







DWS Q3 2018 RESULTS PRESENTATION

October 24, 2018

Q3 2018 KEY FINANCIAL HIGHLIGHTS



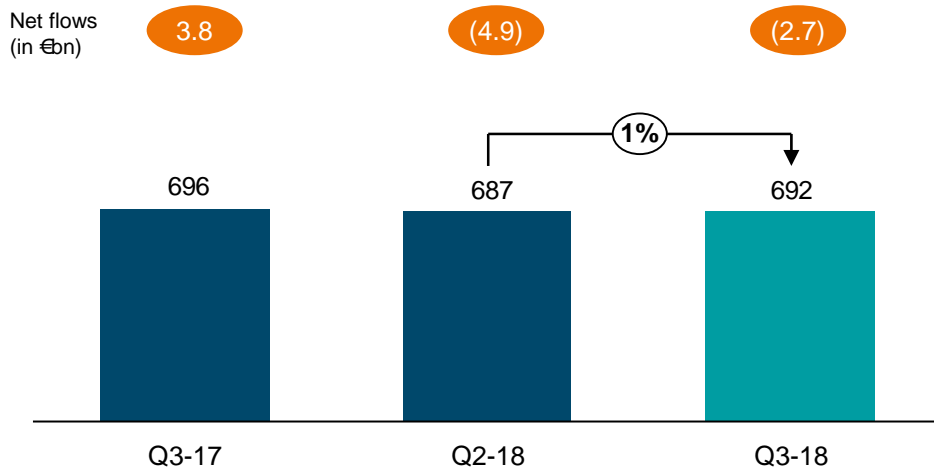
-  Adjusted profit before tax up €27m to €177m, an increase of 18% compared to Q2-18 and 27% compared to Q1-18
-  Management focus on improving cost efficiency and fund performance delivers positive results
-  Adjusted cost-income ratio down from 74.1% to 69.2% showing continued progress to medium term target of <65%
-  Q3 net flows of €(2.7)bn driven by US tax reform:
 - Strong ETP flows saw DWS positioned #2 YTD in European ETP market with 14.5% market share
 - Significant improvement in flow performance of flagship funds
 - US tax reform headwind and institutional equity mandate outflows

Source: ETFGI; September YTD market share

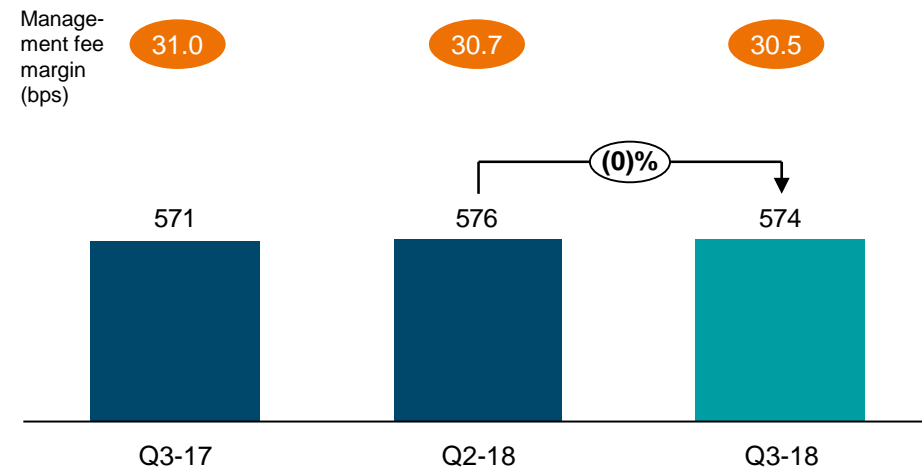
FINANCIAL PERFORMANCE SNAPSHOT



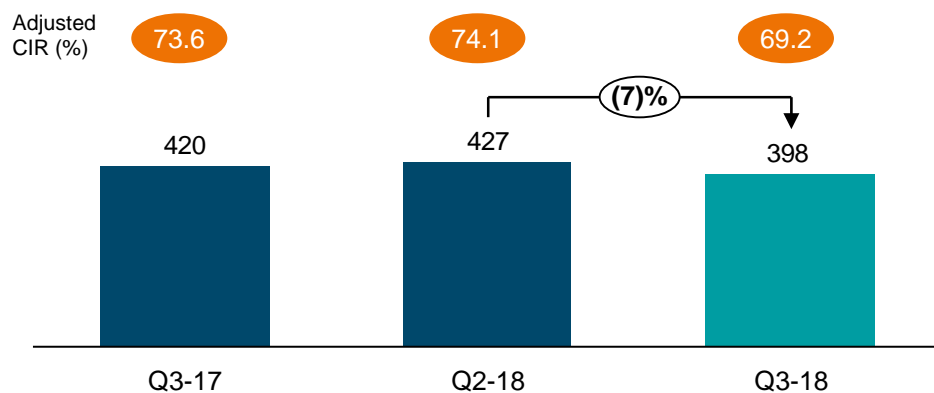
AUM (€BN)



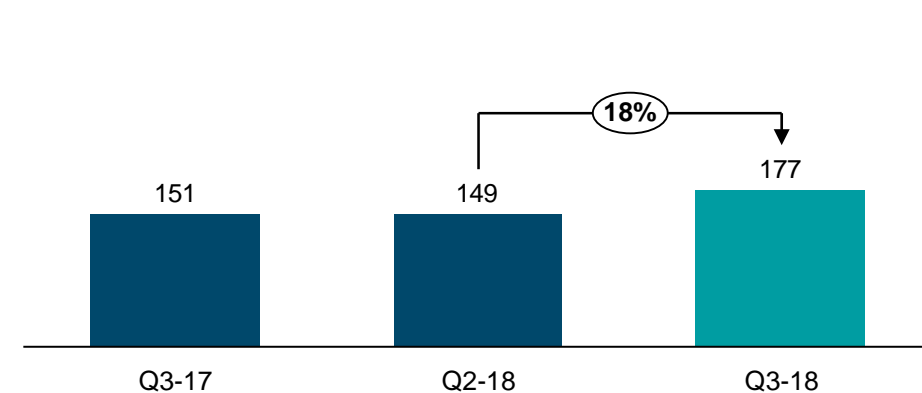
ADJUSTED REVENUES (€M)



ADJUSTED COSTS (€M)



