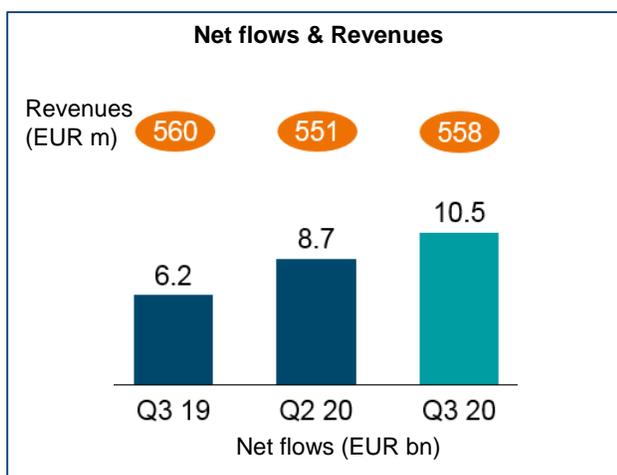


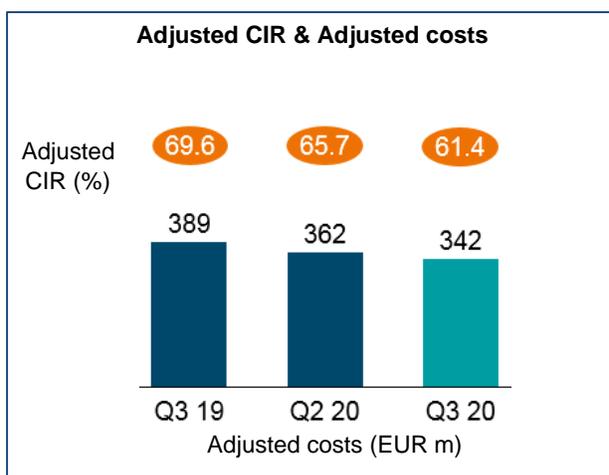
## DWS Q3: Continued Strength of Business – Key Medium-Term Targets To Be Reached this Year

- **Net flows of EUR 10.5bn in Q3** resulting in EUR 16.7bn in the first nine months of 2020 (Q2 2020: EUR 8.7bn; ex Cash EUR 6.2bn in Q3 2020, EUR 2.4bn in Q2 2020)
- **Adjusted costs** at EUR 342m, down by 5% q-o-q due to lower compensation & benefits costs; EUR 1,049m in 9M 2020, reduced by 12 percent y-o-y
- **Adjusted Cost-Income Ratio (CIR) significantly improved to 61.4 percent in Q3** (Q2 2020: 65.7 percent); target level reached early on: 64.3 percent in 9M 2020, reduced by 5.9 ppt y-o-y
- **Adjusted profit before tax increased by 14 percent to EUR 215m in Q3** (Q2 2020: EUR 189m); 9M 2020: EUR 583m, increased by 15 percent y-o-y
- **Total revenues up 1 percent to EUR 558m in Q3** (Q2 2020: EUR 551m), mainly due to higher Management fees; in 9M 2020 total revenues at EUR 1,632m, down 4 percent y-o-y
- **AuM increased further to EUR 759bn in Q3** (Q2 2020: EUR 745bn) due to better markets and net inflows



“A very good third quarter with strong net inflows demonstrates the strength of our diversified business amid the ongoing pandemic. We expect to achieve our overall Cost-Income Ratio target, set for the medium-term at our IPO, one year early. For 2021 and onwards, we will move our focus to growth and transformation, responding to the mega trends we see with our clients.”

**Asoka Woehrmann, CEO**



“Based on our ongoing efficiency measures, we lowered our adjusted cost base by 12 percent year-on-year in the first nine month of 2020. This enabled us to improve our adjusted Cost-Income Ratio during this period to our target level of below 65 percent ahead of schedule. Year-on-year, we increased our adjusted profit before tax by 15 percent and our net income by 19 percent in the first nine months of 2020.”

**Claire Peel, CFO**

## Business Development

DWS once again proved its financial resilience and the strength of its diversified business model amid the ongoing pandemic. Revenues increased by 1 percent quarter-on-quarter while net flows further increased to EUR 10.5 billion in the third quarter. Assets under Management also increased by EUR 14 billion quarter-on-quarter to EUR 759 billion. Our management focus on efficiency and cost measures continues to pay off, with our adjusted cost base declining significantly year-on-year in the first nine months of 2020. We also remain firmly on track to achieve our gross cost savings objective of EUR 150 million by 2021. We expect that this will enable us to achieve our medium-term adjusted Cost-Income Ratio target of below 65 percent early on. Adjusted profit before tax increased by 14 percent quarter-on-quarter and by 15 percent year-on-year in the first nine months of 2020.

