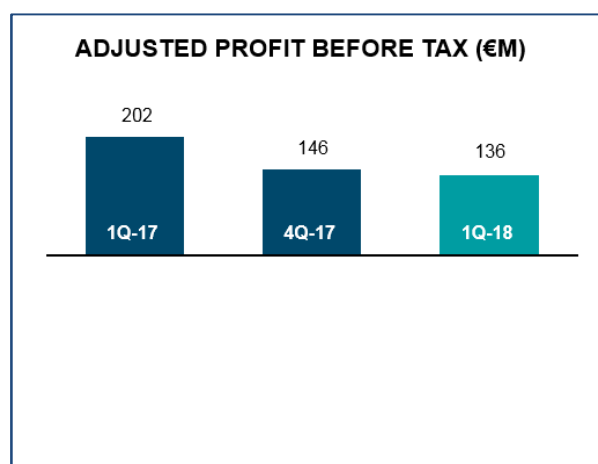
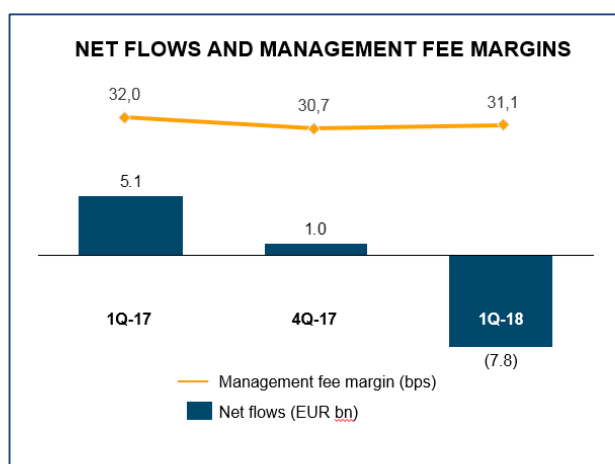


## DWS Q1 results reflect volatile market environment and weak equity market performance – positive sales pipeline

- Adjusted profit before tax of EUR 136m for the first quarter
- Net flows of EUR (7.8)bn, driven predominantly by low-margin outflows, partially offset by positive net flows in Passive
- Management fee margin of 31.1bps – above our medium-term target of  $\geq 30$ bps, up 0.4bp from Q4 2017
- Adjusted cost income ratio (CIR) remained at 76 percent quarter-on-quarter, benefitting from lower DB Group charges, offset by lower revenues and MiFID II
- Positive sales pipeline corresponds with high level of client engagement; measures taken to support cost management and growth initiatives



“In a challenging quarter, we successfully completed our IPO and introduced DWS as our global brand, transitioning into a new era. We are now well positioned to deliver against our targets and have taken a series of important measures to support our cost management and growth initiatives. We are now fully focused on fulfilling our potential as a listed company.”

Nicolas Moreau  
Chief Executive Officer of DWS

“A volatile market, weak equity market performance, paired with the expected transitional cost increase, outweighed strong flows in the Passive asset class in the first quarter. We kept our management fee margin well above our target and progressed growth and efficiency measures. Looking forward, our overall market outlook remains optimistic over the next months.”

Claire Peel  
Chief Financial Officer of DWS

## Business development

The first quarter of 2018 is the first for DWS to report as a stand-alone and listed company. During the first three months of the year we completed the Initial Public Offering and listing on the Frankfurt Stock Exchange on 23 March as well as the global re-brand of the company to DWS, transitioning into a new era for the company.

In a volatile market environment, which included unfavourable currency effects and weak overall market performance, DWS's Q1 2018 results and overall flows were challenged.

**Total adjusted revenues** in Q1 2018 were EUR 561m, **adjusted profit before tax** was EUR 136m.

**Assets under Management** (AuM) declined by 3 percent compared to Q4 2017 to EUR 676bn in Q1 2018, attributable to the net outflows, FX as well as market effects.

**Net flows** in Q1 2018 were EUR (7.8)bn, attributed mainly to predominantly lower margin outflows, specifically large redemptions from two clients: a US-based client, repatriating cash equivalent balance sheet investments to the US following the implementation of the US tax reform, and a redemption from a European insurance client. Additionally, we saw outflows in US Cash at the end of March, most of which has already returned in April.

