DWS Q2 2018 RESULTS PRESENTATION

July 25, 2018

Q2 2018 KEY FINANCIAL HIGHLIGHTS

- Continued strong inflows in Passive were offset by outflows in Active Fixed Income, Cash and Equity products resulting in net flows of €(4.9)bn
- Management fee margin slightly declined to 30.7bps q-o-q but above our medium-term target of ≥30bps
- Adjusted cost-income ratio improved to 74.1% in Q2-18 compared to 75.0% in Q1-18
- Adjusted profit before tax reached €149m in Q2-18, an increase of 6.9% compared to Q1-18

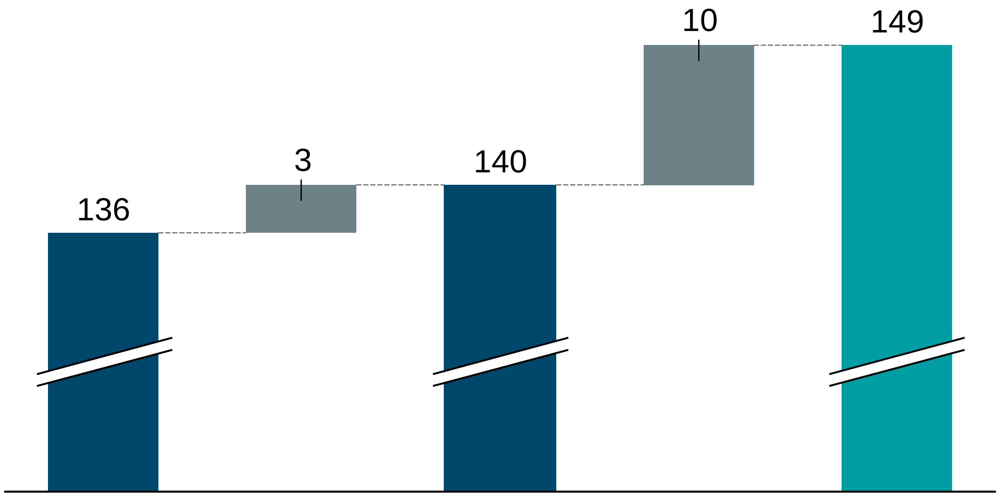
Note: 2018 financials are on pro-forma consolidated basis

CHANGE IN ACCOUNTING FROM COMBINED TO CONSOLIDATED FINANCIALS

ADJUSTED PROFIT BEFORE TAX (€M)

H1-18 results are based on consolidated financials for the first time since IPO:

- Legal entity transfers which become effective post Q1-18
- Further immaterial perimeter and accounting adjustments due to the switch from combined to consolidated financial data
- ~700 FTE decrease:
  - ~ 550 FTEs are expected to remain in DB
  - ~150 FTEs will be transferred to DWS Group in 2H-18

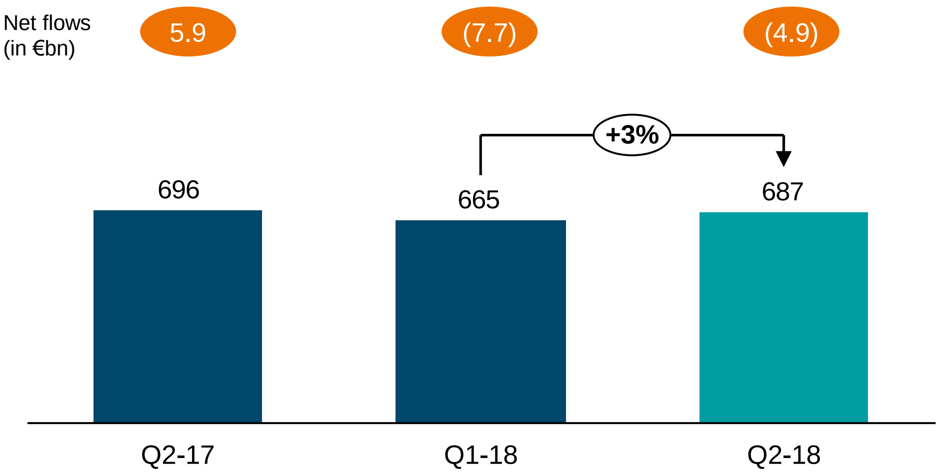


	Q1-18 combined	Pro-forma delta	Q1-18 consolidated pro-forma	Δ Q2-18 vs Q1-18	Q2-18 consolidated pro-forma
Adjusted revenues	561	(2)	559	17	576
Adjusted cost base	(425)	6	(420)	(7)	(427)
Adjusted PBT	136	3	140	10	149
FTE (#)	3,965	(721)	3,244	52	3,296
AuM (in €bn)	676	(11)	665	22	687

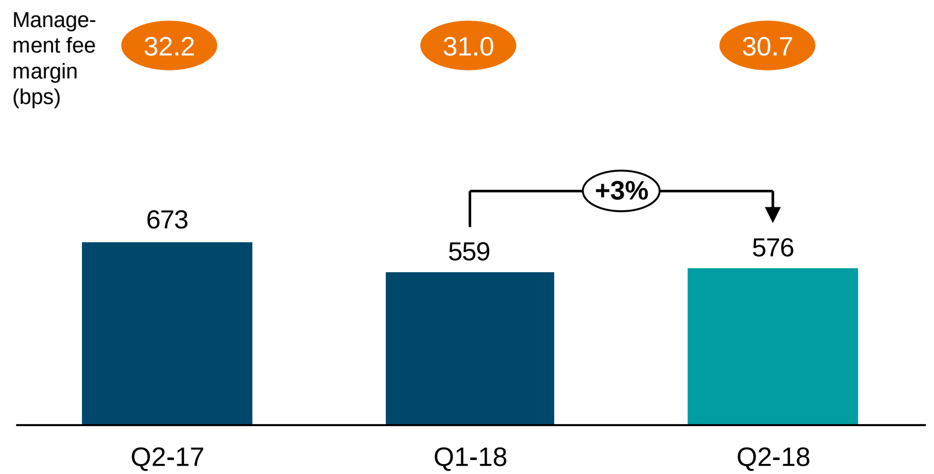
Note: Figures may not add up due to rounding differences

