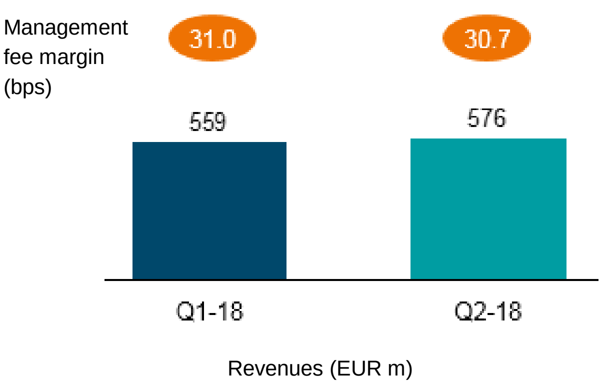
Frankfurt am Main July 25, 2018

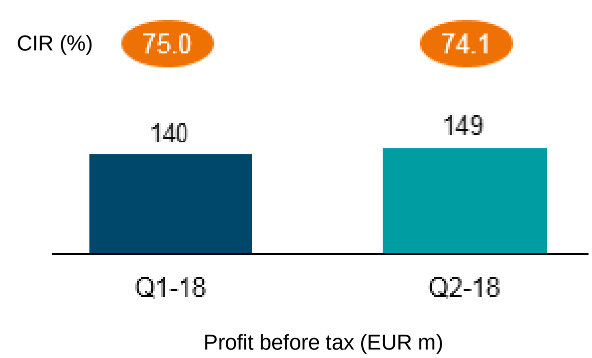
DWS delivers stable Q2 2018 performance in profit, margin, CIR and AuM – despite challenging flow environment

- Total adjusted revenues of EUR 576m, up 3 percent q-o-q
- Adjusted profit before tax of EUR 149m in Q2 2018, up 7 percent q-o-q
- AuM increased by EUR 22bn, q-o-q, to EUR 687bn
- Net flows of EUR (4.9)bn; management fee margin at 30.7bps, in line with medium-term target
- Adjusted cost income ratio (CIR) at 74.1 percent, improved by 90 bps q-o-q
- Cost efficiency program underway; on track to deliver 2018 gross savings target
- Continued investments into growth initiatives in key areas, e.g. digitalization and responsible investing

REVENUES & MANAGEMENT FEE MARGINS



PROFIT BEFORE TAX & CIR (ADJUSTED)



"During the second quarter, we made good progress towards delivering on our medium term targets and in developing our sustainable, global and leading asset management business. While the net outflows were disappointing, we made a lot of good progress, adding new partnerships in sustainable investing and the digital space, making strategic hires to complement our distribution network and improving our operational efficiency."

Nicolas Moreau, CEO

"In a challenging quarter for the asset management industry we delivered stable revenues, profit, management fee margin and cost-income-ratio. We continued to optimise our cost base during the quarter, putting us on track to achieve 20 to 30 percent of our medium-term gross savings target this year. Given the volatility of markets and investor sentiment, however, it is unlikely we will achieve the annual net flow target for FY 2018, although we remain committed to our medium-term flow target."

Claire Peel, CFO

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Consolidated Financials

Following the public listing as a stand-alone company, the transition of legal entities into DWS Group GmbH & Co. KGaA is continuing. Most significantly in the second quarter, we successfully completed the anticipated transfer of our US entities as well as the integration of Sal. Oppenheim's asset management business, allowing us to operate as a global group with associated financial results. Subsequently, we are moving to a consolidated view in our financial reporting in Q2 2018.

To ensure quarter-on-quarter comparability, we are also reporting pro forma consolidated financials for Q1 2018. These pro forma consolidated figures will vary slightly from the combined financials disclosed in April.

Business Development

The second quarter of 2018 was marked by continued volatility in the capital markets, including some market corrections, global trade tensions and some heightened uncertainty within the European Union. Nevertheless, DWS was able to deliver stable performance in a number of key metrics, with slight increases in revenues and profit before tax, an uptick in Assets under Management, an improved cost-income ratio, and a management fee margin that continues to be above our medium-term target, though slightly down versus the prior quarter. Q2 2018 also saw the implementation of cost efficiency measures and continued investments into key growth initiatives, including digitalization, sustainable investing and distribution.