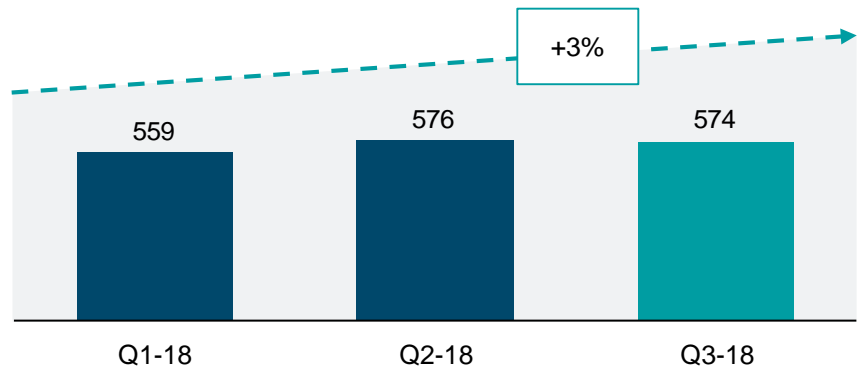
ADJUSTED PROFIT BEFORE TAX (€M)



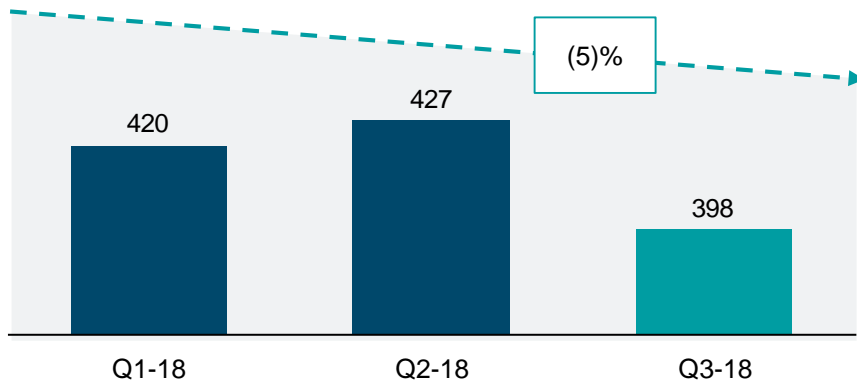
Note: Throughout this presentation totals may not sum due to rounding differences

