



Fiscal 2020 4th Quarter Results

Note: Results are presented on an unaudited basis

TD AMERITRADE HOLDING CORPORATION
CONSOLIDATED STATEMENTS OF INCOME

In millions, except per share amounts

(Unaudited)

	Quarter Ended			Fiscal Year Ended	
	Sept. 30, 2020	June 30, 2020	Sept. 30, 2019	Sept. 30, 2020	Sept. 30, 2019
Revenues:					
Asset-based revenues:					
Bank deposit account fees	\$ 381	\$ 391	\$ 437	\$ 1,670	\$ 1,717
Net interest revenue	401	303	413	1,394	1,533
Investment product fees	133	128	155	552	586
Total asset-based revenues	915	822	1,005	3,616	3,836
Transaction-based revenues:					
Transaction fees and commissions	662	652	502	2,099	2,002
Other revenues	64	112	51	283	178
Net revenues	1,641	1,586	1,558	5,998	6,016
Operating expenses:					
Employee compensation and benefits	340	366	341	1,414	1,322
Clearing and execution costs	74	88	48	286	209
Communications	36	38	36	150	155
Occupancy and equipment costs	63	64	67	257	267
Depreciation and amortization	44	43	39	171	148
Amortization of acquired intangible assets	27	29	32	116	125
Professional services	85	86	75	338	294
Advertising	52	59	85	279	298
Other	44	35	55	181	197
Total operating expenses	765	808	778	3,192	3,015
Operating income	876	778	780	2,806	3,001
Other expense (income):					
Interest on borrowings	19	25	37	107	144
Gain on business-related divestiture	-	-	-	-	(60)
Other expense (income), net	-	-	2	(1)	(12)
Total other expense, net	19	25	39	106	72
Pre-tax income	857	753	741	2,700	2,929
Provision for income taxes	226	184	190	676	721
Net income	\$ 631	\$ 569	\$ 551	\$ 2,024	\$ 2,208
Earnings per share - basic	\$ 1.17	\$ 1.05	\$ 1.01	\$ 3.74	\$ 3.98
Earnings per share - diluted	\$ 1.16	\$ 1.05	\$ 1.00	\$ 3.73	\$ 3.96
Weighted average shares outstanding - basic	541	541	547	541	555
Weighted average shares outstanding - diluted	543	543	549	543	557
Dividends declared per share	\$ 0.31	\$ 0.31	\$ 0.30	\$ 1.24	\$ 1.20

TD AMERITRADE HOLDING CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS

In millions
(Unaudited)

	<u>Sept. 30, 2020</u>	<u>Sept. 30, 2019</u>
Assets:		
Cash and cash equivalents	\$ 6,512	\$ 2,852
Segregated cash and investments	11,139	8,684
Broker/dealer receivables	1,554	2,439
Client receivables, net	27,725	20,618
Investments available-for-sale, at fair value	1,790	1,668
Goodwill and intangible assets	5,315	5,431
Other	2,432	2,094
Total assets	<u>\$ 56,467</u>	<u>\$ 43,786</u>
Liabilities and stockholders' equity:		
Liabilities:		
Broker/dealer payables	\$ 3,233	\$ 3,308
Client payables	37,816	27,067
Long-term debt	3,723	3,594
Other	1,661	1,117
Total liabilities	<u>46,433</u>	<u>35,086</u>
Stockholders' equity	<u>10,034</u>	<u>8,700</u>
Total liabilities and stockholders' equity	<u>\$ 56,467</u>	<u>\$ 43,786</u>

TD AMERITRADE HOLDING CORPORATION
SELECTED OPERATING DATA

(Unaudited)

