Summer Business Update

July 21, 2020

charles SCHWAB

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Introduction

Rich Fowler

Senior Vice President
Investor Relations

Agenda

Walt Bettinger, President and Chief Executive Officer

Peter Crawford, EVP and Chief Financial Officer

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," "drive," "lead," "consistent," "sustain," "enhance," "estimate," "anticipate," "potential," "target," "maintain," "insulate," "on track," "objective," "progress," "evolve," "enable," "deliver," "scenario," "outcome," and other similar expressions. These forward-looking statements relate to: the company's key initiatives focused on scale, monetization, revenue diversification, and client segmentation; investments and acquisitions to fuel and support growth, serve clients, and drive scale and efficiency; stockholder value; growth in the client base, client accounts and assets; pending TD Ameritrade acquisition, including status and anticipated closing; digital transformation; growth in revenues, earnings, and profits; expense growth; capital management; Tier 1 leverage ratio operating objective; net interest margin; liquidity; dividend payment; 2020 scenario outcomes, including macro factor assumptions, balance sheet dynamics, and potential financial results; and estimated revenue impact from revenue sensitivities. These forward-looking statements, which reflect management's beliefs, objectives, and expectations 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 our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. Other important factors include the company's ability to develop and launch new and enhanced products, services, and capabilities, as well as enhance its infrastructure, in a timely and successful manner; client use of the company's advisory solutions and other products and services; general market conditions, including equity valuations, trading activity, the level of interest rates - which can impact money market fund fee waivers - and credit spreads; the company's ability to attract and retain clients and RIAs and grow those relationships and client assets; competitive pressures on pricing, including deposit rates; the company's ability to support client activity levels; failure of the parties to satisfy the closing conditions in the agreement for the pending TD Ameritrade acquisition in a timely manner or at all, including regulatory approvals, and the implementation of integration plans; disruptions to the parties' businesses as a result of the announcement and pendency of the TD Ameritrade acquisition; the risk that expected revenue, expense and other synergies and benefits from acquisitions may not be fully realized or may take longer to realize than expected; client cash allocations; client sensitivity to rates; the level of client assets, including cash balances; the company's ability to monetize client assets; capital and liquidity needs and management; the impact of changes in market conditions on revenues, expenses, and pre-tax profit margin; the company's ability to manage expenses; timing and ability to invest amounts held in excess reserves at the Federal Reserve into higher yielding investments in the company's bank securities portfolio; the scope and duration of the COVID-19 pandemic and actions taken by governmental authorities to contain the spread of the virus and the economic impact; regulatory guidance; the effect of adverse developments in litigation or regulatory matters and the extent of any charges associated with legal matters; and any adverse impact of financial reform legislation and related regulations. The information in this presentation speaks only as of **July 21, 2020** (or such earlier date as may be specified herein). The company makes no commitment to update any of this information.

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Walt Bettinger

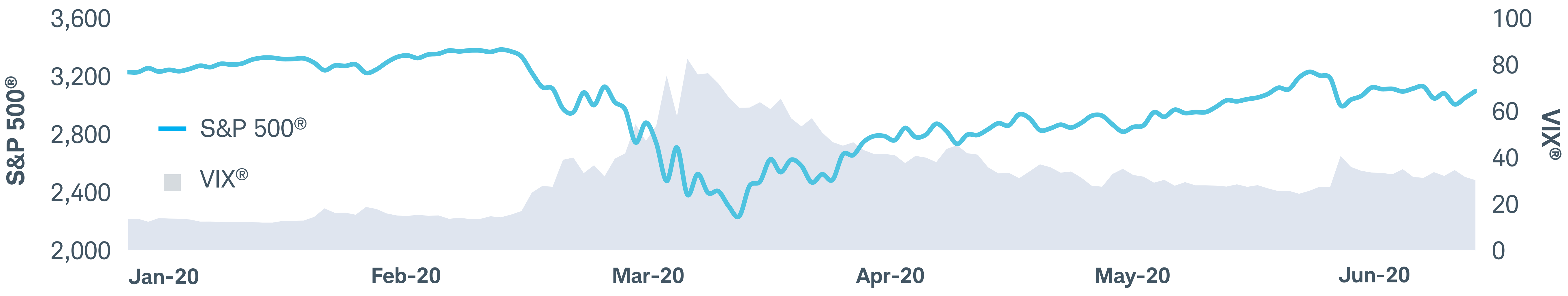
President and
Chief Executive Officer

Amidst current uncertainty, we're pushing ahead, confident our key initiatives will benefit both clients and stockholders.

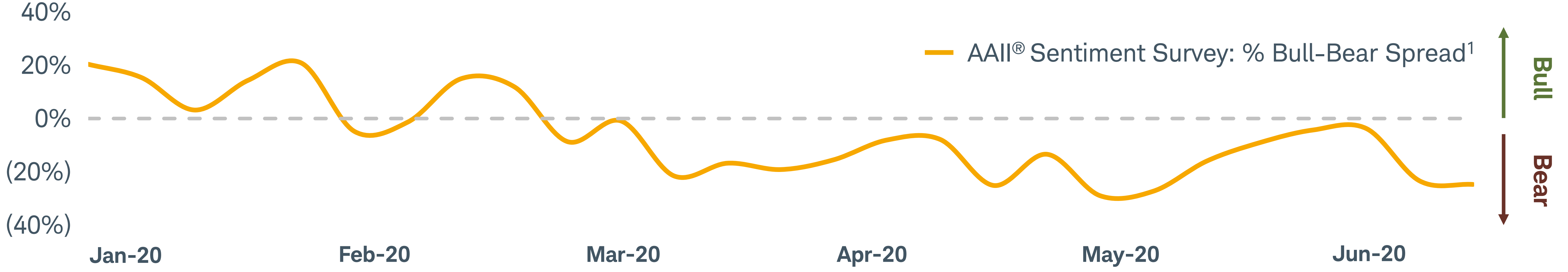
- Engagement across our platform is strong as clients utilize our range of investment products and solutions
- While navigating significant headwinds, we are making progress on key initiatives focused on scale, monetization, and segmentation – which are supported by our recent strategic acquisitions
- Our commitment to seeing "Through Clients' Eyes" remains paramount – helping us move forward on the right path

While the overall macroeconomic picture remains mixed,...

