Winter Business Update

January 21, 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,” “may,” “should,” “could,” “estimate,” “anticipate,” “continue,” “remain,” “support,” “sustain,” “enhance,” “grow,” “build,” “lead,” “advance,” “diminish,” “bolster,” “improve,” “increase,” “expand,” “ongoing,” “focus,” “priority,” “confidence,” progress,” “on track,” “consistent,” and other similar expressions.

These forward-looking statements relate to the company’s strategy; momentum and competitive positioning; business fundamentals; focus areas; investments in strategic initiatives; innovation; client experience; best-in-class platform; success with clients; client engagement; growth in client accounts and assets; scale and efficiency; EOCA; expense discipline; balanced approach to investing for growth and enhancing scale; revenue diversification; revenue and earnings expansion; profit margin; operating leverage; net interest margin; client transactional sweep cash; Bank Supplemental Funding; balance sheet management; interest earning assets; efficient utilization of capital and liquidity; target operating objective; adjusted and unadjusted Tier 1 Leverage Ratio; profitable growth across a range of environments; financial scenarios, assumptions and sensitivities; macro-economic environment; long term growth; 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 January 21, 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

2024

Delivered strong results during a transitional year

- **Completed Ameritrade client conversion** and integration
- Full-year **asset gathering up 20% versus 2023**, including ~$115B of Core NNA in 4Q24
- **Supported strong client activity** across trading, advice, and lending solutions
- Delivered **4Q24 and FY24 year-over-year revenue growth of 20% and 4%**, respectively
- Expanded 4Q24 GAAP **earnings per share by 84%, 49% adjusted**[(1)], versus 4Q23

2025

Momentum continuing to build

- **Playing offense – making key investments** to support client, solutions, and financial growth
- Taking steps to further **accelerate asset gathering and deepen client relationships**
- Anticipate strong **revenue and earnings expansion**
- With capital already at our operating objective, poised for **capital return** in 2025

Long-term

Profitable growth through-the-cycle

- Our future is bright – continued **innovation around client solutions, capabilities, and experiences** supports the further **acceleration of long-term growth**

Note: Q = Quarter. FY = Full year. B = Billion. 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 $10 billion) relating to a specific client, and activity from off-platform Schwab Bank Certificates of Deposit. These flows may span multiple reporting periods.1. Further detail on non-GAAP financial measures and a reconciliation of such measures to reported results are included on slides 41-45 of this presentation.

As the environment shifted during 2024, we completed the largest integration in the history of our industry,...

Macroeconomic Environment[1]

S&P 500® Index Returns	+23%
Federal Funds Rate	4.50% -100 bps vs. Dec-23
10-year U.S. Treasury	4.58% +70 bps vs. Dec-23

Ameritrade Conversion

$1.9T Assets

17M+ Accounts

- Successfully completed largest brokerage conversion in financial services history
- Total asset attrition finished favorable to our initial expectations
- Made significant investments in our capabilities, unlocking the benefits of the combined platform to fuel long-term growth

Note: M = Million. T = Trillion. Bps = Basis points. 1. Metrics are reflected as of December 31, 2024. S&P 500 index returns for 2024 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.

...and drove strong growth across all major fronts.

Client

Solutions

Financial

During the past year, we saw an uptick in asset gathering and new account formation,...

Client

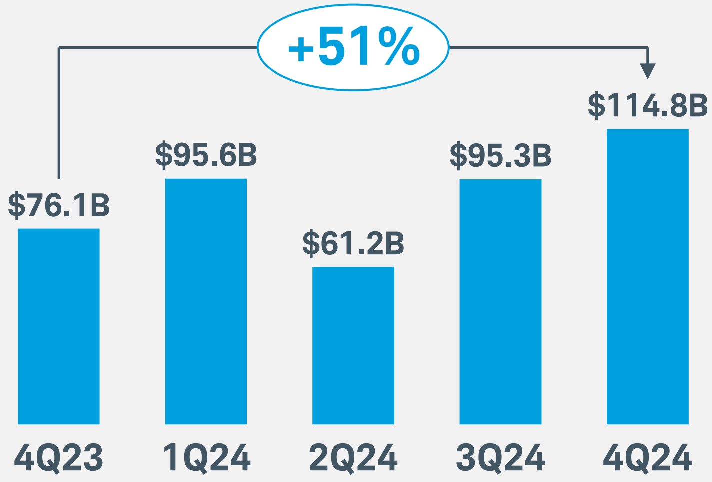
Solutions

Financial

Core Net New Assets

+20% $367B

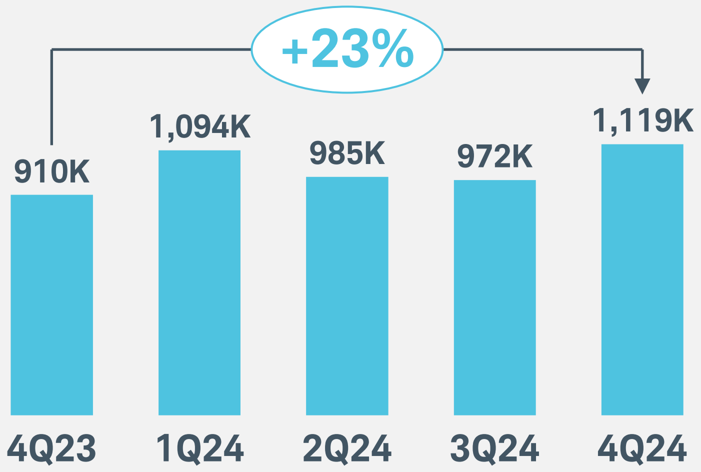
FY24 vs. FY23



New Brokerage Accounts

+10% 4.2M

FY24 vs. FY23



Note: K = Thousand. M = Million. B = Billion. Q = Quarter. FY = Full year. Core Net New Assets = Net new assets before significant one-time flows, such as acquisitions/divestitures or extraordinary flows (generally greater than $10 billion) relating to a specific client, and activity from off-platform Schwab Bank Certificates of Deposit. These flows may span multiple reporting periods.

...increased client interest in Schwab's array of wealth and lending solutions,...

