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,” “scenario,” “ongoing,” “illustrative,” “opportunity,” “formula,” “expand,” “drive,” “deliver,” “on track,” “achieve,” “bolster,” and other similar expressions.

These forward-looking statements relate to: the company's strategy and approach; business momentum; key strategic initiatives to add scale and efficiency, win-win monetization, and client segmentation; the integration of Ameritrade, including current expectations regarding the timing of client conversions, the timing and amount of the annual expense synergy target, and the total integration spend; growth in revenues, earnings, and profits; growth in the client base, client accounts, and assets; stockholder value; capital returns; investments in people, technology, and platforms to fuel and support growth, serve clients, and drive scale and efficiency; positioning; opportunities; enhancing and expanding offerings and solutions for clients and RIAs; lending program utilization; business and financial models; balance sheet and liquidity management; expense growth; Tier 1 Leverage Ratio operating objective; benefits from higher interest rates; net interest margin and revenue; pace and magnitude of client cash sorting; sources of liquidity for client cash sorting activity, including supplemental funding; deposit betas; capital management; 2022 financial scenario assumptions, including macro and business factors; 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 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 expected revenue and expense 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; general market conditions, including equity valuations and the level of interest rates; the level and mix of client trading activity; market volatility; the company's ability to attract and retain clients and RIAs and grow those relationships and associated client assets; competitive pressures on pricing; 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 company's ability to support client activity levels and attract and retain talent; the migration of bank deposit account balances; integration related and other technology projects; compensation; 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; 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 October 27, 2022 (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

Rick Wurster
President
Our “Through Clients’ Eyes” strategy drives sustained business momentum.

- Investors continued to turn to Schwab, remaining engaged in the midst of economic uncertainty and extended market weakness

- Challenging environments reinforce the importance of advancing our three strategic priorities: scale and efficiency, win-win monetization, and segmentation – including finalizing preparations to begin the Ameritrade conversion next year

- We believe our strategic focus and disciplined execution will deliver long-term success – as we further enhance our modern wealth management experience for clients and build value for stockholders through growth and capital return
While macroeconomic headwinds persisted through the quarter,…

The Fed continued to implement its fastest pace of rate hikes in 40 years…

…and equity markets experienced their third sequential quarter of negative returns.

Note: Bps = Basis points. YTD = Year-to-date. 1. Fed Funds Target and index returns sourced via FactSet.
...investors continued to entrust us with their financial futures.

<table>
<thead>
<tr>
<th>Net New Assets</th>
<th>Brokerage Accounts</th>
<th>Retail NNA</th>
</tr>
</thead>
<tbody>
<tr>
<td>$115B</td>
<td>33.9M</td>
<td>+20%</td>
</tr>
<tr>
<td>Core</td>
<td>EOP Total</td>
<td>Y/Y Growth</td>
</tr>
<tr>
<td>+7%</td>
<td>+4%</td>
<td>Advisor Services</td>
</tr>
<tr>
<td>Organic Growth¹</td>
<td>Y/Y Brokerage Account Growth</td>
<td>Institutional TOA</td>
</tr>
<tr>
<td></td>
<td></td>
<td>~2.2x</td>
</tr>
</tbody>
</table>

Note: M = Millions. B = Billions. NNA = Net new assets. Y/Y = Year-over-year. EOP = End of period. TOA = Transfer of Account. Core net new assets = net new assets before significant one-time flows, such as acquisitions/divestitures or extraordinary flows (generally greater than $10 billion) relating to a specific client. These flows may span multiple reporting periods. ¹ Represents annualized 3Q22 core NNA growth rate.
As sentiment trended increasingly bearish, investors remained engaged,...

AAII® Bull-Bear Spread Sentiment Survey

- Bull: % of surveyed investors with a positive outlook on the stock market over the next six months
- Bear: % of surveyed investors with a more negative outlook

Note: M = Millions, B = Billions, Buy-Sell Ratio = Calculated as client buy orders divided by client sell orders. 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).

