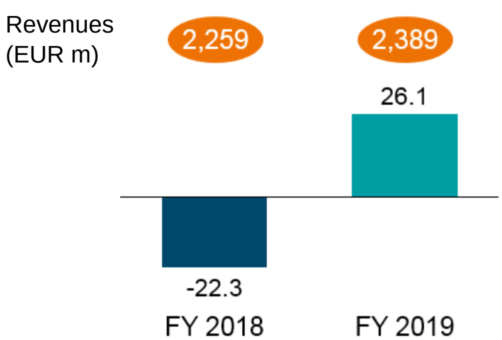
Frankfurt/Main January 30, 2020

DWS Q4: Strong 2019 Builds Basis for Future Success

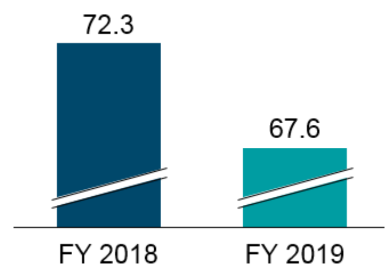
- **Net inflows increased again**, resulting in a total of **EUR 26.1bn net new assets in FY 2019**, EUR 13.2bn in Q4; ex Cash EUR 28.5bn in FY 2019, EUR 14.8bn in Q4
- **Adjusted Cost-Income Ratio (CIR) at 67.6 percent in 2019,** better than target; at 61.3% in Q4
- **Adjusted profit before tax increased by 24 percent to EUR 774m in 2019** (FY18: EUR 625m); EUR 266m in Q4 2019, up 56 percent q-o-q
- **Total revenues increased by 6 percent to EUR 2,389m in FY 2019** (FY18: EUR 2,259m); total revenues up in Q4 2019 by 23 percent q-o-q to EUR 687m (Q3: EUR 560m) due to significantly higher performance fees driven by DWS Concept Kaldemorgen
- **Adjusted costs slightly lower at EUR 1,615m** in FY 2019 (FY18: EUR 1,633m), in Q4 2019 at EUR 421m (Q3: EUR 389m), up 8 percent q-o-q, primarily reflecting uptick in performance-related compensation
- **AuM** further increased by EUR 15bn to **EUR 767bn** in Q4 (Q3: EUR 752bn; Q4 2018: EUR 662bn)
- The Executive Board will propose a **dividend** of **EUR 1.67 per share** for the 2019 financial year

Net flows & Revenues



Net flows (EUR bn)

Adjusted CIR



Adjusted CIR (%)

"2019 was a strong year for DWS. We completed a substantial turnaround, achieving all our targets and returning the firm to a positive trajectory. We recorded net inflows in every quarter and our adjusted Cost-Income Ratio outperformed our full-year target. In 2020, we will further build on our operational and investment excellence to stay successful in an environment that is pushing asset managers out of the comfort zone."

Asoka Woehrmann, CEO

"With an adjusted Cost-Income Ratio of 67.6 percent for full year 2019 we are firmly on track to reach our target of below 65 percent by 2021. Our diversified business across Active, Passive and Alternatives, our strategic partnerships and growing demand for ESG gives us confidence that we will be successful in the challenging market environments ahead."

Claire Peel, CFO

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Business Development

2019 has been a strong year for DWS. Our financial performance reflects management's commitment and diligence in executing and delivering our priorities, returning the firm back to a positive trajectory. Net inflows increased the fourth quarter in a row, resulting in very strong full year net new assets, driven by continued inflows into targeted asset classes. This turnaround was supported by improved investment performance, our diversified business across Active, Passive and Alternatives and our strategic partnerships. As a result of the firm's efforts, the adjusted Cost-Income Ratio (CIR) for 2019 outperformed the full-year target of approximately 70 percent.

Total revenues increased by 6 percent to EUR 2,389 million in 2019 (FY18: EUR 2,259 million). While management fees and other recurring revenues increased slightly by 2 percent supported by the positive market development and net flows, performance and transaction fees more than doubled due to significantly higher performance fees recorded in Q2 and Q4. In Q4 2019 total revenues jumped to EUR 687 million (Q3 2019: EUR 560 million), mainly driven by significant performance fees from Active Multi-Asset fund business, namely the DWS Concept Kaldemorgen fund.

Adjusted profit before tax increased by 24 percent to EUR 774 million in 2019 (FY18: EUR 625 million) as we recorded higher revenues. In Q4 2019 the adjusted profit before tax increased strongly by 56 percent q-o-q to EUR 266 million (Q3: EUR 170 million), driven by revenues overcompensating for higher adjusted costs. After tax, DWS posted a 31 percent **higher net income** of EUR 512 million for the financial year 2019 (FY18: EUR 391 million; Q4 2019: EUR 182 million; Q3 2019: EUR 116 million). The Executive Board will propose an **increased dividend** of EUR 1.67 per share for the 2019 financial year (FY18: EUR 1.37), in line with our commitment to a 65 to 75 percent dividend payout ratio.