Equity markets have rebounded and volatility has subsided from the early days of the pandemic,...



...yet investor sentiment continues to skew negative.



Note: S&P®, VIX®, and AAII® % Bull-Bear Spread data shown 12/31/2019 through 6/30/2020. AAII® = The American Association of Individual Investors. 1. % Bull-Bear Spread is calculated as the difference between the percentage of weekly survey respondents denoting negative versus positive stock market sentiment for the next six months.

...client engagement has been strong...

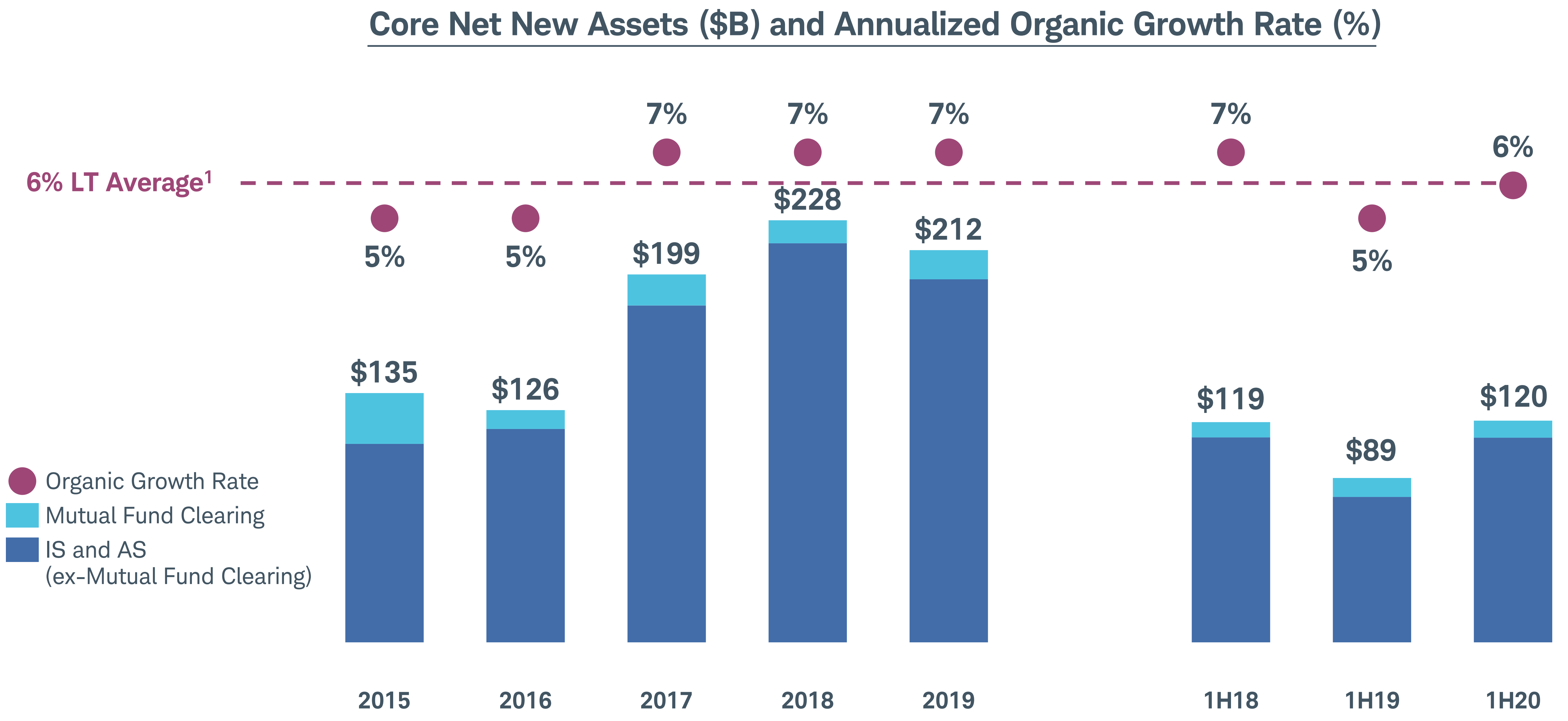
2Q20 vs. 2Q19

Client Interactions[1]	Trades per day	New-to-Retail Households
>550 million	1.6 million	213 thousand
72%	126%	87%

Proprietary ETFs	Net Advised Flows[2]	Pledged Assets Lines®
$156 billion	$22.5 billion	$5.7 billion
9%	227%	22%

Note: 1. Client interactions represent total Schwab.com logons, Mobile App logons, Direct Messaging Sessions, and Chat Sessions during 2Q20. 2. 2Q20 Net advised flows include ~$20B in advised assets related to the USAA transaction.

...and we've continued to gather core net new assets at a healthy pace.



Note: 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. Long-term (LT) average covers 10 years.

Retail serves a broad spectrum of clients,...

June 2010

~54
Average Age

~$210K
Average HH Size

~$975K
Average Affluent HH Size

~10%
Advice Utilization

June 2020

~52
Average Age

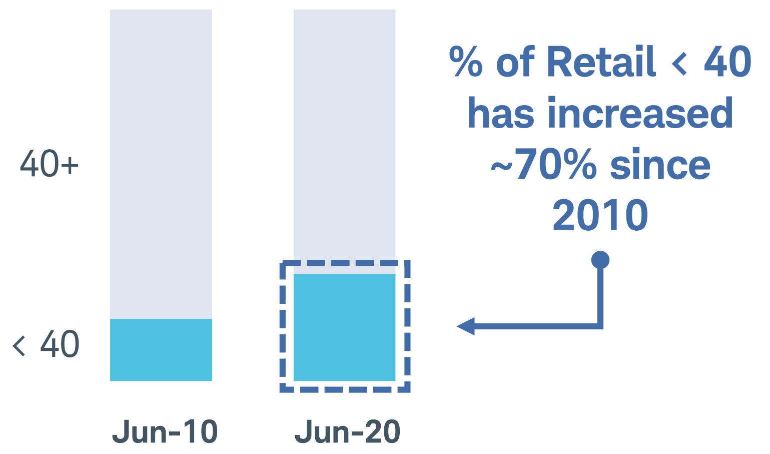
~$320K
Average HH Size

~$1.5M
Average Affluent HH Size

~20%
Advice Utilization

Clients < 40 Years Old

56%
of NTR HHs



We are continuously evolving to remain an attractive destination for individuals at every stage of their investing lives

Note: HH = Household. NTR = New-to-Retail. Affluent is defined as a household with assets greater than $250K.

