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,” “ongoing,” “illustrative,” “opportunity,” “formula,” “expand,” “drive,” “deliver,” “on track,” “achieve,” “bolster,” “consistent,” “position,” “gain,” “plan,” “intent,” “ability,” “diminish,” “improve,” “increase,” and other similar expressions.

These forward-looking statements relate to: the company’s strategy and approach; business momentum; positioning; the integration of Ameritrade, including current expectations regarding the timing of client transitions, and the amount and timing of expense and revenue synergies; key strategic initiatives to add scale and efficiency, win-win monetization, and client segmentation; expense growth; market share; stockholder returns; liquidity, including organic sources, and access to, utilization of, and impact from using, supplemental, higher cost funding sources; capital; investment portfolio; growth in the client base, client accounts, and assets; growth and financial models; held-to-maturity portfolio; client cash realignment, including pace and magnitude; credit risk; growth in revenues, earnings, and profits; capital return; net interest margin; opportunities; investments in people, technology, and platforms to fuel and support growth, serve clients, and drive scale and efficiency; Tier 1 Leverage Ratio operating objective; second quarter revenue; financial outlook; balancing reinvesting for growth with delivering near-term results; navigation of potential legislative or regulatory changes; Ameritrade client wallet share parity; client use of the company’s wealth management, advisory and lending solutions; estimated impact from revenue sensitivities; 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 attract and retain clients and RIAs and grow those relationships and associated client assets; 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 Ameritrade client wallet share; 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; integration related and other technology projects; compensation; client cash allocation decisions; general market conditions, including equity valuations and the level of interest rates; competitive pressures on pricing; the company’s ability to support client activity levels and attract and retain talent; client sensitivity to rates; the level of client assets, including cash balances; the company’s ability to monetize client assets; the level and mix of client trading activity; market volatility; capital and liquidity needs and management; the company’s ability to manage expenses; the migration of bank deposit account balances; 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 or changed legislation or regulation.

The information in this presentation speaks only as of April 17, 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
Our clients continue to see Schwab as a trusted partner and safe port in a storm.

- Schwab achieved **robust growth and sustained business momentum during the first quarter** despite banking industry turmoil and a concerted effort by shorts to confuse investors.

- We followed our consistent, long-term approach of conservative operating and financial management, positioning us to **emerge stronger and even better positioned to meet the needs of investors and the advisors who serve them**.

- Our “Through Clients’ Eyes” strategy, the successful integration of Ameritrade, the advancement of our key strategic initiatives, and our discipline around operating expenses all support our **ability to gain share and deliver attractive “through the cycle” returns** for stockholders.
The first quarter was a challenging time, reflected in negative investor sentiment, ongoing interest rate hikes, and regional banking turmoil,...

### Q1 2023

#### Bond Markets

- **Fed Funds**: 4.75% – 5.00% (+50 bps)
- **5-year UST**: 3.60% (-39 bps)
- **10-year UST**: 3.48% (-40 bps)

#### Equity Markets

- **S&P 500®**: 4,109 (+7%)
- **NASDAQ® Composite**: 12,222 (+17%)

#### AAII® Bull-Bear Spread Sentiment Survey

Note: Q = Quarter. Bps = Basis points. UST = U.S. Treasury. 1. Fed Funds Target, 5-year UST and 10-year UST sourced via U.S. Department of Treasury. 2. Index returns sourced via Factset. 3. 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).
yet investors entrusted us with a near-record level of net new assets – including over $50 billion in March.

Q1 2023

$132B Core Net New Assets

The pace of our strong asset gathering accelerated throughout the first quarter

Organic Core NNA Growth Rates

We have grown through a wide range of environments

Note: Q = Quarter. B = Billion. NNA = Net New Assets. 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, and activity from off-platform Schwab Bank Certificates of Deposit. These flows may span multiple reporting periods.
Clients continued to illustrate their confidence in Schwab and their understanding that short-term stock price volatility is not a reflection of the strength of our client services.

