



DWS GROUP – Q4 & FY 2018 PRELIMINARY RESULTS

February 1, 2019

DWS IN 2018 – AN INFLECTION YEAR



Post IPO	– Transition from a division of Deutsche Bank into a publicly listed company
Market Environment	– Increasing market headwinds: challenging conditions for the asset management industry
Flows	– Strength in ETPs and Real Estate were more than offset by difficult flow environment
Costs	– Exceeded cost savings guidance as a result of strict cost discipline
Dividend ¹	– Executive Board will propose a dividend of €1.37 per share, in line with our 65-75% payout ratio target

¹ Subject to Annual General Meeting approval on June 5th, 2019

Q4 2018 KEY FINANCIAL HIGHLIGHTS

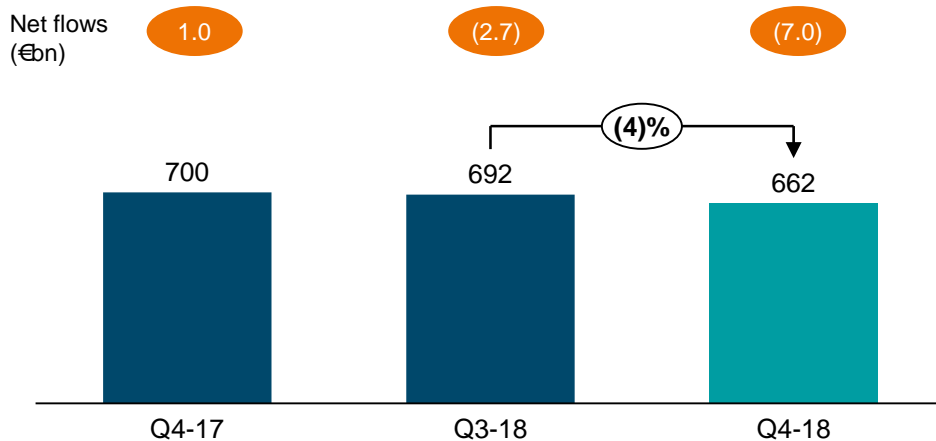


- Adjusted profit before tax in Q4 is €160m, down 10% from Q3 despite further cost reductions, which were offset by lower revenues stemming from the adverse market environment
- Management fee margin declined to 30.3bps in Q4 mainly due to adverse market environment. This resulted in 30.6bps for the year, consistent with our target of ≥ 30 bps
- Adjusted cost-income ratio up from 69% to 71% in Q4, despite continued focus on cost management
- Q4 net flows of €(7.0)bn primarily driven by anticipated insurance outflows, offsetting continued strong inflows in Passive products

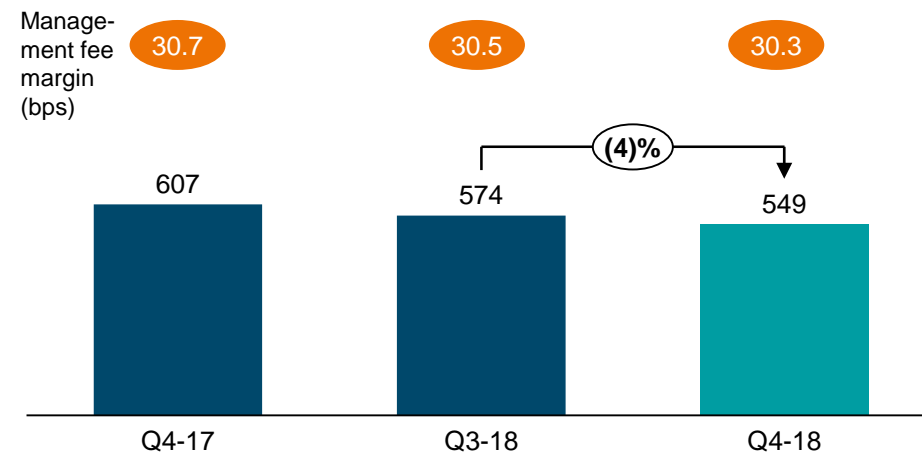
FINANCIAL PERFORMANCE SNAPSHOT – Q4 2018



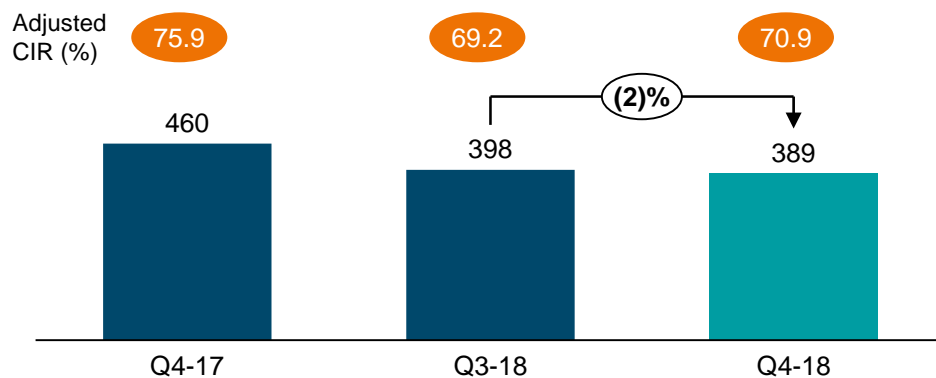
AUM (€BN)



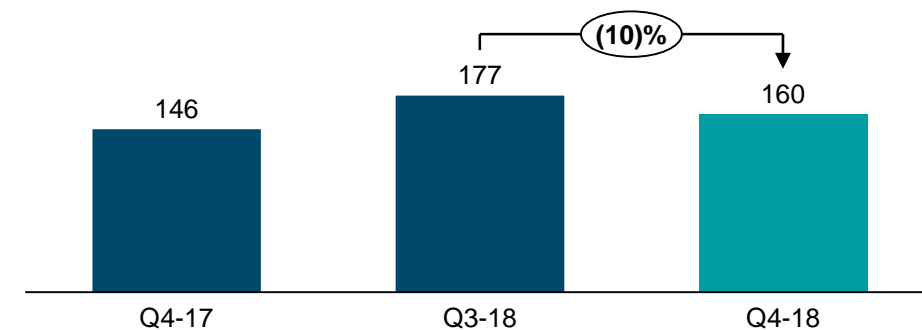
ADJUSTED REVENUES (€M)



ADJUSTED COSTS (€M)



ADJUSTED PROFIT BEFORE TAX (€M)



