

News Release

charles SCHWAB
CORPORATE SERVICES

Contact

Mike Peterson
Charles Schwab & Co. Inc.
330-908-4334
mike.peterson@schwab.com

Lindsay Tiles
Charles Schwab & Co. Inc.
415-667-3997
lindsay.tiles@schwab.com

\$7.7 Billion in Net New Assets Fuel Record Year for Schwab Corporate Services

San Francisco, January 31, 2005 – Schwab Corporate Services, a leading provider of workplace financial benefit plan services, posted record performance in 2004, bringing in \$7.7 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.

"Schwab Corporate Services grew at a record pace last year by delivering great service, innovation and value to plan sponsors and third-party administrators alike," said Charles R. Schwab, chairman and CEO of The Charles Schwab Corporation. "The business continues to fulfill a key part of our strategy to help individual investors make the most of employer-sponsored savings and investment plans. These plans are the cornerstone of retirement savings for many of our clients."

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

2004 Business Highlights

"Record growth in net new assets demonstrates our continued ability to meet marketplace demands for excellent service and innovative products in all of our business channels," said Jim McCool, president, Schwab Corporate Services.

Retirement Plan Services added \$2.6 billion in net new assets in 2004 and announced 81 new bundled retirement plans. Schwab credits growth in the bundled sector in part to its successful launch of managed account and advice services at no additional cost.*

Plan Administrator Services (PAS) added \$3.8 billion in net new assets, and attracted 28 new third-party administrators (TPAs) to its network. PAS provides trust and custody, trading and recordkeeping solutions to TPAs. PAS introduced several new trust and custody products last year, and the unit's Schwab Retirement Technologies group successfully rolled out its new online Application Service Provider (ASP) model, which clients are already utilizing to serve more than 250,000 plan participants.

Designated Brokerage added 56 new corporate clients in 2004 and brought in \$1 billion in net new assets. Designated Brokerage offers employee-monitoring solutions to SEC- and NASD-regulated firms. A rebound in the financial services industry and Schwab's service reputation and competitive pricing contributed to the strong growth.

Stock Plan Services brought in \$259 million in net new assets, and added over 40,000 participants and \$9.3 billion in plan value in 2004. Stock Plan Services provides equity compensation services to public corporations. The unit's expertise in administering restricted stock plans played an important role in its success. Such plans are becoming increasingly popular as clients seek ways to augment their traditional stock option plans.

About Schwab Corporate Services

Schwab Corporate Services (SCS) provides services to retirement plans, retirement plan sponsors and participants through Schwab Retirement Plan Services, Inc. (SRPS), The Charles Schwab Trust Company (CSTC), Schwab Retirement Technologies®, and Charles Schwab & Co., Inc. SCS also provides equity compensation plan services and other financial and retirement services to corporations and executives. SRPS provides recordkeeping and related services with respect to retirement plans. CSTC, a California state-chartered trust company, provides trust and custody services with respect to benefit plans. Schwab Retirement Technologies is engaged in developing and licensing proprietary retirement plan recordkeeping systems to independent Third Party Administrators. Charles Schwab & Co., Inc. (Member SIPC) is a registered broker/dealer, offering the Schwab Personal Choice Retirement Account® (PCRA), as well as other brokerage and custody services to its customers. 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 \$131 billion at the end of December 2004. The Charles Schwab Corporation (NYSE / Nasdaq: SCH), through Charles Schwab & Co., Inc. (member SIPC), U.S. Trust Corporation (member FDIC), CyberTrader®, Inc. (member SIPC) and its other operating subsidiaries, is one of the nation's largest financial services firms.

*"At no extra cost" means that there is no cost for service outside the fees paid to SRPS and Charles Schwab & Co., Inc. (CS&Co.) for recordkeeping and related services, including trustee and custodial fees paid to The Charles Schwab Trust Company. The advice, including the managed account service, is provided by a third party, GuidedChoice, Inc., an innovator in the development and delivery of investment advice. The GuidedChoice™ service and the investment advice are formulated and provided by GuidedChoice Asset Management, Inc. (GuidedChoice). GuidedChoice is not affiliated with, nor is it an employee or agent of, CS&Co. or SRPS. The GuidedChoice service is available to participants enrolled in plans that use the recordkeeping and related services of SRPS. Availability subject to regulatory requirements. Plan sponsors must elect to make the GuidedChoice service available. Availability may be limited due to plan type and plan provisions. Participant access to the GuidedChoice service is facilitated through SRPS's affiliate, CS&Co. Neither CS&Co. nor SRPS supervises, makes recommendations with respect to, or takes responsibility for monitoring the advice provided to participants by GuidedChoice. These entities are affiliates of each other and are wholly owned subsidiaries of The Charles Schwab Corporation.

(0105-3601)

###