

News Release

Contact:

Alison Wertheim
The Charles Schwab Corporation
415-636-5812
alison.wertheim@schwab.com

Schwab Reduces Online Equity Trade Commissions for Self-Directed Brokerage Accounts in Retirement Plans

SAN FRANCISCO, July 22, 2004 — The Charles Schwab Corporation announced that it has lowered online equity trading commissions for individual investor accounts from \$29.95 to \$19.95, including for its Schwab Personal Choice Retirement Accounts (PCRA).

"We're returning to our roots and offering consumers more affordable ways to invest in their futures," said Jim McCool, senior vice president of Charles Schwab Corporate Services. "Personal Choice Retirement Accounts provide Schwab customers greater control and flexibility in managing their retirement plans – and now we're further enhancing the value of these accounts with improved pricing."

PCRA's are Self-Directed Brokerage Accounts (SDBAs) within 401(k) plans and other types of participant-directed defined contribution plans which participants can use to invest in stocks, mutual funds and fixed income securities that are not part of their plan's core fund offerings.

Schwab has been a leader in the SDBA market since 1994, when it launched the PCRA. The largest provider of SDBAs in the country¹, Schwab supports more than 7,000 retirement plans representing more than 110,000 individual SDBA accounts and \$8.6 billion in total retirement assets as of May 2004. PCRA is an institutional business unit within Schwab, and features dedicated support services including the PCRA Call Center, the PCRA Operations Center, and dedicated Relationship Managers.

Pricing Details

For fewer than 30 trades per quarter, the cost of each trade is \$19.95 for the first 1,000 shares, plus 1 1/2 cents per share thereafter. For 30 or more trades per quarter, each trade is \$14.95, regardless of the number of shares involved.

For stocks that trade for less than \$1 per share, the cost of each trade is a flat \$19.95 or \$14.95, whichever applies based on trading frequency— regardless of the number of shares involved.

In addition to reduced online equity trade commissions, PCRA waives certain fees that may be paid in a typical consumer brokerage account.

Web Services

All PCRA participants now have access to enhanced Web services previously reserved for select accounts. This includes a Premium Research Package along with third-party research from leading providers.

¹ McHenry Consulting Group, as reported in PLANSPONSOR magazine, October 2003.

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®, Inc. 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.). These entities are affiliates of each other and are wholly owned subsidiaries of The Charles Schwab Corporation. Total client assets in employer-sponsored retirement plans at Schwab equaled \$118 billion at the end of March 2004.

The Charles Schwab Corporation (NYSE/NASD: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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