UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2025

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ________ to ________

Commission File Number: 1-9700

THE CHARLES SCHWAB CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**94-3025021**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

3000 Schwab Way, Westlake, TX 76262
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: (817) 859-5000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock – $.01 par value per share	SCHW	New York Stock Exchange
Depositary Shares, each representing a 1/40th ownership interest in a share of 5.95% Non-Cumulative Preferred Stock, Series D	SCHW PrD	New York Stock Exchange
Depositary Shares, each representing a 1/40th ownership interest in a share of 4.450% Non-Cumulative Preferred Stock, Series J	SCHW PrJ	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).
Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒	Accelerated filer ☐
Non-accelerated filer ☐	Smaller reporting company ☐
Emerging growth company ☐	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

1,816,970,383 shares of $.01 par value Common Stock outstanding on April 30, 2025

THE CHARLES SCHWAB CORPORATION

Quarterly Report on Form 10-Q
For the Quarter Ended March 31, 2025

Index

Part I – FINANCIAL INFORMATION

THE CHARLES SCHWAB CORPORATION
Management's Discussion and Analysis of Financial Condition and Results of Operations
(Tabular Amounts in Millions, Except Ratios, or as Noted)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

INTRODUCTION

The Charles Schwab Corporation (CSC) is a savings and loan holding company. CSC engages, through its subsidiaries (collectively referred to as Schwab or the Company), in wealth management, securities brokerage, banking, asset management, custody, and financial advisory services.

Principal business subsidiaries of CSC include the following:

- Charles Schwab & Co., Inc. (CS&Co), incorporated in 1971, a securities broker-dealer;
- Charles Schwab Bank, SSB (CSB), our principal banking entity; and
- Charles Schwab Investment Management, Inc. (CSIM), the investment advisor for Schwab's proprietary mutual funds (Schwab Funds®) and for Schwab's exchange-traded funds (Schwab ETFs).

Unless otherwise indicated, the terms "Schwab," "the Company," "we," "us," or "our" mean CSC together with its consolidated subsidiaries.

Schwab provides financial services to individuals and institutional clients through two segments – Investor Services and Advisor Services. The Investor Services segment provides retail brokerage, investment advisory, and banking and trust services to individual investors, and retirement plan and business services, as well as other corporate brokerage services, to businesses and their employees. The Advisor Services segment provides custodial, trading, banking and trust, and support services to independent registered investment advisors (RIAs), independent retirement advisors, and recordkeepers.

Schwab was founded on the belief that all Americans deserve access to a better investing experience. Although much has changed in the intervening years, our purpose remains clear – to champion every client's goals with passion and integrity. Guided by this purpose and our vision of creating the most trusted leader in investment services, management has adopted a strategy described as "Through Clients' Eyes."

This strategy emphasizes placing clients' perspectives, needs, and desires at the forefront. Because investing plays a fundamental role in building financial security, we strive to deliver a better investing experience for our clients – individual investors and the people and institutions who serve them – by disrupting longstanding industry practices on their behalf and providing superior service. We also aim to offer a broad range of products and solutions to meet client needs with a focus on transparency, value, and trust. In addition, management works to couple Schwab's scale and resources with ongoing expense discipline to keep costs low and ensure that products and solutions are affordable as well as responsive to client needs. In combination, these are the key elements of our "no trade-offs" approach to serving investors. We believe that following this strategy is the best way to maximize our market valuation and stockholder returns over time.

Management estimates that investable wealth in the United States (U.S.) (consisting of assets in defined contribution, retail wealth management and brokerage, and registered investment advisor channels, along with bank deposits) currently exceeds $70 trillion, which means the Company's $9.93 trillion in client assets leaves substantial opportunity for growth. Our strategy is based on the principle that developing trusted relationships will translate into more assets from both new and existing clients, ultimately driving more revenue, and along with expense discipline and thoughtful capital management, will generate earnings growth and build long-term stockholder value.

This Management's Discussion and Analysis should be read in conjunction with our Annual Report on Form 10-K for the fiscal year ended December 31, 2024 (2024 Form 10-K).

On our website, https://www.aboutschwab.com, we post the following filings after they are electronically filed with or furnished to the Securities and Exchange Commission (SEC or Commission): annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934. In addition, we post to the website the Dodd-Frank stress test results, our regulatory capital disclosures based on Basel III, our average liquidity coverage ratio (LCR), and our average net stable funding ratio (NSFR). The SEC maintains a website at https://www.sec.gov that contains reports, proxy statements, and other information that we file electronically with the Commission.

FORWARD-LOOKING STATEMENTS

In addition to historical information, this Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are identified by words such as "believe," "anticipate," "expect," "intend," "prioritize," "will," "may," "estimate," "appear," "could," "would," "maintain," "continue," "seek," and other similar expressions. In addition, any statements that refer to expectations, strategy, objectives, projections, or other characterizations of future events or circumstances are forward-looking statements.

These forward-looking statements, which reflect management's beliefs, objectives, and expectations as of the date hereof, are estimates based on the best judgment of Schwab's senior management. These statements relate to, among other things:

- Maximizing our market valuation and stockholder returns over time; and our belief that developing trusted relationships will translate into more client assets which drives revenue and, along with expense discipline and thoughtful capital management, generates earnings growth and builds stockholder value (see Introduction in Part I – Item 2);
- Capital expenditures and expense management (see Results of Operations in Part I – Item 2);
- Net interest revenue, client cash allocation behavior, and adjustment of rates paid on client-related liabilities (see Results of Operations in Part I – Item 2);
- Funding sources and uses of liquidity (see Liquidity Risk in Part I – Item 2);
- Utilization of bank supplemental funding and expectations for repayment of outstanding balances (see Results of Operations in Part I – Item 2, and Liquidity Risk in Part I – Item 2);
- Management of interest rate risk; modeling and assumptions, the impact of changes in interest rates on net interest margin and revenue, bank deposit account fee revenue, economic value of equity (EVE), and liability and asset duration (see Risk Management in Part I – Item 2);
- Capital management; potential migration of insured deposit account balances (IDA balances) to our balance sheet; capital accretion; expectations about capital requirements, including accumulated other comprehensive income (AOCI); long-term operating objective; and uses of capital and return of excess capital to stockholders (see Capital Management in Part I – Item 2 and Commitments and Contingencies in Part I – Item 1 – Financial Information – Notes to Condensed Consolidated Financial Statements (Item 1) – Note 10);
- The expected impact of proposed and final rules (see Current Regulatory and Other Developments in Part I – Item 2);
- The expected impact of new accounting standards not yet adopted (see New Accounting Standards in Item 1 – Note 2);
- The likelihood of indemnification and guarantee payment obligations and clients failing to fulfill contractual obligations (see Commitments and Contingencies in Item 1 – Note 10); and
- The outcome and impact of legal proceedings and regulatory matters (see Commitments and Contingencies in Item 1 – Note 10, and Legal Proceedings in Part II – Item 1).

Achievement of the expressed beliefs, objectives, and expectations described in these statements is subject to certain risks and uncertainties that could cause actual results to differ materially from the expressed beliefs, objectives, and expectations. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Quarterly Report on Form 10-Q or, in the case of documents incorporated by reference, as of the date of those documents.

Important factors that may cause actual results to differ include, but are not limited to:

- General economic and market conditions, including the level of interest rates, equity market valuations and volatility;
- Our ability to attract and retain clients, develop trusted relationships, and grow client assets;
- Client use of our advisory and lending solutions and other products and services;
- The level of client assets, including cash balances;
- Client cash allocations and sensitivity to deposit rates;
- Competitive pressure on pricing, including deposit rates;
- The level and mix of client trading activity, including daily average trades, margin balances, and balance sheet cash;
- Regulatory guidance and adverse impacts from new or changed legislation, rulemaking or regulatory expectations;
- Capital and liquidity needs and management;
- Our ability to manage expenses;
- Our ability to attract and retain talent;
- Our ability to develop and launch new and enhanced products, services, and capabilities, as well as enhance our infrastructure, in a timely and successful manner;
- Our ability to monetize client assets;
- Our ability to support client activity levels;

- Increased compensation and other costs;
- Real estate and workforce decisions;
- The timing and scope of technology projects;
- Balance sheet positioning relative to changes in interest rates;
- Interest-earning asset mix and growth;
- Our ability to access and use supplemental funding sources;
- Prepayment levels for mortgage-backed securities;
- Migrations of bank deposit account balances (BDA balances);
- Regulatory and legislative developments;
- Adverse developments in litigation or regulatory matters and any related charges; and
- Potential breaches of contractual terms for which we have indemnification and guarantee obligations.

Certain of these factors, as well as general risk factors affecting the Company, are discussed in greater detail in Part I – Item 1A – Risk Factors in the 2024 Form 10-K.

OVERVIEW

Management focuses on several client activity and financial metrics in evaluating Schwab's financial position and operating performance. Results for the first quarter of 2025 and 2024 are as follows:

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024	Percent Change
Client Metrics			
Net new client assets (in billions) (1)	$ 132.4	$ 88.2	50%
Core net new client assets (in billions)	$ 137.7	$ 95.6	44%
Client assets (in billions, at quarter end)	$ 9,929.7	$ 9,118.4	9%
Average client assets (in billions)	$ 10,212.1	$ 8,761.1	17%
New brokerage accounts (in thousands)	1,183	1,094	8%
Active brokerage accounts (in thousands, at quarter end)	37,011	35,301	5%
Assets receiving ongoing advisory services (in billions, at quarter end)	$ 5,061.1	$ 4,628.0	9%
Client cash as a percentage of client assets (at quarter end)	10.6%	10.0%	
Company Financial Information and Metrics			
Total net revenues	$ 5,599	$ 4,740	18%
Total expenses excluding interest	3,144	2,942	7%
Income before taxes on income	2,455	1,798	37%
Taxes on income	546	436	25%
Net income	1,909	1,362	40%
Preferred stock dividends and other	113	111	2%
Net income available to common stockholders	$ 1,796	$ 1,251	44%
Earnings per common share — diluted	$ .99	$ .68	46%
Net revenue change from prior year	18%	(7)%	
Pre-tax profit margin	43.8%	37.9%	
Return on average common stockholders' equity (annualized)	18%	15%	
Expenses excluding interest as a percentage of average client assets (annualized)	0.12%	0.14%	
Consolidated Tier 1 Leverage Ratio (at quarter end)	9.9%	8.8%	
Non-GAAP Financial Measures			
Adjusted total expenses (2)	$ 3,014	$ 2,802	
Adjusted diluted earnings per common share	$ 1.04	$ .74	
Return on tangible common equity	35%	39%	

(1) The first quarter of 2025 and 2024 include net outflows of $5.3 billion and $7.4 billion, respectively, from off-platform brokered certificates of deposit (CDs) issued by CSB.
(2) Adjusted total expenses is a non-GAAP financial measure adjusting total expenses excluding interest. See Non-GAAP Financial Measures.

The first quarter of 2025 presented investors with an increasingly uncertain macroeconomic environment. While equity markets rose early in the first quarter of 2025, uncertainty around the economic impacts of trade policy and increased volatility dampened equity markets and investor sentiment. The Standard & Poor's® 500 Index (S&P 500®) was down 5% during the first three months of 2025, and the NASDAQ Composite® declined 10%. The 10-year U.S. Treasury yield fell by 35 basis points to 4.23%, and the Federal Reserve left the federal funds overnight rate unchanged in the first quarter.

Against this backdrop, clients continued to turn to Schwab, as the Company saw strength in asset gathering, new accounts, and client engagement in the first quarter of the year. Core net new assets totaled $137.7 billion in the first quarter of 2025, up 44% from the same period in 2024, representing an annualized growth rate of 5.5%. Active brokerage accounts rose 5% year-over-year to 37.0 million at March 31, 2025, including 1.2 million new brokerage accounts in the first quarter of 2025, up 8% from the first quarter of 2024. Clients were highly engaged in the markets, especially amid market volatility late in the first quarter. Clients' daily average trades (DATs) were up significantly year-over-year to 7.4 million in the first three months of 2025, an increase of 24% from the first quarter of 2024.

Schwab's financial performance in the first quarter of 2025 reflected strength in asset gathering, increased client engagement, reduced reliance on higher-cost bank supplemental funding, and continued demand for margin and bank lending. Net income totaled $1.9 billion in the first quarter of 2025, rising 40% from the first quarter of 2024. Diluted earnings per common share

(EPS) was $.99 in the first quarter of 2025, higher by 46% from the prior-year first quarter. Adjusted diluted EPS [(1)] was $1.04 in the first quarter of 2025, up 41% from the same period in 2024.

Total net revenues increased 18% year-over-year to $5.6 billion in the first quarter of 2025. Net interest revenue was $2.7 billion in the first quarter of 2025, increasing 21% from the first quarter of 2024, primarily due to lower interest expense and growth in margin and bank lending, which more than offset lower yields on interest-earning assets due to lower market rates. Asset management and administration fees were $1.5 billion in the first quarter of 2025, higher by 14% year-over-year due to continued growth in money market funds and managed investing solutions, and higher overall client asset balances due to strength of asset gathering and year-over-year equity market appreciation. Trading revenue was $908 million in the first quarter of 2025, an increase of 11% from the first quarter of the prior year, which was due primarily to higher trading volume. Bank deposit account fee revenue totaled $245 million in the first quarter of the year, rising 34% from the first quarter of 2024 due to improved net yield as a growing percentage of the balances have converted to floating rates. BDA balances decreased 4% from year-end 2024, ending the first quarter at $83.7 billion.

Total expenses excluding interest were $3.1 billion in the first quarter of 2025, higher by 7% from the first quarter of 2024. This increase was due primarily to higher compensation and benefits expense, inclusive of annual merit increases and a reduction in the prior year for a change in estimated restructuring costs, and higher other expense which was due to higher industry fees resulting from the SEC's May 2024 fee rate increase and higher client trading volume. For the first quarter of 2025, adjusted total expenses [(1)] totaled $3.0 billion, up 8% from the same period in 2024 due to higher compensation and benefits and other expense.

Return on average common stockholders' equity was 18% in the first quarter of 2025, up from 15% in the first quarter of 2024, due to growth in net income, which more than offset higher average common stockholders' equity. Return on tangible common equity [(1)] was 35% in the first quarter of 2025, down from 39% in the first quarter of 2024, as higher average tangible common equity more than offset growth in net income. Average common stockholders' equity increased primarily as a result of year-over-year growth in retained earnings and higher average AOCI. The increase in average AOCI was due to lower unrealized losses on available for sale (AFS) investment securities and securities previously transferred from AFS to held to maturity (HTM).

Schwab supported continued client-driven demand for margin and bank lending, while reducing bank supplemental funding and returning capital to stockholders. Total balance sheet assets decreased 4% from year-end 2024 to end the first quarter of 2025 at $462.9 billion. Principal and interest from our AFS and HTM securities portfolios supported further reduction in bank supplemental funding, which includes brokered CDs, Federal Home Loan Bank (FHLB) borrowings, and borrowings under repurchase agreements at our banks. The Company reduced total bank supplemental funding by $11.8 billion, or 24%, during the first three months of 2025, with $38.1 billion outstanding at March 31. Though investors reduced their leverage later in the first quarter following an increase in market volatility, the Company continued to see strong demand for margin lending, with margin loans ending the first quarter at $83.6 billion, largely flat with year-end 2024. Bank loans grew 4% during the first three months of 2025, ending the first quarter at $47.1 billion.

Concurrent with the completion of The Toronto-Dominion Bank's (TD Bank) February 2025 secondary public offering of CSC common shares, the Company repurchased all remaining outstanding shares of nonvoting common stock directly from TD Group US Holdings, LLC, an affiliate of TD Bank, for a total repurchase of $1.5 billion (see Capital Management – Share Repurchases and Item 1 – Note 14). In addition, the Company increased its common dividend during the first quarter by 8% to $.27 per share. Inclusive of these capital actions, the Company's consolidated Tier 1 Leverage Ratio was 9.9% for the first quarter of 2025, remaining consistent with year-end 2024 due to strong first-quarter net income. Our consolidated adjusted Tier 1 Leverage Ratio [(1)] rose to 7.1% due to the first quarter's net income and higher AOCI.

[(1)] Adjusted diluted EPS, adjusted total expenses, return on tangible common equity, and adjusted Tier 1 Leverage Ratio are non-GAAP financial measures. See Non-GAAP Financial Measures for further details and a reconciliation of such measures to GAAP reported results.

(Tabular Amounts in Millions, Except Ratios, or as Noted)

Current Regulatory and Other Developments

Refer to Part II – Item 7 – Current Regulatory and Other Developments in our 2024 Form 10-K for information regarding pending regulatory matters including:

- The Federal Deposit Insurance Corporation's (FDIC) July 2024 proposed rulemaking to amend the brokered deposits framework setting forth its conditions for when broker-dealers such as CS&Co qualify for the primary purpose exception (PPE) from the definition of a deposit broker and from attendant restrictions for brokered deposits;
- The U.S. Department of Labor's April 2024 final rule significantly broadening the definition of "fiduciary" under the Employee Retirement Income Security Act of 1974 and related litigation;
- The FDIC's November 2023 and February 2024 special assessments on banks, including the Company's banking subsidiaries, to recover losses incurred by the Deposit Insurance Fund (DIF) to protect uninsured depositors due to the March 2023 closures of two banks;
- The U.S. federal banking agencies' August 2023 proposed rulemaking on long-term debt requirements for certain large banking organizations;
- The U.S. federal banking agencies' July 2023 notice of proposed rulemaking with amendments to the regulatory capital rules, which, among other things, would require us to include AOCI in regulatory capital and to calculate our risk-weighted assets using a revised risk-based approach, a component of which is based on operational risk; and
- The SEC's December 2022 equity market structure rule proposals, "Order Competition Rule" and "Regulation Best Execution".

RESULTS OF OPERATIONS

Total Net Revenues

The following tables present a comparison of revenue by category:

		2025		2024	
Three Months Ended March 31,	Percent Change	Amount	% of Total Net Revenues	Amount	% of Total Net Revenues
Net interest revenue					
Interest revenue	(5)%	$ 3,757	67%	$ 3,941	83%
Interest expense	(38)%	(1,051)	(19)%	(1,708)	(36)%
Net interest revenue	21%	2,706	48%	2,233	47%
Asset management and administration fees					
Mutual funds, exchange-traded funds (ETFs), and collective trust funds (CTFs)	14%	865	15%	758	16%
Managed investing solutions	13%	569	10%	503	11%
Other	10%	96	2%	87	2%
Asset management and administration fees	14%	1,530	27%	1,348	29%
Trading revenue					
Commissions	4%	431	8%	413	9%
Order flow revenue	26%	443	8%	352	7%
Principal transactions	(35)%	34	—	52	1%
Trading revenue	11%	908	16%	817	17%
Bank deposit account fees	34%	245	5%	183	4%
Other	32%	210	4%	159	3%
Total net revenues	18%	$ 5,599	100%	$ 4,740	100%

Net Interest Revenue

Revenue on interest-earning assets is affected by various factors, such as the composition of assets, prevailing interest rates and spreads at the time of origination or purchase, changes in interest rates on cash and cash equivalents, floating-rate securities and loans, and changes in prepayment levels for mortgage-backed and other asset-backed securities and loans. Schwab establishes the rates paid on client-related liabilities, and management expects that it will generally adjust the rates paid on these liabilities at some fraction of any movement in short-term rates. Interest expense on long-term debt, FHLB borrowings, other short-term borrowings, and other funding sources is impacted by market interest rates at the time of borrowing and changes in interest rates on floating-rate liabilities. See also Risk Management – Market Risk.

(Tabular Amounts in Millions, Except Ratios, or as Noted)

The Federal Reserve maintained the upper bound of the target overnight rate at 5.50% through most of 2024 before reducing the rate by 50 basis points during the third quarter of 2024 and another 50 basis points across two cuts during the fourth quarter of 2024. During the first quarter of 2025, the Federal Reserve maintained the upper bound of the target overnight rate at 4.50%.

Schwab's average interest-earning assets in the first quarter of 2025 were lower compared with the same period in 2024; however, client demand for margin and bank lending continued to be strong during the first quarter of 2025, even as clients reduced leverage amid market volatility late in the first quarter. Margin and bank loan balances increased by 23% and 16%, respectively, from March 31, 2024 to the end of the first quarter of 2025. Following further deceleration in the pace of clients' reallocation of cash from sweep products to higher-yielding investment solutions in 2024, client activity in the first quarter of 2025 reflected normalized cash behavior, inclusive of organic growth, seasonality, and investor sentiment against a backdrop of increased market volatility. Bank sweep deposits and payables to brokerage clients increased by a total of $11.5 billion, or 4%, from March 31, 2024 to the end of the first quarter of 2025. Principal and interest payments on AFS and HTM securities supported a further reduction in bank supplemental funding of $11.8 billion, or 24%, during the first quarter of 2025. Since March 31, 2024, the Company has reduced bank supplemental funding by $32.7 billion, or 46%.

The following table presents net interest revenue information corresponding to interest-earning assets and funding sources on the condensed consolidated balance sheets:

	2025			2024		
Three Months Ended March 31,	Average Balance	Interest Revenue/ Expense	Average Yield/Rate	Average Balance	Interest Revenue/ Expense	Average Yield/Rate
Interest-earning assets						
Cash and cash equivalents	$ 30,483	$ 328	4.31%	$ 33,791	$ 454	5.31%
Cash and investments segregated	38,611	412	4.27%	29,297	388	5.24%
Receivables from brokerage clients	83,137	1,382	6.65%	63,804	1,260	7.81%
Available for sale securities [(1)]	84,590	433	2.05%	111,867	594	2.12%
Held to maturity securities [(1)]	144,401	622	1.72%	157,410	690	1.75%
Bank loans	46,043	493	4.32%	40,529	440	4.36%
Total interest-earning assets	427,265	3,670	3.44%	436,698	3,826	3.48%
Securities lending revenue		60			76	
Other interest revenue		27			39	
Total interest-earning assets	$ 427,265	$ 3,757	3.52%	$ 436,698	$ 3,941	3.59%
Funding sources						
Bank deposits	$ 245,719	$ 436	0.72%	$ 274,368	$ 921	1.35%
Payables to brokers, dealers, and clearing organizations [(2)]	14,177	137	3.88%	5,513	55	3.96%
Payables to brokerage clients	90,173	51	0.23%	68,343	73	0.43%
Other short-term borrowings	6,695	82	4.96%	7,385	103	5.61%
Federal Home Loan Bank borrowings	10,725	133	4.94%	24,857	330	5.27%
Long-term debt	22,281	212	3.81%	25,000	224	3.59%
Total interest-bearing liabilities [(2)]	389,770	1,051	1.09%	405,466	1,706	1.69%
Non-interest-bearing funding sources [(2)]	37,495			31,232		
Other interest expense		—			2	
Total funding sources	$ 427,265	$ 1,051	0.99%	$ 436,698	$ 1,708	1.57%
Net interest revenue		$ 2,706	2.53%		$ 2,233	2.02%

[(1)] Amounts have been calculated based on amortized cost. Interest revenue on investment securities is presented net of related premium amortization.
[(2)] Beginning in the fourth quarter of 2024, payables to brokers, dealers, and clearing organizations is presented separately from non-interest-bearing funding sources and included in total interest-bearing liabilities. This line item includes securities loaned and related interest expense. Prior period amounts have been reclassified to reflect this change.

