

Spring Business Update

April 15, 2024

charles
SCHWAB

CORPORATION

Forward Looking Statements

This presentation contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements include statements that refer to expectations, projections or other characterizations of future events or circumstances and are identified by words such as “believe,” “expect,” “will,” “may,” “should,” “could,” “continue,” “growth,” “remain,” “sustain,” “enhance,” “estimate,” “potential,” “build,” “anticipate,” “lead,” “advance,” “ongoing,” “illustrative,” “opportunity,” “goal,” “focus,” “priority,” “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; business momentum; diversified business and financial model; positioning and opportunities; the integration of Ameritrade, including the timing of client transitions, transition related attrition, the amount and timing of expense and revenue synergies, and the benefits of the combined platform; demand for the company’s wealth management, advisory and lending solutions; client satisfaction; meeting client needs and building relationships; growth in the client base, client accounts, and assets; key strategic initiatives; platform investment; expense discipline and process improvement; scale and efficiency and expense on client assets (EOCA); growth in revenues, earnings and profit margin; liquidity, including utilization and repayment of supplemental, higher cost funding sources; client transactional cash and realignment activity; margin utilization; credit risk; investment portfolio; net interest margin; balance sheet management; capital position; Tier 1 Leverage Ratio; revenue sensitivities; reinvestment criteria and yields; financial outlook; long term growth and earnings potential; and capital return.

These forward-looking statements reflect management’s beliefs, expectations and objectives as of today and are subject to risks and uncertainties that could cause actual results to differ materially. Important factors that may cause such differences are discussed in the company’s Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which have been filed with the Securities and Exchange Commission and are available on the company’s website (<https://www.aboutschwab.com/financial-reports>) and on the Securities and Exchange Commission’s website (www.sec.gov). These include: the risk that Ameritrade client transitions may not be completed when expected or may result in a negative 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, and integration expense may be higher than expected; the company’s ability to attract and retain clients and RIAs and grow those relationships and associated client assets; investor engagement and interest in the company’s products and services; the company’s ability to monetize client assets; competitive pressures on pricing; the company’s ability to support client activity levels; the level and mix of client trading activity; general economic and market conditions, including interest rates, equity valuations and volatility; client asset levels and cash balances; client sensitivity to interest rates; balance sheet positioning relative to changes in interest rates; loan growth; interest earning asset mix and growth; securities lending; margin balances; the migration of bank deposit account balances; capital and liquidity needs and management; the company’s ability to manage expenses; capital expenditures; adverse developments in litigation or regulatory matters and any charges associated with such matters; and any developments in legislation, regulation or regulatory guidance.

The information in this presentation speaks only as of April 15, 2024 (or such earlier date as may be specified herein). The company makes no commitment to update any forward-looking statements.

Strategic Update

Walt Bettinger

Co-Chairman of the Board and Chief Executive Officer

Rick Wurster

President

Powered by our “Through Clients’ Eyes” strategy, Schwab’s momentum increased throughout the first quarter of 2024.

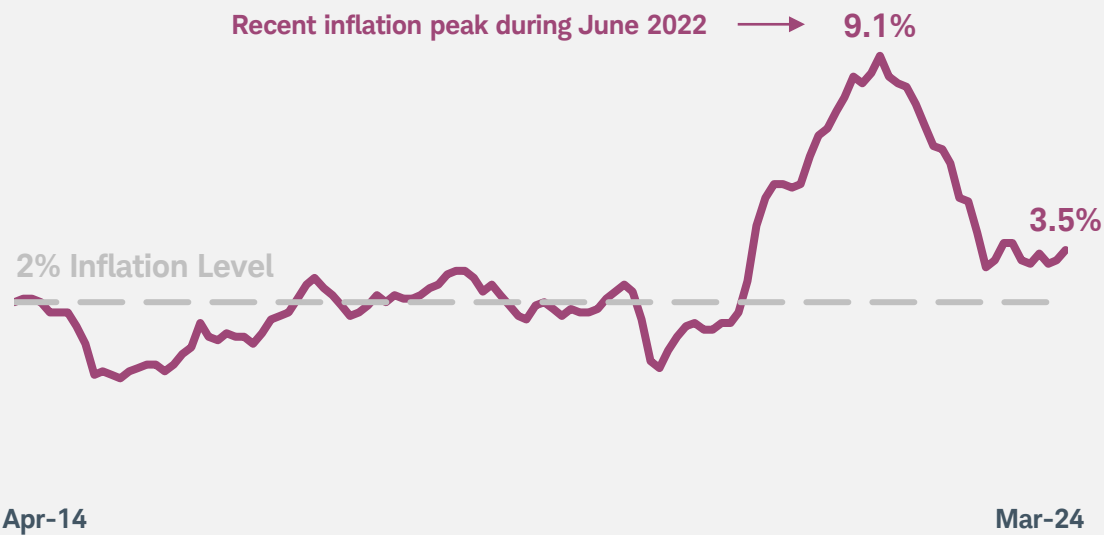
- As further improvements in the macroeconomic environment helped bolster investor sentiment and engagement, clients continued to take advantage of the vast array of solutions available on our leading modern wealth platform
- While significant focus remains on the final Ameritrade client conversion in May, we also made progress across our key strategic initiatives of scale and efficiency, win-win monetization, segmentation, and brilliant basics
- We believe the benefits of the fully integrated firm, along with sustained platform investment, will enable us to continue meeting investors’ evolving needs and deliver profitable growth through the cycle

Further improvements in the macroeconomic backdrop fueled equity market strength,...

Positive economic trends, including stabilizing inflation, have helped increase confidence in a “soft landing”,...

...helping equity markets set new record highs and produce the strongest first quarter since 2019.

U.S. Inflation Rate, April 2014 – March 2024 (%)¹

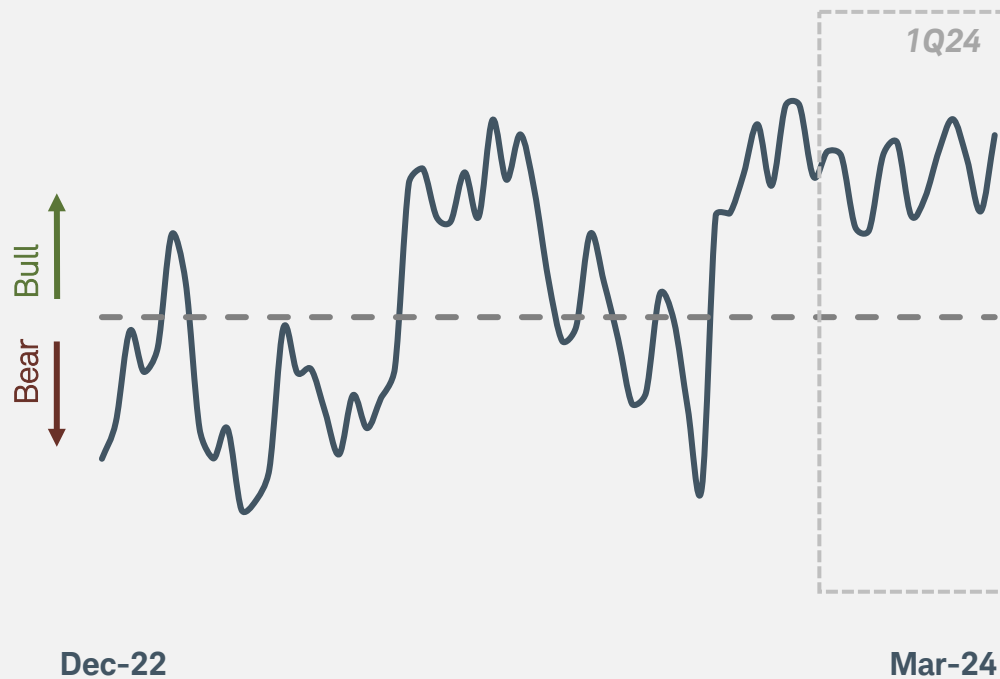


YTD 2024 Select Index Returns (%)²

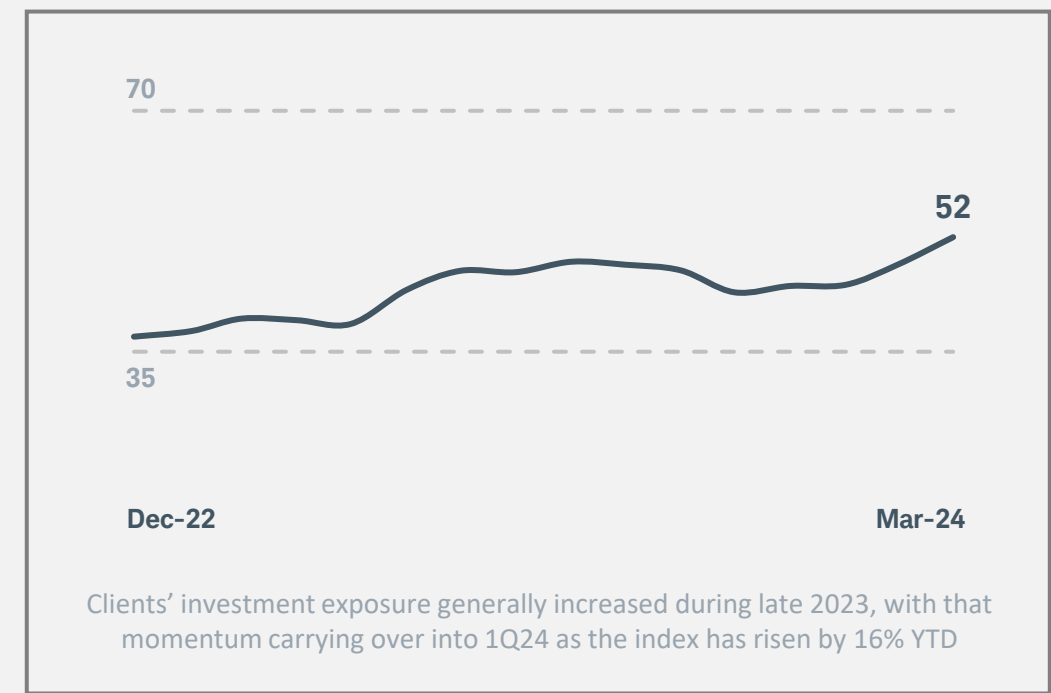


...helping to bolster broader investor sentiment...

||| AAI® Bull-Bear Spread Sentiment Survey¹



||| Schwab Trading Activity Index™ (STAX)²



Note: Q = Quarter. YTD = Year-to-date. 1. AAI® Bull-Bear Spread Sentiment Survey 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). 2. The STAX serves as a proxy to gauge Schwab clients' exposure to equity markets, generally ranging from 35 to 70. Over time, changes in this score serve as an indirect measure of sentiment, with a higher score indicating greater market exposure and a correlation to bullishness, and a lower score indicating lower market exposure associated with potential bearishness.

...as well as increase client engagement at Schwab.