FINANCIAL PERFORMANCE SNAPSHOT

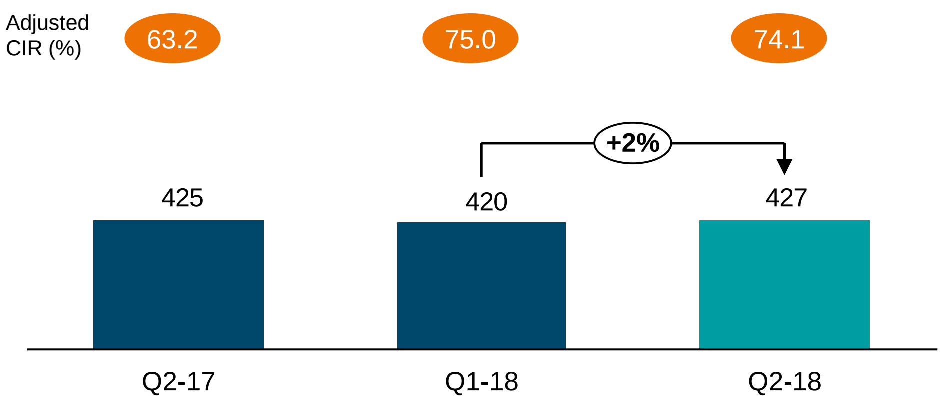
AUM (€BN)



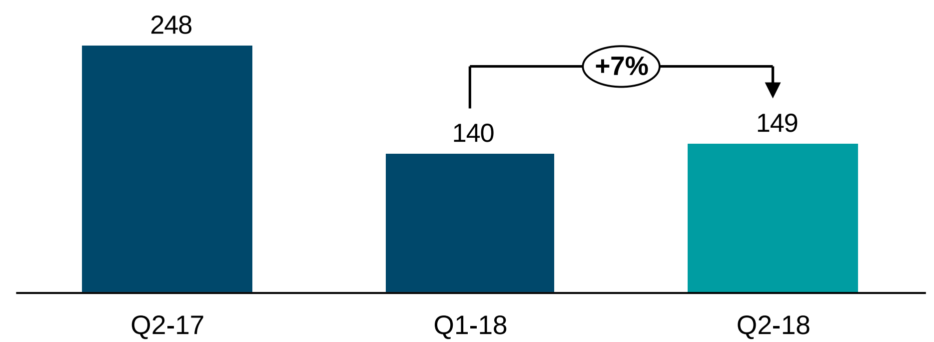
ADJUSTED REVENUES (€M)



ADJUSTED COSTS (€M)



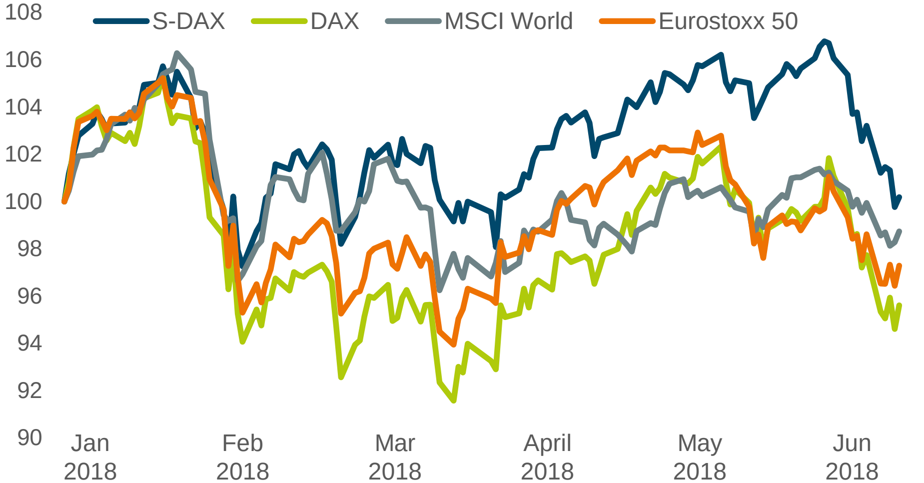
ADJUSTED PROFIT BEFORE TAX (€M)



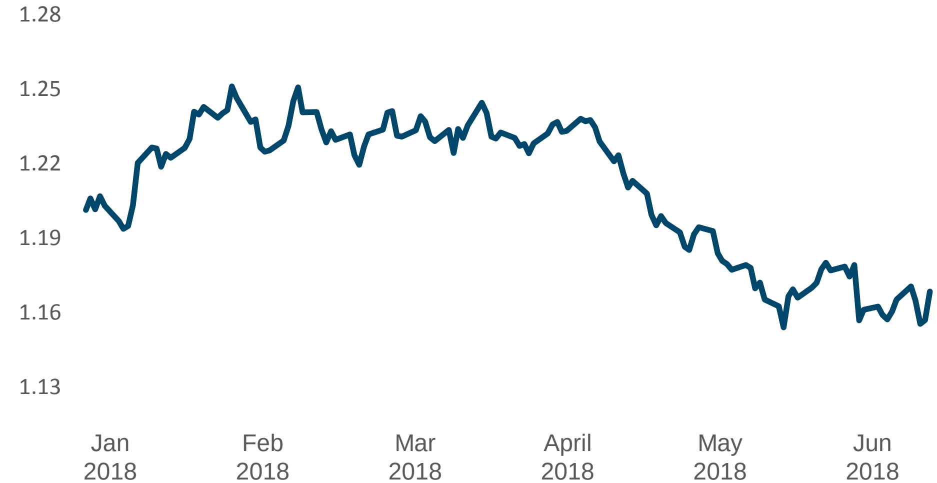
Note: 2018 financials represent consolidated pro-forma DWS unless stated otherwise / Q2-17 is based on combined view

