

Spring Business Update

April 22, 2021



CORPORATION

Forward Looking Statements

This presentation contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements include statements that refer to expectations, projections or other characterizations of future events or circumstances and are identified by words such as “believe,” “expect,” “will,” “may,” “should,” “could,” “continue,” “growth,” “remain,” “drive,” “sustain,” “enhance,” “estimate,” “anticipate,” “potential,” “target,” “on track,” “deliver,” “outcome,” “build,” “commitment,” “position,” “consistent,” “investment,” “outlook,” “improve,” “opportunity,” “assumptions,” “illustrative,” “focus,” “trajectory,” “retain,” “develop,” “expand,” “increase,” “forecast,” “investment,” “enable,” “trend,” and other similar expressions.

These forward-looking statements relate to: the company’s “Through Clients’ Eyes” Strategy and no trade-offs approach; positioning; momentum; growth in, and retention of, the client base, client accounts and assets; investments to fuel and support growth, enhance service capacity, and drive scale and efficiency; key initiatives to add scale and efficiency, win-win monetization, and client segmentation; stockholder value; the integration of TD Ameritrade, including the expanded scope of technology work, and current expectations regarding total one-time integration expense, the timing of client conversion, and the timing and amount of expense and revenue synergies; digital transformation; the launch of personalized investing solutions; opportunities; BDA migrations; client engagement and activity levels; capital and liquidity management; growth in revenues, earnings, and profits; expense growth; Tier 1 Leverage Ratio operating objective; 2021 financial outlook, including underlying assumptions, investor behavioral drivers, and illustrative financial outcomes; capital expenditures; net interest margin; balancing near-term results and long-term investments; and estimated revenue impact from revenue sensitivities.

These forward-looking statements, which reflect management’s beliefs, objectives, and expectations as of today, are estimates based on the best judgment of the company’s senior management. Achievement of the expressed beliefs, expectations, and objectives is subject to risks and uncertainties that could cause actual results to differ materially from those beliefs, expectations, or objectives. Important factors that may cause such differences are discussed in the company’s filings with the Securities and Exchange Commission, including the Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. Other important factors include general market conditions, including equity valuations, trading activity, the level of interest rates - which can impact money market fund fee waivers - and credit spreads; the company’s ability to attract and retain clients and registered investment advisors and grow those relationships and associated client assets; competitive pressures on pricing, including deposit rates; the company’s ability to develop and launch new and enhanced products, services, and capabilities, as well as enhance its infrastructure, in a timely and successful manner; client use of the company’s advisory solutions and other products and services; the company’s ability to support client activity levels; the risk that expected revenue and expense synergies and other benefits from the TD Ameritrade acquisition may not be fully realized or may take longer to realize than expected, and that integration expense may be higher than expected; client activity volumes; client liquidity needs; asset-liability management considerations; market volatility; client cash allocations; client sensitivity to rates; the level of client assets, including cash balances; the company’s ability to monetize client assets; capital and liquidity needs and management; the company’s ability to manage expenses; the migration of BDA balances; daily average trades; margin balances; balance sheet cash; integration-related and other technology projects; prepayment speeds for mortgage-backed securities; investment yields; interest earning asset mix and growth; securities lending; the scope and duration of the COVID-19 pandemic and actions taken by governmental authorities to contain the spread of the virus and the economic impact; regulatory guidance; the effect of adverse developments in litigation or regulatory matters and the extent of any charges associated with legal matters; and any adverse impact of financial reform legislation and related regulations. The information in this presentation speaks only as of **April 22, 2021** (or such earlier date as may be specified herein). The company makes no commitment to update any of this information.

Walt Bettinger

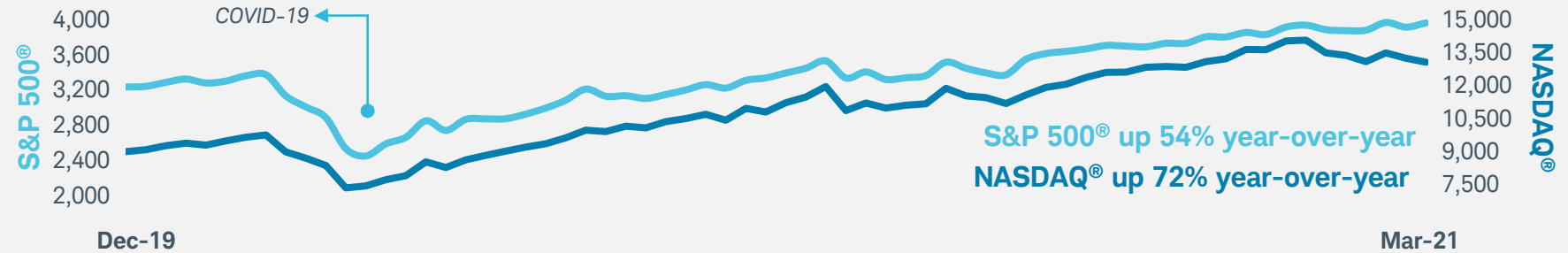
President and Chief Executive Officer

Powered by our “Through Clients’ Eyes” strategy, Schwab is thriving amidst an extraordinary environment.

- Against a backdrop of unpredictable markets, unprecedented investor engagement, and uncompromising service expectations, our positioning as a trusted partner for individuals and independent advisors is helping drive record business momentum
- With surging growth scaling the firm faster than anticipated, we are pushing ahead with accelerated investments in technology and people to enhance service capacity
- Through it all, we remain guided by our “no trade-offs” approach as we push ahead with key initiatives to build the future of modern wealth management

The brightening macroeconomic landscape reinforced already budding investor confidence.

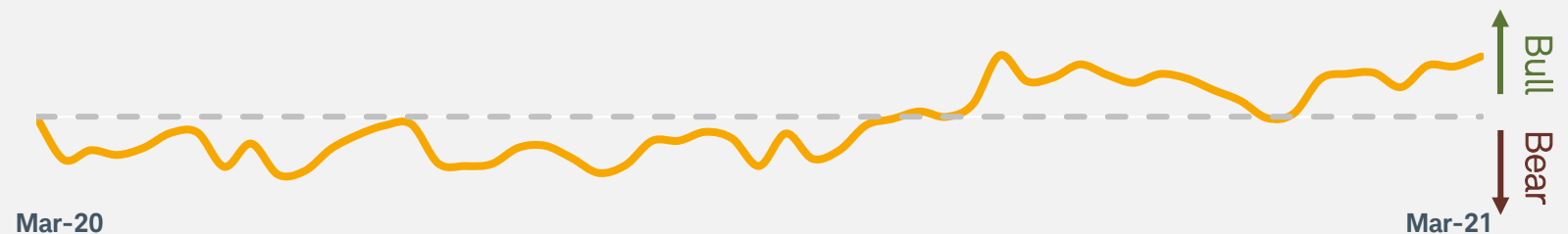
Major market indexes trended higher, driven by vaccine progress and additional government stimulus...



...accompanied by a steepening yield curve¹ related to evolving inflation expectations,...

Fed Funds	No change 0.00%– 0.25%	5-year UST	+55 bps 0.92%	10-year UST	+104 bps 1.74%
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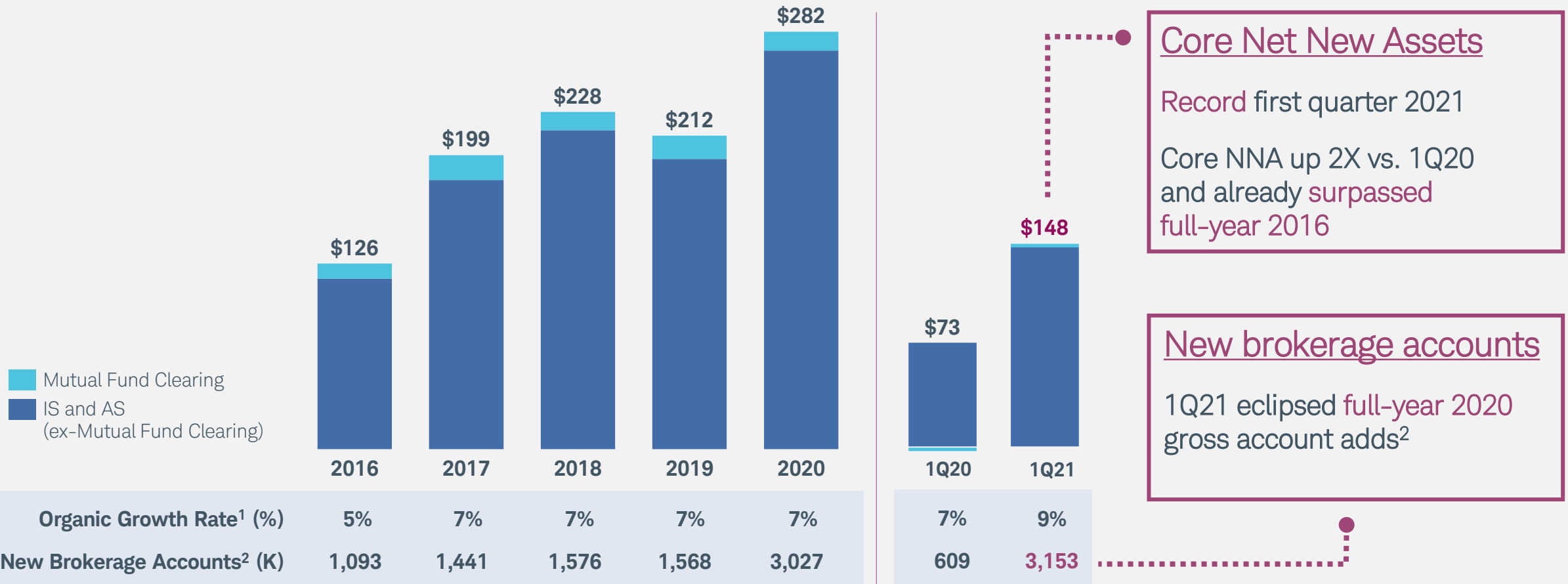
...which helped bolster investor sentiment during the first quarter of 2021.



