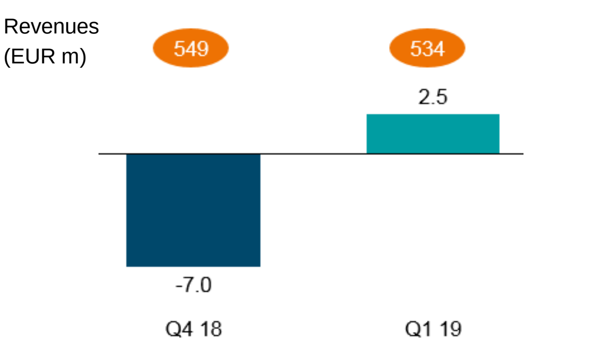
Frankfurt/Main

April 26, 2019

DWS Q1:
Positive Net Flows and Further Accelerated Cost Reductions

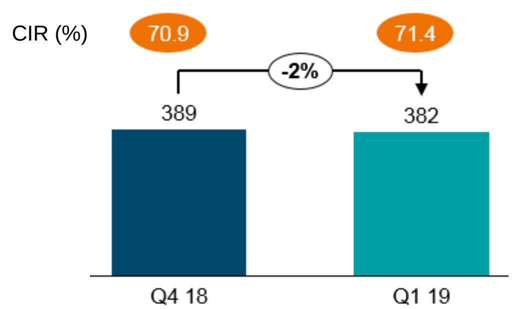
- Net income higher at EUR 102m (Q4 2018: EUR 80m; Q1 2018: EUR 97m) – adjusted profit before tax at EUR 153m in Q1 2019 (Q4 2018: EUR 160m; Q1 2018: EUR 140m)
- Successful cost efficiency program: adjusted costs down further by 2 percent q-o-q
- Strong momentum in flows, resulting in EUR 2.5bn net new assets, EUR 7.4bn ex Cash
- AuM increased by 6 percent to EUR 704bn (Q4 2018: EUR 662bn)
- Management fee margin resilient at 30bps (Q4 2018: 30.3bps)
- Total adjusted revenues at EUR 534m (Q4 2018: EUR 549m)
- Adjusted Cost-Income Ratio (CIR) at 71.4 percent (Q4 2018: 70.9 percent)

Net flows & Revenues



Net flows (EUR bn)

Costs & CIR (adjusted respectively)



Costs (EUR m)

"In a strong first quarter we successfully returned to positive net flows, managed our costs effectively and saw our asset base increase by six percent.

Our flagship funds performed well and contributed to our net flows, as did our strategic partnerships.

We will continue to do our homework and use our diversified business model to prove the strength and capacity of DWS."

Asoka Woehrmann, CEO

"As promised we focused on cost efficiency in the first quarter and further reduced our adjusted costs by 2 percent.

The return to positive net flows along with our increased asset base will support our trajectory towards achieving a Cost-Income Ratio of approximately 70 percent for the full year 2019 and less than 65 percent in the medium term."

Claire Peel, CFO

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Business Development

Markets showed signs of a steady recovery in the first quarter of 2019 following one of the worst months on record in December 2018. Retail investor sentiment has improved since the previous quarter, but remains weak, particularly in Europe. In this environment, DWS's management has **succeeded in further reducing costs**, **achieving positive net flows** and **increasing assets under management** to over EUR 700 billion.

Over the **last six months** we have taken a number of important decisions and corresponding measures that have enabled us to ensure the success of DWS: We have **optimized and simplified the organizational structure** – including the Executive Board and Senior Management levels across divisions – while making clear decisions on **client segmentation**, forming new **strategic partnerships** and deepening existing ones. Furthermore, we took the decision to focus on cost-cutting and accelerate our efficiency measures very early and decisively.

Total revenues decreased to EUR 534 million in the first quarter of 2019 (Q4 2018: EUR 549 million), amongst others due to two fewer business days and seasonally lower performance and transaction fees. **Adjusted profit before tax** therefore decreased to EUR 153 million, (Q4 2018: EUR 160 million). After deduction of taxes, DWS posted an increased **net income** of EUR 102 million for the first quarter (Q4 2018: EUR 80 million).

The **management fee margin** remained resilient at 30 basis points, decreasing slightly quarter-on-quarter (Q4 2018: 30.3 basis points).

Assets under Management (AuM) increased to EUR 704 billion in the first quarter of 2019 (Q4 2018: EUR 662 billion. This was primarily driven by the market recovery, supported by net inflows and a positive impact from exchange rate movements.

In the first quarter we successfully **netted positive inflows**, achieving EUR 2.5 billion overall and EUR 7.4 billion excluding Cash, with strong momentum in our targeted growth areas of Passive, Alternatives and Multi-Asset. This success was supported by a number of factors. We restructured our sales and distribution teams and improved alignment with the product investment group. In addition, key flagship funds (DWS Top Dividende, DWS Concept Kaldemorgen, RREEF America II, Grundbesitz fund family, DWS Dynamic Opportunities) performed well, adding net inflows. Furthermore we saw inflows from insurance companies reversing the trend from last year.

