

JULY 29, 2020

DWS GROUP – Q2 2020 RESULTS

DELIVERING ON TARGETS, EXECUTING STRATEGIC AGENDA – DESPITE COVID-19



KEY ACHIEVEMENTS

EFFICIENCY

- Focus on efficiency measures leads to adj. Cost-Income Ratio (CIR) close to medium-term target – ahead of schedule
- Cost efficiency measures remain priority to manage against our adj. CIR-target of <65%

STRONG FLOWS

- Q2 net flows of €8.7bn, H1 total of €6.2bn net flows
- Diversified, client-centric business model meets changing demands in highly volatile environment during H1 2020

ESG

- ESG-dedicated funds attracted >50% of H1 2020 flows, supported by strong outperformance
- “Smart Integration” implemented in investment process and Group Sustainability Officer (GSO) appointed

GLOBALLY INTEGRATED STRUCTURE

- Removed silos, created greater accountability and enhanced client-centricity
- Unified investment platform across all asset classes; global client coverage with focus on client segments & regions
- Dedicated Product Division to improve time-to-market, lifecycle management & innovation
- Alignment of infrastructure functions into state-of-the-art asset management framework

Q2 2020 KEY FINANCIAL HIGHLIGHTS

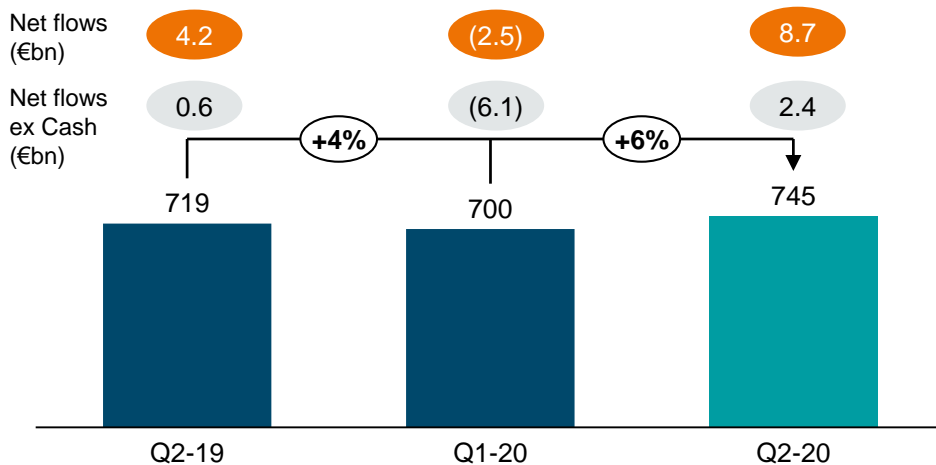


- _ Adjusted profit before tax was €189m, 5% increase q-o-q despite lower average AuM as a result of COVID-19 driven equity market decline in Q1
- _ Adjusted cost income ratio of 65.7% was supported by successful implementation of cost initiatives and is on track for <65% in 2021
- _ Strong net flows of €8.7bn in Q2 demonstrate the resilience of our diversified business model in a difficult environment

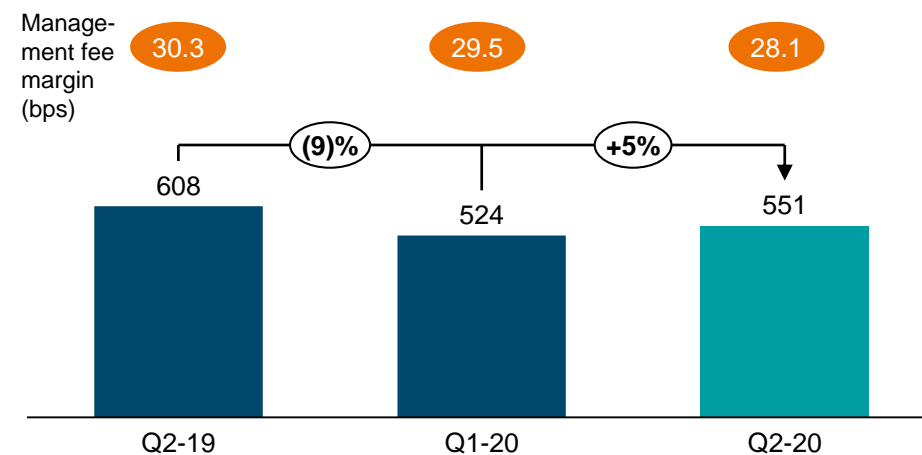
FINANCIAL PERFORMANCE SNAPSHOT – Q2 2020



