LPL Financial

Financial Supplement

First Quarter 2013

April 25, 2013

Safe harbor disclosure

Statements in this presentation regarding the Company's future financial and operating results, plans, strategies, goals, Service Value Commitment ("SVC"), including projected savings, projected expenses, future efficiency gains and future service and technology improvements, future growth and insured cash account portfolio, including future contract maturities, as well as any other statements that are not purely historical, constitute forward-looking statements. These forward-looking statements are based on the Company's historical performance and its plans, estimates and expectations as of April 25, 2013. Forward-looking statements are not guarantees that the future results, plans, intentions or expectations expressed or implied by the Company will be achieved. Matters subject to forward-looking statements involve known and unknown risks and uncertainties, including economic, legislative, regulatory, competitive and other factors, which may cause actual financial or operating results, levels of activity, or the timing of events, to be materially different than those expressed or implied by forward-looking statements. Important factors that could cause or contribute to such differences include: finalization and execution of the Company's plans related to the SVC, including the Company's ability to successfully transform and transition business processes to third party service providers; the Company's success in negotiating and developing commercial arrangements with third party service providers that will enable the Company to realize the service improvements and efficiencies expected to result from the SVC; the performance of third party service providers to which business processes are transitioned from the Company; the Company's ability to control operating risks, information technology systems risks and sourcing risks; changes in general economic and financial market conditions, including retail investor sentiment; fluctuations in the value of assets under custody; effects of competition in the financial services industry; changes in the number of the Company's financial advisors and institutions, and their ability to market effectively financial products and services; changes in interest rates and fees payable by banks participating in the Company's cash sweep program, including the Company's success in negotiating agreements with current or additional counterparties; the Company's success in integrating the operations of acquired businesses; the effect of current, pending and future legislation, regulation and regulatory actions, including disciplinary actions imposed by self-regulatory organizations; and the other factors set forth in Part I, “Item 1A. Risk Factors” in the Company's 2012 Annual Report on Form 10-K. Except as required by law, the Company specifically disclaims any obligation to update any forward-looking statements as a result of developments occurring after April 25, 2013, even if its estimates change, and you should not rely on those statements as representing the Company's views as of any subsequent date.

LPL Financial Holdings Inc.
Financial Highlights
(Dollars in thousands, except per share data and where noted)
(Unaudited)

	Three Month Quarterly Results				
	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012
REVENUES					
Commission	$ 485,572	$ 467,492	$ 442,129	$ 447,243	$ 463,653
Advisory	281,226	275,983	267,334	268,192	250,981
Asset-based	103,766	103,018	100,024	102,784	97,241
Transaction and other	89,378	83,362	84,730	78,894	74,572
Other	14,854	14,389	13,011	10,730	15,326
Net revenues	974,796	944,244	907,228	907,843	901,773
EXPENSES					
Production(1)	669,723	661,691	630,103	630,136	626,907
Compensation and benefits	98,780	89,350	91,309	93,034	89,012
General and administrative	77,771	99,071	99,118	84,457	67,566
Depreciation and amortization	19,774	18,786	18,423	17,412	17,175
Restructuring charges	6,037	635	1,211	2,057	1,694
Total operating expenses	872,085	869,533	840,164	827,096	802,354
Non-operating interest expense	12,160	12,529	12,826	13,439	16,032
Loss on extinguishment of debt	—	—	—	—	16,524
Total expenses	884,245	882,062	852,990	840,535	834,910
INCOME BEFORE PROVISION FOR INCOME TAXES	90,551	62,182	54,238	67,308	66,863
PROVISION FOR INCOME TAXES	35,834	25,244	19,939	27,806	25,684
NET INCOME	$ 54,717	$ 36,938	$ 34,299	$ 39,502	$ 41,179
EARNINGS PER SHARE					
Basic	$ 0.51	$ 0.34	$ 0.31	$ 0.36	$ 0.38
Diluted	$ 0.51	$ 0.34	$ 0.31	$ 0.35	$ 0.37

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LPL Financial Holdings Inc.
Financial Highlights (Continued)
(Dollars in thousands, except per share data and where noted)
(Unaudited)