1Q24 vs. 4Q23



+15%
Daily Average Trades



+68%
Managed Investing
Net Flows¹



+9%
Margin Balances

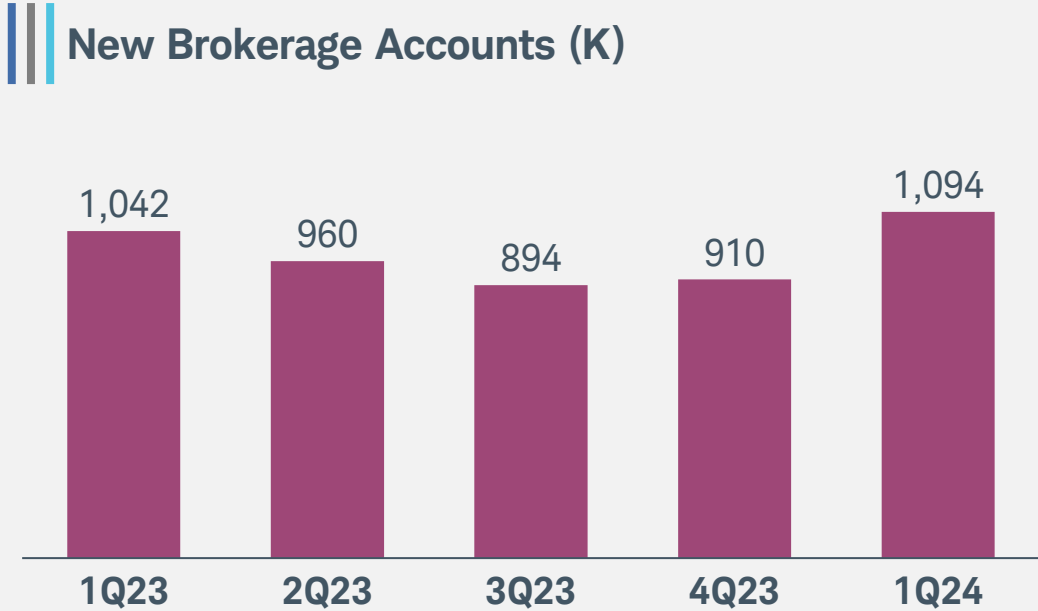
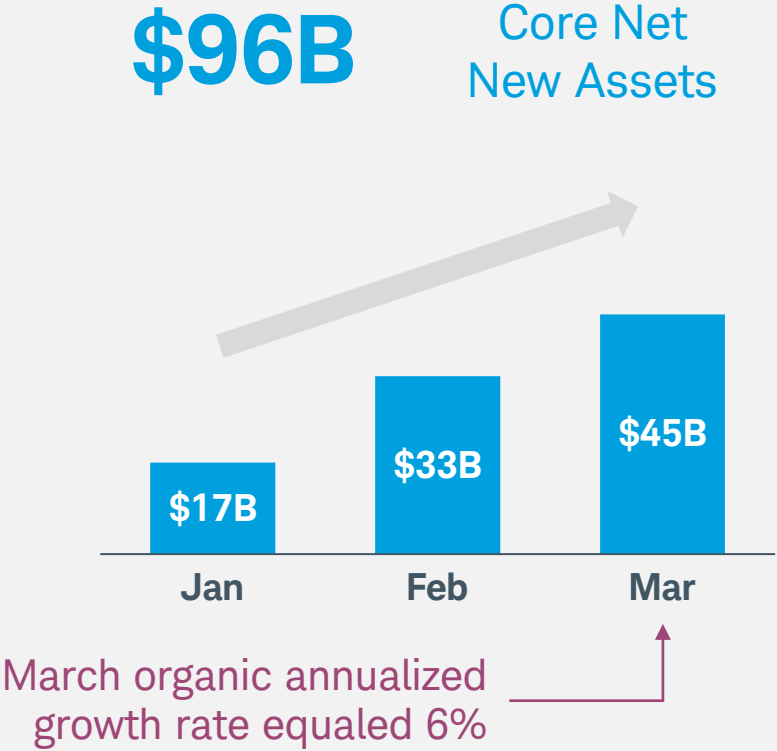


+17%
Total Client
Interactions²

Note: Q = Quarter. 1. Managed Investing net flows includes Schwab Wealth Advisory™, ThomasPartners®, Windhaven®, Schwab Managed Products, Managed Account Select®, USAA Managed Portfolios, Wasmer Schroeder™ Retail, Wasmer Schroeder™ Off Platform & Advisor Services, Schwab Advisor Network®, AdvisorDirect®, Schwab Intelligent Portfolios®, Schwab Personalized Indexing™ and Schwab Selective. May include flows into more than one product. 2. Total client interactions includes branch conversations, inbound calls, chats, emails, and logins across both Schwab and Ameritrade® web and mobile platforms.

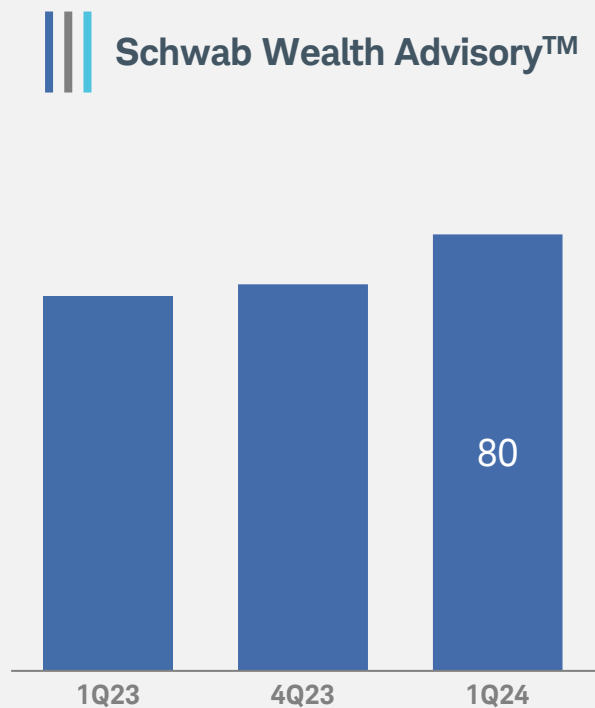
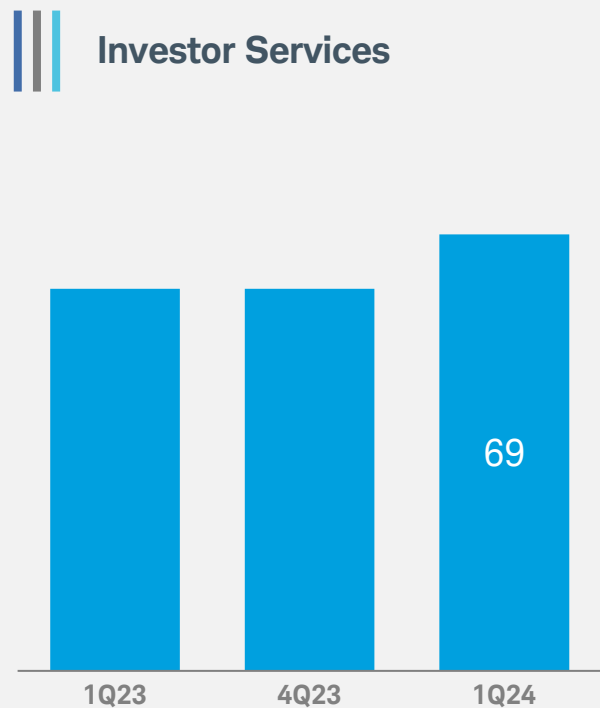
Schwab's core asset gathering accelerated throughout 1Q24 and new brokerage account formation remained robust.

Q1 2024



Note: Certain totals may not sum due to rounding. Q = Quarter. B = Billion. K = Thousand. 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.

Retail client satisfaction scores reached record levels...



Note: Q = Quarter. CPS = Client Promotor Score. Pts = Points.

...and the quality of our service and solutions was recognized by numerous third-parties,...



Named the **2024-2025 Best Investing Platform Overall** by U.S. News & World Report¹



Highest number of **Best-in-Class PLANSPONSOR** awards for 7 years in a row and **~2x more** than next qualifying plan provider²



Schwab **Rated a Top Broker for 2024** by Investor's Business Daily³

12-year Winner



Charles Schwab selected as a **Forbes 2024 Best Customer Service** award winner⁴

Note: 1. U.S. News & World Report's Best Investing Platforms award was given on 4/8/2024 and is for 2024-2025. The criteria, evaluation, and ranking were determined by U.S News & World Report. See <https://money.usnews.com/investing/best-brokers/methodology> for more information. Schwab paid a licensing fee to U.S News & World Report for use of the award and logos. 2. PLANSPONSOR award was given on February 15, 2024. The criteria, evaluation, and ranking were determined by PLANSPONSOR. See <https://www.plansponsor.com/research/2023-best-class-dc-providers/?pagesec=4#Methodology> for more information. A licensing fee has been paid to PLANSPONSOR for the use of the award logo, however Schwab did not pay any fees to be considered for the award. 3. The Third-party accolade was given on January 25, 2024, and is for a 15-month timeframe. The criteria, evaluation, and ranking were determined by Investor's Business Daily. <https://www.investors.com/best-online-brokers-2024/> Schwab paid a licensing fee to York Graphic Services, LLC. for use of the award and logos. 4. *Forbes* Best Customer Service 2024 was given on November 16, 2023, and expires January 2, 2025, The criteria, evaluation, and ranking were determined by Forbes partnered with HundredX. See <https://www.forbes.com/sites/rachelpeachman/2023/11/09/best-brands-for-customer-service-2024-methodology/> for more information. Schwab paid a licensing fee to Forbes for use of the award and logos.

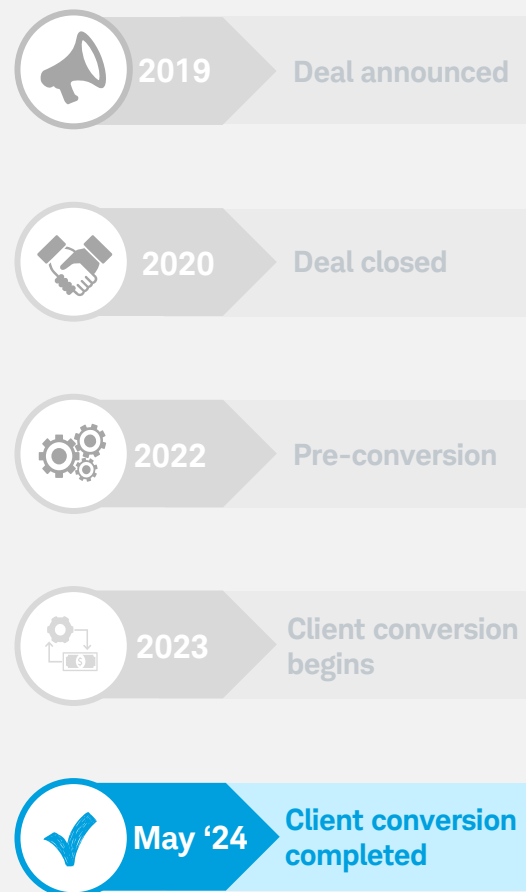
...including Ameritrade – now part of Charles Schwab – being ranked #1 for satisfaction among DIY investors by J.D. Power.



