



DWS GROUP – Q4 & FY 2019 PRELIMINARY RESULTS

January 30, 2020

2019 – IT HAS BEEN A SUCCESSFUL YEAR



Delivery against our promises




KEY ACHIEVEMENTS

A year of turnaround	FLOWS <ul style="list-style-type: none">– Achieved net inflows of €26bn in 2019 versus €(22)bn in 2018– Net positive in all three regions, driven by targeted strategies & solutions PRODUCTS <ul style="list-style-type: none">– Outperformance of Flagships & targeted strategies– Increase in number of funds rated 4/5 stars by Morningstar
Financials improved	COST <ul style="list-style-type: none">– Measures on track, with further cost initiatives identified AUM <ul style="list-style-type: none">– Increased, based on strong market performance and net flows EFFICIENCY <ul style="list-style-type: none">– Substantially improved adj. CIR, exceeding 2019 target
Preparing for the future	ACTIONS <ul style="list-style-type: none">– Product innovation & ESG, acquired minority stake of Arabesque AI engine RECOGNITION <ul style="list-style-type: none">– Top ESG rating from UN Principles for Responsible Investment– Increasing awareness of DWS as independent fiduciary
DIVIDEND¹ Executive Board will propose a dividend of €1.67 per share, in line with our 65-75% payout ratio target	

¹ Subject to Annual General Meeting approval on June 18th, 2020

Q4 2019 KEY FINANCIAL HIGHLIGHTS

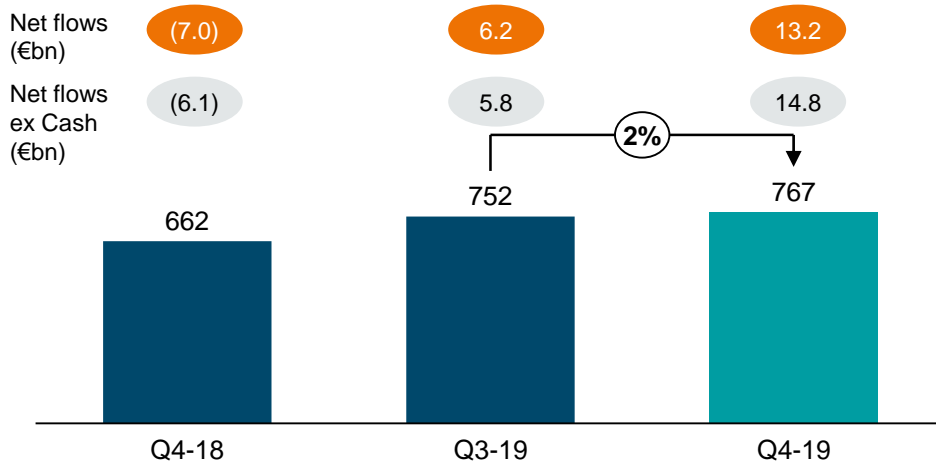


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-  Adjusted profit before tax increased to €266m, up 56% q-o-q primarily due to significant performance fee recognition in Q4
 -  Adjusted cost-income ratio improved to 61% in Q4 and 68% for FY 2019, below our guidance of ~70% driven by strong revenue development
 -  Net flows improved further to €13bn in Q4 driven by strong inflows in targeted growth areas resulting in 4% net flows for FY 2019, in line with our 3-5% medium term target range

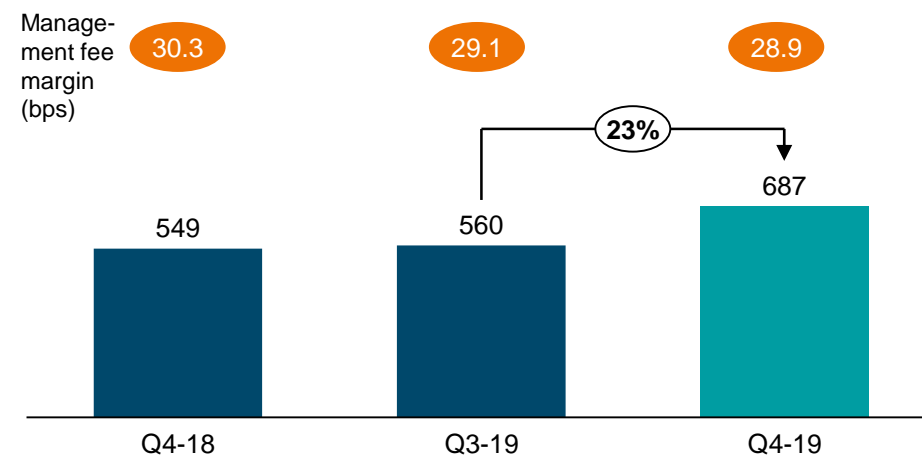
FINANCIAL PERFORMANCE SNAPSHOT – Q4 2019



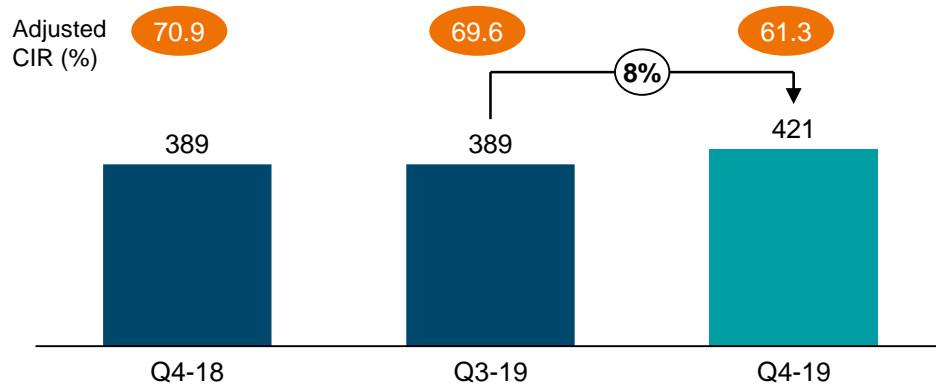
AUM (€BN)



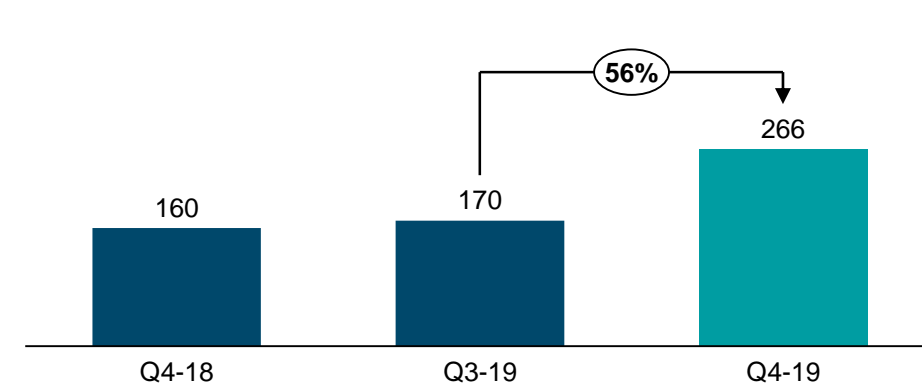
ADJUSTED REVENUES (€M)