Q1 2023

1.0M
New Brokerage Accounts

66
Investor Services Client Promoter Score

5.9M
Daily Average Trades

+$8.9B
Net Advised Flows

Despite the noise from shorts, the press, and certain competitors, the facts are clear. We continue to operate from a position of strength and remain confident in our long-term future.

**Significant liquidity** derived from a wide range of sources

**Capital well in excess** of regulatory requirements and strong, ongoing organic formation

Industry **leading percentage of bank deposits FDIC insured** and diversified across an enormous client base

**Assets conservatively and consistently managed**, comprised of high-quality, liquid securities

Our **ability to deliver for long-term stockholders** is firmly intact

---

We have a 50-year track record of success serving clients, conservative management, and delivering for long-term stockholders

---

Note: FDIC = Federal Deposit Insurance Corporation.
Significant liquidity derived from a wide range of sources

- While we do not see a feasible scenario where we might need it, in aggregate, we estimate having access to well over $300 billion in additional liquidity – without needing to sell a single security

- Approximately $100 billion in organic liquidity from cash on hand, principal and interest payments from our investment portfolio, and net new assets we anticipate gathering over the next twelve months

- We plan for periods of increased liquidity needs by reserving our CD and FHLB capacity

- Retail CDs, FHLB advances, and other short-term borrowings provide temporary supplemental funding, with a preference toward retail CDs

- Access to other facilities, that we are not currently planning to utilize

Note: CD = Certificate of Deposit. FHLB = Federal Home Loan Bank.
Capital well in excess of regulatory requirements and strong, ongoing organic formation

- Our consolidated **Tier 1 Leverage Ratio of 7.1% is well above current regulatory minimums**

- If capital requirements evolve, there is a **clear path to building incremental capital** from regular operations:
  1. Organic capital formation from our highly **profitable growth model**:  
     - 32 consecutive quarters with a GAAP pre-tax margin of 35% or greater  
     - 10 consecutive quarters with a non-GAAP pre-tax margin of 40% or greater\(^1\)
  2. Unrealized fair value **marks decrease as our fixed rate investments approach maturity**:  
     - Consistent with our historical approach, we have the intent and ability to hold investment securities to maturity  
     - Currently expect roughly one-third of the marks to accrete back to equity over the next 18 months

Note: GAAP = Generally accepted accounting principles. 1. Further detail on non-GAAP financial measures and a reconciliation of such measures to reported results are included on slides 34-38 of this presentation.
Industry **leading percentage of bank deposits FDIC insured** and diversified across an enormous client base

- As of quarter-end, **~86% of our bank deposits were within FDIC insurance limits**

- Client bank deposits primarily originate from our **large, diverse brokerage client base:**
  - 34.1 million accounts spread across individual investors and the advisors who serve them
  - Top 10 RIAs represent approximately 2% of Bank Sweep cash, with average Bank Sweep cash per account less than $13K

**Note:** K = Thousand. FDIC = Federal Deposit Insurance Corporation. RIA = Registered Investment Advisor.
Industry **leading percentage of bank deposits FDIC insured and diversified across an enormous client base**

- As we encourage clients to realign their investment cash allocations, the **assets stay at Schwab**.
- **Transactional cash levels** have historically remained relatively consistent across different rate environments.
- Transactional cash balances have **retraced back to pre-March 2020 levels**.
- Adjusting for modestly increased cash movements during one week of March, the pace of **March realignment activity was below February**.

![Graph showing Transactional Cash Balance Trends ($K, %)]

Note: K = Thousand, B = Billion. FDIC = Federal Deposit Insurance Corporation. TCA = Total Client Assets. PMMF = Purchased Money Market Fund. CD = Certificate of Deposit. 1. Transactional cash = Schwab One®, Bank Sweep, other balance sheet cash, and sweep money market funds; excludes off-balance sheet BDA balances. Includes appropriate Ameritrade client balances from the acquisition closing date of October 6, 2020, forward. 2. Includes Schwab CDs as well as third-party CDs distributed off-platform.
Assets conservatively and consistently managed, comprised of high-quality, liquid securities

- We have deployed cash balances beyond client demand for lending solutions into high-quality, liquid investment securities or cash reserves.