	Three Month Quarterly Results				
	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012
FINANCIAL CONDITION					
Total Cash & Cash Equivalents (billions)	$ 0.4	$ 0.5	$ 0.4	$ 0.5	$ 0.7
Total Assets (billions)	$ 3.8	$ 4.0	$ 3.7	$ 3.6	$ 3.8
Total Debt (billions)(2)	$ 1.3	$ 1.3	$ 1.3	$ 1.3	$ 1.4
Stockholders' Equity (billions)	$ 1.2	$ 1.1	$ 1.2	$ 1.2	$ 1.2
KEY METRICS					
Advisors	13,377	13,352	13,170	13,185	12,962
Production Payout(1)	86.0%	87.7%	87.4%	86.7%	86.4%
Advisory and Brokerage Assets (billions)	$ 394.0	$ 373.3	$ 371.4	$ 353.0	$ 354.1
Advisory Assets Under Management (billions)	$ 130.2	$ 122.1	$ 118.6	$ 111.4	$ 110.8
Net New Advisory Assets (billions)(3)	$ 3.0	$ 2.7	$ 2.9	$ 2.8	$ 2.5
Insured Cash Account Balances (billions)(4)	$ 15.6	$ 16.3	$ 14.2	$ 14.6	$ 13.9
Money Market Account Balances (billions)(4)	$ 7.5	$ 8.4	$ 7.4	$ 8.5	$ 7.7
Adjusted EBITDA(5)	$ 135,920	$ 109,948	$ 108,000	$ 111,579	$ 124,955
Adjusted Earnings(5)	$ 68,143	$ 53,858	$ 52,999	$ 54,973	$ 63,199
Adjusted Earnings per share(5)	$ 0.64	$ 0.50	$ 0.47	$ 0.49	$ 0.56

(1) Production expense is comprised of commission and advisory expense and brokerage, clearing and exchange expense. Production payout, a statistical measure, excludes brokerage, clearing and exchange expense and is calculated as commission and advisory expense divided by commission and advisory revenues.

(2) Represents borrowings on the Company's senior secured credit facilities, revolving line of credit and bank loans payable.

(3) Represents net new advisory assets consisting of funds from new accounts and additional funds deposited into existing advisory accounts that are custodied in the Company's fee-based advisory platforms during the three month periods then ended.

(4) Represents insured cash and money market account balances as of the end of each reporting period.

(5) The reconciliation from net income to Adjusted EBITDA, a non-GAAP measure, for the periods presented is as follows (in thousands):

	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012
			(unaudited)		
Net income	$ 54,717	$ 36,938	$ 34,299	$ 39,502	$ 41,179
Interest expense	12,160	12,529	12,826	13,439	16,032
Income tax expense	35,834	25,244	19,939	27,806	25,684
Amortization of purchased intangible assets(a)	9,776	9,791	9,971	9,948	9,832
Depreciation and amortization of fixed assets	9,998	8,995	8,452	7,464	7,343
EBITDA	122,485	93,497	85,487	98,159	100,070
EBITDA Adjustments:					
Employee share-based compensation expense(b)	3,962	3,769	4,439	5,176	4,160
Acquisition and integration related expenses(c)	444	3,032	10,528	5,056	1,858
Restructuring and conversion costs(d)	6,263	755	1,217	2,164	2,010
Debt extinguishment costs(e)	—	—	—	109	16,543
Equity issuance and offering related costs(f)	—	—	4,040	446	—
Other(g)	2,766	8,895	2,289	469	314
Total EBITDA Adjustments	13,435	16,451	22,513	13,420	24,885
Adjusted EBITDA	$ 135,920	$ 109,948	$ 108,000	$ 111,579	$ 124,955

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(5) The reconciliation from net income to Adjusted Earnings, a non-GAAP measure, for the periods presented is as follows (in thousands, except per share data):

