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costs. With a combined total of approximately \$8 million in...

Oct. 18, 2020

The logo for Charles Schwab, featuring the word "charles" in a white, lowercase, cursive script font, and the word "SCHWAB" in a white, uppercase, serif font, both centered on a solid blue background.

charles
SCHWAB

The Charles Schwab Corporation (“Schwab”) today announced that it has

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services. Looking forward, we intend to quickly and efficiently harness our complementary strengths in order to break down even more barriers for investors. In doing so, we intend to deliver a winning combination of low costs, great service and industry-leading technology to support our clients, and the advisors who serve them, across every phase of their financial journey.”

Bettinger continued, “Schwab is proud to welcome TD Ameritrade’s talented employees, and we look forward to serving TD Ameritrade’s clients. We are committed to maintaining our sharp focus on seeing ‘Through Clients’ Eyes’ as we begin to integrate our companies carefully and thoughtfully and prepare our plans to transition brokerage accounts at TD Ameritrade’s broker-dealers to Schwab’s broker-dealer in the future.”

The integration of Schwab’s and TD Ameritrade’s operations is expected to occur over the next 18 to 36 months, though planning for it has been underway since the acquisition was announced on November 25, 2019. Until the integration is complete, Schwab and TD Ameritrade will continue to operate separate broker-dealers to serve their respective clients. Until then, the products, services and delivery channels currently available from the two companies remain largely unchanged, and clients should continue to call Schwab for Schwab account business and TD Ameritrade for TD Ameritrade account business. **More information and FAQs for clients of both companies is available at welcome.schwab.com.**

The acquisition of TD Ameritrade delivers significant scale to Schwab, which will help the company drive long-term growth and serve a broad range of clients at lower costs. With a combined total of approximately \$6 trillion in client assets, 28 million brokerage accounts and more than 5 million daily average trades,* Schwab expects its enhanced scale will lower operating expenses as a percentage of client assets (EOCA). Combining the respective strengths of Schwab and TD Ameritrade will enable the

company to invest in enhanced client experience capabilities and further its financial

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to retain TD Ameritrade Institutional's customizable portfolio rebalancing solution iRebal® as part of its offering for independent advisor clients. Following the integration, the combined company's other innovative and client-centric products will include leading wealth management platforms, RIA custody platforms and tools, investor education, award-winning service, retirement services, banking and asset management.

As previously announced, TD Ameritrade stockholders received 1.0837 shares of Schwab common stock for each share of TD Ameritrade, except The Toronto-Dominion Bank ("TD Bank") and its affiliates received Schwab common stock only up to a maximum of 9.9% of the Schwab common stock (including any other shares of Schwab common stock then owned by TD Bank and its affiliates) and otherwise received newly created Schwab nonvoting common stock. The aggregate number of shares of Schwab stock issuable as merger consideration was approximately 509 million shares of Schwab common stock and 77 million shares of Schwab nonvoting common stock.

Effective upon the merger, Todd M. Ricketts, Brian M. Levitt and Bharat B. Masrani were elected to Schwab's board. Mr. Ricketts was designated by TD Ameritrade pursuant to the terms of the merger agreement and Messrs. Levitt and Masrani were designated by TD Bank pursuant to the terms of the merger agreement and the stockholder agreement between Schwab and TD Bank.

In conjunction with the close of the acquisition, Schwab announced that effective January 1, 2021, it expects to complete the planned change in the designation of its corporate headquarters from San Francisco to its new campus in Westlake, Texas, first announced last November. Opened in late 2019, the Westlake location and facility were specifically chosen and designed as a more centrally located hub for the company given Schwab's nationwide presence across a network of branches and

operations centers. It will also serve as a central location for meetings of the

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advisor to the strategic development committee of the board of directors of TD Ameritrade.

Accounting • Technology

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