Introduction

Jeff Edwards
Managing Director, Head of Investor Relations
Presenters

**Walt Bettinger**
Co-Chairman of the Board and Chief Executive Officer

**Rick Wurster**
President

**Joe Martinetto**
Managing Director, Chief Operating Officer

**Jonathan Craig**
Managing Director, Head of Investor Services and Marketing

**Stacy Hammond**
Managing Director, Investor Acquisition and Marketing

**Bernie Clark**
Managing Director, Head of Advisor Services

**Neesha Hathi**
Managing Director, Head of Wealth and Advice Solutions

**Peter Crawford**
Managing Director, Chief Financial Officer
## Agenda

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<th>Name</th>
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<td>1</td>
<td>Walt Bettinger</td>
<td>Strategic Update</td>
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<td>Rick Wurster</td>
<td>Our Long-Term Sustainable Growth Model</td>
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15 Minute Break at 9:25 a.m.

| 4  | Jonathan Craig            | Retail Investor Update                     |
| 5  | Stacy Hammond             | Retail Acquisition Update                  |
| 6  | Bernie Clark              | Advisor Services Update                    |
| 7  | Neesha Hathi              | Wealth and Advice Solutions Update         |

20 Minute Break at 11:25 a.m.

| 8  | Peter Crawford            | Financial Review and 2023 Outlook           |

*All time are CST*
Question and Answer Reminders

In-person Attendees

- In-person attendees are encouraged to **ask questions via mic runners during the live Q&A sessions**, but also have access to the console.

- Similar to interim business update webcasts, please **adhere to the one question format** – we will circle back to capture additional questions.

Virtual Attendees

- Please plan to **submit questions via the console** located on the upper right-hand side of your webcast screen.

- Questions can be submitted **during each speaker’s prepared remarks as well as during the live Q&A sessions**.

Questions / Issues

- Email the Investor Relations team at: [Investor.Relations2@schwab.com](mailto:Investor.Relations2@schwab.com)
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,” “sustain,” “enhance,” “estimate,” “potential,” “build,” “anticipate,” “lead,” “advance,” “assumption,” “enable,” “target,” “ongoing,” “illustrative,” “opportunity,” “formula,” “expand,” “drive,” “deliver,” “on track,” “achieve,” “bolster,” “align,” “consistent,” “upside,” “accelerate,” “position,” “projection,” “outlook,” “optimize,” “suggest,” “commitment,” and other similar expressions.

These forward-looking statements relate to: the company’s strategy and approach; growth in the client base, client accounts, and assets; business momentum; capital returns; the integration of Ameritrade, including current expectations regarding the timing of client transitions, the amount and timing of expense and revenue synergies, and the amount of the integration budget; key strategic initiatives to add scale and efficiency, win-win monetization, and client segmentation; the company’s views of and alignment to key industry trends, including broad trends, client views and the competitive landscape; opportunities; enhancing and expanding offers and solutions for clients and RIAs, including personalized solutions; positioning; investments in people, technology, and platforms to fuel and support growth, serve clients, and drive scale and efficiency; stockholder value; competitive advantages; disruptive actions; growth in revenues, earnings, and profits; business and financial models; market share; RIA growth; digital transformation; client use of the company’s wealth management, advisory and lending solutions; Ameritrade client asset consolidation; balancing near-term considerations with investments to drive long-term growth; Tier 1 Leverage Ratio operating objective; capital management; client cash sorting, including pace and magnitude; net interest margin and revenue; deposit betas; short-term funding; expense growth; 2023 financial outlook, including underlying assumptions and drivers and financial outcomes; estimated impact from revenue sensitivities; investment portfolio; and reinvestment yields.

These forward-looking statements, which reflect management’s beliefs, expectations, and objectives 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 and the level of interest rates; the company’s ability to attract and retain clients and RIAs and grow those relationships and associated client assets; competitive pressures on pricing; 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 and lending solutions and other products and services; the risk that Ameritrade client transitions may not be completed when expected or not result in a positive client experience, expected expense and revenue synergies and other benefits from the Ameritrade acquisition may not be fully realized or may take longer to realize than expected, and that integration expense may be higher than expected; the failure to gain greater client wallet share; the company’s ability to support client activity levels and attract and retain talent; the level and mix of client trading activity; market volatility; client cash allocation decisions; 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 bank deposit account balances; prepayment speeds for mortgage-backed securities; balance sheet positioning relative to changes in interest rates; loan growth; interest earning asset mix and growth; securities lending; integration related and other technology projects; compensation; deposit betas; bank deposit account breakage fees; daily average trades; margin balances; capital expenditures; regulatory guidance; the effect of adverse developments in litigation or regulatory matters and the extent of any charges associated with such matters; and any adverse impact from new legislation or rulemaking.

The information in this presentation speaks only as of January 27, 2023 (or such earlier date as may be specified herein). The company makes no commitment to update any of this information.
Strategic Update

Walt Bettinger
Co-Chairman of the Board and Chief Executive Officer
Schwab’s “Through Clients’ Eyes” strategy continues to power sustained growth.

- During 2022, the combination of our ongoing business momentum, resilient client engagement, and higher interest rates helped deliver record financial results amidst a challenging environment—bolstering Schwab’s growth plus capital return story.

- While completing the Ameritrade conversion is our top priority, we are still advancing other key strategic initiatives that will further enhance our wealth management experience for investors.

- We have intentionally aligned our actions to key trends we believe will shape the investing landscape and, along with our consistent focus on clients, help us pursue the tremendous growth opportunities ahead of us.
2022 was a challenging year for investors, with headwinds emerging on several fronts.

The Fed implemented its fastest pace of rate hikes in 40 years...

...and equity and bond markets experienced their worst years since 2008.

Select 2022 Index Returns (%)\(^1\)

<table>
<thead>
<tr>
<th>Index</th>
<th>Dec-21</th>
<th>Mar-22</th>
<th>Jun-22</th>
<th>Sep-22</th>
<th>Dec-22</th>
</tr>
</thead>
<tbody>
<tr>
<td>NASDAQ®</td>
<td>-19%</td>
<td>-33%</td>
<td>-14%</td>
<td></td>
<td></td>
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<tr>
<td>S&amp;P 500®</td>
<td></td>
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<td></td>
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<tr>
<td>S&amp;P® U.S. Aggregate Bond Index</td>
<td></td>
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</table>

Note: Bps = Basis points. 1. Fed Funds target and index returns sourced via FactSet. The *S&P 500® Index* is a product of S&P Dow Jones Indices LLC or its affiliates ("SPDJI"), and has been licensed for use by Charles Schwab & Co., Inc.
While the difficult environment weighed on market confidence,...

Near-term investor sentiment was bearish for most of the year...

AAII® Bull-Bear Spread Sentiment Survey¹

...and concerns regarding longer-term economic growth prospects emerged.

10-Year Treasury Minus 3-Month Treasury

With 3-month Treasury yields moving higher than the 10-year Treasury yield during the year, the market indicated concerns regarding a possible recession.

Note: Bps = basis points. 1. AAII Bull-Bear Spread Sentiment Survey = AAII® represents American Association of Individual Investors; Bull-Bear Spread is calculated as % of surveyed investors with a positive outlook on the stock market over the next six months versus % of surveyed investors with a more negative outlook (excludes investors with a neutral outlook).
...our clients remained engaged with our products and services.

2022

$428B Core Net New Assets

^1.1 Buy-Sell Ratio

5.9M Daily Average Trades

$25.6B Net Advised Flows

Note: M = Million, B = Billion.
Through the uneven environment, investors continued to turn to Schwab...

Organic Core NNA Growth Rates (%) versus S&P 500® Returns (%)

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</tr>
</thead>
<tbody>
<tr>
<td>S&amp;P 500® Returns (%)</td>
<td>13.4%</td>
<td>11.4%</td>
<td>29.6%</td>
<td>(0.7)%</td>
<td>9.5%</td>
<td>19.4%</td>
<td>28.9%</td>
<td>16.3%</td>
<td>26.9%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>(19.4)%</td>
</tr>
<tr>
<td>Long-term Organic Growth Trend (%)</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>7%</td>
<td>7%</td>
<td>5%</td>
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2022 Highlights

- **2nd Highest Core NNA**
- **2nd Highest New Brokerage Accounts**
- TOA Ratio Since October 2020² > 1.5
- Y/Y Increase in Avg. Account Funding³ + 132%

Note: TOA = Transfer of Assets. Y/Y = Year-over-year. Avg. = Average. FY = Fully year. Core NNA = 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. 2020 gross new brokerage accounts exclude 1.1 million accounts and 14.5 million accounts directly acquired as part of the USAA and Ameritrade transactions, respectively. 2. Ameritrade contribution to FY20 results are from October 6, 2020 forward. 3. Calculated using year-to-date 3-month funding data ending October 31, 2021 and October 31, 2022.
...and they remained highly satisfied with our offers and services.

### 4Q22

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Easy Score&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Rep Satisfaction&lt;sup&gt;2&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investor Services</td>
<td>&gt;92</td>
<td></td>
</tr>
<tr>
<td>High-net Worth</td>
<td></td>
<td>83%</td>
</tr>
<tr>
<td>Managed Investing</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<sup>1</sup> Easy Score represents a client’s real-time rating of how easy it was to complete a specific task or transaction with the firm.

<sup>2</sup> Rep Satisfaction is based on an OSAT score, or Overall Satisfaction of the Service Agent; the figure represents the percent of agent interactions receiving a 7 out of 7 score on the post interaction survey to the question, “Overall, how satisfied were you with the service provided?”
We also earned industry accolades.

- Ranked #1 in Customer Service
  - Awarded by Investor's Business Daily®

- Highest in Customer Satisfaction with Checking Accounts for Direct Retail Banks, 4 years in a row
  - Awarded by J.D. Power

- Best Customer Service – Charles Schwab Bank
  - Awarded by Newsweek
Our sustained business momentum generated record full-year financial results.

### Revenue ($B)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue ($B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$10.1</td>
</tr>
<tr>
<td>2019</td>
<td>$10.7</td>
</tr>
<tr>
<td>2020</td>
<td>$11.7</td>
</tr>
<tr>
<td>2021</td>
<td>$18.5</td>
</tr>
<tr>
<td>2022</td>
<td>$20.8</td>
</tr>
</tbody>
</table>

### Net Income ($B)

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Income ($B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$3.5</td>
</tr>
<tr>
<td>2019</td>
<td>$3.7</td>
</tr>
<tr>
<td>2020</td>
<td>$3.3</td>
</tr>
<tr>
<td>2021</td>
<td>$6.7</td>
</tr>
<tr>
<td>2022</td>
<td>$7.9</td>
</tr>
</tbody>
</table>

### Pre-tax Profit Margin (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Pre-tax Profit Margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>45.0%</td>
</tr>
<tr>
<td>2019</td>
<td>45.2%</td>
</tr>
<tr>
<td>2020</td>
<td>36.8%</td>
</tr>
<tr>
<td>2021</td>
<td>41.6%</td>
</tr>
<tr>
<td>2022</td>
<td>45.2%</td>
</tr>
</tbody>
</table>

### Diluted Earnings Per Share ($)

<table>
<thead>
<tr>
<th>Year</th>
<th>Diluted Earnings Per Share ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$2.45</td>
</tr>
<tr>
<td>2019</td>
<td>$2.67</td>
</tr>
<tr>
<td>2020</td>
<td>$2.12</td>
</tr>
<tr>
<td>2021</td>
<td>$2.83</td>
</tr>
<tr>
<td>2022</td>
<td>$3.50</td>
</tr>
</tbody>
</table>

Note: B = Billions. 1. Further detail on non-GAAP financial measures and a reconciliation of such measures to reported results are included on slides 142-150 of this presentation.
We are ready to start the Ameritrade conversion next month and we continue to advance our key strategic initiatives.

Further enhancing our offer to clients positions us to keep building long-term stockholder value.
Guided by our consistent strategy, Schwab remains well-positioned in the marketplace...

Our competitive advantages provide a solid foundation...

...as our “no trade-offs” approach continues to resonate with clients,...

...helping to fuel our Virtuous Cycle.
...and our intentional alignment to key industry trends helps support our long-term growth trajectory.

### Broad Trends
- Relationships matter
- New “normal” for trading activity
- Strong growth of self-directed and RIA managed investors
- Low-cost beta products
- Brand alone isn’t enough

### Client Views
- Omni-channel experience
- Best-in-class service
- Financial planning
- Personalized investing
- Role of trading
- Financial wellness

### Competitive Landscape
- Scale
- Breadth of platform
- Lending
- Continued rapid growth of RIAs
- People + technology
- Value-oriented advice

Note: RIA = Registered Investment Advisor.
Schwab’s “Through Clients’ Eyes” strategy continues to power sustained growth.

- During 2022, the combination of our ongoing business momentum, resilient client engagement, and higher interest rates helped deliver record financial results amidst a challenging environment—bolstering Schwab’s growth plus capital return story.

- While completing the Ameritrade conversion is our top priority, we are still advancing other key strategic initiatives that will further enhance our wealth management experience for investors.

- We have intentionally aligned our actions to key trends we believe will shape the investing landscape and, along with our consistent focus on clients, help us pursue the tremendous growth opportunities ahead of us.
Winter Business Update
Our Long-Term Sustainable Growth Model

Rick Wurster
President
We are a leader in serving retail and RIA clients in a growing marketplace.

Schwab is one of the largest publicly-traded providers focused on the needs of individual investors in the U.S....

... and we are aligned with the two fastest growing segments of the U.S. retail market.

