

News Release



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CORPORATION

SCHWAB REPORTS MONTHLY ACTIVITY HIGHLIGHTS

SAN FRANCISCO, September 16, 2019 – The Charles Schwab Corporation released its Monthly Activity Report today. Company highlights for the month of August 2019 include:

- Core net new assets brought to the company by new and existing clients totaled \$19.9 billion. Net new assets excluding mutual fund clearing totaled \$17.7 billion.
- Total client assets were \$3.72 trillion as of month-end August, up 5% from August 2018 and down 1% compared to July 2019.
- Average interest-earning assets on the company's balance sheet were \$265.0 billion in August, up 2% from August 2018 and up slightly compared to July 2019.

CFO Peter Crawford commented, "We recently initiated a process to review our cost base to ensure we remain properly positioned to serve clients while navigating a more challenging operating environment. Last Tuesday, we notified our employees that, based on this review, we have decided to eliminate approximately 600 positions, or 3% of our current workforce. Impacted positions span all staffing grades, as well as organizations and locations across the company. These actions are expected to result in pre-tax charges of approximately \$60 million in the third quarter of 2019. We view this as a prudent step in managing expenses while continuing to invest in important initiatives to enhance growth, drive greater efficiency, and improve the client experience. Guided by our 'Through Clients' Eyes' strategy, we remain committed to offering our 'no trade-offs' combination of value, service, transparency, and trust, regardless of the environment."

About Charles Schwab

The Charles Schwab Corporation (NYSE: SCHW) is a leading provider of financial services, with more than 365 offices and 12.1 million active brokerage accounts, 1.7 million corporate retirement plan participants, 1.4 million banking accounts, and \$3.72 trillion in client assets as of August 31, 2019. 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 subsidiary, Charles Schwab & Co., Inc. (member SIPC, <https://www.sipc.org>), and 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 banking subsidiary, Charles Schwab Bank (member FDIC and an Equal Housing Lender), provides banking and lending services and products. More information is available at <https://www.schwab.com> and <https://www.aboutschwab.com>.

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The Charles Schwab Corporation Monthly Activity Report For August 2019

