



DWS GROUP – Q1 2019 RESULTS

April 26, 2019



FIRST QUARTER 2019 MARKED BY POSITIVE NET FLOWS AND FURTHER COST REDUCTIONS



Achieve return to positive net flows and maintain margin	– Positive flow momentum and margin resilience
Accelerate cost efficiency measures	– Rigorous execution of cost saving initiatives
Review priorities to ensure flexibility in a changing environment	<ul style="list-style-type: none">➤ DWS-wide organizational simplification and change➤ New segmentation approach better combines core investment capabilities with client demand➤ Strengthening of strategic partnerships➤ Refinement of medium-term targets to reflect changed market conditions

Q1 2019 KEY FINANCIAL HIGHLIGHTS

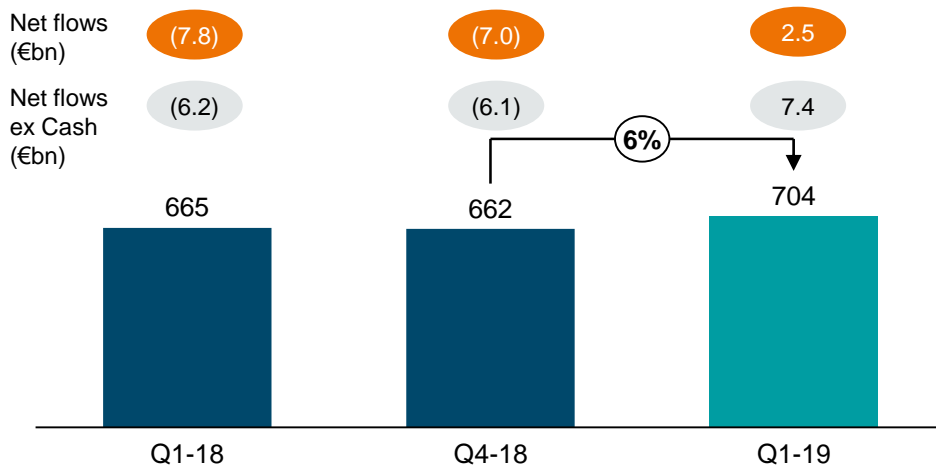


- Adjusted profit before tax was €153m, slightly decreased vs Q4 mainly due to seasonally lower revenues
- Adjusted cost income ratio of 71.4% benefited from decline in costs
- Net flows including low margin cash products reached €2.5bn in Q1 driven by strong inflows in targeted growth areas of Passive, Alternatives and Multi Asset. Net flows excluding cash reached €7.4bn
- Improved fund performance in Q1 including flagship products

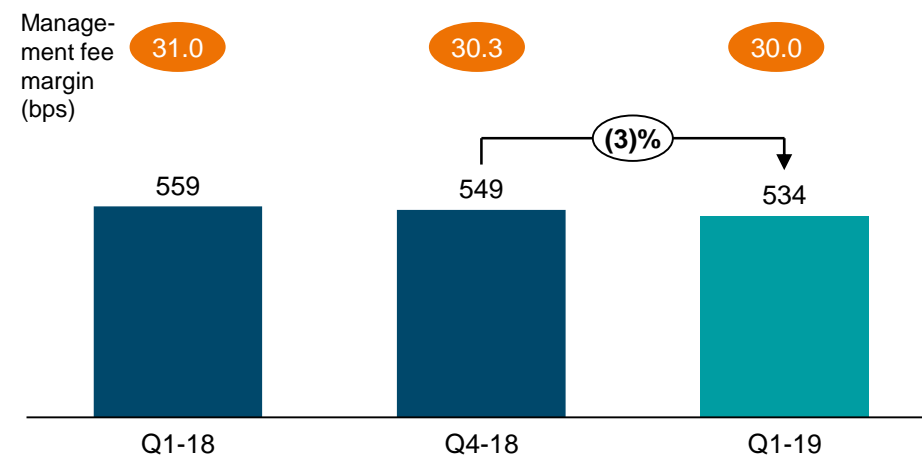
FINANCIAL PERFORMANCE SNAPSHOT – Q1 2019



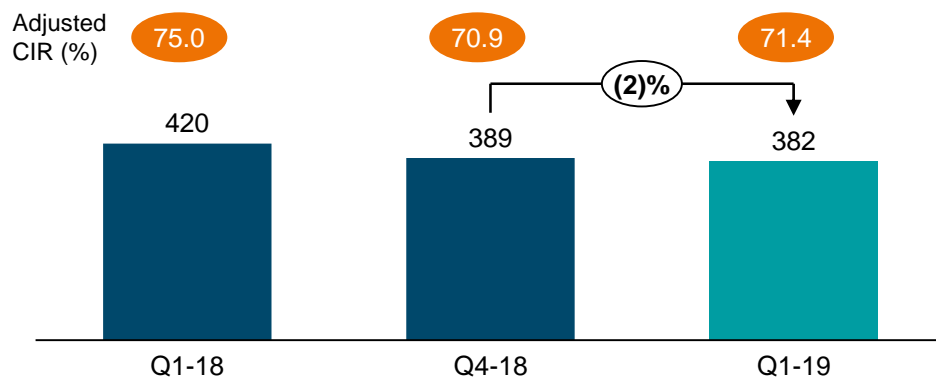
AUM (€BN)



