Summer Business Update

July 18, 2023

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," "anticipate," "lead," "advance," "ongoing," "illustrative," "opportunity," "formula," "expand," "drive," "deliver," "on track," "bolster," "position," "plan," "ability," "improve," "increase," "maintain," "transitory," "trajectory," "abate," "target," "assumption," "scenario," and other similar expressions.

These forward-looking statements relate to: the company's strategy and approach; positioning; growth in the client base, client accounts, and assets; business momentum; competitive advantages; key strategic initiatives to add scale and efficiency, win-win monetization, and client segmentation; opportunities; expense growth; the integration of Ameritrade, including current expectations regarding the timing of client transitions, and the amount and timing of expense and revenue synergies; run-rate expense savings; growth in revenues, earnings, and profits; EOCA; investments in people, technology, and platforms to fuel and support growth, serve clients, and drive scale and efficiency; enhancing and expanding offers and solutions for clients and RIAs; stockholder value; business and financial models; client cash realignment, including activity and trends; utilization of, impact from using, and repayment of, higher cost supplemental funding; Tier 1 Leverage Ratio; 2023 financial outlook, including revenue; net interest margin; reinvestment yields; market share; capital; investment portfolio; dividend payout ratio; capital return; 2023 financial scenario assumptions, including macro and business factors; and estimated impact from revenue sensitivities.

These forward-looking statements, which reflect management's beliefs, expectations, and objectives as of today, are estimates based on the best judgment of the company's senior management. Achievement of the expressed beliefs, expectations, and objectives is subject to risks and uncertainties that could cause actual results to differ materially from those beliefs, expectations, or objectives. Important factors that may cause such differences are discussed in the company's filings with the Securities and Exchange Commission, including the Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. Other important factors include general market conditions, including the level of interest rates and equity valuations; the company's ability to attract and retain clients and RIAs and grow those relationships and associated client assets; 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 company's ability to support client activity levels and attract and retain talent; integration related and other technology projects; compensation; 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 company's ability to timely and successfully reduce its real estate footprint and streamline its operating model, and the costs incurred in connection with such actions; client cash allocation decisions; competitive pressures on pricing; 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; 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, regulation or regulatory expectations.

The information in this presentation speaks only as of July 18, 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

Rick Wurster

President

Our “Through Clients’ Eyes” strategy keeps us well-positioned to continue growing despite a difficult economic environment.

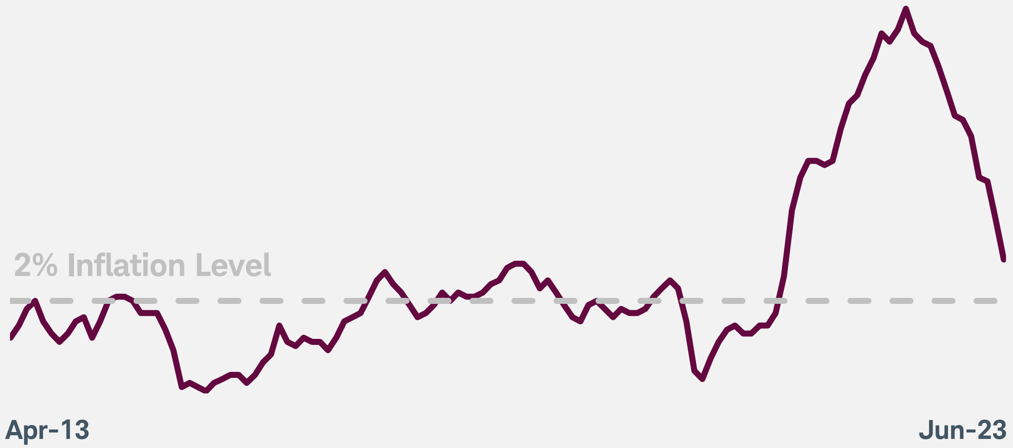
- Schwab’s business momentum carried into the second quarter, as clients engaged with us across our broad array of services and solutions

- While our competitive advantages have helped drive differentiated growth over time, it is important to further enhance our platform’s scale and efficiency to maintain our position as a cost leader in the market

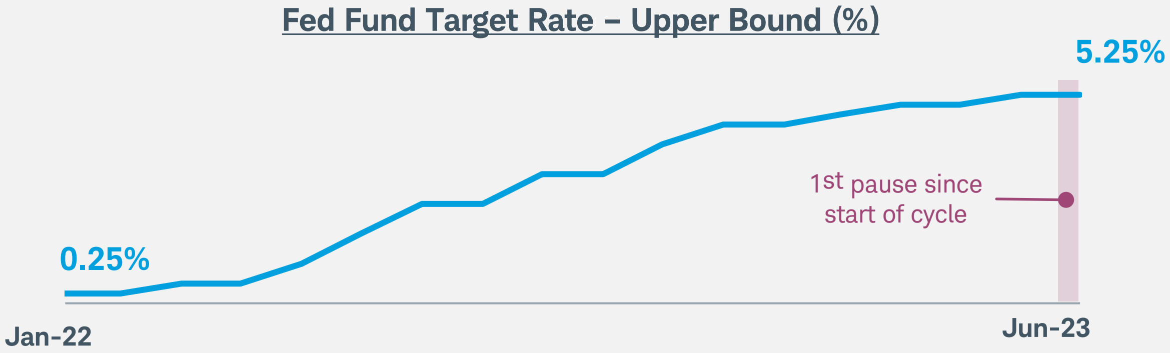
- We took steps to further advance our key strategic initiatives – including successfully completing the next phase of the largest brokerage conversion in history– keeping us on track to pursue the tremendous growth opportunities still ahead of us

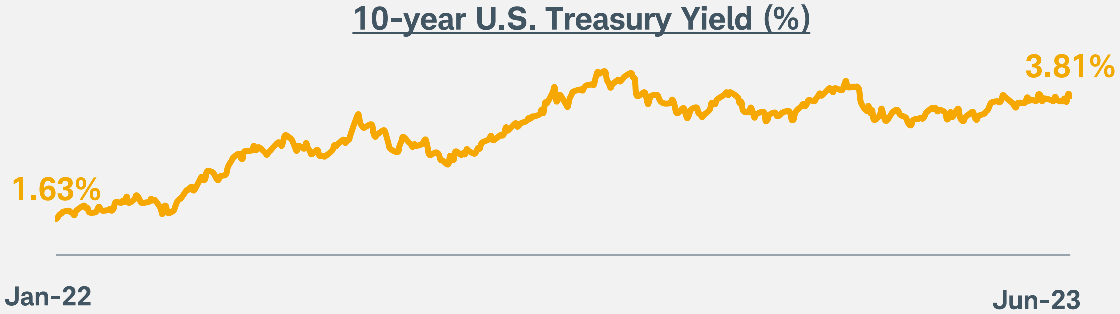
Improvements in key macroeconomic factors influenced the path of interest rates across the curve...

U.S. Inflation Rate



Interest Rates





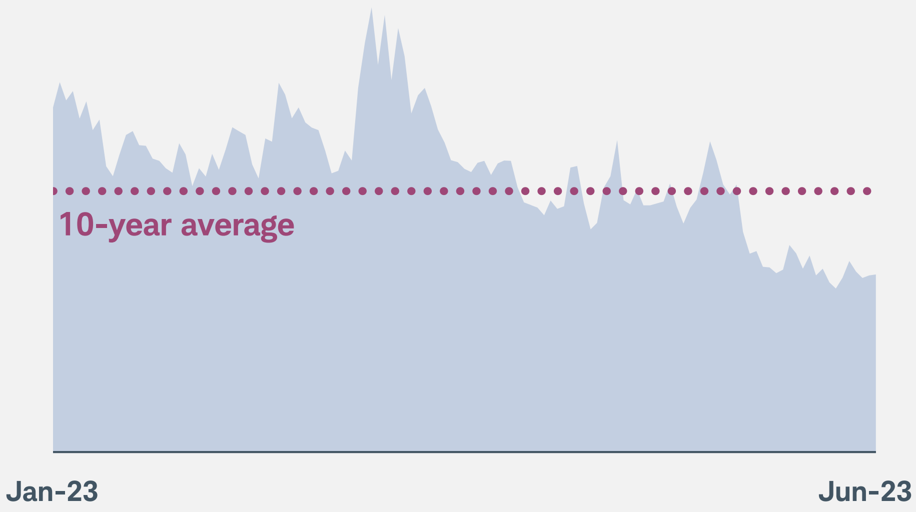
Improving inflationary trends led the FOMC to hold rates steady at the June meeting as the market appeared to position for the possibility of a softer landing.

Note: U.S. = United States. FOMC = Federal Open Market Committee. U.S. Inflation Rate sourced via U.S. Bureau of Labor Statistics. Fed Funds target sourced via FactSet. 10-year U.S. Treasury yields sourced via U.S. Department of Treasury.

...and, in conjunction with lower volatility, helped bolster equity markets – particularly within technology-related sectors.

