Fall Business Update

October 16, 2023
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,” “illlustrative,” “opportunity,” “expand,” “drive,” “deliver,” “bolster,” “position,” “trajectory,” “target,” “assumption,” “scenario,” “enable,” “capture,” “accelerate,” “temporary,” “build,” “seek,” “in-line,” “outlook,” 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; the integration of Ameritrade, including current expectations regarding the timing of remaining client transitions, deal-related attrition, and the amount and timing of expense and revenue synergies; growth in revenues, earnings, and profits; investments in people, technology, and platforms to fuel and support growth, serve clients and advisors, and drive scale and efficiency; business and financial models; competitive advantages; market share; growth recipe; business momentum; key strategic initiatives to add scale and efficiency, win-win monetization, and client segmentation; enhancing and expanding offers and solutions for clients and RIAs; Workplace participant experience; run-rate expense savings and the costs to achieve them; expense growth; stockholder value; opportunities; client cash realignment, including activity and trends; net interest margin; utilization of, impact from using, and repayment of, supplemental funding; capital; long-term investment thesis; balance sheet management; 2023 and 2024 financial outlooks, including revenue and expenses; Adjusted Tier 1 Leverage Ratio; EOCA; investment portfolio; capital return; 2023 financial scenario assumptions, including macro and business factors; estimated impact from revenue sensitivities; and reinvestment yields.

These forward-looking statements, which reflect management’s beliefs, expectations, and objectives as of today, are estimates based on the best judgment of the company’s senior management. Achievement of the expressed beliefs, expectations, and objectives is subject to risks and uncertainties that could cause actual results to differ materially from those beliefs, expectations, or objectives. Important factors that may cause such differences are discussed in the company’s filings with the Securities and Exchange Commission, including the Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. Other important factors include 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; the risk that Ameritrade client transitions may not be completed when expected or not result in a positive client experience; asset attrition from clients originating at Ameritrade may be higher than 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; 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; the company’s ability to timely and successfully streamline its operating model and reduce its real estate footprint and the costs incurred in connection with such actions; integration-related and other technology projects; compensation; balance sheet positioning relative to changes in interest rates; loan growth; pace of paying down supplemental funding; 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, including the timing of the FDIC’s enactment of a final rule relating to a special assessment and the company’s recognition of the full amount of the special assessment in earnings upon such enactment.

The information in this presentation speaks only as of October 16, 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
Schwab’s “Through Clients’ Eyes” strategy and long-term orientation position us for success through the cycle.

- Our “no trade-offs” approach of combining leading value, service, transparency, and trust continues to resonate with investors as we help them navigate a shifting environment.

- As we move confidently into the final phases of the historic Ameritrade client conversion, our long-term growth potential remains robust.

- Ongoing investment in Schwab’s modern wealth management experience helps bolster our competitive positioning and enables us to meet the evolving needs of individual investors and the advisors who serve them.
While tighter monetary policy has lowered inflation, the pace and level of rate increases has negatively impacted the financial markets.


Longest yield curve inversion in four decades.
This historic pace of rate hikes has also dramatically impacted investor sentiment,…

**Federal Funds Rate Hikes**

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

Note: Bps = Basis points. Q = Quarter. Fed Funds rate sourced via FactSet. 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).
...weighing on equity and bond market valuations.

**Equity Markets**

*Sep–2023 vs. Dec–2021*

Note: Q = Quarter. U.S. = United States. Nasdaq® = NASDAQ Composite Index. Y = Year. 1. Index returns sourced via FactSet. 2. Continuous U.S. Treasury prices and S&P® U.S. Aggregate Bond Index sourced via FactSet. The “S&P 500® Index” is a product of S&P Dow Jones Indices LLC or its affiliates (“SPDJI”), and has been licensed for use by Charles Schwab & Co., Inc.

**Bond Markets**

*Sep–2023 vs. Dec–2021*

The equity sell-off, plus the impact of higher rates on bond values, pressured investor portfolios from all sides.
Although Schwab’s stock price has suffered along with investors, clients and prospects continue to view Schwab as a trusted partner.
Our long-term asset gathering model remains firmly intact, even with the expected attrition from the Ameritrade conversion,...

2023 YTD Highlights

$230B
Core Net New Assets

2.9M
New Brokerage Accounts

3Q23 Highlights

$46B
Core Net New Assets

$14B
Jul

$5B
Aug

$27B
Sep

Firm-wide asset gathering re-accelerated in September.

Note: M = Million, B = Billion, YTD = Year-to-date, Q = Quarter. 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 Retail CDs. These flows may span multiple reporting periods.
...including robust net inflows from accounts originated at Schwab.