Active Asset Management saw improved net flows of minus EUR 6.3 billion in the first quarter (Q4 2018: minus EUR 11.0 billion). The asset classes Active Fixed Income, Active Equity, and Active Multi Asset saw a strong swing in flows quarter-on-quarter. Meanwhile very low margin Cash products saw outflows.

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Passive Asset Management saw strong net inflows of EUR 6.2 billion in the first quarter (Q4 2018: EUR 4.0 billion), driven by mandate wins and continued demand for European-listed ETPs (exchange-traded funds and commodities). For example, the investment foundation of Swiss insurer Zurich transferred a large passive investment mandate to DWS. We are now responsible for all of the foundation's passively managed products. In addition and further exemplifying DWS's leadership in the field of ESG (environmental, social and governance) investing, the Xtrackers business launched the largest ESG ETF ever in the US market.

The net inflows into **Alternatives** increased in the first quarter to EUR 2.6 billion (Q4 2018: minus EUR 0.2 billion), driven by a return to positive net flows in Liquid Alternatives and stronger inflows into Real Estate products in the US as well as into the Grundbesitz funds family.

Keeping our **diligent focus on managing our cost base**, we further reduced **adjusted costs** by EUR 8 million quarter-on-quarter to EUR 382 million (Q4 2018: EUR 389 million). This reduction was achieved by lower non-compensation direct costs including third-party service costs as well as lower consulting and legal fees.

The **adjusted Cost-Income Ratio** (CIR) increased slightly by 0.5 percentage point to 71.4 percent (Q4 2018: 70.9 percent), as reduced costs were outweighed by seasonally lower revenues.

Growth Initiatives and Strategic Progress

Our **strategic partnerships with DVAG, Generali, Nippon Life, Tikehau Capital, and Zurich** continued to deliver in the first quarter of 2019, resulting in more than **EUR 3 billion of net inflows**. We further optimized the set-up of our distribution units, with structural and personnel changes as well as new client segmentations during the first quarter.

As mentioned above, the **Xtrackers business launched the largest ESG ETF ever in the US market**. Developed in collaboration with Ilmarinen, Finland's largest pension insurance company, the fund provides exposure to large- and medium cap US companies with high ESG performance relative to their sector peers. Ilmarinen invested EUR 741 million into the fund. DWS has also been acknowledged for its ESG capabilities, by being awarded "Responsible Investor of the Year" for the second year in a row by Insurance Asset Risk Magazine.

Furthermore, we progressed with **digitalization**, adding the new partners EZFunds and Banco Best to our white-label solution WISE. Taiwanese company EZFunds is the first Asian firm to launch a roboadvisor "made in Germany", while Banco Best is the first to launch a robo-advisor in Portugal.

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During the first quarter we continued to **review our priorities and initiatives**. As a result we are refining our **medium-term targets** to reflect the changed market environment: We are confirming our target of an **adjusted CIR of less than 65 percent**, which will be our highest priority going forward. In addition, we will continue to target **net flows of 3 to 5 percent on average,** and our **dividend pay-out ratio target of 65 to 75 percent** stays unchanged.

Outlook

To further emphasize our commitment to diligently managing our cost base in a late-cycle market environment, **we accelerated cost initiatives and are targeting an adjusted Cost-Income Ratio for full year 2019 of approximately 70 percent**, assuming flat revenues compared to 2018.

With regard to net flow growth we aim to outperform the average of the asset management industry, which we expect to be around 2 to 3 percent for this year, assuming continued constructive market conditions.

Apart from that, the outlook for 2019 remains unchanged from the one published in our 2018 Annual Report.

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Appendix

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

	Q1 2019	Q4 2018	Q1 2018	Q1 2019 vs. Q4 2018	Q1 2019 vs. Q1 2018
Management Fees and other recurring revenues	508	519	518	-2%	-2%
Performance & Transaction Fees and other non-recurring revenues	11	23	17	-54%	-36%
Other Revenues	16	7	24	N/M	-34%
Total net revenues	**534**	**549**	**559**	-3%	-4%
Revenue adjustments	*-*	*-*	*-*	*-*	*-*
Adjusted revenues	***534***	***549***	***559***	-3%	-4%
Compensation and benefits	195	183	172	7%	14%
General and administrative expenses	189	229	249	-18%	-24%
Restructuring activities	2	4	2	-44%	4%
Total noninterest expenses	**387**	**417**	**423**	-7%	-8%
Cost adjustments	*5*	*28*	*3*	*N/M*	*N/M*
Adjusted cost base	***382***	***389***	***420***	-2%	-9%
Profit before tax	**148**	**132**	***137***	12%	8%
Adjusted Profit before tax	***153***	***160***	***140***	-4%	9%
Net income	***102***	**80**	***97***	28%	5%
Cost/income ratio	72.4%	75.9%	75.6%	-3.5ppt	-3.2ppt
Adjusted Cost/income ratio	*71.4%*	*70.9%*	*75.0%*	0.5ppt	-3.6ppt
FTE	3,471	3,443	3,244	1%	7%
Assets under management (in EUR bn)	704	662	665	6%	6%
Net flows (in EUR bn)	2.5	-7.0	-7.8		
Net flows (% of BoP AUM - annualized)	1.5	-4.0	-4.6		
Management fee margin (bps annualized)	30.0	30.3	31.0		