Volatility

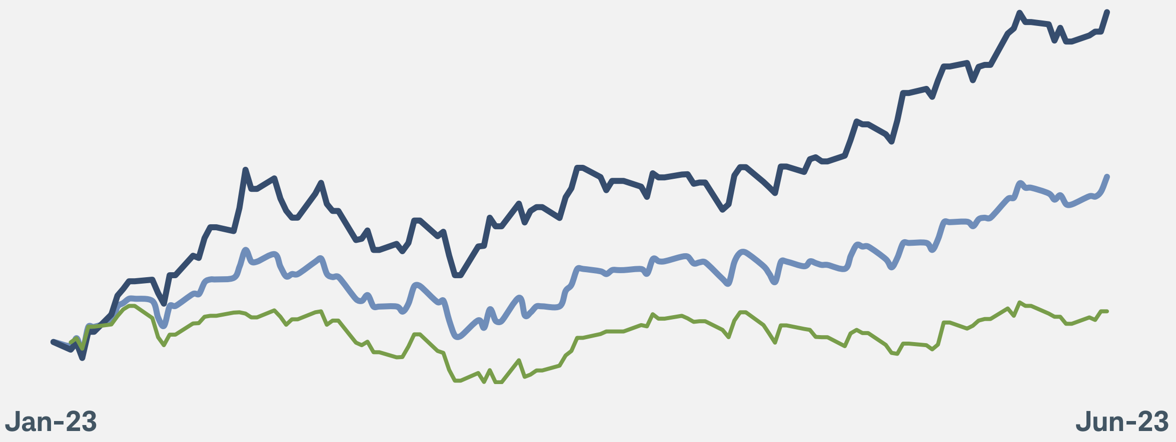
YTD VIX® Movement[1]



Equity Markets

Select YTD Index Returns (%)[1]

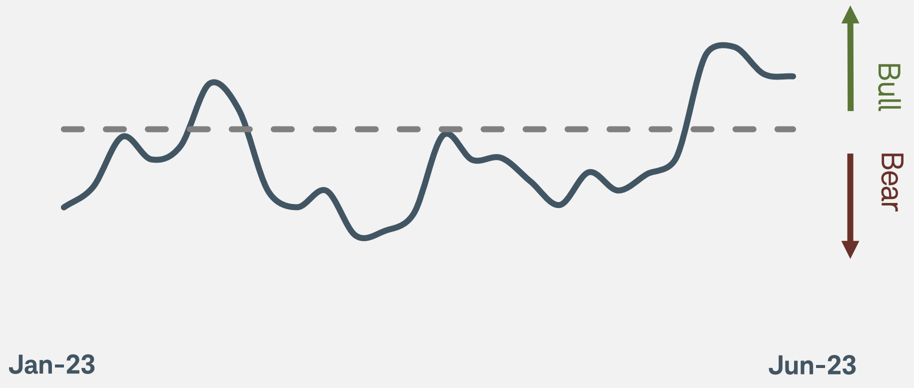
NASDAQ® +32% | S&P 500® +16% | DJIA +3%



Note: YTD = Year-to-date. Nasdaq® = NASDAQ composite index.1. VIX® and index returns sourced via FactSet.

These developments lifted sentiment and supported healthy levels of client engagement.

AAII® Bull-Bear Spread Sentiment Survey[1]



2Q23 Client Engagement

5.3M
Daily Average Trades

~1.2
Buy-Sell Ratio

Note: Q = Quarter. M = Million. 1. AAII 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).

Investors continued to entrust Schwab with their financial futures,...

2023 YTD Highlights

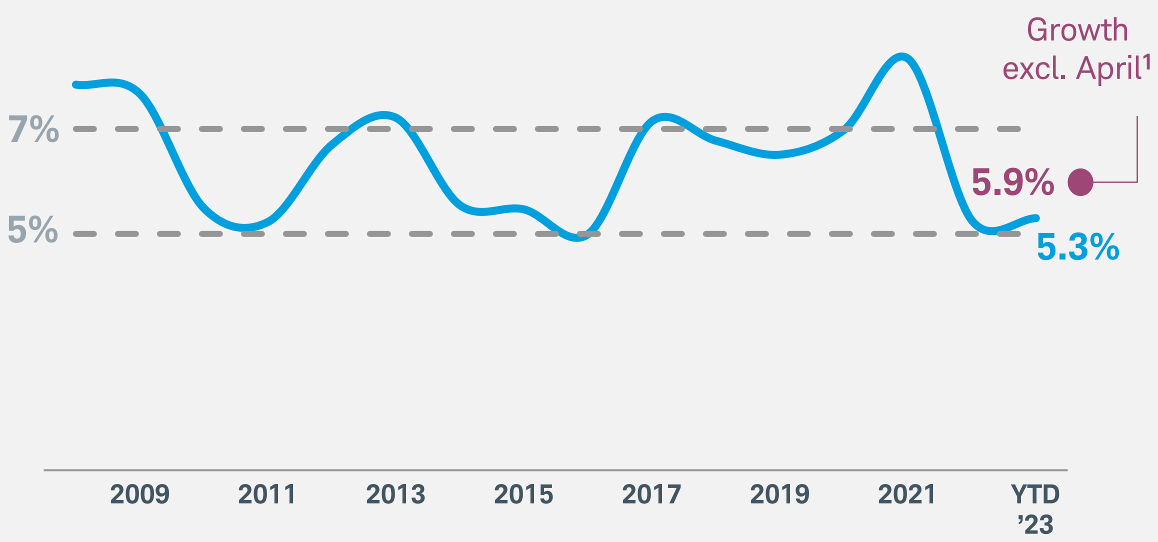
$184B

Core Net New Assets

2M

New Brokerage Accounts

Annualized Core NNA Growth Rate



Note: YTD = Year-to-date. M = Millions. B = Billions. NNA = Net New Assets. Core NNA = Net new assets before significant one-time flows, such as acquisitions/divestitures or extraordinary flows (generally greater than $10 billion) relating to a specific client, and activity from off-platform Schwab Bank Certificates of Deposit. These flows may span multiple reporting periods. 1. Excludes core NNA from the month of April 2023 of -$2.3B, bringing YTD Core NNA to $186.2B, annualized by removing days attributable to April, divided by 2022 year-end Total Client Assets of $7,049.8B = 5.9%.

...as our business momentum remained strong across the firm's two operating segments.

2023 YTD Segment Highlights

Investor Services

17 seconds
Average Speed to Answer

+$13.4B
Net Advised Flows

Advisor Services

$90M
Avg. Advisor in Transition Deal Size

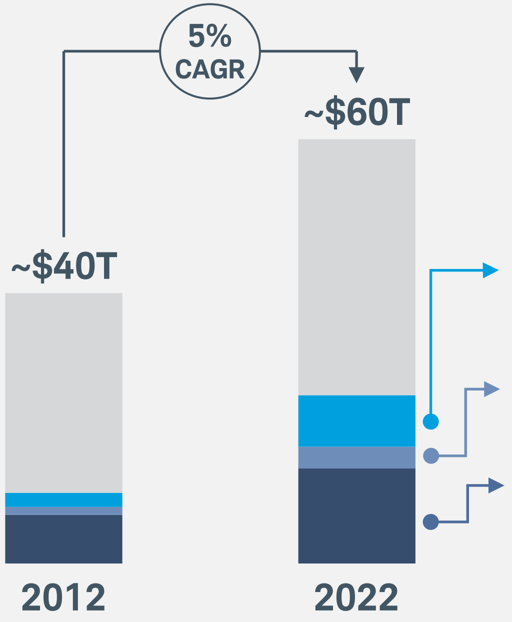
159
Number of Advisor in Transition Teams

Note: YTD = Year-to-date. H = Half. Y/Y = Year-over-year. M = Millions. B = Billions. Avg.= Average. Net advised flows includes Retail flows for Schwab Wealth Advisory™, ThomasPartners®, Windhaven®, Schwab Managed Products, Managed Account Select®, USAA® Managed Portfolios, Wasmer Schroeder™ Retail, Schwab Intelligent Portfolios®, Schwab Personalized Indexing™.

Our combination of competitive advantages has driven differentiated growth over time,...

- Size and Scale
- Operating Efficiency
- Service Culture
- Operating Structure
- Brand and Corp. Reputation
- Willingness to Disrupt

U.S. Investable Wealth Market, 2012 – 2022[1]



	Est. 2022 Market Share	Est. Change Since 2012
Schwab	**~12%**	**+7% pts**
IBDs	~5%	+2% pts
Wirehouses	~23%	+4% pts

By leveraging our competitive strengths, we have designed a "no trade-offs" approach to investing that continues to resonate with clients across an increasing market opportunity.

Note: T = Trillion. Est. = Estimated. CAGR = Compound annual growth rate. Pts = Points. U.S. = United States. IBD = Independent broker dealer. Competitor data based on publicly available reports for applicable wealth management segments. 1. Total U.S. Retail Investable Wealth based on Schwab estimates from Federal Reserve Flow of Funds report. Schwab market share estimate based on total client assets as of December 31, 2022.

...while our scale and expense discipline have yielded industry-leading operating efficiency[1].

Note: Bps = Basis points. IBD = Independent broker dealer. 1. Based on publicly available reports for applicable wealth management firms and/or segments.

We see an opportunity to extend that advantage by reducing our expense run-rate by the end of 2024.