We were able to attract **strong inflows in key areas**: DWS ranked first in ETP net inflows in the European market in March and second for the entire quarter, with a 16 percent market share and net flows of EUR 3.6bn (source: ETFGI). In our home market, we attracted EUR 2.9bn into our retail funds, more than any other German fund house, until the end of February, according to the most recent statistics of the German fund association BVI.

The **management fee margin** of 31.1bps in Q1 2018 was above our medium-term target of  $\geq 30$ bps, increasing by 0.4bp compared to Q4 2017.

With regard to **costs**, Q1 2018 was – as expected – affected by company set-up costs, as well as by anticipated regulatory-related costs through MiFID II. Investments made into additional hires in Coverage and Digital as well as the launch of the new global brand both added to the cost base. This was partially offset by a significant reduction in Deutsche Bank Group-related service charges, following the separation process, of EUR 11m compared to Q1 2017 and by EUR 23m quarter-on-quarter. In sum, the adjusted CIR in the first quarter remained at 76 percent. We continue to expect 2018 to be a transitional year.

**Looking forward**, the strong business pipeline we were able to build in Q1 2018, along with a high level of client engagement in the first quarter, supports a positive net flow outlook for the coming quarters.

Following the IPO, we have **further advanced our cost efficiency and growth initiatives**: DWS appointed a Chief Transformation Officer to coordinate delivery of our cost saving targets and for applying changes where needed to drive organisational efficiency.

DWS has also made investments towards its growth initiatives, with new hires primarily in Coverage and Digital in the first quarter. We expect the majority of the remaining investment spend to materialise in the second half of the year.

Additionally, as announced per release on 24 April, DWS plans to grow its digital fund platform, IKS – already one of the biggest European business-to-business fund management platforms with about EUR 100bn of Assets under Administration – also consolidating key digital offerings of DWS, including its proprietary robo advisory solution, WISE, as well as DWS's German Investment App, Edison, which launched in March.

## Detailed Financials

### PROFIT & LOSS STATEMENT AND KEY PERFORMANCE INDICATORS (IN EUR m)

	1Q 18	4Q 17	1Q 17	QoQ	YoY
Management Fees and other recurring revenues	528	542	550	(3)%	(4)%
Performance & transaction fees and other non-recurring revenues	18	62	18	(72)%	(2)%
Other revenues	15	2	38	n.m.	n.m.
<b>Net Revenues</b>	<b>561</b>	<b>607</b>	<b>606</b>	<b>(7)%</b>	<b>(7)%</b>
<i>Revenue adjustments</i>	-	-	-		
<b>Adjusted Revenues</b>	<b>561</b>	<b>607</b>	<b>606</b>	<b>(7)%</b>	<b>(7)%</b>
Compensation & Benefits	(189)	(202)	(186)	(7)%	2%
General & Administrative expenses	(238)	(265)	(220)	(10)%	8%
Restructuring activities	(2)	(3)	(2)	(34)%	5%
<b>Total noninterest expenses</b>	<b>(428)</b>	<b>(470)</b>	<b>(408)</b>	<b>(9)%</b>	<b>5%</b>
<i>Cost adjustments</i>	3	10	3		
<b>Adjusted costs</b>	<b>(425)</b>	<b>(460)</b>	<b>(404)</b>	<b>(8)%</b>	<b>5%</b>
<b>Profit before tax</b>	<b>133</b>	<b>136</b>	<b>198</b>	<b>(2)%</b>	<b>(33)%</b>
<b>Adjusted profit before tax</b>	<b>136</b>	<b>146</b>	<b>202</b>	<b>(7)%</b>	<b>(33)%</b>
<b>Net income</b>	<b>95</b>	<b>166</b>	<b>143</b>	<b>(42)%</b>	<b>(33)%</b>
<b>Reported CIR</b>	<b>76%</b>	<b>78%</b>	<b>67%</b>	<b>(2)%</b>	<b>13%</b>
<b>Adjusted CIR</b>	<b>76%</b>	<b>76%</b>	<b>67%</b>	<b>(0)%</b>	<b>14%</b>
FTE	3,965	3,901	3,778	2%	5%
AuM (in EUR bn)	676	700	706	(3)%	(4)%
Net flows (in EUR bn)	(7.8)	1.0	5.0		
Net flows (% of BoP AuM - annualized)	(4.5)%	0.6%	3.0%		
Net flows excl. Cash and Insurance GA (in EUR bn)	(2.2)	5.8	4.9		
Management fee margin (bps - annualized)	31.1	30.7	32.0		