AAI® Bull-Bear Spread Sentiment Survey²

Current and prospective clients turned to Schwab at a record pace,...

Core Net New Assets (\$B)



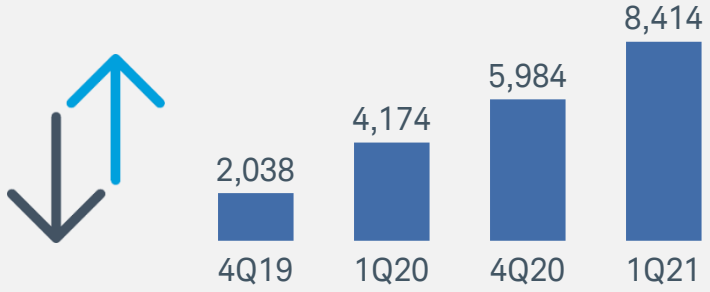
Core Net New Assets
 Record first quarter 2021
 Core NNA up 2X vs. 1Q20 and already surpassed full-year 2016

New brokerage accounts
 1Q21 eclipsed full-year 2020 gross account adds²

Note: K = Thousands. M = Millions. B = Billions. Core net new assets = net new assets before significant one-time flows, such as acquisitions/divestitures or extraordinary flows (generally greater than \$10 billion) relating to a specific client. These flows may span multiple reporting periods. 1. Organic growth rate shown on an annualized basis. 2. 2020 gross new brokerage accounts exclude 1.1 million accounts and 14.5 million accounts directly acquired as part of the USAA and TD Ameritrade transactions, respectively.

...while making use of our broad array of services to help navigate the environment.

Daily Average Trades¹ (K)



35% of retail DATs placed on a mobile device in 1Q21

Schwab Intelligent Portfolios Premium[®]

+24%

Increase in appointments with **CERTIFIED FINANCIAL PLANNER™** professionals, compared to 4Q20.

Schwab Stock Slices™



Slices traded since launch in June 2020

Clients can now buy up to **30** slices per trade order

EOP Margin Balances (\$B)¹

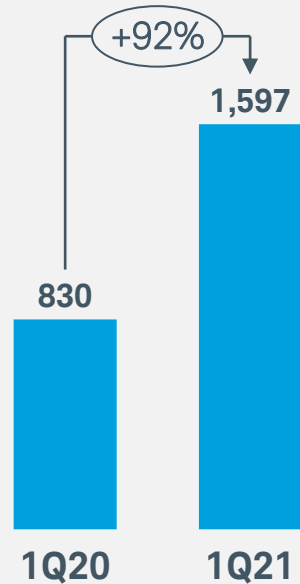


Note: EOP = End-of-period. DATs = Daily average trades. 1. DATs and EOP margin balances shown on a pro forma combined company basis.

Although both IS and AS helped drive our 1Q21 growth, new retail investors played a substantial role.

New-to-Firm Retail HH's increased at a substantial pace...

In thousands

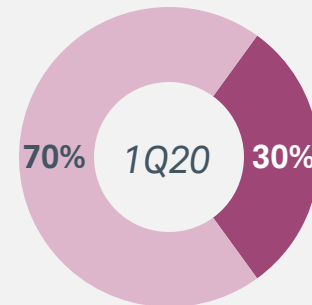
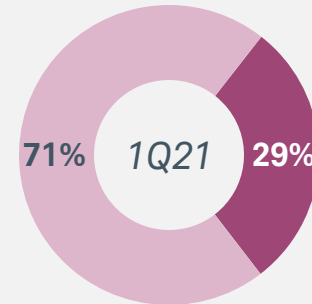


~70% of New-to-Firm Retail HH's in 1Q21 were under the age of 40

...with the vast majority of funding still coming via cash, but also complemented by transfers from competitors.

Source of Asset Flows

Cash TOA

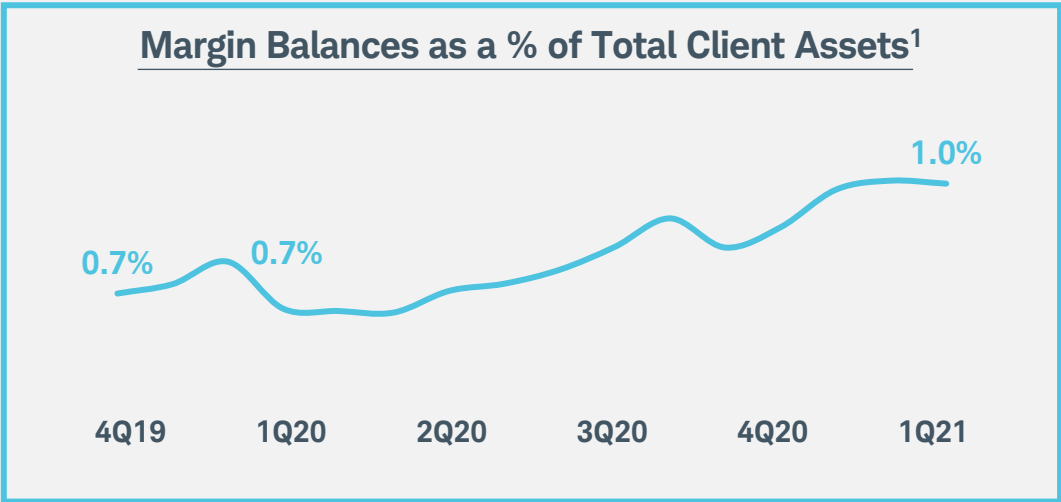
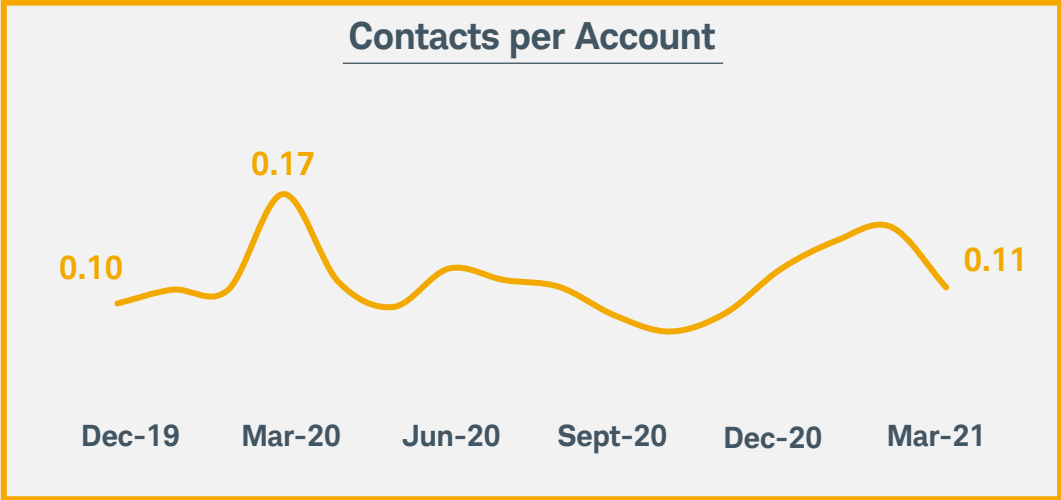
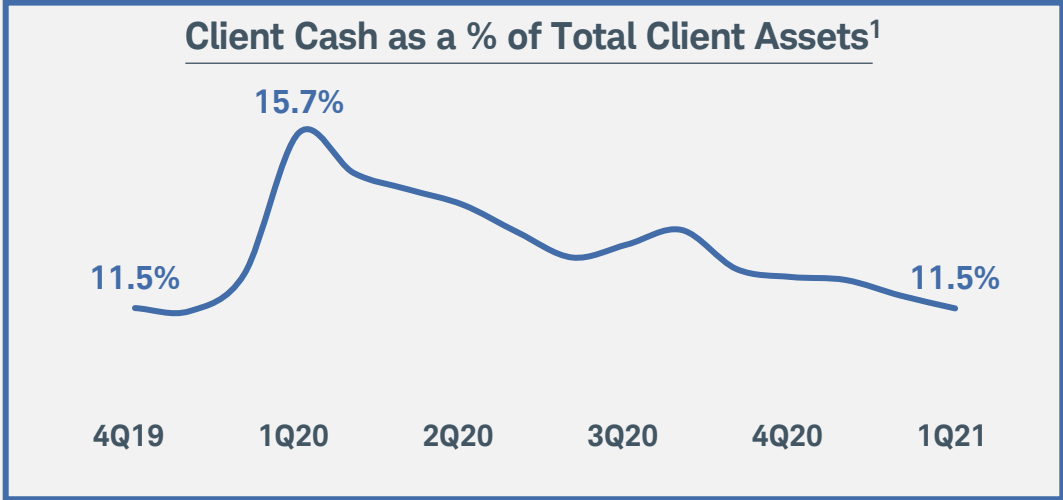


1Q21 TOA

Total Company **1.6x**

Transfers from across the competitor set continued to be robust as our holistic services resonated with clients

Although still early, we anticipate retaining much of the recent surge, even if activity levels subside.