Total Client Assets ($T)¹,²

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<thead>
<tr>
<th></th>
<th>IS</th>
<th>AS</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schwab</td>
<td>$3.7</td>
<td>$3.4</td>
<td>$7.0</td>
</tr>
<tr>
<td>Morgan Stanley</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank of America</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>J.P. Morgan</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Wells Fargo</td>
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</tbody>
</table>

U.S. Retail Investable Wealth CAGR, 2016 – 2021³

- Direct / Self-directed: 17%
- RIAs: 14%
- Total U.S. Investable Wealth: 12%
- Regional Broker-dealers: 10%
- Independent Broker-dealers: 10%
- Wirehouses: 9%

Note: T = Trillions. IS = Investor Services. AS = Advisor Services. CAGR = Compound Annual Growth Rate. RIA = Registered Investment Advisor. 1. Schwab total client assets may not add due to rounding of underlying business segments. Represents publicly traded companies. Sourced via Cerulli, ICI, company filings, investor presentations, and other third-party databases. 2. As of December 31, 2022. Morgan Stanley figures reflect Wealth Management segment; Bank of America figures include Global Wealth Investment Management and Merrill Edge results; J.P. Morgan figures include Retail and Private banking assets from Asset Wealth Management and client investment assets from Consumer and Community Banking segment; institutional client assets excluded; Wells Fargo figures represent Wealth and Investment Management Segment. 3. Source Cerulli and internal Schwab projections.
We deliver an attractive combination of value, service and choice.

We believe our “no trade-offs” approach to meeting clients’ needs will continue to resonate with investors,...

... keeping us positioned to capture meaningful upside for years to come.

Deliver for retail clients via branches and FCs, digital experiences, 24/7 support and full-service capabilities

Deliver for RIA clients with no custody fees, practice management support, industry advocacy and premier banking

Deliver for Workplace participants with Financial Wellness, solid platforms and best-in-class service

>1.5X

TOA ratio since the Ameritrade deal closed

U.S. Retail Wealth: ~$60T

~12%

Current market share estimate

The Virtuous Cycle has driven our 5-7% organic growth over time...

We have generally seen a healthy 3-5% growth rate from existing clients alone.
...and we are well positioned to continue winning with both existing and new clients.

Our strengths drive our ability to continue to attract new assets from existing clients...

- **Younger client base**: Average retail client is under 50\(^1\) years old and 57%\(^1\) of new retail clients are <40
- **Valuable dedicated relationships**: Dedicated FC relationships drive 2.5X more NNA\(^2\) and higher retention
- **Strong RIA growth**: The RIA model continues to win; expected top growth drivers are acquiring new clients and increasing assets from existing clients\(^3\)

...and to continue to attract new clients to Schwab.

- **Our brand**: Schwab was built around a simple idea: put the client first
- **Proven acquisition model**: Our diversified retail acquisition model is a proven engine to acquire new assets
- **Workplace pipeline**: We have an attractive opportunity to continue growing our Workplace business
- **Commitment to RIAs**: We attract new advisors with supported independence, open-architecture and relevant experiences

Note: NNA = Net New Assets. FC = Financial Consultant. RIA = Registered Investment Advisor. 1. Represents Schwab and Ameritrade clients; based on full-year 2022. 2. Existing HHs Direct-to-consumer Retail only; based on the trailing twelve-month average as of 12/31/2022 for $1M – $10M Active Practice vs. Unassigned (Marketing, Non-Practice, Unassigned) HHs. 3. Schwab Advisor Services' 2022 Independent Advisor Outlook Study (IAOS).
Executing on key initiatives within our strategic focus areas will help accelerate our growth in the long-term.

**Scale & Efficiency**
- Advance integration efforts
- Continue to make it easier for clients to ‘do business’ with us
- Enhance our operating model to support future growth

**Win–Win Monetization**
- Deliver a continuum of wealth management experiences
- Grow our asset management offerings
- Expand lending activity and capabilities

**Client Segmentation**
- Meet the evolving needs of our higher net worth clients
- Build on our strengths in key client segments (e.g., traders)
- Provide tailored solutions and experiences for RIAs of all sizes

Note: RIA = Registered Investment Advisor.
Following client conversion, we expect Ameritrade clients to bolster organic growth for years to come.

Schwab has a higher share of our retail clients’ total assets...

...and introducing Ameritrade clients to the broader capabilities of the combined firms could result in asset consolidation.

Schwab could capture as much as $500B+ of held-away assets by bringing Ameritrade clients to share of wallet parity

Note: B = Billions. 1. Represents increasing the percentage of Ameritrade clients’ assets held at Schwab vs the clients’ total investable assets. 2. Illustrates a one-time increase of NNA as a result of increasing share of Ameritrade client total assets held at Schwab.
There is growing client demand for wealth management, which helps support our diversified model.

**U.S. retail investors’ willingness to pay for advice**

Today, **19%** of Schwab and **7%** of Ameritrade retail investor assets are in Advised Solutions.

Each 1% increase could drive ~$125M - $200M in incremental annual revenue.
We should be a leader in the effort to deliver more personalized solutions to clients.

Today, assets in Direct Indexing represent approximately 7% of the U.S. ETF market...

...and we believe the market will grow as investors learn about the potential benefits Direct Indexing can offer.

**Potential size of the Direct Indexing market based on an estimated $17T U.S. ETF market**:  

<table>
<thead>
<tr>
<th>% Direct Indexing as a % of ETF Assets</th>
<th>U.S. ETF Assets</th>
<th>Direct Indexing Assets</th>
<th>$17T</th>
</tr>
</thead>
<tbody>
<tr>
<td>5%</td>
<td>$100B</td>
<td>$2T</td>
<td></td>
</tr>
<tr>
<td>7%</td>
<td>$460B</td>
<td>$7T</td>
<td></td>
</tr>
<tr>
<td>2015</td>
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<td></td>
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<tr>
<td>2022E</td>
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<td>2030E</td>
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</table>

**If Direct Indexing is...**  
7% of the ETF market  
15% of the ETF market  
25% of the ETF market  

**...that represents a...**  
$1.2T market opportunity  
$2.6T market opportunity  
$4.3T market opportunity

Bank lending represents a key client need that provides a growth opportunity for Schwab.

Our lending strategy is designed to meet clients’ needs,...

- Attractive Rates and Approval Time
- Enhanced Digital Experience
- Tailored Service Model

... delivering key accomplishments in 2022...

- Rollout of the Ultra High Net Worth Senior Lending Teams
- Expanded ability of Ameritrade FCs to offer PAL and Mortgage loans to clients
- Decreased asset-backed loan approval times by up to 75%
- Launched DocuSign® 2.0 for PAL applications

... and providing future growth opportunity.

Today (Q4 2022 avg)

- Bank loans: $40.5B (0.6% of total client assets)
- Avg Yield: 3.59%
- Total annualized revenue: $1.46B

Potential Opportunity¹

- Opportunity to deploy our balance sheet into higher-yielding assets
- Industry comparisons suggest opportunity for bank lending to reach 3.5% of client assets – an incremental $1.5B - $2.0B in revenue¹

Note: FC = Financial Consultant. M = Million. B = Billion. PAL = Pledged Asset Line. ¹ Represents revenue incremental to investing an equivalent volume of assets (~$250B) into our securities portfolio instead of bank lending, at current rates; actual spreads can evolve based on a range of factors.
Meeting the specific needs of key client segments will support our long-term asset growth.

### Traders are a highly engaged client segment...

<table>
<thead>
<tr>
<th></th>
<th>Average HH NNA</th>
<th>Average HH Assets</th>
<th>ROCA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>6.5X</strong></td>
<td><strong>3.3X</strong></td>
<td><strong>2.7X</strong></td>
<td></td>
</tr>
</tbody>
</table>

vs. retail HHs ex-trader¹

…and we continue to invest to provide them with the world-class trading experience they expect.

- Powerful platforms and tools, anchored by thinkorswim™
- Dedicated service from experienced trading professionals
- Education and financial content for all levels of experience

### U/HNW investors are a fast-growing client segment...

2X

TOA with wirehouses²

…and we are creating differentiated experiences to support their unique needs.

- Service via a dedicated support model
- U/HNW-focused investment solutions
- Specialized offerings (e.g., tax and estate planning)

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Powered by our “Through Clients’ Eyes” strategy, we see a clear path to continued long-term growth.

Our “no trade-offs” approach fuels the Virtuous Cycle and helps us win in the marketplace.

- 3-5% Annual NNA growth from existing clients
- 2-3% Annual NNA growth from new clients

Meaningful investments in our key strategic initiatives position us for future growth.

- $500B+ Ameritrade share of wallet NNA opportunity
- $1-2B+ Wealth management revenue opportunity
- $1.5-2.0B Bank lending revenue opportunity

Our approach positions us to attract and serve more investors as well as deepen relationships with clients – resulting in enhanced long-term value for both clients and stockholders.

Winter Business Update
Ameritrade Integration and Scale

Joe Martinetto
Managing Director, Chief Operating Officer
We have made significant progress on the Ameritrade integration over the past two years.

**2020** Schwab acquires Ameritrade

**2021** Spin up integration efforts

- **2022** Prepare for client day one
- **2023** Begin client conversion
- **2024** Complete client transitions, wind down, & consolidate

- Scaling our technology to support higher transaction volumes
- Preparing our systems for a smooth conversion of client accounts, assets, and data
- Equipping our organization to support clients through the journey as they convert to Schwab and get introduced to Schwab products, platforms and services
- Creating a simple transition experience for clients & advisors supported by digital experiences and client communications
- Enhancing our platforms’ features and functionalities to maintain a similar client experience between Schwab and Ameritrade
- Unlocking new value and benefits for clients by expanding our integrated suite of products and solutions to clients

Charles Schwab Corporation
We are on track to transition the vast majority of client accounts over the course of 2023...

- **99%+** success rate in converting accounts & assets automatically during practice run, with the remaining <1% to be converted manually
- **10M+** communications distributed to clients to help them plan & prepare
- **8+** digital experiences launched to help clients navigate the transition
- **11K+** employees trained to support clients through the transition

We are ready to convert ~500K client accounts in February 2023...

... and are on track to migrate remaining accounts in four subsequent transition groups.

Three larger groups in the remainder of 2023, all scheduled to avoid investing and trading disruptions (Advisors and their clients' accounts will convert in the September 2023 transition group)

One small group of client accounts in the first part of 2024, concluding client transitions

We are committed to creating a simple conversion experience for clients across all transition groups.

Note: K = Thousand. M = Million. 1H = First half.
...and achieve our run-rate synergy goals.

We are on target to deliver our integration work within our committed $2.4-2.5B budget.

We are on track to achieve $1.8B - $2.0B in run-rate expense synergies by the end of 2024

Largely driven by:
- Rationalization of Schwab & Ameritrade branches
- Reduction of Ameritrade marketing spend
- Team consolidations & efficiencies

~65% of run-rate expense synergies achieved as of Q4 2022

Majority of remaining synergies will take effect post client & advisor transitions, enabled by:
- Wind-down of legacy technology infrastructure
- Further streamlining of expenditures such as marketing and third-party spend
- Efficiency gains from scale investments
- Further team consolidations

We are tracking towards our run-rate revenue synergies projection of $2.5B - $2.8B

Largely driven by:
- Bank Deposit Account (BDA) balances
- Harmonization of OTC securities pricing
- Securities lending activity
- Introduction of banking products to Ameritrade clients

~$200M run-rate revenue synergy through 2021

$350M+ run-rate revenue synergy through 2022

Our long-term outlook remains strong, with majority of remaining synergies enabled by:
- Incremental benefits from existing drivers
- Strong interest amongst Ameritrade clients in Schwab offerings
- Strong interest amongst Schwab clients in Ameritrade trading capabilities
- Greater client wallet share

While integration remains a priority, significant progress has been made with other transformation efforts.

**Application Modernization**
Continued migration of core functional and transaction processing code off mainframe and on to distributed private cloud platform.

**Legacy Retirement**
Continued efforts to retire legacy trading failover environment.

**Public Cloud Migration**
Commenced execution of cloud migration, including moving Data Warehouse (DW) to public cloud.

**Scale and Resiliency**
Improved resiliency posture by implementing zone-region data center strategy and starting to scale zones.

---

**Highlights**

- ~75% of critical functionality completed as of Q4 2022
- Remaining ~25% planned for delivery by first half of 2023
- Legacy failover functionality and equipment retired from Phoenix Data Center; Disaster Recovery successfully tested in Texas Data Center
- ~75% of customer and account data migrated as part of DW migration
- 6 additional workloads targeted for migration
- Two fully scaled zones on track for completion in the AZ Data Center region
- On track to implement one fully scaled Data Center Zone in TX by early 2023

*Note: Q = Quarter. DW = Data warehouse. AZ = Arizona. TX = Texas.*
Over the next 3 to 5 years, we see significant opportunities to optimize and modernize our technology.

1. **Ameritrade Integration**
   - Refactoring of order management systems
   - Rationalization of data centers and applications

2. **Public Cloud Migration**
   - Continued migration of top workloads
   - Cloud foundations

3. **Efficiency and Automation**
   - Ongoing automation and efficiency improvements

4. **Broker Dealer Modernization**
   - Modernization of books and records for the broker dealer and workplace solutions
BREAK
Retail Investor Update

Jonathan Craig
Managing Director, Head of Investor Services and Marketing
The Retail business has achieved significant size and serves a broad set of clients.

