Spring Business Update

April 17, 2025

charles SCHWAB CORPORATION

Forward Looking Statements

This presentation contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements include statements that refer to expectations, projections or other characterizations of future events or circumstances and are identified by words such as “believe,” “expect,” “will,” “should,” “could,” “estimate,” “anticipate,” “continue,” “remain,” “seek,” “enhance,” “grow,” “build,” “lead,” “advance,” “increase,” “expand,” “further” “ongoing,” “focus,” “priority,” “confident,” progress,” “on track,” “committed,” and other similar expressions.

These forward-looking statements relate to the company’s strategy and approach; momentum and competitive positioning; business fundamentals; focus areas; investment and innovation; deepening client relationships; client engagement, including wealth solutions; growth in client accounts and assets; scale and efficiency; expense discipline; balanced approach to investing for growth and enhancing scale; revenue diversification; revenue and earnings expansion; long term growth and financial results; net interest margin; Bank Supplemental Funding; balance sheet management; interest earning assets; Bank Deposit Account balances; profitable growth through the cycle across a range of environments; financial scenarios, assumptions and sensitivities; macro-economic environment; efficient utilization of capital and liquidity; capital management framework; and capital return.

These forward-looking statements reflect management’s beliefs, expectations and objectives as of today and are subject to risks and uncertainties that could cause actual results to differ materially. Important factors that may cause such differences are discussed in the company’s Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which have been filed with the Securities and Exchange Commission and are available on the company’s website (https://www.aboutschwab.com/financial-reports) and on the Securities and Exchange Commission’s website (www.sec.gov). These include: the company’s ability to attract and retain clients and RIAs and grow those relationships and associated client assets; investor engagement and interest in the company’s products and services; the company’s ability to monetize client assets; competitive pressures on pricing; the company’s ability to support client activity levels; the level and mix of client trading activity; general economic and market conditions, including interest rates, equity valuations and volatility; client asset levels and cash balances; client sensitivity to interest rates; funding costs; balance sheet positioning relative to changes in interest rates; interest earning asset mix and growth; margin balances; loan growth; capital and liquidity needs and management; the migration of bank deposit account balances; the company’s ability to manage expenses; capital expenditures; adverse developments in litigation or regulatory matters and any charges associated with such matters; and any developments in legislation, regulation or regulatory guidance.

The information in this presentation speaks only as of April 17, 2025 (or such earlier date as may be specified herein). The company makes no commitment to update any forward-looking statements.

Strategic Update

Rick Wurster

President and Chief Executive Officer

Key Takeaways

1Q25 Sustained momentum to begin the year	▪ Attracted **$138B of Core NNA** during the quarter while opening **1.2M new accounts** ▪ Further deepened relationships as **clients continued to do more with us** as a part of an integrated experience across wealth, lending, and trading ▪ Supported strong client activity, including **7.4M DATs** and **$84B in margin balances** ▪ **Increased the common dividend** and **opportunistically repurchased shares** ▪ Delivered **strong financial performance**, including year-over-year **revenue growth of 18%** ▪ Expanded 1Q25 GAAP **earnings per share by 46%, 41% adjusted**[1], versus 1Q24
2025 Continuing to play offense	▪ **Making key investments** to support client, solutions, and financial growth ▪ Continue to anticipate strong **revenue and earnings expansion** ▪ Following recent capital actions, poised for additional **capital return** over the course of 2025
Long-term Profitable growth through-the-cycle	▪ Our future is bright – our **"Through Clients' Eyes" strategy** drives continued **innovation around client solutions, capabilities, and experiences** which support the further **acceleration of long-term growth**

Note: Q = Quarter. M = Million. B = Billion. DATs = Daily average trades. GAAP = Generally accepted accounting principles. Core NNA = Net new assets before significant one-time flows, such as acquisitions/divestitures or extraordinary flows (generally greater than $25 billion) relating to a specific client, and activity from off-platform Schwab Bank Certificates of Deposit. These flows may span multiple reporting periods.1. Further detail on non-GAAP financial measures and a reconciliation of such measures to reported results are included on slides 38-42 of this presentation.

While macroeconomic uncertainty and increased volatility dampened equity markets and sentiment during the quarter,...

Macroeconomic Environment[1]

S&P 500®
Index Returns
Year-to-date

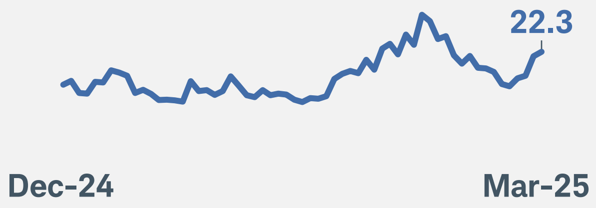
-5%

10-year U.S. Treasury

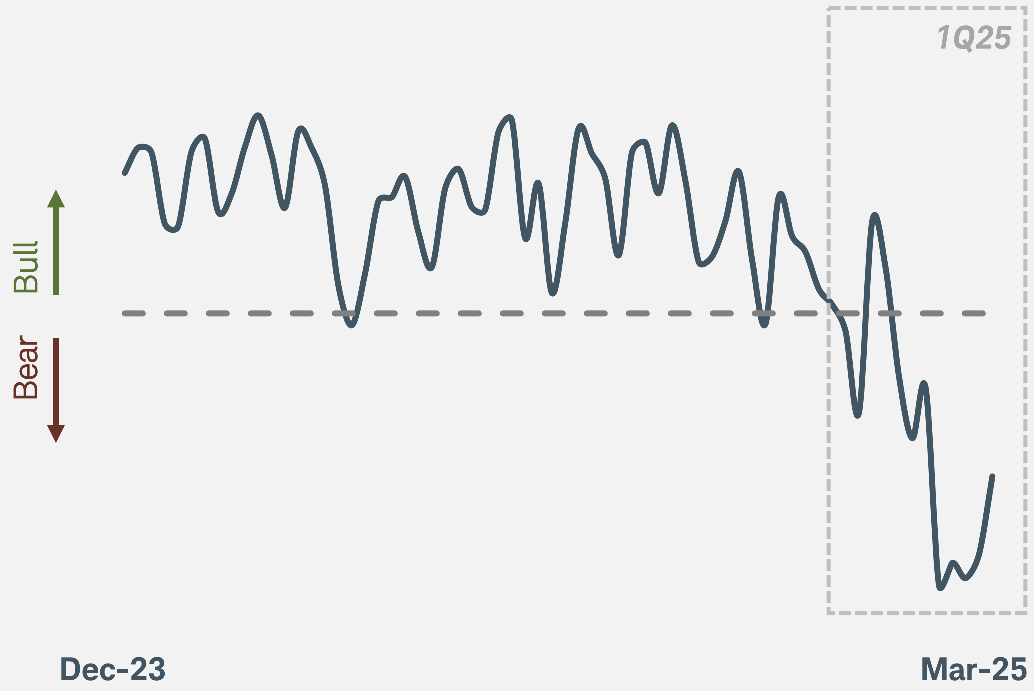
4.23%

-35 bps vs. Dec-24

VIX



AAII® Bull-Bear Spread Sentiment Survey[2]



Note: Bps = Basis points. Q = Quarter. 1. Metrics are reflected as of March 31,2025. VIX and S&P 500 index returns for 2025 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. U.S. Treasury rates sourced via U.S Department of Treasury. 2. 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).

