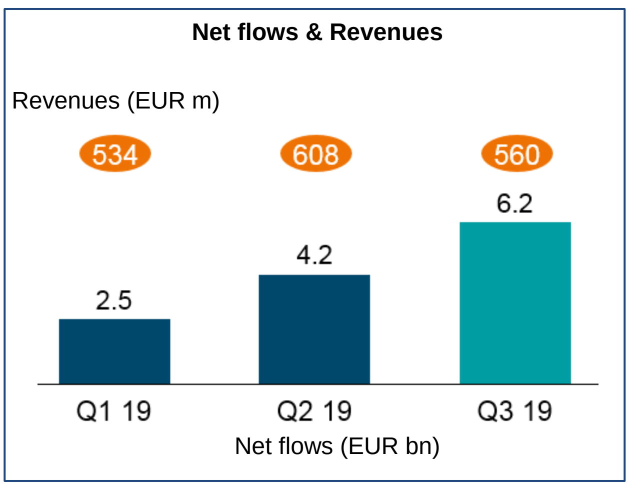
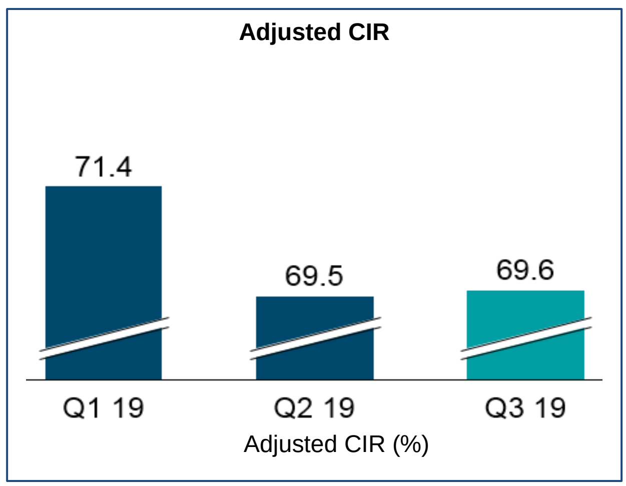
Frankfurt/Main

October 30, 2019

DWS Q3: Third Consecutive Quarter of Net New Assets Marks Flow Turnaround – Cost-Income Ratio Well on Track for Full-Year Target

- **Continued net inflows**, resulting in EUR 12.9bn net new assets in 9M 2019, **EUR 6.2bn in Q3;** ex Cash EUR 13.7bn in 9M 2019, EUR 5.8bn in Q3
- **Adjusted Cost-Income Ratio (CIR) at 69.6 percent in Q3,** stable and below FY 2019 target (Q2: 69.5 percent)
- **Adjusted profit before tax at EUR 170m in Q3 2019** (Q2: EUR 185m); EUR 508m after 9M 2019, up 9 percent y-o-y
- **Total revenues at EUR 560m** (Q2: EUR 608m), lower q-o-q due to absence of the non-recurring effect recorded in Q2; stable in 9M 2019 with EUR 1,702m (9M 2018: EUR 1,710m)
- **Adjusted costs at EUR 389m** (Q2: EUR 423m), down 8 percent; EUR 1,194m after 9M 2019, down 4 percent year-on-year
- **AuM** further increased by EUR 33bn to **EUR 752bn** (Q2: EUR 719bn; Q4 2018: EUR 662bn)





"Our strategy is paying off: With continued net inflows for three quarters in a row, we have successfully reached a turnaround in attracting new assets. Our global and well diversified business with strong performance and momentum in our targeted growth areas of Multi Assets, Passive and Alternatives enables us to grow even in markets that are challenging for asset managers."

Asoka Woehrmann, CEO

"We reduced our adjusted costs by 4 percent in the first nine months of the year by implementing our accelerated cost efficiency initiatives diligently and successfully. With our adjusted Cost-Income Ratio nearly unchanged at 69.6 percent in the quarter, we are well on track to reach our full year 2019 target of around 70 percent."

Claire Peel, CFO

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Business Development

We have succeeded in achieving a flow turnaround in 2019 by generating further net inflows for a third quarter in a row – despite a challenging environment for the asset management industry. We also kept our adjusted Cost-Income Ratio (CIR) firmly on track to achieve our full-year target. The many measures we have taken, primarily since the beginning of this year, have clearly put us on the right track to achieving our goal of improving our profitability as a listed fiduciary asset manager, withstanding the pressures of the market environment.