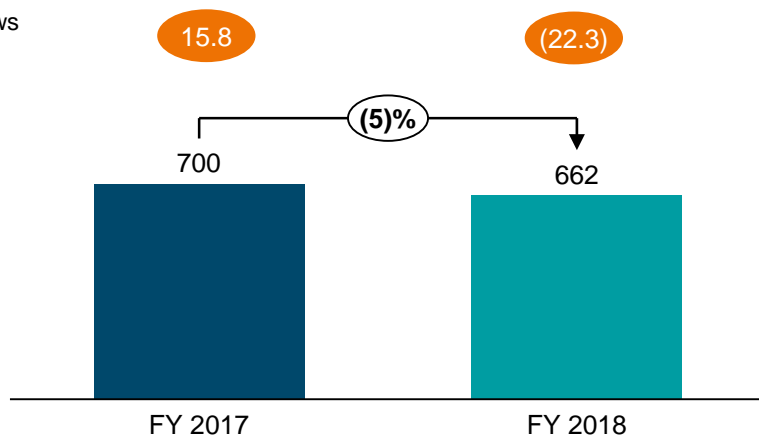
Note: Throughout this presentation totals may not sum due to rounding differences / 2018 financials represent consolidated DWS view / 2017 financials are based on combined view

FINANCIAL PERFORMANCE SNAPSHOT – FY 2018



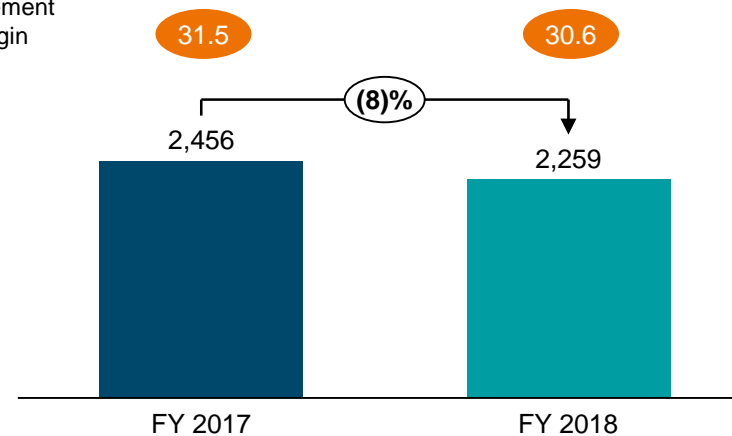
AUM (€BN)

Net flows
(€bn)



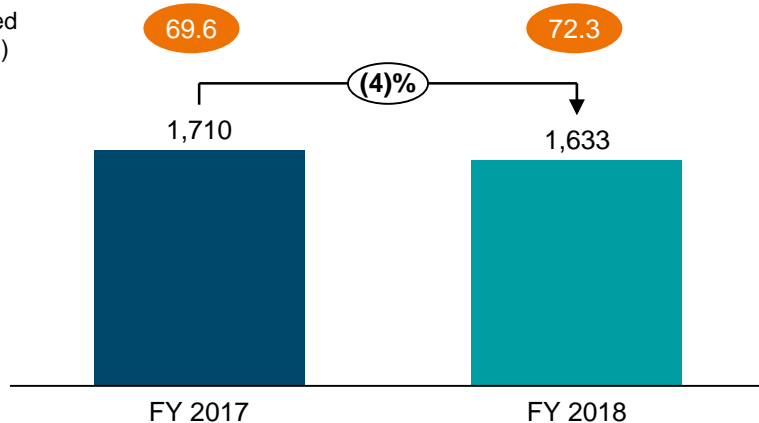
ADJUSTED REVENUES (€M)

Management
fee margin
(bps)

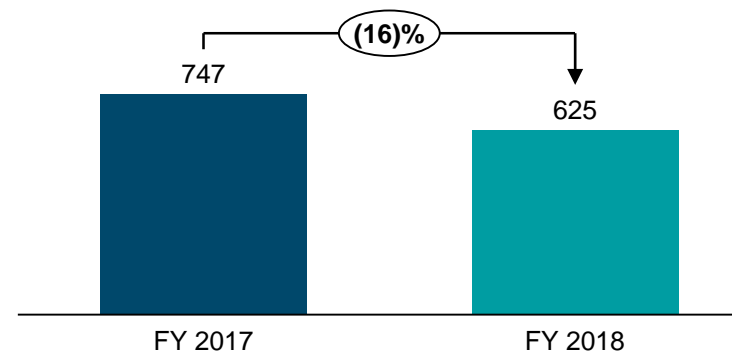


ADJUSTED COSTS (€M)

Adjusted
CIR (%)



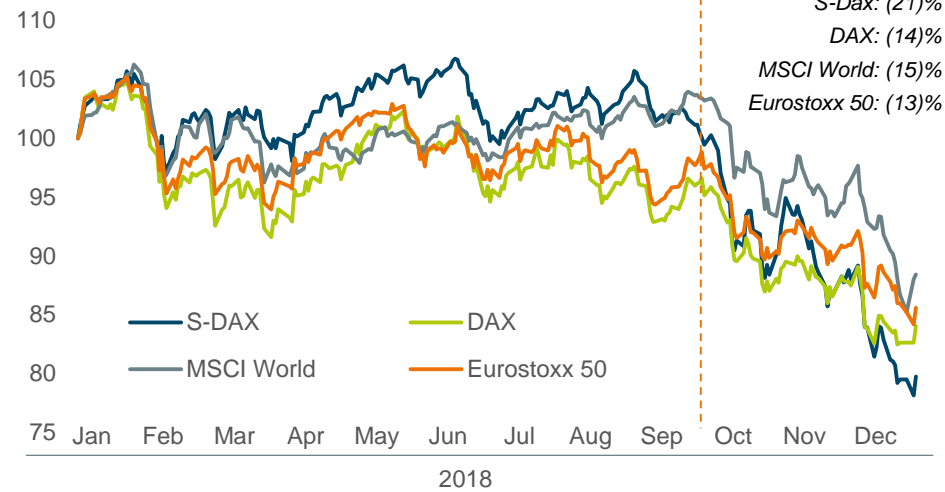
ADJUSTED PROFIT BEFORE TAX (€M)



