

News Release



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CORPORATION

SCHWAB REPORTS MONTHLY ACTIVITY HIGHLIGHTS

WESTLAKE, Texas, June 14, 2022 – The Charles Schwab Corporation released its Monthly Activity Report today. Company highlights for the month of May 2022 include:

- Core net new assets brought to the company by new and existing clients totaled \$32.8 billion, as this year's tax season followed a normal schedule for the first time since 2019. Net new assets excluding mutual fund clearing totaled \$34.2 billion.
- Total client assets were \$7.30 trillion as of month-end May, down 1% from May 2021 and flat compared to April 2022.
- Client cash as a percentage of assets was 12.0% as of month-end May, compared with 10.8% in May 2021 and 11.9% in April 2022.

CFO Peter Crawford commented, "Schwab's strong business momentum and rising interest rates are helping power our diversified financial model. To the extent equity market valuations, client trading activity, and margin loan utilization remain at early June levels, we currently expect sequential revenue growth of 7.5% to 8.5% in the second quarter. At the same time, we anticipate second quarter GAAP expenses staying essentially flat relative to the prior period."

Forward-Looking Statements

This press release contains forward-looking statements relating to Schwab's business momentum; expected sequential revenue growth in the second quarter; and anticipated second quarter GAAP expenses. 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 and the level of interest rates; the level and mix of client trading activity; margin loan balances; securities lending; competitive pressures on pricing; client cash sorting; client sensitivity to rates; the level of client assets, including cash balances; 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 support client activity levels and attract and retain talent; balance sheet positioning relative to changes in interest rates; interest earning asset mix and growth; the company's ability to manage expenses; integration-related and other technology projects; compensation; capital expenditures; the effect of adverse developments in litigation or regulatory matters and the extent of any charges associated with such matters; 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 \$7.30 trillion in client assets as of May 31, 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.

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The Charles Schwab Corporation Monthly Activity Report For May 2022