- By design, we do not take meaningful credit risk on the balance sheet.

- We do not attempt to guess or make timing bets on interest rate movement.

- We did not extend our portfolio duration outside our normal range (2.75 – 4.00 years) during the pandemic-driven ZIRP period, while overall asset duration stayed around 2.5 years.

- While we do not guess interest rate movements, we did build liquidity ahead of the current tightening cycle – increasing cash on hand by over $60B.

**Loan-to-deposit Ratio**

\~12%

**Realized Loan Losses**

<0.25%

**% securities portfolio backed by U.S. government or agency**

85–90%

Note: B = Billion. ZIRP = Zero Interest Rate Policy. 1. Represents net charge-offs as a percentage of loan balances since 2003. 2. Includes cash (e.g., excess reserves and short-term commercial paper). 3. As of March 31, 2023.
Our ability to **deliver for long-term stockholders** is firmly intact.

Near-term revenue headwinds from higher funding costs will diminish over the next seven quarters, while growth **plus** capital return reasserts itself.

---

**Client Asset Growth**

Our client-centric strategy delivers strong organic growth through any economic environment,...

**Balance Sheet Cash**

...early signs show cash realignment appearing to moderate and end sometime in 2023,...

**Net Interest Margin**

...allowing temporary, higher cost of funding to roll-off during 2023 and 2024,...

**Expense Growth Rate**

...and the completion of the Ameritrade integration will lead to substantial expense reduction opportunities.

**Earnings Growth**

---

We will continue to invest in key strategic initiatives, while exhibiting strong expense discipline, which we expect to bolster pre-tax margins back in-line with recent quarters.
Financial Perspectives

Peter Crawford
Managing Director, Chief Financial Officer
1Q23 results reflect our sustained business momentum through a challenging environment.

### Financial Performance

<table>
<thead>
<tr>
<th>Category</th>
<th>GAAP</th>
<th>Adjusted¹</th>
<th>Y/Y Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Revenue</td>
<td>$3.0B</td>
<td>$2.8B</td>
<td>10%</td>
</tr>
<tr>
<td>Expenses</td>
<td>$1.2B</td>
<td>$1.0B</td>
<td>7%</td>
</tr>
<tr>
<td>Pre-tax Profit Margin</td>
<td>41.2%</td>
<td>45.8%</td>
<td>1%</td>
</tr>
<tr>
<td>Earnings Per Share</td>
<td>$0.83</td>
<td>$0.93</td>
<td>21%</td>
</tr>
</tbody>
</table>

### Balance Sheet Highlights

- **Bank deposits** were down 11% versus year-end due to client cash realignment trends.
- The pace of average daily bank sweep flows in March were slower than the start of the year.
- **FHLB and short-term borrowings** increased by $36B sequentially; however, overall usage is still expected to remain temporary.
- **Stockholders’ equity** was flat versus 4Q22, including a slight improvement in AOCI as well as $3.8 billion in capital return throughout the quarter¹.
- Quarter-end “spot” **Tier 1 Leverage Ratio²** was approximately 7.1%, which is well above regulatory minimums and our long-term operating objective of 6.50%-6.75%.

Note: B = Billion. Q = Quarter. GAAP = Generally accepted accounting principles. Y/Y = Year over year. Adj. = Adjusted. FHLB = Federal Home Loan Bank. AOCI = Accumulated other comprehensive income. Further detail on non-GAAP financial measures and a reconciliation of such measures to reported results are included on slides 34-38 of this presentation. ¹ Total capital return = dividends declared + common stock repurchases + preferred stock repurchases. ² The preliminary quarter-end “spot” Tier 1 Leverage Ratio is calculated using EOP figures as of March 31, 2023.
Schwab’s long-term financial model of growth plus capital return remains firmly intact.