- Schwab ranked #2 among do-it-yourself investors nationwide
- Earning the top two spots highlights the power of our combined firm
- Represents Ameritrade’s highest ranking ever, driven by the strength of its trading platform plus enhancements by Schwab:
 - Schwab Satisfaction Guarantee
 - Access to a range of advice and wealth management solutions
 - Personalized investing options:
 - Schwab Investing Themes™
 - Schwab Personalized Indexing™
 - Tools to make investing easier:
 - Schwab Stock Slices™
 - Schwab Starter Kit™

Note: DIY = Do-it-yourself. TD Ameritrade, Inc. ("Ameritrade") Member SIPC, a subsidiary of The Charles Schwab Corporation ("Charles Schwab"), received the highest score in the do-it-yourself segment of the J.D. Power 2024 U.S. Self-Directed Investor Satisfaction Study of investors' satisfaction with self-directed investment firms. It is independently conducted, and the participating firms do not pay to participate. Use of study results in promotional materials is subject to a license fee. Visit [jdpower.com/awards](https://www.jdpower.com/awards) for more details.

We are ready for the final Ameritrade conversion in May – further unlocking the benefits of the combined platform for all clients.



Final Client Transition Group

Strong Post-Conversion Engagement

- Final transition group is set for next month and represents **~10% of Ameritrade client assets and accounts**
- Cohort **consists primarily of active traders**
- Trader **client experience essentially unchanged** following conversion


- Previously **converted clients are bringing NNA** to the platform
- November cohort **trading volumes higher than pre-conversion levels**
- Satisfaction scores are **trending toward historical Schwab levels** as converted clients gain more experience on the platform
- Anticipate **attrition to finish in-line or better** than initial expectations

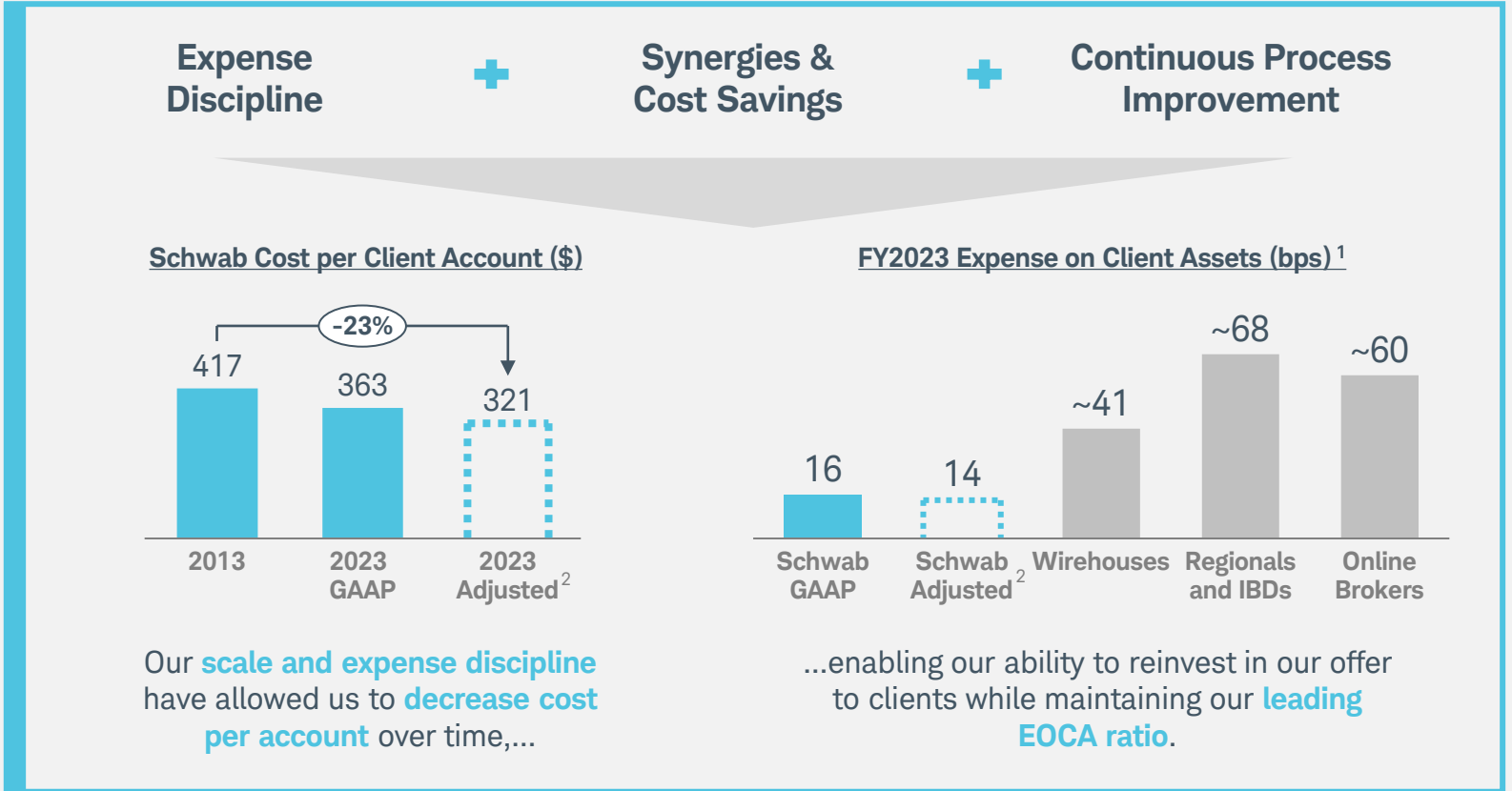
Our combined firm brings together the best of advice, trading, and relationships in one place.

We continue investing in our modern wealth platform to meet our clients' evolving needs.



Our expense discipline and continuous process improvement help maintain our leading cost to serve.

-  **Scale & Efficiency**
-  **Win-Win Monetization**
-  **Client Segmentation**
-  **Brilliant Basics**



Note: EOCA = Expense on client assets. Bps = Basis Points. IBD = Independent broker-dealer. FY = Full year. 1. Data presented for FY23 and represents GAAP total expenses excluding interest from respective wealth management segments of all companies, if applicable. Schwab is represented on a total company basis. Any impact related to loan provisions is treated as a contra-revenue. All data sourced from company filings and releases. Wirehouse segment includes Morgan Stanley, JP Morgan, Bank of America, and Wells Fargo. Regional and IBD segment includes Ameriprise, LPL Financial, and Raymond James. Online Broker segment includes Interactive Brokers and Robinhood. 2. Further detail on non-GAAP financial measures and a reconciliation of such measures to reported results are included on slides 38-42 of this presentation.

Demand for our wealth management solutions is robust, with strong initial interest from legacy Ameritrade clients.



Scale & Efficiency



Win-Win Monetization



Client Segmentation



Brilliant Basics

Record flows into our Managed Investing Solutions¹ during 1Q24,...

\$14B

...driven by strong Y/Y growth in flows into our flagship offerings...




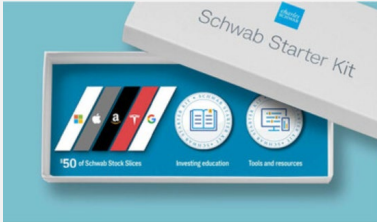





+36% Schwab Wealth Advisory™
+55% Wasmer Schroeder™ Strategies

...and increased adoption by recently converted clients.

~30% of Schwab Wealth Advisory™ net flows and enrollments are from legacy Ameritrade households





Note: B = Billion. Q = Quarter. Y/Y = Year-over-year. 1. Managed Investing net flows includes Schwab Wealth Advisory™, ThomasPartners®, Windhaven®, Schwab Managed Products, Managed Account Select®, USAA Managed Portfolios, Wasmer Shroeder™ Retail, Wasmer Schroeder™ Off Platform & Advisor Services, Schwab Advisor Network®, AdvisorDirect®, Schwab Intelligent Portfolios®, Schwab Personalized Indexing™ and Schwab Selective. May include flows into more than one product.










We continue to further tailor our experiences to meet the needs of specific investors across our large client base.

 <p>Scale & Efficiency</p>	<p>Specialized Service Models for U/HNW</p>	<p>Enhanced Trading Experience</p>	<p>Tailored Educational Content</p>
 <p>Win-Win Monetization</p>	<p>Schwab Private Client Services™ \$1M-\$10M</p> <p>Schwab Private Wealth Services™ \$10M+</p>	 <p>Schwab Trading</p> <p>Powered by Ameritrade</p>	
 <p>Client Segmentation</p>	 <p>< 10 secs Avg. Speed to Answer</p>		
 <p>Brilliant Basics</p>	 <p>~80% 1st Call Resolution¹</p>		

Note: M = Million. U/HNW = Ultra/High Net Worth. Avg. = Average. Secs = Seconds. 1. Percentage of calls that are handled by a professional that did not need additional support via transfers, consults, or internal chats.

Our goal is for all of our clients to have an exceptional experience every time they interact with Schwab.

-  Scale & Efficiency
-  Win-Win Monetization
-  Client Segmentation
-  Brilliant Basics

Digital Client Workflows	<p>Streamlined digital onboarding allows RIAs to open and fund multiple accounts in minutes</p> <p>Enhanced Pledged Asset Line[®] process has improved origination timing by ~85%</p>				
Access & Support	<table><tr><td> 380+ Branches</td><td> ~ 50 secs Avg. Speed to Answer¹</td></tr><tr><td> Schwab Intelligent Assistant</td><td></td></tr></table>	 380+ Branches	 ~ 50 secs Avg. Speed to Answer ¹	 Schwab Intelligent Assistant	
 380+ Branches	 ~ 50 secs Avg. Speed to Answer ¹				
 Schwab Intelligent Assistant					

Note: Avg. = Average. RIA = Registered Investment Advisor. Secs = Seconds. 1. Represents average speed to answer for domestic retail clients in 1Q24.

Powered by our “Through Clients’ Eyes” strategy, Schwab’s momentum increased throughout the first quarter of 2024.

- As further improvements in the macroeconomic environment helped bolster investor sentiment and engagement, clients continued to take advantage of the vast array of solutions available on our leading modern wealth platform
- While significant focus remains on the final Ameritrade client conversion in May, we also made progress across our key strategic initiatives of scale and efficiency, win-win monetization, segmentation, and brilliant basics
- We believe the benefits of the fully integrated firm, along with sustained platform investment, will enable us to continue meeting investors’ evolving needs and deliver profitable growth through the cycle

Financial Perspectives

Peter Crawford

Managing Director, Chief Financial Officer

Strong business momentum to start the year powered our first quarter financial performance.

