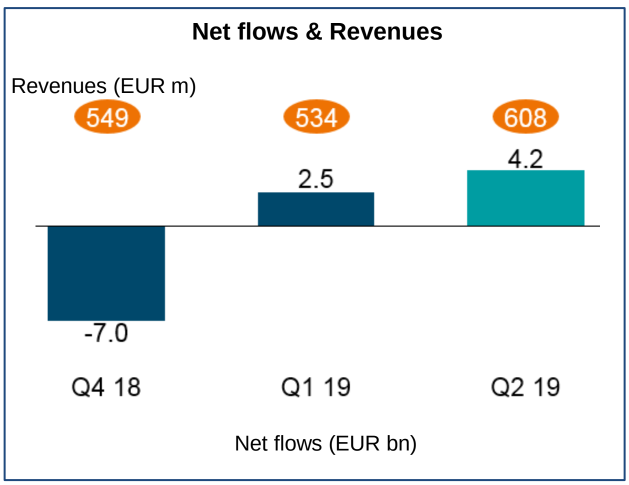
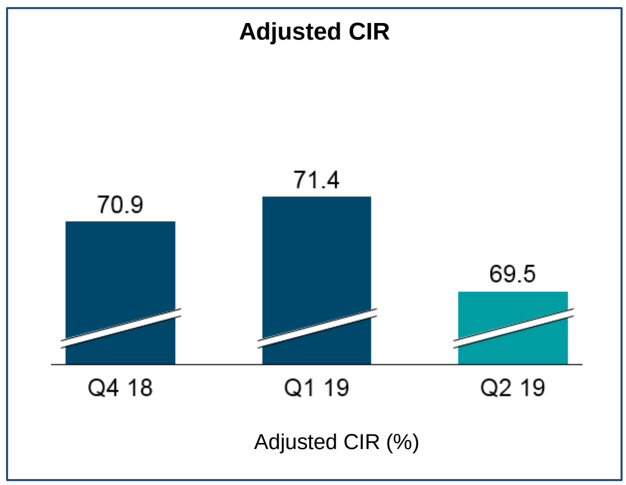
Frankfurt/Main

July 24, 2019

DWS Q2: Continued Positive Flow Momentum – Cost-Income Ratio on Track for Full-Year Target

- Adjusted profit before tax 21 percent higher at EUR 185m in Q2 2019 (Q1 2019: EUR 153m; Q2 2018: EUR 149m)
- Continued net inflows, resulting in EUR 6.7bn net new assets in the first half of 2019, EUR 4.2bn in Q2, and ex Cash EUR 8.0bn in H1, EUR 0.6bn in Q2
- Adjusted Cost-Income Ratio (CIR) on track at 69.5 percent in Q2, below FY 2019 target (Q1 2019: 71.4 percent)
- Total revenues increased by 14 percent to EUR 608m (Q1 2019: EUR 534m)
- Adjusted costs at EUR 423m, up by EUR 41m quarter-on-quarter due to mix of one-off effects, EUR 804m in H1 2019, down 5 percent year-on-year
- AuM further increased by EUR 15bn to EUR 719bn (Q1 2019: EUR 704bn; Q4 2018: EUR 662bn)





"The first half of 2019 has been very successful for DWS.

The positive performance of our diverse platform and spirited commitment of our global staff have helped us post strong flows and have put us firmly on track to achieve our goals for the full-year."

Asoka Woehrmann, CEO

"Overall, our second quarter was characterized by positive flow momentum and an improved adjusted Cost-Income Ratio. Despite some higher costs in the second quarter related to a non-recurring fee recognition, we are successfully implementing our sustainable cost efficiency measures.

Total adjusted costs for the first half of 2019 were 5 percent lower than 2018. We are on track to achieving our 2019 target of around 70 percent adjusted Cost-Income Ratio and our medium-term gross savings guidance."

