

## Charles Schwab Corp. (SCHW)

**\$100.17** (Stock Price as of 01/09/2026)

Price Target (6-12 Months): **\$109.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

Neutral

(Since: 09/17/25)

Prior Recommendation: Outperform

Short Term: 1-3 Months

**Zacks Rank:** (1-5)

**3-Hold**

Zacks Style Scores:

VGM: A

Value: B

Growth: A

Momentum: A

## Summary

Shares of Schwab have underperformed the industry in the past six months. Expenses will likely remain elevated amid continued investments in marketing, thus hurting the bottom line. We expect expenses to witness a CAGR of 7% by 2027. The uncertainty about the performance of the capital markets is another concern. Nevertheless, Strategic buyouts (including the deal to buy Forge Global) and branch expansion efforts amid favorable market conditions will likely drive client assets. We estimate total client assets to witness a CAGR of 8.2% by 2027. Despite the rate cuts in 2025 along with expectations of more, relatively higher rates and an increased focus on repaying high-cost bank supplemental funding balances will support net interest margin (NIM). A solid balance sheet and liquidity position will enable sustainable capital distribution activities.

## Price, Consensus & Surprise<sup>(1)</sup>



## Data Overview

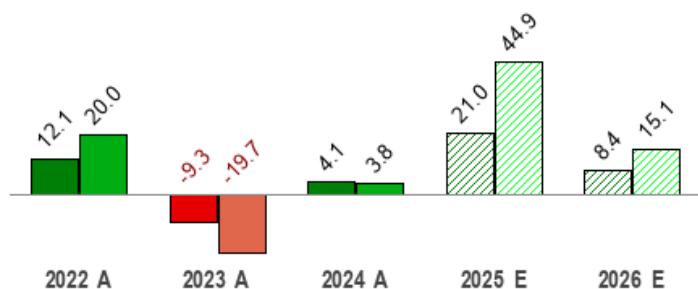
52 Week High-Low	<b>\$104.76 - \$65.88</b>
20 Day Average Volume (sh)	<b>7,289,383</b>
Market Cap	<b>\$178.0 B</b>
YTD Price Change	<b>0.3%</b>
Beta	<b>0.94</b>
Dividend / Div Yld	<b>\$1.08 / 1.1%</b>
Industry	<a href="#">Financial - Investment Bank</a>
Zacks Industry Rank	<b>Top 30% (72 out of 244)</b>

Last EPS Surprise	<b>5.7%</b>
Last Sales Surprise	<b>3.0%</b>
EPS F1 Est- 4 week change	<b>0.9%</b>
Expected Report Date	<b>01/21/2026</b>
Earnings ESP	<b>4.4%</b>

P/E TTM	<b>22.3</b>
P/E F1	<b>21.3</b>
PEG F1	<b>0.7</b>
P/S TTM	<b>7.8</b>

## Sales and EPS Growth Rates (Y/Y %)<sup>(2)</sup>

Sales          EPS     



## Sales Estimates (millions of \$)<sup>(2)</sup>

	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Annual*</b>
2026	6,169 E	6,388 E	6,460 E	6,692 E	25,709 E
2025	5,599 A	5,851 A	6,135 A	6,141 E	23,726 E
2024	4,740 A	4,690 A	4,847 A	5,329 A	19,606 A

## EPS Estimates<sup>(2)</sup>

	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Annual*</b>
2026	1.24 E	1.32 E	1.37 E	1.49 E	5.42 E
2025	1.04 A	1.14 A	1.31 A	1.22 E	4.71 E
2024	0.74 A	0.73 A	0.77 A	1.01 A	3.25 A

\*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 01/09/2026.

(2) The report's text, the analyst-provided estimates, and the price target are as of 01/06/2026.

## Overview

Headquartered in Westlake, TX, The Charles Schwab Corporation is a savings and loan holding company that provides wealth management, securities brokerage, banking, asset management, custody and financial advisory services. The company has nearly 400 branches across 48 states and the District of Columbia, as well as locations in Puerto Rico, the United Kingdom, Hong Kong and Singapore.

The company's main subsidiaries include Charles Schwab & Co. (securities broker-dealer), Charles Schwab Investment Management (an investment advisor for Schwab's proprietary mutual funds and Schwab's exchange-traded funds or ETFs) and Charles Schwab Bank (a federal savings bank).

Schwab provides financial services to individuals and institutions through two reportable segments – Investor Services and Advisor Services.

The Investor Services segment (comprising 56.6% of total client assets in 2024) offers retail brokerage, investment advisory, and banking and trust services as well as retirement plan and corporate brokerage services. Through this segment, the company offers research, analytic tools, online portfolio planning tools, performance reports, market analysis and educational material to its clients.

The Advisor Services segment (43.4%) offers custodial, trading, banking and trust, and support services, as well as retirement business services to independent registered investment advisors (RIAs), independent retirement advisors and record-keepers.