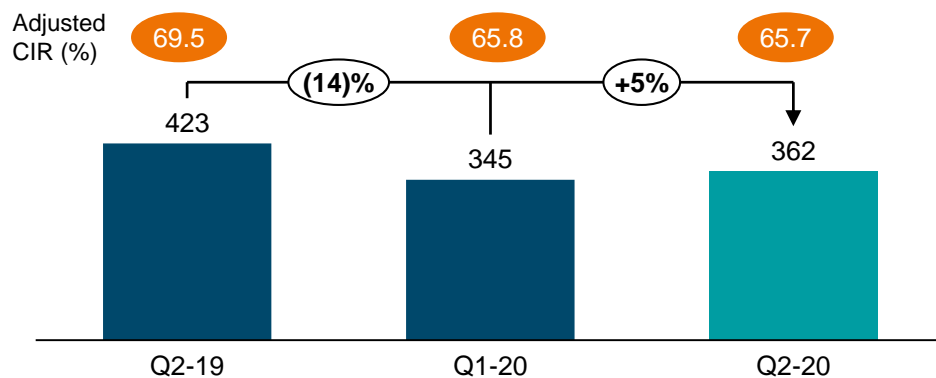
AUM (€BN)



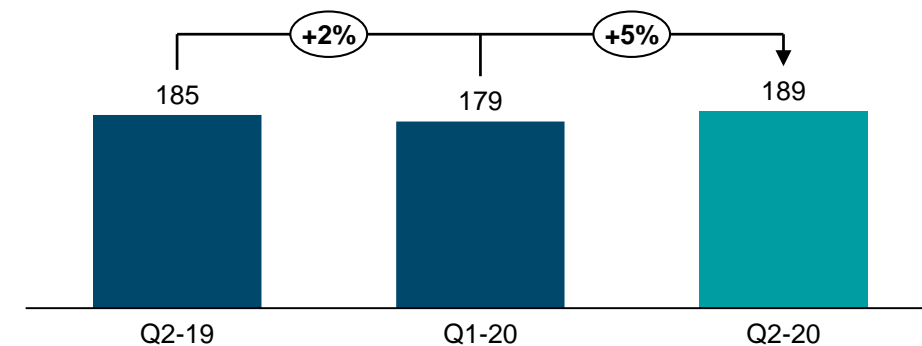
ADJUSTED REVENUES (€M)



ADJUSTED COSTS (€M)



ADJUSTED PROFIT BEFORE TAX (€M)

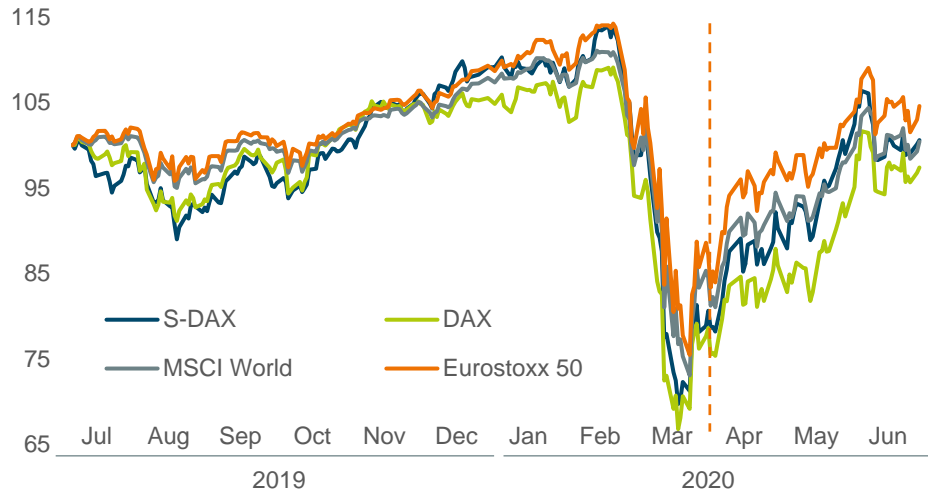


Note: Throughout this presentation totals may not sum due to rounding differences

