

# Charles Schwab Bank, SSB

## Resolution Plan Public Section

As of  
December 31, 2024

*Own your tomorrow.*



## Charles Schwab Bank

# Resolution Plan

### Public Section

Charles Schwab Bank, SSB<sup>®</sup> (Charles Schwab Bank, Schwab Bank, CSB, or the Bank) believes, in the unlikely event it were to be in danger of insolvency and no private sector solutions were able to prevent the insolvency, this resolution plan would ensure depositors receive access to their insured deposits in a timely manner; it would maximize the net present value return from the sale or disposition of its assets, and it would minimize the amount of any loss realized by its creditors. Charles Schwab Bank believes its relatively simple business model, conservative risk profile, and relatively small loan portfolio minimize the complexities and complications that could arise. Charles Schwab Bank's highly liquid balance sheet will allow the Federal Deposit Insurance Corporation (FDIC) to resolve it in a manner less challenging than for banks of comparable size. This resolution plan does not assume any support by the United States government or its taxpayers.

Submitted to the Federal Deposit Insurance Corporation: June 30, 2025

The Charles Schwab Bank Resolution Plan reflects the actions stakeholders may take in a resolution event, but it is hypothetical and not binding upon the Bank, the Federal Deposit Insurance Corporation, or a bankruptcy court.

This Public Section presents a summary of the detailed resolution plan that we maintain in support of our financial and operational resilience. We have filed a Confidential Section Resolution Plan for 2025, consistent with the requirements set forth by the FDIC. Both this Public Section and the Confidential Section of the 2025 submission provide a roadmap of how our core businesses and operations would continue to operate, or be resolved in an orderly manner, in a resolution event without jeopardizing the economy or global financial markets, or requiring any extraordinary government assistance or taxpayer support.

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## I. Introduction

Charles Schwab Bank, SSB, (Charles Schwab Bank, Schwab Bank, CSB or the Bank) a wholly owned subsidiary of The Charles Schwab Corporation (CSC), is a Federal Reserve member bank and Texas state savings bank headquartered in Westlake, Texas. Schwab Bank was established as part of an overall strategy to grow Schwab's business by expanding its product offerings and diversifying its revenue. The Bank provides a focused set of banking and lending services through a variety of channels, including telephone, mail, online and mobile.

CSC is a savings and loan holding company, headquartered in Westlake, Texas. It was incorporated in 1986. CSC engages, through its subsidiaries (collectively referred to as Schwab or the Company), in wealth management, securities brokerage, banking, asset management, custody, and financial advisory services. Schwab was built around a simple idea: put the client first. We work hard to make our clients' goals the focus of everything we do by offering a better, more modern way for them to build and manage their wealth. As of December 31, 2024, CSC had \$10T in total assets, 37M active brokerage accounts, 5M workplace plan participant accounts, and 2M banking accounts.

### I.A. Executive Summary

The 2025 Charles Schwab Bank, SSB Resolution Plan (Resolution Plan) is submitted pursuant to 12 C.F.R. § 360.10 (Resolution Plan Rule or the Rule) which requires Covered Insured Depository Institutions (CIDIs) including Charles Schwab Bank to develop and submit detailed plans demonstrating how the CIDI could be resolved in an orderly and timely manner in the event of receivership. The Bank submitted its 2025 Resolution Plan to the FDIC on June 30, 2025.

The Resolution Plan was developed with senior leadership involvement and presents an identified strategy which would provide timely access to insured deposits, maximize value from the sale or disposition of assets, and minimize any losses to creditors of Schwab Bank. The Bank has identified and believes it would have access to the capabilities necessary for Schwab Bank to be resolved by the FDIC in an orderly manner. The Resolution Plan was approved by the Charles Schwab Bank's Board of Directors on June 17, 2025.

This public section provides a summary overview of the Resolution Plan that describes the business of Schwab Bank. It includes, among other things, a description of Schwab Bank's organizational structure, the material entities for resolution planning purposes and Schwab Bank's core business line (CBL). It also provides a high-level overview of financial information, governance structure and processes related to resolution planning, material management information systems and a high-level description of the Bank's identified strategy for resolution. Information in this public section is as of December 31, 2024, unless indicated otherwise.