Ameritrade Expense Synergies + **Real Estate** + **Operational Design** = **$1B+** run-rate expense savings target

We will deliver on the remaining ~$500M in committed deal synergies.

Our real estate footprint is evolving alongside our hybrid workplace strategy.

We plan to streamline our operating model, including position eliminations.

By sustaining our strong business momentum, as well as enhancing our scale and efficiency advantages, we could see EOCA improving by ~2 bps by the end of 2024.

Note: M = Million. B =Billion. EOCA = Expense on Client Assets. Bps = Basis points.

Consistency of focus and effort is crucial to maintaining our strong competitive positioning.

Scale & Efficiency

- Advance integration efforts
- Continue to make it easier for clients to 'do business' with us
- Enhance our operating model to support future growth

Win–Win Monetization

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

Client Segmentation

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

Note: RIA = Registered Investment Advisor.

We successfully executed the 2nd transition group of the largest brokerage conversion in history,...

- **2020** Schwab acquires Ameritrade
- **2021** Spin up integration efforts
- **2022** Prepare for client day one
- **2023** Begin client conversion
- **2024** Complete client transitions, wind down, & consolidate

FEB 2023 – President's Day weekend
MAY 2023 – Memorial Day weekend
SEP 2023 – Labor Day weekend
NOV 2023 – Weekend in early Nov.
1H 2024

We converted ~5.3M client accounts in May 2023...

... and are on track to migrate those remaining in three subsequent transition groups.

Transition

- **Finished faster than expected**, migrating ~11X more volume than the February Transition Group in the same amount of time
- Conversion activities were carried out **without any material issues**

Engagement

- **~41% of clients had credentials** by conversion date
- **~1.3M clients logged into Schwab** during the first 4 days
- **Schwab's second-largest market open** occurred on the day after conversion – **all cleared in under 15 seconds**

Experience

- **Service levels were normal on the first day** after the conversion weekend– almost 2 weeks earlier than expected
- Service teams **answered calls within ~7 seconds** on average by Day 2

Note: M = Million. H = Half.

...allowing millions of converted and existing retail clients to benefit from the power of our combined firm.

Clients now have access to a breadth of new capabilities at Schwab,...

- **New trading experiences on Schwab.com and mobile** such as SnapTicket®, trade ticket, and watchlist functionality
- Full range of **portfolio and wealth management solutions**
- Competitively priced client **lending capabilities and offerings**
- **The same (or better) pricing**
- **Expansive branch network** and **exceptional customer service**

...with even more to come by the end of 2023.

- Industry-leading **thinkorswim® trading platforms**
- Additional **streaming market data and trading features** on Schwab.com and mobile, including **more customizable experiences**
- Expanded **wealth management insights, market commentary, and educational resources**

Our integrated suite of products and solutions will help serve the needs of all clients.

Ameritrade RIAs already have access to key elements of the advisor offer ahead of conversion in September.

We have harmonized meaningful aspects of the RIA experience in preparation for conversion…

Unified Events Strategy
- Joint participation at our flagship events such as IMPACT
- Merged Advisory Board panels/forums

Business Consulting
- Annual benchmarking study
- Virtual practice management
- Executive Leadership Program

RIA Industry Advocacy
- RIA Connect®
- Independent Difference campaign
- Advisor directory

Trading Capabilities
- Strategy desk
- Block desk

…and the full benefits of our "best of both" offer will be available after conversion.

Integrated Trading Platforms
- thinkpipes
- iRebal®
- Model Market Center™

Innovative Technology
- Schwab Advisor Center
- Digital account onboarding
- Enhanced Docusign®
- eAuthorization

Specialized Resources
- Schwab Alliance
- Schwab Charitable
- Schwab Bank

The combined custodial platform is positioned to help RIAs of all sizes grow, compete and succeed.

Note: RIA = Registered Investment Advisor.

Our comprehensive suite of advisory and personalized investing solutions is strengthening client relationships.

Schwab Wealth Advisory™

$5.9B+

1H23 Net Flows

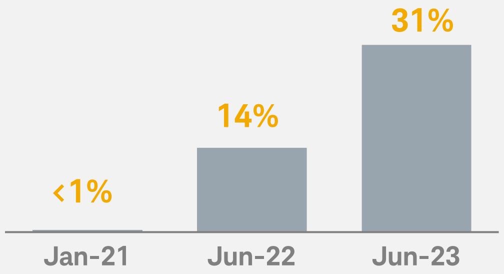
74

2Q23 Client Promoter Score

Wasmer Schroeder™

$2.8B

1H23 Net Flows



Share of fixed income Managed Account Select® AUM

Schwab Personalized Indexing™

Enhanced capabilities for RIAs:

- **Digital enrollment** and funding process across multiple account types
- Account-level **dashboards**
- **Ability to exclude more** individual stocks and entire industries and sub-industries

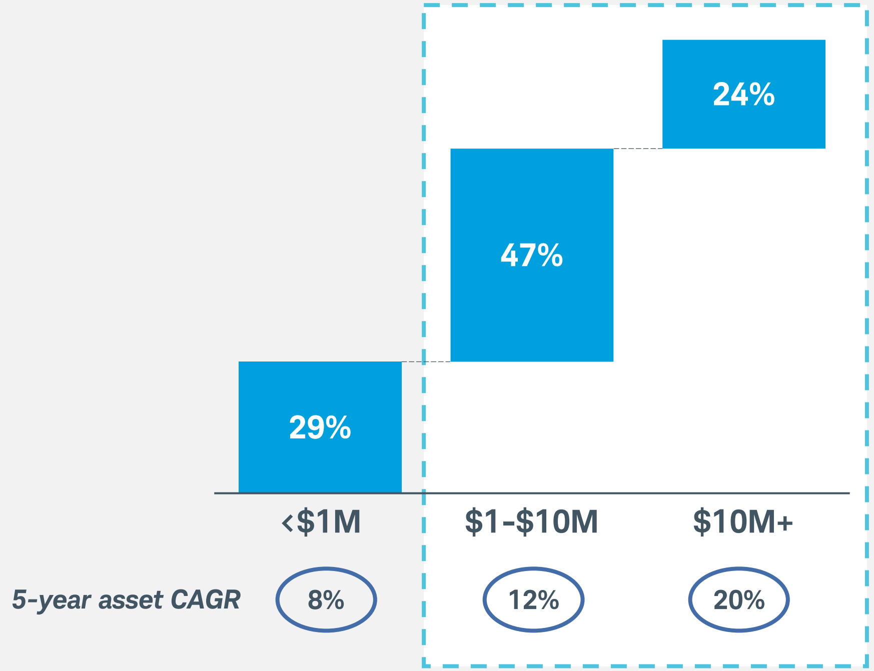
Clients continue to turn to our wealth solutions to help meet their financial goals.

Note: B = Billion. H = Half. Q = Quarter. RIA = Registered investment advisor. AUM = Assets under management.

We have launched differentiated service experiences for largely self-directed clients with over $1M in assets.

U/HNW represent a large portion of retail assets…

Schwab Retail assets by wealth tier[1]



…and we have enhanced our specialized service models for these clients.

Schwab Private Client Services™
HNW ($1M-$10M)

&

Schwab Private Wealth Services™
UHNW ($10M+)

- **Priority assistance** and **dedicated service teams**
- **Pricing advantages** across Schwab's bank and broker-dealer solutions
- Access to a range of **experienced wealth management specialists**
- **Curated insights** on investing and planning topics from Schwab experts
- Access to **specialized events**

Meeting the specific needs of key client segments will help support our long-term asset growth.

Note: M = Million. CAGR = Compound annual growth rate. HNW = High Net Worth. UHNW = Ultra High Net Worth. U/HNW = High Net Worth and Ultra High Net Worth. 1. As of 6/30/2023. Excludes recently converted Ameritrade accounts to the combined platform.

Looking to the future, we see a clear path to continued long-term growth.

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

Younger client base
Almost 60%[1] of NTF retail clients are under 40

Valuable dedicated relationships
FC relationships drive ~2.5X NNA[2] and higher retention

Strong RIA growth
Driven through acquiring new clients and increasing wallet share from existing clients

...and attract new clients to Schwab,...

Our brand
Schwab was built around a simple idea: put the client first

Proven retail acquisition model
Our diversified model is a proven engine to acquire new assets

Workplace pipeline
Complementary acquisition channel, with ~15%[1] of NTF retail clients originating from WFS

Commitment to RIAs
We attract new advisors through our industry advocacy, open-architecture technology, and strong service model

...which positions us well for future growth and increased value to our clients and stockholders.

5-7%
Annualized core NNA growth rate

$3.5 - 4.0B+
Wealth management revenue opportunity[3]

Note: B = Billions. FC = Financial consultant. NNA = Net new assets. RIA = Registered investment advisor. WFS = Workplace Financial Services. NTF = New to firm. Core NNA = Net new assets before significant one-time flows, such as acquisitions/divestitures or extraordinary flows (generally greater than $10 billion) relating to a specific client, and activity from off-platform Schwab Bank Certificates of Deposit. These flows may span multiple reporting periods. 1. Based on 1H2023. 2. Existing (i.e. non-NTF) households Direct-to-consumer Retail only; based on the trailing twelve month average as of 6/30/2023 for $1M-$10M Active Practice vs Unassigned (Marketing, Non-Practice, Unassigned) HHs. 3. 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.