Total adjusted revenues in Q2 2018 were EUR 576 million, 3 percent higher than in Q1 2018 (EUR 559 million) driven mainly by stronger performance fees. **Adjusted profit before tax** was EUR 149 million, up 7 percent quarter-on-quarter (EUR 140 million).

Assets under Management (AuM) increased by a total of EUR 22 billion compared to the last quarter, adding up to EUR 687 billion in Q2 2018, attributable to positive market conditions, EUR 6 billion, as well as currency effects, EUR 13 billion. Consolidation adjustments, primarily from the integration of Sal. Oppenheim's asset management business, added EUR 8 billion.

The **management fee margin** of 30.7 basis points in Q2 2018 remained in line with our medium-term target of ≥30 basis points, though it was 0.3 basis points lower than in the previous quarter.

Market volatility, rooted in trade tensions and heightened uncertainty within the European Union, as well as the continued – while smaller – impact of the US tax reform led to **net outflows** in Q2 2018 of EUR (4.9) billion. While the Multi Asset and Strategic Quant segments within our Active Asset Management as well as Alternatives rebounded into positive net flows, Fixed Income saw outflows, mainly driven by a small number of institutional mandates. Active Equity faced some challenges from ongoing redemptions from retail funds, primarily in the DWS Top Dividende fund, which has shown

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signs of improvement in its recent performance. Our biggest Multi Asset fund, Concept Kaldemorgen, was able to stabilize its flows over the last month on the back of solid recent performance.

Our Passive Asset Management business continued to perform well in this environment, continuing the strong performance of the first quarter: During Q2 2018, DWS ranked second in ETP (exchange-traded funds and commodities) net inflows in the European market with a 18.5 percent flow market share (source: ETFGI). Our Passive Asset Management business in the Americas region also moved into positive territory during the second quarter, marking a reversal from outflows in Q1 2018.

Costs

The **adjusted Cost-Income Ratio** (CIR) improved to 74.1 percent in the second quarter, 90 basis points lower than in Q1 2018. We are **on track to meet our gross savings guidance for FY 2018 of 20 to 30 percent of the medium-term target.**

With a medium-term gross savings target of EUR 125 to 150 million compared to FY 2017, DWS started implementing its previously announced cost efficiency program through its newly created Chief Transformation Office in the first quarter. Successes in the second quarter included the announcement of the planned outsourcing of fund administration units to BNP Paribas and the closer integration of the DWS Investment Group leading to platform synergies. Additionally, we started a deep review of services provided by vendors and have deployed automation in Operations, specifically in cash reconciliation and cash reinvestment, which is now being extended to other areas of the organization.

Growth Initiatives

DWS has also made further investments towards its growth initiatives:

Within our Alternative Asset Management business, we launched an **innovative sustainability fund in partnership with Apple, Inc.**, displaying DWS's commitment to responsible investing and the ESG space. The closed-end fund will invest in solar and wind-based renewable energy projects in mainland China designed to deliver clean energy to the Chinese power grid, mitigating the environmental impact of Apple's global manufacturing supply chain. We also expect further funds in the Alternatives business segment to launch in the second half of the year.

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Additionally, we added **two more partners to our digital investment platform, WISE**. And as the first asset manager in Europe, DWS introduced its robo platform to the unit-linked insurance market. Volkswohl Bund, one of the leading insurance brokers in Germany, will utilize WISE in its life insurance product distribution, offering fund-backed life insurance policies that draw on the product excellence and expertise of DWS.

Furthermore, during Q2 2018, DWS **hired several senior client coverage managers** to strengthen its distribution capabilities, especially with institutional clients, in key markets throughout Europe.

Outlook

During the second quarter, we made a lot of progress around the set-up and implementation of a **standalone compensation framework**, which is a significant milestone for DWS as it will support our medium-term strategic, financial and cultural objectives, and help us offer the right incentives to our staff, in line with asset management market practice. The overall compensation framework for DWS will be in place before the 2018 variable compensation round. During the third quarter, we will also announce the IPO-related equity-linked awards. Additionally, we are near completion of all required approvals for the compensation-related KPIs for the DWS Executive Board, which will be tied mainly to DWS Group's overall performance and individual performance measures.