MARKET ENVIRONMENT

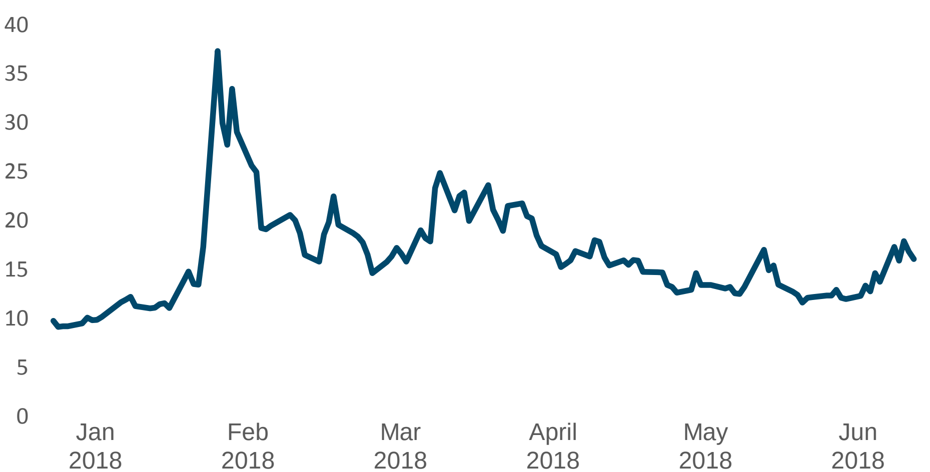
EQUITIES



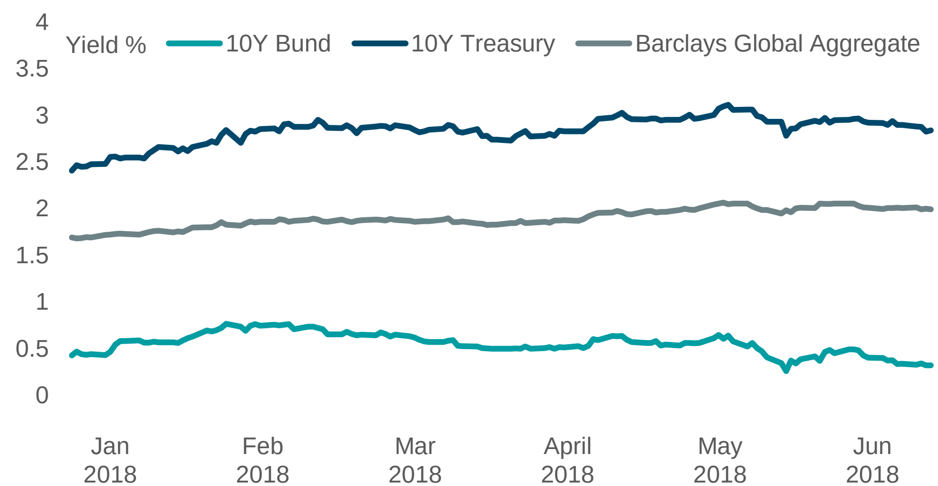
FX (EUR/USD)



VOLATILITY (VIX INDEX)



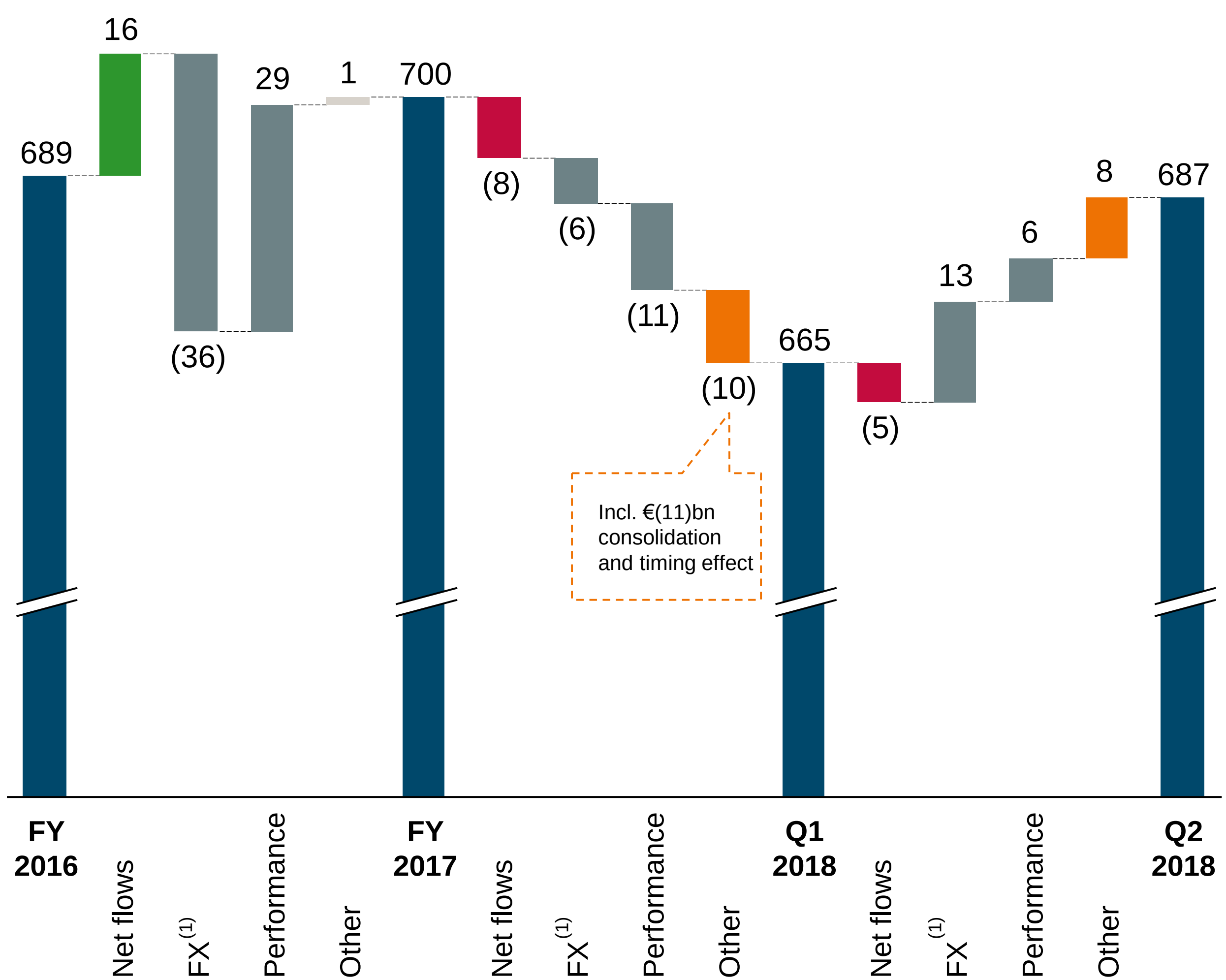
INTEREST RATES



Source: Bloomberg

AUM DEVELOPMENT

AUM DEVELOPMENT DETAIL (€BN)