ADJUSTED COSTS (€M)



ADJUSTED PROFIT BEFORE TAX (€M)

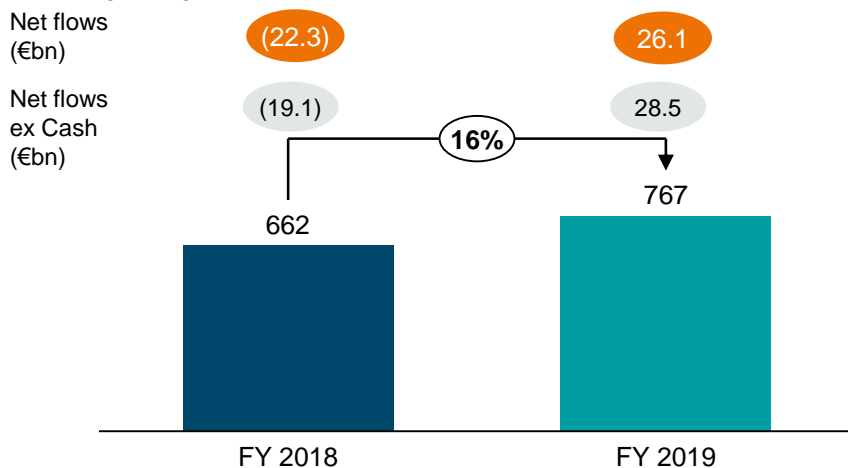


Note: Throughout this presentation totals may not sum due to rounding differences

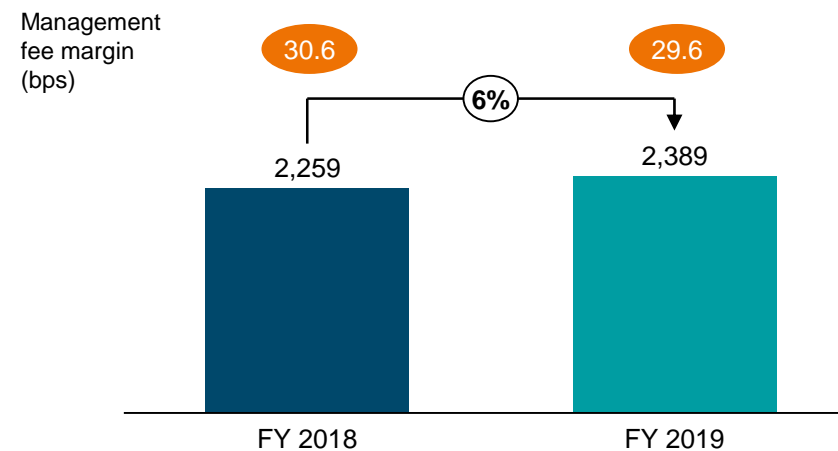
FINANCIAL PERFORMANCE SNAPSHOT – FY 2019



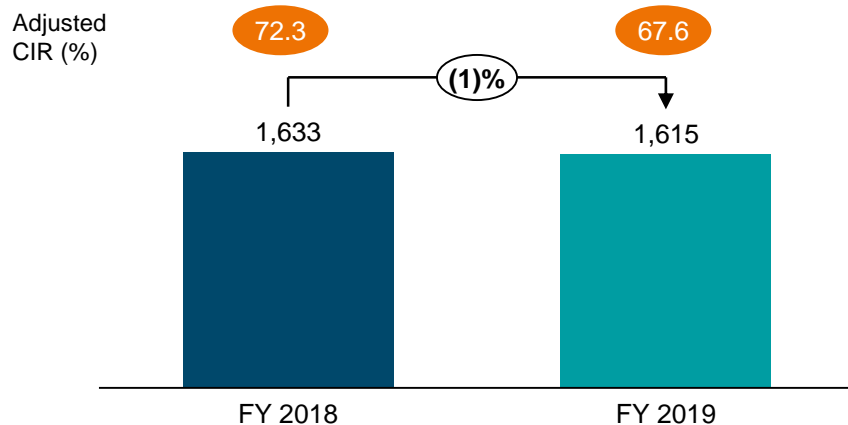
AUM (€BN)



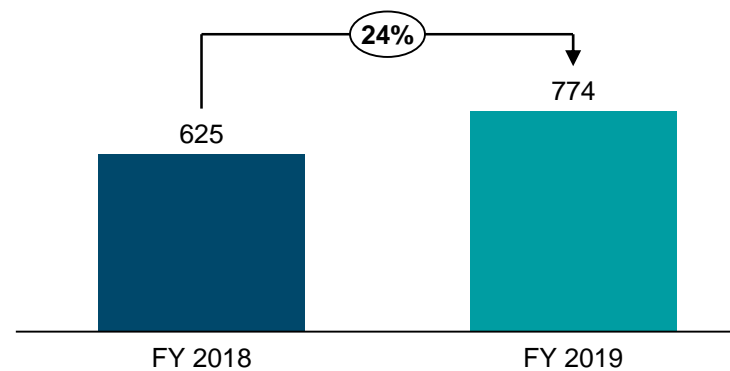
ADJUSTED REVENUES (€M)



ADJUSTED COSTS (€M)



ADJUSTED PROFIT BEFORE TAX (€M)