In May 2020, Schwab acquired certain assets of USAA's Investment Management Company, including brokerage and managed portfolio accounts. In June, it acquired Motif's technology and intellectual property assets, while in July, it acquired Naples, FL-based Wasmer, Schroeder & Company. In October, the company completed the buyout of TD Ameritrade (TDA), leading to the formation of a behemoth in the brokerage industry.

As of Sept. 30, 2025, Schwab had 38 million active brokerage accounts, 2.2 million banking accounts and 5.6 million workplace plan participant accounts.



As of 01/06/2026



## Reasons To Buy:

▲ Despite the Federal Reserve cutting interest rates, Schwab's focus on repaying high-cost bank supplemental funding balances will continue to support NIM growth. By September 2025-end, the bank's supplemental funding balance declined 85% to \$14.8 billion from the peak of \$97.1 billion in May 2023. As such, NIM increased in the first nine months of 2025 to 2.68% from 2.04% in the prior-year period. Also, the metric rose to 2.12% in 2024 from 1.98% in 2023, 1.78% in 2022 and 1.45% in 2021. The company expects NIM to keep expanding as funding costs come down, given the decline in supplement funding balance and relatively higher rates. We estimate NIM to be 2.75%, 2.98% and 3.14% in 2025, 2026 and 2027, respectively.

▲ Schwab continues to benefit from aggressive efforts to increase its client base in advisory solutions. The company's total managed investing solutions revenues witnessed a compound annual growth rate (CAGR) of 12.2% over the last five years (2019-2024). The uptrend continued in the first nine months of 2025. The acquisitions of TDA, USAA's Investment Management Company, Wasmer, Schroeder & Company, LLC and the buyout of Motif's technology and intellectual property have strengthened the company's position and helped diversify revenues. Despite the company lowering fees on certain investing solution products, revenues from the same increased as average client asset balances improved. The company's total client assets recorded a five-year (ended 2024) CAGR of 20.1%, with the uptrend continuing in the first nine months of 2025. Notably, Schwab's plans to open 16 new branches and expand or relocate 25 existing ones will likely give the company a way to engage with clients during important financial moments, leading to higher client satisfaction, which in turn, will result in clients consolidating more of their assets with Schwab. Our estimate for total client assets suggests a CAGR of 8.2% over the three years ended 2027.

▲ As of Sept. 30, 2025, Schwab had cash and cash equivalents of \$30.6 billion and total debt (comprising long-term debt, Federal Home Loan Bank borrowings and other short-term borrowings) of \$27.6 billion. The company remains focused on maintaining a low-cost capital structure, which has been supporting its capital distributions. In January 2025, it announced an 8% hike in quarterly dividend to 27 cents per share. In the past five years, the company raised dividend payouts four times. Further, the company announced a repurchase plan worth \$20 billion in July 2025, replacing the earlier plan. As of Sept. 30, 2025, \$17.3 billion worth of authorization remained available for repurchase. Given its earnings strength and solid liquidity position, the company will be able to sustain capital distributions efficiently.

▲ Schwab's trailing 12-month return on equity (ROE) supports its growth potential. The company's ROE of 21.02% compares favorably with 15.66% for the industry, highlighting that it is more efficient in using shareholders' funds than its peers.

A steady decline in funding costs and relatively higher rates will aid Schwab's NIM. Strategic buyouts, a rise in investing solution fees and sustainable capital distributions are other positives.

## Reasons To Sell:

▼ Steadily rising operating expenses are expected to hurt Schwab's bottom line. While total expenses declined in 2024 as the company undertook actions to streamline its operations post-TDA-integration, the metric witnessed a CAGR of 15.2% over the last five years (2019-2024), mainly due to higher compensation and benefit costs and acquisition-related charges. The uptrend in total expenses continued in the first nine months of 2025. As the company keeps on investing to support long-term growth and strengthen business efficiency, expenses are likely to rise in the quarters ahead. Moreover, costs associated with hiring, regulatory spending and targeted marketing and advertising, are expected to keep operating expenses elevated. We project expenses to rise 5.9%, 8.4% and 6.6% in 2025, 2026 and 2027, respectively.

▼ While Schwab's trading revenues grew in 2024 and in the first nine months of 2025 (supported by increased market volatility and client activity), it recorded a negative CAGR of 7.7% over the last three years (ending 2024). The company has been undertaking several initiatives and strategic buyouts to build client base and strengthen trading income. However, uncertainty regarding the performance of the capital markets makes us apprehensive about robust growth in trading revenues. Per our estimates, trading revenues will rise 16.8% in 2025.

▼ Shares of Schwab have underperformed the industry in the past six months. The stock seems overvalued when compared with the broader industry. Its current price-book and price-earnings (F1) ratios are above the industry averages.

Elevated expenses due to higher marketing and merger-related costs will likely hurt Schwab's profitability. The volatile nature of the capital markets may make growth in trading revenues difficult.

## Last Earnings Report

### Schwab's Q3 Earnings Beat Estimates on Robust Trading & NIR Growth

Schwab's third-quarter 2025 adjusted earnings of \$1.31 per share beat the Zacks Consensus Estimate of \$1.23. The bottom line soared 70% year over year.

