It's a New Day.

charles SCHWAB

2009 ANNUAL REPORT

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The last 18 months have touched everyone. People live their lives differently now. They focus more on what — and who — really matters to them. When it's time to do business, they pick companies that care about what matters to them personally, and they make those companies part of their everyday lives.

Forward-Looking Statements: In addition to historical information, this Annual Report to Stockholders contains "forward-looking statements," which are identified by words such as "believe," "anticipate," "expect," "intend," "plan," "will," "may," "estimate," "aim," "target," "could," and other similar expressions. In addition, any statements that refer to expectations, projections, or other characterizations of future events or circumstances are forward-looking statements. These forward-looking statements, which reflect management's beliefs, objectives, and expectations as of the date hereof, are necessarily estimates based on the best judgment of the company's senior management. These statements relate to, among other things, the company's ability to limit expense growth (See "Letter from the Chief Executive Officer" and "Letter from the Chief Financial Officer"), the level of interest rates and the company's ability to achieve revenue growth and pre-tax profit margins and profitably grow (See "Letter from the Chief Financial Officer"). Achievement of the expressed beliefs, objectives, and expectations described in these statements is subject to certain risks and uncertainties that could cause actual results to differ materially from the expressed beliefs, objectives, and expectations. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Annual Report to Stockholders. See "Forward-Looking Statements" in Management's Discussion and Analysis of Financial Condition and Results of Operations on page 38 in the Form 10-K for a discussion of important factors that may cause such differences.

Perhaps nowhere is this truer than in financial services. In a post-crisis world, Schwab is more relevant and more recommended than ever. That's because, through it all, we stayed true to our purpose: to help everyone be financially fit.

Debbie Lucente, an 11-year Schwab veteran, is a financial consultant in Atlanta's Buckhead Branch.

*People know where they want to go.
They just need some help finding the way.*

In a complex and busy world, few people have time to find their way alone. Finding the route that works best is what matters. Schwab is built to help everyone take the actions that lead to financial fitness. Some clients we serve directly, others through independent advisors, still others through the retirement plans and 401(k)s that their employers provide. But in every case, we help people get where they want to go.

People want advice they can trust.

Everyone needs a little help sometimes — whether it's figuring out the latest technology or a financial plan. Schwab offers help and guidance based on objective research and disciplined analysis. And we make it easily accessible — from Schwab Equity Ratings® posted on the Web to one-on-one talks with our financial consultants. No matter how our clients turn to us for help, we try to make financial guidance easy to reach, easy to understand, and worthy of trust.

(Secretly, everybody wishes they understood this stuff better.)

Americans really want to understand all their financial options, but too many lack basic knowledge. That's why Schwab wants to help everyone — not just our clients — better understand how to reach financial fitness. We try to share our knowledge with everyone, from the tools and information we post on SchwabMoneyWise.com to our work with teens through Boys & Girls Clubs of America. We want to make sure people know how to make good choices about their money.

People expect to find exactly what they're looking for.

Today's world is a world of choices. But finding the right thing is much easier in the grocery store than it is in financial services. Schwab offers a wide range of financial products — our own and many from other firms — so people can choose what's best for them. Only by providing the widest range of choices, coupled with trusted help and guidance, can we help our clients meet their individual financial needs.

When people find what works for them, they spread the word.

Everyone has a voice, and these days, it's very easy for people to make sure their voices are heard. Schwab is proud that more people than ever say they would recommend us. Like few competitors in the financial services industry, we're adding new households, new accounts, and new assets. As the market went down, our clients' opinion of us kept climbing. That says a lot.

"I started Schwab to fulfill the unmet needs of individual investors. That core idea — putting our clients' needs first — has never changed, even in times of crisis."

— Charles Schwab
Founder and Chairman

From Walt Bettinger, *President and Chief Executive Officer*

To My Fellow Stockholders:

Last year, Schwab added almost 1 million new client accounts while maintaining a healthy balance sheet and delivering significant improvements to our client services and products — a solid performance in the best of times, and an outstanding one given the economic reality of 2009.

Through Clients' Eyes

As we stuck to our strategy of focusing on our clients — on seeing our business and the services we provide from their perspective — it became clear that everything we've done in our 35-year history led us to be the firm people needed during this very tumultuous time. Through it all, Schwab remained a reliable source of financial services, a trusted provider of help and advice, and a stable firm committed to delivering great value — all when it was needed the most.

Let me put a little context around that.

A Tough Environment for Investors and Savers

Despite the market advances since March 2009, investors and savers continue to suffer. An estimated $12.6 trillion in household wealth has simply disappeared between mid-2007 and the third quarter of last year. Millions of Americans have lost their jobs, lost their homes, and lost faith in business and the economy.

In addition to a challenging investing environment, the prevailing ultra-low interest rate policies have made it difficult to earn an attractive return on savings, hitting particularly hard those who depend on their savings for income. After spending a lifetime making responsible decisions about spending and debt accumulation, many of these savers have suffered as their yields on cash investments declined to negligible levels. Understandably, some individuals began to focus less on investing and saving and more on shoring up the foundation of their financial picture — for example, paying down debt.

While these factors impacted our revenues in 2009, Schwab came through it all as a strong and solid company.

Financial Results
In 2009, clients continued to entrust their hard-earned money to Schwab, bringing in net new assets of $87.3 billion, far ahead of the pace reported by any competitor. Total client assets reached $1.42 trillion at year-end, compared to $1.14 trillion at year-end 2008.

Our asset-gathering strength led to a solid financial performance for the 12 months ending December 31, 2009.

- Net revenues of $4.2 billion
- Net income of $787 million
- Diluted earnings per share of $0.68, compared to $1.05 the prior year, and pre-tax profit margin of 30.4 percent, down from a record 39.4 percent a year ago. Both reflected the impact of the same low interest rate environment that affected our nation's savers.

To generate these results in such a challenging environment, we knew we had to be a very disciplined company. Overall, we reduced expenses by 7 percent by focusing on things we could control when so many factors — such as market valuations and interest rates — were clearly not in our control. (See Letter from the CFO, page 20.)