The **management fee margin** stood at 29.6 basis points for FY 2019 (FY18: 30.6 basis points; Q4 2019: 28.9 basis points; Q3 2019: 29.1 basis points).

Assets under Management (AuM) further rose by EUR 15 billion to EUR 767 billion in the fourth quarter of 2019 (Q3 2019: EUR 752 billion) with net flows being the main driver. Starting with AuM of EUR 662 billion at the beginning of 2019, the annual increase of EUR 105 billion was driven by a combination of positive market development and strong net inflows, supported by favorable exchange rate movements.

We successfully turned around the flow picture in 2019 and generated **net inflows** of EUR 26.1 billion (FY18: minus EUR 22.3 billion), excluding Cash EUR 28.5 billion (FY18: minus EUR 19.1 billion). The fourth quarter saw the highest flow number in 2019 and contributed EUR 13.2 billion (EUR 14.8 billion excluding Cash) in net new assets. During the year, we saw continued positive inflows into our business with insurance companies, leading to total insurance inflows of EUR 8.0 billion for 2019. In addition, Active flagships enjoyed improved investment performance resulting in

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increased net inflows. Our strategic priorities and our diversified business across Active, Passive and Alternatives are paying off: The targeted asset classes continue to attract strong inflows, e.g. flagship funds such as DWS Concept Kaldemorgen or the DWS Grundbesitz real estate fund family. And DWS Xtrackers exchange-traded products (ETPs: exchange-traded funds and commodities) broke through the EUR 100 billion mark in AuM in autumn 2019. Furthermore, strategic partnerships have been significant contributors to net flows with EUR 6.8 billion in 2019. **All three coverage regions, Americas, Europe and Asia-Pacific, recorded net inflows** in 2019.

Active Asset Management ex Cash recorded strongly improved net flows of EUR 4.9 billion in the fourth quarter (Q3 2019: EUR 0.9 billion). Active Multi Asset continued to generate high net new assets of EUR 3.3 billion, driven by high flows into DWS Concept Kaldemorgen of EUR 2.1 billion. Active SQI flows improved quarter-on-quarter to EUR 2.5 billion, benefitting from institutional mandate inflows. Active Equity continued the positive momentum seen in September with inflows of EUR 0.3 billion in the fourth quarter against a backdrop of strong equity markets. Active Fixed Income again saw lower outflows of minus EUR 1.2 billion. In total, Active Asset Management ex Cash recorded net outflows of minus EUR 0.7 billion in 2019 (FY18: minus EUR 27.4 billion) with strong Multi Asset inflows and SQI inflows offset by Fixed Income and Equity outflows. Meanwhile, very low margin Cash products recorded outflows of minus EUR 2.5 billion in 2019 (FY18: minus EUR 3.2 billion) and minus EUR 1.6 billion in Q4.

Passive Asset Management recorded net inflows nearly twice as high quarter-over-quarter with EUR 6.2 billion in the fourth quarter (Q3 2019: EUR 3.2 billion). This increase was driven mainly by net flows into ETPs (exchange-traded funds and commodities) supported by institutional mandates. All in all, Passive Asset Management generated strong inflows of EUR 19.1 billion in 2019 (FY18: EUR 7.5 billion). While ETPs contributed EUR 11.1 billion, institutional mandates added another EUR 8 billion.

Alternatives saw its highest quarterly inflows in 2019 with further net new assets of EUR 3.7 billion in the fourth quarter (Q3 2019: EUR 1.6 billion). It benefited from a first closing of a European infrastructure fund and positive flows into Illiquid Alternatives as well as inflows into Liquid Alternatives. In total, Alternatives generated net inflows of EUR 10.2 billion in 2019 (FY18: EUR 0.8 billion), driven by net new assets of EUR 8.6 billion in Illiquid Alternatives. In particular, DWS Grundbesitz real estate funds family was able to attract high demand.

Adjusted costs slightly decreased to EUR 1,615 million in FY 2019 (FY18: EUR 1,633 million). Our accelerated cost efficiency measures in the year were highly successful – we delivered the top-end of our medium-term gross savings guidance of EUR 150 million already by the end of 2019. These were partially counterbalanced by a number of non-recurring cost items such as the Alternatives performance fees related costs recorded in the second quarter. Adjusted costs increased q-o-q to EUR 421 million in Q4 2019 (Q3 2019: EUR 389 million), primarily due to an uptick in performance-related compensation and increased marketing spending in the fourth quarter.