...as RIAs take advantage of our ever-evolving custody platform to grow, compete, and succeed.

We have demonstrated our ability to win Advisors through a mixed environment,...

Advisors in Transition (AIT) Teams

+12%

vs. 1H19

...while further supporting them via enhanced digital tools,...

40%+

of total wire transfers approved using eAuthorization, up **12% year-to-date**

~20%

of advisors utilizing eSignature functionality, **up 2X from a year ago**

...helping drive solid NNA growth in the first half of 2020.

Advisor Services Institutional NNA

Note: RIA = Registered Investment Advisor. Results reflect Advisor Services Institutional. Digital tools percentages represent utilization rates.

Our employees' ongoing dedication to client service has earned more third-party recognition.

Highest in Investor Satisfaction with DIY Self-Directed Services

Highest Retirement Plan Participant Satisfaction among Large Plan Providers, 3 Years in a Row

Highest in Customer Satisfaction with Direct Retail Banking

Note: Tied in Group Retirement. For J.D. Power 2020 award information, visit jdpower.com/awards.

We have successfully closed three acquisitions since late May, with the TD Ameritrade deal on track.

Closed

USAA	motif.	WASMER SCHROEDER
May 26, 2020	June 23, 2020	July 1, 2020
Acquired **1M+ new accounts** with **~$80 billion in assets**	Acquired **technology & intellectual property** related to customized thematic portfolios	Acquired a **leader in fixed income SMAs** with 10-year+ track record
Welcomed nearly **400 employees**	**~30 new employees** across technology and investments	**$10.7B of client assets**[1] across a line-up of tax-exempt and taxable strategies

On Track

TD Ameritrade

Completed:

- Stockholder Approvals
- DOJ Clearance

Next Steps:

- Federal Reserve approval, incl. non-control determination
- Satisfy remaining closing conditions

Anticipated Close:

- 2H 2020

Note: SMA = Separately Managed Account. DOJ = Department of Justice. 1. As of May 31, 2020.

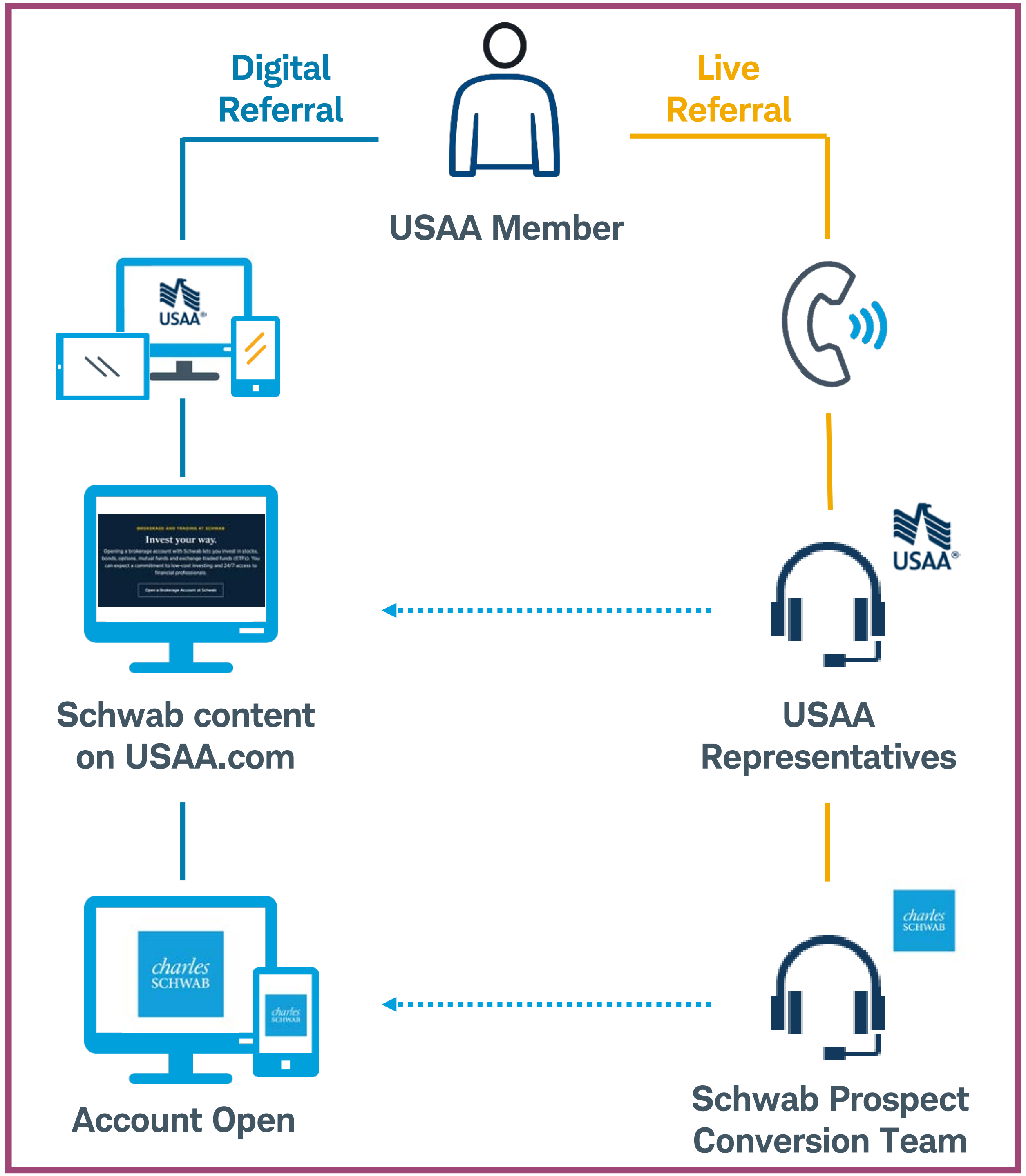
The USAA referral arrangement is off to a strong start.