## HISTORIC QUARTERLY NET FLOWS DEVELOPMENT

All figures in EUR bn

	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Q1 2018
<b>Net flows by Asset Class</b>																
Active Equity	(0)	(1)	(1)	1	(1)	0	(1)	0	(2)	(2)	(0)	(1)	(0)	(1)	(2)	(2)
Active Multi Asset	4	4	2	2	13	(0)	(0)	(0)	1	1	2	9	0	0	11	(2)
Active SQI <sup>(1)</sup>	2	2	0	0	4	(1)	(0)	(0)	(2)	(4)	(2)	(1)	(1)	(0)	(4)	(0)
Active Fixed Income	(2)	(0)	(4)	(10)	(16)	(4)	(3)	(4)	(6)	(16)	3	(0)	1	(5)	(2)	(4)
Cash	2	(2)	(5)	4	(2)	(7)	(4)	2	(0)	(9)	1	(5)	4	1	1	(2)
Passive	10	8	6	2	26	1	(1)	(6)	(3)	(9)	1	4	1	6	11	1
Alternatives	(0)	(0)	(3)	(1)	(5)	(0)	0	1	(0)	0	2	0	(1)	(0)	1	0
<b>Net flows by region</b>																
Americas	2	5	(3)	(3)	0	(11)	(5)	(8)	(7)	(31)	2	(4)	2	0	0	(6)
Asia Pacific	1	(0)	0	1	1	0	0	1	(0)	2	2	0	0	0	2	(1)
EMEA ex Germany	9	0	(3)	2	9	(3)	(4)	(1)	(4)	(12)	1	1	(1)	(1)	0	(2)
Germany	3	4	3	(2)	8	2	1	0	0	2	(0)	9	2	3	14	2
<b>Net flows by client channel</b>																
Retail	16	10	5	(1)	30	(3)	(4)	(7)	(8)	(22)	3	4	(0)	2	9	(2)
Institutional	(1)	(1)	(8)	(1)	(11)	(8)	(4)	(1)	(4)	(17)	2	2	4	(1)	7	(6)
<b>Net flows</b>	<b>15</b>	<b>9</b>	<b>(3)</b>	<b>(2)</b>	<b>19</b>	<b>(12)</b>	<b>(8)</b>	<b>(8)</b>	<b>(12)</b>	<b>(39)</b>	<b>5</b>	<b>6</b>	<b>4</b>	<b>1</b>	<b>16</b>	<b>(8)</b>
FX	40	(11)	(3)	8	34	(13)	7	(3)	15	5	(2)	(19)	(10)	(5)	(36)	(6)
Performance	30	(17)	(21)	12	3	(3)	10	9	(0)	15	13	3	6	7	29	(11)
Other	1	(0)	(0)	(0)	0	0	(1)	(2)	(3)	(5)	1	(0)	0	(0)	1	1
<b>Total AuM Change</b>	<b>86</b>	<b>(19)</b>	<b>(28)</b>	<b>18</b>	<b>56</b>	<b>(28)</b>	<b>9</b>	<b>(5)</b>	<b>0</b>	<b>(25)</b>	<b>17</b>	<b>(10)</b>	<b>0</b>	<b>3</b>	<b>10</b>	<b>(24)</b>

Note: Historical asset class composition for net flows changed compared to DWS Company Presentation in January 2018 due to a restructuring of SQI asset class