Q2 HIGHLIGHTS

AuM increased by ~€22bn in second quarter:

- Positive Passive flows of ~€3bn more than offset by outflows in FI, Equity and Cash
- Strengthening USD/EUR resulted in an AuM increase of ~€13bn
- Positive market performance driven by equity indices led to an increase in AuM of ~€6bn
- ~€8bn AuM in Q2-18 resulting from consolidation adjustments

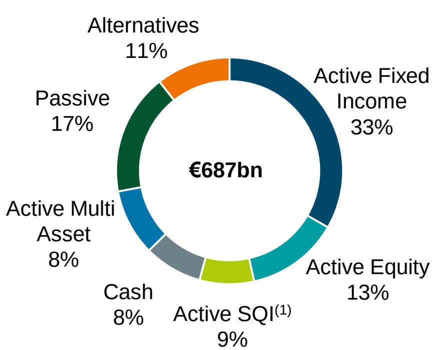
Note: 2018 financials represent consolidated pro-forma DWS unless stated otherwise / 2016-2017 is based on combined view (1) Represents FX impact from non-euro denominated products; excludes performance impact from FX

Q2-18 NET FLOWS AND AUM BY ASSET CLASS & REGION

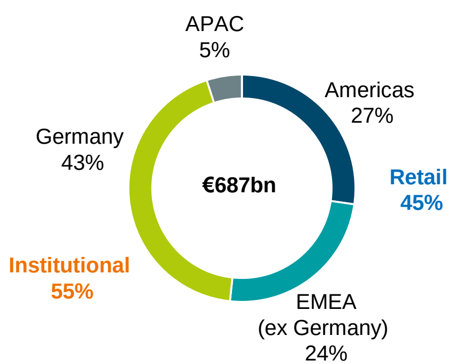
NET FLOWS BREAKDOWN

By asset class (in €bn)	Q2-17	Q1-18	Q2-18	
Active Equity	(0.8)	(1.7)	(2.0)	4
Active Multi Asset	8.6	(1.7)	0.1	
Active SQI[1]	(0.7)	(0.0)	0.8	2
Active Fixed Income	0.0	(4.0)	(5.5)	3
Cash	(5.5)	(1.6)	(1.2)	5
Passive	4.3	1.3	2.9	1
Alternatives	0.0	(0.0)	0.1	
Total	**5.9**	**(7.7)**	**(4.9)**	

AUM BY ASSET CLASS



AUM BY REGION & CLIENT TYPE



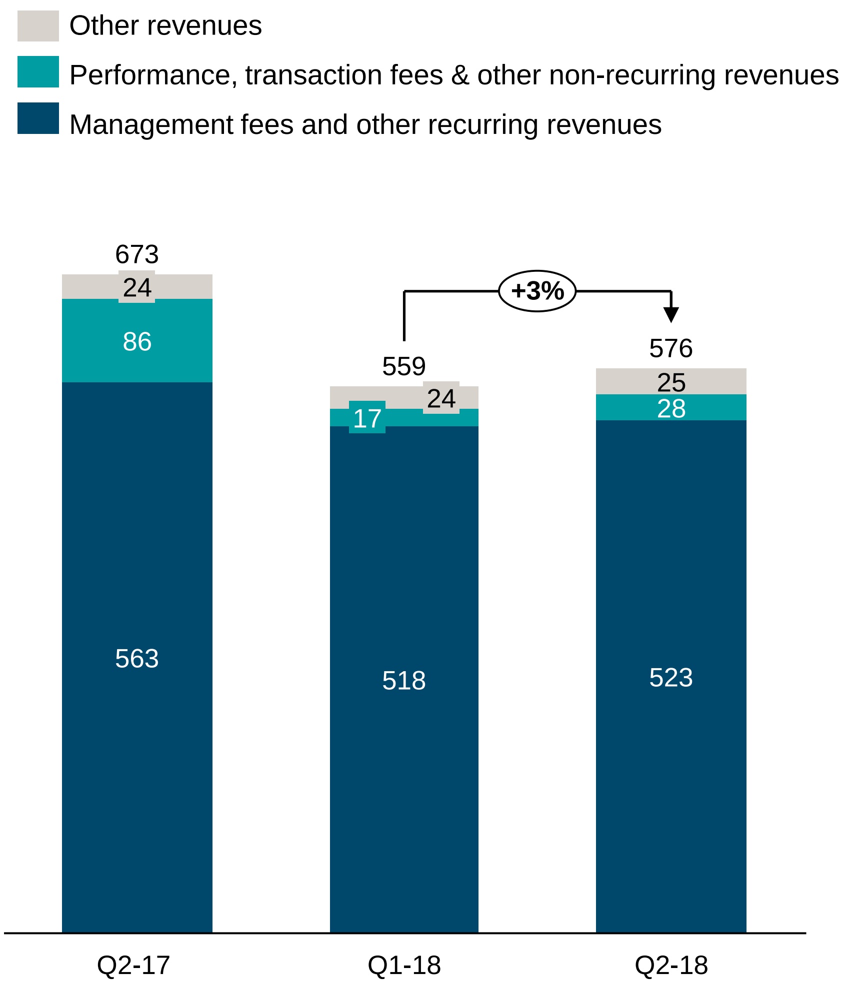
Q2 HIGHLIGHTS

1. Passive recorded ~€3bn of inflows in Q2, primarily in European ETC[2] and passive mandates. The latter driven by new mandates from European institutional clients
2. SQI inflows driven by retail flows and an European corporate pension mandate
3. Fixed Income redemptions were primarily driven by an institutional client redeeming ahead of maturity, ongoing outflows relating to US tax reform and outflows in insurance business
4. Outflows in Equity were driven by ongoing redemptions from retail funds, primarily Top Dividende
5. Flows in cash products were negatively impacted by a rise in the US Fed Funds Rate and a tax payment date in June

Note: 2018 financials represent consolidated pro-forma DWS unless stated otherwise / Q2-17 is based on combined view; figures may not add up due to rounding differences
(1) Systematic and Quantitative investments (2) Exchange Traded Commodity

REVENUE DEVELOPMENT

ADJUSTED REVENUES (€M)

