

DWS

POSITIONED FOR THE FUTURE

FY2017 UPDATE

FEBRUARY 19, 2018



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The Company, currently a wholly owned subsidiary of DB Beteiligungs-Holding GmbH, currently operates under the name and brand Deutsche Asset Management, but is in the process of rebranding itself in conjunction with the change in name and legal form to DWS Group GmbH & Co KGaA. This document refers to the Company as DWS. The Company intends to prepare combined financial statements for the fiscal years 2015, 2016 and 2017 (the “Relevant Period”). As of the date of this document, the combined financial information for the Relevant period exists only in preliminary form and is currently unaudited. The preparation of combined financial statements for the DWS group on a standalone basis assumes the transfer of many subsidiaries and asset management activities of the Deutsche Bank AG Group (some of which have not occurred) and differentiates itself in scope from Deutsche Bank AG’s Asset Management segment in its consolidated financials for the Relevant Period and before. Accordingly, the financial information to be contained in the combined financial statements of the Company for the Relevant Period and from the consolidated financials of Deutsche Bank AG for its Asset Management segment for previous periods may not be comparable. This document may also contain non-IFRS financial measures. For a reconciliation to directly comparable figures reported under IFRS, to the extent such reconciliation is not provided, please refer to the Financial Data Supplement Q4/FY2017 dated February 2, 2018, which is available at www.db.com/ir. Individual figures (including percentages) in this document have been rounded and the sum totals or interim totals contained in the tables may possibly differ from non-rounded figures contained elsewhere or may possibly not exactly add up to interim totals or sum totals due to rounding.

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KEY HIGHLIGHTS OF Q4 AND FY 2017



- FY 2017 adjusted profit before tax of €747m, up 5% on 2016
- €16bn of FY 2017 net inflows results in 2.3% net flow rate; ex cash & insurance GA net flow rate is 4.9%
- Management fee margin remains resilient at 31.5bps for FY 2017
- FY 2017 adjusted CIR of 70% up from 9M-17 largely due to specific cost events

Note: This presentation shows adjusted revenues, adjusted costs, adjusted profit before tax and adjusted cost-income ratio (CIR) for DWS. This presentation also reflects adjustments to the asset management division of DB Group as reported to arrive at a DWS standalone (pro forma) view. See the appendix for the Financial Glossary and a reconciliation from DB Group reported to DWS adjusted standalone view

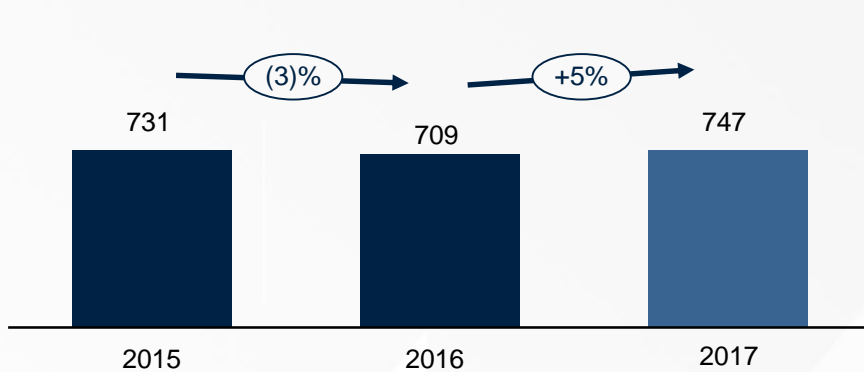
FINANCIAL PERFORMANCE SNAPSHOT



x% y-o-y change

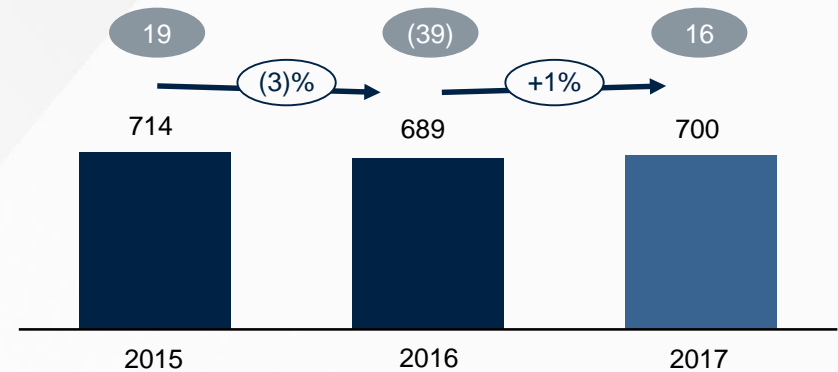
Adjusted profit before tax (€m)

Consistent profit generation



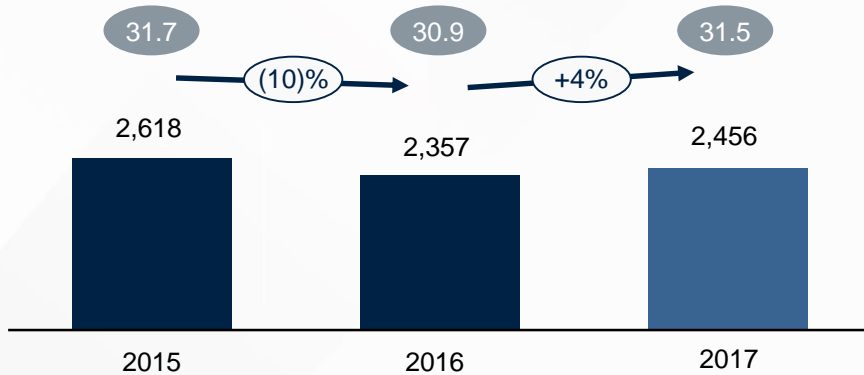
AuM (€bn)

Return to asset growth



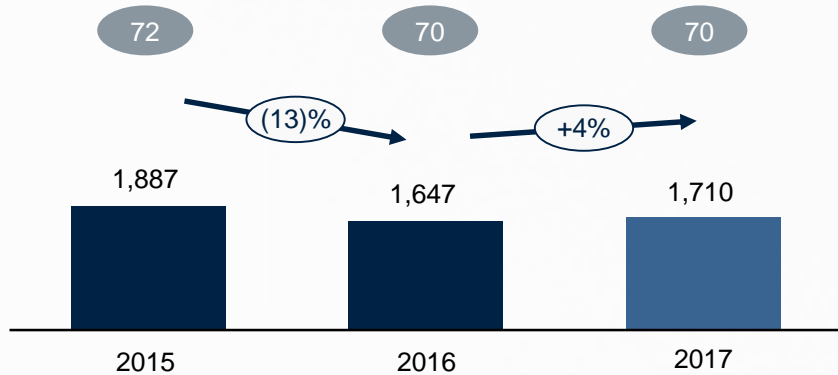
Adjusted revenues (€m)

Stabilized revenues in 2017



Adjusted costs (€m)

Strong cost discipline continues across all functions



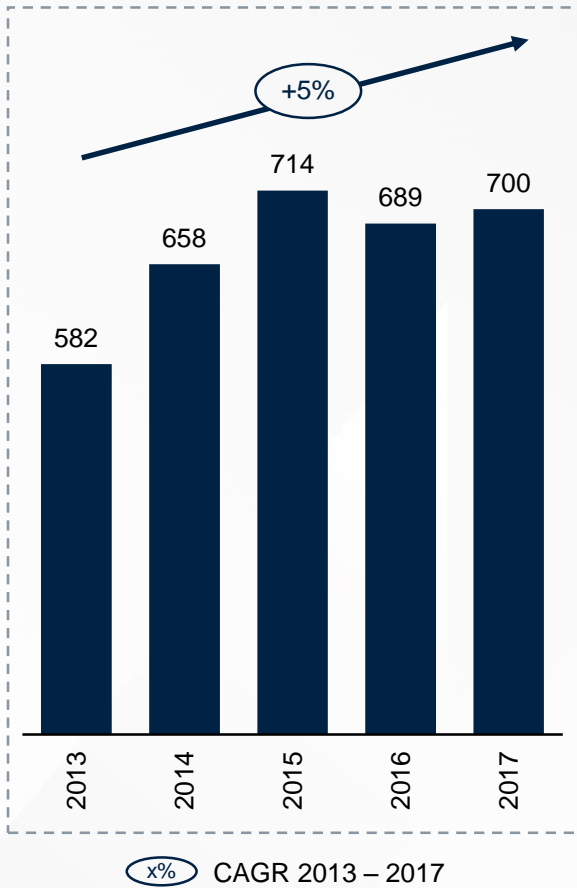
xx Management fee margin (bps)

xx Adjusted CIR (%)