Results benefited from the solid performance of the asset management business and higher trading revenues. Higher net interest revenues and solid brokerage account numbers were other positives. However, an increase in expenses acted as a headwind.

Results excluded transaction-related costs. After considering these, net income (GAAP basis) was \$2.36 billion or \$1.26 per share, up from \$1.41 billion or 71 cents per share in the year-ago quarter. We had projected net income (GAAP) of \$2.11 billion.

### Revenues Jump, Expenses Rise

Quarterly net revenues were a record \$6.14 billion, jumping 27% year over year. The increase was driven by a rise in all revenue components. The top line handily surpassed the Zacks Consensus Estimate of \$5.95 billion.

Total non-interest expenses (GAAP basis) increased 4% to \$3.11 billion. We projected this metric to be \$3.05 billion. Excluding non-recurring items, adjusted total expenses were \$3 billion, up 5% year over year.

The pre-tax profit margin increased to 49.2% from 38% in the prior-year quarter.

At the end of the third quarter, Charles Schwab's average interest-earning assets were relatively stable at \$419.8 billion. Our estimate for the metric was \$426.4 billion.

As of Sept. 30, 2025, the annualized return on equity was 21%, up from 14% in the prior-year quarter.

### Other Business Metrics

As of Sept. 30, 2025, Schwab's total client assets reached a record \$11.59 trillion (up 17% year over year). During the reported quarter, net new assets brought by new and existing clients were \$134.4 billion.

Schwab added 1.14 million new brokerage accounts during the quarter. As of Sept. 30, 2025, the company had 38 million active brokerage accounts, 2.2 million banking accounts and 5.6 million corporate retirement plan participants.

### Share Repurchase Update

During the reported quarter, Schwab repurchased 28.9 million shares for \$2.7 billion.

### Outlook

Heading into 2026, Schwab anticipates continued revenue and earnings growth even in a lower rate environment.

Management continues to expect fourth-quarter 2025 NIM to expand toward the 2.80% level.

Expenses are anticipated to rise approximately 5.25% or a little higher in 2025.

The company expects its corporate tax rate to be 23-24% in the future periods.

FY Quarter Ending	12/31/2025
Earnings Reporting Date	Oct 16, 2025
Sales Surprise	3.00%
EPS Surprise	5.65%
Quarterly EPS	1.31
Annual EPS (TTM)	4.50

## Recent News

### Schwab's Total Client Assets Rise Y/Y in November on Higher NNAs - Dec. 12, 2025

Schwab released its monthly activity report for November 2025. The company's total client assets were \$11.83 trillion, up 14.8% from November 2024 and marginally sequentially, driven by strong investor engagement during the month.

Client assets receiving ongoing advisory services were \$5.97 trillion, growing 15.4% from the year-ago period and 1% from the prior month.

#### November Performance Breakdown

Core net new assets of \$40.4 billion in November 2025 surged 40.3% from the prior-year month but declined 9% sequentially.

Schwab's average interest-earning assets of \$436.3 billion rose 2.5% from November 2024 and 0.6% from the previous month. Average margin balances were \$108.9 billion, up 41.5% from the year-ago month and 7.6% from October 2025. Average bank deposit account balances totaled \$73.8 billion, down 12.5% from the prior-year month and 3.1% from the last month.

Schwab opened 365,000 new brokerage accounts in November 2025, up 2.2% from the year-earlier month and down 14.9% sequentially.

Further, Schwab's active brokerage accounts totaled 38.3 million at the end of November 2025, up 5.6% year over year and marginally from October 2025. Client banking accounts were 2.19 million, up 10.6% from the November 2024 level and roughly 1% sequentially. The number of workplace plan participant accounts was up 6.2% year over year and 0.6% from the October 2025 level to 5.73 million.

### Schwab's Total Client Assets Rise Y/Y in October on Higher NNAs – Nov. 14, 2025

Schwab released its monthly activity report for October 2025. The company's total client assets were \$11.83 trillion, up 20.1% from October 2024 and 2% sequentially. This was driven by the volatile markets during the month. Client assets receiving ongoing advisory services were \$5.91 trillion, growing 19% from the year-ago period and 1.8% from the prior month.

Core net new assets of \$44.4 billion in October 2025 surged substantially from the prior-year month and declined 3.9% sequentially.

Schwab's average interest-earning assets of \$433.6 billion rose 2.7% from October 2024 and 2.4% from the previous month. Average margin balances were \$101.2 billion, up 36.6% from the year-ago month and 7% from September 2025. Average bank deposit account balances totaled \$76.2 billion, down 8.5% from the prior-year month and 3.9% from the last month.

Schwab opened 429,000 new brokerage accounts in October 2025, up 29.6% from the year-earlier month and 11.7% sequentially.

Further, Schwab's active brokerage accounts totaled 38.1 million at the end of October 2025, up 5.7% year over year and marginally from September 2025. Client banking accounts were 2.17 million, up 10.4% from the October 2024 level and 1% sequentially. The number of workplace plan participant accounts was up 5.3% year over year and 1.4% from the September 2025 level to 5.7 million.

