Winter Business Update

January 21, 2026

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 “expect,” “anticipate,” “assume,” “will,” “continue,” “support,” “maintain,” “prioritize,” “seek,” “Increase,” “drive,” “deepen,” “enhance,” “expand,” “ongoing,” “outlook,” “positioned,” “opportunity,” “growth” and other similar expressions.

These forward-looking statements relate to the company’s strategy and focus; momentum and competitive position; growing and diverse client base; growth in client accounts and assets; client relationships and engagement; advice solutions, lending products and alternative and private investments; scale and efficiency; revenue diversification; earnings growth through the cycle; financial scenarios, assumptions, expectations and sensitivities; revenue and earnings expansion; net interest margin; interest-earning assets; investments and expense management; non-GAAP adjustments; balance sheet management and composition; 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; completion and integration of acquisitions; 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, 2026 (or such earlier date as may be specified herein). The company makes no commitment to update any forward-looking statements.

Rick Wurster

President and Chief Executive Officer

Michael Verdeschi

Managing Director, Chief Financial Officer

In 2025, our "Through Clients' Eyes" strategy powered **growth across all fronts.**

FY25 vs. FY24

Client

$519B +42%
Core Net New Assets

4.7M +13%
New Brokerage Accounts

Solutions

+36%
Managed Investing Net Flows

$58B +28%
Bank Lending[1] (EOP)

Financial

$23.9B +22%
Total Net Revenues

$4.87 +50%
Adjusted[2] EPS
GAAP EPS $4.65 + 56%

Note: FY = Full year. B = Billion. M = Million. EOP = End of period. EPS = Earnings per share. GAAP = Generally Accepted Accounting Principles 1. Net consolidated loan balances. 2. Further detail on non-GAAP financial measures and a reconciliation of such measures to reported results are included on slides 34-38 of this presentation.

With strong execution across our **key strategic focus areas**, we **continued to innovate.**

- **Growth**
- **Scale & Efficiency**
- **Brilliant Basics**
- **People**

2025 Highlights

Service & Experience

- Branch Footprint
- Financial Consultant & Wealth Advisor Coverage
- Pledged Asset Line® Digitalization
- Schwab Knowledge Assistant
- Service AI Assistant

Products & Solutions

- Alternative Investments Select
- Schwab Wealth Advisory™ Discretionary Portfolios
- 24x5 Trading Expansion
- Advisor ProDirect™
- Long/Short Strategies
- INTF Expansion

Acquisitions & Partnerships

M&A

Forge

Investments

wealth.com

QAPITA

Note: AI = Artificial Intelligence. INTF = Institutional No Transaction Fee. M&A = Mergers and acquisitions.

Clients and third-parties **recognized these efforts**,...

Client Promoter Scores

+7 pts

Investor Services

4Q25 vs. 1Q25

+5 pts

Advisor Services

2H25 vs. 1H25

Forbes BEST CUSTOMER SERVICE POWERED BY hundredX 2026

Charles Schwab awarded best customer service by Forbes[1]

INVESTOR'S BUSINESS DAILY MarketWatch MOST TRUSTED FINANCIAL COMPANIES 2025

Charles Schwab named one of the most trusted financial services companies

Awarded by Investor's Business Daily[2]

Note: Pts = Points. Q = Quarter. H = Half. 1. Forbes Best Customer Service List 2026 was given on November 11, 2025, and expires November 10, 2026. The criteria, evaluation, and ranking were determined by Forbes, partnered with HundredX. For more information, visit https://www.forbes.com/lists/best-customer-service/. Schwab paid a licensing fee to Forbes for use of the award and logos. 2. The IBD Most Trusted Financial Companies award was given to Charles Schwab on September 12, 2025, and is licensed for a 15-month timeframe. The criteria, evaluation, and ranking were determined by Investor's Business Daily in conjunction with its research partner, TechnoMetrica Market Intelligence. Schwab paid a licensing fee to York Graphic Services, LLC. for use of the award and logos.

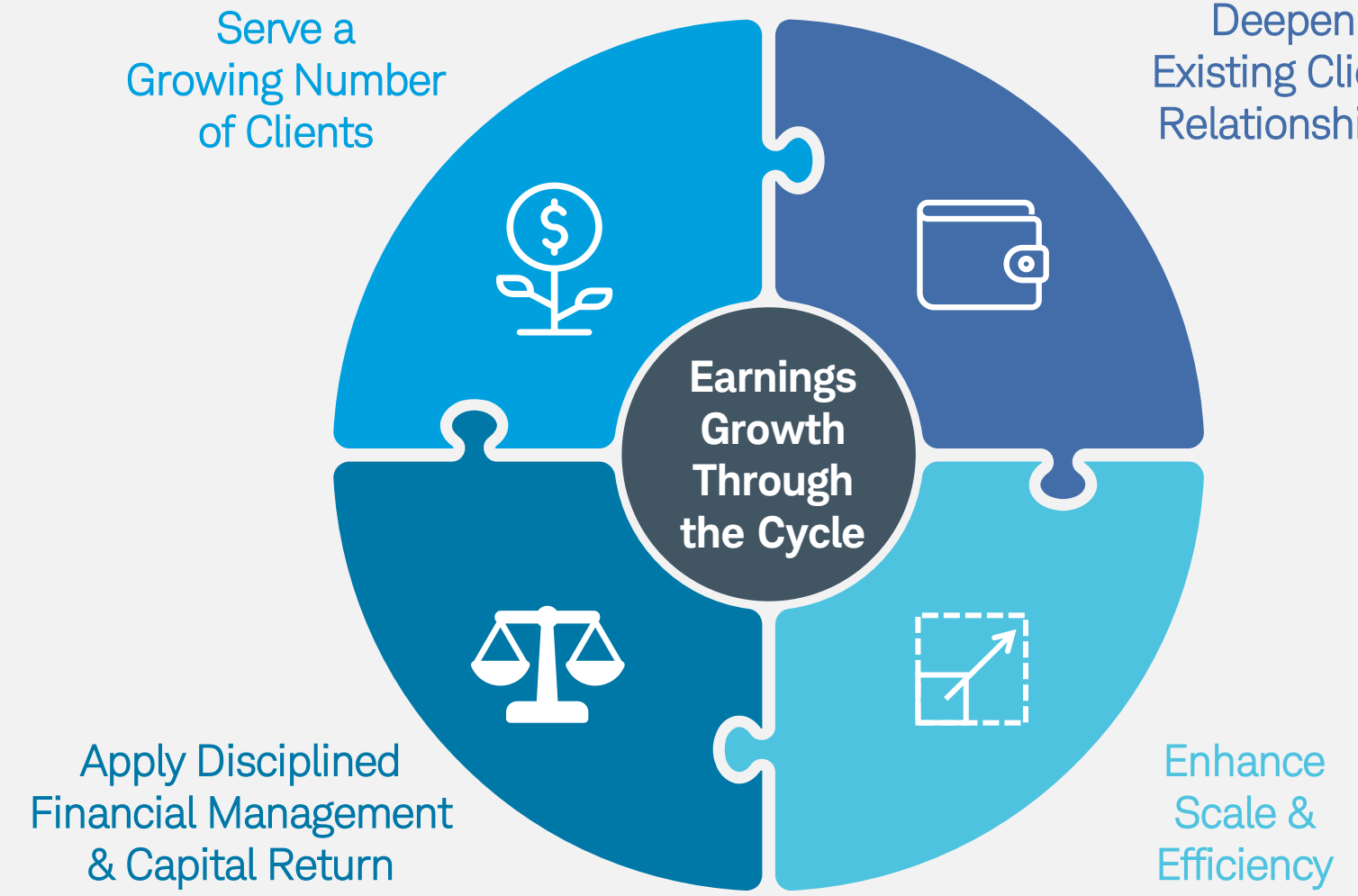
...as we further reinforced our position as an **industry-leader**.