### Schwab Retail At a Glance

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$3.2T in Client Assets</td>
<td>24.7M+ Active Brokerage Accounts</td>
</tr>
</tbody>
</table>

**We offer an extensive set of capabilities to all our clients**

<table>
<thead>
<tr>
<th>Advisory and Trading Solutions</th>
<th>Asset Management and Financial Planning</th>
<th>Banking</th>
<th>Omni-channel Service</th>
<th>Great Value and Relationship Pricing</th>
<th>Investor Education and Insights</th>
</tr>
</thead>
</table>

**Complemented by segmented solutions for each**

**Select examples**

<table>
<thead>
<tr>
<th>New Investor</th>
<th>Mass Affluent</th>
<th>Trader</th>
<th>High Net Worth</th>
</tr>
</thead>
<tbody>
<tr>
<td>- No account fees / minimums</td>
<td>- Portfolio management solutions</td>
<td>- Award winning trading platforms</td>
<td>- Specialized relationship models</td>
</tr>
<tr>
<td>- Fractional trading</td>
<td>- Access to a relationship</td>
<td>- Trading specialists/education</td>
<td>- Wealth management</td>
</tr>
<tr>
<td>- Schwab Starter Kit™</td>
<td>- Subscription-based planning</td>
<td>- Futures, forex, derivatives</td>
<td>- Preferential pricing and products</td>
</tr>
</tbody>
</table>

---

In 2022, we delivered strong results,...

Client fundamentals were strong...

<table>
<thead>
<tr>
<th>Core Net New Assets</th>
<th>New To Firm Retail Households</th>
<th>Daily Average Trades</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022: $176.1B</td>
<td>1.2M</td>
<td>4.6M</td>
</tr>
<tr>
<td>+28%</td>
<td>+7%</td>
<td>+55%</td>
</tr>
</tbody>
</table>

...in the face of meaningful headwinds.

S&P 500® down 19% in 2022

Jan-22: 4.8K
Dec-22: 3.8K

Supported by strong industry recognition... ...and client satisfaction

Rated a Top Broker and Ranked #1 in Customer Service in 2022

Client Promoter Score
65

Retail investors bullish outlook1 down in 2022

Q1 ’22: 39%
Q4 ’22: 12%

Note: K = Thousand. M = Million. B = Billion. CAGR = Compound Annual Growth Rate. Yr = Year. Q = Quarter. S&P = Standards and Poor’s. 1. Based on Schwab Survey – Client Sentiment Trends – Retail Investors & Traders Q4 2022. 2. 2022 average Schwab Investor Services value weighted Client Promoter Score. Disclosure: From Investor’s Business Daily, January 24, 2022. All rights reserved. Used by permission and protected by the Copyright Laws of the United States. The printing, copying, redistribution or retransmission of this content without express written permission is prohibited. The “S&P 500® Index” is a product of S&P Dow Jones Indices LLC or its affiliates (“SPDJI”), and has been licensed for use by Charles Schwab & Co., Inc.
Our people were there for our clients.

- **24 seconds** average speed to answer in our contact centers
- **2.3K** Financial and Wealth Consultants acting as trusted partners
- **165K+** financial plans delivered

We provided our expertise and insights in our clients’ channel of choice...

- **Insights & Education**
  - Investing, trading, and personal finance
- **Podcasts**
  - Behavioral finance and education, Washington policy and daily market activity
- **Social Media**
  - Experts and informative videos across many social platforms
- **Live Network**
  - Live and on-demand content on markets, trading strategies and general education

...and achieved record client engagement.

- **196M** Proactive client email outreach
- **113M** Engagement with expert insight
- **3M** Podcast downloads
- **843K** Followers across social media platforms
- **31M** Views on TD Ameritrade Network

Note K = Thousand. M = Million. 1. Schwab and Ameritrade combined average speed to answer. 2. Client and prospect engagement. 3. Includes Facebook®, Twitter®, LinkedIn®, and Instagram® Charles Schwab corporate accounts. 4. Includes total direct traffic, total third-party streaming views, and total social media views. 5. Unique financial plans delivered in 2022.
...made significant enhancements to our offer,...

**Wealth Solutions**
- Relaunched our premier advisory offer, Schwab Wealth Advisory™, formerly Schwab Private Client™
- Enhanced financial planning offer, including launching Action Center

**New Proprietary Offers**
- Launched Schwab Personalized Indexing™
- Launched Schwab thematic investing stock lists

**Client Service**
- Hired 2.4K+ service employees
- Deployed new cloud-based telephony platform
- Launched Intelligent Assistant

**Digital Experiences**
- Modernized navigation, search, and research
- Streamlined trading; launched all-in-one ticket
- Enhanced thinkorswim® platform

**Relationship Models**
- Assigned more clients to relationships with Financial Consultants
- Continued to modernize, expand, and integrate branch network

---

Note: K = Thousand. ETF = Exchange Traded Fund. HH = Households. 1. Client facing service employees.
...and continued to prepare for the Ameritrade conversion.

**We completed dual registration** of our Ameritrade Reps,...

**Enabling Ameritrade Reps to offer Schwab investing and banking solutions**

**Early Client Conversions**

<table>
<thead>
<tr>
<th>Month</th>
<th>NNA</th>
<th>Dual-registration launches</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan-22</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apr-22</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jul-22</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oct-22</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jan-23</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**...prepared our teams and clients for conversion,**

**Combined service teams** and aligned training and licensing approach

**Created new internal Knowledge Management system**

**Delivered new capabilities on web and app to close gaps for converting clients**

**Harmonized pricing and policies** to minimize change at client conversion

**...and achieved significant marketing synergies.**

**Completed consolidation of vendors and marketing technology platforms**

**Continued to deliver marketing synergies via reduced marketing spend**

**Combined marketing budget**

<table>
<thead>
<tr>
<th>Year</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>(32%)</td>
</tr>
</tbody>
</table>

Note: NNA = Net New Assets. 1. Flows from Ameritrade into Charles Schwab Retail of $1,000 or more. Indexed to Jan 2022. 2. Dual registration began in March 2022.
In 2023, our focus is twofold.

Successfully execute the biggest integration in our history...

...and further advance our core business with a focus on our three key strategic initiatives.

- Scale & Efficiency
- Win-Win Monetization
- Client Segmentation
As we begin the conversion, we believe we have a plan to ensure a positive client experience.

We plan to convert Retail clients over **five transition groups**.

To ensure a *positive client experience*, we will take **several measures**,...

- **Pre- and post-conversion outreach**
  - Comprehensive communications plan and digital experiences
  - Schwab Transition Center ~3 months prior to client conversion
  - Launch Welcome Center for clients with extensive how-to video set

- **Optimized frontline**
  - Transition specialists and specialized routing model for transition
  - Modularized comprehensive training for reps on the transition
  - Enhancements to service desktop to support transition

- **Capability alignment to close gaps**
  - New digital trading capabilities (e.g., streaming quotes on web/app)
  - Enhance money transfer capabilities (e.g., same day ACH funding)

...as well as create **significant short-term service capacity**.

**Hiring**
- Proactively hire ahead of schedule
- Scaling virtual teams

**Service / Tech Levers**
- Offer overtime incentives
- Virtual call back, Intelligent Assistant

**Partner Support**
- Targeted branch support
- Centralized team support for assigned clients

**Third Party Support**
- Route high volume, low complexity calls
- Perform rigorous screening of vendors

Note: ACH = Automated Clearing House. 1H = First half.
Scale and efficiency initiatives will help us further decrease our cost to serve.

We will continue to drive asset and client growth by leveraging our multi-channel acquisition model,...

...while investing in initiatives that make it easier to do business with us.

- **Digitization and client platform enhancements:**
  - Easier enrollment with further rationalized and modern forms
  - Enhancements to web, mobile, and trading platforms

- **Client service and relationship management transformation:**
  - Enhanced service desktop
  - New interactive voice response system
  - Chat enhancements, including segmentation and mobile support
  - Intelligent Assistant enhancements
  - Strengthened learning and development

---

**Marketing**
- Efficient marketing deployed against clear design targets

**Personal Relationships**
- Live channels optimized to engage high-value clients and drive transition

**Workplace**
- Engaging corporate participants to take the next action and serve as feeder to Retail

**Referrals**
- Deliver an exceptional client experience that results in recommendations from our clients
We see significant opportunities in Wealth Management and bank lending.

### Wealth Management

<table>
<thead>
<tr>
<th>Significant Opportunity</th>
<th>Lower Client Attrition</th>
<th>Higher ROCA</th>
</tr>
</thead>
<tbody>
<tr>
<td>15%</td>
<td>1.6X</td>
<td>1.3X</td>
</tr>
</tbody>
</table>

**Advice Asset Penetration**

**Managed Investing** (MI) vs. Retail Attrition

**MI** vs. non-MI ROCA

Further **innovate direct indexing and thematic capabilities**

Continue to **enhance Schwab Wealth Advisory™**

Enhance the **digital client experience** across the advice journey

### Bank Lending

- **Pledged Asset Line®**
- **Mortgage + HELOCs**

<table>
<thead>
<tr>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>35%</td>
</tr>
<tr>
<td>23%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Pledged Asset Line®</th>
<th>Mortgage + HELOCs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes:
1. MI = Managed Investing, ROCA = Revenue on Client Assets, HH = households, CAGR = Compound Annual Growth Rate. U/HNW = High Net Worth and Ultra High Net Worth. HELOC = Home Equity Line of Credit. 1. Combined retail advice penetration of assets as of 12/31/2022. 2. Managed Investing includes Schwab portfolio of proprietary and third-party advice solutions. 3. As of trailing twelve months Dec 2022. HH attrition = Attrited HHs divided by total number of active HHs. Attrited HHs defined as HHs whose balance at the end of a month is below 12-month high by at least 90%, excludes HHs with <1 year tenure and <$5K balance. Metric divides MI Attrition Rate by IS Attrition Rate. Excludes Ameritrade. 4. YTD November 2022. Excludes Ameritrade Retail and Ameritrade IM offers. 5. Schwab Investor Services Loan Balances. Excludes Ameritrade.
We will continue to invest in segmented relationships to meet the unique needs of our clients...

**Dedicated relationships improve growth and client retention**

- **2.5X greater NNA** per household (assigned vs. unassigned)
- **2.8X improvement in TOA Ratio** (assigned vs. unassigned)
- **2.0X improvement in Attrition Rate** (assigned vs. unassigned)

**We will continue to invest in segmented relationships to meet the unique needs of our clients**

**Mass Affluent**
- Centralized Financial Consultant (FC) model

**Affluent / HNW**
- Local / centralized FC depending on geography

**UHNW**
- Local FC or centralized Wealth Consultant

**Active Trader**
- FC model supporting Active Trader clients

---

**Note:**
1. TOA = Transfer of Assets. NNA = Net New Assets. FC = Financial Consultant. xFDIC = Excluding fees, dividends, interest, and commissions. HNW = High Net Worth. UHNW = Ultra High Net Worth. 1. As of trailing twelve months 12/31/2022. 2. Schwab only, Direct-to-consumer Retail HHs with $1M-$10M assets. 3. Existing Retail HHs only. Unassigned category includes Non-practice HHs, Unassigned HHs, and Marketing HHs. 4. Schwab only HHs with $1M+ assets, HH attrition = Attrited HHs divided by total number of active HHs. Attrited HHs defined as HHs whose balance at the end of a month is below 12-month high by at least 90%, excludes HHs with <1 year tenure and <$5K balance. Source: Company Reports. 5. xFDIC.
...launch new branded client service models for High Net Worth and Ultra High Net Worth... 

U/HNW represent a large portion of Retail assets...

Schwab Retail assets only, split by wealth tier¹

<table>
<thead>
<tr>
<th>Wealth Segment</th>
<th>Schwab Private Client Services</th>
<th>Schwab Private Wealth Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>HNW ($1M-$10M)</td>
<td>Financial Consultant</td>
<td>Financial Consultant or Wealth Consultant</td>
</tr>
<tr>
<td>UHNW ($10M+)</td>
<td>Dedicated Private Client Service Team</td>
<td>Dedicated Private Wealth Service Team</td>
</tr>
<tr>
<td></td>
<td>Prioritized operational processing</td>
<td>Premium operational processing</td>
</tr>
<tr>
<td></td>
<td>Premier non-discretionary offerings (e.g., Schwab Wealth Advisory™)</td>
<td>Schwab Premier Bank</td>
</tr>
<tr>
<td></td>
<td>Preferential pricing</td>
<td>Preferential pricing &amp; fee waiver discounts</td>
</tr>
</tbody>
</table>

Select examples; Not exhaustive

5-year asset CAGR: 6% for <$1M, 10% for $1-$10M, 16% for $10M+

Note: M = Million. CAGR = Compound Annual Growth Rate. HNW = High Net Worth. UHNW = Ultra High Net Worth. U/HNW = High Net Worth and Ultra High Net Worth. ¹ As of 12/31/2022.
...and continue to invest in our increasingly important Trader clients.

**Trader** is an important part of our business.

<table>
<thead>
<tr>
<th>Year</th>
<th>IS trading related revenue¹</th>
<th>All other IS Revenue²</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>90.1%</td>
<td>9.9%</td>
</tr>
<tr>
<td>2020³</td>
<td>80.6%</td>
<td>19.4%</td>
</tr>
<tr>
<td>2021</td>
<td>61.0%</td>
<td>39.0%</td>
</tr>
<tr>
<td>2022</td>
<td>71.3%</td>
<td>28.7%</td>
</tr>
</tbody>
</table>

We believe the **combined Schwab / Ameritrade offer** will be an **industry leading** experience.

**Customizable Platforms**

Award-winning **thinkorswim® platforms** and enhanced **trading and tools on web / mobile**

**Specialized Service and Relationships**

Dedicated relationships, one-on-one consultations, and **trader support teams**

**Comprehensive Product Set**

Equities / ETFs, options, futures, FX, foreign securities, margin and portfolio margin

**Engaging Education**

Library of content and extensive live events tailored to fit needs and interests of traders

---

We plan to relaunch our integrated trader offer once thinkorswim® is on the Schwab platform.

