

# TD AMERITRADE

KBW – NOVEMBER 4, 2009

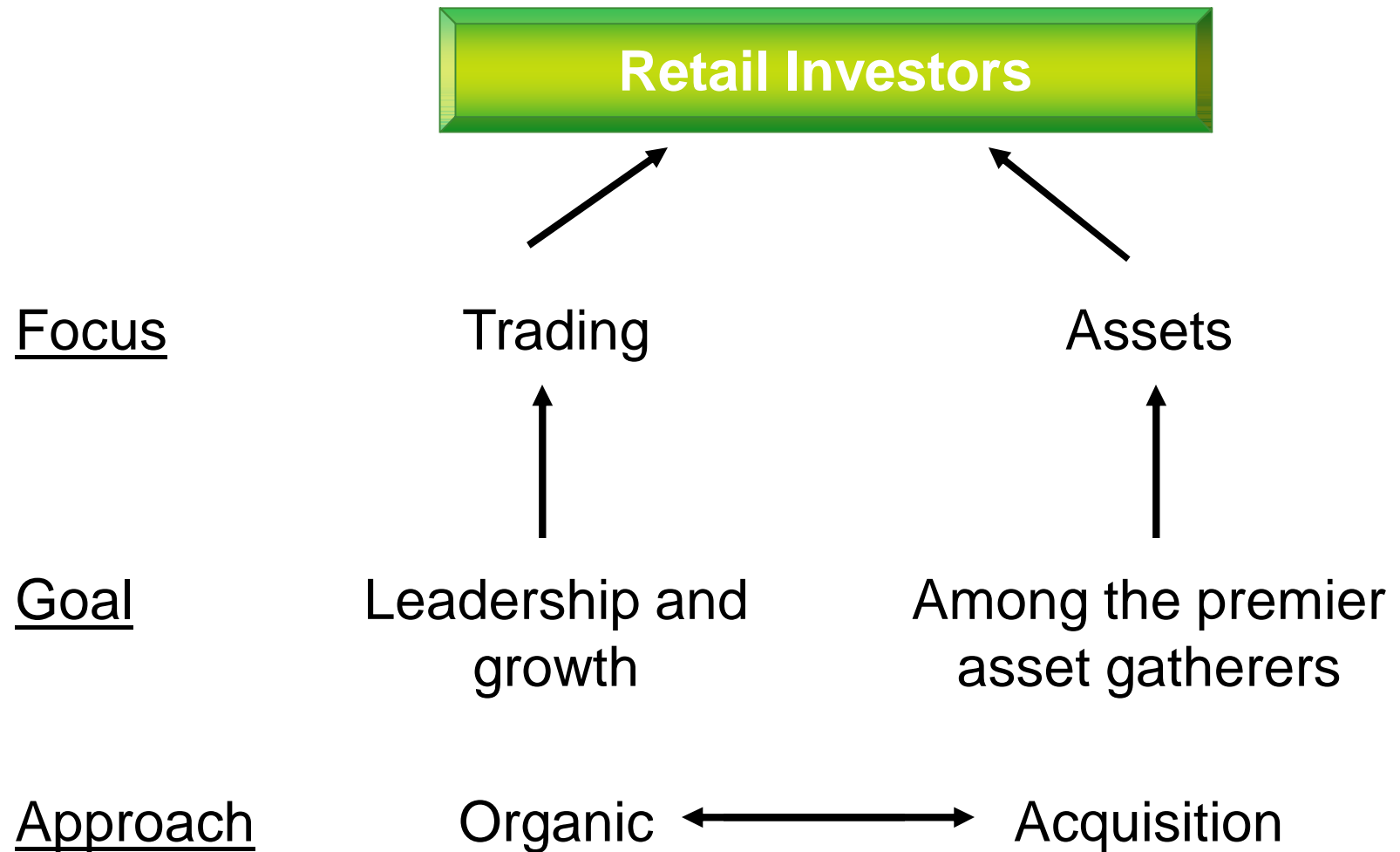
# SAFE HARBOR

This document contains forward-looking statements within the meaning of the federal securities laws. We intend these forward-looking statements to be covered by the safe harbor provisions of the federal securities laws. In particular, any projections regarding our future revenues, expenses, earnings, capital expenditures, effective tax rates, client trading activity, benefits of the thinkorswim acquisition, accounts or stock price, as well as the assumptions on which such expectations are based, are forward-looking statements. These statements reflect only our current expectations and are not guarantees of future performance or results. These statements involve risks, uncertainties and assumptions that could cause actual results or performance to differ materially from those contained in the forward-looking statements. These risks, uncertainties and assumptions include general economic and political conditions, interest rates, market fluctuations and changes in client trading activity, increased competition, systems failures and capacity constraints, ability