The Charles Schwab Corporation Net Stable Funding Ratio Disclosure Report

For the quarters ended September 30, 2024 and December 31, 2024

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I. About The Charles Schwab Corporation

The Charles Schwab Corporation (CSC) is a savings and loan holding company, headquartered in Westlake, Texas. 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. CSC is regulated, supervised, and examined by the Board of Governors of the Federal Reserve System (Federal Reserve).

II. Net Stable Funding Ratio

The Net Stable Funding Ratio (NSFR) rule is a quantitative liquidity metric and requirement that measures the long-term funding stability of a covered institution. The rule intends to limit overreliance on short-term wholesale funding, encourage better assessment of funding risk across all on- and off-balance-sheet items, and promotes funding stability. The NSFR requirements in the rule are consistent with the requirements established by the Basel Committee on Banking Supervision.

Under the NSFR rule, Schwab is required to maintain Available Stable Funding (ASF) in an amount equal to 100% of its Required Stable Funding (RSF) on an ongoing, daily basis. ASF is calculated by evaluating the stability of an organization's funding sources, and RSF is calculated by evaluating the characteristics of an organization's assets, derivatives, and off-balance-sheet exposures as prescribed in the rule.

Average Weighted Amount (In Millions)	**Quarter Ended December 31, 2024**	**Quarter Ended September 30, 2024**
ASF[1]	197,689	193,841
RSF	150,777	152,268
NSFR	131.11%	127.30%

(1) Excludes excess ASF at bank subsidiaries that are not transferable to non-bank affiliates.

The Company's average NSFR was 127.30% during the third quarter of 2024 and increased to 131.11% in the fourth quarter of 2024, primarily due to an increase in free credits at the broker-dealer subsidiary. Schwab's NSFR fluctuates period over period as a result of its liquidity profile, market conditions, client behavior, legal or regulatory developments, liquidity risk management limits, or other factors in the markets in which it operates.

Although not subject to a separate public disclosure requirement, Schwab's depository institution subsidiaries are subject to NSFR requirements, and were in compliance with their respective NSFR requirements during the periods presented.

III. NSFR Quantitative Disclosures

In the following tables, the figures reported in the "Average Weighted Amount" column reflect the prescribed, industry-wide assumptions and factors defined by the NSFR rule to determine a Covered Company's ASF and RSF. The figures reported in the "Average Unweighted Amount" column reflect gross values prior to the application of prescribed factors and are not included in the calculation used to determine the Company's compliance with NSFR requirements.

A. Q4 2024

Quarter ended December 31, 2024 In millions of U.S. dollars.		Average Unweighted Amount [2]					Average Weighted Amount [2]
		Open Maturity	< 6 months	6 months to < 1 year	≥ 1 year	Perpetual	
ASF ITEM							
1	Capital and securities:	-	1,757	472	20,161	47,089	67,486
2	NSFR regulatory capital elements	-	-	-	-	47,089	47,089
3	Other capital elements and securities	-	1,757	472	20,161	-	20,397
4	Retail funding:	246,694	16,877	12,984	-	-	197,561
5	Stable deposits	7,111	-	-	-	-	6,755
6	Less stable deposits	4,606	-	-	-	-	4,146
7	Sweep deposits, brokered reciprocal deposits, and brokered deposits	161,284	16,877	12,984	-	-	149,813
8	Other retail funding	73,693	-	-	-	-	36,847
9	Wholesale funding:	71,216	28,843	4,549	-	-	39,850
10	Operational deposits	-	-	-	-	-	-
11	Other wholesale funding	71,216	28,843	4,549	-	-	39,850
	Other liabilities:						
12	NSFR derivatives liability amount					-	
13	Total derivatives liability amount					2	
14	All other liabilities not included in the above categories	3,799	128	-	-	-	-
15	**TOTAL ASF[1]**						197,689
RSF ITEM							
16	Total high-quality liquid assets (HQLA)	16,968	25,327	6,721	197,719	-	25,460
17	Level 1 liquid assets	16,968	23,206	4,366	32,466	-	-
18	Level 2A liquid assets	-	2,122	2,356	165,253	-	25,460
19	Level 2B liquid assets	-	-	-	-	-	-
20	Zero percent RSF assets that are not level 1 liquid assets or loans to financial sector entities or their consolidated subsidiaries	-	-	-	-	-	-
21	Operational deposits placed at financial sector entities or their consolidated subsidiaries	163	-	-	-	-	82
22	Loans and securities:	95,839	28,890	1,373	42,038	-	87,116
23	Loans to financial sector entities secured by level 1 liquid assets	-	15,272	-	-	-	-
24	Loans to financial sector entities secured by assets other than level 1 liquid assets and unsecured loans to financial sector entities	2,315	10,082	1	573	-	2,433
25	Loans to wholesale customers or counterparties that are not financial sector entities and loans to retail customers or counterparties	92,885	-	-	109	-	46,533
26	Of which: With a risk weight no greater than 20 percent under Regulation Q (12 CFR part 217)	-	-	-	3	-	2
27	Retail mortgages	-	-	-	27,297	-	23,203
28	Of which: With a risk weight of no greater than 50 percent under Regulation Q (12 CFR part 217)	-	-	-	-	-	-
29	Securities that do not qualify as HQLA	638	3,537	1,372	14,060	-	14,948
	Other assets:						
30	Commodities					-	-
31	Assets provided as initial margin for derivative transactions and contributions to CCPs' mutualized loss-sharing arrangements					250	213
32	NSFR derivatives asset amount					213	213
33	Total derivatives asset amount					215	
34	RSF for potential derivatives portfolio valuation changes					225	11
35	All other assets not included in the above categories, including nonperforming assets	35,054	136	-	3,232	-	37,549
36	Undrawn commitments					2,661	133
37	**TOTAL RSF prior to application of required stable funding adjustment percentage**						150,777
38	**Required stable funding adjustment percentage**						100%
39	**TOTAL adjusted RSF**						150,777
40	**NET STABLE FUNDING RATIO**						131.11%