- Because client cash realignment and net securities purchases occurred at a historically rapid pace, we increased our use of supplemental higher cost funding sources:
  - Utilization of higher cost liabilities will still be temporary and, with a weighted tenor of less than 9 months, we expect most to be repaid as early as the end of 2024
  - While all other aspects of our financial model will remain intact, the impact of this higher cost of funding likely will cause 2Q23 total revenue to decline by mid-to-upper single digit percentage points year-over-year
- These near-term headwinds should not change our long-term margins, as under the current forward curve we could still see NIM steadily improving through 2024 – approaching 3.00% by the end of 2025
- We remain committed to expense discipline, while striking an appropriate balance between reinvesting for growth and delivering near-term results:
  - Plan to capture the remaining $500M - $600M in run-rate Ameritrade cost synergies during 2024
  - Plan to evaluate our overall expense base as the Ameritrade conversion is completed – continuing our multi-decade focus on seizing opportunities to drive down EOCA
- We believe the combination of our strong profit margins and the accretion of unrealized marks back to equity over time will allow us to navigate potential legislative or regulatory changes

Note: M = Million. Q = Quarter. NIM = Net Interest Margin. EOCA = Expense on client assets. Fed Funds forward curve as of 4/3/23.
Growth Opportunity

Rick Wurster
President
Schwab’s sustained business momentum was powered by our success with both individual investors and RIAs.

- **We are winning with clients on all fronts**, and remain well positioned to continue serving both new and existing clients.

- **We continue to be a leader** in serving retail and RIA clients in a growing marketplace.

- Executing on **key initiatives** within our strategic focus areas will further bolster our long-term growth.

### 1Q23 Segment Highlights

**Investor Services**

- $60B+
- +18%
- 56%
- Core Net New Assets
- Y/Y Increase in HNW Net New Assets
- % New To Firm Households < 40 years

**Advisor Services**

- $71B+
- 2.4x
- +30%
- Core Net New Assets
- TOA Ratio
- Y/Y Increase in Avg. Deal Size

Note: RIA = Registered Investment Advisor. HNW = High net worth. Q = Quarter. B = Billions. TOA = Transfer of Assets. Y/Y = Year-over-year. Avg. = Average. 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. Includes client households with at least $1 million in assets at the firm. 2. Represents Schwab Advisor Services only.
Our “no trade-offs” approach to serving clients has earned us industry accolades.

Ranked #1 Online Broker Overall

Awarded by Investor's Business Daily®

Ranked #1 in Investor Satisfaction with Full-Service Wealth Management Firms by J.D. Power 2023

Awarded by J.D. Power

One of the Fortune® Top 50 World’s Most Admired Companies™

Awarded by Fortune®

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We continued to advance our key strategic initiatives.

Select First Quarter Achievements

### Scale & Efficiency

- **~500K** client accounts were successfully converted in February, including a small number of RIAs
- Service teams achieved an average speed to answer of **~6 seconds**
- We remain **on track** to complete the integration during 1H24 and to achieve **$1.8B - $2.0B in run-rate expense synergies** by the end of 2024 with **approximately $500M - $600M remaining**

### Win–Win Monetization

- **$1.5B+** Net flows¹
  - Schwab Personalized Indexing™
  - Schwab Wealth Advisory™
  - **$3.2B+** Net flows¹
  - Personalization and digital capabilities
  - **NEW**

### Client Segmentation

- Leading provider of resources to **family wealth management firms** serving **ultra-high net worth clients**
- Resources include industry-wide **relationships, thought leadership, and technology** solutions

---

Note: K = Thousands. RIA = Registered Investment Advisor. 1H = First Half. B = Billions. M = Millions. NNA = Net New Assets. The Family Wealth Alliance, Inc. and Charles Schwab & Co., Inc. (Member FINRA/SIPC) are separate but affiliated companies and subsidiaries of the Charles Schwab Corporation. ¹ Flows figures are first quarter 2023 metrics.
Our long-term growth opportunities have the potential to unlock meaningful benefits for clients and stockholders.