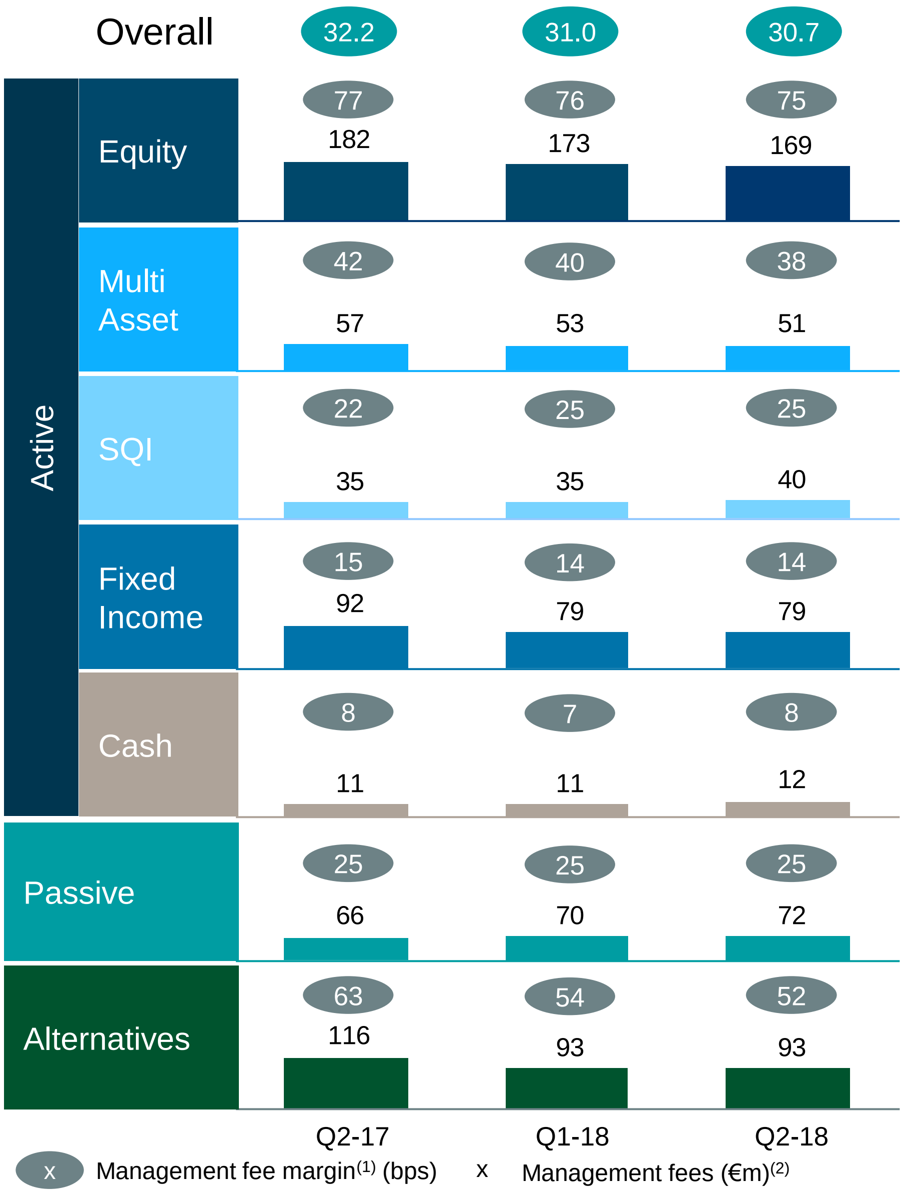


Q2 HIGHLIGHTS

- Management fees and other recurring revenues up ~€5m compared to Q1-18
- Performance and transaction fees increased ~€11m q-o-q driven by strong performance in various alternative funds
- Q2-17 included a bi-annual performance fee from an infrastructure fund not repeating in 2018; next payment expected in 2019, subject to performance

Note: 2018 financials represent consolidated pro-forma DWS unless stated otherwise / Q2-17 is based on combined view

MANAGEMENT FEES AND MARGIN DEVELOPMENT



Q2 HIGHLIGHTS

Overall management fee margin remains above target of ≥30bps at 30.7bps

– Equity and Multi Asset management fees and margin decreased slightly mainly due to net outflows in higher margin funds

– Increase in SQI management fees attributable to integration of Sal Oppenheim Quant business in April

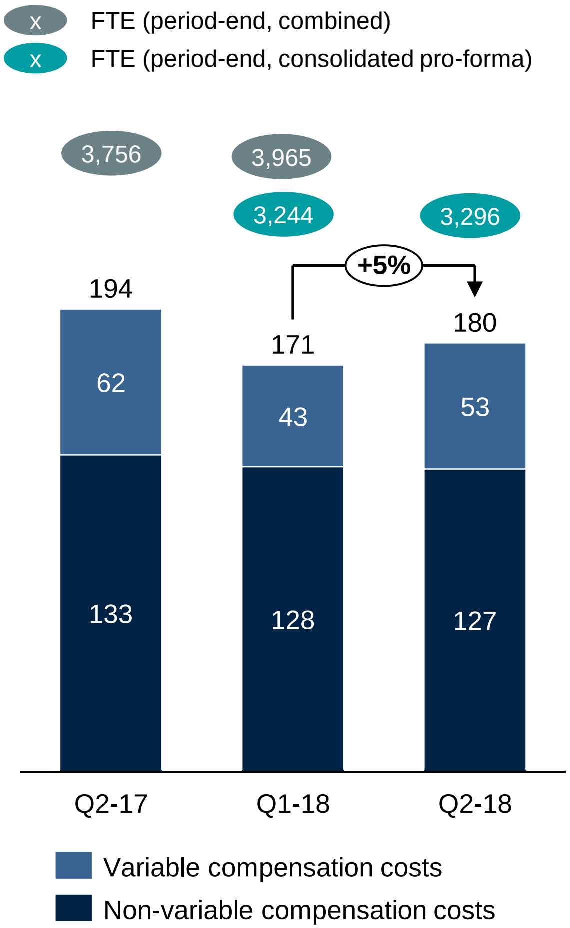
– Passive management fees mainly increased due to continuing inflows with stable margins

– Alternatives management fee margin slightly decreased due to outflows from Liquid Real Assets, partially compensated by inflows in Real Estate