Net Advised Flows includes Schwab Wealth Advisory, ThomasPartners, Windhaven, Schwab Managed Products, Managed Account Select, USAA Managed Portfolios, Managed Account Select, Wasmer Schroeder Retail, Wasmer Schroeder Off & AS, Schwab Advisor Network, Schwab Intelligence Portfolios, Schwab Personalized Indexing, and TDA.

Daily Average Trades: 5.5M
Buy-Sell Ratio: 1.2
Net Advised Flows: $8.3B

3Q22
...and we have helped them refresh their cash allocations in the face of higher rates.

Our Cash Philosophy:
Clients should have access to...

...smart features for all of their cash,...

...with categorically attractive yields,...

...and transparency from us, giving them information to make informed decisions.

Cash Product Lineup

**Everyday Cash**
- Bank / B-D Sweep: 0.40%
- High Yield Investor Checking: 0.40%
- High Yield Investor Savings: 0.43%

**Investment Cash**
- Certificates of Deposit (CDs): 3.91% to 4.60%
- Money Market Funds: 1.83% to 3.09%
- Fixed Income: 3.56% to 4.60%

Supporting Client Cash Decisions

- Low-cost, multichannel access
- Proactive outreach and marketing
- Educational events, tools, and analytics

Note: K = Thousands.  B-D = Broker-dealer.  APY = Annual Percentage Yield. Y/Y = Year-over-year. Q/Q = Quarter-over-quarter. 1. APY as of October 25, 2022; see Cash Investments - Sweeps, CDs, Money Funds & More | Charles Schwab for more information and disclosures. 2. Based on the 7-Day Yield as of October 25, 2022; see Money Fund Yields | Taxable & Tax Exempt | Schwab Money Funds (schwabassetmanagement.com) for more information and disclosures. 3. Yields for 1-month and 1-year Treasuries as of October 25, 2022.
We are on track to begin the Ameritrade client conversion as soon as February 2023.

Building the future of modern wealth management

- Leading trading and investing experiences
- Value-oriented pricing
- Exceptional service
- Comprehensive advisory and lending solutions
- Satisfaction Guarantee

Total Integration Spend

$2.4B to $2.5B

~10% increase¹ to anticipated total spend primarily attributable to:

- Inflationary pressures
- Software development costs

Annual Expense Synergy Target

$1.8B to $2.0B

Set to achieve the vast majority of remaining synergies by the end of 2024

We will prioritize client experience across all conversion groups.

Note: B = Billions. ¹ Relative to integration spend provided during the Spring Business Update on April 22, 2021.

Charles Schwab Corporation
Schwab remains well-positioned to capitalize on key opportunities across our strategic focus areas.

**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

Note: RIA = Registered Investment Advisor.
Schwab remains well-positioned to capitalize on key opportunities across our strategic focus areas.

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- Advance integration efforts
- Continue to make it easier for clients to ‘do business’ with us
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Note: RIA = Registered Investment Advisor.
Schwab remains well-positioned to capitalize on key opportunities across our strategic focus areas.

Deliver a continuum of wealth management experiences

Schwab Wealth Advisory™

$2.6B

3Q22 Net Flows

Schwab Advisor Network®

$5.2B

3Q22 Net Flows

Clients continue to turn to our wealth solutions for help and guidance.

Note: B = Billions. Q = Quarter.
Schwab remains well-positioned to capitalize on key opportunities across our strategic focus areas.

Expand lending activity and capabilities

Bank Loan Growth ($B, %)

- $31 to $40: 28% growth
- PAL®: $11 to $15: 31% growth

“No trade-offs” approach to lending

- Attractive Rates
- Enhanced Digital Experience
- Tailored Service Model

With utilization at ~2% of our client base, we have plenty of opportunity ahead of us.

Further enhancements to our lending program position us to drive incremental utilization.

Note: B = Billions. PAL® = Pledged Asset Line®. HELOC = Home Equity Line of Credit.
Schwab remains well-positioned to capitalize on key opportunities across our strategic focus areas.