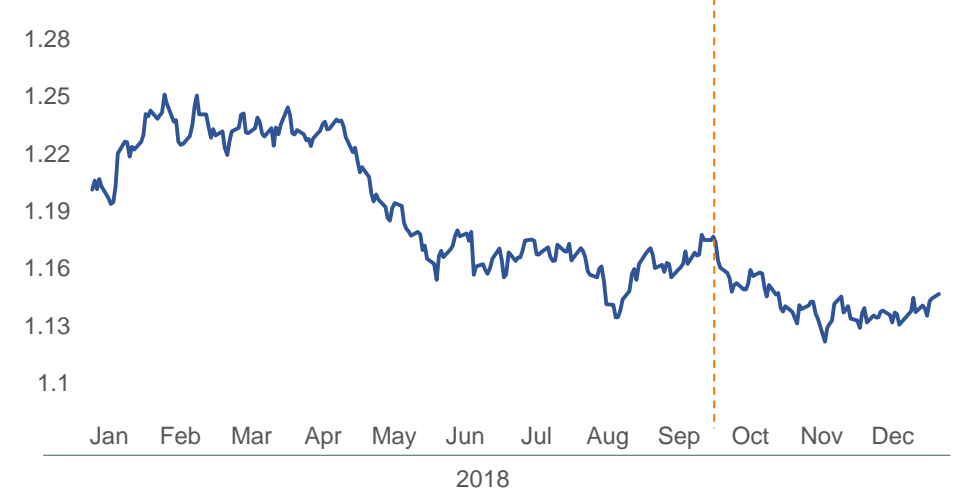
MARKET ENVIRONMENT



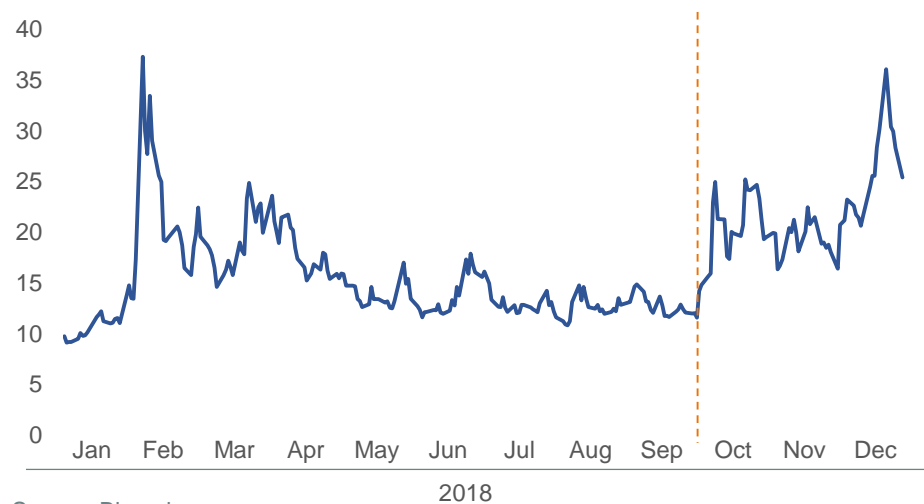
EQUITIES



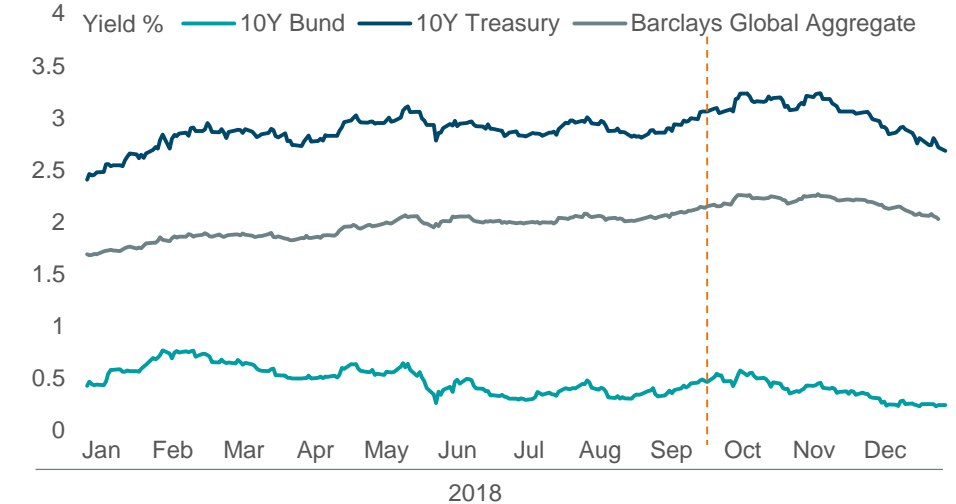
FX (EUR/USD)



VOLATILITY (VIX INDEX)