MARKET ENVIRONMENT



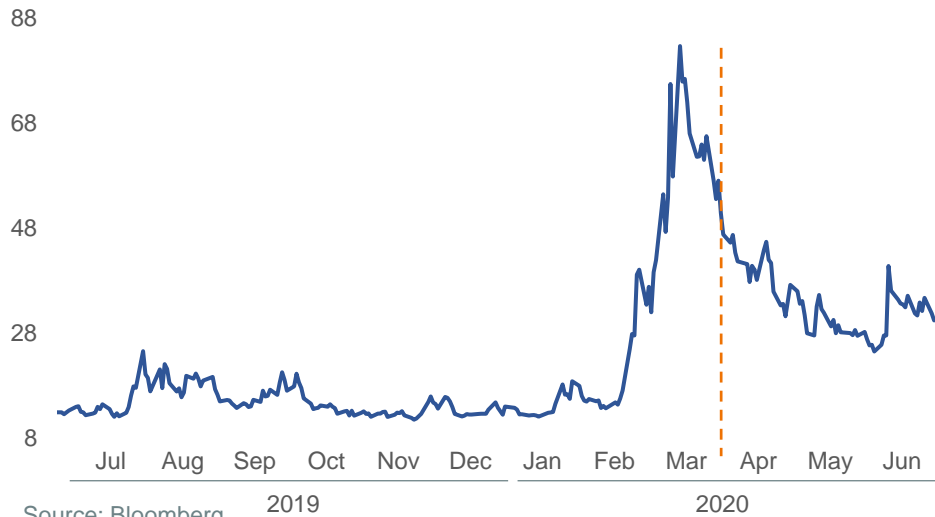
EQUITIES (%)



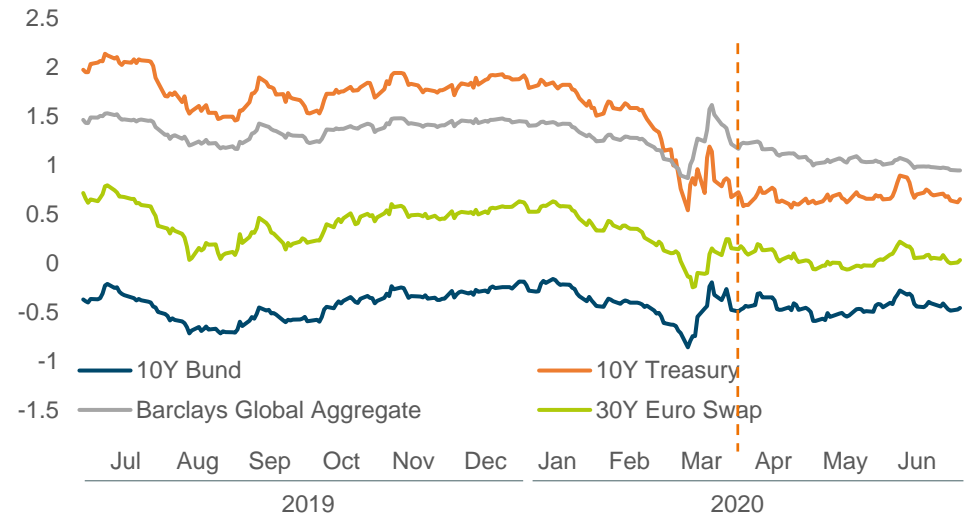
FX (€/\$)



VOLATILITY (VIX INDEX)



INTEREST RATES, YIELD (%)