to service debt obligations, ability to realize the expected benefits from the thinkorswim acquisition, regulatory and legal matters and uncertainties and other risk factors described in our latest Annual Report on Form 10-K, filed with the SEC on Nov. 26, 2008 and amended on May 6, 2009, and our latest Quarterly Report on Form 10-Q filed thereafter. These forward-looking statements speak only as of the date on which the statements were made. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. This material shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any state or jurisdiction in which an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

## OUR MISSION

- Investment Firm of Choice for the Mass Affluent Investor
- One of the Best-Run Companies

# PRIMARY STRATEGIC OBJECTIVES



# APPROACH TO SERVING THE INDIVIDUAL INVESTOR

Client Needs

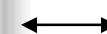
Trading

Investing

Advice

Multi-Channel Delivery

Web ↔ Phone ↔ Branch



RIA's

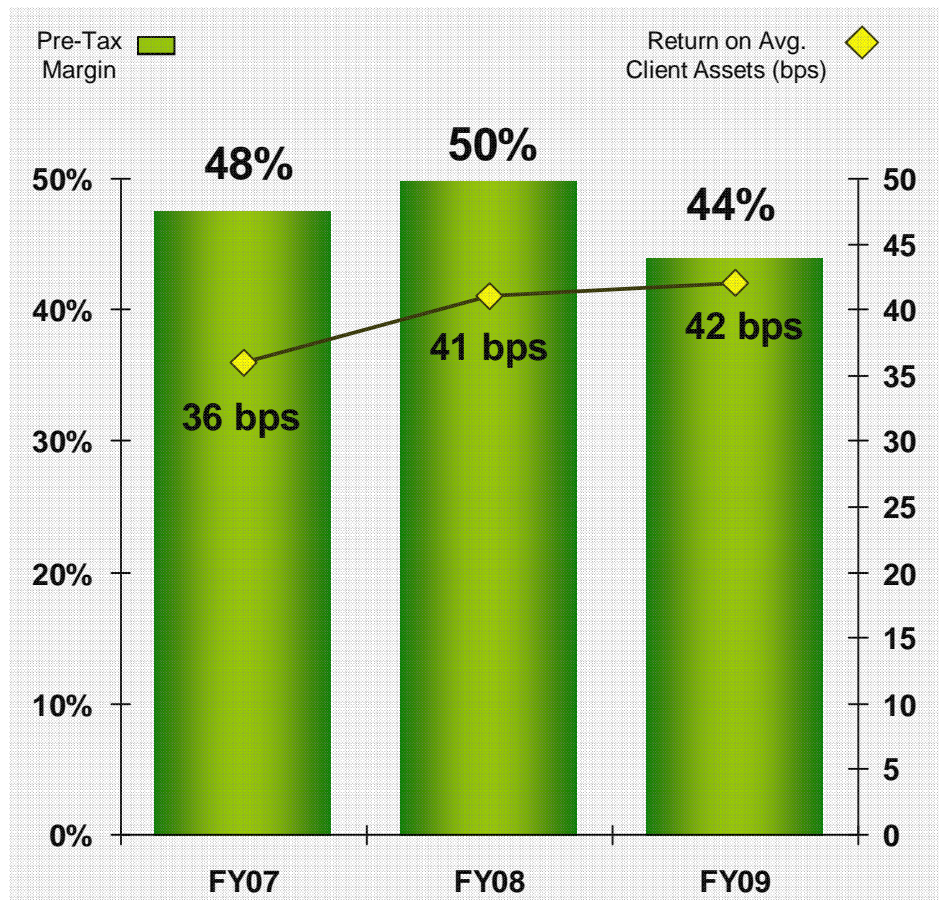
Education

Products

Full range of trading products, tools and information; planning services; packaged products; cash management products

