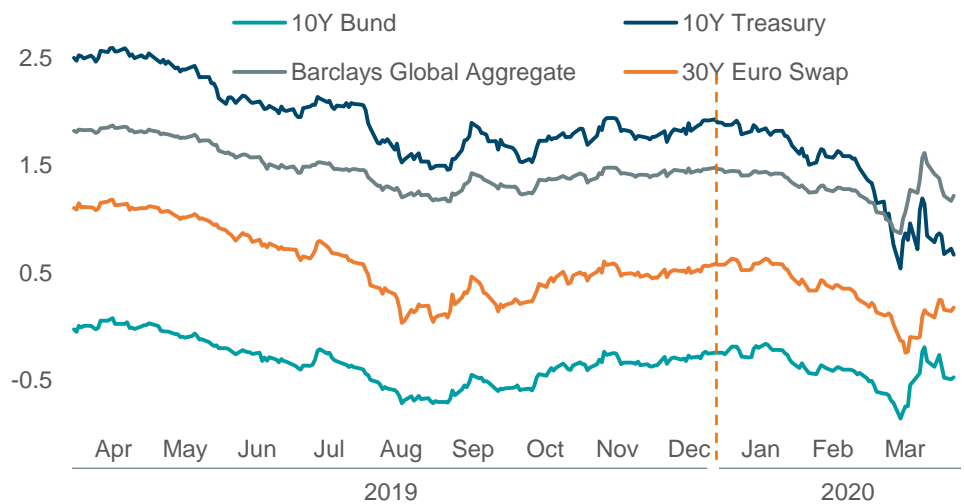
FX (€/\$)



VOLATILITY (VIX INDEX)



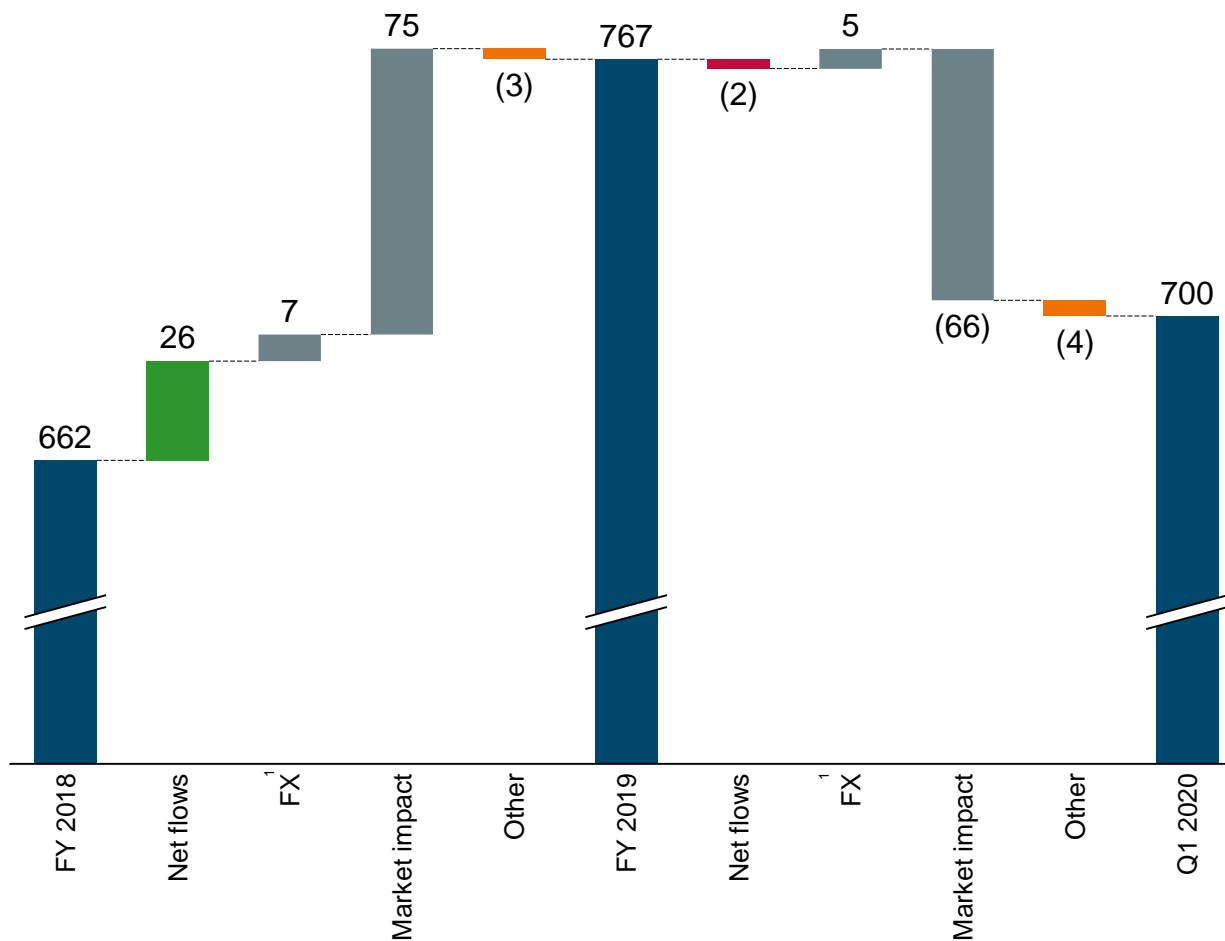
INTEREST RATES, YIELD (%)