	Quarter Ended			Fiscal Year Ended	
	Sept. 30, 2020	June 30, 2020	Sept. 30, 2019	Sept. 30, 2020	Sept. 30, 2019
<u>Key Metrics:</u>					
Net new assets (in billions)	\$26.3	\$32.8	\$22.0	\$133.2	\$93.1
Net new asset growth rate (annualized)	7%	11%	7%	10%	7%
Average client trades per day	3,806,191	3,395,970	837,009	2,589,814	862,158
<u>Profitability Metrics:</u>					
Operating margin	53.4%	49.1%	50.1%	46.8%	49.9%
Pre-tax margin	52.2%	47.5%	47.6%	45.0%	48.7%
Net profit margin	38.5%	35.9%	35.4%	33.7%	36.7%
<u>Liquidity Metrics:</u>					
Interest on borrowings (in millions)	\$19	\$25	\$37	\$107	\$144
<u>Transaction-Based Revenue Metrics:</u>					
Total trades (in millions)	243.6	213.9	53.2	652.6	215.1
Average commissions per trade	\$1.33	\$1.46	\$7.04	\$1.64	\$7.02
Trading days	64.0	63.0	63.5	252.0	249.5
Order routing revenue (in millions)	\$336	\$340	\$128	\$1,031	\$492
<u>Spread-Based Asset Metrics:</u>					
Average bank deposit account balances (in billions)	\$154.0	\$152.5	\$111.5	\$137.1	\$112.7
Average interest-earning assets (in billions)	48.3	45.4	35.3	41.6	32.2
Average spread-based balances (in billions)	<u>\$202.3</u>	<u>\$197.9</u>	<u>\$146.8</u>	<u>\$178.7</u>	<u>\$144.9</u>
Bank deposit account fee revenue (in millions)	\$381	\$391	\$437	\$1,670	\$1,717
Net interest revenue (in millions)	401	303	413	1,394	1,533
Spread-based revenue (in millions)	<u>\$782</u>	<u>\$694</u>	<u>\$850</u>	<u>\$3,064</u>	<u>\$3,250</u>
Avg. annualized yield - bank deposit account fees	0.97%	1.01%	1.54%	1.20%	1.50%
Avg. annualized yield - interest-earning assets	3.25%	2.65%	4.58%	3.30%	4.69%
Net interest margin (NIM)	1.51%	1.39%	2.27%	1.69%	2.21%

TD AMERITRADE HOLDING CORPORATION

SELECTED OPERATING DATA

(Unaudited)

	Quarter Ended			Fiscal Year Ended	
	Sept. 30, 2020	June 30, 2020	Sept. 30, 2019	Sept. 30, 2020	Sept. 30, 2019
<u>Client Account and Client Asset Metrics:</u>					
Funded accounts (beginning of period)	13,292,000	12,671,000	11,876,000	11,971,000	11,514,000
Funded accounts (end of period)	13,697,000	13,292,000	11,971,000	13,697,000	11,971,000
Percentage change during period	3%	5%	1%	14%	4%
Client assets (beginning of period, in billions)	\$1,461.0	\$1,231.8	\$1,306.6	\$1,327.7	\$1,297.5
Client assets (end of period, in billions)	\$1,588.3	\$1,461.0	\$1,327.7	\$1,588.3	\$1,327.7
Percentage change during period	9%	19%	2%	20%	2%
<u>Net Interest Revenue:</u>					
<u>Segregated cash:</u>					
Average balance (in billions)	\$16.1	\$19.2	\$7.6	\$13.3	\$5.5
Average annualized yield	0.23%	0.25%	2.10%	0.66%	2.20%
Interest revenue (in millions)	\$10	\$12	\$41	\$89	\$123
<u>Client margin balances:</u>					
Average balance (in billions)	\$25.1	\$18.3	\$20.4	\$21.1	\$20.6
Average annualized yield	3.99%	3.88%	4.98%	4.11%	5.14%
Interest revenue (in millions)	\$257	\$179	\$259	\$880	\$1,075
<u>Securities borrowing/lending:</u>					
Average securities borrowing balance (in billions)	\$0.8	\$0.9	\$1.7	\$1.0	\$1.1
Average securities lending balance (in billions)	\$3.0	\$2.3	\$3.3	\$2.6	\$2.8
Net interest revenue - securities borrowing/lending (in millions)	\$122	\$100	\$91	\$365	\$248
<u>Other cash and interest-earning investments:</u>					
Average balance (in billions)	\$6.3	\$7.0	\$5.6	\$6.2	\$5.0
Average annualized yield	0.84%	0.75%	1.88%	1.10%	1.94%
Interest revenue - net (in millions)	\$13	\$13	\$27	\$69	\$98
<u>Client credit balances:</u>					
Average balance (in billions)	\$33.3	\$31.0	\$19.6	\$27.2	\$19.3
Average annualized cost	0.01%	0.01%	0.09%	0.03%	0.06%
Interest expense (in millions)	(\$1)	(\$1)	(\$5)	(\$9)	(\$11)
Average interest-earning assets (in billions)	\$48.3	\$45.4	\$35.3	\$41.6	\$32.2
Average annualized yield	3.25%	2.65%	4.58%	3.30%	4.69%
Net interest revenue (in millions)	\$401	\$303	\$413	\$1,394	\$1,533
<u>Investment Product Fee Revenue:</u>					
<u>Fee-based investment balances:</u>					
Average balance (in billions)	\$179.1	\$164.8	\$267.1	\$175.1	\$273.7
Average annualized yield	0.29%	0.31%	0.23%	0.31%	0.21%
Investment product fee revenue (in millions)	\$133	\$128	\$155	\$552	\$586