Note: All metrics shown on a pro forma combined company basis. 1. Client cash and EOP margin balances as a % of total client assets shown on a quarter-end basis.

As we supported very robust engagement, especially early in the quarter,...

*1Q21 vs. 1Q20



14 days

of ~10M
Daily Average
Trades



+19%

Increase in
Retail Call
Volumes*



+138%

Mobile
and Web
Logins*



+82%

Mobile
Unique
Users*

...we pushed forward with appropriate investments to improve service quality and reliability.



Online messaging to **target current frequently asked questions**: Trading-related education, crypto-currency topics, extended hours procedures



New Client Experience: Account detail, expedited processes where appropriate, streamlined web content



Implemented an enhanced **call-routing strategy (including IVR messaging)** to effectively support new and existing client needs



Increased our team of client service professionals by 10%¹ and are **developing a pipeline of talent** to support ongoing growth

By the end of March, we had sharply reduced average speed-to-answer from peak levels in the quarter to less than a minute – significantly closer to pre-surge levels

Regardless of the environment, we remain focused on building the future of modern wealth management...



Scale & Efficiency



Advance transaction integration efforts



Continue technology and digital evolution



Support business growth



Win-Win Monetization



Launch personalized investing solutions



Enhance fixed income offering



Third-party fee arrangements



Client Segmentation



Deliver tailored experiences to Retail and RIA clients




Provide specialized lending solutions



Empower self-directed traders and investors

Further enhancing our offer to clients positions us to keep building long-term stockholder value

Regardless of the environment, we remain focused on building the future of modern wealth management...




Scale & Efficiency

Adjusted EOCA¹:

14 bps

~1 bps improvement versus 1Q20



Win-Win Monetization



Launch personalized investing solutions



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Third-party fee arrangements



Client Segmentation



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Further enhancing our offer to clients positions us to keep building long-term stockholder value

Note: EOCA = Expenses over total client assets. Bps = Basis points. T = Trillions. 1. Adjusted EOCA equals adjusted total expenses of \$2,482M divided by average total clients of \$7.0T; metric presented on an annualized basis; adjusted total expenses exclude acquisition and integration-related costs as well as amortization of acquired intangible assets, consistent with the non-GAAP adjustments discussed on slide 42. Further detail on non-GAAP financial measures and a reconciliation of such measures to reported results are included on slides 42-46 of this presentation as well as within our 1Q21 Earnings Release.

Regardless of the environment, we remain focused on building the future of modern wealth management...

Scale & Efficiency



Advance transaction integration efforts




Continue technology and digital evolution




Support business growth

Win-Win Monetization

~\$19 billion in YTD¹ inflows across SAMS, including:

 **Over \$1 billion**

 **\$11 billion in proprietary ETFs**

Client Segmentation



Deliver tailored experiences to Retail and RIA clients



Provide specialized lending solutions



Empower self-directed traders and investors

Further enhancing our offer to clients positions us to keep building long-term stockholder value

Regardless of the environment, we remain focused on building the future of modern wealth management...

Scale & Efficiency



Advance transaction integration efforts



Continue technology and digital evolution



Support business growth

Win-Win Monetization



Launch personalized investing solutions



Enhance fixed income offering



Third-party fee arrangements

Client Segmentation

Mortgage Originations:

~\$20B

since March 2020

Pledged Asset Line Balances:

+61%

versus 1Q20

Further **enhancing our offer** to clients positions us to keep **building long-term stockholder value**

...guided by our “no trade-offs” approach to serving clients.

Value



Deliver industry-leading value to our clients

Service



Deliver world-class service to investors and advisors

Transparency



Ensure every client interaction is clear, simple, and easy

Trust



Treat clients the way we would like to be treated

Powered by our “Through Clients’ Eyes” strategy, Schwab is thriving amidst an extraordinary environment.

- Against a backdrop of unpredictable markets, unprecedented investor engagement, and uncompromising service expectations, our positioning as a trusted partner for individuals and independent advisors is helping drive record business momentum
- With surging growth scaling the firm faster than anticipated, we are pushing ahead with accelerated investments in technology and people to enhance service capacity
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Joe Martinetto

Senior Executive Vice President and Chief Operating Officer

We've continued to plan and execute our TD Ameritrade integration against a backdrop of unprecedented volume growth.

Key client volume metrics have dramatically outpaced original expectations and plans.

Since announcement of the TDA acquisition in November 2019...

...number of active brokerage accounts grew by more than 25%
(from ~25M in 4Q19 to ~32M in 1Q21)

...peak daily trades quadrupled
(from under 3M in 4Q19 to ~12.3M in 1Q21)

...daily average trades quadrupled
(from ~2M in 4Q19 to 8.4M in 1Q21)

TDA revenue exceeded our November 2019 deal forecast by \$2.0B for the first five full quarters since deal announcement

We are expanding the scope of technology work to enable integration of our two significantly-larger firms.



We are building more in three key areas to support expanded volumes of the combined client base:

- Infrastructure scalability and resiliency, including updated software, hosting, and data centers
- Digital client experience features & self-service
- Process automation



Based on our revised integration plans and expanded scope of technology work:

- We expect to complete client conversion within 30 to 36 months of deal close
- We expect to invest \$2.0B to \$2.2B in total one-time integration expense

Total synergies are now estimated at \$4.3 to \$4.8 billion, up from \$3.5 to \$4.0 billion at announcement.

We remain confident in our ability to deliver against initial expense synergy targets.

- We remain on track to deliver 25% to 35% of expense synergies within 1 year of deal close
- We expect to achieve \$1.8B to \$2.0B in run-rate expense synergy within 4 years of deal close

Strong volume growth and newly-identified opportunities strengthen our outlook for revenue synergies.

- BDA migrations, wealth management, and lending opportunities are likely to increase alongside growth in client accounts and balances
- Opportunities to integrate certain products and capabilities prior to client conversion (e.g., Securities Lending, Mutual Fund Contracts, Order Routing)

Overall, we expect the value from the integration and investment in our platforms will keep us well-positioned to serve clients and generate stockholder value

Peter Crawford

Executive Vice President and Chief Financial Officer

Our all-weather model converted unprecedented momentum into record results.

- Strong investor engagement, coupled with the strength of our diversified model, translated into a robust start to the year
- The trajectory and sustainability of recent activity levels will continue to inform our 2021 financial story, including the pace of reinvestment
- Ongoing prioritization of capital and liquidity management helps keep us positioned to support outsized growth

Today we'll discuss:

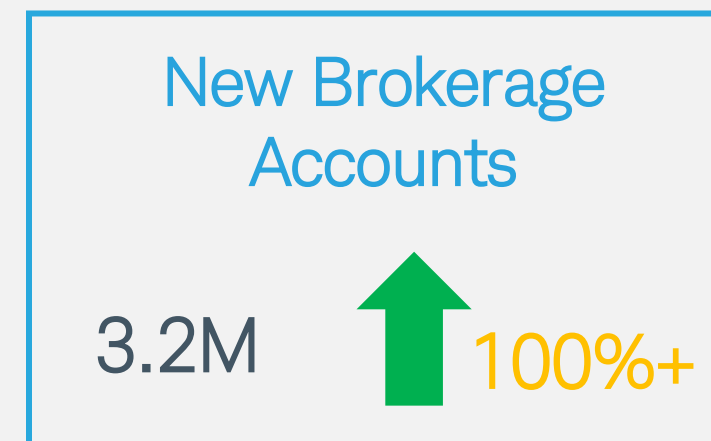
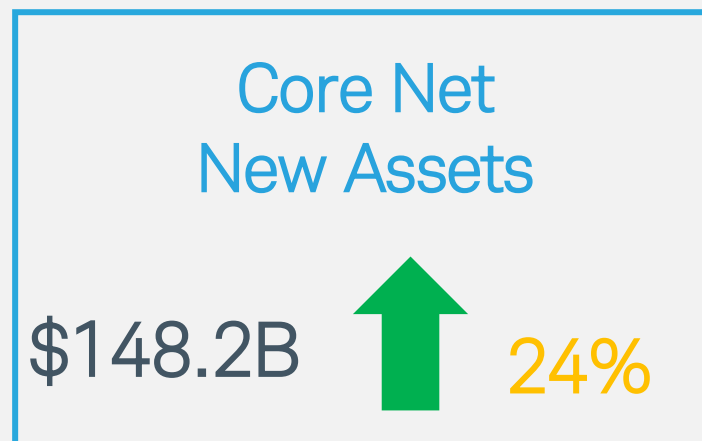
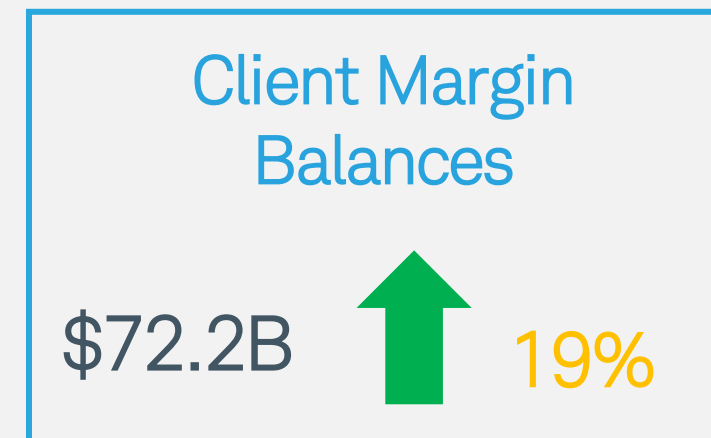
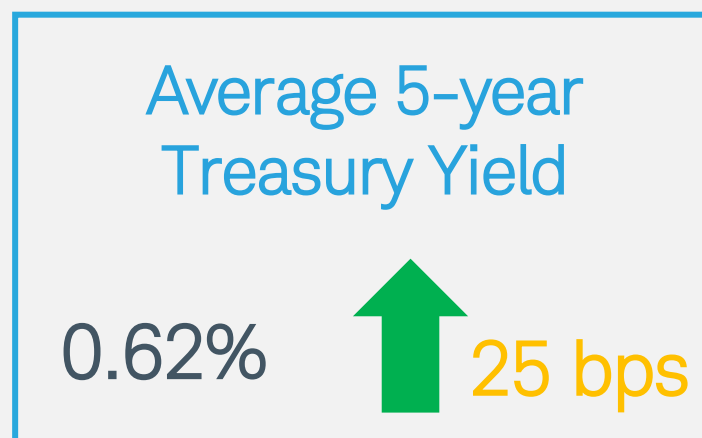
1Q21 Results