Source: Bloomberg

AUM DEVELOPMENT

AUM DEVELOPMENT DETAIL (€BN)



Q1 HIGHLIGHTS

- AuM decreased by €67bn to €700bn in Q1
- The main driver has been the negative market performance of €(66)bn in Q1, of which €(51)bn occurred in March
- Favorable €/€ exchange rate contributed positively to AuM, but was partly offset by net outflows of €(2.5)bn

¹ Represents FX impact from non-Euro denominated products; excludes performance impact from FX

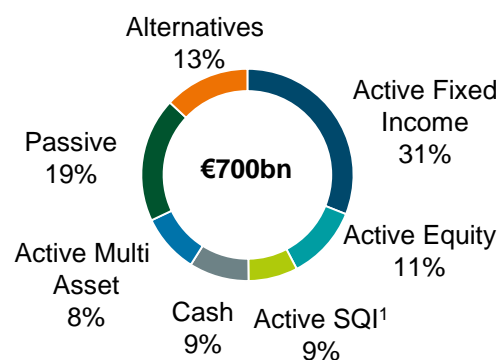
Q1 2020 NET FLOWS



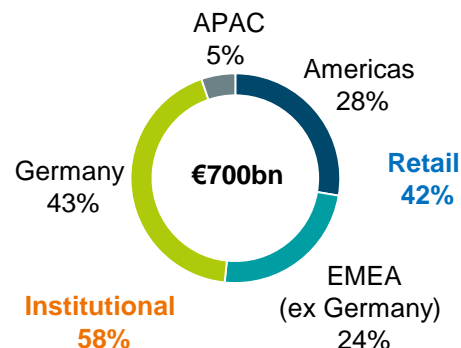
NET FLOWS BREAKDOWN

By asset class (€bn)	Q1-19	Q4-19	Q1-20
Active Equity	(0.2)	0.3	1.7
Active Multi Asset	0.5	3.3	(0.7)
Active SQI ¹	(0.1)	2.5	(1.5)
Active Fixed Income	(1.6)	(1.2)	(5.1)
Passive	6.2	6.2	(2.0)
Alternatives	2.6	3.7	1.5
Total ex Cash	7.4	14.8	(6.1)
Cash	(4.9)	(1.6)	3.6
Total	2.5	13.2	(2.5)