### Schwab to Buy Forge Global to Boost Private Markets Offering – Nov. 6, 2025

Schwab announced an agreement to acquire Forge Global Holdings, Inc. The all-cash transaction is valued at roughly \$660 million.

Forge Global, based in California, offers accredited investors a broad range of direct or indirect opportunities to engage in the private markets. Its combination of a direct marketplace, private company solutions and proprietary data helps enhance private market access and transparency for qualified investors.

Forge Global operates the premier private market platform and a leading trading marketplace through which investors have traded more than \$17 billion in private company shares as of Sept. 30, 2025.

#### Details of the Forge Global Buyout by Schwab

Per the agreement, Schwab will pay \$45 per share in cash for each share of Forge Global. The merger agreement has been approved by the board of directors of both entities.

Schwab expects the Forge Global transaction to be completed in the first half of 2026, subject to customary closing conditions.

Following the close, Schwab will begin offering Forge Global's products to select ultra-high-net-worth clients, introduce '40 Act funds to broaden private-market access and continue enhancing the integrated platform. In the near term, the company plans to extend access to more than 1 million retail clients and registered investment advisers, with further expansion to all qualified investors and enhanced stock-plan and proprietary solutions over the medium term.

#### Rationale Behind Acquisition Pursued by Schwab

This move aligns with Schwab's strategy to offer private market capabilities to retail and advisor clients, leveraging its comprehensive suite of wealth, advisory, and investment management solutions, to address the complex needs of investors.

This addition of direct access to private securities through Forge Global builds on the recently launched Schwab Alternative Investments Select, an alternative investments platform available for retail clients with more than \$5 million in household assets at Schwab. This move aims to

capitalize on the sustained momentum in private markets, given the rising investor demand for early exposure to fast-growing startups to achieve greater returns and portfolio diversification.

Rick Wurster, president and CEO of Schwab, stated, "Access to Schwab's 46 million client accounts and \$11.6 trillion in client assets creates a strong distribution platform for private securities. With the pool of private companies growing and remaining private for longer, a leading platform for individual investors to participate in private markets offers durable, strategic value. We expect meaningful growth in this space and believe our platform will become a go-to venue where retail investors discover new investment opportunities."

This acquisition aligns with Schwab's strategy to diversify its revenue streams. As transactional activity improves in the private market, it will drive a surge in revenues for Schwab. In sync with this, earlier this month, the company introduced Schwab Private Issuer Equity Services, a complete equity management solution designed to help private companies in the late stages before an initial public offering.

### **Schwab Seeks to Win Retail Investors by Expanding Branch Network – Sep. 17, 2025**

Schwab is doubling down on its physical presence at a time when majority of the wealth management industry is focusing more on digital-first solutions. The brokerage giant has announced plans to open 16 new branches, expand or relocate 25 existing ones and hire over 400 branch-related roles across the United States.

The move highlights Schwab's belief that in-person relationships are critical even though more clients have started to manage accounts online. The company says that branches are a key growth engine that help convert client relationships into deeper engagement and asset growth.

In the first half of this year, Schwab added 2.3 million new brokerage accounts and \$218 billion in net new assets — momentum it intends to sustain with its expanded network.

#### **The Importance of Physical Branches**

Schwab operates nearly 400 branches today, which is its competitive differentiator. While the firm has invested heavily in digital tools like expanding 24-hour trading for retail clients, its leadership maintains that face-to-face guidance builds trust and drives long-term loyalty. According to Jeannie Bidner, head of Schwab's branch network, thousands of clients visit branches every day, often seeking personalized advice for major financial decisions.

The hybrid strategy that Schwab is following — balancing digital access with human interaction — aligns with broader industry trends. Several competitors are also opening or redesigning locations to attract high-net-worth clients.

#### **Areas Where Schwab is Expanding**

Schwab's expansion is focused on markets with rising wealth and population growth. Five new branches are slated for Florida in cities like Palm Beach Gardens and Marco Island. California will likely see three new openings, including in Manhattan Beach and San Francisco's Mission Bay, along with six relocations or expansions. Texas, Schwab's home state, will get two new offices in the Austin area, including one in Bee Cave.

These regions have seen a surge in affluent households because of business relocations, favorable tax environments and demographic shifts. By placing branches in these spots, Schwab aims to capture new clients and deepen relationships with existing ones.

#### **Beyond Branches, Schwab is Hiring for Growth**

The branch build-out will be matched by hiring more than 400 financial and wealth consultants to serve Schwab's growing base of high-net-worth and ultra-high-net-worth clients. The company is also recruiting across its corporate offices for roles in wealth management, client service, digital innovation, and AI development — underscoring its commitment to scaling both human and technological infrastructure.

#### **Dividend Update**

On Oct. 23, 2025, Schwab declared a regular quarterly dividend of 27 cents per share. The dividend was paid out on Nov. 28, 2025, to shareholders of record as of Nov. 14.