	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012
			(unaudited)		
Net income	$ 54,717	$ 36,938	$ 34,299	$ 39,502	$ 41,179
After-Tax:					
EBITDA Adjustments(h)					
Employee share-based compensation expense(i)	2,902	2,831	3,357	3,806	3,167
Acquisition and integration related expenses(j)	(1,079)	2,092	4,307	3,561	1,146
Restructuring and conversion costs	3,864	466	751	1,335	1,240
Debt amendment and extinguishment costs	—	—	—	67	10,207
Equity issuance and offering related costs(k)	—	—	3,986	275	—
Other	1,707	5,490	1,412	289	194
Total EBITDA Adjustments	7,394	10,879	13,813	9,333	15,954
Amortization of purchased intangible assets(h)	6,032	6,041	6,152	6,138	6,066
Acquisition related benefit for a net operating loss carry-forward(l)	—	—	(1,265)	—	—
Adjusted Earnings	$ 68,143	$ 53,858	$ 52,999	$ 54,973	$ 63,199
Adjusted Earnings per share(m)	$ 0.64	$ 0.50	$ 0.47	$ 0.49	$ 0.56
Weighted average shares outstanding — diluted	107,297	108,644	111,877	112,834	112,529

(a) Represents amortization of intangible assets as a result of the Company's purchase accounting adjustments from its 2005 merger transaction, as well as various acquisitions.

(b) Represents share-based compensation for equity awards granted to employees, officers and directors. Such awards are measured based on the grant-date fair value and share-based compensation expense recognized is over the requisite service period of the individual grants, which generally equals the vesting period.

(c) Represents acquisition and integration costs resulting from various acquisitions, including changes in the estimated fair value of future payments, or contingent consideration, required to be made to former shareholders of certain acquired entities. During the first quarter of 2013, approximately $1.0 million was recognized in earnings due to a net decrease in the estimated fair value of contingent consideration. During the fourth and third quarter of 2012, approximately $1.5 million and $9.2 million, respectively, were recognized as charges against earnings due to net increases in the estimated fair value of contingent consideration.

(d) Represents organizational restructuring charges, conversion and other related costs incurred resulting from the expansion of the Company's Service Value Commitment, the 2011 consolidation of UVEST and the 2009 consolidation of the Affiliated Entities. As of March 31, 2013, the Company recognized approximately 8% of costs related to the expansion of the Service Value Commitment, which is expected to be completed in 2015. As of March 31, 2013, approximately 90% and 99% of costs related to the 2011 consolidation of UVEST and the 2009 consolidation of the Affiliated Entities, respectively, have been recognized. The remaining costs from the 2011 consolidation of UVEST and the 2009 consolidation of the Affiliated Entities largely consist of the amortization of transition payments that have been made in connection with these two conversions for the retention of advisors and financial institutions that are expected to be recognized into earnings by December 2014.

(e) Represents expenses incurred resulting from the early extinguishment and repayment of amounts outstanding under the prior senior secured credit facilities, including the write-off of $16.5 million of unamortized debt issuance costs that had no future economic benefit in the first quarter of 2012, as well as various other charges incurred in connection with the repayment of the prior senior secured credit facilities and the establishment of the current senior secured credit facilities.

(f) Represents equity issuance and offering costs related to the closing of a secondary offering in the second quarter of 2012. In addition, results for the three months ended September 30, 2012, include a charge relating to the late deposit of withholding taxes related to the exercise of certain non-qualified stock options in connection with the Company's 2010 initial public offering.

(g) Generally, represents certain excise and other taxes. Results for the three months ended March 31, 2013 include $2.7 million of severance and termination benefits related to a change in management structure that have been excluded from the presentation of Adjusted EBITDA. Results for the three months ended December 31, 2012 and September 30, 2012, include $4.7 million and $2.3 million, respectively, for consulting services and technology development aimed at enhancing the Company's performance in support of its advisors while creating operating efficiencies. During the three months ended March 31, 2013 and December 31, 2012, the Company recorded asset impairment charges of $0.8 million and $4.0 million, respectively, for certain fixed assets related to internally developed software that were determined to have no estimated fair value.

(h) Generally, EBITDA Adjustments and amortization of purchased intangible assets have been tax effected using a federal rate of 35% and the applicable effective state rate, which was 3.30%, net of the federal tax benefit, for the periods presented, except as noted in Notes (i), (j) and (k) in this table.

