

GROWTH IN CLIENT ASSETS AND ACCOUNTS

(In Billions, at Year End, Except as Noted)	GROWTH RATES		2006	2005	2004	2003	2002
	COMPOUNDED 4-YEAR	ANNUAL 1-YEAR					
Assets in Client Accounts							
Schwab One [®] , other cash equivalents and deposits from banking clients	4%	(1%)	\$ 31.0	\$ 31.3	\$ 31.7	\$ 28.5	\$ 26.1
Proprietary funds (Schwab Funds [®] , Excelsior [®] , and Laudus Funds [™]):							
Money market funds	2%	22%	135.0	110.6	107.0	113.8	123.0
Equity and bond funds	27%	43%	56.2	39.2	33.0	26.5	21.8
Total proprietary funds	7%	28%	191.2	149.8	140.0	140.3	144.8
Mutual Fund Marketplace ^{® (1)} :							
Mutual Fund OneSource [®]	22%	18%	163.2	137.8	129.7	102.8	74.3
Mutual fund clearing services	31%	3%	62.1	60.2	44.2	33.5	21.2
Other third-party mutual funds	25%	21%	173.1	142.7	114.4	98.2	71.7
Total Mutual Fund Marketplace	24%	17%	398.4	340.7	288.3	234.5	167.2
Total mutual fund assets	17%	20%	589.6	490.5	428.3	374.8	312.0
Equity and other securities ⁽¹⁾	20%	15%	487.0	422.4	387.3	326.8	235.6
Fixed income securities	12%	19%	142.0	119.7	104.5	109.1	90.4
Margin loans outstanding	12%	-	(10.4)	(10.4)	(9.8)	(8.5)	(6.6)
Total client assets	17%	18%	\$1,239.2	\$1,053.5	\$ 942.0	\$ 830.7	\$ 657.5
Client assets by business							
Schwab Investor Services	13%	15%	\$ 670.9	\$ 583.6	\$ 547.7	\$ 509.5	\$ 411.6
Schwab Institutional	23%	23%	502.5	407.0	348.2	287.1	222.4
Mutual fund clearing services and other	29%	5%	65.8	62.9	46.1	34.1	23.5
Total client assets by business	17%	18%	\$1,239.2	\$1,053.5	\$ 942.0	\$ 830.7	\$ 657.5
Net Growth in Assets in Client Accounts							
(for the year ended)							
Net new client assets ⁽²⁾	12%	4%	\$ 72.2	\$ 69.5	\$ 48.8	\$ 38.3	\$ 46.4
Net market gains (losses)			113.5	42.0	62.5	134.9	(111.7)
Net growth (decline)			\$ 185.7	\$ 111.5	\$ 111.3	\$ 173.2	\$ (65.3)
New Brokerage Accounts							
(in thousands, for the year ended)	(4%)	15%	655	568	538	585	764
Active Client Accounts							
(in thousands) ⁽³⁾							
Brokerage	(4%)	(4%)	6,737	7,049	7,252	7,480	7,937
Banking	N/A	N/A	147	N/A	N/A	N/A	N/A
Corporate Retirement Plan Participants	N/A	N/A	542	N/A	N/A	N/A	N/A

Note: All amounts have been adjusted to exclude U.S. Trust Corporation in light of its pending sale.

(1) Excludes all proprietary money market, equity, and bond funds.

(2) 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. Includes an individual inflow and outflow of \$3.6 billion and \$6.0 billion in 2006 and 2004, respectively, related to two mutual clearing services clients.

(3) 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 eight months." In addition, to present a more comprehensive view of its client relationships, the Company added disclosures for its banking accounts (i.e., deposits, credit cards, HELOCs, mortgages, other loans) and Corporate Retirement Plan Participants. Amounts for periods prior to 2006 are not available. Also, reflects the removal of 192,000 accounts in 2003 related to the Company's withdrawal from the Employee Stock Purchase Plan business and the transfer of these accounts to other providers.