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,” “progress,” “anticipate,” “lead,” “advance,” “position,” “investment,” “assumption,” “increase,” “enable,” “upside,” “target,” “scenario,” “ongoing,” “illustrative,” “opportunity,” “formula,” “expand,” “boost,” and other similar expressions.

These forward-looking statements relate to: the company’s strategy and approach; positioning; growth in revenues, earnings, and profits; key strategic initiatives to add scale and efficiency, win-win monetization, and client segmentation; client satisfaction; business and revenue models; growth in the client base, client accounts, and assets; business momentum; the integration of Ameritrade, including the timing of client conversions; investments in people, technology, and platforms to fuel and support growth, serve clients, and drive scale and efficiency; enhancing and expanding offerings and solutions for clients and RIAs; opportunities; expense growth; capital needs and management; capital returns; client cash allocation decisions; benefits from higher interest rates; net interest margin and revenue; deposit betas; 2022 financial scenario assumptions, including macro and business factors; estimated impact from revenue sensitivities; reinvestment yields; and balance sheet positioning.

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 equity valuations and the level of interest rates; the level and mix of client trading activity; market volatility; the company’s ability to attract and retain clients and RIAs and grow those relationships and associated client assets; client cash sorting; client sensitivity to rates; the level of client assets, including cash balances; the company’s ability to monetize client assets; capital and liquidity needs and management; the company’s ability to 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; the risk that expected revenue and expense synergies and other benefits from the Ameritrade acquisition may not be fully realized or may take longer to realize than expected, and that integration expense may be higher than expected, and the migration of bank deposit account balances; the company’s ability to manage expenses; integration-related and other technology projects; compensation; prepayment speeds for mortgage-backed securities; loan growth; interest earning asset mix and growth; securities lending; daily average trades; margin balances; capital expenditures; regulatory guidance; the effect of adverse developments in litigation or regulatory matters and the extent of any charges associated with such matters; and any adverse impact from new legislation or rulemaking.

The information in this presentation speaks only as of July 28, 2022 (or such earlier date as may be specified herein). The company makes no commitment to update any of this information.
Strategic Update

Walt Bettinger
Chief Executive Officer and Co-Chairman of the Board

Rick Wurster
President
Schwab’s “Through Clients’ Eyes” strategy is steadfast.

- While the pressures from a darker environment weighed on sentiment, investors remained pleased with their Schwab relationship and stayed engaged with the market.

- Our ongoing focus on supporting clients and strong competitive positioning helped drive healthy organic growth across a broad spectrum of individual investors and the independent advisors who serve them.

- Schwab’s contemporary approach to full-service investing sets us apart and enables our record financial performance; our steady progress on key strategic initiatives keeps us well-positioned for future success.
The second quarter brought a bear market, heightened volatility, and rapidly tightening monetary policy.

Note: YTD = Year-to-date. NASDAQ® = NASDAQ Composite index. 1. YTD data as of June 30, 2022.
While this darker economic backdrop weighed on investor sentiment,...

AAII® Bull-Bear Spread Sentiment Survey¹

Consolidated Client Buy-Sell Ratio²

Note: 1. AAII® represents American Association of Individual Investors; Bull-Bear Spread is calculated as % of surveyed investors with a positive outlook on the stock market over the next six months versus % of surveyed investors with a more negative outlook (excludes investors with a neutral outlook).  2. Calculated as client buy orders divided by client sell orders.
...clients remain delighted with our service and are highly loyal.

2Q22

Client Promoter

- Investor Services: 64

Easy Score

- >90

Rep Satisfaction

- Managed Investing: 65
- High-net Worth: 69

Recent Accolades

- Highest in Customer Satisfaction with Direct Bank Checking Account (4 years in a Row)
- Trading & Brokerage + Online Banking

Note: Rep = Representative and/or client service agent. 1. Easy Score represents a client’s real-time rating of how easy it was to complete a specific task or transaction with the firm. 2. Rep Satisfaction is based on an OSAT score, or Overall Satisfaction of the Service Agent; the figure represents the number of agent interactions receiving a perfect score on the client survey offered immediately following the interaction. 3. Charles Schwab Bank received the highest score in the checking segment of the J.D. Power 2019-2022 (tied in 2022) U.S. Direct Banking Satisfaction Studies of customers’ satisfaction with branchless banks. Visit jdpower.com/awards for more details.
At the same time, engagement persisted at healthy levels.