Provide tailored solutions and experiences for RIAs

Institutional No Transaction Fee (INTF) Mutual Funds

- Direct, one-stop access
- Frequently selected institutional funds
- Available to RIAs at Schwab & TDAI

$0 Transaction Fees
900+ Institutional Funds
16 Third-party asset managers

Note: RIA = Registered Investment Advisor. TDAI = TD Ameritrade Institutional.
Our “Through Clients’ Eyes” strategy drives sustained business momentum.

- Investors continued to turn to Schwab, remaining engaged in the midst of economic uncertainty and extended market weakness.

- Challenging environments reinforce the importance of advancing our three strategic priorities: scale and efficiency, win-win monetization, and segmentation – including finalizing preparations to begin the Ameritrade conversion next year.

- We believe our strategic focus and disciplined execution will deliver long-term success – as we further enhance our modern wealth management experience for clients and build value for stockholders through growth and capital return.
Financial Update

Peter Crawford
Chief Financial Officer
During the third quarter, our “all-weather” model delivered spectacular results.

- We converted robust asset gathering, healthy client engagement, and higher rates into **record financial performance**

- Diligent balance sheet and liquidity management enables us to navigate a rapidly evolving environment while bolstering Schwab’s **growth plus capital return** story

- The **durability of our financial model** over time gives us confidence that we remain well-positioned to continue delivering value to owners 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
Sustained business momentum through an increasingly challenging environment...

### 3Q22 vs. 2Q22

<table>
<thead>
<tr>
<th>Category</th>
<th>2Q22</th>
<th>% Change</th>
<th>3Q22</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity Markets (S&amp;P 500®)</td>
<td>3,586</td>
<td>5%</td>
<td>3,586</td>
<td>5%</td>
</tr>
<tr>
<td>Daily Average Trades</td>
<td>5.5M</td>
<td>11%</td>
<td>5.5M</td>
<td>11%</td>
</tr>
<tr>
<td>Average 5-year Treasury Yield¹</td>
<td>3.23%</td>
<td>28 bps</td>
<td>3.51%</td>
<td>28 bps</td>
</tr>
<tr>
<td>Client Margin Balances, EOP</td>
<td>$71.5B</td>
<td>3%</td>
<td>$70.5B</td>
<td>3%</td>
</tr>
</tbody>
</table>

### Sept. YTD 2022

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core NNA ($B)</td>
<td>$299.3</td>
</tr>
<tr>
<td>New Brokerage Accounts (M)</td>
<td>3.1</td>
</tr>
</tbody>
</table>

Note: Q = Quarter, M = Millions, B = Billions, YTD = Year-to-date, NNA = Net new assets, Bps = Basis points, EOP = End of period, Y/Y = Year-over-year. ¹ 5-year Treasury Yield represents the daily average for 3Q22 and 2Q22, respectively.
...helped push Schwab’s third quarter financial performance to record levels.
While the balance sheet contracted 5% year-over-year, we sustained robust capital and liquidity levels.

<table>
<thead>
<tr>
<th>($M, EOP)</th>
<th>3Q21</th>
<th>2Q22</th>
<th>3Q22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>$607,548</td>
<td>$637,557</td>
<td>$577,563</td>
</tr>
<tr>
<td>Bank Deposits</td>
<td>$395,275</td>
<td>$442,003</td>
<td>$395,715</td>
</tr>
<tr>
<td>Payables to Brokerage Clients</td>
<td>$113,052</td>
<td>$114,880</td>
<td>$110,012</td>
</tr>
<tr>
<td>Stockholders' Equity</td>
<td>$57,442</td>
<td>$44,513</td>
<td>$37,041</td>
</tr>
<tr>
<td>Parent Liquidity</td>
<td>$10,101</td>
<td>$10,341</td>
<td>$10,794</td>
</tr>
<tr>
<td>Tier 1 Leverage Ratio*</td>
<td>6.3%</td>
<td>6.4%</td>
<td>6.8%</td>
</tr>
</tbody>
</table>

- Bank deposits were flat versus the prior year, and down 10% quarter-over-quarter, due to expected client cash sorting and continued net buying activity
- The combination of incremental AOCI impact, share repurchases, and the announced redemption of our Series A preferred pushed Stockholders’ Equity down sequentially
- Quarter-end “spot” Tier 1 Leverage Ratio was approximately 7.1%¹, which is above our long-term operating objective of 6.50%-6.75%