(Tabular Amounts in Millions, Except Ratios, or as Noted)

Net interest revenue increased $473 million, or 21%, in the first quarter of 2025, compared to the same period in 2024. This increase was primarily due to lower balances of bank supplemental funding, lower average rates paid on funding sources, and growth in margin and bank lending, partially offset by lower yields on floating-rate assets due to lower market rates. Average interest-earning assets declined by 2% in the first quarter of 2025 from the first quarter of 2024, as cash inflows from AFS and HTM securities were used to pay down bank supplemental funding amid improvement in client cash trends. The decrease was partially offset by growth in margin lending, which was supported by higher payables to brokerage clients and increased securities lending, and growth in bank loans.

Net interest margin increased to 2.53% in the first quarter of 2025, compared to 2.02% during the same period in 2024, as lower rates paid on funding sources and reduced balances of bank supplemental funding more than offset lower yields on floating-rate assets due to lower market interest rates.

The Company continues to prioritize repayment of bank supplemental funding balances and expects the total outstanding balance to continue to decrease over time to a level consistent with our diversified long-term funding profile. Our use and the financial impacts of such bank supplemental funding are dependent on several factors, including the volume and pace of clients' cash allocation activity, which are driven primarily by changes in market interest rates, client engagement with equity markets, as well as asset gathering and the level of maturities and paydowns on our investment securities portfolios. The Company may rollover certain balances outstanding at March 31, 2025 into new borrowings, the amount and costs of which will depend on the above noted factors. See also Risk Management – Liquidity Risk, Capital Management, Item 1 – Notes 8, 9, and 12 for additional information on these and other funding sources.

Asset Management and Administration Fees

The following table presents asset management and administration fees, average client assets, and average fee yields:

	2025			2024		
Three Months Ended March 31,	Average Client Assets	Revenue	Average Fee	Average Client Assets	Revenue	Average Fee
Schwab money market funds	$ 621,474	$ 418	0.27%	$ 499,887	$ 336	0.27%
Schwab equity and bond funds, ETFs, and CTFs	658,588	122	0.08%	539,661	107	0.08%
Mutual Fund OneSource® and other no-transaction-fee (NTF) funds	359,696	222	0.25%	314,576	209	0.27%
Other third-party mutual funds and ETFs	623,647	103	0.07%	605,625	106	0.07%
Total mutual funds, ETFs, and CTFs [(1)]	$ 2,263,405	$ 865	0.15%	$ 1,959,749	$ 758	0.16%
Managed investing solutions [(1)]						
Fee-based	$ 590,483	$ 569	0.39%	$ 506,133	$ 503	0.40%
Non-fee-based	120,442	—	—	106,032	—	—
Total managed investing solutions	$ 710,925	$ 569	0.32%	$ 612,165	$ 503	0.33%
Other balance-based fees [(2)]	841,555	77	0.04%	719,447	69	0.04%
Other [(3)]		19			18	
Total asset management and administration fees		$ 1,530			$ 1,348	

(1) Average client assets for managed investing solutions may also include the asset balances contained in the mutual fund and/or ETF categories listed above.
(2) Includes various asset-related fees, such as trust fees, 401(k) recordkeeping fees, and mutual fund clearing fees and other service fees.
(3) Includes miscellaneous service and transaction fees relating to mutual funds and ETFs that are not balance-based.

Asset management and administration fees increased by $182 million, or 14%, in the first quarter of 2025 compared to the same period in 2024. This increase was primarily a result of continued growth in Schwab money market funds amid the ongoing elevated interest rate environment. The increase in asset management and administration fees in the first quarter of 2025 was also due to growth in fee-based managed investing solutions and Mutual Fund OneSource®. These increases reflected the Company's asset gathering and net inflows into managed investing solutions, as well as year-over-year equity market appreciation, which more than offset equity market declines experienced in the first quarter of 2025.

The following table presents a roll forward of client assets for the Schwab money market funds, Schwab equity and bond funds, ETFs, and CTFs, and Mutual Fund OneSource and other NTF funds. These funds generated 50% and 48% of the asset management and administration fees earned in the first quarter of 2025 and 2024, respectively:

	Schwab Money Market Funds		Schwab Equity and Bond Funds, ETFs, and CTFs		Mutual Fund OneSource® and Other NTF funds	
Three Months Ended March 31,	2025	2024	2025	2024	2025	2024
Balance at beginning of period	$ 596,531	$ 476,409	$ 627,166	$ 506,149	$ 347,798	$ 306,222
Net inflows (outflows)	38,477	30,940	9,088	7,719	(7,046)	(4,161)
Net market gains (losses) and other	6,524	8,329	(11,030)	35,022	(472)	27,115
Balance at end of period	$ 641,532	$ 515,678	$ 625,224	$ 548,890	$ 340,280	$ 329,176

Trading Revenue

The following tables present trading revenue, client trading activity, and related information:

	Three Months Ended March 31,		Percent Change
	2025	2024	
Commissions	$ 431	$ 413	4%
Order flow revenue			
Options	270	242	12%
Equities	173	110	57%
Total order flow revenue	443	352	26%
Principal transactions	34	52	(35)%
Total trading revenue	$ 908	$ 817	11%

	Three Months Ended March 31,		Percent Change
	2025	2024	
DATs (in thousands)	7,391	5,958	24%
Product as a percentage of DATs			
Equities	56%	51%	
Derivatives	20%	22%	
ETFs	18%	19%	
Mutual funds	5%	6%	
Fixed income	1%	2%	
Number of trading days	60.0	61.0	(2)%
Revenue per trade [(1)]	$ 2.05	$ 2.25	(9)%

[(1)] Revenue per trade is calculated as trading revenue divided by the product of DATs multiplied by the number of trading days.

Trading revenue increased $91 million, or 11%, in the first quarter of 2025 compared to the same period in 2024, primarily driven by an increase in order flow revenue reflecting higher volume. Commission revenue increased due to higher volume, partially offset by changes in the mix of client trading activity. Offsetting the increase in commission revenue, principal transactions revenue decreased reflecting changes to the fair value of securities positions held to facilitate client activity and cash and investments segregated for regulatory purposes.

Bank Deposit Account Fees

The Company earns bank deposit account fee revenue from TD Bank USA, National Association and TD Bank, National Association (together, the TD Depository Institutions), in accordance with the Second Amended and Restated Insured Deposit Account Agreement (2023 IDA agreement). These fees are affected by changes in interest rates and the composition of balances designated as fixed- and floating-rate obligation amounts. See Item 1 – Note 10 for additional information.

(Tabular Amounts in Millions, Except Ratios, or as Noted)

The following table presents bank deposit account fee revenue and related information:

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024	Percent Change
Bank deposit account fees	$ 245	$ 183	34%
Average BDA balances	$ 84,186	$ 92,859	(9)%
Average net yield	1.16%	0.78%	
Percentage of average BDA balances designated as:			
Fixed-rate balances	78%	88%	
Floating-rate balances	22%	12%	

Bank deposit account fees increased $62 million, or 34%, in the first quarter of 2025, compared to the same period in 2024, primarily due to a decrease in the amount paid to clients as a result of lower interest rates in the first quarter of 2025 compared to the same period in 2024, partially offset by lower average BDA balances. The decrease in average BDA balances in the first quarter of 2025 compared to the same period in 2024 was primarily due to client cash allocation decisions in 2024 in response to elevated short-term market interest rates through most of 2024.

Average net yield increased in the first quarter of 2025 compared to the same period in 2024 due to an increase in the average amount of floating-rate BDA balances, which was partially offset by a decrease in the average net yields on fixed-rate and floating-rate BDA balances. The percentages of BDA balances designated as fixed-rate and floating-rate obligation amounts as of March 31, 2025 were 77% and 23%, respectively.

Other Revenue

Other revenue includes industry fees, certain service fees, other gains and losses from the sale of assets, and the provision for credit losses on bank loans.

Other revenue increased $51 million, or 32%, in the first quarter of 2025 compared to the same period in 2024, primarily due to higher industry fees. Industry fees increased primarily due to higher SEC fee rates in effect during the first quarter of 2025 compared to the same period in 2024 and an increase in trading volumes.

Subsequent to March 31, 2025, the SEC announced that effective May 14, 2025, it would decrease the fee rate applicable to most securities transactions to zero from the rate in effect since May 22, 2024. This change will result in lower industry fees in other revenue and a corresponding decrease in other expense after the effective date, resulting in no impact to net income.

Total Expenses Excluding Interest

The following table presents a comparison of expenses excluding interest:

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024	Percent Change
Compensation and benefits			
Salaries and wages	$ 923	$ 854	8%
Incentive compensation	412	387	6%
Employee benefits and other	337	297	13%
Total compensation and benefits	$ 1,672	$ 1,538	9%
Professional services	269	241	12%
Occupancy and equipment	274	265	3%
Advertising and market development	96	88	9%
Communications	153	141	9%
Depreciation and amortization	217	228	(5)%
Amortization of acquired intangible assets	130	130	—
Regulatory fees and assessments	89	125	(29)%
Other	244	186	31%
Total expenses excluding interest	$ 3,144	$ 2,942	7%
Expenses as a percentage of total net revenues			
Compensation and benefits	30%	32%	
Advertising and market development	2%	2%	
Full-time equivalent employees (in thousands)			
At quarter end	32.1	32.6	(2)%
Average	32.1	32.7	(2)%

Expenses excluding interest increased by $202 million, or 7%, in the first quarter of 2025 compared to the same period in 2024. Adjusted total expenses, which excludes acquisition and integration-related costs, amortization of acquired intangible assets, and restructuring costs, increased 8% in the first quarter of 2025 compared to the same period in 2024. See Non-GAAP Financial Measures for further details and a reconciliation of such measures to GAAP reported results. There were no acquisition and integration-related costs or restructuring costs in the first quarter of 2025.

Total compensation and benefits expense increased in the first quarter of 2025 compared to the same period in 2024, primarily due to annual merit increases and higher incentive compensation. In the first quarter of 2024, compensation and benefits included a $31 million benefit due to a change in estimated restructuring costs, and also acquisition and integration-related costs of $17 million.

Professional services expense increased in the first quarter of 2025 compared to the same period in 2024, reflecting increased utilization of technology and other professional services to support overall growth of the business. Professional services included acquisition and integration-related costs of $17 million in the first quarter of 2024.

Occupancy and equipment expense increased in the first quarter of 2025 compared to the same period in 2024, reflecting higher building expenses and technology equipment and software costs related to growth of the business. Occupancy and equipment included restructuring costs of $2 million in the first quarter of 2024.

Advertising and market development expense increased in the first quarter of 2025 compared to the same period in 2024, primarily due to higher client promotional spending.

Communications expense increased in the first quarter of 2025 compared to the same period in 2024, primarily as a result of higher exchange quotation services expenses.

Depreciation and amortization expense decreased in the first quarter of 2025 compared to the same period in 2024, primarily due to finance lease terminations in 2024 and lower depreciation on equipment due to abandonment of certain data centers in 2024 related to the integration of Ameritrade Holding LLC (Ameritrade Holding) and its consolidated subsidiaries (collectively, Ameritrade).

Amortization of acquired intangible assets remained consistent in the first quarter of 2025 with the same period in 2024.

Regulatory fees and assessments decreased in the first quarter of 2025 compared to the same period in 2024. The decrease in the first quarter of 2025 was primarily due to a $25 million incremental FDIC special assessment in the first quarter of 2024 and lower FDIC deposit insurance assessments, reflecting a decrease in brokered CDs and a lower assessment base, compared to the first quarter of 2024.

Other expense increased in the first quarter of 2025 compared to the same period in 2024, primarily due to higher industry fees. Industry fees increased primarily due to higher SEC fee rates in effect during the first quarter of 2025 compared to the first quarter of 2024 and an increase in trading volumes. Subsequent to March 31, 2025, the SEC announced that effective May 14, 2025, it would decrease the fee rate applicable to most securities transactions to zero from the rate in effect since May 22, 2024. This change will result in lower industry fees in other expense and a corresponding decrease in other revenue after the effective date, resulting in no impact to net income.

Capital expenditures were $156 million and $122 million in the first quarter of 2025 and 2024, respectively. Capital expenditures increased in the first quarter of 2025 compared to the same period in 2024, primarily due to higher investment in purchased software and buildings, partially offset by lower internally developed software. We continue to anticipate capital expenditures for full-year 2025 will be approximately 3-5% of total net revenues.

Taxes on Income

Taxes on income were $546 million and $436 million for the first quarter of 2025 and 2024, respectively, resulting in effective tax rates of 22.2% and 24.2%, respectively. The decrease in the effective tax rate in the first quarter of 2025 compared to the same period in 2024 was primarily due to the reversal of tax reserves due to the resolution of certain state tax matters during the first quarter of 2025, an increase in equity compensation tax deduction benefits, and a decrease in non-deductible FDIC deposit insurance assessments.

Segment Information

Financial information for our segments is presented in the following table [1]:

	Investor Services			Advisor Services			Total		
Three Months Ended March 31,	Percent Change	2025	2024	Percent Change	2025	2024	Percent Change	2025	2024
Net Revenues									
Net interest revenue	22%	$ 2,158	$ 1,766	17%	$ 548	$ 467	21%	$ 2,706	$ 2,233
Asset management and administration fees	14%	1,114	975	12%	416	373	14%	1,530	1,348
Trading revenue	12%	805	717	3%	103	100	11%	908	817
Bank deposit account fees	35%	191	141	29%	54	42	34%	245	183
Other	28%	177	138	57%	33	21	32%	210	159
Total net revenues	19%	4,445	3,737	15%	1,154	1,003	18%	5,599	4,740
Expenses Excluding Interest									
Compensation and benefits	8%	$ 1,285	$ 1,189	11%	$ 387	$ 349	9%	$ 1,672	$ 1,538
Professional services	10%	214	194	17%	55	47	12%	269	241
Occupancy and equipment	4%	215	206	—	59	59	3%	274	265
Advertising and market development	3%	64	62	23%	32	26	9%	96	88
Communications	14%	113	99	(5)%	40	42	9%	153	141
Depreciation and amortization	(11)%	165	186	24%	52	42	(5)%	217	228
Amortization of acquired intangible assets	(18)%	106	129	N/M	24	1	—	130	130
Regulatory fees and assessments	(26)%	70	94	(39)%	19	31	(29)%	89	125
Other	29%	202	156	40%	42	30	31%	244	186
Total expenses excluding interest	5%	2,434	2,315	13%	710	627	7%	3,144	2,942
Income before taxes on income	41%	$ 2,011	$ 1,422	18%	$ 444	$ 376	37%	$ 2,455	$ 1,798
Net new client assets (in billions) [2]	85%	$ 69.5	$ 37.6	24%	$ 62.9	$ 50.6	50%	$ 132.4	$ 88.2

[1] In connection with certain changes in Schwab's organizational management structure, in the fourth quarter of 2024, the Retirement Business Services business unit was transferred from the Advisor Services segment to the Investor Services segment. Accordingly, amounts related to the Retirement Business Services business unit are included within Investor Services for the first quarter of 2025, and prior-year amounts have been recast to reflect this new basis of segmentation.

[2] In the first quarter of 2025 and 2024, Investor Services includes net outflows of $5.3 billion and $7.4 billion, respectively, from off-platform brokered CDs issued by CSB.

N/M Not meaningful. Percentage changes greater than 200% are presented as not meaningful.

Segment Net Revenues

Investor Services and Advisor Services total net revenues increased by 19% and 15%, respectively, in the first quarter of 2025 compared to the same period in 2024. Net interest revenue increased for both segments, primarily as a result of lower balances of bank supplemental funding, lower average rates paid on funding sources, and growth in margin and bank lending, partially offset by lower average interest-earnings assets. Asset management and administration fees increased for both segments, primarily as a result of higher balances in money market funds, equity and bond funds, ETFs, CTFs, and Mutual Fund OneSource®, and, additionally for Investor Services, managed investing solutions. Trading revenue increased for both segments, primarily due to higher order flow revenue as a result of higher trading volume and increased commission revenue, partially offset by changes in the mix of client trading activity and lower principal transactions revenue. Bank deposit account fees increased for both segments, primarily due to an increase in average net yield partially offset by lower average BDA balances. Other revenue increased for both segments, primarily due to higher industry fees.

Segment Expenses Excluding Interest

Investor Services and Advisor Services total expenses excluding interest increased by 5% and 13%, respectively, in the first quarter of 2025, compared to the same period in 2024. Compensation and benefits expense increased in both segments, primarily due to annual merit increases, higher incentive compensation, and employee benefits and taxes. Professional services expense increased in both segments, due to increased utilization of technology and other professional services to support overall growth of the business. Regulatory fees and assessments decreased for both segments primarily due to a $25 million incremental FDIC special assessment in the first quarter of 2024 and lower FDIC assessments. Other expenses increased for both segments primarily due to higher industry fees driven by higher SEC fee rates coupled with higher trading volumes.

RISK MANAGEMENT

Schwab's business activities expose it to a variety of risks, including operational, compliance, credit, market, and liquidity risks. The Company has a comprehensive risk management program to identify and manage these risks and their associated potential for financial and reputational impact.

For a discussion of our risk management programs, see Part II – Item 7 – Risk Management in the 2024 Form 10-K.

Market Risk

Market risk is the potential for changes in earnings or the value of financial instruments held by Schwab as a result of fluctuations in interest rates, equity prices, or market conditions. Schwab is exposed to market risk primarily from changes in interest rates within our interest-earning assets relative to changes in the costs of funding sources that finance these assets.

To manage interest rate risk, we have established policies and procedures, which include setting limits on net interest revenue risk and EVE risk. To remain within these limits, we manage the maturity, repricing, and cash flow characteristics of the investment portfolios. Management monitors established guidelines to stay within the Company's risk appetite. The Company utilizes interest rate swap derivative instruments to assist with managing interest rate risk, the effects of which are incorporated into the Company's net interest revenue and EVE analyses. For further information on our interest rate risk management strategies utilizing interest rate swaps, see Item 1 – Note 11.

Our measurement of interest rate risk involves assumptions that are inherently uncertain and, as a result, cannot precisely estimate the impact of changes in interest rates on net interest revenue, bank deposit account fees, or EVE. Actual results may differ from simulated results due to balance growth or decline and the timing, magnitude, and frequency of interest rate changes, as well as changes in market conditions and management strategies, including changes in asset and liability mix. Financial instruments are also subject to the risk that valuations will be negatively affected by changes in demand and the underlying market for a financial instrument.

We are indirectly exposed to option, futures, and equity market fluctuations in connection with client option and futures accounts, securities collateralizing margin loans to brokerage customers, and client securities loaned out as part of the brokerage securities lending activities. Equity market valuations may also affect the level of brokerage client trading activity, margin borrowing, and overall client engagement with Schwab. Additionally, we earn mutual fund and ETF service fees and asset management fees based upon daily balances of certain client assets. Fluctuations in these client asset balances caused by changes in equity valuations directly impact the amount of fee revenue we earn.

Our market risk related to financial instruments held for trading is not material.

Net Interest Revenue Simulation

For our net interest revenue sensitivity analysis, we use net interest revenue simulation modeling techniques to evaluate and manage the effect of changing interest rates. The simulations include all balance sheet interest rate-sensitive assets and liabilities, and include derivative instruments. Key assumptions include the projection of interest rate scenarios with rate floors, rates and balances of non-maturity client cash held on the balance sheet, prepayment speeds of mortgage-related investments, repricing of financial instruments, and reinvestment of matured or paid-down securities and loans. We use independent third-party models to simulate net interest revenue sensitivity and related analyses. Fixed income analytical vendors provide term structure models, prepayment speed models for mortgage-backed securities and mortgage loans, and cash flow projections based on interest income, contractual maturities, and prepayments. The Company's net interest revenue sensitivity analyses utilize gradual parallel increases/decreases in interest rates over a twelve-month period, though we also regularly simulate the effects of non-parallel shifts and instantaneous shifts of interest rates on net interest revenue.

Net interest revenue is affected by various factors, such as the distribution and composition of interest-earning assets and interest-bearing liabilities, the spread between yields earned on interest-earning assets and rates paid on interest-bearing liabilities, which may reprice at different times or by different amounts, and the spread between short- and long-term interest rates. Interest-earning assets include investment securities, margin loans, bank loans, and cash and cash equivalents. These assets are sensitive to changes in interest rates and changes in prepayment levels that tend to increase in a declining rate environment and decrease in a rising rate environment. Because we establish the rates paid on certain brokerage client cash balances and bank deposits and the rates charged on certain margin and bank loans, and control the composition of our investment securities, we have some ability to manage our net interest spread, depending on competitive factors and market conditions. When we have liquidity needs that exceed our primary sources of funding, the Company has needed to utilize higher-cost funding sources, which can reduce net interest margin and net interest revenue.

(Tabular Amounts in Millions, Except Ratios, or as Noted)

Higher prevailing short-term interest rates generally improve yields on shorter duration interest-earning assets. During periods of rapidly rising interest rates, clients tend to reallocate cash out of sweep products into higher-yielding, off-balance sheet, fixed income investments and money market funds within Schwab's product offerings. This can result in lower interest-earning assets and/or may require supplemental funding with higher funding costs, which therefore tend to constrain net interest revenue when interest rates are moving rapidly higher. A decline in short-term interest rates could negatively impact the yield on the Company's investment and loan portfolios to a greater degree than any offsetting reduction in interest expense from funding sources, compressing net interest margin.

Net interest revenue sensitivity analyses assume both statically and dynamically-sized balance sheet composition. Statically-sized balance sheet modeling assumes the asset and liability structure of the consolidated balance sheet would not be changed as a result of the simulated changes in interest rates. While this approach is useful to isolate the impact of changes in interest rates on a statically-sized asset and liability structure, it does not capture changes to client cash allocations. We therefore also conduct dynamically-sized balance sheet compositions as a function of interest rates. Dynamic net interest revenue simulations assume runoff of bank deposit and payables to brokerage client balances is supplemented with wholesale borrowing when needed to fund assets through the simulation horizon. We also conduct similar simulations on EVE to capture the impact of client cash allocation changes on our balance sheet. As we actively manage the consolidated balance sheet and interest rate exposure, we have taken and would typically seek to take steps to manage additional interest rate exposure that could result from changes in the interest rate environment.