# INDUSTRY-LEADING MARGINS<sup>(1)</sup>

## PRE-TAX MARGIN & ROCA<sup>(2)</sup>



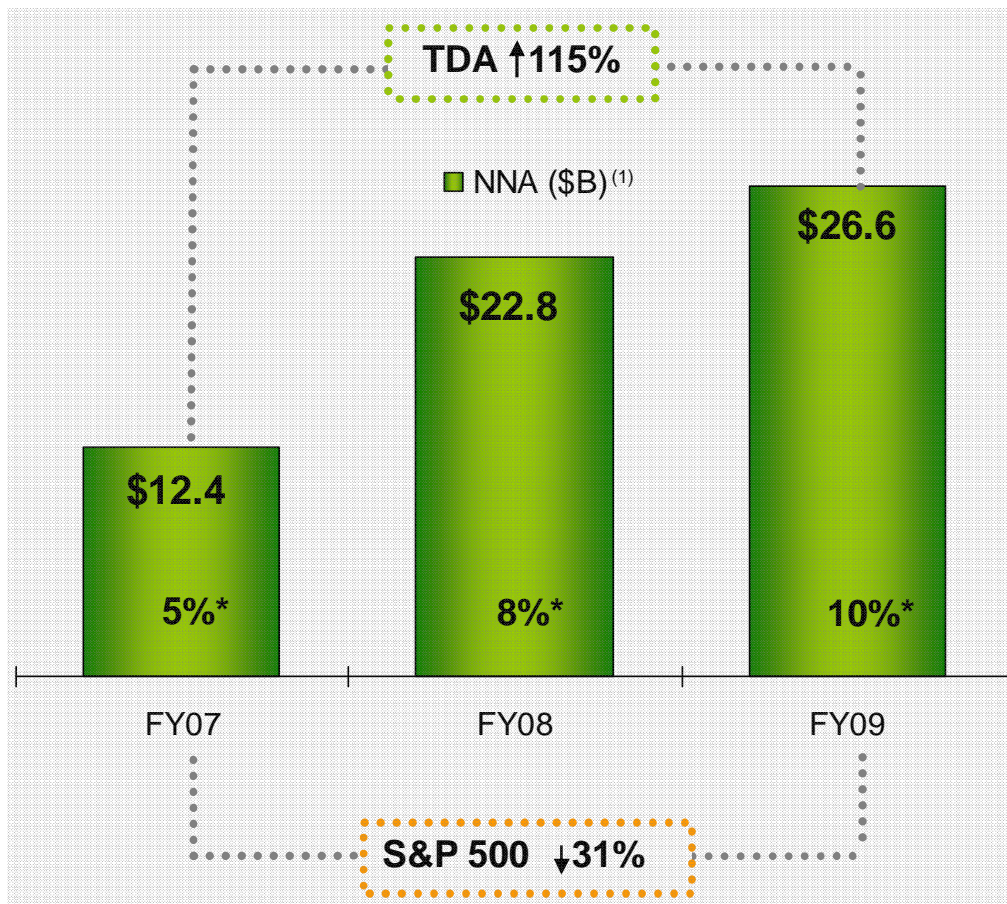
- Record trading and asset gathering
  - Offset by near-zero interest rates and market declines
- Strong margins driven by:
  - Trading leadership <sup>(1)</sup>
  - Net new assets
  - Cash management strategy
  - Leveraging technology

(1) Source: Based upon the last twelve months of publicly available reports for E\*Trade Financial, optionsXpress and Charles Schwab.

(2) Return on average client assets (ROCA) = pre-tax income divided by average client assets.