INTEREST RATES

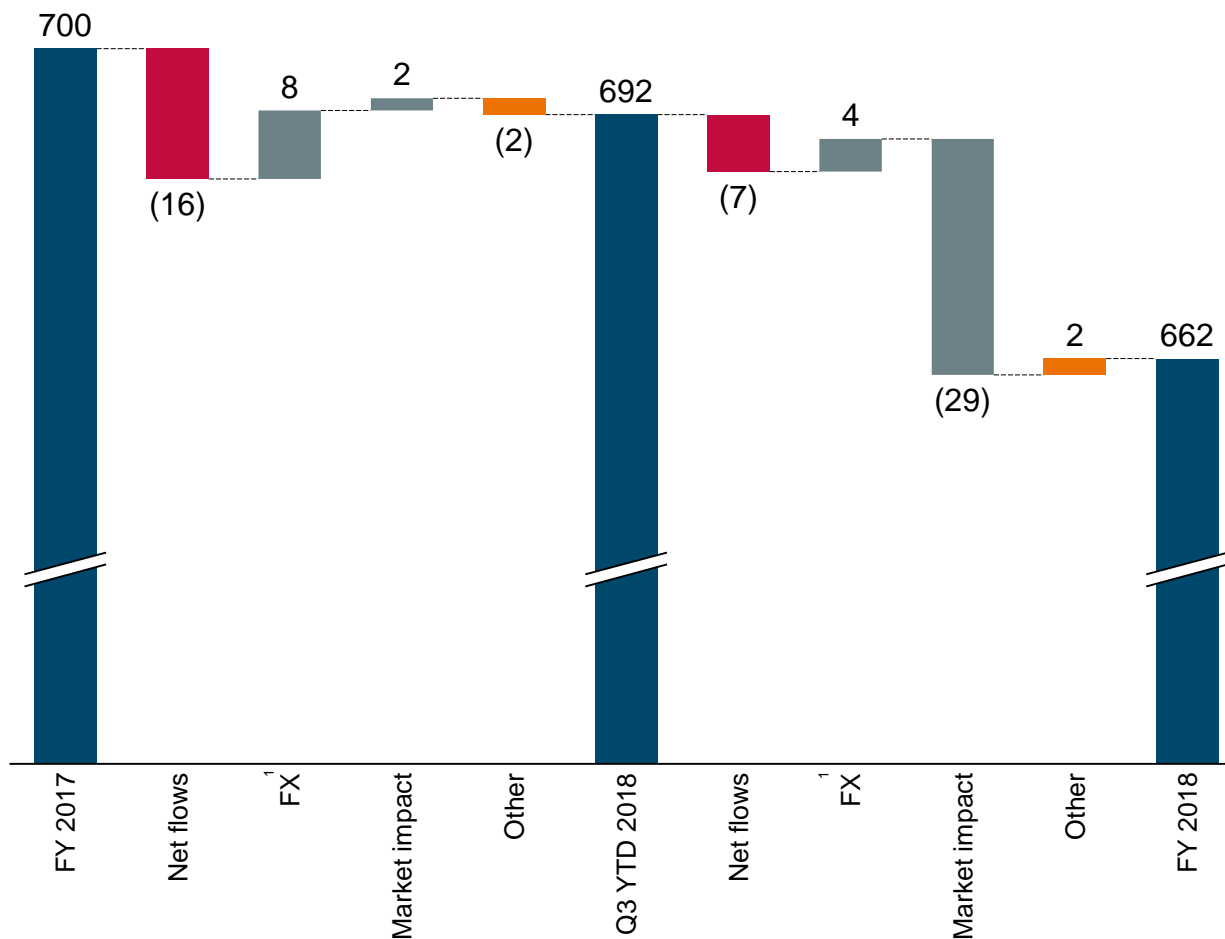


Source: Bloomberg

AUM DEVELOPMENT



AUM DEVELOPMENT DETAIL (€BN)



Q4 HIGHLIGHTS

AuM decreased by ~€30bn in Q4:

- Negative market performance led to a €29bn decline in AuM
- Positive FX effect of €4bn partly compensated the negative market impact
- Q4 net flows of €(7.0)bn added to the decline in AuM

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

2018 NET FLOWS AND AUM BY ASSET CLASS & REGION



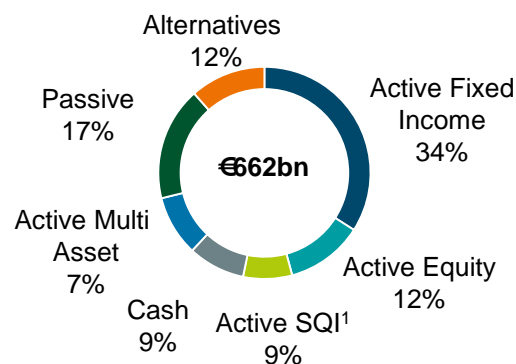
NET FLOWS BREAKDOWN

By asset class (€bn)	Q4-17	Q3-18	Q4-18	FY 2017	FY 2018
Active Equity	(0.6)	(2.5)	(1.0) 3	(1.7)	(7.3)
Active Multi Asset	0.5	(0.3)	(1.2) 4	11.1	(3.1)
Active SQI ¹	(0.3)	(0.4)	(0.8)	(4.1)	(0.4)
Active Fixed Income	(5.0)	(0.4)	(7.1) 5	(1.9)	(17.1)
Cash	0.9	0.5	(0.9)	0.5	(3.2)
Passive	5.7	(0.1)	3.9 1	11.5	8.0
Alternatives	(0.1)	0.6	0.0 2	0.6	0.7
Total	1.0	(2.7)	(7.0)	15.8	(22.3)

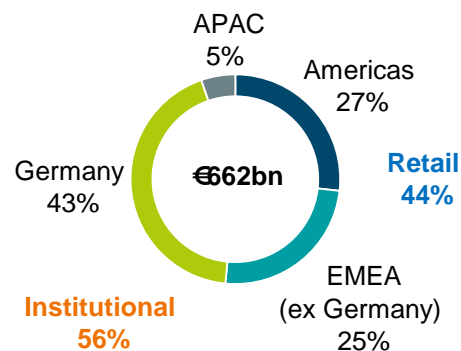
Q4 HIGHLIGHTS

- Continued strong inflows in Passive products as evidenced by our #2 position in European ETPs with over 27% market share in Q4
- Flows were flat in Q4 as strong inflows in Real Estate were offset by outflows in Liquid Real Assets
- Challenging equity market conditions in Q4 led to lower investor appetite for equity products. However, DWS Top Dividende returned to inflows of €0.2bn in Q4 benefiting from further improved performance
- The redemption of some institutional mandates had a negative impact on total Active Multi Asset flows. DWS Concept Kaldemorgen flows improved further to €0.1bn inflows in Q4
- Outflows mainly driven by Insurance GA redemptions and fixed income retail funds

AUM BY ASSET CLASS



AUM BY REGION & CLIENT TYPE



¹ Systematic and Quantitative investments

FLOWS - 2018 CHALLENGES AND 2019 OUTLOOK

2018 CHALLENGES

- ~€11bn outflows driven by US tax reform
- ~€10bn Insurance mandate outflow
- ~€10bn Active Equity & Multi Asset outflows driven by European retail market & performance dip in H1-18

2019 OUTLOOK

- US tax reform redemptions are broadly over as Q4-18 effect is negligible
- Scale of insurance outflows not expected to repeat
- Performance of two main flagship funds has significantly improved and flows positive in Q4-18

BUSINESS GROWTH UNDERWAY

- Passive growth remains strong
- Strategic partnerships
- Product innovations
- Distribution partnerships and alliances
- ESG and Alternative initiatives

Q4 2018 FUND LAUNCHES & Q1 2019 PIPELINE



Q4 2018 FUND LAUNCHES

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

- Two funds launched in Liquid Real Assets and sustainable business Alternative

Q1 2019 PIPELINE¹

EXAMPLES

- Defensive Multi Asset unconstrained fund Multi Asset

- Reserved Alternative Investment Fund (RAIF) for European mid-market senior loans Fixed Income

- ESG version of DWS Floating Rate Note fund

- Based on CROCI methodology focusing on Intellectual Capital Thematic Equity funds