Pursuing Our Purpose
One of the most important things we could control was to stay the course with our purpose and our client-focused strategy. When so much was changing all around us, what is unchanging about Schwab kept us strong — and moving forward.

It all starts with our purpose: to help everyone be financially fit. That is the lens through which we view our business decisions and our actions.

To fulfill our purpose, we pursue a clear and transparent strategy. Each quarter, when I report about the state of our business, I talk about our progress against four strategic pillars: client loyalty; innovation; operating discipline; and One Schwab. These four pillars not only stake out *what* we intend to do, but they also signal the very specific behaviors that tell *how* we will carry out each pillar of our strategy:

1. Building client loyalty by being service oriented,
2. Innovating in ways that benefit consumers,
3. Operating our company in a disciplined manner, and
4. Leveraging capabilities across our company.

Helping everyone be financially fit compels us to think and act in different ways, and it's that alignment of our purpose with our day-to-day behavior that is central to our firm's success. In looking back on the major accomplishments of 2009, it's clear that our actions delivered very specific benefits for our clients and for our business.

1. Building Client Loyalty by Being Service Oriented
In 2009, Schwab helped more people than ever, serving nearly 10 million accounts across Institutional Services and Investor Services, our two operating segments.

On the institutional, or business-to-business side, we served thousands of employers and third-party 401(k) recordkeepers, representing 1.5 million retirement plan participants. We also helped more than 6,000 independent investment advisors take care of their clients' needs. These independent professionals, located around the country, typically serve as a fiduciary to their clients — a role that requires their clients' needs to come first. This "client-first" philosophy aligns perfectly with Schwab's commitment to the individual investor, and we are proud of the leading role we play in that growing part of the industry.

Last year, as more commissioned brokers decided to leave their brokerage firm and join the growing number of independent investment advisors, Schwab helped a record 172 new advisory teams as they either started or joined an independent firm. We also introduced an initiative to help independent advisors grow their business. Our "Make the Move" program saved clients of independent advisors millions of dollars in fees and, in the process, reduced the operating expenses of advisors we serve.

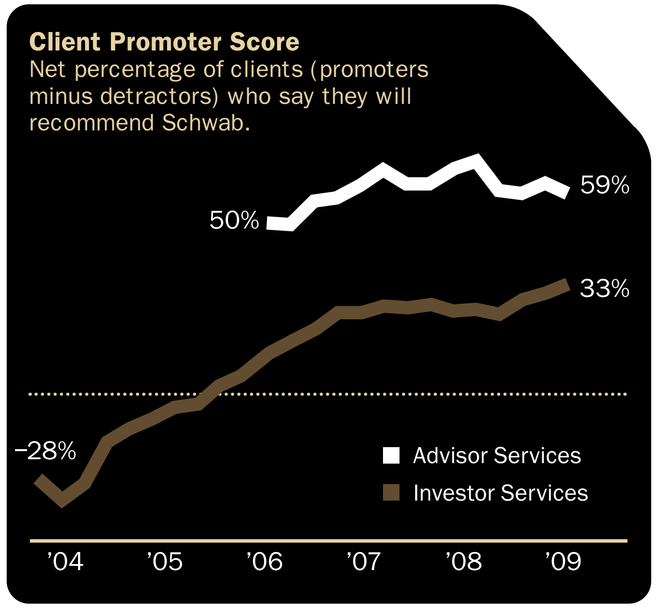
Among individual investors, we served 7.7 million client brokerage accounts and 722,000 banking accounts, which rose 62 percent with the success of our Schwab Bank High Yield Investor Checking® and the introduction of Schwab Bank High Yield Investor Savings®.

At our local Schwab branches, we conducted more than a half-million client meetings. In our automated channels, we recorded more than 250 million client log-ons to schwab.com and routed 15.4 million calls through our automated systems. In addition, Schwab employees also answered 13.7 million phone calls with an average speed-to-answer of 22 seconds.

During the most challenging days of early 2009 — when people needed someone to talk to — we didn't wait for clients to call us. We introduced an outbound calling program and proactively contacted clients to offer our best suggestions, shaped by our clients' interests. We also increased the number of branch workshops, online webinars, and other forms of client outreach.

In many branches, we assigned a dedicated professional to work with people who drop in without an appointment, making sure both clients and prospects get the help they need.

As a result of our efforts, we continued to post extraordinary client loyalty results. As profiled in a number of publications, the Schwab story of client loyalty is a true business success story. In 2009, more retail clients said they would recommend Schwab than ever before as our internal Client Promoter Score for individual investors reached record levels. Schwab also ranked "Highest in Investor Satisfaction with Self-Directed Services" by J.D. Power and Associates, and remarkably, given our history as a discount brokerage firm, we ranked third in the U.S. Full-Service Investor Satisfaction Study for traditional brokerage firms.



2. Innovating in Ways That Benefit Consumers
From day one, Schwab has been an advocate for the individual investor — from pioneering discount brokerage, to launching no-load, no-transaction-fee Mutual Fund OneSource®, to leading the way in Web-based investment and banking services.

Throughout 2009, we took a series of bold, innovative steps to help investors and savers make the most of their money.

In the spring, we introduced a high yield savings account that, in the Schwab tradition, offered a great rate on every client's first dollar — no catches or fine-print "gotchas."

Also in early 2009, we waived advisory fees for new client enrollments in managed portfolio programs, thereby giving clients the help they needed with investment advisory services even at the depth of the stock market decline. We also introduced new versions of our Web sites for individual investors, independent investment advisors, and retirement plan participants — all to very positive reviews.

Last November, we broke new ground in the fast-growing world of exchange-traded funds (ETFs). Eight new Schwab ETFs have some of the lowest operating expense ratios on the market and can be bought and sold without commissions in Schwab accounts if purchased online, regardless of the number of shares traded. These ETFs can be purchased in blocks as small as one share per trade.