STEADILY INCREASING PROFIT THROUGH 2018

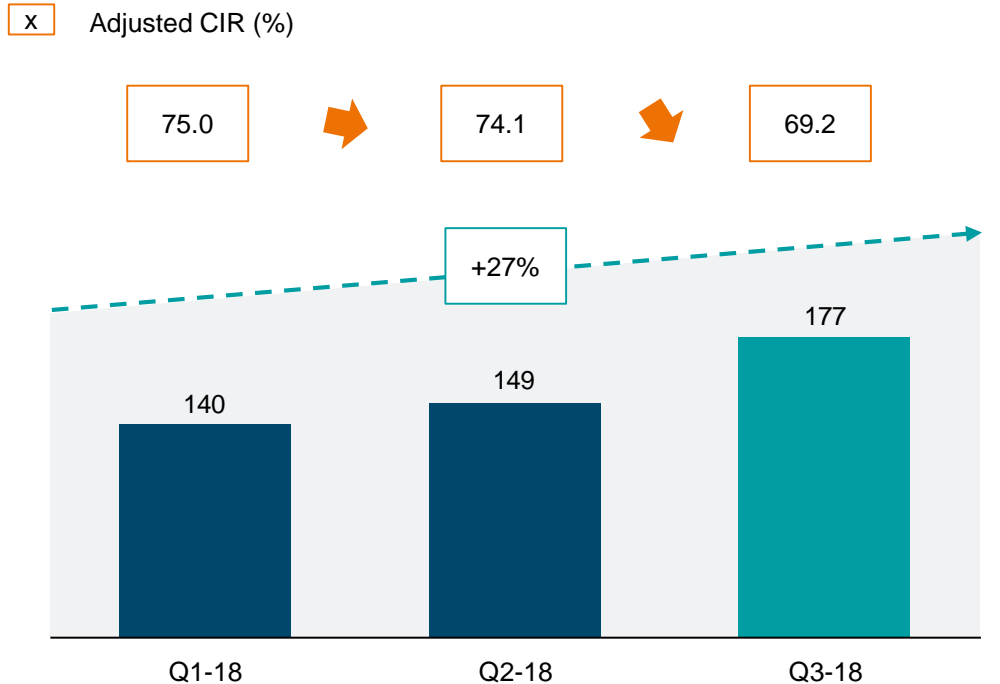
ADJUSTED REVENUES (€M) x Q3 vs Q1



ADJUSTED COSTS (€M) x Q3 vs Q1



ADJUSTED PROFIT BEFORE TAX (€M) x Q3 vs Q1



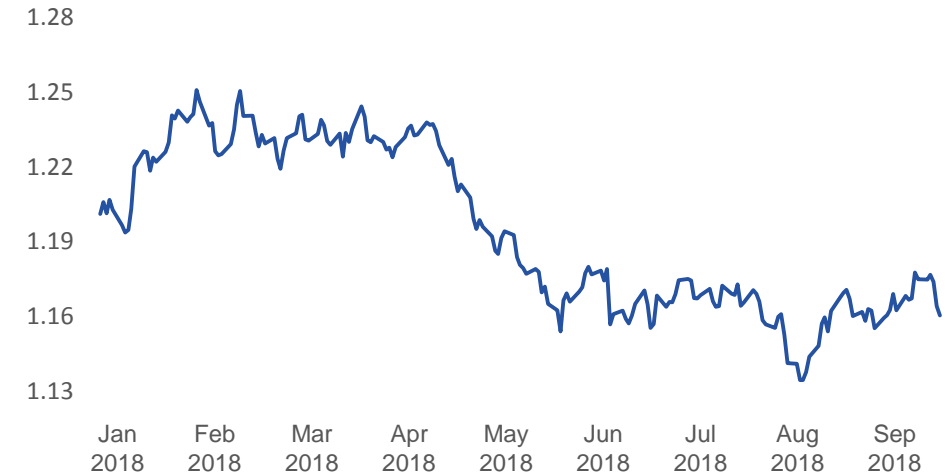
MARKET ENVIRONMENT



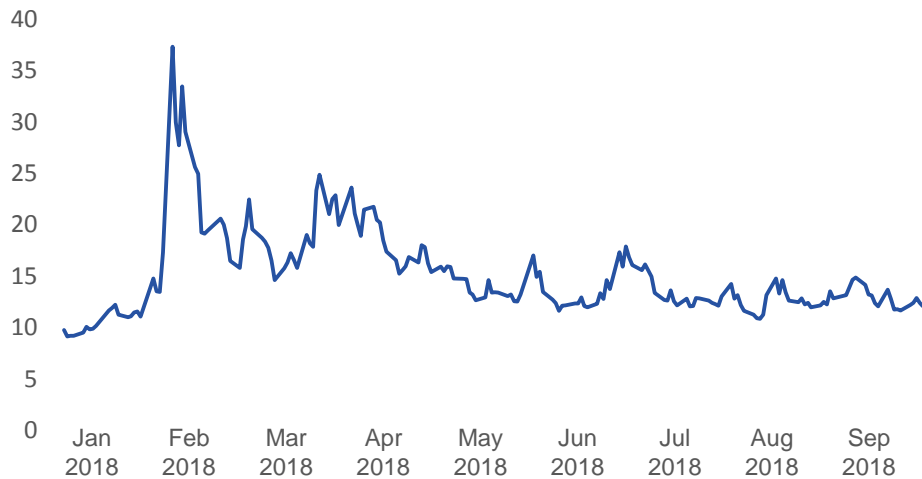
EQUITIES



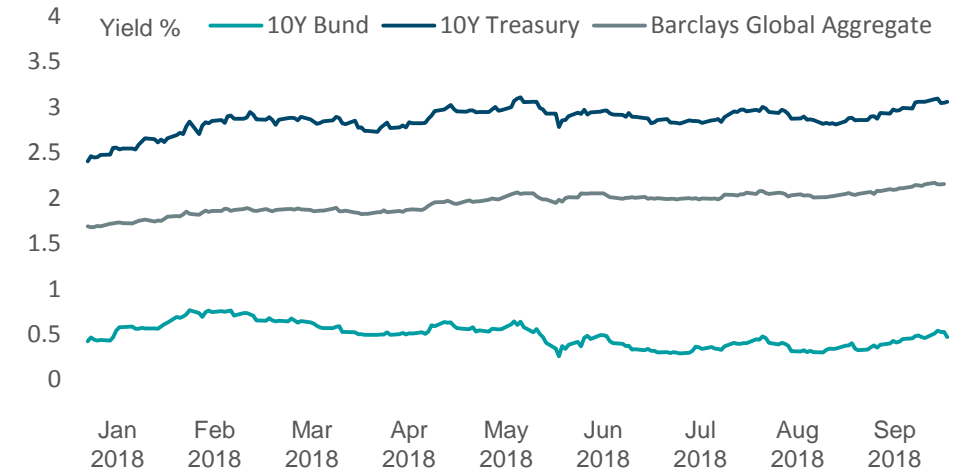
FX (EUR/USD)



VOLATILITY (VIX INDEX)



INTEREST RATES

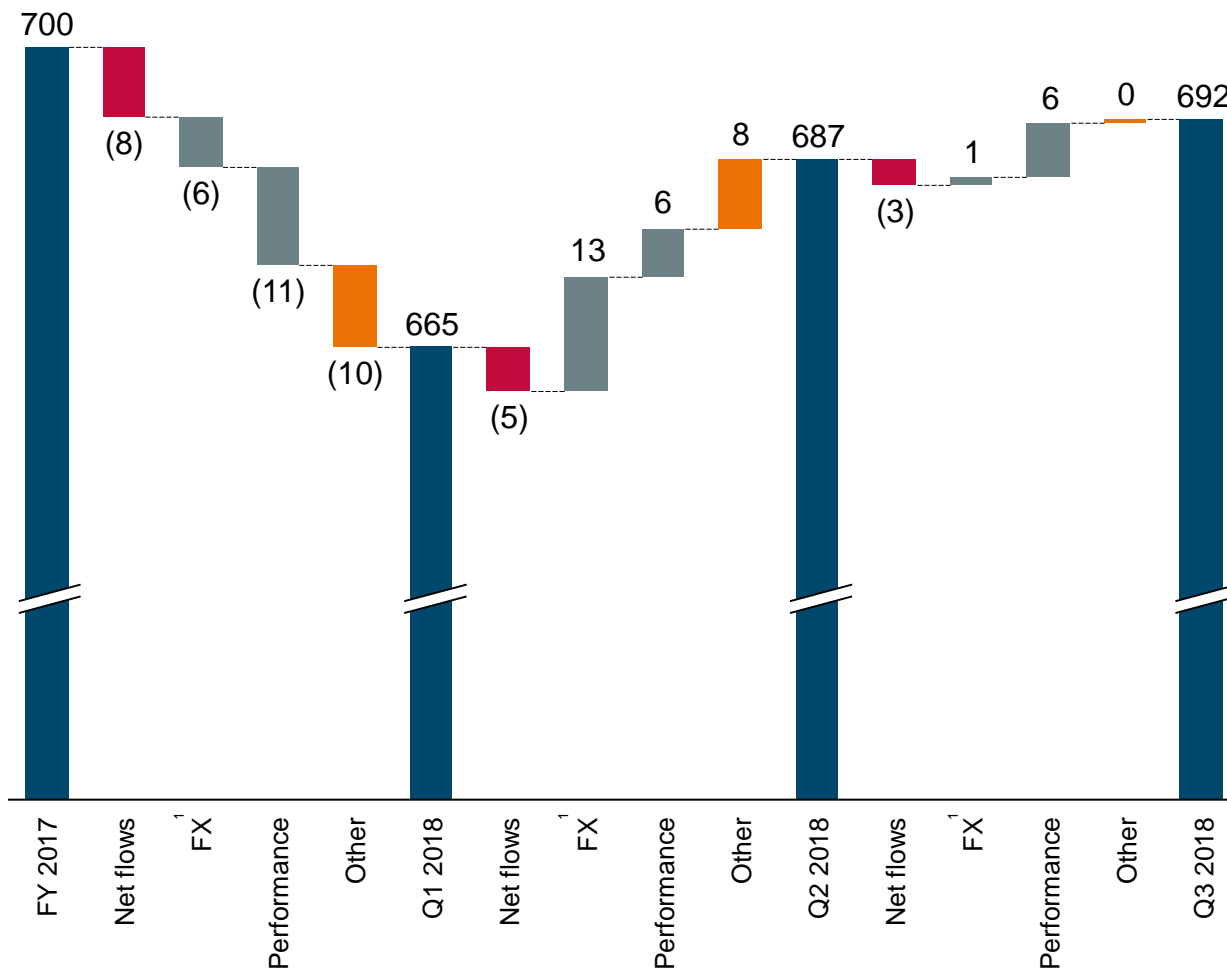


Source: Bloomberg

AUM DEVELOPMENT



AUM DEVELOPMENT DETAIL (€BN)



Q3 HIGHLIGHTS

AuM increased by ~€5bn in the third quarter:

- Positive market performance driven by rising equity markets led to a ~€6bn increase in AuM
- Positive FX effect of €1bn
- Q3 net flows of €(2.7)bn