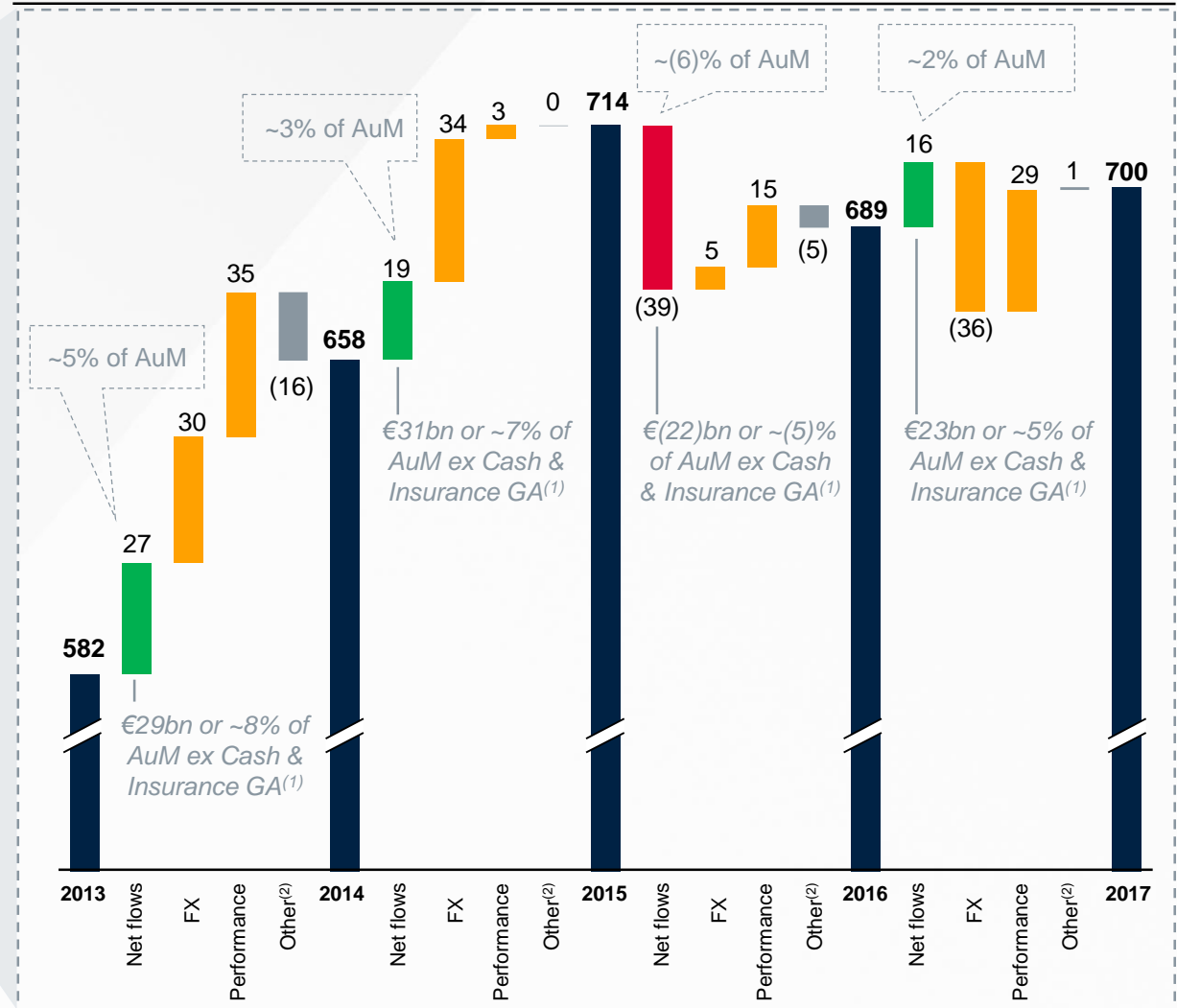
STRONG NET FLOWS WITH 2017 REBOUND



AuM (€bn)

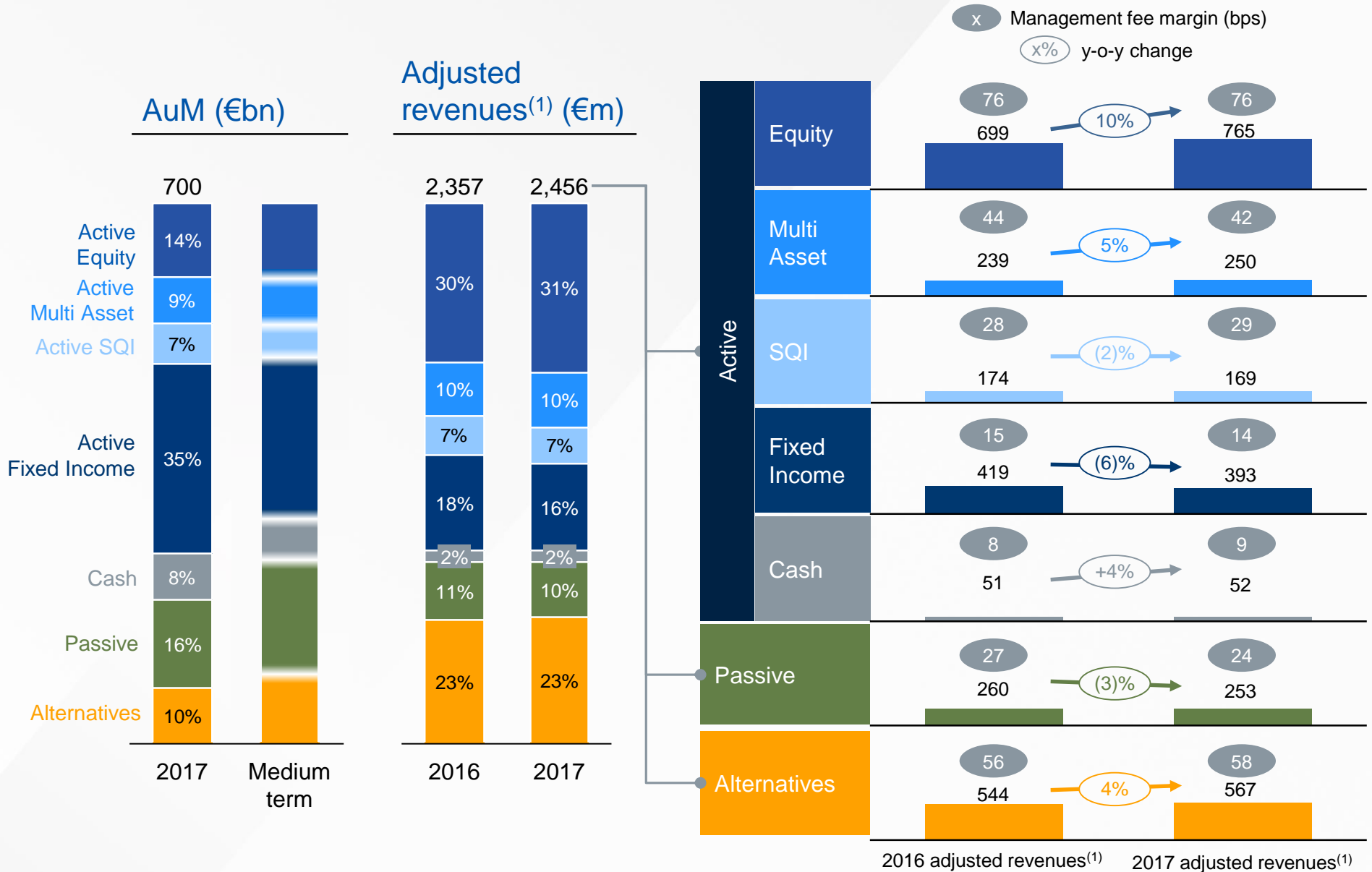


AuM development detail (€bn)