- **Diversified model** enables us to serve evolving investor needs across a range of environments, producing solid results and **strong profitability**
- Temporary **headwinds continue to subside**:
 - Existing client cash **realignment activity has further decelerated** from peak levels
 - Anticipate **meaningful NIM expansion** over the next several years
 - Our **strong capital position continues to build** each quarter
- Strengthening organic growth and through-the-cycle earnings power help reinforce **Schwab's differentiated long-term business results**

Financial Priorities



Continued business growth through our client-first strategy







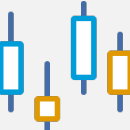



Long-term revenue growth through multiple sources



Expense discipline enabling sustainable performance

As the economic backdrop improved, investor engagement increased,...

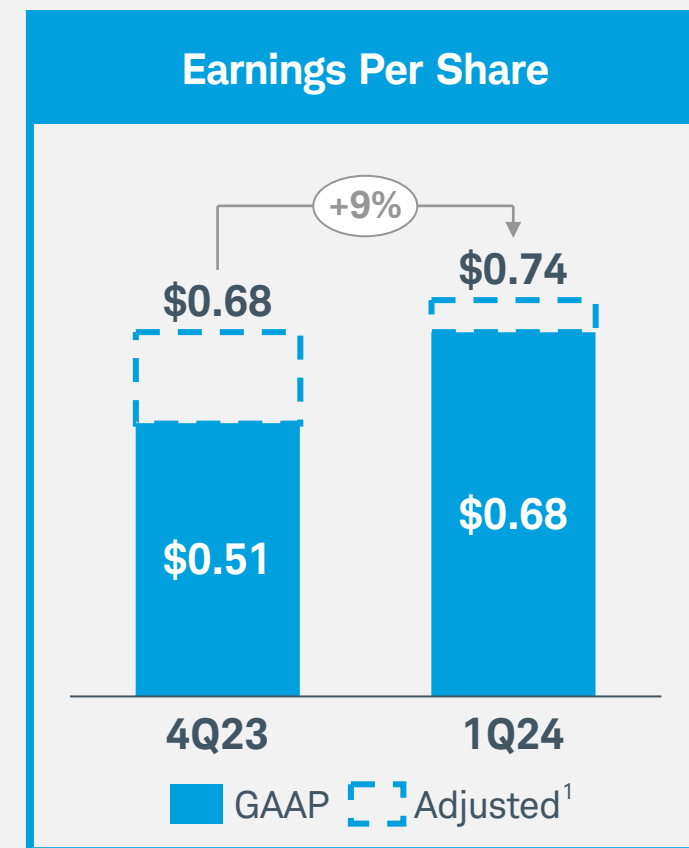
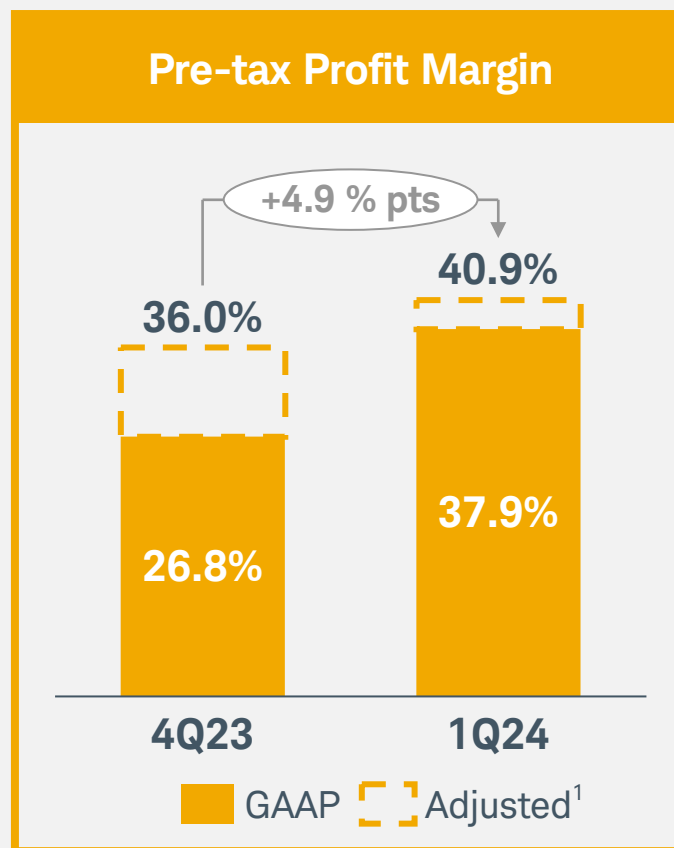
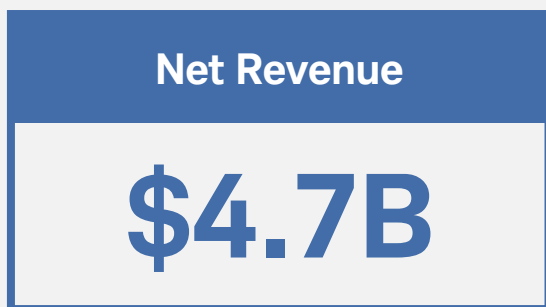
1Q24 vs. 4Q23

 S&P 500®	5,254		10%
 Client Margin Balances, EOP	68.1B		9%
 Daily Average Trades	6.0M		15%
 Net Notional Equity Transactions¹	\$19.9B		+44.3B

Note: Q = Quarter. M = Million. B = Billion. T = Trillion. EOP = End of period. 1. Net notional value of all equity and ETF transactions by Retail clients.

...supporting sequential revenue growth and pre-tax profit margin expansion.

Q1 2024



Note: Q = Quarter. B = Billion. Pts = points. 1. Further detail on non-GAAP financial measures and a reconciliation of such measures to reported results are included on slides 38-42 of this presentation.

We continued to prioritize balance sheet flexibility.

(\$M, EOP)	1Q23	4Q23	1Q24
Total Assets	\$535,552	\$493,178	\$468,784
Bank Deposits	\$325,745	\$289,953	\$269,460
Payables to Brokerage Clients	\$87,553	\$84,786	\$84,005
Stockholders' Equity	\$36,347	\$40,958	\$42,412
Supplemental Funding ¹	\$83,167	\$79,600	\$70,833
Long-term Debt	\$20,016	\$26,128	\$22,865
Parent Liquidity	\$9,788	\$13,305	\$10,708
Consolidated Tier 1 Leverage Ratio*	7.1%	8.5%	8.8%
CSB Adjusted Tier 1 Leverage Ratio ^{2*}	2.8%	5.4%	5.7%

- **Total assets declined by 5% sequentially**, driven by lower cash balances following the paydown of supplemental funding and long-term debt maturities
- Outstanding **supplemental funding¹ declined by \$8.8B quarter-over quarter** – down 27% total from the May 2023 peak
- **Long-term debt decreased by \$3.3B** due to maturities of Senior Notes
- **Stockholders' equity increased \$6.1B year-over-year** due to strong organic capital formation and the continued accretion of unrealized marks
- Quarter-end **consolidated Tier 1 Leverage Ratio*** was 8.8%, which is well above current minimums

Note: M = Million. B = Billion. EOP = End of period. Q = Quarter. CD = Certificate of Deposit. *Preliminary. CSB = Charles Schwab Bank, SSB. 1. Supplemental funding includes repurchase agreements, Schwab Retail Certificates of Deposit, and Federal Home Loan Bank balances. 2. Preliminary CSB Tier 1 Leverage Ratio equals 10.4% as of March 31, 2024. Further detail on non-GAAP financial measures and a reconciliation of such measures to reported results are included on slides 38-42 of this presentation.

While anticipated seasonality and improved sentiment influenced client cash in 1Q, realignment activity further abated.

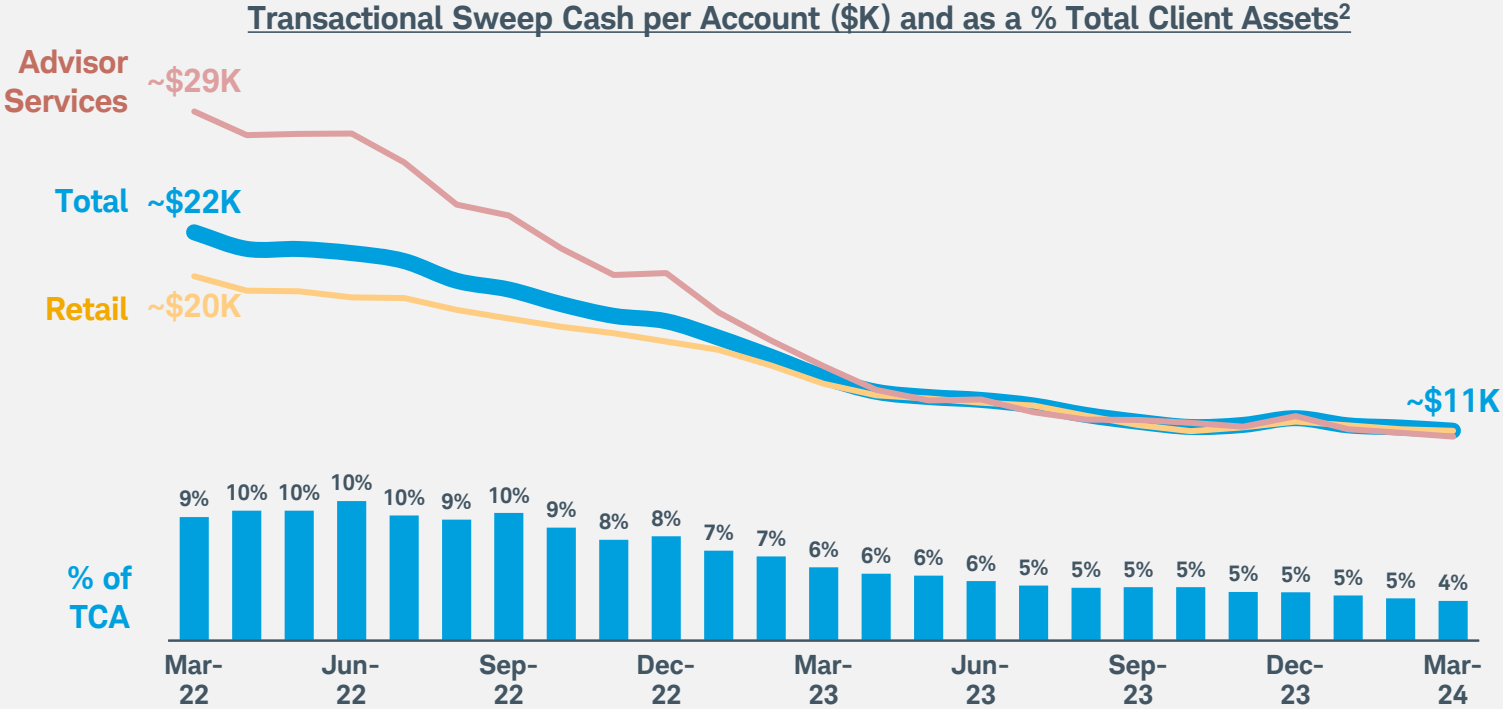
Key Metrics

March 2024

% of PMMF purchases funded by client balance sheet cash < 20%

Number of first-time realignment events¹ ~70%
vs. peak (March 2023)