# ASSET GATHERING

ON-PAR WITH PREMIER ASSET GATHERERS



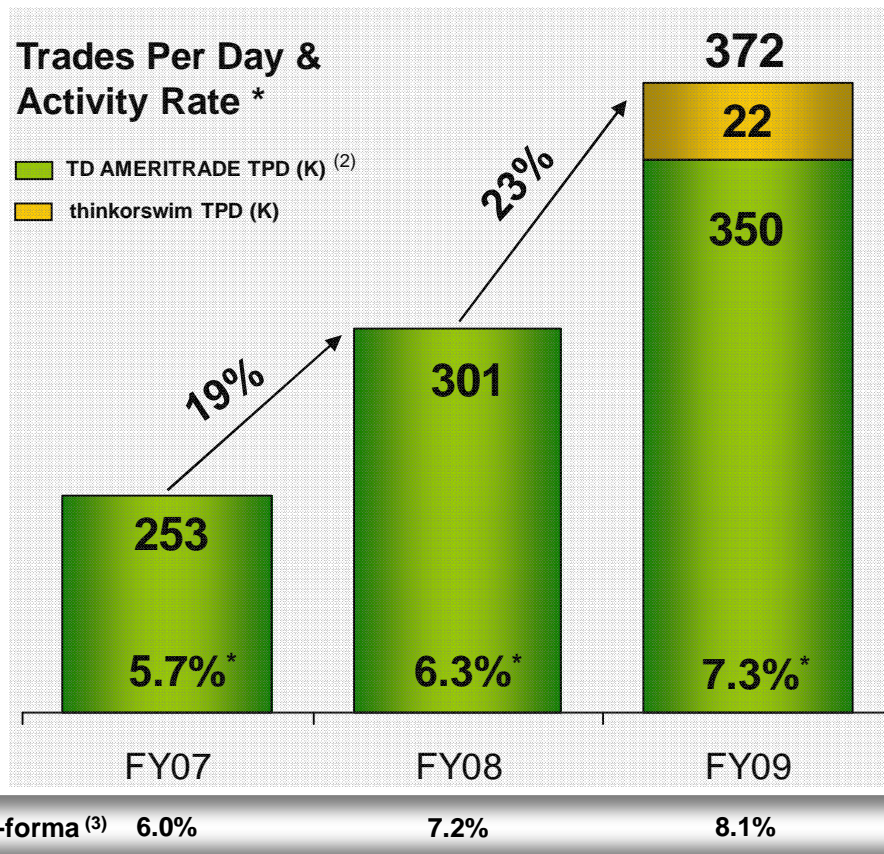
- Multi-channel business model
- Sales and service culture
- Significant improvement in client service and CSI/net promoter scores
- Share of wallet strategies
- Continued strong retail trends
- RIA back to pre-conversion levels

(1) Net new assets (NNA) consists of total client asset inflows, less total client asset outflows, excluding activity from business combinations. Client asset inflows include interest and dividend payments and exclude changes in client assets due to market fluctuations. Net new assets are measured based on the market value of the assets as of the date of the inflows and outflows.

\*NNA as a % of client assets as of the beginning of the period.

# TRADES

## LEADERSHIP AND GROWTH



- #1 in market share <sup>(1)</sup>
- Increased client engagement
  - Educational programs
  - Risk management tools
  - Options <sup>(4)</sup>
  - Quality execution
- Strong funded account growth
  - AMTD legacy ↑557K from '07
  - thinkorswim legacy ↑76K from '07
- Strong activity rates

(1) Source: Based on last twelve months publicly available reports for E\*Trade Financial, optionsXpress and Charles Schwab.

(2) Effective in Oct 2007, Average Trades Per Day have been adjusted to exclude non-revenue generating mutual fund trades.

(3) Pro-forma combined with thinkorswim funded activity rate.

(4) Options involve risks and are not suitable for all investors.

\*Funded account activity rate. Average client trades per day during the period divided by the average number of total funded accounts during the period.

# ORGANIC GROWTH

- Expand leadership position in trading <sup>(1)</sup>
- Continue driving asset gathering strategy
- Deliver on thinkorswim integration
- Leverage investor education in trading and asset gathering
- Continue enhancing technology capabilities
- Further leverage TD partnership

**STRATEGICALLY WELL-POSITIONED FOR GROWTH**

(1) Source: Based on last twelve months publicly available reports for E\*Trade Financial, optionsXpress and Charles Schwab.

