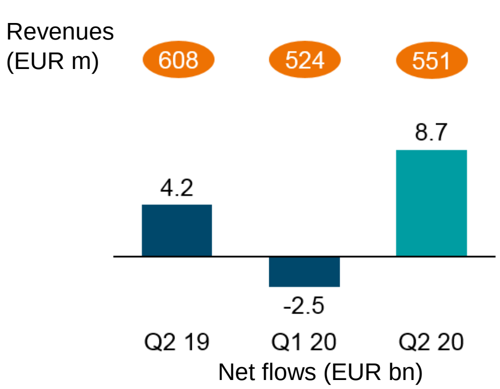
Frankfurt/Main July 29, 2020

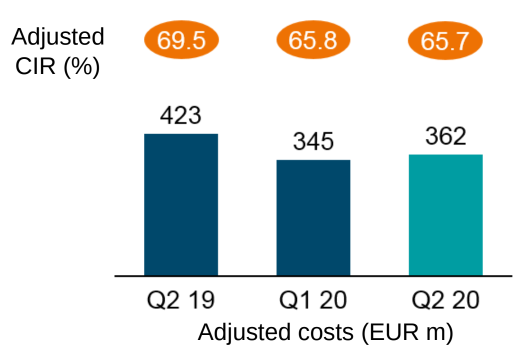
DWS Q2: Results Underscore Strength of Business

- **Net flows of EUR 8.7bn in Q2** resulting in EUR 6.2bn in the first half of 2020 (Q1 2020: minus EUR 2.5bn; ex Cash EUR 2.4bn in Q2 2020, minus EUR 6.1bn in Q1 2020)
- **Adjusted costs** at EUR 362m, up by EUR 18m q-o-q due to higher compensation linked to the increased DWS share price; EUR 707m in H1 2020, reduced by 12 percent y-o-y
- **Adjusted Cost-Income Ratio (CIR) further improved to 65.7 percent in Q2** (Q1 2020: 65.8 percent) – close to mid-term target; H1 2020: 65.8 percent, reduced by 4.6 ppt y-o-y
- **Adjusted profit before tax increased by 5 percent to EUR 189m in Q2** (Q1 2020: EUR 179m); H1 2020: EUR 368m, increased by 9 percent y-o-y
- **Total revenues up 5 percent to EUR 551m in Q2** (Q1 2020: EUR 524m); in H1 2020 total revenues at EUR 1,074m, down 6 percent y-o-y burdened by the pandemic among other things
- **AuM** increased to **EUR 745bn** in Q2 (Q1 2020: EUR 700bn) due to partially recovered markets and net inflows

Net flows & Revenues



Adjusted CIR & Adjusted costs



"In the second quarter under the impact of the Corona crisis, we once again proved our strength as a firm. Thanks to our diversified business model, we were able to generate strong net new assets and solidify our Cost-Income Ratio close to our mid-term target. We also made important strategic progress: We simplified our global business structure to become even more client-centric, flexible, efficient and effective and reached further important milestones on our path to become the leading ESG asset manager."

Asoka Woehrmann, CEO

"Our focus on efficiency measures continues to pay off: We reduced our adjusted cost base by 12 percent year-on-year in the first half of 2020. And our adjusted Cost-Income Ratio again came in close to our target of below 65 percent for a second quarter in a row and ahead of schedule. Year-on-year, we improved our adjusted profit before tax by 9 percent and our net income by 13 percent in the first six months of 2020."

Claire Peel, CFO

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Business Development

In the second quarter under the impact of the Corona crisis, DWS once again proved its resilience. Despite the difficult conditions at the beginning of the second quarter revenues increased by 5 percent quarter-on-quarter. Thanks to our diversified and client-centric business across all liquid and illiquid asset classes, we were able to achieve positive net flows of EUR 8.7 billion in the second quarter. Assets under management also increased by EUR 45 billion to EUR 745 billion. Our management focus on efficiency and cost measures continued to pay off, with our adjusted cost base declining significantly year-on-year in the first half of 2020. We also remain well on track to achieve our gross cost savings objective of EUR 150 million by 2021. The adjusted Cost-Income Ratio improved further and is already close to our medium-term target ratio of below 65 percent. Adjusted profit before tax was up 5 percent quarter-on-quarter and increased by 9 percent year-on-year in the first six months of 2020.

In terms of business developments, Coronavirus continued to impact day-to-day activities in the second quarter, but as a firm, we remained fully committed to executing our strategic priorities as outlined consistently since late 2018. Accordingly, we have made organizational changes to ensure that we remain client-centric, flexible, efficient and effective in the future.

