

FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

TD Ameritrade Clearing, Inc.

(An Indirect Wholly Owned Subsidiary of TD Ameritrade Holding Corporation)

Year Ended September 30, 2016

With Report of Independent Registered Public Accounting Firm

This report is deemed **CONFIDENTIAL** in accordance with Rule 17a-5(e)(3).

Statement of Financial Condition bound separately has been filed with the Securities and Exchange Commission simultaneously herewith as a Public Document.

TD Ameritrade Clearing, Inc.  
(An Indirect Wholly Owned Subsidiary of TD Ameritrade Holding Corporation)

Statement of Cash Flows  
(In Millions)

Year Ended September 30, 2016

**Cash flows from operating activities**

Net income	\$ 600
Adjustments to reconcile net income to net cash provided by operating activities:	
Deferred income tax expense	17
Changes in operating assets and liabilities:	
Cash and investments segregated and on deposit for regulatory purposes	(2,431)
Securities borrowed	(387)
Receivable from brokers, dealers and clearing organizations	74
Receivable from clients, net	830
Receivable from/payable to affiliates, net	(76)
Other receivables, net	(16)
Securities owned, at fair value	128
Other assets	(1)
Securities loaned	(663)
Payable to brokers, dealers and clearing organizations	(6)
Payable to clients	3,006
Accounts payable and accrued liabilities	(48)
Securities sold, net yet purchased, at fair value	(16)
Net cash provided by operating activities	<u>1,011</u>

**Cash flows from financing activities**

Dividends to TDAOH	(450)
Cash used in financing activities	<u>(450)</u>

Net increase in cash and cash equivalents	561
Cash and cash equivalents at beginning of year	287
Cash and cash equivalents at end of year	<u><u>\$ 848</u></u>

**Supplemental cash flow information**

Interest paid before reimbursements from affiliate	\$ 8
Income taxes paid to Parent	<u><u>\$ 379</u></u>

*See accompanying notes.*