# SHAREHOLDER VALUE

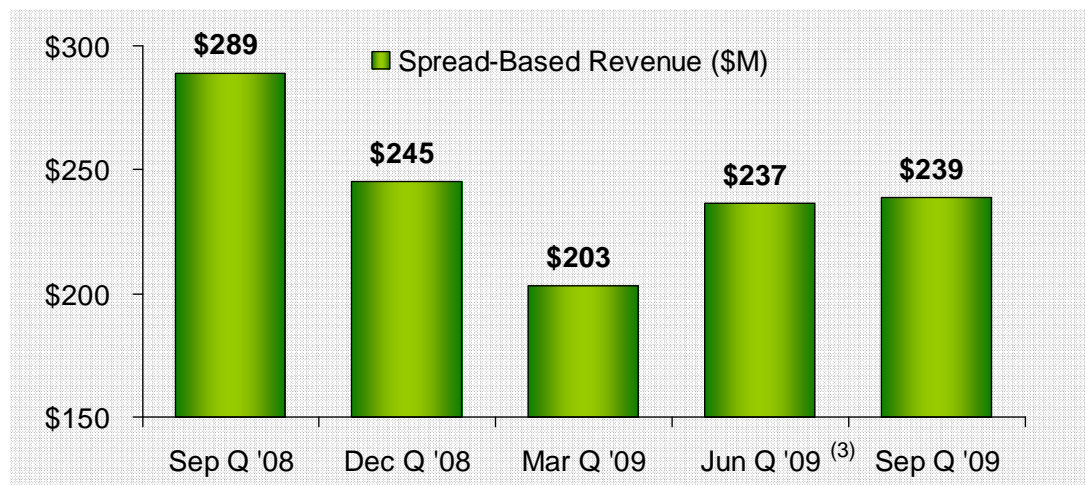
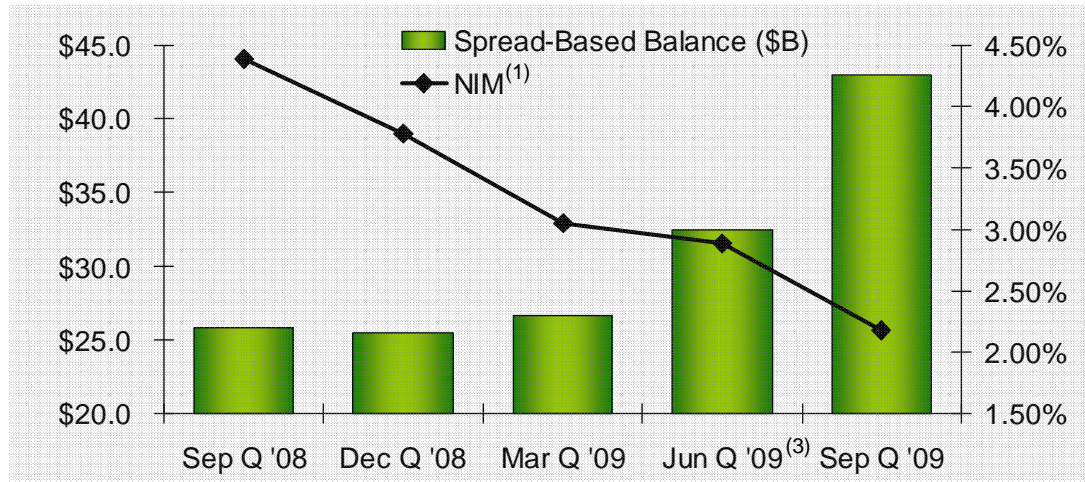
- Earnings upside in a rising interest-rate environment <sup>(1)</sup>
- Capital planning review
  - Investment grade rating
  - Favorable market environment
  - Strong balance sheet and cash position
- Positioned to deliver shareholder value
  - Acquisitions
  - Share buybacks
  - Dividend

**STRATEGICALLY WELL-POSITIONED FOR GROWTH**

(1) See sensitivity in appendix.