---

Note: ETFs = Exchange Traded Funds. FX= Foreign Exchange. IS = Investor Services. 1. Includes IS trading revenue and IS margin revenue. 2. Includes Net Interest Income (net of margin revenue), Asset Management and Admin Fees, Bank Deposit Account fees, and Other Revenue. 3. Includes Ameritrade from October 6, 2020 onwards.
Post integration, we believe we will emerge in an even stronger Retail position...

A Retail Leader

Scale player...

- 24M+ Accounts\(^1\)
- $3.2T Assets\(^1\)
- 10% 5-yr Asset CAGR\(^1\)

...serving investors and traders of all needs, sizes, and investing styles,...

Self-directed Investors

Active Traders

Robo Advice

Wealth Management Solutions

...with premium offers for our most affluent clients,...

Schwab Private Client Services

Schwab Private Wealth Services

...all anchored in our “no trade-offs” approach to investing.

Best of people AND technology

Great service AND great pricing

Deep investing AND trading capabilities

Best of proprietary AND third-party

Backed by our Satisfaction Guarantee\(^2\)

Winning Approach

Client-centricity

Seeing “Through Clients’ Eyes”

Singular focus

Helping investors achieve great financial outcomes

Long-term view

Willingness to make disruptive moves

Expense discipline

Allowing us to keep costs down for investors

Note: M = Million. T = Trillion. Yr = Year. CAGR = Compound Annual Growth Rate. 1. Metrics represent Schwab and Ameritrade combined. As of 12/31/2022. 2. See disclosures regarding Schwab’s Satisfaction Guarantee on slide 61.
...with tremendous opportunity and a diversified client acquisition model to go after it.

### Significant Opportunity

<table>
<thead>
<tr>
<th>Growing Retail market$^1$</th>
<th>Small share of Retail market$^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td>~12%</td>
<td>~5%</td>
</tr>
</tbody>
</table>

...and a lot of internal opportunity to grow as well

<table>
<thead>
<tr>
<th>Share of Wallet$^3$</th>
<th>Advice Asset Penetration$^4$</th>
<th>Banking HHs Penetration$^5$</th>
<th>Advanced Trading Tool Utilization$^6$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schwab ~1.5X vs. Ameritrade</td>
<td>Schwab</td>
<td>Schwab</td>
<td>Schwab</td>
</tr>
</tbody>
</table>

### Diversified Client Household and Asset Acquisition Model

#### Strong Personal Relationships

- 400+ branches
- 3.8K LEs in the branch network
- With opportunity to continue to expand relationships$^7$
- $1M+ Clients
- $250K-$1M Clients

#### Data-Driven Marketing

- Largest contributor to new clients
- Increasingly efficient spend

#### Growing B2B Retail Pipeline

- Scaled driver of new relationships
- Large opportunity “beyond the 401(k)”

#### Client Referrals

- Strong Client Promoter Score
- Referral often top reason to open account

---


Charles Schwab Corporation 59
The Retail business has achieved size and scale, and continues to be recognized as an industry leader.

In 2022, we delivered growth in a challenged market, while continuing to invest in the business.

This year, we will execute the largest U.S. broker-dealer conversion in history and advance our strategic priorities.

We believe we will emerge in an even stronger retail position with a significant opportunity to grow.
Disclosures

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Investor Acquisition and Marketing

Stacy Hammond
Managing Director, Investor Acquisition and Marketing
We have built on multi-year organic growth in the face of a challenging business environment.

After experiencing extraordinary growth during the pandemic, our 2022 results reflect a moderated environment.... and yet...

We attracted 1.2M new-to-firm Retail house holds...

...and delivered the third-highest year of new client acquisition\(^1\) in combined company history,...

...while remaining attractive to young clients with 57% under the age of 40\(^2\).

We continue to attract a strong profile of clients.

- Funding with securities vs cash has increased 10 percentage points since 2020\(^3\)
- Initial funding achieved historically high amounts, up +132% year-over-year\(^3\)
- 3x increase in the percentage of HHs funding above $250k year-over-year\(^3\)
- Mobile account opens increased 7 percentage points year-over-year\(^3\)

Note: M = Million. B = Billion. NTF = New-to-Firm. HH = Households. Compound Annual Growth Rate = CAGR. Initial Funding = Average 3-month funding 1. Client acquisition measured in terms of new to firm households. 2. NTF Retail HHs <40 Combined Blue DTC + Green New to Firm Retail HHs, as of 12/31/22 3. Combined Schwab and Ameritrade New-to-Firm Retail, Direct to Consumer Households As of 12/31/22; full year 2022 vs full year 2021.
Our success is driven by our diversified acquisition strategy.

Marketing
- Increasingly efficient marketing deployed against clear design targets
  - Clear design targets
  - Best-in-class creative
  - Measurement and analytics
  - Consistently delivers ~40% of new clients\(^1\)

Personal Relationships
- Live interactions optimized to engage high-value clients and drive conversion
  - Company-managed branches
  - Independent branch network
  - Prospect conversion organization phone teams
  - Average funding via Branches 6X higher compared to online\(^2\)

Workplace Financial Services
- Engaging corporate participants to take the next action and engage with Retail
  - Retirement Plan Services
  - Stock Plan Services
  - Designated Brokerage Services
  - 2.4 million active participants (+9% YoY)

Referrals
- Deliver an exceptional client experience and in turn, get trusted recommendations from our clients
  - Organic client referrals
  - ~1/3 of new clients say referrals are an important reason for choosing us\(^3\)

Note: YoY = Year-over-year. New Clients = New to Firm Retail Households. 1. Q1-3 ‘22 Marketing Mix Optimization Model. 2. 2022 YTD through October, based on New to Firm Retail account open channel. 3. Acquisition Tracker – How important were each of the following in choosing Schwab?
Marketing is a major contributor to growth, as it evolves within a changing environment...

We have clear **design targets...**

- **Affluent Investors**
- **Emerging Investors**
- **Active Traders**

...and an enhanced focus on **Active Traders** to maximize the potential of the addition of Ameritrade’s trading capabilities.

We connect with audiences through **a range of channels.**

**Paid:** Advertising + media + promotions + sponsorships

**Owned:** Schwab.com + mobile + email + magazine + organic search

**Earned:** Public relations + social media + reviews + industry accolades

Evolving consumer trends place **increasing importance on our earned and owned channels.**

**Insights & Education**
- Interest in content has tripled\(^1\)
- 3x podcast downloads

**Public Relations**
- Media stories featuring our planning and investing insights have increased 60%+

**Related Media Trends\(^2,\,3\)**
- Streaming content viewing is up 30% YoY
- 44% of ‘TV’ viewing is in ad-free environments

---

\(^1\) As demonstrated by organic search results for Insights & Education content – 2022 vs 2021
\(^2\) Nielsen Streaming Meter Panel.
\(^3\)
...and is guided by a relentless focus on three drivers.

<table>
<thead>
<tr>
<th>Measurement</th>
<th>Creativity</th>
<th>Innovation</th>
</tr>
</thead>
<tbody>
<tr>
<td>We <strong>measure</strong> to improve outcomes and drive efficiency</td>
<td>We use deep client insight to deliver industry-leading <strong>creative</strong></td>
<td>We <strong>innovate</strong> to connect with investors in new ways</td>
</tr>
</tbody>
</table>
We measure to improve outcomes and drive efficiency.

<table>
<thead>
<tr>
<th>Multi-touch Attribution</th>
<th>Marketing Mix Optimization</th>
<th>Test and Learn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Optimizes marketing spend and return-on-investment across a range of marketing touchpoints including advertising, branch and call center experiences:</td>
<td>Econometric model that predicts the impact of marketing and non-marketing factors on key business outcomes:</td>
<td>Drive efficiency through systematic paid and owned channel tests:</td>
</tr>
<tr>
<td>Fractionalizes credit for account opens across many touch points vs. crediting 'last touch point’</td>
<td>Provides guidance on how to optimize our marketing spend across paid channels</td>
<td>Paid media tests increased efficiency, yielding on average a 40% improvement in cost-per-account relative to 2019</td>
</tr>
<tr>
<td>Informs which tactics are associated with high account funding</td>
<td>Forecasts marketing-driven new client acquisition and asset inflows</td>
<td>Paid search tests increased account open rate by 20% at 30% lower cost relative to 2019</td>
</tr>
<tr>
<td>Provide visibility into both prospect and client NNA outcomes</td>
<td>Informs the impact of increased and decreased media</td>
<td>Schwab.com A/B tests drove incremental application starts and conversions</td>
</tr>
</tbody>
</table>

Note: NNA = Net New Assets.
We use deep client insight to deliver industry-leading creative.

<table>
<thead>
<tr>
<th>Category Approach</th>
<th>Schwab Approach</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertise by selling the category</td>
<td>Advertising that tangibly and uniquely solves unmet investor needs¹</td>
<td>▪ Showcasing Schwab employees to tangibly demonstrate our value</td>
</tr>
<tr>
<td></td>
<td>▪ Created a character to set ourselves apart from traditional brokerages</td>
<td>▪ Consistently among the highest-performing ads in the industry⁴</td>
</tr>
<tr>
<td></td>
<td>Client hospitality at tournaments</td>
<td>Activation-centric sponsorships that elevate the tournament for players and attendees²</td>
</tr>
<tr>
<td></td>
<td>▪ Renamed the tournament to align with our brand heritage</td>
<td>▪ Renamed the tournament to align with our brand heritage</td>
</tr>
<tr>
<td></td>
<td>▪ Traditional prizes AND a custom retro car</td>
<td>▪ Traditional prizes AND a custom retro car</td>
</tr>
<tr>
<td></td>
<td>▪ First Moment of Silence at a golf tournament</td>
<td>▪ First Moment of Silence at a golf tournament</td>
</tr>
<tr>
<td></td>
<td>▪ Created a fan experience that ties directly to our values</td>
<td>▪ Created a fan experience that ties directly to our values</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Consistently among the highest-performing ads in the industry⁴</td>
</tr>
<tr>
<td></td>
<td>Focus large events on category topics</td>
<td>Creating unique experiences that connect with investors through their passions³</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Designing in-person experiences that align with investors' passions while learning about investing and Schwab</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Combining the passion of craft activities with craft investing</td>
</tr>
<tr>
<td></td>
<td>2,400 articles in earned media⁵</td>
<td>~1,000 unique events held</td>
</tr>
</tbody>
</table>

We innovate to connect with investors in new ways.

<table>
<thead>
<tr>
<th>Category Approach</th>
<th>Schwab Approach</th>
<th>vs.</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Stick to traditional channels</strong></td>
<td><strong>Run advertisements in paid media</strong></td>
<td><strong>Events at high-end restaurants</strong></td>
<td></td>
</tr>
<tr>
<td>High engagement, unexpected channels with disciplined and low-cost approach¹</td>
<td>Opportunities for our brand in cultural timely moments²</td>
<td>Events that highlight what makes our financial consultants unique³</td>
<td></td>
</tr>
</tbody>
</table>

Leverage Twitch to reach new investors:
- Help more investors be financially educated by reaching them in high engagement placements
- Livestream views 20% above the service's sponsored broadcast benchmark

**1M viewers tuned in to our industry first-time event**

- Augmented brand recall via new digital technology that inserted Schwab into Hallmark holiday movies including “Christmas by Starlight” and “A Tale of Two Christmases”
- More effective at brand recall than traditional advertising⁴

Events that highlight what makes our financial consultants unique³
- Host BBQ cook-offs featuring Financial Consultants and Schwab Special Sauce where each FC reinforces their own unique brand

> 50% improvement YoY in average NTF Retail NNA from events

Summary

We have efficiently **delivered consistent growth** with an attractive client profile

Each lever in our **acquisition strategy** plays a unique and complementary role

We continue to **optimize** our acquisition levers to unlock future growth
Winter Business Update
Q&A
Advisor Services Update

Bernie Clark
Managing Director, Head of Advisor Services
Our pledge to the independent advisor community is our commitment to every client we serve.

- **Industry-leading custody services**, with no AUM minimums, no custody fees – and no intention to introduce either of them
- **Best-in-class technology and open architecture**, including a rapidly growing network of third-party providers
- **The best and brightest service professionals** in this industry
- **In-depth practice management** consulting and insights for every firm on our platform
- **An account opening process that is digital** and streamlined

Note: AUM = Assets Under Management.
Assets within the RIA industry continued to grow as M&A intensified over recent years.


1. Includes both independent and hybrid RIAs. Data from 2019 onwards represents combined end of period results for Schwab Advisor Services and TD Ameritrade Institutional.
Rising expectations from investors are reshaping the RIA industry.

Providers are stepping up to support growing needs.

RIAs evolving to meet investors’ needs.

Growing expectations of affluent investors.

Personalization At Scale

Note: RIA = Registered Investment Advisor.
In 2022, Schwab Advisor Services attracted over $220B in net new assets.

Strong inflows from new and existing RIAs continued into 2022

Advisor Services Core Net New Assets ($B)

Average deal size has increased over the past two years

Number of Advisor in Transition (AIT) Teams and Average AIT Size ($M)

Advisor Services continues to drive results for Schwab

Note: M = Million. B = Billion. RIA = Registered Investment Advisor. NNA = Net New Assets. IS = Investor Services. AS = Advisor Services. Avg. = Average. CAGR = Compound Annual Growth Rate. 1. Reflects Schwab AS and TD Ameritrade Institutional from October 6, 2020 forward. Core NNA excludes significant one-time flows such as acquisitions or extraordinary flows relating to a specific client (generally greater than $10B). AIT includes only results from Schwab “Blue” platform. NNA and Revenue data as of 12/31/2022.
We partner with financial planning programs in the U.S. to support student entry into the RIA industry.