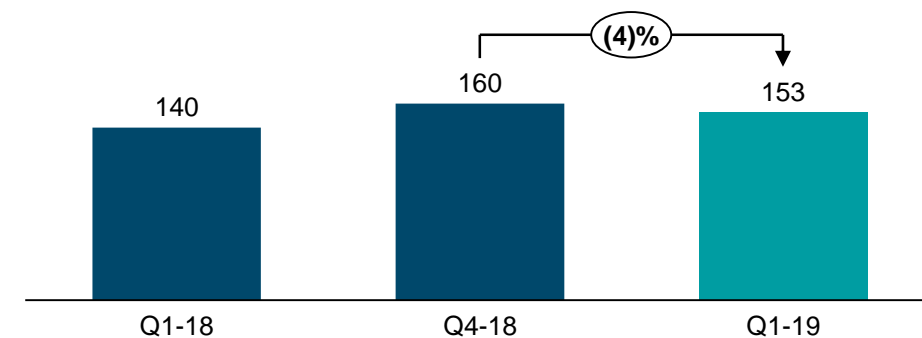
ADJUSTED REVENUES (€M)



ADJUSTED COSTS (€M)



ADJUSTED PROFIT BEFORE TAX (€M)



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

MARKET ENVIRONMENT



EQUITIES (%)



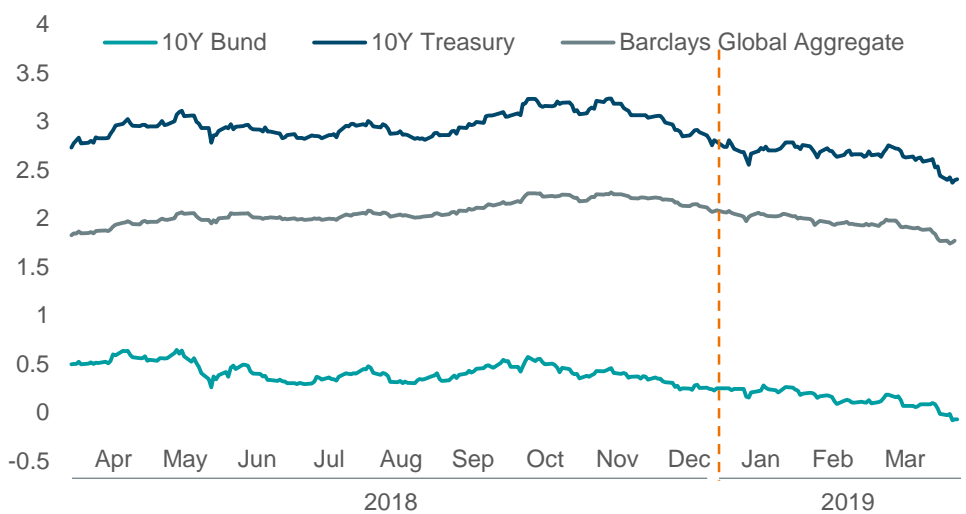
FX (EUR/USD)



VOLATILITY (VIX INDEX)



INTEREST RATES, YIELD (%)