Client

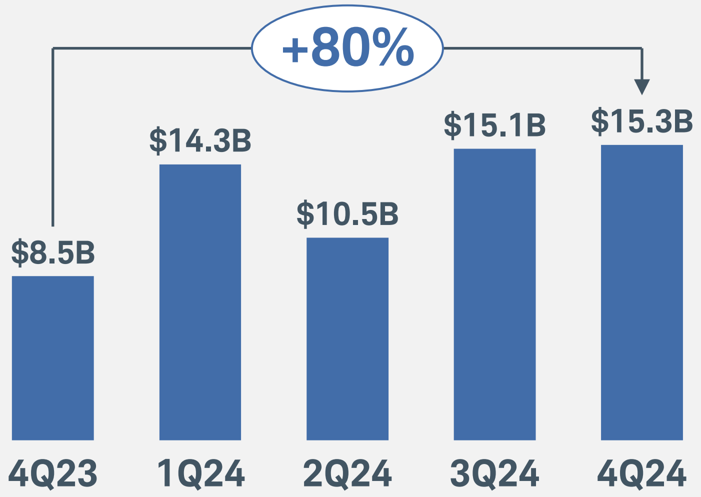
Solutions

Financial

Managed Investing Net Flows[1]

+69% FY24 vs. FY23

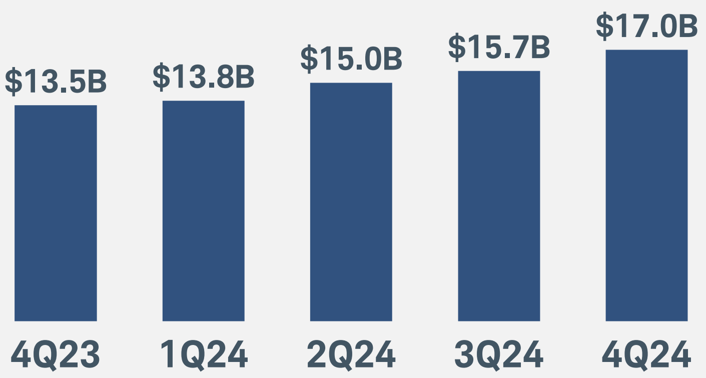
$55.2B



Pledged Asset Line® Balances, EOP

+26% FY24 vs. FY23

$17.0B



Note: B = Billion. Q = Quarter. FY = Full year. EOP = End of period. 1. Managed investing net flows includes Schwab Wealth Advisory, ThomasPartners, Windhaven, Schwab Managed Products, Managed Account Select, USAA Managed Portfolios, Wasmer Schroeder Retail, Wasmer Schroeder Off Platform & Advisor Services, Schwab Advisor Network, Schwab Intelligent Portfolios, Schwab Personalized Indexing, and AdvisorDirect. May include flows into more than one product.

...and a significant expansion in our earnings power.

Client

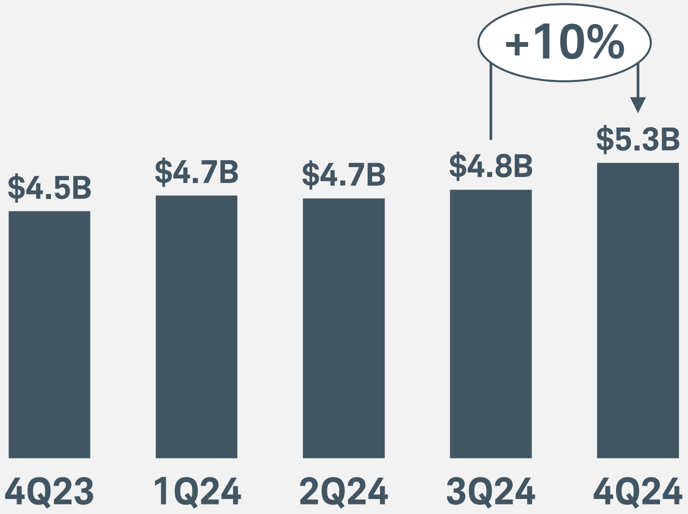
Solutions

Financial

4Q24 Total Revenue

+20% **$5.3B**

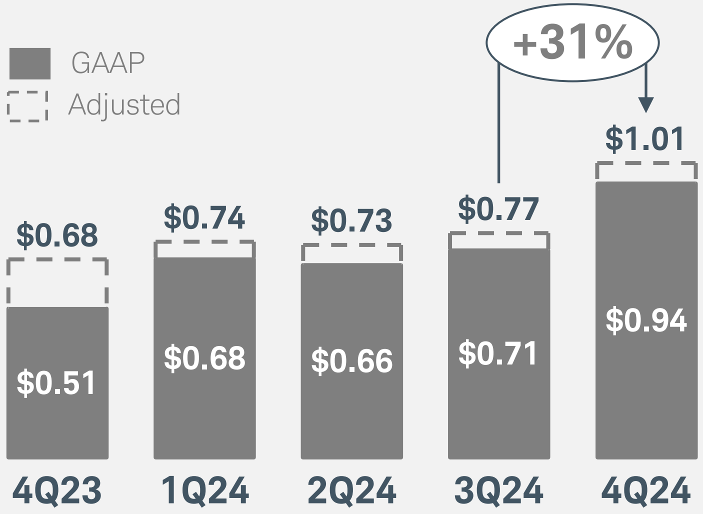
vs. 4Q23



4Q24 Earnings per Share, Adjusted[1]

+49% **$1.01**

vs. 4Q23



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 41-45 this presentation.

Enabled by multiple factors, we are well-positioned to further accelerate growth in 2025 and beyond.

1 Strong Competitive Positioning

2 Healthy Business Fundamentals

3 Growing and Diverse Client Base

4 Investments in Strategic Initiatives

We remain aligned to the two fastest-growing wealth segments and offer an industry-leading value proposition.

1 Strong Competitive Positioning

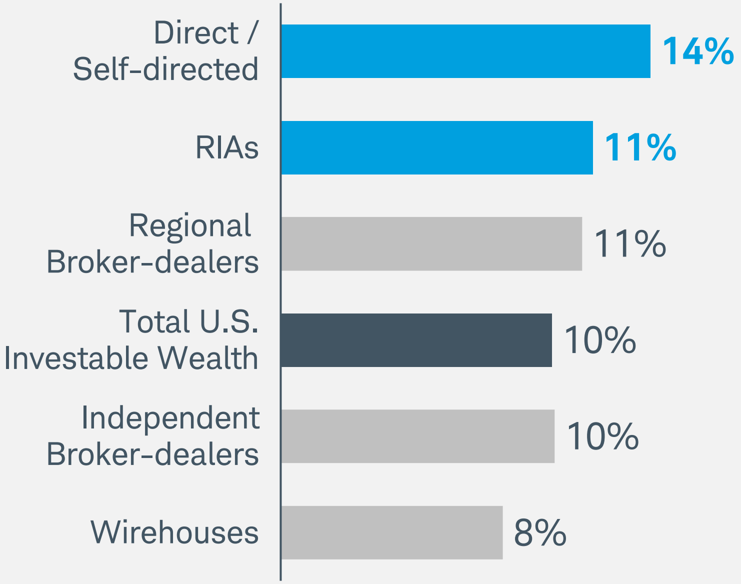
2 Healthy Business Fundamentals

3 Growing and Diverse Client Base

4 Investments in Strategic Initiatives

U.S. Retail Investable Wealth

2018-2023 CAGR[1]



America's Best Customer Service 2024

Awarded by Newsweek

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. 2. Newsweek America's Best Customer Service 2025 was given on October 30, 2024, and expires November 1, 2025. The criteria, evaluation, and ranking were determined by Newsweek, partnered with Statista. Schwab paid a licensing fee to Newsweek for use of the award and logos.