YTD Asset Gathering: Schwab Originated Accounts Only

- **$248B** Core NNA
- **+12%** Y/Y Core NNA Growth
- **6.3%** Organic Core NNA Growth Rate

Note: YTD = Year-to-date. B = Billion. Y/Y = Year-over-year. 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 Retail CDs. These flows may span multiple reporting periods.
We set out to build the future of modern wealth management by combining the best of both firms.

**2019**
- Deal announced

**2020**
- Deal closed

**2022**
- Pre-conversion

**2023**
- Client conversion begins

**1H24**
- Client conversion completed

**Ameritrade at announcement**
- **Total Client Assets**: $1.3T
- **Client Accounts**: 12.0M
- **Daily Average Trades**: 1.3M

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Note: T = Trillion. M = Million. H = Half.
We set out to build the future of modern wealth management by combining the best of both firms.

- **2019** Deal announced
- **2020** Deal closed
- **2022** Pre-conversion
- **2023** Client conversion begins
- **1H24** Client conversion completed

**Total Client Assets**
- **Ameritrade at announcement**: $1.3T
- **Ameritrade Dec 2022**: $1.8T (+35%)

**Client Accounts**
- **2019**: 12.0M
- **2023**: 16.6M (+35%)

**Daily Average Trades**
- **2019**: 1.3M
- **2024**: 3.6M (+175%)

Note: T = Trillion, M = Million, H = Half.
Our unwavering focus on service has been critical to the success of the largest account conversion in industry history.

We have now migrated ~80% of Ameritrade clients to Schwab in the first 3 transition groups,...

... while maintaining our leading client experience.

We have now migrated ~80% of Ameritrade clients to Schwab in the first 3 transition groups,

- $1.5T+ Client Assets
- 13M+ Client Accounts
- 7K+ RIA Firms

The conversion has been completed for the vast majority of Ameritrade clients, including all RIAs.

Deal-related attrition has tracked measurably better than initial estimates and converted clients have remained engaged.

**Retail Highlights**

- Concentrated around conversion weekends
- September group is tracking in-line or better than previous groups
- Clients who converted during the February and May groups are now adding net new assets to the platform

**Advisor Highlights**

- Majority prior to September; has subsided after the peak leading up to the conversion
- Includes proactive Schwab initiated resignations
- Of converted RIAs, 75% have placed trades on SAC.com and ~1/3 have opened new accounts on Schwab platforms

Note: H = Half, Q = Quarter, RIA = Registered Investment Advisor, Incl. = Includes, 1. Represents converted RIAs without a pre-existing custodial relationship with Schwab.
Following the conversion in 1H24, all clients will benefit from the power of our combined firm.

We will move remaining clients in the final two transition groups.

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

**Schwab**
- Top ranked suite of advice solutions with strong track-record of engaging clients with advice
- Leading customer service and strength in building client relationships
- Heritage of disruption around delivering client value at scale

**Ameritrade**
- Best-in-class trader platforms with proven track-record of attracting and supporting traders
- Extensive live and digital content designed to complement strong trader service experience
- Rich history of product and digital innovations

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**Timeline**

- **2019**: Deal announced
- **2020**: Deal closed
- **2022**: Pre-conversion
- **2023**: Client conversion begins
- **1H24**: Client conversion completed

Note: H = Half.
Our “no trade-offs” approach and competitive advantages position us to serve more investors in a growing marketplace.

Our intentional alignment to the two fastest growing segments of the U.S. wealth market,...

<table>
<thead>
<tr>
<th>U.S. Retail Investable Wealth CAGR, 2016 – 2021³</th>
<th>17%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct / Self-directed</td>
<td>14%</td>
</tr>
<tr>
<td>RIAs</td>
<td>12%</td>
</tr>
<tr>
<td>Total U.S. Investable Wealth</td>
<td>12%</td>
</tr>
</tbody>
</table>

Regional Broker-dealers | 10% |
Independent Broker-dealers | 10% |
Wirehouses | 9%

...and our combination of competitive advantages....

<table>
<thead>
<tr>
<th>Size and Scale</th>
<th>Operating Efficiency</th>
<th>Service Culture</th>
<th>Operating Structure</th>
<th>Brand and Corp. Reputation</th>
<th>Willingness to Disrupt</th>
</tr>
</thead>
</table>

...keep us well-positioned to capture meaningful growth for years to come.

U.S. Retail Market: $65T+¹

Market share estimate²

Schwab’s growth recipe powers our long-term business momentum and success in the marketplace.