...our "Through Clients' Eyes" strategy drove growth across all fronts.

Client

Solutions

Financial

Investors continued to turn to Schwab for their investing needs,...

Client

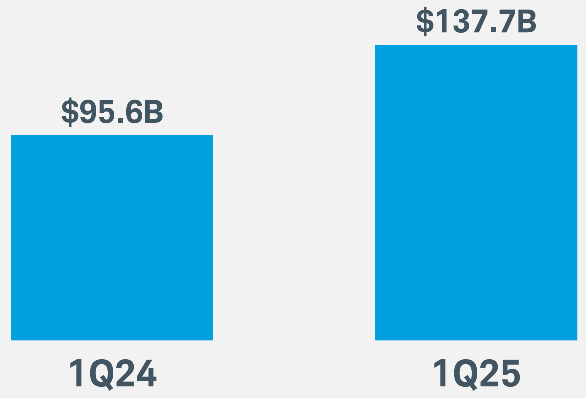
Solutions

Financial

Core Net New Assets

+44% $138B

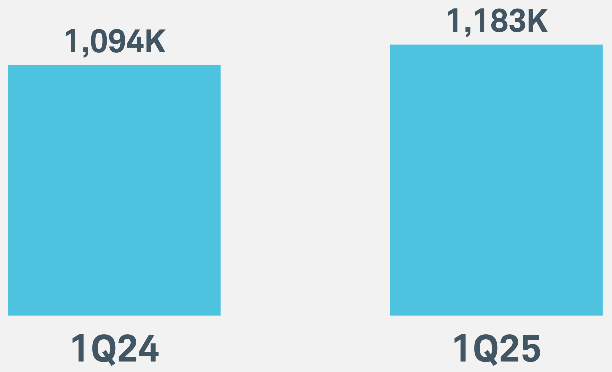
1Q25 vs. 1Q24



New Brokerage Accounts

+8% 1.2M

1Q25 vs. 1Q24



Note: K = Thousand. M = Million. B = Billion. Q = Quarter. Core NNA = Net new assets before significant one-time inflows or outflows, such as acquisitions/divestitures or extraordinary flows (generally greater than $25 billion beginning in 2025; $10 billion in prior periods) relating to a specific client, and activity from off-platform Schwab Bank Retail CDs. These flows may span multiple reporting periods.

...and client demand across our wide array of wealth, lending, and trading solutions persisted,...

Client

Solutions

Financial

Managed Investing Net Flows	Bank Lending (EOP)	Daily Average Trades
+15%	+15%	+24%
1Q25 vs. 1Q24	1Q25 vs. 1Q24	1Q25 vs. 1Q24

Note: B = Billion. Q = Quarter. EOP = End of period.

...resulting in meaningful year-over-year financial growth.

Client

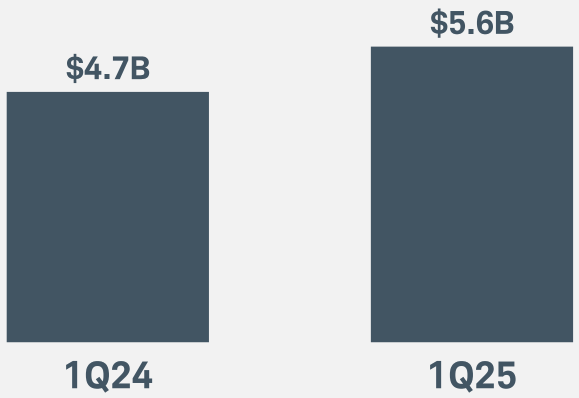
Solutions

Financial

1Q25 Total Revenue

+18% $5.6B

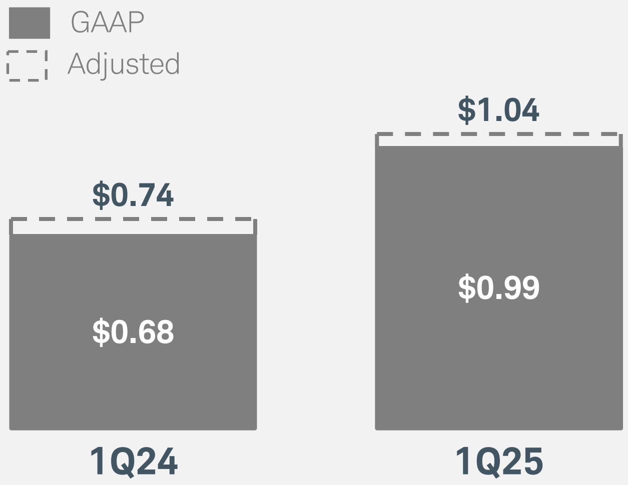
1Q25 vs. 1Q24



1Q25 Earnings per Share, Adjusted[1]

+41% $1.04

1Q25 vs. 1Q24



Note: B = Billion. Q = Quarter. FY = Full year. GAAP = Generally accepted accounting principles. 1. Further details on non-GAAP financial measures and a reconciliation of such measures to report results are included on slides 38-42 of this presentation.

2025 is off to a strong start and we remain confident in our ability to accelerate further growth across a range of environments.

1 | Strong Competitive Positioning

2 | Healthy Business Fundamentals

3 | Growing & Diverse Client Base

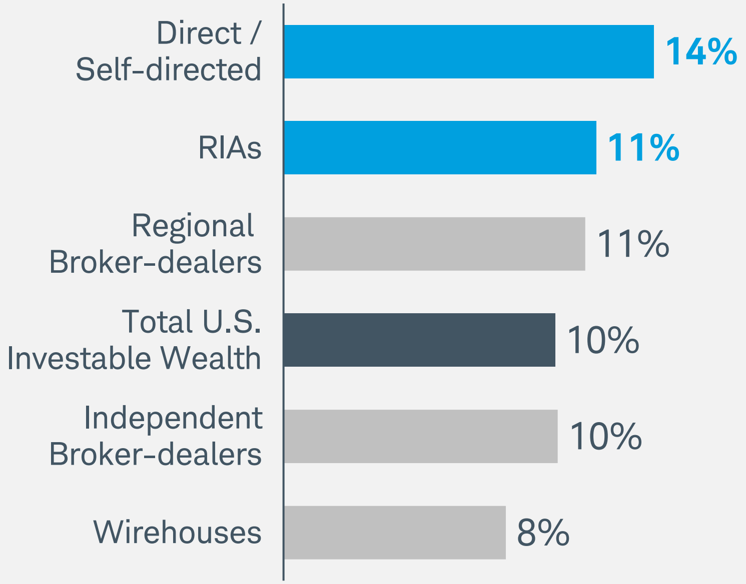
4 | Investments in Strategic Initiatives

We are a leader in the fastest-growing segments of the industry.