Clients continue to increase their activity and engagement on our best-in-class platform.

FY 2024

1 Strong Competitive Positioning

2 Healthy Business Fundamentals

3 Growing and Diverse Client Base

4 Investments in Strategic Initiatives

Daily Average Trades	5.9M	+9% vs. FY23
Managed Investing Net Flows[1]	$55.2B	+69% vs. FY23
Bank Lending (EOP)	$45.2B	+12% vs. FY23
Margin Loans (EOP)	$83.8B	+34% vs. FY23

Note: M = Million. B = Billion. FY = Full year. EOP = End of period. 1. Managed investing net flows includes Schwab Wealth Advisory, ThomasPartners, Windhaven, Schwab Managed Products, Managed Account Select, USAA Managed Portfolios, Wasmer Schroeder Retail, Wasmer Schroeder Off Platform & Advisor Services, Schwab Advisor Network, Schwab Intelligent Portfolios, Schwab Personalized Indexing, and AdvisorDirect. May include flows into more than one product.

Our products and services resonate across a wide range of individual investors and RIAs.

FY 2024

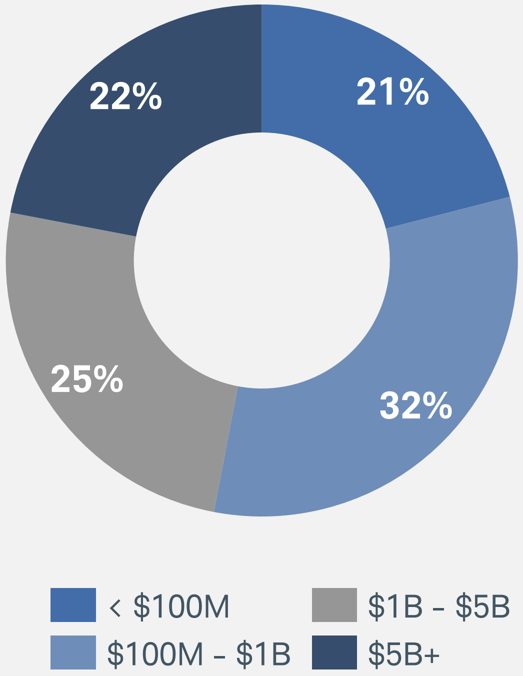
1 Strong Competitive Positioning

2 Healthy Business Fundamentals

3 **Growing and Diverse Client Base**

4 Investments in Strategic Initiatives

NNA by Advisor Size[1]



33%

New-to-firm Retail Households Under 30

~70%

Retail Assets Held by HNW Households[2]

Note: M = Million. B = Billion. HNW = High net worth. NNA = Net new assets. FY = Full year. 1. Represents Advisor Services Institutional net new assets in 2024. Advisors categorized by assets held at Schwab at the beginning of 2024.
2. Retail households with $1M+ in assets as of December 31, 2024.

We continue to innovate 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

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

Create value with **scale & efficiency**

Invest in our **people**

Note: RIA = Registered Investment Advisors.

Drive **growth**, deepening relationships

Help **existing clients grow**, **welcome new clients**, and diversify how they **reward us for our value** with new offers, products & tools that support the **unique needs** of each client

FY 2024

+42%

Net Flows into Schwab Wealth Advisory™ vs. FY23

+26%

Pledged Asset Line® Balances, (EOP) vs. 2023

Select Focus Areas

- Financial Consultant Coverage
- Branch Footprint
- Wealth Solutions
- Marketing & Advertising
- RIA Support
- Workplace Extension

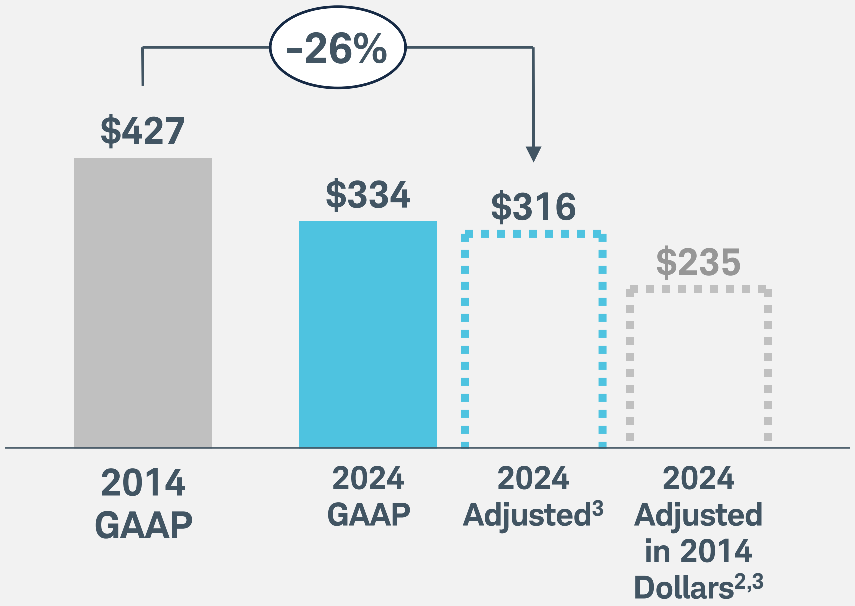
Note: EOP = End of period. FY = Full year. RIA = Registered investment advisor.

Create value with **scale & efficiency**

Embrace **new technologies** and seek continuous **process improvements** to keep costs low, allowing us to reinvest in growth initiatives and fuel our **no trade-offs value** for clients and stockholders

FY 2024

Schwab Cost Per Account[1]



	2014 GAAP	2024 GAAP	2024 Adjusted[3]
EOCA	17 bps	13 bps	12 bps

Select Focus Areas

- Operational Process Transformation
- Artificial Intelligence
- Automation & System Modernization

Note: FY = Full year. Bps = Basis points. EOCA = Expense on client assets. 1. GAAP cost per client account is calculated by dividing total expenses excluding interest by average active brokerage accounts. Adjusted cost per client account is calculated by dividing adjusted total expenses (non-GAAP) by average active brokerage accounts. 2. Inflation-adjusted cost per client account is calculated by multiplying cost per client account by the relative change in the Consumer Price Index from December 2024 to December 2014. 3. Further detail on non-GAAP financial measures and a reconciliation of such measures to reported results are included on slides 41-45 of this presentation.

Deliver the **brilliant basics**

Be there for our clients whenever they need us and make investing at Schwab **easy and intuitive** across every digital and human interaction

70

Client Promoter Score[1]
Investor Services
+4 pts Y/Y

93

Easy Score[2]
Advisor Services
+18 pts Y/Y

Select Focus Areas

- Client Service
- Accessibility
- Omnichannel Client Experience
- Digital Ease
- Tech Resiliency

Note: Pts = Points. Y/Y = Year-over-year. 1. Score for Q4 2024. 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. Score recorded in December 2024.