Ranked #1

$11.9T	$5.2T	7.7M
Total Client Assets	in RIA Custodial Assets	Daily Average Trades

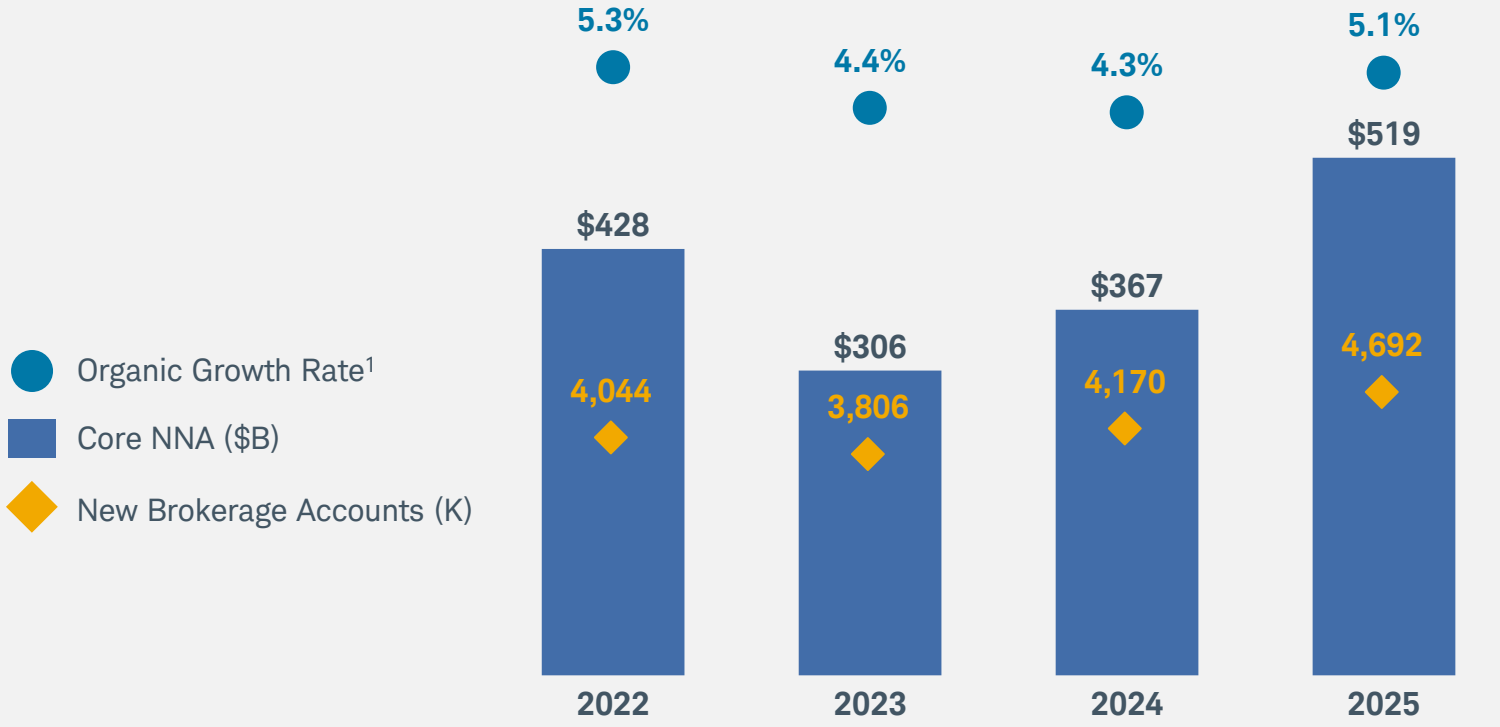
Note: RIA = Registered investment advisor. T = Trillion. M = Million. Ranked based off publicly traded peers as of 3Q25. Numbers above are FY25.

We are entering 2026 with **strong momentum** & are well-positioned to deliver **earnings growth through the cycle.**



Serve a Growing Number of Clients across a diverse spectrum of individual investors & RIAs

Core Net New Assets and Annualized Organic Growth Rate



	2022	2023	2024	2025
Total client assets ($T)	**$7.0**	**$8.5**	**$10.1**	**$11.9**
Total client accounts[2] (M)	**40.3**	**41.9**	**43.9**	**46.5**

Note: K = Thousands. M = Millions. B = Billions. T= Trillions. RIA = Registered investment advisor. NNA = Net New Assets. Core net new assets = net new assets before significant one-time flows, such as acquisitions/divestitures or extraordinary flows (generally greater than $25 billion; $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. 1. Organic growth rate shown on an annualized basis. 2. Includes active brokerage, banking, and workplace plan participant accounts.



Deepen Existing Client Relationships & help them conduct more of their financial lives at Schwab

Diverse set of **monetization opportunities** across our businesses

	Advisor Services	Retail
Wealth	✓	✓
Banking	✓	✓
Trading	✓	✓
Asset Management	✓	✓
Alternative & Private Investments	✓	✓
Digital Assets	✓	✓

Deepen Existing Client Relationships & help them conduct more of their financial lives at Schwab

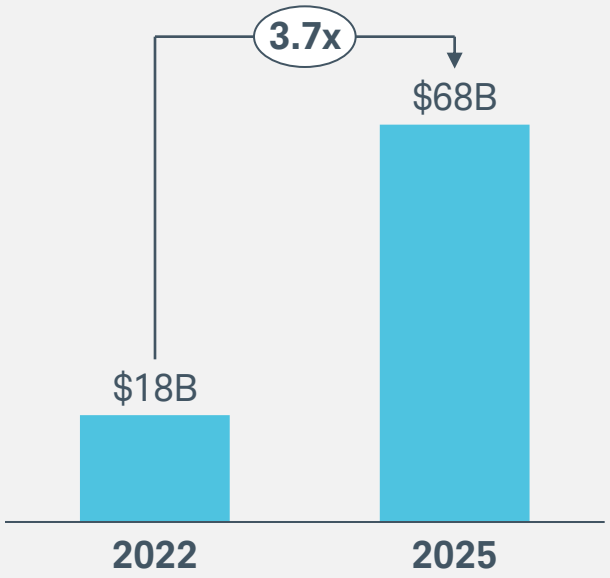
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Alternative & Private Investments	✓	✓
Digital Assets	✓	✓

Wealth

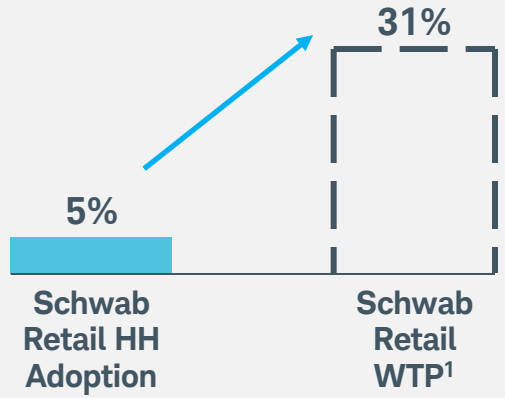
Deepen Existing Client Relationships & help them conduct more of their financial lives at Schwab

Managed Investing (MI) Net Flows



	2022	2025
AMAF Revenue	$4.2B	$6.5B
MI Avg Assets	$531B	$759B

Schwab Advice Adoption vs. Willingness to Pay



MI[2] ROCA

~2X+

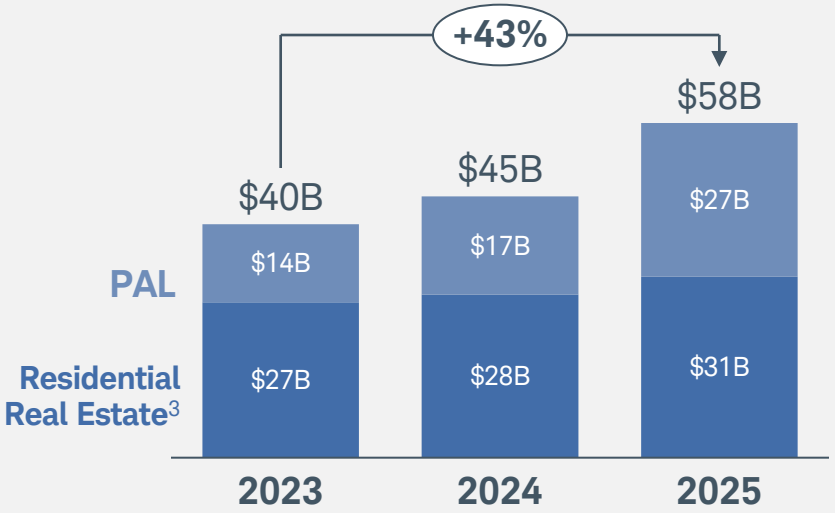
vs. Retail[3]

Note: B = Billion. ROCA = Revenue on client assets. WTP = Willingness to pay. HH = Household. AMAF = Asset management and administration fees. MI = Managed Investing. Avg = Average. 1. Schwab Investor Profile Study, September 2024. 2. Managed Investing excluding Schwab Intelligent Portfolios. 3. Retail investor excluding trader & MI.

