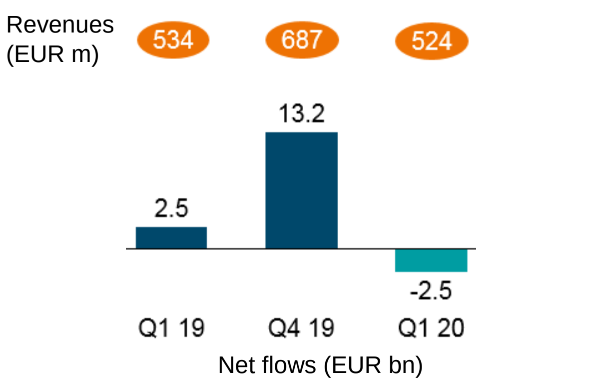
Frankfurt/Main

April 29, 2020

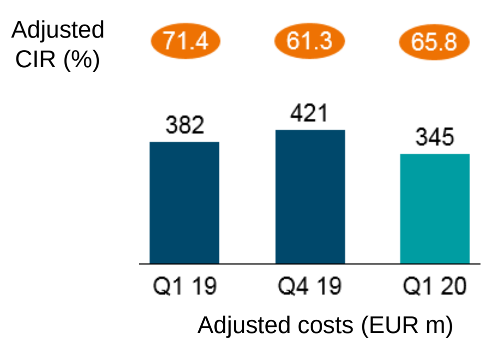
DWS Q1: Resilient in Turbulent Markets

- **Adjusted costs reduced to EUR 345m** in Q1 (Q4 2019: EUR 421m; Q1 2019: EUR 382m), down 18 percent q-o-q and 10 percent y-o-y
- **Adjusted Cost-Income Ratio (CIR) at 65.8 percent in Q1** on a good level (Q4 2019: 61.3 percent; Q1 2019: 71.4 percent)
- **Net flows of minus EUR 2.5bn in Q1** burdened by corona pandemic's impact on markets (Q4 2019: EUR 13.2bn; ex Cash minus EUR 6.1bn in Q1 2020, EUR 14.8bn in Q4 2019
- **Adjusted profit before tax at EUR 179m in Q1** (Q4 2019: EUR 266m; Q1 2019: EUR 153m), down 33 percent q-o-q, up 17 percent y-o-y
- **Total revenues at EUR 524m in Q1** (Q4 2019: EUR 687m; Q1 2019: EUR 534m); total revenues down 24 percent q-o-q and 2 percent y-o-y
- **AuM** decreased to **EUR 700bn** in Q1 (Q4 2019: EUR 767bn) due to strong market downturn

Net flows & Revenues



Adjusted CIR & Adjusted costs



"In an unprecedented situation, we recorded a strong first quarter, proving the resilience of our business. This enables us to maintain our mid-term target of an adjusted Cost-Income Ratio of below 65 percent by the end of 2021. We are also maintaining our dividend proposal of EUR 1.67 per share for 2019. Looking ahead, markets will remain challenging. But with our diversified and well-managed business model, we are well positioned to navigate securely through the Covid-19 crisis."

Asoka Woehrmann, CEO

"During the first quarter, we were able to significantly reduce our costs, leading to an adjusted Cost-Income Ratio of now 65.8 percent. While the pandemic will lead to both revenues and costs this year to be lower than 2019, our efficiency measures introduced, accelerated and executed since early last year have given us a good jump-off point to manage our firm successfully through this unique environment."

Claire Peel, CFO

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Business Development

As the world fights the Coronavirus, DWS proved resilient to withstand the unprecedented market turbulences caused by the pandemic. Our diversified business and our management focus on efficiency and cost measures have helped us navigate the unique challenges faced by our industry today. Following on from a strong 2019, DWS had a very good start to 2020 until Coronavirus came into full effect globally. By the end of the first quarter, global markets had dropped dramatically, and with no clear signs of an imminent recovery, investors' risk appetite was considerably weaker in March. Together with imminent liquidity needs, this resulted in net outflows in the first quarter. The global market decline also significantly impacted our Assets under Management. Compared with the exceptionally good fourth quarter 2019, revenues were lower, but only slightly below revenues in the first quarter of 2019. Our cost efficiency measures, accelerated in 2019 and into 2020, along with some lower compensation costs helped us sustain an adjusted Cost-Income Ratio of just over 65 percent for the quarter. They also led to an increase of our adjusted profit before tax by 17 percent year-on-year.