The following table assumes a statically-sized balance sheet with simulated changes to net interest revenue over the next 12 months beginning March 31, 2025 and December 31, 2024 of a gradual increase or decrease in market interest rates relative to prevailing market rates at the end of each reporting period:

	March 31, 2025	December 31, 2024
Increase of 200 basis points	8.8%	8.6%
Increase of 100 basis points	4.6%	4.6%
Increase of 50 basis points	2.5%	2.5%
Decrease of 50 basis points	(2.2)%	(2.3)%
Decrease of 100 basis points	(4.5)%	(4.6)%
Decrease of 200 basis points	(8.8)%	(9.3)%

The Company's simulated incremental increases in market interest rates had a largely consistent impact on net interest revenue as of March 31, 2025 compared to December 31, 2024. The Company's simulated incremental decreases in market interest rates had a smaller impact on net interest revenue as of March 31, 2025 compared to December 31, 2024, primarily due to lower balances of floating-rate interest-earning assets.

Effective Duration

Effective duration measures price sensitivity relative to a change in prevailing interest rates, taking account of amortizing cash flows and prepayment optionality for mortgage-related securities and loans. Duration is measured in years and commonly interpreted as the average timing of principal and interest cash flows. We seek to manage the Company's asset duration in relation to management's estimate of the Company's liability duration. The Company's liability duration is impacted by the composition of funding sources, and typically decreases in periods of rising market interest rates and increases in periods of declining market interest rates. The Company also utilizes derivative hedging instruments such as interest rate swaps in managing its asset and liability duration.

(Tabular Amounts in Millions, Except Ratios, or as Noted)

The following table presents the Company's estimated effective durations, which reflects anticipated future payments, by category:

	March 31, 2025	March 31, 2024
	In years	
Estimated effective duration, exclusive of derivatives:		
Consolidated total assets	2.1	2.5
AFS investment securities portfolio	2.4	2.4
AFS and HTM investment securities portfolio	3.9	3.9
Long-term debt CSC Senior Notes	3.1	3.7
Estimated effective duration, inclusive of derivatives [1]:		
Consolidated total assets	2.1	2.4
AFS investment securities portfolio	1.9	2.1
AFS and HTM investment securities portfolio	3.8	3.8
Long-term debt CSC Senior Notes	2.2	3.7

[1] See Item 1 – Note 11 for additional discussion on the Company's derivatives.

AFS and HTM securities comprised approximately 47% and 55% of the Company's consolidated total assets as of March 31, 2025 and 2024, respectively. The estimated effective duration of the remaining balance sheet assets in aggregate was less than one year as of both March 31, 2025 and 2024.

Economic Value of Equity Simulation

Management also uses EVE simulations to measure interest rate risk. EVE sensitivity measures the long-term impact of interest rate changes on the net present value of assets and liabilities, and includes the impact of derivative instruments. While EVE does not have a direct accounting relationship, the measure aims to capture a theoretical value of assets and liabilities under a variety of interest rate environments. EVE is calculated by subjecting the balance sheet to hypothetical instantaneous shifts in the level of interest rates. This analysis is highly dependent upon asset and liability assumptions based on historical behaviors. Key assumptions in our EVE calculation include projection of interest rate scenarios with rate floors, prepayment speeds of mortgage-related investments, term structure models of interest rates, behavior of non-maturity client cash held on the balance sheet, and pricing assumptions. We use both proprietary and independent third-party models to simulate EVE sensitivity and related analyses. We develop and maintain client credits and deposits run-off models internally based on historical experience and prevailing client cash realignment behaviors. We rely on third-party models for interest rate term structure modeling, prepayment speed modeling for mortgage-backed securities and mortgage loans, and cash flow projections based on interest income, and contractual maturities.

Schwab's EVE profile is characterized by a more stable asset duration relative to liabilities in both higher and lower interest rate environments. Currently, the EVE exposure to rates increasing or decreasing in a similar magnitude shows that there is greater exposure to rates decreasing.

Bank Deposit Account Fees Simulation

Consistent with the presentation on the consolidated statement of income, the sensitivity of bank deposit account fee revenue to interest rate changes is assessed separately from the net interest revenue simulation described above. As of March 31, 2025 and December 31, 2024, simulated changes in bank deposit account fee revenue from gradual changes in market interest rates relative to prevailing market rates, under the interest rate scenarios described above for net interest revenue, did not have a significant impact on the Company's total net revenues. Our net interest revenue, EVE, and bank deposit account fee revenue simulations reflect the assumption of non-negative investment yields.

Liquidity Risk

Liquidity risk is the potential that Schwab will be unable to sell assets or meet cash flow obligations when they come due without incurring unacceptable losses.

Due to its role as a source of financial strength, CSC's liquidity needs are primarily driven by the liquidity and capital needs of: CS&Co, our principal broker-dealer subsidiary; the capital needs of the banking subsidiaries; principal and interest due on corporate debt; and dividend payments on CSC's preferred and common stock. The liquidity needs of our broker-dealer subsidiary are primarily driven by client activity, including trading and margin lending activities, and capital expenditures. The capital needs of the banking subsidiaries are primarily driven by client deposit levels and other borrowings. We have established liquidity policies to support the successful execution of business strategies, while ensuring ongoing and sufficient liquidity to meet operational needs and satisfy applicable regulatory requirements under both normal and stressed conditions. We seek to maintain client confidence in the balance sheet and the safety of client assets by maintaining liquidity and diversity of funding sources to allow the Company to meet its obligations. To this end, we have established limits and contingency funding plans to support liquidity levels during both business as usual and stressed conditions.

We employ a variety of metrics to monitor and manage liquidity. We conduct regular liquidity stress testing to develop a view of liquidity risk exposures and to ensure our ability to maintain sufficient liquidity during market-related or company-specific liquidity stress events. Liquidity sources are also tested periodically and results are reported to the Financial Risk Oversight Committee. A number of early warning indicators are monitored to help identify emerging liquidity stresses in the market or within the organization and are reviewed with management periodically.

Funding Sources

Schwab's primary source of funds is cash generated by client activity which includes bank deposits and cash balances in client brokerage accounts. These funds are used to purchase investment securities and extend loans to clients. Other sources of funds may include cash flows from operations, maturities and sales of investment securities, repayments on loans, securities lending of assets held in client brokerage accounts, FHLB borrowings, borrowings under repurchase agreements with external financial institutions, issuance of CDs, cash provided by securities issuances by CSC in the capital markets, and other facilities described below.

To meet daily funding needs, we maintain liquidity in the form of overnight cash deposits and short-term investments. For unanticipated liquidity needs, we also maintain a buffer of highly liquid investments, including U.S. Treasury securities.

Our clients' bank deposits and brokerage cash balances primarily originate from our 37.0 million active brokerage accounts. More than 80% of our bank deposits qualified for FDIC insurance as of March 31, 2025. Our clients' allocation of cash held on our balance sheet as bank deposits or payables to brokerage clients is sensitive to interest rate levels, with clients typically increasing their utilization of investment cash solutions, such as purchased money market funds and certain fixed income products when those yields are higher than those of cash sweep features.

As a participant in the financial services industry, Schwab relies on access to external financing in the normal course of business. Schwab's use of external debt facilities may arise from timing differences between cash flow requirements, such as client cash outflows, cash flows from operations, payments on interest-earning assets, movements of cash to meet regulatory brokerage client cash segregation requirements, and general corporate purposes. Rollover risk is the risk that we will not be able to refinance or payoff borrowings as they mature. We maintain policies and procedures necessary to access funding, and test borrowing procedures on a periodic basis. We manage rollover risk on borrowings, taking into account expected principal paydowns on our investment and loan portfolios along with expected deposit flows.

(Tabular Amounts in Millions, Except Ratios, or as Noted)

The following table describes certain external debt facilities available at March 31, 2025:

Description	Borrower	Outstanding	Available	Maturity of Amounts Outstanding	Weighted-Average Interest Rate on Amounts Outstanding
FHLB secured credit facilities	Banking subsidiaries	$ 11,500	$ 65,028 [(1)]	April 2025 - September 2025	4.60%
Federal Reserve discount window	Banking subsidiaries	—	30,357 [(1)]	N/A	—
Repurchase agreements	Banking subsidiaries, CSC	5,492	— [(2)]	April 2025 - August 2025	4.65%
Unsecured uncommitted lines of credit with various external banks	CSC, CS&Co	—	1,692	N/A	—
Unsecured commercial paper	CSC	950	4,050 [(3)]	June 2025 - August 2025	4.53%
Secured uncommitted lines of credit with various external banks	CS&Co	500	— [(4)]	July 2025	4.78%

(1) Amounts shown as available from the FHLB and Federal Reserve facilities represent remaining capacity based on assets pledged as of March 31, 2025. Incremental borrowing capacity may be made available by pledging additional assets, subject to applicable facility terms. See below and Item 1 – Note 9 for additional information.
(2) Secured borrowing capacity is made available based on the banking subsidiaries' or CSC's ability to provide collateral deemed acceptable by each respective counterparty. See below and Item 1 – Note 12 for additional information.
(3) Outstanding balance of unsecured commercial paper as of March 31, 2025 represents the gross par value before discount of $15 million.
(4) Secured borrowing capacity is made available based on CS&Co's ability to provide acceptable collateral to the lenders as determined by the credit agreements.
N/A Not applicable.

Available borrowing capacity from the FHLB and Federal Reserve facilities maintained by our banking subsidiaries is dependent on the value of assets pledged and the terms of the borrowing arrangements. As of March 31, 2025, the Company had additional investment securities with a par value of approximately $112 billion, or a fair value of approximately $104 billion, available to be pledged to obtain additional capacity. Additional details regarding availability and use of these facilities is described below.

Amounts available under secured credit facilities with the FHLB are dependent on the value of our First Mortgages, home equity lines of credit (HELOCs), and the value of certain of our investment securities that are pledged as collateral. These credit facilities are also available as backup financing in the event the outflow of client cash from the banking subsidiaries' respective balance sheets is greater than maturities and paydowns on investment securities and bank loans. CSC's banking subsidiaries must each maintain positive tangible capital, as defined by the Federal Housing Finance Agency (FHFA), in order to place new draws upon these credit facilities, and the Company manages capital with consideration of minimum tangible capital ratios at our banking subsidiaries. Tangible capital pursuant to the requirements of the FHLB borrowing facilities for our banking subsidiaries is common equity less goodwill and intangible assets.

Our banking subsidiaries also have access to short-term secured funding through the Federal Reserve discount window. Amounts available under the Federal Reserve discount window are dependent on the value of certain investment securities that are pledged as collateral. Our banking subsidiaries may also engage with external financial institutions and the Fixed Income Clearing Corporation (FICC) in repurchase agreements collateralized by investment securities as another source of short-term liquidity. In addition, our banking subsidiaries are counterparties to the Standing Repo Facility with the Federal Reserve Bank of New York; other than de minimis tests performed to satisfy the Federal Reserve Bank of New York's testing requirements, this facility was not used during the first three months of 2025 and there were no amounts outstanding at March 31, 2025. CSC maintains standing bilateral repurchase agreements with external banks. Other than de minimis tests, these facilities were not used during the first three months of 2025 and there were no amounts outstanding under these facilities at March 31, 2025.

CSC's ratings for Commercial Paper Notes were P1 by Moody's Investor Service (Moody's), A2 by Standard & Poor's Rating Group (Standard & Poor's), and F1 by Fitch Ratings, Ltd (Fitch) at March 31, 2025.

CSC also has a universal automatic shelf registration statement on file with the SEC, which enables it to issue debt, equity, and other securities.

(Tabular Amounts in Millions, Except Ratios, or as Noted)

CS&Co maintains unsecured uncommitted bank credit lines with a group of banks as a source of short-term liquidity, which can also be accessed by CSC. CS&Co also maintains secured uncommitted lines of credit, under which CS&Co may borrow on a short-term basis and pledge either client margin securities or firm securities as collateral, based on the terms of the agreements. CS&Co is also able to lend eligible securities held in client brokerage accounts in exchange for cash collateral as a source of short-term liquidity. As of March 31, 2025, liabilities for securities loaned totaled $14.7 billion and are included in payables to brokers, dealers, and clearing organizations on the condensed consolidated balance sheet. As of March 31, 2025, $9.4 billion of securities loaned had overnight and continuous remaining contractual maturities; $5.3 billion of securities loaned had contractual maturities of 35-95 days and had a weighted-average interest rate of 4.67%. See Item 1 – Note 12 for additional information on securities lending activities.

CSB issues brokered CDs as a supplemental funding source. The following table provides information about brokered CDs issued by CSB and outstanding as of March 31, 2025:

	Amount Outstanding	Maturity	Weighted-Average Interest Rate
Brokered CDs	$ 21,104	April 2025 - November 2025	4.82%

Cash Flow Activity

The Company's cash and cash equivalents decreased $7.1 billion from year-end 2024 to $35.0 billion at March 31, 2025; cash and cash equivalents, including amounts restricted, decreased $3.5 billion from year-end 2024 to $62.0 billion at March 31, 2025. These decreases reflected a reduction of bank supplemental funding balances of $11.8 billion and maturities of long-term debt of $975 million. Bank deposits decreased during the first three months of 2025 by $13.0 billion, which reflected a $6.7 billion decrease in deposits swept from brokerage accounts due to typical first quarter seasonality and a decrease of $6.6 billion in brokered CDs, partially offset by client net equity selling towards the end of the quarter. The Company reduced FHLB borrowings and other short-term borrowings by a net total of $4.3 billion. Partially offsetting the decrease in bank deposits and repayment of borrowings, net investing cash inflows from our AFS and HTM securities totaled $12.4 billion in the first three months of 2025, and net cash inflows from operations totaled $6.4 billion.

Liquidity Coverage Ratio

Schwab is subject to the full LCR rule, which requires the Company to hold high quality liquid assets (HQLA) in an amount equal to at least 100% of the Company's projected net cash outflows over a prospective 30-calendar-day period of acute liquidity stress, calculated on each business day. See Part I – Item 1 – Business – Regulation in the 2024 Form 10-K for additional information. The Company was in compliance with the LCR rule at March 31, 2025, and the table below presents information about our average daily LCR:

	Average for the Three Months Ended	
	March 31, 2025	December 31, 2024
Total eligible HQLA	$ 55,383	$ 56,109
Net cash outflows	40,213	40,232
LCR	138%	140%

To support growth in margin loan balances at our broker-dealer subsidiary while meeting our LCR requirements, the Company may issue commercial paper, draw on secured lines of credit, or engage in securities lending, in addition to capital markets issuances. In managing compliance with our LCR requirements, the broker-dealer subsidiary may also retain client cash balances rather than sweeping such balances to our banking subsidiaries.

Net Stable Funding Ratio

Schwab is subject to disclosure requirements under the NSFR rule, which requires the semi-annual public disclosure of its NSFR levels. The NSFR rule stipulates that the Company's available stable funding (ASF) must be at least 100% of the Company's required stable funding (RSF). ASF is calculated by assessing the stability of the Company's funding sources and RSF is calculated by evaluating the characteristics of the Company's assets, derivatives, and off-balance-sheet exposures. The Company was in compliance with the NSFR rule at March 31, 2025.

(Tabular Amounts in Millions, Except Ratios, or as Noted)

Long-Term Borrowings

The Company's long-term debt is primarily comprised of Senior Notes and totaled $21.5 billion and $22.4 billion at March 31, 2025 and December 31, 2024, respectively.

The following table provides information about our Senior Notes outstanding at March 31, 2025:

March 31, 2025	Par Outstanding	Maturity	Weighted Average Interest Rate (1)	Moody's	Standard & Poor's	Fitch
CSC Senior Notes	$ 21,287	2025 - 2034	3.67%	A2	A-	A
Ameritrade Holding Senior Notes	163	2025 - 2029	3.38%	A2	A-	—

(1) Weighted average interest rates presented here exclude the impact of derivatives. See Note 11 for information on the Company's hedging of Senior Notes.

New Debt Issuances

There were no new debt issuances of senior unsecured obligations in the first three months of 2025.

Schwab enters into guarantees and other similar arrangements in the ordinary course of business. For information on these arrangements, see Item 1 – Notes 6, 7, 9, 10, and 12. Pursuant to the 2023 IDA agreement, certain brokerage accounts are required to be swept off-balance sheet to the TD Depository Institutions. See Item 1 – Note 10 for additional information.

Additional information regarding our sources and uses of liquidity and management of liquidity risk is included in Part II – Item 7 – Risk Management – Liquidity Risk in our 2024 Form 10-K. See also Item 1 – Condensed Consolidated Statements of Cash Flows, Item 1 – Note 8 for the Company's bank deposits, Item 1 – Note 9 for the Company's debt and borrowing facilities, Item 1 – Note 12 for the Company's securities lending activities, and Item 1 – Note 14 for the Company's equity outstanding balances and activity.

CAPITAL MANAGEMENT

Schwab seeks to manage capital to a level and composition sufficient to support execution of our business strategy, inclusive of balance sheet growth over time, financial support to our subsidiaries, sustained access to the capital markets, and regulatory capital requirements. Schwab also seeks to return excess capital to stockholders. We may return excess capital through dividends, repurchases of common shares, preferred stock redemptions, and repurchases of our preferred stock represented by depositary shares. Schwab's primary sources of capital are funds generated by the operations of subsidiaries and securities issuances by CSC in the capital markets. To ensure that Schwab has sufficient capital to absorb unanticipated losses or declines in asset values, we have adopted a policy to remain well capitalized even in stressed scenarios.

Regulatory Capital Requirements

CSC and certain subsidiaries, including our banking and broker-dealer subsidiaries, are subject to various capital requirements set by regulatory agencies as discussed in further detail in Part II – Item 7 – Capital Management of the 2024 Form 10-K and in Item 1 – Note 17. As of March 31, 2025, CSC and our banking subsidiaries are considered well capitalized, and CS&Co is in compliance with its net capital requirements.

(Tabular Amounts in Millions, Except Ratios, or as Noted)

The following table details the capital ratios for CSC (consolidated) and CSB:

	March 31, 2025		December 31, 2024	
	CSC	CSB	CSC	CSB
Total stockholders' equity	$ 49,511	$ 21,297	$ 48,375	$ 19,700
Less:				
Preferred stock	9,191	—	9,191	—
Common Equity Tier 1 Capital before regulatory adjustments	$ 40,320	$ 21,297	$ 39,184	$ 19,700
Less:				
Goodwill, net of associated deferred tax liabilities	$ 11,737	$ 13	$ 11,746	$ 13
Other intangible assets, net of associated deferred tax liabilities	6,125	—	6,232	—
Deferred tax assets, net of valuation allowances and deferred tax liabilities	50	41	50	41
AOCI adjustment [(1)]	(13,614)	(11,835)	(14,839)	(12,938)
Common Equity Tier 1 Capital	$ 36,022	$ 33,078	$ 35,995	$ 32,584
Tier 1 Capital	$ 45,213	$ 33,078	$ 45,186	$ 32,584
Total Capital	45,240	33,100	45,218	32,606
Risk-Weighted Assets	112,485	76,263	113,648	78,134
Average Assets with regulatory adjustments	457,495	272,273	458,119	280,701
Total Leverage Exposure	460,701	274,203	461,200	282,629
Common Equity Tier 1 Capital/Risk-Weighted Assets	32.0%	43.4%	31.7%	41.7%
Tier 1 Capital/Risk-Weighted Assets	40.2%	43.4%	39.8%	41.7%
Total Capital/Risk-Weighted Assets	40.2%	43.4%	39.8%	41.7%
Tier 1 Leverage Ratio	9.9%	12.1%	9.9%	11.6%
Supplementary Leverage Ratio	9.8%	12.1%	9.8%	11.5%

(1) Changes in market interest rates can result in unrealized gains or losses on AFS securities, which are included in AOCI. As a Category III banking organization, CSC has elected to exclude most components of AOCI from regulatory capital.

The Company's consolidated Tier 1 Leverage Ratio at March 31, 2025 remained consistent with year-end 2024, ending the first quarter of 2025 at 9.9%. CSB's Tier 1 Leverage Ratio increased from 11.6% at year-end 2024, ending the first quarter of 2025 at 12.1% primarily as a result of lower total assets as well as net income during the quarter.

In light of the Federal Reserve's 2023 regulatory capital rule proposal, which, among other things, would require the Company to include AOCI in regulatory capital (see Part II – Item 7 – Current Regulatory and Other Developments in the 2024 Form 10-K), the Company has developed an adjusted Tier 1 Leverage Ratio, which is a non-GAAP financial measure that includes AOCI in the ratio. The primary component of AOCI for Schwab is unrealized gains and losses on our AFS investment securities portfolio and on securities transferred from AFS to the HTM category.

The Company maintains a long-term operating objective for its consolidated adjusted Tier 1 Leverage Ratio of 6.75% - 7.00%. As of March 31, 2025, our adjusted Tier 1 Leverage Ratio, which includes AOCI in the ratio, was 7.1% for CSC (consolidated) and 8.2% for CSB (see Non-GAAP Financial Measures for further details and a reconciliation of such measures to GAAP reported results). The Company is continuing to accrete capital organically, and will continue to manage its capital as described above and in Part II – Item 7 – Capital Management of the 2024 Form 10-K. In evaluating returns of excess capital to stockholders, we will consider the amount of bank supplemental funding outstanding, and may choose to utilize the liquidity we would otherwise use for capital returns to repay outstanding bank supplemental funding balances.

IDA Agreement

Certain brokerage client deposits are swept off-balance sheet to the TD Depository Institutions pursuant to the 2023 IDA agreement. During the first three months of 2025, Schwab did not move IDA balances to its balance sheet. The Company's overall capital management strategy includes supporting migration of IDA balances in future periods as available pursuant to the terms of the 2023 IDA agreement. The Company's ability to migrate these balances to its balance sheet is dependent upon multiple factors including having sufficient capital levels to sustain these incremental deposits. See Item 1 – Note 10 for further information on the 2023 IDA agreement.

(Tabular Amounts in Millions, Except Ratios, or as Noted)

Dividends

On January 29, 2025, the Board of Directors of the Company declared a two cent, or 8%, increase in the quarterly cash dividend to $.27 per common share.

Cash dividends paid and per share amounts for the first three months of 2025 and 2024 are as follows:

	2025		2024	
Three Months Ended March 31,	Cash Paid	Per Share Amount	Cash Paid	Per Share Amount
Common and Nonvoting Common Stock [1]	$ 492	$ .27	$ 459	$ .25
Preferred Stock:				
Series D [2]	11	14.88	11	14.88
Series F [3]	—	—	—	—
Series G [2]	33	1,343.75	33	1,343.75
Series H [2]	22	1,000.00	22	1,000.00
Series I [2]	21	1,000.00	21	1,000.00
Series J [2]	7	11.13	7	11.13
Series K [2]	9	1,250.00	9	1,250.00

(1) The Company had no nonvoting common stock outstanding as of the record date for the Company's first quarter 2025 dividend and accordingly, no dividends were paid on nonvoting common stock during the three months ended March 31, 2025.
(2) Dividends paid quarterly.
(3) Dividends paid semi-annually until December 1, 2027 and quarterly thereafter.