Our "Through Clients' Eyes" strategy keeps us well-positioned to continue growing despite a difficult economic environment.

- Schwab's business momentum carried into the second quarter, as clients engaged with us across our broad array of services and solutions
- While our competitive advantages have helped drive differentiated growth over time, it is important to further enhance our platform's scale and efficiency to maintain our position as a cost leader in the market
- We took steps to further advance our key strategic initiatives – including successfully completing the next phase of the largest brokerage conversion in history– keeping us on track to pursue the tremendous growth opportunities still ahead of us

Financial Perspectives

Peter Crawford

Managing Director, Chief Financial Officer

As temporary headwinds subside, our "through the cycle" financial formula is expected to drive growth.

- Results during the second quarter were influenced by certain transitory factors, such as the utilization of higher cost funding, which more than offset the benefits of healthy asset gathering and stronger equity markets
- Client cash realignment activity decelerated meaningfully throughout the quarter – and we believe we are now past peak supplemental funding levels
- We are confident that our long-term investment thesis remains firmly intact – keeping us positioned for differentiated growth over the coming years

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

We converted our ongoing momentum into solid 2Q results while navigating near-term pressures.

YTD 2023

Core NNA ($B)

$184

New Brokerage Accounts (M)

2.0

Q2 2023

Net Revenue

$4.7B

Expenses

$3.0B
GAAP

$2.7B
Adjusted[1]

Pre-tax Profit Margin

36.3%
GAAP

42.0%
Adjusted[1]

Earnings Per Share

$0.64
GAAP

$0.75
Adjusted[1]

Note: YTD = Year-to-date. Q = Quarter. M = Millions. B = Billions. Core NNA = net new assets before significant one-time flows, such as acquisitions/divestitures or extraordinary flows (generally greater than $10 billion) relating to a specific client, and activity from off-platform Schwab Bank Certificates of Deposit. These flows may span multiple reporting periods.1. Further detail on non-GAAP financial measures and a reconciliation of such measures to reported results are included on slides 40-45 of this presentation.

The balance sheet contracted 4% versus the first quarter as client cash realignment slowed substantially from early 2023.

($M, EOP)	1Q23	2Q23
Total Assets	$535,552	$511,505
Bank Deposits	$325,745	$304,414
Payables to Brokerage Clients	$87,553	$84,795
Stockholders' Equity	$36,347	$37,147
Parent Liquidity	$9,788	$8,961
Consolidated Tier 1 Leverage Ratio*	7.1%	7.5%
CSB Adjusted Tier 1 Leverage Ratio[2*]	2.8%	4.0%

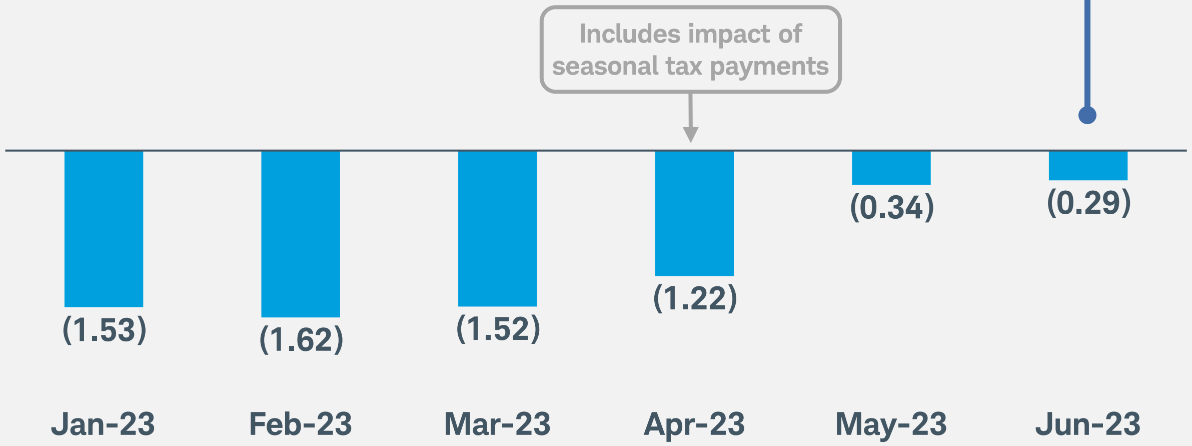
- **Bank deposits** were down 7% sequentially due to client cash realignment decisions and an uptick in net equity purchasing
- Net outstanding **supplemental funding**[1] **increased by only $7 billion** versus the prior quarter, as the $11 billion of incremental CD issuances was partially offset by FHLB maturities
- **Stockholders equity** increased 2% versus 1Q23, driven by organic capital formation
- Consolidated **Tier 1 Leverage Ratio* for 2Q** was 7.5%, which is well above regulatory minimums and our long-term operating objective of 6.50%-6.75%

Note: M = Million. Q = Quarter. EOP = End-of-period. FHLB = Federal Home Loan Bank. CD = Certificate of Deposit. BDA = Bank Deposit Account. AOCI = Accumulated other comprehensive income. *Preliminary 1. Includes bank sweep deposits + BDA balances + broker-dealer cash balances. CSB = Charles Schwab Bank, SSB. 1. Short-term funding includes repurchase agreements, Schwab Retail Certificates of Deposit, and Federal Home Loan Bank balances. 2. Preliminary CSB Tier 1 Leverage Ratio equals 8.9% as of June 30, 2023. Further detail on non-GAAP financial measures and a reconciliation of such measures to reported results are included on slides 40-45 of this presentation.

The trajectory of client cash realignment reinforces our belief that this activity will further abate before the end of the year.

Average Daily Pace of Net Cash Realignment ($B per Business Day)

Bank Sweep Deposits + BDA Balances + Broker-Dealer Cash Balances



Month-to-date July pace is tracking similar to June.

Case Study

Schwab Bank Sweep & Schwab One®

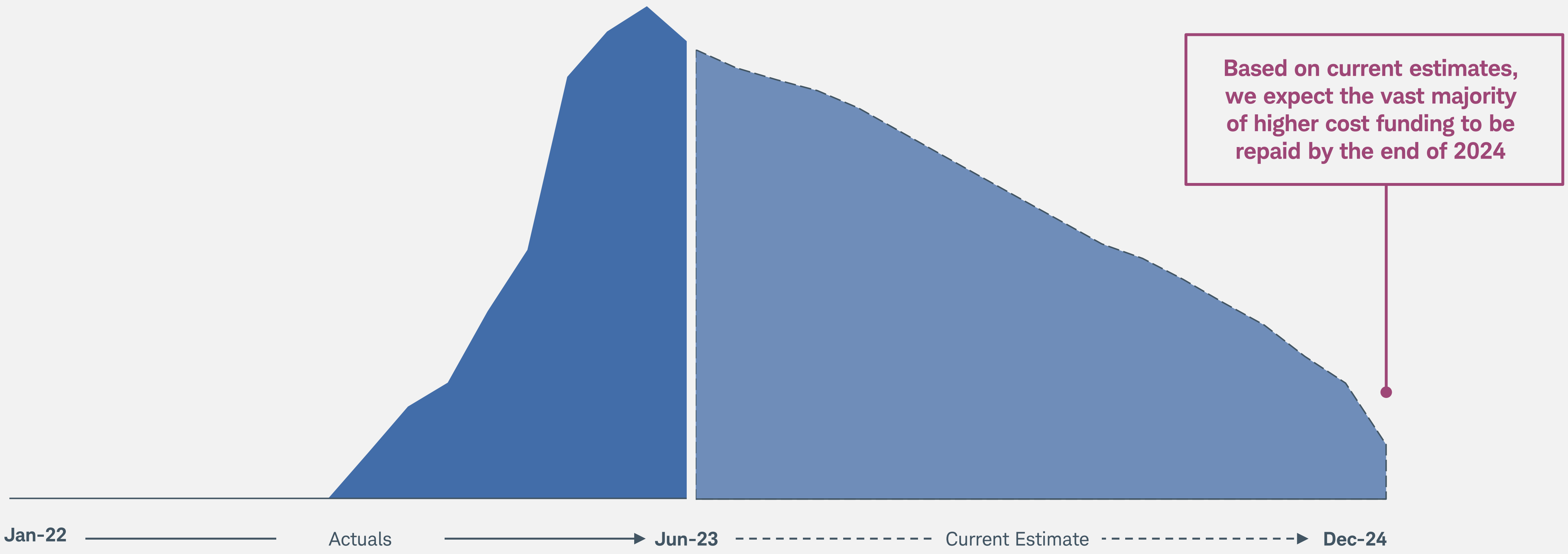
June 2023

Equity Trading Activity	**Net Buyers**
Number of first-time realignment events[1]	**-50%** vs. peak (March '23)
Size of average realignment event[1]	**-70%** vs. peak (April '22)

Note: B = Billion. BDA = Bank deposit account. Broker-Dealer Cash Balances = Schwab One® and Ameritrade Client Credits. 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 June 30, 2023. Excludes Ameritrade accounts that have been converted to the Schwab platform.