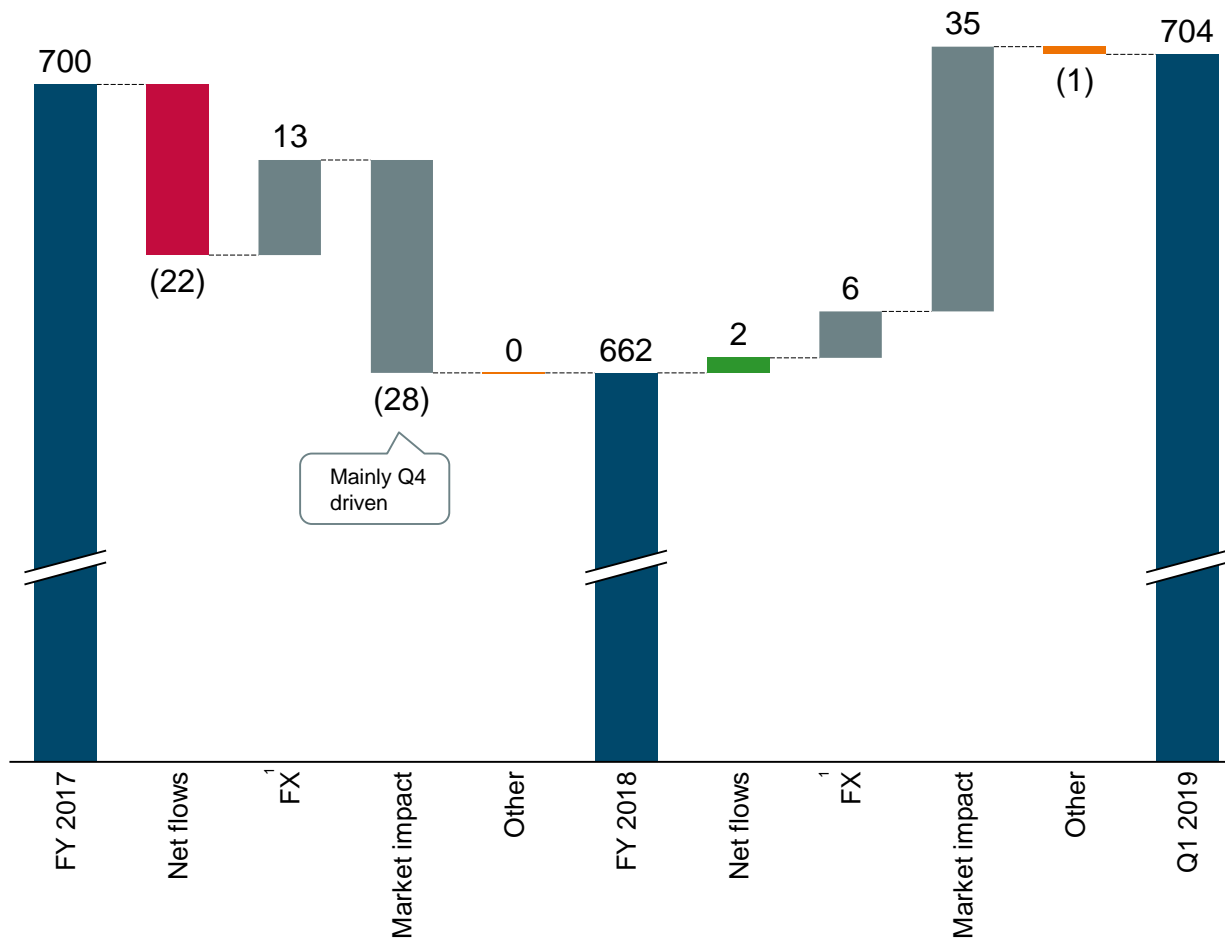


Source: Bloomberg

AUM DEVELOPMENT



AUM DEVELOPMENT DETAIL (€BN)



Q1 HIGHLIGHTS

AuM increased by ~€42bn to €704bn in Q1

- Strong market performance contributed €35bn in AuM
- Positive FX movements added a further €6bn in AuM
- Q1 net inflows of €2.5bn including Cash, mainly driven by Passive and Alternatives

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

Q1 2019 NET FLOWS: STRONG MOMENTUM



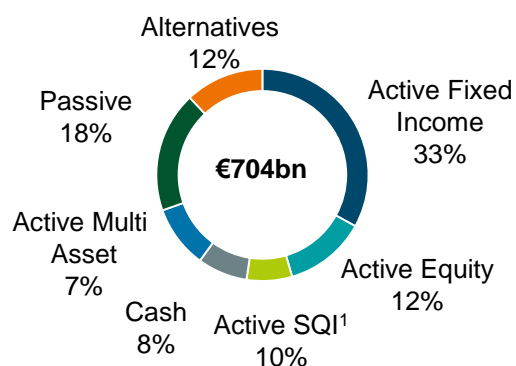
NET FLOWS BREAKDOWN

By asset class (€bn)	Q1-18	Q4-18	Q1-19
Active Equity	(1.7)	(1.0)	(0.2)
Active Multi Asset	(1.9)	(0.9)	0.5
Active SQI ¹	0.2	(0.9)	(0.1)
Active Fixed Income	(4.0)	(7.1)	(1.6)
Passive	1.1	4.0	6.2
Alternatives	0.1	(0.2)	2.6
Total ex Cash	(6.2)	(6.1)	7.4
Cash	(1.6)	(0.9)	(4.9)
Total	(7.8)	(7.0)	2.5

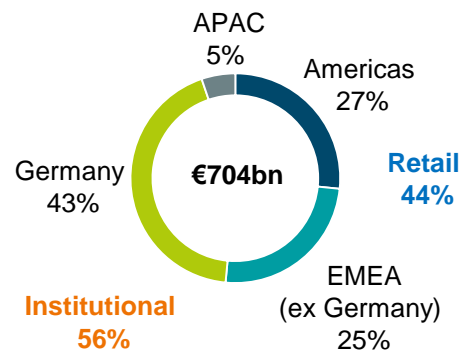
Q1 HIGHLIGHTS

- Net flows ex cash improved significantly q-o-q achieving €7.4bn inflow, supported by main flagship products
- Continued strong momentum in Passive driven by mandate wins and strong ETP flows
- Alternatives saw substantially increased inflows mainly into Real Estate products
- Equity, SQI and Fixed Income redemptions have improved significantly from Q4
- Overall flows of €2.5bn were negatively impacted by low margin Cash outflows