Share Repurchases

On February 12, 2025, TD Group US Holdings LLC, an affiliate of TD Bank, completed a secondary public offering of the Company's common shares through which TD Group US Holdings LLC sold 133.8 million shares of the Company's common stock and 31.7 million shares of the Company's nonvoting common stock, which automatically converted into common stock, for an aggregate amount of $13.1 billion. The Company did not receive any of the proceeds from the sale of shares. Concurrent with the completion of the secondary offering, and pursuant to a repurchase agreement dated February 9, 2025, the Company repurchased directly from TD Group US Holdings LLC its remaining 19.2 million shares of nonvoting common stock at a price of $77.982 per share for an aggregate repurchase amount of $1.5 billion, which settled on February 12, 2025. The shares of nonvoting common stock automatically converted into common stock upon repurchase and are now held in treasury stock, reducing the number of shares outstanding. These shares were purchased under CSC's $15.0 billion share repurchase authorization. The share repurchase authorization does not have an expiration date and as of March 31, 2025, approximately $7.2 billion remained on the authorization. There were no repurchases of CSC's common stock during the three months ended March 31, 2024.

Share repurchases, net of issuances, are subject to a nondeductible 1% excise tax which was recognized as a direct and incremental cost associated with these transactions. For repurchases of common stock, the tax is recorded as part of the cost basis of the treasury stock repurchased, resulting in no impact to the condensed consolidated statements of income.

Through the completion of the secondary offering and the Company's repurchase of nonvoting common stock, TD Bank disposed of all of its common shares of CSC and the Company has no remaining nonvoting common stock outstanding. See Item 1 – Note 14 for additional information.

OTHER

Foreign Exposure

At March 31, 2025, Schwab had exposure to non-sovereign financial and non-financial institutions in foreign countries, as well as agencies of foreign governments. At March 31, 2025, the fair value of these holdings totaled $15.2 billion, with the top three exposures being to issuers and counterparties domiciled in France at $8.7 billion, the United Kingdom at $3.8 billion, and Norway at $750 million. At December 31, 2024, the fair value of these holdings totaled $10.6 billion, with the top three exposures being to issuers and counterparties domiciled in France at $5.1 billion, the United Kingdom at $2.1 billion, and Canada at $889 million. In addition, Schwab had outstanding margin loans to foreign residents of $3.5 billion at both March 31, 2025 and December 31, 2024.

CRITICAL ACCOUNTING ESTIMATES

Certain of our accounting policies that involve a higher degree of judgment and complexity are discussed in Part II – Item 7 – Critical Accounting Estimates in the 2024 Form 10-K. There have been no changes to critical accounting estimates during the first three months of 2025.

NON-GAAP FINANCIAL MEASURES

In addition to disclosing financial results in accordance with generally accepted accounting principles in the U.S. (GAAP), Management's Discussion and Analysis of Financial Condition and Results of Operations contain references to the non-GAAP financial measures described below. We believe these non-GAAP financial measures provide useful supplemental information about the financial performance of the Company, and facilitate meaningful comparison of Schwab's results in the current period to both historic and future results. These non-GAAP measures should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP, and may not be comparable to non-GAAP financial measures presented by other companies.

Schwab's use of non-GAAP measures is reflective of certain adjustments made to GAAP financial measures as described below.

Non-GAAP Adjustment or Measure	Definition	Usefulness to Investors and Uses by Management
Acquisition and integration-related costs, amortization of acquired intangible assets, and restructuring costs	Schwab adjusts certain GAAP financial measures to exclude the impact of acquisition and integration-related costs incurred as a result of the Company's acquisitions, amortization of acquired intangible assets, restructuring costs, and, where applicable, the income tax effect of these expenses. Adjustments made to exclude amortization of acquired intangible assets are reflective of all acquired intangible assets, which were recorded as part of purchase accounting. These acquired intangible assets contribute to the Company's revenue generation. Amortization of acquired intangible assets will continue in future periods over their remaining useful lives.	We exclude acquisition and integration-related costs, amortization of acquired intangible assets, and restructuring costs for the purpose of calculating certain non-GAAP measures because we believe doing so provides additional transparency of Schwab's ongoing operations, and is useful in both evaluating the operating performance of the business and facilitating comparison of results with prior and future periods. Costs related to acquisition and integration or restructuring fluctuate based on the timing of acquisitions, integration and restructuring activities, thereby limiting comparability of results among periods, and are not representative of the costs of running the Company's ongoing business. Amortization of acquired intangible assets is excluded because management does not believe it is indicative of the Company's underlying operating performance.
Return on tangible common equity	Return on tangible common equity represents annualized adjusted net income available to common stockholders as a percentage of average tangible common equity. Tangible common equity represents common equity less goodwill, acquired intangible assets – net, and related deferred tax liabilities.	Acquisitions typically result in the recognition of significant amounts of goodwill and acquired intangible assets. We believe return on tangible common equity may be useful to investors as a supplemental measure to facilitate assessing capital efficiency and returns relative to the composition of Schwab's balance sheet.
Adjusted Tier 1 Leverage Ratio	Adjusted Tier 1 Leverage Ratio represents the Tier 1 Leverage Ratio as prescribed by bank regulatory guidance for the consolidated company and for CSB, adjusted to reflect the inclusion of AOCI in the ratio.	Inclusion of the impacts of AOCI in the Company's Tier 1 Leverage Ratio provides additional information regarding the Company's current capital position. We believe Adjusted Tier 1 Leverage Ratio may be useful to investors as a supplemental measure of the Company's capital levels.

The Company also uses adjusted diluted EPS and return on tangible common equity as components of performance criteria for employee bonus and certain executive management incentive compensation arrangements. The Compensation Committee of CSC's Board of Directors maintains discretion in evaluating performance against these criteria. Additionally, the Company uses adjusted Tier 1 Leverage Ratio in managing capital, including its use of the measure as its long-term operating objective.

(Tabular Amounts in Millions, Except Ratios, or as Noted)

The following tables present reconciliations of GAAP measures to non-GAAP measures:

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Total expenses excluding interest (GAAP)	$ 3,144	$ 2,942
Amortization of acquired intangible assets	(130)	(130)
Acquisition and integration-related costs [1]	—	(38)
Restructuring costs [2]	—	28
Adjusted total expenses (non-GAAP)	$ 3,014	$ 2,802

[1] There were no acquisition and integration-related costs for the three months ended March 31, 2025. Acquisition and integration-related costs for the three months ended March 31, 2024 primarily consist of $17 million of compensation and benefits and $17 million of professional services.
[2] There were no restructuring costs for the three months ended March 31, 2025. Restructuring costs for the three months ended March 31, 2024 reflect a benefit due to a change in estimate of $31 million in compensation and benefits, partially offset by $2 million of occupancy and equipment expense and $1 million of other expense.

	Three Months Ended March 31,			
	2025		2024	
	Amount	Diluted EPS	Amount	Diluted EPS
Net income available to common stockholders (GAAP), Earnings per common share — diluted (GAAP)	$ 1,796	$ .99	$ 1,251	$ .68
Amortization of acquired intangible assets	130	.07	130	.07
Acquisition and integration-related costs	—	—	38	.02
Restructuring costs	—	—	(28)	(.01)
Income tax effects [1]	(31)	(.02)	(33)	(.02)
Adjusted net income available to common stockholders (non-GAAP), Adjusted diluted EPS (non-GAAP)	$ 1,895	$ 1.04	$ 1,358	$ .74

[1] The income tax effects of the non-GAAP adjustments are determined using an effective tax rate reflecting the exclusion of non-deductible acquisition costs and are used to present the acquisition and integration-related costs, amortization of acquired intangible assets, and restructuring costs on an after-tax basis.

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Return on average common stockholders' equity (GAAP)	18%	15%
Average common stockholders' equity	$ 39,752	$ 32,493
Less: Average goodwill	(11,951)	(11,951)
Less: Average acquired intangible assets — net	(7,679)	(8,196)
Plus: Average deferred tax liabilities related to goodwill and acquired intangible assets — net	1,709	1,759
Average tangible common equity	$ 21,831	$ 14,105
Adjusted net income available to common stockholders [1]	$ 1,895	$ 1,358
Return on tangible common equity (non-GAAP)	35%	39%

[1] See table above for the reconciliation of net income available to common stockholders to adjusted net income available to common stockholders (non-GAAP).

	March 31, 2025		December 31, 2024	
	CSC	CSB	CSC	CSB
Tier 1 Leverage Ratio (GAAP)	9.9%	12.1%	9.9%	11.6%
Tier 1 Capital	$ 45,213	$ 33,078	$ 45,186	$ 32,584
Plus: AOCI adjustment	(13,614)	(11,835)	(14,839)	(12,938)
Adjusted Tier 1 Capital	31,599	21,243	30,347	19,646
Average assets with regulatory adjustments	457,495	272,273	458,119	280,701
Plus: AOCI adjustment	(14,165)	(12,419)	(14,831)	(13,037)
Adjusted average assets with regulatory adjustments	$ 443,330	$ 259,854	$ 443,288	$ 267,664
Adjusted Tier 1 Leverage Ratio (non-GAAP)	7.1%	8.2%	6.8%	7.3%

Item 3. Quantitative and Qualitative Disclosures About Market Risk

For discussion of the quantitative and qualitative disclosures about market risk, see Risk Management in Item 2.

THE CHARLES SCHWAB CORPORATION
Condensed Consolidated Statements of Income
(In Millions, Except Per Share Amounts)
(Unaudited)

	Three Months Ended March 31,	
	2025	2024
Net Revenues		
Interest revenue	$ 3,757	$ 3,941
Interest expense	(1,051)	(1,708)
Net interest revenue	2,706	2,233
Asset management and administration fees	1,530	1,348
Trading revenue	908	817
Bank deposit account fees	245	183
Other	210	159
Total net revenues	5,599	4,740
Expenses Excluding Interest		
Compensation and benefits	1,672	1,538
Professional services	269	241
Occupancy and equipment	274	265
Advertising and market development	96	88
Communications	153	141
Depreciation and amortization	217	228
Amortization of acquired intangible assets	130	130
Regulatory fees and assessments	89	125
Other	244	186
Total expenses excluding interest	3,144	2,942
Income before taxes on income	2,455	1,798
Taxes on income	546	436
Net Income	1,909	1,362
Preferred stock dividends and other	113	111
Net Income Available to Common Stockholders	$ 1,796	$ 1,251
Weighted-Average Common Shares Outstanding:		
Basic	1,817	1,825
Diluted	1,822	1,831
Earnings Per Common Shares Outstanding [1]:		
Basic	$ .99	$ .69
Diluted	$ .99	$ .68

[1] For additional information on earnings per common shares outstanding for both voting and nonvoting common stock, see Note 16.

See Notes to Condensed Consolidated Financial Statements.

THE CHARLES SCHWAB CORPORATION
Condensed Consolidated Statements of Comprehensive Income
(In Millions)
(Unaudited)

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Net income	$ 1,909	$ 1,362
Other comprehensive income (loss), before tax:		
Change in net unrealized gain (loss) on available for sale securities:		
Net unrealized gain (loss)	1,061	139
Other reclassifications included in other revenue	10	10
Change in net unrealized gain (loss) on held to maturity securities:		
Amortization of amounts previously recorded upon transfer to held to maturity from available for sale	538	564
Other	1	(8)
Other comprehensive income (loss), before tax	1,610	705
Income tax effect	(383)	(150)
Other comprehensive income (loss), net of tax	1,227	555
Comprehensive Income (Loss)	$ 3,136	$ 1,917

See Notes to Condensed Consolidated Financial Statements.

THE CHARLES SCHWAB CORPORATION
Condensed Consolidated Balance Sheets
(In Millions, Except Per Share and Share Amounts)
(Unaudited)

	March 31, 2025	December 31, 2024
Assets		
Cash and cash equivalents	$ 35,009	$ 42,083
Cash and investments segregated and on deposit for regulatory purposes (including resale agreements of $14,302 and $10,075 at March 31, 2025 and December 31, 2024, respectively)	38,408	38,221
Receivables from brokers, dealers, and clearing organizations	2,938	2,440
Receivables from brokerage clients — net	84,449	85,374
Available for sale securities (amortized cost of $80,467 at March 31, 2025 and $89,704 at December 31, 2024; including assets pledged of $371 and $378, respectively)	74,828	82,994
Held to maturity securities (including assets pledged of $5,756 at March 31, 2025 and $5,920 at December 31, 2024)	143,815	146,453
Bank loans — net	47,121	45,215
Equipment, office facilities, and property — net	3,276	3,338
Goodwill	11,951	11,951
Acquired intangible assets — net	7,615	7,743
Other assets	13,493	14,031
Total assets	$ 462,903	$ 479,843
Liabilities and Stockholders' Equity		
Bank deposits	$ 246,160	$ 259,121
Payables to brokers, dealers, and clearing organizations	15,744	13,336
Payables to brokerage clients	100,579	101,559
Accrued expenses and other liabilities	11,011	12,325
Other short-term borrowings	6,927	5,999
Federal Home Loan Bank borrowings	11,500	16,700
Long-term debt	21,471	22,428
Total liabilities	413,392	431,468
Stockholders' equity:		
Preferred stock — $.01 par value per share; aggregate liquidation preference of $9,329 at March 31, 2025 and December 31, 2024	9,191	9,191
Common stock — 3 billion shares authorized; $.01 par value per share; 2,074,188,875 and 2,023,295,180 shares issued at March 31, 2025 and December 31, 2024, respectively	21	20
Nonvoting common stock — 300 million shares authorized; $.01 par value per share; no shares issued at March 31, 2025 and 50,893,695 shares issued at December 31, 2024	—	1
Additional paid-in capital	27,664	27,639
Retained earnings	38,882	37,568
Treasury stock, at cost — 258,216,076 and 242,977,194 shares at March 31, 2025 and December 31, 2024, respectively	(12,626)	(11,196)
Accumulated other comprehensive income (loss)	(13,621)	(14,848)
Total stockholders' equity	49,511	48,375
Total liabilities and stockholders' equity	$ 462,903	$ 479,843

See Notes to Condensed Consolidated Financial Statements.

THE CHARLES SCHWAB CORPORATION
Condensed Consolidated Statements of Stockholders' Equity
(In Millions)
(Unaudited)

	Preferred Stock	Common Stock		Nonvoting Common Stock		Additional Paid-in Capital	Retained Earnings	Treasury Stock, at cost	Accumulated Other Comprehensive Income (Loss)	Total
		Shares	Amount	Shares	Amount					
Balance at December 31, 2023	$ 9,191	2,023	$ 20	51	$ 1	$ 27,330	$ 33,901	$ (11,354)	$ (18,131)	$ 40,958
Net income	—	—	—	—	—	—	1,362	—	—	1,362
Other comprehensive income (loss), net of tax	—	—	—	—	—	—	—	—	555	555
Dividends declared on preferred stock	—	—	—	—	—	—	(103)	—	—	(103)
Dividends declared on common stock — $.25 per share	—	—	—	—	—	—	(459)	—	—	(459)
Stock option exercises and other	—	—	—	—	—	(120)	—	142	—	22
Share-based compensation	—	—	—	—	—	125	—	—	—	125
Other	—	—	—	—	—	23	—	(71)	—	(48)
Balance at March 31, 2024	$ 9,191	2,023	$ 20	51	$ 1	$ 27,358	$ 34,701	$ (11,283)	$ (17,576)	$ 42,412
Balance at December 31, 2024	$ 9,191	2,023	$ 20	51	$ 1	$ 27,639	$ 37,568	$ (11,196)	$ (14,848)	$ 48,375
Net income	—	—	—	—	—	—	1,909	—	—	1,909
Other comprehensive income (loss), net of tax	—	—	—	—	—	—	—	—	1,227	1,227
Dividends declared on preferred stock	—	—	—	—	—	—	(103)	—	—	(103)
Dividends declared on common stock — $.27 per share	—	—	—	—	—	—	(492)	—	—	(492)
Repurchase of nonvoting common stock, inclusive of tax	—	19	—	(19)	—	—	—	(1,512)	—	(1,512)
Conversion of nonvoting common stock to common stock	—	32	1	(32)	(1)	—	—	—	—	—
Stock option exercises and other	—	—	—	—	—	(123)	—	162	—	39
Share-based compensation	—	—	—	—	—	116	—	—	—	116
Other	—	—	—	—	—	32	—	(80)	—	(48)
Balance at March 31, 2025	$ 9,191	2,074	$ 21	—	$ —	$ 27,664	$ 38,882	$ (12,626)	$ (13,621)	$ 49,511

See Notes to Condensed Consolidated Financial Statements.

THE CHARLES SCHWAB CORPORATION
Condensed Consolidated Statements of Cash Flows [1]
(in Millions)
(Unaudited)

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Cash Flows from Operating Activities		
Net income	$ 1,909	$ 1,362
Adjustments to reconcile net income to net cash provided by (used for) operating activities:		
Share-based compensation	126	131
Depreciation and amortization	217	228
Amortization of acquired intangible assets	130	130
Provision (benefit) for deferred income taxes	(35)	(49)
Premium amortization, net, on available for sale and held to maturity securities	178	205
Other	144	116
Net change in:		
Investments segregated and on deposit for regulatory purposes	3,354	716
Receivables from brokers, dealers, and clearing organizations	(488)	(787)
Receivables from brokerage clients	910	(2,515)
Other assets	(83)	692
Payables to brokers, dealers, and clearing organizations	2,408	56
Payables to brokerage clients	(980)	(782)
Accrued expenses and other liabilities	(1,431)	(852)
Net cash provided by (used for) operating activities	6,359	(1,349)
Cash Flows from Investing Activities		
Purchases of available for sale securities	(1,067)	(523)
Proceeds from sales of available for sale securities	1,621	1,189
Principal payments on available for sale securities	8,772	5,809
Purchases of held to maturity securities	(381)	—
Principal payments on held to maturity securities	3,432	3,509
Net change in bank loans	(1,928)	(349)
Purchases of equipment, office facilities, and property	(117)	(149)
Purchases of FHLB stock	(194)	(180)
Proceeds from sales of FHLB stock	419	324
Purchases of Federal Reserve stock	(4)	(82)
Proceeds from sales of Federal Reserve stock	4	—
Other investing activities	(87)	(73)
Net cash provided by (used for) investing activities	10,470	9,475
Cash Flows from Financing Activities		
Net change in bank deposits	(12,961)	(20,493)
Proceeds from FHLB borrowings	5,000	5,000
Repayments of FHLB borrowings	(10,200)	(7,400)
Proceeds from other short-term borrowings	8,498	4,050
Repayments of other short-term borrowings	(7,574)	(2,198)
Repayments of long-term debt	(981)	(3,260)
Dividends paid	(595)	(562)
Proceeds from stock options exercised	39	22
Repurchase of nonvoting common stock	(1,500)	—
Other financing activities	(88)	(85)
Net cash provided by (used for) financing activities	(20,362)	(24,926)
Increase (Decrease) in Cash and Cash Equivalents, including Amounts Restricted	(3,533)	(16,800)
Cash and Cash Equivalents, including Amounts Restricted at Beginning of Year	65,514	74,473
Cash and Cash Equivalents, including Amounts Restricted at End of Period	$ 61,981	$ 57,673

Continued on following page.

THE CHARLES SCHWAB CORPORATION
Condensed Consolidated Statements of Cash Flows [1]
(in Millions)
(Unaudited)

Continued from previous page.

	Three Months Ended March 31,	
	2025	2024
Supplemental Cash Flow Information		
Non-cash investing activity:		
Changes in accrued equipment, office facilities, and property purchases	$ 39	$ (27)
Other Supplemental Cash Flow Information:		
Cash paid during the period for:		
Interest	$ 1,193	$ 1,957
Income taxes	$ 41	$ 41
Amounts included in the measurement of lease liabilities	$ 63	$ 61
Leased assets obtained in exchange for new operating lease liabilities	$ 15	$ 20

	March 31, 2025	March 31, 2024
Reconciliation of cash, cash equivalents and amounts reported within the balance sheet [2]		
Cash and cash equivalents	$ 35,009	$ 31,752
Restricted cash and cash equivalents amounts included in cash and investments segregated and on deposit for regulatory purposes	26,972	25,921
Total cash and cash equivalents, including amounts restricted shown in the statement of cash flows	$ 61,981	$ 57,673

[1] Certain prior year amounts have been reclassified to conform to the current year presentation. See Note 1 for additional information.
[2] For more information on the nature of restrictions on restricted cash and cash equivalents, see Note 17.

See Notes to Condensed Consolidated Financial Statements.

(Tabular Amounts in Millions, Except Per Share Data, Ratios, or as Noted)

1. Introduction and Basis of Presentation

The Charles Schwab Corporation (CSC) is a savings and loan holding company. CSC engages, through its subsidiaries (collectively referred to as Schwab or the Company), in wealth management, securities brokerage, banking, asset management, custody, and financial advisory services.

Principal business subsidiaries of CSC include the following:

- Charles Schwab & Co., Inc. (CS&Co), incorporated in 1971, a securities broker-dealer;
- Charles Schwab Bank, SSB (CSB), our principal banking entity; and
- Charles Schwab Investment Management, Inc. (CSIM), the investment advisor for Schwab's proprietary mutual funds (Schwab Funds®) and for Schwab's exchange-traded funds (Schwab ETFs).

Unless otherwise indicated, the terms "Schwab," "the Company," "we," "us," or "our" mean CSC together with its consolidated subsidiaries.

These unaudited condensed consolidated financial statements have been prepared in conformity with GAAP, which require management to make certain estimates and assumptions that affect the reported amounts in the accompanying financial statements and in the related disclosures. These estimates are based on information available as of the date of the condensed consolidated financial statements. While management makes its best judgment, actual amounts or results could differ from these estimates. In the opinion of management, all normal, recurring adjustments have been included for a fair statement of this interim financial information.

These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto, included in Schwab's 2024 Form 10-K.

Reclassifications: Beginning in the fourth quarter of 2024, receivables from brokers, dealers, and clearing organizations and payables to brokers, dealers, and clearing organizations are presented separately from other assets and accrued expenses and other liabilities, respectively, in the consolidated balance sheets. Correspondingly, interest expense related to securities lending is now presented as interest expense on payables to brokers, dealers, and clearing organizations. Prior period amounts have been reclassified to reflect these changes. Corresponding presentation changes have been made to the condensed consolidated statements of cash flows and related notes also impacted.

The significant accounting policies are included in Item 8 – Note 2 in the 2024 Form 10-K. There have been no significant changes to these accounting policies during the first three months of 2025.

2. New Accounting Standards

Adoption of New Accounting Standards

Standard	Description	Date of Adoption	Effects on the Financial Statements or Other Significant Matters
ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures"	Expands annual income tax disclosures, primarily by enhancing the rate reconciliation table and requiring additional disaggregated information about income taxes paid. Adoption allows retrospective or prospective application.	January 1, 2025	The Company does not expect this guidance will have a material impact on its financial statements or related disclosures. This guidance will be reflected in the annual financial statements for 2025.