1 **Strong Competitive Positioning** | 2 Healthy Business Fundamentals | 3 Growing and Diverse Client Base | 4 Investments in Strategic Initiatives

U.S. Retail Investable Wealth

2018-2023 CAGR[1]



#1 in Total Client Assets for Publicly Reported Peers

#1 in RIA Custodial Assets

#1 in Daily Average Trades

Note: CAGR = Compound annual growth rate. RIA = Registered investment advisor. 1. U.S. Retail investable wealth market. Compound annual growth rates shown for 2018-2023. Source: Cerulli and FRED. As of December 31, 2023. StockBrokers.com Annual Awards 2025 was given on January 28, 2025. The criteria, evaluation, and ranking were determined by StockBrokers.com. Companies were assessed in StockBrokers.com's 7 Primary Categories: Range of Investments, Platforms & Tools, Research, Mobile Trading, Education, Ease of Use, and Overall. See https://www.stockbrokers.com/annual-awards-2025 for more information.

Engagement across our platform is strong as clients utilize our wide range of investment products and solutions.

1 Strong Competitive Positioning

2 Healthy Business Fundamentals

3 Growing and Diverse Client Base

4 Investments in Strategic Initiatives

1Q25 vs. 1Q24

~1.5X
TOA Ratio

$83.6B ↑ 23%
Margin Loans (EOP)

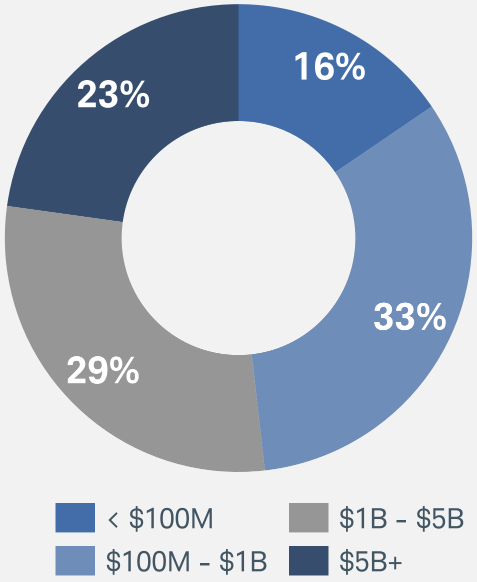
$18.6B ↑ 34%
Pledged Asset Line® Balances (EOP)

Note: Q = Quarter. B = Billion. TOA = Transfer of assets. EOP = End of period.

Individual investors and RIAs of all demographics are continuing to turn to Schwab.

1Q25

NNA by Advisor Size[1]



New-to-Firm Retail Households

+313K

+14% vs. 1Q24

Age of New-to-Firm Retail Households

57% Under 40

33% Under 30

Note: K = Thousand. M = Million. B = Billion. Q = Quarter. RIA = Registered investment advisor. NNA = Net new assets. HH = Households. 1. Represents Advisor Services Institutional net new assets in 2025. Advisors categorized by assets held at Schwab at the beginning of 2025. Certain totals may not sum due to rounding.

We remain committed to innovating our solutions, capabilities, and experiences as clients' needs evolve.

1 Strong Competitive Positioning

2 Healthy Business Fundamentals

3 Growing and Diverse Client Base

4 Investments in Strategic Initiatives

Drive **growth**, deepening relationships with investors & RIAs

Create value with **scale & efficiency**

Deliver the **brilliant basics** for dependability & ease

Invest in our **people**

Note: RIA = Registered investment advisor.

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Our “Through Clients’ Eyes” strategy helped sustain strong momentum to begin 2025, positioning us to further accelerate long-term growth.

1Q25	2025	Long-term
Sustained momentum to begin the year	Continuing to play offense	Profitable growth through-the-cycle

Note: Q = Quarter.

Financial Perspectives

Michael Verdeschi

Managing Director, Chief Financial Officer

Our consistent focus on clients and disciplined approach enables Schwab to drive profitable growth through-the-cycle.

1Q25

Sustained momentum to begin the year

- **Delivered strong growth** across client, solutions, and financial measures
- **Grew 1Q25 revenue by 18%** year-over-year
- Expanded 1Q25 GAAP **earnings per share by 46%, 41% adjusted**[1], versus 1Q24
- **Reduced Bank Supplemental Funding[2] by ~$12 billion** from year-end 2024 to ~$38 billion
- Returned capital via **common dividend increase** and opportunistic **stock repurchase**

2025

Continuing to play offense

- Well-positioned for **financial growth across a range of potential environments**
- Anticipate **meaningful NIM expansion** as we further **reduce Bank Supplemental Funding**
- Maintain a balanced approach to expense management – **supporting growth and efficiency**
- We have laid the groundwork for additional **opportunistic capital return** during 2025