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

Q3-18 NET FLOWS AND AUM BY ASSET CLASS & REGION



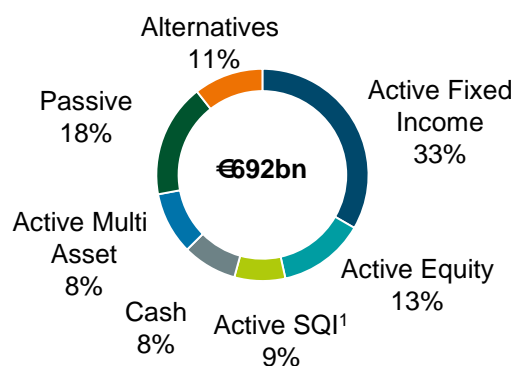
NET FLOWS BREAKDOWN

By asset class (in €bn)	Q3-17	Q2-18	Q3-18
Active Equity	(0.1)	(2.0)	(2.5) 5
Active Multi Asset	0.2	0.1	(0.3)
Active SQI ¹	(0.6)	0.8	(0.4) 3
Active Fixed Income	0.6	(5.5)	(0.4) 4
Cash	4.3	(1.2)	0.5
Passive	0.5	2.9	(0.1) 2
<i>Therein: ETPs</i>	<i>(0.4)</i>	<i>1.4</i>	<i>1.0</i>
Alternatives	(1.1)	0.1	0.6 1
Total	3.8	(4.9)	(2.7)
<i>Harvest³</i>	<i>0.3</i>	<i>1.4</i>	<i>2.3</i>

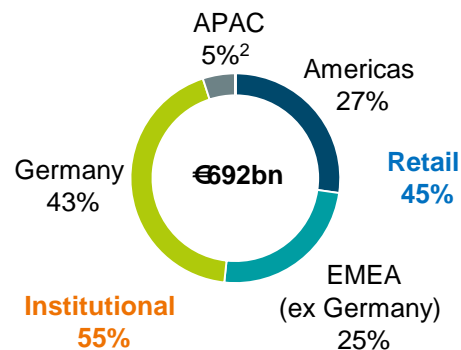
Q3 HIGHLIGHTS

- 1 Strong inflows in real estate and infrastructure funds were partly offset by outflows in liquid real assets
- 2 Continued ETP inflows were offset by a US tax reform redemption
- 3 Positive European institutional SQI flows were offset by a re-tender of one specific mandate
- 4 Significant positive flows in institutional fixed income were negatively impacted by outflows from US tax reform and retail funds
- 5 DWS Top Dividende fund outflows have decreased significantly QoQ. The redemption of some larger institutional mandates had a negative impact on total equity flows

AUM BY ASSET CLASS



AUM BY REGION & CLIENT TYPE



¹ Systematic and Quantitative investments ² Pro-forma DWS AuM share in APAC is ~10% considering 30% stake in Harvest ³ 100% Harvest; not included in the numbers above

DEEP DIVE - INSTITUTIONAL & RETAIL FLOW TRENDS



TOTAL FLOWS

Net flows (in €bn)	Q1-17	Q2-17	Q3-17	Q4-17	Q1-18	Q2-18	Q3-18
Total	5.1	5.9	3.8	1.0	(7.7)	(4.9)	(2.7)
Retail	3.1	3.7	(0.4)	2.5	(1.4)	(4.2)	(2.3)
Institutional	2.0	2.2	4.2	(1.4)	(6.3)	(0.7)	(0.4)
<i>Therein: Impact US tax reform</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	(5.1)	(2.7)	(3.2)
Total ex US tax reform	5.1	5.9	3.8	1.0	(2.6)	(2.2)	0.5

EMEA RETAIL FLOWS

Net flows (in €bn)	Q1-17	Q2-17	Q3-17	Q4-17	Q1-18	Q2-18	Q3-18
EMEA Retail	3.8	4.9	3.5	5.1	0.9	(2.4)	(0.6)
<i>Therein: Active Equity</i>	0.3	(0.2)	0.4	0.2	(1.5)	(1.7)	(0.9)
<i>Therein: Active Multi Asset</i>	1.1	0.8	0.4	0.0	(1.2)	(0.6)	(0.1)

IMPACT FROM US TAX REFORM

- ~€(11)bn of institutional outflows driven by US tax reform in 9M-18
- Withdrawals primarily affected cash / cash equivalent, passive and low margin fixed income mandates

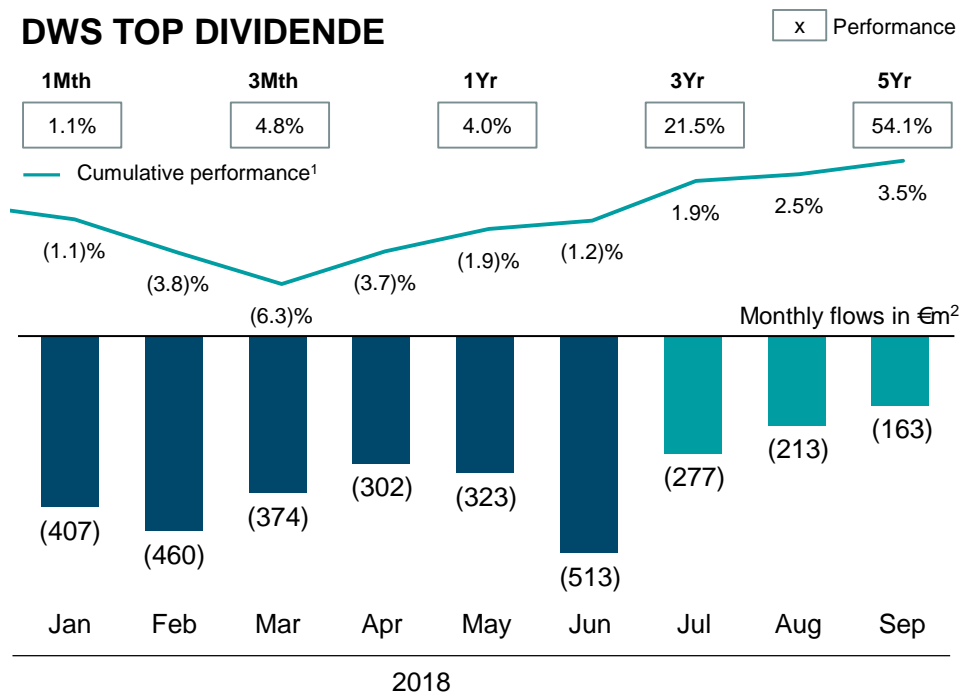
EMEA RETAIL FLOW CHALLENGES

- DWS Active Equity and Active Multi Asset started to experience outflows in 2018
- This development was primarily driven by two flagship products (DWS Top Dividende and DWS Concept Kaldemorgen)
- Challenging performance, as well as dividend products falling out of favour led to outflows