<table>
<thead>
<tr>
<th>Increase Wallet Share</th>
<th>Retail client wallet share is ~1.5x² greater at Schwab than Ameritrade</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Achieving parity could yield $500B+ of incremental client assets</td>
</tr>
<tr>
<td></td>
<td>Continue to evolve Schwab's offer to RIAs by providing tailored solutions and experiences, including INTF and FWA</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Utilize Wealth Solutions</th>
<th>Schwab's full-service wealth management offering creates an opportunity for a higher penetration across advice and bank lending</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Each 1% increase in advice utilization is expected to drive $125M – $200M of incremental annual revenue³</td>
</tr>
<tr>
<td></td>
<td>Ready access to lending meets the needs of retail and RIAs at Ameritrade</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Enhance Trading Capabilities</th>
<th>Active traders are a highly engaged client segment that tend to have deeper relationships across the firm</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Introducing thinkorswim™ to Schwab clients, while continuing to invest in the overall experience, will help maintain a best-in-class offering for all traders</td>
</tr>
</tbody>
</table>

Note: B = Billions. M = Millions. RIA = Registered Investment Advisor. HH = Household. NNA = net new assets. INTF = Institutional No Transaction Fee mutual funds. FWA = The Family Wealth Alliance. 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. 3. Revenue based on fee-based advice solution revenue yield. 4. Wealth management revenue opportunity represents (a) incremental revenue from bank lending, assuming loans reach an industry benchmark of 3.5% of client assets (~$250B), and considering only the revenue incremental to investing an equivalent amount into our securities portfolio instead of bank lending at current rates; actual spreads can evolve based on a range of factors and (b) revenue based on fee-based advice solution revenue yield. 5. As of December 31, 2022.

$500B+  
Amerittrade share of wallet NNA opportunity¹

$3.5–4.0B+  
Wealth management revenue opportunity⁴

6.5X  
Average Trader HH NNA vs. retail HHs ex-trader⁵
Q&A
Our clients continue to see Schwab as a trusted partner and safe port in a storm.

- Schwab achieved **robust growth and sustained business momentum during the first quarter** despite banking industry turmoil and a concerted effort by shorts to confuse investors.

- We followed our consistent, long-term approach of conservative operating and financial management, positioning us to **emerge stronger and even better positioned to meet the needs of investors and the advisors who serve them**.

- Our “Through Clients’ Eyes” strategy, the successful integration of Ameritrade, the advancement of our key strategic initiatives, and our discipline around operating expenses all support our **ability to gain share and deliver attractive “through the cycle” returns** for stockholders.
Appendix
Appendix
Select Revenue Sensitivities (as of March 31, 2023)

- **Target Fed Funds Rate** +/- 25 bps: $200M – $400M
- **5-Year Treasury** +/- 10 bps: $75M
- **Bank Sweep Balances** +/- $1B: $50M
- **S&P 500®** +/- 1%: $20M
- **Daily Average Trades** +/- 100K: $60M
- **Margin Balances** +/- $1B: $75M

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 March 31, 2023 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%.
Appendix

Historical Client Cash Trends (as of March 31, 2023)

Select Client Cash Metrics, 1Q14 – 1Q23 ($K, %)

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

$32, $41, $26

12.7%, 15.1%, 11.6%

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.

Total Client Cash Mix, 1Q23 (%)

- Other Balance Sheet Cash: 39%
- Purchased MMFs: 39%
- Sweep MMFs: 12%
- BDA: 8%
- Checking, Savings & Other: 2%

$876B

Ameritrade acquisition closed in 4Q20

Historical Client Cash Trends (as of March 31, 2023)
Appendix
Average Interest-earning Assets & Bank Investment Portfolio (as of March 31, 2023)

1Q23 Avg. Interest-earning Assets (%)¹ ²

- Bank Investment Portfolio: 65%
- Lending Activities: 20%
- Other: 7%
- Cash & Equiv.: 8%

$504.6B

Bank Investment Portfolio Spotlight

- Fixed vs. Floating: 93% Fixed / 7% Floating
- Securities Mix³:
  - Agency RMBS: 56%
  - Agency CMBS: 23%
  - Other: 21%

- Duration Analysis⁴:
  - Portfolio Duration (Years): ~4.0
  - Rate Shock (bps):
    - SCHW: +100 years: 0.12 yrs., years: 0.10 yrs.
    - LUMSTRUU⁵: -100 years: 0.08 yrs., years: 0.05 yrs.