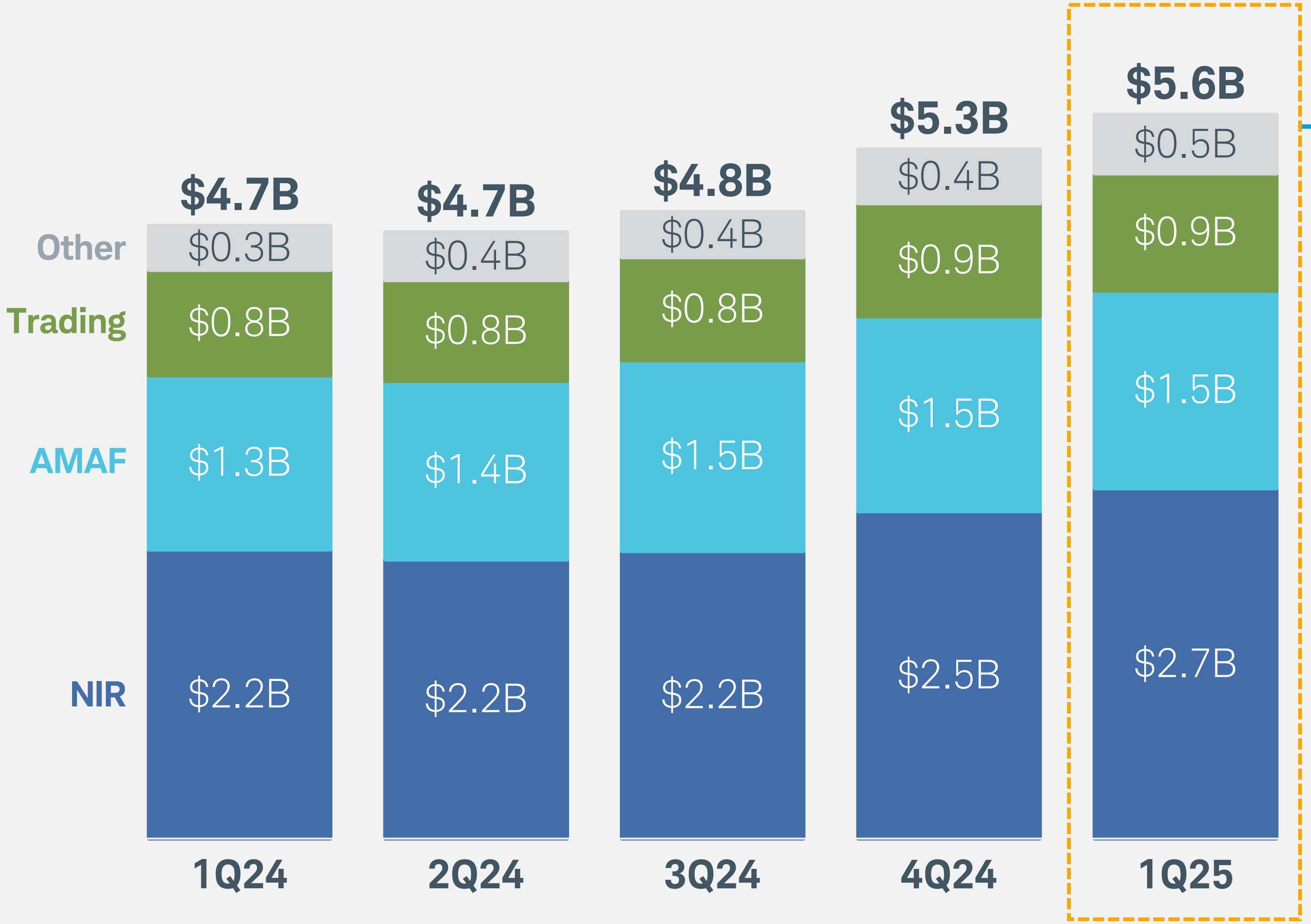
Long-term

Profitable growth through-the-cycle

- Continue to make sustained investments and evolve our offerings to support our clients – **helping to further diversify revenue and bolster the durability of our long-term financial results**

Note: Q = Quarter. NIM = Net interest margin. GAAP = Generally accepted accounting principles. 1. Further detail on non-GAAP financial measures and a reconciliation of such measures to reported results are included on slides 38-42 of this presentation. 2. Bank Supplemental Funding includes repurchase agreements at the banks, Schwab Bank Certificates of Deposit, and Federal Home Loan Bank balances.

Meaningful net interest margin expansion and robust investor engagement enabled record top-line results.

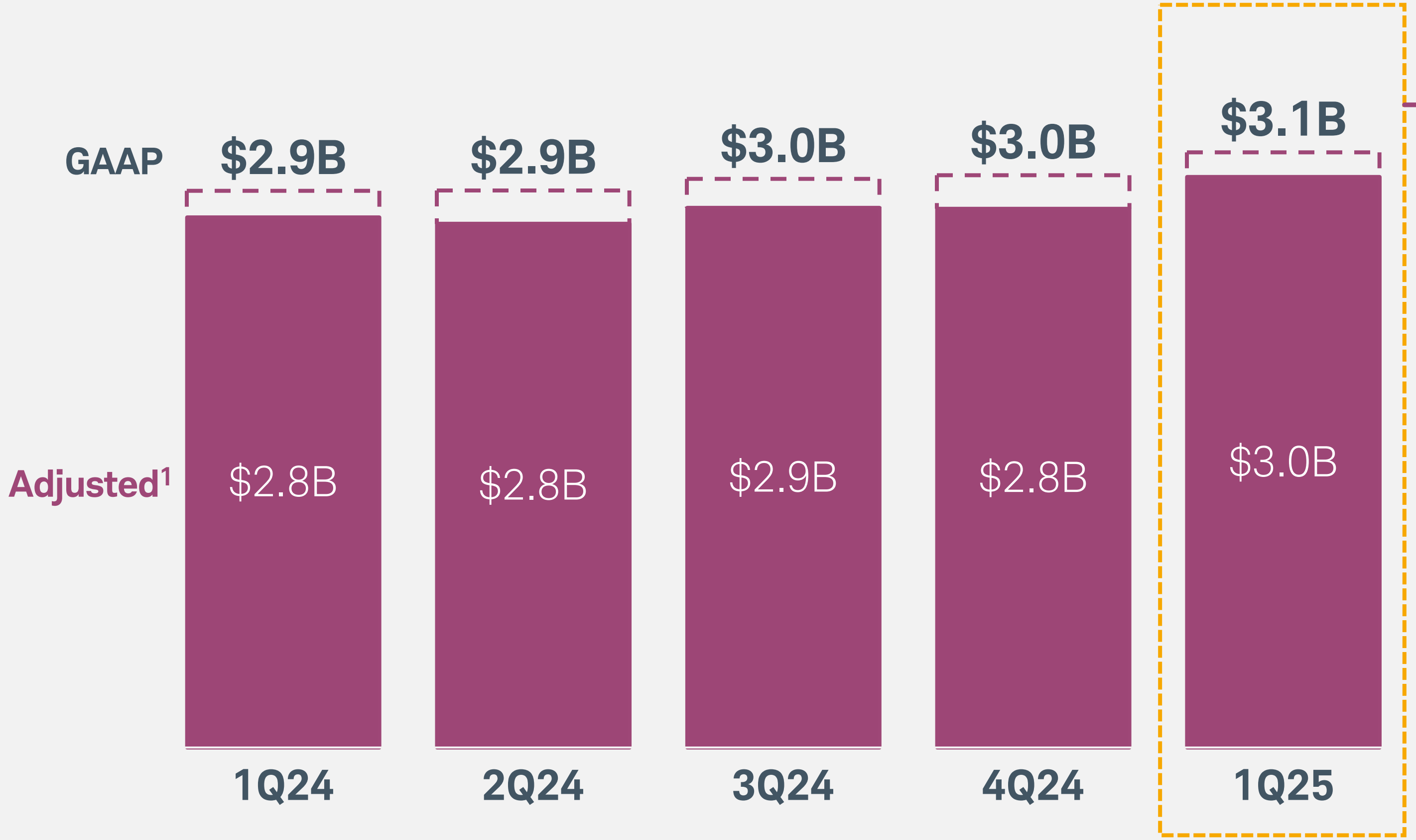


1Q25 vs. 1Q24

- NIR grew 21%, due to improved liability funding costs, higher margin utilization, and sustained momentum within bank lending
- AMAF equaled $1.5B, driven by organic asset growth and record net inflows into our Managed Investing Solutions
- Trading revenue increased 11% due to 24% higher volumes

Note: Certain totals may not sum due to rounding. Q = Quarter. B = Billion. NIR = Net Interest Revenue. AMAF = Asset management and administration fees. Other includes Bank Deposit Account and Other Revenue line items.

Quarterly expense trends reflect our balanced approach to investing for growth while driving efficiency.