AUM BY ASSET CLASS



AUM BY REGION & CLIENT TYPE

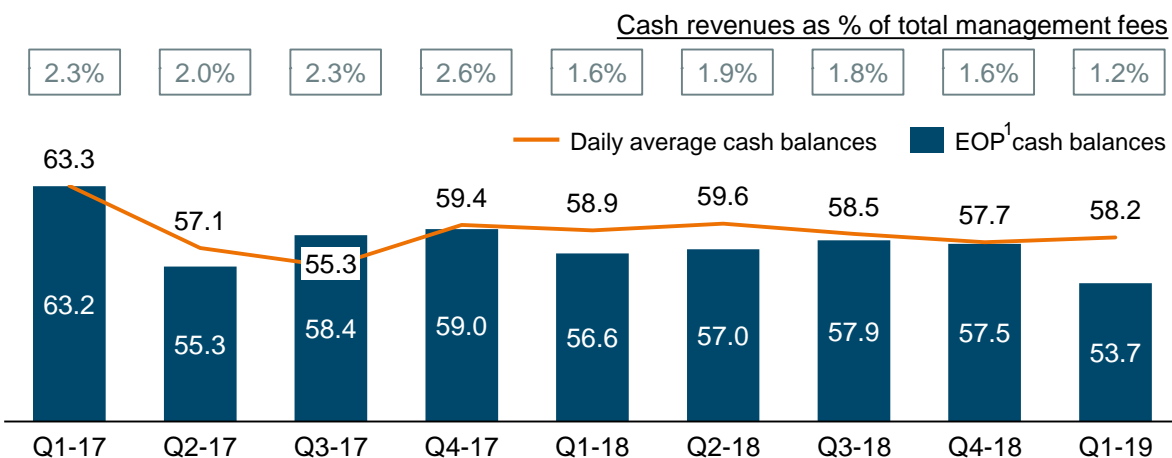


¹ Systematic and Quantitative Investments

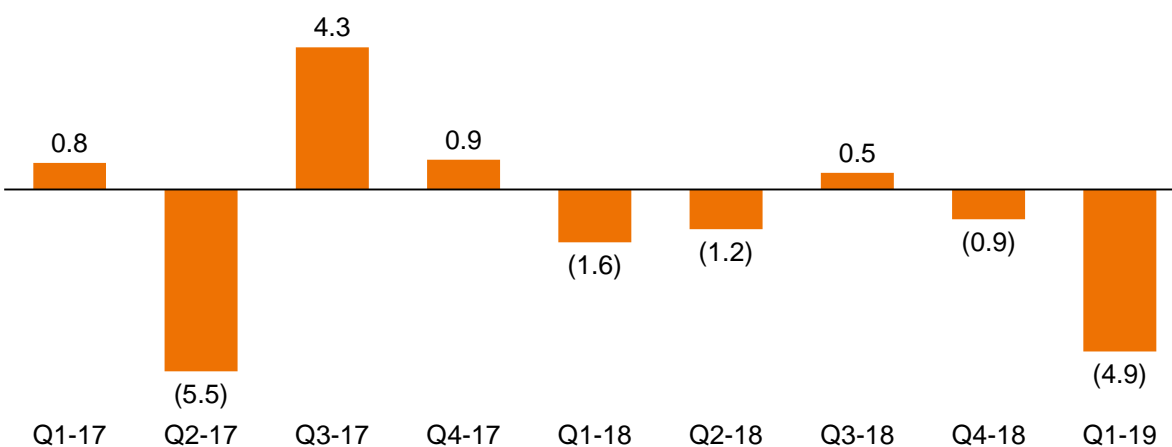
CASH ANALYSIS: FLOW VOLATILITY IN CONTEXT OF AUM DEVELOPMENT



CASH BALANCES (€BN) AND MANAGEMENT FEES (%)



QUARTERLY CASH FLOWS (€BN)



COMMENTARY

- Flows in cash products are very volatile within the quarters
- Daily average cash balances during the quarter are usually above quarter end balances
- Cash balances contribute 1-2% of management fee revenues
- Cash redemptions usually occur at quarter end

¹ End of period

PRODUCT INNOVATIONS & Q2 2019 PIPELINE



Q1 2019 FUND LAUNCHES

EXAMPLES

- | | |
|--|---------------------|
| – DWS European Direct Lending Fund | Fixed Income |
| <hr/> | |
| – Xtrackers MSCI USA ESG Leaders Equity ETF (USSG) | ETFs |
| – Xtrackers S&P Europe ex UK UCITS ETF | |
| – Xtrackers Future Mobility UCITS ETF | |
| – Xtrackers Artificial Intelligence and Big Data UCITS ETF | |
| <hr/> | |
| – Magnetar Systematic Event Driven | Alternative |
| – Quantica Managed Futures | |
-

Q2 2019 FUND LAUNCHES PIPELINE¹

EXAMPLES

- | | |
|--|---------------------|
| – DWS Invest ESG Multi Asset Defensive | Multi Asset |
| <hr/> | |
| – DWS Invest ESG Floating Rate Notes | Fixed Income |
| <hr/> | |
| – DWS Invest ESG Global Emerging Markets Equities | Equity |
| – DWS Invest CROCI Global Intellectual Capital | |
| <hr/> | |
| – Xtrackers S&P 500 ESG Index ETF ²
<i>(sustainable alternative to U.S equity benchmark S&P 500)</i> | ETFs |
| <hr/> | |
| – One Real Estate and one Infrastructure fund | Alternative |
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Note: Not all DWS products and services are offered in all jurisdictions and availability is subject to local regulatory restrictions and requirements