- Focusing on Real Asset Growth

- Focusing on new technology Thematic Equity ETFs

- Focusing on mobility

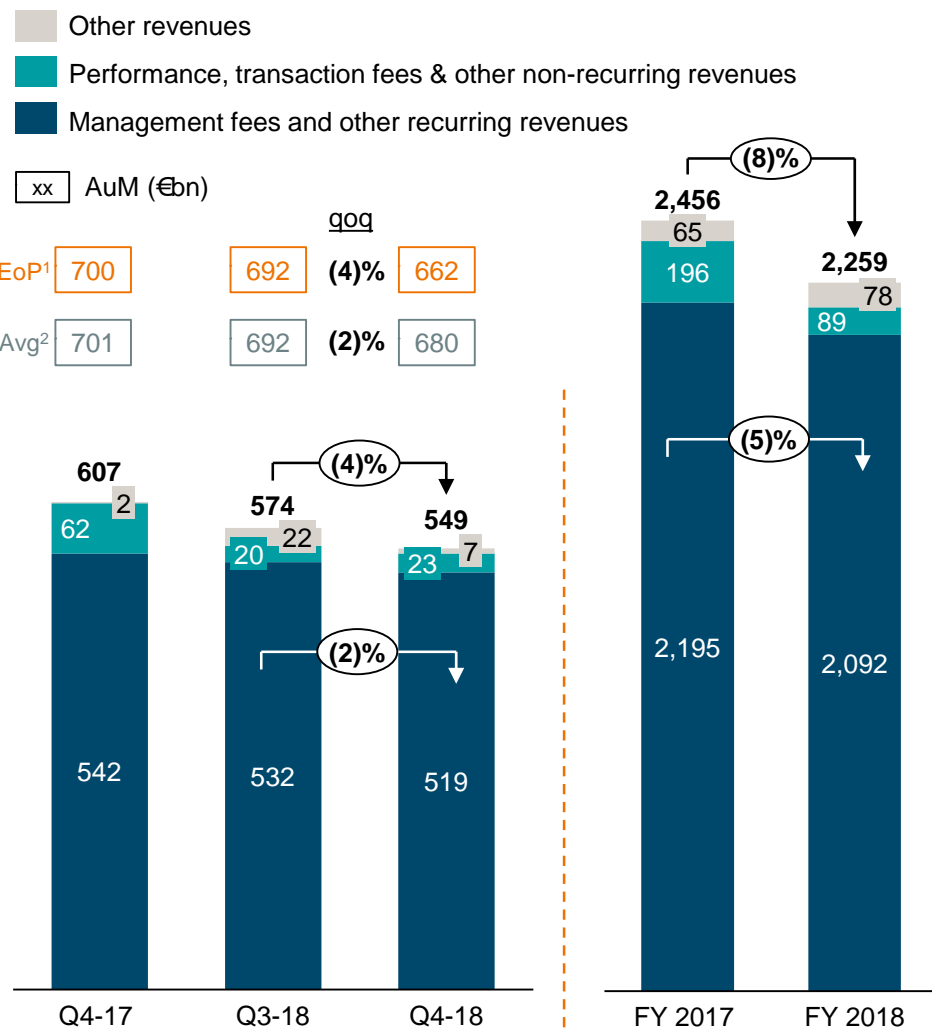
- One Real Estate and one Infrastructure fund Alternative

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

REVENUE DEVELOPMENT

ADJUSTED REVENUES (€M)

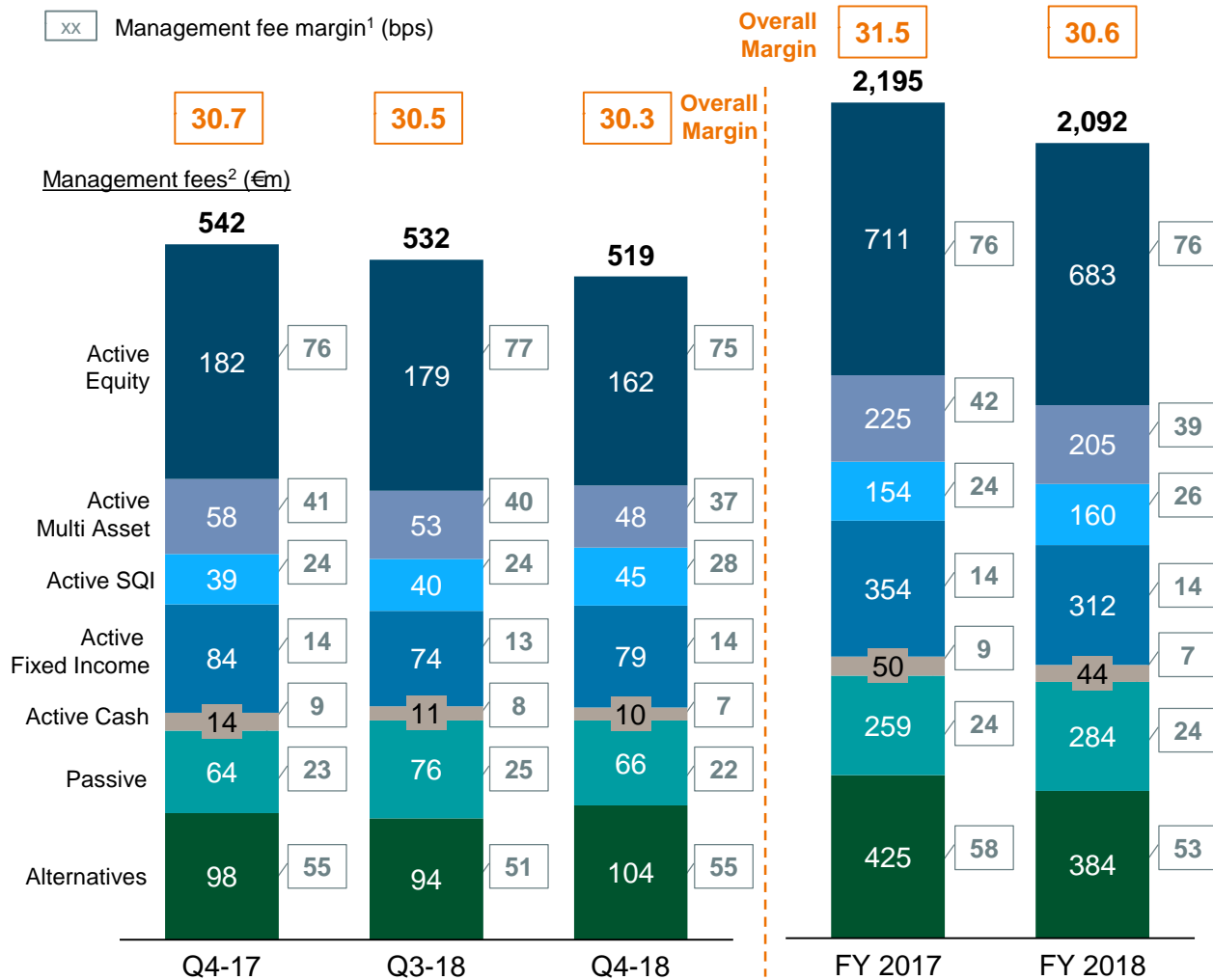


1 End of period 2 Monthly average

Q4 HIGHLIGHTS

- Total adjusted revenues were €549m in Q4, of which 95% came from management fees
- Management fees and other recurring revenues decreased by €13m due to significant market decline
- Performance and transaction fees increased by €3m qoq
- Other revenues decreased by €16m, primarily due to a negative change in fair value of guarantees offsetting positive €10m in H1-18
- Harvest contributed €11m to other revenues in Q4