**YTD 2022**

- **6.4 million** Daily Average Trades
- **+ 7%** Growth in Managed Investing Accounts\(^1\)
- **> 575 million** Total Client Interactions\(^2\)

*Note: 1. Year-over-year growth as of June 30, 2022. 2. Total client interactions includes inbound calls, chats, web logins and mobile logins across both the Schwab and Ameritrade platforms.*
Our continued focus on serving clients helped drive solid organic growth through a shifting environment,...

Schwab's long-term growth formula remained intact

Annualized Organic Core NNA Growth Rate (%) and Select YTD Index Returns (%)\(^1,2\)

<table>
<thead>
<tr>
<th>Year</th>
<th>S&amp;P 500®</th>
<th>NASDAQ®</th>
</tr>
</thead>
<tbody>
<tr>
<td>1H13</td>
<td>13%</td>
<td>13%</td>
</tr>
<tr>
<td>1H14</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>1H15</td>
<td>0%</td>
<td>5%</td>
</tr>
<tr>
<td>1H16</td>
<td>3%</td>
<td>(3%)</td>
</tr>
<tr>
<td>1H17</td>
<td>8%</td>
<td>14%</td>
</tr>
<tr>
<td>1H18</td>
<td>2%</td>
<td>9%</td>
</tr>
<tr>
<td>1H19</td>
<td>17%</td>
<td>21%</td>
</tr>
<tr>
<td>1H20</td>
<td>(4%)</td>
<td>12%</td>
</tr>
<tr>
<td>1H21</td>
<td>14%</td>
<td>13%</td>
</tr>
<tr>
<td>1H22</td>
<td>(21%)</td>
<td>(30%)</td>
</tr>
</tbody>
</table>

LT Organic Growth Trend

S&P 500®: 13% 6% 0% 3% 8% 2% 17% (4%) 14% (21%)

NASDAQ®: 13% 6% 5% (3%) 14% 9% 21% 12% 13% (30%)

Note: LT = Long-term. NNA = Net new assets. YTD = Year-to-date. Y/Y = Year-over-year. 1H = First half (January – June). NASDAQ® = NASDAQ Composite index. 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. YTD returns through June 30 for each respective period. 2. Full-year reported results only include Ameritrade from the transaction closing on October 6, 2020 forward. 3. Annualized 1H22 rate calculated as core net new assets gathered between January 1 and June 30, except those during the month of April, divided by December 2021 end-of-period total client assets.
...which reflected ongoing momentum...

<table>
<thead>
<tr>
<th>Net New Assets</th>
<th>Brokerage Accounts</th>
<th>TOA Ratio&lt;sup&gt;3&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>$185B</td>
<td>7</td>
<td>~1.6x</td>
</tr>
<tr>
<td>YTD Core NNA</td>
<td>Consecutive Quarters of 1M+ New Accounts</td>
<td></td>
</tr>
<tr>
<td>+6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>YTD Organic Growth excl. April&lt;sup&gt;2&lt;/sup&gt;</td>
<td>+5% Y/Y Brokerage Account Growth</td>
<td></td>
</tr>
</tbody>
</table>

Note: M = Millions. B = Billions. NNA = Net new assets. YTD = Year-to-date. Y/Y = Year-over-year. TOA = Transfer of account. Core net new assets = net new assets before significant one-time flows, such as acquisitions/divestitures or extraordinary flows (generally greater than $10 billion) relating to a specific client. These flows may span multiple reporting periods. 1. YTD return through June 30 for each respective period. 2. Annualized YTD ‘22 rate calculated as core net new assets gathered between January 1 and June 30, except those during the month of April, divided by December 2021 end-of-period total client assets. 3. Represents TOA ratio since Ameritrade transaction closing date on October 6, 2020.
...as we continue to attract a broad spectrum of investors.

Households under 40 accounted for over half of total new retail HHs on a YTD basis,...

...while RIAs of all sizes continue to trust Schwab to custody their clients’ assets.

New Retail HH Mix (%), 4Q19 – 2Q22

Clients under 40 drove ~56% of new HH NNA during 2Q22

ASI NNA by Size, YTD 2022

~$94B

< $500M $500M - $5B $5B+

1. YTD metrics as of June 30, 2022.

Note: M = Millions. B = Billions. RIA = Registered Independent Advisor. HHs = Households. ASI = Advisor Services Institutional. YTD = Year-to-date. NNA = Net new assets. All data presented on a pro forma combined company basis.
We believe our contemporary approach to full-service investing differentiates us in the market...