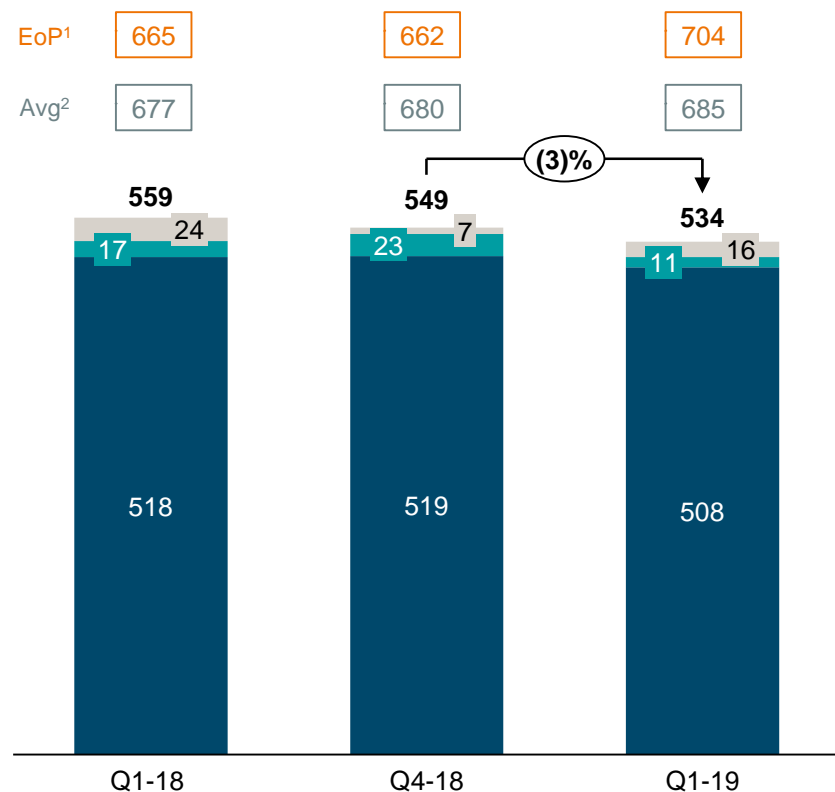
1 Subject to demand assessments, approvals and successful transaction execution 2 Expected to launch late Q2

REVENUE DEVELOPMENT

ADJUSTED REVENUES (€M)

- Other revenues
- Performance, transaction fees & other non-recurring revenues
- Management fees and other recurring revenues

xx AuM (€bn)



1 End of period 2 Monthly average

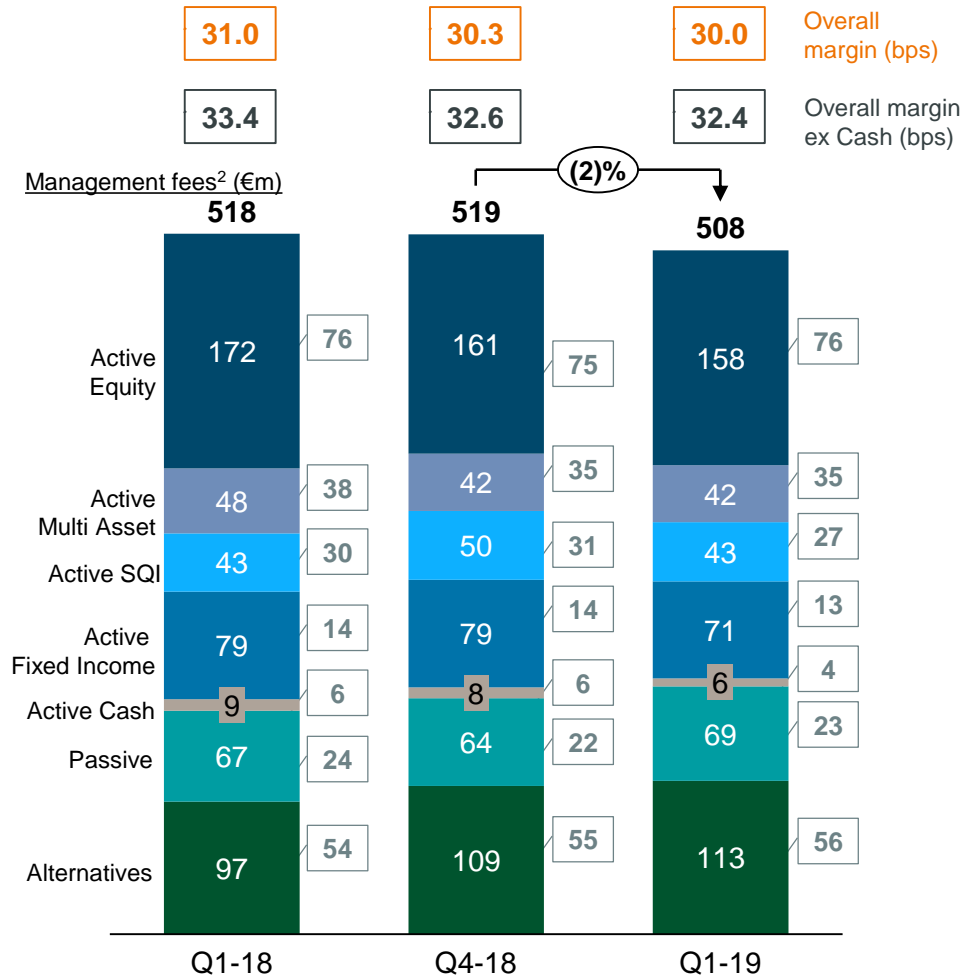
Q1 HIGHLIGHTS

- Total adjusted revenues were €534m in Q1, of which 95% came from management fees
- Decrease in management fees and other recurring revenues driven by fewer business days in Q1
- Performance and transaction fees decreased by €12m q-o-q due to seasonally lower transaction fees in Q1 and higher performance fee recognition in Q4
- Performance and transaction fees are expected to be 3-5% of adjusted revenues p.a. in the medium term

MANAGEMENT FEES AND MARGIN DEVELOPMENT



xx Management fee margin¹ (bps)



