

SCHWAB CHARLES CORP
Form FWP
October 30, 2018

Filed Pursuant to Rule 433

Dated October 29, 2018

Registration Statement: No. 333-222063

The Charles Schwab Corporation

\$500,000,000 3.550% SENIOR NOTES DUE 2024

\$600,000,000 4.000% SENIOR NOTES DUE 2029

SUMMARY OF TERMS

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|--|--|--|
| Issuer: | The Charles Schwab Corporation (CSC), a Delaware corporation | |
| Expected Ratings: (Moody's / S&P / Fitch)* | A2 / Positive, A / Stable, A / Stable | |
| Security Type: | Senior Unsecured Notes | |
| Pricing Date: | October 29, 2018 | |
| Settlement Date (T+2): | October 31, 2018 | |
| | <u>3.550% Senior Notes due 2024 (the 2024 Notes)</u> | <u>4.000% Senior Notes due 2029 (the 2029 Notes)</u> |
| Principal Amount: | \$500,000,000 | \$600,000,000 |
| Maturity Date: | February 1, 2024 | February 1, 2029 |
| Interest Payment Dates: | February 1 and August 1, commencing on February 1, 2019 | February 1 and August 1, commencing on February 1, 2019 |
| Interest Record Dates: | January 15 and July 15 | January 15 and July 15 |
| Day Count: | 30/360 | 30/360 |
| Benchmark Treasury: | 2.875% due October 31, 2023 | 2.875% due August 15, 2028 |
| Benchmark Treasury Price / Yield: | 99-26 ³ / ₄ / 2.910% | 98-09 / 3.079% |
| Spread to Benchmark Treasury: | +67 bps | +97 bps |
| Yield to Maturity: | 3.580% | 4.049% |
| Coupon: | 3.550% | 4.000% |
| Public Offering Price: | 99.861% | 99.597% |
| Gross Proceeds to CSC: | \$499,305,000 | \$597,582,000 |

| | | |
|--|---|--|
| Underwriting Discounts per note paid by CSC: | 0.600% | 0.650% |
| Aggregate Underwriting Discounts paid by CSC: | \$3,000,000 | \$3,900,000 |
| Net Proceeds to CSC (after underwriting discounts , but before deducting offering expenses): | \$496,305,000 | \$593,682,000 |
| Optional Redemption: | On or after May 1, 2019 and prior to January 1, 2024, CSC may redeem some or all of the 2024 Notes at any time at a redemption price equal to the greater of (i) 100% of the principal amount of the 2024 Notes to be redeemed or (ii) the sum of the present values of the remaining scheduled payments of interest and principal thereon (exclusive of interest accrued and unpaid to, but not including, the redemption date) discounted to the redemption date on a semiannual basis at the Treasury Rate plus 10 basis points, plus, in either case, accrued and unpaid interest to, but not including, the redemption date. | On or after May 1, 2019 and prior to November 1, 2028, CSC may redeem some or all of the 2029 Notes at any time at a redemption price equal to the greater of (i) 100% of the principal amount of the 2029 Notes to be redeemed or (ii) the sum of the present values of the remaining scheduled payments of interest and principal thereon (exclusive of interest accrued and unpaid to, but not including, the redemption date) discounted to the redemption date on a semiannual basis at the Treasury Rate plus 15 basis points, plus, in either case, accrued and unpaid interest to, but not including, the redemption date. |
| Make-Whole Call: | | |
| Par-Call: | On or after January 1, 2024, CSC may redeem some or all of the 2024 Notes at any time at a redemption price equal to 100% of the principal amount of the 2024 Notes to be redeemed plus accrued and unpaid interest to, but not including, the redemption date. | On or after November 1, 2028, CSC may redeem some or all of the 2029 Notes at any time at a redemption price equal to 100% of the principal amount of the 2029 Notes to be redeemed plus accrued and unpaid interest to, but not including, the redemption date. |
| CUSIP / ISIN: | 808513 AY1 / US808513AY14 | 808513 AZ8 / US808513AZ88 |
| Joint Book-Running Managers: | Citigroup Global Markets Inc. Credit Suisse Securities (USA) LLC J.P. Morgan Securities LLC Merrill Lynch, Pierce, Fenner & Smith Incorporated | |

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|---------------------|---------------------------------|
| Senior Co-Managers: | Morgan Stanley & Co. LLC |
| | Goldman Sachs & Co. LLC |
| | U.S. Bancorp Investments, Inc. |
| Co-Managers: | Wells Fargo Securities, LLC |
| | BNY Mellon Capital Markets, LLC |
| | HSBC Securities (USA) Inc. |
| | Lloyds Securities Inc. |
| | PNC Capital Markets LLC |

* 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.

CAPITALIZATION AS ADJUSTED

The following table sets forth the consolidated cash and cash equivalents and capitalization of the Issuer at June 30, 2018, as adjusted for the offering of \$500 million of the 2024 Notes and \$600 million of the 2029 Notes.

| (In millions) | (as Adjusted for this offering) |
|---------------------------|--|
| Cash and cash equivalents | \$14,338 |
| 2024 Notes offered hereby | \$495 |
| 2029 Notes offered hereby | \$593 |
| Total debt | \$6,877 |
| Total capitalization | \$26,974 |

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 (800) 831-9146, Credit Suisse Securities (USA) LLC toll-free at (800) 221-1037, J.P. Morgan Securities LLC at (212) 834-4533, Merrill Lynch, Pierce, Fenner & Smith Incorporated toll-free at (800) 294-1322 or Morgan Stanley & Co. LLC at (866) 718-1649.

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