## **Valuation**

Schwab's shares are up 12% in the past six months and 43.5% over the trailing 12-month period. Stocks in the Zacks sub-industry are up 16.4% over the past six months, while those in the Zacks Finance sector are up 7.7%. Over the past year, the Zacks sub-industry is up 36.6% and the sector is up 17.2%.

The S&P 500 index is up 12.9% in the past six months and up 18.2% in the past year.

The stock is currently trading at 18.48X forward 12 months earnings, which compares to 15.24X for the Zacks sub-industry, 17.39X for the Zacks sector and 23.11X for the S&P 500 index.

Over the past five years, the stock has traded as high as 28.00X and as low as 11.37X, with a 5-year median of 18.20X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$109 price target reflects 19.43X forward earnings.

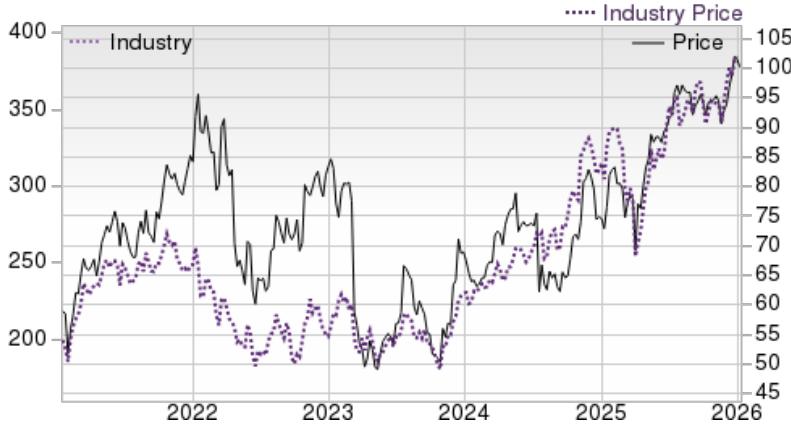
The table below shows summary valuation data for SCHW

Valuation Multiples - SCHW					
	Stock	Sub-Industry	Sector	S&P 500	
P/E F12M	Current	18.48	15.24	17.39	23.11
	5-Year High	28.00	15.26	18.28	23.80
	5-Year Low	11.37	8.94	12.36	15.74
	5-Year Median	18.2	11.88	16.11	21.21
P/TB TTM	Current	8.06	3.22	6.07	12.86
	5-Year High	26.88	3.24	6.13	16.54
	5-Year Low	3.62	1.55	3.46	10.49
	5-Year Median	7.84	2.21	4.75	13.58
P/S F12M	Current	7.11	4.65	9.08	5.59
	5-Year High	8.88	4.65	10.06	5.59
	5-Year Low	4.04	2.42	6.69	3.82
	5-Year Median	6.27	3.49	8.41	5.04

As of 01/05/2026

Source: Zacks Investment Research

## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Top 30% (72 out of 244)



## Top Peers<sup>(1)</sup>

Company (Ticker)	Rec	Rank
Evercore Inc (EVR)	Neutral	3
Interactive Brokers ... (IBKR)	Neutral	2
LPL Financial Holdin... (LPLA)	Neutral	3
Nomura Holdings Inc ... (NMR)	Neutral	3
The PNC Financial Se... (PNC)	Neutral	2
Raymond James Financ... (RJF)	Neutral	3
Stifel Financial Cor... (SF)	Neutral	2
SBI Holdings Inc. (SBHGF)	NA	