Total revenues increased quarter-on-quarter by 5 percent to EUR 551 million in Q2 2020 (Q1 2020: EUR 524 million; Q2 2019: EUR 608 million). Performance fees increased slightly, and fair value of guarantees saw a favorable change; while management fees and other recurring revenues, as expected, decreased as a result of lower average Assets under Management during the quarter. Total revenues were EUR 1,074 million in the first half of 2020 (H1 2019: EUR 1,142 million). This 6 percent decrease year-on-year was due mainly to the impact of the pandemic and the absence of the non-recurring Alternatives fund performance fee recorded in Q2 2019.

Adjusted profit before tax increased by 5 percent quarter-on-quarter to EUR 189 million (Q1 2020: EUR 179 million; Q2 2019: EUR 185 million). After tax, DWS posted a quarter-on-quarter stable **net income** of EUR 122 million for the second quarter 2020 (Q1 2020: EUR 121 million; Q2 2019: EUR 112 million). Adjusted profit before tax for the first half of 2020 increased by 9 percent year-on-year to EUR 368 million (H1 2019: EUR 338 million). Net income rose in the first half year of 2020 year-on-year by 13 percent to EUR 243 million (H1 2019: EUR 214 million).

Assets under Management (AuM) increased to EUR 745 billion in the second quarter of 2020 (Q1 2020: EUR 700 billion). This was driven by the market recovery and positive net flows, while exchange rate movements had a negative impact on our AuM.

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We successfully generated positive **net flows** of EUR 8.7 billion in the second quarter of 2020 (ex Cash: EUR 2.4 billion), achieving total net inflows of EUR 6.2 billion in the first six months of 2020. Based on their strong performance, ESG-dedicated funds accounted for over 50 percent of the flows in the first half of the year. The strong inflows in the second quarter were primarily driven by Passive (EUR 6.5 billion) and Cash products (EUR 6.3 billion), which more than offset outflows from Active (ex Cash) (minus EUR 4.1 billion), which suffered from redemptions by a very few institutional Fixed Income investors. Alternatives recorded only very small net inflows as inflows into illiquid asset classes just overcompensated the outflows from liquid asset classes. High-margin Active Equity was again able to generate positive net flows. Cash products were used by institutional investors as a safe haven for their portfolios.

Active Asset Management ex Cash recorded lower net outflows of minus EUR 4.1 billion in the second quarter (Q1 2020: minus EUR 5.6 billion). In the sub asset classes, the trends of the first quarter largely continued. While Active Equity with many flagship products was again able to generate significant net flows of EUR 1.0 billion, the other active product classes were still unable to avoid outflows as a result of the impact of the pandemic on market sentiment. Active Multi Asset saw lower outflows of minus EUR 0.6 billion in total – while flagship funds DWS Concept Kaldemorgen and DWS Dynamic Opportunities once again defied the trend and generated further inflows, these were offset by a single institutional redemption. Active SQI recorded smaller net outflows of minus EUR 0.2 billion and Active Fixed Income saw reduced outflows of minus EUR 4.4 billion driven by redemptions from single large institutional mandates. Cash products recorded net new assets of EUR 6.3 billion.

Passive Asset Management generated net flows of EUR 6.5 billion in Q2 2020 (Q1 2020: minus EUR 2.0 billion). The very strong flow momentum was driven by net flows into ETPs (exchange-traded funds and commodities) and was supported by positive net inflows from institutional mandates. DWS ranked second in ETP net flows in Europe with a 17 percent flow market share according to ETFGI.

Alternatives saw only very small net new assets of EUR 7 million in the second quarter (Q1 2020: EUR 1.5 billion). While Illiquid Alternatives had ongoing net inflows based in particular on continued demand for DWS Grundbesitz real estate funds family and infrastructure funds, Liquid Alternatives recorded net outflows.

Adjusted costs increased by 5 percent quarter-on-quarter to EUR 362 million in Q2 2020 as share-based compensation rose with the increase in the DWS share price over the quarter (Q1 2020: EUR 345 million; Q2 2019: EUR 423 million). Our management focus on efficiency and cost measures continued to pay off: Adjusted costs in the first half of the year were reduced by 12 percent year-on-year to EUR 707 million (H1 2019: EUR 804 million). We significantly lowered both compensation & benefits costs and general & administrative expenses.

The **adjusted Cost-Income Ratio** (CIR) improved to 65.7 percent in the second quarter 2020 (Q1 2020: 65.8 percent; Q2 2019: 69.5 percent) – close to our target of below 65 percent for a second quarter in a row and ahead of schedule. The adjusted CIR improved year-on-year by 4.6 percentage points to 65.8 percent in the first half of the year (H1 2019: 70.4 percent).