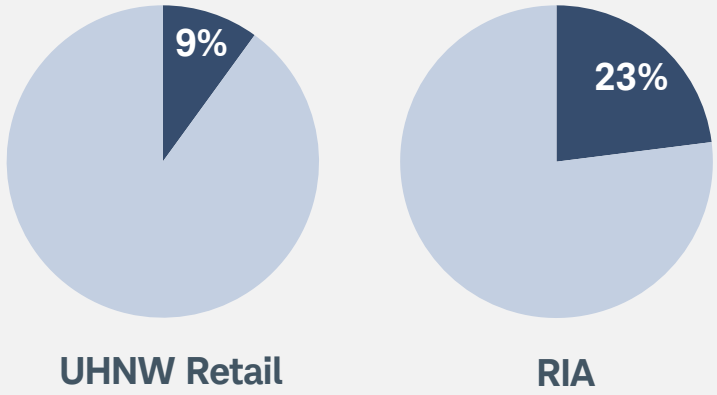
Banking

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Bank Lending Balances[1] (EOP)



Schwab Pledged Asset Line® Utilization[2]



Pledged Asset Line® Cycle Times

2021 ~1 month → *2025* ~1 day

Pledged Asset Line® Average Spread to Securities

>100 bps

Note: Certain totals may not sum due to rounding. EOP = End of period. B = Billion. PAL = Pledged asset line. UHNW = Ultra high net worth. RIA = Registered investment advisor. Bps = Basis points. HH = Households. CRA = Community Reinvestment Act, 1. Net consolidated loan balances. 2. Client utilization represents households or Advisors with a pledged asset line as of 12/31/2025. 3. Includes net balances for first lien residential real estate mortgage loans, home equity lines of credit, and other CRA-related loans.

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Trading

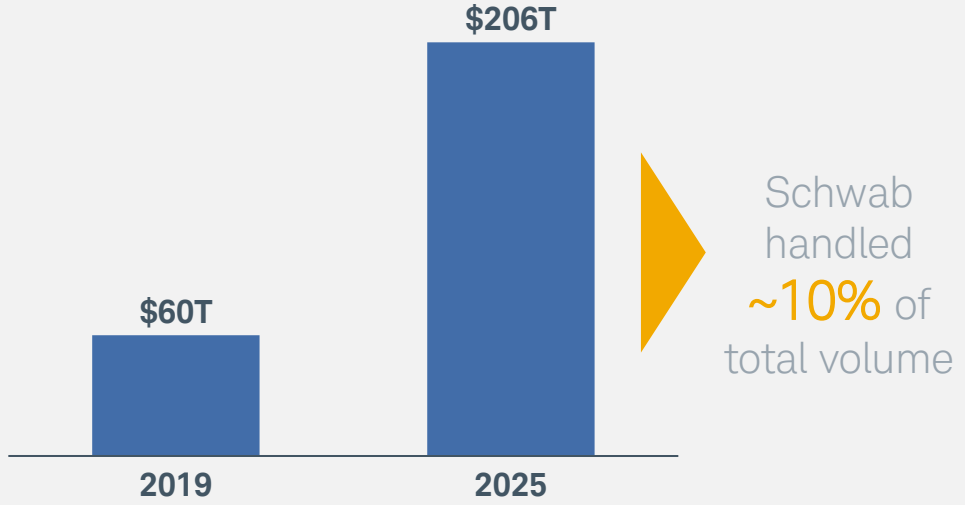
NTF Retail Clients Initiating thinkorswim™ Access

~50%

Schwab Share of Spot Crypto ETP Assets

~20%

U.S. Equities Notional Trading Volume[1]



ROCA vs. Retail

~2X+

Avg HH NNA vs. Retail

~9X+

Note: NTF = New-to-firm. ETP = Exchange traded products. T= Trillion. ROCA = Revenue on client assets. Avg = Average. HH = Household. NNA = Net new assets. 1. US equities market notional trading volume sourced from Cboe Exchange, Inc.

Deepen Existing Client Relationships & help them conduct more of their financial lives at Schwab

Alternative & Private Investments

Select Achievements

- Launched retail alternative investments platform
- Expanded available products to RIA and retail clients
- Announced acquisition of Forge Global

Large Opportunity to Serve Schwab HNW Retail and RIA Clients

Retail

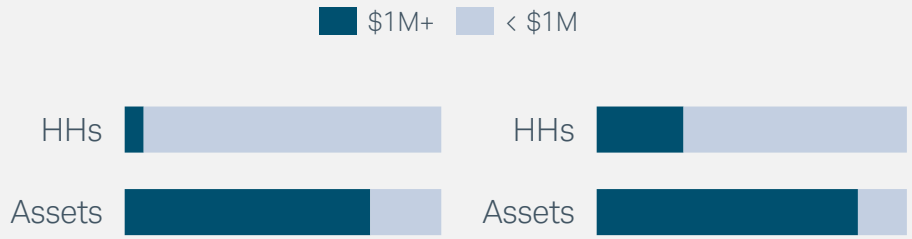
$5.5T

Client Assets[2]

Advisor Services

$5.2T

Client Assets[2]



Expected Schwab HNW Allocation to Alts[1]

~5%

Schwab RIAs With Current Allocation to Alts

<40%

Note: T = Trillion. M = Million. HNW = High net worth. RIA = Registered investment advisor. Alts = Alternative investments. HH = household. 1. Per majority of respondents to Charles Schwab survey of HNW clients on January 8-17, 2025. 2. As of December 31, 2025.

Enhance Scale & Efficiency to make it easier for clients to work with us while keeping costs low & reinvesting in new capabilities

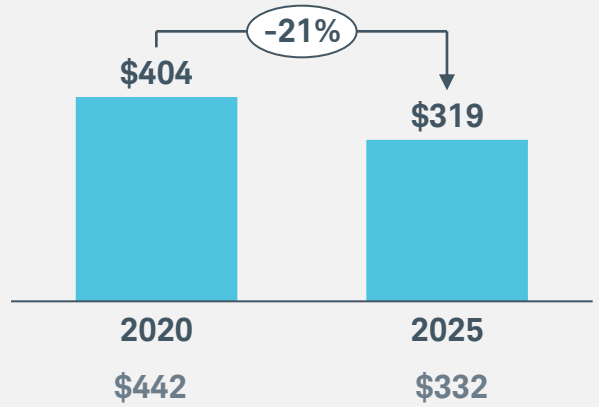
Artificial Intelligence Use Cases

220+

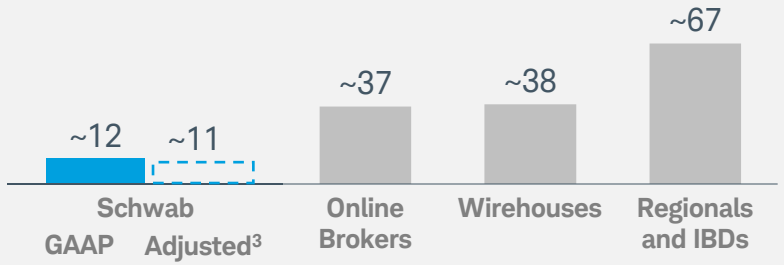
Use Cases in Production:

- Schwab Knowledge Assistant
- Schwab Research Assistant
- Service AI Assistant

Adjusted[3] Cost Per Account[1]