AUM BY ASSET CLASS



AUM BY REGION & CLIENT TYPE



Q1 HIGHLIGHTS

- Q1 flows have been impacted by COVID-19 pandemic
- Equity had a resilient quarter with €1.7bn inflows despite the extreme market downturn in March
- Alternatives inflows mainly into illiquid asset classes like real estate and infrastructure
- Inflows into Multi Asset were offset by a specific institutional pension outflow
- SQI was primarily impacted by outflows in mutual funds such as CPPI²
- De-risking led to corresponding reallocations and ETP outflows in March
- Fixed Income experienced outflows from institutional insurance & pension mandates as well as short duration and emerging market products

1 Systematic and Quantitative Investments 2 Constant Proportion Portfolio Insurance

PRODUCT INNOVATIONS & Q2 2020 PIPELINE



Q1 2020 FUND LAUNCHES

EXAMPLES

- | | |
|---|-------------------------|
| <ul style="list-style-type: none"> – ESG oriented Euro High Yield Fund | Fixed
Income |
| <ul style="list-style-type: none"> – DWS Fixed Maturity High Yield Bonds 2025 | |
| <ul style="list-style-type: none"> – DWS Fixed Maturity ESG Multi Asset Defensive 2026 | Multi
Asset |
| <ul style="list-style-type: none"> – DWS Fixed Maturity Multi Asset 2026 III | |
| <ul style="list-style-type: none"> – Xtrackers MSCI Kokusai Equity ETF² | ETFs |

Q2 2020 FUND LAUNCHES PIPELINE¹

EXAMPLES

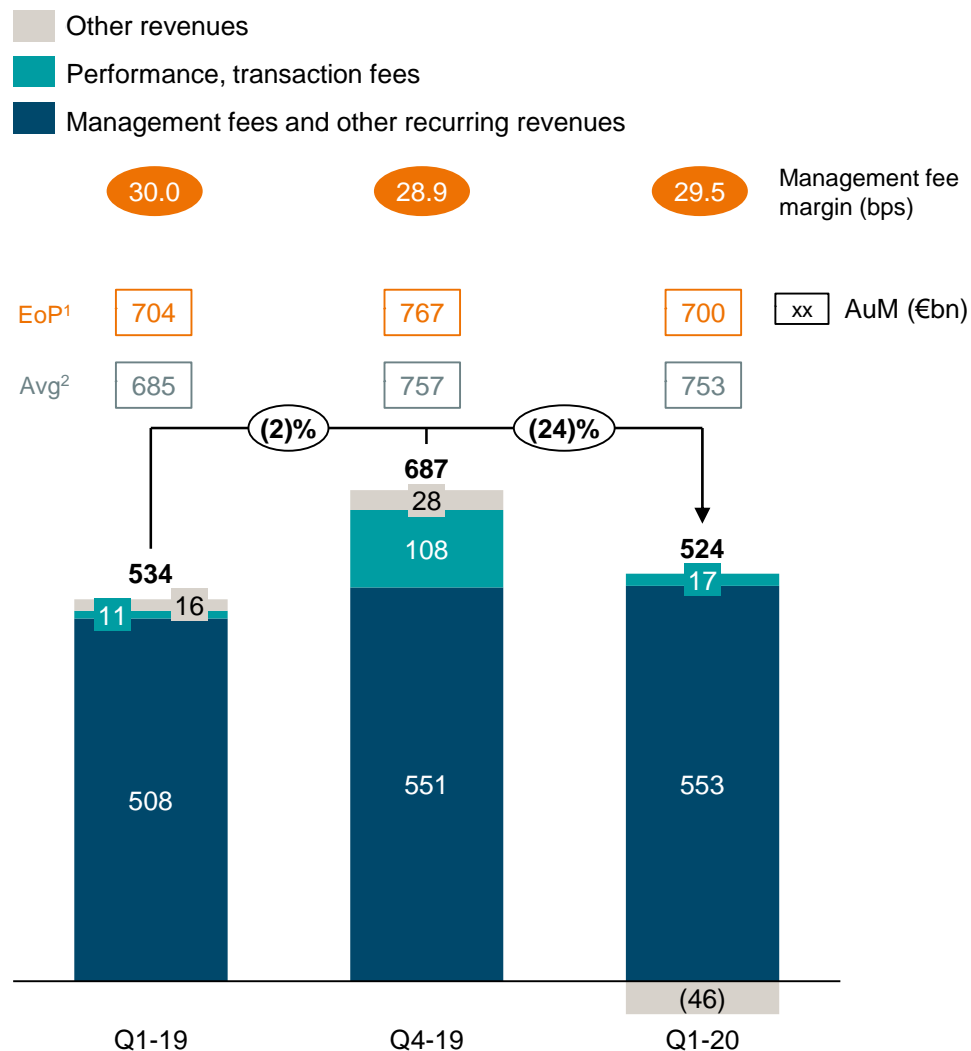
- | | |
|--|-------------------------|
| <ul style="list-style-type: none"> – DWS Invest Macro Bonds II | Fixed
Income |
| <ul style="list-style-type: none"> – ARERO - Der Weltfonds – Nachhaltig | Multi
Asset |
| <ul style="list-style-type: none"> – Xtrackers Bloomberg Barclays US Investment Grade Corporate ESG ETF | |
| <ul style="list-style-type: none"> – Xtrackers J.P. Morgan ESG USD High Yield Corporate Bond ETF | ETFs |
| <ul style="list-style-type: none"> – Xtrackers J.P. Morgan ESG Emerging Markets Sovereign ETF | |
| <ul style="list-style-type: none"> – DWS Invest Qi Global Climate Action | Equity |
| <ul style="list-style-type: none"> – DWS Invest ESG Next Generation Infrastructure | Alternatives |

