

# News Release



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CORPORATION

## SCHWAB REPORTS MONTHLY ACTIVITY HIGHLIGHTS

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

- Core net new assets brought to the company by new and existing clients totaled \$33.4 billion. Net new assets excluding mutual fund clearing totaled \$31.1 billion.
- Total client assets were \$8.88 trillion as of month-end February, up 20% from February 2023 and up 4% versus January 2024.
- Transactional sweep cash ended February 2024 at \$403.2 billion, representing a decrease of \$2.9 billion versus the prior month.
- With the company's diversified financial model benefiting from rising equity markets and stronger client trading activity to start the year, the company anticipates first quarter sequential revenue growth of approximately 5% to 6% and adjusted<sup>(1)</sup> pre-tax profit margin expansion of nearly four percentage points versus the fourth quarter as the full impact of the late 2023 incremental cost savings are realized.

<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. 1Q24 GAAP pre-tax profit margin is currently expected to expand by more than 900 basis points versus 4Q23. This sequential improvement is driven by a combination of business performance and lower expected non-GAAP adjustments during the first quarter of 2024. 4Q23 adjustments totaled \$413 million, including \$216 million in pre-tax restructuring costs.

## Forward-Looking Statements

This press release contains forward-looking statements relating to first quarter revenue and adjusted pre-tax profit margin. These forward-looking statements reflect management's expectations as of the date hereof. Achievement of these expectations 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, client use of the company's advisory solutions and other products and services; general market conditions, including the level of interest rates and equity valuations; client cash allocation decisions; client sensitivity to rates; level of client assets, including cash balances; competitive pressures on pricing; balance sheet positioning relative to changes in interest rates; interest earning asset mix and growth; the level and mix of client trading activity; market volatility; securities lending; and margin loan balances. Other important factors include the company's ability to support client activity levels, monetize client assets, and manage expenses; developments in litigation or regulatory matters; and other factors set forth in the company's most recent report on Form 10-K.

**About Charles Schwab**

The Charles Schwab Corporation (NYSE: SCHW) is a leading provider of financial services, with 35.1 million active brokerage accounts, 5.3 million workplace plan participant accounts, 1.9 million banking accounts, and \$8.88 trillion in client assets as of February 29, 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 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 LLC. TD Ameritrade Holding LLC 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 February 2024