(1) Insurance general account, (2) Other includes acquisitions / disposals

GROWING REVENUES IN FOCUS AREAS AND MAINTAINING MARGINS



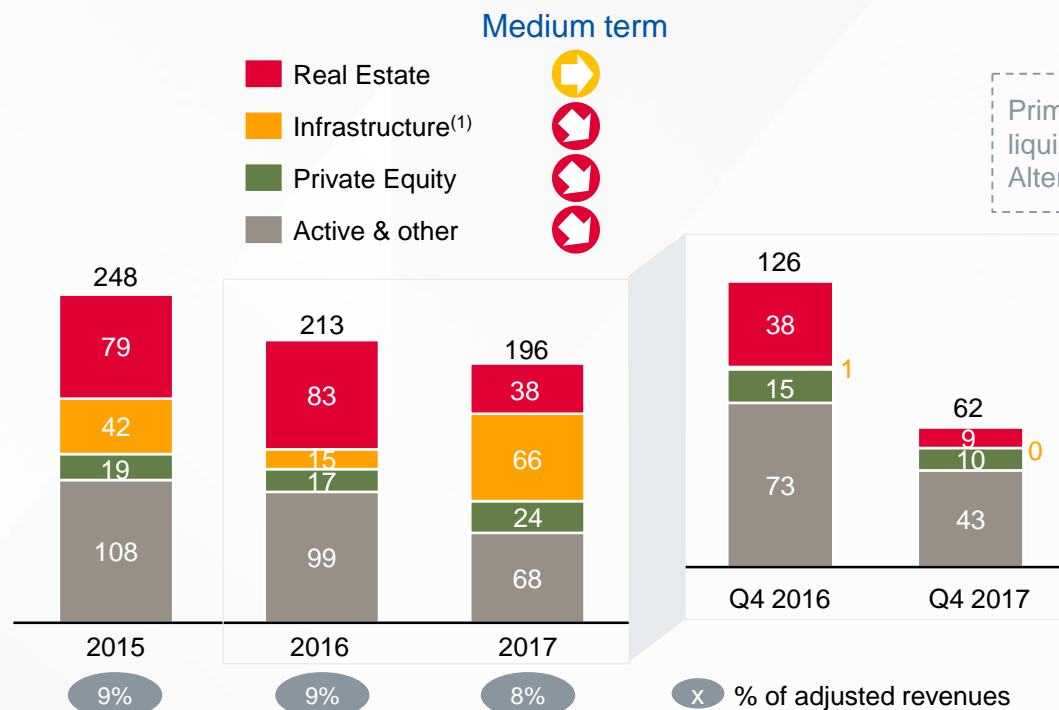
(1) Revenues of €6m in 2017 and €(27)m in 2016 excluded from asset class breakdown driven by change in fair value of guarantees and revenues not reported in the above asset class split

LIMITED RELIANCE ON ONE-OFF FEES, LEADING TO A STABLE REVENUE BASE

Performance & transaction fees breakdown (€m)

Performance and transaction fees historically represent <10% of annual revenues:

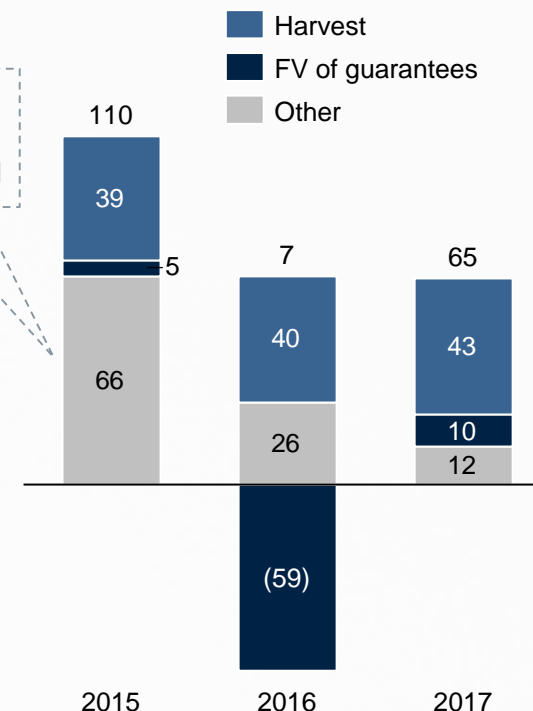
- Real Estate and Infrastructure funds make up the majority
- Active & other makes up most of the remainder, with Q4 being the most significant recognition period
- Expect 3-5% of adjusted revenues from performance and transaction fees in the medium term



Other revenues breakdown (€m)

Other revenues comprise:

- Harvest related revenues due to 30% DWS stake in business⁽²⁾
- Change in fair value of guarantees in guaranteed products, and
- Remaining revenues



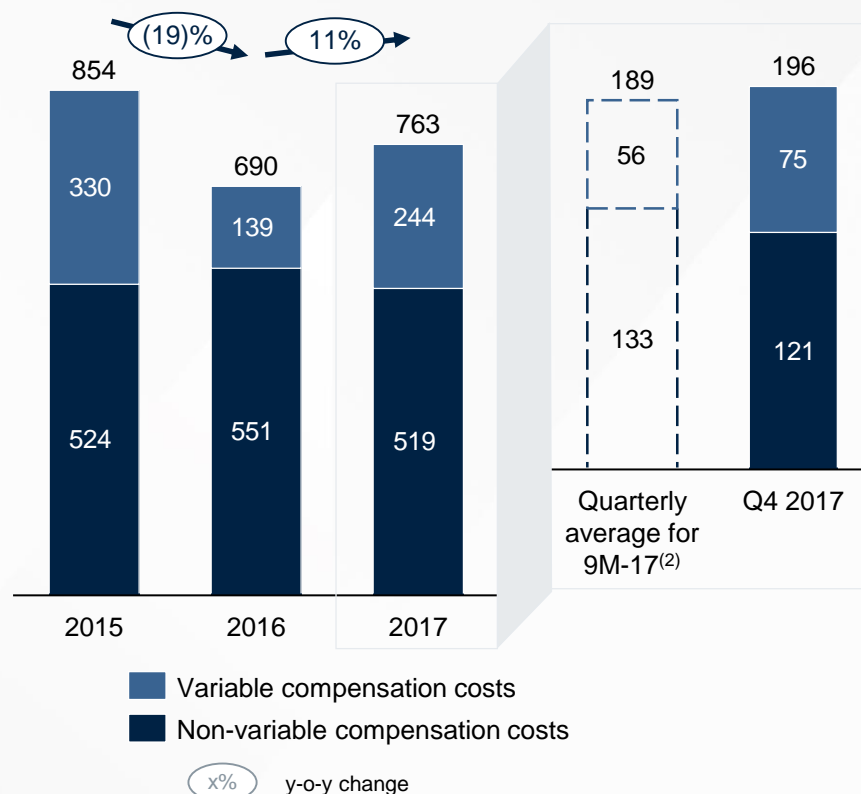
(1) 2017 Infrastructure figure reflects a performance fee from one flagship fund that is recognized every 2 years, (2) Subject to regulatory and board approvals of the Harvest employee stock option program (ESOP), DWS shareholding may decrease to 24% from new equity issuance or sale of existing shares to Harvest employees

ADJUSTED COSTS – COMPENSATION & BENEFITS



Adjusted compensation & benefits (€m)