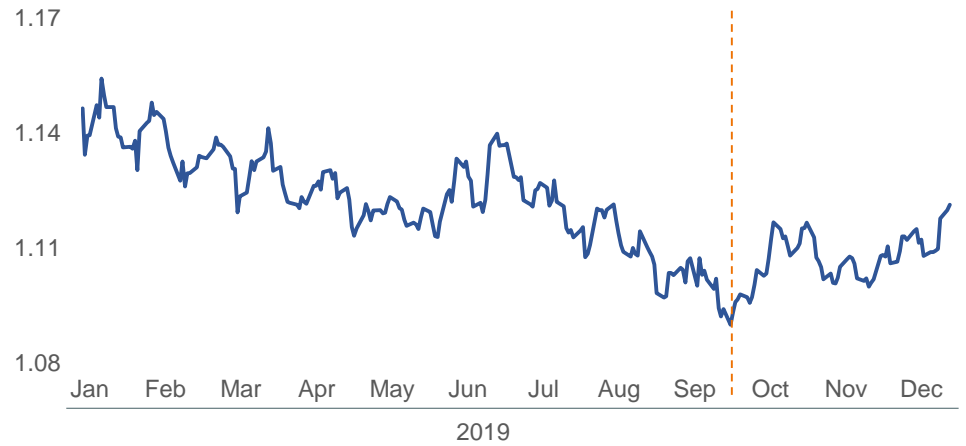
MARKET ENVIRONMENT



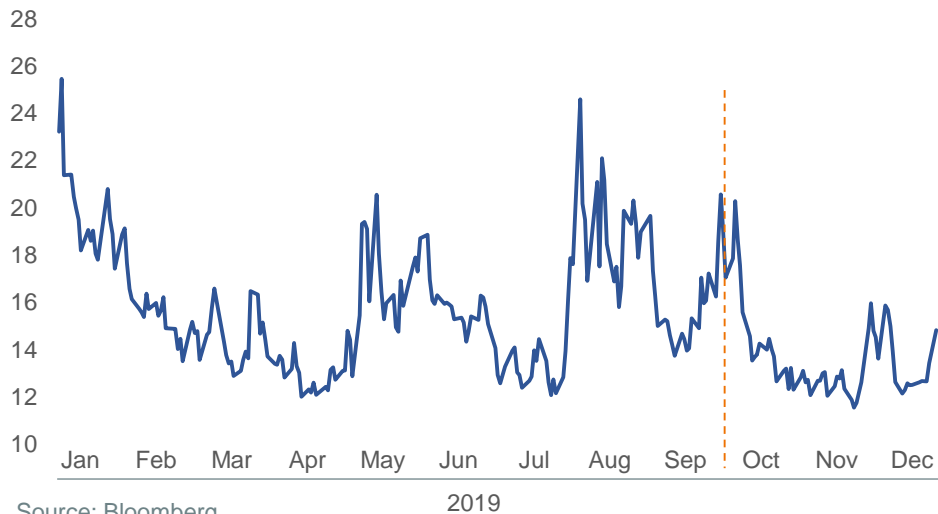
EQUITIES



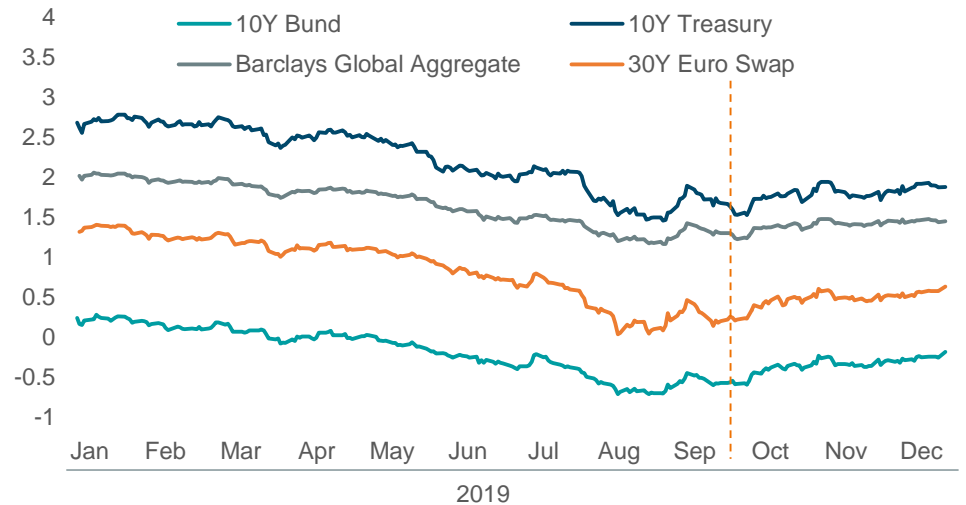
FX (€/€)



VOLATILITY (VIX INDEX)



INTEREST RATES (YIELD IN %)



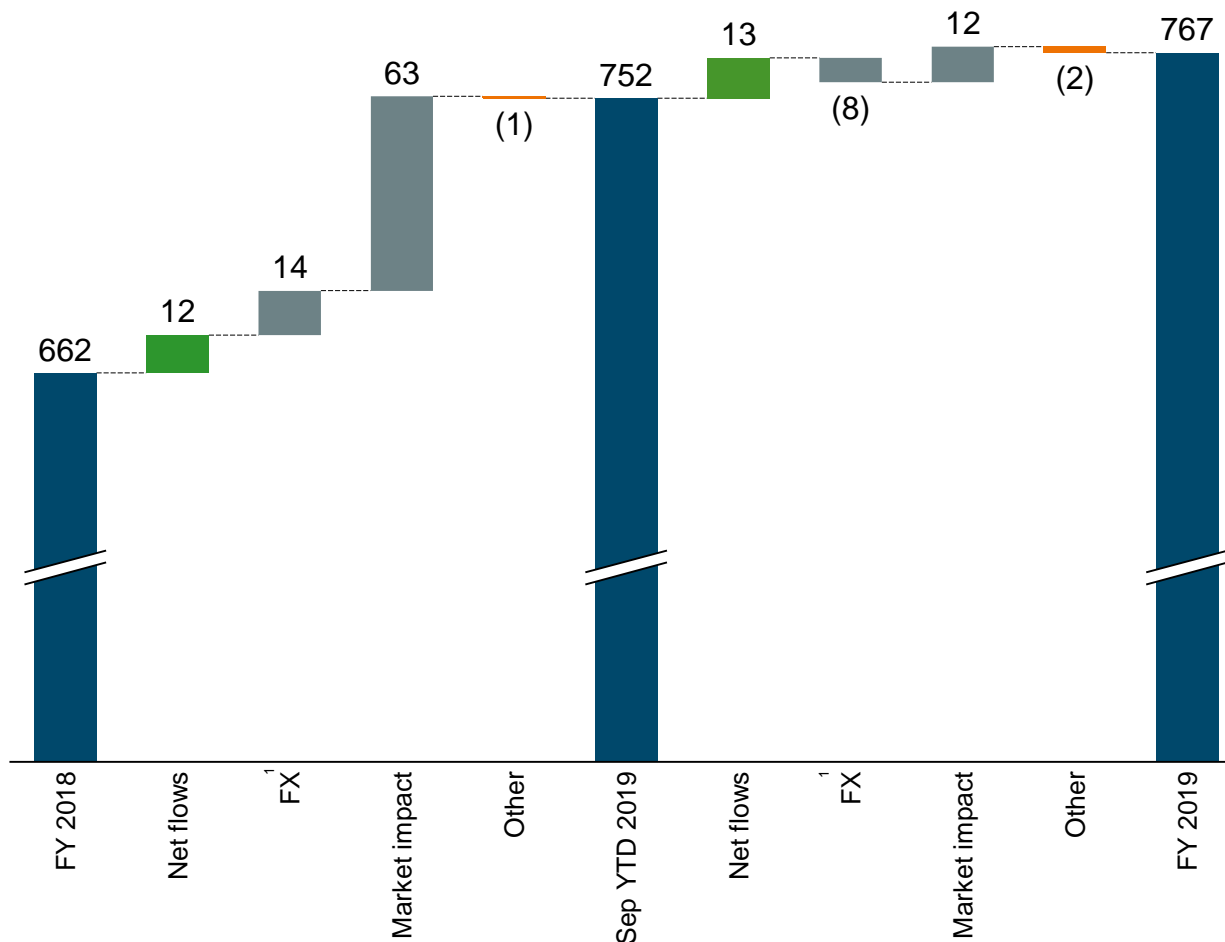
Source: Bloomberg

2019

AUM DEVELOPMENT



AUM DEVELOPMENT DETAIL (€BN)