	2023												2024		Change	
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mo.	Yr.	
<b>Market Indices</b> (at month end)																
Dow Jones Industrial Average®	32,657	33,274	34,098	32,908	34,408	35,560	34,722	33,508	33,053	35,951	37,690	38,150	38,996	2%	19%	
Nasdaq Composite®	11,456	12,222	12,227	12,935	13,788	14,346	14,035	13,219	12,851	14,226	15,011	15,164	16,092	6%	40%	
Standard & Poor's® 500	3,970	4,109	4,169	4,180	4,450	4,589	4,508	4,288	4,194	4,568	4,770	4,846	5,096	5%	28%	
<b>Client Assets</b> (in billions of dollars)																
Beginning Client Assets	7,480.6	7,380.2	7,580.0	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			
Net New Assets <sup>(1)</sup>	41.7	72.9	13.6	24.6	33.8	12.9	8.1	27.2	5.0	19.2	42.1	14.8	31.7	114%	(24%)	
Net Market (Losses) Gains	(142.1)	126.9	37.9	(5.9)	331.8	212.3	(154.4)	(297.4)	(176.1)	508.0	293.9	26.7	289.7			
Total Client Assets (at month end)	7,380.2	7,580.0	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	4%	20%	
Core Net New Assets <sup>(1,2)</sup>	41.7	53.9	(2.3)	20.7	33.8	13.7	4.9	27.1	11.3	21.7	43.1	17.2	33.4	94%	(20%)	
<b>Receiving Ongoing Advisory Services</b> (at month end)																
Investor Services	515.5	526.2	530.7	526.3	547.5	560.6	552.2	533.0	522.2	557.0	581.4	584.1	601.8	3%	17%	
Advisor Services <sup>(3)</sup>	3,289.6	3,369.3	3,394.9	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	3%	19%	
<b>Client Accounts</b> (at month end, in thousands)																
Active Brokerage Accounts	34,010	34,120	34,248	34,311	34,382	34,434	34,440	34,540	34,571	34,672	34,838	35,017	35,127	-	3%	
Banking Accounts	1,733	1,746	1,757	1,768	1,781	1,792	1,798	1,799	1,812	1,825	1,838	1,856	1,871	1%	8%	
Workplace Plan Participant Accounts <sup>(4)</sup>	4,839	4,845	4,869	4,962	5,003	5,030	5,037	5,141	5,212	5,212	5,221	5,226	5,268	1%	9%	
<b>Client Activity</b>																
New Brokerage Accounts (in thousands)	320	378	331	314	315	303	311	280	284	286	340	366	345	(6%)	8%	
Client Cash as a Percentage of Client Assets <sup>(5,6)</sup>	11.6%	11.2%	10.8%	10.9%	10.5%	10.2%	10.4%	10.8%	11.2%	10.7%	10.5%	10.5%	10.2%	(30) bp	(140) bp	
Derivative Trades as a Percentage of Total Trades	23.5%	22.8%	23.4%	23.5%	23.9%	23.0%	24.4%	24.2%	23.2%	23.1%	21.8%	21.8%	22.2%	40 bp	(130) bp	
<b>Selected Average Balances</b> (in millions of dollars)																
Average Interest-Earning Assets <sup>(7)</sup>	503,122	497,627	493,215	483,438	479,752	466,659	449,483	444,864	438,522	439,118	446,305	443,694	434,822	(2%)	(14%)	
Average Margin Balances	60,575	60,848	60,338	60,250	61,543	63,040	64,226	64,014	63,946	61,502	62,309	61,368	63,600	4%	5%	
Average Bank Deposit Account Balances <sup>(8)</sup>	115,816	109,392	104,775	103,149	102,917	102,566	101,928	100,404	97,893	94,991	95,518	95,553	92,075	(4%)	(20%)	
<b>Mutual Fund and Exchange-Traded Fund</b>																
<b>Net Buys (Sells)<sup>(9,10)</sup></b> (in millions of dollars)																
Equities	5,850	(3,234)	1,126	(1,366)	9,190	7,423	(278)	675	(3,039)	6,099	7,903	8,182	7,624			
Hybrid	47	(1,641)	(462)	(889)	(903)	(407)	(1,037)	(828)	(1,457)	(1,466)	(1,596)	(501)	(1,330)			
Bonds	4,281	6,158	2,575	2,029	3,302	2,515	4,696	2,723	1,094	255	6,104	7,510	9,883			
<b>Net Buy (Sell) Activity</b> (in millions of dollars)																
Mutual Funds <sup>(9)</sup>	(2,338)	(7,423)	(4,904)	(7,157)	(4,485)	(3,333)	(6,476)	(5,853)	(12,245)	(9,267)	(7,406)	(966)	(1,348)			
Exchange-Traded Funds <sup>(10)</sup>	12,516	8,706	8,143	6,931	16,074	12,864	9,857	8,423	8,843	14,155	19,817	16,157	17,525			
Money Market Funds	23,347	27,106	6,291	15,256	9,112	7,911	16,869	13,388	16,976	11,670	7,745	11,717	10,129			

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

- <sup>(1)</sup> Unless otherwise noted, differences between net new assets and core net new assets are net flows from off-platform Schwab Bank Retail CDs - including March 2023 which reflects inflows of \$19.0 billion from off-platform Schwab Bank Retail CDs issued year-to-date through March 31, 2023. Additionally, 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, and an inflow of \$12.0 billion from a mutual fund clearing services client in April.
- <sup>(2)</sup> 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.
- <sup>(3)</sup> Excludes Retirement Business Services.
- <sup>(4)</sup> 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.
- <sup>(5)</sup> Schwab One®, certain cash equivalents, bank deposits, third-party bank deposit accounts, and money market fund balances as a percentage of total client assets.
- <sup>(6)</sup> 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.
- <sup>(7)</sup> Represents average total interest-earning assets on the Company's balance sheet.
- <sup>(8)</sup> Represents average clients' uninvested cash sweep account balances held in deposit accounts at third-party financial institutions.
- <sup>(9)</sup> 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.
- <sup>(10)</sup> Represents the principal value of client ETF transactions handled by Schwab, including transactions in proprietary ETFs.