Secular trends clearly demonstrate what clients want...

- Low Cost
- Transparency and Trust
- Omni-channel Experiences
- Ease

...and support our “no trade-offs” approach...

- Great price and Great service
- People and Technology
- Straightforward and Personalized
- Self-directed capabilities and Advised solutions
- Proprietary products and Third-party products

All delivered with an approachable “through clients’ eyes” philosophy

...that can be uniquely delivered by Schwab due to our size and focus

- #1 Publicly-traded Wealth Manager (by client assets)\(^1\)
- #7 U.S. Banking Platform (by total assets)\(^2\)
- #5 ETF Provider (by AUM)\(^3\)

Note: AUM = Assets under management. ETF = Exchange-traded fund. 1. Based on publicly available competitor data for applicable wealth management segments. 2. Based on consolidated total Schwab assets; rankings per Federal Financial Institutions Examination Council data on large holding companies as of March 31, 2022. 3. Based on $238 billion in AUM as of June 30, 2022.
...as our “no trade-offs” approach resonates with investors.

<table>
<thead>
<tr>
<th>Price + Service</th>
<th>People + Technology</th>
<th>Straightforward + Personalized</th>
<th>Self-directed + Advised</th>
<th>Proprietary + Third-party</th>
</tr>
</thead>
<tbody>
<tr>
<td>35_bps</td>
<td>+8%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Advice Fee Rate¹</td>
<td>Y/Y Growth in Client-facing LE</td>
<td></td>
<td></td>
<td>Proprietary Fund Assets³</td>
</tr>
<tr>
<td>&lt;20 secs</td>
<td>&gt;90</td>
<td></td>
<td></td>
<td>$546B</td>
</tr>
<tr>
<td>Average speed to answer</td>
<td>Client Easy Score²</td>
<td></td>
<td></td>
<td>$484B</td>
</tr>
<tr>
<td>$484B</td>
<td>20K+</td>
<td></td>
<td></td>
<td>Third-party MFs &amp; ETFs⁴</td>
</tr>
</tbody>
</table>

Note: Third-party trademarks/logos used above are owned by their respective firms. The trademarks/logos are used for identification and informational purposes only and does not indicate any relationship, sponsorship, or endorsement by Charles Schwab. Secs = Seconds. Bps = Basis points. K = Thousands. B = Billions. Y/Y = Year-over-year. LE = Labor equivalent. MF = Mutual fund. ETF = Exchange-traded fund. IS = Investor Services.

1. Average fee rate during 2Q22 for Schwab’s total advice offering, including fee-based and non-fee-based advice solutions. 2. Easy Score represents a client’s real-time rating of how easy it was to complete a specific task or transaction with the firm. 3. Proprietary fund assets include Schwab’s proprietary money market funds, equity funds, bond funds, collective trust funds, and exchange-traded funds. 4. Inclusive of all fund share classes.
Our strategic initiatives continue to strengthen our modern wealth management platform.

**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
Our strategic initiatives continue to strengthen our modern wealth management platform.

**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**

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- Build on our strengths in key client segments (e.g., traders)
- Provide tailored solutions and experiences for RIAs

Our strategic initiatives continue to strengthen our modern wealth management platform.
Our strategic initiatives continue to strengthen our modern wealth management platform.

Deliver a continuum of wealth management experiences

Comprehensive suite of advisory and personalized investing solutions curated to help clients achieve their financial goals

- Attractive full-service wealth programs and investing solutions, ...
- ...further supplemented by new, complementary personalized investing offerings...
- ...and we believe we still have tremendous opportunity ahead of us.

### Full-service Wealth Programs
- Schwab Wealth Advisory™
- Schwab Advisor Network®
- Schwab Intelligent Portfolios®

### Investing Solutions
- ThomasPartners Strategies®
- Windhaven Strategies®
- Wasmer Schroeder™ Strategies
- Schwab Managed Portfolios™

- Schwab Personalized Indexing™
- Thematic investing
- ESG products & tools

- Discretionary wealth management
- Harness more digital capabilities
- Continue to invest in the client experience
Our strategic initiatives continue to strengthen our modern wealth management platform.