(i) Represents the after-tax expense of non-qualified stock options for which the Company receives a tax deduction upon exercise, restricted stock awards for which the Company receives a tax deduction upon vesting, shares awarded to employees under the ESPP for which we receive a tax deduction and the full expense impact of incentive stock options granted to employees that have vested and qualify for preferential tax treatment and conversely, for which the Company does not receive a tax deduction. Share-based compensation for vesting of incentive stock options was $1.2 million, $1.3 million, $1.6 million, $1.6 million and $1.6 million for the three months ended March 31, 2013, December 31, 2012, September 30, 2012, June 30, 2012 and March 31, 2012, respectively.

(j) Represents the after-tax expense of acquisition and related costs for which the Company receives a tax deduction. The three months ended March 31, 2013 and September 30, 2012 include $3.8 million and $5.7 million reductions of expense, respectively, related to the estimated fair value of contingent consideration for the stock acquisition of Concord Capital Partners, Inc. ("Concord"), that is not deductible for tax purposes.

(k) Represents the after-tax expense of equity issuance and offering costs related to the closing of a secondary offering in the second quarter of 2012. Results for the three months ended September 30, 2012 include the full expense impact of a charge relating to the late deposit of withholding taxes related to the exercise of certain non-qualified stock options in connection with the Company's 2010 initial public offering, that is not deductible for tax purposes.

(l) Represents the expected tax benefit available to the Company from the accumulated net operating losses of Concord that arose prior to its acquisition by the Company; such benefits were recorded in the third quarter of 2012.

(m) Represents Adjusted Earnings, a non-GAAP measure, divided by weighted average number of shares outstanding on a fully diluted basis. Set forth is a reconciliation of earnings per share on a fully diluted basis, as calculated in accordance with GAAP to Adjusted Earnings per share:

	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012
			(unaudited)		
Earnings per share — diluted	$ 0.51	$ 0.34	$ 0.31	$ 0.35	$ 0.37
After-Tax:					
EBITDA Adjustments per share	0.07	0.10	0.12	0.08	0.14
Amortization of purchased intangible assets per share	0.06	0.06	0.05	0.06	0.05
Acquisition related benefit for a net operating loss carry-forward per share	—	—	(0.01)	—	—
Adjusted Earnings per share	$ 0.64	$ 0.50	$ 0.47	$ 0.49	$ 0.56

LPL Financial Holdings Inc.
EBITDA Adjustments - Q1 2013 Compared to Q1 2012
(Dollars in thousands)
(unaudited)

	Q1 2013			Q1 2012			Increase (Decrease)	
	Unadjusted	Adjustments	As Adjusted	Unadjusted	Adjustments	As Adjusted	$	%
REVENUES:								
Commission	$ 485,572	$ —	$ 485,572	$ 463,653	$ —	$ 463,653	$ 21,919	4.7 %
Advisory	281,226	—	281,226	250,981	—	250,981	30,245	12.1 %
Asset-based	103,766	—	103,766	97,241	—	97,241	6,525	6.7 %
Transaction and other	89,378	—	89,378	74,572	260	74,832	14,546	19.4 %
Interest income, net of operating interest	4,408	—	4,408	4,710	—	4,710	(302)	(6.4)%
Other	10,446	—	10,446	10,616	—	10,616	(170)	(1.6)%
Net revenues	974,796	—	974,796	901,773	260	902,033	72,763	8.1 %
EXPENSES:								
Commission and advisory	659,553	—	659,553	617,392	—	617,392	42,161	6.8 %
Compensation and benefits	98,780	(7,995)	90,785	89,012	(4,512)	84,500	6,285	7.4 %
Promotional	23,665	(25)	23,640	16,831	(46)	16,785	6,855	40.8 %
Depreciation and amortization	19,774	—	19,774	17,175	—	17,175	2,599	15.1 %
Occupancy and equipment	16,798	(76)	16,722	14,497	(2)	14,495	2,227	15.4 %
Professional services	14,510	(183)	14,327	13,121	(1,149)	11,972	2,355	19.7 %
Brokerage, clearing and exchange	10,170	—	10,170	9,515	—	9,515	655	6.9 %
Communications and data processing	9,492	(4)	9,488	8,899	—	8,899	589	6.6 %
Regulatory fees and other	7,419	—	7,419	7,546	—	7,546	(127)	(1.7)%
Restructuring charges	6,037	(6,021)	16	1,694	(1,709)	(15)	31	*
Other expense	5,887	869	6,756	6,672	(683)	5,989	767	12.8 %
Total operating expenses	872,085	(13,435)	858,650	802,354	(8,101)	794,253	64,397	8.1 %
Non-operating interest expense	12,160	—	12,160	16,032	—	16,032	(3,872)	(24.2)%
Loss on extinguishment of debt	—	—	—	16,524	(16,524)	—	—	*
Total expenses	$ 884,245	$ (13,435)	$ 870,810	$ 834,910	$ (24,625)	$ 810,285	$ 60,525	7.5 %