Note: * Preliminary. Q = Quarter. M = Millions. EOP = End-of-period. AOCI = Accumulated other comprehensive income. Parent Liquidity equals Parent Working Capital plus Level 1 Securities (at fair market value) as defined by the Liquidity Coverage Ratio rule. Tier 1 Leverage Ratio is based on Tier 1 Capital, which is End of Period Capital (Stockholders’ Equity less AOCI and other regulatory adjustments), divided by Average Total Consolidated Assets. ¹. The preliminary “spot” Tier 1 Leverage Ratio is calculated using EOP figures as of September 30, 2022.
We expect to continue benefitting from higher rates, supporting our **growth plus capital return** story.

### 4Q22 / FY 2022

- Assuming the market’s forward rate expectations as of early October, we’d anticipate delivering full year revenue growth between 11%–13%
  - Q4 NIM could expand into the mid-210 bps zone
  - Anticipate **NIR to reach $3 billion in Q4** even as deposits decline from the prior quarter, and we allow for limited FHLB utilization
- Despite an inflationary environment, ongoing expense discipline is helping us stay well within our full-year spending plan of 7%–8% growth on an adjusted basis

### 2023 and Beyond

- Continue to believe the overall magnitude of sorting is unlikely to exceed our experience through the prior cycle and we have ample sources of liquidity
- Under the current forward curve, we could see **NIM rising above 2.50% by the end of 2023** – with further expansion **beyond 3.00% during the back half of 2025**
- We expect to **continue opportunistic return of excess capital** via share repurchases and/or the redemption of preferred stock (as appropriate)

---

Note: Bps = basis points. Q = Quarter. FY = Full year. NIM = Net interest margin. NIR = Net interest revenue. FHLB = Federal Home Loan Bank. 1. Further detail on non-GAAP financial measures and a reconciliation of such measures to reported results are included on slides 42–46 of this presentation.
We continue to believe the magnitude of sorting will be similar to our experience during prior cycles.

<table>
<thead>
<tr>
<th>Observation</th>
<th>Support</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pace</strong></td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>Bank sweep deposit betas have minimal influence over the pace of sorting</td>
</tr>
<tr>
<td></td>
<td>- Pace of sorting is driven by available yield on investment cash alternatives</td>
</tr>
<tr>
<td></td>
<td>- During the last rising rate cycle, clients in sweep money funds behaved similarly to those in bank sweep</td>
</tr>
<tr>
<td>B</td>
<td>Sorting ‘burns out’ through the cycle</td>
</tr>
<tr>
<td></td>
<td>- Sorting decelerates – or reverses – as you move past peak rates, and can be offset by organic cash increases</td>
</tr>
<tr>
<td><strong>Magnitude</strong></td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>Clients continue to utilize transactional cash, regardless of rates</td>
</tr>
<tr>
<td></td>
<td>- Through past cycles, we have observed that most sweep cash tends to find its level</td>
</tr>
<tr>
<td>D</td>
<td>Higher cash balance accounts are the most yield sensitive</td>
</tr>
<tr>
<td></td>
<td>- Accounts with $1M+ in cash have accounted for ~75% of cycle-to-date sorting</td>
</tr>
<tr>
<td>E</td>
<td>A growing portion of our client base is less prone to sorting</td>
</tr>
<tr>
<td></td>
<td>- Since 2020, we have added ~4 million new-to-firm Retail HHs</td>
</tr>
<tr>
<td></td>
<td>- Trading oriented and HHs with &lt;$250K in total assets represented the vast majority of that growth¹</td>
</tr>
<tr>
<td></td>
<td>- As of 9/30, this group currently represents more than 60% of Retail cash on the balance sheet</td>
</tr>
</tbody>
</table>

Note: additional support materials on slides 31–34 in the Appendix
We have access to various sources of liquidity to help facilitate client cash allocation decisions.