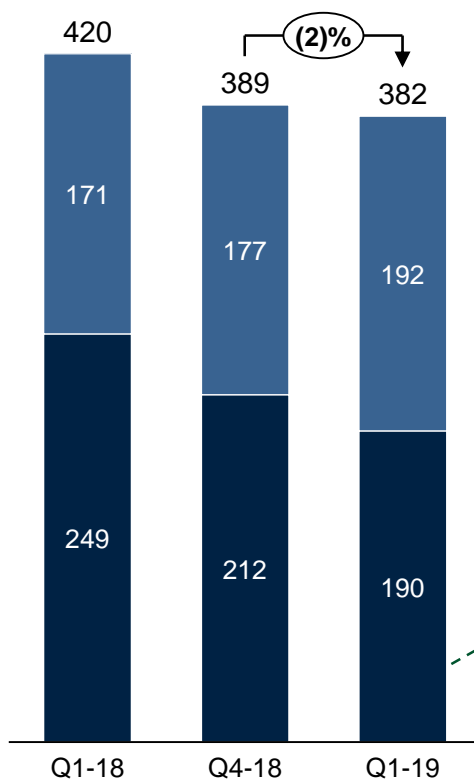
Q1 HIGHLIGHTS

- Overall management fee margin of 30.0bps in Q1
- Management fees were impacted by fewer business days in Q1 but recovered faster than expected from the Q4 market decline
- SQI fees and margin were lower q-o-q due to reduced distribution fees in Q4 and net outflows
- Passive management fee increases were driven by continued strong inflows and recovered equity markets
- Alternatives were supported by continued growth in Real Estate and Liquid Real Assets

¹ Calculated by dividing the annualized management fees (considering the number of days in a specific quarter) for a period by average AuM for the same period ² Management fees and other recurring revenues, non-product related management fees of €4m in Q1-18, €5m in Q4-18, €6m in Q1-19 excluded in asset class breakdown. 2017 & 2018 financials have been restated according to the annual product restatement process reflecting some minor changes in product classification

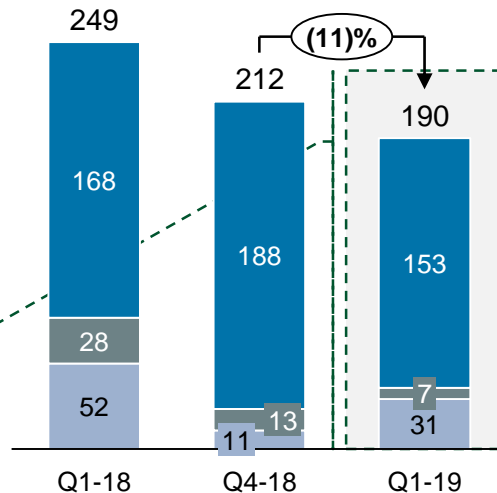
COST DEVELOPMENT

ADJUSTED COSTS (€M)¹



■ Compensation & Benefits
■ General & Administrative Expenses

ADJUSTED GENERAL AND ADMINISTRATIVE EXPENSES (€M)¹



■ Non-compensation direct costs
■ Charges for DWS functions in DB entities
■ DB Group charges

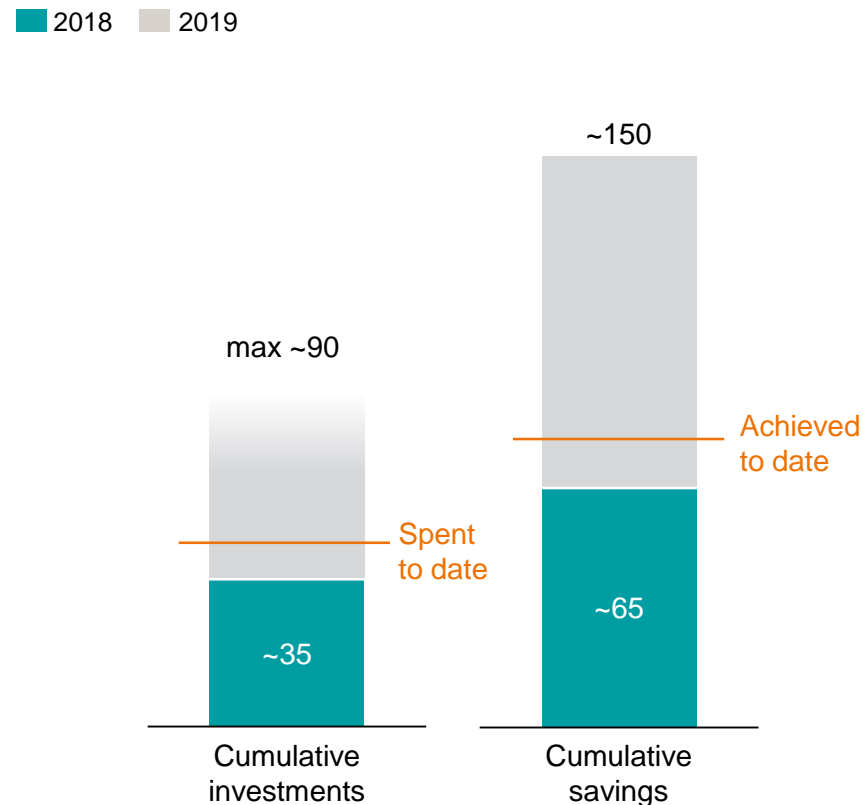
Q1 HIGHLIGHTS

- Total adjusted costs continued to improve to €382m, down 2% compared to Q4
- Adjusted compensation & benefits increased due to normalisation of bonus accruals and seasonal effects in benefits
- Non-compensation direct costs decreased as a result of continued tight cost management
- The reduction in Q1 includes some non-recurring items which will normalize in the next quarters