	2018					2019							Change		
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Mo.	Yr.
Market Indices (at month end)															
Dow Jones Industrial Average	25,965	26,458	25,116	25,538	23,327	25,000	25,916	25,929	26,593	24,815	26,600	26,864	26,403	(2%)	2%
Nasdaq Composite	8,110	8,046	7,306	7,331	6,635	7,282	7,533	7,729	8,095	7,453	8,006	8,175	7,963	(3%)	(2%)
Standard & Poor's 500	2,902	2,914	2,712	2,760	2,507	2,704	2,784	2,834	2,946	2,752	2,942	2,980	2,926	(2%)	1%
Client Assets (in billions of dollars)															
Beginning Client Assets	3,477.9	3,555.9	3,563.7	3,388.1	3,431.9	3,252.2	3,447.7	3,533.0	3,585.4	3,668.5	3,530.6	3,702.4	3,746.7		
Net New Assets	20.8	16.4	14.9	15.6	24.8	15.1	18.3	18.3	(0.3)	17.3	20.2	19.3	19.9	3%	(4%)
Net Market Gains (Losses)	57.2	(8.6)	(190.5)	28.2	(204.5)	180.4	67.0	34.1	83.4	(155.2)	151.6	25.0	(50.1)		
Total Client Assets (at month end)	3,555.9	3,563.7	3,388.1	3,431.9	3,252.2	3,447.7	3,533.0	3,585.4	3,668.5	3,530.6	3,702.4	3,746.7	3,716.5	(1%)	5%
Core Net New Assets ⁽¹⁾	20.8	16.4	14.9	15.6	24.8	15.1	18.3	18.3	(0.3)	17.3	20.2	19.3	19.9	3%	(4%)
Receiving Ongoing Advisory Services (at month end)															
Investor Services	292.0	292.7	280.3	284.7	272.4	286.9	294.2	298.4	305.7	298.5	311.6	314.8	314.2	-	8%
Advisor Services ⁽²⁾	1,555.3	1,559.2	1,485.8	1,510.1	1,436.1	1,514.2	1,551.6	1,572.8	1,608.0	1,554.6	1,626.6	1,646.1	1,635.7	(1%)	5%
Client Accounts (at month end, in thousands)															
Active Brokerage Accounts ⁽³⁾	11,310	11,423	11,479	11,529	11,593	11,653	11,712	11,787	11,870	11,929	11,967	12,026	12,085	-	7%
Banking Accounts ⁽⁴⁾	1,274	1,283	1,289	1,297	1,302	1,312	1,313	1,300	1,310	1,323	1,336	1,352	1,361	1%	7%
Corporate Retirement Plan Participants	1,621	1,627	1,634	1,639	1,655	1,679	1,685	1,684	1,690	1,699	1,698	1,701	1,711	1%	6%
Client Activity															
New Brokerage Accounts (in thousands)	132	119	133	115	132	131	115	140	147	123	116	129	126	(2%)	(5%)
Inbound Calls (in thousands)	1,964	1,715	1,976	1,681	1,839	1,924	1,742	1,882	1,966	1,671	1,595	1,773	1,759	(1%)	(10%)
Web Logins (in thousands)	62,797	53,923	59,261	54,654	53,920	64,563	60,121	63,692	65,669	61,522	60,824	65,809	63,928	(3%)	2%
Client Cash as a Percentage of Client Assets ⁽⁵⁾	10.4%	10.3%	11.1%	11.2%	12.8%	11.7%	11.5%	11.3%	10.9%	11.3%	10.9%	11.0%	11.3%	30 bp	90 bp
Mutual Fund and Exchange-Traded Fund															
Net Buys (Sells) ^(6,7) (in millions of dollars)															
Large Capitalization Stock	918	311	308	331	717	1,343	1,109	1,045	980	1,114	206	717	328		
Small / Mid Capitalization Stock	(186)	151	(1,344)	(456)	(1,414)	1,329	638	302	136	(190)	18	10	(374)		
International	186	(88)	(109)	(418)	(2,163)	2,212	1,086	1,274	863	(100)	225	744	(1,390)		
Specialized	(245)	73	(914)	(397)	(2,105)	124	609	750	(109)	(440)	341	418	353		
Hybrid	(678)	(324)	(1,313)	(1,248)	(2,985)	(321)	(309)	(357)	(228)	(316)	(181)	(366)	(569)		
Taxable Bond	965	1,371	(351)	(836)	(4,342)	3,956	2,871	1,923	3,029	1,821	2,378	3,806	2,725		
Tax-Free Bond	559	262	(591)	(407)	(409)	1,184	1,111	1,133	760	1,057	682	960	760		
Net Buy (Sell) Activity (in millions of dollars)															
Mutual Funds ⁽⁶⁾	(1,936)	(1,538)	(5,734)	(7,955)	(21,372)	6,740	2,312	1,850	1,860	86	7	2,151	(1,281)		
Exchange-Traded Funds ⁽⁷⁾	3,455	3,294	1,420	4,524	8,671	3,087	4,803	4,220	3,571	2,860	3,662	4,138	3,114		
Money Market Funds	704	(1,933)	2,546	8,515	13,548	4,944	(1,577)	1,785	(2,097)	5,067	4,570	6,143	6,068		
Average Interest-Earning Assets ⁽⁸⁾															
(in millions of dollars)	259,137	261,741	264,156	265,648	274,913	277,068	270,718	272,727	270,308	263,718	262,759	263,993	265,005	-	2%

⁽¹⁾ 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.

⁽²⁾ Excludes Retirement Business Services.

⁽³⁾ In September 2018, the definition of active brokerage accounts was standardized across all account types as accounts with activity within the preceding 270 days. This change increased active accounts by approximately 63,000.

⁽⁴⁾ In March 2019, banking accounts were reduced by approximately 23,000 as a result of inactive account closures.

⁽⁵⁾ Schwab One[®], certain cash equivalents, bank deposits and money market fund balances as a percentage of total client assets.

⁽⁶⁾ 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.

⁽⁷⁾ Represents the principal value of client ETF transactions handled by Schwab, including transactions in proprietary ETFs.

⁽⁸⁾ Represents average total interest-earning assets on the company's balance sheet.