New Accounting Standards Not Yet Adopted

Standard	Description	Required Date of Adoption	Effects on the Financial Statements or Other Significant Matters
ASU 2024-03, "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses"	Requires additional disclosures about certain expenses including, but not limited to, employee compensation, depreciation, amortization of intangible assets, and selling expenses. Also requires annual disclosure of how selling expenses are defined. Adoption allows retrospective or prospective application, with early adoption permitted.	January 1, 2027 (applies to the annual financial statements for 2027 and interim periods thereafter)	The Company is evaluating the impact of this guidance on its financial statement disclosures.

(Tabular Amounts in Millions, Except Per Share Data, Ratios, or as Noted)

3. Revenue Recognition

Disaggregation of Schwab's revenue by major source is as follows:

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Net interest revenue		
Cash and cash equivalents	$ 328	$ 454
Cash and investments segregated	412	388
Receivables from brokerage clients	1,382	1,260
Available for sale securities	433	594
Held to maturity securities	622	690
Bank loans	493	440
Securities lending revenue	60	76
Other interest revenue	27	39
Interest revenue	3,757	3,941
Bank deposits	(436)	(921)
Payables to brokers, dealers, and clearing organizations [1]	(137)	(55)
Payables to brokerage clients	(51)	(73)
Other short-term borrowings	(82)	(103)
Federal Home Loan Bank borrowings	(133)	(330)
Long-term debt	(212)	(224)
Other interest expense	—	(2)
Interest expense	(1,051)	(1,708)
Net interest revenue	2,706	2,233
Asset management and administration fees		
Mutual funds, ETFs, and CTFs	865	758
Managed investing solutions	569	503
Other	96	87
Asset management and administration fees	1,530	1,348
Trading revenue		
Commissions	431	413
Order flow revenue	443	352
Principal transactions	34	52
Trading revenue	908	817
Bank deposit account fees	245	183
Other	210	159
Total net revenues	$ 5,599	$ 4,740

[1] Beginning in the fourth quarter of 2024, this line item includes interest expense related to securities loaned. Prior period amounts have been reclassified to reflect this change. See Note 1 for additional information.

For a summary of revenue provided by our reportable segments, see Note 18. The recognition of revenue is not impacted by the operating segment in which revenue is generated.

Contract balances: Receivables from contracts with customers within the scope of Accounting Standards Codification (ASC) 606 *Revenue From Contracts With Customers* (ASC 606), are included in other assets on the condensed consolidated balance sheets, and totaled $752 million and $694 million at March 31, 2025 and December 31, 2024, respectively.

The Company had net contract assets of $210 million and $216 million at March 31, 2025 and December 31, 2024, respectively, related to the buy down of fixed-rate obligation amounts pursuant to the 2023 IDA agreement. These amounts are included in other assets on the condensed consolidated balance sheets and are amortized on a straight-line basis over the remaining contractual term as a reduction to bank deposit account fee revenue. For additional discussion of the 2023 IDA agreement, see Note 10.

(Tabular Amounts in Millions, Except Per Share Data, Ratios, or as Noted)

Unsatisfied performance obligations: We do not have any unsatisfied performance obligations other than those that are subject to an elective practical expedient under ASC 606. The practical expedient applies to and is elected for contracts where we recognize revenue at the amount to which we have the right to invoice for services performed.

4. Receivables from and Payables to Brokers, Dealers, and Clearing Organizations

Receivables from and payables to brokers, dealers, and clearing organizations are detailed below:

	March 31, 2025	December 31, 2024
Receivables		
Receivables from clearing organizations	$ 2,264	$ 1,670
Securities borrowed	564	695
Receivables for securities failed to deliver	72	40
Other receivables from broker-dealers	38	35
Receivables from brokers, dealers, and clearing organizations	$ 2,938	$ 2,440
Payables		
Deposits for securities loaned	$ 14,661	$ 13,068
Other payables to broker-dealers	832	37
Payables to clearing organizations	143	127
Payables for securities failed to receive	108	104
Payables to brokers, dealers, and clearing organizations	$ 15,744	$ 13,336

See Note 12 for additional information regarding securities lending and borrowing activities.

(Tabular Amounts in Millions, Except Per Share Data, Ratios, or as Noted)

5. Investment Securities

The amortized cost, gross unrealized gains and losses, and fair value of the Company's AFS and HTM investment securities are as follows:

March 31, 2025	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available for sale securities				
U.S. agency mortgage-backed securities	$ 54,171	$ —	$ 4,546	$ 49,625
U.S. Treasury securities	12,668	1	365	12,304
Corporate debt securities [1]	7,514	—	516	6,998
Asset-backed securities [2]	5,071	—	178	4,893
U.S. state and municipal securities	600	—	46	554
Foreign government agency securities	329	—	3	326
Non-agency commercial mortgage-backed securities	121	—	11	110
Other	21	—	3	18
Unallocated portfolio layer method fair value basis adjustments [3]	(28)	—	(28)	—
Total available for sale securities	$ 80,467	$ 1	$ 5,640	$ 74,828
Held to maturity securities				
U.S. agency mortgage-backed securities	$ 143,815	$ 1,034	$ 11,773	$ 133,076
Total held to maturity securities	$ 143,815	$ 1,034	$ 11,773	$ 133,076
December 31, 2024				
Available for sale securities				
U.S. agency mortgage-backed securities	$ 57,262	$ —	$ 5,429	$ 51,833
U.S. Treasury securities	14,939	1	471	14,469
Corporate debt securities [1]	10,166	—	587	9,579
Asset-backed securities [2]	6,106	—	196	5,910
U.S. state and municipal securities	603	—	54	549
Foreign government agency securities	533	—	6	527
Non-agency commercial mortgage-backed securities	121	—	12	109
Other	21	—	3	18
Unallocated portfolio layer method fair value basis adjustments [3]	(47)	—	(47)	—
Total available for sale securities	$ 89,704	$ 1	$ 6,711	$ 82,994
Held to maturity securities				
U.S. agency mortgage-backed securities	$ 146,453	$ 146	$ 13,994	$ 132,605
Total held to maturity securities	$ 146,453	$ 146	$ 13,994	$ 132,605

(1) As of March 31, 2025 and December 31, 2024, approximately 28% and 35%, respectively, of the total AFS in corporate debt securities were issued by institutions in the financial services industry. Approximately 22% and 16% of the holdings of these securities were issued by institutions in the information technology industry as of March 31, 2025 and December 31, 2024, respectively.
(2) Approximately 72% and 62% of asset-backed securities held as of March 31, 2025 and December 31, 2024, respectively, were Federal Family Education Loan Program Asset-Backed Securities. Asset-backed securities collateralized by credit card receivables represented approximately 18% and 25% of the asset-backed securities held as of March 31, 2025 and December 31, 2024, respectively.
(3) This represents the amount of portfolio layer method (PLM) fair value hedge basis adjustments related to AFS securities hedged in a closed portfolio. See Note 11 for more information on PLM hedge accounting.

At March 31, 2025, our banking subsidiaries had pledged investment securities with a fair value of $63.0 billion (collateral value of $58.1 billion) as collateral to secure borrowing capacity on secured credit facilities with the FHLB (see Note 9). Our banking subsidiaries also pledge investment securities as collateral to secure borrowing capacity at the Federal Reserve discount window, and had pledged securities with a fair value of $31.6 billion (collateral value of $30.4 billion) as collateral for this facility at March 31, 2025. The Company also pledges investment securities issued by federal agencies to secure certain trust deposits. The fair value and collateral value of these pledged securities was $1.5 billion at March 31, 2025.

At March 31, 2025, our banking subsidiaries had pledged HTM securities as collateral under repurchase agreements with external financial institutions. HTM securities pledged were U.S. agency mortgage-backed securities with an aggregate amortized cost of $5.8 billion. Securities pledged as collateral under these repurchase agreements may be sold, repledged, or otherwise used by the counterparties. See Notes 9 and 12 for additional information on these repurchase agreements.

(Tabular Amounts in Millions, Except Per Share Data, Ratios, or as Noted)

At March 31, 2025, the Company had pledged AFS securities consisting of U.S. Treasury securities with an aggregate fair value of $371 million as initial margin on interest rate swaps (see Notes 11 and 12). All of Schwab's interest rate swaps are cleared through central counterparty (CCP) clearing houses which require the Company to post initial margin as collateral against potential losses. Initial margin is posted through futures commission merchants (FCM) which serve as the intermediary between the CCPs and Schwab. The FCM agreements governing our swaps allow for securities pledged as initial margin to be sold, repledged, or otherwise used by the FCM.

AFS securities with unrealized losses, aggregated by category and period of continuous unrealized loss, are as follows:

	Less than 12 months		12 months or longer		Total	
March 31, 2025	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Available for sale securities						
U.S. agency mortgage-backed securities	$ —	$ —	$ 49,625	$ 4,546	$ 49,625	$ 4,546
U.S. Treasury securities [1]	469	—	9,955	365	10,424	365
Corporate debt securities	—	—	6,738	516	6,738	516
Asset-backed securities [1]	230	—	4,530	178	4,760	178
U.S. state and municipal securities	—	—	554	46	554	46
Foreign government agency securities	—	—	326	3	326	3
Non-agency commercial mortgage-backed securities	—	—	110	11	110	11
Other	—	—	18	3	18	3
Total [2]	$ 699	$ —	$ 71,856	$ 5,668	$ 72,555	$ 5,668
December 31, 2024						
Available for sale securities						
U.S. agency mortgage-backed securities	$ —	$ —	$ 51,833	$ 5,429	$ 51,833	$ 5,429
U.S. Treasury securities [1]	243	—	12,727	471	12,970	471
Corporate debt securities	—	—	9,579	587	9,579	587
Asset-backed securities [1]	12	—	5,888	196	5,900	196
U.S. state and municipal securities	—	—	549	54	549	54
Foreign government agency securities	—	—	527	6	527	6
Non-agency commercial mortgage-backed securities	—	—	109	12	109	12
Other	—	—	18	3	18	3
Total [2]	$ 255	$ —	$ 81,230	$ 6,758	$ 81,485	$ 6,758

[1] Unrealized losses less than 12 months amounts were less than $500 thousand.
[2] For purposes of this table, unrealized losses on AFS securities excludes the unallocated PLM fair value hedge basis adjustments of $28 million and $47 million at March 31, 2025 and December 31, 2024, respectively.

At March 31, 2025, substantially all rated securities in the investment portfolios were investment grade. U.S. agency mortgage-backed securities do not have explicit credit ratings; however, management considers these to be of the highest credit quality and rating given the guarantee of principal and interest by the U.S. government or U.S. government-sponsored enterprises.

For a description of management's quarterly evaluation of AFS securities in unrealized loss positions, see Item 8 – Note 2 in the 2024 Form 10-K. No amounts were recognized as credit loss expense and no securities were written down to fair value through earnings for the three months ended March 31, 2025 and the year ended December 31, 2024. None of the Company's AFS securities held as of March 31, 2025 and December 31, 2024 had an allowance for credit losses. All HTM securities as of March 31, 2025 and December 31, 2024 were U.S. agency mortgage-backed securities and therefore had no allowance for credit losses because expected nonpayment of the amortized cost basis is zero.

The Company had $418 million and $455 million of accrued interest for AFS and HTM securities as of March 31, 2025 and December 31, 2024, respectively. These amounts are excluded from the amortized cost basis and fair market value of AFS and HTM securities and included in other assets on the condensed consolidated balance sheets. There were no writeoffs of accrued interest receivable on AFS and HTM securities during the three months ended March 31, 2025, or for the year ended December 31, 2024.

(Tabular Amounts in Millions, Except Per Share Data, Ratios, or as Noted)

The following table presents the Company's estimated effective duration, which reflects anticipated future payments, by category at March 31, 2025:

	In years
Estimated effective duration, exclusive of derivatives:	
AFS investment securities portfolio	2.4
AFS and HTM investment securities portfolio	3.9
Estimated effective duration, inclusive of derivatives [(1)]:	
AFS investment securities portfolio	1.9
AFS and HTM investment securities portfolio	3.8

[(1)] See Note 11 for additional discussion on the Company's derivatives.

In the table below, mortgage-backed securities and other asset-backed securities have been allocated to maturity groupings based on final contractual maturities. As borrowers may have the right to call or prepay certain obligations underlying our investment securities, actual maturities may differ from the scheduled contractual maturities presented below.

The maturities of AFS and HTM investment securities are as follows:

March 31, 2025	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years	Total
Available for sale securities					
U.S. agency mortgage-backed securities	$ 1,711	$ 8,087	$ 10,007	$ 29,820	$ 49,625
U.S. Treasury securities	6,766	5,538	—	—	12,304
Corporate debt securities	1,807	3,699	1,492	—	6,998
Asset-backed securities	—	627	1,078	3,188	4,893
U.S. state and municipal securities	2	138	398	16	554
Foreign government agency securities	326	—	—	—	326
Non-agency commercial mortgage-backed securities	—	—	—	110	110
Other	—	—	—	18	18
Total fair value	$ 10,612	$ 18,089	$ 12,975	$ 33,152	$ 74,828
Total amortized cost [(1)]	$ 10,704	$ 19,120	$ 14,137	$ 36,534	$ 80,495
Held to maturity securities					
U.S. agency mortgage-backed securities	$ 1,561	$ 12,870	$ 31,165	$ 87,480	$ 133,076
Total fair value	$ 1,561	$ 12,870	$ 31,165	$ 87,480	$ 133,076
Total amortized cost	$ 1,572	$ 13,484	$ 32,779	$ 95,980	$ 143,815

[(1)] For purposes of this table, the amortized cost of AFS securities excludes the unallocated PLM fair value hedge basis adjustments of $28 million at March 31, 2025.

Proceeds and gross realized gains and losses from sales of AFS investment securities are as follows:

	Three Months Ended March 31,	
	2025	2024
Proceeds	$ 1,621	$ 1,189
Gross realized gains	—	—
Gross realized losses	10	10

(Tabular Amounts in Millions, Except Per Share Data, Ratios, or as Noted)

6. Bank Loans and Related Allowance for Credit Losses

The composition of bank loans and delinquency analysis by portfolio segment and class of financing receivable is as follows:

March 31, 2025	Current	30-59 days past due	60-89 days past due	≥90 days past due and other nonaccrual loans (3)	Total past due and other nonaccrual loans	Total loans	Allowance for credit losses	Total bank loans – net
Residential real estate:								
First Mortgages (1,2)	$ 27,663	$ 38	$ —	$ 20	$ 58	$ 27,721	$ 14	$ 27,707
HELOCs (1,2)	412	1	—	3	4	416	1	415
Total residential real estate	28,075	39	—	23	62	28,137	15	28,122
Pledged asset lines	18,570	32	—	6	38	18,608	—	18,608
Other	396	—	—	1	1	397	6	391
Total bank loans	$ 47,041	$ 71	$ —	$ 30	$ 101	$ 47,142	$ 21	$ 47,121
December 31, 2024								
Residential real estate:								
First Mortgages (1,2)	$ 27,321	$ 37	$ 6	$ 25	$ 68	$ 27,389	$ 14	$ 27,375
HELOCs (1,2)	421	—	—	3	3	424	1	423
Total residential real estate	27,742	37	6	28	71	27,813	15	27,798
Pledged asset lines	17,010	8	—	6	14	17,024	—	17,024
Other	398	—	—	1	1	399	6	393
Total bank loans	$ 45,150	$ 45	$ 6	$ 35	$ 86	$ 45,236	$ 21	$ 45,215

(1) First Mortgages and HELOCs include unamortized premiums and discounts and direct origination costs of $115 million and $112 million at March 31, 2025 and December 31, 2024, respectively.
(2) At both March 31, 2025 and December 31, 2024, 42% of the First Mortgage and HELOC portfolios were concentrated in California. These loans have performed in a manner consistent with the portfolio as a whole.
(3) There were no loans accruing interest that were contractually 90 days or more past due at March 31, 2025 or December 31, 2024.

At March 31, 2025, CSB had pledged the full balance of First Mortgages and HELOCs pursuant to a blanket lien status collateral arrangement to secure borrowing capacity on a secured credit facility with the FHLB (see Note 9).

Changes in the allowance for credit losses on bank loans were as follows:

	First Mortgages	HELOCs	Total residential real estate	Pledged asset lines	Other	Total
Balance at December 31, 2023	$ 32	$ 2	$ 34	$ —	$ 4	$ 38
Charge-offs	—	—	—	—	—	—
Recoveries	—	—	—	—	—	—
Provision for credit losses	(5)	(1)	(6)	—	—	(6)
Balance at March 31, 2024	$ 27	$ 1	$ 28	$ —	$ 4	$ 32
Balance at December 31, 2024	$ 14	$ 1	$ 15	$ —	$ 6	$ 21
Charge-offs	—	—	—	—	—	—
Recoveries	—	—	—	—	—	—
Provision for credit losses	—	—	—	—	—	—
Balance at March 31, 2025	$ 14	$ 1	$ 15	$ —	$ 6	$ 21

Consistent with Schwab's loan charge-off policy for pledged asset lines (PALs) as disclosed in Item 8 – Note 2 of the 2024 Form 10-K, the Company charges off any unsecured balances no later than 90 days past due. As of March 31, 2025, substantially all PALs are also subject to the collateral maintenance practical expedient under ASC 326 *Financial Instruments — Credit Losses*. All PALs were fully collateralized by securities with fair values in excess of borrowings as of March 31, 2025 and December 31, 2024, and no allowance for credit losses for PALs as of those dates was required.

The U.S. economy saw steady hiring and moderating inflation in the first quarter of 2025, but continued to face tight monetary policy and geopolitical unrest amid a backdrop of elevated uncertainty around the economic impact of trade policy. Management's macroeconomic outlook reflects sustained current benchmark lending rates, with unemployment remaining relatively flat and modest home price appreciation. Though higher mortgage rates are softening demand and reducing borrower affordability, we expect constrained housing supply to keep home prices relatively stable. Furthermore, credit quality metrics in the Company's bank loans portfolio remain very strong. As a result of these factors, we held projected loss rates constant at March 31, 2025, as compared to December 31, 2024.

Bank loan-related nonperforming assets consisted of nonaccrual loans of $30 million and $35 million at March 31, 2025 and December 31, 2024, respectively. Nonaccrual loans include nonaccrual troubled debt restructurings recorded prior to the adoption of ASU 2022-02, "*Financial Instruments — Credit Losses*: *Troubled Debt Restructurings and Vintage Disclosures"* on January 1, 2023. At both March 31, 2025 and December 31, 2024, loan modifications to borrowers experiencing financial difficulty were not material.

Credit Quality

In addition to monitoring delinquency, Schwab monitors the credit quality of First Mortgages and HELOCs by stratifying the portfolios by the following:

- Year of origination;
- Borrower Fair Isaac Corporation (FICO) scores at origination (Origination FICO);
- Updated borrower FICO scores (Updated FICO);
- Loan-to-value (LTV) ratios at origination (Origination LTV); and
- Estimated Current LTV ratios (Estimated Current LTV).

Borrowers' FICO scores are provided by an independent third-party credit reporting service and are generally updated quarterly. The Origination LTV and Estimated Current LTV for a HELOC include any first lien mortgage outstanding on the same property at the time of the HELOC's origination. The Estimated Current LTV for each loan is updated on a monthly basis by reference to a home price appreciation index.

(Tabular Amounts in Millions, Except Per Share Data, Ratios, or as Noted)

The credit quality indicators of the Company's First Mortgages and HELOCs are detailed below:

	First Mortgages Amortized Cost Basis by Origination Year									
March 31, 2025	2025	2024	2023	2022	2021	pre-2021	Total First Mortgages	Revolving HELOCs amortized cost basis	HELOCs converted to term loans	Total HELOCs
Origination FICO										
<620	$ —	$ 1	$ —	$ 3	$ 1	$ 1	$ 6	$ —	$ —	$ —
620 – 679	9	23	4	25	29	27	117	—	1	1
680 – 739	75	359	244	712	1,076	554	3,020	48	28	76
≥740	802	3,121	1,830	4,833	9,653	4,339	24,578	239	100	339
Total	$ 886	$ 3,504	$ 2,078	$ 5,573	$ 10,759	$ 4,921	$ 27,721	$ 287	$ 129	$ 416
Origination LTV										
≤70%	$ 616	$ 2,416	$ 1,397	$ 4,131	$ 9,345	$ 4,025	$ 21,930	$ 268	$ 89	$ 357
>70% – ≤90%	270	1,088	681	1,442	1,414	894	5,789	19	39	58
>90% – ≤100%	—	—	—	—	—	2	2	—	1	1
Total	$ 886	$ 3,504	$ 2,078	$ 5,573	$ 10,759	$ 4,921	$ 27,721	$ 287	$ 129	$ 416
Updated FICO										
<620	$ —	$ 5	$ 2	$ 23	$ 19	$ 23	$ 72	$ 2	$ 4	$ 6
620 – 679	10	40	30	58	96	61	295	5	6	11
680 – 739	95	280	207	523	800	395	2,300	46	22	68
≥740	781	3,179	1,839	4,969	9,844	4,442	25,054	234	97	331
Total	$ 886	$ 3,504	$ 2,078	$ 5,573	$ 10,759	$ 4,921	$ 27,721	$ 287	$ 129	$ 416
Estimated Current LTV [1]										
≤70%	$ 607	$ 2,375	$ 1,621	$ 4,926	$ 10,614	$ 4,899	$ 25,042	$ 283	$ 129	$ 412
>70% – ≤90%	279	1,126	454	629	143	21	2,652	4	—	4
>90% – ≤100%	—	3	3	16	1	1	24	—	—	—
>100%	—	—	—	2	1	—	3	—	—	—
Total	$ 886	$ 3,504	$ 2,078	$ 5,573	$ 10,759	$ 4,921	$ 27,721	$ 287	$ 129	$ 416
Gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Percent of Loans on Nonaccrual Status	0.01%	0.01%	0.14%	0.11%	0.03%	0.13%	0.07%	0.10%	2.25%	0.72%

[1] Represents the LTV for the full line of credit (drawn and undrawn) for revolving HELOCs.