¹ Compensation & benefits and charges for DWS functions adjusted for severance payments; non-compensation direct costs adjusted for litigation

ACCELERATION OF COST INITIATIVES

PROGRESS ON INITIATIVES (€M)






COST PROJECTION IN 2019

- Cost initiatives accelerated, aiming to achieve full amount of €150m mid-term target in 2019 and CIR of ~70%¹
- Incremental cost measures of ~€85m identified to support accelerated cost initiatives in 2019
- Key levers include:
 - Further savings from platform integration and simplification
 - Management of vendor contracts
 - Tight management of external spend including technology contractors and professional services
- Investment spend to be calibrated to market environment in 2019

¹ Assuming flat revenues vs 2018

Q1 CONCLUSIONS






-  Continued management focus on cost reductions puts DWS on track to achieve accelerated 2019 cost target
-  Strong momentum in flows supported by flagship fund performance
-  Strategic partnerships and innovative products contributing to inflows

OUTLOOK AND TARGETS

OUTLOOK 2019

- Market environment is expected to remain challenging despite equity market recovery
- DWS' ambition to outperform industry flows in 2019 which are expected to be 2-3%
- Accelerated cost initiatives expected to deliver a ~70% CIR in 2019 assuming flat revenues

REFINED TARGETS

	2019	Medium-term
 Adjusted CIR	~70% (assuming yoy flat revenues)	<65%
 Net flows (% of BoP AuM)		3-5% (on average ¹)
 Dividend payout ratio	65% to 75%	

¹ Annual flows could be volatile depending on market circumstances



Appendix



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

		Q1 2019	Q4 2018	Q1 2018	Q1 2019 vs Q4 2018	Q1 2019 vs Q1 2018
Profit & Loss	Management fees and other recurring revenues	508	519	518	(2)%	(2)%
	Performance and transaction fees and other non-recurring revenues	11	23	17	(54)%	(36)%
	Other revenues	16	7	24	143%	(34)%
	Net revenues	534	549	559	(3)%	(4)%
	<i>Revenue adjustments</i>					
	Adjusted revenues	534	549	559	(3)%	(4)%
	Compensation & Benefits	(195)	(183)	(172)	7%	14%
	General & administrative expenses	(189)	(229)	(249)	(18)%	(24)%
	Restructuring activities	(2)	(4)	(2)	(44)%	4%
	Total noninterest expenses	(387)	(417)	(423)	(7)%	(8)%
	<i>Cost adjustments</i>	5	28	3	(81)%	84%
	Adjusted cost base	(382)	(389)	(420)	(2)%	(9)%
	Profit before tax	148	132	137	12%	8%
<i>Adjusted profit before tax</i>	<i>153</i>	<i>160</i>	<i>140</i>	<i>(4)%</i>	<i>9%</i>	
Net income	102	80	97	28%	5%	
Other Key Performance Measures	Reported CIR	72.4%	75.9%	75.6%	(3.5)ppt	(3.2)ppt
	<i>Adjusted CIR</i>	<i>71.4%</i>	<i>70.9%</i>	<i>75.0%</i>	<i>0.5 ppt</i>	<i>(3.6)ppt</i>
	FTE	3,471	3,443	3,244	1%	7%
	AuM (in €bn)	704	662	665	6%	6%
	Net flows (in €bn)	2.5	(7.0)	(7.8)		
	Net flows ex Cash (in €bn)	7.4	(6.1)	(6.2)		
	Net flows (% of BoP AuM – annualized)	1.5%	(4.0)%	(4.6)%		
	Net flows ex Cash (% of BoP AuM – annualized)	5.0%	(3.8)%	(4.0)%		
	Management fee margin (bps - annualized)	30.0	30.3	31.0		

RECONCILIATION FROM IFRS TO ECONOMIC BALANCE SHEET



Q1 2019 (€BN)

	IFRS consolidated	Consolidated Funds	DB Vita and pending	Economic View
Assets				
Cash and bank balances	2.1			2.1
Financial assets at FVPL	3.1	1 (1.3)	2 (0.5)	1.2
Other investments	0.3			0.3
Property and equipment	0.1			0.1
Tax assets	0.2			0.2
Intangible assets	3.8			3.8
Other assets	1.3		3 (0.6)	0.7
Total assets	10.9	(1.3)	(1.2)	8.5
Liabilities				
Other short-term borrowings	0.1			0.1
Tax liabilities	0.4			0.4
Financial liabilities at FVPL	0.6		2 (0.5)	0.1
Other liabilities	3.1	1 (1.3)	3 (0.6)	1.2
Total liabilities	4.2	(1.3)	(1.2)	1.8
Equity	6.7			6.7
Total liabilities and equity	10.9	(1.3)	(1.2)	8.5

HIGHLIGHTS

€2.5bn adjustments comprise:

- 1 Consolidated Funds (€1.3bn)
 - 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 (€0.6bn)
 - Settlement balances driven by investments for institutional clients in DWS SA

