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For Immediate Release

Frankfurt am Main 26 February 2018

Deutsche Bank confirms IPO plans for DWS

- Placement of existing shares held by Deutsche Bank and listing on the Frankfurt Stock Exchange
- DWS is one of the world's leading asset managers with EUR 700 billion of Assets under Management[1] and a top five asset manager operating in Europe[2]
- Truly global investment platform with strong and consistent investment performance across asset classes to deliver further growth
- Targeted in the medium term: net inflows of 3-5 percent of opening Assets under Management p.a., a management fee margin greater than or equal to 30 bps, as well as an adjusted Cost Income Ratio of less than 65 percent, and a dividend pay-out ratio of 65-75 percent of net income
- Nicolas Moreau, Chief Executive Officer of DWS, said: "The planned IPO will give us the opportunity to unlock the full potential of DWS for clients and employees, while targeting attractive returns for our shareholders. We are very proud to be one of the leading asset managers in Europe and globally. We look forward to bringing our strong, truly global investment platform and over 60 years of investment experience to the public markets."
- James von Moltke, Chief Financial Officer of Deutsche Bank, said: "DWS is a strong asset management business that will gain visibility and agility through this planned listing. DWS's clients, employees, as well as its shareholders, including Deutsche Bank, will stand to benefit."

[1] As of 31 December 2017
[2] Broadridge ranking by retail Assets under Management in Europe as of November 2017

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DWS[3], together with Deutsche Bank today announces its intention to proceed with the planned Initial Public Offering ("IPO") on the regulated market of the Frankfurt Stock Exchange (Prime Standard) in the earliest available window, subject to market conditions. The planned IPO is expected to consist purely of the sale of existing shares indirectly held by Deutsche Bank.[4]

Leading global asset manager positioned for the future

With approximately EUR 700 billion of Assets under Management[5] and a workforce present in 22 countries worldwide, DWS is one of the world's leading asset managers. DWS has strong investment capabilities and solutions across active, passive and alternative investments.

DWS manages EUR 513 billion in active assets, EUR 71 billion in alternatives, and EUR 115 billion in passive, with its well-known Xtrackers brand, which is the second largest ETF provider in Europe.[6]

DWS is one of the top five asset managers in Europe[7] and commands a leading position in Germany where DWS has a 26.3 percent market share within the retail segment.[8] DWS is well positioned to capture the continental European growth opportunity of client demand shifting from savings products into investment products and MiFID II opening up new distribution channels.

DWS's client mix is well balanced across Europe, the U.S. and Asia, and across retail and institutional channels. The Deutsche Bank distribution channel contributes twelve percent of current Assets under Management[9], and DWS has entered into a

[3] DWS Group SE, to be transformed and renamed DWS Group GmbH & Co. KGaA, ("DWS")
[4] Via DWS's sole shareholder, DB Beteiligungs Holding GmbH, a 100% subsidiary of Deutsche Bank AG ("Deutsche Bank")
[5] As of 31 December 2017
[6] All numbers as of 31 December 2017
[7] Broadridge ranking by retail Assets under Management in Europe as of November 2017
[8] As of 31 December 2017
[9] As of 31 December 2017

new long-term distribution agreement with Deutsche Bank governing the future distribution of DWS's products.

With about 900 investment professionals across the investment platform globally, DWS has a proven track record of delivering a strong and consistent investment performance. This has resulted in a 74 percent benchmark outperformance ratio of Assets under Management on a 3-year basis[10] across all actively invested asset classes in 2017.

Client coverage and investment solutions are backed by DWS's strong research competencies and a scalable operating platform. This includes digital capabilities across robo-advisory, digital distribution and big data to further drive growth and cost efficiency.

IPO to accelerate future growth

The planned IPO will enhance the external profile of DWS through greater visibility and brand recognition, supporting the distribution of its products. Furthermore, by gaining autonomy, DWS will have a new compensation framework that better aligns remuneration to the needs and performance of the asset management business and that will provide DWS with increased capacity to attract and retain talent. In addition, the IPO provides the company with greater operational flexibility to control costs as well as enabling it to capture both future growth opportunities and select bolt-on acquisitions.

Nicolas Moreau, Chief Executive Officer of DWS, said: "DWS has excellent products and investment solutions that are positioned to meet current and future client needs. We have a wide distribution reach across retail and institutional channels, as well as across geographies, to drive flows. We have a strong and scalable operating platform, and see early successes in our digital strategy. We are convinced that the planned IPO will act as a catalyst to support our strategy and deliver shareholder value."

[10] Aggregate asset-weighted gross outperformance of products that have benchmark spread available for the period

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Financial targets

DWS's diversified business with higher margin products positioned for growth provides resilience to future margin compression and supports revenue growth as well as profitability. Furthermore, the business has a robust and scalable operating platform, with further room to optimize and increase efficiency.

This supports DWS's financial targets of net inflows of 3-5 percent of opening Assets under Management p.a. and a management fee margin greater than or equal to 30 bps in the medium term. Additionally, the company aims to reduce the adjusted Cost Income Ratio to less than 65 percent in the medium term. DWS plans to distribute 65-75 percent of its reported net income as dividend.

Claire Peel, Chief Financial Officer of DWS, said: "We are highly committed to generating attractive returns for all shareholders through revenue growth, cost discipline and an attractive dividend distribution. Our medium term financial targets underpin our strong earnings and dividend growth potential."

Deutsche Bank to remain strong distribution partner

After the separation, Deutsche Bank will remain an important long-term distribution partner for DWS. A 10-year distribution agreement with Deutsche Bank, including Postbank, will continue to provide access to its attractive retail and private banking client base, while the further diversification of the DWS product range will enhance this relationship going forward.

DWS and Deutsche Bank have also entered into a Master Service Agreement at arm's length, which covers certain administrative services.

DWS will operate in the form of a KGaA (Kommanditgesellschaft auf Aktien) legal structure. The Supervisory Board will comprise twelve members and is expected to include five independent members, four employee representatives and three Deutsche Bank representatives. Karl von Rohr, Chief Administrative Officer of Deutsche Bank, is designated to become Chairman of the Supervisory Board of DWS.

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Deutsche Bank is acting as Sole Global Coordinator and Bookrunner in the planned transaction. Barclays, Citi, Credit Suisse, BNP Paribas, ING, Morgan Stanley, UBS and UniCredit are acting as Joint Bookrunners. Commerzbank, Daiwa, Banca IMI, Nordea and Santander have been appointed as Co-Lead Managers.

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This communication contains forward-looking statements. These statements are based on the current views, expectations, assumptions and information of DWS. Forward-looking statements should not be construed as a promise of future results and developments and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those described in such statements. DWS does not assume any obligations to update any forward-looking statements.

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MiFID II
Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares may decline and investors could lose all or part of their investment; the shares offer no guaranteed income and no capital protection; and an investment in the shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the IPO.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares and determining appropriate distribution channels.