

# News Release



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CORPORATION

## SCHWAB REPORTS MONTHLY ACTIVITY HIGHLIGHTS

**WESTLAKE, Texas, June 14, 2024** – The Charles Schwab Corporation released its Monthly Activity Report today. Company highlights for the month of May 2024 include:

- Core net new assets brought to the company by new and existing clients totaled \$31.1 billion – representing our second highest May ever.
- Total client assets were \$9.21 trillion as of month-end May, up 20% from May 2023 and up 4% compared to April 2024.
- New brokerage accounts were 314,000 in May, flat year-over-year and down 13% compared to April 2024.
- Consistent with the commentary at the Institutional Investor Day on May 22, the company currently expects second quarter total revenue to decrease by 1%–2% relative to the prior quarter and an adjusted<sup>(1)</sup> pre-tax profit margin of approximately 40%. These results reflect the anticipated impact of tax season on transactional sweep cash as well as expected trading volumes during the period.

<sup>(1)</sup> Adjusted pre-tax profit margin is calculated as total net revenues less adjusted total expenses, which exclude acquisition and integration-related costs, amortization of acquired intangible assets, and restructuring costs, as a percentage of total net revenues. Pre-tax quarterly non-GAAP adjustments are estimated to range between approximately \$150 to \$200 million during 2024.

### Forward-Looking Statements

This press release contains forward-looking statements relating to second quarter transactional sweep cash, trading volumes, revenue, adjusted pre-tax profit margin and non-GAAP adjustments. 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 are described in the company's most recent reports on Form 10-K and Form 10-Q, which have been filed with the Securities and Exchange Commission and are available on the company's website (<https://www.aboutschwab.com/financial-reports>) and on the Securities and Exchange Commission's website (<https://www.sec.gov>). The company makes no commitment to update any forward-looking statements.

### About Charles Schwab

The Charles Schwab Corporation (NYSE: SCHW) is a leading provider of financial services, with 35.5 million active brokerage accounts, 5.3 million workplace plan participant accounts, 1.9 million banking accounts, and \$9.21 trillion in client assets as of May 31, 2024. 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 its 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>.

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## The Charles Schwab Corporation Monthly Activity Report For May 2024