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## II. Material Entities

Four entities within the Schwab organization are considered material entities (MEs) for resolution planning purposes. In accordance with the Rule, material entity means a company, a domestic branch, or a foreign branch as defined in 12 U.S.C. 1813(o) that is significant to the activities of a critical service or core business line, and includes all insured depository institutions that are subsidiaries or affiliates of the CIDI.

- Charles Schwab Bank, SSB
- Charles Schwab & Co., Inc.
- Charles Schwab Premier Bank, SSB
- Charles Schwab Trust Bank

### Charles Schwab Bank

As of December 31, 2024, CSB had total assets of \$275B, loans of \$44B, and total deposits of \$231B, with an estimated 84% of insured deposits. The Bank has no subsidiaries.

### Charles Schwab & Co. Inc.

Charles Schwab & Co., Inc. (CS&Co.) is a principal operating subsidiary at Schwab and enables Schwab to offer brokerage products and services to retail and advisor clients in compliance with Securities and Exchange Commission (SEC) and Financial Industry Regulatory Authority (FINRA) regulations. As of December 31, 2024, CS&Co. had total assets of \$157B.

### Charles Schwab Premier Bank, SSB

Charles Schwab Premier Bank, SSB (CSPB), headquartered in Westlake, Texas, is a Texas-chartered state savings bank that is a Federal Reserve member bank with a management team focused on serving more complex client banking needs. As of December 31, 2024, Premier Bank had total assets of \$26B and liabilities of \$24B, nearly all of which comprised deposits. Premier Bank had \$1B in loans as of December 31, 2024.

### Charles Schwab Trust Bank

Charles Schwab Trust Bank (CSTB), with a home office in Westlake, Texas, is a Nevada-chartered fiduciary-oriented bank focused primarily on the employee benefit plan market. As of December 31, 2024, Trust Bank had total assets of \$10B, and liabilities of \$9B in deposits. Trust Bank has no loans.

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### III. Core Business Lines

Schwab Bank has a single Core Business Line (CBL) of Retail Banking made up of deposit and lending products and services.

#### Deposit Products

Schwab Bank provides a range of deposit products, including interest-bearing checking and savings accounts, in addition to certain products in conjunction with CS&Co.

- Bank Sweep is an interest-bearing cash sweep feature associated with uninvested cash in brokerage and retirement accounts held at CS&Co. that automatically makes deposits to and withdrawals from the deposit accounts at Schwab-affiliated banks. As a Schwab-affiliated bank, CSB is a participating bank in Bank Sweep and does not direct the flow of deposits. Funds swept to Schwab's Banks through the Bank Sweep feature account for the majority of Schwab Bank's total deposits and are eligible for FDIC coverage up to allowable limits.
- Schwab Bank Investor Checking™ is an FDIC-insured transactional deposit account that is designed specifically for investors who want to conduct transactional activity in a bank account separate from, but linked to, their brokerage account. The account features include, but are not limited to, checks, mobile banking, bill pay, debit card, mobile wallets, P2P payment capabilities via Zelle and a competitive interest rate.
- Schwab Bank Investor Savings™ provides an FDIC-insured savings vehicle as opposed to a transaction-based account. The account features include, but are not limited to, mobile banking, debit card and a competitive interest rate.
- Interest Checking Plus is a standalone variable-rate, interest-bearing checking account. The account features include checks and a debit card, and the account is not linked to a Schwab brokerage account and therefore is not integrated into the mobile application.

#### Lending Products

Schwab Bank provides a variety of loan products, including home mortgages, home equity lines of credit (HELOC), and pledged asset lines (PALs or security-based loans).

- Home Lending includes a variety of fixed- and adjustable-rate, conforming and non-conforming mortgage products. Home loans are originated and serviced by Rocket Loans, Inc. under a co-branded model in which Rocket Mortgage originates, processes, and services loans in its name as the home loan provider of Schwab Bank. Schwab Bank purchases certain loans which meet the balance sheet, and safety and soundness objectives of the Bank. These loans generally include adjustable-rate mortgages, 15-year fixed rate mortgages, and 30-year fixed rate jumbo mortgages.
- PALs are non-purpose revolving lines of credit collateralized by assets held in a pledged asset account, a custody account opened and maintained by CS&Co.

