

News Release

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Schwab Reports Continued Growth in Its 401(k) Business, Announces Plans to Increase Client Service Staff

Firm sees industry consolidation as opportunity for aggressive expansion

SAN FRANCISCO – May 15, 2003 – Charles Schwab Corporate Services reported strong growth in its defined contribution plan business. In the first four months of 2003, Schwab added 69 new bundled 401(k) plans, representing 27,000 plan participants with assets exceeding \$1.2 billion. At the end of December 2002, total client assets in employer-sponsored retirement plans at Schwab equaled \$88 billion.

“Our continued growth in this very challenging business environment proves the strength of our offer and also demonstrates the value plan sponsors find in our client-focused orientation. With fewer searches underway and increased demands from plan sponsors, our ability to earn new clients is even more gratifying,” said Walt Bettinger, President, Charles Schwab Corporate Services.

Schwab expects to add 50 new hires to its client service organization in 2003 to support its growing retirement plan business. This includes up to 20 new client relationship managers who offer strategic support to plan sponsor clients.

“We believe that the 401(k) plan will continue to be the major source of investment growth for investors in the U.S., and we are extremely pleased with the progress of our business in this area,” said David S. Pottruck, President and CEO, Charles Schwab. “We are committed to enhancing our competitive position in this business – concentrating both on organic growth as well as potential acquisitions. A core strategy of Schwab is to diversify our revenue stream, and aggressive expansion of our 401(k) business is consistent with this strategy.”

About Charles Schwab Corporate Services

Charles Schwab Corporate Services provides individual investing support services through employers, including employee retirement and stock option plans, IRA rollovers and individual/personal accounts. Charles Schwab Corporate Services also offers retirement plan services including recordkeeping and related services through Schwab Retirement Plan Services, Inc., proprietary retirement plan recordkeeping systems through Schwab Retirement Technologies™, trustee and custodial services through The Charles Schwab Trust Company, and the Schwab Personal Choice Retirement Account® (PCRA) (self-directed brokerage account through Charles Schwab & Co., Inc.). Schwab Retirement Plan Services, Inc., Schwab Retirement Technologies and The Charles Schwab Trust Company are affiliates of Charles Schwab & Co., Inc., and are wholly owned subsidiaries of The Charles Schwab Corporation.

The Charles Schwab Corporation (NYSE:SCH), through Charles Schwab & Co., Inc. (Member SIPC/NYSE), U.S. Trust Corporation, CyberTrader, Inc. (Member SIPC/NASD) and its other operating subsidiaries, is one of the nation's largest financial services firms.

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