When we innovate at Schwab, our focus is on delivering client benefits. And in 2010, we will continue our legacy of innovating on behalf of consumers while challenging traditional approaches to financial services where we believe that clients' interests are not optimally served. In fact, we began this year by cutting our online equity commission to $8.95 for all clients, regardless of the size of their trade — or the size of their portfolio. We also added to our suite of Schwab Managed Portfolios with new portfolios of ETFs, making it easier and more affordable for individual investors to obtain broad diversification in a single, professionally managed account with the low costs of ETFs.

3. Operating Our Company in a Disciplined Manner
In order to deliver effective products and services at a great value for all clients — especially when the environment put such tremendous pressure on revenues — we had to be disciplined and efficient in our internal operations.

Early last year, we faced very difficult choices as we worked to address this challenge. We made the painful decision to cut some jobs, but we made those decisions carefully and thoughtfully — and we simply refused to make cuts that would negatively impact client service. As a result of our operating discipline, we were in a position to deliver even greater value to clients while generating healthy financial performance for our stockholders.

In March, we lowered the expense ratio of the Schwab Hedged Equity Fund™. A month later, we enhanced our Schwab Target Funds by reducing expenses charged to investors, adjusting the asset allocation "glide path" to be more conservative as investors near retirement, and expanding the underlying funds that we invest in. Only two weeks passed before we cut fund fees again — this time for all Schwab equity index funds — to some of the lowest levels in the mutual fund industry. We also simplified share classes so that all Schwab equity index funds offer the same low fund expenses to investors regardless of how much they invest, starting with a low $100 minimum.

This is our purpose put into action. Now, anyone can open a Schwab One® brokerage account and invest just $100 in a fund like Schwab S&P 500 Index Mutual Fund*, which has a net expense ratio (after waivers) of .09 percent. In that case, investors can have access to all that Schwab has to offer for just 9 cents a year — less than a single dime.

4. Leveraging Capabilities Across Our Company

Our senior management team recognizes the power of teamwork and collaboration in driving long-term, sustainable growth. In 2009, we diligently worked across business lines and departments to align on certain core capabilities, including our people, our processes, and our technology. While each member of our Operating Council is responsible for running an individual business unit, our leaders understand that our mindset and our decisions must be made in the best interest of the entire Schwab organization.

For example, in 2009 we continued to reinforce sustainable, company-wide management bench strength. Over the past several years, executives have been thoughtfully rotated throughout different parts of the business, building knowledge, awareness, and skills they will need to lead Schwab for decades to come.

But the true power of a "One Schwab" philosophy is the ability to learn something once and apply it multiple times across internal organizational lines. From a technology standpoint, we leveraged what we learned from the redesign of schwab.com to benefit other client Web sites across the firm. We applied our Web expertise to our new site for 401(k) participants, which quickly became the top-rated participant site in the industry.

Leading Into the Future

As I continue in my second year as President and Chief Executive Officer of Charles Schwab, I have been thinking quite a bit about leadership — about what's expected of my leadership of this firm, and what's expected of Schwab's leadership within our industry.

It is my deeply held belief that leadership is not a position you declare, but a right that you earn as others choose to follow. At Schwab, our entire leadership team is driven by the desire to serve and benefit others. As a result, we are both pleased and humbled at the number of people who've chosen our firm to serve their financial needs.

Our faith in the individual investor has been rewarded with their trust in Schwab. Since 1993, Schwab has posted positive net new assets and new brokerage accounts for each and every quarter. That's a track record we're proud of, and one we intend to keep going.

As we look toward 2010 and beyond, we will continue to focus on what is unchanging about Schwab — our purpose, our strategy, and our day-to-day behaviors.

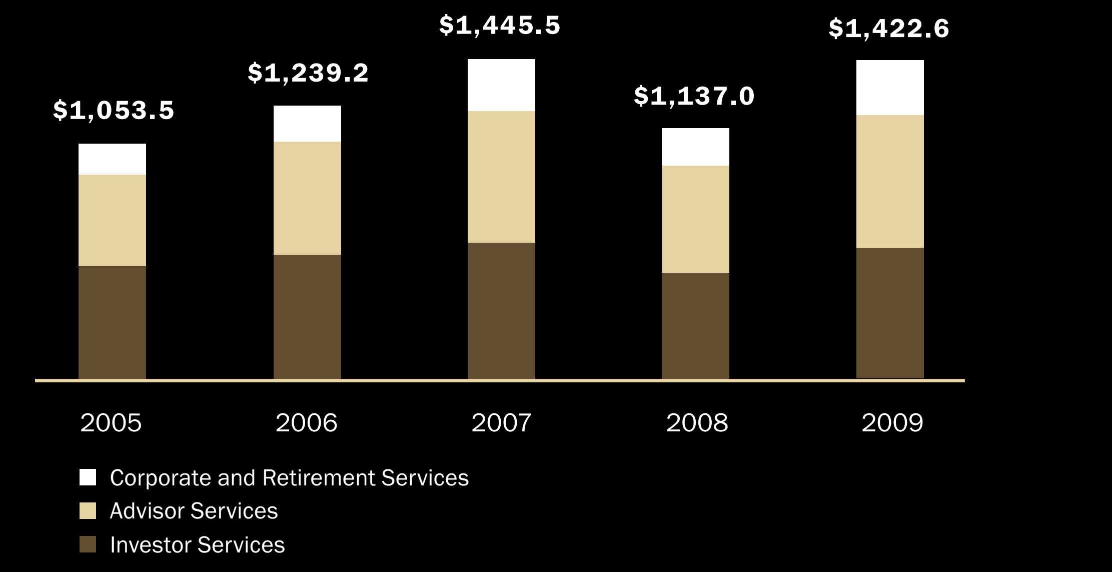
- We will continue to focus on the needs of both individual and institutional clients, delivering superior service and a great value.
- We will be innovative on behalf of consumers, introducing targeted new products and services and finding new ways to be a "game-changer" in a financial services industry where many competitors would prefer the status quo.
- We will be disciplined in the way we operate and manage our capital so that we have resources to reinvest in an ever-improving client experience and the continued growth of our business.
- We will manage the company from a holistic perspective, putting our investments and scale to work on behalf of the widest range of clients — even as we work together to build financial literacy for others who may not be our clients. As a result, we will continue to share our expertise through our Schwab MoneyWise® program as well as our work with nonprofit organizations like SingleStop and Boys & Girls Clubs of America.