Note: Not all DWS products and services are offered in all jurisdictions and availability is subject to local regulatory restrictions and requirements

¹ Subject to demand assessments, approvals and successful transaction execution ² Has been launched on April 8th 2020

REVENUE DEVELOPMENT

ADJUSTED REVENUES (€M)



Q1 HIGHLIGHTS

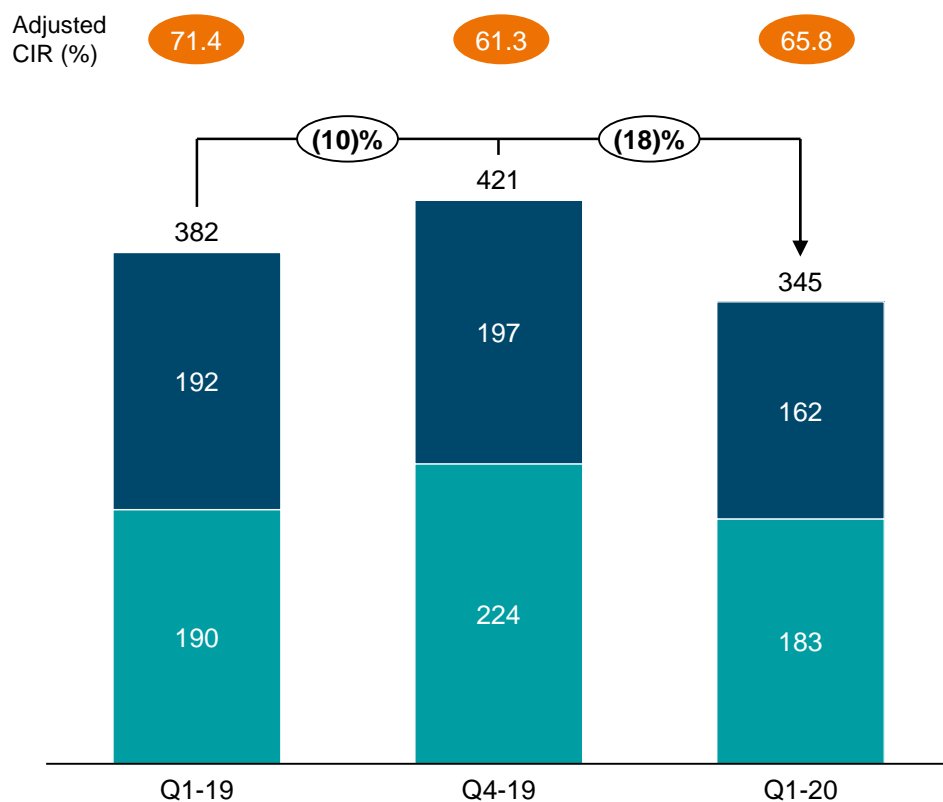
- Total adjusted revenues were €524m in Q1
- Management fees and other recurring revenues were stable despite market turbulences in March
- Performance and transaction fees decreased due to the absence of a significant Multi Asset performance fee recognition in Q4 2019
- Other revenues mainly impacted by negative changes in fair value of guarantees
- Harvest contributed €15m to Other revenues in Q1