The current pace of realignment activity implies supplemental funding levels have peaked.

Illustrative Supplemental Short-Term Funding Balances[1] ($B), 2022-2024E



Note: B = Billion. E = Estimated. 1. Short-term funding includes repurchase agreements, Schwab Retail Certificates of Deposit, and Federal Home Loan Bank borrowings.

Our 2023 financial outlook is influenced by the path of interest rates and investor behavior,...

- Utilizing the recent June Federal Reserve Dot Plot, we **anticipate full-year 2023 revenue to decline by 7%–8%** versus the prior year
  - Assumes **NIM expands into the 210s bps by 4Q23**
    - Client cash **realignment activity continues to moderate,** allowing the resumption of deposit growth prior to year-end
    - Utilization of **temporary funding further decreases**
    - December 2023 average interest-earning assets shrink by mid-teens percentage points relative to December 2022 levels

- We expect **full-year expense growth of around 6%** on both a GAAP and adjusted[1] basis
  - Includes **$160 million for one-time FDIC special assessment** later this year
  - Current **scenario does not allow for any costs or benefits related to the incremental targeted expense saves** beyond the remaining Ameritrade deal synergies

Note: Q = Quarter. NIM = Net interest margin. Bps = Basis points. FDIC = Federal Deposit Insurance Corporation. 1. Further detail on non-GAAP financial measures and a reconciliation of such measures to reported results are included on slides 40-45 of this presentation.

...while we anticipate favorable NIM and expense dynamics to bolster 2024 and beyond.

- Using current forward rate assumptions, we **see NIM into the 270s bps by the end of 2024** – with further **expansion to nearly 3.00% during late 2025**
  - Anticipate **repaying the vast majority of temporary funding** by the end of 2024

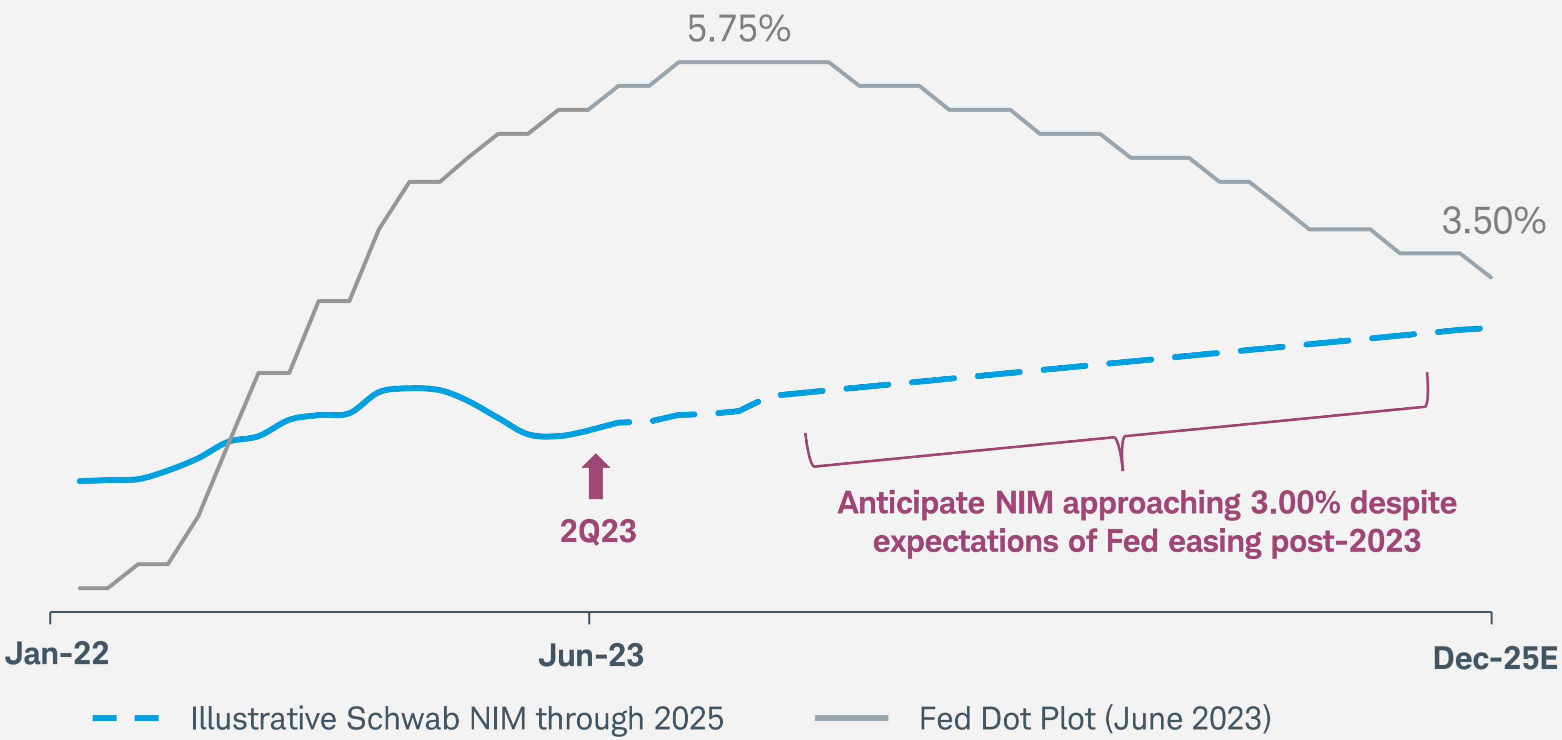
- Underscoring the importance of expense discipline through the cycle, we are **targeting an incremental $500+ million in run-rate expense savings** beyond the remaining committed deal synergies
  - Assuming we realize these savings, our **2024 year-over-year expense growth could range from flat to slightly negative**

- Based on its current path, we see consolidated **Adjusted Tier 1 Leverage Ratio[1] reaching ~5% by the end of 2023 and at least 6.5% before 2025**

Note: Q = Quarter. NIM = Net interest margin. Bps = Basis points. 1. Further detail on non-GAAP financial measures and a reconciliation of such measures to reported results are included on slides 40-45 of this presentation.

Under current dot plot rate scenarios, we could see our NIM approaching 3.00% by 4Q 2025.

Illustrative NIM vs. Fed Dot Plot[1]



Select Assumptions

- June 2023 Fed Dot Plot
- Cash realignment further abates in 2H 2023 and higher cost funding mix trends down
- Short-term funding is mostly paid off by December 2024
- Longer-term NIM accretion will be further supported by reinvestment of fixed-rate book (currently yielding ~1.60 – 1.70%)

Note: Q = Quarter. H = Half. NIM = Net interest margin. E = Expected. 1. Fed Dot Plot data sourced via Federal Research Economic Data as of 6/30/2023.

The long-term investment thesis for Schwab is as strong as ever.

Premier Asset Gatherer

- Through Clients' Eyes strategy
- Formidable strategic moat
- Strong "no trade-offs" competitive position
- Leading position in the two fastest growing segments in wealth management
- Significant untapped opportunity with only ~12%[1] market share of U.S. investible wealth

Diversified Revenue Model

- Business model that combines brokerage, banking, and asset management
- Significant contributions from Net Interest Revenue, Asset Management, and Trading
- High client loyalty creates opportunity to broaden relationship
- Minimal credit exposure, even during economic downturns

Disciplined Expense Management

- Ability to leverage scale and efficiency to drive down Expense on Client Assets
- Harness remaining expense synergies
- Large, untapped efficiency opportunities (Cloud, Broker Dealer Modernization)

Efficient Utilization of Capital

- Attractive returns on invested capital
- Dividend payout ratio of 20-30% of GAAP earnings
- Opportunistic capital return over time – though share repurchases currently on hold

Our "Through Clients' Eyes" strategy positions us to attract, serve and deepen relationships with more investors – resulting in enhanced long-term value for both clients and stockholders.

Note: U.S. = United States. 1. Based on Schwab estimates from Federal Reserve Flow of Funds report. Schwab market share estimate based on total company assets as of December 31, 2022.

Appendix

Appendix

Underlying 2023 Scenario Assumptions (as of June 30, 2023)

Macro Factors	
Short Rates	*June 2023 Fed Dot Plot* *Fed Funds finishes FY 2023 at 5.75%*
Long Rates	*Avg. 5-year UST for 2023 of ~3.80%*
S&P 500®	*Growth in-line with long-term equity market appreciation*

Business Factors	
DATs	*5.4M for full year 2023*
Bal. Sheet Positioning	*Margin balances remain flat relative to 4Q22 EOP levels; investment strategy continues to prioritize flexibility / liquidity*
Bal. Sheet Decline	*December 2023 average IEA shrink by mid-teens percentage points relative to December 2022 levels*
Capex	*Running at 3%-4% of total revenues*

Note: FY = Full year. Q = Quarter. H = Half. M = Millions. EOP = End-of-period. Avg. = Average. UST = U.S. Treasury. DAT = Daily average trades. Capex = Capital expenditures. Bal. sheet = Balance sheet. YE = Year-end. IEA = Interest-earning assets.