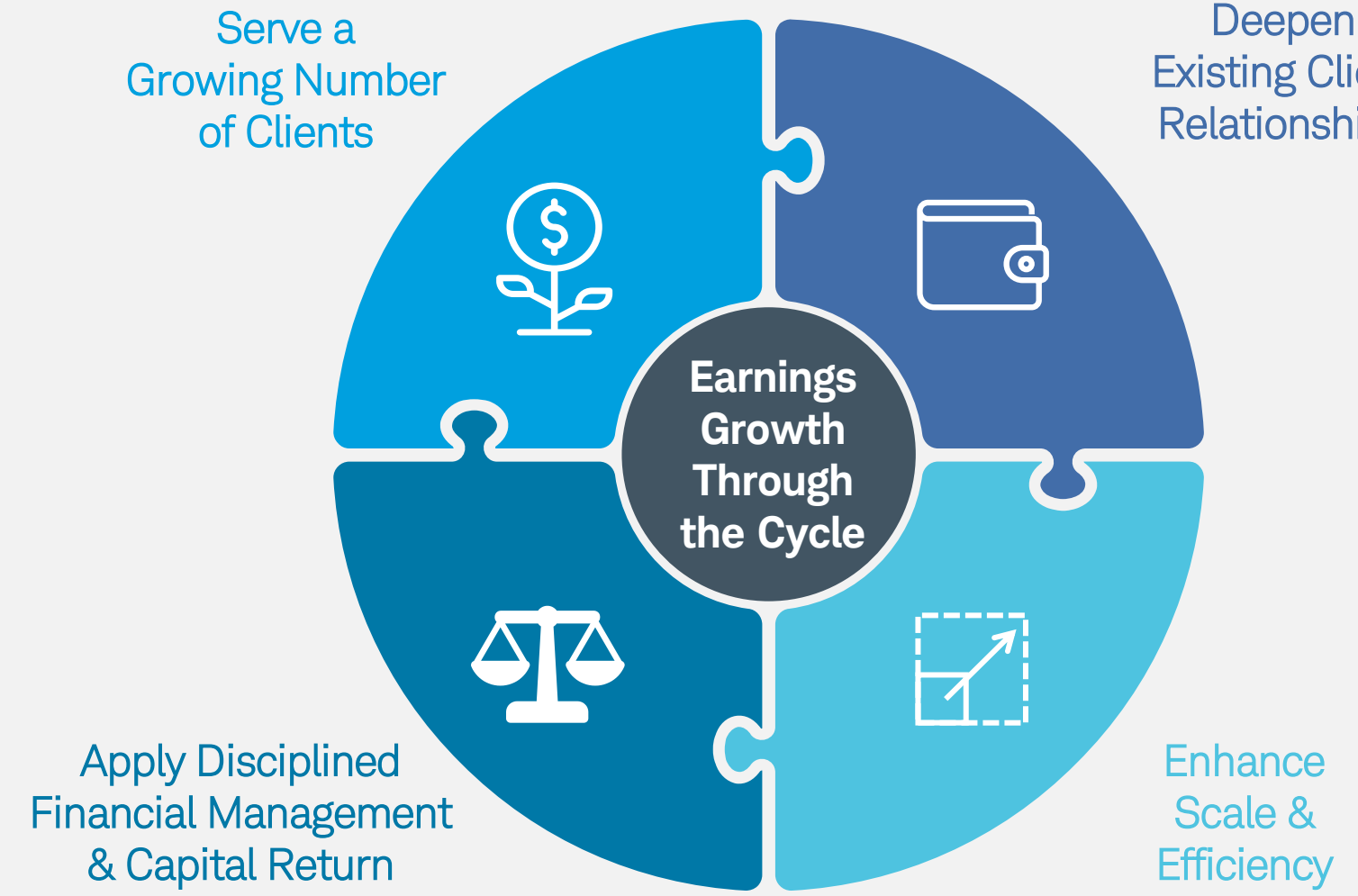


EOCA vs. Select Peers (bps)[2]



Note: GAAP = Generally accepted accounting principles. EOCA = Expense on client assets. Bps = Basis points. IBD = Independent broker-dealer. AI = Artificial intelligence. 1. Adjusted cost per client account is calculated by dividing adjusted total expenses excluding interest (non-GAAP) by average active brokerage accounts. 2. Data presented for LTM of publicly report results and represents GAAP total expenses excluding interest from respective wealth management segments of all companies, if applicable. Schwab is represented on a total company basis. Any impact related to loan provisions is treated as a contra-revenue. All data sourced from company filings and releases. Wirehouse segment includes Morgan Stanley, JP Morgan, Bank of America, and Wells Fargo. Regional and IBD segment includes Ameriprise, LPL Financial, and Raymond James. Online Broker segment includes Interactive Brokers and Robinhood. 3. Further detail on non-GAAP financial measures and a reconciliation of such measures to reported results are included on slides 34-38 of this presentation.

We are entering 2026 with **strong momentum** & are well-positioned to deliver **earnings growth through the cycle.**

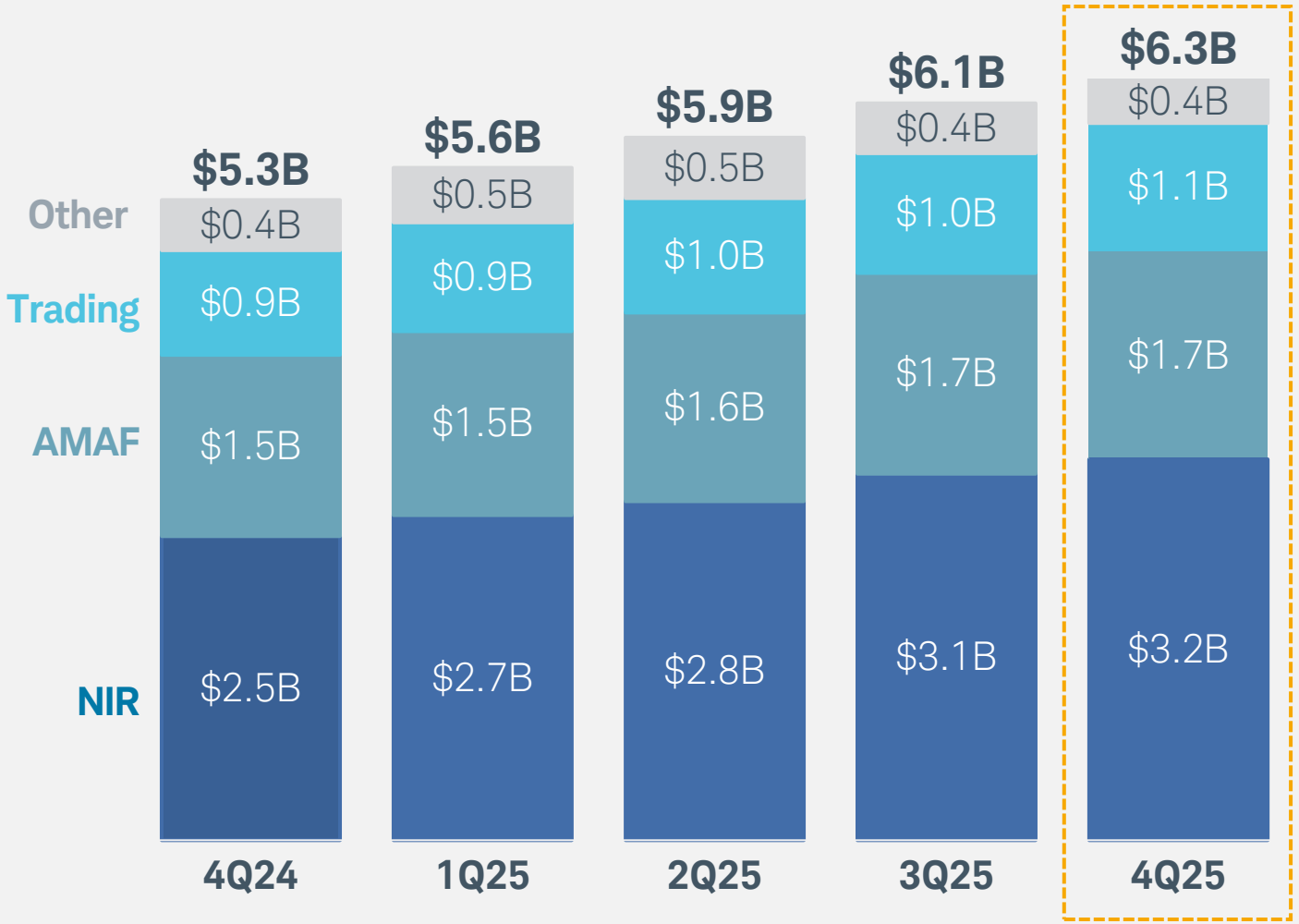


2025
Results

Financial
Capabilities

2026
Outlook &
Considerations

4Q25 total revenue grew 19% year-over-year to a new quarterly record.

