

TD AMERITRADE HOLDING CORP  
Form 10-Q  
July 24, 2017

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
for the quarterly period ended June 30, 2017

OR

☐ Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
for the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 1-35509

TD Ameritrade Holding Corporation  
(Exact name of registrant as specified in its charter)

Delaware 82-0543156  
(State or other jurisdiction of (I.R.S. Employer  
incorporation or organization) Identification No.)  
200 South 108th Avenue, Omaha, Nebraska, 68154  
(Address of principal executive offices) (Zip Code)  
(402) 331-7856  
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months. Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐

Non-accelerated filer ☐ (Do not check if a smaller reporting company) Smaller reporting company ☐

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  
Yes ☐ No ☒

As of July 17, 2017, there were 528,149,235 outstanding shares of the registrant's common stock.

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PART I – FINANCIAL INFORMATION

Item 1. – Financial Statements

REVIEW REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders

TD Ameritrade Holding Corporation

We have reviewed the condensed consolidated balance sheet of TD Ameritrade Holding Corporation and subsidiaries (the Company) as of June 30, 2017, and the related condensed consolidated statements of income and comprehensive income for the three-month and nine-month periods ended June 30, 2017 and 2016, and the condensed consolidated statements of cash flows for the nine-month periods ended June 30, 2017 and 2016. These financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole.

Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the condensed consolidated financial statements referred to above for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of TD Ameritrade Holding Corporation and subsidiaries as of September 30, 2016, and the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for the year then ended (not presented herein) and we expressed an unqualified audit opinion on those consolidated financial statements in our report dated November 18, 2016. In our opinion, the accompanying condensed consolidated balance sheet of TD Ameritrade Holding Corporation and subsidiaries as of September 30, 2016, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ ERNST & YOUNG LLP

New York, New York

July 24, 2017

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TD AMERITRADE HOLDING CORPORATION  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(Unaudited)

	June 30, 2017	September 30, 2016
	(In millions)	
ASSETS		
Cash and cash equivalents	\$2,880	\$ 1,855
Cash and investments segregated and on deposit for regulatory purposes	7,328	8,729
Receivable from brokers, dealers and clearing organizations	1,239	1,190
Receivable from clients, net	13,504	11,941
Receivable from affiliates	140	106
Other receivables, net	137	160
Securities owned, at fair value	407	331
Investments available-for-sale, at fair value	747	757
Property and equipment at cost, net	592	526
Goodwill	2,467	2,467
Acquired intangible assets, net	518	575
Other assets	151	181
Total assets	\$30,110	\$ 28,818
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Payable to brokers, dealers and clearing organizations	\$2,366	\$ 2,040
Payable to clients	18,928	19,055
Accounts payable and other liabilities	520	565
Payable to affiliates	7	9
Long-term debt	2,561	1,817
Deferred income taxes	268	281
Total liabilities	24,650	23,767
Stockholders' equity:		
Preferred stock, \$0.01 par value; 100 million shares authorized, none issued	—	—
Common stock, \$0.01 par value; one billion shares authorized; 631 million shares issued; June 30, 2017 - 528 million shares outstanding; September 30, 2016 - 526 million shares outstanding	6	6
Additional paid-in capital	1,699	1,670
Retained earnings	5,895	5,518
Treasury stock, common, at cost: June 30, 2017 - 103 million shares; September 30, 2016 - 105 million shares	(2,116 )	(2,121 )
Deferred compensation	1	—
Accumulated other comprehensive loss	(25 )	(22 )
Total stockholders' equity	5,460	5,051
Total liabilities and stockholders' equity	\$30,110	\$ 28,818
See notes to condensed consolidated financial statements.		

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TD AMERITRADE HOLDING CORPORATION  
CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
(Unaudited)

Three  
Months      Nine Months  
Ended June   Ended June 30,  
30,  
2017   2016   2017   2016  
(In millions,  
except per share amounts)

Revenues:

Transaction-based revenues:

Commissions and transaction fees	\$335	\$347	\$1,054	\$1,035
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Asset-based revenues:

Insured deposit account fees	286			
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