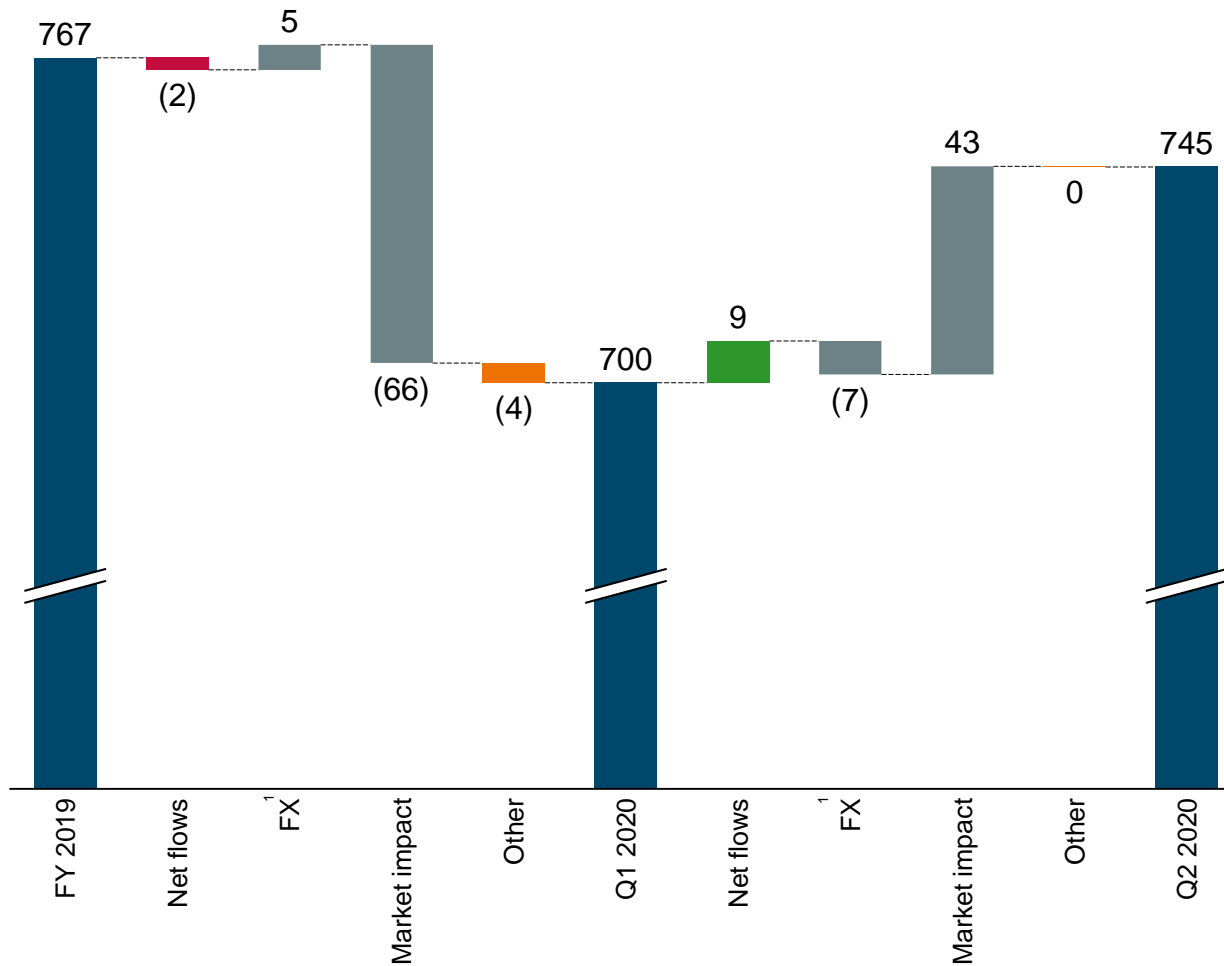


Source: Bloomberg

AUM DEVELOPMENT



AUM DEVELOPMENT DETAIL (€BN)



Q2 HIGHLIGHTS

AuM increased by €45bn to €745bn in Q2

- Main drivers have been positive market performance of €43bn and €9bn net flows
- Unfavorable €/€ exchange rate contributed negatively to overall AuM development

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

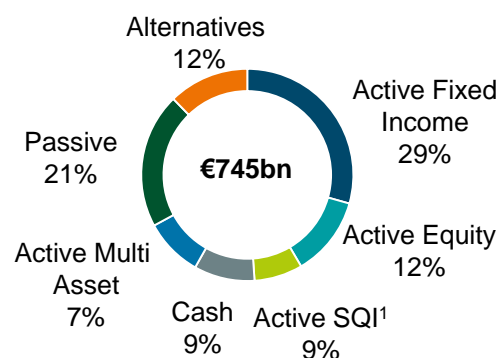
Q2 2020 NET FLOWS



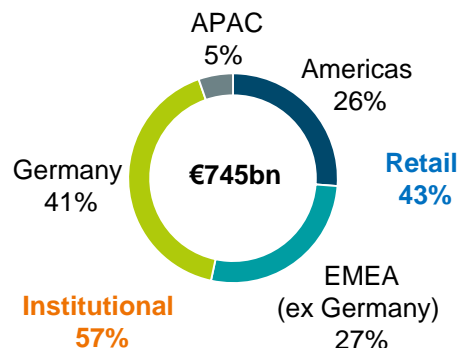
NET FLOWS BREAKDOWN

By asset class (€bn)	Q2-19	Q1-20	Q2-20
Active Equity	(0.7)	1.7	1.0
Active Multi Asset	0.0	(0.7)	(0.6)
Active SQI ¹	(0.8)	(1.5)	(0.2)
Active Fixed Income	(3.7)	(5.1)	(4.4)
Passive	3.5	(2.0)	6.5
Alternatives	2.2	1.5	0.0
Total ex Cash	0.6	(6.1)	2.4
Cash	3.6	3.6	6.3
Total	4.1	(2.5)	8.7

AUM BY ASSET CLASS



AUM BY REGION & CLIENT TYPE



Q2 HIGHLIGHTS

- Strong net flows of €8.7bn in Q2 despite difficult environment
- Over 50% of €6.2bn net flows in H1 into ESG-dedicated funds
- Passive had a very strong quarter driven by inflows in ETPs/ETCs as well as mandates
- Strong inflows in Cash, particularly in Europe
- Active equity inflows supported by positive equity market development and demand for higher yielding investments
- Alternatives with inflows into illiquid asset classes overcompensating outflows from liquid assets
- Inflows into Multi Asset retail funds were offset by two specific institutional outflows
- Fixed Income experienced outflows from a few single mandate redemptions