**Total revenues** rose quarter-on-quarter by 1 percent to EUR 558 million in Q3 2020 (Q2 2020: EUR 551 million; Q3 2019: EUR 560 million). This was due to the higher Management fees as a result of increased average Assets under Management during the quarter. Total revenues were EUR 1,632 million in the first nine months of 2020 (9M 2019: EUR 1,702 million). The 4 percent decrease year-on-year reflects the impact of the negative interest rate development on the fair value of guarantees and the absence of the non-recurring Alternatives fund performance fee recorded in Q2 2019.

**Adjusted profit before tax** increased by 14 percent quarter-on-quarter to EUR 215 million (Q2 2020: EUR 189 million; Q3 2019: EUR 170 million). After tax, DWS posted a quarter-on-quarter significantly increased **net income** of EUR 151 million for the third quarter 2020 (Q2 2020: EUR 122 million; Q3 2019: EUR 116 million). Adjusted profit before tax for the first nine months of 2020 increased by 15 percent year-on-year to EUR 583 million (9M 2019: EUR 508 million). Net income rose in the first nine months of 2020 year-on-year by 19 percent to EUR 394 million (9M 2019: EUR 330 million).

**Assets under Management (AuM)** increased to EUR 759 billion in the third quarter of 2020 (Q2 2020: EUR 745 billion). This was driven by the positive market development and strong net flows, while exchange rate movements had again a negative impact on our AuM.

We successfully achieved again higher **net flows** of EUR 10.5 billion in the third quarter of 2020 (ex Cash: EUR 6.2 billion), generating total net inflows of EUR 16.7 billion in the first nine months of 2020. Based on their strong performance, ESG-dedicated funds accounted for more than one third of the flows in the first nine months of the year. The very strong inflows in the third quarter were primarily driven by Passive (EUR 6.3 billion) and further supported by Cash products (EUR 4.3 billion) and Alternatives (EUR 0.8 billion), while Active (ex Cash) saw reduced net outflows

(minus EUR 0.9 billion). **All three coverage regions, Americas, Europe and Asia-Pacific, recorded net inflows** in the third quarter as well as in the first nine months of the year.

**Active Asset Management** ex Cash recorded net outflows of minus EUR 935 million in the third quarter (Q2 2020: minus EUR 4.1 billion). The sub asset classes show a mixed picture. While Active Fixed Income came into positive territory and generated net inflows of EUR 2.5 billion driven by institutional mandates, the other active product classes were unable to avoid outflows. Active Equity recorded net outflows of minus EUR 1.1 billion, with inflows into ESG equity funds being a bright spot. Active Multi Asset saw outflows of minus EUR 1.2 billion driven by a single institutional redemption. Flagship fund DWS Dynamic Opportunities once again defied the trend and generated further inflows, while DWS Concept Kaldemorgen was flat. Active SQI recorded net outflows of minus EUR 1.0 billion and Cash saw net new assets of EUR 4.3 billion.

**Passive Asset Management** generated net flows of EUR 6.3 billion in the third quarter (Q2 2020: EUR 6.5 billion). The continued very strong flow momentum again was driven by net flows into ETPs (exchange-traded funds and commodities). DWS ranked second in ETP net flows in Europe with a 14 percent flow market share in the first nine month of the year (source: ETFGI).

**Alternatives** saw increased net new assets of EUR 846 million in Q3 2020 (Q2 2020: EUR 7 million). The net inflows were driven by Illiquid Alternatives – based in particular on continued demand for DWS Grundbesitz real estate funds family – and Liquid Alternatives.

**Adjusted costs** decreased by 5 percent quarter-on-quarter to EUR 342 million in Q3 2020 due to lower compensation & benefits costs (Q2 2020: EUR 362 million; Q3 2019: EUR 389 million). Our management focus on efficiency and cost measures continued to pay off: Adjusted costs in the first nine months of the year were reduced by 12 percent year-on-year to EUR 1,049 million (9M 2019: EUR 1,194 million), driven by a 13 percent decrease in general & administrative expenses and a 10 percent decline in compensation & benefits costs.

The **adjusted Cost-Income Ratio** (CIR) improved by 4.4 percentage points to 61.4 percent in the third quarter 2020 (Q2 2020: 65.7 percent; Q3 2019: 69.6 percent). The adjusted CIR improved year-on-year by 5.9 percentage points to 64.3 percent in the first nine months of the year (9M 2019: 70.1 percent). With this, we expect to achieve our medium-term target of below 65 percent ahead of schedule.

