

News Release



Contacts:

MEDIA:

Mayura Hooper
Charles Schwab
Phone: 415-667-1525

INVESTORS/ANALYSTS:

Jeff Edwards
Charles Schwab
Phone: 415-667-1524

CORPORATION

SCHWAB REPORTS MONTHLY ACTIVITY HIGHLIGHTS

WESTLAKE, Texas, May 13, 2022 – The Charles Schwab Corporation released its Monthly Activity Report today. Company highlights for the month of April 2022 include:

- Core net new assets brought to the company by new and existing clients totaled negative \$9.2 billion. Net new assets excluding mutual fund clearing totaled negative \$6.5 billion. These flows reflect client cash disbursements during tax season.
- Total client assets were \$7.28 trillion as of month-end April, down 1% from April 2021 and down 7% compared to March 2022.
- Average interest-earning assets were \$636.7 billion in April, up 21% from April 2021 and down 1% compared to March 2022.

CFO Peter Crawford commented, “Client cash disbursements during this year’s tax season were the highest we’ve ever seen at Schwab. These outflows include the impact of client portfolio actions taken during 2021, a year marked by strong equity market performance and robust trading activity. Such seasonal activity is distinct from flows within client accounts rebalancing their cash positions between daily liquidity and investments such as money market funds. This rebalancing, or sorting, activity tends to occur as an extended period of low interest rates shifts into a rising rate environment and clients refresh their allocations.”

“While the Federal Reserve has taken initial steps to move interest rates higher thus far in 2022, short rates are just now approaching the point where we’d expect to see clients start to rebalance their cash positions,” Mr. Crawford continued. “Assuming the Fed’s tightening cycle remains consistent with current forecasts, we believe we could see rebalancing activity begin to surface before the end of the second quarter. Such actions may lead to a slight decline in balance sheet assets from current levels over the next quarter or two (assuming clients don’t meaningfully shift their investments from equities to cash). As we help clients navigate this environment, we remain confident that the successful execution of our “Through Clients’ Eyes” strategy, coupled with our all-weather financial model, will support strong long-term growth - in our client base, and in value for our stockholders.”

Forward-Looking Statements

This press release contains forward-looking statements relating to the rebalancing of client cash positions; balance sheet growth; and growth in the client base and stockholder value. Achievement of these expectations, beliefs, and objectives is subject to risks and uncertainties that could cause actual results to differ materially from the expressed expectations.

Important factors that may cause such differences include, but are not limited to, general market conditions, including equity valuations, trading activity, and the level of interest rates; competitive pressures on pricing; client cash sorting; client sensitivity to rates; the level of client assets, including cash balances; the migration of bank deposit account balances; capital and liquidity needs and management; market volatility; the

company's ability to attract and retain clients and registered investment advisors and grow those relationships and associated client assets; the company's ability to monetize client assets; the company's ability to develop and launch new and enhanced products, services, and capabilities, as well as enhance its infrastructure, in a timely and successful manner; client use of the company's advisory solutions and other products and services; the company's ability to support client activity levels and attract and retain talent; the Ameritrade integration, including expected synergies; the company's ability to manage expenses; balance sheet positioning relative to changes in interest rates; interest earning asset mix and growth; the scope and duration of the COVID-19 pandemic and actions taken by governmental authorities to contain the spread of the virus and the economic impact; and other factors set forth in the company's most recent reports on Form 10-K and Form 10-Q.