Size of average realignment event ~80%
vs. peak (April 2022)

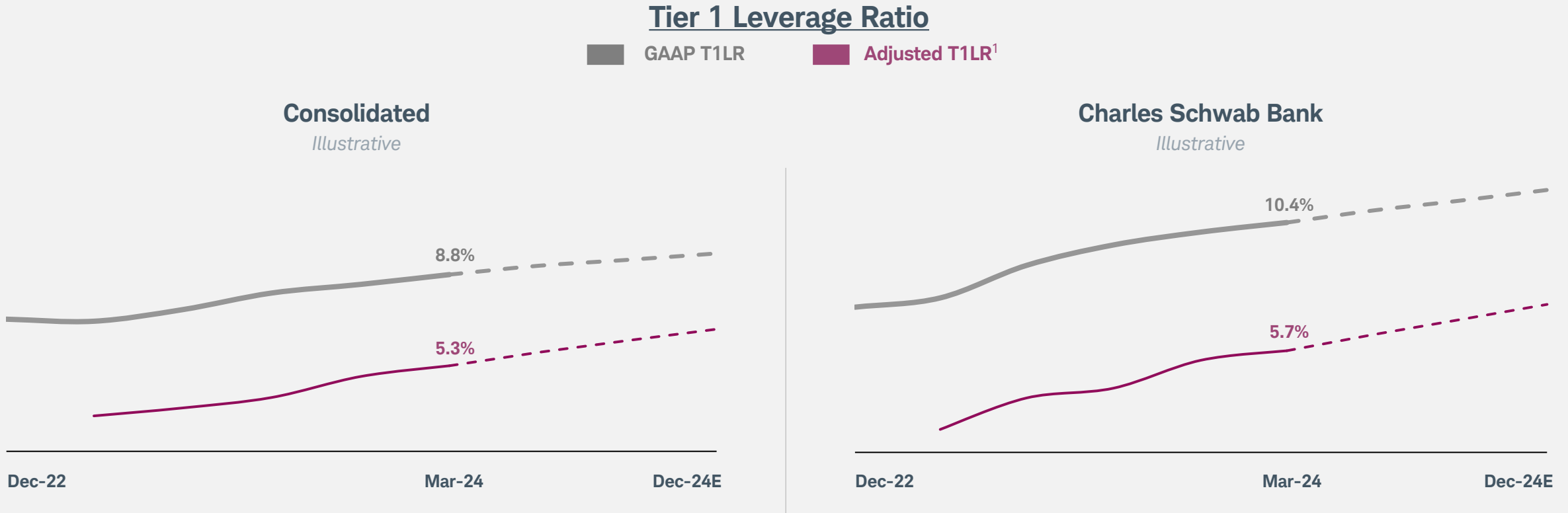


Note: K = Thousand. TCA = Total client assets. PMMF = Purchased money market fund. 1. A first-time realignment event is defined as a client's initial purchase of a PMMF, U.S. Treasury Bill, or Certificate of Deposit with less than 1 year to maturity using funds within Bank Sweep or Schwab One® between January 1, 2021 and March 31, 2024. Excludes Ameritrade accounts that have been converted to the Schwab platform. 2. Transactional Sweep Cash includes bank sweep deposits and broker-dealer cash balances, other client cash held on the balance sheet (bank checking and savings deposits as well as broker-dealer non-interest-bearing credits) and Bank Deposit Account balances; excludes proprietary and third-party CDs.

Client cash allocations and investor engagement are expected to shape full-year financial performance.

- Incremental **NIM expansion through 2024** and approaching 3.00% before the end of 2025
 - Assumes March 2024 Fed Dot Plot and continued **prioritization of paying down remaining supplemental funding**
 - Ultimate pace of pay down will be dependent on the growth of transactional cash and the level of client margin utilization
- We are **maintaining a consistent spending plan** that targets flattish adjusted expense growth for full-year 2024
- Remain on a path back towards our long-term earnings potential, including **further earnings power expansion during the remainder of 2024** – with meaningful growth throughout 2025

Schwab's capital position further strengthened during the first quarter.



We anticipate our Adjusted Tier 1 Leverage reaching at least 6.5% before the end of 2024.

Note: T1LR = Tier 1 Leverage Ratio. E = Estimated. 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 38-42 of this presentation.

As temporary headwinds continue to subside, our long-term differentiated business model remains intact.



Premier Asset Gatherer

Sustainable **long-term organic growth** via “Through Clients’ Eyes” strategy and **strong positioning within the fastest growing U.S. wealth segments**



Diversified Revenue Model

Diversified revenue model that combines brokerage, banking, and asset management enables strong long-term earnings potential



Disciplined Expense Management

Ability to leverage **scale and efficiency to drive down expense** on client assets



Opportunistic Capital Return

Efficient utilization of capital and ability to bolster organic returns via **dividends plus opportunistic stock repurchases**

Our “Through Clients’ Eyes” strategy positions us to attract, serve and deepen relationships with more investors – helping to drive long-term value for clients and stockholders.

Q&A

Spring Business Update

April 15, 2024

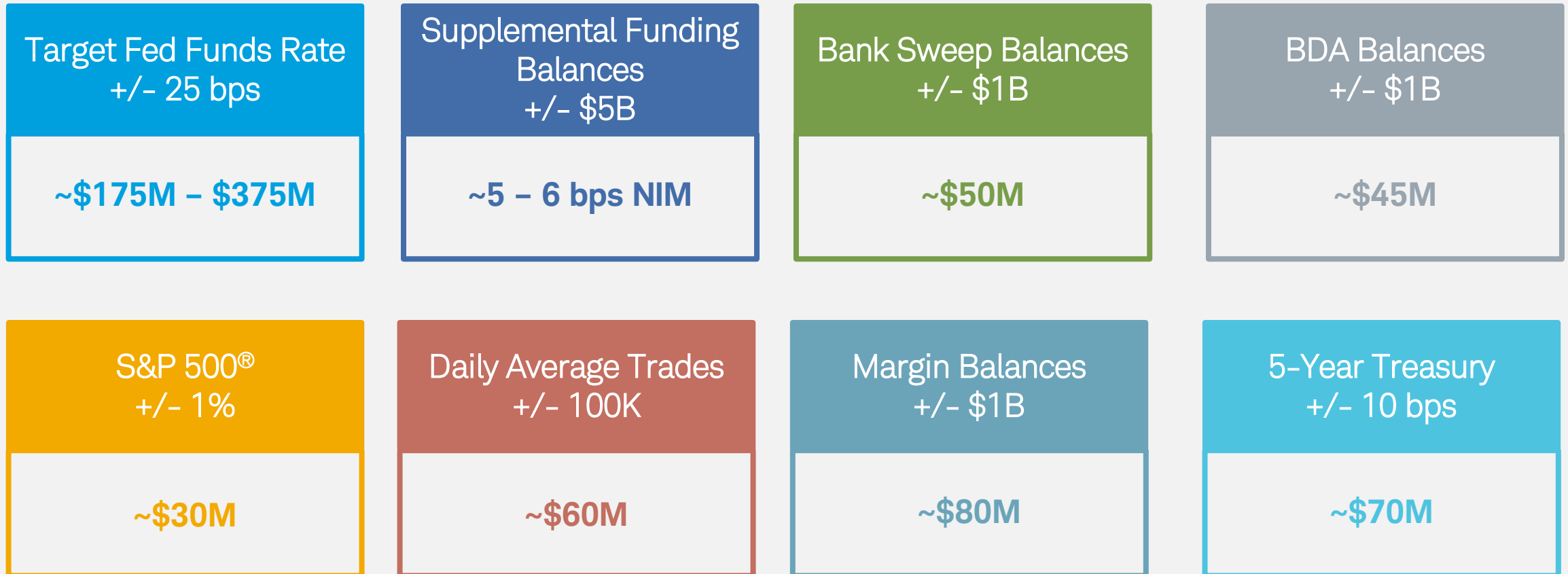
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Appendix

Appendix

Select Annualized Sensitivities (as of March 31, 2024)

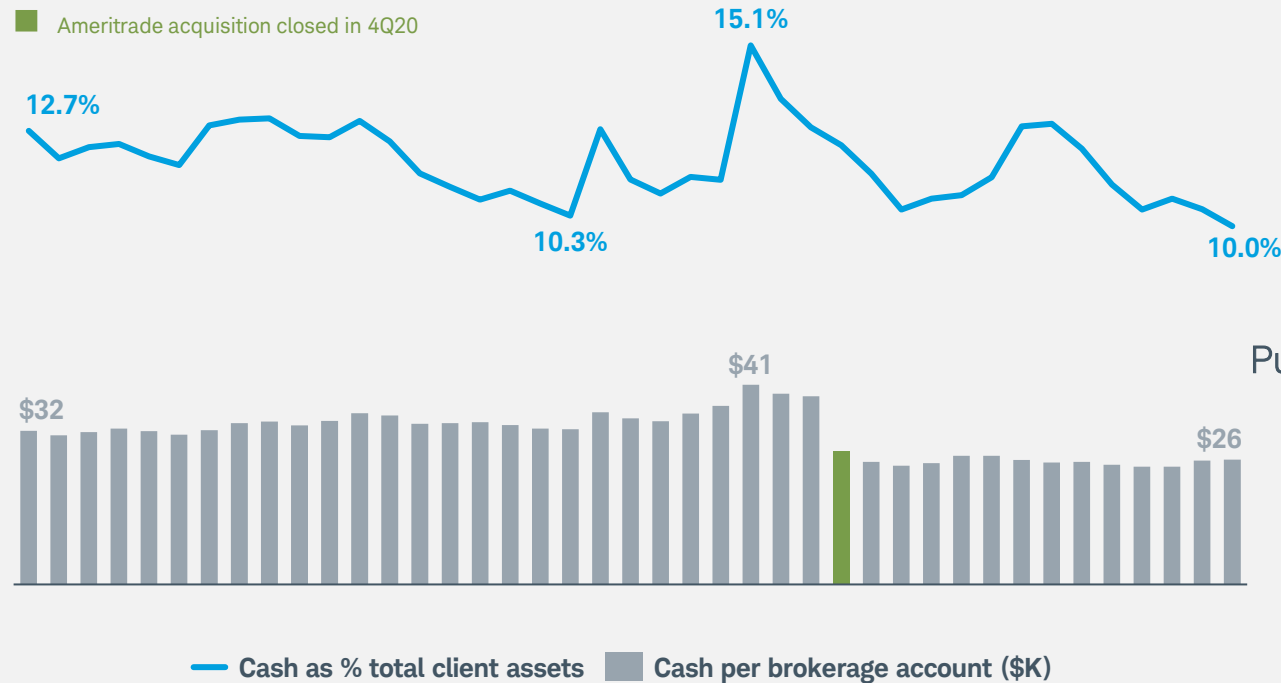


Note: Bps = Basis points. B = Billion. M = Million. K = Thousand. For the Fed Funds and Treasury sensitivities, assumes static interest-earning asset balances as of March 31, 2024 and depends on the mix and duration of the bank investment portfolio, to the extent there is a parallel shift in the yield curve, how quickly the fixed portfolio reprices; for purposes of the analysis, the deposit beta is assumed to be 25%.