At Schwab, our advocacy for investors and savers isn't just words on paper — it is the way we do business every day. You can be assured that we will continue to walk the talk, because when we lead the way to financial fitness, we want ever more people to follow. After all, our success is built one client at a time — as we see the world through clients' eyes.

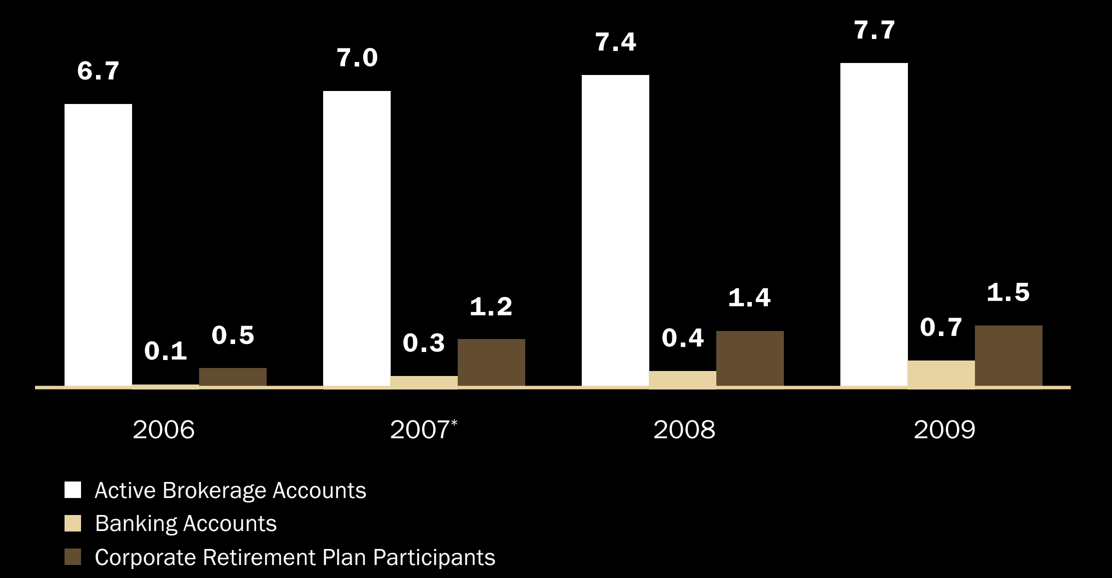
Walt Bettinger
March 10, 2010

* "S&P 500®" is a trademark of the McGraw-Hill Companies, Inc. and has been licensed for use by the Schwab S&P 500 Index Fund.

Total Client Assets
(in billions at year end)



Client Accounts
(in millions)



* 2007 includes increases of 398,000 related to the acquisition of The 401(k) Company and 100,000 related to Schwab Personal Choice Retirement Account® participants at Schwab.

From Joe Martinetto, *Chief Financial Officer*

Keeping Our Commitments in a Tough Environment

There's no question that the big driver of our story for 2009 was the macro economic environment and its pervasive effects on our business. Let's acknowledge last year's apparent paradox right up front — in many ways, 2009 "felt" better than 2008, yet it ended up being much tougher on our financial performance. In my comments to you this year, I'd like to start by describing the forces that caused such a situation so that I can review our 2009 results in proper context, and then I'll move on to discuss our financial picture as we enter 2010.

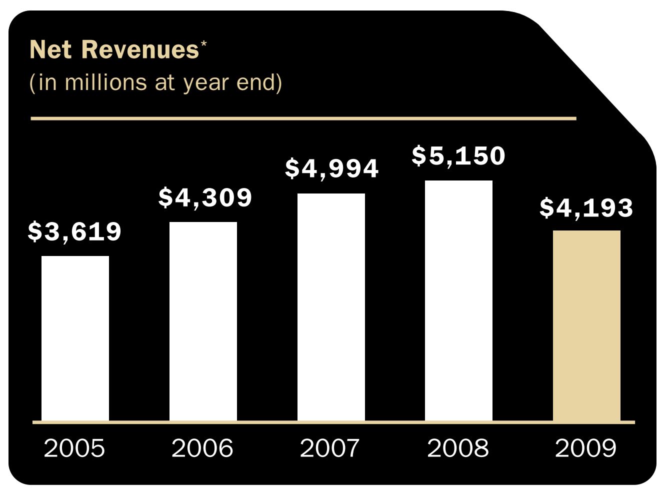
With the economy showing signs of improvement and the equity markets rebounding from their March 2009 lows, our clients saw the market value of their assets at Schwab rise by more than $260 billion in the last nine months of the year. In addition, as Walt mentioned, the strength of engagement measures such as phone calls, branch and Web site visits, and trading activity provided clear signs that investors continued to seek Schwab's help in finding the right way forward in the midst of a shifting environment. Tough as that environment was, our net new assets were down from 2008 levels, but as Walt also mentioned, at $87.3 billion they were still far ahead of the pace reported by any other firm.

Coupling strong engagement with ongoing success in building our client base and attracting new assets helped drive substantial expansion of the company's earnings power in several ways. For example, the dollar value of client assets held at Schwab in fee-generating mutual funds — including proprietary, Mutual Fund OneSource®, and Clearing balances — rose by $61.2 billion, or 15 percent, during 2009, even after a $38.5 billion decline in money fund positions. In addition, balances in ongoing advised relationships rose to $62 billion by year-end 2009, a 49 percent increase over 2008. And the company's average balance of interest-earning assets, which are primarily funded by client cash inflows, rose by $14.8 billion, or 34 percent, between 2008 and 2009, reaching $58.6 billion last year.