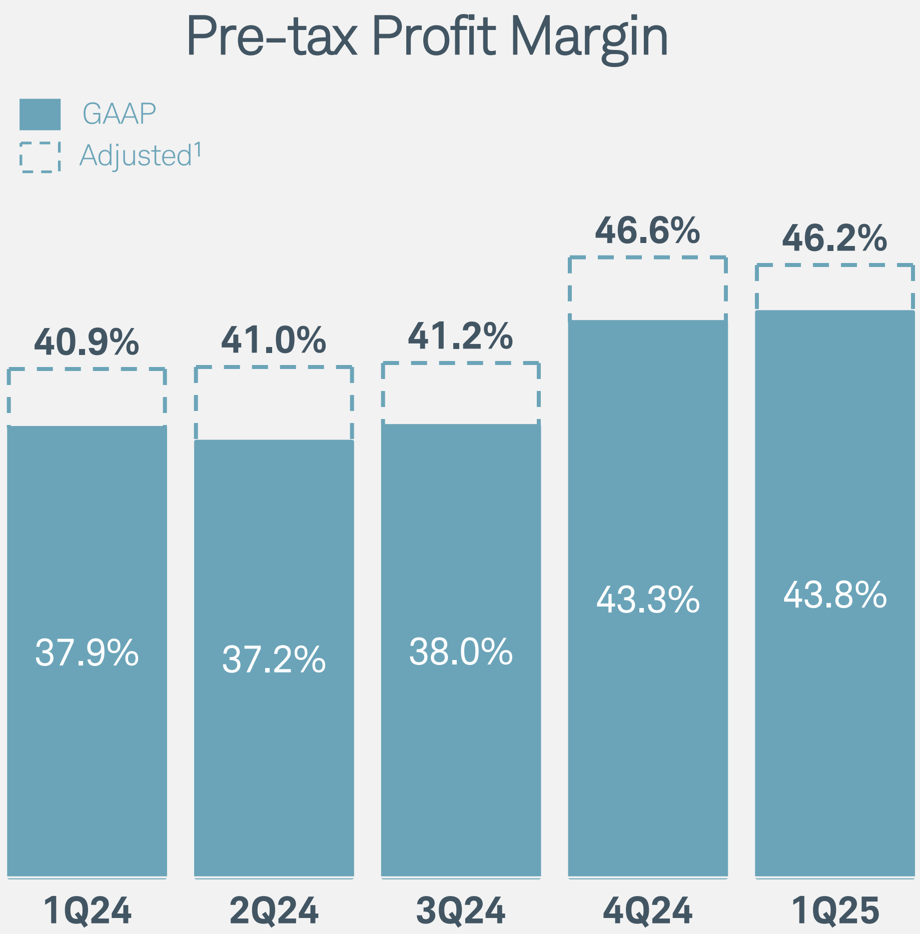


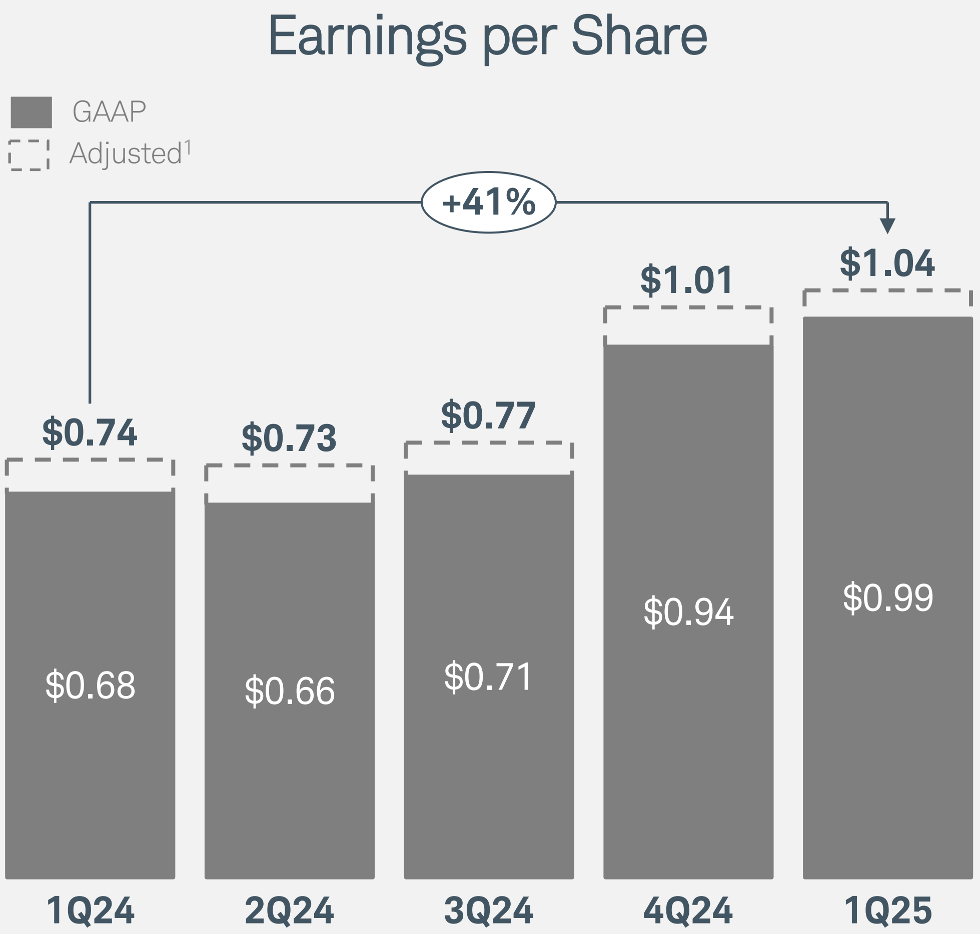
1Q25 vs. 1Q24

- GAAP expenses up 7%, reflecting typical first quarter seasonality plus higher trading-related expenses given a pick-up in client volumes
- Adjusted[1] expenses up 8%

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 38-42 of this presentation.

We delivered a 46% adjusted[1] PTPM and EPS grew by over 40% versus 1Q24.





Note: Q = Quarter. EPS = Earnings per share. PTPM = Pre-tax profit margin. GAAP = Generally accepted accounting principles. 1. Further details on non-GAAP financial measures and a reconciliation of such measures to report results are included on slides 38-42 of this presentation.

Our diversified financial model delivered strong results in 1Q25 and we are currently tracking towards the upper-end of our full-year 2025 scenario.

	Winter Business Update	Spring Business Update
Trajectory of Interest Rates	Forward curve as of January 17, 2025 Fed Funds[1] finishes 2025 at 4.25%	↓ Forward curve as of April 16, 2025 Fed Funds[1] finishes 2025 at 3.50%
Equity Markets	S&P 500 appreciates 6.5% from year-end 2024 level	↓ S&P 500 declined 5% from year-end 2024 level
Client Activity	FY25 DATs and mix generally in-line with 4Q24 4Q24 average DATs of 6.3M	↑ 1Q25 DATs of 7.4M

Note: Q = Quarter. FY = Full year. M = Million. DAT = Daily average trades. 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. 1. Upper-bound.

1Q25 Balance Sheet Highlights

Balance Sheet Principles

Support our clients' evolving needs

Maintain a foundation of safety and soundness

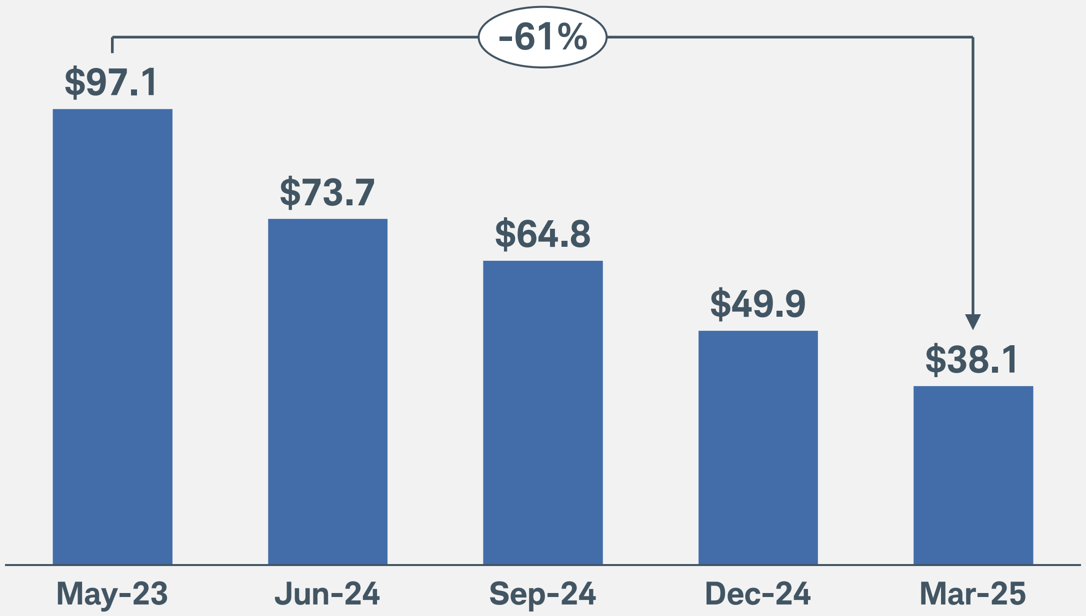
Drive financial outcomes through-the-cycle