The **digital experience** is the foundation of the referral program via both USAA.com and Schwab.com

End-to-end experience in which USAA members can access their Schwab accounts via **single sign-on** from USAA.com

Live referrals will go to the Prospect Conversion Team through two sources: USAA's **Retirement Income Specialists** and **IVR**

Initial success since launch with **nearly 6,000 accounts** opened in the first five weeks of referral agreement



Note: IVR = Integrated voice response system.

Our progress on key initiatives is helping further strengthen our offer to clients.

Scale and Efficiency

Digital efforts, organic asset growth, disciplined approach to M&A

- Completed USAA transaction
- New digital capabilities
- On track for 2H20 closing

Monetization

Insulated asset-based fees, revenue diversification

- Completed Wasmer Schroeder transaction
- Third-party fee arrangements
- Completed Motif asset purchase

Client Segmentation

Enhanced product and services capabilities for our Retail and RIA clients

- Schwab Stock Slices™
- Lending Solutions
- HNW Services

Note: M&A = Mergers and acquisitions. HNW = High Net Worth.

Amidst current uncertainty, we're pushing ahead, confident our key initiatives will benefit both clients and stockholders.

- Engagement across our platform is strong as clients utilize our range of investment products and solutions
- While navigating significant headwinds, we are making progress on key initiatives focused on scale, monetization, and segmentation – which are supported by our recent strategic acquisitions
- Our commitment to seeing "Through Clients' Eyes" remains paramount – helping us move forward on the right path

CORPORATION

Peter Crawford

Executive Vice President and Chief Financial Officer

A consistent and disciplined approach enables our model to produce results through the cycle.

- Our focus on clients, and the ability to lean into our strengths, helped us to stay on offense
- An uneven environment, along with the full impact of recent monetary easing, weighed on our 2Q results
- Solid financial performance, coupled with thoughtful capital management, keeps us positioned to deliver on behalf of clients and stockholders

Today we'll discuss:

2Q20 Results

Non-GAAP Measures

NIM Dynamics

Schwab's focus on clients continued to support strong business fundamentals...

2Q20 vs. 2Q19

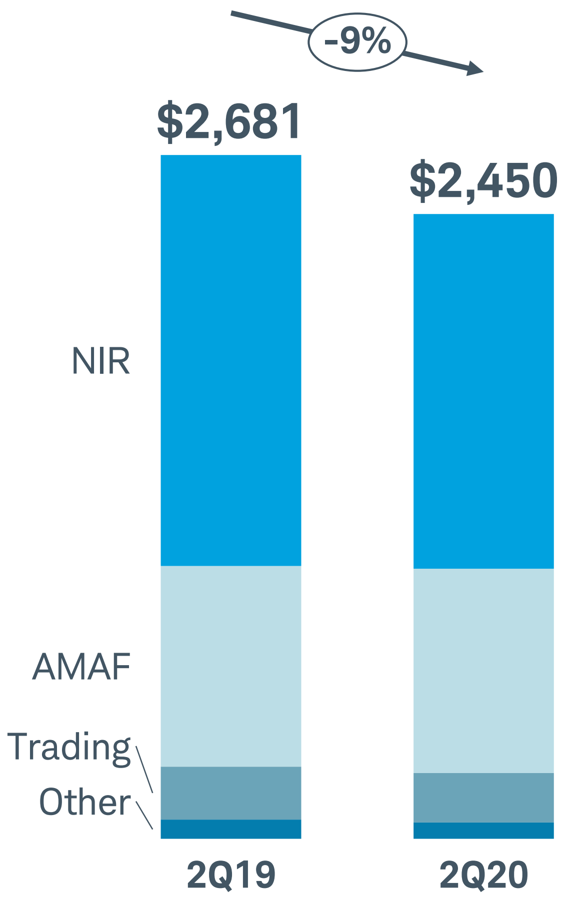
New Brokerage Accounts[1]	Active Brokerage Accounts[2]
1.7M ↑ 328%	14.1M ↑ 18%

Core Net New Assets[3]	Total Client Assets[2]
$46.6B ↑ 25%	$4.11T ↑ 11%

Note: K = thousands. M = millions. B = billions. T = trillions. 1. New brokerage accounts for 2Q20 include 1.1M accounts added upon closing of the USAA transaction. 2. Active brokerage accounts and total client asset figures as of June 30, 2020. 3. 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.