Note: Q = Quarter. B = Billions. Bps = Basis points. Avg. = Average. Yrs. = Years. IEA = Interest-earning assets. Cash & Equiv. = Cash and Equivalents. RMBS = Residential Mortgage-backed Security. CMBS = Commercial Mortgage-backed Security. U.S. = United States. 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 March 31, 2023. 5. LUMSTRUU is a Bloomberg Barclays index composed of investment grade pass-through MBS issued and/or guaranteed by a U.S. government agency.
Appendix

Securities Portfolio Duration Profile

**Option-adjusted Duration, Schwab vs. LUMSTRUU**¹
(Years)

Note: Q = Quarter. Option-adjusted 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 realignment trends.

Note: Fwd = Forward. U.S. = United States. MBS = Mortgage-backed security. IG = Investment grade. SOFR = Secured Overnight Financing Rate. 1. Illustrative future yields based on current market expectations as of mid-April 2023 2. Illustrative durations shown on an option-adjusted basis.
Appendix

Bank Deposit Account Summary (as of March 31, 2023)

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

- **$115.9**
  - **$9.0 (8%)**
  - **$106.8 (92%)**

**Net Rate** | **1Q23 Revenue**\(^4\)
--- | ---
Floating | 3.92% | $89M
Fixed | 0.59% | $158M

**BDA Balances by Maturity, EOP ($B)**

- **Total Balance**: $106.5B
- **Net Rate\(^2\)**: 0.68%
- **Annual Revenue\(^3\)**: $731.2M

**Fixed Maturities**: $104.26 (98% of total)\(^1\) | **Net Rate\(^2\)**: 0.60%

<table>
<thead>
<tr>
<th>Year</th>
<th>Balances</th>
<th>Net Rate</th>
<th>Annual Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Floating</td>
<td>$2.2</td>
<td>4.28%</td>
<td>$96M</td>
</tr>
<tr>
<td>Year 1</td>
<td>$20.2</td>
<td>1.41%</td>
<td>$288M</td>
</tr>
<tr>
<td>Year 2</td>
<td>$19.2</td>
<td>1.26%</td>
<td>$246M</td>
</tr>
<tr>
<td>Year 3</td>
<td>$21.9</td>
<td>-0.21%</td>
<td>($46M)</td>
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<tr>
<td>Year 4</td>
<td>$17.7</td>
<td>-0.19%</td>
<td>($33M)</td>
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<tr>
<td>Year 5</td>
<td>$18.0</td>
<td>0.25%</td>
<td>$46M</td>
</tr>
<tr>
<td>Year 6</td>
<td>$7.5</td>
<td>1.78%</td>
<td>$134M</td>
</tr>
<tr>
<td>Year 7</td>
<td>$0.0</td>
<td>0.00%</td>
<td>$0M</td>
</tr>
</tbody>
</table>

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 March 31, 2023; includes all related fees and client pay rates as of March 31, 2023. 3. Revenue figures presented on an annualized run-rate basis per the amended Insured Deposit Agreement (IDA) arrangement. 4. Excludes impact of one-time $97 million breakage fee.
Appendix

Select Trading Information (as of March 31, 2023)

Monthly DATs (M)

Futures as % Derivatives Trading

Quarterly DAT Mix (%)