AMTD

TD Ameritrade Holding Corporation

24 Month History	FY20	FY20	FY20	FY20	FY20	FY20	FY20	FY20	FY20	FY20	FY20	FY20	FY19	FY19	FY19	FY19	FY19	FY19	FY19	FY19	FY19	FY19	FY19	
	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct
Dow Jones Industrial Average ⁽¹⁾	27,782	28,430	26,428	25,813	25,383	24,346	21,917	25,409	28,256	28,538	28,051	27,046	26,917	26,403	26,864	26,600	24,815	26,593	25,929	25,916	25,000	23,327	25,538	25,116
NASDAQ Composite ⁽¹⁾	11,168	11,775	10,745	10,059	9,490	8,890	7,700	8,567	9,151	8,973	8,665	8,292	7,999	7,963	8,175	8,006	7,453	8,095	7,729	7,533	7,282	6,635	7,331	7,306
S&P 500 ⁽¹⁾	3,363	3,500	3,271	3,100	3,044	2,912	2,585	2,954	3,226	3,231	3,141	3,038	2,977	2,926	2,980	2,942	2,752	2,946	2,834	2,784	2,704	2,507	2,760	2,712
Trading Days	21.0	21.0	22.0	22.0	20.0	21.0	22.0	19.0	21.0	20.5	19.5	23.0	20.0	22.0	21.5	20.0	22.0	21.0	21.0	19.0	21.0	18.5	20.5	23.0
Avg. Trades / Day (K)	3,993	3,675	3,753	3,839	3,275	3,051	2,896	1,871	1,478	1,128	1,078	897	810	898	800	791	863	817	863	845	871	966	844	972
Client Assets (\$B)	\$1,588.3	\$1,629.0	\$1,529.9	\$1,461.0	\$1,412.5	\$1,353.2	\$1,231.8	\$1,361.6	\$1,435.1	\$1,430.2	\$1,392.1	\$1,355.3	\$1,327.7	\$1,307.7	\$1,321.4	\$1,306.6	\$1,274.8	\$1,331.9	\$1,297.1	\$1,276.0	\$1,242.2	\$1,161.6	\$1,237.6	\$1,227.9
Avg. BDA Balances (\$B) ⁽²⁾	\$155.2	\$153.4	\$153.4	\$152.3	\$152.0	\$153.0	\$139.4	\$119.7	\$119.4	\$117.6	\$115.6	\$114.4	\$113.0	\$110.9	\$110.6	\$109.9	\$109.7	\$111.4	\$112.3	\$113.6	\$118.2	\$116.6	\$113.5	\$112.9
Avg. Margin Balances (\$B)	\$27.9	\$25.2	\$22.3	\$20.2	\$18.4	\$16.4	\$18.4	\$21.9	\$21.0	\$20.6	\$20.3	\$20.2	\$20.2	\$20.5	\$20.4	\$20.6	\$20.9	\$20.4	\$20.0	\$19.5	\$18.9	\$21.2	\$22.2	\$23.0
Avg. Spread-Based Balances (\$B)	\$203.8	\$201.8	\$201.3	\$199.5	\$197.5	\$196.7	\$178.6	\$155.2	\$155.0	\$153.6	\$151.4	\$150.3	\$149.2	\$146.1	\$145.1	\$143.1	\$142.0	\$143.7	\$143.8	\$145.0	\$148.5	\$146.4	\$143.8	\$142.9
Avg. Fee-Based Balances (\$B) ⁽³⁾	\$180.7	\$181.4	\$175.3	\$171.9	\$164.5	\$158.0	\$159.6	\$184.8	\$186.4	\$183.4	\$180.0	\$175.2	\$270.6	\$264.6	\$265.5	\$291.8	\$288.4	\$290.2	\$283.0	\$276.8	\$263.1	\$258.3	\$264.6	\$268.1