# NET INTEREST MARGIN UPDATE

## POSITIONED FOR RISING INTEREST RATES



- IDA<sup>(2)</sup> balance growth offsetting lower spread
  - Up \$6B (25%) Jun Q '09 to Sep Q '09
  - Reinvestment spread range: 150-200bps
  - Set-up for a rising rate environment
  
- \$50M revenue decline from Sep Q '08 to Sep Q '09
  - Balance growth increased revenue by \$120M
  - Rate decline decreased revenue by \$170M

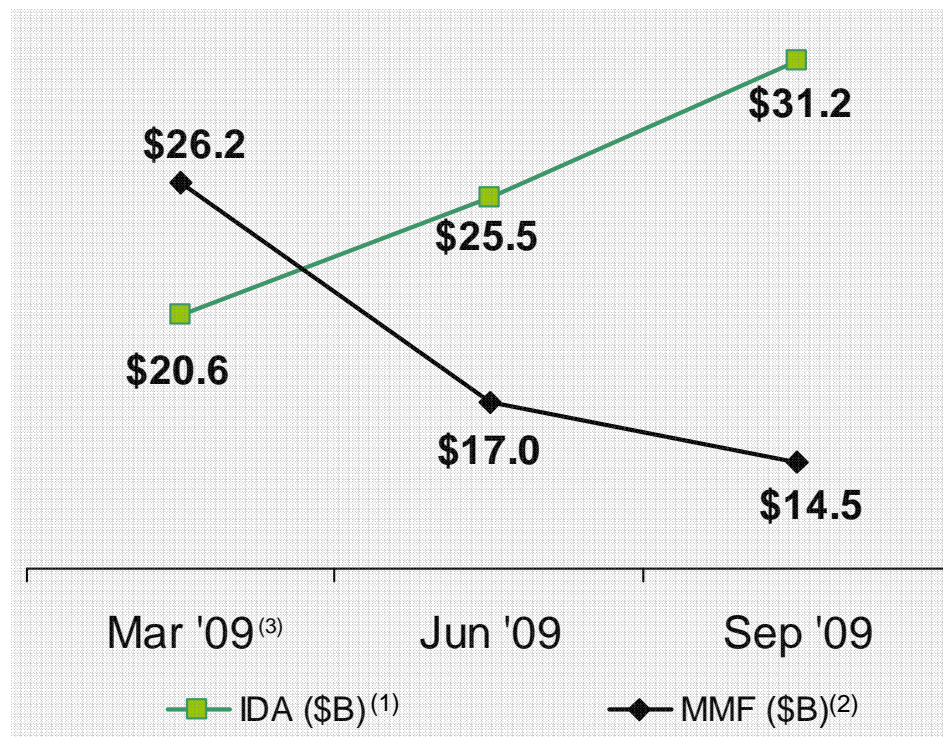
(1) Net interest margin (NIM) is a measure of the net yield on our average spread-based assets.

(2) Cash is held in an FDIC-insured deposit account (IDA) at TD Bank USA, N.A. TD AMERITRADE and TD Bank USA, N.A. are affiliated through The Toronto- Dominion Bank.

(3) Jun Q '09 excludes special FDIC assessment. See attached reconciliation of non-GAAP financial measures.

# CASH MANAGEMENT STRATEGY UPDATE

## POSITIONED FOR RISING INTEREST RATES



- Achieved target
  - IDA ↑\$10.6B from March '09
    - Mainly cash management moves
  - Additional \$4.6B to move into IDA in January '10
- Ongoing marketing effort
- Moving cash from product yielding 15bps to product yielding 150-200bps

<b>Client Cash (\$B):</b>	<b>\$52.9</b>	<b>\$54.8</b>	<b>\$57.5</b>
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(1) Cash is held in an FDIC-insured deposit account (IDA) at TD Bank USA, N.A. TD AMERITRADE and TD Bank USA, N.A. are affiliated through The Toronto-Dominion Bank.