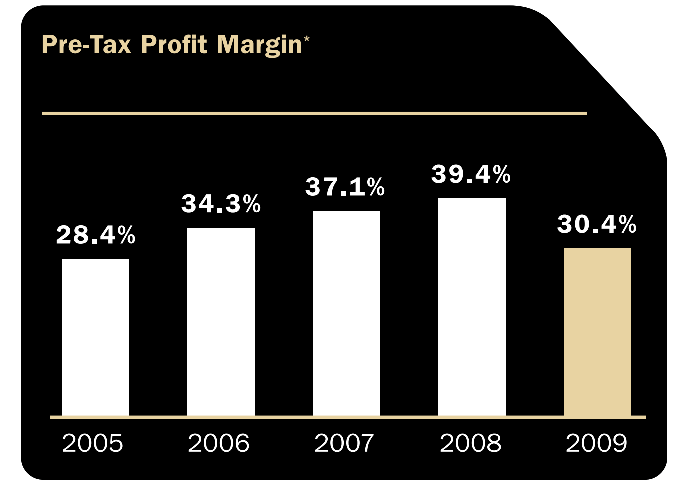
That all certainly sounds like good news, and it is — Schwab's growth is the envy of the industry. During 2009, however, the revenue generated by client assets was severely constrained by continued declines in short-term interest rates. How, one might reasonably ask, could rates keep falling even after the Fed Funds target was set at essentially zero at the end of 2008? In short, the Federal Reserve has been so successful at pumping liquidity into our financial system to support the economic recovery that borrowing rates have dropped to negligible levels even for terms of six months to a year.

Since our money funds by law must invest in relatively short-term assets, yields on a number of them dropped so low in 2009 that we were forced to waive more than $220 million of our management fees in order to pay even a nominal 1 basis point return to clients. These waivers outweighed the growth in fee-generating assets and resulted in a 20 percent year-over-year drop in asset management and administration fees.

Furthermore, we keep a large portion of our interest-earning assets in shorter term securities to help ensure we're always ready to accommodate client cash needs. As the yield on those assets continued to decline during 2009 and we literally ran out of room to lower the rate paid on client cash, the resulting drop in our net interest margin overwhelmed the effect of balance sheet growth, and our net interest revenue declined by 28 percent. Finally, while client trading activity remained healthy in 2009, trading revenue declined by 8 percent as the market volatility and record-setting volumes of late 2008 eventually eased.



All in all, revenues declined 19 percent in 2009. That's basically what we expected in a flat Fed Funds environment, although we got there in a different way than we'd projected at the start of the year, with higher-than-expected balance sheet growth offsetting our lower-than-expected net interest margin. Knowing our revenues were likely to remain under pressure, we came into the year with a plan to reduce expenses by at least 7 percent, and we delivered on that commitment. A major part of that effort was a complex realignment of staffing and office space utilization across the country, which culminated in a 7 percent reduction in headcount, a 29 percent reduction of our square footage in relatively high-cost San Francisco, and the more efficient allocation of staff across other operating hubs in Phoenix, Denver, and Austin. That expense discipline, in turn, enabled us to deliver a pre-tax profit margin of 30.4 percent and a 17 percent return on equity for 2009; not records for us, certainly, but solid results and right in line with our expectations given the environment.



I'd like to say the hard work is done and all we have to do in 2010 is sit back and watch the client assets roll in and the revenue dollars pile up. Actually, we do believe that our revenue story is finally poised for improvement now that the economy seems to be solidly on a recovery track and interest rates can't do much more harm. Even if the Fed Funds target is not raised from year-end 2009 levels, we currently believe that the sequential improvement in net interest revenue we achieved in the fourth quarter of 2009 will spread to our other major sources of revenue during the first half of this year, and that the company will achieve year-over-year revenue growth of at least 1 percent in 2010. To the extent the Fed Funds target is adjusted upward starting in the middle of the year and ends 2010 at 1 percent, we'd expect revenue growth to reach approximately 15 percent.

With revenues likely on the mend, the hard part is expense discipline. I've said this before and it bears repeating: Schwab is a growth company, managed by folks who come to work every day thinking about how to do a better job for clients, how to offer them better products, better service, and better value. We love our competitive strength, the world-class, seemingly inexorable asset gathering, but we're always coming up with more ideas about how to enhance that momentum than we can effectively pursue with the managerial bandwidth and resources at hand. So, our ability to apply judgment — to prioritize our reinvestment in the company and work on the things that matter most to our clients — remains critical.

In 2010, we see an opportunity to push harder on projects that will benefit clients, as well as the need to spend a little more to accommodate the strong growth we've continued to achieve even as the financial and economic crisis of the last few years has played out. We therefore expect expenses to rise by at least 4 percent between 2009 and 2010. We also expect, however, that any upside to that increase will be linked to the higher level of revenue growth projected when interest rates begin to rise. If that happens, we'd expect to increase employee bonuses as appropriate while keeping other expenses at their planned levels. By staying disciplined, we believe we can continue to successfully balance investment for long-term growth with near-term profitability in 2010, which we'd translate into pre-tax profit margins of at least 25 percent and 35 percent, respectively, in our flat-rate and 1 percent Fed Funds rate scenarios.

We continue to focus on growth, knowing that the full earnings power associated with that growth will become clear as interest rates inevitably move toward more sustainable levels. We also continue to focus on the conservative financial management that our clients, stockholders, and employees expect from Schwab. I come to work every day knowing it's my job to ensure the company is ready to support the growth that my colleagues are so busily generating, and to do so as a stable, enduring institution. We appreciate your ongoing support as we aim for sustained, profitable growth in 2010 and beyond.

Joe Martinetto
March 10, 2010

*Amounts are presented on a continuing operations basis to exclude the impact of the sale of U.S. Trust Corporation, which was completed on July 1, 2007.