Invest in our **people**

Attract, develop, advance, and **retain** exceptional talent who embody our **culture of service** to our clients and each other

Forbes 2024
AMERICA'S BEST LARGE EMPLOYERS
POWERED BY STATISTA

Named one of America's
Best Large Employers
2024

Awarded by Forbes

Select Focus Areas

- Unique Schwab Culture
- Workflow Optimization
- Talent Development & Recognition Programs

Our "Through Clients' Eyes" strategy helped deliver strong results in 2024, positioning us to further accelerate long-term growth.

2024	2025	Long-term
Delivered strong results during a transitional year	Momentum continuing to build	Profitable growth through-the-cycle

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.

2024

Delivered strong results during a transitional year

- **Delivered strong growth** across client, solutions, and financial measures
- **Grew 4Q24 revenue by 20%** year-over-year
- Expanded 4Q24 GAAP **earnings per share by 84%, 49% adjusted**(1), versus 4Q23
- Observed **2H24 build in transactional sweep cash**[1] as realignment activity further decelerated
- **Reduced Bank Supplemental Funding to $50B** – down ~50% from peak levels
- **Built capital** to target operating objective

2025

Momentum continuing to build

- Well-positioned for **financial growth across a range of potential environments**
- Anticipate **meaningful NIM expansion** as we further **reduce Bank Supplemental Funding**[2]
- Maintain a balanced approach to expense management – **supporting growth and efficiency**
- Poised for **opportunistic capital return** during 2025

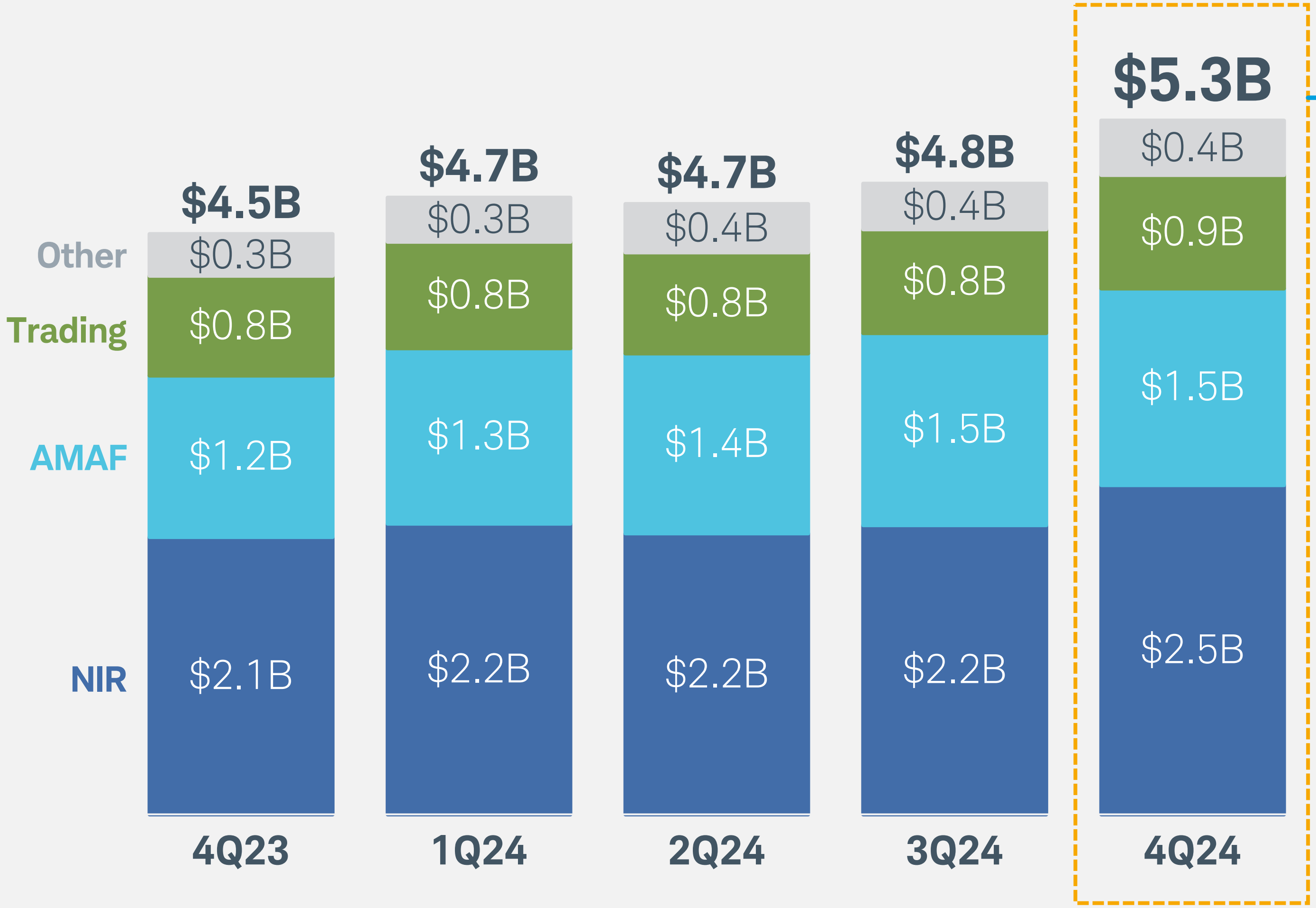
Long-term

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: B = Billion. Q = Quarter. H = Half. NIM = Net interest margin. 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.

Strong markets, robust client engagement, and encouraging cash trends drove 4Q24 revenue growth of 20% versus 4Q23.