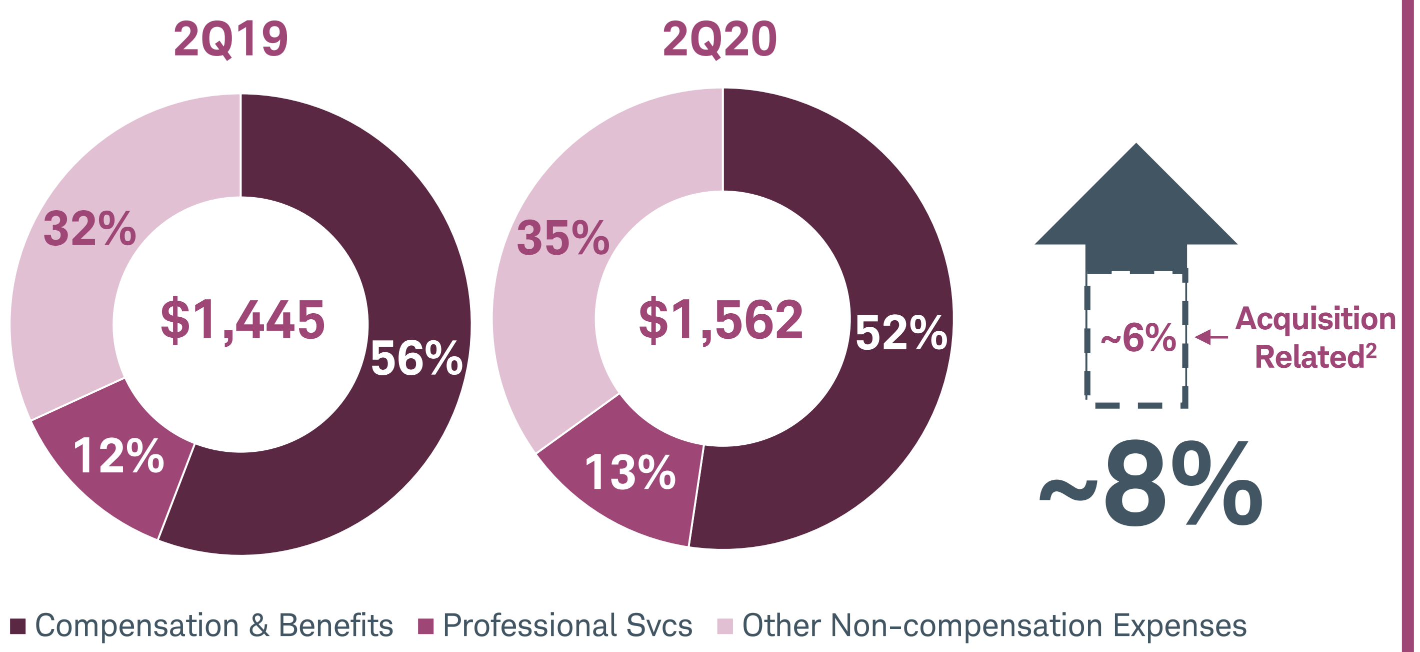
...and helped deliver solid financial results in the face of strong headwinds.

Total Net Revenues ($M)



- **Net interest revenue declined 14%** as continued balance sheet growth was more than offset by sharply lower rates across the curve
- **Asset management and administration fees increased 2%,** driven by higher MMF and advisory solution balances, which more than offset MMF waivers and pressured market valuations
- **Trading revenue fell 7%** as October 2019 pricing actions weighed on elevated volume[1]

Total Expenses ($M)



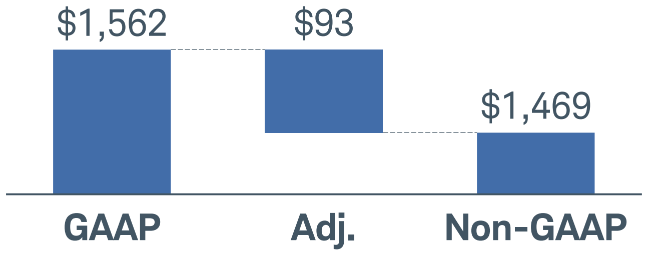
- Compensation and benefits **reflects typical 2Q seasonality** as well as lower bonus accrual
- **Expenses relating to our acquisitions totaled $93 million** for the quarter, including $81M in pre-tax deal related costs – of which USAA and TD Ameritrade contributed $39M and $41M, respectively[2]
- COVID-19 **pandemic costs totaled $7M** for the quarter

Note: MMF = Money market fund. 1. As of 1Q20, order flow revenue was reclassified from other revenue to trading revenue. 2. "Acquisition Related" costs include pre-tax acquisition and integration-related expenses of $81 million as well as $12 million in amortization of acquired intangibles assets.

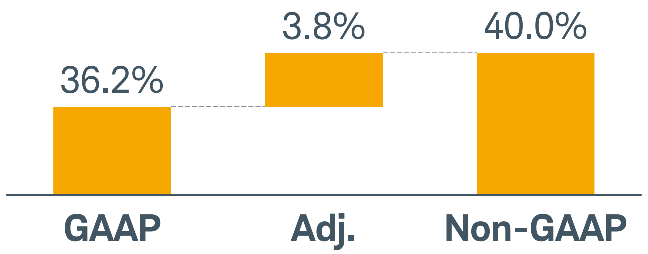
Starting this quarter, we've introduced certain non-GAAP measures to help tell our financial story.

Non-GAAP Adjustment / Measure	▪ Acquisition and integration-related costs and amortization of acquired intangible assets ▪ Return on tangible common equity (ROTCE)
Rationale	▪ Useful supplement to GAAP reporting that facilitates meaningful comparison to past and future results ▪ Non-cash impact of purchase price accounting can make it difficult to track our underlying operating performance ▪ Therefore, excluding acquisition-related costs and amortization of acquired intangibles helps provide additional transparency for investors ▪ Given the increase of intangible assets related to our recent acquisitions, ROTCE should supplement investors' ability to assess capital efficiency and returns

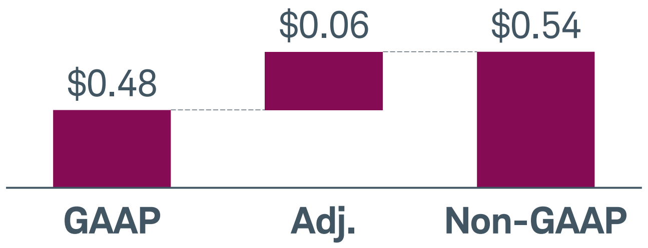
Adjusted Total Expenses ($M)



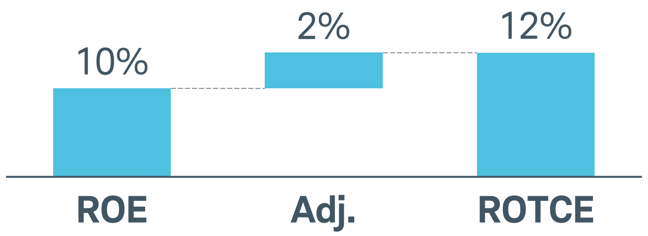
Adjusted Pre-tax Profit Margin (%)



Adjusted Diluted Earnings per Share ($)



Return on Tangible Common Equity (%)



Note: Adj. = non-GAAP adjustments. 1. Further details on non-GAAP financial measures and a reconciliation of such measures to reported results are included on slides 32-36 of this presentation as well as within our 2Q20 Earnings Release.