- Arizona State University
- Coppin State University
- Central Washington
- Delaware State University
- Grand Canyon University
- Howard University
- Kansas State University
- Michigan State University
- Ohio State University
- Salem State
- St. Mary’s College of CA
- Temple University
- Texas Tech University
- UC Irvine

- University of Georgia-Athens
- University of Akron
- University of Arizona
- University of Colorado-Boulder
- University of Illinois Urbana-Champaign
- University of Missouri
- University of North Texas
- University of Texas-Austin
- University of Wisconsin-Green Bay
- Utah Valley University
- Virginia Tech
- William Patterson University

Note: RIA = Registered Investment Advisor. CA = California. UC = University of California.
We are building the firm of the future, while delivering on our promise to clients.

In 2022, we delivered powerful enhancements for our clients.

**Enhanced Controls**
- Insurance coverage requirement
- Move Money/eAuthorization
- Enhanced security login on Schwab Advisor Center

**Best of Both**
- Targeted organizational changes
- Third-party integration
- Jumpstart early onboarding program
- Advanced trading tools
- RIAConnect®
- iRebal®/Thinkpipes® integration to Schwab Advisor Center (in process)

**New Launches**
- Over 130 T. Rowe Price funds with no transaction fee
- Institutional No Transaction Fee (INTF) mutual funds
- DocuSign® 2.0 for Pledged Asset Line® (PAL) applications
- Digital Onboarding and a focused effort on advisor digital adoption
Our 2023 strategic operating plan supports our priorities and the continued growth of the business.

**Primary Objective**

Complete **Ameritrade conversion** to unite advisors, employees and the best of both platforms

- Accelerate **digital adoption** with a focus on Digital Onboarding, Alliance and Move Money
- Expand the continuum of **wealth management solutions** & enhance **lending capabilities** for advisors

- Amplify our rich **culture** and invest in our **people** by actioning on our AS talent and culture focus areas
- Create **efficiency** by optimizing service and operations for **enterprise** firms

Note: AS = Advisor Services
Helping independent advisors of all sizes grow, compete and succeed is our why.
Q&A
Winter Business Update
Wealth & Advice Solutions Update

Neesha Hathi

Managing Director, Head of Wealth and Advice Solutions
We provide accessible wealth management for every stage of the client’s journey.

Wealth & Advice Solutions offers a broad range of investment solutions with exceptional service and expertise.

The clients we serve:
- RIAs
- Retail Clients
- Employers

Investment Solutions
- Third-Party
  - Mutual Funds, ETFs, & Alternatives
  - Separately Managed Accounts
  - Fixed Income
  - Annuities & Insurance
- Proprietary
  - ThomasPartners® Strategies
  - Wasmer Schroeder™ Strategies
  - Windhaven Strategies®
  - Schwab Personalized Indexing™

Managed Investing Portfolio Solutions
- Schwab Wealth Advisory™
- Schwab Advisor Network®
- Schwab Managed Portfolios™
- Schwab Intelligent Portfolios®
- Schwab Intelligent Portfolios Premium®

Wealth Services & Specialty Teams
- Financial planning
- Income solutions
- Charitable giving
- Equity award specialists
- Transition management
- Tax, trust, and estate

WAS at a Glance
- 2022
- Revenue: ~$4.1B
- Assets: ~$3.4T
- Total Employees: 1,700+

We believe our services and solutions meaningfully impact our clients and drive strong growth for Schwab.

Our broad range of services helps lead to satisfied clients who continue to trust us with their business,…

When clients get a financial plan from us¹...

12x Retail NNA

...they bring more NNA to Schwab compared to the average retail HH NNA in 2022

When clients enroll in Managed Investing they are...

More willing to recommend Schwab, with MI CPS outperforming Retail 22 of last 24 quarters 22 quarters

When clients enroll in SWA²...

92% Retention

They stay invested with us, helping us grow our business

When clients use our robo advisor...

81% Recommend SIP³

A strong majority recommend the service

84% Recommend SIP/P³

…supporting strong performance for Schwab’s wealth and advice business, which has become a key growth driver.

Revenue, asset management and administration fees (AMAF)⁴

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total AMAF</td>
<td>$3.2B</td>
<td>$4.2B</td>
</tr>
<tr>
<td>CAGR</td>
<td>10%</td>
<td>16%</td>
</tr>
<tr>
<td>Total mutual funds, ETFs, CTFs and other⁵</td>
<td>$2.0B</td>
<td>$2.4B</td>
</tr>
<tr>
<td>CAGR</td>
<td>6%</td>
<td>11 bps</td>
</tr>
<tr>
<td>Advice solutions⁶</td>
<td>$1.2B</td>
<td>$1.9B</td>
</tr>
<tr>
<td>CAGR</td>
<td>16%</td>
<td>35 bps</td>
</tr>
</tbody>
</table>

Note: K = Thousand; B = Billion; CAGR = Compound Annual Growth Rate; CTF = Collective trust fund; ROCA = Revenue on client assets; HH = Households; SWA = Schwab Wealth Advisory; NNA = Net New Assets; AMAF = Asset Management and Administration fees. CPS = Client promoter score. SIP = Schwab Intelligent Portfolios. SIP/P = Schwab Intelligent Portfolios Premium. MI = Managed Investing. ¹ Financial planning data includes all NNA for plans completed in 2022, with NNA measurement including all NNA 90 days before and 90 days after the plan is complete. ² Flows and retention figures are 2022 YTD metrics. ³ Internal client survey data from the 2022 SIP/P Annual Client Survey, clients were asked “Would you recommend Schwab Intelligent Portfolios to someone?” ⁴ Totals may not sum to due to rounding. Other includes both balanced based fees and other fees. Other fees include miscellaneous service and transaction fees relating to mutual funds and ETFs that are not balance-based. ⁶ Includes total revenue from fee-based and non-fee based advice solutions.
Even with this success, the opportunity in front of us is tremendous within our Retail business,…
...and it further extends across our Advisor Services and Workplace Financial Services businesses.

We have an opportunity to expand our offerings to RIAs who are increasingly looking to outsource.

The percentage of RIAs delegating investment selection to a third-party has risen dramatically\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>10%</td>
</tr>
<tr>
<td>2019</td>
<td>19%</td>
</tr>
<tr>
<td>2020</td>
<td>29%</td>
</tr>
</tbody>
</table>

\(^1\) The percentage of RIAs delegating investment selection to a third-party has risen dramatically.

We are also well-positioned to meet the demand from employers as they look to better support the financial well-being of employees.

- **Participants are increasingly looking to 401(k) providers for advice**
  - 40% indicated their primary source of advice is through their 401(k) provider (Highest of any option\(^2\)).
  - 78% said they would like personalized investment advice for their 401(k)\(^3\).

- **Plan sponsors are seeking more advice options for participants**
  - 47% sponsors with managed accounts in-plan, 2021 +19% increase over 2020\(^4\).
  - #1 Priority for sponsors is financial wellness, 2021 25% of sponsors put it as first priority\(^5\).

---

Note: RIA = Registered investment advisor. 1. TD Ameritrade Institutional, 2020 RIA Sentiment Survey. Advisors were asked “Does your firm delegate investment selection to a third-party?” 2. Survey of 401(k) participants. Respondents were asked: “Which of the following, if any, are you currently using for financial advice?” 3. Survey of 401(k) participants. Respondents were asked “Indicate whether you agree or disagree: I would like personalized investment advice for my 401(k)” 4. Cerulli, US Retirement Markets 2021 5. Cerulli, US Retirement Markets 2021. Respondents were asked for the 401(k) plan’s top priority today.
Schwab is positioned exceptionally well to meet this growing demand for advice.

We know what investors look for in a financial services firm:

**Trust**

Schwab is ranked among the top 3 most trusted companies for online brokers and wealth management.

**Digital + Human**

71% of investors believe technology helps them reach their financial goals, yet 51% also prefer having access to a financial professional for help and guidance.

**Value**

Schwab is ranked significantly above average in “value for fees” in J.D. Power’s 2022 Full-Service Investor Satisfaction study.

**One-stop Shop**

The share of retail investors who prefer to consolidate banking & wealth has nearly doubled since 2018, with a majority of younger investors preferring consolidation.

As clients look to Schwab to meet their wealth and advice needs, we will be ready to meet demand.

Looking to the future, we expect our three strategic focus areas will accelerate our progress.

**Introduce more Schwab clients to wealth and advice solutions**
- Welcome and engage new clients – including ~16M¹ transitioning Ameritrade clients
- Build awareness of the breadth of our offering
- Engage and support Ameritrade financial consultants

**Enhance our current offerings**
- Digital enhancements
- Simplified enrollment
- Wealth management services and expertise
- Discretionary portfolios for Schwab Wealth Advisory™

**Expand our offering with new capabilities**
- Schwab Personalized Indexing™
- Thematic Investing
- Model Market Center™
- Alternative investments

Note: M = Million. ¹As of 12/31/2022. TD client count is based on the number of open and active Ameritrade Retail accounts.
Disclosures

Please read the Schwab Intelligent Portfolios Solutions™ disclosure brochures for important information, pricing, and disclosures related to the Schwab Intelligent Portfolios and Schwab Intelligent Portfolios Premium programs.

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Winter Business Update
BREAK / LUNCH
Financial Review and 2023 Outlook

Peter Crawford
Managing Director, Chief Financial Officer
Following record financial results in 2022, we are entering the new year with strong momentum.

- Schwab’s continued success with clients, diversified revenue model, and thoughtful capital management enabled growth plus accelerated capital return.

- As we enter this transitional year, we remain confident in our ability to strike an appropriate balance between managing near-term considerations while making investments to drive long-term growth.

- Our resilient all-weather business model keeps us positioned to navigate a range of environments – yielding performance through the cycle as we continue to build the future of wealth management.

Today’s Agenda

- 2022 Results
- 2023 Outlook & Considerations
- Longer-term Perspective
We started 2022 with a certain set of assumptions,...

### Select Underlying Assumptions

**Macro**
- **Short Rates**
  - # of Fed Funds Rate Increases: 3
- **Long Rates**
  - Average 5Y UST for FY 2022: 1.65%

**Business**
- **DATs**
  - vs. 4Q21 Avg. (millions): 6.1
- **Margin Loans**
  - Dec '21 Avg. vs. Dec '22 Avg.: $88.3B
- **B/S Growth**
  - vs. 12/31/21: 3%

**S&P 500®**
- vs. 12/31/21 Close: 6.5%

Note: B = Billion. Q = Quarter. Avg. = Average. UST = U.S. Treasury. DATs = Daily average trades. B/S = Balance sheet. FY = Full Year. Y = Year. 1. Short and long rate underlying assumptions in-line with the forward curve as of January 7, 2022. 2. Rate increases measured in 25 basis point increments. 4. Further detail on non-GAAP financial measures and a reconciliation of such measures to reported results are included on slides 142-150 of this presentation.
...and while the year unfolded differently than initially expected,...
...our all-weather model, higher rates and sustained success with clients, delivered record financial results.

Select Underlying Assumptions

<table>
<thead>
<tr>
<th>Macro</th>
<th>Short Rates$^1$</th>
<th>Long Rates$^1$</th>
<th>S&amp;P 500®</th>
</tr>
</thead>
</table>
| # of Fed Funds Rate Increases$^2$ | 3 | 17 | 6.5%
| Avg. 5Y UST for FY 2022 | 1.65% | 3.00% | (19.4%) vs. 12/31/21 Close

<table>
<thead>
<tr>
<th>Business</th>
<th>DATs</th>
<th>Margin Loans</th>
<th>B/S Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>vs. 4Q21 Avg. (millions)</td>
<td>6.1</td>
<td>$88.3B</td>
<td>3%</td>
</tr>
<tr>
<td>Dec '21 Avg. vs. Dec '22 Avg.</td>
<td>5.9</td>
<td>$64.8B</td>
<td>(17%) vs. 12/31/21 Close</td>
</tr>
</tbody>
</table>

Financial Outcomes vs. Scenario Ranges

- Revenue: 12%
- Adj. Total Expenses$^3,5$: 10%
- Adj. PTPM$^4,5$: 7%

Core NNA ($B): $428
New Brokerage Accounts (M): 4.0

Note: M = Million. B = Billion. Q = Quarter. Avg. = Average. UST = U.S. Treasury. DATs = Daily average trades. B/S = Balance sheet. FY = Full Year. Y = Year. Adj. = Adjusted. 1. Short and long rate underlying assumptions in-line with the forward curve as of January 7, 2022. 2. Rate increases measured in 25 basis point increments. 3. FY2022 total expense growth was 5% on a GAAP basis. 4. FY2022 pre-tax profit margin was 45.2% on a GAAP basis. 5. Further detail on non-GAAP financial measures and a reconciliation of such measures to reported results are included on slides 142-150 of this presentation.
The balance sheet contracted 17% during the year,...