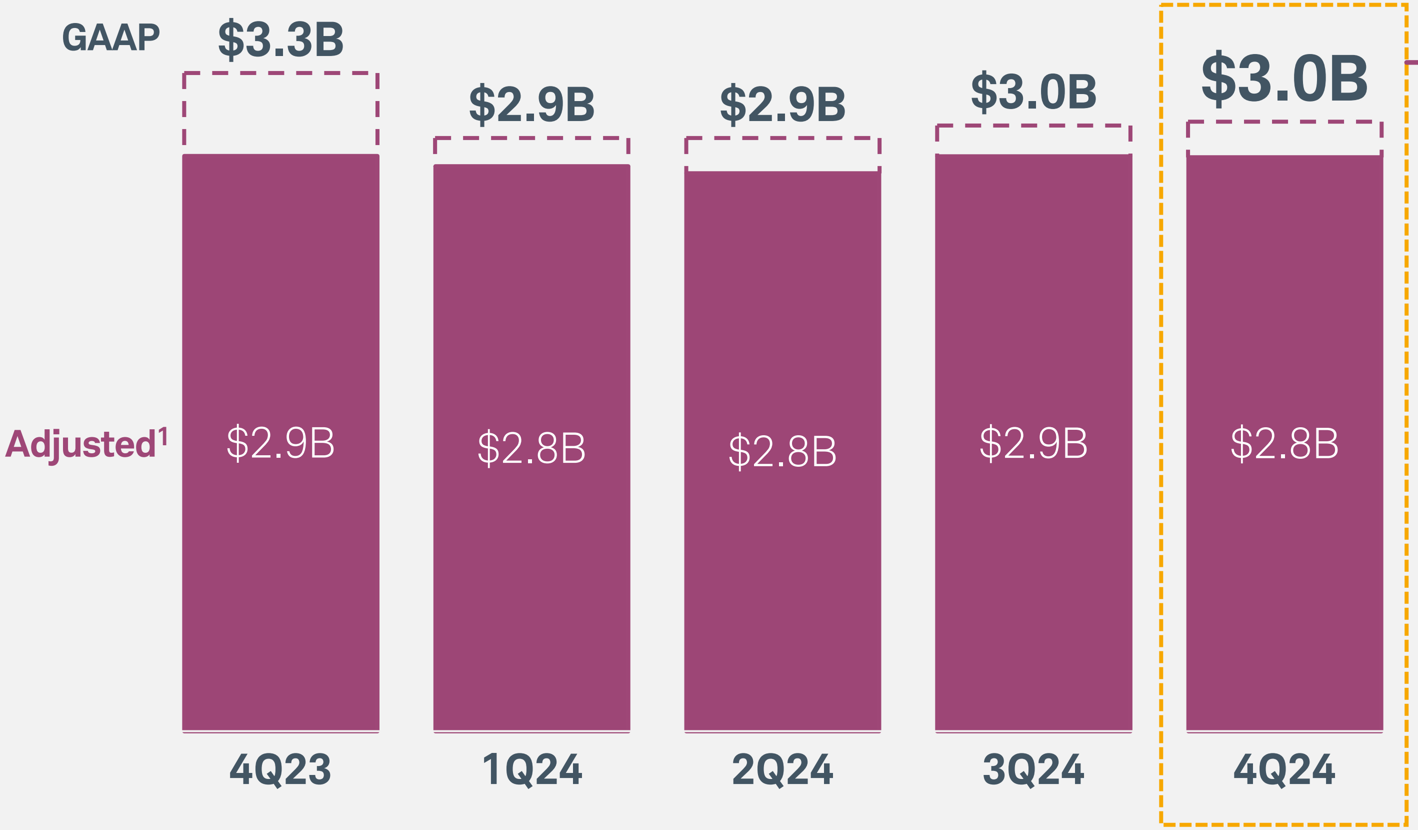


4Q24 vs. 4Q23

- NIR grew 19%, as client margin balances increased 34% and we meaningfully reduced outstanding Bank Supplemental Funding[1]
- AMAF reached a new quarterly record, driven by strong equity markets and record net inflows into our Managed Investing Solutions
- Powered by higher trading volumes, trading revenue expanded 14%

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.
1. Bank Supplemental Funding includes repurchase agreements at the banks, Schwab Bank Certificates of Deposit, and Federal Home Loan Bank balances.

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



4Q24 vs. 4Q23

- GAAP expenses down 7%
- Excluding $177M of pre-tax transaction-related and restructuring costs, adjusted[1] expenses finished essentially flat

Note: Certain totals may not sum due to rounding. Q = Quarter. M = Million. 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 41-45 of this presentation.

4Q24 adjusted[1] EPS expanded by 49% year-over-year,...

4Q24

Revenue	Expenses	Pre-tax Profit Margin	Earnings Per Share
$5.3B	$3.0B GAAP	43.3% GAAP	$0.94 GAAP
	$2.8B Adjusted[1]	46.6% Adjusted[1]	$1.01 Adjusted[1]

Note: B = Billion. Q = Quarter. EPS = Earnings per share. 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 41-45 this presentation.

…capping a year of progress back towards our long-term financial objectives.

FY24

Revenue	Expenses	Pre-tax Profit Margin	Earnings Per Share
$19.6B	$11.9B GAAP	39.2% GAAP	$2.99 GAAP
	$11.3B Adjusted[1]	42.5% Adjusted[1]	$3.25 Adjusted[1]

Note: B = Billion. 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 41-45 this presentation.

2024 Balance Sheet Highlights

Balance Sheet Principles

Support our clients' evolving needs

Maintain a foundation of safety and soundness

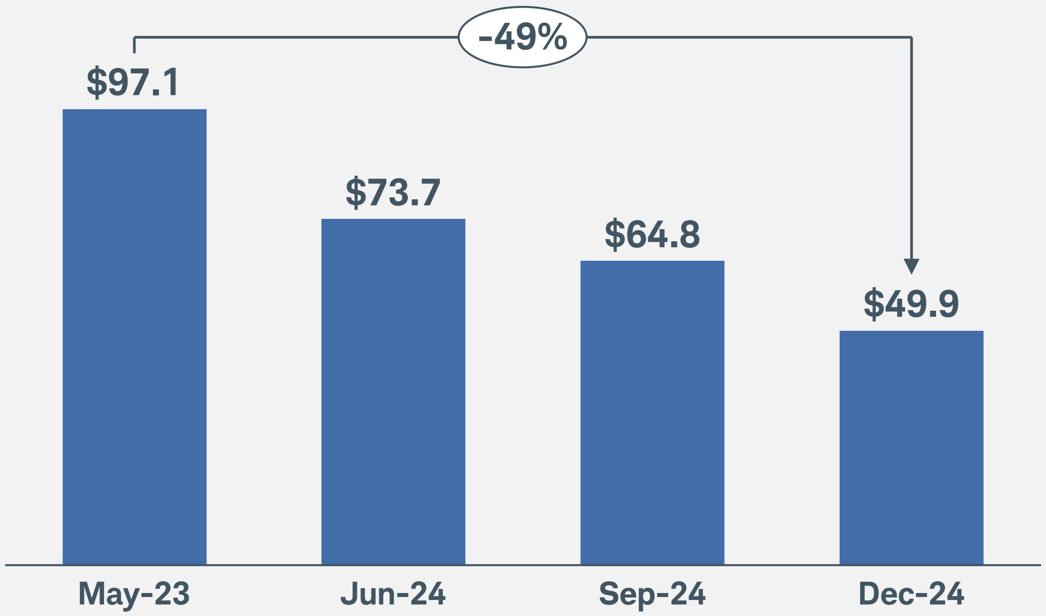
Drive financial outcomes through-the-cycle

- **Supported Client-Driven Growth**
  - Client margin loans reached $83.8 billion, up 34% since year-end 2023
  - Bank loans to clients increased 12% versus year-end 2023 – including an over $1 billion increase in PAL® balances during 4Q
- **Sweep Cash Net Flows**
  - Driven by a very strong second half of the year (+$43.8 billion), total transactional sweep cash[1] rose by $1.2 billion in 2024
- **Reduced Bank Supplemental Funding[2]**
  - Outstanding higher-cost funding at the banks declined by $14.9 billion during the 4th quarter to end the year at $49.9 billion

Note: Q = Quarter. PAL = Pledged asset line. 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 ~50% from peak levels.