* Not Meaningful

LPL Financial Holdings Inc.
EBITDA Adjustments - Q1 2013 Compared to Q4 2012
(Dollars in thousands)
(unaudited)

	Q1 2013			Q4 2012			Increase (Decrease)	
	Unadjusted	Adjustments	As Adjusted	Unadjusted	Adjustments	As Adjusted	$	%
REVENUES:								
Commission	$ 485,572	$ —	$ 485,572	$ 467,492	$ —	$ 467,492	$ 18,080	3.9 %
Advisory	281,226	—	281,226	275,983	—	275,983	5,243	1.9 %
Asset-based	103,766	—	103,766	103,018	—	103,018	748	0.7 %
Transaction and other	89,378	—	89,378	83,362	2	83,364	6,014	7.2 %
Interest income, net of operating interest	4,408	—	4,408	4,603	3	4,606	(198)	(4.3)%
Other	10,446	—	10,446	9,786	—	9,786	660	6.7 %
Net revenues	974,796	—	974,796	944,244	5	944,249	30,547	3.2 %
EXPENSES:								
Commission and advisory	659,553	—	659,553	651,774	—	651,774	7,779	1.2 %
Compensation and benefits	98,780	(7,995)	90,785	89,350	(7,607)	81,743	9,042	11.1 %
Promotional	23,665	(25)	23,640	32,277	(256)	32,021	(8,381)	(26.2)%
Depreciation and amortization	19,774	—	19,774	18,786	—	18,786	988	5.3 %
Occupancy and equipment	16,798	(76)	16,722	16,150	(119)	16,031	691	4.3 %
Professional services	14,510	(183)	14,327	15,306	(1,941)	13,365	962	7.2 %
Brokerage, clearing and exchange	10,170	—	10,170	9,917	—	9,917	253	2.6 %
Communications and data processing	9,492	(4)	9,488	10,577	(24)	10,553	(1,065)	(10.1)%
Regulatory fees and other	7,419	—	7,419	10,890	—	10,890	(3,471)	(31.9)%
Restructuring charges	6,037	(6,021)	16	635	(634)	1	15	*
Other expense	5,887	869	6,756	13,871	(5,865)	8,006	(1,250)	(15.6)%
Total operating expenses	872,085	(13,435)	858,650	869,533	(16,446)	853,087	5,563	0.7 %
Non-operating interest expense	12,160	—	12,160	12,529	—	12,529	(369)	(2.9)%
Loss on extinguishment of debt	—	—	—	—	—	—	—	*
Total expenses	$ 884,245	$ (13,435)	$ 870,810	$ 882,062	$ (16,446)	$ 865,616	$ 5,194	0.6 %

* Not Meaningful

LPL Financial Holdings Inc.
Business and Financial Metrics
(Dollars in billions, except where noted)
(unaudited)