HISTORICAL NET FLOWS AND AUM DEVELOPMENT



in € bn

Net flows by asset class	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019
Active Equity	(1.7)	(1.7)	(2.0)	(2.5)	(1.0)	(7.3)	(0.2)
Active Multi Asset	10.7	(1.9)	(0.4)	(0.6)	(0.9)	(3.8)	0.5
Active SQI ¹	(4.1)	0.2	1.2	(0.3)	(0.9)	0.2	(0.1)
Active Fixed Income	(1.8)	(4.0)	(5.4)	(0.1)	(7.1)	(16.5)	(1.6)
Active Cash	0.5	(1.6)	(1.2)	0.5	(0.9)	(3.2)	(4.9)
Passive	11.6	1.1	2.5	(0.2)	4.0	7.5	6.2
Alternatives	0.8	0.1	0.5	0.5	(0.2)	0.8	2.6
DWS Group	15.8	(7.8)	(4.9)	(2.7)	(7.0)	(22.3)	2.5

Net flows by region

Americas	0.1	(6.4)	(3.2)	(3.9)	(7.9)	(21.3)	(0.1)
EMEA excl. GY	(0.1)	(2.4)	(0.8)	2.0	(0.3)	(1.5)	1.9
Germany (GY)	13.5	1.9	1.1	(0.9)	0.9	3.0	1.2
Asia Pacific	2.3	(0.9)	(2.0)	0.1	0.2	(2.6)	(0.4)
DWS Group	15.8	(7.8)	(4.9)	(2.7)	(7.0)	(22.3)	2.5

Net flows by client channel

Retail	8.8	(1.4)	(4.2)	(2.3)	(1.6)	(9.5)	(0.8)
Institutional	7.0	(6.3)	(0.7)	(0.4)	(5.5)	(12.8)	3.3
DWS Group	15.8	(7.8)	(4.9)	(2.7)	(7.0)	(22.3)	2.5

Total net flows	15.8	(7.8)	(4.9)	(2.7)	(7.0)	(22.3)	2.5
FX impact	(35.9)	(5.7)	13.1	1.1	4.1	12.6	6.1
Performance	29.4	(11.1)	6.3	5.7	(28.9)	(28.0)	34.8
Other	1.1	(10.4)	8.0	0.2	2.5	0.2	(1.0)
Total change in AuM	10.4	(35.1)	22.5	4.4	(29.4)	(37.5)	42.3

AuM by asset class	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019
Active Equity	94	88	90	91	77	77	88
Active Multi Asset	54	49	50	49	46	46	49
Active SQI ¹	67	58	68	68	63	63	67
Active Fixed Income	239	231	231	231	227	227	233
Active Cash	59	57	57	58	58	58	54
Passive	112	110	115	118	112	112	130
Alternatives	74	73	76	76	79	79	85
DWS Group	700	665	687	692	662	662	704

AuM by region

Americas	193	181	187	186	177	177	188
EMEA excl. GY	173	165	168	172	164	164	175
Germany (GY)	296	284	297	298	286	286	305
Asia Pacific	38	36	35	35	35	35	37
DWS Group	700	665	687	692	662	662	704

AuM by client channel

Retail	319	306	310	312	291	291	311
Institutional	381	358	378	379	372	372	394
DWS Group	700	665	687	692	662	662	704

Note 2017 & 2018 financials have been restated according to the annual product restatement process reflecting some minor changes in product classification
1 Systematic and Quantitative Investments

Q1 2019 DETAILED INVESTMENT PERFORMANCE



<i>All figures in %¹</i>		1Y	3Y	5Y
Active Retail	Equity	51%	62%	91%
	Multi Asset	5%	37%	37%
	SQI	44%	46%	43%
	Fixed Income	44%	96%	96%
	Cash	100%	100%	100%
	Total	50%	72%	90%
Active Institutional	Equity	20%	40%	57%
	Multi Asset	26%	49%	35%
	SQI	50%	74%	88%
	Fixed Income	60%	69%	63%
	Cash	83%	100%	99%
	Total	56%	67%	65%
Active Total	Equity	47%	59%	87%
	Multi Asset	21%	46%	35%
	SQI	49%	69%	82%
	Fixed Income	57%	73%	70%
	Cash	88%	100%	100%
	Total	54%	69%	75%
Alternatives	Direct Real Estate	88%	93%	99%
	Liquid Real Assets	49%	48%	82%
	Other Alternatives	100%	0%	100%
	Total	75%	64%	95%
Total DWS	57%	68%	78%	

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, 2019 and Direct Real Estate and Other Alternatives as of Dec 31, 2018)

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. 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, potential defaults of borrowers or trading counterparties, the implementation of our strategic initiatives, the reliability of our risk management policies, procedures and methods and other risks as described in our financial reports. Copies of the financial report are readily available upon request or can be downloaded from <https://group.dws.com/ir/reports-and-events>.

Following the post-listing transition of legal entities into DWS Group GmbH & Co. KGaA, we moved in Q2 2018 to a consolidated view in our financial reporting. This presentation also contains non-IFRS financial measures. For a reconciliation to directly comparable figures reported under IFRS, to the extent such reconciliation is not provided in this presentation, refer to the Q1 2019 Financial Data Supplement, which is accompanying this presentation and available at <https://group.dws.com/ir/reports-and-events/financial-results>.