Bank Supplemental Funding Balances[1] ($B)



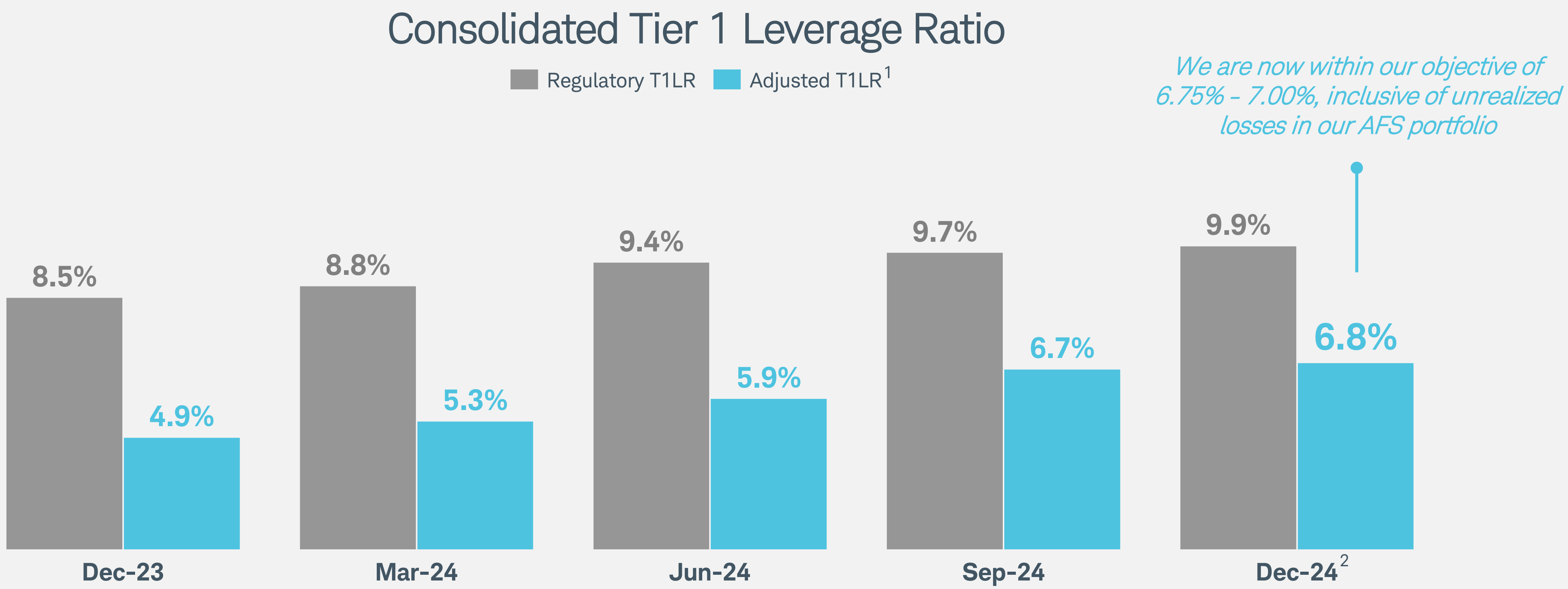
Factors Influencing Paydown

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.

Schwab's capital ratios are now within our Adjusted Tier 1 Leverage[1] operating objective range of 6.75% - 7.00%.



Note: T1LR = Tier 1 Leverage Ratio. AFS = Available for sale. 1. Further detail on non-GAAP financial measures and a reconciliation of such measures to reported results are included on slides 41-45 of this presentation. 2. December 31, 2024 ratios are preliminary.

As always, the macroeconomic environment and other factors will inform our 2025 results.

Trajectory of Interest Rates

Current Forward Curve Expectations[1]
Fed Funds finishes 2025 at 4.25% (upper-bound)

Equity Markets

6.5% appreciation from year-end 2024 level
In-line with long-term equity market returns

Client Activity

FY25 DATs and mix generally in-line with 4Q24
4Q24 average DATs of 6.3M

Note: Q = Quarter. M = Million. DAT = Daily average trades. 1. As of January 17, 2025.

Our financial scenario reflects our momentum entering 2025.

Revenue

Anticipate revenue to increase by 13% to 15% versus the prior year as clients continue to utilize our broad array of services and solutions

- Further reduction of Bank Supplemental Funding[1] supports full-year NIM expansion into the 2.55% to 2.65% range – with 4Q25 NIM into the 280s basis points range
- FY25 average interest-earning assets down slightly versus full-year 2024 average

Expenses

Expect adjusted expenses[2] to grow by 4.5% to 5.5% versus 2024

- Continue prioritize growth and scale investments to deliver value through-the-cycle for all stakeholders – clients, stockholders, and employees
- Assume historical intra-year seasonality, including typical sequential increase in expenses from 4Q24 to 1Q25

Pre-tax Profit Margin

Implies full-year adjusted pre-tax margin[2] expansion into the upper 40% zone

- Positive operating leverage to build through the year with 4Q25 adjusted PTPM[2] approaching 50%

Note: NIM = Net interest margin. Q = Quarter. FY = Full year. PTPM = Pre-tax profit margin. GAAP = Generally accepted accounting principles. Other select assumptions include a 23.5% full-year tax rate. 1. Bank Supplemental Funding includes repurchase agreements at the banks, Schwab Bank Certificates of Deposit (CDs), and Federal Home Loan Bank balances. 2. Non-GAAP adjustments expected to be approximately $130 million pre-tax per quarter during 2025. Further detail on non-GAAP financial measures and a reconciliation of such measures to reported results are included on slides 41-45 of this presentation.

Select Revenue Sensitivities

As of December 31, 2024

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	~$55M
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 December 31, 2024 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.

As our capital position continues to strengthen, we are poised for opportunistic capital return in 2025 and beyond.

Capital Management Framework

Support ongoing business growth

Common dividend payout range

Seek opportunistic return of excess capital

Near-term Capital Return Considerations

Business Growth

Capital Levels

Equity Capital Mix & Cost (Preferred + Common)

Bank Supplemental Funding Balances[1]

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

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.