1. **Organic**
   - Existing Cash on Hand
   - Cash via NNA
   - Portfolio Cashflows
     - Coupon Payments
     - Portfolio Maturities
   - Estimated Cashflows Through 2023: $100 – $150B

2. **Supplemental**
   - Retail Certificate of Deposit
   - FHLB Advances
   - Wholesale Funding
     - CDs, Repo
   - Potential Capacity Through 2023: $100 – $150B

3. **Other**
   - AFS Security Sales
     - Portfolio only consists of Level 1 and Level 2 assets

Note: B = Billions. NNA = Net new assets. FHLB = Federal Home Loan Bank. HQLA = High-quality liquid assets. CP = Commercial Paper. CDs = Certificates of Deposit. AFS = Available for Sale. Repo = Repurchase Agreements.

We expect to prioritize organic, and then supplemental, sources to navigate through client cash sorting.

89% of our bank portfolio investments are Level 1 and/or Level 2 securities.
Using current rate expectations, we could see our net interest margin exceeding 3.00% by the end of 2025.

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

- 3Q22: 1.97%
- 2022E: 3.25%
- 2023E: 4.75%
- 2024E: 4.00%

**Select Assumptions**
- Forward curve as of early Oct.
- Cash sorting ends during 2023
- Deposit betas remain in-line with expectations
- Utilize select amounts of supplemental funding during 2023 (e.g., FHLB and/or Retail CD)

**Note:** NIM = Net interest margin. CD = Certificates of Deposit. FHLB = Federal Home Loan Bank.
We initiated meaningful return of excess capital for the first time in over two years.

**Consolidated Tier 1 Leverage Ratio, %**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>7.1%</td>
<td>7.2%</td>
<td>7.6%</td>
<td>7.1%</td>
<td>7.3%</td>
<td>6.3%</td>
<td>6.2%</td>
<td>6.8%</td>
</tr>
</tbody>
</table>

- **Regulatory Minimum = 4%**
- **Current Operating Objective** (6.50%-6.75%)

**Capital Management Priorities**

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

**Note:**
- BDA = Bank deposit account. M = Millions. B = Billions. YTD = Year to date. 1. Preferred Redemptions include Series A and Series E, which have been announced, but not yet redeemed. Redemption will occur on November 1, 2022 for Series A ($400M) and December 1, 2022 for Series E ($600M). 2. Per CFO Comment included within August SMART release on September 14, 2022, Operating Objective moved to 6.50% - 6.75%.

Charles Schwab Corporation
Schwab’s “through the cycle” financial formula has delivered over the past two decades.

**Financial Formula: 2002 – 2022E**

- **Client Asset Growth**
  - ~12%
  - Compound Annual Growth Rate

- **Revenue Growth**
  - ~8%
  - Compound Annual Growth Rate

- **Pre-tax Profit Margin**
  - 2002: 6.3%
  - 3Q22: 48.7%
  - GAAP Adjusted: 53.3%

- **GAAP Diluted EPS**
  - ~21%
  - Compound Annual Growth Rate

**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

---

Note: EPS = Earnings Per Share. GAAP = Generally Accepted Accounting Principles. 1. Calculated from December 31, 2002 to September 30, 2022. 2. Calculated from full year 2002 to annualized full year 2022.

Further detail on non-GAAP financial measures and a reconciliation of such measures to reported results are included on slides 42-46 of this presentation.
During the third quarter, our “all-weather” model delivered spectacular results.

- We converted robust asset gathering, healthy client engagement, and higher rates into **record financial performance**

- Diligent balance sheet and liquidity management enables us to navigate a rapidly evolving environment while bolstering Schwab’s **growth plus capital return** story

- The **durability of our financial model** over time gives us confidence that we remain well-positioned to continue delivering value to owners 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**
## Appendix
Underlying Full Year 2022 Scenario Assumptions (as of September 30, 2022)