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The **adjusted Cost-Income Ratio** (CIR) improved to 67.6 percent in 2019 (FY18: 72.3 percent), outperforming the full-year target of approximately 70 percent. The adjusted CIR was reduced to 61.3 percent in the fourth quarter of 2019 (Q3 2019: 69.6 percent).

Growth Initiatives and Strategic Progress

In the fourth quarter, we continued to strengthen our firm to be able to react more flexibly and quickly to the changing asset management industry and the trends pushing it out of the comfort zone. At the end of December 2019, we took the next step towards the digitalization of DWS: We acquired a 24.9 percent stake in Arabesque AI Ltd, a company that focuses on Artificial Intelligence (AI) in portfolio management and finance. Through its stake in and a strategic partnership with Arabesque AI, DWS will strengthen its AI knowledge and capabilities. In addition, we will jointly develop innovative investment products and services that use the AI engine. Earlier in 2019, we invested in a minority stake in Arabesque S-Ray GmbH, an ESG data provider, and entered into a strategic partnership for the development of new ESG data products and services. With this suite of investments, we are following through on strengthening our ESG and digital capabilities, as announced at the Annual General Meeting in 2019.

Further solidifying DWS' standalone status, during the fourth quarter DWS employees moved into new US headquarters in New York and DWS' London team moved from Westminster to the City of London. These moves were part of our new location strategy to improve our global real estate footprint, also helping us to reduce our future cost base.

Outlook

In 2019 we returned DWS to a positive trajectory and continued to make our business more resilient against the challenges our industry is facing. As we enter 2020, our aim is **to further build on our operational and investment excellence** from 2019, by ensuring we have **efficient globally integrated structures**, whereby further removing silos, and by **improving our client-centricity and product management** through the entire life-cycle.

We will continue to work on creating a leading fiduciary asset manager with a clear performance-driven culture, with entrepreneurship and collaboration across its global platform.

We will continue to increase our **efficiency**. We will enhance our asset management systems and processes to be state of the art and want to create a distinct IT infrastructure. We will intensify our efforts to achieve operational and organizational efficiency, for example by further optimizing our corporate real estate footprint and managing our vendors strategically in order to achieve EUR 150 million of additional gross cost savings by 2021. This will help us to further improve our Cost-Income Ratio. With an adjusted Cost-Income Ratio of 67.6 percent for full year 2019 we are firmly on track

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to reach the target of below 65 percent in 2021. As regards our other targets, we will continue to aim for net flows of 3 to 5 percent on average, and our dividend pay-out ratio target of 65 to 75 percent stays unchanged.

We also want to enrich our **capabilities.** Accelerating our digital readiness and innovation of the asset management value chain through technology such as artificial intelligence remains a clear priority for us. We also aim to increase our agility to respond to client needs by accelerating product development and launches while protecting our investment excellence.

Furthermore, we will continue to target **growth** in product lines and regions. Given the negative interest rate environment, we expect Passive to continue to be a significant growth area – especially in Europe. We are well prepared for a fast-growing ETF market in 2020. Regionally, we put particular focus on the growing Asian market, given the global wealth shift.

Besides, we will continue to shift towards a performance-driven **culture** to unlock the full potential of our employees. Therefore we decided to remove corporate titles in mid-2020 and will instead introduce a new functional role framework. Additionally, we will reduce hierarchical layers. This will change the way we work as a firm. We want to be modern in the way we operate, an innovative, flexible and client-centric organization.

And last but not least we will invest into **ESG** (Environmental, Social & Governance), embedding it into our DNA, making it core of what we do. We want to be the leading ESG-integrated asset manager and will start rolling out appropriate measures across our value chain shortly.

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Appendix

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

	Q4 2019	Q3 2019	FY 2019	FY 2018	Q4 2019 vs. Q3 2019	FY 2019 vs. FY 2018
Management Fees and other recurring revenues	551	540	2,136	2,092	2%	2%
Performance & Transaction Fees	108	21	205	89	N/M	131%
Other Revenues	28	-1	48	78	N/M	-39%
Total net revenues	**687**	**560**	**2,389**	**2,259**	23%	6%
Revenue adjustments	*-*	*-*	*-*	*-*	*-*	*-*
Adjusted revenues	***687***	***560***	***2,389***	***2,259***	23%	6%
Compensation and benefits	201	185	797	715	9%	11%
General and administrative expenses	224	210	831	946	7%	-12%
Restructuring activities	-2	2	29	14	N/M	104%
Total noninterest expenses	**424**	**396**	**1,657**	**1,676**	7%	-1%
Cost adjustments	*3*	*7*	*43*	*42*	*N/M*	*N/M*
Adjusted cost base	***421***	***389***	***1,615***	***1,633***	8%	-1%
Profit before tax	**264**	**163**	**732**	**583**	61%	26%
Adjusted Profit before tax	***266***	***170***	***774***	***625***	56%	24%
Net income	***182***	***116***	***512***	***391***	57%	31%
Cost/income ratio	61.6%	70.8%	69.4%	74.2%	-9.2ppt	-4.8ppt
Adjusted Cost/income ratio	*61.3%*	*69.6%*	*67.6%*	*72.3%*	-8.3ppt	-4.7ppt
Employees (full-time equivalent)	3,361	3,415	3,361	3,443	-2%	-2%
Assets under management (in EUR bn)	767	752	767	662	2%	16%
Net flows (in EUR bn)	13.2	6.2	26.1	-22.3		
Net flows (% of BoP AUM - annualized)	7.0	3.4	3.9	-3.2		
Management fee margin (bps annualized)	28.9	29.1	29.6	30.6		