	Q1'12	Q2'12	Q3'12	Q4'12	Q1'13	YoY Growth	Seq Growth
Brokerage and Advisory Assets Under Custody							
Brokerage	$ 243.3	$ 241.6	$ 252.8	$ 251.2	$ 263.8	8.4%	5.0%
Advisory	110.8	111.4	118.6	122.1	130.2	17.5%	6.6%
Total Assets Under Custody	**$ 354.1**	**$ 353.0**	**$ 371.4**	**$ 373.3**	**$ 394.0**	**11.3%**	**5.5%**
Advisory % of Total	*31.3%*	*31.6%*	*31.9%*	*32.7%*	*33.0%*	*n/a*	*n/a*
Brokerage Assets Associated with Independent RIAs	$ 13.0	$ 14.2	$ 16.8	$ 19.5	$ 22.6	73.8%	15.9%
Independent RIA Firm Advisory Assets	14.1	15.7	18.6	21.4	24.1	70.9%	12.6%
Total Independent RIA Firm Assets Under Custody	**$ 27.1**	**$ 29.9**	**$ 35.4**	**$ 40.9**	**$ 46.7**	**72.3%**	**14.2%**
Net New Advisory Assets(1)	$ 2.5	$ 2.8	$ 2.9	$ 2.7	$ 3.0	n/a	n/a
Annualized Growth(2)	**9%**	**10%**	**10%**	**9%**	**9%**	**n/a**	**n/a**
Insured Cash Account	$ 13.9	$ 14.6	$ 14.2	$ 16.3	$ 15.6	12.2%	(4.3%)
Money Market Funds	7.7	8.5	7.4	8.4	7.5	(2.6%)	(10.7%)
Total Cash Sweep Assets (EOP)	**$ 21.6**	**$ 23.1**	**$ 21.6**	**$ 24.7**	**$ 23.1**	**6.9%**	**(6.5%)**
% of total Assets Under Custody	*6.1%*	*6.5%*	*5.8%*	*6.6%*	*5.9%*	*(20 bps)*	*(70 bps)*
Insured Cash Account Fee - bps	92	89	88	87	78	(14 bps)	(9 bps)
Money Market Fee - bps	11	12	12	13	7	(4 bps)	(6 bps)
Cash Sweep Fee - bps	**64**	**61**	**61**	**61**	**54**	(10 bps)	(7 bps)
Weighted FFE Daily Average Fee - bps	10	15	14	16	14	4 bps	(2 bps)
Advisors							
Advisors	12,962	13,185	13,170	13,352	13,377	3.2%	0.2%
Annualized commissions per Advisor ($ thousands)(3)	$ 144	$ 137	$ 134	$ 140	$ 145	0.7%	3.6%
Net New Advisors	115	223	(15)	182	25	n/a	n/a
Custom Clearing Services (CCS) Subscribers	4,465	4,511	4,593	4,555	4,563	2.2%	0.2%

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LPL Financial Holdings Inc.
Business and Financial Metrics (Continued)
(Dollars in billions, except where noted)
(unaudited)

	Q1'12	Q2'12	Q3'12	Q4'12	Q1'13	YoY Growth	Seq Growth
Payout Rate							
Base Payout Rate	84.3%	84.3 %	84.1%	84.1%	83.9%	(40 bps)	(20 bps)
Production-Based Bonuses	1.6%	2.6 %	3.2%	3.4%	1.7%	10 bps	(170 bps)
Gross Dealer Concessions (GDC) Related Payout	**85.8%**	**86.8 %**	**87.2%**	**87.5%**	**85.6%**	**(20 bps)**	**(190 bps)**
Other(4)	0.6%	(0.1)%	0.2%	0.2%	0.4%	(20 bps)	20 bps
Total Payout Ratio	**86.4%**	**86.7 %**	**87.4%**	**87.7%**	**86.0%**	**(40 bps)**	**(170 bps)**
Production-Based Bonuses Ratio (Trailing Twelve Months)	**2.5%**	**2.6 %**	**2.7%**	**2.7%**	**2.7%**	20 bps	—
G&A Expenses ($ millions)							
Adjusted Compensation and Benefit Expense	$ 84.5	$ 84.6	$ 86.3	$ 81.7	$ 90.8	7.5%	11.1%
Adjusted Other G&A(5)	$ 48.9	$ 55.5	$ 51.0	$ 58.8	$ 54.7	11.9%	(7.0%)
Total Core Expenses(6)	**$ 133.4**	**$ 140.2**	**$ 137.3**	**$ 140.6**	**$ 145.5**	**9.1%**	**3.5%**
Adjusted Promotional Expense	$ 16.8	$ 26.1	$ 31.8	$ 32.0	$ 23.6	40.5%	(26.3%)
Metrics							
Advisory Revenue bps of Assets, excluding Independent RIA assets(7)	111	111	111	110	112	1 bps	2 bps
Production Retention Rate (YTD Annualized)(8)	98%	98 %	95%	95%	97%	(100 bps)	200 bps
Attachment Rate, excluding cash revenue(9)	21%	22 %	23%	22%	23%	200 bps	100 bps
Recurring Revenue Rate(10)	63%	65 %	67%	66%	65%	200 bps	(100 bps)
Adj. EBITDA / Gross Margin	46%	40 %	39%	39%	45%	(100 bps)	600 bps
Employees - period end	2,720	2,911	2,936	2,917	2,943	8.2%	0.9%
Cash Available for Corporate Use ($ millions)(11)	$ 584	$ 341	$ 317	$ 215	$ 224	(61.6%)	4.2%

