

News Release



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CORPORATION

SCHWAB REPORTS MONTHLY ACTIVITY HIGHLIGHTS

WESTLAKE, Texas, May 12, 2023 – The Charles Schwab Corporation released its Monthly Activity Report today. Company highlights for the month of April 2023 include:

- Total net new assets brought to the company by new and existing clients in April 2023 totaled \$13.6 billion, while core net new assets equaled negative \$2.3 billion. These flows reflect client cash disbursements during tax season.
- Total client assets were \$7.63 trillion as of month-end April, up 5% from April 2022 and up 1% compared to March 2023.
- Active brokerage accounts reached 34.2 million in April, up 1% from April 2022 and flat compared to March 2023.

Commentary from the CFO

Chief Financial Officer Peter Crawford commented, “As previously noted in my commentary published on May 5, 2023, April marked the third consecutive month of deceleration in the daily average pace of cash realignment within bank sweep deposits and Bank Deposit Account (BDA) balances. This trend has continued into May, with the month-to-date pace improving nearly 50% versus April. We remain confident that client cash realignment activity will abate during 2023 – helping client cash on the balance sheet resume growing in proportion with the growth in total client assets over time.”

Forward-Looking Statements

This press release contains forward-looking statements relating to client cash realignment activity; growth of client cash on the balance sheet; and growth in client assets. These forward-looking statements reflect management’s expectations as of the date hereof. Achievement of these expectations 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 the level of interest rates and equity valuations; client cash decisions; client sensitivity to rates; level of client assets, including cash balances; competitive pressures on pricing; capital and liquidity needs and management; balance sheet positioning relative to changes in interest rates; interest earning asset mix and growth; new or changed legislation, regulation or regulatory expectations; and client use of the company’s advisory solutions and other products and services. Other important factors include the company’s ability to attract and retain clients and independent investment advisors and grow those relationships and client assets; develop and launch new and enhanced products, services, and capabilities, as well as enhance its infrastructure and capacity, in a timely and successful manner; hire and retain talent; support client activity levels; 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 34.2 million active brokerage accounts, 2.4 million corporate retirement plan participants, 1.8 million banking accounts, and \$7.63 trillion in client assets as of April 30, 2023. 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.

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The Charles Schwab Corporation Monthly Activity Report For April 2023