Total revenues decreased to EUR 560 million in the third quarter of 2019 (Q2 2019: EUR 608 million). While management fees and other recurring revenues were stable, performance and transaction fees declined significantly due to the absence of the non-recurring Alternatives fund performance fee recorded in Q2. For the **first nine months of 2019, total revenues were stable** at EUR 1,702 million (9M 2018: EUR 1,710 million).

Adjusted profit before tax reduced to EUR 170 million (Q2 2019: EUR 185 million), driven by the absence of the Q2 non-recurring effect. In the first nine months of 2019 the adjusted profit before tax increased by 9 percent year-on-year to EUR 508 million (9M 2018: EUR 465 million). After tax, DWS posted a **higher net income** of EUR 116 million for the third quarter (Q2 2019: EUR 112 million).

The **management fee margin** stood at 29.1 basis points (Q2 2019: 30.3 basis points), and was at 29.8 basis points in the first nine months of the year.

Assets under Management (AuM) further rose by EUR 33 billion to EUR 752 billion in the third quarter of 2019 (Q2 2019: EUR 719 billion). This was driven by the market development as well as exchange rate movements and supported by net inflows. Our AuM stood at EUR 662 billion at the end of last year.

During the third quarter, we successfully **generated further net inflows** of EUR 6.2 billion (EUR 5.8 billion excluding Cash), achieving total net inflows of EUR 12.9 billion in the first nine months of the year. The main driver for this flow turnaround was strong performance and momentum in our targeted growth areas of Multi Assets, Passive and Alternatives. For example, flagship funds across our diversified platform, such as DWS Concept Kaldemorgen, Xtrackers S&P 500 Swap UCITS ETF, the DWS Grundbesitz real estate fund family and the DWS Invest Asian Bonds all performed well, each gathering net inflows in the third quarter. The exchange traded fund Xtrackers EUR Corporate Bond UCITS ETF broke the EUR 1 billion barrier. Furthermore, we saw continued positive inflows into our business with insurance companies. **All three coverage regions, Americas, Europe and APAC, recorded net inflows** in the third quarter and during the nine months of 2019, while the third quarter marked the best flow quarter this year.

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Active Asset Management ex Cash saw improved net flows of EUR 0.9 billion in the third quarter (Q2 2019: minus EUR 5.2 billion). In particular, Active Multi Asset generated net new assets of EUR 3.4 billion, driven by institutional mandates and strong flows into Concept Kaldemorgen of EUR 0.7 billion. Active Fixed Income saw decreasing outflows of minus EUR 1.3 billion, with institutional redemptions still primarily impacted by corporate activities and the lower yield environment. Active Equity again faced a challenging flow situation, especially in August as markets were in decline, with improvements in September. The outflows of minus EUR 1.1 billion in the third quarter were in line with the overall low risk appetite of retail investors for European Equities as a consequence of recent equity market volatility. Active SQI flows improved quarter-on-quarter and were almost flat. Meanwhile, Cash products recorded inflows of EUR 0.4 billion (Q2 2019: EUR 3.6 billion).

Passive Asset Management recorded net inflows of EUR 3.2 billion in the third quarter (Q2 2019: EUR 3.5 billion). Net flows in the third quarter were driven mainly by institutional mandates, supported by net flows into ETPs (exchange-traded funds and commodities).

Alternatives generated further net inflows of EUR 1.6 billion in the third quarter (Q2 2019: EUR 2.2 billion). Illiquid Alternatives was able to attract positive flows, driven amongst others by continued high demand for the DWS Grundbesitz real estate funds family, while Liquid Alternatives recorded net outflows.

Adjusted costs dropped by 8 percent to EUR 389 million in the third quarter (Q2 2019: EUR 423 million), driven by ongoing cost efficiency measures and non-recurring effects such as the absence of the Alternatives performance fees related costs recorded in the second quarter. Our ongoing measures for sustainable cost efficiency continue to pay off: In the first nine months of the year, we reduced our adjusted costs by 4 percent to EUR 1,194 million (9M 2018: EUR 1,244 million). We are on track to deliver the top-end of our medium-term savings guidance of EUR 150 million already by the end of 2019.

The **adjusted Cost-Income Ratio** (CIR) was nearly unchanged at 69.6 percent in the third quarter (Q2 2019: 69.5 percent). After nine months of 2019, the adjusted CIR was 70.1 percent (9m 2018: 72.8 percent). Thereby, we continue to be on track to achieve our target of an adjusted Cost-Income Ratio for full year 2019 of around 70 percent – assuming flat revenues compared to 2018.

Growth Initiatives and Strategic Progress

We implemented further optimizations of our organizational set-up in Europe and improved our global real estate footprint with our new location strategy that will also help us to reduce our future cost base.