Q4 HIGHLIGHTS

AuM increased by €15bn to €767bn in Q4

- The main driver has been positive flows of €13bn in Q4
- Strong market performance was partly offset by unfavorable movement in the €/€ exchange rate

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

2019 NET FLOWS AND AUM BY ASSET CLASS & REGION



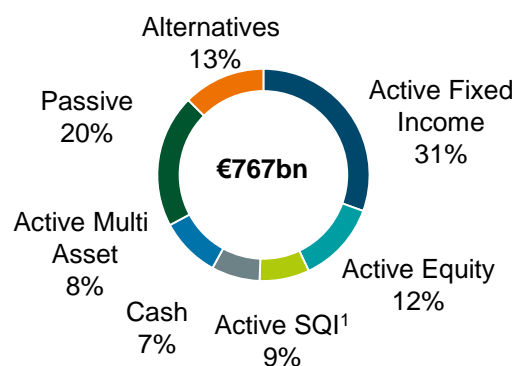
NET FLOWS BREAKDOWN

By asset class (€bn)	Q4-18	Q3-19	Q4-19	FY 2018	FY 2019
Active Equity	(1.0)	(1.1)	0.3	(7.3)	(1.6)
Active Multi Asset	(0.9)	3.4	3.3	(3.8)	7.2
Active SQI ¹	(0.9)	(0.1)	2.5	0.2	1.5
Active Fixed Income	(7.1)	(1.3)	(1.2)	(16.5)	(7.8)
Passive	4.0	3.2	6.2	7.5	19.1
Alternatives	(0.2)	1.6	3.7	0.8	10.2
Total ex Cash	(6.1)	5.8	14.8	(19.1)	28.5
Cash	(0.9)	0.4	(1.6)	(3.2)	(2.5)
Total	(7.0)	6.2	13.2	(22.3)	26.1

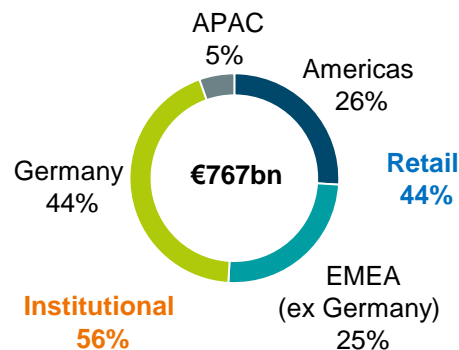
Q4 HIGHLIGHTS

- Net inflows were €13.2bn in Q4, our strongest quarterly flows of 2019
- Passive remained a key contributor of Q4 and FY inflows, driven by institutional mandates and stronger ETP momentum
- Alternatives benefited from a first closing of the infrastructure equity fund and further inflows into illiquid asset classes as well as liquid real assets
- Multi Asset benefited from strong inflows into DWS Concept Kaldemorgen and institutional mandates
- SQI was successful in winning some sizeable institutional mandates
- Active Equity experienced positive flow momentum in Q4 in light of strong equity markets

AUM BY ASSET CLASS



AUM BY REGION & CLIENT TYPE



1 Systematic and Quantitative Investments

PRODUCT INNOVATIONS & Q1 2020 PIPELINE



Q4 2019 FUND LAUNCHES

EXAMPLES

-
- DWS Fixed Maturity Multi Bonds Euro 2026 **Fixed Income**
 - DWS Institutional ESG Euro Money Market Fund²

 - Xtrackers ESG MSCI Emerging Markets UCITS ETF **ETFs**

 - DWS Qi Global AC Equity Fund
 - DWS ESG International Core Equity Fund² **Equity**
 - DWS ESG Investa²

 - Infrastructure equity fund **Alternatives**

Q1 2020 FUND LAUNCHES PIPELINE¹

EXAMPLES

-
- ESG oriented Euro High Yield Fund **Fixed Income**

 - DWS (CH) I Qi Global LowVol ESG Equity² **Equity**

 - Xtrackers MSCI Kokusai Equity ETF **ETFs**

 - Real Estate Debt Fund
 - DWS Invest ESG Next Generation Infrastructure **Alternatives**

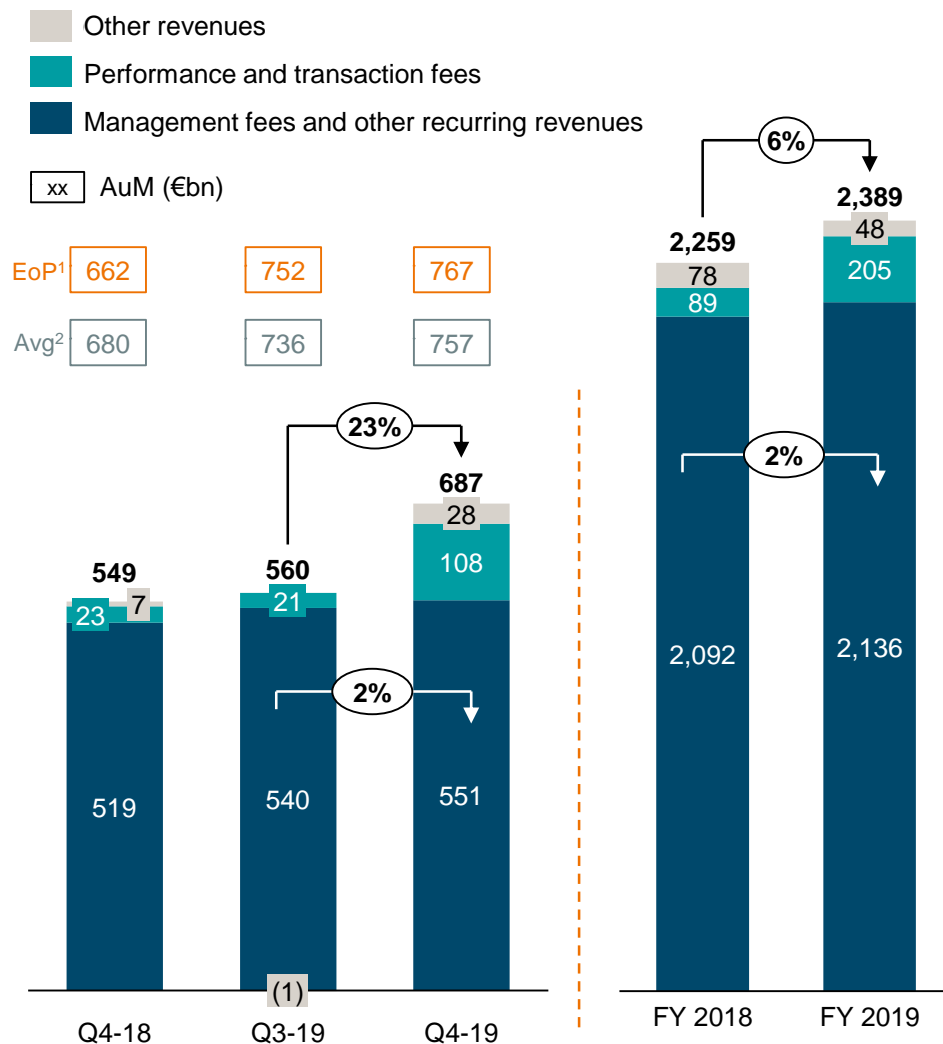
Note: Not all DWS products and services are offered in all jurisdictions and availability is subject to local regulatory restrictions and requirements