FTE (Year-end)	3,877	3,860	3,901
Comp & ben per FTE ⁽¹⁾	€220k	€179k	€200k



Highlights

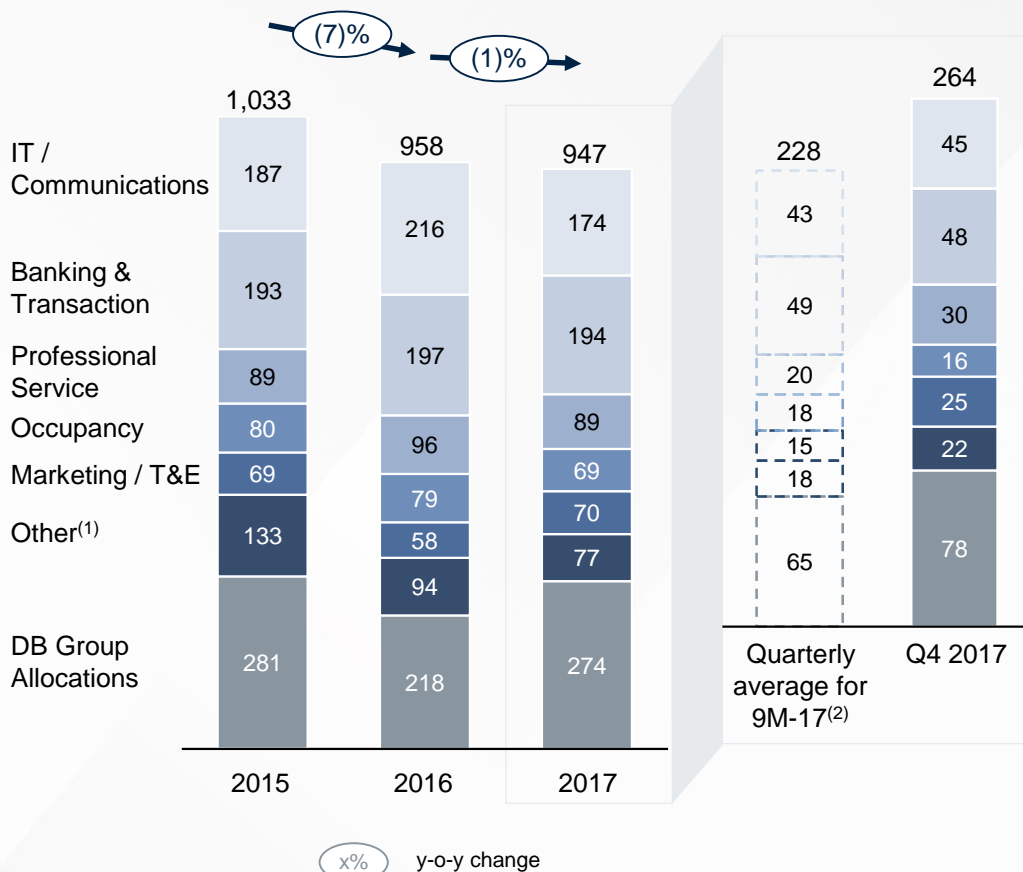
- FTE increase since 9M-17 driven by hires in coverage and investment teams, incremental company set-up functions and technology
- Adjusted compensation & benefits increased by 11% in FY 2017 compared to 2016
- Comparing Q4 2017 to 9M-17 quarterly average⁽²⁾, a normalized variable compensation environment is partially offset by a reduction in non-variable compensation

Note: If further services are insourced from DB Group, this would increase DWS FTE while their associated costs would transfer to direct DWS costs from DB Group Allocations

(1) Compensation & benefits divided by average annual FTE, (2) 9M-17 quarterly average calculated as a third of the 9M-17 financials

ADJUSTED COSTS – GENERAL EXPENSE

Adjusted general and admin. expenses (€m)



Highlights

- Adjusted general and admin expenses decreased by 1% in FY 2017 compared to 2016
- Comparing Q4 2017 to 9M-17 quarterly average⁽²⁾:
 - Marketing costs increased primarily as a result of rebranding
 - Professional service fee increased mainly due to additional activity in Alternatives and increased digital investment
 - DB Group Allocations increase largely driven by regulatory functions

Note: If further services are insourced from DB Group, this would increase DWS FTE while their associated costs would transfer to direct DWS costs from DB Group Allocations
 (1) Other includes regulatory, tax, and other non-compensation costs, (2) 9M-17 quarterly average calculated as a third of the 9M-17 financials

COST TAILWINDS AND HEADWINDS



Adjusted cost tailwinds

	Medium term target (per annum)	Expected timing
Cost efficiency initiatives	~€125 - 150m	~20 - 30% in 2018, will reach full savings in medium term
DB Group services	From 30% to below 25% of 2017 adjusted general & administrative expenses	Below 25% in 2018 and potential further optimisation thereafter based on consumption

Adjusted cost headwinds

	Medium term target (per annum)	Expected timing
MiFID II	~€40m	Full cost in 2018, reduction potential thereafter (reflected in cost efficiencies initiatives)
Additional VAT + dis-synergies	~€40m	~60 - 70% in 2018, full cost from 2019
Growth initiatives	~€90m	~50% in 2018, will reach full cost in medium term

Target adjusted CIR of **below 65%** in medium term

DWS DETAILED STANDALONE FINANCIALS – FY 2017



Adjusted profit & loss statement and key performance indicators (€m) Highlights

	FY 2015	FY 2016	FY 2017	FY16 %Δ	FY17 %Δ
Management fees and other recurring revenues	2,260	2,136	2,195	(6)%	1 3%
Performance and transaction fees and other non-recurring revenues	248	213	196	(14)%	2 (8)%
Other revenues	110	7	3 65	(93)%	n.m.
Adjusted revenues	2,618	2,357	2,456	(10)%	4%
<i>Revenue adjustments</i>	43	(59)	(52)		
Net revenues	2,576	2,415	2,509	(6)%	4%
Compensation & benefits	(854)	(690)	(763)	(19)%	4 11%
General & administrative expenses	(1,033)	(958)	(947)	(7)%	(1)%
Adjusted total cost base	(1,887)	(1,647)	(1,710)	(13)%	4%
<i>Cost adjustments</i>	56	121	16		
Total cost base	(1,943)	(1,769)	(1,725)	(9)%	(2)%
Adjusted profit before tax	731	709	5 747	(3)%	5%
Adjusted CIR	72%	70%	70%	(3)%	(0)%
FTE	3,877	3,860	3,901	(0)%	1%
AuM (in €bn)	714	689	700	(3)%	6 1%
Net flows (in €bn)	19	(39)	16		
Net flows (% of BoP AuM)	3%	(6)%	2%		
Management fee margin (bps)	31.7	30.9	31.5		

- 1 Favorable market performance driving management fees and other recurring revenues, which increased by €59m, or 3%
- 2 Performance and transaction fees and other non-recurring revenues decreased by €17m, or 8% mainly due to lower fees in Active and Real Estate despite an increase in Infrastructure fees
- 3 Other revenues increased by €58m driven by a favorable change in fair value of guaranteed funds
- 4 Higher compensation & benefits costs are driven by normalized compensation
- 5 28% annual effective tax rate expected going forward
- 6 AuM increased by €10bn, or 1% due to favorable flow and market performance, partially offset by FX effects

Note: All line items calculated on an adjusted basis. See Financial Glossary and Reconciliation pages for further details