MANAGEMENT FEES AND MARGIN DEVELOPMENT



Q4 2018 HIGHLIGHTS

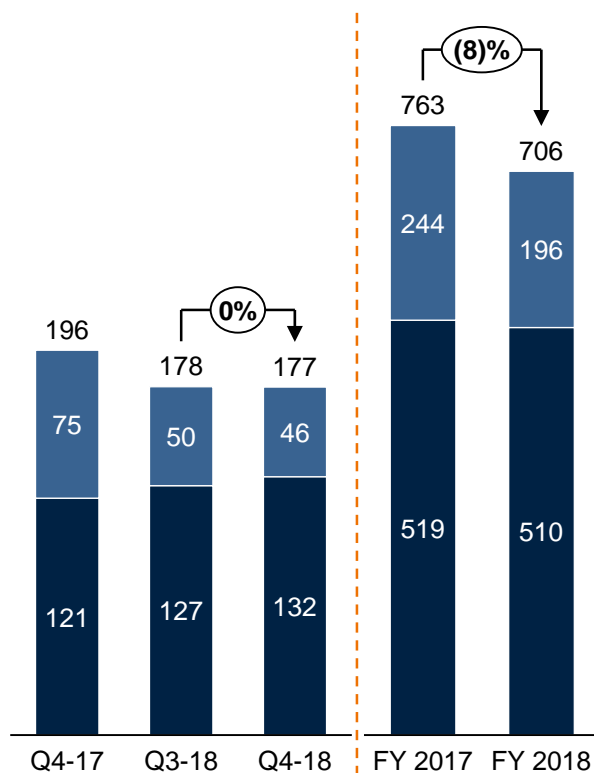
Overall management fee margin declined to 30.3bps in Q4, primarily driven by negative market environment

- Equity management fees declined in light of latest sharp market drop
- Multi Asset suffered from market decline and higher distribution fees
- SQI benefitted from reduced distribution fees and slightly higher advisory fee income
- Passive management fees reduced due to higher share in institutional volumes and product mix effect
- Growth in Alternative Real Estate compensated outflows in Liquid Real Assets. Margin increase is driven by consolidation

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 €3m in Q4-17, €3m in Q3-18, €5m in Q4-18, €18m in 2017 and €19m in 2018 excluded in asset class breakdown

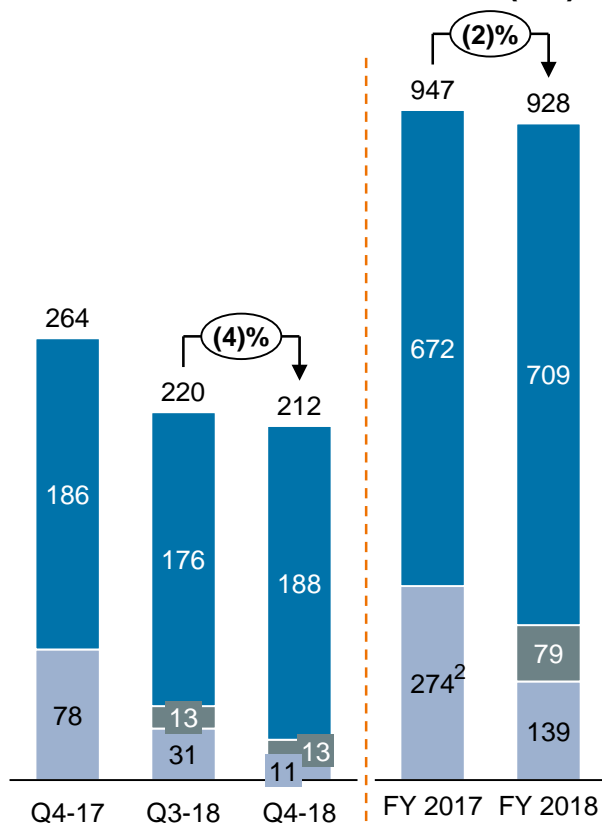
COST DEVELOPMENT

ADJUSTED COMPENSATION & BENEFITS (€M)¹



■ 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

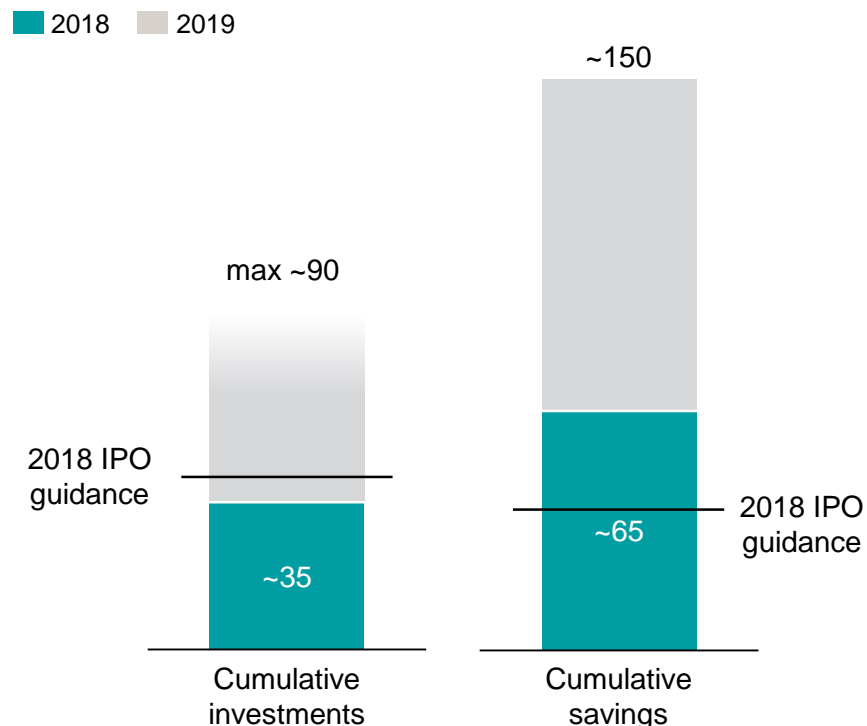
Q4 HIGHLIGHTS

- Total adjusted costs continued to improve and decreased vs Q3 and on the FY basis
- Adjusted non-variable compensation costs increased due to seasonal effects
- Non-compensation direct costs increased by €12m including higher technology spend
- DB Group charges of €11m for Q4 include a true-up to normalised FY run rate costs of €139m

¹ Compensation & benefits and charges for DWS functions adjusted for severance payments; non-compensation direct costs adjusted for litigation ² Based on combined basis including services which have been transferred from DB to DWS throughout 2018

ACCELERATION OF COST INITIATIVES

PROGRESS ON INITIATIVES (€M)