¹ Subject to demand assessments, approvals and successful transaction execution ² Product change

REVENUE DEVELOPMENT



ADJUSTED REVENUES (€M)

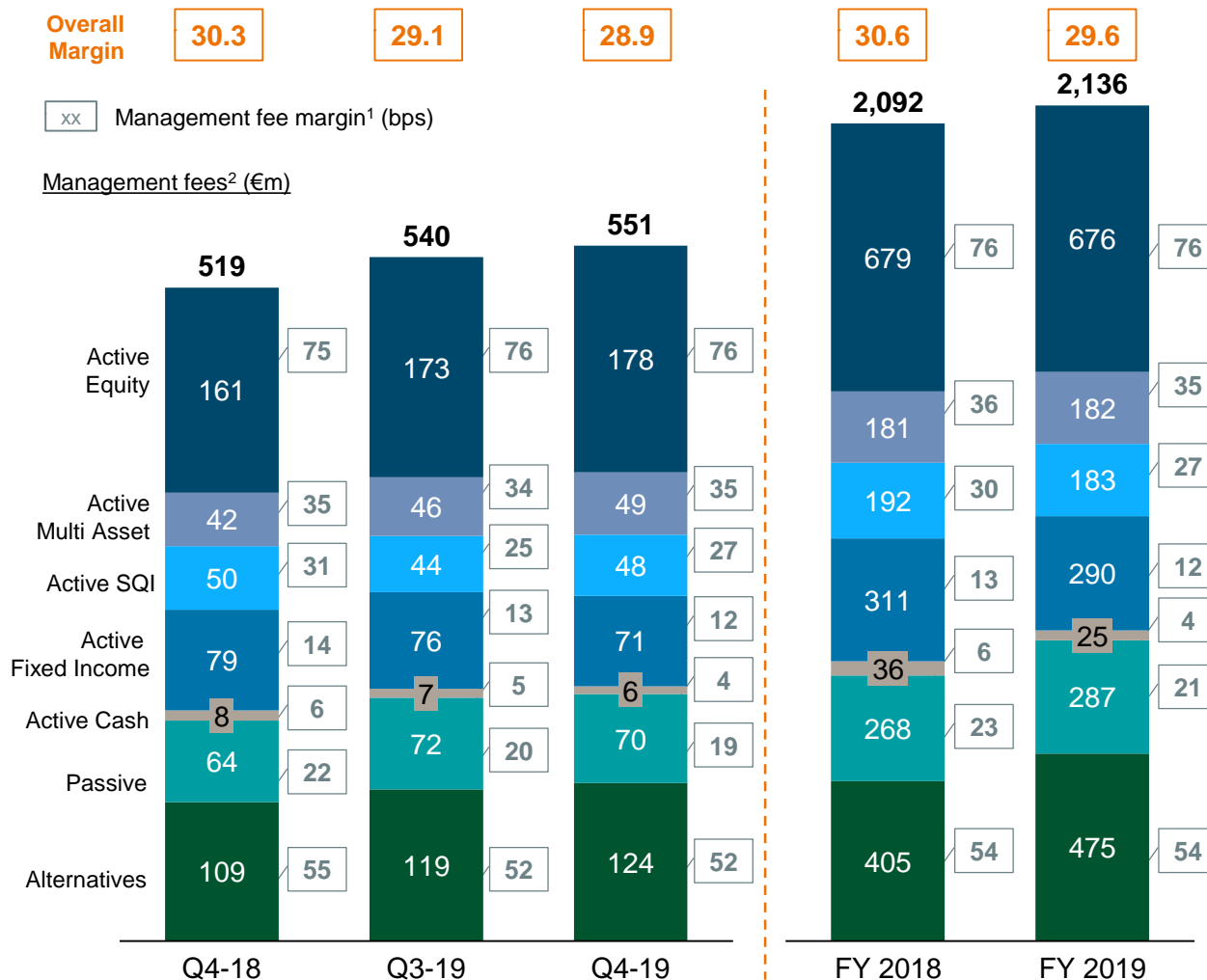


Q4 HIGHLIGHTS

- Total adjusted revenues increased to €687m in Q4, up by 23% q-o-q driven by significant Multi Asset performance fee recognition
- Management fees and other recurring revenues increased by 2% due to higher average AuM
- Performance and transaction fees excluding a significant Multi Asset performance fee are broadly stable vs. Q3
- Other revenues increased by €29m, primarily due to a positive change in fair value of guarantees as a result of rising interest rates
- Harvest contributed €14m to other revenues in Q4