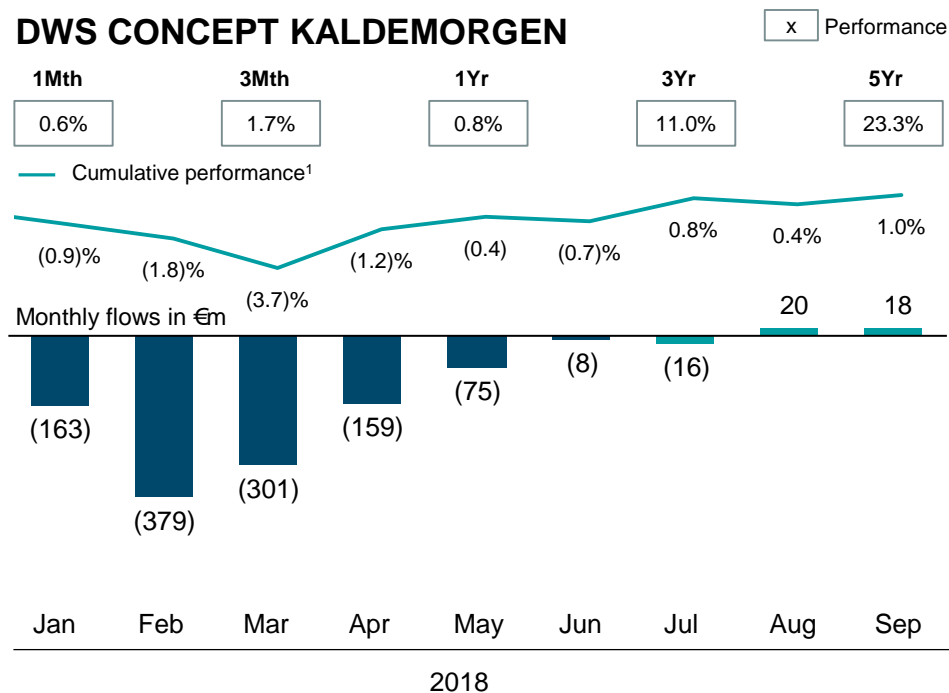
DEEP DIVE - DWS FLAGSHIP FUNDS



DWS TOP DIVIDENDE



DWS CONCEPT KALDEMORGEN



- Strong recovery in performance in relative as well as in absolute terms since end of Q1-18
- High interaction with all main distribution partners in order to manage flow pattern smoothly
- No major changes in positioning - still conservative with focus on stable business models and sustainable cash flows

- Strong recovery in performance since end of Q1-18
- Improving flow picture due to ability to mitigate drawdowns while participating in the subsequent market recovery
- Changes in positioning - market downturn in Q1-18 was used to shift from a conservative allocation to an increase in net equity and USD exposure in order to exploit opportunities

¹ Total return in local currency; performance-level data is based on the leading share class

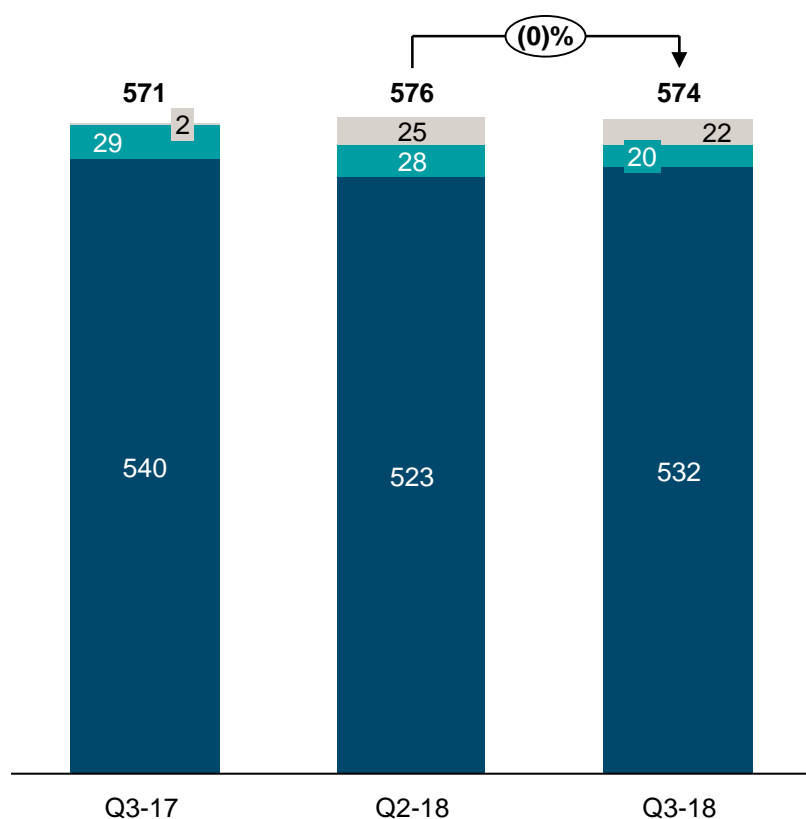
² Flows incl. DWS Top Dividende and DWS Invest Top Dividende

REVENUE DEVELOPMENT



ADJUSTED REVENUES (€M)

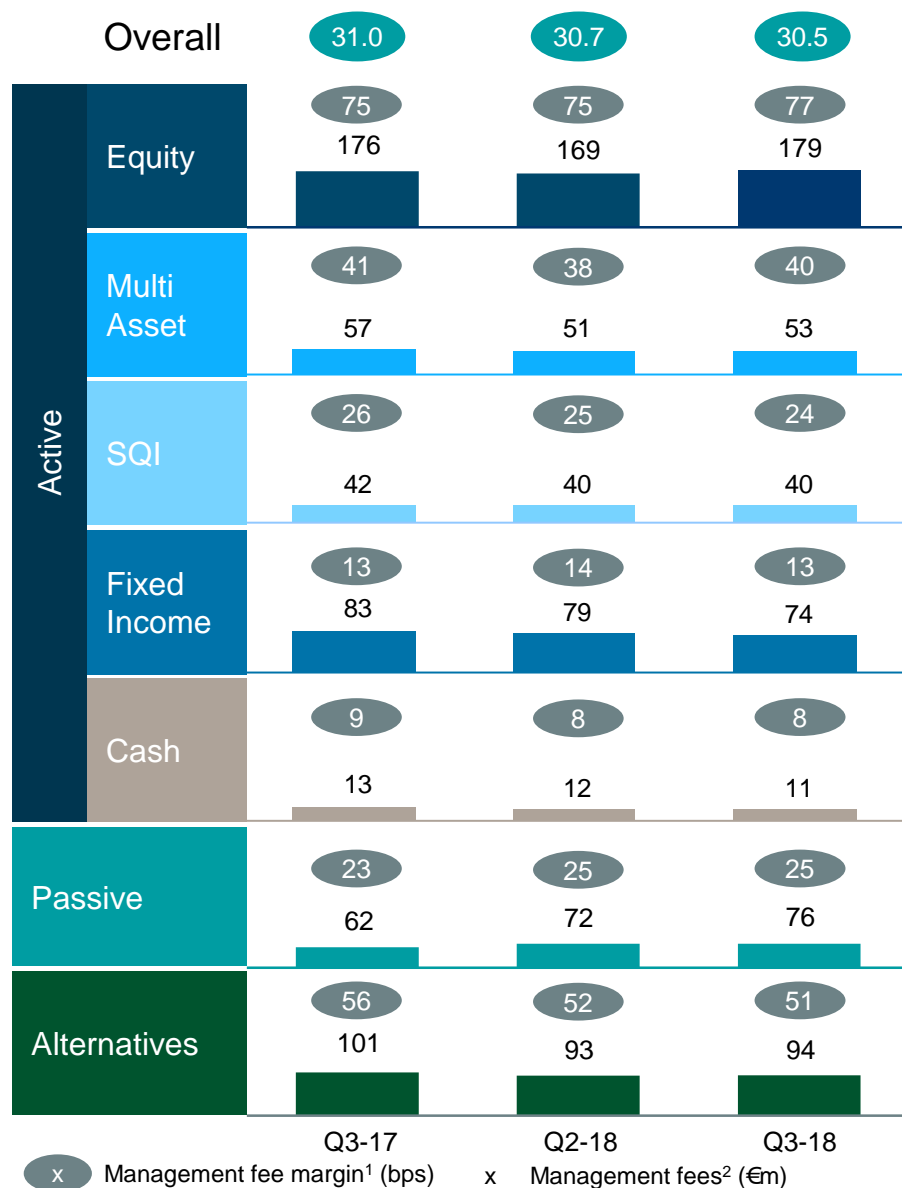
- Other revenues
- Performance, transaction fees & other non-recurring revenues
- Management fees and other recurring revenues