## Industry Comparison<sup>(1)</sup> Industry: Financial - Investment Bank

	SCHW	X Industry	S&P 500	LPLA	RJF
<b>Zacks Recommendation (Long Term)</b>	Neutral	-	-	Neutral	Neutral
<b>Zacks Rank (Short Term)</b>	3	-	-	3	3
<b>VGM Score</b>	A	-	-	F	C
Market Cap	178.00 B	14.27 B	40.82 B	28.80 B	33.12 B
# of Analysts	12	6	22	8	7
Dividend Yield	1.08%	0.46%	1.37%	0.33%	1.29%
<b>Value Score</b>	B	-	-	C	B
Cash/Price	0.44	0.46	0.04	0.11	0.47
EV/EBITDA	12.75	4.90	15.05	15.68	4.90
PEG Ratio	0.73	1.00	2.07	0.75	1.03
Price/Book (P/B)	4.27	2.63	3.46	5.71	2.69
Price/Cash Flow (P/CF)	20.55	14.95	15.57	15.85	14.04
P/E (F1)	21.27	16.28	18.90	15.47	14.13
Price/Sales (P/S)	7.77	2.53	3.12	1.85	2.08
Earnings Yield	5.61%	6.15%	5.28%	6.46%	7.08%
Debt/Equity	0.47	0.26	0.57	1.49	0.44
Cash Flow (\$/share)	4.87	6.61	8.98	22.71	11.94
<b>Growth Score</b>	A	-	-	F	D
Hist. EPS Growth (3-5 yrs)	5.86%	6.03%	8.24%	30.87%	16.10%
Proj. EPS Growth (F1/F0)	44.92%	14.13%	9.16%	19.50%	11.35%
Curr. Cash Flow Growth	4.17%	9.70%	7.00%	7.14%	4.43%
Hist. Cash Flow Growth (3-5 yrs)	13.70%	8.89%	7.49%	17.08%	18.15%
Current Ratio	0.58	1.10	1.19	2.60	1.07
Debt/Capital	29.03%	19.78%	38.14%	59.86%	30.63%
Net Margin	35.93%	14.35%	12.77%	5.35%	13.42%
Return on Equity	21.02%	15.66%	17.03%	36.80%	18.19%
Sales/Assets	0.05	0.13	0.53	0.99	0.19
Proj. Sales Growth (F1/F0)	21.00%	7.99%	5.34%	34.70%	9.50%
<b>Momentum Score</b>	A	-	-	D	C
Daily Price Chg	-1.15%	0.00%	0.65%	-0.70%	-0.40%
1 Week Price Chg	-1.38%	0.84%	1.57%	-0.50%	2.51%
4 Week Price Chg	3.64%	1.35%	2.03%	-5.55%	2.36%
12 Week Price Chg	6.41%	7.69%	4.54%	6.47%	3.85%
52 Week Price Chg	37.65%	23.81%	19.55%	8.90%	8.75%
20 Day Average Volume	7,289,383	671,479	2,391,362	605,124	1,144,644
(F1) EPS Est 1 week change	0.45%	0.15%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	0.85%	0.49%	0.00%	-0.31%	-0.71%
(F1) EPS Est 12 week change	4.30%	2.12%	0.48%	1.86%	2.05%
(Q1) EPS Est Mthly Chg	1.67%	0.83%	0.00%	-0.71%	-0.69%