- **Supported Client-Driven Growth**
  - Client margin balances declined during the month of March to finish the quarter at $83.6 billion, or essentially flat from year-end 2024
  - Bank loans to clients increased 4% versus year-end 2024
- **Sweep Cash Net Flows**
  - Transactional sweep cash[1] declined $10.8 billion from December 31 level to end the quarter at $407.8 billion – reflecting typical first quarter seasonality partially offset by client net equity selling during the period
- **Reduced Bank Supplemental Funding[2]**
  - During the 1st quarter, outstanding higher-cost funding at the banks declined by $11.8 billion to end the quarter at $38.1 billion
- **Capital Return**
  - Increased common stock dividend by 8% and repurchased $1.5 billion of common stock in connection with The Toronto-Dominion Bank's secondary offer

Note: Q = Quarter. 1. Transactional sweep cash includes bank sweep deposits and broker-dealer cash balances, other client cash held on the balance sheet (bank checking and savings deposits as well as broker-dealer non-interest-bearing credits), and Bank Deposit Account balances; excludes proprietary and third-party CDs. 2. Bank Supplemental Funding includes repurchase agreements at the banks, Schwab Bank Certificates of Deposit, and Federal Home Loan Bank balances.

Bank Supplemental Funding[1] is down 24% sequentially.

Bank Supplemental Funding Balances[1] ($B)



Factors Influencing Paydown

1. Securities Portfolio Cash Flows (Principal & Interest)
2. Macroeconomic Environment
3. Seasonality
4. Client Engagement
5. Client Asset Allocation Decisions
6. Net Asset Gathering Levels

While the pace of pay down will be influenced by a range of factors, reducing Bank Supplemental Funding[1] remains a priority.

Note: B = Billion. 1. Bank Supplemental Funding includes repurchase agreements at the banks, Schwab Bank Certificates of Deposit (CDs), and Federal Home Loan Bank balances.

We returned capital to stockholders in a variety of forms during the first quarter.

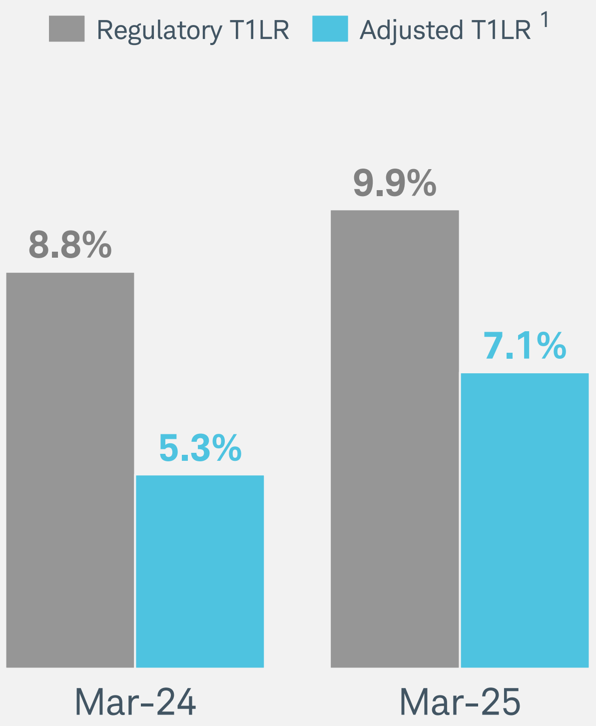
Capital Management Framework

Support ongoing business growth

Common dividend payout range

Seek opportunistic return of excess capital

Consolidated Tier 1 Leverage Ratio



1Q25 Capital Actions

$1.5B

Worth of common stock repurchase

+8%

Increase in common stock dividend

Note: T1LR = Tier 1 Leverage Ratio. 1. Further detail on non-GAAP financial measures and a reconciliation of such measures to reported results are included on slides 38-42 of this presentation. March 31, 2025 ratios are preliminary.

Our long-term diversified financial model remains intact.

Sustainable organic growth plus increasing engagement with our wealth solutions

Further revenue diversification as we deepen client relationships by serving their evolving needs

Balance sustained investment to support growth while enhancing scale

Efficient utilization of capital and liquidity

Our consistent focus on clients and disciplined approach enables Schwab to drive profitable growth through-the-cycle.

1Q25	2025	Long-term
Sustained momentum to begin the year	Continuing to play offense	Profitable growth through-the-cycle

Note: Q = Quarter.

Q&A

Spring Business Update

April 17, 2025

charles SCHWAB CORPORATION

Appendix

Select Revenue Sensitivities

As of March 31, 2025

Target Fed Funds Rate +/- 25 bps	~$350M – $450M
BDA Balances +/- $1B	~$40M
Bank Sweep Balances +/- $1B	~$45M
S&P 500® +/- 1%	~$30M
Daily Average Trades +/- 100K	~$50M
Margin Balances +/- $1B	~$25M

Note: Bps = Basis points. K = Thousand. B = Billion. M = Million. BDA = Bank deposit account. For the Fed Funds sensitivities, assumes static interest-earning asset balances as of March 31, 2025 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 0%. 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.

Appendix

Balance Sheet (as of March 31, 2025)