DWS Group's financial outlook is based on our belief that the global asset management industry will continue to grow in terms of assets under management over the near term. Developing economies are growing and increasing in wealth, offering new opportunities for managers as local investors expand their investment horizons globally. In developed markets, low interest rates are causing a shift from unmanaged assets, such as cash and deposit accounts, into managed portfolios. New digital technology, such as robo-advisory, is enhancing distribution capabilities giving investors online access, while the wider adoption of artificial intelligence is expanding product choice and enhancing performance. Asset managers are playing a progressively larger role in providing capital to the economy, taking advantage of bank retrenchment due to regulatory and capital constraints and diminished ability of national governments to fund infrastructure investment. However, pressure on fees and costs will persist for the industry, in an environment of heightened competition and growing regulatory and compliance requirements.

In the face of these challenges, we are focusing our growth initiatives on products and services where we can differentiate as well as executing on cost saving initiatives from which we expect to see results in the quarters to come. DWS Group is currently on track to achieve 20 to 30 percent of its gross savings target by the end of 2018, which will result in essentially flat year-on-year adjusted costs.

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We continue to expect revenues to be lower for FY 2018 than FY 2017, largely attributable to lower performance and transaction fees reflecting the periodic nature of fund performance fees recognition and significantly lower other revenues driven by non-recurrence of the insurance recovery. Management fees are expected to be slightly lower compared to 2017 due to net outflows, market performance and margin compression.

With regard to **asset flows**, given factors including the volatility of markets and investor sentiment, and US tax reform dynamics, we believe the ability for DWS Group to compensate for the outflows of the first half of 2018 will not be possible, and it will therefore be unlikely that we achieve the annual net flow target for this year. We remain committed to our 3 to 5 percent net flow target in the medium-term.

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APPENDIX

CONSOLIDATED PROFIT & LOSS STATEMENT AND KEY PERFORMANCE INDICATORS (IN EUR m)

	Q2 2018	Q1 2018	H1 2018	H1 2017	Q2 2018 vs. Q1 2018	H1 2018 vs. H1 2017
Management Fees and other recurring revenues	523	518	1041	1113	*1%*	*(6)%*
Performance & Transaction Fees and other non-recurring revenues	28	17	45	104	*70%*	*(57)%*
Other Revenues	25	24	49	62	*2%*	*(21)%*
Total net revenues	**576**	**559**	**1135**	**1279**	***3%***	***(11)%***
Revenue adjustments	*-*	*-*	*-*	*-*		
Adjusted revenues	***576***	***559***	***1135***	***1279***	***3%***	***(11)%***
Compensation and benefits	(182)	(172)	(353)	(381)	*6%*	*(7)%*
General and administrative expenses	(245)	(249)	(494)	(452)	*(1)%*	*9%*
Restructuring activities	(7)	(2)	(9)	(4)	*n.m.*	*n.m.*
Total noninterest expenses	**(434)**	**(423)**	**(856)**	**(836)**	***3%***	***2%***
Cost adjustments	*7*	*3*	*10*	*(6)*		
Adjusted cost base	***(427)***	***(420)***	***(846)***	***(830)***	***2%***	***2%***
Profit before tax	**142**	**137**	**279**	**442**	***4%***	***(37)%***
Adjusted Profit before tax	***149***	***140***	***289***	***449***	***6.9%***	***(36)%***
Net income	***92***	***97***	***189***	***318***	***(7.9)%***	***(41)%***
Cost/income ratio	75.3%	75.6%	75.4%	65.4%	*(0.3)ppt*	*10.0ppt*
Adjusted Cost/income ratio	*74.1%*	*75.0%*	*74.5%*	*64.9%*	*(1.0)ppt*	*9.6ppt*
FTE	3,296	3,244	3,296	3,756	*2%*	*(12.2)%*
Assets under management (in EUR bn)	687	665	687	696	*3%*	*(1.3)%*
Net flows (in EUR bn)	(4.9)	(7.7)	(12.7)	11.0		
Net flows (% of BoP AUM - annualized)	(2.9)	(4.4)	(3.6)	3.2		
Management fee margin (bps annualized)	30.7	31.0	30.8	32.1		