Monthly Average Contracts per Option Trade

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

<table>
<thead>
<tr>
<th>(In millions, except ratios and per share amounts)</th>
<th>Total Expenses Excluding Interest</th>
<th>Net Income</th>
<th>Total Expenses Excluding Interest</th>
<th>Net Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total expenses excluding interest (GAAP), Net income (GAAP)</td>
<td>$3,006</td>
<td>$1,603</td>
<td>$2,833</td>
<td>$1,402</td>
</tr>
<tr>
<td>Acquisition and integration-related costs (1)</td>
<td>(98)</td>
<td>98</td>
<td>(96)</td>
<td>96</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>(135)</td>
<td>135</td>
<td>(154)</td>
<td>154</td>
</tr>
<tr>
<td>Income tax effects (2)</td>
<td>N/A</td>
<td>(56)</td>
<td>N/A</td>
<td>(61)</td>
</tr>
<tr>
<td>Adjusted total expenses (Non-GAAP), Adjusted net income (Non-GAAP)</td>
<td>$2,773</td>
<td>$1,780</td>
<td>$2,583</td>
<td>$1,591</td>
</tr>
</tbody>
</table>

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>Amount</th>
<th>% of Total Net Revenues</th>
<th>Amount</th>
<th>% of Total Net Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income before taxes on income (GAAP), Pre-tax profit margin (GAAP)</td>
<td>$ 2,110</td>
<td>41.2%</td>
<td>$ 1,839</td>
<td>39.4%</td>
</tr>
<tr>
<td>Acquisition and integration-related costs</td>
<td>98</td>
<td>1.9%</td>
<td>96</td>
<td>2.1%</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>135</td>
<td>2.7%</td>
<td>154</td>
<td>3.2%</td>
</tr>
<tr>
<td>Adjusted income before taxes on income (Non-GAAP), Adjusted pre-tax profit margin (Non-GAAP)</td>
<td>$ 2,343</td>
<td>45.8%</td>
<td>$ 2,089</td>
<td>44.7%</td>
</tr>
</tbody>
</table>
## Appendix

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

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 31, 2023</td>
</tr>
<tr>
<td>(In millions, except ratios and per share amounts)</td>
<td>Amount</td>
</tr>
<tr>
<td>Net income available to common stockholders (GAAP), Earnings per common share — diluted (GAAP)</td>
<td>$1,533</td>
</tr>
<tr>
<td>Acquisition and integration-related costs</td>
<td>98</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>135</td>
</tr>
<tr>
<td>Income tax effects</td>
<td>(56)</td>
</tr>
<tr>
<td>Adjusted net income available to common stockholders (Non-GAAP), Adjusted diluted EPS (Non-GAAP)</td>
<td>$1,710</td>
</tr>
</tbody>
</table>

Note: EPS = Earnings per share.
## Appendix

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

<table>
<thead>
<tr>
<th>(In millions, except ratios and per share amounts)</th>
<th>March 31, 2023</th>
<th>March 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on average common stockholders’ equity (GAAP)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average common stockholders’ equity</td>
<td>$ 27,028</td>
<td>$ 41,856</td>
</tr>
<tr>
<td>Less: Average goodwill</td>
<td>(11,951)</td>
<td>(11,952)</td>
</tr>
<tr>
<td>Less: Average acquired intangible assets – net</td>
<td>(8,724)</td>
<td>(9,303)</td>
</tr>
<tr>
<td>Plus: Average deferred tax liabilities related to goodwill and acquired intangible assets – net</td>
<td>1,842</td>
<td>1,886</td>
</tr>
<tr>
<td>Average tangible common equity</td>
<td>$ 8,195</td>
<td>$ 22,487</td>
</tr>
<tr>
<td>Adjusted net income available to common stockholders(^1)</td>
<td>$ 1,710</td>
<td>$ 1,467</td>
</tr>
<tr>
<td>Return on tangible common equity (Non-GAAP)</td>
<td>83%</td>
<td>26%</td>
</tr>
</tbody>
</table>

Note: 1. See table on slide 37 for the reconciliation of net income available to common stockholders to adjusted net income available to common stockholders (non-GAAP).