3–5% NNA Growth from Existing Clients

2–3% NNA Growth from New Clients

5–7% Annualized NNA growth rate

Note: NNA = Net new assets.
We are well-positioned to continue winning with existing clients...

We believe our “Through Clients’ Eyes” strategy resonates with existing clients...

- Deliver industry-leading value to all of our clients
- Provide exceptional service to investors and advisors
- Ensure transparency across every client interaction
- Build trust by treating clients the way we would like to be treated

...and drives our ability to deepen relationships and capture greater share of wallet.

YTD 2023

$51.2B
Retail NNA from Existing Clients

$43.4B
Advisor NNA from Existing Clients

Note: B = Billion. YTD = Year-to-date. NNA = Net new assets.
...and attracting new investors to Schwab.

Our diversified acquisition model helps us win new clients in the marketplace,...

- Leverage strong personal relationships created via our branch network and RIA service model
- Deliver an exceptional client experience & get trusted referrals from our clients
- Deploy data-driven marketing against clear design targets
- Invest in complementary acquisition channels such as Workplace

...enabling us to serve more individual investors and the advisors who serve them.

YTD 2023

744K
NTF Retail households

~60%
NTF Retail households <40 years

238
# of Advisor-in-Transition teams

Note: K = Thousand. RIA = Registered Investment Advisor. YTD = Year-to-date. NTF = New-to-firm.
Continuing to advance our three key strategic initiatives will help accelerate our growth.

**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 and asset management offerings
- Expand lending activity and capabilities
- Bolster Workplace participant experience to drive growth

**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.

Charles Schwab Corporation
We are taking steps to enhance our flexibility and efficiency, helping to bolster our long-term profitable growth profile.

**$1B+**
Annual run-rate expense savings

**$500M**
Remaining Ameritrade expense synergies

**$500M**
Operational design & real estate-related savings

**$400M to $500M**
Non-GAAP restructuring costs recognized starting in 3Q23

- Streamline operating model including position eliminations predominantly in non-client-facing areas
- Reduce overall real estate footprint, including closing or downsizing certain corporate offices

We expect 2024 year-over-year expense growth to be flat to slightly negative.

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Note: B = Billion, M = Million, Q = Quarter, H = Half. Further detail on non-GAAP financial measures and a reconciliation of such measures to reported results are included on slides 46-51 of this presentation.
Win-Win Monetization

Schwab’s modern wealth management experience is resonating with investors.

Deliver a continuum of wealth and asset management offerings

YTD Net Advised Flows ($B)

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>$19</td>
<td>$24</td>
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</tr>
</tbody>
</table>

YTD 2023 vs. 2022

- Schwab Wealth Advisory™: +59%
- Schwab Advisor Network®: +4%
- Wasmer Schroeder™: +129%
- Schwab Personalized Indexing®: +251%

Further enhancements to our solutions position us to drive incremental utilization.

Expand lending activity and capabilities

Pledged Asset Line®
Digital Onboarding for RIAs

- Speed. Ease. Transparency.
  - Proposals generated in real-time
  - Digital applications initiated via SAC.com can be completed in under 5 minutes
  - Reduced cycle times with accounts being funded in under a week

Note: B = Billion. YTD = Year-to-date. RIA = Registered Investment Advisor.
Workplace is a complementary acquisition channel that introduces 5 million participants to the broader suite of products and solutions available at Schwab.

**Grow**
Win new plans via leading service and capabilities

**Retain**
Utilize digital tools to provide a modern client experience

**Extend**
Introduce participants to a broader array of solutions

1 in 3 new-to-firm households at Schwab are originated through our Workplace business

50% of eligible rollover retirement assets are retained

Stock Plan contributes ~10% to Retail NNA

Nearly 20% of Workplace households utilize additional Schwab products and solutions

Note: NNA = Net new assets. 1. Across Retirement Plan Services and Stock Plan Services.
Our enhanced trading experience further empowers self-directed investors by combining the best of Schwab and Ameritrade.

Traders are a highly engaged client segment compared to other Retail clients, ...

...and we continue to invest to provide them with the world-class trading experience they expect.

6.5X
Avg. HH NNA

3.8X
Avg. HH Assets

2.8X
ROCA

Award-winning trading platforms
- thinkorswim® (desktop/mobile/web)
- Schwab.com
- Schwab Mobile

Tailored education
- Always expanding trading education library
- Schwab Network
- Courses, learning paths, coaching webcasts, & live events

Specialized service and support
- Trading support available 24/7
- Strategy Gut Check®, platform walkthroughs, and paper trading

Our relentless focus on serving investors’ needs creates a clear path to continued organic growth—positioning us to deliver long-term value to clients and stockholders.