1 End of period 2 Monthly average

MANAGEMENT FEES AND MARGIN DEVELOPMENT



FY HIGHLIGHTS

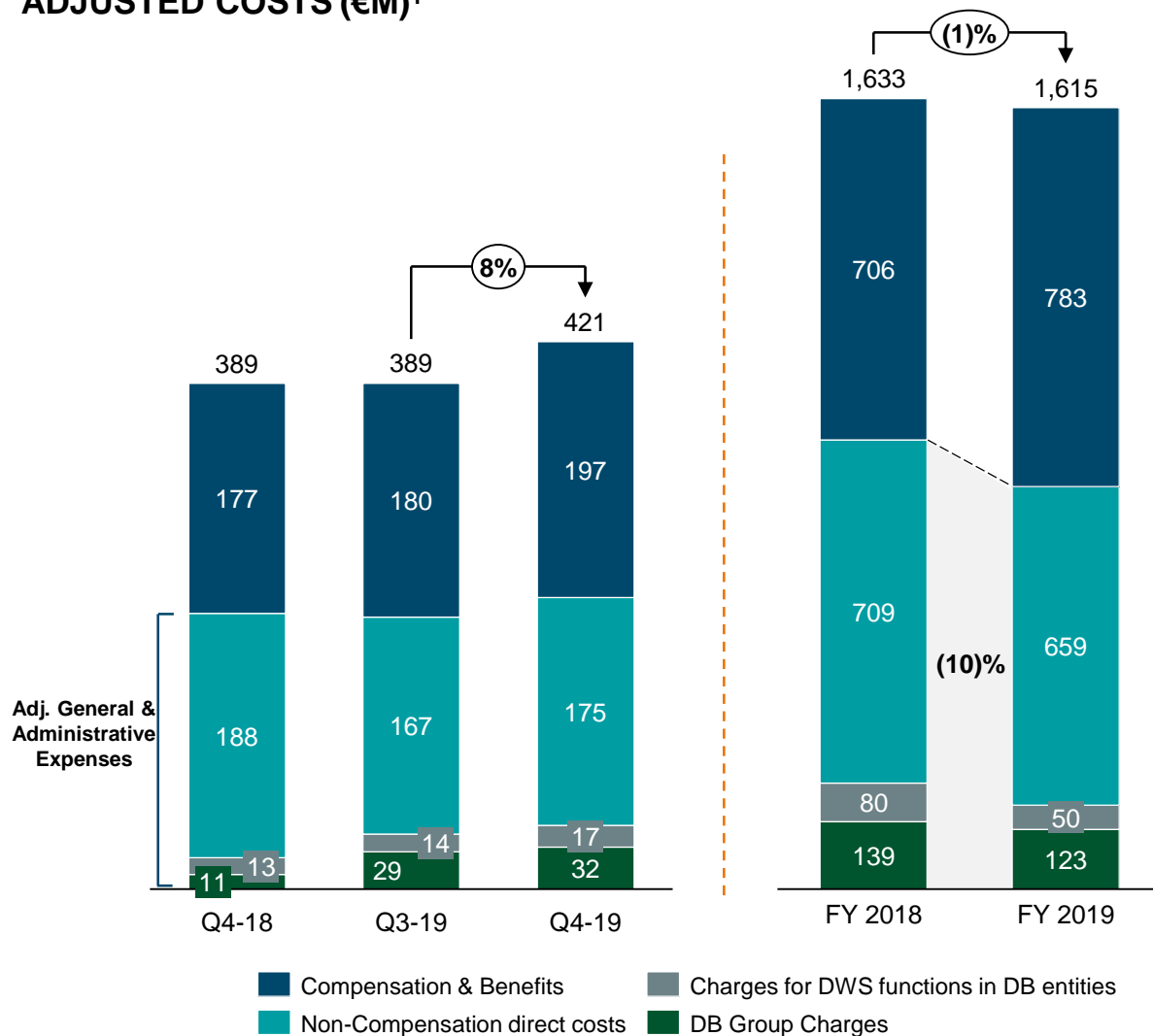
Overall management fee margin declined to 29.6bps in 2019

- Stable Equity management fees and margin supported by favourable equity markets
- Strong increase in Passive management fees driven by significant inflows throughout 2019
- SQI impacted by FlexPension fund family liquidation
- Alternatives revenues increased due to strong flows across all products

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 Q4-18, €3m in Q3-19, €4m in Q4-19, €19m in 2018 and €17m in 2019 excluded in asset class breakdown

COST DEVELOPMENT

ADJUSTED COSTS (€M)¹



Q4 HIGHLIGHTS

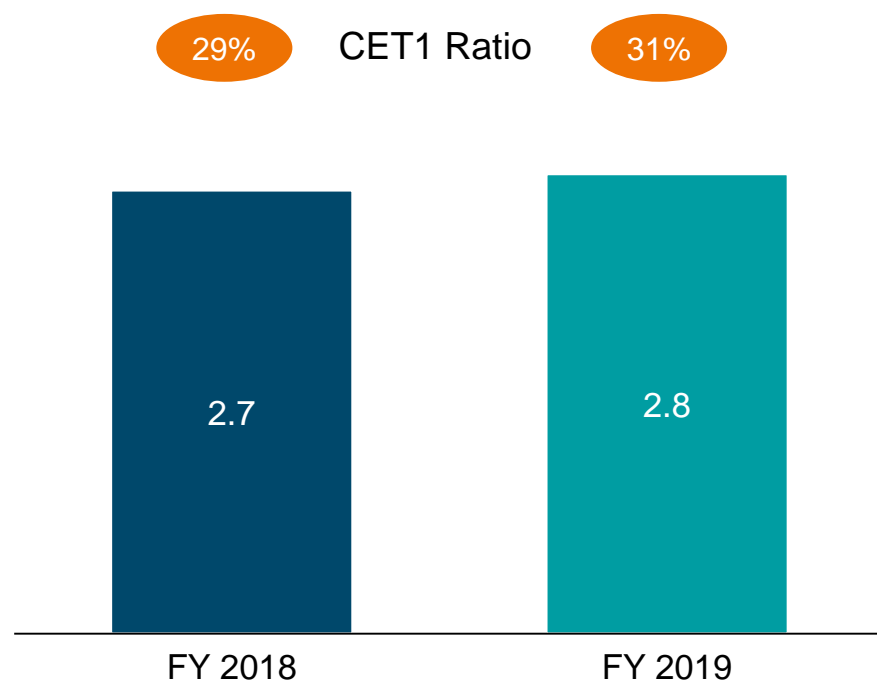
- Total adjusted costs of €421m increased 8% q-o-q
- Compensation & benefits mainly driven by higher performance-related compensation
- Increase in General & Administrative expenses driven by higher volume-related costs and marketing spend
- DB Group charges in line with expectations, further reduction in 2020 anticipated

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

CAPITAL POSITION



DWS CET1 CAPITAL (€BN)



HIGHLIGHTS

- IFRS capital of €6.9bn less regulatory adjustments of €4.0bn, mainly goodwill and other intangible assets, resulted in CET1 capital of €2.8bn
- Year-on-year increase in CET1 capital mainly driven by recognized profits
- Based on €9.2bn RWA, the CET1 ratio stands at 31%, remaining comfortably above requirements

Note: Half-year 2019 interim profit net of dividend accruals is recognized in CET1 at FY 2019 as approved by BaFin on Sep 12th

FINANCIAL CONCLUSION 2019 & OUTLOOK 2020



CONCLUSION 2019

- 2019 financial commitments achieved
 - FY adjusted CIR of 68% below our guidance of ~70%
 - Strong flow turnaround resulting in 4% net flows for FY 2019, in line with our medium term target range
 - Proposed dividend in line with guidance
- Further cost initiatives identified, targeted to deliver €150m of gross savings by 2021

OUTLOOK 2020

- Implementation of identified cost initiatives to remain on glide path towards adjusted CIR target of <65% by 2021
- Significant performance fee recognition in 2019 expected to normalize going forward (3-5% of adjusted revenues)
- 3-5% net flows on average¹
- Dividend payout ratio of 65% to 75%

¹ % of Beginning of period AuM; annual flows can be volatile depending on market circumstances

OUTLOOK

Strongly positioned for success 2020+



MARKET TO REMAIN CHALLENGING

ECONOMIC OUTLOOK

- Prolongation of the business cycle: moderate but steady growth for 2020
- Equity markets should offer moderate upside potential
- Floor in rates should have been reached
- No turning point in €/€ yet

MEASURES ONGOING TO FURTHER STRENGTHEN OUR POSITION

GROWTH & EFFICIENCY

- Grow in targeted business lines and regions (ETF, ESG, APAC)
- Realize revenue synergies via focused product lines
- Evaluate potential M&A opportunities
- Optimize processes and policies