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In addition, we continued to work intensely on further strengthening our sustainable investing capabilities in the third quarter.

To respond to the growing demand for ESG investments, we will introduce a Group Sustainability Office for DWS: It will ensure an efficient and holistic approach in meeting both client and regulatory needs and expectations with regard to ESG.

In addition, we have decided to commit to a 50 percent carbon reduction goal for our European real estate office portfolio by 2030. This is estimated to result in the equivalent of taking approximately 24,000 diesel cars off the road. Furthermore, we joined the new Coalition for Climate Resilient Investments in September. It is part of the UN Climate Action Summit and has the goal of getting capital into climate resilient infrastructure.

Our ambition to be a leader in the ESG market is also underlined by the results of the annual Principles for Responsible Investments (PRI) assessment: We were able to improve our score in 3 out of 9 modules and have maintained the highest possible rating, A+, for Strategy & Governance.

Outlook

The strong momentum we have seen in the first nine months of 2019 enabled us to reach the turnaround in net flows. We remain on track to outperform asset management industry flows this year. In addition, we are on track to achieve gross cost savings of EUR 150 million already this year, driven by accelerated cost initiatives as we continue to work on operational and organizational efficiency since the beginning of 2019. Furthermore, we confirm our target for the adjusted Cost-Income Ratio for full year 2019 of approximately 70 percent, assuming stable revenues compared to 2018. We have also identified further cost measures for 2020 and beyond to ensure we remain squarely on our glide path towards an adjusted Cost-Income Ratio of below 65 percent in 2021.

The overall strong performance of many of our flagship funds across our diversified business of Active, Passive and Alternatives supports further growth prospects. Moreover, we aim to further strengthen our capabilities in the two mega-trends ESG and digitalization. We also aim to increase our agility to respond to client needs by accelerating product development and launches.

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Appendix

Profit & Loss Statement (in EUR m) and Key Performance Indicators

	Q3 2019	Q2 2019	9M 2019	9M 2018	Q3 2019 vs. Q2 2019	9M 2019 vs. 9M 2018
Management Fees and other recurring revenues	540	538	1,585	1,573	0%	1%
Performance & Transaction Fees	21	66	97	66	-69%	48%
Other Revenues	-1	4	19	72	N/M	-73%
Total net revenues	**560**	**608**	**1,702**	**1,710**	-8%	0%
Revenue adjustments	-	-	-	-	-	-
Adjusted revenues	***560***	***608***	***1,702***	***1,710***	-8%	0%
Compensation and benefits	185	215	596	532	-14%	12%
General and administrative expenses	210	209	607	717	0%	-15%
Restructuring activities	2	27	31	10	N/M	N/M
Total noninterest expenses	**396**	**451**	**1,234**	**1,259**	-12%	-2%
Cost adjustments	*7*	*28*	*40*	*15*	*N/M*	*N/M*
Adjusted cost base	***389***	***423***	***1,194***	***1,244***	-8%	-4%
Profit before tax	**163**	**157**	***468***	***451***	4%	4%
Adjusted Profit before tax	***170***	***185***	***508***	***465***	-8%	9%
Net income	***116***	***112***	***330***	***311***	3%	6%
Cost/income ratio	70.8%	74.2%	72.5%	73.6%	-3.3ppt	-1.1ppt
Adjusted Cost/income ratio	*69.6%*	*69.5%*	*70.1%*	*72.8%*	0.1ppt	-2.6ppt
FTE	3,415	3,452	3,415	3,422	-1%	0%
Assets under management (in EUR bn)	752	719	752	692	5%	9%
Net flows (in EUR bn)	6.2	4.2	12.9	-15.4		
Net flows (% of BoP AUM - annualized)	3.4	2.4	2.6	-2.9		
Management fee margin (bps annualized)	29.1	30.3	29.8	30.7		