	2022												2023			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 [®]	32,977	32,990	30,775	32,845	31,510	28,726	32,733	34,590	33,147	34,086	32,657	33,274	34,098	2%	3%		
Nasdaq Composite [®]	12,335	12,081	11,029	12,391	11,816	10,576	10,988	11,468	10,466	11,585	11,456	12,222	12,227	-	(1%)		
Standard & Poor's [®] 500	4,132	4,132	3,785	4,130	3,955	3,586	3,872	4,080	3,840	4,077	3,970	4,109	4,169	1%	1%		
Client Assets (in billions of dollars)																	
Beginning Client Assets	7,862.1	7,284.4	7,301.7	6,832.5	7,304.8	7,127.6	6,644.2	7,004.6	7,320.6	7,049.8	7,480.6	7,380.2	7,580.0				
Net New Assets ⁽¹⁾	(9.2)	32.8	19.8	31.5	43.3	39.8	42.0	33.1	53.3	36.1	41.7	72.9	13.6	(81%)	N/M		
Net Market (Losses) Gains	(568.5)	(15.5)	(489.0)	440.8	(220.5)	(523.2)	318.4	282.9	(324.1)	394.7	(142.1)	126.9	37.9				
Total Client Assets (at month end)	7,284.4	7,301.7	6,832.5	7,304.8	7,127.6	6,644.2	7,004.6	7,320.6	7,049.8	7,480.6	7,380.2	7,580.0	7,631.5	1%	5%		
Core Net New Assets ⁽²⁾	(9.2)	32.8	40.6	31.5	43.3	39.8	42.0	33.1	53.3	36.1	41.7	53.9	(2.3)	(104%)	75%		
Receiving Ongoing Advisory Services (at month end)																	
Investor Services	509.3	513.0	483.8	514.8	499.2	466.6	487.3	514.0	499.8	524.6	515.5	526.2	530.7	1%	4%		
Advisor Services ⁽³⁾	3,190.5	3,213.8	3,040.4	3,222.5	3,150.5	2,950.9	3,106.0	3,270.5	3,173.4	3,345.4	3,289.6	3,369.3	3,394.9	1%	6%		
Client Accounts (at month end, in thousands)																	
Active Brokerage Accounts ⁽⁴⁾	33,759	33,822	33,896	33,934	33,984	33,875	33,896	33,636	33,758	33,878	34,010	34,120	34,248	-	1%		
Banking Accounts	1,652	1,658	1,669	1,680	1,690	1,696	1,706	1,705	1,716	1,729	1,733	1,746	1,757	1%	6%		
Corporate Retirement Plan Participants	2,261	2,275	2,275	2,267	2,285	2,305	2,322	2,336	2,351	2,369	2,384	2,379	2,391	1%	6%		
Client Activity																	
New Brokerage Accounts (in thousands)	386	323	305	278	332	287	298	303	330	344	320	378	331	(12%)	(14%)		
Client Cash as a Percentage of Client Assets ⁽⁵⁾	11.9%	12.0%	12.8%	12.0%	12.1%	12.9%	12.2%	11.5%	12.3%	11.6%	11.7%	11.6%	11.3%	(30) bp	(60) bp		
Derivative Trades as a Percentage of Total Trades	21.9%	22.6%	22.3%	24.2%	23.3%	23.6%	24.1%	24.6%	23.2%	23.0%	23.5%	22.8%	23.4%	60 bp	150 bp		
Selected Average Balances (in millions of dollars)																	
Average Interest-Earning Assets ⁽⁶⁾	636,668	620,157	614,100	605,751	586,154	568,351	552,631	527,019	520,100	512,893	503,122	497,627	493,215	(1%)	(23%)		
Average Margin Balances	83,762	78,841	74,577	72,177	72,855	73,224	69,188	66,011	64,759	60,211	60,575	60,848	60,338	(1%)	(28%)		
Average Bank Deposit Account Balances ⁽⁷⁾	152,653	154,669	155,306	154,542	148,427	141,198	136,036	130,479	126,953	122,387	115,816	109,392	104,775	(4%)	(31%)		
Mutual Fund and Exchange-Traded Fund																	
Net Buys (Sells)^(8,9) (in millions of dollars)																	
Equities	(786)	1,889	(1,586)	5,589	10,465	(2,662)	3,984	3,777	(1,837)	7,236	5,850	(3,234)	1,126				
Hybrid	(529)	(1,718)	(1,054)	(2,041)	(783)	(938)	(1,380)	(2,052)	(1,595)	(433)	47	(1,641)	(462)				
Bonds	(6,933)	(6,121)	(5,631)	729	(141)	(5,801)	(7,218)	(3,721)	(3,260)	5,646	4,281	6,158	2,575				
Net Buy (Sell) Activity (in millions of dollars)																	
Mutual Funds ⁽⁶⁾	(16,657)	(20,761)	(16,258)	(8,674)	(7,117)	(15,200)	(18,473)	(17,143)	(21,851)	552	(2,338)	(7,423)	(4,904)				
Exchange-Traded Funds ⁽⁹⁾	8,409	14,811	7,987	12,951	16,658	5,799	13,859	15,147	15,159	11,897	12,516	8,706	8,143				
Money Market Funds	(3,430)	7,106	11,544	13,711	19,702	17,018	21,542	16,929	27,778	24,285	23,347	27,106	6,291				

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

- ⁽¹⁾ April 2023 includes an inflow of \$12.0 billion from a mutual fund clearing services client and inflows of \$3.9 billion from off-platform Schwab Bank Certificates of Deposit (CDs). March 2023 includes inflows of \$19.0 billion from off-platform Schwab CDs issued year-to-date through March 31, 2023. June 2022 includes an outflow of \$20.8 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, and activity from off-platform Schwab Bank CDs. These flows may span multiple reporting periods.
- ⁽³⁾ Excludes Retirement Business Services.
- ⁽⁴⁾ November 2022 includes the company-initiated closure of approximately 350 thousand low-balance accounts. September 2022 includes the company-initiated closure of approximately 152 thousand low-balance accounts.
- ⁽⁵⁾ Schwab One[®], certain cash equivalents, bank deposits, third-party bank deposit accounts, and money market fund balances as a percentage of total client assets.
- ⁽⁶⁾ Represents average total interest-earning assets on the company's balance sheet. November 2022 includes the impact of transferring certain investment securities from the available for sale category to the held-to-maturity category.
- ⁽⁷⁾ Represents average clients' uninvested cash sweep account balances held in deposit accounts at third-party financial institutions.
- ⁽⁸⁾ 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.
- ⁽⁹⁾ Represents the principal value of client ETF transactions handled by Schwab, including transactions in proprietary ETFs.
- N/M - Not meaningful. Percentage changes greater than 200% are presented as not meaningful.