Our balance sheet grew 8% sequentially during 2Q, including client cash migrated from USAA.

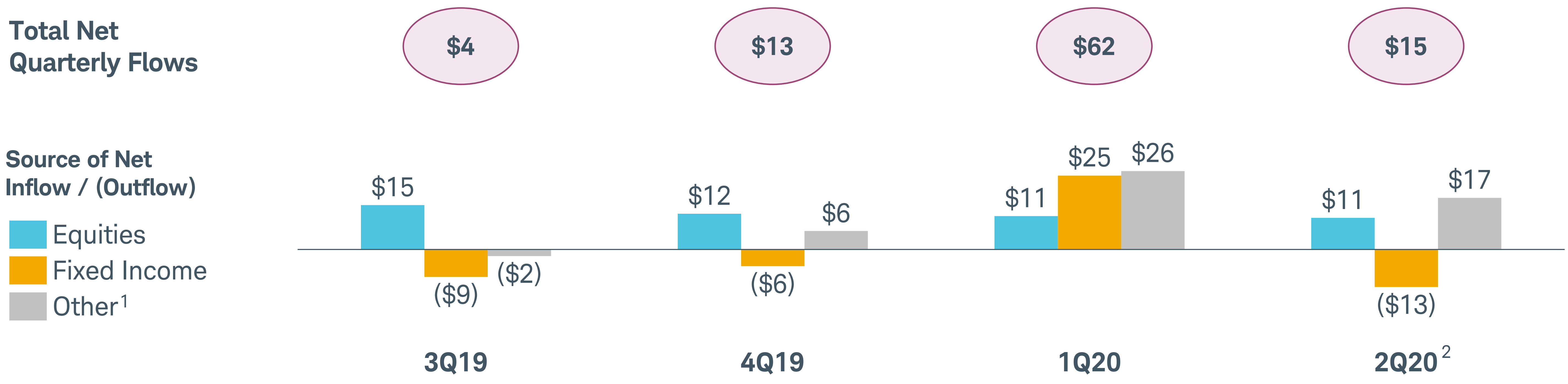
($M, EOP)	2Q19	1Q20	2Q20*
Total Assets	$276,321	$370,779	$400,484
Bank Deposits	$208,375	$277,477	$301,566
Payables to Brokerage Clients	$31,013	$49,251	$50,135
Long-term Debt	$7,424	$8,522	$8,526
Stockholders' Equity	$21,320	$26,270	$30,815
Parent Liquidity	$4,842	$5,460	$7,350
Tier 1 Leverage Ratio	7.3%	6.9%	5.9%

- **Continued growth in client cash balances**, along with the USAA acquisition, fueled further balance sheet expansion
- As we deployed the build-up of liquidity from last quarter, the **ratio of excess reserves held at the Fed to deposits decreased by more than half to ~9%**
- On April 30th, we **issued $2.5 billion of preferred equity** to help support recent and ongoing growth
- **AOCI increased $1.6 billion, or ~40% versus 1Q20**, which in combination with the new Series G preferred helped lift stockholders' equity
- Our **Tier 1 Leverage Ratio remains substantially above regulatory minimums**

Note: Parent Liquidity equals Parent Working Capital plus Level 1 Securities (market value) as defined by the Liquidity Coverage Ratio rule. Tier 1 Leverage Ratio is based on Tier 1 Capital, which is End of Period Capital (Stockholders' Equity less certain regulatory adjustments) divided by Average Total Consolidated Assets (less certain regulatory adjustments). CSC elected to opt-out of the requirement to include most components of Accumulated Other Comprehensive Income (AOCI) in Common Equity Tier 1 Capital. * Preliminary.

Client net equity sales persisted through the quarter, while recent fixed income trends reversed.

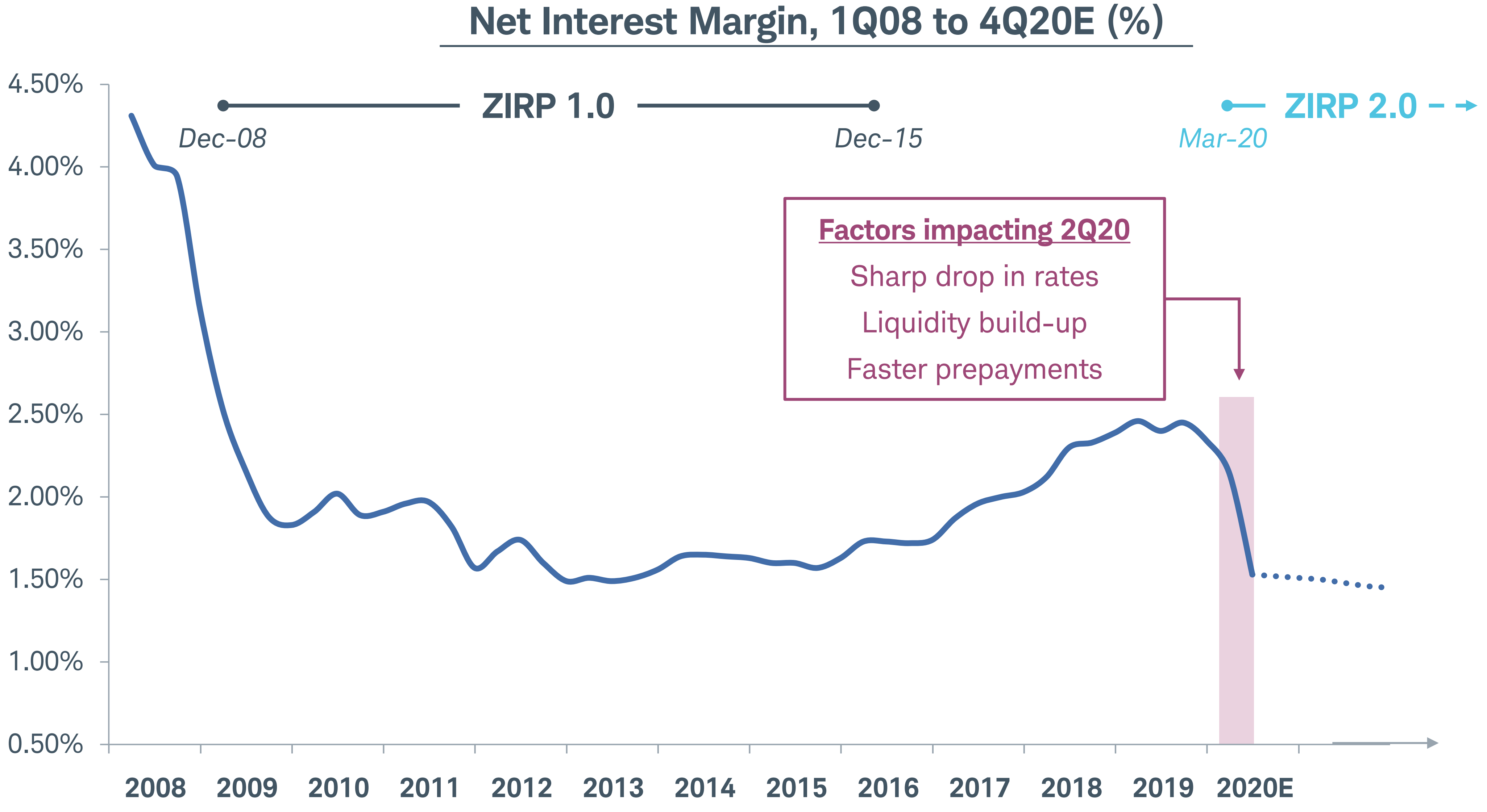
LTM Quarterly Organic Net Flows to Bank Sweep and Schwab One Balances ($B)