Claire Peel, CFO

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Business Development

During the second quarter, we have succeeded in keeping our positive momentum as we improve our efficiency and profitability. Despite a challenging market environment that includes global trade tensions, continued uncertainty and volatility, we were able to solidify our flow trend by posting net inflows for the second quarter in a row. Our adjusted Cost-Income Ratio was at 69.5 percent, below our full-year target, putting us firmly on track to reach that target in 2019.

Total revenues increased to EUR 608 million in the second quarter of 2019 (Q1 2019: EUR 534 million). Management fees and other recurring revenues improved driven by the positive flow development and favorable markets. In addition, performance and transaction fees increased significantly due to the recognition of a non-recurring Alternatives fund performance fee. Total revenues were EUR 1,142 million in the first half of 2019.

Adjusted profit before tax rose to EUR 185 million, (Q1 2019: EUR 153 million). For the first half of the year, adjusted profit before tax totaled EUR 338 million. After deduction of taxes, DWS posted a higher **net income** of EUR 112 million for the second quarter (Q1 2019: EUR 102 million).

The **management fee margin** increased slightly to 30.3 basis points (Q1 2019: 30.0 basis points), and was at 30.2 basis points in the first six months of the year.

Assets under Management (AuM) further increased to EUR 719 billion in the second quarter of 2019 (Q1 2019: EUR 704 billion). This was primarily driven by the market development and supported by net inflows, while exchange rate movements had a negative impact. Our AuM stood at EUR 662 billion at the start of the year.

In the second quarter we successfully **generated further net inflows** of EUR 4.2 billion (EUR 0.6 billion excluding Cash), achieving total net inflows of EUR 6.7 billion in the first six months of 2019. The main driver was continued momentum in our targeted growth areas of Passive and Alternatives. In addition, key flagship funds across our diversified platform, such as DWS Top Dividende, DWS Concept Kaldemorgen, RREEF America II and the DWS Grundbesitz real estate funds family continued to perform well, gathering net inflows. Also, the flagship funds, DWS Dynamic Opportunities and DWS Invest Asian Bonds fund each exceeded EUR 1 billion in AuM for the first time. Furthermore we saw positive inflows from insurance companies and into product innovations, such as ESG-related funds.

Active Asset Management ex Cash saw net flows of minus EUR 5.2 billion in the second quarter (Q1 2019: minus EUR 1.4 billion). In particular, Active Fixed Income suffered net flows of minus EUR 3.7 billion, with institutional redemptions primarily impacted by corporate activities and the lower yield environment. Active SQI and Active Equity also faced a challenging flow situation. The outflows in

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equities were in line with the lower risk appetite of retail investors during the second quarter. Meanwhile Cash products saw inflows of EUR 3.6 billion, following outflows in the first quarter.

Passive Asset Management saw net inflows of EUR 3.5 billion in the second quarter (Q1 2019: EUR 6.2 billion), adding up to almost EUR 10 billion for the first half of 2019, surpassing the total net flows of full-year 2018. ETPs (exchange-traded funds and commodities) contributed strongly to the overall Passive business and achieved a market share of 17 percent in European flows during the second quarter (source: ETFGI).

Alternatives generated net inflows of EUR 2.2 billion in the second quarter (Q1 2019: EUR 2.6 billion), with positive flows into both Illiquid and Liquid Alternatives, driven by continued high demand for the DWS Grundbesitz real estate funds family and new mandates.

Adjusted costs stood at EUR 423 million in the second quarter (Q1 2019: EUR 382 million). The quarter-on-quarter increase was due to higher revenues and subsequent carried interest through compensation related to non-recurring Alternatives performance fees. Our ongoing measures for sustainable cost efficiency are successfully paying off: In the first half of the year, adjusted costs decreased by 5 percent to EUR 804 million (H1 2018: EUR 846 million). We are on track to deliver the top-end of our medium-term savings guidance of EUR 150 million by the end of 2019.