[1] Amounts reported may not equal the calculation of those amounts reported in rows 1-14 as it excludes excess ASF at bank subsidiaries that are not transferable to non-bank affiliates subject to § 249.109 Rules for consolidation.
[2] Figures may not sum due to rounding.

B. Q3 2024

	Quarter ended September 30, 2024 In millions of U.S. dollars.	Average Unweighted Amount [2]					Average Weighted Amount [2]
		Open Maturity	< 6 months	6 months to < 1 year	≥ 1 year	Perpetual	
ASF ITEM							
1	Capital and securities:	-	104	2,128	20,160	44,718	65,942
2	NSFR regulatory capital elements	-	-	-	-	44,718	44,718
3	Other capital elements and securities	-	104	2,128	20,160	-	21,224
4	Retail funding:	234,064	21,567	18,049	-	-	192,059
5	Stable deposits	6,962	-	-	-	-	6,614
6	Less stable deposits	4,479	-	-	-	-	4,031
7	Sweep deposits, brokered reciprocal deposits, and brokered deposits	157,234	21,567	18,049	-	-	148,719
8	Other retail funding	65,390	-	-	-	-	32,695
9	Wholesale funding:	64,799	28,475	8,957	-	-	41,152
10	Operational deposits	-	-	-	-	-	-
11	Other wholesale funding	64,799	28,475	8,957	-	-	41,152
	Other liabilities:						
12	NSFR derivatives liability amount					-	
13	Total derivatives liability amount					-	
14	All other liabilities not included in the above categories	2,842	226	-	-	-	-
15	**TOTAL ASF**[1]						193,841
RSF ITEM							
16	Total high-quality liquid assets (HQLA)	15,392	17,530	8,019	201,451	-	25,661
17	Level 1 liquid assets	15,392	16,209	5,035	34,683	-	-
18	Level 2A liquid assets	-	1,321	2,984	166,768	-	25,661
19	Level 2B liquid assets	-	-	-	-	-	-
20	Zero percent RSF assets that are not level 1 liquid assets or loans to financial sector entities or their consolidated subsidiaries	-	-	-	-	-	-
21	Operational deposits placed at financial sector entities or their consolidated subsidiaries	1,407	-	-	-	-	703
22	Loans and securities:	90,263	24,720	2,767	42,837	-	85,392
23	Loans to financial sector entities secured by level 1 liquid assets	-	11,268	-	-	-	-
24	Loans to financial sector entities secured by assets other than level 1 liquid assets and unsecured loans to financial sector entities	2,138	10,863	-	546	-	2,496
25	Loans to wholesale customers or counterparties that are not financial sector entities and loans to retail customers or counterparties	87,527	47	-	101	-	43,872
26	Of which: With a risk weight no greater than 20 percent under Regulation Q (12 CFR part 217)	-	-	-	4	-	2
27	Retail mortgages	-	-	-	26,862	-	22,832
28	Of which: With a risk weight of no greater than 50 percent under Regulation Q (12 CFR part 217)	-	-	-	-	-	-
29	Securities that do not qualify as HQLA	598	2,542	2,767	15,329	-	16,192
	Other assets:						
30	Commodities					-	
31	Assets provided as initial margin for derivative transactions and contributions to CCPs' mutualized loss-sharing arrangements					205	174
32	NSFR derivatives asset amount					130	130
33	Total derivatives asset amount					130	
34	RSF for potential derivatives portfolio valuation changes					142	7
35	All other assets not included in the above categories, including nonperforming assets	35,389	-	329	7,365	-	40,064
36	Undrawn commitments					2,720	136
37	**TOTAL RSF prior to application of required stable funding adjustment percentage**						152,268
38	**Required stable funding adjustment percentage**						100%
39	**TOTAL adjusted RSF**						152,268
40	**NET STABLE FUNDING RATIO**						127.30%