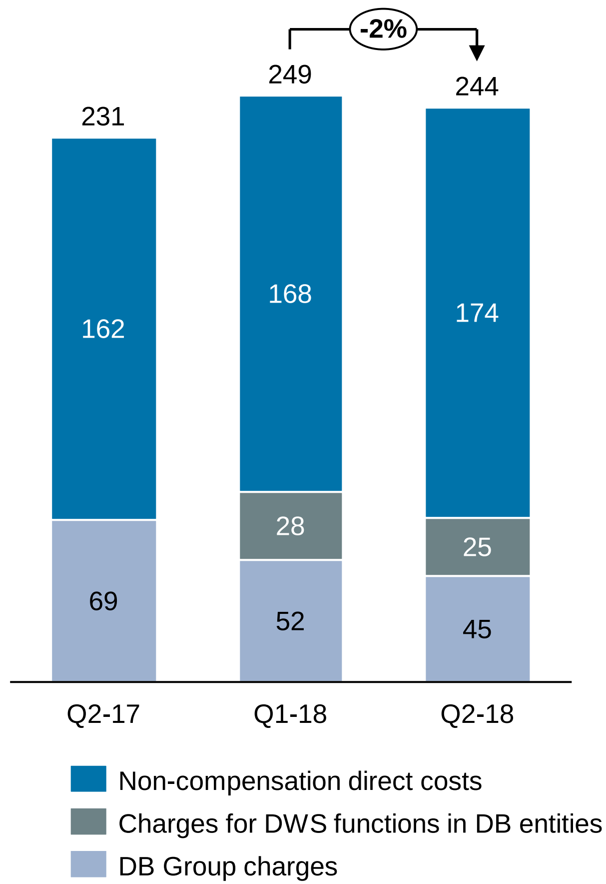
Note: 2018 financials represent consolidated pro-forma DWS unless stated otherwise / Q2-17 is based on combined view (1) Calculated by dividing the annualized management fees (considering the number of days in a specific quarter) for a period by average AuM for the same period (2) Management fees and other recurring revenues, non-product related management fees of €5m in Q2-17, €4m in Q1-18 and €7m in Q2-18 excluded in asset class breakdown

COST DEVELOPMENT

ADJUSTED COMPENSATION & BENEFITS (€M)[1]



ADJUSTED GENERAL AND ADMINISTRATIVE EXPENSES (€M)[1]



Q2 HIGHLIGHTS

- Compensation & benefits up by €9m mainly due to variable comp cost increase
- Increase in non-comp direct cost largely driven by company set-up cost and intensified marketing efforts
- Charges for DWS functions in DB entities include costs attributable to DWS service centres and other functions
- DB Group charges declined as further support functions have been transferred to DWS

Note: 2018 financials represent consolidated pro-forma DWS unless stated otherwise / Q2-17 is based on combined view
(1) Compensation & benefits adjusted for severance payments; non-compensation direct costs adjusted for litigation

EFFICIENCY AND TRANSFORMATION PROGRAM

COMMITMENT:
€125-150M MEDIUM-TERM
RUN RATE GROSS SAVINGS VS FY 2017

VISION:
SHAPE DWS INTO A SUSTAINABLY EFFICIENT AND WELL-ORGANIZED ASSET MANAGER

EARLY SUCCESSES

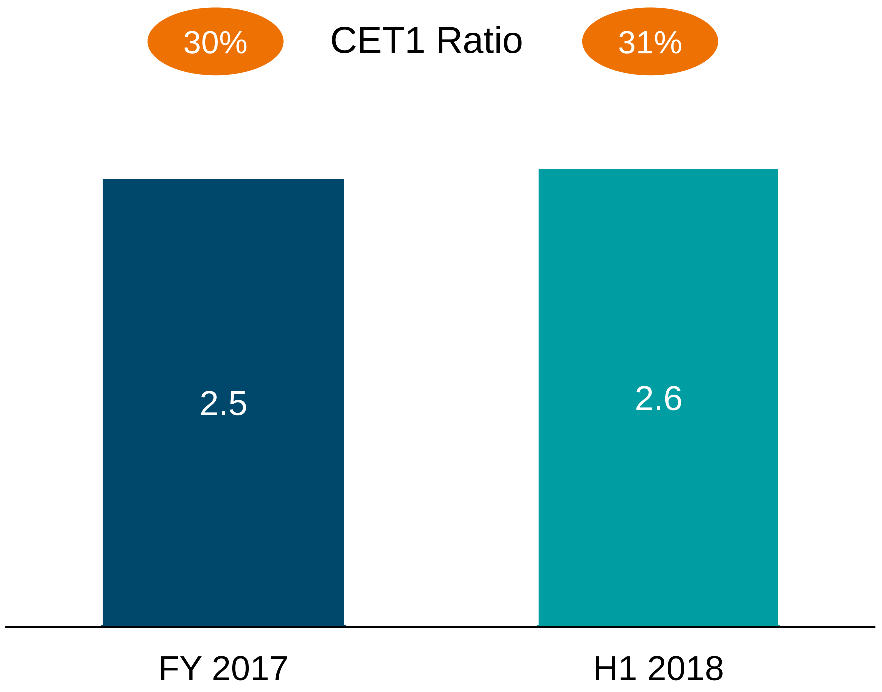
- On track to meet 2018 gross savings guidance of 20-30%
- Successes include:
  - Close to transfer of fund administration unit to BNP Paribas
  - Synergies from integrated investment platform
  - Vendor service consumption including market data and professional service providers
  - Signing of a new lease for New York office at a reduced rate

TRANSFORMATION AREAS AND EXAMPLES

- Organisational setup – optimise management spans and layers
- Products and clients – simplify client onboarding process
- Vendor optimisation – renegotiate pricing and enhance governance
- Internal processes (incl. automation) – streamline product approval process
- Real estate and footprint – consolidate offices in hub locations

CAPITAL POSITION

DWS CET1 CAPITAL (IN €BN)



HIGHLIGHTS

- IFRS capital of €6.3bn less regulatory adjustments of €3.7bn, mainly goodwill and intangible assets, resulted in CET1 capital of €2.6bn
- Capital generation from intra-year profits net of dividend accruals not yet recognised in CET1
- H1-18 CET1 capital increased by €0.1bn driven by lower consolidation adjustments and other impacts
- Based on €8.4bn RWA, the CET1 ratio stands at 31%, remaining comfortably above requirements