- **Annualized core NNA growth rate**: 5-7%
- **Ameritrade share of wallet NNA opportunity**: $500B+
- **Wealth management and bank lending revenue opportunity**: $3.5-4.0B+

Note: NNA = Net new assets. B = Billion. 1. Represents increasing the percentage of Ameritrade clients’ assets held at Schwab vs the clients’ total investable assets. 2. 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.
Schwab’s “Through Clients’ Eyes” strategy and long-term orientation position us for success through the cycle.

- Our “no trade-offs” approach of combining leading value, service, transparency, and trust continues to resonate with investors as we help them navigate a shifting environment.

- As we move confidently into the final phases of the historic Ameritrade client conversion, our long-term growth potential remains robust.

- Ongoing investment in Schwab’s modern wealth management experience helps bolster our competitive positioning and enables us to meet the evolving needs of individual investors and the advisors who serve them.
Financial Perspectives

Peter Crawford
Managing Director, Chief Financial Officer
Schwab remains poised to deliver differentiated growth “through the cycle.”

- **Diversified model** enables us to deliver solid results and **strong profitability** through a range of environments

- Temporary **headwinds are subsiding**:
  - Client cash **realignment activity has decelerated** significantly from peak levels
  - Expect **meaningful NIM expansion** as we pay down supplemental borrowings

- **Capital levels continue to build**

- Our **long-term investment thesis is intact** as we seek to drive stockholder value over time

**Our priorities remain unchanged:**

- **Continued business growth through our client-first strategy**
- **Long-term revenue growth through multiple sources**
- **Rigorous expense management enabling sustainable performance**

Note: NIM = Net interest margin.
Sustained business momentum and continued expense discipline helped to deliver solid pre-tax profit margins in Q3.

3Q23 vs. 2Q23

Markets
- Trajectory of interest rates: +/−
- Equity market performance: −

Clients
- Investor sentiment: +/−
- Trading activity levels: −

3Q23

<table>
<thead>
<tr>
<th>Category</th>
<th>Net Revenue</th>
<th>Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Revenue</strong></td>
<td>$4.6B</td>
<td>$3.2B</td>
</tr>
<tr>
<td><strong>Pre-tax Profit Margin</strong></td>
<td>30.0%</td>
<td>41.3%</td>
</tr>
<tr>
<td><strong>Earnings Per Share</strong></td>
<td>$0.56</td>
<td>$0.77</td>
</tr>
</tbody>
</table>

Note: Q = Quarter. B = Billion. GAAP = Generally accepted accounting principles. 1. Further detail on non-GAAP financial measures and a reconciliation of such measures to reported results are included on slides 46-51 of this presentation.
We continue to manage our balance sheet with an emphasis on liquidity and flexibility.

- **Total assets declined by 7% sequentially**, as lower cash balances and a smaller investment portfolio more than offset an increase in margin debits.
- While **client cash realignment activity continued to decelerate**, bank deposits ended $20 billion lower than the prior quarter.
- Net outstanding **supplemental funding\(^1\)** declined by over $6B quarter-over-quarter.
- **Stockholders’ equity increased by 2% versus 2Q23**, as organic capital formation and ongoing accretion of unrealized marks outweighed the impact of higher long-term rates on AOCI.
- Issued **$2.4 billion of long-term debt during the quarter** to support the business.
- Consolidated **Tier 1 Leverage Ratio**\(^*\) for 3Q was 8.2%, which is well above current minimums.

<table>
<thead>
<tr>
<th>($M, EOP)</th>
<th>2Q23</th>
<th>3Q23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>$511,505</td>
<td>$475,204</td>
</tr>
<tr>
<td>Bank Deposits</td>
<td>$304,414</td>
<td>$284,408</td>
</tr>
<tr>
<td>Payables to Brokerage Clients</td>
<td>$84,795</td>
<td>$72,818</td>
</tr>
<tr>
<td>Stockholders’ Equity</td>
<td>$37,147</td>
<td>$37,784</td>
</tr>
<tr>
<td>Temporary Supplemental Funding(^1)</td>
<td>$90,199</td>
<td>$83,734</td>
</tr>
<tr>
<td>Parent Liquidity</td>
<td>$8,961</td>
<td>$11,654</td>
</tr>
<tr>
<td>Consolidated Tier 1 Leverage Ratio(^*)</td>
<td>7.5%</td>
<td>8.2%</td>
</tr>
<tr>
<td>CSB Adjusted Tier 1 Leverage Ratio(^2*)</td>
<td>4.0%</td>
<td>4.4%</td>
</tr>
</tbody>
</table>

Note: M = Million. Q = Quarter. EOP = End-of-period. B = Billion. AOCI = Accumulated other comprehensive income. \(^*\)Preliminary. CSB = Charles Schwab Bank, SSB. \(^1\)Supplemental funding includes repurchase agreements, Schwab Retail Certificates of Deposit, and Federal Home Loan Bank balances. \(^2\)Preliminary CSB Tier 1 Leverage Ratio equals 9.6% as of September 30, 2023. Further detail on non-GAAP financial measures and a reconciliation of such measures to reported results are included on slides 46-51 of this presentation.
Client cash realignment activity decelerated to its slowest pace since the beginning of the current rate cycle.