1 End of period 2 Monthly average

COST DEVELOPMENT

ADJUSTED COSTS (€M)¹

- Compensation & Benefits
- General & Administrative Expenses



Q1 HIGHLIGHTS

- Total adjusted costs continued to improve to €345m, down 18% compared to Q4
- Adjusted compensation & benefits decreased primarily as a result of lower variable compensation due to negative DWS share price development in Q1
- General & administrative expenses decreased by 19% q-o-q due to successful implementation of cost initiatives as well as lower volume related costs

¹ Non-interest expenses adjusted for severance payments, restructuring activities and litigation

Q1 2020 CONCLUSION & FINANCIAL OUTLOOK 2020



Q1 2020 CONCLUSION

- Resilient financial performance in Q1 despite significant market turbulences
- We are on track to achieve the targeted €150m efficiency initiatives by 2021
- Additional cost benefit due to market downturn and share price decline
- Limited outflows despite adverse industry trends in Q1 supported by our diversified business model

FINANCIAL OUTLOOK 2020

- As a consequence of the market downturn, adjusted revenues and costs are both expected to be below 2019
 - Lower AuM base will impact revenues in Q2 and beyond
 - Strong cost discipline will be maintained to deliver efficiency measures
- We are committed and able to deliver further savings in 2020 if required
- Flows had a positive start to the second quarter in response to meeting clients' liquidity requirements

OUTLOOK 2020



Navigating the uncertainty – embracing the “next normal”

MARKET TO REMAIN CHALLENGING...

- Global recession in 2020
 - depth yet to be determined
- Central banks & governments are going all in
- Market outlook beyond COVID-19
 - Constructive for equity markets
 - New lows in rates
 - Credit attractive
 - Currency cycle ages

...BUT OUR BUSINESS MODEL IS DIVERSIFIED AND WELL-MANAGED

SHAREHOLDER

AGM postponed, maintain dividend proposal of €1.67 per share

OPERATIONAL READINESS

Efficient, globally integrated structures will be management's focus

COST-INCOME-RATIO

Reaffirming medium-term target of <65% in 2021 assuming market recovery in H2 2020

REINFORCED INDUSTRY TRENDS

Growth areas remain, allowing for utilization of barbell strategy

STRATEGIC AGENDA

Further develop existing partnerships, especially in APAC
Assess new JVs, bolt-on acquisitions

**RIGOROUS MANAGEMENT AND OUR DIVERSIFIED BUSINESS MODEL
ENABLE US TO NAVIGATE THE COVID-19 CRISIS**

APPENDIX

PROFIT & LOSS STATEMENT AND KEY PERFORMANCE INDICATORS (€M, UNLESS STATED OTHERWISE)