## Analyst Earnings Model<sup>(2)</sup>

### The Charles Schwab Corporation (SCHW)

In \$MM, except per share data

FY Ends December 31st	2022A	2023A	2024A	2025E				2026E				2027E		
	FY	FY	FY	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY	
	Dec-22	Dec-23	Dec-24	31-Mar-25	30-Jun-25	30-Sep-25	31-Dec-25	Dec-25	31-Mar-26	30-Jun-26	30-Sep-26	31-Dec-26	Dec-26	Dec-27
<b>Income Statement</b>														
Interest Revenue	\$12,227.0	\$16,111.0	\$15,537.0	\$3,757.0	\$3,787.0	\$3,956.0	\$4,086.5	\$15,586.5	\$4,053.5	\$4,080.0	\$4,111.7	\$4,262.5	\$16,507.7	\$17,328.1
Interest Expense	\$1,545.0	\$6,684.0	\$6,393.0	\$1,051.0	\$965.0	\$906.0	\$933.5	\$3,855.5	\$913.4	\$866.7	\$871.2	\$904.5	\$3,555.8	\$3,389.0
<b>Net Interest Revenue</b>	<b>\$10,682.0</b>	<b>\$9,427.0</b>	<b>\$9,144.0</b>	<b>\$2,706.0</b>	<b>\$2,822.0</b>	<b>\$3,050.0</b>	<b>\$3,153.0</b>	<b>\$11,731.0</b>	<b>\$3,140.1</b>	<b>\$3,213.3</b>	<b>\$3,240.5</b>	<b>\$3,358.0</b>	<b>\$12,951.9</b>	<b>\$13,939.1</b>
Asset Management and Administration Fees	\$4,216.0	\$4,756.0	\$5,716.0	\$1,530.0	\$1,570.0	\$1,673.0	\$1,672.6	\$6,445.6	\$1,660.4	\$1,719.4	\$1,752.8	\$1,827.0	\$6,959.5	\$7,600.8
Trading Revenue	\$3,673.0	\$3,230.0	\$3,264.0	\$908.0	\$952.0	\$995.0	\$956.3	\$3,811.3	\$991.3	\$992.3	\$1,001.1	\$1,015.1	\$3,999.8	\$4,235.0
Bank Deposit Account Fees	\$1,409.0	\$705.0	\$729.0	\$245.0	\$247.0	\$247.0	\$251.0	\$990.0	\$251.5	\$255.7	\$261.5	\$271.3	\$1,040.0	\$1,170.9
Other	\$782.0	\$719.0	\$753.0	\$210.0	\$260.0	\$170.0	\$108.2	\$748.2	\$125.3	\$207.8	\$203.8	\$220.9	\$757.7	\$899.3
<b>Total Revenues</b>	<b>\$20,762.0</b>	<b>\$18,837.0</b>	<b>\$19,606.0</b>	<b>\$5,599.0</b>	<b>\$5,851.0</b>	<b>\$6,135.0</b>	<b>\$6,141.2</b>	<b>\$23,726.2</b>	<b>\$6,168.6</b>	<b>\$6,388.4</b>	<b>\$6,459.7</b>	<b>\$6,692.2</b>	<b>\$25,708.9</b>	<b>\$27,845.1</b>
Compensation and Benefits	\$5,936.0	\$6,315.0	\$6,043.0	\$1,672.0	\$1,536.0	\$1,653.0	\$1,723.7	\$6,584.7	\$1,779.0	\$1,796.8	\$1,834.3	\$1,834.1	\$7,244.2	\$7,720.6
Professional Services	\$1,032.0	\$1,058.0	\$1,053.0	\$269.0	\$291.0	\$293.0	\$317.4	\$1,170.4	\$310.3	\$324.6	\$327.3	\$327.8	\$1,290.0	\$1,378.4
Occupancy and Equipment	\$1,175.0	\$1,254.0	\$1,060.0	\$274.0	\$270.0	\$280.0	\$295.6	\$1,119.6	\$296.8	\$306.0	\$306.5	\$300.0	\$1,209.4	\$1,285.4
Advertising and Market Development	\$419.0	\$397.0	\$397.0	\$96.0	\$108.0	\$101.0	\$117.4	\$422.4	\$112.0	\$117.4	\$116.4	\$118.7	\$464.4	\$496.1
Communications	\$588.0	\$629.0	\$591.0	\$153.0	\$176.0	\$149.0	\$163.6	\$641.6	\$170.3	\$181.9	\$172.7	\$169.4	\$694.4	\$735.3
Depreciation and Amortization	\$652.0	\$804.0	\$916.0	\$217.0	\$215.0	\$212.0	\$220.0	\$864.0	\$220.9	\$224.1	\$219.6	\$219.7	\$884.4	\$937.1
Amortization of Acquired Intangible Assets	\$596.0	\$534.0	\$519.0	\$130.0	\$128.0	\$127.0	\$127.0	\$512.0	\$127.0	\$127.0	\$127.0	\$127.0	\$508.0	\$508.0
Regulatory Fees and Assessments	\$262.0	\$547.0	\$398.0	\$89.0	\$77.0	\$59.0	\$84.4	\$309.4	\$78.6	\$79.7	\$78.3	\$78.8	\$315.4	\$321.8
Other Expenses	\$714.0	\$921.0	\$937.0	\$244.0	\$247.0	\$240.0	\$263.2	\$994.2	\$250.7	\$276.5	\$252.6	\$289.4	\$1,069.3	\$1,193.0
<b>Total Expenses</b>	<b>\$11,374.0</b>	<b>\$12,459.0</b>	<b>\$11,914.0</b>	<b>\$3,144.0</b>	<b>\$3,048.0</b>	<b>\$3,114.0</b>	<b>\$3,312.4</b>	<b>\$12,618.4</b>	<b>\$3,345.6</b>	<b>\$3,434.2</b>	<b>\$3,434.7</b>	<b>\$3,464.9</b>	<b>\$13,679.4</b>	<b>\$14,575.7</b>
<b>Pre-Tax Income</b>	<b>\$9,388.0</b>	<b>\$6,378.0</b>	<b>\$7,692.0</b>	<b>\$2,455.0</b>	<b>\$2,803.0</b>	<b>\$3,021.0</b>	<b>\$2,828.8</b>	<b>\$11,107.8</b>	<b>\$2,823.0</b>	<b>\$2,954.3</b>	<b>\$3,025.0</b>	<b>\$3,227.3</b>	<b>\$12,029.5</b>	<b>\$13,269.4</b>
Income Tax	\$2,205.0	\$1,311.0	\$1,750.0	\$546.0	\$677.0	\$663.0	\$666.1	\$2,552.1	\$664.7	\$695.6	\$712.3	\$759.9	\$2,832.5	\$3,124.5
Tax Rate	23.5%	20.6%	22.8%	22.2%	24.2%	21.9%	23.5%	23.0%	23.5%	23.5%	23.5%	23.5%	23.5%	23.5%
<b>Net Income</b>	<b>\$7,183.0</b>	<b>\$5,067.0</b>	<b>\$5,942.0</b>	<b>\$1,909.0</b>	<b>\$2,126.0</b>	<b>\$2,358.0</b>	<b>\$2,162.7</b>	<b>\$8,555.7</b>	<b>\$2,158.3</b>	<b>\$2,258.6</b>	<b>\$2,312.7</b>	<b>\$2,467.4</b>	<b>\$9,197.0</b>	<b>\$10,144.9</b>
Preferred Stock Dividends and Other	\$548.0	\$418.0	\$464.0	\$113.0	\$149.0	\$81.0	\$81.0	\$424.0	\$81.0	\$81.0	\$81.0	\$81.0	\$324.0	\$324.0
<b>Net Income Available to Common Stockholders</b>	<b>\$6,635.0</b>	<b>\$4,649.0</b>	<b>\$5,478.0</b>	<b>\$1,796.0</b>	<b>\$1,977.0</b>	<b>\$2,277.0</b>	<b>\$2,081.7</b>	<b>\$8,131.7</b>	<b>\$2,077.3</b>	<b>\$2,177.6</b>	<b>\$2,231.7</b>	<b>\$2,386.4</b>	<b>\$8,873.0</b>	<b>\$9,820.9</b>
<b>Net Income, Adjusted</b>	<b>\$7,934.0</b>	<b>\$6,159.0</b>	<b>\$6,433.0</b>	<b>\$2,008.0</b>	<b>\$2,222.0</b>	<b>\$2,456.0</b>	<b>\$2,259.8</b>	<b>\$8,945.8</b>	<b>\$2,255.4</b>	<b>\$2,355.7</b>	<b>\$2,409.8</b>	<b>\$2,564.5</b>	<b>\$9,585.4</b>	<b>\$10,533.3</b>
<b>Net Income Available to Common Stockholders, Adjusted</b>	<b>\$7,386.0</b>	<b>\$5,741.0</b>	<b>\$5,969.0</b>	<b>\$1,895.0</b>	<b>\$2,073.0</b>	<b>\$2,375.0</b>	<b>\$2,178.8</b>	<b>\$8,521.8</b>	<b>\$2,174.4</b>	<b>\$2,274.7</b>	<b>\$2,328.8</b>	<b>\$2,483.5</b>	<b>\$9,261.4</b>	<b>\$10,209.3</b>
Basic Shares Outstanding	1,885.0	1,824.0	1,828.0	1,817.0	1,817.0	1,806.0	1,777.1	1,804.3	1,748.2	1,719.3	1,690.4	1,661.5	1,704.9	1,589.3
Diluted Shares Outstanding	1,894.0	1,831.0	1,834.0	1,822.0	1,822.0	1,811.0	1,782.1	1,809.3	1,753.2	1,724.3	1,695.4	1,666.5	1,709.9	1,594.3
Basic EPS	\$3.52	\$2.55	\$3.00	\$0.99	\$1.09	\$1.26	\$1.17	\$4.51	\$1.19	\$1.27	\$1.32	\$1.44	\$5.21	\$6.19
Diluted EPS	\$3.50	\$2.54	\$2.99	\$0.99	\$1.08	\$1.26	\$1.17	\$4.50	\$1.18	\$1.26	\$1.32	\$1.43	\$5.20	\$6.17
Diluted EPS, Adjusted	\$3.90	\$3.13	\$3.25	\$1.04	\$1.14	\$1.31	\$1.22	\$4.71	\$1.24	\$1.32	\$1.37	\$1.49	\$5.42	\$6.41
Dividend per Share	\$0.84	\$1.00	\$1.00	\$0.27	\$0.27	\$0.27	\$0.27	\$1.08	\$0.27	\$0.27	\$0.27	\$0.27	\$1.08	\$1.08

## Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

### Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

### Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

### Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	<span style="border: 1px solid black; padding: 2px;">B</span>
Growth Score	<span style="border: 1px solid black; padding: 2px;">A</span>
Momentum Score	<span style="border: 1px solid black; padding: 2px;">A</span>
VGM Score	<span style="border: 1px solid black; padding: 2px;">A</span>

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

### Disclosures

**This report contains independent commentary to be used for informational purposes only. The analysts contributing to this report do not hold any shares of this stock. The analysts contributing to this report do not serve on the board of the company that issued this stock. The EPS and revenue forecasts are the Zacks Consensus estimates, unless otherwise indicated in the report's first-page footnote.** Additionally, the analysts contributing to this report certify that the views expressed herein accurately reflect the analysts' personal views as to the subject securities and issuers. ZIR certifies that no part of the analysts' compensation was, is, or will be, directly or indirectly, related to the specific recommendation or views expressed by the analyst in the report.

Additional information on the securities mentioned in this report is available upon request. This report is based on data obtained from sources we believe to be reliable, but is not guaranteed as to accuracy and does not purport to be complete. Any opinions expressed herein are subject to change.

ZIR is not an investment advisor and the report should not be construed as advice designed to meet the particular investment needs of any investor. Prior to making any investment decision, you are advised to consult with your broker, investment advisor, or other appropriate tax or financial professional to determine the suitability of any investment. This report and others like it are published regularly and not in response to episodic market activity or events affecting the securities industry.

This report is not to be construed as an offer or the solicitation of an offer to buy or sell the securities herein mentioned. ZIR or its officers, employees or customers may have a position long or short in the securities mentioned and buy or sell the securities from time to time. ZIR is not a broker-dealer. ZIR may enter into arms-length agreements with broker-dealers to provide this research to their clients. Zacks and its staff are not involved in investment banking activities for the stock issuer covered in this report.

ZIR uses the following rating system for the securities it covers. **Outperform**- ZIR expects that the subject company will outperform the broader U.S. equities markets over the next six to twelve months. **Neutral**- ZIR expects that the company will perform in line with the broader U.S. equities markets over the next six to twelve months. **Underperform**- ZIR expects the company will underperform the broader U.S. equities markets over the next six to twelve months.

No part of this report can be reprinted, republished or transmitted electronically without the prior written authorization of ZIR.