N/M – Not meaningful

2019 figures published in this quarterly release are preliminary and unaudited.

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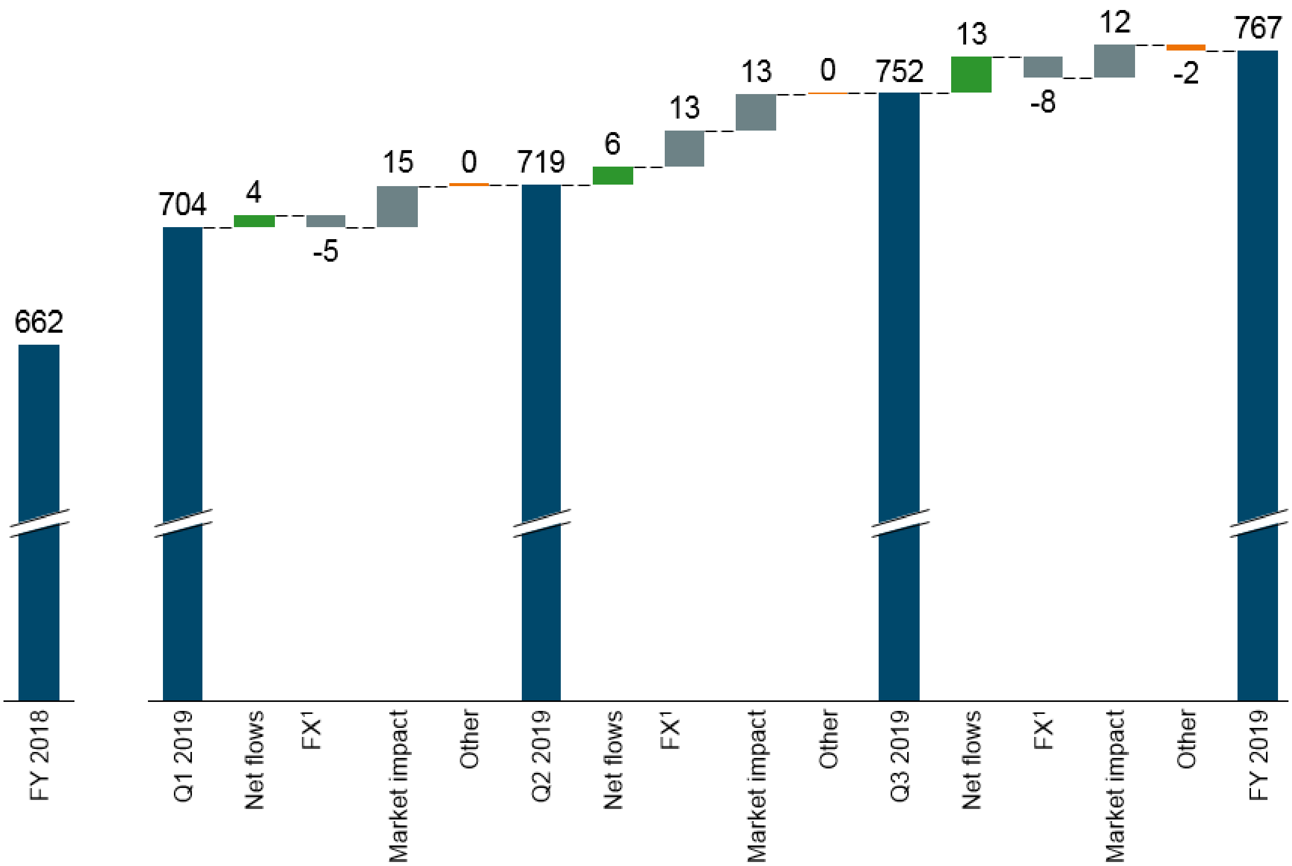
AuM development in detail (in EUR bn)



[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 January 2020 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 767bn of assets under management (as of 31 December 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 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 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 Annual Report, which is available at https://group.dws.com/ir/reports-and-events/annual-report/.

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