



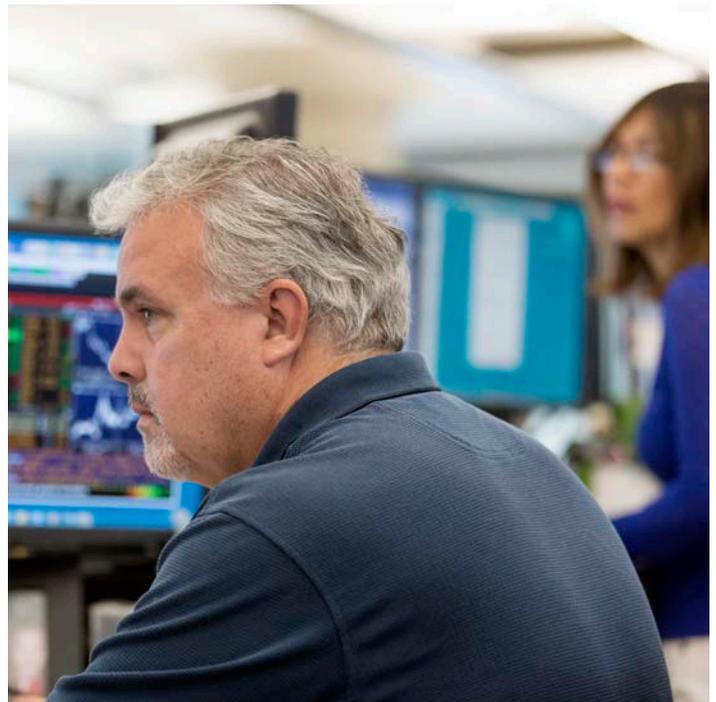
Security

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SCHWAB

Own your tomorrow.

Schwab's security measures are designed to keep clients' accounts safe. Client accounts at Schwab are protected in multiple ways, and our security program brings together complementary tools, controls and technologies to safeguard client accounts and data. We continuously monitor our systems, and we work collaboratively with government agencies, law enforcement and other financial services firms to address potential threats. We have a strong culture of risk management.

Like other firms, we try to keep our behind-the-scenes security measures and practices private—to make it more difficult for fraudsters to gain an edge by understanding the tools and techniques we apply. But here are some of the important things we are doing.



Using technology to protect our clients

Technology features that protect Schwab accounts include advanced encryption technology to secure communications on schwab.com. Our sites use multilayered protections beyond login name and password before granting access to an account. In the event unauthorized account activity is suspected, the user is prompted to answer additional security questions, and failed login attempts are limited.

Schwab.com also uses Extended Validation Certificates to help clients verify that they are accessing our authentic site, and not a “spoofed” site masquerading as schwab.com. Look for the green bar in front of the web address at the top of your browser to confirm that you’re on Schwab’s official, secure site. The “https://” and padlock icon in the address bar will additionally confirm you are on our secure site.

Automated alerts and other actions also play a behind-the-scenes role in our authentication and monitoring processes. We use pattern analysis and other advanced analytical systems to detect suspicious account activity and deter unauthorized access. Schwab’s fraud teams monitor activity to detect suspicious behavior. This allows us to spot attempted intrusions and act on them quickly.

Providing strong operational controls

We limit the number of employees who have access to clients’ personal information, and we enforce internal authentication measures to protect against the potential for social engineering. All employees who handle sensitive information are trained in privacy and security. Those employees are held to high standards in adhering to established protocol in order to ensure that client data is kept private.

All of the channels through which clients have access to Schwab are protected. When you call us by phone, our representatives ask for several pieces of identifying information before you are authenticated and can conduct transactions. When you visit a branch, we ask you for a state-issued photo I.D. (such as a driver’s license) or federal government-issued I.D. (such as a passport).

When sensitive transactions occur in your account(s), such as money being moved in or out, or a purchase or sale of a security, or when personal information is changed or updated, we provide you with an alert. Certain criteria cause various transactions to be reviewed by specialists. In this process, highly trained individuals review transactions for indications that they may be fraudulent.

Playing an important role in industry-leading groups

We participate in industry-leading forums and organizations designed to collaborate on emerging technology and security challenges facing the global financial services sector, as well as to coordinate critical infrastructure and homeland security activities. These groups include the Financial Services Information Sharing and Analysis Center (FSIAC), the Financial Services Sector Coordinating Council (FSSCC), and BITS, the technology policy division of the Financial Services Roundtable.

Offering the Schwab Security Guarantee

At the end of the day, it’s all about trust. To give our clients peace of mind, we provide the Schwab Security Guarantee, which states: Schwab will cover 100% of any losses in any of your Schwab accounts due to unauthorized activity. Conditions apply. Click here for [further information](#).

Brokerage Products: Not FDIC Insured ■ No Bank Guarantee ■ May Lose Value

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