The **adjusted Cost-Income Ratio** (CIR) improved to 69.5 percent (Q1 2019: 71.4 percent), as higher revenues outweighed increased costs in Q2. Hence, we are on track to achieve our target of an adjusted Cost-Income Ratio for full year 2019 of around 70 percent assuming flat revenues.

Growth Initiatives and Strategic Progress

During the second quarter – and as announced at our Annual General Meeting in June – we worked intensely on further strengthening our digital and sustainable investing capabilities. As a result, we acquired a minority stake in Digital ESG-Scoring Provider Arabesque S-Ray, with closing in July, and agreed on a related cooperation which will help us strengthen and broaden our existing ESG solutions capabilities and our ESG Engine. Arabesque S-Ray offers a variety of services and products in the field of ESG: Through its innovative data tool S-Ray, it monitors and allows clients to assess the sustainability performance of more than 7,000 listed companies globally.

In addition, we have entered exclusive talks to acquire a potential significant minority stake in Arabesque's AI Engine. The AI (Artificial Intelligence) Engine combines big data, machine learning, and high-performance computing in order to build an intelligent system that primarily predicts stock price developments. For us, a successful conclusion of the talks would be another step towards the digitalization of asset management.

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Outlook

The sustained momentum we have seen in the first half in solidified net flows support our ambition to outperform asset management industry flows in 2019. 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.

The overall strong performance of many of our flagship funds across our diversified business of Active, Passive and Alternatives supports further growth prospects. Specifically, we will focus on expanding our business in the growing Asian market, amid the continued global wealth shift towards that region. 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

	Q2 2019	Q1 2019	H1 2019	H1 2018	Q2 2019 vs. Q1 2019	H1 2019 vs. H1 2018
Management Fees and other recurring revenues	538	508	1,046	1,041	6%	0%
Performance & Transaction Fees and other non-recurring revenues	66	11	76	45	N/M	69%
Other Revenues	4	16	20	49	-75%	-59%
Total net revenues	**608**	**534**	**1,142**	**1,135**	14%	1%
Revenue adjustments	-	-	-	-	-	-
Adjusted revenues	***608***	***534***	***1,142***	***1,135***	14%	1%
Compensation and benefits	215	195	411	353	10%	16%
General and administrative expenses	209	189	398	494	10%	-20%
Restructuring activities	27	2	29	9	N/M	N/M
Total noninterest expenses	**451**	**387**	**838**	**856**	17%	-2%
Cost adjustments	*28*	*5*	*33*	*10*	*N/M*	*N/M*
Adjusted cost base	***423***	***382***	***804***	***846***	11%	-5%
Profit before tax	**157**	**148**	***305***	***279***	7%	9%
Adjusted Profit before tax	***185***	***153***	***338***	***289***	21%	17%
Net income	***112***	***102***	***214***	***189***	10%	13%
Cost/income ratio	74.2%	72.4%	73.3%	75.4%	1.8ppt	-2.1ppt
Adjusted Cost/income ratio	*69.5%*	*71.4%*	*70.4%*	*74.6%*	-1.9ppt	-4.2ppt
FTE	3,452	3,471	3,452	3,296	-1%	5%
Assets under management (in EUR bn)	719	704	719	687	2%	5%
Net flows (in EUR bn)	4.2	2.5	6.7	-12.7		
Net flows (% of BoP AUM - annualized)	2.4	1.5	2.0	-3.7		
Management fee margin (bps annualized)	30.3	30.0	30.2	30.8		