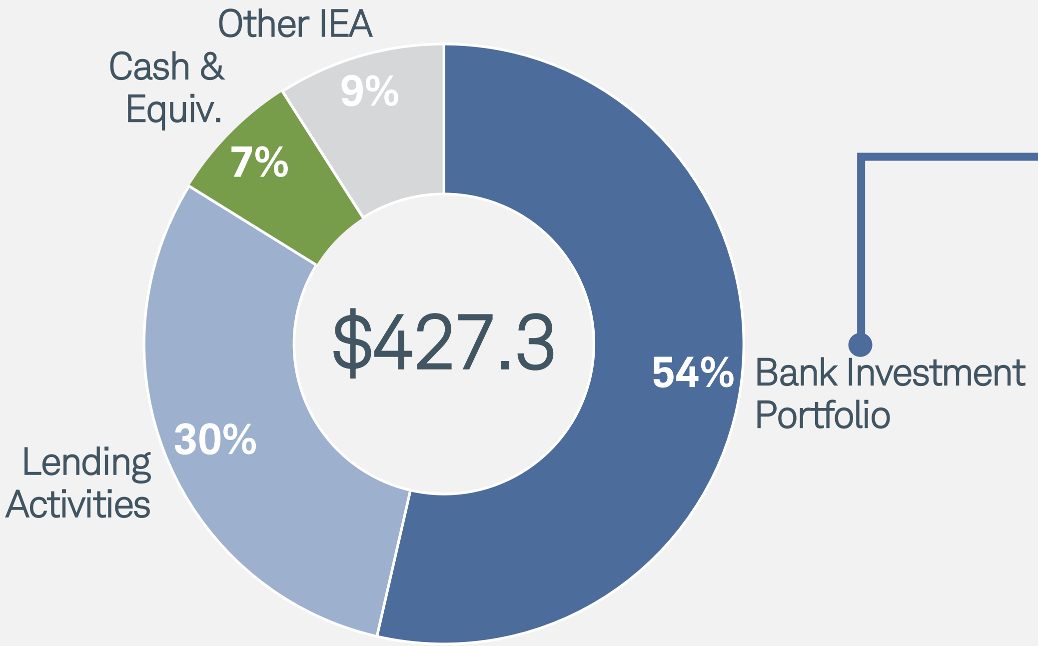
($M, EOP)	1Q24	2Q24	3Q24	4Q24	1Q25
Total Assets	$468,784	$449,675	$466,055	$479,843	$462,903
Bank Deposits	$269,460	$252,420	$246,462	$259,121	$246,160
Payables to Brokerage Clients	$84,005	$79,966	$89,164	$101,559	$100,579
Long-term Debt	$22,865	$22,449	$22,442	$22,428	$21,471
Stockholders' Equity	$42,412	$43,953	$47,215	$48,375	$49,511
Parent Liquidity	$10,708	$12,877	$12,655	$12,518	$11,271
Consolidated Tier 1 Leverage Ratio*	8.8%	9.4%	9.7%	9.9%	9.9%
Consolidated Adj. Tier 1 Leverage Ratio[1]*	5.3%	5.9%	6.7%	6.8%	7.1%

Note: M = Million. EOP = End of period. Q = Quarter. Adj = Adjusted. *Preliminary. 1. Further detail on non-GAAP financial measures and a reconciliation of such measures to reported results are included on slides 38-42 of this presentation.

Appendix

Average Interest-earning Assets & Bank Investment Portfolio (as of March 31, 2025)

1Q25 Avg. Interest-earning Assets ($B,%)[1, 2]



Bank Investment Portfolio Spotlight

Fixed vs. Floating

96% Fixed / 4% Floating

Securities Mix[3]

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

Duration Analysis[4]

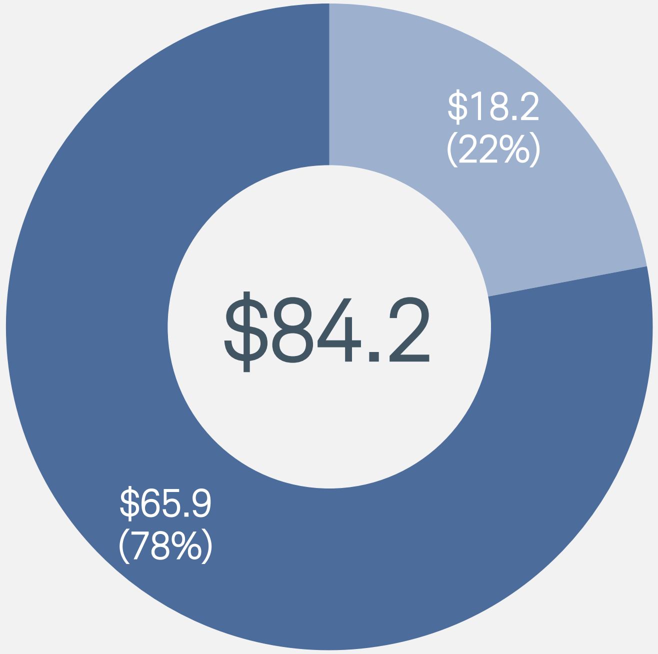
2.0	3.8
Consolidated IEAs Duration (Years) Preliminary	Bank Investment Portfolio Duration (Years)

Note: Q = Quarter. B = Billion. Bps = Basis points. Avg. = Average. 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 is represented on an option-adjusted basis, including the impact of hedging activity, as of March 31, 2025.

Appendix

Bank Deposit Account Summary (as of March 31, 2025)

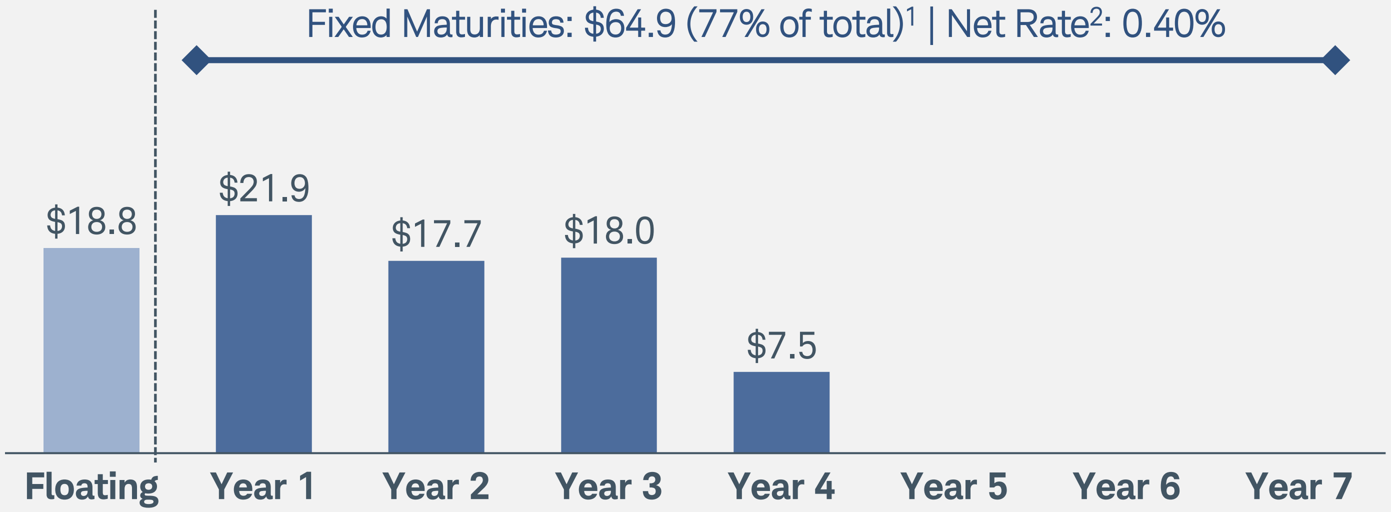
Mix of Average BDA Balances ($B,%)



	Net Rate	1Q25 Revenue
Floating	4.03%	$184M
Fixed	0.41%	$61M

BDA Balances by Maturity, EOP ($B)

Total Balance: $83.7	Net Rate[2]: 1.21%	Annual Revenue[3]: $1,030.1M



	Floating	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Net Rate[2]	4.03%	0.04%	0.06%	0.49%	2.00%	--	--	--
Annual Revenue[3]	$770M	$9M	$10M	$90M	$151M	--	--	--

Note: Certain totals may not sum due to rounding. M = Million. B = Billion. Q = Quarter. BDA = Bank Deposit Account. EOP = End-of-period. Net yields calculated on an actual/360 basis. 1. Balances maturing by remaining duration term (e.g., Year 1 maturities are balances rolling off the fixed-rate ladder over the next 12 months). 2. EOP net rate of maturities as of March 31, 2025; includes all related fees and client pay rates as of March 31, 2025. 3. Revenue figures presented on an annualized run-rate basis per the amended 2023 Insured Deposit Agreement (IDA) arrangement.