N/M – Not meaningful

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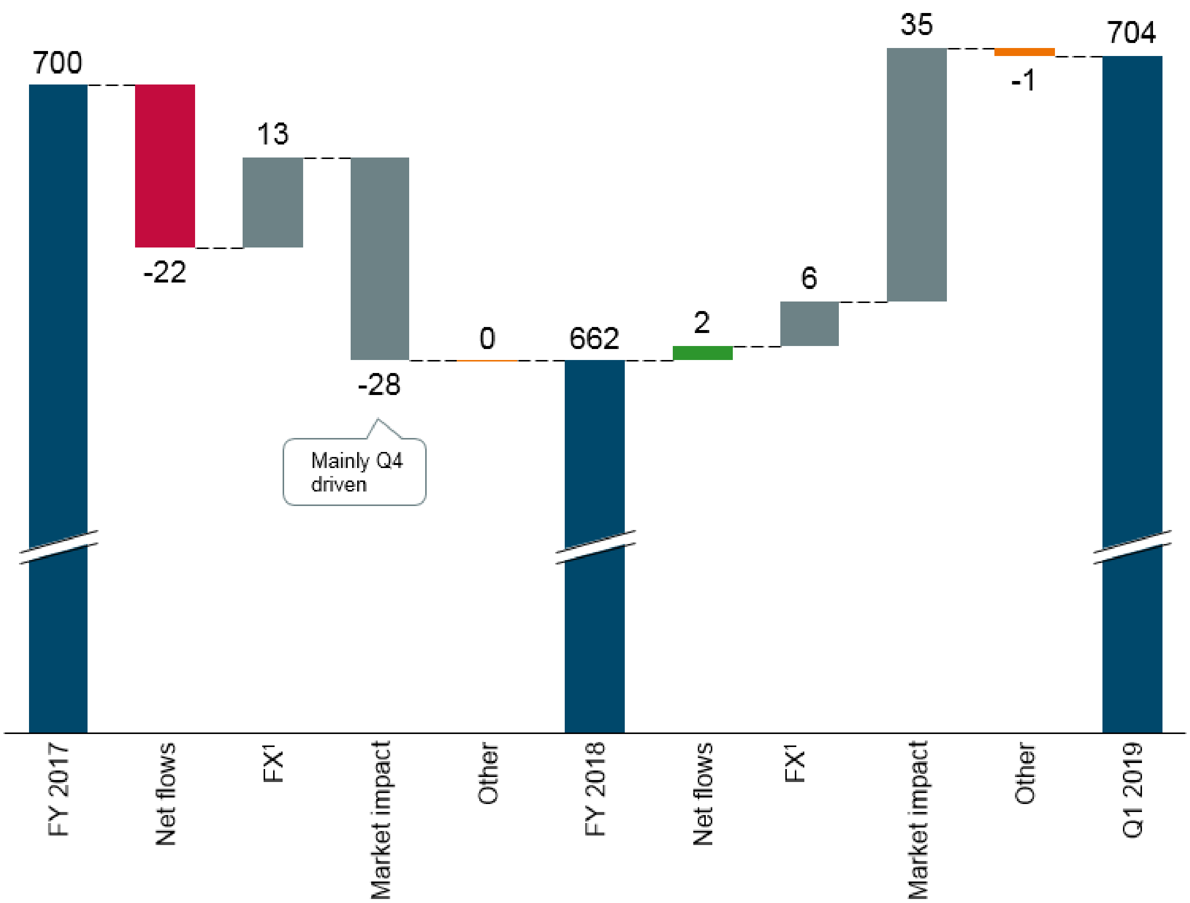
AuM development in detail (in EUR bn)



[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 26 April 2019 at 12.30pm CEST. 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 704bn of assets under management (as of 31 March 2019). 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 strategic investment approach.

DWS wants to innovate and shape the future of investing: with approximately 3,600 employees in offices all over the world, we are local while being one global team.

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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. 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 non-IFRS financial measures. For a reconciliation to directly comparable figures under IFRS, to the extent not provided herein, please refer to the Financial Data Supplement.

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