(In Millions, Except Per Share Amounts and as Noted)	GROWTH RATE 1-YEAR 2008-09	2009	2008	2007
Net revenues	**(19%)**	**$ 4,193**	$ 5,150	$ 4,994
Expenses excluding interest	**(7%)**	**$ 2,917**	$ 3,122	$ 3,141
Net income	**(35%)**	**$ 787**	$ 1,212	$ 2,407
Income from continuing operations per share — basic	**(36%)**	**$ .68**	$ 1.07	$ .93
Income from continuing operations per share — diluted	**(36%)**	**$ .68**	$ 1.06	$ .92
Basic earnings per share	**(36%)**	**$ .68**	$ 1.06	$ 1.98
Diluted earnings per share	**(35%)**	**$ .68**	$ 1.05	$ 1.96
Dividends declared per common share	**9%**	**$ .24**	$ .22	$ .20
Special dividend declared per common share	**–**	**$ –**	$ –	$ 1.00
Weighted-average common shares outstanding — diluted	**–**	**1,160**	1,157	1,222
Closing market price per share (at year end)	**16%**	**$ 18.82**	$ 16.17	$ 25.55
Book value per common share (at year end)	**25%**	**$ 4.37**	$ 3.51	$ 3.22
Net revenue (decline) growth		**(19%)**	3%	16%
Pre-tax profit margin from continuing operations		**30.4%**	39.4%	37.1%
Return on stockholders' equity		**17%**	31%	55%
Full-time equivalent employees (at year end, in thousands)	**(7%)**	**12.4**	13.4	13.3
Net revenues per average full-time equivalent employee (in thousands)	**(12%)**	**$ 338**	$ 383	$ 387

GROWTH IN CLIENT ASSETS AND ACCOUNTS

(In Billions, at Year End, Except as Noted)	GROWTH RATES COMPOUNDED 4-YEAR 2005-09	GROWTH RATES ANNUAL 1-YEAR 2008-09	2009	2008	2007	2006	2005
Assets in client accounts							
Schwab One®, other cash equivalents and deposits from banking clients	**20%**	**47%**	**$ 65.1**	$ 44.4	$ 35.9	$ 31.0	$ 31.3
Proprietary funds (Schwab Funds®, and Laudus Funds®):							
Money market funds	**12%**	**(18%)**	**171.2**	209.7	183.1	135.0	110.6
Equity and bond funds	**1%**	**23%**	**41.6**	33.9	58.7	56.2	39.2
Total proprietary funds	**9%**	**(13%)**	**212.8**	243.6	241.8	191.2	149.8
Mutual Fund Marketplace® (1):							
Mutual Fund OneSource® (2)	**6%**	**58%**	**175.0**	110.6	180.9	163.2	137.8
Mutual fund clearing services	**8%**	**51%**	**81.8**	54.2	81.8	62.1	60.2
Other third-party mutual funds (2)	**14%**	**44%**	**243.8**	169.1	225.7	173.1	142.7
Total Mutual Fund Marketplace	**10%**	**50%**	**500.6**	333.9	488.4	398.4	340.7
Total mutual fund assets	**10%**	**24%**	**713.4**	577.5	730.2	589.6	490.5
Equity and other securities (1)	**4%**	**36%**	**485.0**	357.2	545.2	487.0	422.4
Fixed income securities	**9%**	**2%**	**167.0**	164.1	145.8	142.0	119.7
Margin loans outstanding	**(7%)**	**27%**	**(7.9)**	(6.2)	(11.6)	(10.4)	(10.4)
Total client assets	**8%**	**25%**	**$1,422.6**	$1,137.0	$1,445.5	$1,239.2	$1,053.5
Client assets by business							
Investor Services	**4%**	**21%**	**$ 583.2**	$ 482.6	$ 625.3	$ 567.5	$ 507.8
Advisor Services	**10%**	**24%**	**590.4**	477.2	583.5	502.5	407.0
Corporate & Retirement Services	**16%**	**41%**	**249.0**	177.2	236.7	169.2	138.7
Total client assets by business	**8%**	**25%**	**$1,422.6**	$1,137.0	$1,445.5	$1,239.2	$1,053.5
Net growth in assets in client accounts (for the year ended)							
Net new assets							
Investor Services	**(2%)**	**(56%)**	**$ 15.3**	$ 35.1	$ 38.6	$ 26.7	$ 16.3
Advisor Services	**–**	**(31%)**	**41.3**	60.2	65.6	51.4	42.1
Corporate & Retirement Services	**10%**	**70%**	**30.7**	18.1	56.0	5.2	21.2
Total net new assets (3,4)	**2%**	**(23%)**	**$ 87.3**	$ 113.4	$ 160.2	$ 83.3	$ 79.6
Net market gains (losses) (4)			**198.3**	(421.9)	46.1	102.4	31.9
Net growth (decline)			**$ 285.6**	$ (308.5)	$ 206.3	$ 185.7	$ 111.5
New brokerage accounts (in thousands, for the year ended)	**8%**	**(11%)**	**787**	889	809	655	568
Clients (in thousands) (5)							
Active brokerage accounts	**2%**	**4%**	**7,701**	7,401	7,049	6,737	7,049
Banking accounts	**N/A**	**62%**	**722**	447	262	147	N/A
Corporate retirement plan participants (6)	**N/A**	**4%**	**1,465**	1,407	1,205	542	N/A

Note: All amounts are presented on a continuing operations basis to exclude the impact of the sale of U.S. Trust Corporation, which was completed on July 1, 2007.