Build on our strengths in key client segments (e.g., traders)

A leading end-to-end trading experience designed to further empower self-directed investors

Education & Tools
Insights & Analysis
Accessible Interfaces
Leading Execution
Service & Support
Schwab’s “Through Clients’ Eyes” strategy is steadfast.

- While the pressures from a darker environment weighed on sentiment, investors remained pleased with their Schwab relationship and stayed engaged with the market.

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Financial Update

Peter Crawford
Chief Financial Officer
Our diversified revenue model and expense discipline are yielding success through the cycle.

- Strong business momentum, coupled with healthy client engagement, enabled us to deliver record quarterly financial results
- Higher interest rates further enhance the earnings potential of our all-weather business model
- While supporting long-term growth remains the primary use of capital, we are on a clear path back towards a compelling growth plus capital return story

Our priorities remain unchanged:

- Continued business growth through our client-first strategy
- Long-term revenue growth through multiple sources
- Thoughtful expense management enabling sustainable performance
Sustained business momentum through an increasingly challenging environment...

<table>
<thead>
<tr>
<th>Equity Markets (S&amp;P 500®)</th>
<th>Daily Average Trades</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,785 16%</td>
<td>6.2M 5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Average 5-year Treasury Yield¹</th>
<th>Client Margin Balances, EOP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.95% 112 bps</td>
<td>$73.4B 9%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>YTD 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core NNA ($B)</td>
</tr>
<tr>
<td>Y/Y Brokerage Accounts Growth</td>
</tr>
</tbody>
</table>

Note: YTD = Year-to-date. NNA = Net new assets. Bps = Basis points. B = Billions. EOP = End-of-period. Y/Y = Year-over-year. ¹ 5-year Treasury Yield represents the daily average for 2Q22 and 1Q22, respectively.
...helped lift second quarter revenues, net income, and earnings per share to record levels.

<table>
<thead>
<tr>
<th></th>
<th>2Q21</th>
<th>3Q21</th>
<th>4Q21</th>
<th>1Q22</th>
<th>2Q22</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue ($B)</strong></td>
<td>$4.5</td>
<td>$4.6</td>
<td>$4.7</td>
<td>$4.7</td>
<td>$5.1</td>
</tr>
<tr>
<td>+13%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Income ($B)</strong></td>
<td>$1.3</td>
<td>$1.5</td>
<td>$1.6</td>
<td>$1.4</td>
<td>$1.8</td>
</tr>
<tr>
<td>Adjusted1,2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Diluted Earnings Per Share ($)</strong></td>
<td>$0.59</td>
<td>$0.74</td>
<td>$0.76</td>
<td>$0.67</td>
<td>$0.87</td>
</tr>
<tr>
<td>Adjusted1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Pre-tax Profit Margin (%)**

<table>
<thead>
<tr>
<th></th>
<th>2Q21</th>
<th>3Q21</th>
<th>4Q21</th>
<th>1Q22</th>
<th>2Q22</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue ($B)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>+13%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Income ($B)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Diluted Earnings Per Share ($)</strong></td>
<td>$0.70</td>
<td>$0.84</td>
<td>$0.86</td>
<td>$0.77</td>
<td>$0.97</td>
</tr>
<tr>
<td>Adjusted1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: B = Billions. 1. Further detail on non-GAAP financial measures and a reconciliation of such measures to reported results are included on slides 34-38 of this presentation. 2. Adjusted net income equal to adjusted net income available to common stockholders plus preferred stock dividends and other.
Easing capital needs and strong earnings are helping boost regulatory ratios.

<table>
<thead>
<tr>
<th></th>
<th>2Q21</th>
<th>1Q22</th>
<th>2Q22</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Assets</strong></td>
<td>$574,532</td>
<td>$680,950</td>
<td>$637,557</td>
</tr>
<tr>
<td><strong>Bank Deposits</strong></td>
<td>$368,638</td>
<td>$465,827</td>
<td>$442,003</td>
</tr>
<tr>
<td><strong>Payables to Brokerage Clients</strong></td>
<td>$105,012</td>
<td>$125,307</td>
<td>$114,880</td>
</tr>
<tr>
<td><strong>Stockholders’ Equity</strong></td>
<td>$57,450</td>
<td>$48,098</td>
<td>$44,513</td>
</tr>
<tr>
<td><strong>Parent Liquidity</strong></td>
<td>$10,556</td>
<td>$11,494</td>
<td>$10,341</td>
</tr>
<tr>
<td><strong>Tier 1 Leverage Ratio</strong>*</td>
<td>6.4%</td>
<td>6.1%</td>
<td>6.4%</td>
</tr>
</tbody>
</table>

- Balance sheet assets declined 4% on a year-to-date basis due to record client tax disbursements in April and sorting behavior later in the quarter.
- Overall client cash sorting has remained manageable and in-line with expectations.
- Quarter-end “spot” Tier 1 Leverage Ratio was approximately 6.5%.