Note: 2018 financials represent consolidated pro-forma DWS unless stated otherwise / 2017 is based on combined view; recognition of intra-year profits net of dividend accruals in CET1 capital requires regulatory approval which will be sought in due course

CONCLUSION & OUTLOOK

- Delivery already made against key milestones in transitional year post IPO
- Committed to 3-5% net flow medium-term target; but unlikely to achieve in 2018 given H1 net outflow
- Investment performance remains strong on a 3Y and 5Y basis
- Cost initiatives on track to deliver targeted savings for 2018
- Continued investment into strategic priorities to support future growth

Appendix

CHANGE IN ACCOUNTING FROM COMBINED TO CONSOLIDATED FINANCIALS

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

	Q1-18 combined	Entity transfers	Entity perimeter change[1]	*Pro-forma delta*	Q1-18 consolidated pro-forma	Δ Q2-18 vs Q1-18	Q2-18 consolidated pro-forma
Net revenues	561	(6)	4	***(2)***	559	*17*	576
Adjusted revenues	*561*	(6)	4	***(2)***	*559*	*17*	*576*
Compensation & Benefits	(189)	7	10	***17***	(172)	*(10)*	(182)
Non-compensation direct costs	(183)	4	11	***14***	(168)	*(7)*	(175)
DB Group Charges	(55)	(4)	(22)	***(25)***	(80)	*10*	(70)
General & administrative expenses	(238)	0	(11)	***(11)***	(249)	*3*	(245)
Restructuring activities	(2)	0	(0)	***(0)***	(2)	*(4)*	(7)
Noninterest expenses	(428)	7	(1)	***6***	(423)	*(11)*	(434)
Adjusted cost base	*(425)*	7	(1)	***6***	*(420)*	*(7)*	*(427)*
Profit before tax	133	0	3	***4***	137	*6*	142
Adjusted profit before tax	*136*	0	3	***3***	*140*	*10*	*149*
FTE (#)	3,965	(146)	(576)	***(721)***	3,244	52	3,296
AuM (in €bn)	676	(8)	(3)	***(11)***	665	22	687
Net flows (in €bn)	(7.8)	0.1	-	***0.1***	(7.7)	2.8	(4.9)
Management fee margin (bps - annualized)	31.1	(0.1)	-	***(0.1)***	31.0	(0.3)	30.7

Note: Figures may not add up due to rounding differences
(1) Entity perimeter change accounts for changes in accounting from combined to consolidated financial data, i.e. legal entity transfers which become effective post Q1 and further immaterial perimeter and accounting adjustments e.g. shift from direct cost to charge for DWS functions in DB entities

DWS DETAILED FINANCIALS

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

		Q2-18 Consol'd pro-forma	Q1-18 Consol'd pro-forma	Q1-18 Combined	Q2-17 Combined	H1-18 Consol'd	H1-17 Combined	Q2 2018 vs Q1 2018	Q2 2018 vs Q2 2017	H1 2018 vs H1 2017
Profit & Loss	Management fees and other recurring revenues	523	518	528	563	1,041	1,113	*1%*	*(7)%*	*(6)%*
	Performance and transaction fees and other non-recurring revenues	28	17	18	86	45	104	*70%*	*(67)%*	*(57)%*
	Other revenues	25	24	15	24	49	62	*2%*	*5%*	*(21)%*
	Net revenues	576	559	561	673	1,135	1,279	*3%*	*(14)%*	*(11)%*
	Revenue adjustments									
	Adjusted revenues	*576*	*559*	*561*	*673*	*1,135*	*1,279*	*3%*	*(14)%*	*(11)%*
	Compensation & Benefits	(182)	(172)	(189)	(195)	(353)	(381)	*6%*	*(7)%*	*(7)%*
	General & administrative expenses	(245)	(249)	(238)	(232)	(494)	(452)	*(1)%*	*6%*	*9%*
	Restructuring activities	(7)	(2)	(2)	(2)	(9)	(4)	*n.m.*	*n.m.*	*n.m.*
	Total noninterest expenses	(434)	(423)	(428)	(429)	(856)	(836)	*3%*	*1%*	*2%*
	Cost adjustments	7	3	3	3	10	(6)			
	Adjusted cost base	*(427)*	*(420)*	*(425)*	*(425)*	*(846)*	*(830)*	*2%*	*0%*	*2%*
	Profit before tax	142	137	133	244	279	443	*4%*	*(42)%*	*(37)%*
	Adjusted profit before tax	*149*	*140*	*136*	*248*	*289*	*449*	*7%*	*(40)%*	*(36)%*
	Net income	92	97	95	175	189	318	*(6)%*	*(48)%*	*(41)%*
Other Key Performance Measures	Reported CIR	75.3%	75.6%	76.3%	63.7%	75.4%	65.4%	*(0.3)ppt*	*11.6 ppt*	*10.0 ppt*
	Adjusted CIR	*74.1%*	*75.0%*	*75.7%*	*63.2%*	*74.5%*	*64.9%*	*(1.0)ppt*	*10.8 ppt*	*9.6 ppt*
	FTE (reported)	3,296	3,244	3,965	3,756	3,296	3,756	*2%*	*(12)%*	*(12)%*
	AuM (in €bn)	687	665	676	696	687	696	*3%*	*(1)%*	*(1)%*
	Net flows (in €bn)	(4.9)	(7.7)	(7.8)	5.9	(12.7)	11.0			
	Net flows (% of BoP AuM – annualized)	(2.9)%	(4.4)%	(4.4)%	3.3%	(3.6)%	3.2%			
	Management fee margin (bps - annualized)	30.7	31.0	31.1	32.2	30.8	32.1			

DWS BALANCE SHEET

RECONCILIATION FROM IFRS TO ECONOMIC BALANCE SHEET

June-18 (€bn)	IFRS consolidated	Guaranteed Funds	DB Vita and pending	Economic View
Assets				
Cash and bank balances	**2.9**	(0.1)		**2.8**
Financial assets at FVPL	**2.3**	(1.2)	2 (0.6)	**0.6**
Other investments	**0.2**			**0.2**
Tax assets	**0.1**			**0.1**
Intangible assets	**3.7**			**3.7**
Other assets	**1.6**		3 (0.8)	**0.8**
Total assets	**10.8**	1 **(1.3)**	**(1.3)**	**8.2**
Liabilities				
Other short-term borrowings	**0.1**			**0.1**
Tax liabilities	**0.5**			**0.5**
Financial liabilities at FVPL	**0.6**		2 (0.6)	**0.1**
Other liabilities	**3.3**	1 (1.3)	3 (0.8)	**1.2**
Total liabilities	**4.5**	**(1.3)**	**(1.3)**	**1.9**
Equity	**6.3**			**6.3**
Total liabilities and equity	**10.8**	**(1.3)**	**(1.3)**	**8.2**

