

News Release

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CHARLES SCHWAB CORPORATE SERVICES ADDS MORE THAN \$5 BILLION IN NET NEW ASSETS

Strong Performance Contributes to Firm's Record Non-trading Revenues

SAN FRANCISCO – August 10, 2004 – Charles Schwab Corporate Services posted record performance in the first half of 2004, bringing in more than \$5 billion in net new assets. The inflow included new assets from Schwab's bundled retirement plan, third-party administrator, designated brokerage and stock plan service businesses.

"Our Corporate Services business is growing at a record pace this year. I believe that reflects our focus on delivering great service, innovation and value to plan sponsors and third-party administrators alike. That focus will not waver," said Charles R. Schwab, chairman and chief executive officer of The Charles Schwab Corporation.

Charles Schwab Corporate Services and the other institutional businesses at Schwab play a vital role as the firm continues to diversify its revenue stream and deepen relationships with individual investors by serving them through the workplace. Last month in its earnings release, the firm announced record non-trading revenues for the second quarter, including revenues contributed by Charles Schwab Corporate Services.

2004 First Half Business Highlights

"Though the stock market was relatively flat during the first half of 2004, our total assets grew to \$55 billion in the same period, a 12 percent increase over our December 2003 assets," said Jim McCool, president, Charles Schwab Corporate Services. "Ongoing investments in the business and increased staffing are clearly helping to fuel our growth. Significant new business wins already in the second half of the year demonstrate that we are meeting the needs of the marketplace."

Schwab won 37 new bundled retirement plans and added \$2.43 billion in new bundled plan assets in the first six months of the year, due in part to the successful launch of personalized retirement plan investment advice services at no additional cost¹.

Plan Administrator Services (PAS) added \$1.87 billion in net new assets, attracting 16 new third-party administrators (TPAs) to its network. PAS provides trust/custody, trading and recordkeeping solutions to TPAs. The unit's Schwab Retirement Technologies group rolled out its new online ASP service model and expects to have 19 clients with 275,000 participants on the new platform by year end. Schwab also reduced fees from \$29.95 to \$19.95 for online equity trades in its Personal Choice Retirement Account® (PCRA). Assets in PCRA accounts reached \$8.7 billion at the end of June.

Designated Brokerage brought in \$632 million in net new assets, adding 20 new corporate clients. Designated Brokerage offers employee-monitoring solutions to SEC and NASD regulated firms. A rebound in the financial services industry and Schwab's service reputation contributed to the strong growth.

In addition to \$166 million in net new assets, Schwab's stock plan service business added \$1.75 billion in plan value through five new plans. Schwab provides equity compensation services to public corporations, including stock option plans and restricted stock plans.

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.). 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 \$121 billion at the end of June 2004.

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.

1. "At no additional cost" means that there is no cost for service outside the fees paid to Schwab Retirement Plan Services, Inc. and Charles Schwab & Co., Inc. for recordkeeping and related services, including trustee and custodial fees paid to The Charles Schwab Trust Company.

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