Updated Illustrations

Capital Perspectives

Aided by macro tailwinds, 1Q21 built upon our strong 2020, as client activity reached new heights.

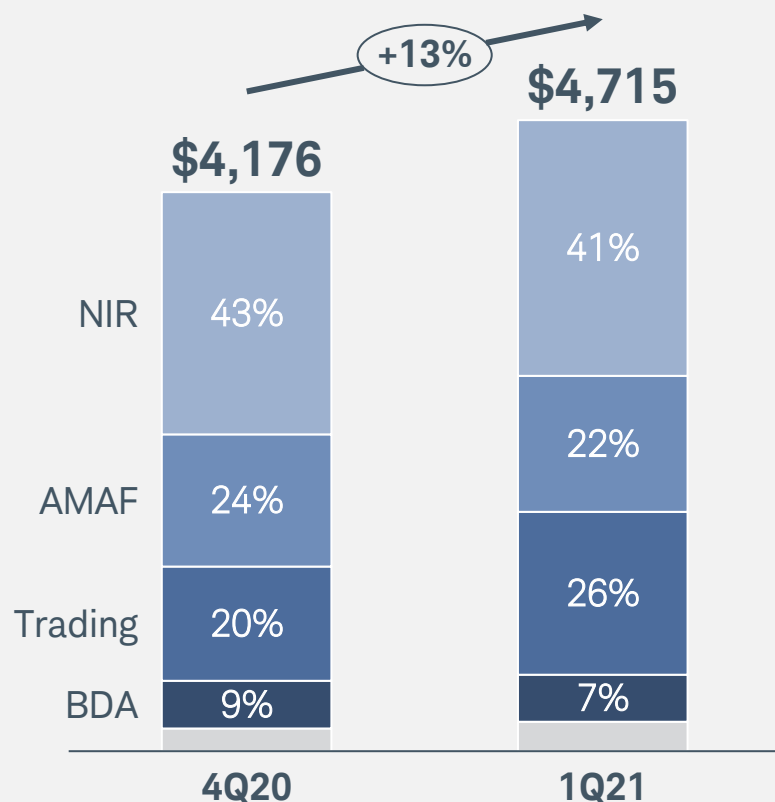
1Q21 vs. 4Q20



This engagement powered strong top-line growth,...

1Q21 vs. 4Q20

Total Net Revenues (\$M)



Net Interest Revenue (NIR)

6%

- Average interest-earning asset levels rose 12% since 4Q20
- Securities lending activity continued to be relatively robust
- MBS prepayment speeds remained elevated



Asset Management and Administrative Fees (AMAF)

3%

- Continued market recovery plus growth in advisory solutions balances following recent acquisitions
- Money market fee waivers increased slightly, driven by rates



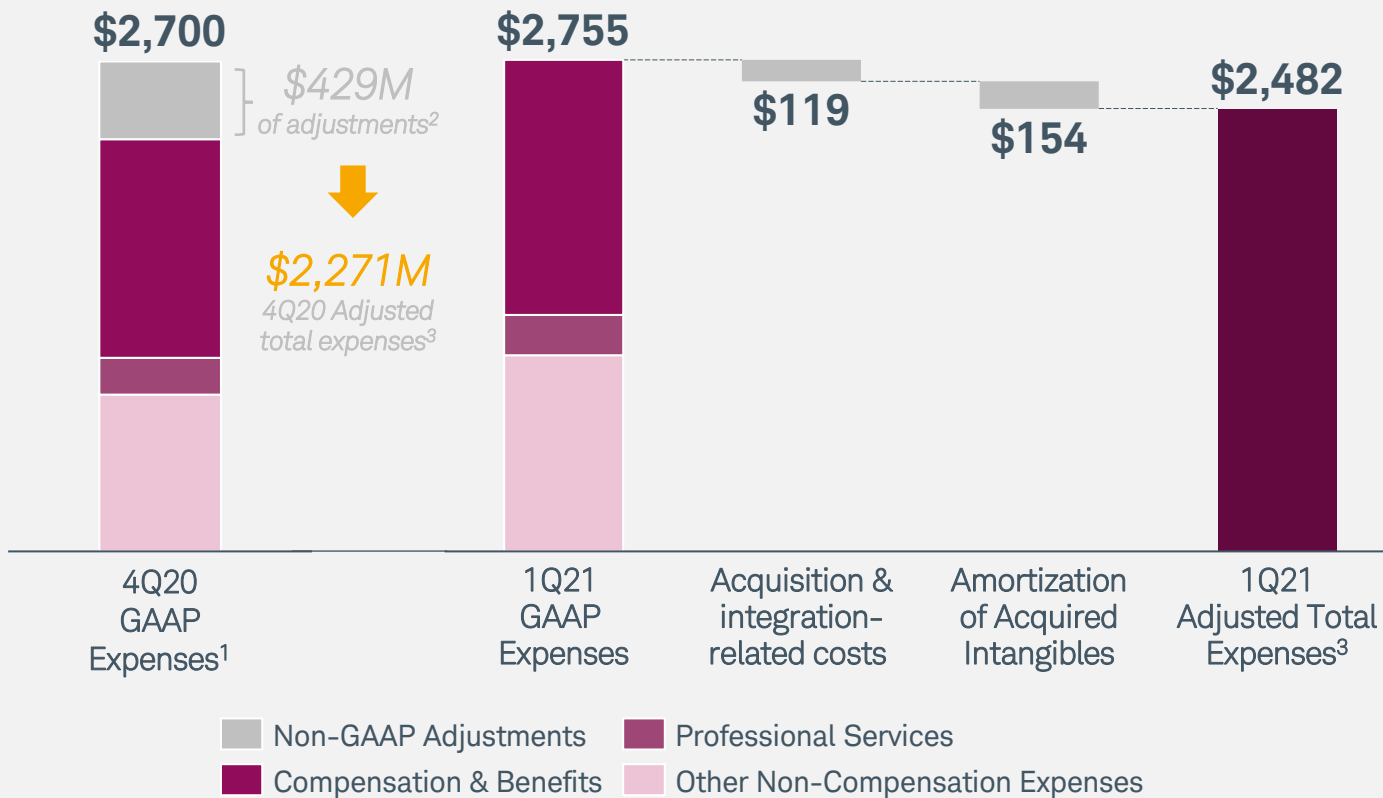
Trading

42%

- Further acceleration in client trading activity across all products, with peak volume eclipsing 12 million daily trades
- Maintained stable revenue per trade rate

...which when coupled with our continued expense discipline,...