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

- Assuming the market’s forward rate expectations as of mid-July, we’d anticipate delivering full year revenue growth between 11%–13%
  - Q4 NIM could reach just over 2.00% – with ~40% of our interest-earning assets resetting at least every 90 days and deposit betas running at or below prior cycles
  - NIR could reach $3 billion by Q4 even if ongoing organic growth and sorting net to modest additional balance sheet contraction during 2H22

- Despite an inflationary environment, expense discipline has helped us stay within our spending plan, while continuing to make key investments to advance our strategic initiatives
  - Full year adjusted total expenses expected to range from 7%–8%, including ~1% related to the mid-May increase in the pass-through §31 exchange fee rate

- Our expanded earnings power and increased capital levels unlock the opportunity for additional capital return activity following 10% dividend increase and $15 billion repurchase authorization.

Note: NIM = Net interest margin. NIR = Net interest revenue.
Our diversified revenue model and expense discipline are yielding success through the cycle.

- Strong business momentum, coupled with healthy client engagement, enabled us to deliver record quarterly financial results.
- Higher interest rates further enhance the earnings potential of our all-weather business model.
- While supporting long-term growth remains the primary use of capital, we are on a clear path back towards a compelling growth plus capital return story.

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.
Q&A
# Appendix

## Underlying Scenario Assumptions (as of June 30, 2022)

### Macro Factors

<table>
<thead>
<tr>
<th>Short Rates</th>
<th>Long Rates</th>
<th>S&amp;P 500®</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fed Funds finishes FY 2022 at 3.50%</strong></td>
<td><strong>Avg. 5-year UST for 2022 of ~2.75%</strong></td>
<td><strong>Down ~18% versus 12/31/21 close</strong></td>
</tr>
</tbody>
</table>

### Business Factors

<table>
<thead>
<tr>
<th>DATs</th>
<th>Securities Lending</th>
<th>Bal. Sheet Positioning</th>
<th>Bal. Sheet Decline</th>
<th>Capex</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.2M for full year 2022</td>
<td>Activity levels soften modestly from 1H22 levels</td>
<td>Margin balances decline slightly from 2Q22 EOP levels; investment strategy prioritizes flexibility</td>
<td>Began in 2Q22 and continues at a modest pace; FY22 client activity nets to 6%–10% bal. sheet contraction versus YE21</td>
<td>Running at 4%–5% of total revenues</td>
</tr>
</tbody>
</table>

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

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

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

- **Bank Sweep Balances**: +/- $1B
  - ~$15M

- **S&P 500®**: +/- 1%
  - ~$25M

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

- **Margin Balances**: +/- $1B
  - ~$40M

Note: Bps = Basis points. B = Billions. M = Millions. K = Thousands. For the Fed Funds and Treasury sensitivities, assumes static interest-earning asset balances as of June 30, 2022 and depends on the mix and duration of the bank investment portfolio, to the extent there is a parallel shift in the yield curve, how quickly the fixed portfolio reprices; for purposes of the analysis, the deposit beta is assumed to be 20%.
Appendix
Historical Client Cash Trends (as of June 30, 2022)

Select Client Cash Metrics, 1Q14 – 2Q22 ($K, %)

Total Client Cash Mix, 2Q22 (%)

- BDA: 18%
- Sweep MMFs: 3%
- Purchased MMFs: 16%
- Checking & Savings: 5%
- Other Balance Sheet Cash: 58%
- Other Balance Sheet Cash: 58%

Note: K = Thousands. B = Billions. MMF = Money market fund. BDA = Bank deposit account. 1. Other Balance Sheet Cash includes bank sweep deposits, Schwab One balances, and other non-checking and savings account cash.