¹ Systematic and Quantitative Investments

PRODUCT INNOVATIONS & Q3 2020 PIPELINE



Q2 2020 FUND LAUNCHES

EXAMPLES

- DWS Invest Macro Bonds II **Fixed Income**

- ARERO - Der Weltfonds – Nachhaltig **Multi Asset**

- Xtrackers Bloomberg Barclays US Investment Grade Corporate ESG ETF
- Xtrackers J.P. Morgan ESG USD High Yield Corporate Bond ETF **ETFs²**
- Xtrackers J.P. Morgan ESG Emerging Markets Sovereign ETF

- DWS Invest Qi Global Climate Action **Equity**

- DWS Invest ESG Next Generation Infrastructure **Alternatives**

Q3 2020 FUND LAUNCHES PIPELINE¹

EXAMPLES

- DWS ESG Climate Aware USD Bond model SMA strategy **Fixed Income**

- Xtrackers ESG EUR Corporates Bond Short Duration UCITS ETF
- Xtrackers ESG USD Corporates UCITS ETF **ETFs**

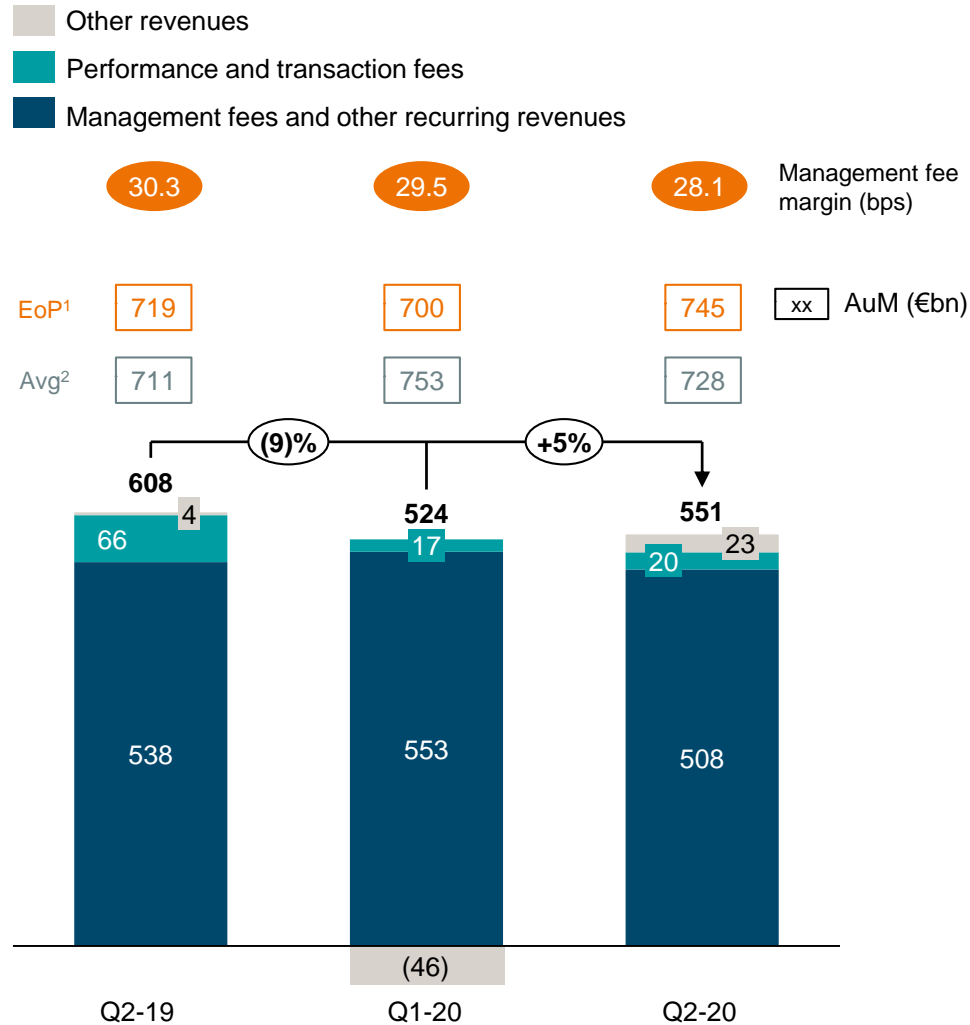
- Xtrackers USD Treasuries Ultrashort Bond UCITS ETF