Appendix

Non-GAAP Introduction

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

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

Non-GAAP Adjustment or Measure	Definition	Usefulness to Investors and Uses by Management
Acquisition and integration-related costs, amortization of acquired intangible assets, and restructuring costs	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.	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.
Return on tangible common equity	Return on tangible common equity represents annualized adjusted net income available to common stockholders as a percentage of average tangible common equity. Tangible common equity represents common equity less goodwill, acquired intangible assets — net, and related deferred tax liabilities.	Acquisitions typically result in the recognition of significant amounts of goodwill and acquired intangible assets. We believe return on tangible common equity may be useful to investors as a supplemental measure to facilitate assessing capital efficiency and returns relative to the composition of Schwab's balance sheet.
Adjusted Tier 1 Leverage Ratio	Adjusted Tier 1 Leverage Ratio represents the Tier 1 Leverage Ratio as prescribed by bank regulatory guidance for the consolidated company and for Charles Schwab Bank, SSB (CSB), adjusted to reflect the inclusion of accumulated other comprehensive income (AOCI) in the ratio.	Inclusion of the impacts of AOCI in the Company's Tier 1 Leverage Ratio provides additional information regarding the Company's current capital position. We believe Adjusted Tier 1 Leverage Ratio may be useful to investors as a supplemental measure of the Company's capital levels.

The Company also uses adjusted diluted EPS and return on tangible common equity as components of performance criteria for employee bonus and certain executive management incentive compensation arrangements. The Compensation Committee of CSC's Board of Directors maintains discretion in evaluating performance against these criteria. Additionally, the Company uses adjusted Tier 1 Leverage Ratio in managing capital, including its use of the measure as its long-term operating objective.

Appendix

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

	Three Months Ended, March 31, 2025		Three Months Ended, December 31, 2024		Three Months Ended, September 30, 2024		Three Months Ended, June 30, 2024		Three Months Ended, March 31, 2024	
(In millions, except ratios and per share amounts)	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	Net Income
Total expenses excluding interest (GAAP), Net income (GAAP)	$ 3,144	$ 1,909	$ 3,024	$ 1,840	$ 3,005	$ 1,408	$ 2,943	$ 1,332	$ 2,942	$ 1,362
Acquisition and integration-related costs	–	–	(20)	20	(23)	23	(36)	36	(38)	38
Amortization of acquired intangible assets	(130)	130	(130)	130	(130)	130	(129)	129	(130)	130
Restructuring costs	–	–	(27)	27	–	–	(10)	10	28	(28)
Income tax effects [1]	N/A	(31)	N/A	(43)	N/A	(36)	N/A	(42)	N/A	(33)
Adjusted total expenses (Non-GAAP), Adjusted net income (Non-GAAP)	$ 3,014	$ 2,008	$ 2,847	$ 1,974	$ 2,852	$ 1,525	$ 2,768	$ 1,465	$ 2,802	$ 1,469

Note: N/A = Not applicable. 1. The income tax effects of the non-GAAP adjustments are determined using an effective tax rate reflecting the exclusion of non-deductible acquisition costs and are used to present the acquisition and integration-related costs, amortization of acquired intangible assets, and restructuring costs on an after-tax basis.

Appendix

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

(In millions, except ratios and per share amounts)	Three Months Ended, March 31, 2025		Three Months Ended, December 31, 2024		Three Months Ended, September 30, 2024		Three Months Ended, June 30, 2024		Three Months Ended, March 31, 2024	
	Amount	% of Total Net Revenues	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)	$ 2,455	43.8%	$ 2,305	43.3%	$ 1,842	38.0%	$ 1,747	37.2%	$ 1,798	37.9%
Acquisition and integration-related costs	–	–%	20	0.4%	23	0.5%	36	0.8%	38	0.8%
Amortization of acquired intangible assets	130	2.4%	130	2.4%	130	2.7%	129	2.8%	130	2.7%
Restructuring costs	–	–%	27	0.5%	–	–%	10	0.2%	(28)	(0.5%)
Adjusted income before taxes on income (Non-GAAP), Adjusted pre-tax profit margin (Non-GAAP)	$ 2,585	46.2%	$ 2,482	46.6%	$ 1,995	41.2%	$ 1,922	41.0%	$ 1,938	40.9%

Appendix

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

(In millions, except ratios and per share amounts)	Three Months Ended, March 31, 2025		Three Months Ended, December 31, 2024		Three Months Ended, September 30, 2024		Three Months Ended, June 30, 2024		Three Months Ended, March 31, 2024	
	Amount	Diluted EPS	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)	$ 1,796	$ .99	$ 1,717	$ .94	$ 1,299	$ .71	$ 1,211	$ .66	$ 1,251	$ .68
Acquisition and integration-related costs	–	–	20	.01	23	.01	36	.02	38	.02
Amortization of acquired intangible assets	130	.07	130	.07	130	.07	129	.07	130	.07
Restructuring costs	–	–	27	.01	–	–	10	.01	(28)	(.01)
Income tax effects	(31)	(.02)	(43)	(.02)	(36)	(.02)	(42)	(.03)	(33)	(.02)
Adjusted net income available to common stockholders (Non-GAAP), Adjusted diluted EPS (Non-GAAP)	$ 1,895	$ 1.04	$ 1,851	$ 1.01	$ 1,416	$ .77	$ 1,344	$ .73	$ 1,358	$ .74

Note: EPS = Earnings per share.

Appendix

Non-GAAP Reconciliation: Consolidated Adjusted Tier 1 Leverage Ratio

(In millions, except ratios and per share amounts)	Three Months Ended, Preliminary March 31, 2025	Three Months Ended, December 31, 2024	Three Months Ended, September 30, 2024	Three Months Ended, June 30, 2024	Three Months Ended, March 31, 2024
Tier 1 Leverage Ratio (GAAP)	9.9%	9.9%	9.7%	9.4%	8.8%
Tier 1 Capital	$ 45,213	$ 45,186	$ 43,692	$ 42,624	$ 41,598
Plus: AOCI adjustment	(13,614)	(14,839)	(14,620)	(16,926)	(17,568)
Adjusted Tier 1 Capital	31,599	30,347	29,072	25,698	24,030
Average assets with regulatory adjustments	457,495	458,119	450,752	451,304	471,116
Plus: AOCI adjustment	(14,165)	(14,831)	(15,353)	(17,301)	(17,817)
Adjusted average assets with regulatory adjustments	$ 443,330	$ 443,288	$ 435,399	$ 434,003	$ 453,299
Adjusted Tier 1 Leverage Ratio (non-GAAP)	7.1%	6.8%	6.7%	5.9%	5.3%

Note: CSC = Charles Schwab Corporation. AOCI = Accumulated other comprehensive income.

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charles SCHWAB CORPORATION