CAPABILITY

- Continue investment excellence and client-centric offering
- Continue to launch innovative products
- Accelerate digital readiness incl. AI skills
- Combine & leverage portfolio management platforms
- Enhance asset management systems to be state of the art

CULTURE

- Transform DWS into a leaner and more agile organisation
- Maintain focus on performance, innovation, and entrepreneurship
- Roll-out of ESG initiatives, further embedding it into our DNA and value chain and making it core of what we do

DELIVERING LONG-TERM SHAREHOLDER VALUE



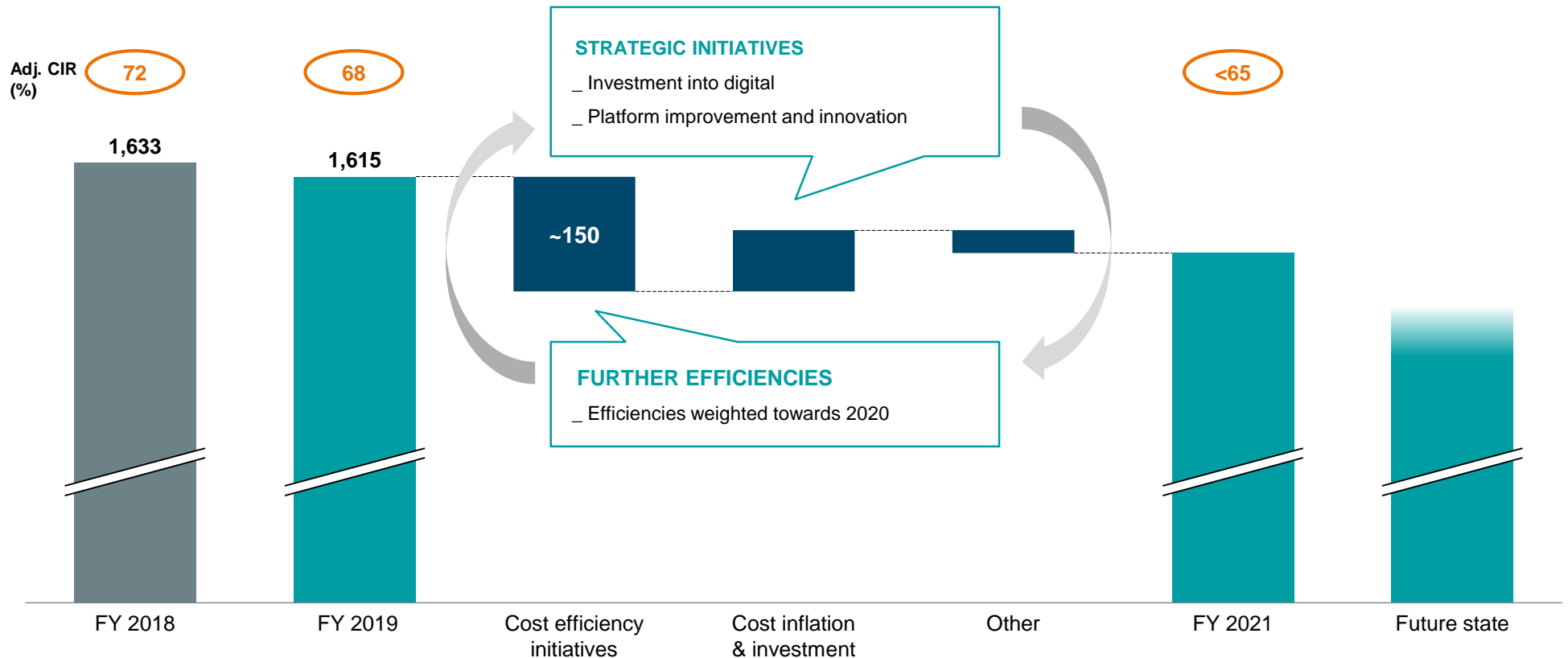
Appendix



DWS COST DEVELOPMENT OUTLOOK



ADJUSTED COSTS (€M)



Source: Investor Update Presentation; December 10, 2019

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

	Q4 2019	Q3 2019	Q4 2018	FY 2019	FY 2018	Q4 2019 vs Q3 2019	Q4 2019 vs Q4 2018	FY 2019 vs FY 2018	
Profit & Loss	Management fees and other recurring revenues	551	540	519	2,136	2,092	2%	6%	2%
	Performance and transaction fees	108	21	23	205	89	N/M	N/M	131%
	Other revenues	28	(1)	7	48	78	N/M	N/M	(39)%
	Net revenues	687	560	549	2,389	2,259	23%	25%	6%
	<i>Revenue adjustments</i>								
	Adjusted revenues	687	560	549	2,389	2,259	23%	25%	6%
	Compensation & Benefits	(201)	(185)	(183)	(797)	(715)	9%	10%	11%
	General & administrative expenses	(224)	(210)	(229)	(831)	(946)	7%	(2)%	(12)%
	Restructuring activities	2	(2)	(4)	(29)	(14)	(201)%	(138)%	104%
	Total noninterest expenses	(424)	(396)	(417)	(1,657)	(1,676)	7%	2%	(1)%
	<i>Cost adjustments</i>	3	7	28	43	42			
	Adjusted cost base	(421)	(389)	(389)	(1,615)	(1,633)	8%	8%	(1)%
	Profit before tax	264	163	132	732	583	61%	100%	26%
	Adjusted profit before tax	266	170	160	774	625	56%	67%	24%
Net income	182	116	80	512	391	57%	128%	31%	
Other Key Performance Measures	Reported CIR	61.6%	70.8%	75.9%	69.4%	74.2%	(9.2)ppt	(14.3)ppt	(4.8)ppt
	Adjusted CIR	61.3%	69.6%	70.9%	67.6%	72.3%	(8.3)ppt	(9.6)ppt	(4.7)ppt
	FTE (#)	3,361	3,415	3,443	3,361	3,443	(2)%	(2)%	(2)%
	AuM (in €bn)	767	752	662	767	662	2%	16%	16%
	Net flows (in €bn)	13.2	6.2	(7.0)	26.1	(22.3)			
	Net flows ex Cash (in €bn)	14.8	5.8	(6.1)	28.5	(19.1)			
	Net flows (% of BoP AuM – annualized)	7.0%	3.4%	(4.0)%	3.9%	(3.2)%			
	Net flows ex Cash (% of BoP AuM – annualized)	8.5%	3.4%	(3.8)%	4.7%	(3.0)%			
	Management fee margin (bps - annualized)	28.9	29.1	30.3	29.6	30.6			

RECONCILIATION FROM IFRS TO ECONOMIC BALANCE SHEET



BALANCE SHEET AS OF DECEMBER 31, 2019

In €bn	IFRS consolidated	Consolidated Funds	DB Vita and pending	Economic View
Assets				
Cash and bank balances	2.1			2.1
Financial assets at FVPL	3.4	1 (1.4)	2 (0.5)	1.5
Other investments	0.3			0.3
Property and equipment	0.2			0.2
Tax assets	0.2			0.2
Intangible assets	3.8			3.8
Other assets	1.1		3 (0.3)	0.8
Total assets	11.0	(1.4)	(0.8)	8.7
Liabilities				
Other short-term borrowings	0.1			0.1
Tax liabilities	0.3			0.3
Financial liabilities at FVPL	0.7		2 (0.5)	0.1
Other liabilities	3.0	1 (1.4)	3 (0.3)	1.3
Total liabilities	4.1	(1.4)	(0.8)	1.8
Equity	6.9			6.9
Total liabilities and equity	11.0	(1.4)	(0.8)	8.7

HIGHLIGHTS

€2.3bn adjustments comprise:

- 1 Consolidated Funds (€1.4bn)
 - 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 (€0.3bn)
 - Settlement balances driven by investments for institutional clients in DWS S.A.