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)



Q2 HIGHLIGHTS

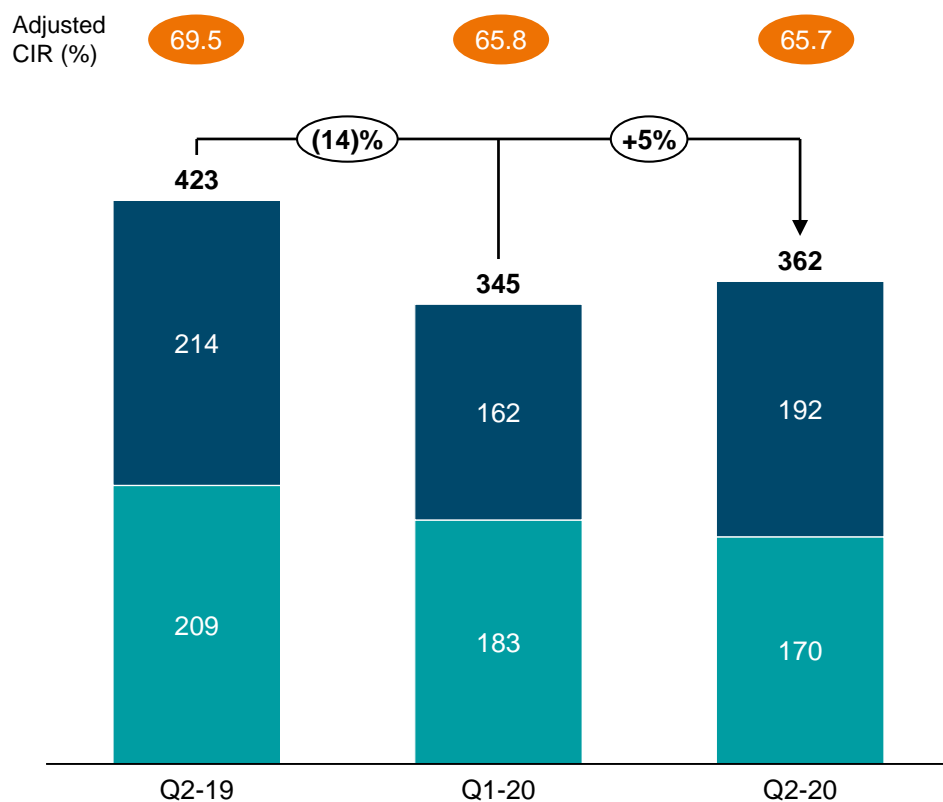
- Total adjusted revenues increased 5% q-o-q to €551m
- Management fees and other recurring revenues declined 8% q-o-q as a result of lower average AuM during the quarter
- Management fee margin declined to 28bps mainly due to market downturn and negative flow mix in Q1
- Harvest contributed €16m to Other revenues in Q2

1 End of period 2 Monthly average

COST DEVELOPMENT

ADJUSTED COSTS (€M)¹

- Compensation & Benefits
- General & Administrative Expenses



Q2 HIGHLIGHTS

- Q2 adj. CIR of 65.7% is on track for target of <65% in 2021
- Total adjusted costs of €362m, up 5% compared to Q1
- Adjusted compensation & benefits were impacted by higher variable compensation due to positive DWS share price development in Q2
- General & administrative expenses continue to decrease due to successful implementation of cost initiatives as well as lower marketing and travel expenses

¹ Non-interest expenses adjusted for severance payments, restructuring activities and litigation

- Resilient financial performance in Q2 despite significant market turbulences
- We are on track to achieve the targeted €150m efficiency initiatives by 2021 weighted in 2020
- Additional cost benefit due to continued COVID-19 restrictions
- Strong inflows in Q2 supported by our diversified business model and intense client engagement

OUTLOOK H2 2020



As pandemic continues, we remain steadfast in delivering against our strategy

MARKET VIEW

- Global pandemic impacted all aspects of life, leading to historic disruption of markets and economies
- Unprecedented monetary & fiscal policy and health protection policies around the globe helped economies stabilize, creating biggest mismatch between economy and markets
- Road to recovery will be much longer than expected
- Risks to watch: 2nd wave of Covid-19; heightened geopolitical tensions

BUSINESS VIEW

DELIVERY ON PROMISES

- Dividend proposal of €1.67 per share reiterated for AGM decision on 18 Nov 2020
- Committed to achieve sustainable adj. CIR of <65% & pre-pandemic flow trajectory