	3Q19	4Q19	1Q20	2Q20
Client Cash as % Total Client Assets	**11.4%**	**11.3%**	**15.1%**	**13.6%**
% Client Cash Held on the Balance Sheet	**57%**	**56%**	**61%**	**62%**

Note: LTM = Last 12 months. 1. "Other Flows" includes net new asset flows, dividends and interest as well as net movements of balance sheet client deposits to other alternatives, including Purchased Money Market Funds (PMMFs), Certificates of Deposit (CDs) and other income oriented investments. 2. Excludes ~$10 billion related to USAA client cash migrated to the balance sheet.

Low rates across the curve further pressured NIM; we anticipate less movement from here.



4Q10 (Past)[1]

$86B Avg. Interest-Earning Assets	**~50%** Securities Portfolio as % AIEA
~45% % Securities Portfolio in Fixed Rate	**~1.8** Securities Portfolio Duration (Years)

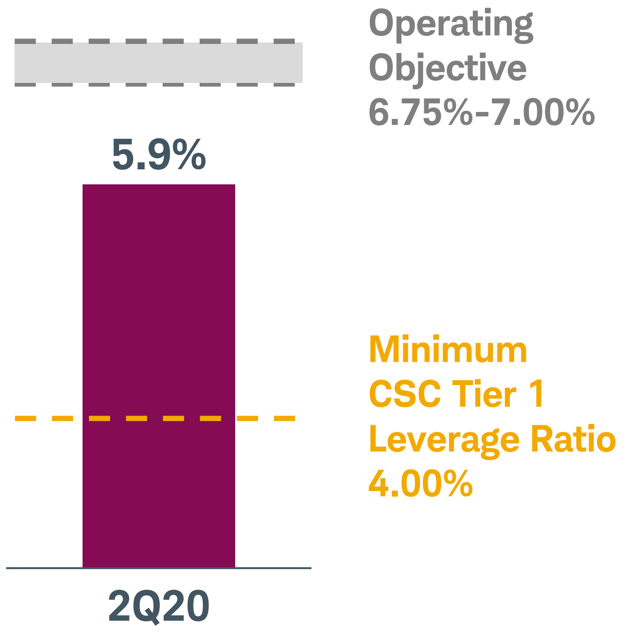
2Q20 (Present)[1]

$363B Avg. Interest-Earning Assets	**~65%** Securities Portfolio as % AIEA
~85% % Securities Portfolio in Fixed Rate	**~3.5** Securities Portfolio Duration (Years)

Note: ZIRP = Zero Interest Rate Policy. AIEA = Average interest-earning assets. 1. Securities portfolio includes available-for-sale and held-to-maturity securities held within the consolidated bank investment portfolio, but excludes cash investments.

Our priorities for capital management remain consistent across any environment.

Consolidated Tier 1 Leverage Ratio



Capital Management Priorities

- Support business growth
- Manage capital substantially above regulatory requirements
- Maintain appropriate liquidity for both the firm and clients
- Sustain current dividend payment

Note: CSC = The Charles Schwab Corporation.

We are currently tracking within our potential range of scenario outcomes for 2020[1].

	Scenario Drivers – April 2020	YTD 2020 Actual[3]	Impact
Market	S&P appreciates 6.5% from 4/15/20 close	S&P up 11% since 4/15/20	+
Short-term Rates	Fed Funds rate stays flat at 0.00%-0.25%	Fed Funds rate stays flat at 0.00%-0.25%	+ / –
Long-term Rates	Average 10-year Treasury at 1.04%	Average 10-year Treasury at 1.02%	–
Trading	DATs up ~45% year-over-year	DATs up 112% year-over-year	+
Balance Sheet[2]	Up 30%-40% Y/Y	Grew by 36%	+ / –

Note: YTD = Year-to-date. DAT = Daily average trades. 1. As presented during the Spring Business Update on April 21, 2020. 2. Based on end-of-period total balance sheet assets. 36% represents growth from 4Q19 to 2Q20 3. YTD data as of June 30, 2020 unless otherwise stated.

We are currently tracking within our potential range of scenario outcomes for 2020[1].