Total revenues decreased quarter-on-quarter by 24 percent to EUR 524 million in Q1 2020 (Q4 2019: EUR 687 million; Q1 2019: EUR 534 million). While management fees and other recurring revenues were stable, performance fees decreased by EUR 91 million to a normalized level after an exceptionally good number in the previous quarter, and fair value of guarantees saw a negative swing of minus EUR 55 million. Year-on-year, revenues decreased slightly by 2 percent.

Adjusted profit before tax declined quarter-on-quarter by 33 percent to EUR 179 million in the first quarter (Q4 2019: EUR 266 million; Q1 2019: EUR 153 million) due to lower revenues, only partially offset by reduced adjusted costs. Year-on-year adjusted profit before tax increased by 17 percent. After tax, DWS posted a quarter-on-quarter 33 percent lower **net income** of EUR 121 million for the first quarter 2020. Net income was up 19 percent year-on-year. (Q4 2019: EUR 182 million; Q1 2019: EUR 102 million).

Assets under Management (AuM) decreased to EUR 700 billion in the first quarter of 2020 (Q4 2019: EUR 767 billion). This was primarily driven by the market downturn due to the pandemic, while exchange rate movements had a positive impact on our AuM.

We recorded **net flows** of minus EUR 2.5 billion in the first quarter of 2020 (ex Cash: minus EUR 6.1 billion), primarily due to redemptions from Active (ex Cash) and Passive, more than offsetting net inflows into Alternatives and Cash products. While in January and February, DWS recorded strong inflows across all three business pillars, including significant inflows into Active Equity, the Coronavirus pandemic was an inflection point. Traditional asset classes were heavily impacted by the strong downturn in the markets in March, although high-margin Active Equity was able to end

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the quarter with net positive flows. High-margin Alternatives have remained resilient throughout the quarter with ongoing high demand for real estate. Cash products were used by institutional investors as a safe haven for their portfolios.

Active Asset Management ex Cash recorded net outflows of minus EUR 5.6 billion in the first quarter (Q4 2019: EUR 4.9 billion). While Active Equity flows improved quarter-on-quarter to EUR 1.7 billion, the other active product classes were unable to avoid outflows as a result of the impact of the pandemic on market sentiment. Active Multi Asset saw outflows of minus EUR 0.7 billion in total – while flagship funds DWS Concept Kaldemorgen and DWS Dynamic Opportunities defied the trend and generated further inflows, these were offset by a specific institutional pension outflow –, Active SQI recorded flows of minus EUR 1.5 billion and Active Fixed Income suffered from the pandemic-induced market downturn with outflows of minus EUR 5.1 billion. Cash products profited with net new assets of EUR 3.6 billion.

Despite a very good start to the year in January and February, **Passive Asset Management** was not immune to outflows in this unprecedented situation. Flows reached minus EUR 2.0 billion in Q1 2020 (Q4 2019: EUR 6.2 billion). This was driven by net outflows from ETPs (exchange-traded funds and commodities), as demand for Government and Corporate Bond ETFs was not able to compensate for divestments from Equity-driven ETPs. Institutional mandates recorded slightly positive net inflows.

Alternatives showed resilience with further net new assets of EUR 1.5 billion in the first quarter (Q4 2019: EUR 3.7 billion). While Illiquid Alternatives had ongoing net inflows based in particular on high demand for DWS Grundbesitz real estate funds family, Liquid Alternatives recorded very small net outflows.

Adjusted costs decreased to EUR 345 million in Q1 2020 quarter-on-quarter as well as year-on-year (Q4 2019: EUR 421 million; Q1 2019: EUR 382 million). Our ongoing cost efficiency measures led to lower service costs from vendors as well as lower costs for external research and buildings & leases. In addition, DWS share-based compensation was down significantly given industry-wide repricings of asset management stocks in March and we had lower volume related costs in line with weaker markets.