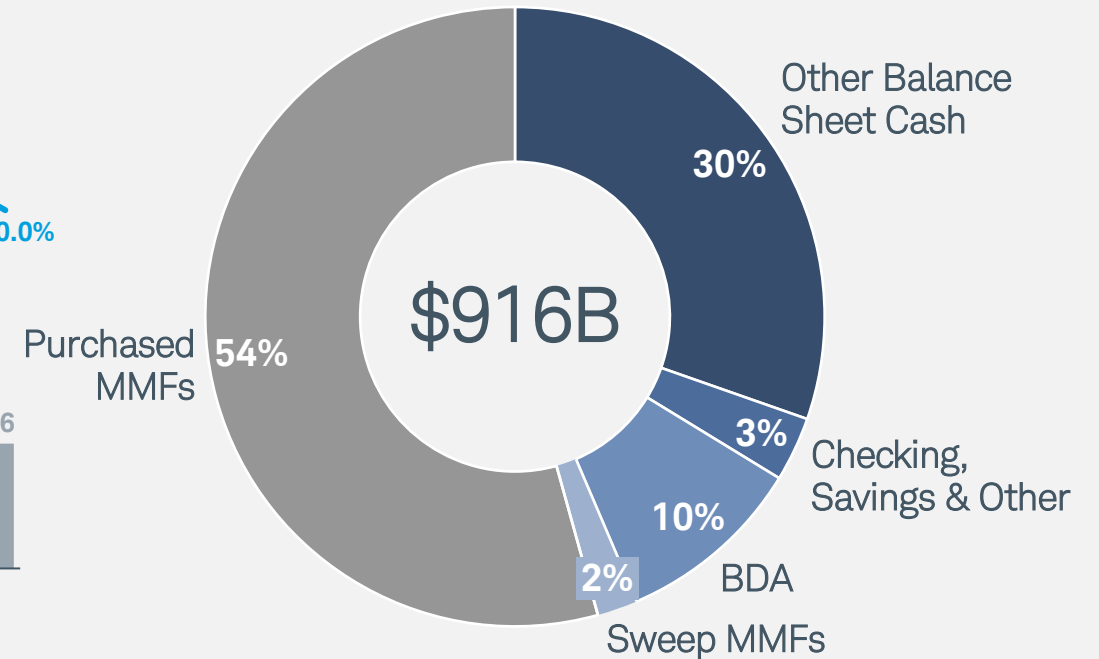
Appendix

Historical Client Cash Trends (as of March 31, 2024)

Select Client Cash Metrics, 1Q14 – 1Q24 (\$K, %)¹



Total Client Cash Mix, 1Q24 (%)^{1, 2, 3}

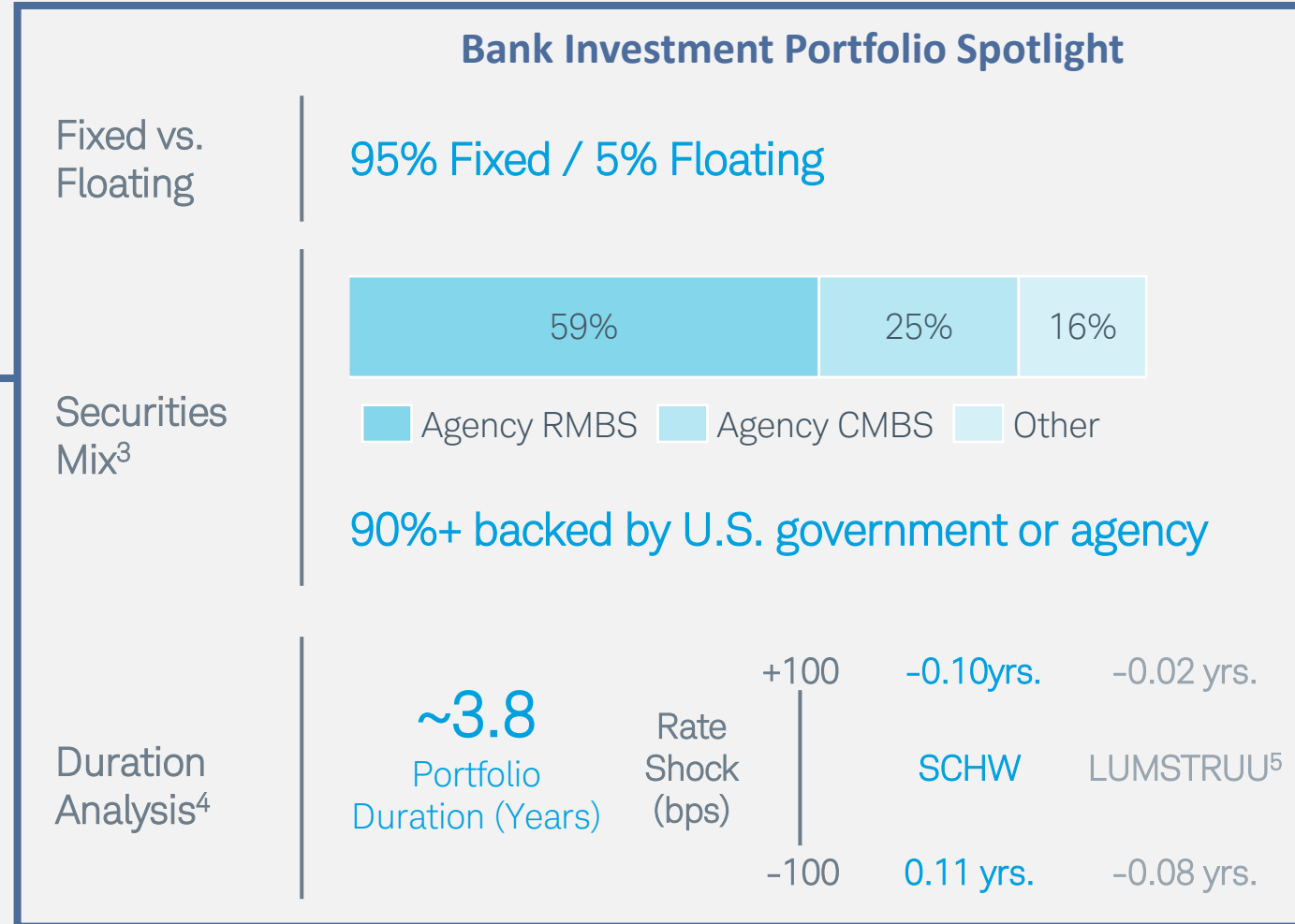
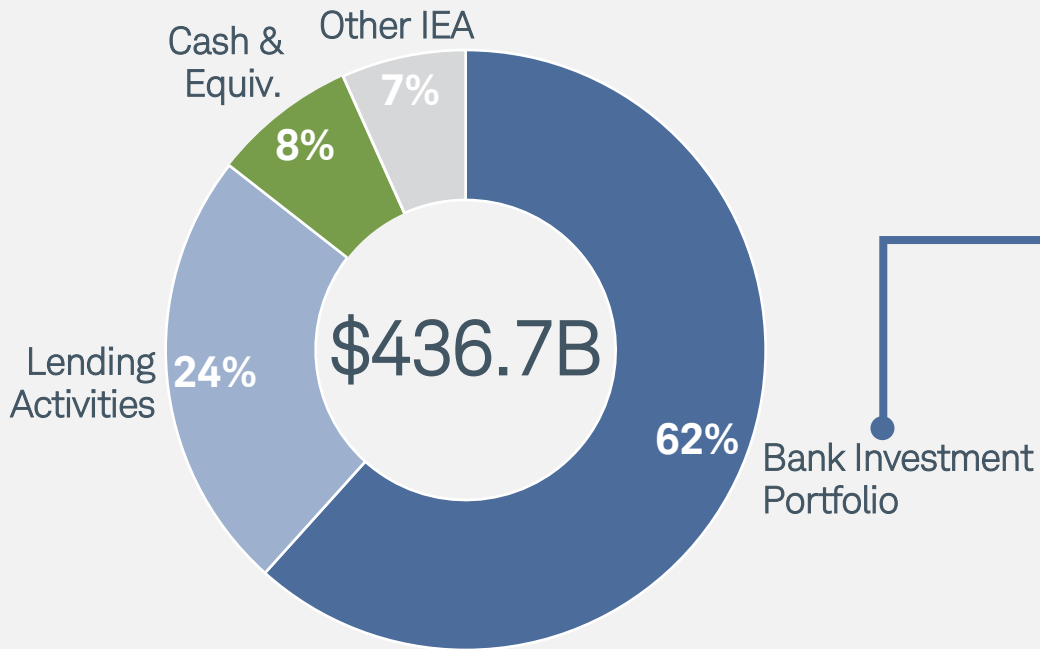


Note: K = Thousand. B = Billion. Q = Quarter. MMF = Money market fund. BDA = Bank deposit account. 1. Beginning July 2023, client cash metrics exclude brokered CDs issued by Charles Schwab Bank. Prior periods have been recast to reflect this change. 2. Other Balance Sheet Cash includes bank sweep deposits and Schwab One® balances. 3. Total may not sum to 100% due to rounding.