N/M – Not meaningful

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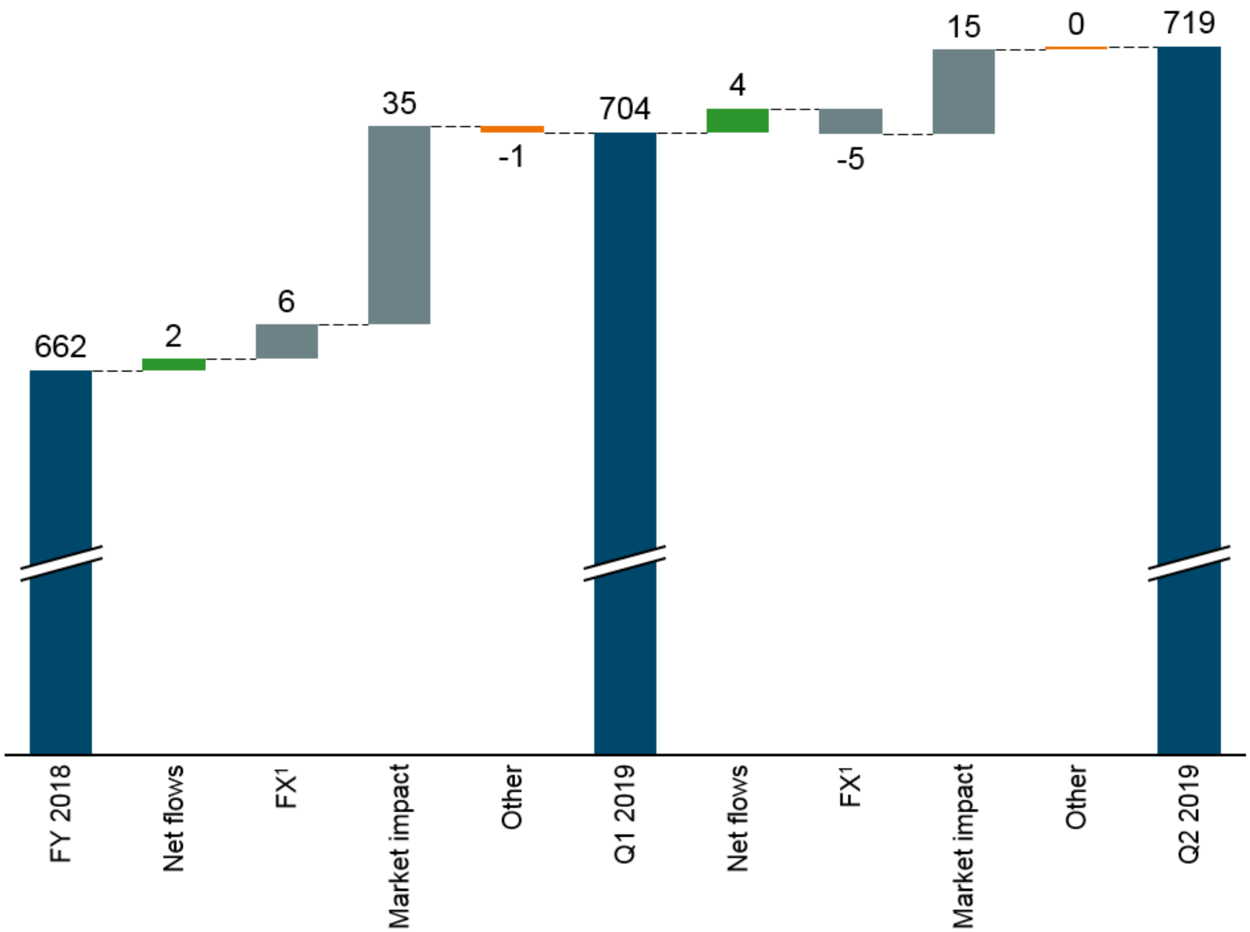
AuM development in detail (in EUR bn)



[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 24 July 2019 at 10am CEST. 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 719bn of assets under management (as of 30 June 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 strategic investment approach.

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.

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 assumptions underlying them. These statements are based on plans, estimates and projections as

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they are currently available to the management of DWS. 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 non-IFRS financial measures. For a reconciliation to directly comparable figures under IFRS, to the extent not provided herein, please refer to the Financial Data Supplement.

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