(1) Excludes all proprietary money market, equity, and bond funds.
(2) Certain client assets at December 31, 2009, have been reclassified from Mutual Fund OneSource® to other third-party mutual funds.
(3) Includes inflows of $17.8 billion in 2007 related to the acquisition of The 401(k) Company. Includes inflows of $3.3 billion and $3.6 billion in 2007 and 2006, respectively, related to a mutual fund clearing services client. Includes an outflow of $19.5 billion in 2006 related to a mutual fund clearing services client who completed the transfer of these assets to an internal platform. Effective 2007, amount includes balances covered by 401(k) record keeping-only services, which totaled $5.2 billion at May 31, 2007, related to the March 2007 acquisition of The 401(k) Company.
(4) Effective 2007, amounts include the Company's mutual fund clearing services business' daily net settlements, with a corresponding change in net market gains (losses). All prior period amounts have been recast to reflect this change.
(5) Periodically, the Company reviews its active account base. The Company identified over 400,000 brokerage accounts that met its current definition of active, but had little or no balances and no likelihood of further activity. Effective March 31, 2006, the Company removed these accounts from its active brokerage account total. Amounts for periods prior to 2006 were not adjusted. While the Company adjusted its definition of an active brokerage account to exclude certain zero and minimal balance accounts, the basic definition remains "accounts with balances or activity within the preceding 8 months."
(6) 2007 includes increases of 398,000 related to the acquisition of The 401(k) Company and 100,000 related to Schwab Personal Choice Retirement Account® participants at Schwab.

Charles R. Schwab
Chairman of the Board

Walter W. Bettinger II
President and Chief Executive Officer

Jay L. Allen
Executive Vice President, Human Resources and Employee Services

Benjamin L. Brigeman
Executive Vice President, Investor Services

John S. Clendening
Executive Vice President, Shared Strategic Services

Carrie E. Dwyer
Executive Vice President, General Counsel and Corporate Secretary

Jan Hier-King
Executive Vice President, Shared Support Services

Lisa Kidd Hunt
Executive Vice President, Investor Development

Joseph R. Martinetto
Executive Vice President and Chief Financial Officer

James D. McCool
Executive Vice President, Institutional Services

Randall W. Merk
Executive Vice President, Investment Management Services

Rebecca Saeger
Executive Vice President and Chief Marketing Officer

Paul V. Woolway
Executive Vice President and President, Charles Schwab Bank

Client Service Specialist Renna Swayne

Charles R. Schwab
Chairman of the Board,
The Charles Schwab Corporation
Age: 72. Director since 1986;
term expires in 2011.

William F. Aldinger III
Former Chairman, President, and Chief Executive Officer, Capmark Financial Group Inc., a financial services company
Age: 62. Director since 2005;
term expires this year.
Member of the Audit Committee; Nominating and Corporate Governance Committee.

Nancy H. Bechtle
Former President and Chief Executive Officer, San Francisco Symphony
Age: 72. Director since 1992;
term expires in 2012.
Member of the Compensation Committee; Nominating and Corporate Governance Committee.

Walter W. Bettinger II
President and Chief Executive Officer, The Charles Schwab Corporation
Age: 49. Director since 2008;
term expires in 2012.

C. Preston Butcher
Chairman and Chief Executive Officer, Legacy Partners, a real estate development and management firm
Age: 71. Director since 1988;
term expires in 2012.
Member of the Audit Committee; Nominating and Corporate Governance Committee.

Frank C. Herringer
Chairman of the Board of Transamerica Corporation, a financial services company
Age: 67. Director since 1996;
term expires in 2011.
Chairman of the Nominating and Corporate Governance Committee; member of the Compensation Committee.

Stephen T. McLin
Chairman and Chief Executive Officer, STM Holdings LLC, which offers merger and acquisition advice
Age: 63. Director since 1988;
term expires in 2011.
Chairman of the Audit Committee; member of the Nominating and Corporate Governance Committee.

Arun Sarin
Former Chief Executive Officer, Vodafone Group Plc, a mobile telecommunications company
Age: 55. Director since 2009;
term expires this year.
Member of the Audit Committee; Nominating and Corporate Governance Committee.

Paula A. Sneed
Chairman and Chief Executive Officer, Phelps Prescott Group, LLC, a strategy and management consulting firm
Age: 62. Director since 2002;
term expires this year.
Member of the Compensation Committee; Nominating and Corporate Governance Committee.

Roger O. Walther
Chairman and Chief Executive Officer, Tusker Corporation, a real estate and business management company
Age: 74. Director since 1989;
term expires in 2011.
Chairman of the Compensation Committee; member of the Nominating and Corporate Governance Committee.

Robert N. Wilson
Chairman, Still River Systems, a medical device company
Age: 69. Director since 2003;
term expires in 2011.
Member of the Compensation Committee; Nominating and Corporate Governance Committee.

In Memoriam for Don Fisher

"The Charles Schwab Corporation, our employees, and clients lost a longtime supporter, trusted advisor, and great friend last September. Don Fisher played a key role in the transformative growth of our company, where his insights, strategic counsel, optimism, and entrepreneurial spirit were invaluable during his 21 years of service to Schwab. Don had an extraordinarily generous spirit and commitment to others that was exemplified here in the San Francisco community through his philanthropy, community service, and support for the arts and education. We will all miss him deeply."

Charles R. Schwab, Chairman of the Board
Walter W. Bettinger II, President and Chief Executive Officer

The Charles Schwab Corporation

211 Main Street
San Francisco, CA 94105
(415) 667-7000
www.aboutschwab.com

The Charles Schwab Corporation is a leading provider of financial services, with more than 300 offices and 7.7 million brokerage accounts, 1.5 million corporate retirement plan participants, 722,000 banking accounts, and $1.42 trillion in client assets. Through its operating subsidiaries, the company provides a full range of securities brokerage, banking, money management, and financial advisory services to individual investors and institutions. Our ticker symbol is SCHW and our common stock is listed on the New York Stock Exchange, effective March 5, 2010.

CEO and CFO Certifications

The Charles Schwab Corporation has included as exhibits to its Annual Report on Form 10-K for the year ended December 31, 2009, filed with the Securities and Exchange Commission, certificates of its Chief Executive Officer and Chief Financial Officer certifying the quality of the company's public disclosure.

Publications

To obtain the company's annual report, 10-K, 10-Q, quarterly earnings report, or other publications without charge, contact:
Charles Schwab Investor Relations
211 Main Street
San Francisco, CA 94105
(415) 667-1959
These documents may also be viewed in the Investor Relations section of the company's Web site at www.aboutschwab.com.