	2023					2024								Change	
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Mo.	Yr.
<b>Market Indices</b> (at month end)															
Dow Jones Industrial Average <sup>®</sup>	32,908	34,408	35,560	34,722	33,508	33,053	35,951	37,690	38,150	38,996	39,807	37,816	38,686	2%	18%
Nasdaq Composite <sup>®</sup>	12,935	13,788	14,346	14,035	13,219	12,851	14,226	15,011	15,164	16,092	16,379	15,658	16,735	7%	29%
Standard & Poor's <sup>®</sup> 500	4,180	4,450	4,589	4,508	4,288	4,194	4,568	4,770	4,846	5,096	5,254	5,036	5,278	5%	26%
<b>Client Assets</b> (in billions of dollars)															
Beginning Client Assets	7,631.5	7,650.2	8,015.8	8,241.0	8,094.7	7,824.5	7,653.4	8,180.6	8,516.6	8,558.1	8,879.5	9,118.4	8,847.5		
Net New Assets <sup>(1)</sup>	24.6	33.8	12.9	8.1	27.2	5.0	19.2	42.1	14.8	31.7	41.7	10.0	31.0	N/M	26%
Net Market (Losses) Gains	(5.9)	331.8	212.3	(154.4)	(297.4)	(176.1)	508.0	293.9	26.7	289.7	197.2	(280.9)	327.8		
Total Client Assets (at month end)	7,650.2	8,015.8	8,241.0	8,094.7	7,824.5	7,653.4	8,180.6	8,516.6	8,558.1	8,879.5	9,118.4	8,847.5	9,206.3	4%	20%
Core Net New Assets <sup>(1,2)</sup>	20.7	33.8	13.7	4.9	27.1	11.3	21.7	43.1	17.2	33.4	45.0	1.0	31.1	N/M	50%
<b>Receiving Ongoing Advisory Services</b> (at month end)															
Investor Services	526.3	547.5	560.6	552.2	533.0	522.2	557.0	581.4	584.1	601.8	618.5	602.2	624.0	4%	19%
Advisor Services <sup>(3)</sup>	3,377.8	3,527.8	3,619.8	3,554.2	3,448.0	3,380.3	3,604.4	3,757.4	3,780.4	3,902.5	4,009.5	3,893.9	4,027.3	3%	19%
<b>Client Accounts</b> (at month end, in thousands)															
Active Brokerage Accounts	34,311	34,382	34,434	34,440	34,540	34,571	34,672	34,838	35,017	35,127	35,301	35,426	35,524	-	4%
Banking Accounts	1,768	1,781	1,792	1,798	1,799	1,812	1,825	1,838	1,856	1,871	1,885	1,901	1,916	1%	8%
Workplace Plan Participant Accounts <sup>(4)</sup>	4,962	5,003	5,030	5,037	5,141	5,212	5,212	5,221	5,226	5,268	5,277	5,282	5,345	1%	8%
<b>Client Activity</b>															
New Brokerage Accounts (in thousands)	314	315	303	311	280	284	286	340	366	345	383	361	314	(13%)	-
Client Cash as a Percentage of Client Assets <sup>(5,6)</sup>	10.9%	10.5%	10.2%	10.4%	10.8%	11.2%	10.7%	10.5%	10.5%	10.2%	10.0%	10.2%	9.9%	(30) bp	(100) bp
Derivative Trades as a Percentage of Total Trades	23.5%	23.9%	23.0%	24.4%	24.2%	23.2%	23.1%	21.8%	21.8%	22.2%	21.9%	22.1%	21.9%	(20) bp	(160) bp
<b>Selected Average Balances</b> (in millions of dollars)															
Average Interest-Earning Assets <sup>(7)</sup>	483,438	479,752	466,659	449,483	444,864	438,522	439,118	446,305	443,694	434,822	431,456	423,532	415,950	(2%)	(14%)
Average Margin Balances	60,250	61,543	63,040	64,226	64,014	63,946	61,502	62,309	61,368	63,600	66,425	68,827	67,614	(2%)	12%
Average Bank Deposit Account Balances <sup>(8)</sup>	103,149	102,917	102,566	101,928	100,404	97,893	94,991	95,518	95,553	92,075	90,774	88,819	86,844	(2%)	(16%)
<b>Mutual Fund and Exchange-Traded Fund</b>															
<b>Net Buys (Sells)<sup>(9,10)</sup></b> (in millions of dollars)															
Equities	(1,366)	9,190	7,423	(278)	675	(3,039)	6,099	7,903	8,182	7,624	10,379	3,472	5,734		
Hybrid	(889)	(903)	(407)	(1,037)	(828)	(1,457)	(1,466)	(1,596)	(501)	(1,330)	(439)	(703)	(558)		
Bonds	2,029	3,302	2,515	4,696	2,723	1,094	255	6,104	7,510	9,883	7,561	5,949	5,854		
<b>Net Buy (Sell) Activity</b> (in millions of dollars)															
Mutual Funds <sup>(9)</sup>	(7,157)	(4,485)	(3,333)	(6,476)	(5,853)	(12,245)	(9,267)	(7,406)	(966)	(1,348)	(1,607)	(4,818)	(5,544)		
Exchange-Traded Funds <sup>(10)</sup>	6,931	16,074	12,864	9,857	8,423	8,843	14,155	19,817	16,157	17,525	19,108	13,536	16,574		
Money Market Funds	15,256	9,112	7,911	16,869	13,388	16,976	11,670	7,745	11,717	10,129	9,085	(2,357)	9,790		

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

- (1) Unless otherwise noted, differences between net new assets and core net new assets are net flows from off-platform Schwab Bank Retail CDs. Additionally, 2024 includes an inflow of \$10.3 billion from a mutual fund clearing services client in April, and 2023 includes outflows from a large international relationship of \$0.8 billion in September, \$6.2 billion in October, \$5.4 billion in November, and \$0.6 billion in December.
- (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 Retail CDs. These flows may span multiple reporting periods.
- (3) Excludes Retirement Business Services.
- (4) Beginning October 2023, Retirement Plan Participants was expanded to include accounts in Stock Plan Services, Designated Brokerage Services, and Retirement Business Services. Participants may be enrolled in services in more than one Workplace business. Prior periods have been recast to reflect this change.
- (5) Schwab One<sup>®</sup>, certain cash equivalents, bank deposits, third-party bank deposit accounts, and money market fund balances as a percentage of total client assets.
- (6) Beginning July 2023, client cash as a percentage of client assets excludes brokered CDs issued by Charles Schwab Bank. Prior periods have been recast to reflect this change.
- (7) Represents average total interest-earning assets on the Company's balance sheet.
- (8) Represents average clients' uninvested cash sweep account balances held in deposit accounts at third-party financial institutions.
- (9) 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.
- (10) 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.