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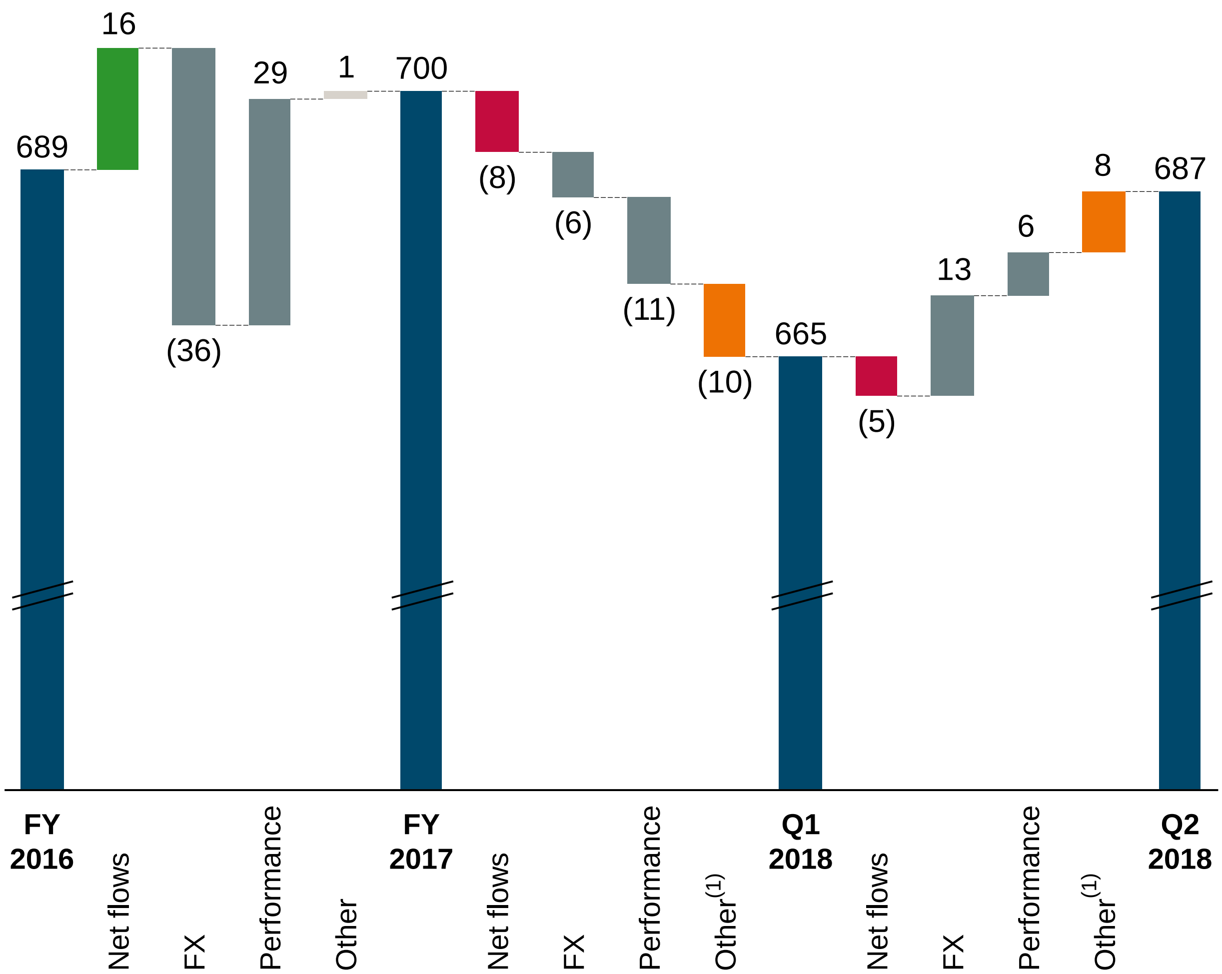
AUM DEVELOPMENT DETAIL (EUR BN)



(1) AuM related to consolidation adjustments

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Webcast/Call
Nicolas Moreau, Chief Executive Officer, and Claire Peel, Chief Financial Officer, will elaborate on the Q2 results in an investor and analyst call on 25 July 2018 at 10.30am CEST. The analyst webcast/call will be held in English and broadcasted on **https://dws.com/ir/reports-and-events/financial-results**. It will also be available for replay. Further details will be provided under http://www.dws.com/ir.

About DWS Group
DWS Group GmbH & Co. KGaA (DWS) is one of the world's leading asset managers with EUR 687bn of assets under management (as of 30 June 2018). 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 staff from 35 nationalities, speaking more than 75 languages rooted in 22 countries, we are local while being one global team.

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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 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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