- ~40% of investment spend in 2018 for strategic hires and investments
- Cost efficiency initiatives achieved ~40% of medium term guidance in 2018

ADDITIONAL COST AND SAVINGS IN 2018

- MiFID II cost of ~€40m in 2018 as expected
- Additional VAT and dis-synergies of ~€50m exceeded target driven by increased VAT post IPO
- DB Group charges reduced by ~€100m based on accelerated internalization and lower consumption

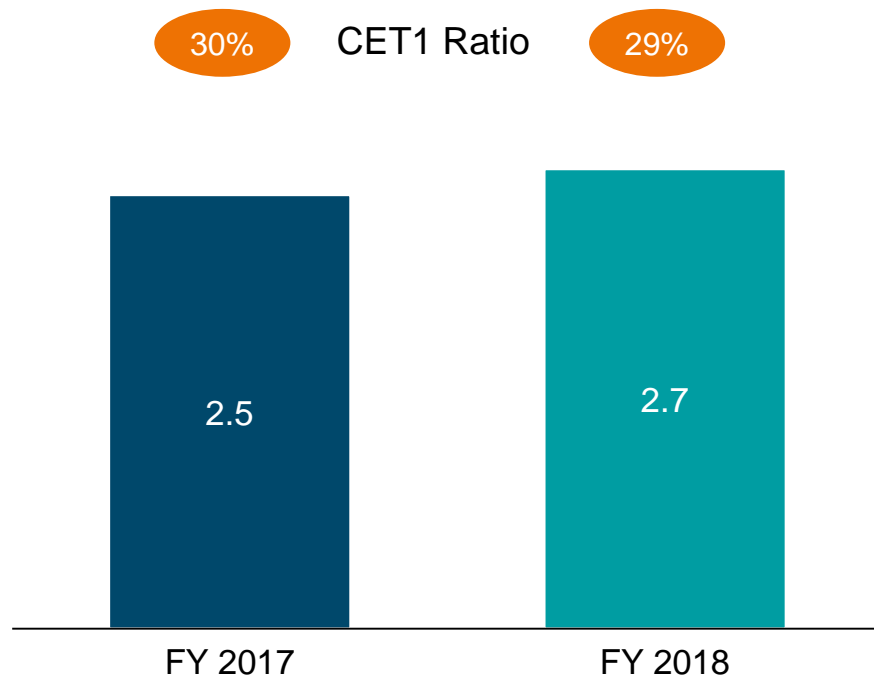
COST PROJECTION IN 2019

- Cost initiatives accelerated, achieving full amount of €150m mid-term target in 2019
- Investment spend to be calibrated to market environment in 2019
- DB Group services expected to be approximately flat vs FY 2018

CAPITAL POSITION



DWS CET1 CAPITAL (€BN)



HIGHLIGHTS

- IFRS capital of €6.5bn less regulatory adjustments of €3.9bn, mainly goodwill and intangible assets, resulted in CET1 capital of €2.7bn
- Year-on-year increase in CET1 capital mainly driven by recognized profits and other impacts
- Based on €9.2bn RWA, the CET1 ratio stands at 29%, remaining comfortably above requirements

Note: Half-year interim profit net of dividend accruals is recognized in CET1 at FY 2018 as approved by BaFin on Nov 5th

CONCLUSION 2018 & OUTLOOK 2019

CONCLUSION 2018

- Market environment increasingly challenging ambitious IPO targets
- Overall flows were disappointing in 2018
- Management fee margin remains above our mid-term target
- Diligent focus on cost pays off
- Proposed dividend in line with guidance

OUTLOOK 2019

- Market environment to remain difficult
- Confidence in turnaround of flows and margin resilience
- DWS benefits from diversified business model
- Further acceleration of cost efficiency measures
- Constant review of priorities to ensure flexibility in a changing environment

➤ DWS TO SUCCEED DESPITE CHALLENGING ENVIRONMENT



Appendix



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

	Q4 2018	Q3 2018	Q4 2017	FY 2018	FY 2017	Q4 2018 vs Q3 2018	Q4 2018 vs Q4 2017	FY 2018 vs FY 2017	
Profit & Loss	Management fees and other recurring revenues	519	532	542	2,092	2,195	(2)%	(4)%	(5)%
	Performance and transaction fees and other non-recurring revenues	23	20	62	89	196	14%	(63)%	(55)%
	Other revenues	7	22	2	78	118	(70)%	N/M	(34)%
	Net revenues	549	574	607	2,259	2,509	(4)%	(9)%	(10)%
	<i>Revenue adjustments</i>					(52)	N/M	N/M	N/M
	Adjusted revenues	549	574	607	2,259	2,456	(4)%	(9)%	(8)%
	Compensation & Benefits	(183)	(179)	(202)	(715)	(772)	3%	(9)%	(7)%
	General & administrative expenses	(229)	(223)	(265)	(946)	(947)	3%	(14)%	(0)%
	Restructuring activities	(4)	(1)	(3)	(14)	(6)	N/M	29%	N/M
	Total noninterest expenses	(417)	(403)	(470)	(1,676)	(1,725)	4%	(11)%	(3)%
	<i>Cost adjustments</i>	28	5	10	42	16	N/M	N/M	N/M
	Adjusted cost base	(389)	(398)	(460)	(1,633)	(1,710)	(2)%	(15)%	(4)%
	Profit before tax	132	172	136	583	783	(23)%	(3)%	(26)%
	<i>Adjusted profit before tax</i>	160	177	146	625	747	(10)%	9%	(16)%
Net income	80	121	166	391	634	(34)%	(52)%	(38)%	
Key Performance Indicators	Reported CIR	75.9%	70.1%	77.5%	74.2%	68.8%	5.8 ppt	(1.6)ppt	5.4 ppt
	Adjusted CIR	70.9%	69.2%	75.9%	72.3%	69.6%	1.7 ppt	(4.9)ppt	2.7 ppt
	FTE	3,443	3,422	3,901	3,443	3,901	1%	(12)%	(12)%
	AuM (in €bn)	662	692	700	662	700	(4)%	(5)%	(5)%
	Net flows (in €bn)	(7.0)	(2.7)	1.0	(22.3)	15.8			
	Net flows (% of BoP AuM – annualized)	(4.1)%	(1.5)%	0.6%	(3.2)%	2.3%			
	Management fee margin (bps - annualized)	30.3	30.5	30.7	30.6	31.5			