Appendix

Select Revenue Sensitivities (as of June 30, 2023)

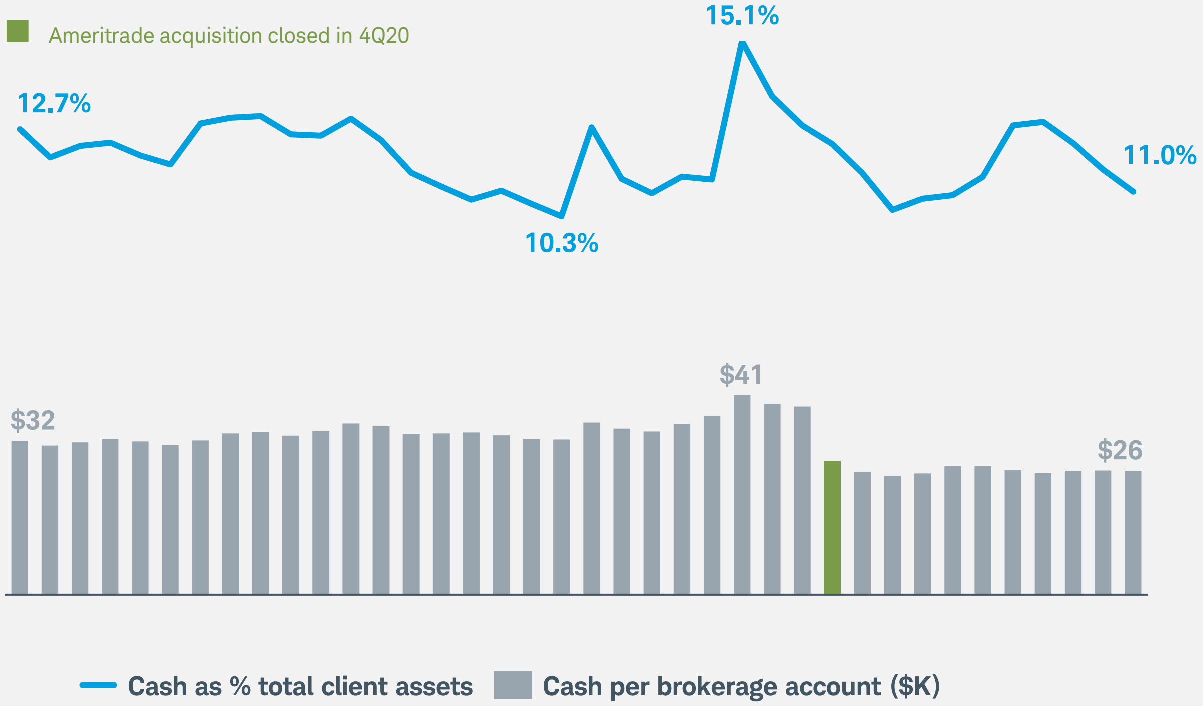
Target Fed Funds Rate +/- 25 bps	~$200M – $400M
5-Year Treasury +/- 10 bps	~$75M
Bank Sweep Balances +/- $1B	~$50M
S&P 500® +/- 1%	~$25M
Daily Average Trades +/- 100K	~$60M
Margin Balances +/- $1B	~$75M

Note: Bps = Basis points. B = Billions. M = Millions. K = Thousands. FHLB = Federal Home Loan Bank. For the Fed Funds and Treasury sensitivities, assumes static interest-earning asset balances as of June 30, 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%. Every +/- $5 billion change in FHLB or Schwab Retail CD borrowings per quarter equals approximately 1 basis point of NIM drag/boost, respectively.

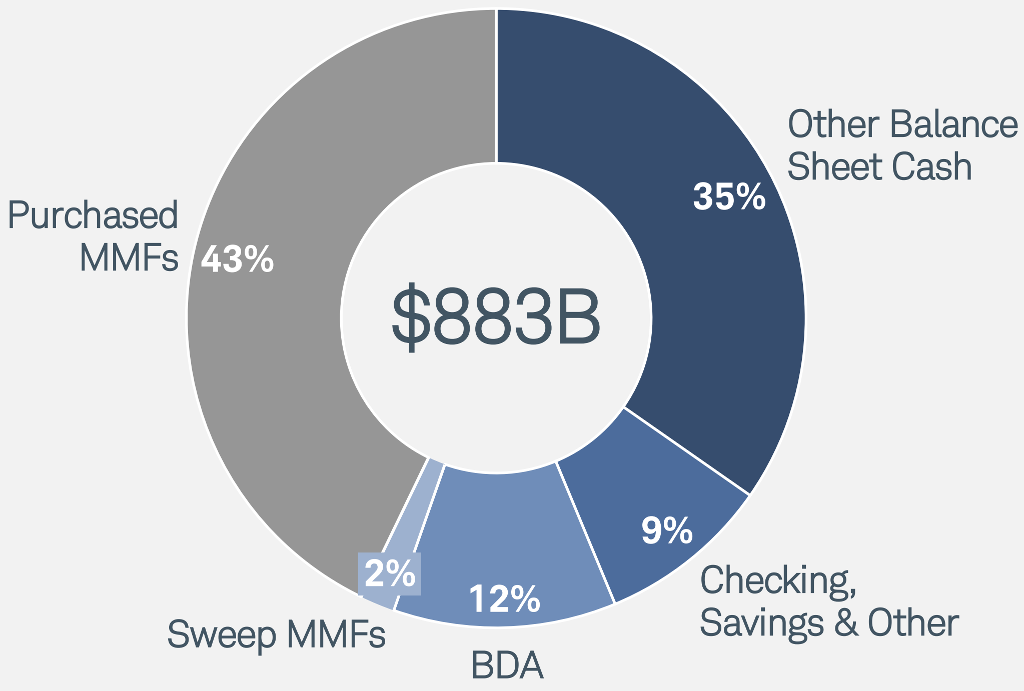
Appendix

Historical Client Cash Trends (as of June 30, 2023)

Select Client Cash Metrics, 1Q14 – 2Q23 ($K, %)



Total Client Cash Mix, 2Q23 (%)[1, 2]

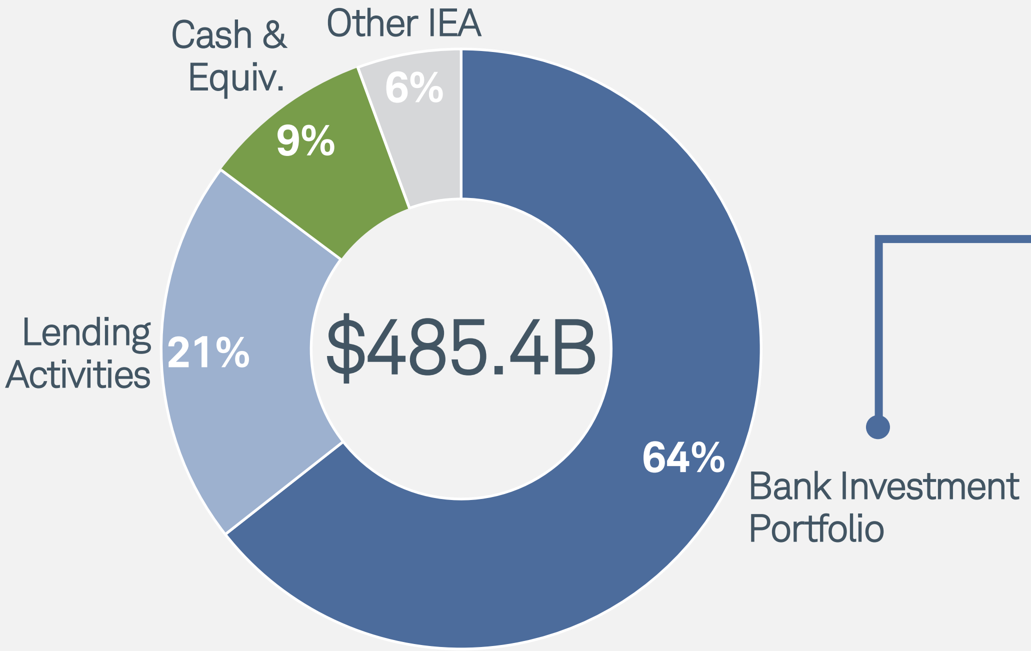


Note: K = Thousands. B = Billions. Q = Quarter. MMF = Money market fund. BDA = Bank deposit account. 1. Other Balance Sheet Cash includes bank sweep deposits and Schwab One® balances. 2. Total may not sum to 100% due to rounding.