<table>
<thead>
<tr>
<th>($M, EOP)</th>
<th>4Q21</th>
<th>4Q22</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Assets</strong></td>
<td>$667,270</td>
<td>$551,772</td>
</tr>
<tr>
<td><strong>Receivables from Brokerage Clients</strong></td>
<td>$90,565</td>
<td>$66,591</td>
</tr>
<tr>
<td><strong>Bank Deposits</strong></td>
<td>$443,778</td>
<td>$366,724</td>
</tr>
<tr>
<td><strong>Payables to Brokerage Clients</strong></td>
<td>$125,671</td>
<td>$97,438</td>
</tr>
<tr>
<td><strong>Long-term Debt</strong></td>
<td>$18,914</td>
<td>$20,828</td>
</tr>
<tr>
<td><strong>Stockholders’ Equity</strong></td>
<td>$56,261</td>
<td>$36,608</td>
</tr>
<tr>
<td><strong>Parent Liquidity</strong></td>
<td>$11,057</td>
<td>$12,912</td>
</tr>
<tr>
<td><strong>Tier 1 Leverage Ratio</strong></td>
<td>6.2%</td>
<td>7.2%</td>
</tr>
</tbody>
</table>

- **Bank deposits** were down 17% versus the prior year due to expected client cash sorting.
- Lower equity markets, negative investor sentiment and higher rates contributed to a 28% year-over-year decline in margin loans.
- Total borrowings increased by $14 billion as we utilized limited amounts of FHLB advances and other short-term funding sources.
- Stockholders’ equity declined by ~$20 billion as strong organic capital formation was more than offset by the impact of negative fair value marks within AOCI, preferred stock redemptions, and common share repurchases.
- Year-end “spot” Tier 1 Leverage Ratio was approximately 7.25%¹, which is above our long-term operating objective of 6.50%-6.75%.

---

¹: The preliminary “spot” Tier 1 Leverage Ratio is calculated using EOP figures as of December 31, 2022. AOCI = Accumulated Other Comprehensive Income. FHLB = Federal Home Loan Bank.
...which in combination with strong earnings, enabled us to accelerate meaningful capital return to owners.

Support growth of business
Enable clients’ cash allocation decisions
Maintain capital well above required levels
Seek opportunistic return of excess capital

Supporting long-term growth remains a priority, but we anticipate excess capital return to continue to play an important role in our financial story going forward.

Note: M = Millions. B = Billions. 1. Preferred Redemptions include Series A and Series E which were redeemed on November 1, 2022 for Series A ($400M) and December 1, 2022 for Series E ($600M). 2. As of December 31, 2022.
Our fourth quarter caps a 2-year period of results which demonstrate the power of the firm following the Ameritrade acquisition.

Despite the fact we have faced multiple economic headwinds since 4Q20,...

<table>
<thead>
<tr>
<th>NASDAQ® Composite¹</th>
<th>Fed Funds²</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>6%</strong></td>
<td><strong>425 bps</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DATs¹</th>
<th>Margin Balances²</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>7%</strong></td>
<td><strong>4%</strong></td>
</tr>
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Note: Adj. = Adjusted. Q = Quarter. EPS = Earnings per share. PTPM = Pre-tax profit margin. DAT = Daily Average Trade. Bps = Basis points. 1. Represents the daily average for 4Q20 and 4Q22, respectively. 2. Measured at quarter end.
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Despite the fact we have faced multiple economic headwinds since 4Q20,

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<tr>
<th>NASDAQ® Composite&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Fed Funds&lt;sup&gt;2&lt;/sup&gt;</th>
<th>Revenue Growth</th>
<th>Adj. PTPM Expansion&lt;sup&gt;3&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>6%</td>
<td>425 bps</td>
<td>~32%</td>
<td>~600 bps</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DATs&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Margin Balances&lt;sup&gt;2&lt;/sup&gt;</th>
<th>Adj. Diluted EPS Growth&lt;sup&gt;3&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>7%</td>
<td>4%</td>
<td>~45%</td>
</tr>
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We see evidence of client cash balances heading towards an equilibrium level...

Sorting Behavior for Specific Wealth Tier

- High Cash Balance
- Medium Cash Balance
- Equilibrium

Note: Based on internal analysis representing a single wealth tier. Over 30 individual wealth tiers were analyzed.
...as clients with less transactional cash actually increase their balance even as rates rise.

**Sorting Behavior for Specific Wealth Tier**

- High Cash Balance
- Medium Cash Balance
- Low Cash Balance
- Equilibrium

**Analysis**

Analysis shows that sorting activity remains orderly, with client cash balance converging towards a central point or “equilibrium” level.

Note: Based on internal analysis representing a single wealth tier. Over 30 individual wealth tiers were analyzed.
Clients are establishing relatively stable transactional cash levels — independent of when they started sorting.

While a client’s movement into PMMFs is initially pronounced,...

...a new level for transactional cash is established quickly.

2022 Sorting Behavior of PMMF Users by Monthly Cohort

Month of Initial PMMF Purchase

- Month 1
- Month 2
- Month 3
- Month 4
- Month 5
- Month 6

Note: PMMF = Purchased money market fund.
Client sorting activity for existing accounts has thus far progressed in-line with expectations — when adjusting for the rapid pace of rate increases.

- Sorting is **following the pattern** predicted by our analysis of observations from the prior cycle.

- We continue to believe that the **magnitude of sorting will not be noticeably different** for existing accounts than what we experienced last cycle.

- At some point in 2023, **we expect sorting to abate** and balance sheet cash to resume growing in proportion with client assets.
Heading into 2023, there is still plenty of uncertainty across a number of key drivers.

<table>
<thead>
<tr>
<th>Macro-environment</th>
<th>Client-driven</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rates %</td>
<td>Cash Allocations</td>
</tr>
<tr>
<td>Markets</td>
<td>Engagement Levels</td>
</tr>
</tbody>
</table>
Our financial outlook will be influenced by the path of interest rates and client sorting activity.

**Select Assumptions & Drivers**

<table>
<thead>
<tr>
<th>Rates</th>
<th>4Q23 NIM</th>
<th>Other Global Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low - 2.60s</td>
<td>5.00%</td>
<td><strong>Deposit Betas</strong>&lt; 20%</td>
</tr>
<tr>
<td>Mid - 2.70s</td>
<td>5.25%</td>
<td><strong>December Avg. IEA</strong> Y/Y decline of 8-12%</td>
</tr>
<tr>
<td>4.50%</td>
<td></td>
<td><strong>BDA Breakage Fees</strong> ~$100M in 1Q23</td>
</tr>
<tr>
<td>4.75%</td>
<td></td>
<td><strong>Potential Payout Ratio</strong>² &gt; 125%</td>
</tr>
</tbody>
</table>

**Illustrative Financial Outcomes**

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>Adj. Expenses¹</th>
<th>Adj. PTPM¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low - 2.60s</td>
<td>5%–7%</td>
<td>7%–8%</td>
<td>48%+</td>
</tr>
<tr>
<td>Mid - 2.70s</td>
<td>7%–9%</td>
<td>7%–8%</td>
<td>49%+</td>
</tr>
</tbody>
</table>

Note: Q = Quarter, M = Millions, B = Millions, NIM = Net interest margin, ST = Short-term, Avg. = Average, IEA = Interest-earning assets, BDA = Bank deposit account, PTPM = Pre-tax profit margin, Adj. = Adjusted. 1. Further details on non-GAAP financial measures and a reconciliation of such measures to report results are included on slides 142-150 of this presentation as well as within our 4Q22 Earnings Release. 2. Potential payout ratio represents common dividend payments plus share repurchases that could reasonably occur under the two scenarios divided by potential net income.
Using current rate expectations for notable easing in coming years, we could see our NIM exceeding 3.00% by 4Q 2025.

**Illustrative NIM vs. Fed Funds Forward Curve**

- 2021: 4.50%
- 2022: 5.00%
- 4Q22: 2.24% (Low 260s bps)
- 2023E: 3.75%

**Select Assumptions**

- Forward curve as of early January
- Deposit betas continue to run in-line to slightly below expectations
- Cash sorting abates in 2023
- Utilize select amounts of short-term funding – which is mostly paid off by end of 2023
- NIM accretion supported by reinvestment of fixed-rate book currently yielding ~1.60%-1.70%

**Note:**
Post conversion, we expect expense growth to track back towards a mid-single digit annual rate.

### Illustrative Adjusted Total Expense Growth, 2021 – 2025E

**Select Assumptions**
- Based on current inputs regarding business growth, market factors, client engagement levels, and regulatory and legislative matters
- Ameritrade conversion completed by 1H 2024
- Allows for typical annual adjustments as well as select incremental strategic investments

**Est. GAAP expense range:** 7.0% - 8.0%  
**2023E**  
**4.0% - 5.0%  
2025E**

Note: Est. = Estimated. E = Estimated. 1H = First half. 1. 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 142. Further details on non-GAAP financial measures and a reconciliation of such measures to report results are included on slides 142-150 of this presentation as well as within our 4Q22 Earnings Release.
Our 2023 spending plan balances conversion specific outlays with longer-term, growth-oriented investments.
Our 2023 spending plan balances conversion specific outlays with longer-term, growth-oriented investments.

**Estimated 2023 Adjusted Total Expense Growth ($M, %)\(^1, 2\)**

<table>
<thead>
<tr>
<th>Category</th>
<th>2022 GAAP Expense</th>
<th>2022 Adjusted Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transaction-related</strong></td>
<td>$11,374</td>
<td>$10,386</td>
</tr>
<tr>
<td><strong>Fundamental Operating Expenses</strong></td>
<td>$988</td>
<td></td>
</tr>
<tr>
<td><strong>Integration-related Technology &amp; Service Spend</strong></td>
<td></td>
<td>$988</td>
</tr>
</tbody>
</table>

\(^1\) % growth vs. FY22 adjusted total expenses

\(^2\) Note: GAAP = Generally Accepted Accounting Principles. FDIC = Federal Deposit Insurance Corporation. M = Millions. FY = Full year. E = Estimated. Adj. = Adjusted. 1. Transaction-related expenses include acquisition and integration-related expenses as well as amortization of acquired intangibles. 2. 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 142. Further details on non-GAAP financial measures and a reconciliation of such measures to report results are included on slides 142-150 of this presentation as well as within our 4Q22 Earnings Release.

Sustained investments in our platform and key strategic initiatives bolster Schwab’s long-term growth opportunity.
Our 2023 spending plan balances conversion specific outlays with longer-term, growth-oriented investments.

Estimated 2023 Adjusted Total Expense Growth ($M, %)\(^1, 2\)

\[\begin{array}{c}
\text{2022 GAAP Expense} & \text{2022 Adjusted Expense} & \text{Fundamental Operating Expenses} \\
$11,374 & $10,386 & \approx 6.0\% \\
\end{array}\]

- “Normal” volume increases
- Asset-based fees
- Typical compensation adjustments
- Select strategic investments (e.g., High-net Worth)

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<th>2022 Adjusted</th>
<th>Fundamental Operating Expenses</th>
<th>FDIC Fee Increase</th>
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<td>$11,374</td>
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Increases to FDIC rate on deposits (effective January 1)

Sustained investments in our platform and key strategic initiatives bolster Schwab’s long-term growth opportunity.

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Estimated 2023 Adjusted Total Expense Growth ($M, %)¹,²

% growth vs. FY22 adjusted total expenses

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<th>Fundamental Operating Expenses</th>
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<th>Synergies</th>
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<td>$11,374</td>
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Note: GAAP = Generally Accepted Accounting Principles. FDIC = Federal Deposit Insurance Corporation. M = Millions. FY = Full year. E = Estimated. Adj. = Adjusted. 1. Transaction–related expenses include acquisition and integration-related expenses as well as amortization of acquired intangibles. 2. 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 142. Further details on non-GAAP financial measures and a reconciliation of such measures to report results are included on slides 142-150 of this presentation as well as within our 4Q22 Earnings Release.

Sustained investments in our platform and key strategic initiatives bolster Schwab’s long-term growth opportunity

Run-rate synergy capture around ~70% by year-end

- Technology
- Marketing spend

~6.0%

~(1.5%)
Our 2023 spending plan balances conversion specific outlays with longer-term, growth-oriented investments.

<table>
<thead>
<tr>
<th>Component</th>
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<td>~7.0%–8.0%</td>
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<tr>
<td>FDIC Fee</td>
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<td></td>
<td></td>
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Schwab’s financial formula is designed to operate “through the cycle”...

**Client Asset Growth**
- High single to low double digits
  - Considerations
    - Annual organic growth of 5%-7%
    - Long-term equity market appreciation
    - Client asset allocation

**Revenue Growth**
- In-line with (or potentially faster) than asset growth
  - Considerations
    - Trading activity levels
    - Path of interest rates over time
    - Migration of IDA balances
    - Shift towards lower cost products
    - Growth of wealth and lending solutions

**Pre-tax Profit Margin**
- Expanding over time based on business growth
  - Considerations
    - Prudent expense discipline
    - Balance near-term profit vs. long-term value creation
    - Capture cost synergies
    - Investments to increase efficiency
    - Harness increasing benefits of scale and efficiency

**Earnings per Share**
- Low to mid-teens EPS growth through the cycle
  - Considerations
    - Potential trade-off between growth and capital return
    - Thoughtful capital management
    - Buybacks (as appropriate)

Illustrative

---

Note: IDA = Insured Deposit Account. EPS = Earnings per share.
...and it has delivered over a range of environments.

**Client Asset Growth**
- High single to low double digits
  - Annual organic growth of 5%–7%
  - Long-term equity market appreciation
  - Client asset allocation

**Revenue Growth**
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**Earnings per Share**
- Low to mid-teens EPS growth through the cycle
  - Potential trade-off between growth and capital return
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### 2002 - 2022

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</tr>
</thead>
<tbody>
<tr>
<td>Annual organic growth of 5%–7%</td>
</tr>
<tr>
<td>Long-term equity market appreciation</td>
</tr>
<tr>
<td>Client asset allocation</td>
</tr>
<tr>
<td>Trading activity levels</td>
</tr>
<tr>
<td>Path of interest rates over time</td>
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<tr>
<td>Migration of IDA balances</td>
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<td>Shift towards lower cost products</td>
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</tr>
<tr>
<td>Thoughtful capital management</td>
</tr>
<tr>
<td>Buybacks (as appropriate)</td>
</tr>
</tbody>
</table>

Our “Through Clients’ Eyes” strategy has driven sustained client asset growth,...