## Growth Initiatives and Strategic Progress

In the third quarter we worked intensively on the **implementation of our new globally integrated structure**. The substructures and their new management teams have now been announced. Furthermore, we have **intensified our focus on product innovation**. Our newly dedicated Product

Division and our Group Sustainability Office will be key to ensuring that DWS is able to identify, develop and meet the investment solutions and needs of our clients in the new normal and beyond.

In addition, we continued to strengthen our strategic partnerships. We **extended our strategic partnership with Zurich** early by 10 years until the year 2032. With this, we will continue our successful cooperation in fund sales and in the development of unit-linked insurance products. In Italy, we have extended our partnership with local insurer **Eurovita** to leverage our collective distribution capabilities and create innovative products in the unit-linked and life insurance spaces, designed to meet growing investor demand for thematic and ESG funds. Moreover, we announced a smaller strategic partnership with **Northwestern Mutual's private markets** division, further broadening our investment platform. Together we will identify and develop private market opportunities.

Our **sustainability** efforts continue to win external recognition. In the third quarter FTSE Russell confirmed that DWS is among the companies listed in its **FTSE4Good Index Series** – a leading market tool designed to help investors looking to invest in companies that demonstrate good sustainability practices measured against globally recognized standards. Furthermore, for the third year in a row, DWS has received an **A+ rating** – which is the highest awarded – for Strategy & Governance in the annual **Principles for Responsible Investment (PRI)** assessment.

## Outlook

For the third quarter in a row we have been able to manage our adjusted Cost-Income Ratio around 65 percent. Therefore, we expect to reach our overall medium-term target of an adjusted Cost-Income Ratio of below 65 percent this year on a sustainable basis.

With the achievement of this important milestone, we would reach the key performance indicator we set ourselves during the IPO one year earlier than originally planned. Going forward, we will set our sights for the long-term: We will focus on growth – organic and inorganic – and further transformation into a fully-fledged asset manager while managing our Cost-Income Ratio at least at the already achieved levels. In order to enable growth, we will invest in our platform, our products, mega trends and people.

In organizational terms, we already set the course at the end of the second quarter with the announcement of our globally integrated structure, which we have worked hard to implement over the summer, thus laying the foundations for our new course.

In addition, we will progress more and more towards a fully-fledged asset management friendly framework. We will also further our people strategy. While we implement the new functional role framework, replacing corporate titles and hierarchical thinking, we will also concentrate on pay for performance.

With all this ongoing strategic progress and while we continue to manage the fallout of COVID-19 as a fiduciary and a corporate, we will accelerate the process of defining our long-term strategy towards 2030, and targets for the medium and long term.