(1) Systematic and Quant investments

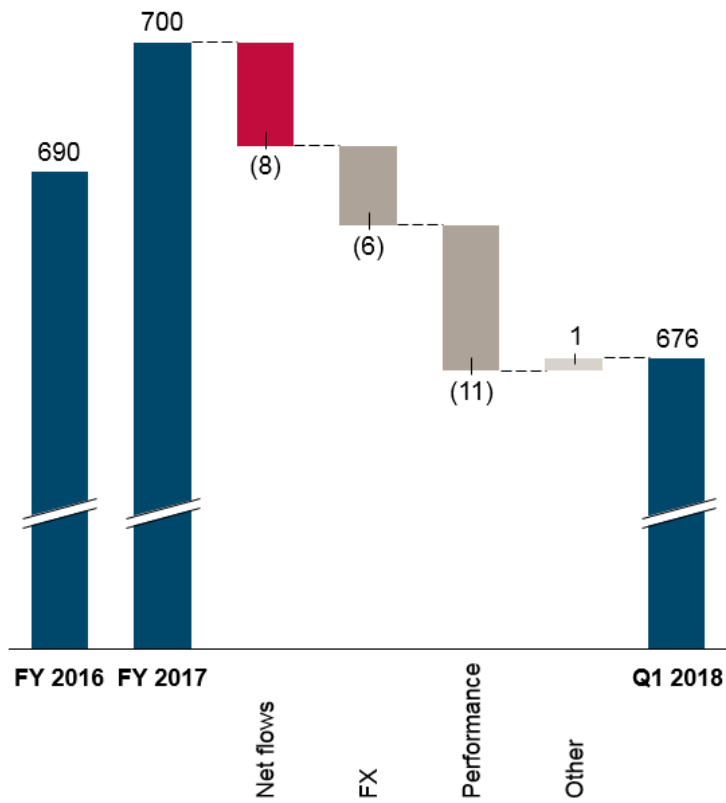
## INVESTMENT PERFORMANCE

<i>All figures in % (1)</i>		1 year	3 years	5 years
<b>Active Retail</b>	Equity	72%	84%	91%
	Multi Asset	42%	47%	91%
	SQI <sup>(2)</sup>	41%	32%	59%
	Fixed Income	95%	95%	93%
	Cash	99%	99%	100%
	<b>Total</b>	<b>78%</b>	<b>85%</b>	<b>91%</b>
<b>Active Institutional</b>	Equity	57%	54%	53%
	Multi Asset	45%	43%	58%
	SQI	64%	67%	78%
	Fixed Income	70%	66%	60%
	Cash	96%	99%	99%
	<b>Total</b>	<b>68%</b>	<b>65%</b>	<b>63%</b>
<b>Active Total</b>	Equity	70%	79%	86%
	Multi Asset	44%	45%	66%
	SQI	61%	62%	75%
	Fixed Income	75%	72%	69%
	Cash	97%	99%	100%
	<b>Total</b>	<b>72%</b>	<b>72%</b>	<b>75%</b>
<b>Alternatives</b>	Direct Real Estate	35%	94%	100%
	Liquid Real Assets	67%	60%	98%
	Other Alternatives	0%	99%	99%
	<b>Total</b>	<b>39%</b>	<b>87%</b>	<b>99%</b>
<b>Total DWS</b>	<b>68%</b>	<b>74%</b>	<b>78%</b>	

(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 Mar 31, 2018, and Direct Real Estate and Other Alternatives as of Dec 31, 2017)

(2) Systematic and Quant investments

**AUM DEVELOPMENT DETAIL (EUR BN)**



### **Webcast/Call**

Nicolas Moreau, Chief Executive Officer, and Claire Peel, Chief Financial Officer, will elaborate on the Q1 results in an analyst call on 26 April 2018 at 10.30am CEST. The analyst webcast/call will be held in English and broadcasted on <https://dws.com/ir/reports-and-events/quarterly-results>. It will also be available for replay. Further details will be provided under <http://www.dws.com/ir>.

### **About DWS Group**

DWS Group GmbH & Co. KGaA (DWS) is one of the world's leading asset managers with EUR676bn of assets under management (as of 31 Mar 2018). 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 staff from 35 nationalities, speaking more than 75 languages rooted in 22 countries, 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.