OPERATIONAL READINESS

- Improved organizational structures – fully globally integrated for the first time
- Continued utilization of barbell strategy
 - Flagship Active and Alternatives product range
 - Further participate in ETF / ETC momentum
 - Meet client demand for ESG solutions

STRATEGIC AGENDA

- Enter new partnerships (e.g. Northwestern Mutual Capital), and further develop existing partnerships
- Embrace new way of working: more digital, more flexible, more interactive

APPENDIX

DWS DETAILED FINANCIALS



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

	Q2 2020	Q1 2020	Q2 2019	H1 2020	H1 2019	Q2 2020 vs Q1 2020	Q2 2020 vs Q2 2019	H1 2020 vs H1 2019	
Profit & Loss	Management fees and other recurring revenues	508	553	538	1,061	1,046	(8)%	(6)%	1%
	Performance and transaction fees	20	17	66	37	76	16%	(70)%	(51)%
	Other revenues	23	(46)	4	(23)	20	N/M	N/M	N/M
	Net revenues	551	524	608	1,074	1,142	5%	(9)%	(6)%
	<i>Revenue adjustments</i>								
	Adjusted revenues	551	524	608	1,074	1,142	5%	(9)%	(6)%
	Compensation & Benefits	(200)	(165)	(215)	(365)	(411)	21%	(7)%	(11)%
	General & administrative expenses	(173)	(182)	(209)	(355)	(398)	(5)%	(17)%	(11)%
	Restructuring activities	(7)	(3)	(27)	(10)	(29)	N/M	(73)%	(64)%
	Total noninterest expenses	(380)	(351)	(451)	(731)	(838)	8%	(16)%	(13)%
	<i>Cost adjustments</i>	18	7	28	24	33			
	Adjusted cost base	(362)	(345)	(423)	(707)	(804)	5%	(14)%	(12)%
	Profit before tax	171	173	157	343	305	(1)%	9%	13%
Adjusted profit before tax	189	179	185	368	338	5%	2%	9%	
Net income	122	121	112	243	214	0%	9%	13%	
Other Key Performance Measures	Reported CIR	69.0%	67.0%	74.2%	68.0%	73.3%	1.9 ppt	(5.2)ppt	(5.3)ppt
	Adjusted CIR	65.7%	65.8%	69.5%	65.8%	70.4%	(0.1)ppt	(3.8)ppt	(4.6)ppt
	FTE (#)	3,333	3,329	3,452	3,333	3,452	0%	(3)%	(3)%
	AuM (in €bn)	745	700	719	745	719	6%	3.5%	4%
	Net flows (in €bn)	8.7	(2.5)	4.2	6.2	6.7			
	Net flows ex Cash (in €bn)	2.4	(6.1)	0.6	(3.7)	8.0			
	Net flows (% of BoP AuM – annualized)	5.0%	(1.3)%	2.4%	1.6%	2.0%			
	Net flows ex Cash (% of BoP AuM – annualized)	1.5%	(3.5)%	0.4%	(1.1)%	2.7%			
	Management fee margin (bps - annualized)	28.1	29.5	30.3	28.6	30.2			

RECONCILIATION FROM IFRS TO ECONOMIC BALANCE SHEET



Q2 2020 (€BN)

	IFRS consolidated	Consolidated Funds	DB Vita and pending	Economic View
Assets				
Cash and bank balances	2.3			2.3
Financial assets at FVPL	2.8	1 1.1	2 0.5	1.2
Financial assets at OCI	0.2			0.2
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 0.4	0.7
Total assets	10.9	1.1	0.9	8.9
Liabilities				
Other short-term borrowings	0.1			0.1
Tax liabilities	0.3			0.3
Financial liabilities at FVPL	0.7		2 0.5	0.2
Other liabilities	2.8	1 1.1	3 0.4	1.2
Total liabilities	3.9	1.1	0.9	1.8
Equity	7.0			7.0

HIGHLIGHTS

€2.1bn adjustments comprise:

- 1 Consolidated Funds (€1.1bn)
 - 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 (€0.4bn)
 - Settlement balances driven by investments for institutional clients in DWS Investment S.A.