Month-to-date, the October pace is tracking in-line with September.

Note: $B = Billion. 1. Includes Bank Sweep deposits, Bank Deposit Account balances, Ameritrade Client Credits and Schwab One®.
As temporary headwinds continue to subside,...

**Temporary Supplemental Funding Balances**
- Peak in May-23
- Continue to prioritize the paydown of balances to support NIM expansion

**Tier 1 Leverage Ratio**
- Consolidated
  - Dec-22: 8.2%
  - Sep-23: 4.1%
  - Dec-25: 6.5%
  - Adjusted T1LR: 4.4%

**Long-Term NIM vs. Fed Dot Plot**
- Fed Funds Rate: 5.75%
- NIM: 4.00%
  - 3Q23: Anticipate NIM approaching 3.00% by the end of 2025

Note: Fed = Federal Reserve. Q = Quarter. NIM = Net interest margin. T1LR = Tier 1 Leverage Ratio. Bps = Basis points. FDIC = Federal Deposit Insurance Corporation. 1. Supplemental funding includes repurchase agreements, Schwab Retail Certificates of Deposit, and Federal Home Loan Bank balances. 2. Further detail on non-GAAP financial measures and a reconciliation of such measures to reported results are included on slides 46-51 of this presentation. 3. Fed Dot Plot data sourced via Federal Research Economic Data as of 9/20/2023.
When utilizing the recent September Fed Dot Plot and factoring in recent market dynamics, **full-year 2023 revenue is expected to decline by 8%–9%** versus the prior year.

Inclusive of the costs related to our previously announced restructuring, full-year GAAP expenses are expected to grow ~9%.

- On an adjusted\(^1\) basis, we **anticipate around 6% expense growth** for 2023.
- We expect the **one-time FDIC special assessment to impact both GAAP and adjusted expenses by $160 million in 4Q23** – the equivalent of ~150 bps of year-over-year growth.

Our **2024 revenue outlook will be shaped by a range factors**, including the path of interest rates, pace of supplemental funding pay down, market sentiment, and client engagement levels.

The continued **prioritization of paying down supplemental borrowings** versus reinvesting cash flows back into the investment portfolio will influence the trajectory of our balance sheet.

We still **expect 2024 expense growth to be flat or slightly negative versus 2023** as we capture the remaining Ameritrade synergies as well as the additional $500 million of identified cost savings.

Earnings-driven capital formation, along with the ongoing accretion of unrealized marks back into equity, will help push consolidated **Adjusted Tier 1 Leverage above 6.5% by the end of 2024\(^1\)**.

Note: Fed = Federal Reserve. Q = Quarter. FY = Full-year. 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 46-51 of this presentation.
The long-term investment thesis for Schwab remains intact, with momentum building for today and tomorrow.

<table>
<thead>
<tr>
<th>Long-term Investment Thesis</th>
<th>Near-Term</th>
<th>Longer-Term</th>
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</thead>
<tbody>
<tr>
<td>Premier Asset Gatherer</td>
<td>▪ Aligned with fastest growing wealth segments</td>
<td>▪ Strong Client Promoter Scores</td>
</tr>
<tr>
<td>Diversified Revenue Model</td>
<td>▪ Persistent growth throughout integration</td>
<td>▪ Diversified client acquisition model</td>
</tr>
<tr>
<td>Disciplined Expense Management</td>
<td>▪ Continued deceleration of realignment activity</td>
<td>▪ Growing appetite for help and advice</td>
</tr>
<tr>
<td>Efficient Utilization of Capital</td>
<td>▪ Reduced supplemental borrowings</td>
<td>▪ NIM expansion</td>
</tr>
<tr>
<td></td>
<td>▪ Flat expense trajectory into 2024</td>
<td>▪ Capture full incremental $1B in cost saves</td>
</tr>
<tr>
<td></td>
<td>▪ Drive down EOCA via scale and efficiency</td>
<td>▪ Additional efficiency opportunities over time</td>
</tr>
<tr>
<td></td>
<td>▪ Increased capital levels</td>
<td>▪ Growth plus opportunistic capital return over time</td>
</tr>
<tr>
<td></td>
<td>▪ Attractive returns on invested capital</td>
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</tbody>
</table>