Appendix

Average Interest-earning Assets & Bank Investment Portfolio (as of June 30, 2023)

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

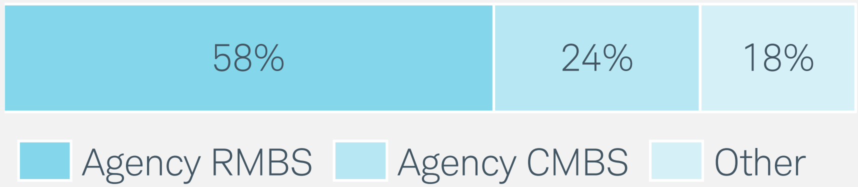


Bank Investment Portfolio Spotlight

Fixed vs. Floating

93% Fixed / 7% Floating

Securities Mix[3]



90%+ backed by U.S. government or agency

Duration Analysis[4]

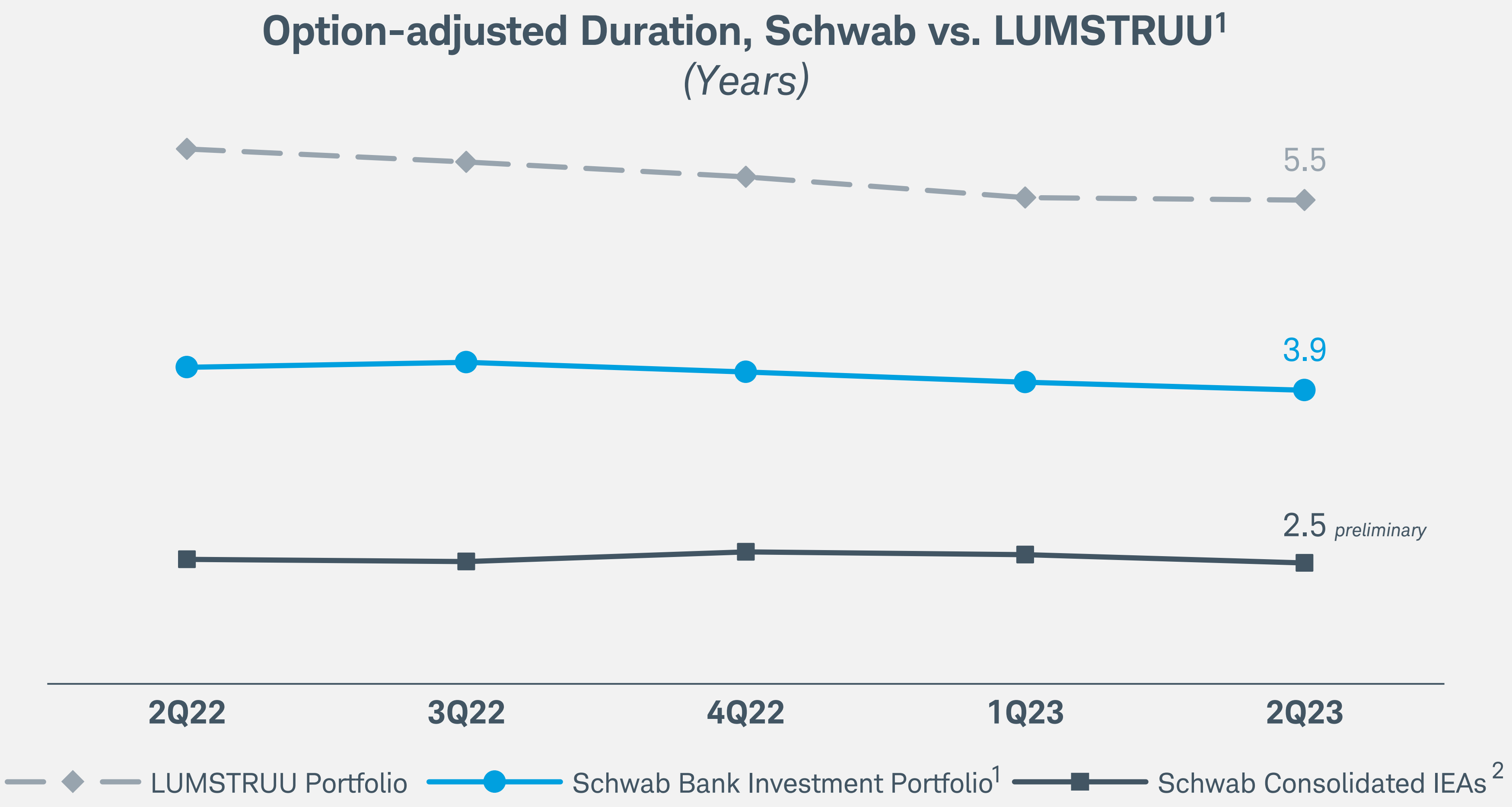
~3.9 Portfolio Duration (Years)

Rate Shock (bps)	SCHW	LUMSTRUU[5]
+100	-0.11 yrs.	-0.12 yrs.
-100	0.10 yrs.	0.02 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. Duration and rate shock analysis are presented on an option-adjusted basis, including the impact of hedging activity, as of June 30, 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

Duration Profiles



Note: Q = Quarter. IEA = Interest earning assets. 1. Schwab Securities Portfolio duration represents hedged duration as of March 31, 2023. 2. The preliminary quarter-end consolidated asset duration is calculated using EOP figures as of June 30, 2023 and includes any impact from hedging activity.

Appendix

Reinvestment Opportunities (as of June 30, 2023)

Illustrative

Potential Reinvestment Opportunities

		Cash & Equivalents	U.S. Treasuries	MBS Securities	Other IG Securities
Security					
Yield	Current	~5.15%	~5.15%	~5.35%	~5.94%
Yield	1-yr Fwd[1]	~4.65%	~4.08%	~5.02%	~4.77%
	Duration[2]	< 1 month	~ 1-1.5 years	~ 4-5 years	~ 1-1.5 years

Selection Criteria

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

Potential Blended Reinvestment Yield

Floating:	SOFR +90
Fixed:	5.80%–6.00%

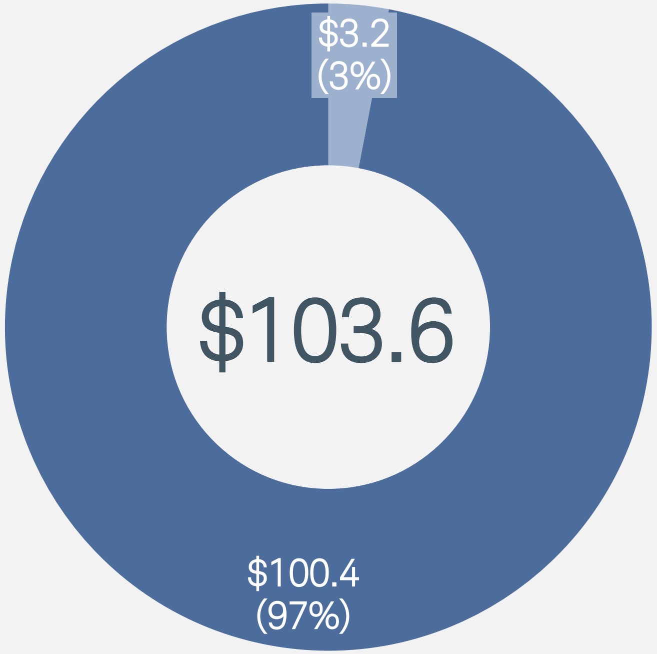
We continue to prioritize **flexibility and liquidity to accommodate remaining client cash realignment** decisions

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-July 2023. 2. Illustrative durations shown on an option-adjusted basis.

Appendix

Bank Deposit Account Summary (as of June 30, 2023)

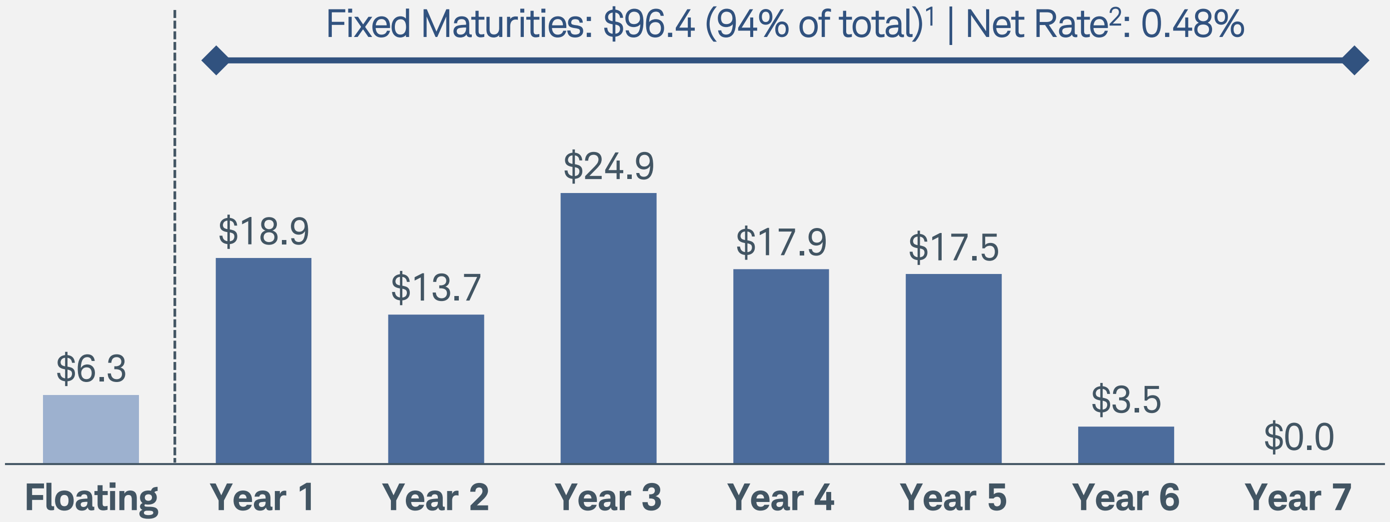
Mix of Average BDA Balances ($B,%)[1]