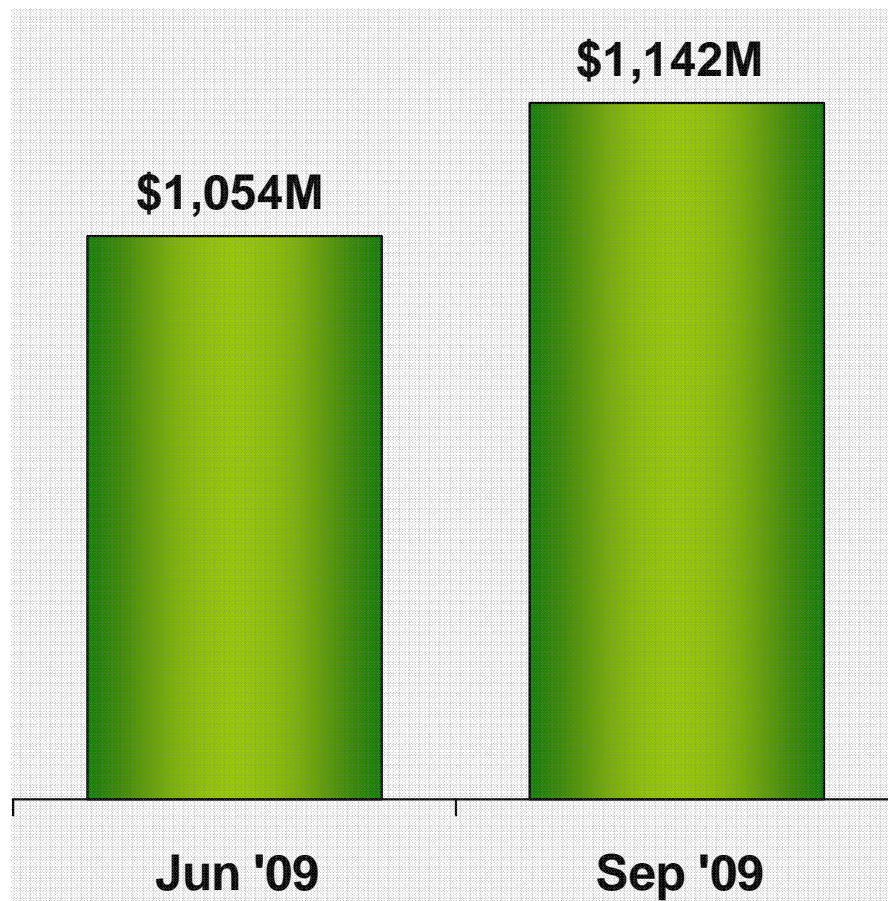
(2) Money market mutual funds (MMF).

(3) Cash Management Strategy announced in Mar Q '09.

\*Graph denotes period ending balances.

# SOUND CASH POSITION

## LIQUID ASSETS<sup>(1)</sup>



- Sep Q '09:
  - Primary source
    - Net Income \$157M
  - Primary use
    - Regulatory capital \$41M
  
- Next Six Months:
  - Primary source
    - Net income
  - Primary use
    - ARS <sup>(2)</sup> \$260M-\$320M

(1) See attached reconciliation of non-GAAP financial measures.

(2) Fulfillment of auction rate securities (ARS) retail client tender offer.

## KEY TAKEAWAYS

- ✓ Strong performance in a difficult year
- ✓ Healthy business fundamentals
- ✓ thinkorswim integration on track
- ✓ Positioned for a rising interest-rate environment
- ✓ FY10 guidance \$1.10 - \$1.40

**STRATEGICALLY WELL-POSITIONED FOR GROWTH**

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# APPENDIX

# SENSITIVITY

## ANNUAL IMPACT TO EPS

- 3K TPD = \$0.01
- \$5.2B Fee-Based Assets = \$0.01
- \$450M Spread-Based Assets = \$0.01
- 30K New Accounts = \$0.01
- +25bps Fed Move = +\$0.07\*

\* Impact on Spread-based and Money market mutual fund balances assuming increased rates paid on client funds. Offset by increases in interest on borrowings.