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: B = Billion. EOCA = Expense on client assets. NIM = Net interest margin.
Appendix
## Appendix

### Underlying 2023 Scenario Assumptions (as of September 30, 2023)

<table>
<thead>
<tr>
<th>Macro Factors</th>
<th>Business Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Short Rates</strong></td>
<td>DATs</td>
</tr>
<tr>
<td><em>September 2023 Fed Dot Plot</em></td>
<td>Bal. Sheet Positioning</td>
</tr>
<tr>
<td>Fed Funds finishes FY 2023 at 5.75%</td>
<td>Bal. Sheet Decline</td>
</tr>
<tr>
<td><strong>Long Rates</strong></td>
<td>Capex</td>
</tr>
<tr>
<td>Avg. 5-year UST for 2023 of ~4.10%</td>
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<tr>
<td><strong>S&amp;P 500®</strong></td>
<td></td>
</tr>
<tr>
<td>Full-year appreciation of 12% – 14%</td>
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</table>

Appendix
Select Annualized Revenue Sensitivities (as of September 30, 2023)

- Target Fed Funds Rate +/- 25 bps
  ~$175M – $375M

- 5-Year Treasury +/- 10 bps
  ~$70M

- Bank Sweep Balances +/- $1B
  ~$50M

- S&P 500® +/- 1%
  ~$25M

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

- Margin Balances +/- $1B
  ~$80M

Note: Bps = Basis points. B = Billion. M = Million. K = Thousand. FHLB = Federal Home Loan Bank. For the Fed Funds and Treasury sensitivities, assumes static interest-earning asset balances as of September 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 ~1.5 basis point of NIM drag/boost, respectively.
Appendix
Historical Client Cash Trends (as of September 30, 2023)

Select Client Cash Metrics, 1Q14 – 3Q23 ($K, %)$1

- Ameritrade acquisition closed in 4Q20
- $32
- $41
- $24
- 12.7%
- 15.1%
- 10.8%

Total Client Cash Mix, 3Q23 (%)$1, 2, 3

- $844B
- 33%
- 50%
- 12%
- 4%
- 2%
- 12%
- BDA
- Other Balance Sheet Cash
- Sweep MMFs
- Purchased MMFs
- Checking, Savings & Other

Note: K = Thousand. B = Billion. Q = Quarter. MMF = Money market fund. BDA = Bank deposit account. 1. Beginning July 2023, client cash metrics exclude brokered CDs issued by Charles Schwab Bank. Prior periods have been recast to reflect this change. 2. Other Balance Sheet Cash includes bank sweep deposits and Schwab One® balances. 3. Total may not sum to 100% due to rounding.
Appendix
Average Interest-earning Assets & Bank Investment Portfolio (as of September 30, 2023)

3Q23 Avg. Interest-earning Assets (%)\(^1,2\)

- Lending Activities: 23%
- Bank Investment Portfolio: 65%
- Cash & Equiv.: 5%
- Other IEA: 8%
- IEA: $453.8B

Bank Investment Portfolio Spotlight

<table>
<thead>
<tr>
<th>Securities Mix(^3)</th>
<th>59%</th>
<th>24%</th>
<th>17%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agency RMBS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agency CMBS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

94% Fixed / 6% Floating

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

Duration Analysis\(^4\)

- Portfolio Duration (Years): ~3.9
- Rate Shock (bps)
  - +100: SCHW
  - -100: LUMSTRUU\(^5\)
  - 0.10 yrs.: SCHW
  - 0.12 yrs.: LUMSTRUU
  - 0.08 yrs.: LUMSTRUU

Note:
Q = Quarter, B = Billion, Bps = Basis points, Avg. = Average, Yrs. = Years, IEA = Interest-earning assets, Cash & Equiv. = Cash and Equivalents, RMBS = Residential Mortgage-backed Security, CMBS = Commercial Mortgage-backed Security, U.S. = United States. 1. Bank Investment Portfolio includes available-for-sale and held-to-maturity securities within the consolidated bank investment portfolio but excludes cash investments; please note percentage may be rounded and therefore may not round to 100%. 2. Lending Activities is comprised of client margin debits and bank loans. 3. Total may not sum to 100% due to rounding. *Other* includes U.S. Treasuries, corporate debt, asset-backed securities, and other investment securities as appropriate. 4. Duration and rate shock analysis are presented on an option-adjusted basis, including the impact of hedging activity, as of September 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