	Q1 2020	Q4 2019	Q1 2019	Q1 2020 vs Q4 2019	Q1 2020 vs Q1 2019	
Profit & Loss	Management fees and other recurring revenues	553	551	508	0%	9%
	Performance and transaction fees	17	108	11	(84)%	61%
	Other revenues	(46)	28	16	N/M	N/M
	Net revenues	524	687	534	(24)%	(2)%
	<i>Revenue adjustments</i>					
	Adjusted revenues	524	687	534	(24)%	(2)%
	Compensation & Benefits	(165)	(201)	(195)	(18)%	(16)%
	General & administrative expenses	(182)	(224)	(189)	(19)%	(4)%
	Restructuring activities	(3)	2	(2)	N/M	29%
	Total noninterest expenses	(351)	(424)	(387)	(17)%	(9)%
	<i>Cost adjustments</i>	7	3	5		
	Adjusted cost base	(345)	(421)	(382)	(18)%	(10)%
	Profit before tax	173	264	148	(35)%	17%
	Adjusted profit before tax	179	266	153	(33)%	17%
Net income	121	182	102	(33)%	19%	
Other Key Performance Measures	Reported CIR	67.0%	61.6%	72.4%	5.4 ppt	(5.3)ppt
	Adjusted CIR	65.8%	61.3%	71.4%	4.5 ppt	(5.6)ppt
	FTE (#)	3,329	3,361	3,471	(1)%	(4)%
	AuM (in €bn)	700	767	704	(9)%	(0.6)%
	Net flows (in €bn)	(2.5)	13.2	2.5		
	Net flows ex Cash (in €bn)	(6.1)	14.8	7.4		
	Net flows (% of BoP AuM – annualized)	(1.3)%	7.0%	1.5%		
	Net flows ex Cash (% of BoP AuM – annualized)	(3.5)%	8.5%	5.0%		
Management fee margin (bps - annualized)	29.5	28.9	30.0			

RECONCILIATION FROM IFRS TO ECONOMIC BALANCE SHEET



Q1 2020 (€BN)

	IFRS consolidated	Consolidated Funds	DB Vita and pending	Economic View
Assets				
Cash and bank balances	2.6			2.6
Financial assets at FVPL	2.5	1 1.0	2 0.5	1.0
Other investments	0.3			0.3
Property and equipment	0.2			0.2
Tax assets	0.2			0.2
Intangible assets	3.8			3.8
Other assets	1.1		3 0.4	0.7
Total assets	10.7	1.0	0.9	8.8
Liabilities				
Other short-term borrowings	0.1			0.1
Tax liabilities	0.3			0.3
Financial liabilities at FVPL	0.6		2 0.5	0.2
Other liabilities	2.7	1 1.0	3 0.4	1.3
Total liabilities	3.7	1.0	0.9	1.8
Equity	7.0			7.0
Total liabilities and equity	10.7	1.0	0.9	8.8

HIGHLIGHTS

€1.9bn adjustments comprise:

- 1 Consolidated Funds - €1.0bn
 - DWS reports individual assets and liabilities of mainly guaranteed funds that it controls under IFRS
 - Fund assets and P&L still belong solely to the investors, not DWS
 - DWS does not consolidate where third party investors hold > 50% of units
- 2 DB Vita - €0.5bn
 - Investment contract related financial assets held to back unit linked contracts offered by DB Vita S.A. (which is our specialist entity for unit-linked insurance products)
 - Offset with financial liabilities due to investors holding the unit linked insurance contracts
- 3 Pending Items - €0.4bn
 - Settlement balances driven by investments for institutional clients in DWS Investment S.A.

HISTORICAL NET FLOWS AND AUM DEVELOPMENT



in € bn

Net flows by asset class	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	AuM by asset class	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020
Active Equity	(7.3)	(0.2)	(0.7)	(1.1)	0.3	(1.6)	1.7	Active Equity	77	88	90	91	96	96	79
Active Multi Asset	(3.8)	0.5	0.0	3.4	3.3	7.2	(0.7)	Active Multi Asset	46	49	50	54	58	58	53
Active SQI ¹	0.2	(0.1)	(0.8)	(0.1)	2.5	1.5	(1.5)	Active SQI ¹	63	67	68	70	71	71	63
Active Fixed Income	(16.5)	(1.6)	(3.7)	(1.3)	(1.2)	(7.8)	(5.1)	Active Fixed Income	227	233	232	240	234	234	217
Active Cash	(3.2)	(4.9)	3.6	0.4	(1.6)	(2.5)	3.6	Active Cash	58	54	57	59	57	57	64
Passive	7.5	6.2	3.5	3.2	6.2	19.1	(2.0)	Passive	112	130	136	145	156	156	133
Alternatives	0.8	2.6	2.2	1.6	3.7	10.2	1.5	Alternatives	79	85	88	93	96	96	91
DWS Group	(22.3)	2.5	4.2	6.2	13.2	26.1	(2.5)	DWS Group	662	704	719	752	767	767	700