Appendix

Average Interest-earning Assets & Bank Investment Portfolio (as of March 31, 2024)

1Q24 Avg. Interest-earning Assets (%)^{1, 2}

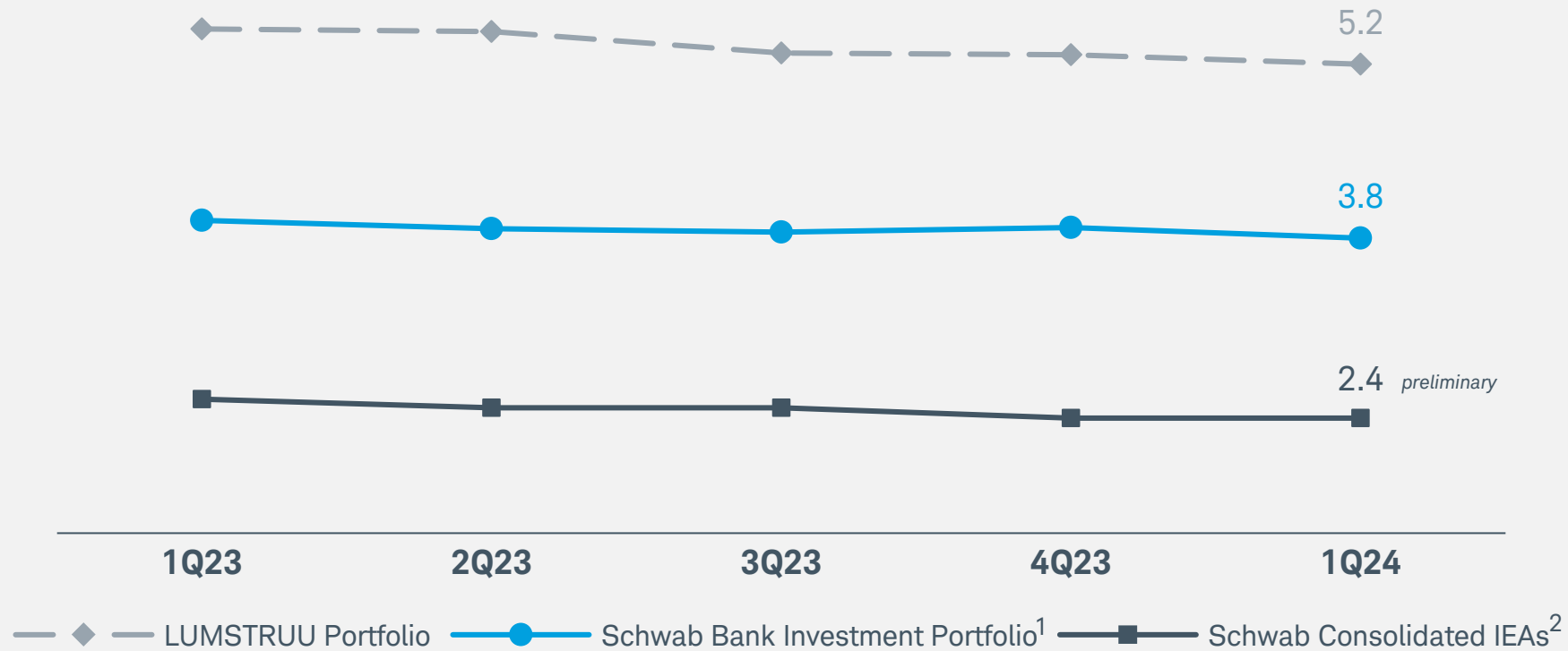


Note: Q = Quarter. B = Billion. Bps = Basis points. Avg. = Average. Yrs. = Years. IEA = Interest-earning assets. Cash & Equiv. = Cash and Equivalents. RMBS = Residential Mortgage-backed Security. CMBS = Commercial Mortgage-backed Security. U.S. = United States. 1. Bank Investment Portfolio includes available-for-sale 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. Duration and rate shock analysis are presented on an option-adjusted basis, including the impact of hedging activity, as of March 31, 2024. 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

Duration Profiles

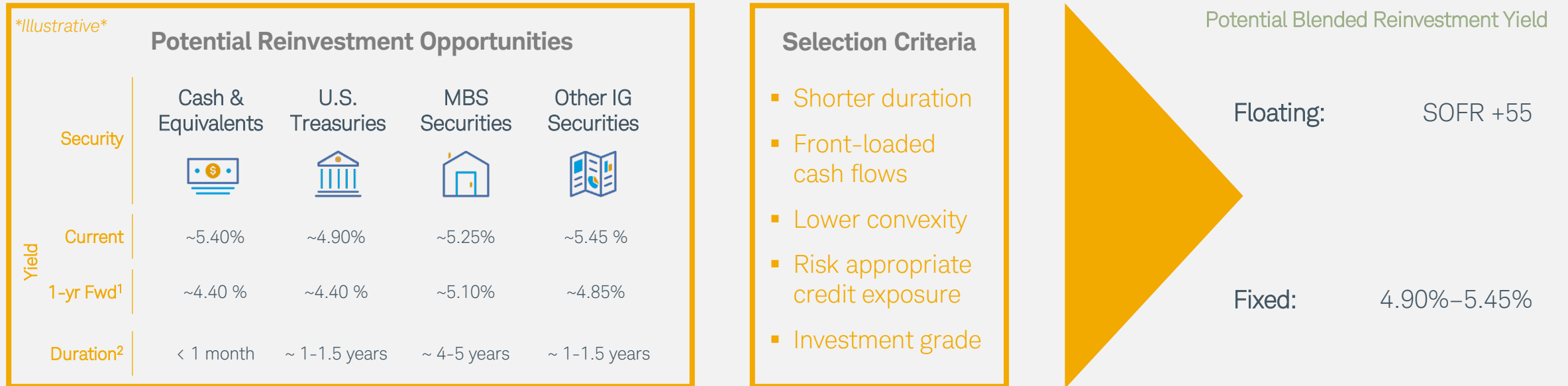
Option-adjusted Duration, Schwab vs. LUMSTRUU¹ (Years)



Note: Q = Quarter. IEA = Interest earning assets. 1. Schwab Securities Portfolio duration represents hedged duration beginning March 31, 2023. 2. The preliminary quarter-end consolidated asset duration is calculated using EOP figures as of March 31, 2024 and includes any impact from hedging activity.

Appendix

Reinvestment Opportunities (as of March 31, 2024)

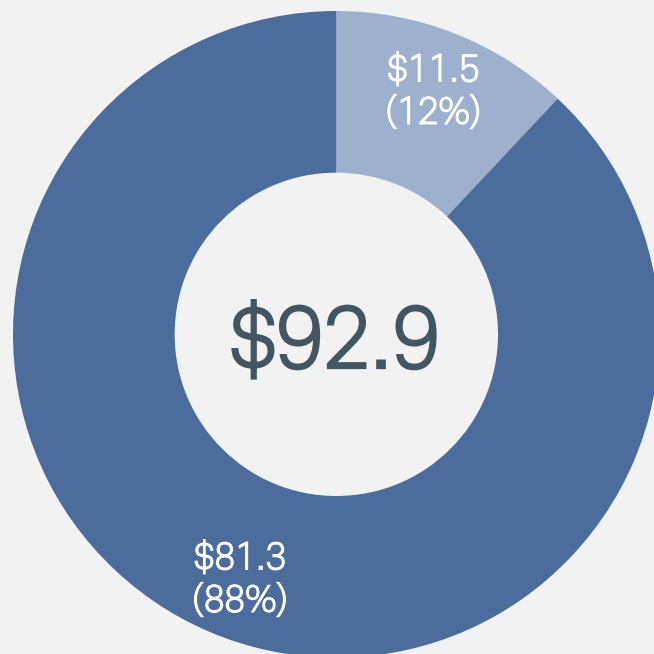


Note: Fwd = Forward. U.S. = United States. Yr = Year. MBS = Mortgage-backed security. IG = Investment grade. SOFR = Secured Overnight Financing Rate. 1. Illustrative future yields based on current market expectations as of April 9, 2024. 2. Illustrative durations shown on an option-adjusted basis.

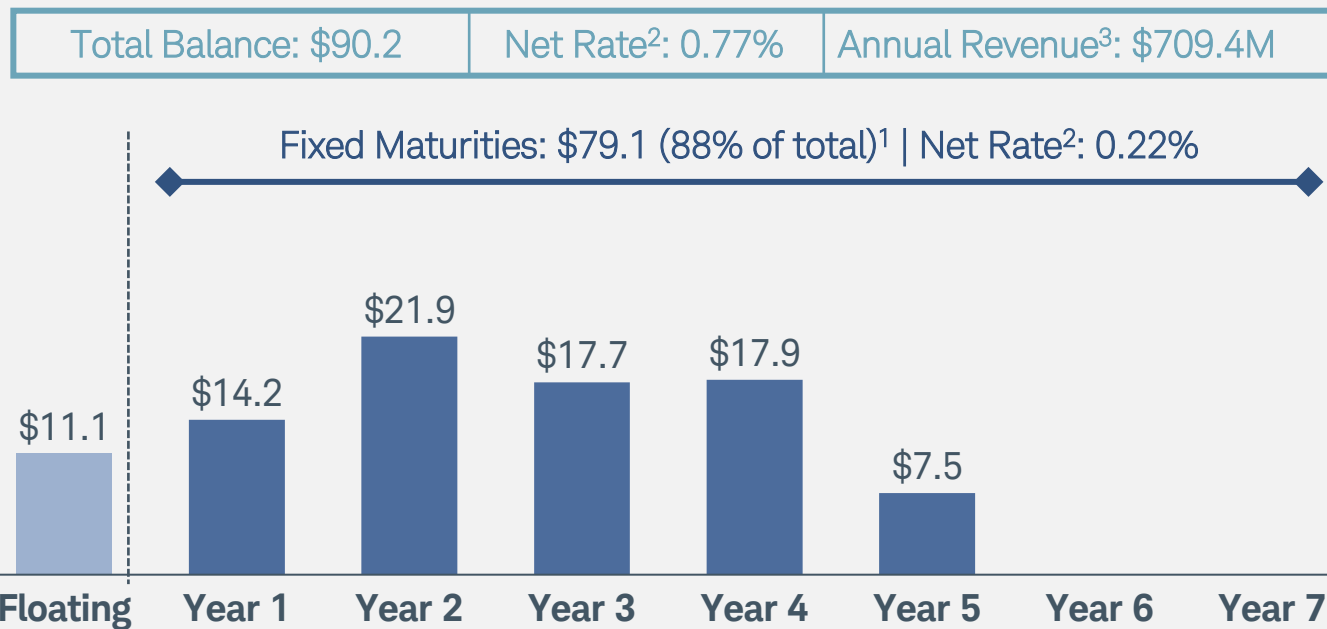
Appendix

Bank Deposit Account Summary (as of March 31, 2024)

Mix of Average BDA Balances (\$B,%)¹



BDA Balances by Maturity, EOP (\$B)