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

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

Charles Schwab Corporation
Appendix
Reinvestment Opportunities (as of September 30, 2023)

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

<table>
<thead>
<tr>
<th>Security</th>
<th>Cash &amp; Equivalents</th>
<th>U.S. Treasuries</th>
<th>MBS Securities</th>
<th>Other IG Securities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current</strong></td>
<td>~5.40%</td>
<td>~5.37%</td>
<td>~5.90%</td>
<td>~5.97%</td>
</tr>
<tr>
<td><strong>1-yr Fwd</strong></td>
<td>~4.90%</td>
<td>~4.55%</td>
<td>~5.76%</td>
<td>~5.15%</td>
</tr>
<tr>
<td><strong>Duration</strong></td>
<td>&lt; 1 month</td>
<td>~1–1.5 years</td>
<td>~4–5 years</td>
<td>~1–1.5 years</td>
</tr>
</tbody>
</table>

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

**Potential Reinvestment Yield**

### Floating
- SOFR +80

### Fixed
- 5.30%–6.00%

---

*Illustrative*

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

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

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

<table>
<thead>
<tr>
<th></th>
<th>$92.4 (91%)</th>
<th>$9.2 (9%)</th>
<th>$101.7</th>
</tr>
</thead>
</table>

| Net Rate   | 4.65%       | 0.42%     |         |
| 3Q23 Revenue | $111M       | $94M      |         |

BDA Balances by Maturity, EOP ($B)

<table>
<thead>
<tr>
<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>$10.9</td>
<td>$17.7</td>
<td>$11.3</td>
<td>$25.7</td>
<td>$17.6</td>
<td>$16.5</td>
<td>$0.0</td>
<td>$0.0</td>
</tr>
</tbody>
</table>

Total Balance: $99.5
Net Rate\(^2\): 0.81%
Annual Revenue\(^3\): $815.8M

Fixed Maturities: $88.7 (89% of total)\(^1\) | Net Rate\(^2\): 0.33%

<table>
<thead>
<tr>
<th></th>
<th>$0.0</th>
<th>$0.0</th>
</tr>
</thead>
</table>

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

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Appendix
Select Trading Information (as of September 30, 2023)

Monthly DATs (M)

Futures as % Derivatives Trading

Quarterly DAT Mix (%)

Monthly Average Contracts per Option Trade

Note: Q = Quarter. M = Million. AS = Advisor Services. DAT = Daily average trades.
Appendix
Client Cash Realignment Support (as of September 30, 2023)

Note: Q = Quarter. PMMF = Purchased Money Market Fund. 1. Represents the percentage of PMMFs that originate from Schwab Bank Sweep or Schwab One®. Excludes Ameritrade accounts that have been converted to the Schwab platform. 2. 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 September 30, 2023. Excludes Ameritrade accounts that have been converted to the Schwab platform.
**Appendix**

**Non-GAAP Introduction**

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

Schwab’s use of non-GAAP measures is reflective of certain adjustments made to GAAP financial measures as described below. Beginning in the third quarter of 2023, these adjustments also include restructuring costs, which the Company began incurring in connection with its previously announced plans to streamline its operations to prepare for post-integration of TD Ameritrade. See Part I – Item 1 – Note 10 of our Quarterly Report on Form 10-Q for the quarter ended June 30, 2023 for additional information.

<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, amortization of acquired intangible assets, and restructuring costs</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, restructuring costs, 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, amortization of acquired intangible assets, and restructuring costs for the purpose of calculating certain non-GAAP measures because we believe doing so provides additional transparency of Schwab’s ongoing operations, and is useful in both evaluating the operating performance of the business and facilitating comparison of results with prior and future periods. Costs related to acquisition and integration or restructuring fluctuate based on the timing of acquisitions, integration and restructuring activities, thereby limiting comparability of results among periods, and are not representative of the costs of running the Company’s ongoing business. Amortization of acquired intangible assets is excluded because management does not believe it is indicative of the Company’s underlying operating performance.</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>
<tr>
<td>Adjusted Tier 1 Leverage Ratio</td>
<td>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.</td>
<td>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.</td>
</tr>
</tbody>
</table>

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

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

Note: N/A = Not applicable.

1. Acquisition and integration-related expenses are primarily included in compensation and benefits, professional services, occupancy and equipment, and other expense.