Adjusted profit & loss statement and key performance indicators (€m) Highlights

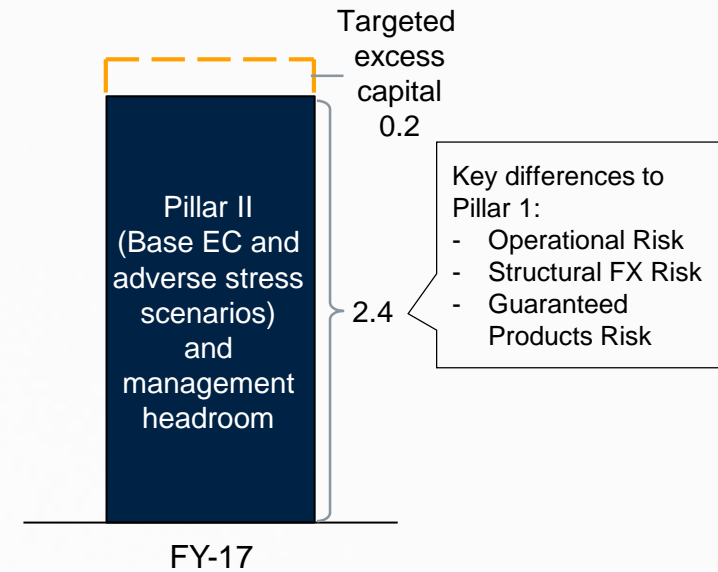
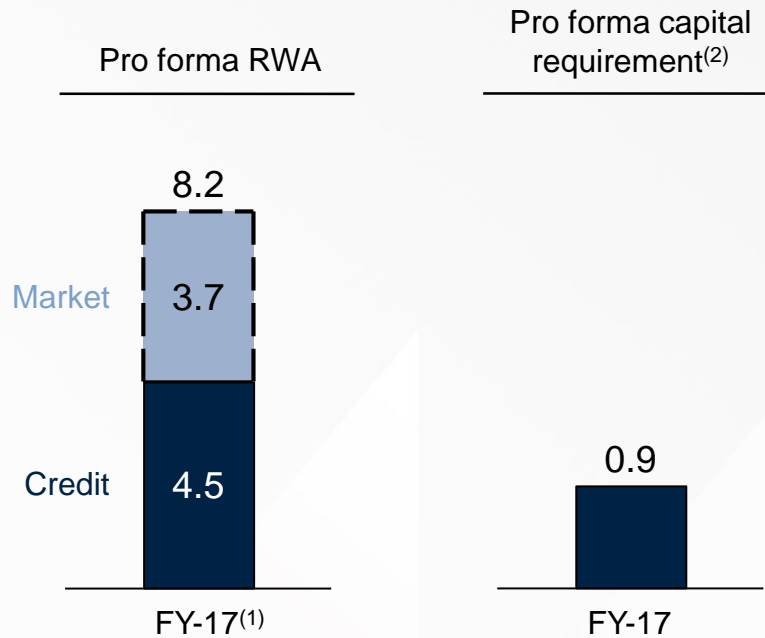
	Q4 2016	Q4 2017	9M-17	FY-17	
Management fees and other recurring revenues	552	542	1,653	2,195	
Performance and transaction fees and other non-recurring revenues	126	1 62	133	196	1 Decrease in performance and transaction fees following higher fees in Active Multi Asset and Real Estate in Q4 2016
Other revenues	(20)	2	64	65	
Adjusted revenues	658	607	1,850	2,456	2 Higher compensation & benefits costs in Q4 2017 driven by normalized variable compensation environment, partially offset by lower non-variable compensation and benefits
<i>Revenue adjustments</i>	(6)	-	(52)	(52)	
Net revenues	664	607	1,902	2,509	
Compensation & benefits	(178)	2 (196)	(567)	(763)	3 Positive net flows in Q4 2017 despite insurance asset outflows. Excluding cash and insurance GA, net flows were €6bn in Q4 2017
General & administrative expenses	(269)	(264)	(683)	(947)	
Adjusted total cost base	(448)	(460)	(1,250)	(1,710)	
<i>Cost adjustments</i>	0	10	6	16	
Total cost base	(448)	(470)	(1,255)	(1,725)	4 Uptick in CIR compared to 9M-17 primarily driven by unfavorable fair value movements in other revenues and compensation adjustments
Adjusted profit before tax	210	146	600	747	
Adjusted CIR	68%	76%	68%	4 70%	5 FTE growth primarily driven by hires in coverage and investment teams, incremental company set-up functions and technology
FTE	3,860	3,901	3,801	5 3,901	
AuM (in €bn)	689	700	696	700	
Net flows (in €bn)	(12)	3 1	15	16	

Note: All line items calculated on an adjusted basis. See Financial Glossary and Reconciliation pages for further details

UPDATED CAPITAL POSITION – FY2017

Pillar I requirement (€bn)⁽¹⁾

Pillar II requirement⁽³⁾ (€bn)



- Estimated Pillar I requirement of ~€0.9bn
- EBA Q&A on guaranteed products will potentially lead to RWA uplift
- Pro forma CET1 requirement under Pillar I estimated to remain below Pillar II requirement

- Pillar II requirements not expected to materially change over the medium term based on current forecasts
- CET1 capital of €2.8bn as at YE 2017
- CET1 capital to be aligned to pro forma capital requirements with targeted excess capital of €0.2bn

(1) Includes FY2017 reported RWA of approximately €4.5bn and additional pro forma RWA of €3.7bn from Structural FX (Market Risk) (2) Based on the fully loaded 10.5% capital requirement incl. capital conservation buffer of 2.5%, (3) Management projection of expected capital demand

POSITIONED TO DELIVER SHAREHOLDER VALUE



Strategy	KPI	2017	Medium term financial targets
Positioned to capture net flows	Net flows (% of BoP AuM)	2.3%	3% to 5%
Consistent margin resilience	Management fee margin	31.5bps	≥30bps
Operational leverage and cost discipline	Adjusted CIR	70%	<65%
To deliver strong earnings and dividend growth	Dividend payout ratio (% of net income)	n.a.	65% to 75%

APPENDIX

RECONCILIATION FROM DEUTSCHE AM REPORTED SEGMENT TO ADJUSTED DWS STANDALONE



Q4 2017 AND FY 2017

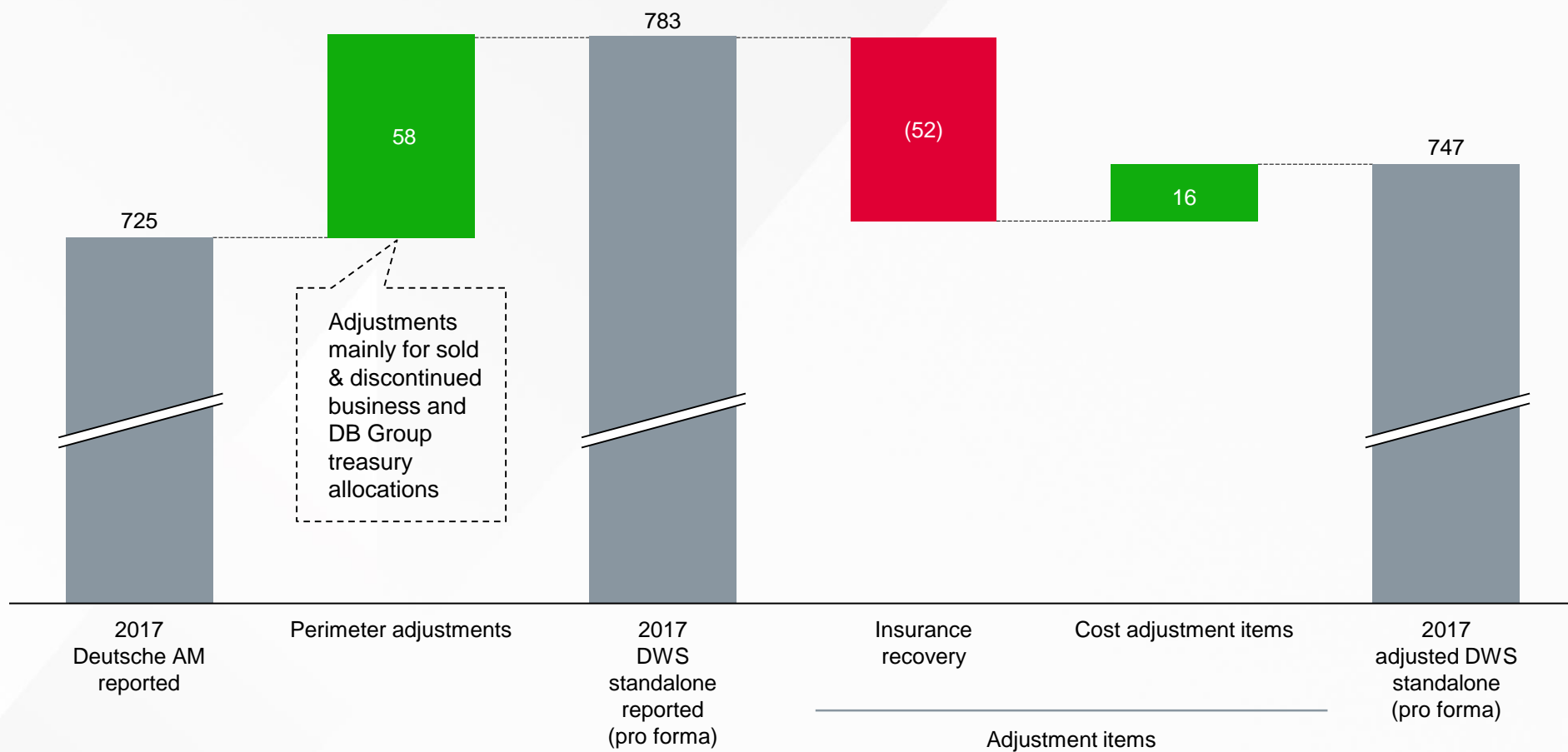
	Deutsche AM reported Q4 2017	Perimeter adjustments			DWS standalone reported Q4 2017 (pro forma)	Adjustments		Adjusted DWS standalone Q4 2017 (pro forma)
		Abbey Life	Sold & discontinued business ⁽¹⁾	Other perimeter adjustments ⁽²⁾		DB Group definition ⁽³⁾	DWS specific ⁽⁴⁾	
Revenues (€m)	621	0	(13)	(2)	607	0	0	607
Costs (€m)	(506)	(0)	20	15	(470)	10	0	(460)
Non-controlling interest (€m)	0			(0)	-			-
Profit before tax (€m)	115	0	8	13	136	10	0	146
AuM (€bn)	702		(2)		700			700
FTE (#)	3,803		(32)	131	3,901			3,901