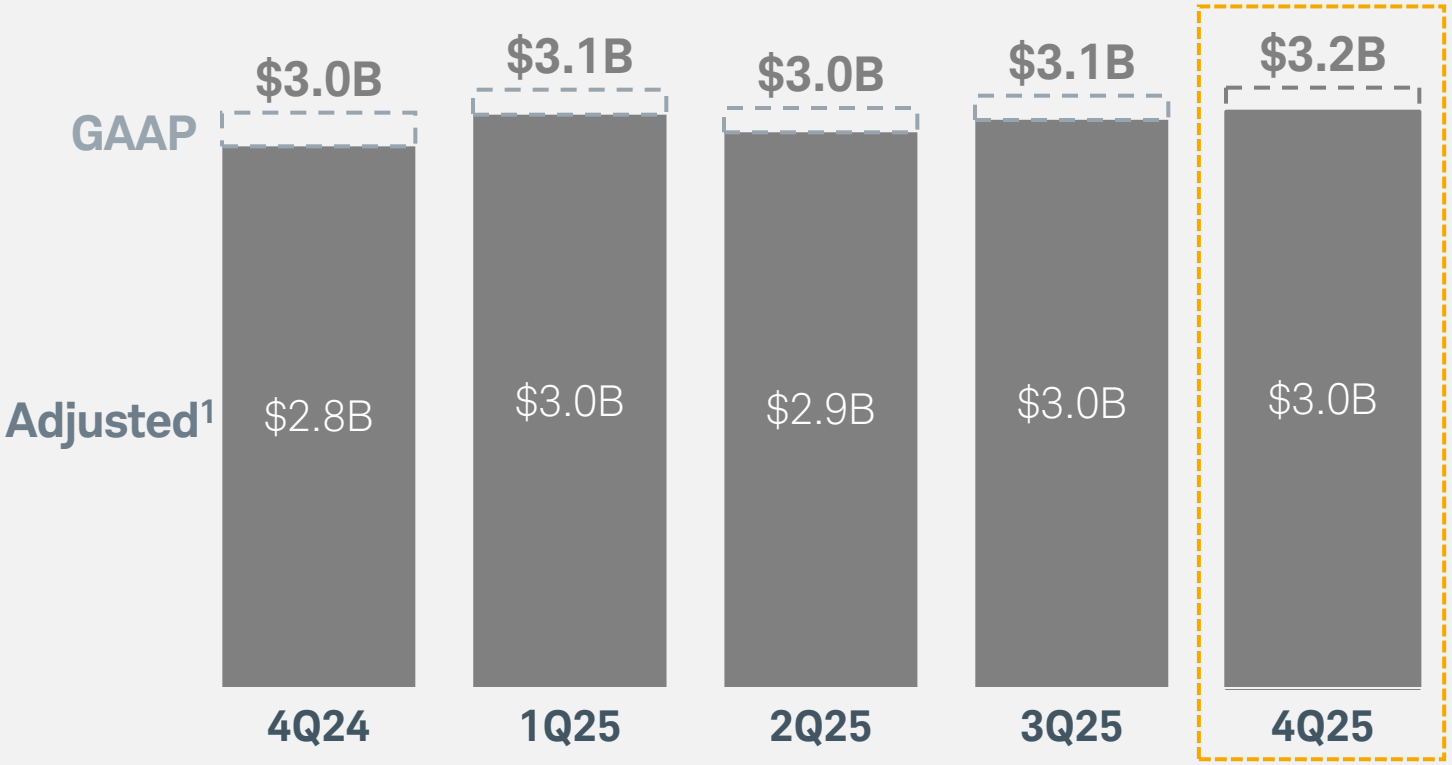


4Q25 vs. 4Q24

- **NIR rose 25%,** reflecting lower supplemental borrowings and increased client utilization of our bank and margin lending solutions
- **AMAF grew 15%,** driven by organic growth, higher equity markets, and record net inflows into Managed Investing Solutions
- **Trading revenue increased 22%** due to robust trading 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.

4Q25 expenses reflect our ability to invest in growth while driving incremental efficiency.



4Q25 vs. 4Q24

- **GAAP expenses up 4%**
- **Adjusted[1] expenses rose 6%,** reflecting robust client engagement resulting in elevated volume-related costs as well as continued investments in our strategic initiatives

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 34-38 of this presentation.

4Q25 adjusted[1] EPS expanded by 38% year-over-year,...

4Q25

Revenue	Expenses	Pre-tax Profit Margin	Earnings Per Share
$6.3B	$3.2B GAAP $3.0B Adjusted[1]	50.2% GAAP 52.2% Adjusted[1]	$1.33 GAAP $1.39 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 34-38 of this presentation.

...capping a year of record financial results.

FY25

Revenue	Expenses	Pre-tax Profit Margin	Earnings Per Share
$23.9B	$12.5B GAAP $12.0B Adjusted[1]	47.9% GAAP 50.0% Adjusted[1]	$4.65 GAAP $4.87 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 34-38 of this this presentation.

Balance Sheet Principles

Support our clients' evolving needs

Maintain a foundation of safety and soundness

Drive financial outcomes through-the-cycle

FY25 Balance Sheet Highlights

- **Supported Client-Driven Growth**
  - Client margin balances rose to finish the quarter at $112.3 billion, or up 34% from year-end 2024
  - Bank loans to clients increased 28% versus year-end 2024 – including growth of $9.6 billion in PAL® balances
- **Sweep Cash Net Flows**
  - Transactional sweep cash[1] increased by $28.1 billion from September month-end level to finish the year at $453.7 billion – inclusive of organic growth, client net buying and seasonality during the period
- **Reduced Bank Supplemental Funding[2]**
  - Higher-cost funding at the banks declined by $44.8 billion to end the year at $5.1 billion
- **Capital Return**
  - Repurchased 81.3 million shares of our common stock for $7.3 billion

Note: FY = Full year. 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.

Schwab's capital ratios remained strong while returning $11.8B of total capital in 2025.

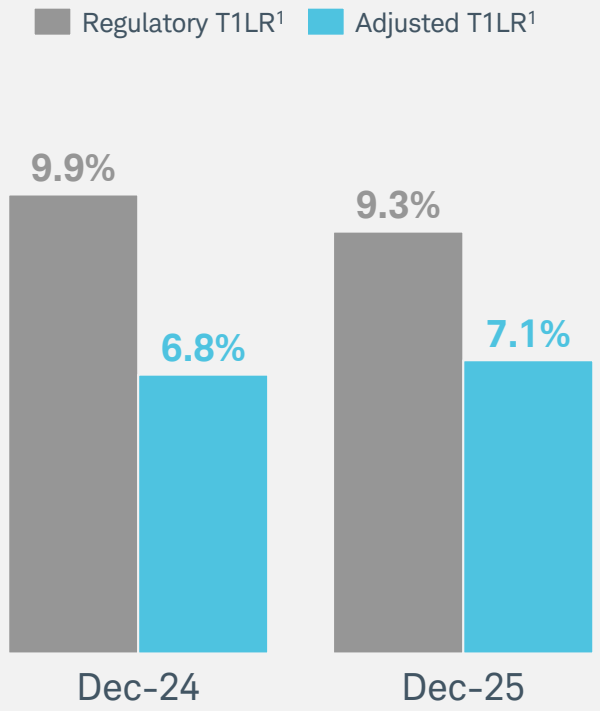
Capital Management Framework

Support ongoing business growth

Common dividend payout range

Seek opportunistic return of excess capital

Consolidated Tier 1 Leverage Ratio



FY25 Capital Actions

$1.9B	Common stock dividend
$7.3B	Common stock repurchased
$2.5B	Preferred redemption[2]

Note: Certain totals may not sum due to rounding. T1LR = Tier 1 Leverage Ratio. B = Billion. FY = Full year. 1. Further detail on non-GAAP financial measures and a reconciliation of such measures to reported results are included on slides 34-38 of this presentation. December 31, 2025 ratios are preliminary. 2. Series G was redeemed on June 2, 2025.