<table>
<thead>
<tr>
<th>Macro Factors</th>
<th>Business Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Short Rates</strong></td>
<td><strong>DATs</strong> 6.1M for full year 2022</td>
</tr>
<tr>
<td>Fed Funds finishes FY 2022 at 4.50%</td>
<td><strong>Securities Lending</strong> Rebate revenues soften from 1H22 levels</td>
</tr>
<tr>
<td><strong>Long Rates</strong></td>
<td><strong>Bal. Sheet Positioning</strong> Margin balances remain flat relative to 3Q22 EOP levels; investment strategy continues to prioritize flexibility / liquidity</td>
</tr>
<tr>
<td>Avg. 5-year UST for 2022 of ~3.00%</td>
<td><strong>Bal. Sheet Decline</strong> December 2022 average IEA decline by 8% – 12% versus the December 2021 average</td>
</tr>
<tr>
<td><strong>S&amp;P 500®</strong></td>
<td><strong>Capex</strong> Running at 4%-5% of total revenues</td>
</tr>
<tr>
<td>Down ~22% versus 12/31/21 close</td>
<td></td>
</tr>
</tbody>
</table>

Appendix
Select Revenue Sensitivities (as of September 30, 2022)

Target Fed Funds Rate +/- 25 bps
~$350M – $550M

5-Year Treasury +/- 10 bps
~$90M

Bank Sweep Balances +/- $1B
~$30M

S&P 500® +/- 1%
~$25M

Daily Average Trades +/- 100K
~$60M

Margin Balances +/- $1B
~$50M

Note: Bps = Basis points. B = Billions. M = Millions. K = Thousands. For the Fed Funds and Treasury sensitivities, assumes static interest-earning asset balances as of September 30, 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 NIM drag.
Sorting ‘burns out’ through the cycle

Monthly Net Change in Uninvested Sweep Cash

Fed Funds Rate (Upper Bound)

2.50%

2.25%

2.00%

Outflows from uninvested cash decreased at the plateau rate

Fed eases rates with consecutive 25 bps cuts at the July and September meetings

Sorting decelerates – or reverses - as you move past peak rates, and can be offset by organic cash increases

Note: Uninvested Sweep Cash = Schwab One®, Bank Sweep, other balance sheet cash, and sweep money market funds.
Uninvested Sweep Cash as a % of Total Client Assets is currently 1% above the lowest point since 1Q04.

Note: Q = Quarter. Uninvested Sweep Cash = Schwab One®, Bank Sweep, other balance sheet cash, and sweep money market funds; excludes off-balance sheet BDA balances. 1. Includes appropriate Ameritrade client balances from the acquisition closing date of October 6, 2020 forward.
We have experienced roughly half of the drawdown in total sweep cash we observed during the last rising rate cycle.

Clients continue to utilize transactional cash, regardless of rates.

Uninvested Sweep Cash Balances, 1Q16 – 3Q22 ($B)

Note: Q = Quarter. Uninvested Sweep Cash = Schwab One®, Bank Sweep, other balance sheet cash, and sweep money market funds; excludes off-balance sheet BDA balances. 1. Includes appropriate Ameritrade client balances from the acquisition closing date of October 6, 2020 forward. 2. Current cycle represents period from 4/30/22 to 9/30/22.
A growing portion of our client base is less prone to sorting.

Select Retail Client Demographics

Since the end of 2020, trading oriented accounts have accounted for the vast majority of NTF HHs.

Retail client cash represents the majority of total client cash.

The majority of Retail client cash is concentrated in trading oriented and/or smaller balance accounts.

Appendix

Historical Net Interest Margin Trends (as of September 30, 2022)

Net Interest Margin: 4Q03 – 3Q22 (%)

- Fed Funds Rate

Select Considerations

- Investment Yields and ALM Parameters
- Interest-Earning Asset Mix and Growth
- Securities Lending

Note: Q = Quarter. US Federal Funds Target Rate data from FactSet. ALM = Asset and Liability Management.
Appendix
Historical Client Cash Trends (as of September 30, 2022)

Select Client Cash Metrics, 1Q14 – 3Q22 ($K, %)

- Cash as % total client assets
- Cash per brokerage account ($K)

Note: K = Thousands. B = Billions. Q = Quarter. TDA = TD Ameritrade. 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.