Q3 HIGHLIGHTS

- Total adjusted revenues were €574m in Q3-18, of which 93% came from stable management fees
- Management fees and other recurring revenues increased by €9m
- Performance and transaction fees declined by €8m
- Other revenues reduced by €3m, primarily due to negative change in fair value of guarantees
- Other revenues include stable contribution from Harvest

MANAGEMENT FEES AND MARGIN DEVELOPMENT



Q3 HIGHLIGHTS

Overall management fee margin declined slightly to 30.5bps but stays above our target of ≥ 30 bps

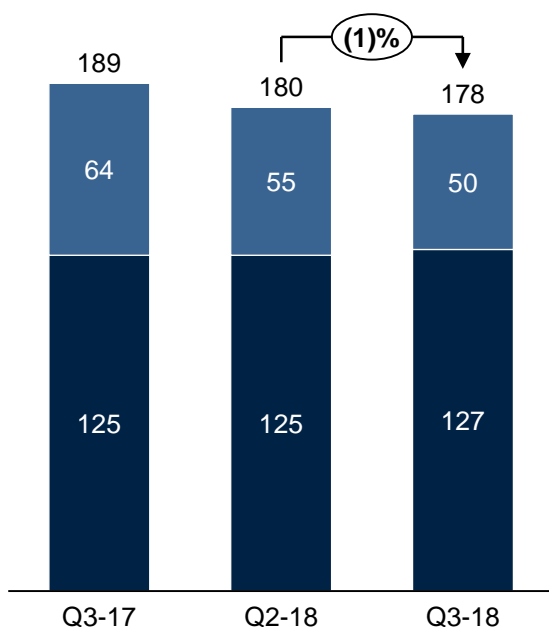
- 1 Increase in equity management fees and margins despite net outflows in Q3-18
- 2 Multi Asset margin increased slightly with a stable revenue contribution
- 3 Fixed income margin and revenue slightly decreased reflecting flow impact
- 4 Passive management fee growth reflects continued ETP net inflows
- 5 Alternatives margin down slightly due to outflows in Liquid Real Assets, partially compensated by inflows in Real Estate and Infrastructure

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 €6m in Q3-17, €7m in Q2-18 and €3m in Q3-18 excluded in asset class breakdown

COST DEVELOPMENT

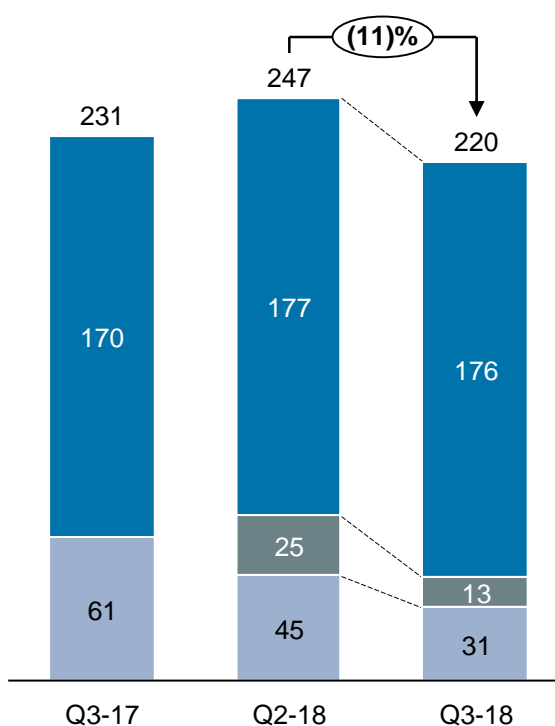
ADJUSTED COMPENSATION & BENEFITS¹ (€M)

FTE (period-end) **3,296** **3,422**



■ Variable compensation costs
 ■ Non-variable compensation costs

ADJUSTED GENERAL AND ADMINISTRATIVE EXPENSES (€M)¹



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

Q3 HIGHLIGHTS

- Total adjusted costs continued to improve and decreased QoQ
- Non-comp direct costs slightly decreased due to efficiencies, despite regulatory and dis-synergy costs
- DB Group charges declined further by €14m QoQ
- Charges for DWS functions in DB entities declined as functions have been transferred from DB into DWS entities

¹ Compensation & benefits adjusted for severance payments; non-compensation direct costs adjusted for litigation