	Deutsche AM reported 2017	Perimeter adjustments			DWS standalone reported 2017 (pro forma)	Adjustments		Adjusted DWS standalone 2017 (pro forma)
		Abbey Life	Sold & discontinued business ⁽¹⁾	Other perimeter adjustments ⁽²⁾		DB Group definition ⁽³⁾	DWS specific ⁽⁴⁾	
Revenues (€m)	2,532	0	(53)	29	2,509		(52)	2,456
Costs (€m)	(1,806)	1	60	20	(1,725)	16		(1,710)
Non-controlling interest (€m)	(1)			1	-			-
Profit before tax (€m)	725	1	7	50	783	16	(52)	747
AuM (€bn)	702		(2)		700			700
FTE (#)	3,803		(32)	131	3,901			3,901

(1) Sold and discontinued business includes the previously announced Luxembourg-based Sal. Oppenheim asset servicing business, the US Private Equity Access Fund platform and other portfolio measure, (2) Includes adjustments for treasury allocations, infrastructure services and functions plus the AM related business within former AM non-core business unit (AM NCOU), (3) Adjustments for a litigation case which was settled in 2017, restructuring and severance, (4) Adjustment for an insurance recovery from a litigation matter

ADJUSTED PBT INCLUDES A NUMBER OF ONE-OFF ADJUSTMENTS

Reconciliation from reported Deutsche AM to adjusted DWS standalone 2017 (pro forma) (€m)



RECONCILIATION FROM DWS STANDALONE REPORTED TO ADJUSTED PBT



PBT reconciliation (€m)

	FY-15	FY-16	FY-17	Q4 2016	Q4 2017
Profit before Tax (reported)	633	647	783	215	136
Revenue adjustment items					
Sale of PowerShares fund	1 (42)	-	-	-	-
HETA	2 86	(58)	-	(5)	-
Insurance recovery	-	-	3 (52)	-	-
AM NCOU	(2)	(1)	-	(1)	-
Total revenue adjustments	43	(59)	(52)	(6)	-
Cost adjustment items					
Litigations	1	4 129	(0)	39	1
Restructuring activities	(1)	46	6	3	3
Severance costs	8	24	11	2	6
AM NCOU	1	2	-	2	-
Withholding tax refund	5 47	(45)	-	(45)	-
Insurance recovery	-	3 (35)	-	-	-
Total cost adjustments	56	121	16	0	10
Adjusted PBT	731	709	747	210	146

Adjustments

- 1 Proceeds from the sale of the PowerShares fund in the Americas in 2015
- 2 Mark-to-market valuation impacts from the exposure of one of our guaranteed funds to HETA Asset Resolution AG (“HETA”) in Austria. Position was exited in 2016. Financial impact in 2015 from a write-down
- 3 Insurance recovery from a legal matter related to a real estate fund (part of the former Non-Core Operations Unit)
- 4 Includes provision for settlement of a legal matter related to a real estate fund (part of former Non-Core Operations Unit) in 2016, excluded from adjusted general & administrative expenses
- 5 Inconsistencies in preparing and processing withholding tax reclaim applications relating to “Fokus Bank” case claims resulted in provisions of ~€47m for 2015. Based on the final fiduciary review in 2016, DWS compensated ~€2m against the affected funds; the remaining provision of ~€45m was released in 2016

HISTORIC QUARTERLY AUM DEVELOPMENT



All figures in €bn

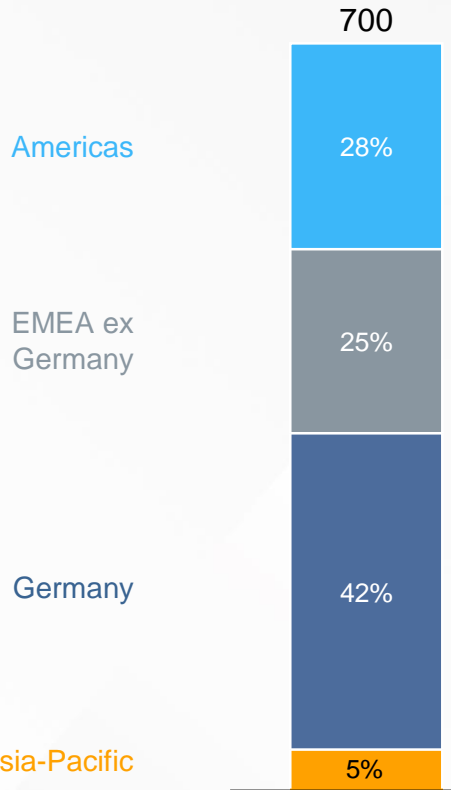
	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	
Net flows by Asset Class																					
Active Equity	(1)	(1)	(1)	(1)	(4)	(0)	(1)	(1)	1	(1)	0	(1)	0	(2)	(2)	(0)	(1)	(0)	(1)	(2)	
Active Fixed Income	(3)	1	4	2	4	(2)	0	(4)	(10)	(16)	(4)	(3)	(4)	(6)	(16)	2	(0)	1	(5)	(3)	
Active Multi Asset	1	1	1	2	5	4	4	2	2	13	(0)	(0)	(0)	1	0	2	9	0	0	11	
Active SQI	(0)	0	1	0	1	2	2	0	0	4	(1)	(0)	(0)	(2)	(4)	(1)	(0)	(1)	(0)	(2)	
Cash	0	1	1	1	3	2	(2)	(5)	4	(2)	(7)	(4)	2	(0)	(9)	1	(5)	4	1	1	
Passive	1	3	3	2	9	10	8	6	2	26	1	(1)	(6)	(3)	(9)	1	4	1	6	11	
Alternatives	2	3	4	2	10	(0)	(0)	(3)	(1)	(5)	(0)	0	1	(0)	0	2	0	(1)	(0)	0	
Net flows by region																					
Americas	(1)	(1)	1	0	(0)	2	5	(3)	(3)	0	(11)	(5)	(8)	(7)	(31)	2	(4)	2	0	0	
Asia Pacific	2	2	4	1	9	1	(0)	0	1	1	0	0	1	(0)	2	2	0	0	(0)	2	
EMEA ex Germany	1	5	6	3	14	9	0	(3)	2	9	(3)	(4)	(1)	(4)	(12)	1	1	(1)	(1)	(0)	
Germany	(2)	0	2	4	5	3	4	3	(2)	8	2	1	(0)	(0)	2	(0)	9	2	3	14	
Net flows by client channel																					
Retail	4	7	8	3	23	16	10	5	(1)	30	(3)	(4)	(7)	(8)	(22)	3	4	(0)	2	9	
Institutional	(4)	(1)	5	5	4	(1)	(1)	(8)	(1)	(11)	(8)	(4)	(1)	(4)	(17)	2	2	4	(1)	7	
Net flows	(0)	6	13	8	27	15	9	(3)	(2)	19	(12)	(8)	(8)	(12)	(39)	5	6	4	1	16	
FX	0	3	19	8	30	40	(11)	(3)	8	34	(13)	7	(3)	15	5	(2)	(19)	(10)	(5)	(36)	
Performance	7	13	6	8	35	30	(17)	(21)	12	3	(3)	10	9	(0)	15	13	3	6	7	29	
Other	(5)	(11)	0	0	(16)	1	(0)	(0)	(0)	0	0	(1)	(2)	(3)	(5)	1	(0)	0	(0)	1	
Total AuM Change	2	12	38	24	76	86	(19)	(28)	18	56	(28)	9	(5)	0	(25)	17	(10)	0	3	10	