Total Client Cash Mix, 3Q22 (%)^1, 2

- $856B
- 54% Other Balance Sheet Cash
- 16% BDA
- 12% Sweep MMFs
- 3% Purchased MMFs
- 5% Checking, Savings & Other

TDA acquisition closes in 4Q20

Historical Client Cash Trends (as of September 30, 2022)
Appendix
Average Interest-earning Assets & Bank Investment Portfolio (as of September 30, 2022)

3Q22 Avg. Interest-earning Assets (%)1, 2

Lending Activities 19%
Cash & Equiv. 8%
Other IEA 9%
Bank Investment Portfolio 63%

$587.0B

Bank Investment Portfolio Spotlight

Fixed vs. Floating
93% Fixed / 7% Floating

Securities Mix3

Agency RMBS 56%
Agency CMBS 23%
Other 21%

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

Duration Analysis4

~4.0 Portfolio Duration (Years)
Rate Shock (bps)
+100 SCHW 0.12 yrs.
-100 LUMSTRUU5 -0.22 yrs.

Rate shock analysis is presented on an option-adjusted basis as of September 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.

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, ABS, and other investment securities as appropriate. 4. Rate shock analysis is presented on an option-adjusted basis as of September 2022.
We have focused on buying securities with relatively stable cash flows, including less likelihood of slower paydowns in a rising rate environment.
**Appendix**

**Reinvestment Opportunities (as of September 30, 2022)**

---

**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>~3.15%</td>
<td>~4.65%</td>
<td>~5.20%</td>
<td>~5.30%</td>
</tr>
<tr>
<td>1-yr Fwd¹</td>
<td>~4.90%</td>
<td>~4.52%</td>
<td>~5.00%</td>
<td>~5.17%</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 +75
- **Fixed:** 5.00%–5.25%

---

**Going forward, we are prioritizing flexibility and liquidity to efficiently accommodate client cash allocation decisions**

---

*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 October 20, 2022. ² Illustrative durations shown on an option-adjusted basis.*
Appendix
Bank Deposit Account Summary (as of September 30, 2022)

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

<table>
<thead>
<tr>
<th>Year</th>
<th>BDA Balances $B</th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>$117.1</td>
<td>(79%)</td>
</tr>
<tr>
<td>Year 2</td>
<td>$31.0</td>
<td>(21%)</td>
</tr>
</tbody>
</table>

Total Balance: $139.6B | Net Rate\(^2\): 1.27% | Annual Revenue\(^3\): $1,797.8M

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 early October 2022 and includes all related fees and client pay rates. 3. Revenue figures presented on an annualized run-rate basis per the amended Insured Deposit Agreement (IDA) arrangement.
Appendix
Select Trading Information (as of September 30, 2022)

Monthly DATs (M)

- Sept-21: 5.5
- Sept-22: 5.7

Futures as % Derivatives Trading

- 3Q21: 9% Derivatives as a % Total Trading Volume
  - Futures: 23%
- 2Q22: 13%
  - Futures: 22%
- 3Q22: 13%
  - Futures: 24%

Quarterly DAT Mix (%)