Similar to prior higher interest rate environments, we anticipate clients allocating their cash between “yield insensitive” (balance sheet / BDA) and “yield seeking” (money market funds) alternatives.
Appendix
Average Interest-earning Assets & Bank Investment Portfolio (as of June 30, 2022)

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

- **Cash & Equiv.**: 62%
- **Lending Activities**: 19%
- **Other IEA**: 9%

$623.6B

Bank Investment Portfolio Spotlight

- **Fixed vs. Floating**: 92% Fixed / 8% Floating
- **Securities Mix\(^3\)**: 
  - Agency RMBS: 56%
  - Agency CMBS: 23%
  - Other: 21%

- **Duration Analysis\(^4\)**:
  - Portfolio Duration (Years): \(~4.1\)
  - Rate Shock (bps):
    - \(+100\): SCHW
    - \(-100\): LUMSTRUU\(^5\)
    - \(+0.12\) yrs.
    - \(-0.01\) yrs.
    - \(-0.19\) yrs.

Note: B = Billions. Bps = Basis points. Avg. = Average. IEA = Interest-earning assets. RMBS = Residential Mortgage-backed Security. CMBS = Commercial Mortgage-backed Security. 1. Bank Investment Portfolio includes available-for-sale and held-to-maturity securities within the consolidated bank investment portfolio, but excludes cash investments; please note percentage may be rounded and therefore may not round to 100%. 2. Lending Activities comprises client margin debits and bank loans. 3. Total may not sum to 100% due to rounding. “Other” includes U.S. Treasuries, corporate debt, ABS, and other investment securities as appropriate. 4. Rate shock analysis is presented on an option-adjusted basis as of June 2022. 5. LUMSTRUU is a Bloomberg Barclays index composed of investment grade pass-through MBS issued and/or guaranteed by a U.S. government agency.
Elevated balance sheet liquidity continues to help us efficiently accommodate client cash allocation decisions and increases asset sensitivity – preserving flexibility without sacrificing available rate upside.
Appendix
Bank Deposit Account Summary (as of June 30, 2022)

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

- **$154.2**
  - **$118.7** (77%)
  - **$35.5** (23%)

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

- **Total Balance: $155.6B**
- **Net Rate\(^2\): 1.03%**
- **Annual Revenue\(^3\): $1,618M**

**Fixed Maturities:** $118.5 (76% of total)\(^1\)  |  **Net Rate\(^2\): 0.93%**

<table>
<thead>
<tr>
<th>Year</th>
<th>Floating</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Year 6</th>
<th>Year 7</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$37.0</td>
<td>$19.1</td>
<td>$19.1</td>
<td>$16.6</td>
<td>$25.5</td>
<td>$18.2</td>
<td>$17.5</td>
<td>$2.7</td>
</tr>
</tbody>
</table>

**Net Rate\(^2\)**
- Floating: 1.33%
- Fixed: 0.64%
- 2Q22 Revenue: $57M

**Annual Revenue\(^3\)**
- $500M
- $321M
- $315M
- $242M
- $7M
- $30M
- $147M
- $57M

Note: Certain totals may not sum due to rounding. M = Millions. B = Billions. BDA = Bank Deposit Account. EOP = End-of-period. Net yields calculated on an actual/360 basis. 1. Balances maturing by remaining duration term (e.g., Year 1 maturities are balances rolling off the fixed-rate ladder over the next 12 months). 2. EOP net rate of maturities as of early July 2022 and includes all related fees and client pay rates. 3. Revenue figures presented on an annualized run-rate basis per the amended Insured Deposit Agreement (IDA) arrangement.
Appendix
Select Trading Information (as of June 30, 2022)

Monthly DATs (M)

Jun-21 | Jun-22
---|---
6.3 | 5.9

Futures as % Derivatives Trading

<table>
<thead>
<tr>
<th>Quarter</th>
<th>DAT Mix (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2Q21</td>
<td>9%</td>
</tr>
<tr>
<td>1Q22</td>
<td>13%</td>
</tr>
<tr>
<td>2Q22</td>
<td>13%</td>
</tr>
</tbody>
</table>

Derivatives as a % Total Trading Volume

<table>
<thead>
<tr>
<th>Quarter</th>
<th>DAT Mix (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2Q21</td>
<td>21%</td>
</tr>
<tr>
<td>1Q22</td>
<td>23%</td>
</tr>
<tr>
<td>2Q22</td>
<td>22%</td>
</tr>
</tbody>
</table>