REGIONAL MANAGEMENT FEES BREAKDOWN



AuM

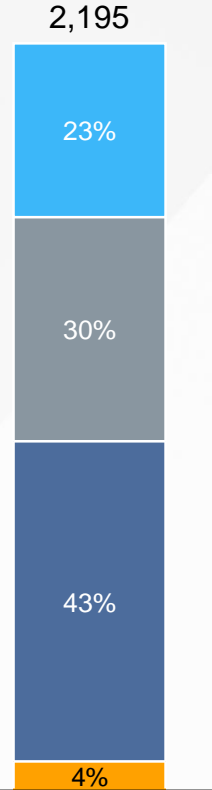
As of Dec 31, 2017 (€bn)



AuM
(sales view)

Management fees

FY 2017 (€m)



Management fees
(booking view)

Highlights

- Booking view management fees influenced by transfer pricing principles (e.g. attributing revenue to fund domicile and manufacturing regions)
- Therefore, estimating margins based on management fees (booking view) by region has limitations
- All regions have positive profit before tax

Asia-Pacific

Excludes AuM from Harvest JV⁽¹⁾

(1) Including pro-forma Harvest JV (30% of Harvest total AuM), APAC region represents 10% of AuM

HISTORIC MANAGEMENT FEE MARGINS



<i>Management fee margins in bps</i>	2015	2016	9M-17 ⁽¹⁾	2017
Active Equity	75.8	75.6	75.7	75.8
Active Fixed Income	16.9	15.0	14.4	14.2
Active Multi Asset	40.7 ⁽²⁾	44.4	42.1	42.0
Active SQI	31.3	27.7	27.6	29.0
Cash	8.3	7.8	8.3	8.6
Passive	29.5	26.8	24.9	24.3
Alternatives	58.4	55.9	59.3	58.2
Total	31.7	30.9	31.6	31.5

(1) Annualized

(2) Multi Asset management fee margin in 2015 adjusted for product re-mappings

HISTORIC MANAGEMENT FEES



<i>Management fees in €m</i>	2015	2016	9M-17	2017
Active Equity	661	650	533	711
Active Fixed Income	442	388	269	353
Active Multi Asset	150	192	166	224
Active SQI	172	149	108	151
Cash	62	49	36	50
Passive	305	265	194	257
Alternatives	434	411	327	425
Other ⁽¹⁾	34	31	20	23
Total	2,260	2,136	1,653	2,195

(1) Other management fees include fees for products not captured in the above asset class split for reporting purposes

BALANCE SHEET: TRANSLATION FROM IFRS REPORTED TO ECONOMIC VIEW



FY-17 (€bn)	IFRS reported ⁽¹⁾	Consolidated Funds	DB Vita and pending	Economic view	Highlights
Assets					€2.3bn adjustments comprise:
Cash and bank balances	3.3	0.0	0.0	3.3	<p>1 Guaranteed Funds (€1.3bn)</p> <ul style="list-style-type: none"> – DWS reports the individual assets and liabilities of those 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 <p>2 DB Vita (€0.6bn)</p> <ul style="list-style-type: none"> – Under IFRS 4 reporting of the assets held to back unit linked contracts offered by DB Vita (financials assets at FV through P&L) – Offset with financial liabilities due to investors holding the unit linked insurance contracts <p>3 Pendencies (€0.5bn)</p> <ul style="list-style-type: none"> – Settlement balances driven by investments for institutional clients
Fin. assets at FV through P&L	1.9	1.2	2 0.6	0.1	
Financial assets AFS	0.4		0.0	0.4	
Other investments	0.2			0.2	
Tax assets	0.2			0.2	
Loans	0.3			0.3	
Intangible assets	3.6			3.6	
Other assets	1.3	0.0	3 0.5	0.9	
Total assets	11.2	1 1.3	1.0	8.9	
Liabilities					
Other short-term borrowings	0.1			0.1	
Tax liabilities	0.4		0.0	0.4	
Deposits	0.0		0.0	0.0	
Fin. liabilities at FV through P&L	0.7	0.0	0.6	0.1	
Other liabilities	3.6	1.3	0.5	1.8	
Total liabilities	4.9	1.3	1.1	2.5	
Net assets	6.4			6.4	

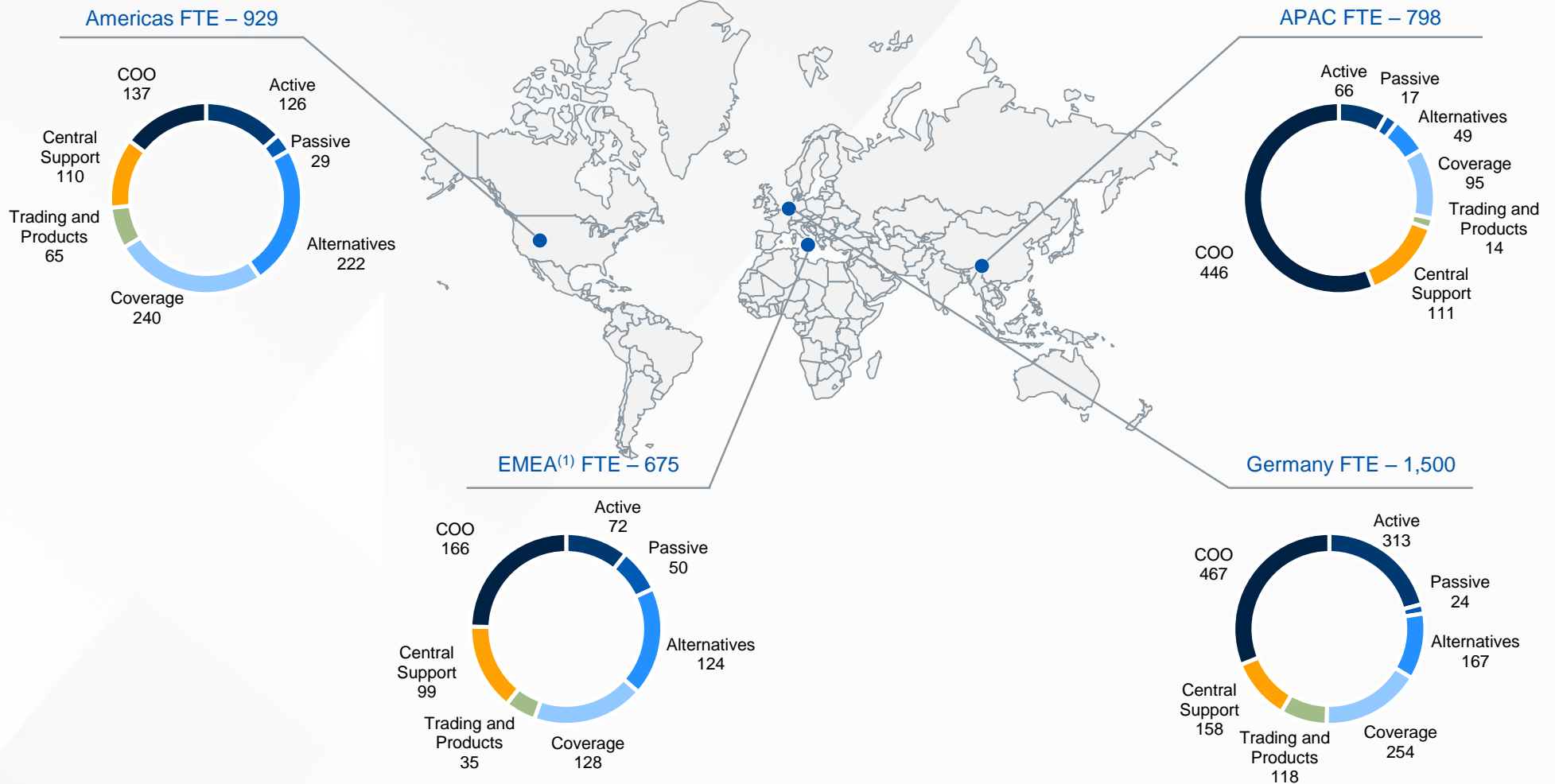
(1) IFRS reported balance sheet as modelled for separate DWS standalone