## IV. Financial Information

This section provides a summary of financial information including consolidated financial information regarding assets, liabilities, capital and major funding sources as of December 31, 2024 unless otherwise noted.

### IV.A. Balance Sheet

The table below summarizes the Bank's Balance Sheet. The Bank does not have any subsidiaries that are subject to consolidation.

Charles Schwab Bank Balance Sheet Summary (\$ millions)		December 31, 2024
<b>Assets:</b>		
Cash and balances due from depository institutions	\$	25,307
Held-to-maturity securities		125,475
Available-for-sale securities		72,537
Loans and leases, net of unearned income and allowance		44,163
Other real estate owned		-
Investments in unconsolidated subsidiaries		82
Goodwill and other intangible assets		17
Other assets		7,844
Total assets	\$	275,425
<b>Liabilities:</b>		
Deposits	\$	231,315
Securities sold under agreements to repurchase		5,499
Other borrowed money		16,500
Other liabilities		2,411
Total liabilities		255,725
<b>Equity Capital:</b>		
Common stock		100
Paid in excess of par		18,833
Retained earnings		13,705
Accumulated other comprehensive (loss) income		(12,938)
Total equity capital	\$	19,700
<b>Total liabilities and equity capital</b>	<b>\$</b>	<b>275,425</b>

### IV.B. Capital and Major Funding Sources

Capital serves as the base of the financial structure for CSC and its subsidiaries, providing support for business growth and cushion to absorb unexpected losses. The Bank generates sufficient capital from

earnings to support anticipated growth, meet regulatory requirements, and remain well capitalized even in stressed scenarios, meeting both near-term and longer-term capital needs. When balance sheet growth outpaces the Bank's ability to accrete capital through retained earnings, CSC has infused capital into the Bank. The Bank does not, however, rely on infusions from CSC to provide liquidity in the ordinary course of business.

Please see below for a summary of sources of capital for the Bank:

#### Sources of Capital

Material Entity	Source of Capital	Amount (\$ millions)	Type	Legal Entity Which Provided Capital
Bank	Common stock	\$100	Equity	CSC
	Capital contributions	18,833	Equity	CSC
	Retained earnings	13,705	Equity	Bank
<b>Total</b>		<b>\$32,638</b>		

Source: December 31, 2024 Call Report

The Bank's liquidity needs are generally met through deposits from CS&Co. clients. Funds can also be raised via the Federal Home Loan Bank (FHLB) of Dallas, bi-lateral repurchase agreements with third party counterparties, retail brokered certificate of deposits, standing repo facility or the Federal Reserve facilities (discount window, standing repo facility) if a liquidity shortfall were to exist. Collateral has been pledged at the FHLB and Federal Reserve in the event borrowing is required. The Bank views external borrowings as supplemental sources of liquidity.



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## V. Trading, Derivatives, and Hedges

During normal business activities, the Bank is exposed to market risk, which is the potential for changes in earnings or the value of financial instruments held by the Bank as a result of fluctuations in interest rates, equity prices, or market conditions. Market risk exposure at the Bank occurs primarily from changes in interest rates within interest-earning assets relative to changes in the costs of funding sources that finance these assets. The Bank maintains a derivatives hedging program involving the use of derivatives instruments as part of approved hedging activities to manage interest rate risk.

The Bank does not enter into derivatives for speculative or non-hedging purposes. To ensure safe and sound use of derivatives instruments for hedging activities that is appropriately governed and within the established risk appetite of the Bank, the CSC Derivatives Hedging Policy (adopted by the Bank) requires that a formal Asset-Liability Management Hedging Program be established to document and receive approval for the range of hedging activities to be undertaken with derivative instruments by the Bank. Treasury Capital Markets (TCM) is responsible for designing the Hedging Program which must include references to all permissible derivatives instruments, approved hedging strategies, trade execution flows, post trade / hedge lifecycle events, clearing requirements, collateral management and margining, hedge accounting application, and adopted policy limits, early warnings indicators and front office controls to effectively govern the Hedging Program. Both the CSC Derivatives Hedging Policy and the CSC Derivatives Hedging Program are reviewed and approved annually by ALCO or a delegated subcommittee.