| | 2021 | | | | | 2022 | | | | | | | Change | | |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|----------|----------|-------|--------|
| | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Mo. | Yr. |
| Market Indices (at month end) | | | | | | | | | | | | | | | |
| Dow Jones Industrial Average [®] | 34,529 | 34,503 | 34,935 | 35,361 | 33,844 | 35,820 | 34,484 | 36,338 | 35,132 | 33,893 | 34,678 | 32,977 | 32,990 | - | (4%) |
| Nasdaq Composite [®] | 13,749 | 14,504 | 14,673 | 15,259 | 14,449 | 15,498 | 15,538 | 15,645 | 14,240 | 13,751 | 14,221 | 12,335 | 12,081 | (2%) | (12%) |
| Standard & Poor's [®] 500 | 4,204 | 4,298 | 4,395 | 4,523 | 4,308 | 4,605 | 4,567 | 4,766 | 4,516 | 4,374 | 4,530 | 4,132 | 4,132 | - | (2%) |
| Client Assets (in billions of dollars) | | | | | | | | | | | | | | | |
| Beginning Client Assets | 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 | | |
| Net New Assets ⁽¹⁾ | 28.1 | 43.5 | 44.3 | 51.8 | 42.9 | 22.9 | 31.4 | 80.3 | 33.6 | 40.6 | 46.3 | (9.2) | 32.8 | N/M | 17% |
| Net Market Gains (Losses) | 31.5 | 135.6 | 23.6 | 143.7 | (267.1) | 345.4 | (95.4) | 139.4 | (367.8) | (157.8) | 129.2 | (568.5) | (15.5) | | |
| Total Client Assets (at month end) | 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 | 7,301.7 | - | (1%) |
| Core Net New Assets ⁽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) | 32.8 | N/M | 17% |
| Receiving Ongoing Advisory Services (at month end) | | | | | | | | | | | | | | | |
| Investor Services | 517.8 | 525.1 | 531.9 | 542.5 | 530.1 | 548.3 | 543.1 | 559.2 | 541.9 | 533.7 | 538.9 | 509.3 | 513.0 | 1% | (1%) |
| Advisor Services ⁽³⁾ | 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 | 3,213.8 | 1% | 2% |
| Client Accounts (at month end, in thousands) | | | | | | | | | | | | | | | |
| Active Brokerage Accounts | 32,110 | 32,265 | 32,386 | 32,513 | 32,675 | 32,796 | 32,942 | 33,165 | 33,308 | 33,421 | 33,577 | 33,759 | 33,822 | - | 5% |
| Banking Accounts | 1,584 | 1,574 | 1,578 | 1,594 | 1,580 | 1,593 | 1,608 | 1,614 | 1,628 | 1,641 | 1,641 | 1,652 | 1,658 | - | 5% |
| Corporate Retirement Plan Participants | 2,130 | 2,149 | 2,159 | 2,188 | 2,207 | 2,213 | 2,198 | 2,200 | 2,216 | 2,235 | 2,246 | 2,261 | 2,275 | 1% | 7% |
| Client Activity | | | | | | | | | | | | | | | |
| New Brokerage Accounts (in thousands) | 549 | 499 | 402 | 402 | 374 | 397 | 448 | 473 | 426 | 356 | 420 | 386 | 323 | (16%) | (41%) |
| Client Cash as a Percentage of Client Assets ⁽⁴⁾ | 10.8% | 10.5% | 10.4% | 10.3% | 10.8% | 10.4% | 10.5% | 10.9% | 11.3% | 11.5% | 11.4% | 11.9% | 12.0% | 10 bp | 120 bp |
| Derivative Trades as a Percentage of Total Trades | 20.9% | 20.6% | 22.2% | 23.1% | 23.1% | 22.5% | 23.4% | 23.0% | 22.4% | 24.0% | 22.4% | 21.9% | 22.6% | 70 bp | 170 bp |
| Selected Average Balances (in millions of dollars) | | | | | | | | | | | | | | | |
| Average Interest-Earning Assets ⁽⁵⁾ | 528,642 | 536,146 | 546,579 | 552,372 | 565,379 | 574,181 | 584,362 | 605,709 | 622,997 | 629,042 | 644,768 | 636,668 | 620,157 | (3%) | 17% |
| Average Margin Balances | 75,921 | 78,410 | 79,910 | 81,021 | 81,705 | 83,835 | 87,311 | 88,328 | 86,737 | 84,354 | 81,526 | 83,762 | 78,841 | (6%) | 4% |
| Average Bank Deposit Account Balances ⁽⁶⁾ | 160,459 | 161,377 | 151,275 | 150,896 | 152,330 | 154,040 | 153,877 | 154,918 | 157,706 | 153,824 | 155,657 | 152,653 | 154,669 | 1% | (4%) |
| Mutual Fund and Exchange-Traded Fund | | | | | | | | | | | | | | | |
| Net Buys (Sells)^(7,8) (in millions of dollars) | | | | | | | | | | | | | | | |
| Equities | 9,854 | 10,873 | 7,418 | 8,808 | 7,596 | 8,840 | 13,099 | 11,519 | 7,384 | 9,371 | 14,177 | (786) | 1,889 | | |
| Hybrid | 1 | 390 | 666 | 569 | 335 | 81 | 308 | (1,207) | (367) | (478) | (497) | (529) | (1,718) | | |
| Bonds | 5,906 | 10,101 | 6,917 | 8,044 | 6,232 | 4,425 | 4,097 | 5,600 | 1,804 | (1,973) | (7,851) | (6,933) | (6,121) | | |
| Net Buy (Sell) Activity (in millions of dollars) | | | | | | | | | | | | | | | |
| Mutual Funds ⁽⁷⁾ | 2,022 | 5,872 | 2,644 | 3,876 | (308) | 302 | 189 | (2,859) | (4,961) | (6,318) | (11,888) | (16,657) | (20,761) | | |
| Exchange-Traded Funds ⁽⁸⁾ | 13,739 | 15,492 | 12,357 | 13,545 | 14,471 | 13,044 | 17,315 | 18,771 | 13,782 | 13,238 | 17,717 | 8,409 | 14,811 | | |
| Money Market Funds | (3,988) | (3,806) | (2,501) | (1,372) | (1,512) | (451) | (1,725) | (144) | (1,984) | (1,086) | (1,344) | (3,430) | 7,106 | | |

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.

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