### Client Asset Growth

**Macroeconomic Backdrop**
- Two full rate cycles
- 2008 financial crisis
- Global pandemic
- Current inflationary environment

**Schwab-led Disruption**
- $0 commission equity trades
- Largest broker-dealer acquisition
- Value-oriented pricing across advice and asset management

### Revenue Growth

### Pre-tax Profit Margin

### Earnings per Share

### Compound Annual Growth Rate

<table>
<thead>
<tr>
<th>S&amp;P 500®</th>
<th>Schwab TCA</th>
</tr>
</thead>
<tbody>
<tr>
<td>8%</td>
<td>12%</td>
</tr>
</tbody>
</table>

Note: TCA = Total Client Assets. T = Trillion.
...helping to enable long-term revenue growth over the past 20 years.

Client Asset Growth  
Revenue Growth  
Pre-tax Profit Margin  
Earnings per Share

Revenue Growth

Client Asset Growth

Pre-tax Profit Margin

Earnings per Share

Charles Schwab
Bank Launch

$4.1B

2002

$20.8B

2022

+8%

Note: B = Billion.
Our revenue model is diversified, enabling growth through a range of environments.

Total Revenue Mix Over Time, 2002 – 2022 ($B)

Note: B = Billions. NIR = Net Interest Revenue. AMAF = Asset Management and Admin Fees

- 2002: $4.1B
- 2007: $5.0B
- 2012: $4.9B
- 2017: $8.6B
- 2022: $20.8B
While rates and balances are cyclical, strong asset gathering helps net interest revenue build over the long term.

As an example, net interest margin evolves with the rate environment,...

...the two tend to move inversely, resulting in net interest revenue growth through the cycle.

...and although average interest earning assets fluctuate based on macro factors and client decisions,...
Our balanced approach to expense management supports pre-tax margin expansion over time,...

Charles Schwab Corporation

2002 2022

GAAP Pre-tax Profit Margin
Adjusted PTPM

Pre-tax Profit Margin

Note: PTPM = Pre-tax Profit Margin. 1. Further details on non-GAAP financial measures and a reconciliation of such measures to report results are included on slides 142-150 of this presentation as well as within our 4Q22 Earnings Release.
...as thoughtful capital management enhances earnings growth through the cycle.

We have returned capital to our stockholders through an increasing common dividend¹...

...and driven incremental earnings leverage via share repurchases.

Capital return since 2017:

- Shares Repurchased: ~125M
- Payout Ratio: ~60%

Note: M = Millions. EPS = Earnings per share. 1. Includes special cash dividend of $1.00 per common share paid on August 24, 2007 related to the sale of U.S. Trust. 2. Further details on non-GAAP financial measures and a reconciliation of such measures to report results are included on slides 142-150 of this presentation as well as within our 4Q22 Earnings Release.
Following another strong year, we remain confident in the significant opportunity still ahead of us.

- Schwab’s consistent focus on individual investors and the advisors who serve them differentiates us within the marketplace

- Deep client relationships, ongoing investment in our modern wealth management platform, and favorable alignment with key industry trends positions us for long-term growth

- Our all-weather model enables us to convert this business momentum into healthy financial results across a wide range of environments – helping us deliver growth plus meaningful capital return through the cycle

Our priorities remain unchanged:

- Continued business growth through our client-first strategy
- Long-term revenue growth through multiple sources
- Thoughtful expense management enabling sustainable performance
Q&A
Appendix
## Appendix
Underlying Full Year 2023 Scenario Assumptions (as of December 31, 2022)

### Macro Factors

<table>
<thead>
<tr>
<th><strong>Short Rates</strong></th>
<th><strong>Market Expectations</strong></th>
<th>Fed Funds finishes FY 2023 at 4.75%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fed Dot Plot</strong></td>
<td>Fed Funds finishes FY 2023 at 5.25%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Long Rates</strong></th>
<th>Avg. 5-year UST for 2023 of ~3.80%</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th><strong>S&amp;P 500®</strong></th>
<th>Growth in-line with long-term equity market appreciation</th>
</tr>
</thead>
</table>

### Business Factors

<table>
<thead>
<tr>
<th><strong>DATs</strong></th>
<th>5.6M for full year 2023</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th><strong>Bal. Sheet Positioning</strong></th>
<th>Margin balances grow approximately 5-10% relative to 4Q22 EOP levels; investment strategy continues to prioritize flexibility / liquidity</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th><strong>Bal. Sheet Decline</strong></th>
<th>December 2023 average IEA decline by 8% – 12% versus the December 2022 average</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th><strong>Capex</strong></th>
<th>Running at 3%-4% of total revenues</th>
</tr>
</thead>
</table>

Appendix
Select Revenue Sensitivities (as of December 31, 2022)

- Target Fed Funds Rate +/- 25 bps: ~$200M – $400M
- 5-Year Treasury +/- 10 bps: ~$80M
- Bank Sweep Balances +/- $1B: ~$45M
- S&P 500® +/- 1%: ~$20M
- Daily Average Trades +/- 100K: ~$65M
- Margin Balances +/- $1B: ~$65M

Note: Bps = Basis points, K = Thousands, B = Billions, M = Millions. For the Fed Funds and Treasury sensitivities, assumes static interest-earning asset balances as of December 31, 2022 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; for purposes of the analysis, the deposit beta is assumed to be 20%. Every $5 billion of FHLB borrowings outstanding per quarter equals approximately 1 basis point of net interest margin drag.
# Appendix

Cash Sorting Support (Originally Shown During the Fall Business Update in October 2022)

<table>
<thead>
<tr>
<th>Observation</th>
<th>Support</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pace</strong></td>
<td></td>
</tr>
</tbody>
</table>
| A Bank sweep deposit betas have minimal influence over the pace of sorting | • Pace of sorting is driven by available yield on investment cash alternatives  
• During the last rising rate cycle, clients in sweep money funds behaved similarly to those in bank sweep |
| B Sorting ‘burns out’ through the cycle | • Sorting decelerates – or reverses – as you move past peak rates, and can be offset by organic cash increases |
| **Magnitude** |         |
| C Clients continue to utilize transactional cash, regardless of rates | • Through past cycles, we have observed that most sweep cash tends to find its level |
| D Higher cash balance accounts are the most yield sensitive | • Accounts with $1M+ in cash accounted for the majority of sorting activity through December 2022 |
| E A growing portion of our client base is less prone to sorting | • Since 2020, we have added ~4 million new-to-firm Retail HHs  
• Trading oriented and HHs with <$250K in total assets represented the vast majority of that growth\(^1\)  
• As of 12/31, this group currently represents more than 50% of Retail cash on the balance sheet |

Appendix

Historical Net Interest Margin Trends (as of December 31, 2022)

Net Interest Margin: 4Q03 – 4Q22 (%)

Select Considerations

Investment Yields and ALM Parameters

Interest-Earning Asset Mix and Growth

Funding Mix

Securities Lending

Note: Q = Quarter. US Federal Funds Target Rate data from FactSet. ALM = Asset and Liability Management. As of 12/31/2022.
Appendix
Historical Client Cash Trends (as of December 31, 2022)

Select Client Cash Metrics, 1Q14 – 4Q22 ($K, %)

Total Client Cash Mix, 4Q22 (%)¹,²

- Purchased MMFs: 30%
- Sweep MMFs: 12.3%
- Other Balance Sheet Cash: 48%
- BDA: 15%
- Checking, Savings & Other: 2%

Note: K = Thousands. B = Billions. Q = Quarter. MMF = Money market fund. BDA = Bank deposit account. ¹ Other Balance Sheet Cash includes bank sweep deposits and Schwab One balances. ² Total may not sum to 100% due to rounding.
Appendix
Average Interest-earning Assets & Bank Investment Portfolio (as of December 31, 2022)

4Q22 Avg. Interest-earning Assets (%)\(^1, 2\)

<table>
<thead>
<tr>
<th>Cash &amp; Equiv.</th>
<th>Lending Activities</th>
<th>Bank Investment Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>7%</td>
<td>20%</td>
<td>64%</td>
</tr>
<tr>
<td>Other IEA</td>
<td></td>
<td>$533.3B</td>
</tr>
</tbody>
</table>

Bank Investment Portfolio Spotlight

<table>
<thead>
<tr>
<th>Securities Mix(^3)</th>
<th>56%</th>
<th>23%</th>
<th>21%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agency RMBS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agency CMBS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

93% Fixed / 7% Floating

~4.1

Duration Analysis\(^4\)

<table>
<thead>
<tr>
<th>Rate Shock (bps)</th>
<th>Portfolio Duration (Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>+100</td>
<td>SCHW 0.12 yrs.</td>
</tr>
<tr>
<td>-100</td>
<td>LUMSTRUU -0.18 yrs.</td>
</tr>
</tbody>
</table>

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

Duration Analysis\(^4\)

<table>
<thead>
<tr>
<th>Rate Shock (bps)</th>
<th>Portfolio Duration (Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>+100</td>
<td>SCHW 0.10 yrs.</td>
</tr>
<tr>
<td>-100</td>
<td>LUMSTRUU 0.08 yrs.</td>
</tr>
</tbody>
</table>

Note: B = Billions. Bps = Basis points. Avg. = Average. IEA = Interest-earning assets. Cash & Equiv = Cash and Equivalents. RMBS = Residential Mortgage-backed Security. CMBS = Commercial Mortgage-backed Security. 1. Bank Investment Portfolio includes available-for-sale and held-to-maturity securities within the consolidated bank investment portfolio, but excludes cash investments; please note percentage may be rounded and therefore may not round to 100%. 2. Lending Activities is comprised of client margin debits and bank loans. 3. Total may not sum to 100% due to rounding. “Other” includes U.S. Treasuries, corporate debt, asset-backed securities, and other investment securities as appropriate. 4. Rate shock analysis is presented on an option-adjusted basis as of December 31, 2022. 5. LUMSTRUU is a Bloomberg Barclays index composed of investment grade pass-through MBS issued and/or guaranteed by a U.S. government agency.
We have focused on buying securities with relatively stable cash flows, including **less likelihood of slower paydowns** in a rising rate environment.

Note: OA = Option-adjusted. OA Durations prior to June 2022 are estimated retrospectively utilizing a third-party prepayment model (ADCo LDM v3.0.1) to be consistent with metrics since June 2022.  
1. LUMSTRUU is a Bloomberg Barclays index composed of investment grade pass-through MBS issued and/or guaranteed by a U.S. government agency.
We are prioritizing flexibility and liquidity to efficiently accommodate client cash allocation decisions.

Potential Reinvestment Opportunities

<table>
<thead>
<tr>
<th>Security</th>
<th>Cash &amp; Equivalents</th>
<th>U.S. Treasuries</th>
<th>MBS Securities</th>
<th>Other IG Securities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td>~4.40%</td>
<td>~4.68%</td>
<td>~4.20%</td>
<td>~5.26%</td>
</tr>
<tr>
<td>1-yr Fwd¹</td>
<td>~4.25%</td>
<td>~3.68%</td>
<td>~3.95%</td>
<td>~4.26%</td>
</tr>
<tr>
<td>Duration²</td>
<td>&lt; 1 month</td>
<td>~1-1.5 years</td>
<td>~4-5 years</td>
<td>~1-1.5 years</td>
</tr>
</tbody>
</table>

Selection Criteria

- Shorter duration
- Front-loaded cash flows
- Lower convexity
- Risk appropriate credit exposure
- Investment grade

Potential Blended Reinvestment Yield

Floating: SOFR +85

Fixed: 5.00%-5.25%

Note: Fwd = Forward. MBS = Mortgage-backed security. IG = Investment grade. SOFR = Secured Overnight Financing Rate. 1. Illustrative future yields based on current market expectations as of mid-January 2023. 2. Illustrative durations shown on an option-adjusted basis.
Appendix
Bank Deposit Account Summary (as of December 31, 2022)

Mix of Average BDA Balances ($B,%)\(^1\)

- $112.6 (86%)
- $18.6 (14%)
- $131.2

BDA Balances by Maturity, EOP ($B)

<table>
<thead>
<tr>
<th></th>
<th>Total Balance: $126.6B</th>
<th>Net Rate(^2): 1.11%</th>
<th>Annual Revenue(^3): $1,422.4M</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed Maturities:</strong></td>
<td>$110.20 (87% of total)(^1)</td>
<td>Net Rate(^2): 0.70%</td>
<td></td>
</tr>
</tbody>
</table>

- Floating: $16.4
- Year 1: $20.2
- Year 2: $18.5
- Year 3: $20.4
- Year 4: $21.0
- Year 5: $18.3
- Year 6: $12.0
- Year 7: $0.0

Net Rate\(^2\): 3.88% 1.47% 1.34% 0.28% -0.15% 0.10% 1.49% 0.00%
Annual Revenue\(^3\): $645M $302M $251M $57M ($32M) $18M $181M $0M

Note: Certain totals may not sum due to rounding. M = Millions. B = Billions. Q = Quarter. BDA = Bank Deposit Account. EOP = End-of-period. 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 December 31, 2022; includes all related fees and client pay rates as of December 31, 2022. 3. Revenue figures presented on an annualized run-rate basis per the amended Insured Deposit Agreement (IDA) arrangement.
Appendix
Select Trading Information (as of December 31, 2022)

Monthly DATs (M)

Futures as % Derivatives Trading

Quarterly DAT Mix (%)

Monthly Average Contracts per Option Trade

Note: Q = Quarter, M = Millions, AS = Advisor Services, DAT = Daily average trades.
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.