# FY 2010 RANGE

	FINANCIAL	MACRO ASSUMPTION	KEY METRICS
HIGH	<p>\$1.40 EPS 46% Pretax margin</p>	<p>15% Market Growth Avg. Fed Funds 55 bps<sup>(3)</sup> Highest AR%<sup>(4)</sup> in last 3 years</p>	<p>NNA<sup>(1)</sup> \$33B/11%* NIM<sup>(2)</sup> 2.23% TPD 476K</p>
LOW	<p>\$1.10 EPS 42% Pretax margin</p>	<p>5% Market Growth No change in Fed Funds Lowest AR%<sup>(4)</sup> in last 3 years</p>	<p>NNA<sup>(1)</sup> \$21B/7%* NIM<sup>(2)</sup> 2.13% TPD 398K</p>

(1) Net new assets (NNA) consists of total client asset inflows, less total client asset outflows, excluding activity from business combinations. Client asset inflows include interest and dividend payments and exclude changes in client assets due to market fluctuations. Net new assets are measured based on the market value of the assets as of the date of the inflows and outflows.

(2) Net interest margin (NIM) is a measure of the net yield on our average spread-based assets.

(3) Average fed funds of 55bps for the full year, assumes +25bps move in Mar Q '10, +25bps move in Jun Q '10, and +25bps move in Sep Q '10.

(4) Funded account activity rate. Average client trades per day during the period divided by the average number of total funded accounts during the period. The range is 7.3%-8.7% calculated by using AMTD legacy range 5.7%-6.9% and thinkorswim legacy range 63.5%-72.8%.

\* NNA annualized as a % of client assets as of the beginning of the period.

# RECONCILIATION OF FINANCIAL MEASURES

**TD AMERITRADE HOLDING CORPORATION**  
**RECONCILIATION OF FINANCIAL MEASURES**

*In thousands*  
(Unaudited)

	<u>As of</u>	
	<u>Sept. 30, 2009</u>	<u>June 30, 2009</u>
<b><u>Liquid Assets (1)</u></b>		
Liquid assets	\$ 1,142,127	\$ 1,054,084
Plus: Broker-dealer cash and cash equivalents	473,996	858,350
Trust company cash and cash equivalents	25,143	65,805
Investment advisory cash and cash equivalents	18,935	15,989
Less: Corporate short-term investments	(49,496)	(49,496)
Excess trust Tier 1 capital	(4,658)	(6,213)
Excess broker-dealer regulatory net capital	(814,836)	(818,695)
Cash and cash equivalents	<u>\$ 791,211</u>	<u>\$ 1,119,824</u>

	<u>Quarter</u> <u>Ended</u> <u>June 30, 2009</u>
<b><u>Insured Deposit Account Fees, excluding FDIC Special</u></b>	
<b><u>Regulatory Assessment (2)</u></b>	
Insured deposit account fees, as reported	\$ 125,118
Adjustment:	
FDIC special regulatory assessment	13,256
Insured Deposit Account Fees, excluding FDIC Special Regulatory Assessment	<u>\$ 138,374</u>

Note: The term "GAAP" in the following explanations refers to generally accepted accounting principles in the United States.

- (1) Liquid assets is considered a Non-GAAP financial measure as defined by SEC Regulation G. We define liquid assets as the sum of (a) corporate cash and cash equivalents, (b) corporate short-term investments, (c) regulatory net capital of (i) our clearing broker-dealer subsidiary in excess of 5% of aggregate debit items and (ii) our introducing broker-dealer subsidiaries in excess of 120% of the minimum dollar net capital requirement or in excess of 8 1/3% of aggregate indebtedness and (d) Tier 1 capital of our trust company in excess of the minimum dollar requirement. We include the excess capital of our broker-dealer and trust company subsidiaries in liquid assets, rather than simply including broker-dealer and trust cash and cash equivalents, because capital requirements may limit the amount of cash available for dividend from the broker-dealer and trust subsidiaries to the parent company. Excess capital, as defined under clauses (c) and (d) above, is generally available for dividend from the broker-dealer and trust subsidiaries to the parent company. We consider liquid assets an important measure of our liquidity and of our ability to fund corporate investing and financing activities. Liquid assets should be considered as a supplemental measure of liquidity, rather than as a substitute for cash and cash equivalents.
- (2) The FDIC special regulatory assessment during the quarter ended June 30, 2009 reduced the Company's insured deposit account fee revenues.