About Charles Schwab

The Charles Schwab Corporation (NYSE: SCHW) is a leading provider of financial services, with 33.8 million active brokerage accounts, 2.3 million corporate retirement plan participants, 1.7 million banking accounts, and \$7.28 trillion in client assets as of April 30, 2022. Through its operating subsidiaries, the company provides a full range of wealth management, securities brokerage, banking, asset management, custody, and financial advisory services to individual investors and independent investment advisors. Its broker-dealer subsidiaries, Charles Schwab & Co., Inc., TD Ameritrade, Inc., and TD Ameritrade Clearing, Inc., (members SIPC, <https://www.sipc.org>), and their affiliates offer a complete range of investment services and products including an extensive selection of mutual funds; financial planning and investment advice; retirement plan and equity compensation plan services; referrals to independent, fee-based investment advisors; and custodial, operational and trading support for independent, fee-based investment advisors through Schwab Advisor Services. Its primary banking subsidiary, Charles Schwab Bank, SSB (member FDIC and an Equal Housing Lender), provides banking and lending services and products. More information is available at <https://www.aboutschwab.com>.

TD Ameritrade, Inc. and TD Ameritrade Clearing, Inc. are separate but affiliated companies and subsidiaries of TD Ameritrade Holding Corporation. TD Ameritrade Holding Corporation is a wholly owned subsidiary of The Charles Schwab Corporation. TD Ameritrade is a trademark jointly owned by TD Ameritrade IP Company, Inc. and The Toronto-Dominion Bank.

###

The Charles Schwab Corporation Monthly Activity Report For April 2022

	2021												2022			Change	
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	Mo.	Yr.		
Market Indices (at month end)																	
Dow Jones Industrial Average®	33,875	34,529	34,503	34,935	35,361	33,844	35,820	34,484	36,338	35,132	33,893	34,678	32,977	(5%)	(3%)		
Nasdaq Composite®	13,963	13,749	14,504	14,673	15,259	14,449	15,498	15,538	15,645	14,240	13,751	14,221	12,335	(13%)	(12%)		
Standard & Poor's® 500	4,181	4,204	4,298	4,395	4,523	4,308	4,605	4,567	4,766	4,516	4,374	4,530	4,132	(9%)	(1%)		
Client Assets (in billions of dollars)																	
Beginning Client Assets	7,069.1	7,336.1	7,395.7	7,574.8	7,642.7	7,838.2	7,614.0	7,982.3	7,918.3	8,138.0	7,803.8	7,686.6	7,862.1				
Net New Assets ⁽¹⁾	37.2	28.1	43.5	44.3	51.8	42.9	22.9	31.4	80.3	33.6	40.6	46.3	(9.2)	(120%)	(125%)		
Net Market Gains (Losses)	229.8	31.5	135.6	23.6	143.7	(267.1)	345.4	(95.4)	139.4	(367.8)	(157.8)	129.2	(568.5)				
Total Client Assets (at month end)	7,336.1	7,395.7	7,574.8	7,642.7	7,838.2	7,614.0	7,982.3	7,918.3	8,138.0	7,803.8	7,686.6	7,862.1	7,284.4	(7%)	(1%)		
Core Net New Assets ⁽²⁾	37.2	28.1	43.5	44.3	51.8	42.9	36.8	45.1	80.3	33.6	40.6	46.3	(9.2)	(120%)	(125%)		
Receiving Ongoing Advisory Services (at month end)																	
Investor Services	511.1	517.8	525.1	531.9	542.5	530.1	548.3	543.1	559.2	541.9	533.7	538.9	509.3	(5%)	-		
Advisor Services ⁽³⁾	3,112.5	3,150.4	3,209.3	3,256.5	3,333.4	3,253.2	3,399.8	3,374.3	3,505.2	3,382.4	3,342.5	3,404.6	3,190.5	(6%)	3%		
Client Accounts (at month end, in thousands)																	
Active Brokerage Accounts	31,877	32,110	32,265	32,386	32,513	32,675	32,796	32,942	33,165	33,308	33,421	33,577	33,759	1%	6%		