A range of factors will inform our 2026 results.

Macro



Interest Rates

Current Forward Curve Expectations[1]
Fed Funds finishes 2026 at 3.25% (upper-bound)



Equity Markets

6.5% appreciation from 2025 EOY level
In-line with long-term equity market returns

Business



Client Growth

Continued strong new account formation
~5% organic net asset growth



Client Engagement

Deepening relationships via increased utilization of wealth & banking
FY26 DATs of ~7.4M or trending closer to 1Q25 levels

Note: Q = Quarter. EOY = End of year. M = Million. FY = Full year. DAT = Daily average trades. 1. As of January 17, 2026.

Our 2026 scenario highlights our ability to deliver financial growth through a range of environments.

Revenue

Anticipate revenue to increase by 9.5% to 10.5% versus the prior year as clients continue to utilize our expanding set of services and solutions

- Full-year NIM ranging between 2.85% – 2.95% – with 4Q26 NIM in the low 290s basis points area
- FY26 average interest-earning assets expected to expand modestly versus the prior full-year

Expenses

Expect adjusted expenses[1] to grow by 5.5% to 6.5% versus 2025

- Continue prioritizing 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 4Q25 to 1Q26

Pre-tax Profit Margin

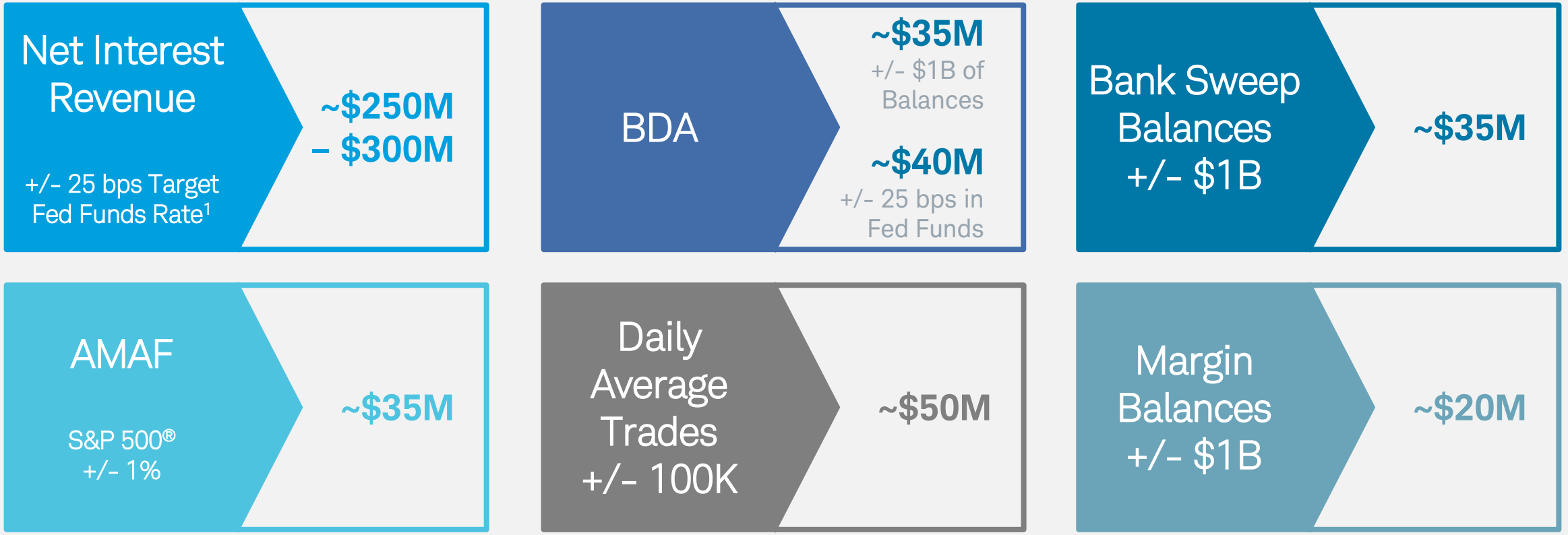
Implies full-year adjusted pre-tax margin[1] expands further into the low 50% zone

- Pending Forge acquisition is not included within full-year 2026 scenario

Note: NIM = Net interest margin. Q = Quarter. FY = Full year. Other select assumptions include a ~23.5% full-year tax rate. 1. Non-GAAP adjustments expected to be approximately $127 million pre-tax per quarter during 2026. Further detail on non-GAAP financial measures and a reconciliation of such measures to reported results are included on slides 34-38 of this presentation.