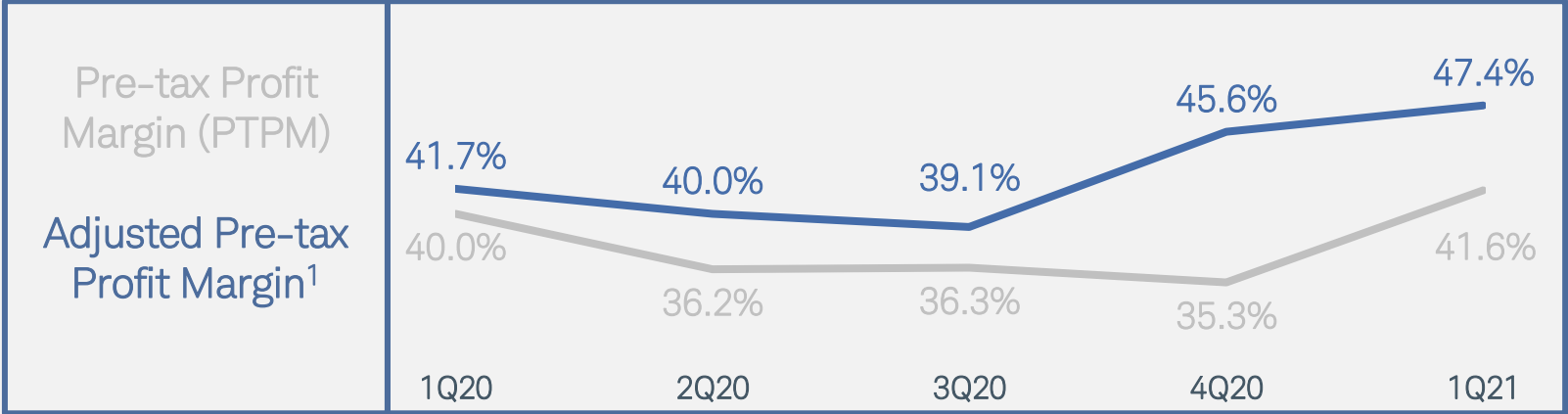
Composition of 1Q21 Expenses (\$M)



- Adjusted total expenses **up 9% sequentially**
 - 1Q seasonal items contributed to ~5 percentage points of the growth, mainly within compensation and benefits
 - Remainder attributable to heavy volumes, service-related investments, and the impact of closing the TD Ameritrade acquisition on October 6, 2020

Note: 1. Includes the impact of the TD Ameritrade acquisition from October 6, 2020 forward. 2. \$429M of non-GAAP adjustments includes \$282M in acquisition and integration-related costs as well as \$147M in amortization of acquired intangibles. 3. Adjusted total expenses exclude acquisition and integration-related costs as well as amortization of acquired intangible assets, consistent with the non-GAAP adjustments discussed on slide 42. Further detail on non-GAAP financial measures and a reconciliation of such measures to reported results are included on slides 42-46 of this presentation.

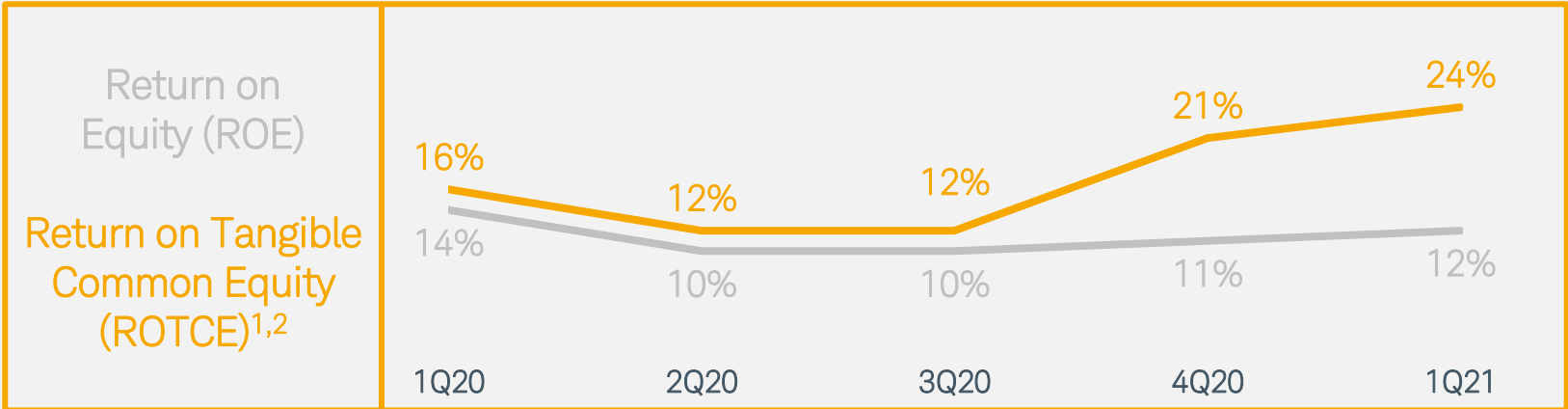
...helped elevate profitability and returns on capital.



Adjusted PTPM



180 bps
vs. 4Q20



ROTCE



300 bps
vs. 4Q20

Note: ROE = Return on Common Equity. 1. Further detail on non-GAAP financial measures and a reconciliation of such measures to reported results are included on slides 42–46 of this presentation. 2. Due to the timing of the TD Ameritrade acquisition closing on October 6, 2020, the full quarterly impact of the purchase accounting adjustments were not reflected in the 4Q20 ROTCE measure.

Our balance sheet expanded by 3% sequentially.

(\$M, EOP)	1Q20	4Q20	1Q21*
Total Assets	\$370,779	\$549,009	\$563,457
Receivables from Brokerage Clients	\$19,001	\$64,440	\$74,711
Assets			
Bank Deposits	\$277,477	\$358,022	\$369,898
Payables to Brokerage Clients	\$49,251	\$104,201	\$101,339
Long-term Debt	\$8,522	\$13,632	\$17,698
Stockholders' Equity	\$26,270	\$56,060	\$55,594
Liabilities and Equity			
Parent Liquidity	\$5,460	\$9,666	\$14,345
Tier 1 Leverage Ratio ¹	6.9%	6.3%	6.4%

- Sustained steady asset growth was driven by record NNA, which offset the sharp uptick in client cash deployed into the markets
- Led by TDA, margin utilization increased significantly
- Long-term debt increased sequentially as we raised \$4 billion in new senior debt, including:
 - \$1.25 billion of 3-year SOFR-based floating
 - \$1.50 billion of 3-year fixed at 0.750%
 - \$1.25 billion of 7-year fixed at 2.000%
- Schwab issued new Series I and Series J preferred stock for \$2.25 billion and \$600 million, respectively; also announced the redemption of all \$600 million of Series C preferred stock
- Stockholders' Equity declined by ~1% vs. the prior quarter as the benefits of solid organic capital formation and our incremental preferred were more than offset by a \$4.5 billion AOCI reduction

Note: AOCI = Accumulated Other Comprehensive Income. Results include TD Ameritrade from October 6, 2020 forward. Parent Liquidity equals Parent Working Capital plus Level 1 Securities (at fair market value) as defined by the Liquidity Coverage Ratio rule. Tier 1 Leverage Ratio is based on Tier 1 Capital, which is End of Period Capital (Stockholders' Equity less AOCI and other regulatory adjustments), divided by Average Total Consolidated Assets. * Preliminary. 1. Tier 1 Leverage Ratio long-term operating objective of 6.75% - 7.00%.

During 1Q21, select macro drivers outpaced our initial assumptions,...

	Underlying Assumptions ¹	YTD Actual Results ²	Impact
Market	S&P appreciates 6.5% from December 31, 2020	S&P up 6% since end of 2020	+
Rates³	In-line with the Forward Curve as of January 7, 2021	Curve steepened by ~80 bps	+
BDA	Initial migrations to begin on June 30, 2021	--	+ / -
Capex	~6%–7% of total revenue	~4% of revenue	+ / -

Note: YTD = Year-to-date. 1. As presented during Winter Business Update on February 2, 2021. 2. YTD results as of March 31, 2021. 3. Steepening measured as the change in the spread between the forward 10-year and 2-year U.S. Treasury yields from December 31, 2020 to March 31, 2021.

...while investor engagement strengthened even further from the prior quarter.

Select Behavioral Drivers (vs. 4Q20 EOP)				
		DATs	Margin Balances	SCHW B/S Cash ¹
Illustrative Inputs	1	+20%	+10%	+10%
	2	Flat		
	3	-20%	-10%	-10%



1Q21 YTD Results (vs. 4Q20)			
Illustrative Inputs	DATs	8,414K	+45%
	Margin Balances	\$72.2B	+19%
	SCHW B/S Cash ¹	\$467.3B	+2%

Note: DATs = Daily average trades. B/S = Balance sheet. EOP = end-of-period. K = Thousands. B = Billions. Adj. = Adjusted. 1. Schwab balance sheet cash represents EOP bank deposits and payables to brokerage clients. 2. Further detail on non-GAAP financial measures and a reconciliation of such measures to reported results are included on slides 42-46 of this presentation.

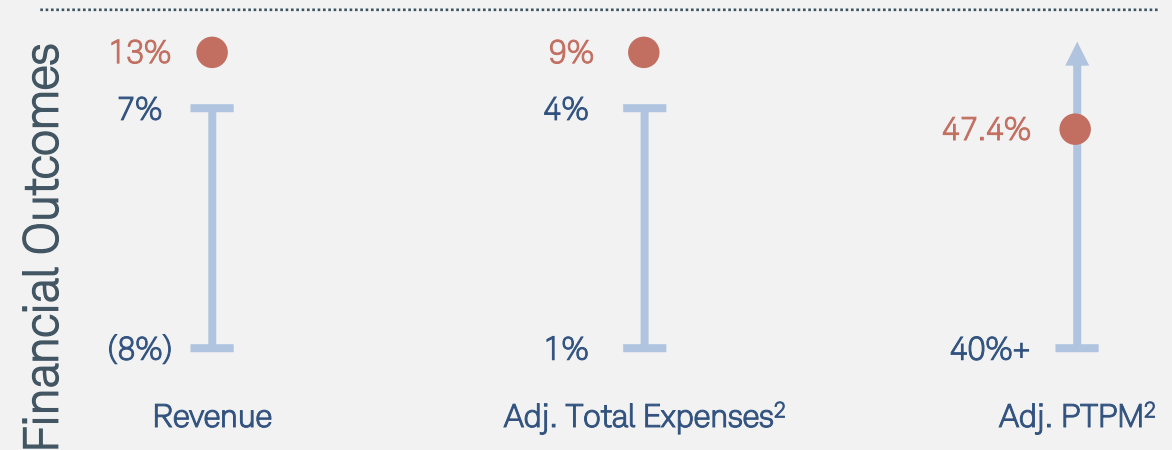
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1Q21 YTD Results (vs. 4Q20)

Illustrative Inputs	Value	% Change
DATs	8,414K	+45%
Margin Balances	\$72.2B	+19%
SCHW B/S Cash ¹	\$467.3B	+2%



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Looking ahead, investor behavior will continue to shape our 2021 financial performance.