Net flows by region

Americas	(21.3)	(0.1)	3.2	2.0	(1.6)	3.5	1.8
EMEA excl. GY	(1.5)	1.9	1.7	(0.7)	3.7	6.5	(2.0)
Germany (GY)	3.0	1.2	1.1	2.4	8.9	13.6	(0.9)
Asia Pacific	(2.6)	(0.4)	(1.9)	2.5	2.2	2.4	(1.2)
DWS Group	(22.3)	2.5	4.2	6.2	13.2	26.1	(2.5)

AuM by region

Americas	177	188	192	205	199	199	194
EMEA excl. GY	164	175	180	185	191	191	168
Germany (GY)	286	305	312	323	335	335	302
Asia Pacific	35	37	35	39	41	41	37
DWS Group	662	704	719	752	767	767	700

Net flows by client channel

Retail	(9.5)	(0.8)	0.9	0.4	4.6	5.1	(0.4)
Institutional	(12.8)	3.3	3.3	5.8	8.6	21.0	(2.1)
DWS Group	(22.3)	2.5	4.2	6.2	13.2	26.1	(2.5)

AuM by client channel

Retail	291	311	317	328	335	335	292
Institutional	372	394	402	424	433	433	408
DWS Group	662	704	719	752	767	767	700

Total net flows	(22.3)	2.5	4.2	6.2	13.2	26.1	(2.5)
FX impact	12.6	6.1	(4.6)	13.2	(7.9)	6.9	5.2
Performance	(28.0)	34.8	14.9	13.2	12.2	75.1	(66.0)
Other	0.2	(1.0)	0.4	0.1	(2.2)	(2.8)	(4.1)
Total change in AuM	(37.5)	42.3	14.9	32.7	15.3	105.2	(67.4)

1 Systematic and Quantitative Investments

Q1 2020 DETAILED INVESTMENT PERFORMANCE



<i>All figures in %¹</i>		1Y	3Y	5Y
Active Retail	Equity	65%	78%	79%
	Multi Asset	37%	47%	47%
	SQI	65%	74%	83%
	Fixed Income	36%	48%	59%
	Cash	53%	100%	100%
	Total	55%	71%	75%
Active Institutional	Equity	73%	58%	53%
	Multi Asset	48%	37%	29%
	SQI	51%	57%	82%
	Fixed Income	39%	46%	53%
	Cash	30%	91%	100%
	Total	41%	49%	55%
Active Total	Equity	66%	75%	76%
	Multi Asset	46%	38%	33%
	SQI	53%	59%	82%
	Fixed Income	38%	46%	54%
	Cash	42%	96%	100%
	Total	46%	56%	62%
Alternatives	Direct Real Estate	96%	96%	100%
	Liquid Real Assets	98%	99%	98%
	Other Alternatives	100%	100%	100%
	Total	98%	98%	100%
Total DWS	53%	62%	67%	

¹ Aggregate asset-weighted gross outperformance of Active and Alternatives products that have benchmark spreads (gross and net) available over respective periods (Active and Liquid Real Assets as of Mar 31, 2020 and Direct Real Estate and Other Alternatives as of Dec 31, 2019)

CONTACT DETAILS



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CAUTIONARY STATEMENTS



This presentation 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 publicly any of them 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.

This document contains alternative performance measures (APMs). For a description of these APMs, please refer to the Q1 2020 Financial Data Supplement, which is accompanying this presentation and available at <https://group.dws.com/ir/reports-and-events/financial-results/>

Copies of the financial report are readily available upon request or can be downloaded from <https://group.dws.com/ir/reports-and-events>.