

SCHWAB CHARLES CORP
Form FWP
October 25, 2017

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Dated October 25, 2017

Registration Statement: No. 333-200939

THE CHARLES SCHWAB CORPORATION

500,000 DEPOSITARY SHARES,

EACH REPRESENTING A 1/100th INTEREST IN A SHARE OF 5.00% FIXED-TO-FLOATING RATE

NON-CUMULATIVE PERPETUAL PREFERRED STOCK, SERIES F

(liquidation preference \$100,000 per share (equivalent to \$1,000 per depositary share))

SUMMARY OF TERMS

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| Issuer: | The Charles Schwab Corporation |
| Security Offered: | Depositary Shares, Each Representing a 1/100 th Interest in a Share of 5.00% Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series F (the Series F Preferred Stock) |
| Expected Ratings¹: | Baa2 (Moody s) / BBB (S&P) / BB+ (Fitch) |
| Size: | \$500,000,000 (500,000 depositary shares) |
| Over-allotment Option: | None |
| Liquidation Preference: | \$100,000 per share of Series F Preferred Stock (equivalent to \$1,000 per depositary share) |
| Dividend Rate (Non-Cumulative): | From October 31, 2017 to, but excluding, December 1, 2027, 5.00%, and from and including December 1, 2027, three-month LIBOR plus a spread of 2.575% |
| Dividend Payment Dates: | Beginning June 1, 2018, each June 1 and December 1 until December 1, 2027, and thereafter March 1, June 1, September 1 and December 1 of each year |
| Day Count: | From October 31, 2017 to, but excluding, December 1, 2027, 30/360, and from and including December 1, 2027, Actual/360 |
| Term: | Perpetual |

Optional Redemption:

In whole or in part, from time to time, on any dividend payment date on or after December 1, 2027, or in whole but not in part, at any time within 90 days following a regulatory capital treatment event (as defined in the preliminary prospectus supplement dated October 25, 2017)

Trade Date:

October 25, 2017

¹ Note: A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time.

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| Settlement Date: | October 31, 2017 (T+4) |
| Public Offering Price: | \$1,000 per depositary share |
| Underwriting Discounts and Commissions: | \$12.50 per depositary share |
| Estimated Net Proceeds to Issuer, After Deducting Underwriting Discounts and Commissions and Offering Expenses: | \$492 million |
| CUSIP/ISIN for Depositary Shares: | 808513 AR6 / US808513AR62 |
| Joint Book-Running Managers: | <p>Citigroup Global Markets Inc.</p> <p>Credit Suisse Securities (USA) LLC</p> <p>Goldman Sachs & Co. LLC</p> <p>J.P. Morgan Securities LLC</p> <p>Merrill Lynch, Pierce, Fenner & Smith</p> <p>Incorporated</p> <p>Wells Fargo Securities, LLC</p> |
| Co-Managers: | <p>Morgan Stanley & Co. LLC</p> <p>U.S. Bancorp Investments, Inc.</p> |

CAPITALIZATION AS ADJUSTED

The following table sets forth the Issuer's consolidated cash and cash equivalents and capitalization at June 30, 2017, as adjusted for the offering of 500,000 depositary shares.

| (In millions) | As adjusted for the Offering |
|----------------------------|---------------------------------|
| Cash and cash equivalents | \$ 10,067 |
| Preferred stock | \$ 3,275 |
| Total stockholders' equity | \$ 17,981 |
| Total capitalization | \$ 21,499 |

The Issuer has filed a registration statement (including a preliminary prospectus supplement and accompanying prospectus) with the U.S. Securities and Exchange Commission (the SEC) for the offering to which this communication relates. Before you invest, you should read the preliminary prospectus supplement and accompanying prospectus and other documents the Issuer has filed with the SEC for more complete information about the Issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the Issuer, any underwriter or any dealer participating in the offering will arrange to send you the preliminary prospectus supplement and accompanying prospectus if you request it by calling Citigroup Global Markets Inc. toll-free at 1-800-831-9146, Credit Suisse Securities (USA) LLC toll-free at 1-800-221-1037, Goldman Sachs & Co. LLC collect at 212-902-1171, J.P. Morgan Securities LLC collect at 212-834-4533,

Merrill Lynch, Pierce, Fenner & Smith Incorporated toll-free at 1-800-294-1322 or Wells Fargo Securities, LLC toll-free at 1-800-645-3751.

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