Quarterly DAT Mix (%)

Retail | AS
---|---
22% | 78%

Monthly Average Contracts per Option Trade

Jun-21 | Jun-22
---|---
8.0 | 7.5

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

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

<table>
<thead>
<tr>
<th>Non-GAAP Adjustment or Measure</th>
<th>Definition</th>
<th>Usefulness to Investors and Uses by Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition and integration-related costs and amortization of acquired intangible assets</td>
<td>Schwab adjusts certain GAAP financial measures to exclude the impact of acquisition and integration-related costs incurred as a result of the Company’s acquisitions, amortization of acquired intangible assets, and, where applicable, the income tax effect of these expenses. Adjustments made to exclude amortization of acquired intangible assets are reflective of all acquired intangible assets, which were recorded as part of purchase accounting. These acquired intangible assets contribute to the Company’s revenue generation. Amortization of acquired intangible assets will continue in future periods over their remaining useful lives.</td>
<td>We exclude acquisition and integration-related costs and amortization of acquired intangible assets for the purpose of calculating certain non-GAAP measures because we believe doing so provides additional transparency of Schwab’s ongoing operations, and is useful in both evaluating the operating performance of the business and facilitating comparison of results with prior and future periods. Acquisition and integration-related costs fluctuate based on the timing of acquisitions and integration activities, thereby limiting comparability of results among periods, and are not representative of the costs of running the Company’s ongoing business. Amortization of acquired intangible assets is excluded because management does not believe it is indicative of the Company’s underlying operating performance.</td>
</tr>
<tr>
<td>Return on tangible common equity</td>
<td>Return on tangible common equity represents annualized adjusted net income available to common stockholders as a percentage of average tangible common equity. Tangible common equity represents common equity less goodwill, acquired intangible assets – net, and related deferred tax liabilities.</td>
<td>Acquisitions typically result in the recognition of significant amounts of goodwill and acquired intangible assets. We believe return on tangible common equity may be useful to investors as a supplemental measure to facilitate assessing capital efficiency and returns relative to the composition of Schwab’s balance sheet.</td>
</tr>
</tbody>
</table>

The company also uses adjusted diluted EPS and return on tangible common equity as components of performance for employee bonus and certain executive management incentive compensation arrangements. The Compensation Committee of CSC’s Board of Directors maintains discretion in evaluating performance against these criteria.
# Appendix

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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total expenses excluding interest (GAAP), Net income (GAAP)</strong></td>
<td>$2,819</td>
<td>$1,793</td>
<td>$2,833</td>
<td>$1,402</td>
<td>$2,808</td>
</tr>
<tr>
<td>Acquisition and integration-related costs (1)</td>
<td>(94)</td>
<td>94</td>
<td>(96)</td>
<td>96 (101)</td>
<td>(104)</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>(154)</td>
<td>154</td>
<td>(154)</td>
<td>154 (154)</td>
<td>(153)</td>
</tr>
<tr>
<td>Income tax effects (2)</td>
<td>N/A</td>
<td>(60)</td>
<td>N/A</td>
<td>(61)</td>
<td>N/A (61)</td>
</tr>
<tr>
<td><strong>Adjusted total expenses (Non-GAAP), Adjusted net income (Non-GAAP)</strong></td>
<td>$2,571</td>
<td>$1,981</td>
<td>$2,583</td>
<td>$1,591</td>
<td>$2,510</td>
</tr>
</tbody>
</table>

Note: N/A = Not applicable. 1. Acquisition and integration-related expenses are primarily included in compensation and benefits, professional services, occupancy and equipment, and other expense. 2. The income tax effect of the non-GAAP adjustments is determined using an effective tax rate reflecting the exclusion of non-deductible acquisition costs and is used to present the acquisition and integration-related costs and amortization of acquired intangible assets on an after-tax basis.
## Appendix