HIGHLIGHTS

€2.6bn adjustments comprise:

1 Guaranteed Funds €(1.3)bn

- DWS reports the individual assets and liabilities of those 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 €(0.6)bn

- Investment contract related assets held to back unit linked contracts offered by DB Vita (financials assets at FV through P&L)
- Offset with financial liabilities due to investors holding the unit linked insurance contracts

3 Pending Items €(0.8)bn

- Settlement balances driven by investments for institutional clients in DWS SA

HISTORICAL NET FLOWS DEVELOPMENT

in € bn	Combined pro-forma								Consolidated pro-forma		Consolidated
	FY 2016	Q1 2017	Q2 2017	**H1 2017**	Q3 2017	Q4 2017	**FY 2017**	*Q1 2018*	Q1 2018	**Q2 2018**	**H1 2018**
Net flows by asset class											
Active Equity	(2.2)	(0.2)	(0.8)	(1.0)	(0.1)	(0.6)	(1.7)	*(1.7)*	(1.7)	**(2.0)**	(3.7)
Active Multi Asset	0.9	1.7	8.6	10.3	0.2	0.5	11.1	*(1.7)*	(1.7)	**0.1**	(1.6)
Active SQI	(4.1)	(2.4)	(0.7)	(3.1)	(0.6)	(0.3)	(4.1)	*0.0*	(0.0)	**0.8**	0.8
Active Fixed Income	(16.0)	2.5	0.0	2.5	0.6	(5.0)	(1.9)	*(4.1)*	(4.0)	**(5.5)**	(9.5)
Active Cash	(9.0)	0.8	(5.5)	(4.7)	4.3	0.9	0.5	*(1.6)*	(1.6)	**(1.2)**	(2.8)
Passive	(9.4)	0.9	4.3	5.2	0.5	5.7	11.5	*1.3*	1.3	**2.9**	4.2
Alternatives	0.4	1.7	0.0	1.7	(1.1)	(0.1)	0.6	*0.0*	(0.0)	**0.1**	0.1
Net flows by region											
Americas	(30.7)	1.9	(4.3)	(2.4)	2.2	0.4	0.1	*(6.3)*	(6.3)	**(3.2)**	(9.5)
EMEA excl. GY	(12.0)	1.1	1.0	2.1	(0.7)	(1.5)	(0.1)	*(2.4)*	(2.4)	**(0.8)**	(3.2)
Germany (GY)	1.8	(0.2)	8.9	8.7	2.2	2.6	13.5	*1.9*	1.9	**1.1**	3.0
Asia Pacific	1.6	2.4	0.3	2.7	0.0	(0.4)	2.3	*(0.9)*	(0.9)	**(2.0)**	(2.9)
Net flows by client channel											
Retail	(22.3)	3.1	3.7	6.8	(0.4)	2.5	8.8	*(1.5)*	(1.4)	**(4.2)**	(5.6)
Institutional	(17.0)	2.0	2.2	4.2	4.2	(1.4)	7.0	*(6.3)*	(6.3)	**(0.7)**	(7.0)
Net flows	**(39.4)**	**5.1**	**5.9**	**11.0**	**3.8**	**1.0**	**15.8**	***(7.8)***	**(7.7)**	**(4.9)**	**(12.6)**
FX impact	5.4	(1.8)	(19.4)	(21.2)	(10.2)	(4.5)	(36.0)	*(5.7)*	(5.7)	**13.1**	7.4
Performance	14.7	12.5	3.5	16.0	6.5	6.9	29.4	*(11.3)*	(11.1)	**6.3**	(4.8)
Other	(5.5)	1.1	(0.1)	1.0	0.0	0.0	1.1	*0.9*	(10.4)	**7.7**	(2.7)
Total AuM Change	**(24.7)**	**16.9**	**(10.1)**	**6.8**	**0.1**	**3.4**	**10.3**	***(23.9)***	**(34.9)**	**22.2**	**(12.7)**

Note: 2018 financials represent consolidated pro-forma DWS unless stated otherwise / 2016-2017 is based on combined view

Q2 DETAILED INVESTMENT PERFORMANCE

All figures in %[1]		1Y	3Y	5Y
Active Retail	Equity	47%	83%	86%
	Multi Asset	66%	69%	92%
	SQI	15%	17%	39%
	Fixed Income	72%	92%	97%
	Cash	99%	99%	100%
	Total	**56%**	**83%**	**88%**
Active Institutional	Equity	51%	47%	58%
	Multi Asset	46%	46%	60%
	SQI	70%	76%	82%
	Fixed Income	73%	67%	63%
	Cash	92%	100%	99%
	Total	**70%**	**66%**	**66%**
Active Total	Equity	48%	77%	82%
	Multi Asset	54%	56%	72%
	SQI	61%	66%	74%
	Fixed Income	73%	72%	72%
	Cash	94%	99%	100%
	Total	**65%**	**72%**	**76%**
Alternatives	Direct Real Estate	90%	94%	100%
	Liquid Real Assets	68%	62%	97%
	Other Alternatives	0%	100%	100%
	Total	**67%**	**87%**	**99%**
Total DWS		**65%**	**74%**	**79%**

(1) Aggregate asset-weighted gross outperformance of Active and Alternatives products that have benchmark spreads available over respective periods (Active and Liquid Real Assets as of Jun 30, 2018 and Direct Real Estate and Other Alternatives as of Mar 31, 2018)

CONTACT DETAILS

INVESTOR RELATIONS

Oliver Flade

Head of Investor Relations

oliver.flade@dws.com

investor.relations@dws.com

Tel: +49(69)910-63072

Jana Zubatenko

Vice President, Investor Relations

jana.zubatenko@dws.com

investor.relations@dws.com

Tel: +49(69)910-33834

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 http://www.dws.com/ir.

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 Q2 2018 Financial Data Supplement, which is accompanying this presentation and available at www.dws.com/ir.