DWS – A SIMPLE AND STABLE BALANCE SHEET



Economic view (€bn)	FY-15	FY-16	FY-17	
Assets				
Cash and bank balances	3.3	3.3	3.3	Cash and bank balances covers regulatory requirements, dividend payments, daily operations
Fin. assets at FV through P&L	0.1	0.2	0.1	Seed & co-investments includes co-investments in Alternatives and seeding of new funds in Active and Passive
Financial assets AFS	0.3	0.3	0.4	
Other investments	0.2	0.2	0.2	Other investments, Tax assets includes equity method investments (Harvest) and deferred income taxes
Tax assets	0.2	0.2	0.2	
Loans	0.3	0.4	0.3	Loans includes cash balances held at DB Group
Intangible assets	3.8	3.9	3.6	
Other assets	1.0	1.1	0.9	Intangible assets goodwill and intangibles from contractual agreements
Total assets	9.2	9.6	8.9	
Liabilities				
Short term borrowings	0.3	0.3	0.1	Other assets includes unpaid fund management and other portfolio management related fees
Tax liabilities	0.5	0.5	0.4	Short term borrowings DB intercompany funding
Deposits	0.0	0.0	0.0	Tax liabilities mainly deferred income taxes
Fin. liabilities at FV through P&L	0.1	0.2	0.1	
Other liabilities	2.1	2.1	1.8	Other liabilities includes provisions, distributors fees and other payables
Total liabilities	3.0	3.1	2.5	
Net assets	6.2	6.5	6.4	Net assets IFRS equity, before adjustments to derive regulatory capital

WORKFORCE FOOTPRINT – ~3,900 EMPLOYEES IN 22 COUNTRIES



Note: Business line and legal entity view as of Dec 31, 2017. Active, Passive and Alternatives include Investment Professionals and support. Coverage includes Marketing. Central Support includes CFO, CCO, Risk, Legal, Compliance, HR and Graduates. COO includes Tech, Ops and Corporate Services. Workforce scope currently excludes Internal Audit and Anti-Financial Crime.

(1) EMEA excluding Germany

FINANCIAL GLOSSARY



Terminology	Definition
Assets under Management (AuM)	AuM is defined as (a) assets we hold on behalf of customers for investment purposes and/or (b) client assets that are managed by us on a discretionary or advisory basis. AuM represents both collective investments (Mutual Funds, Exchange-Traded Funds, etc.) and separate client mandates. AuM is measured at current market value at each reporting date. Measurable levels are available daily for most retail products but may only update monthly or even quarterly for some products. While AuM financials do not consider our holding in Harvest, they do include seed capital and any committed capital on which we earn management fees. Unless otherwise stated, AuM figures presented in this presentation are expressed on a period-end basis, i.e. December 31, or respectively at the end of an interim period. Any regional cut of AuM reflects the location where the product is sold and distributed (i.e. sales view), which may deviate from the booking center view reflected for the revenues.
Net Flows	Net Flows represent assets acquired from or withdrawn by clients within a specified period. It is one of the major drivers of changes in AuM.
Management Fee Margin	Management Fee Margin is calculated by taking the (annualized) sum of management fees and other recurring revenues for a period divided by average AuM for the same period. Annual average AuM are generally calculated using AuM at the beginning of the year and the end of each calendar month (i.e. 13 reference points).
Adjusted Revenues	<p>Adjusted Revenues present revenues excluding non-recurring items, such as disposal gains/losses, revenue from insurance recovery, and other non-recurring income items in excess of +/- €10 million. We use this metric to show revenues on a continuing operations basis, in order to enhance comparability against other periods</p> <p>Revenues adjustment items refer to</p> <ol style="list-style-type: none"> (1) Sale of PowerShare DB fund suite in 2015 resulted in disposal gains of €42 million. (2) Adjustment for HETA Asset Resolution AG exposure ("HETA"). This adjustment relates to the valuation adjustments in 2015 and 2016 as well as to the subsequent disposal of the non-performing portion of the Hypo Alpe Adria bank's bond, which was guaranteed by the Republic of Austria. The €(86) million loss in 2015 relates to a valuation adjustment and the €58 million in 2016 represents the gain recognized upon sale. This bond was not held directly by Deutsche Asset Management but by one of our consolidated guaranteed funds. (3) Adjustment related to a litigation case which was settled in 2017. The Group received in 2017 an insurance recovery via an external party which was booked as income. (4) Adjustment for Asset Management business of the former Non-Core Operations Unit (NCOU). The revenue adjustment in 2015 is mainly driven by discontinued co-investment positions.
Adjusted Costs	<p>Adjusted Costs is an expense measure we use to better distinguish between total costs (DB terminology: noninterest expenses) and our ongoing operating costs. It is adjusted for litigation, restructuring and severance costs, impairment of goodwill and other intangible assets as well as for material non-recurring expenses, including operational losses that are clearly identifiable one-off items in excess of +/- €10 million which are not expected to recur.</p> <ol style="list-style-type: none"> (1) Adjustment for a litigation case which was settled in 2017. This resulted in a €129 million provision (shown under the litigation line) which was partially mitigated by the recognition of a €35 million internal insurance recovery in 2016 booked in the former Non-Core Operations Unit (NCOU) (2) Adjustment for Asset Management business of the former Non-Core Operations Unit (NCOU). The remaining balance (ex above mentioned litigation case), refers mainly to discontinued co-investments. (3) Adjustment for inconsistencies in preparing and processing withholding tax reclaim applications relating to "Fokus Bank" case claims resulted in provisions of approximately €(47) million for 2015. Based on the final fiduciary review in 2016, DWS has been compensated with an amount of approximately €2 million against the affected funds. The remaining provision of €45 million was released in 2016.
Adjusted Cost-Income-Ratio (Adj. CIR)	Adjusted CIR is the ratio of adjusted costs to adjusted revenues for each period.
Adjusted Profit Before Tax (Adj. PBT) <i>DB terminology: Adjusted Income Before Income Taxes (Adj. IBIT)</i>	Adjusted PBT is calculated by adjusting PBT to account for the impact of the revenue and cost adjustment items (see above).
Perimeter Adjustments	Perimeter adjustments relate to sold or discontinued businesses and other portfolio measures. Further adjustments relate to treasury allocations, infrastructure services and functions, AM related business within the former non-core operations unit (AM NCOU) and non-controlling interests in consolidated subsidiaries.