Growth Initiatives and Strategic Progress

In the first quarter, we had to respond quickly, decisively and responsibly to the pandemic, making the health and safety of our employees a top priority. This did not change in the second quarter, but we took bigger and more fundamental steps to make sure that DWS will remain resilient and successful in the future.

We simplified our global business structure to become even more client-centric, flexible, efficient and effective, ensuring we remain committed to our most important responsibilities as a fiduciary asset manager: strong investment performance, best-in-class client services and product innovation. We also made progress to build out strategic areas of growth, combining and strengthening our Passive and SQI units as well as appointing Bjoern Jesch as Global Head of Multi-Asset & Solutions.

In addition, **we are continuing to implement and execute our ESG strategy more intensely.** We appointed Desiree Fixler as our **Group Sustainability Officer (GSO)** marking another significant milestone in our path towards industry leadership in sustainability. The newly created GSO role is designed to ensure we implement an ESG strategy that is consistent across all regions, and fully aligns with our duties both as a fiduciary and as a corporate. Furthermore, **we strengthened our stewardship practices by introducing "Smart Integration"**, a pioneering approach to ESG integration that goes beyond previous industry standards. Using our proprietary ESG Engine, we leverage best-in-class research data and artificial intelligence to identify potential portfolio risks in our investment platform, primarily companies with high climate transition risks and those that violate international norms.

Outlook

We are reiterating our dividend proposal of EUR 1.67 per share for 2019, still subject to approval by the **Annual General Meeting** (**AGM**). The AGM, originally planned for June 18, 2020, and moved because of the pandemic, will now take place in a virtual format on November 18, 2020.

This year, we will continue to increase our efficiency and will intensify our efforts to achieve operational and organizational efficiency in order to achieve EUR 150 million of additional gross cost savings by 2021 – and more if necessary: The **firm's management is able and committed to identify and realize further savings potential if the revenue situation should make this necessary** in the further course of the year.

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As the pandemic continues, we expect adjusted revenues and costs to both be below 2019 figures. However, the firm‘s management will do everything in its power to manage our fiduciary duty responsibly, and will continue to pursue our cost efficiency and long-term growth strategies. With our diversified business, our strategic partnerships and our focus on efficiency and ESG we feel well positioned to navigate securely through the crisis.

As the current environment reinforces mega-trends, our diversified platform across all asset classes allows for the utilization of a barbell strategy with a focus on our previously defined growth areas. We also see **continued momentum for ESG both in the short and the long run**, as well as an accelerated use of digital tools – two areas in which we are investing substantially. In addition, we want to **further develop our existing strategic partnerships**, especially in Asia. And of course we are aware of the possible first-mover advantages for **additional partnerships, joint ventures and bolt-on acquisitions**.

Within the firm, we will further build on our new **globally integrated structure, 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 did not take the decision to introduce the new global structure in order to save costs, nor was it triggered by COVID-19. Our aim is rather to have the right structure for the challenges that lie ahead. We want to be able to react more flexibly and quickly to growth opportunities as well as to the changing asset management industry and the trends pushing it out of the comfort zone.

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Appendix

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

	Q2 2020	Q1 2020	H1 2020	H1 2019	Q2 2020 vs. Q1 2020	H1 2020 vs. H1 2019
Management Fees and other recurring revenues	508	553	1,061	1,046	-8%	1%
Performance & Transaction Fees	20	17	37	76	16%	-51%
Other Revenues	23	-46	-23	20	N/M	N/M
Total net revenues	**551**	**524**	**1,074**	**1,142**	5%	-6%
Revenue adjustments	*-*	*-*	*-*	*-*	*-*	*-*
Adjusted revenues	***551***	***524***	***1,074***	***1,142***	5%	-6%
Compensation and benefits	200	165	365	411	21%	-11%
General and administrative expenses	173	182	355	398	-5%	-11%
Restructuring activities	7	3	10	29	N/M	-64%
Total noninterest expenses	**380**	**351**	**731**	**838**	8%	-13%
Cost adjustments	*18*	*7*	*24*	*33*	*N/M*	*N/M*
Adjusted cost base	***362***	***345***	***707***	***804***	5%	-12%
Profit before tax	**171**	**173**	**343**	***305***	-1%	13%
Adjusted Profit before tax	***189***	***179***	***368***	***338***	5%	9%
Net income	***122***	***121***	***243***	***214***	0%	13%
Cost-Income Ratio	69.0%	67.0%	68.0%	73.3%	1.9ppt	-5.3ppt
Adjusted Cost-Income Ratio	*65.7%*	*65.8%*	*65.8%*	*70.4%*	-0.1ppt	-4.6ppt
Employees (full-time equivalent)	3,333	3,329	3,333	3,452	0%	-3%
Assets under management (in EUR bn)	745	700	745	719	6%	4%
Net flows (in EUR bn)	8.7	-2.5	6.2	6.7		
Net flows (% of BoP AuM - annualized)	5.0	-1.3	1.6	2.0		
Management fee margin (bps annualized)	28.1	29.5	28.6	30.2		