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	Q2 2019	Q3 2019	Q4 2019	FY 2019	AuM by asset class	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019
Active Equity	(1.7)	(1.7)	(2.0)	(2.5)	(1.0)	(7.3)	(0.2)	(0.7)	(1.1)	0.3	(1.6)	Active Equity	94	88	90	91	77	77	88	90	91	96	96
Active Multi Asset	10.7	(1.9)	(0.4)	(0.6)	(0.9)	(3.8)	0.5	0.0	3.4	3.3	7.2	Active Multi Asset	54	49	50	49	46	46	49	50	54	58	58
Active SQI ¹	(4.1)	0.2	1.2	(0.3)	(0.9)	0.2	(0.1)	(0.8)	(0.1)	2.5	1.5	Active SQI ¹	67	58	68	68	63	63	67	68	70	71	71
Active Fixed Income	(1.8)	(4.0)	(5.4)	(0.1)	(7.1)	(16.5)	(1.6)	(3.7)	(1.3)	(1.2)	(7.8)	Active Fixed Income	239	231	231	231	227	227	233	232	240	234	234
Active Cash	0.5	(1.6)	(1.2)	0.5	(0.9)	(3.2)	(4.9)	3.6	0.4	(1.6)	(2.5)	Active Cash	59	57	57	58	58	58	54	57	59	57	57
Passive	11.6	1.1	2.5	(0.2)	4.0	7.5	6.2	3.5	3.2	6.2	19.1	Passive	112	110	115	118	112	112	130	136	145	156	156
Alternatives	0.8	0.1	0.5	0.5	(0.2)	0.8	2.6	2.2	1.6	3.7	10.2	Alternatives	74	73	76	76	79	79	85	88	93	96	96
DWS Group	15.8	(7.8)	(4.9)	(2.7)	(7.0)	(22.3)	2.5	4.2	6.2	13.2	26.1	DWS Group	700	665	687	692	662	662	704	719	752	767	767
Net flows by region												AuM by region											
Americas	0.1	(6.4)	(3.2)	(3.9)	(7.9)	(21.3)	(0.1)	3.2	2.0	(1.6)	3.5	Americas	193	181	187	186	177	177	188	192	205	199	199
EMEA excl. GY	(0.1)	(2.4)	(0.8)	2.0	(0.3)	(1.5)	1.9	1.7	(0.7)	3.7	6.5	EMEA excl. GY	173	165	168	172	164	164	175	180	185	191	191
Germany (GY)	13.5	1.9	1.1	(0.9)	0.9	3.0	1.2	1.1	2.4	8.9	13.6	Germany (GY)	296	284	297	298	286	286	305	312	323	335	335
Asia Pacific	2.3	(0.9)	(2.0)	0.1	0.2	(2.6)	(0.4)	(1.9)	2.5	2.2	2.4	Asia Pacific	38	36	35	35	35	35	37	35	39	41	41
DWS Group	15.8	(7.8)	(4.9)	(2.7)	(7.0)	(22.3)	2.5	4.2	6.2	13.2	26.1	DWS Group	700	665	687	692	662	662	704	719	752	767	767
Net flows by client channel												AuM by client channel											
Retail	8.8	(1.4)	(4.2)	(2.3)	(1.6)	(9.5)	(0.8)	0.9	0.4	4.6	5.1	Retail	319	306	310	312	291	291	311	317	328	335	335
Institutional	7.0	(6.3)	(0.7)	(0.4)	(5.5)	(12.8)	3.3	3.3	5.8	8.6	21.0	Institutional	381	358	378	379	372	372	394	402	424	433	433
DWS Group	15.8	(7.8)	(4.9)	(2.7)	(7.0)	(22.3)	2.5	4.2	6.2	13.2	26.1	DWS Group	700	665	687	692	662	662	704	719	752	767	767
Total net flows	15.8	(7.8)	(4.9)	(2.7)	(7.0)	(22.3)	2.5	4.2	6.2	13.2	26.1												
FX impact	(35.9)	(5.7)	13.1	1.1	4.1	12.6	6.1	(4.6)	13.2	(7.9)	6.9												
Performance	29.4	(11.1)	6.3	5.7	(28.9)	(28.0)	34.8	14.9	13.2	12.2	75.1												
Other	1.1	(10.4)	8.0	0.2	2.5	0.2	(1.0)	0.4	0.1	(2.2)	(2.8)												
Total change in AuM	10.4	(35.1)	22.5	4.4	(29.4)	(37.5)	42.3	14.9	32.7	15.3	105.2												

Note: Pre-audit financials; subject to KPMG review 1 Systematic and Quantitative Investments

Q4 2019 DETAILED INVESTMENT PERFORMANCE



<i>All figures in %¹</i>		1Y	3Y	5Y
Active Retail	Equity	88%	63%	87%
	Multi Asset	36%	37%	37%
	SQI	39%	52%	67%
	Fixed Income	93%	97%	98%
	Cash	99%	99%	99%
	Total	86%	73%	89%
Active Institutional	Equity	70%	55%	56%
	Multi Asset	76%	45%	41%
	SQI	57%	78%	87%
	Fixed Income	73%	75%	76%
	Cash	95%	100%	100%
	Total	72%	74%	75%
Active Total	Equity	86%	62%	84%
	Multi Asset	68%	44%	40%
	SQI	53%	74%	85%
	Fixed Income	77%	79%	79%
	Cash	96%	100%	100%
	Total	77%	74%	80%
Alternatives	Direct Real Estate	82%	83%	100%
	Liquid Real Assets	83%	66%	79%
	Other Alternatives	100%	100%	100%
	Total	86%	82%	96%
Total DWS	78%	75%	82%	

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 Dec 31, 2019 and Direct Real Estate and Other Alternatives as of Sep 30, 2019)

CONTACT DETAILS



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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 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 Q4 / FY 2019 Financial Data Supplement, which is accompanying this presentation and available at <https://group.dws.com/ir/reports-and-events/financial-results/>

Copies of the financial report are readily available upon request or can be downloaded from <https://group.dws.com/ir/reports-and-events>.