HISTORICAL NET FLOWS AND AUM DEVELOPMENT



in € bn

Net flows by asset class	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	Q2 2020
Active Equity	(7.3)	(0.2)	(0.7)	(1.1)	0.3	(1.6)	1.7	1.0
Active Multi Asset	(3.8)	0.5	0.0	3.4	3.3	7.2	(0.7)	(0.6)
Active SQI ¹	0.2	(0.1)	(0.8)	(0.1)	2.5	1.5	(1.5)	(0.2)
Active Fixed Income	(16.5)	(1.6)	(3.7)	(1.3)	(1.2)	(7.8)	(5.1)	(4.4)
Active Cash	(3.2)	(4.9)	3.6	0.4	(1.6)	(2.5)	3.6	6.3
Passive	7.5	6.2	3.5	3.2	6.2	19.1	(2.0)	6.5
Alternatives	0.8	2.6	2.2	1.6	3.7	10.2	1.5	0.0
DWS Group	(22.3)	2.5	4.2	6.2	13.2	26.1	(2.5)	8.7

Net flows by region

Americas	(21.3)	(0.1)	3.2	2.0	(1.6)	3.5	1.8	(2.5)
EMEA excl. GY	(1.5)	1.9	1.7	(0.7)	3.7	6.5	(2.0)	9.5
Germany (GY)	3.0	1.2	1.1	2.4	8.9	13.6	(0.9)	0.9
Asia Pacific	(2.6)	(0.4)	(1.9)	2.5	2.2	2.4	(1.2)	0.7
DWS Group	(22.3)	2.5	4.2	6.2	13.2	26.1	(2.5)	8.7

Net flows by client channel

Retail	(9.5)	(0.8)	0.9	0.4	4.6	5.1	(0.4)	5.0
Institutional	(12.8)	3.3	3.3	5.8	8.6	21.0	(2.1)	3.7
DWS Group	(22.3)	2.5	4.2	6.2	13.2	26.1	(2.5)	8.7

Total net flows	(22.3)	2.5	4.2	6.2	13.2	26.1	(2.5)	8.7
FX impact	12.6	6.1	(4.6)	13.2	(7.9)	6.9	5.2	(6.9)
Performance	(28.0)	34.8	14.9	13.2	12.2	75.1	(66.0)	43.2
Other	0.2	(1.0)	0.4	0.1	(2.2)	(2.8)	(4.1)	(0.1)
Total change in AuM	(37.5)	42.3	14.9	32.7	15.3	105.2	(67.4)	44.8

AuM by asset class	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	Q2 2020
Active Equity	77	88	90	91	96	96	79	91
Active Multi Asset	46	49	50	54	58	58	53	55
Active SQI ¹	63	67	68	70	71	71	63	66
Active Fixed Income	227	233	232	240	234	234	217	219
Active Cash	58	54	57	59	57	57	64	69
Passive	112	130	136	145	156	156	133	154
Alternatives	79	85	88	93	96	96	91	92
DWS Group	662	704	719	752	767	767	700	745

AuM by region

Americas	177	188	192	205	199	199	194	195
EMEA excl. GY	164	175	180	185	191	191	168	202
Germany (GY)	286	305	312	323	335	335	302	308
Asia Pacific	35	37	35	39	41	41	37	40
DWS Group	662	704	719	752	767	767	700	745

AuM by client channel

Retail	291	311	317	328	335	335	292	319
Institutional	372	394	402	424	433	433	408	426
DWS Group	662	704	719	752	767	767	700	745

Q2 2020 DETAILED INVESTMENT PERFORMANCE



<i>All figures in %¹</i>		1Y	3Y	5Y
Active Retail	Equity	77%	70%	74%
	Multi Asset ²	8%	8%	9%
	SQI ²	54%	70%	72%
	Fixed Income	47%	68%	95%
	Cash ²	93%	100%	100%
	Total	67%	71%	80%
Active Institutional	Equity ²	60%	59%	56%
	Multi Asset	39%	33%	52%
	SQI	76%	71%	82%
	Fixed Income	71%	75%	76%
	Cash ²	30%	94%	100%
	Total	67%	72%	74%
Active Total	Equity	74%	68%	72%
	Multi Asset	35%	29%	44%
	SQI	71%	71%	80%
	Fixed Income	67%	74%	79%
	Cash	63%	97%	100%
	Total	67%	71%	77%
Alternatives	Direct Real Estate	92%	91%	95%
	Liquid Real Assets	92%	99%	98%
	Other Alternatives	38%	38%	0%
	Total	81%	80%	78%
Total DWS	69%	73%	77%	

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 Jun 30, 2020 and Direct Real Estate and Other Alternatives as of Mar 31, 2020) ² <10bn AuM with benchmark and hence ratios not representative

CONTACT DETAILS



INVESTOR RELATIONS

Oliver Flade

oliver.flade@dws.com

investor.relations@dws.com

Tel: +49(69)910-63072

Jana Zubatenko

jana.zubatenko@dws.com

investor.relations@dws.com

Tel: +49(69)910-33834

Maneli Farsi

maneli.farsi@dws.com

investor.relations@dws.com

Tel: +49(69)910-41049

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 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 Q2 2020 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>.