N/M – Not meaningful

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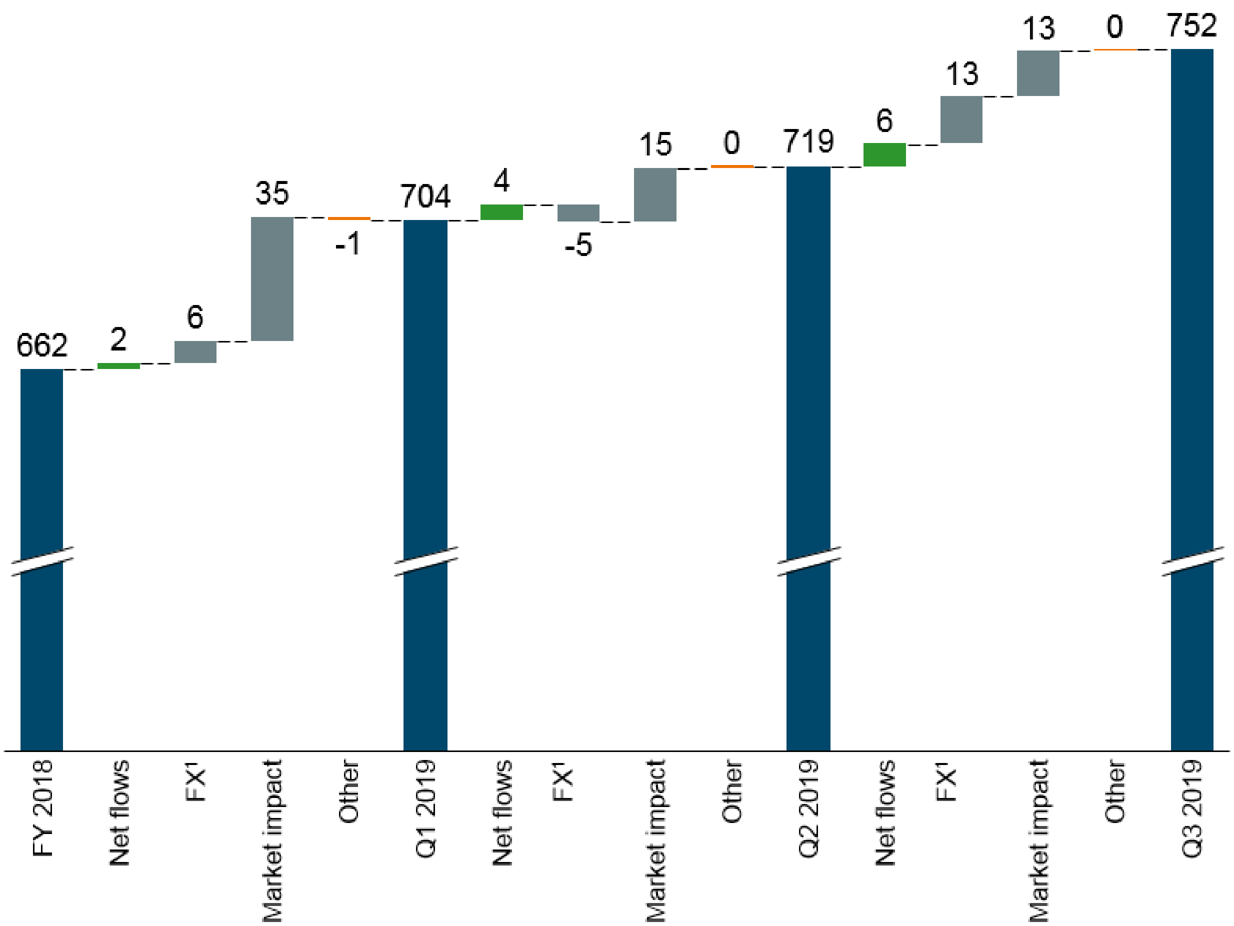
AuM development in detail (in EUR bn)



[1] Represents FX impact from non-euro denominated products; excludes performance impact from FX

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Webcast/Call

Asoka Woehrmann, Chief Executive Officer, and Claire Peel, Chief Financial Officer, will elaborate on the results in an investor and analyst call on 30 October 2019 at 10am CET. The analyst webcast/call will be held in English and broadcasted on https://group.dws.com/ir/reports-and-events/financial-results/. It will also be available for replay. Further details will be provided under https://group.dws.com/ir/.

About DWS Group

DWS Group (DWS) is one of the world's leading asset managers with EUR 752bn of assets under management (as of 30 September 2019). Building on more than 60 years of experience and a reputation for excellence in Germany and across Europe, DWS has come to be recognized by clients globally as a trusted source for integrated investment solutions, stability and innovation across a full spectrum of investment disciplines.

We offer individuals and institutions access to our strong investment capabilities across all major asset classes and solutions aligned to growth trends. Our diverse expertise in Active, Passive and Alternatives asset management – as well as our deep environmental, social and governance focus – complement each other when creating targeted solutions for our clients. Our expertise and on-the-ground-knowledge of our economists, research analysts and investment professionals are brought together in one consistent global CIO View, which guides our investment approach strategically.

DWS wants to innovate and shape the future of investing: with approximately 3,600 employees in offices all over the world, we are local while being one global team. We are investors – entrusted to build the best foundation for our clients' future.

Important Note

This release contains forward-looking statements. Forward-looking statements are statements that are not historical facts; they include statements about our beliefs and expectations and the

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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.

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