(Tabular Amounts in Millions, Except Per Share Data, Ratios, or as Noted)

	First Mortgages Amortized Cost Basis by Origination Year								
December 31, 2024	2024	2023	2022	2021	pre-2021	Total First Mortgages	Revolving HELOCs amortized cost basis	HELOCs converted to term loans	Total HELOCs
Origination FICO									
<620	$ 1	$ —	$ 2	$ 1	$ 2	$ 6	$ —	$ —	$ —
620 – 679	24	4	26	29	28	111	—	1	1
680 – 739	361	249	724	1,091	576	3,001	47	30	77
≥740	3,203	1,895	4,902	9,796	4,475	24,271	241	105	346
Total	$ 3,589	$ 2,148	$ 5,654	$ 10,917	$ 5,081	$ 27,389	$ 288	$ 136	$ 424
Origination LTV									
≤70%	$ 2,471	$ 1,445	$ 4,197	$ 9,479	$ 4,159	$ 21,751	$ 267	$ 95	$ 362
>70% – ≤90%	1,118	703	1,457	1,438	920	5,636	21	40	61
>90% – ≤100%	—	—	—	—	2	2	—	1	1
Total	$ 3,589	$ 2,148	$ 5,654	$ 10,917	$ 5,081	$ 27,389	$ 288	$ 136	$ 424
Updated FICO									
<620	$ —	$ 3	$ 25	$ 15	$ 21	$ 64	$ 1	$ 5	$ 6
620 – 679	34	31	74	97	74	310	6	7	13
680 – 739	339	191	574	871	435	2,410	48	24	72
≥740	3,216	1,923	4,981	9,934	4,551	24,605	233	100	333
Total	$ 3,589	$ 2,148	$ 5,654	$ 10,917	$ 5,081	$ 27,389	$ 288	$ 136	$ 424
Estimated Current LTV (1)									
≤70%	$ 2,402	$ 1,660	$ 4,942	$ 10,747	$ 5,057	$ 24,808	$ 285	$ 136	$ 421
>70% – ≤90%	1,187	487	693	166	20	2,553	3	—	3
>90% – ≤100%	—	1	17	3	4	25	—	—	—
>100%	—	—	2	1	—	3	—	—	—
Total	$ 3,589	$ 2,148	$ 5,654	$ 10,917	$ 5,081	$ 27,389	$ 288	$ 136	$ 424
Gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Percent of Loans on Nonaccrual Status	0.01%	0.12%	0.16%	0.04%	0.18%	0.09%	0.07%	2.33%	0.71%

(1) Represents the LTV for the full line of credit (drawn and undrawn) for revolving HELOCs.

At March 31, 2025, $23.4 billion of First Mortgage loans had adjustable interest rates. Substantially all of these mortgages have initial fixed interest rates for three to ten years and interest rates that typically adjust every six to twelve months pursuant to the terms of the loan thereafter. Approximately 25% of the balance of these mortgages consisted of loans with interest-only payment terms. The interest rates on approximately 78% of the balance of these interest-only loans are not scheduled to reset for three or more years.

At March 31, 2025 and December 31, 2024, Schwab had $180 million and $171 million, respectively, of accrued interest on bank loans, which is excluded from the amortized cost basis of bank loans and included in other assets on the condensed consolidated balance sheets.

The HELOC product has a 30-year loan term with an initial draw period of ten years from the date of origination. After the initial draw period, the balance outstanding at such time is converted to a 20-year amortizing loan. The interest rate during the initial draw period and the 20-year amortizing period is a floating-rate based on the prime rate plus a margin.

(Tabular Amounts in Millions, Except Per Share Data, Ratios, or as Noted)

The following table presents when current outstanding HELOCs will convert to amortizing loans:

March 31, 2025	Balance
Converted to an amortizing loan by period end (1)	$ 129
Within 1 year	18
> 1 year – 3 years	37
> 3 years – 5 years	36
> 5 years	196
Total	$ 416

(1) Includes $3 million of HELOCs converted to amortizing loans during the three months ended March 31, 2025.

At March 31, 2025, $329 million of the HELOC portfolio was secured by second liens on the associated properties. Second lien mortgage loans typically possess a higher degree of credit risk given the subordination to the first lien holder in the event of default. In addition to the credit monitoring activities described previously, Schwab also monitors credit risk by reviewing the delinquency status of the first lien loan on the associated property. At March 31, 2025, the borrowers on approximately 61% of HELOC loan balances outstanding only paid the minimum amount due.

7. Variable Interest Entities

As of March 31, 2025 and December 31, 2024, substantially all of Schwab's involvement with variable interest entities (VIEs) is through CSB's Community Reinvestment Act (CRA) related investments and most of these are related to Low-Income Housing Tax Credit (LIHTC) investments. As part of CSB's community reinvestment initiatives, CSB invests in funds that make equity investments in multifamily affordable housing properties and receives tax credits and other tax benefits for these investments. During the three months ended March 31, 2025 and 2024, CSB recorded amortization of $47 million and $42 million, respectively, and recognized tax credits and other tax benefits of $61 million and $53 million, respectively, associated with these investments. The amortization, as well as the tax credits and other tax benefits, are included in taxes on income on the condensed consolidated statements of income. Tax credits and other tax benefits are reflected as cash flows from operating activities on the condensed consolidated statements of cash flows.

Aggregate assets, liabilities, and maximum exposure to loss

The aggregate assets, liabilities, and maximum exposure to loss from those VIEs in which Schwab holds a variable interest, but is not the primary beneficiary, are summarized in the table below:

	March 31, 2025			December 31, 2024		
	Aggregate assets	Aggregate liabilities	Maximum exposure to loss	Aggregate assets	Aggregate liabilities	Maximum exposure to loss
LIHTC investments (1)	$ 1,792	$ 972	$ 1,792	$ 1,729	$ 947	$ 1,729
Other investments (2)	235	—	343	224	—	340
Total	$ 2,027	$ 972	$ 2,135	$ 1,953	$ 947	$ 2,069

(1) Aggregate assets and aggregate liabilities are included in other assets and accrued expenses and other liabilities, respectively, on the condensed consolidated balance sheets.
(2) Other investments include non-LIHTC CRA investments that are accounted for as loans at amortized cost, equity method investments, AFS securities, or using the adjusted cost method. Aggregate assets are included in AFS securities, bank loans – net, or other assets on the condensed consolidated balance sheets.

Schwab's maximum exposure to loss would result from the loss of the investments, including any committed amounts. Schwab's funding of these remaining commitments is dependent upon the occurrence of certain conditions, and Schwab expects to pay substantially all of these commitments between 2025 and 2028. During the three months ended March 31, 2025 and year ended December 31, 2024, Schwab did not provide or intend to provide financial or other support to the VIEs that it was not contractually required to provide.

(Tabular Amounts in Millions, Except Per Share Data, Ratios, or as Noted)

8. Bank Deposits

Bank deposits consist of interest-bearing and non-interest-bearing deposits as follows:

	March 31, 2025	December 31, 2024
Interest-bearing deposits:		
Deposits swept from brokerage accounts	$ 203,870	$ 210,575
Time certificates of deposit [1]	21,104	27,701
Checking	16,016	15,593
Savings and other	3,782	4,015
Total interest-bearing deposits	244,772	257,884
Non-interest-bearing deposits	1,388	1,237
Total bank deposits	$ 246,160	$ 259,121

[1] Time certificates of deposit consist of brokered CDs. The weighted-average interest rates on outstanding time certificates of deposit at March 31, 2025 and December 31, 2024 were 4.82% and 4.90%, respectively. As of March 31, 2025 and December 31, 2024, there were no time deposits that were in excess of FDIC insurance limits or otherwise uninsured.

Time certificates of deposit outstanding at March 31, 2025 mature between April 2025 and November 2025.

9. Borrowings

CSC Senior Notes

CSC's Senior Notes are unsecured obligations. CSC may redeem some or all of the Senior Notes of each series prior to their maturity, subject to certain restrictions, and the payment of an applicable make-whole premium in certain instances. Interest is payable semi-annually for the fixed-rate Senior Notes and quarterly for the floating-rate Senior Notes. Interest for the fixed-to-floating rate Senior Notes is payable semi-annually during the fixed-rate period of the notes and quarterly during the floating-rate period of the notes.

Ameritrade Holding Senior Notes

Ameritrade Holding's Senior Notes are unsecured obligations. Ameritrade Holding may redeem some or all of the Senior Notes of each series prior to their maturity, subject to certain restrictions, and the payment of an applicable make-whole premium in certain instances. Interest is payable semi-annually for the fixed-rate Senior Notes.

(Tabular Amounts in Millions, Except Per Share Data, Ratios, or as Noted)

The following table lists long-term debt by instrument outstanding as of March 31, 2025 and December 31, 2024:

	Date of Issuance	Principal Amount Outstanding March 31, 2025	Principal Amount Outstanding December 31, 2024
CSC Fixed-rate Senior Notes:			
3.000% due March 10, 2025	03/10/15	$ —	$ 375
4.200% due March 24, 2025	03/24/20	—	600
3.625% due April 1, 2025	09/24/21	418	418
3.850% due May 21, 2025	05/22/18	750	750
3.450% due February 13, 2026	11/13/15	350	350
0.900% due March 11, 2026	12/11/20	1,250	1,250
1.150% due May 13, 2026	05/13/21	1,000	1,000
5.875% due August 24, 2026	08/24/23	1,000	1,000
3.200% due March 2, 2027	03/02/17	650	650
2.450% due March 3, 2027	03/03/22	1,500	1,500
3.300% due April 1, 2027	09/24/21	744	744
3.200% due January 25, 2028	12/07/17	700	700
2.000% due March 20, 2028	03/18/21	1,250	1,250
4.000% due February 1, 2029	10/31/18	600	600
3.250% due May 22, 2029	05/22/19	600	600
2.750% due October 1, 2029	09/24/21	475	475
4.625% due March 22, 2030	03/24/20	500	500
1.650% due March 11, 2031	12/11/20	750	750
2.300% due May 13, 2031	05/13/21	750	750
1.950% due December 1, 2031	08/26/21	850	850
2.900% due March 3, 2032	03/03/22	1,000	1,000
CSC Floating-rate Senior Notes:			
SOFR + 0.520% due May 13, 2026	05/13/21	500	500
SOFR + 1.050% due March 3, 2027	03/03/22	500	500
CSC Fixed-to-Floating rate Senior Notes:			
5.643% due May 19, 2029 (1)	05/19/23	1,200	1,200
6.196% due November 17, 2029 (2)	11/17/23	1,300	1,300
5.853% due May 19, 2034 (3)	05/19/23	1,300	1,300
6.136% due August 24, 2034 (4)	08/24/23	1,350	1,350
Total CSC Senior Notes		21,287	22,262
Ameritrade Holding Fixed-rate Senior Notes:			
3.625% due April 1, 2025	10/22/14	82	82
3.300% due April 1, 2027	04/27/17	56	56
2.750% due October 1, 2029	08/16/19	25	25
Total Ameritrade Holding Senior Notes		163	163
Finance lease liabilities		43	49
Unamortized premium — net		46	54
Debt issuance costs		(86)	(93)
Fair value hedging basis adjustments (5)		18	(7)
Total long-term debt		$ 21,471	$ 22,428

(1) The May 2029 fixed-to-floating rate Senior Notes bear interest at a fixed rate of 5.643%, payable semi-annually, until the interest reset date on May 19, 2028. On and after this date, these notes will bear interest at an annual floating rate of SOFR plus 2.210%, payable quarterly.

(2) The November 2029 fixed-to-floating rate Senior Notes bear interest at a fixed rate of 6.196%, payable semi-annually, until the interest reset date on November 17, 2028. On and after this date, these notes will bear interest at an annual floating rate of SOFR plus 1.878%, payable quarterly.

(3) The May 2034 fixed-to-floating rate Senior Notes bear interest at a fixed rate of 5.853%, payable semi-annually, until the interest reset date on May 19, 2033. On and after this date, these notes will bear interest at an annual floating rate of SOFR plus 2.500%, payable quarterly.

(4) The August 2034 fixed-to-floating rate Senior Notes bear interest at a fixed rate of 6.136%, payable semi-annually, until the interest reset date on August 24, 2033. On and after this date, these notes will bear interest at an annual floating rate of SOFR plus 2.010%, payable quarterly.

(5) This represents the amount of fair value hedge basis adjustments related to Senior Notes hedged. See Note 11 for more information on hedging of Senior Notes.

(Tabular Amounts in Millions, Except Per Share Data, Ratios, or as Noted)

Annual maturities on all long-term debt outstanding at March 31, 2025 are as follows:

	Maturities
2025	$ 1,268
2026	4,112
2027	3,463
2028	1,950
2029	4,200
Thereafter	6,500
Total maturities	21,493
Unamortized premium — net	46
Debt issuance costs	(86)
Fair value hedging basis adjustments [1]	18
Total long-term debt	$ 21,471

[1] This represents the amount of fair value hedge basis adjustments related to long-term debt hedged. See Note 11 for more information on hedging of long-term debt.

FHLB borrowings: Our banking subsidiaries maintain secured credit facilities with the FHLB. Amounts available under these facilities are dependent on the amount of bank loans and the value of certain investment securities that are pledged as collateral. There was $11.5 billion and $16.7 billion outstanding under these facilities as of March 31, 2025 and December 31, 2024, respectively, and these borrowings had a weighted-average interest rate of 4.60% and 5.11%, respectively. As of March 31, 2025 and December 31, 2024, the collateral pledged provided additional borrowing capacity of $65.0 billion and $59.8 billion, respectively.

Other short-term borrowings: Total other short-term borrowings outstanding at March 31, 2025 and December 31, 2024 were $6.9 billion and $6.0 billion, respectively, and had a weighted-average interest rate of 4.65% and 5.21%, respectively. Additional information regarding our other short-term borrowings facilities is described below.

The Company may engage with external financial institutions and the FICC in repurchase agreements collateralized by investment securities as another source of short-term liquidity. The Company had $5.5 billion outstanding pursuant to such repurchase agreements at March 31, 2025 and December 31, 2024, respectively. Repurchase agreements outstanding at March 31, 2025 mature between April 2025 and August 2025.

Our banking subsidiaries have access to funding through the Federal Reserve discount window. Amounts available are dependent upon the value of certain investment securities that are pledged as collateral. As of March 31, 2025 and December 31, 2024, our collateral pledged provided total borrowing capacity of $30.4 billion and $30.5 billion, respectively, of which no amounts were outstanding at the end of either period.

CSC has the ability to issue up to $5.0 billion of commercial paper notes with maturities of up to 270 days. There was $950 million gross par value before discount of $15 million outstanding at March 31, 2025, and no amounts outstanding at December 31, 2024. CSC and CS&Co also have access to unsecured uncommitted lines of credit with external banks with total borrowing capacity of $1.7 billion; no amounts were outstanding as of March 31, 2025 or December 31, 2024.

CS&Co maintains secured uncommitted lines of credit, under which CS&Co may borrow on a short-term basis and pledge either client margin securities or firm securities as collateral, based on the terms of the agreements, under which there was $500 million outstanding at March 31, 2025 and December 31, 2024, respectively.

Annual maturities on FHLB borrowings and other short-term borrowings outstanding at March 31, 2025 are as follows:

	2025
FHLB borrowings	$ 11,500
Other short-term borrowings	6,927
Total	$ 18,427

(Tabular Amounts in Millions, Except Per Share Data, Ratios, or as Noted)

10. Commitments and Contingencies

Loan portfolio: CSB provides a co-branded loan origination program for CSB clients (the Program) with Rocket Mortgage, LLC. Pursuant to the Program, Rocket Mortgage, LLC originates and services First Mortgages and HELOCs for CSB clients. Under the Program, CSB purchases certain First Mortgages and HELOCs that are originated by Rocket Mortgage, LLC. CSB purchased First Mortgages of $963 million and $680 million during the first quarter of 2025 and 2024, respectively. CSB purchased HELOCs with commitments of $50 million and $36 million during the first quarter of 2025 and 2024, respectively.

The Company's commitments to extend credit on lines of credit and to purchase First Mortgages are as follows:

	March 31, 2025	December 31, 2024
Commitments to extend credit related to unused HELOCs, PALs, and other lines of credit	$ 1,900	$ 1,895
Commitments to purchase First Mortgage loans	833	511
Total	$ 2,733	$ 2,406

Guarantees and indemnifications: Schwab has clients that sell (i.e., write) listed option contracts that are cleared by the Options Clearing Corporation – a clearing house that establishes margin requirements on these transactions. We satisfy the margin requirements of these transactions through pledging certain client securities. For additional information on these pledged securities, refer to Note 12. In connection with its securities lending activities, Schwab is required to provide collateral to certain brokerage clients. The Company satisfies the collateral requirements by providing cash as collateral.

The Company also provides guarantees to securities clearing houses and exchanges under standard membership agreements, which require members to guarantee the performance of other members. Under the agreements, if another member becomes unable to satisfy its obligations to the clearing houses and exchanges, other members would be required to meet shortfalls. The Company's liability under these arrangements is not quantifiable and may exceed the amounts it has posted as collateral. The Company also engages third-party firms to clear clients' futures and options on futures transactions and to facilitate clients' foreign exchange trading, and has agreed to indemnify these firms for any losses that they may incur from the client transactions introduced to them by the Company. The potential requirement for the Company to make payments under these arrangements is remote. Accordingly, no liability has been recognized for these guarantees and indemnifications.

IDA agreement: The 2023 IDA agreement with the TD Depository Institutions specifies responsibilities, including certain contingent obligations, of the Company. Pursuant to the 2023 IDA agreement, uninvested cash within eligible brokerage client accounts is swept off-balance sheet to deposit accounts at the TD Depository Institutions. Schwab provides recordkeeping and support services to the TD Depository Institutions with respect to the deposit accounts for which Schwab receives an aggregate monthly fee. Under the 2023 IDA agreement, the service fee on client cash deposits held at the TD Depository Institutions is 15 basis points. The Company's ability to migrate these balances to its balance sheet is dependent on multiple factors including having sufficient capital levels to sustain these incremental deposits and certain binding limitations specified in the 2023 IDA agreement. During the first three months of 2025, Schwab did not move IDA balances to its balance sheet.

The 2023 IDA agreement extended the agreement term to sweep balances to the TD Depository Institutions through July 1, 2034, and requires that Schwab maintain minimum and maximum IDA balances as follows:

- Through September 10, 2025, Schwab must maintain minimum balances above the total of then-outstanding unmatured fixed-rate obligation amounts, with a maximum of $30 billion above this total amount. During this period, withdrawals of IDA balances by Schwab are generally permitted only to the extent of withdrawals initiated by Schwab customers, with limited exceptions, except to the extent necessary for Schwab to maintain balances below the applicable maximum.
- After September 10, 2025, withdrawals of IDA balances are permitted at Schwab's discretion, subject to an obligation to maintain IDA balances above a minimum of $60 billion, with a maximum of $90 billion.

Designation of deposit balances for investment in fixed- or floating-rate instruments under the 2023 IDA agreement is at Schwab's sole discretion with certain limitations on the amount of fixed-rate obligation amounts. If IDA balances decline below the required IDA balance minimum as described above, Schwab would be required to make a nonperformance payment to the TD Depository Institutions pursuant to the terms of the 2023 IDA agreement.

As of March 31, 2025, the total ending IDA balance was $83.7 billion, of which $64.9 billion was fixed-rate obligation amounts and $18.8 billion was floating-rate obligation amounts. As of December 31, 2024, the total ending IDA balance was $87.6 billion, of which $66.6 billion was fixed-rate obligation amounts and $21.0 billion was floating-rate obligation amounts.

Legal contingencies: Schwab is subject to claims and lawsuits in the ordinary course of business, including arbitrations, class actions and other litigation, some of which include claims for substantial or unspecified damages. The Company is also the subject of inquiries, investigations, and proceedings by regulatory and other governmental agencies.

Predicting the outcome of a litigation or regulatory matter is inherently difficult, requiring significant judgment and evaluation of various factors, including the procedural status of the matter and any recent developments; prior experience and the experience of others in similar cases; available defenses, including potential opportunities to dispose of a case on the merits or procedural grounds before trial (e.g., motions to dismiss or for summary judgment); the progress of fact discovery; the opinions of counsel and experts regarding potential damages; and potential opportunities for settlement and the status of any settlement discussions. It may not be reasonably possible to estimate a range of potential liability until the matter is closer to resolution – pending, for example, further proceedings, the outcome of key motions or appeals, or discussions among the parties. Numerous issues may have to be developed, such as discovery of important factual matters and determination of threshold legal issues, which may include novel or unsettled questions of law. Reserves are established or adjusted or further disclosure and estimates of potential loss are provided as the matter progresses and more information becomes available.

Schwab believes it has strong defenses in all significant matters currently pending and is contesting liability and any damages claimed. Nevertheless, some of these matters may result in adverse judgments or awards, including penalties, injunctions or other relief, and the Company may also determine to settle a matter because of the uncertainty and risks of litigation. Described below are any matters in which there is a reasonable possibility that a material loss could be incurred or where the matter may otherwise be of significant interest to stockholders. Unless otherwise noted, the Company is unable to provide a reasonable estimate of any potential liability given the stage of proceedings in the matter. With respect to all other pending matters, based on current information and consultation with counsel, it does not appear reasonably possible that the outcome of any such matter would be material to the financial condition, operating results, or cash flows of the Company.

Corrente Antitrust Litigation: On June 6, 2022, CSC was sued in the U.S. District Court for the Eastern District of Texas on behalf of a putative class of customers who purchased or sold securities through CS&Co or TD Ameritrade, Inc. (now Ameritrade of New York, Inc.) from October 26, 2020 to the present. The lawsuit alleges that CSC's acquisition of Ameritrade violated Section 7 of the Clayton Act because it has resulted in an anticompetitive market for the execution of retail customer orders. Plaintiffs seek unspecified damages, as well as injunctive and other relief. A motion by the Company to dismiss the lawsuit was denied by the court on February 24, 2023. On December 12, 2024, the parties filed a joint stipulation proposing a settlement of the lawsuit on a class basis under which defendants would commit to certain non-monetary undertakings and payments of plaintiffs' attorneys' fees and costs in an amount that would be immaterial. Approval of the settlement remains pending with the court.

11. Derivative Instruments and Hedging Activities

Risk Management Objective of Using Derivatives

The Company utilizes derivative instruments to manage interest rate risk exposures that arise from business activities related to changes in fair values or the receipt and payment of future known and uncertain cash amounts due to changes in interest rates. The Company uses derivative instruments to manage changes in the fair values of, as well as changes in the amounts and/or timing of known or expected cash receipts and payments related to, our AFS investment portfolio and Senior Notes.

For a description of how the Company accounts for derivative instruments, see Item 8 – Note 2 in the 2024 Form 10-K. For additional information on the basis of presentation for derivative instruments on the Company's condensed consolidated balance sheets and related offsetting considerations, see Note 12. Cash flows associated with derivative instruments are reflected as cash flows from operating activities in the condensed consolidated statements of cash flows consistent with the treatment and nature of the items being hedged.

Fair Value Hedges of Interest Rate Risk

The Company is exposed to changes in the fair value of its fixed-rate AFS securities and Senior Notes, as well as its fixed-to-floating rate Senior Notes during the fixed-rate period, due to changes in benchmark interest rates. The Company uses cleared interest rate swaps to manage its exposure to changes in fair value of these instruments attributable to changes in the designated benchmark interest rate. Cleared interest rate swaps designated as fair value hedges of AFS securities involve the payment of fixed-rate amounts to a CCP in exchange for the Company receiving floating-rate payments over the life of the agreements.

(Tabular Amounts in Millions, Except Per Share Data, Ratios, or as Noted)

Cleared interest rate swaps designated as fair value hedges of Senior Notes involve the receipt of fixed-rate amounts from a CCP in exchange for the Company's floating-rate payments over the life of the agreements.