2024	2025	Long-term
Delivered strong results during a transitional year	Momentum continuing to build	Profitable growth through-the-cycle

Q&A

Winter Business Update

January 21, 2025

CORPORATION

Appendix

Appendix

Balance Sheet (as of December 31, 2024)

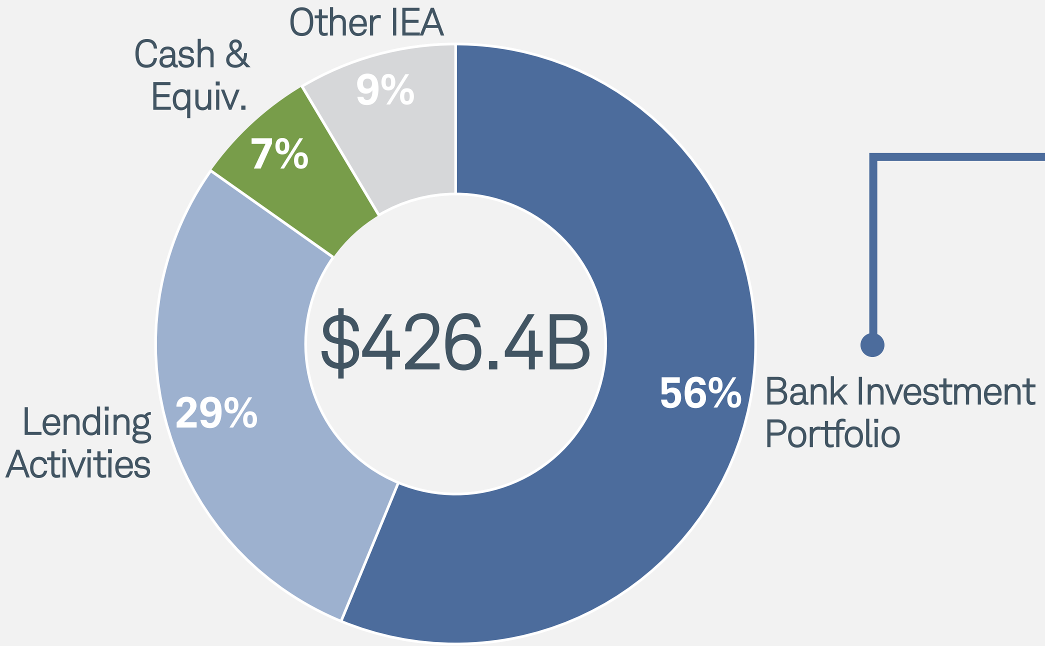
($M, EOP)	4Q23	1Q24	2Q24	3Q24	4Q24
Total Assets	$493,178	$468,784	$449,675	$466,055	$479,843
Bank Deposits	$289,953	$269,460	$252,420	$246,462	$259,121
Payables to Brokerage Clients	$84,786	$84,005	$79,966	$89,164	$101,559
Long-term Debt	$26,128	$22,865	$22,449	$22,442	$22,428
Stockholders' Equity	$40,958	$42,412	$43,953	$47,215	$48,375
Parent Liquidity	$13,305	$10,708	$12,877	$12,655	$12,518
Consolidated Tier 1 Leverage Ratio*	8.5%	8.8%	9.4%	9.7%	9.9%
Consolidated Adj. Tier 1 Leverage Ratio[1*]	4.9%	5.3%	5.9%	6.7%	6.8%

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 41-45 of this presentation.

Appendix

Average Interest-earning Assets & Bank Investment Portfolio (as of December 31, 2024)

4Q24 Avg. Interest-earning Assets (%)[1, 2]

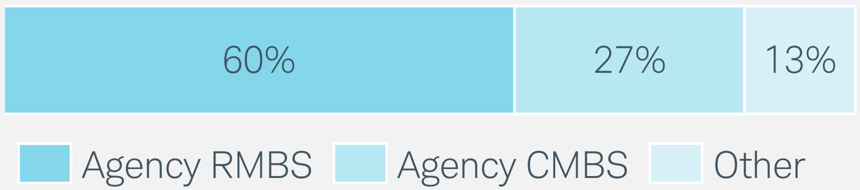


Bank Investment Portfolio Spotlight

Fixed vs. Floating

96% Fixed / 4% Floating

Securities Mix[3]



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

Duration Analysis[4]

2.0
Consolidated IEAs Duration (Years)
Preliminary

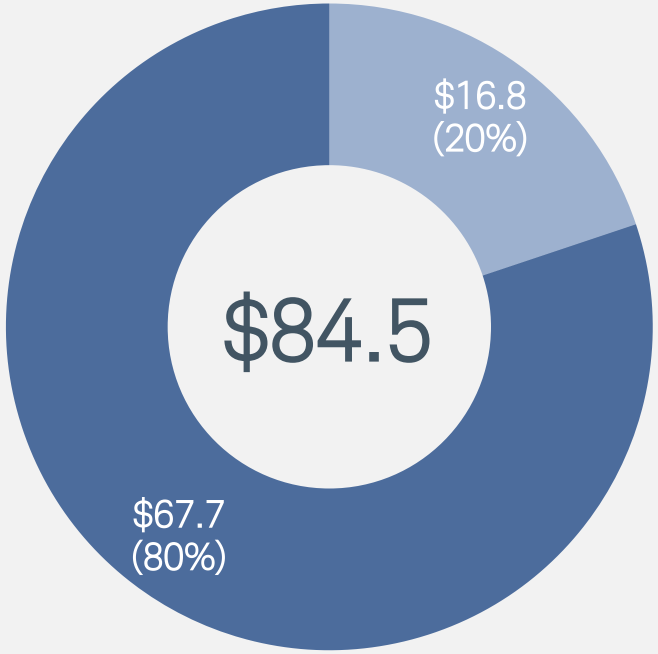
3.7
Bank Investment Portfolio Duration (Years)

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 December 31, 2024.

Appendix

Bank Deposit Account Summary (as of December 31, 2024)