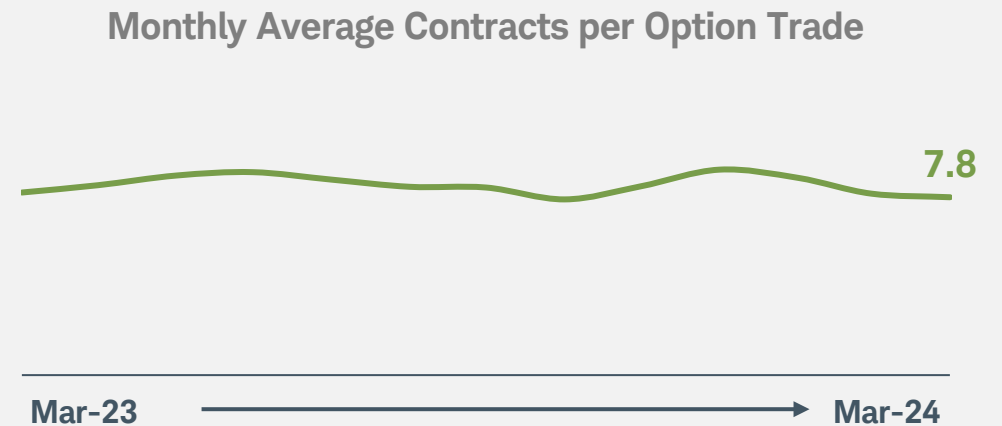
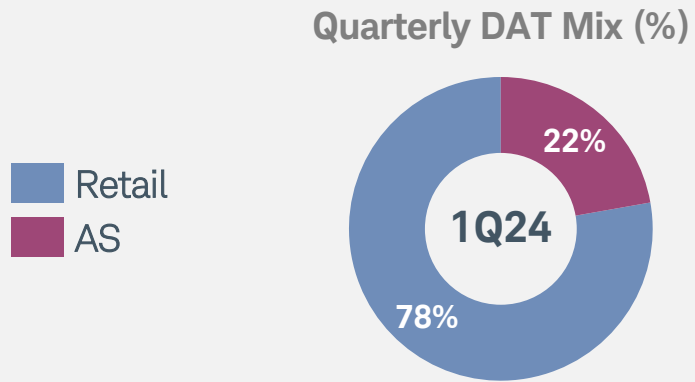
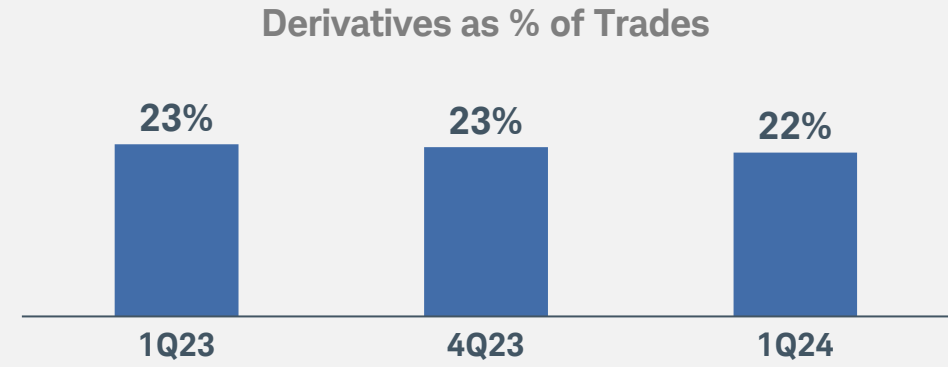
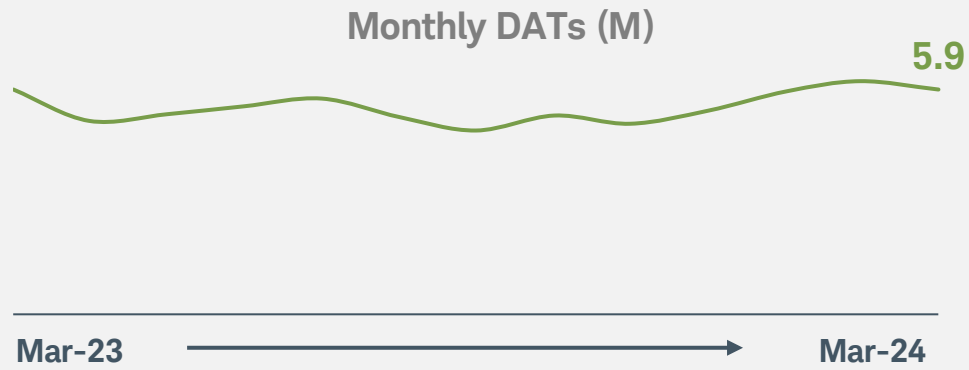
	<u>Net Rate</u>	<u>1Q24 Revenue</u>
Floating	4.68%	\$136M
Fixed	0.25%	\$46M

Net Rate ²	4.68%	1.05%	(0.31%)	(0.29%)	0.14%	1.64%	--	--
Annual Revenue ³	\$529M	\$152M	(\$69M)	(\$52M)	\$25M	\$125M	--	--

Note: Certain totals may not sum due to rounding. M = Million. B = Billion. 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, 2024; includes all related fees and client pay rates as of March 31, 2024. 3. Revenue figures presented on an annualized run-rate basis per the amended 2023 Insured Deposit Agreement (IDA) arrangement.

Appendix

Select Trading Information (as of March 31, 2024)



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. Beginning in the third quarter of 2023, these adjustments also include restructuring costs, which the Company began incurring in connection with its previously announced plans to streamline its operations to prepare for post-integration of Ameritrade. See Part II – Item 8 – Note 15 of our Annual Report on Form 10-K for the year ended December 31, 2023 for additional information.

Non-GAAP Adjustment or Measure	Definition	Usefulness to Investors and Uses by Management
Acquisition and integration-related costs, amortization of acquired intangible assets, and restructuring costs	<p>Schwab adjusts certain GAAP financial measures to exclude the impact of acquisition and integration-related costs incurred as a result of the Company's acquisitions, amortization of acquired intangible assets, restructuring costs, and, where applicable, the income tax effect of these expenses.</p> <p>Adjustments made to exclude amortization of acquired intangible assets are reflective of all acquired intangible assets, which were recorded as part of purchase accounting. These acquired intangible assets contribute to the Company's revenue generation. Amortization of acquired intangible assets will continue in future periods over their remaining useful lives.</p>	<p>We exclude acquisition and integration-related costs, amortization of acquired intangible assets, and restructuring costs 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.</p> <p>Costs related to acquisition and integration or restructuring fluctuate based on the timing of acquisitions, integration and restructuring 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.</p>
Return on tangible common equity	Return on tangible common equity represents annualized adjusted net income available to common stockholders as a percentage of average tangible common equity. Tangible common equity represents common equity less goodwill, acquired intangible assets – net, and related deferred tax liabilities.	Acquisitions typically result in the recognition of significant amounts of goodwill and acquired intangible assets. We believe return on tangible common equity may be useful to investors as a supplemental measure to facilitate assessing capital efficiency and returns relative to the composition of Schwab's balance sheet.
Adjusted Tier 1 Leverage Ratio	Adjusted Tier 1 Leverage Ratio represents the Tier 1 Leverage Ratio as prescribed by bank regulatory guidance for the consolidated company and for Charles Schwab Bank, SSB, adjusted to reflect the inclusion of accumulated other comprehensive income (AOCI) in the ratio.	Inclusion of the impacts of AOCI in the Company's Tier 1 Leverage Ratio provides additional information regarding the Company's current capital position. We believe Adjusted Tier 1 Leverage Ratio may be useful to investors as a supplemental measure of the Company's capital levels.

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

	Three Months Ended, March 31, 2024		Three Months Ended, December 31, 2023		Three Months Ended, March 31, 2023		Twelve Months Ended, December 31, 2023	
	Total Expenses Excluding Interest	Net Income	Total Expenses Excluding Interest	Net Income	Total Expenses Excluding Interest	Net Income	Total Expenses Excluding Interest	Net Income
<i>(In millions, except ratios and per share amounts)</i>								
Total expenses excluding interest (GAAP), Net income (GAAP)	\$ 2,942	\$ 1,362	\$ 3,265	\$ 1,045	\$ 3,006	\$ 1,603	\$12,459	\$5,067
Acquisition and integration-related costs ⁽¹⁾	(38)	38	(67)	67	(98)	98	(401)	401
Amortization of acquired intangible assets	(130)	130	(130)	130	(135)	135	(534)	534
Restructuring costs ⁽²⁾	28	(28)	(216)	216	-	-	(495)	495
Income tax effects ⁽³⁾	N/A	(33)	N/A	(91)	N/A	(56)	N/A	(338)
Adjusted total expenses (Non-GAAP), Adjusted net income (Non-GAAP)	\$ 2,802	\$ 1,469	\$ 2,852	\$ 1,367	\$ 2,773	\$ 1,780	\$11,029	\$6,159

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. Primarily consists of compensation and benefits. 3. The income tax effect of the non-GAAP adjustments is determined using an effective tax rate reflecting the exclusion of non-deductible acquisition costs and is used to present the acquisition and integration-related costs and amortization of acquired intangible assets on an after-tax basis.

Appendix

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

	Three Months Ended,			
	March 31, 2024		December 31, 2023	
<i>(In millions, except ratios and per share amounts)</i>	Amount	% of Total Net Revenues	Amount	% of Total Net Revenues
Income before taxes on income (GAAP), Pre-tax profit margin (GAAP)	\$ 1,798	37.9%	\$ 1,194	26.8%
Acquisition and integration-related costs ⁽¹⁾	38	0.8%	67	1.5%
Amortization of acquired intangible assets	130	2.7%	130	2.9%
Restructuring costs ⁽²⁾	(28)	(0.5%)	216	4.8%
Adjusted income before taxes on income (Non-GAAP), Adjusted pre-tax profit margin (Non-GAAP)	\$ 1,938	40.9%	\$ 1,607	36.0%

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. Primarily consists of compensation and benefits.

Appendix

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

	Three Months Ended,		Three Months Ended,	
	March 31, 2024		December 31, 2023	
<i>(In millions, except ratios and per share amounts)</i>	Amount	Diluted EPS	Amount	Diluted EPS
Net income available to common stockholders (GAAP), Earnings per common share – diluted (GAAP)	\$ 1,251	\$.68	\$ 926	\$.51
Acquisition and integration-related costs	38	.02	67	.04
Amortization of acquired intangible assets	130	.07	130	.07
Restructuring costs	(28)	(.01)	216	.12
Income tax effects	(33)	(.02)	(91)	(.06)
Adjusted net income available to common stockholders (Non-GAAP), Adjusted diluted EPS (Non-GAAP)	\$ 1,358	\$.74	\$ 1,248	\$.68

Note: EPS = Earnings per share.

Appendix

Non-GAAP Reconciliation: Adjusted Tier 1 Leverage Ratio

	Three Months Ended, March 31, 2024		Three Months Ended, December 31, 2023		Three Months Ended, March 31, 2023	
	CSC	CSB	CSC	CSB	CSC	CSB
<i>(In millions, except ratios and per share amounts)</i>						
Tier 1 Leverage Ratio (GAAP)	8.8%	10.4%	8.5%	10.1%	7.1%	7.7%
Tier 1 Capital	\$ 41,598	\$ 31,944	\$ 40,602	\$ 31,777	\$ 38,217	\$ 27,694
Plus: AOCI adjustment	(17,568)	(15,297)	(18,131)	(15,746)	(20,690)	(17,965)
Adjusted Tier 1 Capital	24,030	16,647	22,471	16,031	17,527	9,729
Average assets with regulatory adjustments	471,116	306,869	476,069	315,851	540,157	361,593
Plus: AOCI adjustment	(17,817)	(15,664)	(19,514)	(17,194)	(21,480)	(18,642)
Adjusted average assets with regulatory adjustments	\$ 453,299	\$ 291,205	\$ 456,555	\$ 298,657	\$ 518,677	\$ 342,951
Adjusted Tier 1 Leverage Ratio (non-GAAP)	5.3%	5.7%	4.9%	5.4%	3.4%	2.8%

Spring Business Update

April 15, 2024

charles
SCHWAB

CORPORATION