8 Quarter / 2 Year History	FY20	FY20	FY20	FY20	FY19	FY19	FY19	FY19	Full Year	
	Sep Q	Jun Q	Mar Q	Dec Q	Sep Q	Jun Q	Mar Q	Dec Q	FY20	FY19
Dow Jones Industrial Average ⁽¹⁾	27,782	25,813	21,917	28,538	26,917	26,600	25,929	23,327	27,782	26,917
NASDAQ Composite ⁽¹⁾	11,168	10,059	7,700	8,973	7,999	8,006	7,729	6,635	11,168	7,999
S&P 500 ⁽¹⁾	3,363	3,100	2,585	3,231	2,977	2,942	2,834	2,507	3,363	2,977
Trading Days	64.0	63.0	62.0	63.0	63.5	63.0	61.0	62.0	252.0	249.5
Avg. Trades / Day (K)	3,806	3,396	2,102	1,028	837	825	860	928	2,590	862
Client Assets (\$B)	\$1,588.3	\$1,461.0	\$1,231.8	\$1,430.2	\$1,327.7	\$1,306.6	\$1,297.1	\$1,161.6	\$1,588.3	\$1,327.7
Ending Client Cash (\$B) ⁽⁴⁾	\$213.2	\$209.3	\$209.5	\$165.1	\$155.6	\$147.2	\$146.6	\$156.5	\$213.2	\$155.6
Net New Assets (\$B)	\$26.3	\$32.8	\$45.4	\$28.7	\$22.0	\$19.5	\$19.6	\$31.8	\$133.2	\$93.1
Avg. BDA Balances (\$B) ⁽²⁾	\$154.0	\$152.5	\$126.3	\$115.9	\$111.5	\$110.3	\$114.7	\$114.3	\$137.1	\$112.7
Avg. Margin Balances (\$B)	\$25.1	\$18.3	\$20.4	\$20.4	\$20.4	\$20.6	\$19.4	\$22.1	\$21.1	\$20.7
Avg. Spread-Based Balances (\$B)	\$202.3	\$197.9	\$163.1	\$151.8	\$146.8	\$142.9	\$145.8	\$144.4	\$178.7	\$145.0
Avg. Fee-Based Balances (\$B) ⁽³⁾	\$179.1	\$164.8	\$176.8	\$179.5	\$267.1	\$290.6	\$273.7	\$263.6	\$175.1	\$273.7
Funded Accounts (K)	13,697	13,292	12,671	12,109	11,971	11,876	11,763	11,630	13,697	11,971

(1) - Market index values are obtained from Yahoo! Finance and reflect the closing value of the last trade day of the respective period.

(2) - Client cash is held in FDIC-insured deposit accounts at third party banks.

(3) - Avg. Fee-Based Balances reflect the following material changes:

- As of June 2019, a reduction of approximately \$35B due to the sale of Trust assets.

- As of October 2019, Institutional Asset Based Pricing (ABP) program excludes equity and ETF assets of approximately \$35B due to the move to \$0 equity commissions.

- As of October 2019, the ETF Market Center program with approximately \$55B in balances was discontinued due to the change to \$0 equity commissions.

(4) - Includes BDA balances, client credit balances and money market funds (both sweeps and direct purchases)

-Certain totals may not foot due to rounding.

Fiscal 2020 4th Quarter Results

Frequently Asked Questions

Q1. What were the splits of derivatives and mobile as a percentage of total DARTs in the quarter?

- Options averaged a record 803K DARTs, and represented 21% of total DARTs (up from 20% in 3Q20). Futures averaged 118K DARTs, which were 3% of total DARTS (down from 4% in 3Q20).
- Mobile averaged a record 1.3 million DARTs, and was 33% of total DARTs (down from 34% last quarter).

Q2. What changed in commission and order routing rates this quarter vs. last quarter?

- Base commission rates declined by \$0.13 per trade primarily due to lower options rates. Order routing rates declined by ~\$0.21 per trade driven by fewer options contracts per trade.
- Overall transaction-based revenue rose by 2% sequentially as continued strong trading levels more than offset the pressure on commission rates.

Q3. What were your interest earning asset ending balances as of September 30, 2020?

- Margin \$27.6 billion (up from \$22.0 billion), Segregated Cash \$11.1 billion (down from \$18.3 billion), and other interest-earning assets \$10.3 billion (up from \$6.6 billion).

*Comparisons presented on 4Q20 vs. 3Q20 basis.