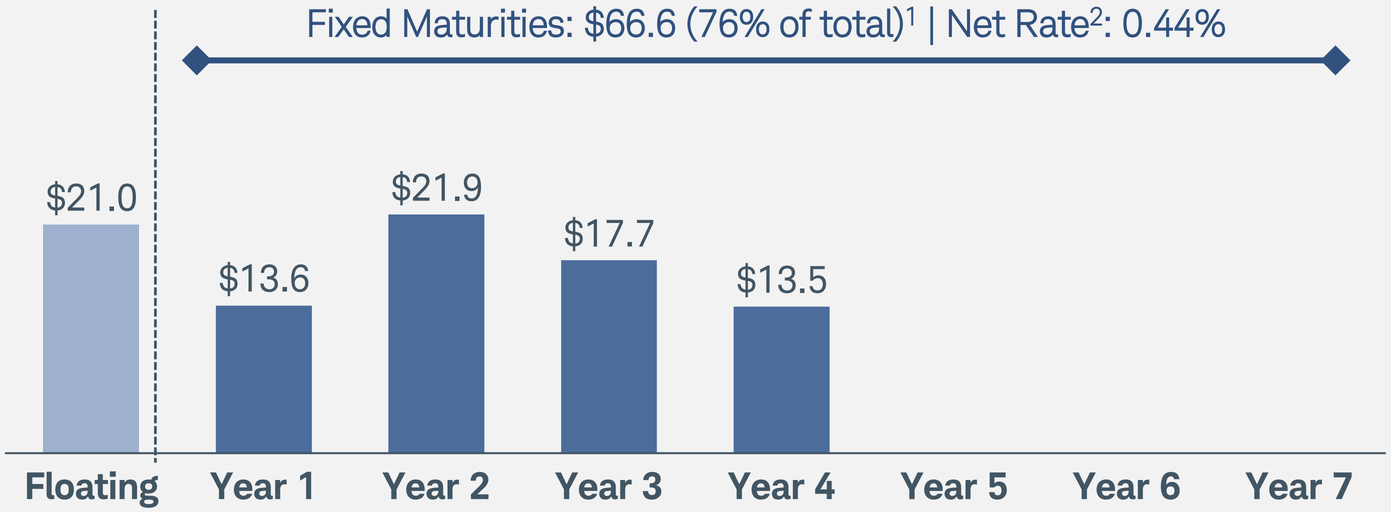
Mix of Average BDA Balances ($B,%)



	Net Rate	4Q24 Revenue
Floating	4.28%	$183M
Fixed	0.37%	$58M

BDA Balances by Maturity, EOP ($B)

Total Balance: $87.5	Net Rate[2]: 1.30%	Annual Revenue[3]: $1,156.4M



	Floating	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Net Rate[2]	4.05%	0.22%	0.03%	0.24%	1.57%	--	--	--
Annual Revenue[3]	$862M	$30M	$8M	$43M	$214M	--	--	--

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 December 31, 2024; includes all related fees and client pay rates as of December 31, 2024. 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. 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 Ameritrade. See Part I – Item 1 – Note 10 of our Quarterly Report on Form 10-Q for the quarter ended September 30, 2024 for additional information.

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

(In millions, except ratios and per share amounts)	Three Months Ended, December 31, 2024		Three Months Ended, September 30, 2024		Three Months Ended, June 30, 2024		Three Months Ended, March 31, 2024		Three Months Ended, December 31, 2023		Twelve Months Ended, December 31, 2024		Twelve Months Ended, December 31, 2023	
	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	Net Income	Total Expenses Excluding Interest	Net Income
Total expenses excluding interest (GAAP), Net income (GAAP)	$ 3,024	$ 1,840	$ 3,005	$ 1,408	$ 2,943	$ 1,332	$ 2,942	$ 1,362	$ 3,265	$ 1,045	$ 11,914	$ 5,942	$ 12,459	$ 5,067
Acquisition and integration-related costs	(20)	20	(23)	23	(36)	36	(38)	38	(67)	67	(117)	117	(401)	401
Amortization of acquired intangible assets	(130)	130	(130)	130	(129)	129	(130)	130	(130)	130	(519)	519	(534)	534
Restructuring costs	(27)	27	–	–	(10)	10	28	(28)	(216)	216	(9)	9	(495)	495
Income tax effects [1]	N/A	(43)	N/A	(36)	N/A	(42)	N/A	(33)	N/A	(91)	N/A	(154)	N/A	(338)
Adjusted total expenses (Non-GAAP), Adjusted net income (Non-GAAP)	$ 2,847	$ 1,974	$ 2,852	$ 1,525	$ 2,768	$ 1,465	$ 2,802	$ 1,469	$ 2,852	$ 1,367	$ 11,269	$ 6,433	$ 11,029	$ 6,159

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

	Three Months Ended, December 31, 2024		Twelve Months Ended, December 31, 2024	
(In millions, except ratios and per share amounts)	Amount	% of Total Net Revenues	Amount	% of Total Net Revenues
Income before taxes on income (GAAP), Pre-tax profit margin (GAAP)	$ 2,305	43.3%	$ 7,692	39.2%
Acquisition and integration-related costs	20	0.4%	117	0.6%
Amortization of acquired intangible assets	130	2.4%	519	2.7%
Restructuring costs	27	0.5%	9	–
Adjusted income before taxes on income (Non-GAAP), Adjusted pre-tax profit margin (Non-GAAP)	$ 2,482	46.6%	$ 8,337	42.5%

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, December 31, 2024		Three Months Ended, September 30, 2024		Three Months Ended, June 30, 2024		Three Months Ended, March 31, 2024		Three Months Ended, December 31, 2023		Twelve Months Ended, December 31, 2024		Twelve Months Ended, December 31, 2023	
	Amount	Diluted EPS	Amount	Diluted EPS	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)	$ 1,717	$ .94	$ 1,299	$ .71	$ 1,211	$ .66	$ 1,251	$ .68	$ 926	$ .51	$ 5,478	$ 2.99	$ 4,649	$ 2.54
Acquisition and integration-related costs	20	.01	23	.01	36	.02	38	.02	67	.04	117	.06	401	.22
Amortization of acquired intangible assets	130	.07	130	.07	129	.07	130	.07	130	.07	519	.28	534	.29
Restructuring costs	27	.01	–	–	10	.01	(28)	(.01)	216	.12	9	–	495	.27
Income tax effects	(43)	(.02)	(36)	(.02)	(42)	(.03)	(33)	(.02)	(91)	(.06)	(154)	(.08)	(338)	(.19)
Adjusted net income available to common stockholders (Non-GAAP), Adjusted diluted EPS (Non-GAAP)	$ 1,851	$ 1.01	$ 1,416	$ .77	$ 1,344	$ .73	$ 1,358	$ .74	$ 1,248	$ .68	$ 5,969	$ 3.25	$ 5,741	$ 3.13

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 December 31, 2024	Three Months Ended, September 30, 2024	Three Months Ended, June 30, 2024	Three Months Ended, March 31, 2024	Three Months Ended, December 31, 2023
Tier 1 Leverage Ratio (GAAP)	9.9%	9.7%	9.4%	8.8%	8.5%
Tier 1 Capital	$ 45,186	$ 43,692	$ 42,624	$ 41,598	$ 40,602
Plus: AOCI adjustment	(14,839)	(14,620)	(16,926)	(17,568)	(18,131)
Adjusted Tier 1 Capital	30,347	29,072	25,698	24,030	22,471
Average assets with regulatory adjustments	458,119	450,752	451,304	471,116	476,069
Plus: AOCI adjustment	(14,831)	(15,353)	(17,301)	(17,817)	(19,514)
Adjusted average assets with regulatory adjustments	$ 443,288	$ 435,399	$ 434,003	$ 453,299	$ 456,555
Adjusted Tier 1 Leverage Ratio (non-GAAP)	6.8%	6.7%	5.9%	5.3%	4.9%

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

Winter Business Update

January 21, 2025

charles SCHWAB CORPORATION