Underlying Assumptions	
S&P 500®	+ 6.5%
Rates ¹	Forward Curve
Schwab B/S Cash ²	+10–12% (vs. 4Q20)
Securities Lending	Average of prior 2 quarters
BDA	Migrations begin on 6/30
Capex	~6–7% of total revenue

Note: DATs = Daily average trades and are based on the 1Q21 average for the purposes on the illustration. B/S = Balance sheet. EOP = end-of-period. 1. Forward curve data as of 03/31/21. 2. Schwab balance sheet cash represents existing bank deposits and payables to brokerage clients as of March 31, 2021 – excludes any potential BDA balance migrations that may occur starting in June 2021. 3. Illustrative revenue and expense growth rates relative to annualized 4Q20 results. Further details on non-GAAP financial measures are included on slides 42–46 of this presentation.

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BDA	Migrations begin on 6/30
Capex	~6–7% of total revenue


Select Behavioral Drivers (vs. 1Q21 EOP)		
	DATs	Margin Balances
Illustrative Inputs	1 +20%	+10%
	2 ----- Flat -----	
	3 -20%	-10%

Note: DATs = Daily average trades and are based on the 1Q21 average for the purposes on the illustration. B/S = Balance sheet. EOP = end-of-period. 1. Forward curve data as of 03/31/21. 2. Schwab balance sheet cash represents existing bank deposits and payables to brokerage clients as of March 31, 2021 – excludes any potential BDA balance migrations that may occur starting in June 2021. 3. Illustrative revenue and expense growth rates relative to annualized 4Q20 results. Further details on non-GAAP financial measures are included on slides 42–46 of this presentation.

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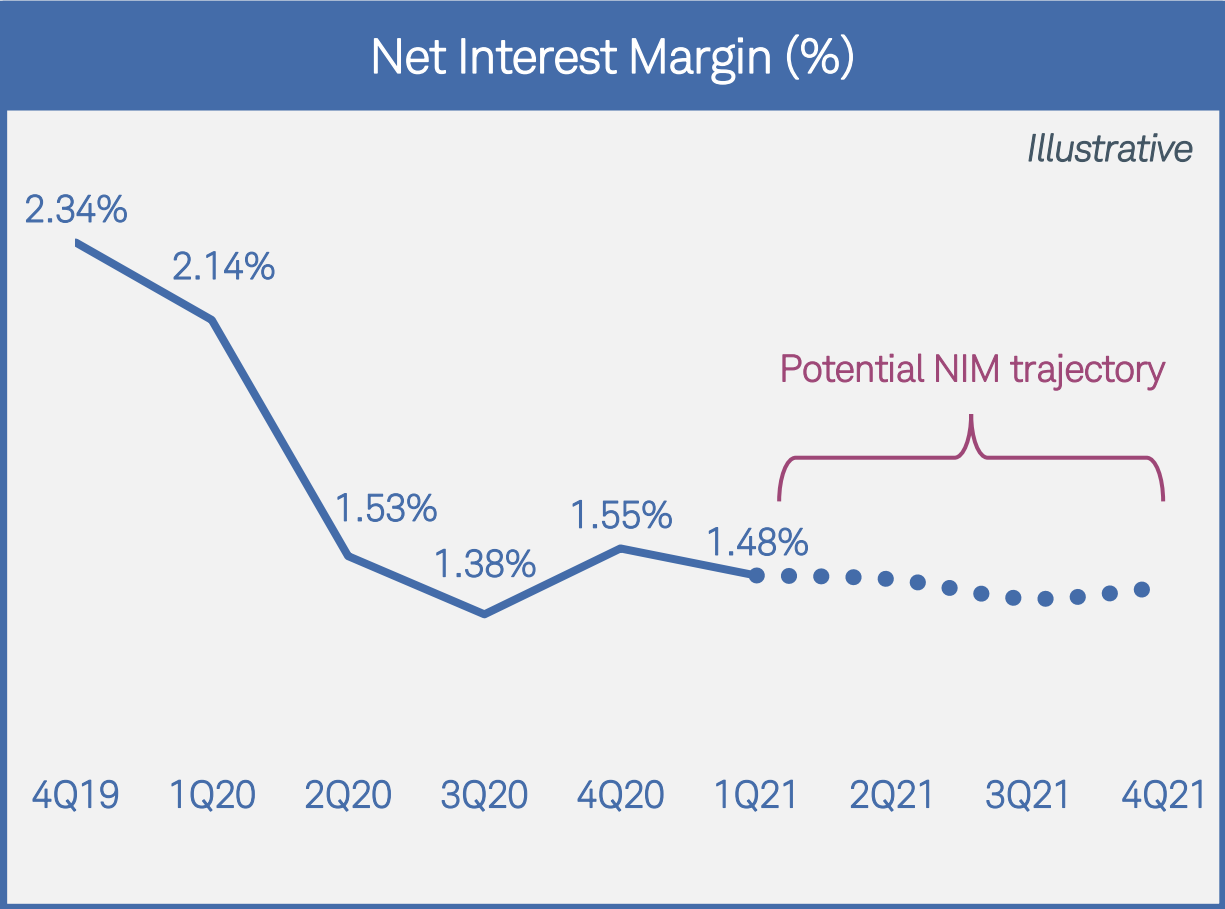
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Select Behavioral Drivers (vs. 1Q21 EOP)		
	DATs	Margin Balances
Illustrative Inputs	1 +20%	+10%
	2  Flat	
	3 -20%	-10%

Illustrative Financial Outcomes ³				
vs. 4Q20 annualized		Adjusted Revenue	Adjusted Total Expenses	Adjusted PTPM
Illustrative Growth	1	18%–20%	7% 	46%+
	2	13%–15%		↓
	3	8%–10%		5%

Note: DATs = Daily average trades and are based on the 1Q21 average for the purposes on the illustration. B/S = Balance sheet. EOP = end-of-period. 1. Forward curve data as of 03/31/21. 2. Schwab balance sheet cash represents existing bank deposits and payables to brokerage clients as of March 31, 2021 – excludes any potential BDA balance migrations that may occur starting in June 2021. 3. Illustrative revenue and expense growth rates relative to annualized 4Q20 results. Further details on non-GAAP financial measures are included on slides 42–46 of this presentation.

Our illustrations suggest full-year NIM in the mid-to-upper 140 bps range.



The continued evolution of certain factors may impact the 2021 NIM trajectory, including:



MBS Prepayment Speeds

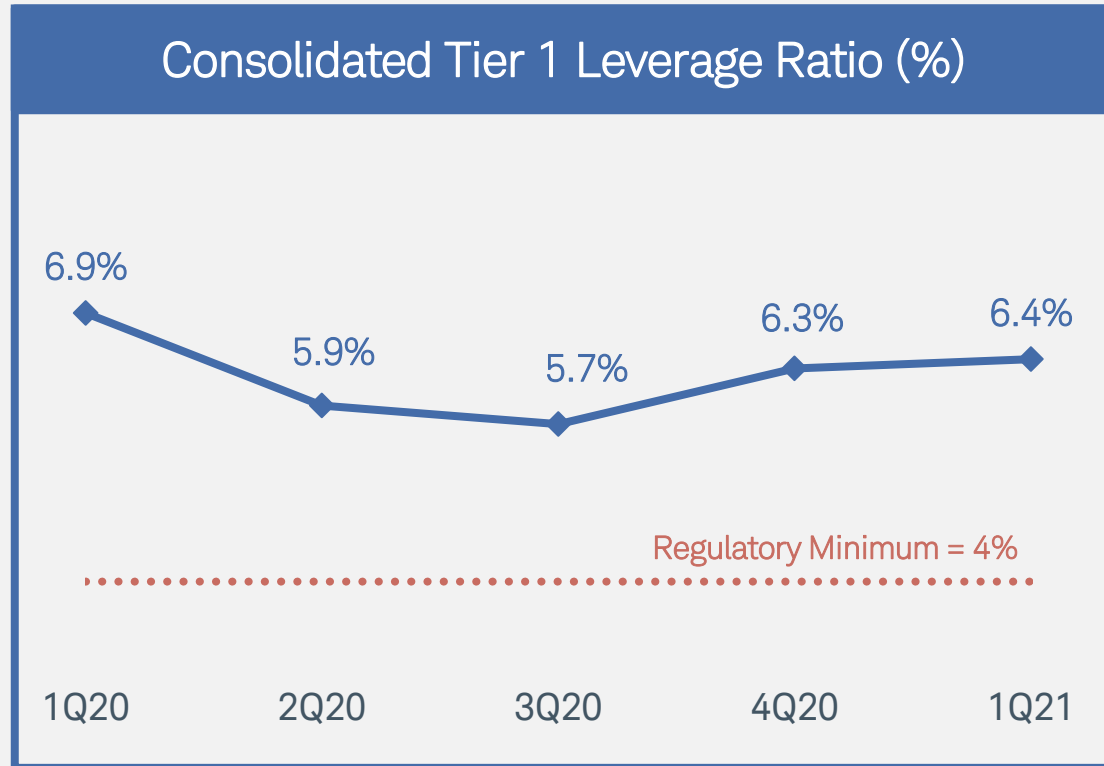
Investment Yields and ALM Parameters

Interest-Earning Asset Mix and Growth

Securities Lending

Note: NIM = Net interest Margin. Bps = Basis points. MBS = Mortgage-backed security. ALM = Asset-Liability Management.