RECONCILIATION FROM IFRS TO ECONOMIC BALANCE SHEET



ACTUALS AS OF DECEMBER 2018

In €bn	IFRS consolidated	Consolidated Funds	DB Vita and pending	Economic View
Assets				
Cash and bank balances	2.3			2.3
Financial assets at FVPL	3.0	1 (1.3)	2 (0.5)	1.1
Other investments	0.2			0.2
Tax assets	0.2			0.2
Intangible assets	3.7			3.7
Other assets	1.4		3 (0.6)	0.8
Total assets	10.8	(1.3)	(1.1)	8.4
Liabilities				
Other short-term borrowings	0.1			0.1
Tax liabilities	0.4			0.4
Financial liabilities at FVPL	0.6		2 (0.5)	0.1
Other liabilities	3.1	1 (1.3)	3 (0.6)	1.2
Total liabilities	4.2	(1.3)	(1.1)	1.9
Equity	6.5			6.5
Total liabilities and equity	10.8	(1.3)	(1.1)	8.4

HIGHLIGHTS

€2.3bn adjustments comprise:

- 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 (€0.5bn)
 - 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 (€0.6bn)
 - Settlement balances driven by investments for institutional clients in DWS SA

HISTORICAL NET FLOWS AND AUM DEVELOPMENT



in €bn

Net flows by asset class	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018
Active Equity	(0.2)	(0.8)	(0.1)	(0.6)	(1.7)	(1.7)	(2.0)	(2.5)	(1.0)	(7.3)
Active Multi Asset	1.7	8.6	0.2	0.5	11.1	(1.7)	0.1	(0.3)	(1.2)	(3.1)
Active SQI ¹	(2.4)	(0.7)	(0.6)	(0.3)	(4.1)	0.0	0.8	(0.4)	(0.8)	(0.4)
Active Fixed Income	2.5	0.0	0.6	(5.0)	(1.9)	(4.0)	(5.5)	(0.4)	(7.1)	(17.1)
Active Cash	0.8	(5.5)	4.3	0.9	0.5	(1.6)	(1.2)	0.5	(0.9)	(3.2)
Passive	0.9	4.3	0.5	5.7	11.5	1.3	2.9	(0.1)	3.9	8.0
Alternatives	1.7	0.0	(1.1)	(0.1)	0.6	0.0	0.1	0.6	0.0	0.7
DWS Group	5.1	5.9	3.8	1.0	15.8	(7.7)	(4.9)	(2.7)	(7.0)	(22.3)

Net flows by region

Americas	1.9	(4.3)	2.2	0.4	0.1	(6.3)	(3.2)	(3.9)	(7.9)	(21.3)
EMEA excl. GY	1.1	1.0	(0.7)	(1.5)	(0.1)	(2.4)	(0.8)	2.0	(0.3)	(1.5)
Germany (GY)	(0.2)	8.9	2.2	2.6	13.5	1.9	1.1	(0.9)	0.9	3.0
Asia Pacific	2.4	0.3	0.0	(0.4)	2.3	(0.9)	(2.0)	0.1	0.2	(2.6)
DWS Group	5.1	5.9	3.8	1.0	15.8	(7.7)	(4.9)	(2.7)	(7.0)	(22.3)

Net flows by client channel

Retail	3.1	3.7	(0.4)	2.5	8.8	(1.4)	(4.2)	(2.3)	(1.6)	(9.5)
Institutional	2.0	2.2	4.2	(1.4)	7.0	(6.3)	(0.7)	(0.4)	(5.5)	(12.8)
DWS Group	5.1	5.9	3.8	1.0	15.8	(7.7)	(4.9)	(2.7)	(7.0)	(22.3)

Total net flows	5.1	5.9	3.8	1.0	15.8	(7.7)	(4.9)	(2.7)	(7.0)	(22.3)
FX impact	(1.8)	(19.4)	(10.2)	(4.5)	(36.0)	(5.7)	13.1	1.1	4.1	12.6
Performance	12.5	3.5	6.5	6.9	29.4	(11.1)	6.3	5.7	(28.9)	(28.0)
Other	1.1	(0.1)	0.0	0.0	1.1	(10.2)	7.5	0.3	2.7	0.3
Total change in AuM	16.9	(10.1)	0.1	3.4	10.3	(34.8)	22.0	4.5	(29.3)	(37.4)

AuM by asset class	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018
Active Equity	95	93	94	95	95	88	91	91	78	78
Active Multi Asset	48	56	56	57	57	52	53	53	49	49
Active SQI ¹	66	65	64	65	65	55	65	65	61	61
Active Fixed Income	256	247	244	238	238	229	229	229	225	225
Active Cash	63	55	58	59	59	57	57	58	58	58
Passive	104	106	108	115	115	113	119	121	115	115
Alternatives	75	74	71	71	71	70	73	73	76	76
DWS Group	706	696	696	700	700	665	687	692	662	662

AuM by region

Americas	210	195	193	193	193	181	187	186	177	177
EMEA excl. GY	175	173	173	173	173	165	168	172	164	164
Germany (GY)	280	289	292	296	296	284	297	298	286	286
Asia Pacific	41	39	38	38	38	36	35	35	35	35
DWS Group	706	696	696	700	700	665	687	692	662	662

AuM by client channel

Retail	313	310	311	319	319	306	310	312	291	291
Institutional	394	386	385	381	381	359	378	379	372	372
DWS Group	706	696	696	700	700	665	687	692	662	662

Q4 2018 DETAILED INVESTMENT PERFORMANCE



<i>All figures in %¹</i>		1Y	3Y	5Y
Active Retail	Equity	45%	38%	86%
	Multi Asset	47%	67%	68%
	SQI	58%	49%	37%
	Fixed Income	45%	98%	96%
	Cash	100%	100%	100%
	Total	48%	63%	87%
Active Institutional	Equity	17%	15%	45%
	Multi Asset	17%	31%	38%
	SQI	41%	75%	83%
	Fixed Income	55%	67%	60%
	Cash	91%	100%	99%
	Total	51%	64%	61%
Active Total	Equity	40%	35%	81%
	Multi Asset	28%	45%	51%
	SQI	44%	71%	77%
	Fixed Income	53%	73%	68%
	Cash	94%	100%	100%
	Total	50%	64%	72%
Alternatives	Direct Real Estate	90%	94%	100%
	Liquid Real Assets	78%	66%	73%
	Other Alternatives	0%	0%	100%
	Total	71%	70%	95%
Total DWS	53%	64%	75%	

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 Dec 31, 2018 and Direct Real Estate and Other Alternatives as of Sep 30, 2018)

CONTACT DETAILS



INVESTOR RELATIONS

Oliver Flade

Head of Investor Relations

oliver.flade@dws.com

investor.relations@dws.com

Tel: +49(69)910-63072

Jana Zubatenko

Vice President, Investor Relations

jana.zubatenko@dws.com

investor.relations@dws.com

Tel: +49(69)910-33834

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 Q4 & FY 2018 Financial Data Supplement, which is accompanying this presentation and available at www.dws.com/ir.