Trademarks or Registered Trademarks

Stockholder Information

Annual Meeting

The annual meeting of stockholders will be held at 2 p.m. (Pacific Time) on Thursday, May 13, 2010, at 211 Main Street, San Francisco, CA, and via the Internet. To register, visit: www.schwabevents.com/corporation

Stock Ownership Services

All stockholders of record are welcome to participate in The Charles Schwab Corporation Dividend Reinvestment and Stock Purchase Plan, managed by Wells Fargo Bank, N.A. For information on the Dividend Reinvestment and Stock Purchase Plan, or for assistance on stock ownership questions, contact:
Transfer Agent & Registrar
Wells Fargo Bank, N.A.
Shareowner Services
P.O. Box 64854
St. Paul, MN 55164
(800) 468-9716
www.wellsfargo.com/shareownerservices

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(415) 783-4000
www.deloitte.com

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San Francisco, CA 94111-4024
(415) 434-1600
www.howardrice.com

Schwab Contacts

Customer Service

Investor Services: (800) 435-4000, www.schwab.com
Advisor Services: (877) 456-0777, www.schwabadvisorcenter.com/public
Corporate and Retirement Services: (877) 456-0777, www.scrs.schwab.com

The Charles Schwab Corporation

Office of the Corporate Secretary
(415) 667-9807

Charles Schwab Foundation

Carrie Schwab-Pomerantz, President, Charles Schwab Foundation
(877) 408-5438

Investor Relations

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E-mail: investor.relations@schwab.com

Legislative and Regulatory Affairs

Jeffrey T. Brown, Senior Vice President, Legislative and Regulatory Affairs
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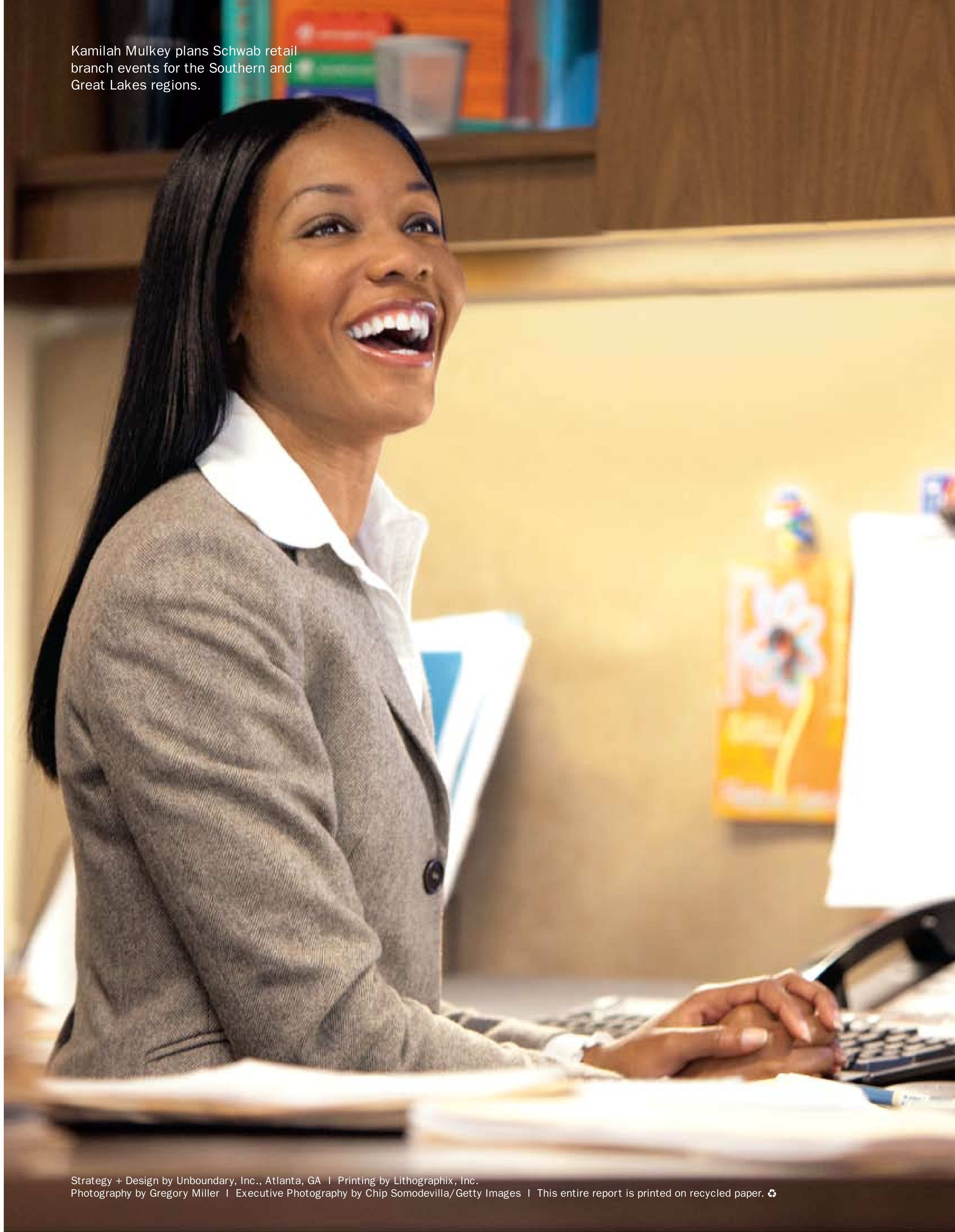
Washington, DC 20004
(202) 662-4902

Public Relations

Greg Gable, Senior Vice President, Corporate Public Relations
Media Hotline: (888) 767-5432
E-mail: public.relations@schwab.com



Kamilah Mulkey plans Schwab retail branch events for the Southern and Great Lakes regions.

Strategy + Design by Unboundary, Inc., Atlanta, GA | Printing by Lithographix, Inc.
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