Derivatives trades are only executed as part of approved hedging strategies or to facilitate the offset / unwind of existing derivatives trades for hedge termination prior to original maturity either due to strategic considerations or GAAP requirements. It is the risk management intent of hedging activities that derivatives or other hedging instruments will mitigate or offset underlying economic exposures and thereby protect the Bank from the risks associated with those underlying economic exposures. In many cases, to reflect the risk management intent in the financial statements, hedge accounting is applied to hedging strategies.

## VI. Payment, Clearing, and Settlement Systems

The Bank utilizes third-party service providers and agent banks (collectively referred to as PCS service providers) to facilitate payment, clearing and settlement. The Bank accesses PCS service providers either directly or indirectly through its affiliates where an affiliate with direct access provides PCS services to the Bank. Schwab Bank does not directly engage with financial market utilities (FMUs) but rather utilizes affiliates and third-parties to facilitate PCS activities and provide indirect access to FMUs. Furthermore, the Bank does not provide PCS services that is material in terms of revenue to, or value of, any franchise component or core business line.

The Bank maintains an inventory provided below, of each PCS service provider that describes the services provided.

### PCS Service Provider Summary

Provider	Description
The Depository Trust & Clearing Corporation	The DTCC provides clearing, settlement and asset servicing for Schwab Bank's retail brokered CDs.
Bank of New York Mellon Corporation	BNY Mellon (BNY) acts as the custodian bank for certain Bank assets and cash. They provide safekeeping services and arrange settlement of the Bank's purchase and sales transactions.
Citibank, N.A.	Citibank (Citi) acts as the custodian bank for certain Bank assets and cash. They provide safekeeping services and arrange settlement of the Bank's purchase and sales transactions.
Federal Home Loan Bank	The Federal Home Loan Bank (FHLB) holds Bank assets or pledged assets as collateral against possible low-cost funding needs.
FISERV Solutions LLC	FISERV provides the EPP as a core payments/money movement platform that supports Dovetail for wires, Fiserv NOW network for Zelle P2P transactions, and BillPay capabilities.
Federal Reserve	The Federal Reserve acts as the Bank's ACH Operator through the FedLine, while Schwab Bank acts as both the Originating Depository Financial Institution (ODFI) and the Receiving Depository Financial Institution (RDFI). Treasury settles wires in the FedLine, releasing them for sending. Client check deposit information and images are sent to Fed Check Services, where the Fed sends to the Originating Depository Financial Institution (ODFI) for settlement and clearing.
Wells Fargo Bank, N.A.	Wells Fargo Commercial Electronic Office (CEO) acts as an agent bank for client-initiated wire requests, where Schwab Bank's cashing teams process requests in the Wells Fargo CEO portal and treasury teams release the wires for sending in the FedLine.
Visa Inc.	Debit card transactions are processed using the Visa network with Visa DPS acting as the Bank's gateway, and links directly to Visa Net, Interlink, Plus, Star, and MoneyPass.

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## VII. Foreign Operations

Schwab Bank has no foreign operations.

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## VIII. Material Supervisory Authorities

Schwab Bank's primary Federal regulator is the Board of Governors of the Federal Reserve System and the primary State regulator is the Texas Department of Savings and Mortgage Lending. Other regulators include the FDIC and the Consumer Financial Protection Bureau (CFPB).