The Company had outstanding interest rate swaps with aggregate notional amounts of $33.9 billion and $30.9 billion at March 31, 2025 and December 31, 2024, respectively, that were designated as fair value hedges of interest rate risk. The notional amount is the basis upon which the pay-fixed/receive-float and receive-fixed/pay-float payments are determined; however, the amount is not exchanged.

Fair Values of Derivative Instruments

The table below presents the gross fair values of the Company's interest rate swaps designated as hedging instruments on the condensed consolidated balance sheets:

	March 31, 2025		December 31, 2024	
	Assets	Liabilities	Assets	Liabilities
Interest rate swaps [1,2]	$ 2	$ 1	$ —	$ —

[1] Derivative assets are included in other assets and derivative liabilities are included in accrued expenses and other liabilities on the condensed consolidated balance sheets. Amounts were less than $500 thousand as of December 31, 2024.
[2] Includes reductions related to variation margin settlements. Settlements on derivative positions cleared through CCPs are reflected as reductions to the associated derivative asset and liability balances. As of March 31, 2025, there was a $191 million reduction of derivative assets and a $42 million reduction of derivative liabilities related to variation margin settlements. As of December 31, 2024, there was a $295 million reduction of derivative assets and a $10 million reduction of derivative liabilities related to variation margin settlements.

Effects of Fair Value Hedge Accounting

The following amounts are included on the condensed consolidated balance sheets related to fair value hedges:

	Carrying Amount of the Hedged Assets/(Liabilities)		Cumulative Fair Value Hedging Adjustment Included in the Carrying Amount of the Hedged Assets and Liabilities	
	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024
Line item in which the hedged item is included:				
Available for sale securities [1,2]	$ 15,078	$ 15,686	$ (131)	$ (292)
Long-term debt	$ (18,749)	$ (14,908)	$ (18)	$ 7

[1] Includes the amortized cost basis of closed portfolios of AFS securities used to designate hedging relationships in which the hedged item is the stated amount of assets in the closed portfolios anticipated to be outstanding for the designated hedge period. At March 31, 2025 and December 31, 2024, the amortized cost basis of the closed portfolios used in these hedging relationships was $2.4 billion and $2.5 billion, respectively, of which $2.0 billion was designated in a portfolio layer hedging relationship at both March 31, 2025 and December 31, 2024. The cumulative basis adjustments associated with these hedging relationships were a reduction of the amortized cost basis of the closed portfolios of $28 million and $47 million at March 31, 2025 and December 31, 2024, respectively.
[2] Excludes the amortized cost and fair value hedging adjustment of AFS securities for which hedge accounting has been discontinued. The cumulative amount of fair value hedging adjustments remaining for these securities was a reduction of the amortized cost basis of $2 million at March 31, 2025 and December 31, 2024, which is recorded in AFS securities on the condensed consolidated balance sheets and amortized to interest revenue as a yield adjustment over the lives of the securities.

The table below presents the effect of the Company's interest rate swaps on the condensed consolidated statements of income:

	Location and Amount of Gain (Loss) Recognized in Income			
	Interest Revenue		Interest Expense	
Three Months Ended March 31,	2025	2024	2025	2024
Gain (loss) on fair value hedging relationships:				
Hedged items	$ 161	$ (157)	$ (25)	$ —
Derivatives designated as hedging instruments [1]	(161)	157	27	—

[1] Interest revenue excludes net income (expense) from periodic interest accruals and receipts (payments) of $18 million and $3 million for the three months ended March 31, 2025 and 2024, respectively. Interest expense excludes net income (expense) from periodic interest accruals and receipts (payments) of $(10) million for the three months ended March 31, 2025.

12. Financial Instruments Subject to Off-Balance Sheet Credit Risk

Resale agreements: Schwab enters into collateralized resale agreements principally with other broker-dealers, which could result in losses in the event the counterparty fails to purchase the securities held as collateral for the cash advanced and the fair value of the securities declines. To mitigate this risk, Schwab requires that the counterparty deliver securities to a custodian, to be held as collateral, with a fair value at or in excess of the resale price. Schwab also sets standards for the credit quality of the counterparty, monitors the fair value of the underlying securities as compared to the related receivable, including accrued interest, and requires additional collateral where deemed appropriate. The collateral provided under these resale agreements is utilized to meet obligations under broker-dealer client protection rules, which place limitations on our ability to access such segregated securities. For Schwab to repledge or sell this collateral, we would be required to deposit cash and/or securities of an equal amount into our segregated reserve bank accounts in order to meet our segregated cash and investments requirement. Schwab's resale agreements as of March 31, 2025 and December 31, 2024 were not subject to master netting arrangements.

Securities lending: Schwab loans brokerage client securities temporarily to other broker-dealers and clearing houses in connection with its securities lending activities and receives cash as collateral for the securities loaned. Increases in security prices may cause the fair value of the securities loaned to exceed the amount of cash received as collateral. In the event a counterparty to these transactions does not return the loaned securities or provide additional cash collateral, we may be exposed to the risk of acquiring the securities at prevailing market prices in order to satisfy our client obligations. Schwab mitigates this risk by requiring credit approvals for counterparties, monitoring the fair value of securities loaned, and requiring additional cash as collateral when necessary. In addition, most of our securities lending transactions are through a program with a clearing organization, which guarantees the return of cash to us. We also borrow securities from other broker-dealers to fulfill short sales by brokerage clients and deliver cash to the lender in exchange for the securities. The fair value of these borrowed securities was $550 million and $674 million at March 31, 2025 and December 31, 2024, respectively. Our securities lending transactions are subject to enforceable master netting arrangements with other broker-dealers; however, we do not net securities lending transactions. Therefore, the securities loaned and securities borrowed are presented gross in the condensed consolidated balance sheets.

Repurchase agreements: Schwab enters into collateralized repurchase agreements with external financial institutions and the FICC in which the Company sells securities and agrees to repurchase these securities on a specified future date at a stated repurchase price. These repurchase agreements are collateralized by investment securities with a fair value equal to or in excess of the secured borrowing liability. Decreases in security prices posted as collateral for repurchase agreements may require Schwab to transfer cash and/or additional securities deemed acceptable by the counterparty. To mitigate this risk, Schwab monitors the fair value of underlying securities pledged as collateral compared to the related liability. Our collateralized repurchase agreements with each external financial institution are considered to be enforceable master netting arrangements. However, we do not net these arrangements. As such, the secured short-term borrowings associated with these collateralized repurchase agreements are presented gross in the condensed consolidated balance sheets.

Interest rate swaps: Schwab uses interest rate swaps to manage certain interest rate risk exposures. Schwab's interest rate swaps are cleared through CCPs which require the Company to post initial margin as collateral against potential losses. Schwab pledges investment securities as collateral in order to meet the CCP's initial margin requirements. Initial margin is posted through FCMs which serve as the intermediary between CCPs and Schwab. Our interest rate swaps are subject to enforceable master netting arrangements allowing a right of setoff within each FCM-CCP relationship; however, we do not net these positions. Therefore, interest rate swaps are presented gross in the condensed consolidated balance sheets. See Note 11 for additional information on the Company's interest rate swaps.

(Tabular Amounts in Millions, Except Per Share Data, Ratios, or as Noted)

The following table presents information about our interest rate swaps, resale agreements, securities lending, repurchase agreements, and other activity depicting the potential effect of rights of setoff between these recognized assets and liabilities:

	Gross Assets/ Liabilities	Gross Amounts Offset in the Condensed Consolidated Balance Sheets	Net Amounts Presented in the Condensed Consolidated Balance Sheets	Gross Amounts Not Offset in the Condensed Consolidated Balance Sheets: Counterparty Offsetting	Gross Amounts Not Offset in the Condensed Consolidated Balance Sheets: Collateral	Net Amount
March 31, 2025						
Assets						
Resale agreements [1]	$ 14,302	$ —	$ 14,302	$ —	$ (14,302) [2]	$ —
Securities borrowed [3]	564	—	564	(555)	(9)	—
Interest rate swaps [4]	2	—	2	—	— [5]	2
Total	$ 14,868	$ —	$ 14,868	$ (555)	$ (14,311)	$ 2
Liabilities						
Repurchase agreements [6]	$ 5,492	$ —	$ 5,492	$ —	$ (5,492)	$ —
Securities loaned [7]	14,661	—	14,661	(555)	(13,461)	645
Secured short-term borrowings [8]	500	—	500	—	(500)	—
Interest rate swaps [4]	1	—	1	—	(1) [5]	—
Total	$ 20,654	$ —	$ 20,654	$ (555)	$ (19,454)	$ 645
December 31, 2024						
Assets						
Resale agreements [1]	$ 10,075	$ —	$ 10,075	$ —	$ (10,075) [2]	$ —
Securities borrowed [3]	695	—	695	(617)	(77)	1
Interest rate swaps [4]	—	—	—	—	— [5]	—
Total	$ 10,770	$ —	$ 10,770	$ (617)	$ (10,152)	$ 1
Liabilities						
Repurchase agreements [6]	$ 5,499	$ —	$ 5,499	$ —	$ (5,499)	$ —
Securities loaned [7]	13,068	—	13,068	(617)	(11,795)	656
Secured short-term borrowings [8]	500	—	500	—	(500)	—
Interest rate swaps [4]	—	—	—	—	— [5]	—
Total	$ 19,067	$ —	$ 19,067	$ (617)	$ (17,794)	$ 656

(1) Included in cash and investments segregated and on deposit for regulatory purposes in the condensed consolidated balance sheets.

(2) Actual collateral was greater than or equal to the value of the related assets. At March 31, 2025 and December 31, 2024, the fair value of collateral received in connection with resale agreements that are available to be repledged or sold was $14.6 billion and $10.3 billion, respectively.

(3) Included in receivables from brokers, dealers, and clearing organizations in the condensed consolidated balance sheets.

(4) Derivative assets are included in other assets and derivative liabilities are included in accrued expenses and other liabilities in the condensed consolidated balance sheets. Amounts were less than $500 thousand as of December 31, 2024.

(5) At March 31, 2025 and December 31, 2024, the fair value of initial margin pledged as collateral related to interest rate swaps was $371 million and $378 million, respectively. See Notes 5 and 11 for additional information.

(6) Included in other short-term borrowings in the condensed consolidated balance sheets. Actual collateral value was greater than or equal to the value of the related liabilities. At March 31, 2025 and December 31, 2024, the fair value of collateral pledged in connection with repurchase agreements was $5.8 billion and $5.9 billion, respectively. See Note 9 for additional information.

(7) Included in payables to brokers, dealers, and clearing organizations in the condensed consolidated balance sheets. Securities loaned are predominantly comprised of equity securities held in client brokerage accounts. At March 31, 2025, $9.4 billion of securities loaned had overnight and continuous remaining contractual maturities and $5.3 billion of securities loaned had contractual maturities of 35 - 95 days. At December 31, 2024, $8.8 billion of securities loaned had overnight and continuous remaining contractual maturities and $4.3 billion of securities loaned had contractual maturities of 35 - 95 days. The cash collateral received from counterparties under securities lending transactions was equal to or greater than the market value of the securities loaned at March 31, 2025 and December 31, 2024.

(8) Included in other short-term borrowings in the condensed consolidated balance sheets. See below for collateral pledged and Note 9 for additional information.

(Tabular Amounts in Millions, Except Per Share Data, Ratios, or as Noted)

Margin lending: Clients with margin loans have agreed to allow Schwab to pledge collateralized securities in their brokerage accounts in accordance with federal regulations. The following table summarizes the fair value of client securities that were available, under such regulations, that could have been used as collateral, as well as the fair value of securities that we had pledged to third parties under such regulations and from securities borrowed transactions:

	March 31, 2025	December 31, 2024
Fair value of client securities available to be pledged	$ 115,840	$ 116,258
Fair value of securities pledged for:		
Fulfillment of requirements with the Options Clearing Corporation (1)	$ 24,733	$ 24,011
Fulfillment of client short sales	4,802	5,179
Securities lending to other broker-dealers	13,863	12,282
Collateral for secured short-term borrowings	641	618
Total collateral pledged to third parties	$ 44,039	$ 42,090

Note: Excludes amounts available and pledged for securities lending from fully-paid client securities. The fair value of fully-paid client securities available and pledged was $138 million and $105 million at March 31, 2025 and December 31, 2024, respectively.

(1) Securities pledged to fulfill client margin requirements for open option contracts established with the Options Clearing Corporation.

13. Fair Values of Assets and Liabilities

Assets and Liabilities Measured at Fair Value on a Recurring Basis

Schwab's assets and liabilities measured at fair value on a recurring basis include: certain cash equivalents, certain investments segregated and on deposit for regulatory purposes, AFS securities, certain other assets, interest rate swaps, and certain accrued expenses and other liabilities. The Company uses the market approach to determine the fair value of assets and liabilities. When available, the Company uses quoted prices in active markets to measure the fair value of assets and liabilities. Quoted prices for investments in exchange-traded securities represent end-of-day close prices published by exchanges. Quoted prices for money market funds and other mutual funds represent reported net asset values. When utilizing market data and bid-ask spread, the Company uses the price within the bid-ask spread that best represents fair value. When quoted prices in active markets do not exist, the Company uses prices obtained from independent third-party pricing services to measure the fair value of investment assets, and we generally obtain prices from three independent third-party pricing sources for such assets recorded at fair value.

Our primary independent pricing service provides prices for our fixed income investments such as commercial paper; certificates of deposit; U.S. government and agency securities; state and municipal securities; corporate debt securities; asset-backed securities; foreign government agency securities; and non-agency commercial mortgage-backed securities. Such prices are based on observable trades, broker/dealer quotes, and discounted cash flows that incorporate observable information such as yields for similar types of securities (a benchmark interest rate plus observable spreads) and weighted-average maturity for the same or similar "to-be-issued" securities. We compare the prices obtained from the primary independent pricing service to the prices obtained from the additional independent pricing services to determine if the price obtained from the primary independent pricing service is reasonable. Schwab does not adjust the prices received from independent third-party pricing services unless such prices are inconsistent with the definition of fair value and result in material differences in the amounts recorded.

Liabilities measured at fair value on a recurring basis include interest rate swaps, securities sold but not yet purchased, and repurchase liabilities related to client-held fractional shares of equities, ETFs, and other securities, which are included in other assets on the condensed consolidated balance sheets. The fair values of securities sold but not yet purchased are based on quoted market prices or other observable market data. The Company has elected the fair value option pursuant to ASC 825 *Financial Instruments* for the repurchase liabilities to match the measurement and accounting of the related client-held fractional shares. The fair values of the repurchase liabilities are based on quoted market prices or other observable market data consistent with the related client-held fractional shares. Unrealized gains and losses on client-held fractional shares offset the unrealized gains and losses on the corresponding repurchase liabilities, resulting in no impact to the condensed consolidated statements of income. The Company's liabilities to repurchase client-held fractional shares do not have credit risk, and, as a result, the Company has not recognized any gains or losses in the condensed consolidated statements of income or comprehensive income attributable to instrument-specific credit risk for these repurchase liabilities. The repurchase liabilities are included in accrued expenses and other liabilities on the condensed consolidated balance sheets.

The fair values of interest rate swaps are based on market observable interest rate yield curves. Fair value measurements are priced considering the coupon rate of the fixed leg of the contract and the variable coupon rate on the floating leg of the contract. Valuation is based on both spot and forward rates on the swap yield curve. See Note 11 for additional information on the Company's interest rate swaps.

(Tabular Amounts in Millions, Except Per Share Data, Ratios, or as Noted)

For a description of the fair value hierarchy and Schwab's fair value methodologies, see Item 8 – Note 2 in the 2024 Form 10-K. The Company did not adjust prices received from the primary independent third-party pricing service at March 31, 2025 or December 31, 2024.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following tables present the fair value hierarchy for assets and liabilities measured at fair value on a recurring basis:

March 31, 2025	Level 1	Level 2	Level 3	Balance at Fair Value
Cash equivalents:				
Money market funds	$ 10,297	$ —	$ —	$ 10,297
Total cash equivalents	10,297	—	—	10,297
Investments segregated and on deposit for regulatory purposes:				
U.S. government securities	—	21,537	—	21,537
Total investments segregated and on deposit for regulatory purposes	—	21,537	—	21,537
Available for sale securities:				
U.S. agency mortgage-backed securities	—	49,625	—	49,625
U.S. Treasury securities	—	12,304	—	12,304
Corporate debt securities	—	6,998	—	6,998
Asset-backed securities	—	4,893	—	4,893
U.S. state and municipal securities	—	554	—	554
Foreign government agency securities	—	326	—	326
Non-agency commercial mortgage-backed securities	—	110	—	110
Other	—	18	—	18
Total available for sale securities	—	74,828	—	74,828
Other assets:				
Other securities owned:				
Equity, corporate debt, and other securities	1,370	88	—	1,458
Mutual funds and ETFs	994	—	—	994
State and municipal debt obligations	—	30	—	30
U.S. government securities	—	18	—	18
Total other securities owned	2,364	136	—	2,500
Interest rate swaps	—	2	—	2
Total other assets	2,364	138	—	2,502
Total assets	$ 12,661	$ 96,503	$ —	$ 109,164
Accrued expenses and other liabilities:				
Interest rate swaps	$ —	$ 1	$ —	$ 1
Other	2,152	33	—	2,185
Total accrued expenses and other liabilities	2,152	34	—	2,186
Total liabilities	$ 2,152	$ 34	$ —	$ 2,186

(Tabular Amounts in Millions, Except Per Share Data, Ratios, or as Noted)

December 31, 2024	Level 1	Level 2	Level 3	Balance at Fair Value
Cash equivalents:				
Money market funds	$ 11,005	$ —	$ —	$ 11,005
Total cash equivalents	11,005	—	—	11,005
Investments segregated and on deposit for regulatory purposes:				
U.S. government securities	—	25,740	—	25,740
Total investments segregated and on deposit for regulatory purposes	—	25,740	—	25,740
Available for sale securities:				
U.S. agency mortgage-backed securities	—	51,833	—	51,833
U.S. Treasury securities	—	14,469	—	14,469
Corporate debt securities	—	9,579	—	9,579
Asset-backed securities	—	5,910	—	5,910
U.S. state and municipal securities	—	549	—	549
Foreign government agency securities	—	527	—	527
Non-agency commercial mortgage-backed securities	—	109	—	109
Other	—	18	—	18
Total available for sale securities	—	82,994	—	82,994
Other assets:				
Other securities owned:				
Equity, corporate debt, and other securities	1,395	73	—	1,468
Mutual funds and ETFs	1,019	—	—	1,019
State and municipal debt obligations	—	38	—	38
U.S. government securities	—	18	—	18
Total other securities owned	2,414	129	—	2,543
Total other assets	2,414	129	—	2,543
Total assets	$ 13,419	$ 108,863	$ —	$ 122,282
Accrued expenses and other liabilities:				
Other	$ 2,161	$ 37	$ —	$ 2,198
Total accrued expenses and other liabilities	2,161	37	—	2,198
Total liabilities	$ 2,161	$ 37	$ —	$ 2,198

(Tabular Amounts in Millions, Except Per Share Data, Ratios, or as Noted)

Fair Value of Other Financial Instruments

The following tables present the fair value hierarchy for other financial instruments:

March 31, 2025	Carrying Amount	Level 1	Level 2	Level 3	Balance at Fair Value
Assets					
Cash and cash equivalents	$ 24,712	$ 24,712	$ —	$ —	$ 24,712
Cash and investments segregated and on deposit for regulatory purposes	16,811	2,563	14,248	—	16,811
Receivables from brokers, dealers, and clearing organizations	2,938	—	2,938	—	2,938
Receivables from brokerage clients — net	84,387	—	84,387	—	84,387
Held to maturity securities:					
U.S. agency mortgage-backed securities	143,815	—	133,076	—	133,076
Total held to maturity securities	143,815	—	133,076	—	133,076
Bank loans — net:					
First Mortgages	27,707	—	25,244	—	25,244
HELOCs	415	—	435	—	435
Pledged asset lines	18,608	—	18,608	—	18,608
Other	391	—	391	—	391
Total bank loans — net	47,121	—	44,678	—	44,678
Other assets	1,193	—	1,193	—	1,193
Liabilities					
Bank deposits	$ 246,160	$ —	$ 246,160	$ —	$ 246,160
Payables to brokers, dealers, and clearing organizations	15,744	—	15,744	—	15,744
Payables to brokerage clients	100,579	—	100,579	—	100,579
Accrued expenses and other liabilities	1,136	—	1,136	—	1,136
Other short-term borrowings	6,927	—	6,927	—	6,927
Federal Home Loan Bank borrowings	11,500	—	11,500	—	11,500
Long-term debt	21,428	—	20,894	—	20,894

(Tabular Amounts in Millions, Except Per Share Data, Ratios, or as Noted)

December 31, 2024	Carrying Amount	Level 1	Level 2	Level 3	Balance at Fair Value
Assets					
Cash and cash equivalents	$ 31,078	$ 31,078	$ —	$ —	$ 31,078
Cash and investments segregated and on deposit for regulatory purposes	12,416	2,401	10,015	—	12,416
Receivables from brokers, dealers, and clearing organizations	2,440	—	2,440	—	2,440
Receivables from brokerage clients — net	85,343	—	85,343	—	85,343
Held to maturity securities:					
U.S. agency mortgage-backed securities	146,453	—	132,605	—	132,605
Total held to maturity securities	146,453	—	132,605	—	132,605
Bank loans — net:					
First Mortgages	27,375	—	24,336	—	24,336
HELOCs	423	—	441	—	441
Pledged asset lines	17,024	—	17,024	—	17,024
Other	393	—	393	—	393
Total bank loans — net	45,215	—	42,194	—	42,194
Other assets	1,405	—	1,405	—	1,405
Liabilities					
Bank deposits	$ 259,121	$ —	$ 259,121	$ —	$ 259,121
Payables to brokers, dealers, and clearing organizations	13,336	—	13,336	—	13,336
Payables to brokerage clients	101,559	—	101,559	—	101,559
Accrued expenses and other liabilities	1,076	—	1,076	—	1,076
Other short-term borrowings	5,999	—	5,999	—	5,999
Federal Home Loan Bank borrowings	16,700	—	16,700	—	16,700
Long-term debt	22,379	—	21,621	—	21,621

14. Stockholders' Equity

On February 12, 2025, TD Group US Holdings LLC, an affiliate of TD Bank, completed a secondary public offering of the Company's common shares through which TD Group US Holdings sold 133.8 million shares of the Company's common stock and 31.7 million shares of the Company's nonvoting common stock, which automatically converted into common stock. The offering was completed at a price of $79.25 per share, for an aggregate amount of $13.1 billion. The Company did not receive any of the proceeds from this sale.