Our strong capital and liquidity positions enable us to confidently navigate a range of environments.



1Q21 Capital Management Highlights

- Issued ~\$2.9 billion of incremental preferred equity at attractive rates
- Enhanced our liquidity position by raising a total of \$4 billion in senior debt across 3- and 7-year tranches
- Expanded our commercial paper program to augment existing capital markets access

On the Horizon

- Redeem all \$600 million of Series C preferred stock
- Planning for 2021 long-term debt maturities
- Support initial BDA balance migrations

Supporting long-term growth through prudent capital management remains a top priority

The model is operating as intended and we remain enthusiastic about the opportunity still ahead of us.

- Schwab's competitive positioning and unwavering commitment to service is helping sustain strong momentum and robust financial results
- While we are pleased with the strong start to the firm's new chapter, there is still plenty of work remaining to ensure we keep pace with clients' expectations
- We believe our continued focus on balancing near-term results and long-term investments will enable us to further enhance stockholder value

Our priorities remain unchanged:



Continued business growth through our client-first strategy



Long-term revenue growth through multiple sources

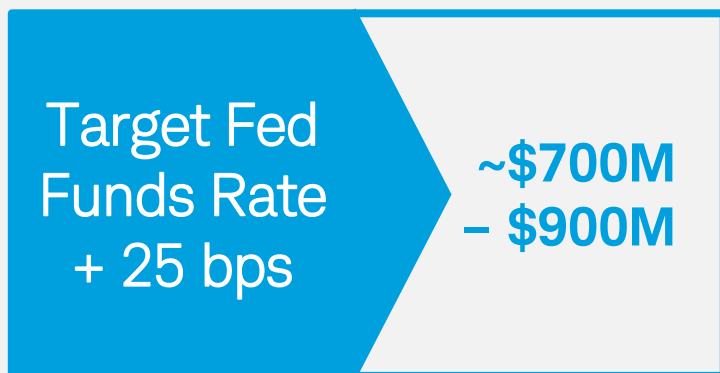


Thoughtful expense discipline enabling sustainable performance

Q&A

Appendix

Revenue Sensitivities

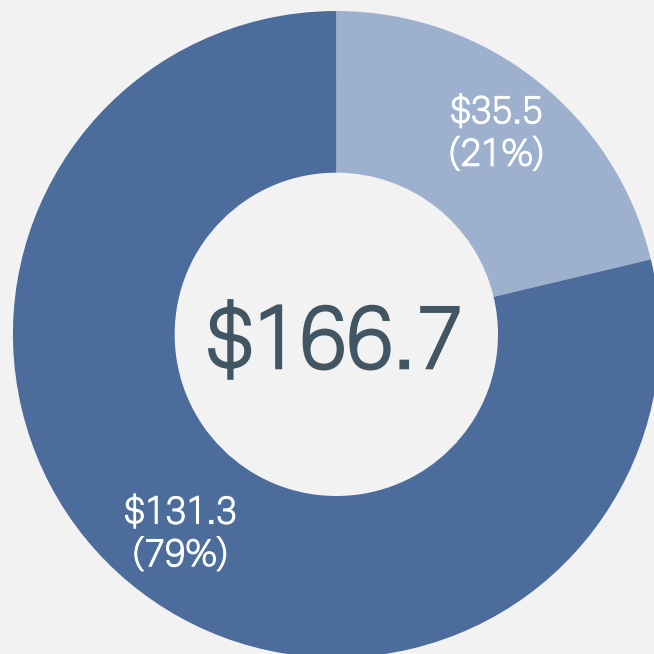


Note: For the Fed Funds and Treasury sensitivities, assumes static interest-earning asset balances as of March 31, 2021 and depends on the mix and duration of the bank investment portfolio, to the extent there is a parallel shift in the yield curve, how quickly the fixed portfolio reprices, and deposit betas.

Appendix

Bank Deposit Account Summary (as of March 31, 2021)

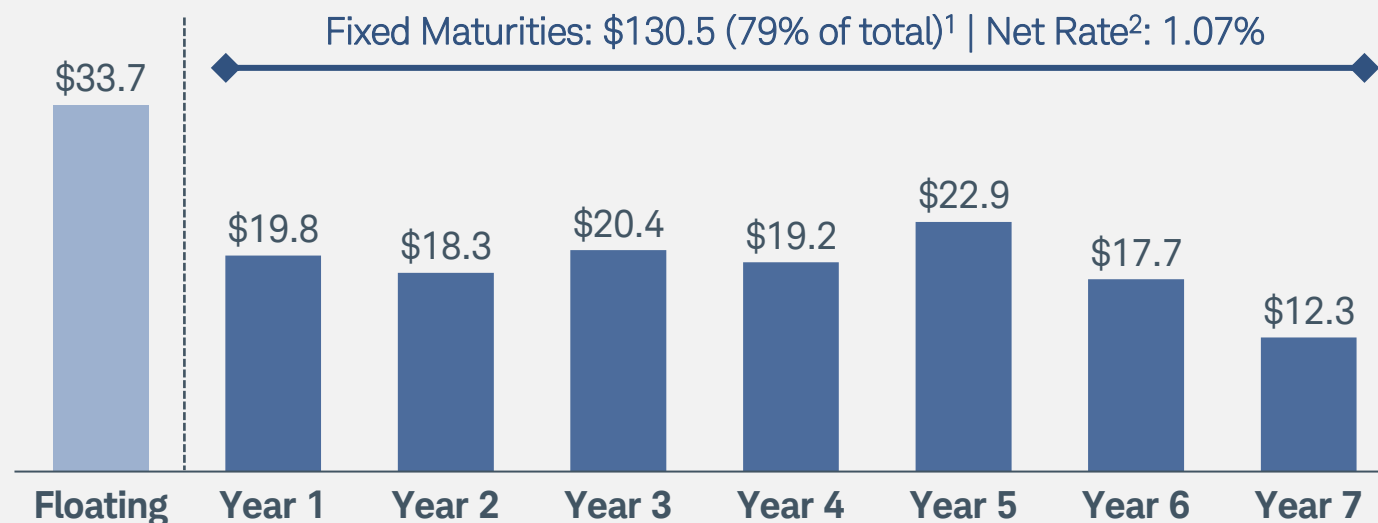
Mix of Average BDA Balances (\$B,%)¹



■ Floating ■ Fixed

BDA Balances by Maturity, EOP (\$B)

Total Balance: \$164.2B | Net Rate²: 0.83% | Annual Revenue³: \$1,381M



	<u>Net Rate</u>	<u>1Q21 Revenue</u>
■ Floating	(0.07%)	(\$6M)
■ Fixed	1.09%	\$357M

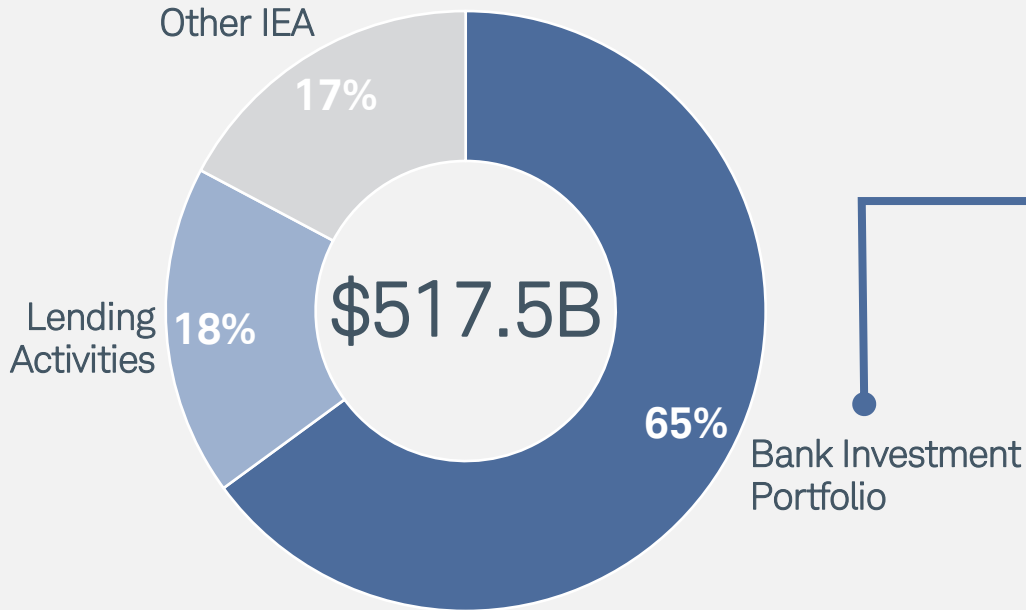
Net Rate ²	(0.09%)	1.66%	1.68%	1.74%	1.60%	0.14%	0.16%	0.29%
Annual Revenue ³	(\$31M)	\$333M	\$310M	\$358M	\$311M	\$33M	\$29M	\$36M

Note: Certain totals may not foot due to rounding. BDA = Bank Deposit Account. Net yields calculated on an actual/360 basis. 1. Balances maturing by remaining duration term (e.g., Year 1 maturities are balances rolling off the fixed-rate ladder over the next 12 months). 2. EOP net rate of maturities as of early April 2021 and includes all related fees and client pay rates. 3. Revenue figures presented on an annualized run-rate basis per the amended Insured Deposit Agreement (IDA) arrangement.