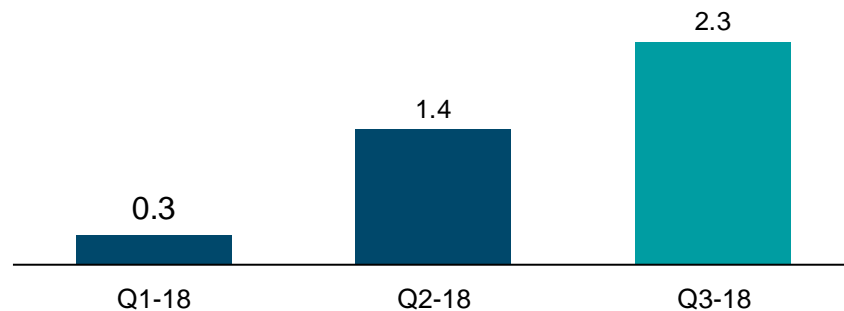
HARVEST FUND MANAGEMENT



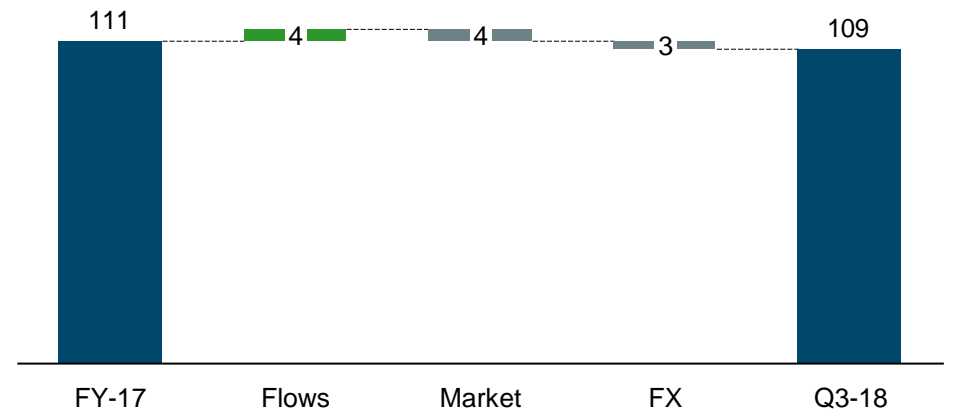
COMMENTS

- DWS owns 30% in Harvest Fund Management
- Continue collaboration efforts in 2019
 - Product development
 - Distribution opportunities
 - Client introductions

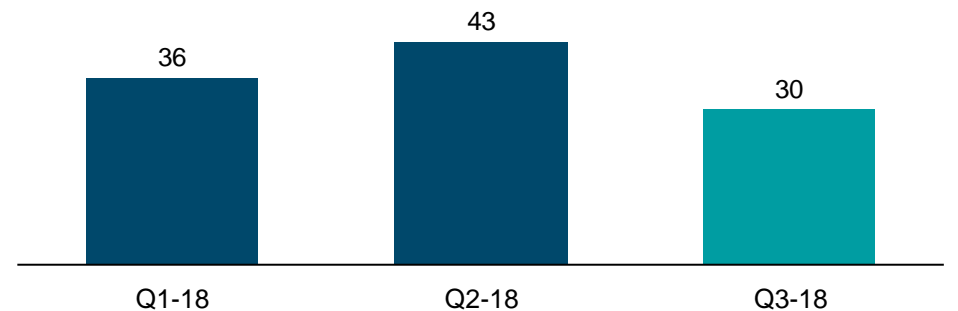
NET FLOWS (€BN)



AUM (€BN)



NET INCOME (€M)



Note: 100% Harvest view

Q3-18 LAUNCHES & PIPELINE FOR Q4-18



Q3-18 LAUNCHES

EXAMPLES

- ESG Liquidity Fund
 - Deutsche Invest I Asian IG Bonds
- Fixed Income**

-
- MSCI EAFE ESG Leaders
- ETP**

-
- Champions Select Balance
 - Champions Select Dynamic
- Multi Assets**
-

Q4-18 LAUNCHES¹

EXAMPLES

- DWS Invest Dynamic Opportunities
- Multi-Asset**

-
- DWS Invest Green Bonds
- Fixed Income**

-
- DWS Invest Climate Tech
 - DWS Invest Artificial Intelligence
- Equity**

-
- Xtrackers Nikkei 225 UCITS ETF
2D-EUR hedged
- ETP**

-
- Three new fund launches:
Real Estate / Private Equity /
Infrastructure
- Alternative**
-

¹ Subject to demand assessments and approvals

CONCLUSION & OUTLOOK



- Continued cost efficiencies put DWS on track to deliver CIR target of <65% in the medium term
- New product launches and existing pipeline support the 3-5% net flow target in 2019 and beyond
- New strategic alliance agreements with Tikehau and Generali open further growth opportunities
- DWS remains highly committed to dividend pay-out target of 65-75%



Appendix



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

	Q3 2018	Q2 2018	Q3 2017	9M 2018	9M 2017	Q3 2018 vs Q2 2018	Q3 2018 vs Q3 2017	9M 2018 vs 9M 2017	
Profit & Loss	Management fees and other recurring revenues	532	523	540	1,573	1,653	2%	(1)%	(5)%
	Performance and transaction fees and other non-recurring revenues	20	28	29	66	133	(29)%	(31)%	(51)%
	Other revenues	22	25	54	72	116	(10)%	(59)%	(38)%
	Net revenues	574	576	623	1,710	1,902	(0)%	(8)%	(10)%
	<i>Revenue adjustments</i>			(52)		(52)			
	<i>Adjusted revenues</i>	574	576	571	1,710	1,850	(0)%	1%	(8)%
	Compensation & Benefits	(179)	(182)	(190)	(532)	(571)	(1)%	(6)%	(7)%
	General & administrative expenses	(223)	(245)	(231)	(717)	(682)	(9)%	(3)%	5%
	Restructuring activities	(1)	(7)	2	(10)	(2)	(89)%	(138)%	n.m.
	Total noninterest expenses	(403)	(434)	(419)	(1,259)	(1,255)	(7)%	(4)%	0%
	<i>Cost adjustments</i>	5	7	(1)	15	6			
	<i>Adjusted cost base</i>	(398)	(427)	(420)	(1,244)	(1,250)	(7)%	(5)%	(0)%
	Profit before tax	172	142	204	451	647	21%	(16)%	(30)%
	<i>Adjusted profit before tax</i>	177	149	151	465	600	18%	17%	(22)%
Net income	121	92	148	311	467	32%	(18)%	(34)%	
Other Key Performance Measures	Reported CIR	70.1%	75.3%	67.2%	73.6%	66.0%	(5.2)ppt	2.9 ppt	7.7 ppt
	<i>Adjusted CIR</i>	69.2%	74.1%	73.6%	72.8%	67.6%	(4.8)ppt	(4.3)ppt	5.2 ppt
	FTE (reported)	3,422	3,296	3,801	3,422	3,801	4%	(10)%	(10)%
	AuM (in €bn)	692	687	696	692	696	1%	(1)%	(1)%
	Net flows (in €bn)	(2.7)	(4.9)	3.8	(15.2)	14.8			
	<i>Net flows (% of BoP AuM – annualized)</i>	<i>(1.5)%</i>	<i>(2.9)%</i>	<i>2.2%</i>	<i>(2.9)%</i>	<i>2.9%</i>			
<i>Management fee margin (bps - annualized)</i>	<i>30.5</i>	<i>30.7</i>	<i>31.0</i>	<i>30.7</i>	<i>31.8</i>				