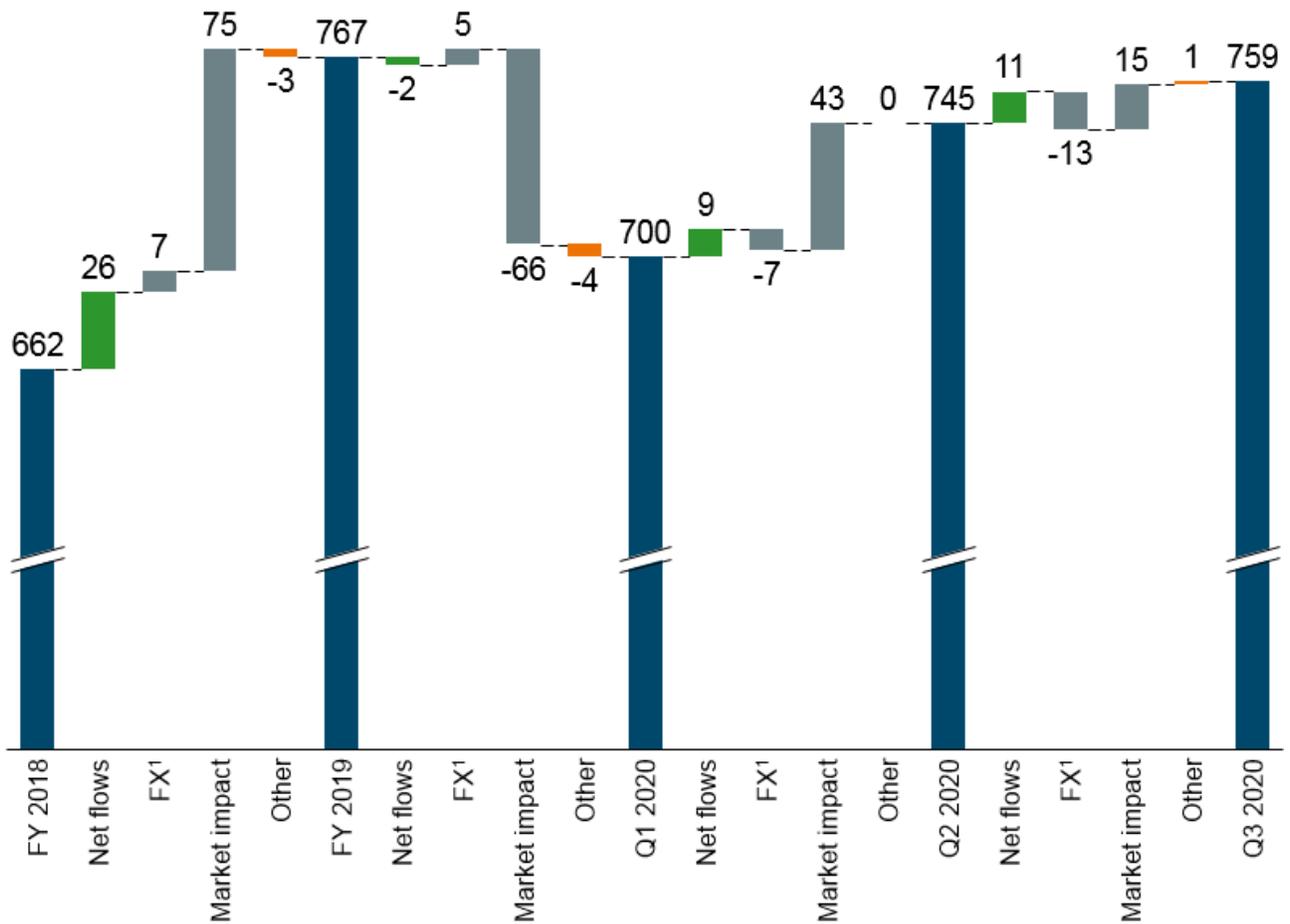
## Appendix

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

	Q3 2020	Q2 2020	9M 2020	9M 2019	Q3 2020 vs. Q2 2020	9M 2020 vs. 9M 2019
Management Fees and other recurring revenues	523	508	1,584	1,585	3%	0%
Performance & Transaction Fees	20	20	57	97	-2%	-41%
Other Revenues	15	23	-9	19	N/M	N/M
<b>Total net revenues</b>	<b>558</b>	<b>551</b>	<b>1,632</b>	<b>1,702</b>	<b>1%</b>	<b>-4%</b>
<i>Revenue adjustments</i>	-	-	-	-	-	-
<b>Adjusted revenues</b>	<b>558</b>	<b>551</b>	<b>1,632</b>	<b>1,702</b>	<b>1%</b>	<b>-4%</b>
Compensation and benefits	170	200	535	596	-15%	-10%
General and administrative expenses	175	173	530	607	1%	-13%
Restructuring activities	0	7	10	31	N/M	-68%
<b>Total noninterest expenses</b>	<b>345</b>	<b>380</b>	<b>1,076</b>	<b>1,234</b>	<b>-9%</b>	<b>-13%</b>
<i>Cost adjustments</i>	3	18	27	40	N/M	N/M
<b>Adjusted cost base</b>	<b>342</b>	<b>362</b>	<b>1,049</b>	<b>1,194</b>	<b>-5%</b>	<b>-12%</b>
<b>Profit before tax</b>	<b>213</b>	<b>171</b>	<b>556</b>	<b>468</b>	<b>24%</b>	<b>19%</b>
<b>Adjusted Profit before tax</b>	<b>215</b>	<b>189</b>	<b>583</b>	<b>508</b>	<b>14%</b>	<b>15%</b>
<b>Net income</b>	<b>151</b>	<b>122</b>	<b>394</b>	<b>330</b>	<b>25%</b>	<b>19%</b>
Cost-Income Ratio	61.9%	69.0%	65.9%	72.5%	-7.1ppt	-6.6ppt
<b>Adjusted Cost-Income Ratio</b>	<b>61.4%</b>	<b>65.7%</b>	<b>64.3%</b>	<b>70.1%</b>	<b>-4.4ppt</b>	<b>-5.9ppt</b>
Employees (full-time equivalent)	3,290	3,333	3,290	3,415	-1%	-4%
Assets under management (in EUR bn)	759	745	759	752	2%	1%
Net flows (in EUR bn)	10.5	8.7	16.7	12.9		
Net flows (% of BoP AuM - annualized)	5.6	5.0	2.9	2.6		
Management fee margin (bps annualized)	27.8	28.1	28.3	29.8		

N/M – Not meaningful

**AuM development in detail (in EUR bn)**



<sup>1</sup> 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 28 October 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 759bn of assets under management (as of 30 September 2020). Building on more than 60 years of experience, it has a reputation for excellence in Germany, Europe, the Americas and Asia. DWS is 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 3,400 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.

**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/>.