2. Primarily consists of compensation and benefits.

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

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended, September 30, 2023</th>
<th>Twelve Months Ended, December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total expenses excluding interest (GAAP), Net income (GAAP)</strong></td>
<td>$3,223</td>
<td>$1,125</td>
</tr>
<tr>
<td>Acquisition and integration-related costs (1)</td>
<td>(106)</td>
<td>106</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>(135)</td>
<td>135</td>
</tr>
<tr>
<td>Restructuring costs (2)</td>
<td>(279)</td>
<td>279</td>
</tr>
<tr>
<td>Income tax effects (3)</td>
<td>N/A</td>
<td>(127)</td>
</tr>
<tr>
<td><strong>Adjusted total expenses (Non-GAAP), Adjusted net income (Non-GAAP)</strong></td>
<td>$2,703</td>
<td>$1,518</td>
</tr>
</tbody>
</table>
Appendix

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

<table>
<thead>
<tr>
<th>(in millions, except ratios and per share amounts)</th>
<th>Amount</th>
<th>% of Total Net Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income before taxes on income (GAAP), Pre-tax profit margin (GAAP)</td>
<td>$ 1,383</td>
<td>30.0%</td>
</tr>
<tr>
<td>Acquisition and integration-related costs</td>
<td>106</td>
<td>2.3%</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>135</td>
<td>2.9%</td>
</tr>
<tr>
<td>Restructuring costs</td>
<td>279</td>
<td>6.1%</td>
</tr>
<tr>
<td>Adjusted income before taxes on income (Non-GAAP), Adjusted pre-tax profit margin (Non-GAAP)</td>
<td>$ 1,903</td>
<td>41.3%</td>
</tr>
</tbody>
</table>
## Appendix

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Diluted EPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income available to common stockholders (GAAP), Earnings per common share — diluted (GAAP)</td>
<td>$1,017</td>
<td>$0.56</td>
</tr>
<tr>
<td>Acquisition and integration-related costs</td>
<td>106</td>
<td>0.06</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>135</td>
<td>0.07</td>
</tr>
<tr>
<td>Restructuring costs</td>
<td>279</td>
<td>0.15</td>
</tr>
<tr>
<td>Income tax effects</td>
<td>(127)</td>
<td>(0.07)</td>
</tr>
<tr>
<td><strong>Adjusted net income available to common stockholders (Non-GAAP), Adjusted diluted EPS (Non-GAAP)</strong></td>
<td><strong>$1,410</strong></td>
<td><strong>$0.77</strong></td>
</tr>
</tbody>
</table>

Note: EPS = Earnings per share.
Appendix
Non-GAAP Reconciliation: Return on average tangible common stockholders’ equity

<table>
<thead>
<tr>
<th>(In millions, except ratios and per share amounts)</th>
<th>Three Months Ended, September 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on average common stockholders’ equity (GAAP)</td>
<td>14%</td>
</tr>
<tr>
<td>Average common stockholders’ equity</td>
<td>$28,274</td>
</tr>
<tr>
<td>Less: Average goodwill</td>
<td>$(11,951)</td>
</tr>
<tr>
<td>Less: Average acquired intangible assets – net</td>
<td>$(8,457)</td>
</tr>
<tr>
<td>Plus: Average deferred tax liabilities related to goodwill and acquired intangible assets – net</td>
<td>$1,822</td>
</tr>
<tr>
<td>Average tangible common equity</td>
<td>$9,688</td>
</tr>
<tr>
<td>Adjusted net income available to common stockholders</td>
<td>$1,410</td>
</tr>
<tr>
<td>Return on tangible common equity (Non-GAAP)</td>
<td>58%</td>
</tr>
</tbody>
</table>

Note: 1. See table on slide 49 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

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended, September 30, 2023</th>
<th>Three Months Ended, June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CSC</td>
<td>CSB</td>
</tr>
<tr>
<td><strong>Tier 1 Leverage Ratio (GAAP)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tier 1 Capital</td>
<td>8.2%</td>
<td>9.6%</td>
</tr>
<tr>
<td>Plus: AOCI adjustment</td>
<td>(20,752)</td>
<td>(18,143)</td>
</tr>
<tr>
<td><strong>Adjusted Tier 1 Capital</strong></td>
<td>$19,219</td>
<td>$13,621</td>
</tr>
<tr>
<td>Average assets with regulatory adjustments</td>
<td>$488,627</td>
<td>$330,908</td>
</tr>
<tr>
<td>Plus: AOCI adjustment</td>
<td>(20,033)</td>
<td>(17,950)</td>
</tr>
<tr>
<td><strong>Adjusted average assets with regulatory adjustments</strong></td>
<td>$468,594</td>
<td>$312,958</td>
</tr>
<tr>
<td><strong>Adjusted Tier 1 Leverage Ratio (non-GAAP)</strong></td>
<td>4.1%</td>
<td>4.4%</td>
</tr>
</tbody>
</table>

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