DWS BALANCE SHEET



RECONCILIATION FROM IFRS TO ECONOMIC BALANCE SHEET

September-18 (€bn)	IFRS consolidated	Consolidated Funds	DB Vita and pending	Economic View
Assets				
Cash and bank balances	2.4			2.4
Financial assets at FVPL	2.9	1 (1.3)	2 (0.6)	1.0
Other investments	0.2			0.2
Tax assets	0.1			0.1
Intangible assets	3.7			3.7
Other assets	1.1		3 (0.4)	0.8
Total assets	10.5	(1.3)	(1.0)	8.2
Liabilities				
Other short-term borrowings	0.1			0.1
Tax liabilities	0.4			0.4
Financial liabilities at FVPL	0.7		2 (0.6)	0.1
Other liabilities	2.9	1 (1.3)	3 (0.4)	1.2
Total liabilities	4.1	(1.3)	(1.0)	1.8
Equity	6.4			6.4
Total liabilities and equity	10.5	(1.3)	(1.0)	8.2

HIGHLIGHTS

- 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 (€0.6bn)
 - Investment contract related financial assets held to back unit linked contracts offered by DB Vita S.A. (which is our specialist for unit-linked 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 SA

HISTORICAL NET FLOWS AND ASSET UNDER MANAGEMENT DEVELOPMENT



in €bn

Net flows by asset class	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Q1 2018	Q2 2018	Q3 2018
Active Equity	(0.2)	(0.8)	(0.1)	(0.6)	(1.7)	(1.7)	(2.0)	(2.5)
Active Multi Asset	1.7	8.6	0.2	0.5	11.1	(1.7)	0.1	(0.3)
Active SQI ¹	(2.4)	(0.7)	(0.6)	(0.3)	(4.1)	0.0	0.8	(0.4)
Active Fixed Income	2.5	0.0	0.6	(5.0)	(1.9)	(4.1)	(5.5)	(0.4)
Active Cash	0.8	(5.5)	4.3	0.9	0.5	(1.6)	(1.2)	0.5
Passive	0.9	4.3	0.5	5.7	11.5	1.3	2.9	(0.1)
Alternatives	1.7	0.0	(1.1)	(0.1)	0.6	0.0	0.1	0.6
DWS Group	5.1	5.9	3.8	1.0	15.8	(7.7)	(4.9)	(2.7)

Net flows by region

Americas	1.9	(4.3)	2.2	0.4	0.1	(6.3)	(3.2)	(3.9)
EMEA excl. GY	1.1	1.0	(0.7)	(1.5)	(0.1)	(2.4)	(0.8)	2.0
Germany (GY)	(0.2)	8.9	2.2	2.6	13.5	1.9	1.1	(0.9)
Asia Pacific	2.4	0.3	0.0	(0.4)	2.3	(0.9)	(2.0)	0.1
DWS Group	5.1	5.9	3.8	1.0	15.8	(7.7)	(4.9)	(2.7)

Net flows by client channel

Retail	3.1	3.7	(0.4)	2.5	8.8	(1.4)	(4.2)	(2.3)
Institutional	2.0	2.2	4.2	(1.4)	7.0	(6.3)	(0.7)	(0.4)
DWS Group	5.1	5.9	3.8	1.0	15.8	(7.7)	(4.9)	(2.7)

Total net flows

FX impact	(1.8)	(19.4)	(10.2)	(4.5)	(36.0)	(5.7)	13.1	1.1
Performance	12.5	3.5	6.5	6.9	29.4	(11.1)	6.3	5.7
Other	1.1	(0.1)	0.0	0.0	1.1	(10.2)	7.5	0.3
Total change in AuM	16.9	(10.1)	0.1	3.4	10.3	(34.8)	22.0	4.5

AuM by asset class	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Q1 2018	Q2 2018	Q3 2018
Active Equity	95	93	94	95	95	88	91	91
Active Multi Asset	48	56	56	57	57	52	53	53
Active SQI ¹	66	65	64	65	65	55	65	65
Active Fixed Income	256	247	244	238	238	229	229	229
Active Cash	63	55	58	59	59	57	57	58
Passive	104	106	108	115	115	113	119	121
Alternatives	75	74	71	71	71	70	73	73
DWS Group	706	696	696	700	700	665	687	692

AuM by region

Americas	210	195	193	193	193	181	187	186
EMEA excl. GY	175	173	173	173	173	165	168	172
Germany (GY)	280	289	292	296	296	284	297	298
Asia Pacific	41	39	38	38	38	36	35	35
DWS Group	706	696	696	700	700	665	687	692

AuM by client channel

Retail	313	310	311	319	319	306	310	312
Institutional	394	386	385	381	381	359	378	379
DWS Group	706	696	696	700	700	665	687	692

Q3 DETAILED INVESTMENT PERFORMANCE



<i>All figures in %¹</i>		1Y	3Y	5Y
Active Retail	Equity	38%	77%	85%
	Multi Asset	65%	68%	90%
	SQI	13%	45%	47%
	Fixed Income	71%	98%	97%
	Cash	99%	99%	100%
	Total	50%	82%	88%
Active Institutional	Equity	36%	30%	54%
	Multi Asset	41%	53%	64%
	SQI	61%	74%	80%
	Fixed Income	82%	70%	62%
	Cash	89%	100%	99%
	Total	75%	68%	65%
Active Total	Equity	37%	70%	81%
	Multi Asset	50%	59%	74%
	SQI	54%	70%	75%
	Fixed Income	80%	75%	70%
	Cash	92%	99%	100%
	Total	66%	73%	75%
Alternatives	Direct Real Estate	96%	93%	100%
	Liquid Real Assets	88%	61%	97%
	Other Alternatives	0%	100%	100%
	Total	77%	86%	99%
Total DWS	67%	75%	78%	

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 Sep 30, 2018 and Direct Real Estate and Other Alternatives as of Jun 30, 2018)

COST TAILWINDS AND HEADWINDS¹



Adjusted cost tailwinds

	Medium term target (per annum)	Expected timing
Cost efficiency initiatives	~€125 - 150m	~20 - 30% in 2018, will reach full savings in medium term
DB Group services	From 30% to below 25% of 2017 adjusted general & administrative expenses	Below 25% in 2018 and potential further optimisation thereafter based on consumption

Adjusted cost headwinds

	Medium term target (per annum)	Expected timing
MiFID II	~€40m	Full cost in 2018, reduction potential thereafter (reflected in cost efficiencies initiatives)
Additional VAT + dis-synergies	~€40m	~60 - 70% in 2018, full cost from 2019
Growth initiatives	~€90m	~50% in 2018, will reach full cost in medium term

Target adjusted CIR of **below 65%** in medium term

¹ As communicated to the market in February 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 <http://www.dws.com/ir>.

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 Q3 2018 Financial Data Supplement, which is accompanying this presentation and available at www.dws.com/ir.