Appendix

Average Interest-earning Assets & Bank Investment Portfolio (as of March 31, 2021)

1Q21 Avg. Interest-earning Assets^{1, 2}



Bank Investment Portfolio Spotlight

Fixed vs. Floating

88% Fixed / 12% Floating

Securities Mix³



85-90% backed by U.S. government or agency

Duration Analysis⁴



Note: AIEA = Average interest-earning assets. RMBS = Residential Mortgage-backed Security. CMBS = Commercial Mortgage-backed Security. 1. Bank Investment Portfolio includes available-for-sale held within the consolidated bank investment portfolio, but excludes cash investments; please note percentage may be rounded. 2. Lending Activities comprises of client margin debits and bank loans. 3. Total may not round to 100% due to rounding. "Other" includes U.S. Treasuries, corporate debt, ABS, and other investment securities as appropriate. 4. Rate shock analysis is presented on an option-adjusted basis as of March 2021. 5. LUMSTRUU is a Bloomberg Barclays index composed of investment grade pass-through MBS issued and/or guaranteed by a U.S. government agency.

Appendix

Non-GAAP Introduction

In addition to disclosing financial results in accordance with generally accepted accounting principles in the U.S. (GAAP), this presentation contains references to the non-GAAP financial measures described below. We believe these non-GAAP financial measures provide useful supplemental information about the financial performance of the Company, and facilitate meaningful comparison of Schwab's results in the current period to both historic and future results. These non-GAAP measures should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP, and may not be comparable to non-GAAP financial measures presented by other companies.

Schwab's use of non-GAAP measures is reflective of certain adjustments made to GAAP financial measures as described below.

Non-GAAP Adjustment or Measure	Definition	Usefulness to Management and Investors
Acquisition and integration-related costs and amortization of acquired intangible assets	<p>Schwab adjusts certain GAAP financial measures to exclude the impact of acquisition and integration-related costs incurred as a result of the Company's business acquisitions, amortization of acquired intangible assets, and, where applicable, the income tax effect of these expenses.</p> <p>Adjustments made to exclude amortization of acquired intangible assets are reflective of all acquired intangible assets, which were recorded as part of purchase accounting. These acquired intangible assets contribute to the Company's revenue generation. Amortization of acquired intangible assets will continue in future periods over their remaining useful lives.</p>	<p>We exclude acquisition and integration-related costs and amortization of acquired intangible assets for the purpose of calculating certain non-GAAP measures because we believe doing so provides additional transparency of Schwab's ongoing operations, and may be useful in both evaluating the operating performance of the business and facilitating comparison of results with prior and future periods.</p> <p>Acquisition and integration-related costs fluctuate based on the timing of acquisitions and integration activities, thereby limiting comparability of results among periods, and are not representative of the costs of running the Company's on-going business. Amortization of acquired intangible assets is excluded because management does not believe it is indicative of the Company's underlying operating performance.</p>
Return on tangible common equity	Return on tangible common equity represents annualized adjusted net income available to common stockholders as a percentage of average tangible common equity. Tangible common equity represents common equity less goodwill, acquired intangible assets – net, and related deferred tax liabilities.	Acquisitions typically result in the recognition of significant amounts of goodwill and acquired intangible assets. We believe return on tangible common equity may be useful to investors as a supplemental measure to facilitate assessing capital efficiency and returns relative to the composition of Schwab's balance sheet.

Appendix

Non-GAAP Reconciliation: Adjusted total expenses and Adjusted net income

	Three Months Ended					
	March 31, 2021		December 31, 2020		March 31, 2020	
	Total Expenses Excluding Interest	Net Income	Total Expenses Excluding Interest	Net Income	Total Expenses Excluding Interest	Net Income
Total expenses excluding interest (GAAP), Net income (GAAP)	\$ 2,755	\$ 1,484	\$ 2,700	\$ 1,135	\$ 1,570	\$ 795
Acquisition and integration-related costs ⁽¹⁾	(119)	119	(282)	282	(37)	37
Amortization of acquired intangible assets	(154)	154	(147)	147	(6)	6
Income tax effects ⁽²⁾	N/A	(67)	N/A	(105)	N/A	(11)
Adjusted total expenses (Non-GAAP), Adjusted net income (Non-GAAP)	\$ 2,482	\$ 1,690	\$ 2,271	\$ 1,459	\$ 1,527	\$ 827

Note: N/A = Not applicable. 1. Acquisition and integration-related expenses are primarily included in professional services, compensation and benefits, and other expense. 2. The income tax effect of the non-GAAP adjustments is determined using an effective tax rate reflecting the exclusion of non-deductible acquisition costs and is used to present the acquisition and integration-related costs and amortization of acquired intangible assets on an after-tax basis.

Appendix

Non-GAAP Reconciliation: Adjusted income before taxes on income and Adjusted pre-tax profit margin

	Three Months Ended									
	March 31, 2021		December 31, 2020		September 30, 2020		June 30, 2020		March 31, 2020	
	Amount	% of Total Net Revenues	Amount	% of Total Net Revenues	Amount	% of Total Net Revenues	Amount	% of Total Net Revenues	Amount	% of Total Net Revenues
Income before taxes on income (GAAP), Pre-tax profit margin (GAAP)	\$ 1,960	41.6%	\$ 1,476	35.3%	\$ 889	36.3%	\$ 888	36.2%	\$ 1,047	40.0%
Acquisition and integration-related costs	119	2.5%	282	6.8%	42	1.7%	81	3.3%	37	1.5%
Amortization of acquired intangible assets	154	3.3%	147	3.5%	25	1.7%	12	0.5%	6	0.2%
Adjusted income before taxes on income (Non-GAAP), Adjusted pre-tax profit margin (Non-GAAP)	\$ 2,233	47.4%	\$ 1,905	45.6%	\$ 956	39.1%	\$ 981	40.0%	\$ 1,090	41.7%

Appendix

Non-GAAP Reconciliation: Adjusted net income to common stockholders and Adjusted diluted EPS

	Three Months Ended									
	March 31, 2021		December 31, 2020		September 30, 2020		June 30, 2020		March 31, 2020	
	Amount	Diluted EPS	Amount	Diluted EPS	Amount	Diluted EPS	Amount	Diluted EPS	Amount	Diluted EPS
Net income available to common stockholders (GAAP), Earnings per common share – diluted (GAAP)	\$ 1,388	\$ 73	\$ 1,050	\$.57	\$ 615	\$ 48	\$ 621	\$.48	\$ 757	\$.58
Acquisition and integration-related costs	119	.06	282	.15	42	.03	81	.07	37	.03
Amortization of acquired intangible assets	154	.08	147	.08	25	.02	12	.01	6	–
Income tax effects	(67)	(.03)	(105)	(.06)	(16)	(.02)	(22)	(.02)	(11)	–
Adjusted net income available to common stockholders (Non-GAAP), Adjusted diluted EPS (Non-GAAP)	\$ 1,594	\$.84	\$ 1,374	\$.74	\$ 666	\$.51	\$ 692	\$.54	\$ 789	\$.61

Appendix

Non-GAAP Reconciliation: Return on average tangible common stockholders' equity

	Three Months Ended				
	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Return on average common stockholders' equity (GAAP)	12%	11%	10%	10%	14%
Average common stockholders' equity	\$ 46,691	\$ 37,198	\$ 25,810	\$ 24,515	\$ 21,215
Less: Average goodwill	(11,952)	(6,845)	(1,735)	(1,480)	(1,227)
Less: Average acquired intangible assets – net	(9,915)	(5,624)	(1,268)	(700)	(125)
Plus: Average deferred tax liabilities related to goodwill and acquired intangible assets – net	1,935	1,005	67	67	67
Average tangible common equity	\$ 26,759	\$ 25,734	\$ 22,874	\$ 22,402	\$ 19,930
Adjusted net income available to common stockholders ¹	\$ 1,594	\$ 1,374	\$ 666	\$ 692	\$ 789
Return on tangible common equity (Non-GAAP)	24%	21%	12%	12%	16%

Note: 1. See table on slide 45 for the reconciliation of net income available to common stockholders to adjusted net income available to common stockholders (non-GAAP).

Spring Business Update

April 22, 2021



CORPORATION