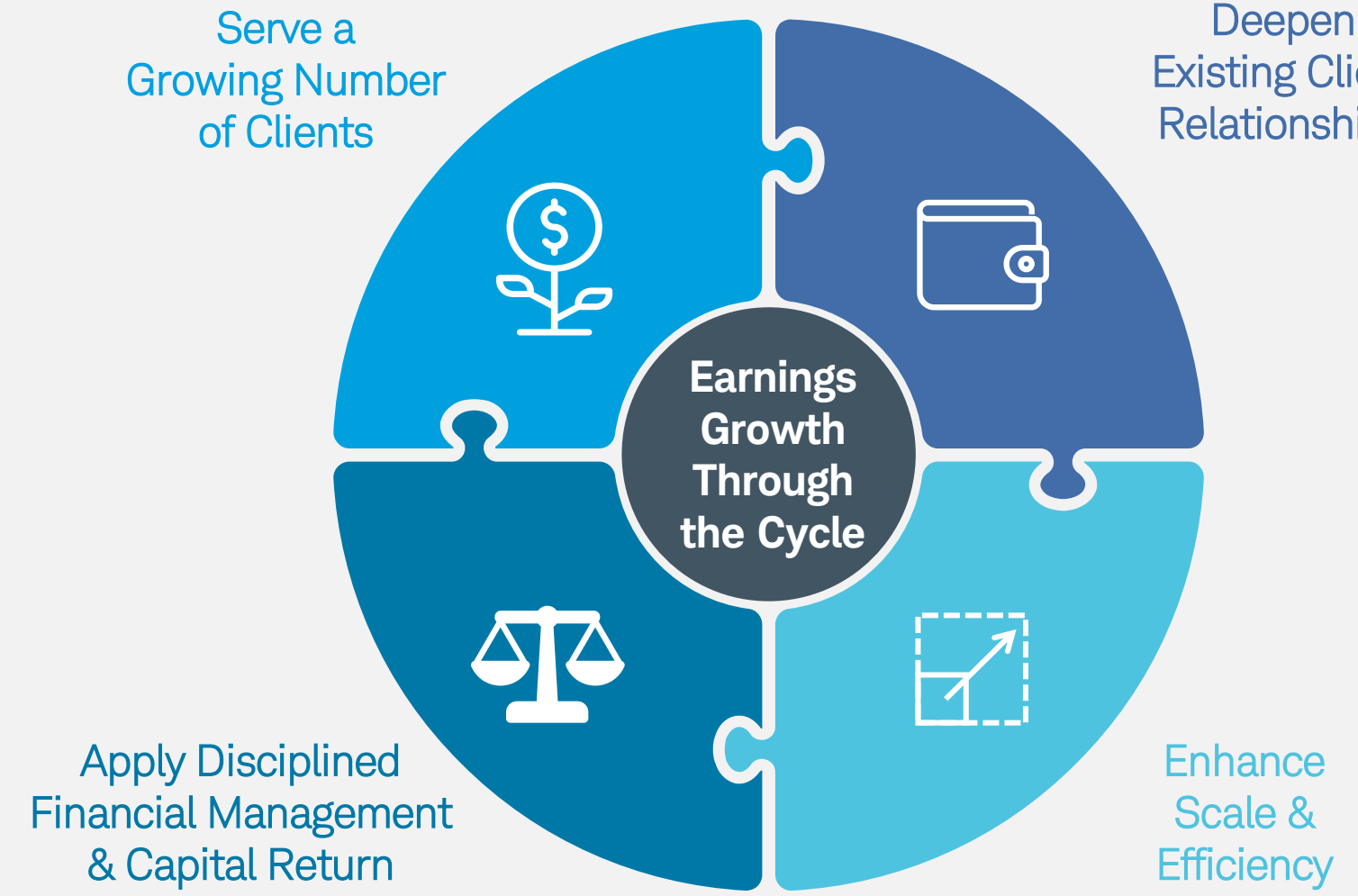
Select Annualized Revenue Sensitivities

As of December 31, 2025



Note: Bps = Basis points. K = Thousand. B = Billion. M = Million. AMAF = Asset management & administration fees. BDA = Bank deposit account. 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. NIR sensitivities assume static interest-earning assets as of December 31, 2025; other considerations include mix and duration of the bank investment portfolio, movements across the yield curve, and how quickly the fixed portfolio reprices; the sensitivity also factors in the impact of any active hedging activity and assumes a deposit beta of 0%.

We are entering 2026 with **strong momentum** & are well-positioned to deliver **earnings growth through the cycle.**



Q&A

Appendix

Appendix

Balance Sheet (as of December 31, 2025)

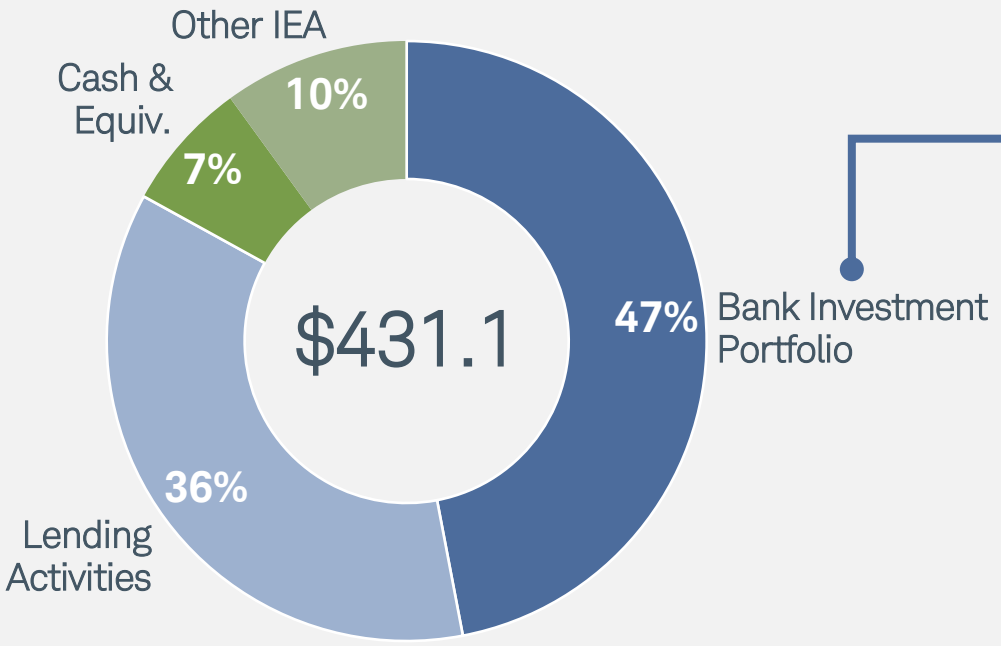
($M, EOP)	4Q24	1Q25	2Q25	3Q25	4Q25
Total Assets	$479,843	$462,903	$458,936	$465,255	$490,995
Bank Deposits	$259,121	$246,160	$233,058	$239,057	$255,747
Payables to Brokerage Clients	$101,559	$100,579	$109,355	$115,397	$116,341
Long-term Debt	$22,428	$21,471	$20,208	$20,199	$22,199
Stockholders' Equity	$48,375	$49,511	$49,451	$49,384	$49,425
Parent Liquidity	$12,518	$11,271	$11,581	$10,201	$14,872
Consolidated Tier 1 Leverage Ratio*	9.9%	9.9%	9.8%	9.7%	9.3%
Consolidated Adj. Tier 1 Leverage Ratio[1]*	6.8%	7.1%	7.2%	7.3%	7.1%

Note: M = Million. EOP = End of period. Q = Quarter. Adj = Adjusted. *4Q25 is preliminary. 1. Further detail on non-GAAP financial measures and a reconciliation of such measures to reported results are included on slides 34-38 of this presentation.

Appendix

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

4Q25 Avg. Interest-earning Assets ($B,%)[1, 2]

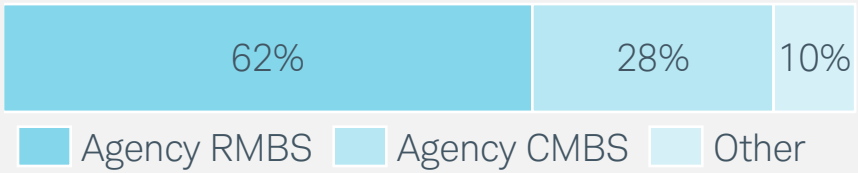


Bank Investment Portfolio Spotlight

Fixed vs. Floating

96% Fixed / 4% Floating

Securities Mix[3]



95%+ backed by U.S. government or agency

Duration Analysis[4]

1.9
Consolidated IEAs Duration (Years)
Preliminary

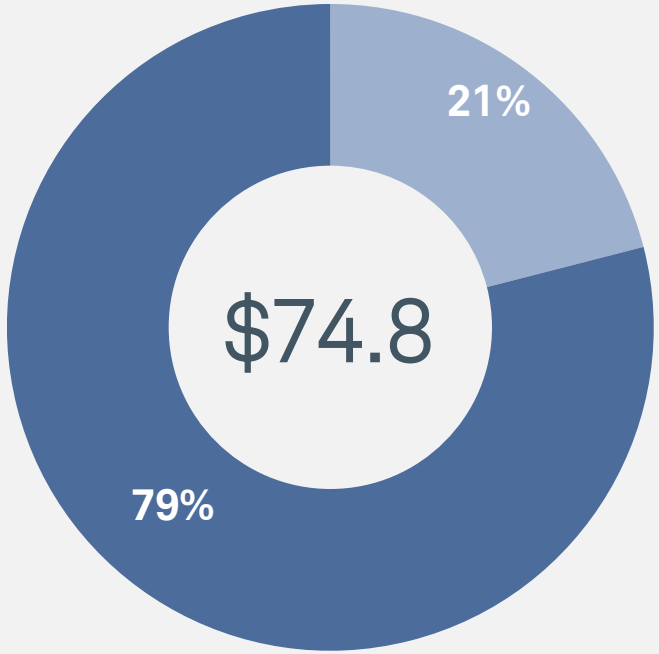
3.8
Bank Investment Portfolio Duration (Years)

Note: Q = Quarter. B = Billion. 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 sum 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, 2025.