- 3Q22:
  - Retail: 78%
  - AS: 22%

Monthly Average Contracts per Option Trade

- Sept-21: 8.2
- Sept-22: 7.9

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 is indicative of the Company’s underlying operating performance.</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 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.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total expenses excluding interest (GAAP), Net income (GAAP)</strong></td>
<td>$2,823</td>
<td>$2,020</td>
<td>$2,819</td>
<td>$1,793</td>
<td>$2,833</td>
</tr>
<tr>
<td>Acquisition and integration-related costs (1)</td>
<td>(101)</td>
<td>101</td>
<td>(94)</td>
<td>94</td>
<td>(96)</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>(152)</td>
<td>152</td>
<td>(154)</td>
<td>154</td>
<td>(154)</td>
</tr>
<tr>
<td>Income tax effects (2)</td>
<td>N/A</td>
<td>(62)</td>
<td>N/A</td>
<td>(60)</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Adjusted total expenses (Non-GAAP), Adjusted net income (Non-GAAP)</strong></td>
<td>$2,570</td>
<td>$2,211</td>
<td>$2,571</td>
<td>$1,981</td>
<td>$2,583</td>
</tr>
</tbody>
</table>
## 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>September 30, 2022</th>
<th>June 30, 2022</th>
<th>March 31, 2022</th>
<th>December 31, 2021</th>
<th>September 30, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income before taxes on income (GAAP), Pre-tax profit margin (GAAP)</strong></td>
<td>$2,677</td>
<td>48.7%</td>
<td>$2,274</td>
<td>44.6%</td>
<td>$1,839</td>
</tr>
<tr>
<td>Acquisition and integration-related costs</td>
<td>101</td>
<td>1.8%</td>
<td>94</td>
<td>1.8%</td>
<td>96</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>152</td>
<td>2.8%</td>
<td>154</td>
<td>3.1%</td>
<td>154</td>
</tr>
<tr>
<td><strong>Adjusted income before taxes on income (Non-GAAP), Adjusted pre-tax profit margin (Non-GAAP)</strong></td>
<td>$2,930</td>
<td>53.3%</td>
<td>$2,522</td>
<td>49.5%</td>
<td>$2,089</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>September 30, 2022</th>
<th>June 30, 2022</th>
<th>March 31, 2022</th>
<th>December 31, 2021</th>
<th>September 30, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net income available to common stockholders (GAAP), Earnings per common share — diluted (GAAP)</strong></td>
<td>$1,884</td>
<td>$.99</td>
<td>$1,652</td>
<td>$.87</td>
<td>$1,278</td>
</tr>
<tr>
<td>Acquisition and integration-related costs</td>
<td>101</td>
<td>.05</td>
<td>94</td>
<td>.05</td>
<td>96</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>152</td>
<td>.08</td>
<td>154</td>
<td>.08</td>
<td>154</td>
</tr>
<tr>
<td>Income tax effects</td>
<td>(62)</td>
<td>(.02)</td>
<td>(60)</td>
<td>(.03)</td>
<td>(61)</td>
</tr>
<tr>
<td><strong>Adjusted net income available to common stockholders (Non-GAAP), Adjusted diluted EPS (Non-GAAP)</strong></td>
<td>$2,075</td>
<td>$1.10</td>
<td>$1,840</td>
<td>$.97</td>
<td>$1,467</td>
</tr>
</tbody>
</table>
Appendix

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

(In millions, except ratios and per share amounts)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Return on average common stockholders’ equity (GAAP)</strong></td>
<td>25%</td>
<td>19%</td>
<td>12%</td>
<td>12%</td>
<td>12%</td>
</tr>
<tr>
<td><strong>Average common stockholders’ equity</strong></td>
<td>$30,282</td>
<td>$35,611</td>
<td>$41,856</td>
<td>$46,898</td>
<td>$47,492</td>
</tr>
<tr>
<td>Less: <strong>Average goodwill</strong></td>
<td>(11,951)</td>
<td>(11,952)</td>
<td>(11,952)</td>
<td>(11,952)</td>
<td>(11,952)</td>
</tr>
<tr>
<td>Less: <strong>Average acquired intangible assets — net</strong></td>
<td>(8,999)</td>
<td>(9,151)</td>
<td>(9,303)</td>
<td>(9,456)</td>
<td>(9,609)</td>
</tr>
<tr>
<td>Plus: <strong>Average deferred tax liabilities related to goodwill and acquired intangible assets — net</strong></td>
<td>1,848</td>
<td>1,868</td>
<td>1,886</td>
<td>1,889</td>
<td>1,895</td>
</tr>
<tr>
<td><strong>Average tangible common equity</strong></td>
<td>$11,180</td>
<td>$16,376</td>
<td>$22,487</td>
<td>$27,379</td>
<td>$27,826</td>
</tr>
<tr>
<td><strong>Adjusted net income available to common stockholders</strong></td>
<td>$2,075</td>
<td>$1,840</td>
<td>$1,467</td>
<td>$1,644</td>
<td>$1,602</td>
</tr>
<tr>
<td><strong>Return on tangible common equity (Non-GAAP)</strong></td>
<td>74%</td>
<td>45%</td>
<td>26%</td>
<td>24%</td>
<td>23%</td>
</tr>
</tbody>
</table>

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

October 27, 2022