N/M – Not meaningful

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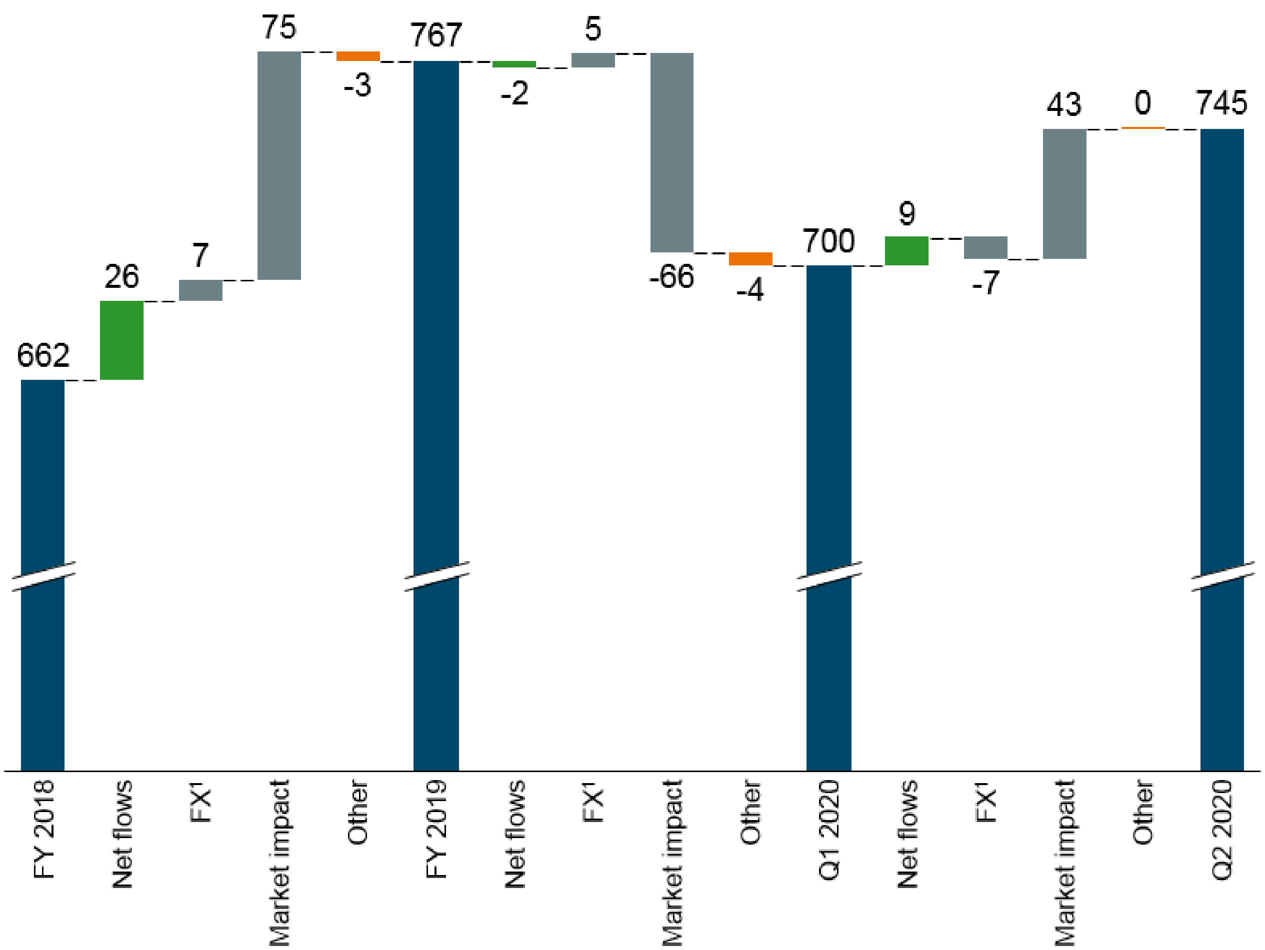
AuM development in detail (in EUR bn)



[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 29 July 2020 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 745bn of assets under management (as of 30 June 2020). 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 3,500 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.

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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 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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