The **adjusted Cost-Income Ratio** (CIR) stood at 65.8 percent in the first quarter 2020 (Q4 2019: 61.3 percent; Q1 2019: 71.4 percent) – still on track to reach our medium-term target of below 65 percent by the end of 2021 assuming a market recovery in the second half of 2020.

Adjustment to an Unprecedented Situation and Strategic Progress

In the first quarter DWS has reacted quickly and responsibly to the pandemic. We prioritized the health and safety of our employees and our fiduciary responsibility to our clients. We successfully

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implemented a comprehensive business continuity plan for all of our staff to work remotely and for critical functions to be performed at recovery sites. In addition, we introduced a globally integrated control room to observe and assess the pandemic and its fallout throughout all regions to ensure we take decisive and responsible business action when necessary.

As a fiduciary, we continue to engage with our clients regularly through audio and video calls, while also offering research and our latest thought leadership on opportunities and risks in this unique climate. We are also working closely with our vendors to see how we can help them in these challenging times.

As a corporate, we are supporting initiatives suggested by our employees to help bring relief to our local communities by donating EUR 1 million to non-profit organizations in some of the hardest hit countries in which the firm operates. And of course, we also provide support for our employees.

We also progressed on other strategic priorities such as coverage and ESG in the first quarter, receiving a lot of external recognition for our ESG efforts: The Telos Sustainability-Rating awarded DWS with top marks for integrating sustainability. Besides, DWS was recognized as one of the top 20 asset managers globally in terms of strongest ESG integration, according to the London-based lobby group AODP. Furthermore, DWS led the ESG proxy voting in the US according to Morningstar.

Our Annual General Meeting (AGM), originally planned for June 18, 2020, will be postponed, following a decision of the Supervisory Board, to a date in the fourth quarter of this year. The decision has been made in light of the pandemic and acknowledging the prevailing regulatory spirit. In particular, we have a duty to protect the health and safety of our shareholders, employees and service providers.

With regard to the dividend, the **Executive Board has decided to keep its proposal of a dividend per share of EUR 1.67 for financial year 2019**, although this still requires approval by the AGM.

Outlook

The environment will remain challenging. High uncertainty about the duration and further course of the pandemic makes it almost impossible to predict how the rest of the year will turn out. But as a consequence of the market downturn, we expect adjusted revenues and costs to 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.

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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. Furthermore, 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 operational and investment excellence from 2019, by ensuring **we have efficient globally integrated structures, 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.

In particular, 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. Above all, we are maintaining our mid-term target of an adjusted Cost-Income Ratio of below 65 percent in 2021 assuming a market recovery in the second half of 2020. However, in view of the impact of the pandemic on revenues, we expect a temporary increase in the coming quarters.

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Appendix

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

	Q1 2020	Q4 2019	Q1 2019	Q1 2020 vs. Q4 2019	Q1 2020 vs. Q1 2019
Management Fees and other recurring revenues	553	551	508	0%	9%
Performance & Transaction Fees	17	108	11	-84%	61%
Other Revenues	-46	28	16	N/M	N/M
Total net revenues	**524**	**687**	**534**	-24%	-2%
Revenue adjustments	-	-	-	-	-
Adjusted revenues	***524***	***687***	***534***	-24%	-2%
Compensation and benefits	165	201	195	-18%	-16%
General and administrative expenses	182	224	189	-19%	-4%
Restructuring activities	3	-2	2	N/M	29%
Total noninterest expenses	**351**	**424**	**387**	-17%	-9%
Cost adjustments	*7*	*3*	*5*	*N/M*	*N/M*
Adjusted cost base	***345***	***421***	***382***	-18%	-10%
Profit before tax	**173**	**264**	**148**	-35%	17%
Adjusted Profit before tax	***179***	***266***	***153***	-33%	17%
Net income	***121***	***182***	***102***	-33%	19%
Cost-Income Ratio	67.0%	61.6%	72.4%	5.4ppt	-5.3ppt
Adjusted Cost-Income Ratio	*65.8%*	*61.3%*	*71.4%*	4.5ppt	-5.6ppt
Employees (full-time equivalent)	3,329	3,361	3,471	-1%	-4%
Assets under management (in EUR bn)	700	767	704	-9%	-1%
Net flows (in EUR bn)	-2.5	13.2	2.5		
Net flows (% of BoP AuM - annualized)	-1.3	7.0	1.5		
Management fee margin (bps annualized)	29.5	28.9	30.0		