<table>
<thead>
<tr>
<th>Non-GAAP Adjustment or Measure</th>
<th>Definition</th>
<th>Usefulness to Investors and Uses by Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition and integration-related costs and amortization of acquired intangible assets</td>
<td>Schwab adjusts certain GAAP financial measures to exclude the impact of acquisition and integration-related costs incurred as a result of the Company’s acquisitions, amortization of acquired intangible assets, and, where applicable, the income tax effect of these expenses. 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.</td>
<td>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 is useful in both evaluating the operating performance of the business and facilitating comparison of results with prior and future periods. 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 ongoing business. Amortization of acquired intangible assets is excluded because management does not believe it.</td>
</tr>
<tr>
<td>Return on tangible common equity</td>
<td>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.</td>
<td>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.</td>
</tr>
</tbody>
</table>

The Company also uses adjusted diluted EPS and return on tangible common equity as components of performance criteria for employee bonus and certain executive management incentive compensation arrangements. The Compensation Committee of CSC’s Board of Directors maintains discretion in evaluating performance against these criteria.
Appendix
Non-GAAP Reconciliation: Adjusted total expenses and Adjusted net income

| Note: N/A = Not applicable. 1. Acquisition and integration-related expenses are primarily included in compensation and benefits, professional services, occupancy and equipment, 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. |

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<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>December 31, 2022</td>
<td>$2,899 $</td>
<td>1,968 $</td>
<td>$2,823 $</td>
<td>2,020 $</td>
<td>$2,819 $</td>
<td>1,793 $</td>
<td>$2,833 $</td>
<td>1,402 $</td>
<td>$2,685 $</td>
<td>1,580 $</td>
<td>$2,700 $</td>
<td>1,135 $</td>
</tr>
<tr>
<td>September 30, 2022</td>
<td>(101)</td>
<td>101</td>
<td>(101)</td>
<td>101</td>
<td>(94)</td>
<td>94</td>
<td>(96)</td>
<td>96</td>
<td>(101)</td>
<td>101</td>
<td>(282)</td>
<td>282</td>
</tr>
<tr>
<td>June 30, 2022</td>
<td>(136)</td>
<td>136</td>
<td>(152)</td>
<td>152</td>
<td>(154)</td>
<td>154</td>
<td>(154)</td>
<td>154</td>
<td>(147)</td>
<td>147</td>
<td></td>
<td></td>
</tr>
<tr>
<td>March 31, 2022</td>
<td>N/A</td>
<td>(54)</td>
<td>N/A</td>
<td>(62)</td>
<td>N/A</td>
<td>(60)</td>
<td>N/A</td>
<td>(61)</td>
<td>N/A</td>
<td>(60)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>December 31, 2021</td>
<td>(136)</td>
<td>136</td>
<td>(152)</td>
<td>152</td>
<td>(154)</td>
<td>154</td>
<td>(154)</td>
<td>154</td>
<td>(147)</td>
<td>147</td>
<td></td>
<td></td>
</tr>
<tr>
<td>December 31, 2020</td>
<td>N/A</td>
<td>(54)</td>
<td>N/A</td>
<td>(62)</td>
<td>N/A</td>
<td>(60)</td>
<td>N/A</td>
<td>(61)</td>
<td>N/A</td>
<td>(60)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(In millions, except ratios and per share amounts)
## Appendix

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

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Income before taxes on income (GAAP), Pre-tax profit margin (GAAP)</strong></td>
<td>$2,598</td>
<td>47.3% $2,677</td>
<td>48.7% $2,274</td>
<td>44.6% $1,839</td>
<td>39.4% $2,023</td>
<td>43.0% $1,476</td>
</tr>
<tr>
<td>Acquisition and integration-related costs</td>
<td>101</td>
<td>1.8%</td>
<td>101</td>
<td>1.8%</td>
<td>94</td>
<td>1.8%</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>136</td>
<td>2.5%</td>
<td>152</td>
<td>2.8%</td>
<td>154</td>
<td>3.1%</td>
</tr>
<tr>
<td><strong>Adjusted income before taxes on income (Non-GAAP), Adjusted pre-tax profit margin (Non-GAAP)</strong></td>
<td>$2,835</td>
<td>51.6%</td>
<td>$2,930</td>
<td>53.3%</td>
<td>$2,522</td>
<td>49.5%</td>
</tr>
</tbody>
</table>
## Appendix
### Non-GAAP Reconciliation: Adjusted net income to common stockholders and Adjusted diluted EPS

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net income available to common stockholders</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Earnings per common share — diluted (GAAP)</strong></td>
<td>$1,821 $</td>
<td>.97 $</td>
<td>$1,884 $</td>
<td>.99 $</td>
<td>$1,652 $</td>
<td>.87 $</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$1,278 $</td>
<td>.67 $</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$1,449 $</td>
<td>.76 $</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$1,050 $</td>
<td>.57 $</td>
</tr>
<tr>
<td><strong>Acquisition and integration-related costs</strong></td>
<td>101</td>
<td>.05</td>
<td>101</td>
<td>.05</td>
<td>94</td>
<td>.05</td>
</tr>
<tr>
<td><strong>Amortization of acquired intangible assets</strong></td>
<td>136</td>
<td>.07</td>
<td>152</td>
<td>.08</td>
<td>154</td>
<td>.08</td>
</tr>
<tr>
<td></td>
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<td>154</td>
<td>.08</td>
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<td>154</td>
<td>.08</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>147</td>
<td>.08</td>
</tr>
<tr>
<td><strong>Income tax effects</strong></td>
<td>(54)</td>
<td>(.02)</td>
<td>(62)</td>
<td>(.02)</td>
<td>(60)</td>
<td>(.03)</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td>(61)</td>
<td>(.03)</td>
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<td>(60)</td>
<td>(.03)</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(105)</td>
<td>(.06)</td>
</tr>
<tr>
<td><strong>Adjusted net income available to common stockholders</strong></td>
<td>$2,004 $</td>
<td>1.07 $</td>
<td>$2,075 $</td>
<td>1.10 $</td>
<td>$1,840 $</td>
<td>.97 $</td>
</tr>
<tr>
<td><strong>(Non-GAAP), Adjusted diluted EPS (Non-GAAP)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$1,467 $</td>
<td>.77 $</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$1,644 $</td>
<td>.86 $</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$1,374 $</td>
<td>.74 $</td>
</tr>
</tbody>
</table>

Note: EPS = Earnings per share.
## Appendix

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

(All data as of December 31, 2022, except for the three months ended December 31, 2022, September 30, 2022, June 30, 2022, March 31, 2022, December 31, 2021, and December 31, 2020)

### Return on average common stockholders’ equity (GAAP)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Return on average common stockholders’ equity (GAAP)</td>
<td>27%</td>
<td>25%</td>
<td>19%</td>
<td>12%</td>
<td>12%</td>
<td>12%</td>
</tr>
<tr>
<td>Average common stockholders’ equity</td>
<td>$26,823</td>
<td>$30,282</td>
<td>$35,611</td>
<td>$41,856</td>
<td>$46,898</td>
<td>$37,198</td>
</tr>
<tr>
<td>Less: Average goodwill</td>
<td>(11,951)</td>
<td>(11,951)</td>
<td>(11,952)</td>
<td>(11,952)</td>
<td>(11,952)</td>
<td>(6,845)</td>
</tr>
<tr>
<td>Less: Average acquired intangible assets — net</td>
<td>(8,856)</td>
<td>(8,999)</td>
<td>(9,151)</td>
<td>(9,303)</td>
<td>(9,456)</td>
<td>(5,624)</td>
</tr>
<tr>
<td>Plus: Average deferred tax liabilities related to goodwill and acquired intangible assets — net</td>
<td>1,842</td>
<td>1,848</td>
<td>1,868</td>
<td>1,886</td>
<td>1,889</td>
<td>1,005</td>
</tr>
<tr>
<td>Average tangible common equity</td>
<td>$7,858</td>
<td>$11,180</td>
<td>$16,376</td>
<td>$22,487</td>
<td>$27,379</td>
<td>$25,734</td>
</tr>
<tr>
<td>Adjusted net income available to common stockholders¹</td>
<td>$2,004</td>
<td>$2,075</td>
<td>$1,840</td>
<td>$1,467</td>
<td>$1,644</td>
<td>$1,374</td>
</tr>
<tr>
<td>Return on tangible common equity (Non-GAAP)</td>
<td>102%</td>
<td>74%</td>
<td>45%</td>
<td>26%</td>
<td>24%</td>
<td>21%</td>
</tr>
</tbody>
</table>

Note: 1. See table on slide 145 for the reconciliation of net income available to common stockholders to adjusted net income available to common stockholders (non-GAAP).
## Appendix

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

<table>
<thead>
<tr>
<th></th>
<th>Twelve Months Ended,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>December 31, 2022</td>
</tr>
<tr>
<td><strong>Total expenses excluding interest (GAAP), Net income (GAAP)</strong></td>
<td>$11,374</td>
</tr>
<tr>
<td><strong>Acquisition and integration-related costs</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td>(392)</td>
</tr>
<tr>
<td><strong>Amortization of acquired intangible assets</strong></td>
<td>(596)</td>
</tr>
<tr>
<td><strong>Income tax effects</strong>&lt;sup&gt;2&lt;/sup&gt;</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Adjusted total expenses (Non-GAAP), Adjusted net income (Non-GAAP)</strong></td>
<td>$10,386</td>
</tr>
</tbody>
</table>

(In millions, except ratios and per share amounts)

Note: N/A = Not applicable. 1. Acquisition and integration-related expenses are primarily included in compensation and benefits, professional services, occupancy and equipment, 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

<table>
<thead>
<tr>
<th>(In millions, except ratios and per share amounts)</th>
<th>December 31, 2022</th>
<th>December 31, 2021</th>
<th>December 31, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income before taxes on income (GAAP), Pre-tax profit margin (GAAP)</td>
<td>$ 9,388</td>
<td>45.2%</td>
<td>$ 7,713</td>
</tr>
<tr>
<td>Acquisition and integration-related costs</td>
<td>392</td>
<td>1.9%</td>
<td>468</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>596</td>
<td>2.9%</td>
<td>615</td>
</tr>
<tr>
<td>Adjusted income before taxes on income (Non-GAAP), Adjusted pre-tax profit margin (Non-GAAP)</td>
<td>$ 10,376</td>
<td>50.0%</td>
<td>$ 8,796</td>
</tr>
</tbody>
</table>
## Appendix

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

<table>
<thead>
<tr>
<th>(In millions, except ratios and per share amounts)</th>
<th>December 31, 2022</th>
<th>December 31, 2021</th>
<th>December 31, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net income available to common stockholders (GAAP), Earnings per common share — diluted (GAAP)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount</td>
<td>6,635</td>
<td>5,360</td>
<td>3,043</td>
</tr>
<tr>
<td>Diluted EPS</td>
<td>3.50</td>
<td>2.83</td>
<td>2.12</td>
</tr>
<tr>
<td><strong>Acquisition and integration-related costs</strong></td>
<td>392</td>
<td>468</td>
<td>442</td>
</tr>
<tr>
<td>Diluted EPS</td>
<td>.21</td>
<td>.25</td>
<td>.31</td>
</tr>
<tr>
<td><strong>Amortization of acquired intangible assets</strong></td>
<td>596</td>
<td>615</td>
<td>190</td>
</tr>
<tr>
<td>Diluted EPS</td>
<td>.31</td>
<td>.32</td>
<td>.13</td>
</tr>
<tr>
<td><strong>Income tax effects</strong></td>
<td>(237)</td>
<td>(268)</td>
<td>(154)</td>
</tr>
<tr>
<td>Diluted EPS</td>
<td>(.12)</td>
<td>(.15)</td>
<td>(.11)</td>
</tr>
<tr>
<td><strong>Adjusted net income available to common stockholders (Non-GAAP), Adjusted diluted EPS (Non-GAAP)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount</td>
<td>7,386</td>
<td>6,175</td>
<td>3,521</td>
</tr>
<tr>
<td>Diluted EPS</td>
<td>3.90</td>
<td>3.25</td>
<td>2.45</td>
</tr>
</tbody>
</table>

Note: EPS = Earnings per share.
## Appendix

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

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2022</th>
<th>December 31, 2021</th>
<th>December 31, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Return on average common stockholders’ equity (GAAP)</strong></td>
<td>18%</td>
<td>11%</td>
<td>9%</td>
</tr>
<tr>
<td>Average common stockholders’ equity</td>
<td>$36,605</td>
<td>$47,318</td>
<td>$33,640</td>
</tr>
<tr>
<td>Less: Average goodwill</td>
<td>(11,952)</td>
<td>(11,952)</td>
<td>(6,590)</td>
</tr>
<tr>
<td>Less: Average acquired intangible assets — net</td>
<td>(9,084)</td>
<td>(9,685)</td>
<td>(5,059)</td>
</tr>
<tr>
<td>Plus: Average deferred tax liabilities related to goodwill and acquired intangible assets — net</td>
<td>1,870</td>
<td>1,919</td>
<td>1,005</td>
</tr>
<tr>
<td>Average tangible common equity</td>
<td>$17,439</td>
<td>$27,600</td>
<td>$22,996</td>
</tr>
<tr>
<td>Adjusted net income available to common stockholders¹</td>
<td>$7,386</td>
<td>$6,175</td>
<td>$3,521</td>
</tr>
<tr>
<td><strong>Return on tangible common equity (Non-GAAP)</strong></td>
<td>42%</td>
<td>22%</td>
<td>15%</td>
</tr>
</tbody>
</table>

(In millions, except ratios and per share amounts)