Appendix

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

Mix of Average BDA Balances ($B,%)

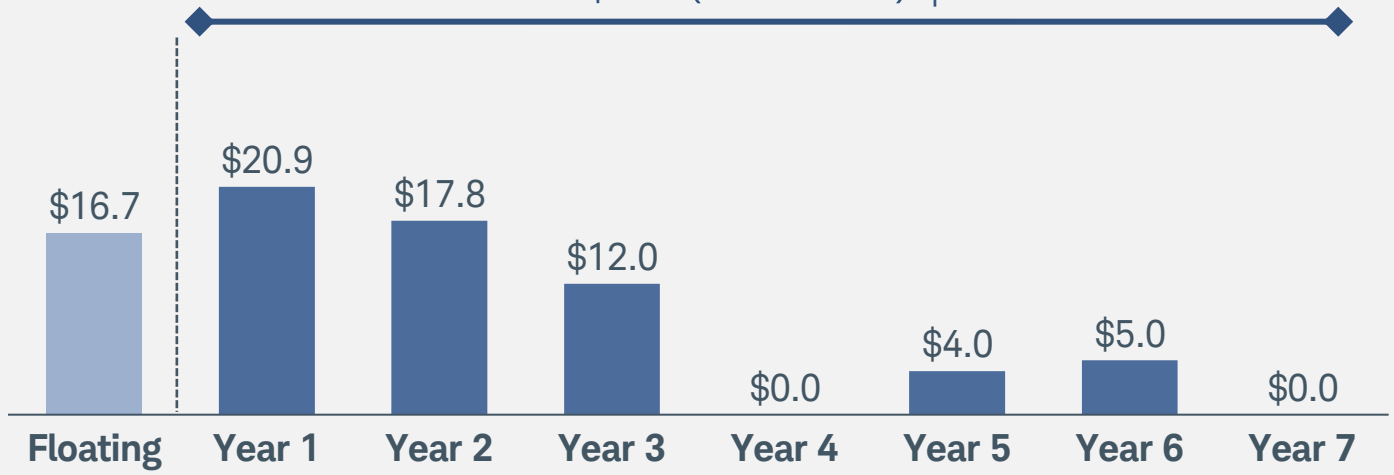


	Net Rate	4Q25 Revenue
Floating	3.63%	$147.5M
Fixed	0.64%	$90.5M

BDA Balances by Maturity, EOP ($B)

Total Balance: $76.2	Net Rate[2]: 1.49%	Annual Revenue[3]: $1,156.5M

Fixed Maturities: $59.6 (78% of total)[1] | Net Rate[2]: 0.96%



	Floating	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Net Rate[2]	3.41%	0.09%	0.35%	1.72%	--	3.14%	3.20%	--
Annual Revenue[3]	$577.6M	$18.8M	$62.4M	$208.0M	--	$127.4M	$162.4M	--

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, 2025; includes all related fees and client pay rates as of December 31, 2025. 3. Revenue figures presented on an annualized run-rate basis per the amended 2023 Insured Deposit Agreement (IDA) arrangement and net of breakage fees.

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

(In millions, except ratios and per share amounts)	Three Months Ended, December 31, 2025		Three Months Ended, September 30, 2025		Three Months Ended, June 30, 2025		Three Months Ended, March 31, 2025		Three Months Ended, December 31, 2024		Twelve Months Ended, December 31, 2025		Twelve Months Ended, December 31, 2024		Twelve Months Ended, December 31, 2020	
	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	Net Income
Total expenses excluding interest (GAAP), Net income (GAAP)	$ 3,156	$ 2,459	$ 3,114	$ 2,358	$ 3,048	$ 2,126	$ 3,144	$ 1,909	$ 3,024	$ 1,840	$ 12,462	$ 8,852	$ 11,914	$ 5,942	$ 7,391	$ 3,299
Amortization of acquired intangible assets	(127)	127	(127)	127	(128)	128	(130)	130	(130)	130	(512)	512	(519)	519	(190)	190
Acquisition and integration-related costs	-	-	-	-	-	-	-	-	(20)	20	-	-	(117)	117	(442)	442
Restructuring costs	-	-	-	-	-	-	-	-	(27)	27	-	-	(9)	9	N/A	N/A
Income tax effects [1]	N/A	(30)	N/A	(29)	N/A	(32)	N/A	(31)	N/A	(43)	N/A	(122)	N/A	(154)	N/A	(154)
Adjusted total expenses (Non-GAAP), Adjusted net income (Non-GAAP)	$ 3,029	$ 2,556	$ 2,987	$ 2,456	$ 2,920	$ 2,222	$ 3,014	$ 2,008	$ 2,847	$ 1,974	$ 11,950	$ 9,242	$ 11,269	$ 6,433	$ 6,759	$ 3,777

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, December 31, 2025		Three Months Ended, September 30, 2025		Three Months Ended, June 30, 2025		Three Months Ended, March 31, 2025		Three Months Ended, December 31, 2024		Twelve Months Ended, December 31, 2025		Twelve Months Ended, December 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	Amount	% of Total Net Revenues	Amount	% of Total Net Revenues
Income before taxes on income (GAAP), Pre-tax profit margin (GAAP)	$ 3,180	50.2%	$ 3,021	49.2%	$ 2,803	47.9%	$ 2,455	43.8%	$ 2,305	43.3%	$ 11,459	47.9%	$ 7,692	39.2%
Amortization of acquired intangible assets	127	2.0%	127	2.1%	128	2.2%	130	2.4%	130	2.4%	512	2.1%	519	2.7%
Acquisition and integration-related costs	-	-	-	-	-	-	-	-	20	0.4%	-	-	117	0.6%
Restructuring costs	-	-	-	-	-	-	-	-	27	0.5%	-	-	9	-
Adjusted income before taxes on income (Non-GAAP), Adjusted pre-tax profit margin (Non-GAAP)	$ 3,307	52.2%	$ 3,148	51.3%	$ 2,931	50.1%	$ 2,585	46.2%	$ 2,482	46.6%	$11,971	50.0%	$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, 2025		Three Months Ended, September 30, 2025		Three Months Ended, June 30, 2025		Three Months Ended, March 31, 2025		Three Months Ended, December 31, 2024		Twelve Months Ended, December 31, 2025		Twelve Months Ended, December 31, 2024	
	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)	$ 2,367	$ 1.33	$ 2,277	$ 1.26	$ 1,977	$ 1.08	$ 1,796	$ .99	$ 1,717	$ .94	$ 8,417	$ 4.65	$ 5,478	$ 2.99
Amortization of acquired intangible assets	127	0.08	127	0.07	128	.07	130	.07	130	.07	512	.29	519	.28
Acquisition and integration-related costs	-	-	-	-	-	-	-	-	20	.01	-	-	117	.06
Restructuring costs	-	-	-	-	-	-	-	-	27	.01	-	-	9	-
Income tax effects	(30)	(.02)	(29)	(.02)	(32)	(.01)	(31)	(.02)	(43)	(.02)	(122)	(.07)	(154)	(.08)
Adjusted net income available to common stockholders (Non-GAAP), Adjusted diluted EPS (Non-GAAP)	$ 2,464	$ 1.39	$ 2,375	$ 1.31	$ 2,073	$ 1.14	$ 1,895	$ 1.04	$ 1,851	$ 1.01	$ 8,807	$ 4.87	$ 5,969	$ 3.25

Note: EPS = Earnings per share.

Appendix

Non-GAAP Reconciliation: Consolidated Adjusted Tier 1 Leverage Ratio

	Preliminary December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024
Tier 1 Leverage Ratio (GAAP)	9.3%	9.7%	9.8%	9.9%	9.9%
(In millions, except ratios and per share amounts)					
Tier 1 Capital	$ 42,888	$ 43,491	$ 44,267	$ 45,213	$ 45,186
Plus: AOCI adjustment	(11,017)	(11,826)	(12,589)	(13,614)	(14,839)
Adjusted Tier 1 Capital	31,871	31,665	31,678	31,599	30,347
Average assets with regulatory adjustments	462,517	447,094	451,314	457,495	458,119
Plus: AOCI adjustment	(11,333)	(12,176)	(13,231)	(14,165)	(14,831)
Adjusted average assets with regulatory adjustments	$ 451,184	$ 434,918	$ 438,083	$ 443,330	$ 443,288
Adjusted Tier 1 Leverage Ratio (non-GAAP)	7.1%	7.3%	7.2%	7.1%	6.8%

Note: AOCI = Accumulated other comprehensive income.

Winter Business Update

January 21, 2026

charles SCHWAB

CORPORATION