N/M – Not meaningful

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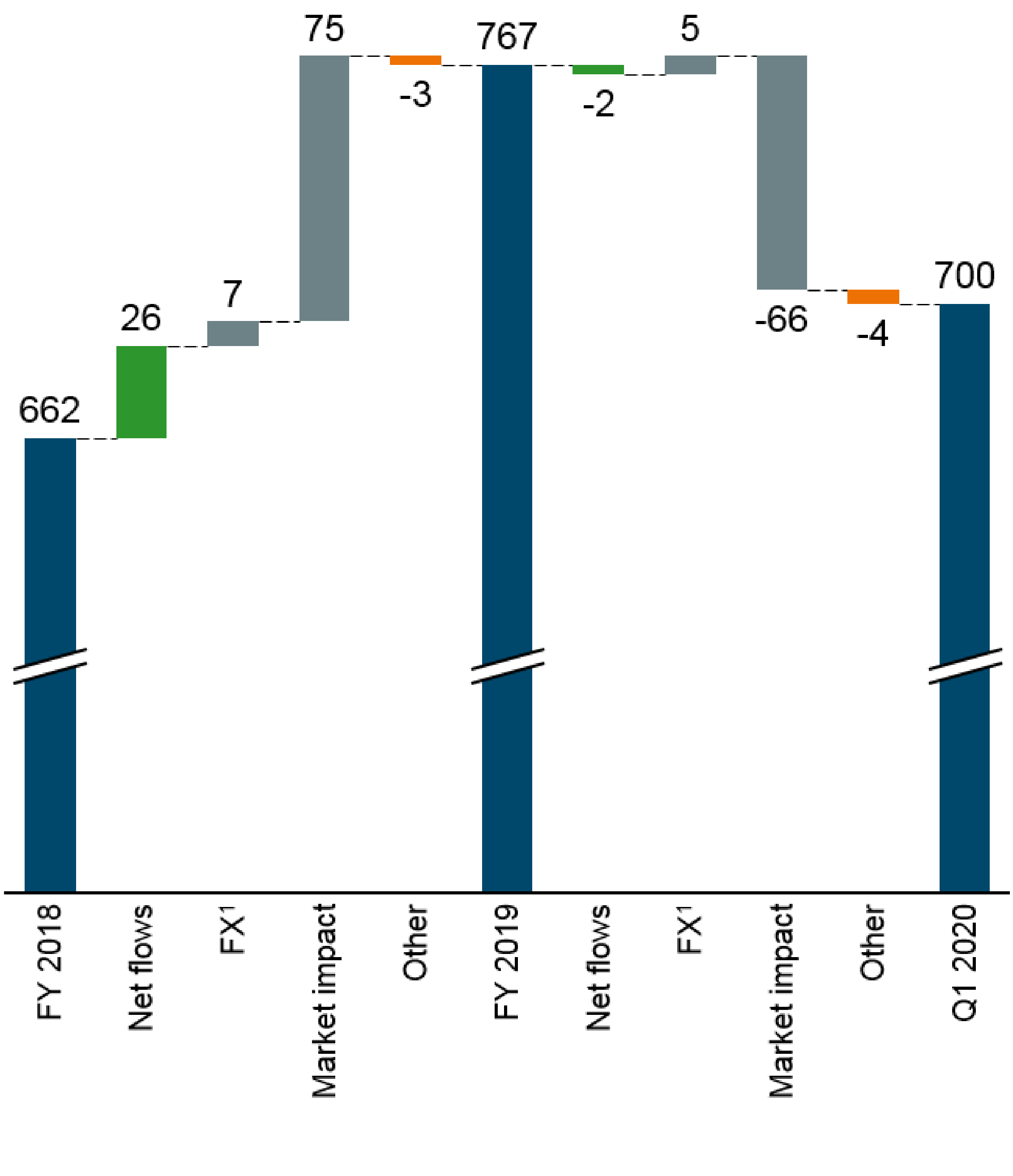
AuM development in detail (in EUR bn)



[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 April 2020 at 10am CET. 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 700bn of assets under management (as of 31 March 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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