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

<table>
<thead>
<tr>
<th>(In millions, except ratios and per share amounts)</th>
<th>June 30, 2022</th>
<th>March 31, 2022</th>
<th>December 31, 2021</th>
<th>September 30, 2021</th>
<th>June 30, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income before taxes on income (GAAP), Pre-tax profit margin (GAAP)</td>
<td>$2,274 (44.6%)</td>
<td>$1,839 (39.4%)</td>
<td>$2,023 (43.0%)</td>
<td>$2,011 (44.0%)</td>
<td>$1,719 (38.0%)</td>
</tr>
<tr>
<td>Acquisition and integration-related costs</td>
<td>94 (1.8%)</td>
<td>96 (2.1%)</td>
<td>101 (2.1%)</td>
<td>104 (2.3%)</td>
<td>144 (3.2%)</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>154 (3.1%)</td>
<td>154 (3.2%)</td>
<td>154 (3.3%)</td>
<td>153 (3.3%)</td>
<td>154 (3.4%)</td>
</tr>
<tr>
<td>Adjusted income before taxes on income (Non-GAAP), Adjusted pre-tax profit margin (Non-GAAP)</td>
<td>$2,522 (49.5%)</td>
<td>$2,089 (44.7%)</td>
<td>$2,278 (48.4%)</td>
<td>$2,268 (49.6%)</td>
<td>$2,017 (44.6%)</td>
</tr>
</tbody>
</table>
## Appendix
### Non-GAAP Reconciliation: Adjusted net income to common stockholders and Adjusted diluted EPS

<table>
<thead>
<tr>
<th>(In millions, except ratios and per share amounts)</th>
<th>June 30, 2022</th>
<th>March 31, 2022</th>
<th>December 31, 2021</th>
<th>September 30, 2021</th>
<th>June 30, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net income available to common stockholders (GAAP), Earnings per common share — diluted (GAAP)</strong></td>
<td>$1,652</td>
<td>$.87</td>
<td>$1,278</td>
<td>$.67</td>
<td>$1,449</td>
</tr>
<tr>
<td>Acquisition and integration-related costs</td>
<td>94</td>
<td>.05</td>
<td>96</td>
<td>.05</td>
<td>101</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>154</td>
<td>.08</td>
<td>154</td>
<td>.08</td>
<td>154</td>
</tr>
<tr>
<td>Income tax effects</td>
<td>(60)</td>
<td>(.03)</td>
<td>(61)</td>
<td>(.03)</td>
<td>(60)</td>
</tr>
<tr>
<td><strong>Adjusted net income available to common stockholders (Non-GAAP), Adjusted diluted EPS (Non-GAAP)</strong></td>
<td>$1,840</td>
<td>$.97</td>
<td>$1,467</td>
<td>$.77</td>
<td>$1,644</td>
</tr>
</tbody>
</table>
# Appendix

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

<table>
<thead>
<tr>
<th>(In millions, except ratios and per share amounts)</th>
<th>June 30, 2022</th>
<th>March 31, 2022</th>
<th>December 31, 2021</th>
<th>September 30, 2021</th>
<th>June 30, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Return on average common stockholders’ equity (GAAP)</strong></td>
<td>19%</td>
<td>12%</td>
<td>12%</td>
<td>12%</td>
<td>12%</td>
</tr>
<tr>
<td>Average common stockholders’ equity</td>
<td>$35,611</td>
<td>$41,856</td>
<td>$46,898</td>
<td>$47,492</td>
<td>$46,276</td>
</tr>
<tr>
<td>Less: Average goodwill</td>
<td>(11,952)</td>
<td>(11,952)</td>
<td>(11,952)</td>
<td>(11,952)</td>
<td>(11,952)</td>
</tr>
<tr>
<td>Less: Average acquired intangible assets – net</td>
<td>(9,151)</td>
<td>(9,303)</td>
<td>(9,456)</td>
<td>(9,609)</td>
<td>(9,762)</td>
</tr>
<tr>
<td>Plus: Average deferred tax liabilities related to goodwill and acquired intangible assets – net</td>
<td>1,868</td>
<td>1,886</td>
<td>1,889</td>
<td>1,895</td>
<td>1,907</td>
</tr>
<tr>
<td>Average tangible common equity</td>
<td>$16,376</td>
<td>$22,487</td>
<td>$27,379</td>
<td>$27,826</td>
<td>$26,469</td>
</tr>
<tr>
<td>Adjusted net income available to common stockholders'¹</td>
<td>$1,840</td>
<td>$1,467</td>
<td>$1,644</td>
<td>$1,602</td>
<td>$1,335</td>
</tr>
<tr>
<td><strong>Return on tangible common equity (Non-GAAP)</strong></td>
<td>45%</td>
<td>26%</td>
<td>24%</td>
<td>23%</td>
<td>20%</td>
</tr>
</tbody>
</table>

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