Concurrent with the completion of the secondary offering, and pursuant to a repurchase agreement dated February 9, 2025, the Company repurchased directly from TD Group US Holdings LLC its remaining 19.2 million shares of nonvoting common stock at a price of $77.982 per share for an aggregate repurchase amount of $1.5 billion, which settled on February 12, 2025. The shares of nonvoting common stock automatically converted into common stock upon repurchase and are now held in treasury stock, reducing the number of shares outstanding. These shares were purchased under CSC's $15.0 billion share repurchase authorization. The share repurchase authorization does not have an expiration date and as of March 31, 2025, approximately $7.2 billion remained on the authorization. There were no repurchases of CSC's common stock during the three months ended March 31, 2024.

Share repurchases, net of issuances, are subject to a nondeductible excise tax which was recognized as a direct and incremental cost associated with these transactions. For repurchases of common stock, the tax is recorded as part of the cost basis of the treasury stock repurchased, resulting in no impact to the condensed consolidated statements of income.

Through the completion of the secondary offering and the Company's repurchase of nonvoting common stock, TD Bank disposed of all of its common shares of CSC and as of March 31, 2025, the Company has no remaining nonvoting common stock outstanding.

(Tabular Amounts in Millions, Except Per Share Data, Ratios, or as Noted)

The Company's preferred stock issued and outstanding is as follows:

	Shares Issued and Outstanding (in ones) at		Liquidation Preference Per Share	Carrying Value at		Issue Date	Dividend Rate in Effect at March 31, 2025	Earliest Redemption Date	Date at Which Dividend Rate Resets or Becomes Floating	Reset / Floating-Rate	Margin Over Reset / Floating-Rate
	March 31, 2025 [1]	December 31, 2024 [1]		March 31, 2025	December 31, 2024						
Fixed-rate:											
Series D	750,000	750,000	$ 1,000	$ 728	$ 728	03/07/16	5.95%	06/01/21	N/A	N/A	N/A
Series J	600,000	600,000	1,000	584	584	03/30/21	4.450%	06/01/26	N/A	N/A	N/A
Fixed-to-floating rate/Fixed-rate reset:											
Series F	4,884	4,884	100,000	481	481	10/31/17	5.000%	12/01/27	12/01/27	3M LIBOR [4]	2.575%
Series G [2]	24,580	24,580	100,000	2,428	2,428	04/30/20	5.375%	06/01/25	06/01/25	5-Year Treasury	4.971%
Series H [3]	22,267	22,267	100,000	2,200	2,200	12/11/20	4.000%	12/01/30	12/01/30	10-Year Treasury	3.079%
Series I [2]	20,554	20,554	100,000	2,030	2,030	03/18/21	4.000%	06/01/26	06/01/26	5-Year Treasury	3.168%
Series K [2]	7,500	7,500	100,000	740	740	03/04/22	5.000%	06/01/27	06/01/27	5-Year Treasury	3.256%
Total preferred stock	1,429,785	1,429,785		$ 9,191	$ 9,191						

[1] Represented by depositary shares.
[2] The dividend rate for Series G, Series I, and Series K resets on each five-year anniversary from the first reset date.
[3] The dividend rate for Series H resets on each ten-year anniversary from the first reset date.
[4] The reset/floating-rate for Series F will be determined by the calculation agent prior to the commencement of the floating-rate period using what the calculation agent determines to be the industry-accepted substitute or successor base rate to LIBOR.
N/A Not applicable.

Dividends declared on the Company's preferred stock are as follows:

	Three Months Ended March 31,			
	2025		2024	
	Total Declared	Per Share Amount	Total Declared	Per Share Amount
Series D [1]	$ 11.2	$ 14.88	$ 11.2	$ 14.88
Series F [2]	—	—	—	—
Series G [1]	33.0	1,343.75	33.0	1,343.75
Series H [1]	22.3	1,000.00	22.3	1,000.00
Series I [1]	20.6	1,000.00	20.6	1,000.00
Series J [1]	6.7	11.13	6.7	11.13
Series K [1]	9.3	1,250.00	9.3	1,250.00
Total	$ 103.1		$ 103.1	

[1] Dividends paid quarterly.
[2] Dividends paid semi-annually until December 1, 2027 and quarterly thereafter.

(Tabular Amounts in Millions, Except Per Share Data, Ratios, or as Noted)

15. Accumulated Other Comprehensive Income

AOCI represents cumulative gains and losses that are not reflected in earnings. AOCI balances and the components of other comprehensive income (loss) are as follows:

	Total AOCI
Balance at December 31, 2023	$ (18,131)
Available for sale securities:	
Net unrealized gain (loss), net of tax expense (benefit) of $26	113
Other reclassifications included in other revenue, net of tax expense (benefit) of $2	8
Held to maturity securities:	
Amortization of amounts previously recorded upon transfer from available for sale, net of tax expense (benefit) of $122	442
Other [1]	(8)
Balance at March 31, 2024	$ (17,576)
Balance at December 31, 2024	$ (14,848)
Available for sale securities:	
Net unrealized gain (loss), net of tax expense (benefit) of $253	808
Other reclassifications included in other revenue, net of tax expense (benefit) of $2	8
Held to maturity securities:	
Amortization of amounts previously recorded upon transfer from available for sale, net of tax expense (benefit) of $128	410
Other [1]	1
Balance at March 31, 2025	$ (13,621)

[1] Tax expense (benefit) was less than $500 thousand.

As of March 31, 2025, the total remaining unamortized loss on securities transferred from AFS to HTM included in AOCI was $9.3 billion net of tax effect ($12.2 billion pre-tax). This loss is being amortized over the remaining lives of the securities, offsetting amortization of the securities' premiums or discounts, and resulting in no impact to net income.

16. Earnings Per Common Share

As described in Note 14, TD Bank disposed of all of its common shares of CSC during the first quarter of 2025, including its holdings of nonvoting common stock. As of February 12, 2025, the Company had no remaining nonvoting common stock outstanding and accordingly, no dividends were paid on nonvoting common stock during the three months ended March 31, 2025.

For the computations of basic and diluted EPS, undistributed net income of the Company was allocated on a proportionate basis to the voting and nonvoting common stock, as the distribution rights of the two classes were identical. Diluted EPS was calculated using the treasury stock method for outstanding stock options and non-vested restricted stock units and the if-converted method for the nonvoting common stock, which assumed conversion of all outstanding nonvoting common stock to common stock. For further details surrounding the EPS computations, see Item 8 – Note 26 in the 2024 Form 10-K.

(Tabular Amounts in Millions, Except Per Share Data, Ratios, or as Noted)

The computations of basic and diluted EPS for common stock and nonvoting common stock for the three months ended March 31, 2025 are as follows:

	Three Months Ended March 31, 2025		
	Common Stock	Nonvoting Common Stock	Consolidated Common Stock
Basic earnings per share:			
Numerator			
Net income	$ 1,891	$ 18	$ 1,909
Preferred stock dividends and other (1)	(112)	(1)	(113)
Net income available to common stockholders	$ 1,779	$ 17	$ 1,796
Denominator			
Weighted-average common shares outstanding — basic	1,794	51	1,817
Basic earnings per share	$ .99	$ .33	$ .99
Diluted earnings per share:			
Numerator			
Net income available to common stockholders	$ 1,779	$ 17	$ 1,796
Reallocation of net income available to common stockholders as a result of conversion of nonvoting to voting shares	17	—	—
Allocation of net income available to common stockholders:	$ 1,796	$ 17	$ 1,796
Denominator			
Weighted-average common shares outstanding — basic	1,794	51	1,817
Conversion of nonvoting shares to voting shares	23	—	—
Common stock equivalent shares related to stock incentive plans	5	—	5
Weighted-average common shares outstanding — diluted (2)	1,822	51	1,822
Diluted earnings per share	$ .99	$ .33	$ .99

(1) Includes preferred stock dividends and undistributed earnings and dividends allocated to non-vested restricted stock units.
(2) Antidilutive stock options and restricted stock units excluded from the calculation of diluted EPS totaled 14 million for the three months ended March 31, 2025.

As of March 31, 2024, the Company had voting and nonvoting common stock outstanding. The computations of basic and diluted EPS for the two classes for the three months ended March 31, 2024 are as follows:

	Three Months Ended March 31, 2024	
	Common Stock	Nonvoting Common Stock
Basic earnings per share:		
Numerator		
Net income	$ 1,324	$ 38
Preferred stock dividends and other (1)	(108)	(3)
Net income available to common stockholders	$ 1,216	$ 35
Denominator		
Weighted-average common shares outstanding — basic	1,774	51
Basic earnings per share	$ .69	$ .69
Diluted earnings per share:		
Numerator		
Net income available to common stockholders	$ 1,216	$ 35
Reallocation of net income available to common stockholders as a result of conversion of nonvoting to voting shares	35	—
Allocation of net income available to common stockholders:	$ 1,251	$ 35
Denominator		
Weighted-average common shares outstanding — basic	1,774	51
Conversion of nonvoting shares to voting shares	51	—
Common stock equivalent shares related to stock incentive plans	6	—
Weighted-average common shares outstanding — diluted (2)	1,831	51
Diluted earnings per share	$ .68	$ .68

(1) Includes preferred stock dividends and undistributed earnings and dividends allocated to non-vested restricted stock units.
(2) Antidilutive stock options and restricted stock units excluded from the calculation of diluted EPS totaled 18 million for the three months ended March 31, 2024.

(Tabular Amounts in Millions, Except Per Share Data, Ratios, or as Noted)

17. Regulatory Requirements

At March 31, 2025, CSC and its banking subsidiaries met all of their respective capital requirements. Regulatory capital and ratios for CSC (consolidated) and CSB are as follows:

	Actual		Minimum to be Well Capitalized		Minimum Capital Requirement	
March 31, 2025	Amount	Ratio	Amount	Ratio	Amount	Ratio [1]
CSC						
Common Equity Tier 1 Risk-Based Capital	$ 36,022	32.0%	N/A		$ 5,062	4.5%
Tier 1 Risk-Based Capital	45,213	40.2%	N/A		6,749	6.0%
Total Risk-Based Capital	45,240	40.2%	N/A		8,999	8.0%
Tier 1 Leverage	45,213	9.9%	N/A		18,300	4.0%
Supplementary Leverage Ratio	45,213	9.8%	N/A		13,821	3.0%
CSB						
Common Equity Tier 1 Risk-Based Capital	$ 33,078	43.4%	$ 4,957	6.5%	$ 3,432	4.5%
Tier 1 Risk-Based Capital	33,078	43.4%	6,101	8.0%	4,576	6.0%
Total Risk-Based Capital	33,100	43.4%	7,626	10.0%	6,101	8.0%
Tier 1 Leverage	33,078	12.1%	13,614	5.0%	10,891	4.0%
Supplementary Leverage Ratio	33,078	12.1%	N/A		8,226	3.0%
December 31, 2024						
CSC						
Common Equity Tier 1 Risk-Based Capital	$ 35,995	31.7%	N/A		$ 5,114	4.5%
Tier 1 Risk-Based Capital	45,186	39.8%	N/A		6,819	6.0%
Total Risk-Based Capital	45,218	39.8%	N/A		9,092	8.0%
Tier 1 Leverage	45,186	9.9%	N/A		18,325	4.0%
Supplementary Leverage Ratio	45,186	9.8%	N/A		13,836	3.0%
CSB						
Common Equity Tier 1 Risk-Based Capital	$ 32,584	41.7%	$ 5,079	6.5%	$ 3,516	4.5%
Tier 1 Risk-Based Capital	32,584	41.7%	6,251	8.0%	4,688	6.0%
Total Risk-Based Capital	32,606	41.7%	7,813	10.0%	6,251	8.0%
Tier 1 Leverage	32,584	11.6%	14,035	5.0%	11,228	4.0%
Supplementary Leverage Ratio	32,584	11.5%	N/A		8,479	3.0%

[1] Under risk-based capital rules, CSC and CSB are also required to maintain additional capital buffers above the regulatory minimum risk-based capital ratios. As of March 31, 2025, CSC was subject to a stress capital buffer of 2.5%. In addition, CSB is required to maintain a capital conservation buffer of 2.5%. CSC and CSB are also required to maintain a countercyclical capital buffer above the regulatory minimum risk-based capital ratios, which was zero for both periods presented. If a buffer falls below the minimum requirement, CSC and CSB would be subject to increasingly strict limits on capital distributions and discretionary bonus payments to executive officers. At March 31, 2025, the minimum capital ratio requirements for both CSC and CSB, inclusive of their respective buffers, were 7.0%, 8.5%, and 10.5% for Common Equity Tier 1 Risk-Based Capital, Tier 1 Risk-Based Capital, and Total Risk-Based Capital, respectively.

N/A Not applicable.

Based on its regulatory capital ratios at March 31, 2025, CSB is considered well capitalized (the highest category) under its respective regulatory capital rules. There are no conditions or events since March 31, 2025 that management believes have changed CSB’s capital category.

CSC’s other banking subsidiaries are Charles Schwab Premier Bank, SSB (CSPB) and Charles Schwab Trust Bank (Trust Bank). CSPB is a Texas-chartered state savings bank that provides banking and custody services, and Trust Bank is a Nevada state-chartered savings bank that provides trust and custody services. At March 31, 2025, the balance sheets of CSPB and Trust Bank consisted primarily of investment securities, and the entities held total assets of $25.3 billion and $9.8 billion, respectively. Based on their regulatory capital ratios, at March 31, 2025, CSPB and Trust Bank are considered well capitalized under their respective regulatory capital rules.

(Tabular Amounts in Millions, Except Per Share Data, Ratios, or as Noted)

Net capital and net capital requirements for CS&Co are as follows:

	March 31, 2025	December 31, 2024
CS&Co		
Net capital	$ 12,117	$ 11,112
Minimum dollar requirement	0.250	0.250
2% of aggregate debit balances	2,008	2,049
Net capital in excess of required net capital	10,109	9,063

Pursuant to the SEC's Customer Protection Rule and other applicable regulations, Schwab had cash and investments segregated for the exclusive benefit of clients at March 31, 2025. The SEC's Customer Protection Rule requires broker-dealers to segregate client fully-paid securities and cash balances not collateralizing margin positions and not swept to money market funds or bank deposit accounts. Amounts included in cash and investments segregated and on deposit for regulatory purposes represent actual balances on deposit. Cash and cash equivalents included in cash and investments segregated and on deposit for regulatory purposes are presented as part of Schwab's cash balances in the condensed consolidated statements of cash flows.

18. Segment Information

Schwab's two reportable segments are Investor Services and Advisor Services. Schwab structures the operating segments according to its clients and the services provided to those clients. The Investor Services segment provides retail brokerage, investment advisory, and banking and trust services to individual investors, and retirement plan and business services, as well as other corporate brokerage services, to businesses and their employees. The Advisor Services segment provides custodial, trading, banking and trust, and support services to independent RIAs, independent retirement advisors, and recordkeepers. Revenues and expenses are attributed to the two segments based on which segment services the client. Schwab's chief operating decision makers (CODMs) are the President and Chief Executive Officer, and the Managing Director and Chief Financial Officer.

The accounting policies of the segments are the same as those described in Item 8 – Note 2 in the 2024 Form 10-K. For the computation of its segment information, Schwab utilizes an activity-based costing model to allocate traditional income statement line item expenses (e.g., compensation and benefits, depreciation and amortization, and professional services) to the business activities driving segment expenses (e.g., client service, opening new accounts, or business development) and a funds transfer pricing methodology to allocate certain revenues.

The CODMs evaluate the performance of the segments on a pre-tax basis and use income before taxes on income to allocate resources, including employees and capital, to the segments during the annual budgeting process. The CODMs consider budget-to-actual variances on a monthly basis when making decisions about allocating resources to the segments throughout the year. Segment assets and liabilities are not used for evaluating segment performance or in deciding how to allocate resources to segments. There are no revenues from transactions between the segments.

(Tabular Amounts in Millions, Except Per Share Data, Ratios, or as Noted)

Financial information for the segments is presented in the following table [(1)]:

	Investor Services		Advisor Services		Total	
Three Months Ended March 31,	2025	2024	2025	2024	2025	2024
Net Revenues						
Net interest revenue	$ 2,158	$ 1,766	$ 548	$ 467	$ 2,706	$ 2,233
Asset management and administration fees	1,114	975	416	373	1,530	1,348
Trading revenue	805	717	103	100	908	817
Bank deposit account fees	191	141	54	42	245	183
Other	177	138	33	21	210	159
Total net revenues	4,445	3,737	1,154	1,003	5,599	4,740
Expenses Excluding Interest						
Compensation and benefits	1,285	1,189	387	349	1,672	1,538
Professional services	214	194	55	47	269	241
Occupancy and equipment	215	206	59	59	274	265
Advertising and market development	64	62	32	26	96	88
Communications	113	99	40	42	153	141
Depreciation and amortization	165	186	52	42	217	228
Amortization of acquired intangible assets	106	129	24	1	130	130
Regulatory fees and assessments	70	94	19	31	89	125
Other	202	156	42	30	244	186
Total expenses excluding interest	2,434	2,315	710	627	3,144	2,942
Income before taxes on income	$ 2,011	$ 1,422	$ 444	$ 376	$ 2,455	$ 1,798

(1) In connection with certain changes in Schwab's organizational management structure, in the fourth quarter of 2024, the Retirement Business Services business unit was transferred from the Advisor Services segment to the Investor Services segment. Accordingly, amounts related to the Retirement Business Services business unit are included within Investor Services for the first quarter of 2025, and prior-year amounts have been recast to reflect this new basis of segmentation.

Item 4. Controls and Procedures

Evaluation of disclosure controls and procedures: The management of the Company, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) as of March 31, 2025. Based on this evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures were effective as of March 31, 2025.

Changes in internal control over financial reporting: No change in the Company's internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) was identified during the quarter ended March 31, 2025, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

For a discussion of legal proceedings, see Part I – Item 1 – Note 10.

Item 1A. Risk Factors

During the first three months of 2025, there have been no material changes to the risk factors in Part I – Item 1A – Risk Factors in the 2024 Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

On July 27, 2022, CSC publicly announced that its Board of Directors authorized the repurchase of up to $15.0 billion of common stock. The authorization does not have an expiration date. See also Part I – Item 1 – Note 14.

The following table summarizes purchases made by or on behalf of CSC of its common stock for each calendar month in the first quarter of 2025 (in millions, except number of shares, which are in thousands, and per share amounts):

Month	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Publicly Announced Program
January:				
Share repurchase program	—	$ —	—	$ 8,723
Employee transactions [1]	10	$ 74.11	N/A	N/A
February:				
Share repurchase program	19,235	$ 77.98	19,235	$ 7,223
Employee transactions [1]	8	$ 83.00	N/A	N/A
March:				
Share repurchase program	—	$ —	—	$ 7,223
Employee transactions [1]	1,133	$ 79.04	N/A	N/A
Total:				
Share repurchase program	19,235	$ 77.98	19,235	$ 7,223
Employee transactions [1]	1,151	$ 79.03	N/A	N/A

[1] Includes restricted shares withheld (under the terms of grants under employee stock incentive plans) to offset tax withholding obligations that occur upon vesting and release of restricted shares. CSC may receive shares delivered or attested to pay the exercise price and/or to satisfy tax withholding obligations by employees who exercise stock options granted under employee stock incentive plans, which are commonly referred to as stock swap exercises.
N/A Not applicable.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the three months ended March 31, 2025, no director or officer of the Company adopted or terminated a Rule 10b5-1 or non-Rule 10b5-1 trading arrangement as defined in Item 408 of Regulation S-K.

Item 6. Exhibits

The following exhibits are filed as part of this Quarterly Report on Form 10-Q:

Exhibit Number	Exhibit	
10.435	Repurchase Agreement, dated February 9, 2025, between The Charles Schwab Corporation and TD Group US Holdings LLC, filed as Exhibit 10.1 to the Registrant's From 8-K, dated February 12, 2025, and incorporated herein by reference.	
31.1	Certification Pursuant to Rule 13a-14(a)/15d-14(a), As Adopted Pursuant to Section 302 of The Sarbanes-Oxley Act of 2002.	
31.2	Certification Pursuant to Rule 13a-14(a)/15d-14(a), As Adopted Pursuant to Section 302 of The Sarbanes-Oxley Act of 2002.	
32.1	Certification Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of The Sarbanes-Oxley Act of 2002.	(1)
32.2	Certification Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of The Sarbanes-Oxley Act of 2002.	(1)
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.	(2)
101.SCH	Inline XBRL Taxonomy Extension Schema	(2)
101.CAL	Inline XBRL Taxonomy Extension Calculation	(2)
101.DEF	Inline XBRL Extension Definition	(2)
101.LAB	Inline XBRL Taxonomy Extension Label	(2)
101.PRE	Inline XBRL Taxonomy Extension Presentation	(2)
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	
(1)	*Furnished as an exhibit to this Quarterly Report on Form 10-Q.*	
(2)	*Attached as Exhibit 101 to this Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2025 are the following materials formatted in Inline XBRL (Extensible Business Reporting Language) (i) the Condensed Consolidated Statements of Income, (ii) the Condensed Consolidated Statements of Comprehensive Income, (iii) the Condensed Consolidated Balance Sheets, (iv) the Condensed Consolidated Statements of Stockholders' Equity, (v) the Condensed Consolidated Statements of Cash Flows, and (vi) Notes to Condensed Consolidated Financial Statements.*	

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE CHARLES SCHWAB CORPORATION
(Registrant)

Date: May 9, 2025

/s/ Michael Verdeschi
Michael Verdeschi
Managing Director and Chief Financial Officer

THE CHARLES SCHWAB CORPORATION

EXHIBIT 31.1

CERTIFICATION PURSUANT TO RULE 13a-14(a)/15d-14(a), AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Richard A. Wurster, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of The Charles Schwab Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2025	/s/ Richard A. Wurster
	Richard A. Wurster
	President and Chief Executive Officer

THE CHARLES SCHWAB CORPORATION

EXHIBIT 31.2

CERTIFICATION PURSUANT TO RULE 13a-14(a)/15d-14(a), AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael Verdeschi, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of The Charles Schwab Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2025

/s/ Michael Verdeschi

Michael Verdeschi

Managing Director and Chief Financial Officer

THE CHARLES SCHWAB CORPORATION

EXHIBIT 32.1

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of The Charles Schwab Corporation (the Company) on Form 10-Q for the quarter ended March 31, 2025 (the Report), I, Richard A. Wurster, President and Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

/s/ Richard A. Wurster

Date: May 9, 2025

Richard A. Wurster
President and Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to The Charles Schwab Corporation and will be retained by The Charles Schwab Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

THE CHARLES SCHWAB CORPORATION

EXHIBIT 32.2

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of The Charles Schwab Corporation (the Company) on Form 10-Q for the quarter ended March 31, 2025 (the Report), I, Michael Verdeschi, Managing Director and Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

/s/ Michael Verdeschi

Michael Verdeschi
Managing Director and Chief Financial Officer

Date: May 9, 2025

A signed original of this written statement required by Section 906 has been provided to The Charles Schwab Corporation and will be retained by The Charles Schwab Corporation and furnished to the Securities and Exchange Commission or its staff upon request.