## IX. Principal Officers

Name	Title & Function
Paul V. Woolway	Chief Executive Officer, President and Managing Director
Brian J. Cook	Managing Director and Head of Credit Administration
Christy M. Silvanic	Managing Director and Chief Financial Officer
Adam Goethe	Managing Director and Treasurer
Sarah Stanson	Managing Director, Human Resources
Navit Jackson	Managing Director and Chief Compliance Officer
Peter J. Morgan III	Managing Director and General Counsel
Nigel J. Murtagh	Managing Director and Chief Risk Officer
Bashar K. Abouseido	Managing Director and Chief Information Security Officer
Kara Suro	Managing Director and Bank Secrecy Act and Anti-Money Laundering Officer
Mitchell N. Mantua	Managing Director and General Auditor

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## X. Corporate Governance

Governance and management oversight are fundamental to the Bank's resolution planning. Schwab Bank maintains an integrated risk governance structure that directs Bank-wide execution of the risk management process. The Bank's committee structure is designed to facilitate strong governance and compliance with safe and sound banking practices. The Bank's committee structure comprises three categories: board committees, executive committees, and management committees and sub-committees.

The Bank's resolution planning activities are integrated through the Bank's existing risk management and senior management committees, reporting to the Bank's Board of Directors (Board of Directors or the Board). Resolution planning activities at the Bank are led by the Managing Director, Head of Credit, Oversight and Community Banking. This senior officer is primarily responsible and accountable for the development, assurance, maintenance, and filing of the Resolution Plan.

The Bank Central Resolution & Recovery Planning Team is primarily responsible for and accountable for ensuring adherence to the Resolution Plan Rule by executing the Bank Central Resolution & Recovery Planning Program (the Program) and processes, including facilitating the development, performing assurance, coordinating maintenance and filing.

The Bank's Board of Directors sets the tone and culture for effective risk management. In that capacity, the Bank Board reviews and approves the Resolution Plan triennially, and as needed to address material events which could have a material effect on the Resolution Plan. The Bank Board has a Bank Board Risk Committee that assists the Board and other Committees of the Board in fulfilling its responsibilities to set the types and levels of risk the Company is willing to take, and support the independence and stature of independent risk management.

The Bank Management Committee approves the CSB Resolution Plan Policy and approves the Resolution Plan before it is sent to the Bank Board for final approval. The Banking and Trust Services Risk Committee receives updates on the Program deliverables, including assurance results, regulatory and industry feedback or changes at least annually.

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## XI. Management Information Systems

The Bank utilizes a central system of record to collect, maintain and produce information on key management information systems and applications, including systems and applications for risk management, accounting, and financial and regulatory reporting, as well as those used to provide the information required to be provided in the full resolution submission.

The central system of record houses information on IT solutions and vendor hardware and software that support Schwab products and services for our clients. Within this system, application and solution teams are responsible for maintaining complete, current, and accurate information about their systems and all information is attested to on at least an annual basis. Additionally, the system implements and monitors data quality across many of the system of record attributes as required by CSC's Data Risk Management Policy (adopted by the Bank) to ensure system information is properly managed and maintained.

In addition, a centralized access management system provides access provisioning, deprovisioning and attestation services for all systems and applications listed within the system of record, as well as, for IT security groups and service accounts. The access management system's metadata is managed by the Schwab Technology Services (STS) Identity & Access Management Program Office as well as Security Administration teams within business lines and data related to employee access roles and entitlements is reviewed and attested to at least annually by employees and their direct managers.

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## XII. Identified Strategy for Resolution

In the event Schwab Bank were to fail, Schwab Bank's identified strategy for resolution is the formation of a liquidating bridge depository institution (bridge bank) that continues operation through the completion of the resolution and exit from the bridge bank. The Bank has minimal stand-alone franchise value and, as a result, we expect only limited operations to continue post failure. We assume that all remaining assets and liabilities of the failed Bank will be transferred to a bridge bank in order to facilitate the following:

1. Provide depositors timely access to their insured deposits (including Bank Sweep).
2. The sale of the securities portfolio including franchise components and material asset portfolios to fund the return of bridge bank deposits.
3. The sale of the loan portfolio (i.e., mortgage and HELOC).

Following the formation of the bridge bank, the bridge bank would divest franchise components and wind down customer-facing activities while selling material asset portfolios and disposing of the remainder of the balance sheet. Schwab Bank believes this is the appropriate strategy because Schwab Bank has a simple business model.