[1] Amounts reported may not equal the calculation of those amounts reported in rows 1-14 as it excludes excess ASF at bank subsidiaries that are not transferable to non-bank affiliates subject to § 249.109 Rules for consolidation.
[2] Figures may not sum due to rounding.

IV. Components and Drivers of the Net Stable Funding Ratio

A. Available Stable Funding

The Company's total ASF was concentrated in retail funding which includes sweep deposits and brokered deposits from retail customers. These accounted for 50% and 49% of the Company's weighted ASF[2] for the third and fourth quarters of 2024, respectively. The Company's ASF also includes other unsecured funding from retail customers at Schwab's broker-dealer and banking subsidiaries such as free credits, long term senior notes, Federal Home Loan Bank (FHLB) borrowings and regulatory capital. Together these accounted for 36% and 35% of the Company's weighted ASF[2] in the third and fourth quarters of 2024, respectively.

ASF that is held at the banking subsidiaries in excess of the subsidiaries' total RSF, and are not transferable to non-bank affiliates, are excluded by rule from the Company's ASF.

B. Required Stable Funding

The Company's total RSF includes loans to retail customers or counterparties, which is concentrated in Schwab's broker-dealer business representing customer margin loans. These accounted for 29% and 31% of the Company's weighted RSF in the third and fourth quarters of 2024.

In addition, Company's RSF included loans to retail customers or counterparties at banking subsidiaries, level 2A assets, non HQLA and other assets. Together these account for 69% and 67% of the Company's RSF for the third and fourth quarters of 2024.

V. Funding Sources

A. Primary 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 and cash provided by other external financing including securities issuances by CSC in the capital markets.

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.

B. Supplemental Sources

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. We maintain policies and procedures necessary to access funding, and test borrowing procedures on a periodic basis.

[2] Weighted ASF is prior to the exclusion of the non-transferrable subsidiary excess stable funding.

The Company has a commercial paper program as well as a universal automatic shelf registration statement on file with the SEC which enables it to issue debt, equity, and other securities. In addition to this, CSC maintains a standing bilateral repurchase agreement with an external bank. Beginning in 2024, CSC has access to unsecured, committed revolving lines of credit with various external banks. This line expired in January 2025 and was not renewed. Other than an overnight borrowing to test the availability, the facility was not used during 2024.

The Company's banking subsidiaries have access to external financial institutions through repurchase agreements collateralized by investment securities and secured borrowing facilities with the FHLB. 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 fair value of certain of our investment securities that are pledged as collateral.

The banking subsidiaries also have access to short-term secured funding through the Federal Reserve Discount Window and are counterparties to the Standing Repo Facility with the Federal Reserve Bank of New York. These facilities were not utilized by the Company in the third and fourth quarters of 2024 outside of de-minimis test borrowings to establish operational readiness.

In the third and fourth quarters of 2024, Retail Brokered Certificates of Deposit were used as a supplemental funding source.

The broker dealer subsidiary maintains uncommitted, unsecured, and secured bank credit lines with a group of banks as a source of short-term liquidity.