	Net Rate	2Q23 Revenue
Floating	4.48%	$36M
Fixed	0.55%	$140M

BDA Balances by Maturity, EOP ($B)

Total Balance: $102.7	Net Rate[2]: 0.73%	Annual Revenue[3]: $758.4M



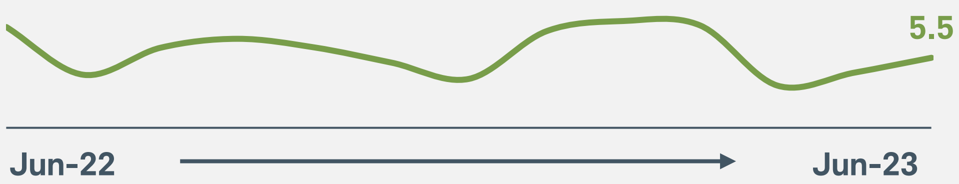
	Floating	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Net Rate[2]	4.50%	1.32%	1.06%	-0.27%	-0.14%	0.54%	1.87%	-0.58%
Annual Revenue[3]	$289M	$253M	$148M	($68M)	($25M)	$95M	$65M	$0M

Note: Certain totals may not sum due to rounding. M = Millions. B = Billions. Q = Quarter. BDA = Bank Deposit Account. EOP = End-of-period. Net yields calculated on an actual/360 basis. 1. Balances maturing by remaining duration term (e.g., Year 1 maturities are balances rolling off the fixed-rate ladder over the next 12 months). 2. EOP net rate of maturities as of June 30, 2023; includes all related fees and client pay rates as of June 30, 2023. 3. Revenue figures presented on an annualized run-rate basis per the amended 2023 Insured Deposit Agreement (IDA) arrangement.

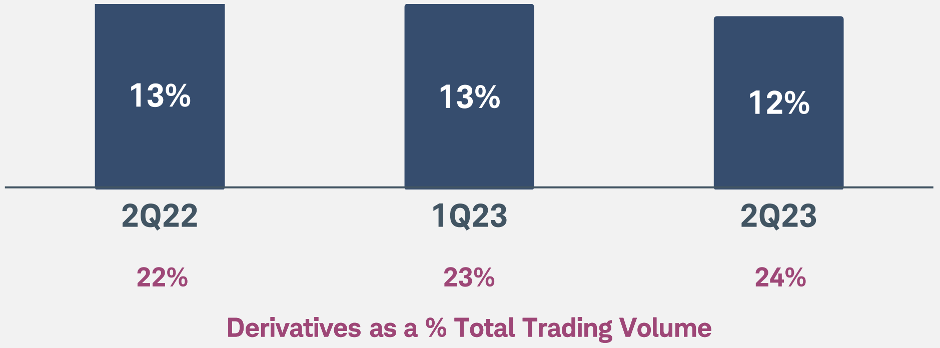
Appendix

Select Trading Information (as of June 30, 2023)

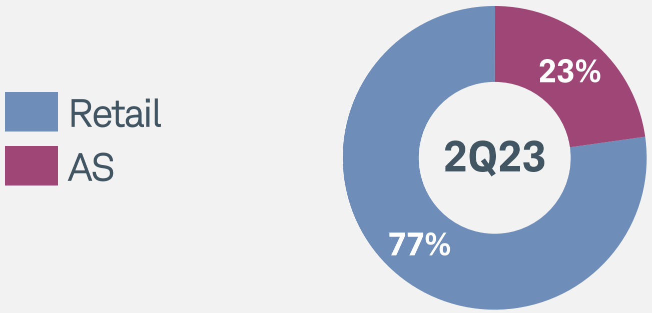
Monthly DATs (M)



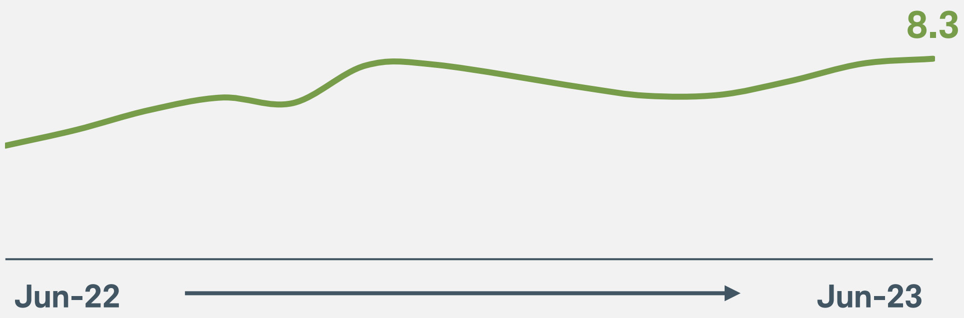
Futures as % Derivatives Trading



Quarterly DAT Mix (%)



Monthly Average Contracts per Option Trade



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

Appendix

Non-GAAP Introduction

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

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

Non-GAAP Adjustment or Measure	Definition	Usefulness to Investors and Uses by Management
Acquisition and integration-related costs and amortization of acquired intangible asse	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.	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.
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

(In millions, except ratios and per share amounts)	Three Months Ended, June 30, 2023		Twelve Months Ended, December 31, 2022	
	Total Expenses Excluding Interest	Net Income	Total Expenses Excluding Interest	Net Income
Total expenses excluding interest (GAAP), Net income (GAAP)	$ 2,965	$ 1,294	$ 11,374	$ 7,183
Acquisition and integration-related costs [(1)]	(130)	130	(392)	392
Amortization of acquired intangible assets	(134)	134	(596)	596
Income tax effects [(2)]	N/A	(64)	N/A	(237)
Adjusted total expenses (Non-GAAP), Adjusted net income (Non-GAAP)	$ 2,701	$ 1,494	$ 10,386	$ 7,934

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

	Three Months Ended, June 30, 2023	
(In millions, except ratios and per share amounts)	Amount	% of Total Net Revenues
Income before taxes on income (GAAP), Pre-tax profit margin (GAAP)	$ 1,691	36.3%
Acquisition and integration-related costs	130	2.8%
Amortization of acquired intangible assets	134	2.9%
Adjusted income before taxes on income (Non-GAAP), Adjusted pre-tax profit margin (Non-GAAP)	$ 1,955	42.0%

Appendix

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

	Three Months Ended, June 30, 2023	
(In millions, except ratios and per share amounts)	Amount	Diluted EPS
Net income available to common stockholders (GAAP), Earnings per common share — diluted (GAAP)	$ 1,173	$ .64
Acquisition and integration-related costs	130	.07
Amortization of acquired intangible assets	134	.07
Income tax effects	(64)	(.03)
Adjusted net income available to common stockholders (Non-GAAP), Adjusted diluted EPS (Non-GAAP)	$ 1,373	$ .75

Note: EPS = Earnings per share.

Appendix

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

(In millions, except ratios and per share amounts)		Three Months Ended, June 30, 2023
Return on average common stockholders' equity (GAAP)		17%
Average common stockholders' equity	$	27,556
Less: Average goodwill		(11,951)
Less: Average acquired intangible assets — net		(8,591)
Plus: Average deferred tax liabilities related to goodwill and acquired intangible assets — net		1,834
Average tangible common equity	$	8,848
Adjusted net income available to common stockholders[1]	$	1,373
Return on tangible common equity (Non-GAAP)		62%

Note: 1. See table on slide 43 for the reconciliation of net income available to common stockholders to adjusted net income available to common stockholders (non-GAAP).

Appendix

Non-GAAP Reconciliation: Adjusted Tier 1 Leverage Ratio

(In millions, except ratios and per share amounts)	Three Months Ended, June 30, 2023		Three Months Ended, March 31, 2023	
	CSC	CSB	CSC	CSB
Tier 1 Leverage Ratio (GAAP)	7.5%	8.9%	7.1%	7.7%
Tier 1 Capital	$ 39,190	$ 31,556	$ 38,217	$ 27,694
Plus: AOCI adjustment	(20,729)	(18,052)	(20,690)	(17,965)
Adjusted Tier 1 Capital	$ 18,461	$ 13,504	$ 17,527	$ 9,729
Average assets with regulatory adjustments	$ 520,602	$ 356,406	$ 540,157	$ 361,593
Plus: AOCI adjustment	(20,397)	(17,707)	(21,480)	(18,642)
Adjusted average assets with regulatory adjustments	$ 500,205	$ 338,699	$ 518,677	$ 342,951
Adjusted Tier 1 Leverage Ratio (non-GAAP)	3.7%	4.0%	3.4%	2.8%

Note: CSC = Charles Schwab Corporation. CSB = Charles Schwab Bank, SSB. AOCI = Accumulated other comprehensive income.

Summer Business Update

July 18, 2023

CORPORATION