Q4. What were the relative contributions to NNA and assets for Retail versus Institutional channels?

- For the September fiscal 2020 quarter, the NNA split was 51% Retail / 49% Institutional.
- As of September 30, 2020, the ending client asset split was 54% Retail / 46% Institutional.

Fiscal 2020 4th Quarter Results

Frequently Asked Questions

Q5. Are there any revenue/expense variances vs. last quarter and/or items worth noting?

- Spread-based revenue increased \$88 million, driven by strong margin revenue (up \$78 million sequentially) as utilization by new client pushed margin debits higher for the quarter.
- Other revenue declined \$48 million due to lower mark-to-market adjustments on certain investments, proxy income, and reorganization fees.
- Employment expense was down \$26 million quarter-over-quarter, due primarily to lower incentive compensation and vacation accrual.
- Clearing & execution expense was down \$14 million, primarily due to lower proxy charges (in-line with historical seasonality) as well as lower derivatives-related clearing and execution fees.
- Advertising expense decreased \$7 million, primarily due to a change in offer strategy.
- Other Notable items:
 - Mark-to-market gain of approximately \$8 million impacting other revenue.
 - Deal-related costs of approximately \$13 million impacting professional services.

Q6. What has been the trend of client cash?

\$B unless otherwise stated	Sep-2019	Dec-2019	Mar-2020	Jun-2020	Sep-2020
BDA	\$114.0	\$120.2	\$153.8	\$152.3	\$156.6
Client Credits	\$20.4	\$22.0	\$29.4	\$31.8	\$34.2
Sweep MMF	\$9.1	\$9.4	\$9.8	\$9.7	\$10.5
Purchased MMF	\$12.2	\$13.5	\$16.4	\$15.5	\$12.0
Total Client Cash	\$155.6	\$165.1	\$209.5	\$209.3	\$213.2
Net buys/(sells)	\$22.4	\$30.5	\$13.2	\$40.2	\$33.1

*Client cash metrics are period end balances

Fiscal 2020 4th Quarter Results

Frequently Asked Questions

Q7. What has been the trend of the components of client assets?

- Fixed income includes CDs, government instruments and bonds, including bond MFs & ETFs.

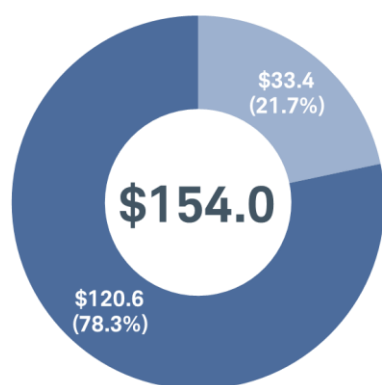
	Sep-2019	Dec-2019	Mar-2020	Jun-2020	Sep-2020
Equity	39.2%	40.0%	36.6%	40.2%	42.3%
ETFs	15.0%	15.4%	13.8%	14.6%	14.6%
Mutual Funds	14.9%	15.0%	13.2%	13.2%	12.8%
Equities Sub-Total	69.1%	70.3%	63.7%	67.9%	69.6%
Cash	11.7%	11.5%	17.0%	14.3%	13.4%
Fixed Income Alternatives	17.0%	16.1%	17.7%	15.6%	14.9%
Other	2.1%	2.0%	1.6%	2.2%	2.0%
Total	100%	100%	100%	100%	100%
Total Client Assets (\$B)	\$1,328	\$1,430	\$1,232	\$1,461	\$1,588

*Client asset metrics are calculated off of period end balances

Q8. Can you provide more specifics on the Bank Deposit Account (BDA)?

- The average mix of balances in floating rate investments versus fixed rate investments is split 22% to 78%. Given the shape of the yield curve in the quarter, recent extensions have resumed at the typical 7 year tenure. BDA duration ended the quarter at 2.7 years. Floating rate balances earn the higher of effective Fed funds or the interest on excess reserves less certain fees. The effective Fed funds and interest on excess reserves rates were 0.09% and 0.10% percent, respectively, at period end. As of 09/30/20, \$1.2 billion of floating rate balances were earning negative net yields.

Mix of Average BDA Balances (\$B,%)



	Net Rate	4Q20 Revenue
Floating	0.05%	\$4M
Fixed	1.22%	\$376M

- Additional information regarding the BDA, including the fixed maturity investment schedule can be found on the Charles Schwab Investor Relations website (<https://www.aboutschwab.com/investor-relations>).