	Adjusted Scenario Ranges[1, 2]	YTD 2020 Calculation[1, 3]
Revenue Growth	~ (7%) – (4%)	(6.2%)
Adjusted Total Expense Growth	~ 3.5% - 4.5%	3.8%
Adjusted Pre-tax Profit Margin	39%+	40.9%

Note: YTD = Year-to-date. 1. Beginning with 2Q20, Schwab introduced certain non-GAAP, or adjusted, measures. Going forward, we anticipate tracking our progress versus our previously provided 2020 financial scenarios using adjusted ranges and calculations. 2. Adjusted total expense growth and adjusted pre-tax profit margin exclude acquisition and integration-related costs as well as the amortization of acquired intangible assets, consistent with the non-GAAP adjustments discussed on slide 32. 3. YTD data as of June 30, 2020, unless otherwise stated. Further details on non-GAAP financial measures and a reconciliation of such measures to reported results are included on slides 32-36 of this presentation as well as within our 2Q20 Earnings Release.

Revenue sensitivities:

Key levers and estimated first year revenue impact:

Target Fed Funds +25bps	= $450-$600M
10-year Treasury +/-10bps	= $50M
Bank Sweep Balances +/-$1B	= $15M
S&P +/-1%	= $15M
Total Trades +/-10%	= $45M
Sweep Pricing +/-1bp	= $35M

Note: Excludes any potential impact of pending TD Ameritrade transaction. For Fed Funds and Treasury sensitivities, assumes static interest-earning asset balances as of June 30, 2020 and depends on the Bank investment portfolio mix and duration, to the extent there is a parallel shift in the yield curve, how quickly the fixed portfolio will reprice, and deposit betas. Sweep pricing includes impact to bank sweep deposits and Schwab One balances.

A consistent and disciplined approach enables our model to produce results through the cycle.

- Our focus on clients, and the ability to lean into our strengths, helped us to stay on offense
- An uneven environment, along with the full impact of recent monetary easing, weighed on our 2Q results
- Solid financial performance, coupled with thoughtful capital management, keeps us positioned to deliver on behalf of clients and stockholders

Our overall priorities are simple:

Continued business growth through our client-first strategy

Solid revenue growth through multiple sources

Expense discipline leading to enhanced performance charles SCHWAB CORPORATION

Q&A

charles SCHWAB CORPORATION

Appendix

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 Management and Investors
Acquisition and integration-related costs and amortization of acquired intangible assets	Schwab adjusts certain GAAP financial measures to exclude the impact of acquisition and integration-related costs incurred as a result of the Company's completed and pending business 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 may be 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 on-going 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.

Appendix

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

	Three Months Ended June 30,				Six Months Ended June 30,			
	2020		2019		2020		2019	
	Total Expenses Excluding Interest	Net Income	Total Expenses Excluding Interest	Net Income	Total Expenses Excluding Interest	Net Income	Total Expenses Excluding Interest	Net Income
Total expenses excluding interest (GAAP), Net income (GAAP)	$ 1,562	$ 671	$ 1,445	$ 937	$ 3,132	$ 1,466	$ 2,904	$ 1,901
Acquisition and integration-related costs [(1)]	(81)	81	(3)	3	(118)	118	(4)	4
Amortization of acquired intangible assets	(12)	12	(7)	7	(18)	18	(14)	14
Income tax effects [(2)]	N/A	(22)	N/A	(2)	N/A	(33)	N/A	(4)
Adjusted total expenses (Non-GAAP), Adjusted net income (Non-GAAP)	$ 1,469	$ 742	$ 1,435	$ 945	$ 2,996	$ 1,569	$ 2,886	$ 1,915

[(1)] Acquisition and integration-related expenses are primarily included in Professional services and Other.

[(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.

N/A Not applicable.

Appendix

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

	Three Months Ended June 30,				Six Months Ended June 30,			
	2020		2019		2020		2019	
	Amount	% of Total Net Revenues	Amount	% of Total Net Revenues	Amount	% of Total Net Revenues	Amount	% of Total Net Revenues
Income before taxes on income (GAAP), Pre-tax profit margin (GAAP)	$ 888	36.2 %	$ 1,236	46.1 %	$ 1,935	38.2 %	$ 2,500	46.3 %
Acquisition and integration-related costs	81	3.3 %	3	0.1 %	118	2.3 %	4	0.1 %
Amortization of acquired intangible assets	12	0.5 %	7	0.3 %	18	0.4 %	14	0.2 %
Adjusted income before taxes on income (Non-GAAP), Adjusted pre-tax profit margin (Non-GAAP)	$ 981	40.0 %	$ 1,246	46.5 %	$ 2,071	40.9 %	$ 2,518	46.6 %

Appendix

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

	Three Months Ended June 30,				Six Months Ended June 30,			
	2020		2019		2020		2019	
	Amount	Diluted EPS	Amount	Diluted EPS	Amount	Diluted EPS	Amount	Diluted EPS
Net income available to common stockholders (GAAP), Earnings per common share — diluted (GAAP)	$ 621	$ .48	$ 887	$ .66	$ 1,378	$ 1.07	$ 1,812	$ 1.35
Acquisition and integration-related costs	81	.07	3	—	118	.09	4	—
Amortization of acquired intangible assets	12	.01	7	.01	18	.01	14	.01
Income tax effects	(22)	(.02)	(2)	—	(33)	(.03)	(4)	—
Adjusted net income available to common stockholders (Non-GAAP), Adjusted diluted EPS (Non-GAAP)	$ 692	$ .54	$ 895	$ .67	$ 1,481	$ 1.14	$ 1,826	$ 1.36

Appendix

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Return on average common stockholders' equity (GAAP)	10 %	19 %	12 %	20 %
Average common stockholders' equity	$ 24,515	$ 18,679	$ 22,253	$ 18,202
Less: Average goodwill	(1,480)	(1,227)	(1,480)	(1,227)
Less: Average acquired intangible assets — net	(700)	(143)	(703)	(146)
Plus: Average deferred tax liabilities related to goodwill and acquired intangible assets — net	67	67	67	67
Average tangible common equity	$ 22,402	$ 17,376	$ 20,137	$ 16,896
Adjusted net income available to common stockholders[1]	$ 692	$ 895	$ 1,481	$ 1,826
Return on tangible common equity (Non-GAAP)	12 %	21 %	15 %	22 %

(1) See table on slide 35 for the reconciliation of net income available to common stockholders to adjusted net income available to common stockholders (non-GAAP).

Summer Business Update

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