Banking Accounts	1,562	1,584	1,574	1,578	1,594	1,580	1,593	1,608	1,614	1,628	1,641	1,641	1,652	1%	6%		
Corporate Retirement Plan Participants	2,116	2,130	2,149	2,159	2,188	2,207	2,213	2,198	2,200	2,216	2,235	2,246	2,261	1%	7%		
Client Activity																	
New Brokerage Accounts (in thousands)	609	549	499	402	402	374	397	448	473	426	356	420	386	(8%)	(37%)		
Client Cash as a Percentage of Client Assets ⁽⁴⁾	10.9%	10.8%	10.5%	10.4%	10.3%	10.8%	10.4%	10.5%	10.9%	11.3%	11.5%	11.4%	11.9%	50 bp	100 bp		
Derivative Trades as a Percentage of Total Trades	20.4%	20.9%	20.6%	22.2%	23.1%	23.1%	22.5%	23.4%	23.0%	22.4%	24.0%	22.4%	21.9%	(50) bp	150 bp		
Selected Average Balances (in millions of dollars)																	
Average Interest-Earning Assets ⁽⁵⁾	527,194	528,642	536,146	546,579	552,372	565,379	574,181	584,362	605,709	622,997	629,042	644,768	636,668	(1%)	21%		
Average Margin Balances	72,863	75,921	78,410	79,910	81,021	81,705	83,835	87,311	88,328	86,737	84,354	81,526	83,762	3%	15%		
Average Bank Deposit Account Balances ⁽⁶⁾	162,392	160,459	161,377	151,275	150,896	152,330	154,040	153,877	154,918	157,706	153,824	155,657	152,653	(2%)	(6%)		
Mutual Fund and Exchange-Traded Fund																	
Net Buys (Sells)^(7,8) (in millions of dollars)																	
Equities	13,422	9,854	10,873	7,418	8,808	7,596	8,840	13,099	11,519	7,384	9,371	14,177	(786)				
Hybrid	877	1	390	666	569	335	81	308	(1,207)	(367)	(478)	(497)	(529)				
Bonds	8,940	5,906	10,101	6,917	8,044	6,232	4,425	4,097	5,600	1,804	(1,973)	(7,851)	(6,933)				
Net Buy (Sell) Activity (in millions of dollars)																	
Mutual Funds ⁽⁷⁾	5,754	2,022	5,872	2,644	3,876	(308)	302	189	(2,859)	(4,961)	(6,318)	(11,888)	(16,657)				
Exchange-Traded Funds ⁽⁸⁾	17,485	13,739	15,492	12,357	13,545	14,471	13,044	17,315	18,771	13,782	13,238	17,717	8,409				
Money Market Funds	(5,153)	(3,988)	(3,806)	(2,501)	(1,372)	(1,512)	(451)	(1,725)	(144)	(1,984)	(1,086)	(1,344)	(3,430)				

Note: Certain supplemental details related to the information above can be found at: <https://www.aboutschwab.com/financial-reports>.

⁽¹⁾ November 2021 includes an outflow of \$13.7 billion from a mutual fund clearing services client. October 2021 includes an outflow of \$13.9 billion from a mutual fund clearing services client.

⁽²⁾ Net new assets before significant one-time inflows or outflows, such as acquisitions/divestitures or extraordinary flows (generally greater than \$10 billion) relating to a specific client. These flows may span multiple reporting periods.

⁽³⁾ Excludes Retirement Business Services.

⁽⁴⁾ Schwab One®, certain cash equivalents, bank deposits, third-party bank deposit accounts, and money market fund balances as a percentage of total client assets.

⁽⁵⁾ Represents average total interest-earning assets on the company's balance sheet.

⁽⁶⁾ Represents average TD Ameritrade clients' uninvested cash sweep account balances held in deposit accounts at third-party financial institutions.

⁽⁷⁾ Represents the principal value of client mutual fund transactions handled by Schwab, including transactions in proprietary funds. Includes institutional funds available only to Investment Managers. Excludes money market fund transactions.

⁽⁸⁾ Represents the principal value of client ETF transactions handled by Schwab, including transactions in proprietary ETFs.