(1) Reflects net new advisory assets consisting of funds from new accounts and additional funds deposited into advisory accounts that are custodied in our fee-based advisory platforms and exclude market impact.
(2) Calculated by dividing net new advisory assets by advisory assets under custody and multiplying by four.
(3) Calculation excludes CCS subscribers and uses average of beginning and end of period advisor count.
(4) Reflects the Non-GDC sensitive portion of payout rate, which includes share-based compensation expense from stock options and warrants granted to advisors and financial institutions based on the fair value of the awards at each interim reporting period, and mark-to market gains or losses on amounts designated by advisors as deferred commissions in a non-qualified deferred compensation plan.
(5) Adjusted Other G&A expense reflects the total of the following adjusted operating expenses: Occupancy and equipment; Professional services; Communications and data processing; Regulatory fees and other, and Other expenses.
(6) Core expenses include Adjusted Compensation and benefits and Adjusted Other G&A as defined in footnote 5. Core expenses exclude the following expenses: Commission and advisory; Promotional; Depreciation and amortization; Brokerage, clearing and exchange; and restructuring charges.

(7) Based on annualized advisory revenue over prior quarter ending corporate advisory assets (corporate assets defined as total advisory assets less Independent RIA Firm Advisory Assets).

(8) Reflects retention of commission and advisory revenues, calculated by subtracting the prior year production of the annualized year-to-date attrition rate, over the prior year total production.

(9) Attachment revenue includes: Asset-based, transaction and other and other revenue. Calculation is based on total attachment revenue over total net revenues for the quarter.

(10) Recurring revenue is a characterization of net revenue and a statistical measure, which we define to include our asset-based revenues, advisory revenues, trailing commission revenues, cash sweep program revenues and certain other revenues that are based upon accounts and advisors. In addition, certain recurring revenues are associated with asset balances.

(11) Cash unrestricted by the credit agreement and other regulations available for operating, investing and financing uses.

LPL Financial Holdings Inc.
Insured Cash Account Fed Funds Sensitivity
(Dollars in thousands)
(unaudited)

The following table reflects the impact to income before taxes on an annual basis based on an upward or downward change in short-term interest rates of one basis point.

The impact assumes that the client balances at March 31, 2013 remain unchanged.

Federal Reserve Effective Federal Funds Rate ("FFER")	Annualized Increase or Decrease of Income Before Taxes per One Basis Point Change*
0.00% - 0.25%	$ 1,600
0.26% - 1.25%	$ 800
1.26% - 2.25%	$ 600

Example: assuming FFER is 0.15% and it increases by 0.25% to 0.40%, LPL Financial would benefit from an annualized increase of $28 million* in income, before taxes.

*Excludes impact from money market revenue. In a normalized interest rate environment, where FFER is at least 2.00%, LPL Financial would earn approximately 55 basis points on money market fund cash balances, based upon current cash asset level allocations.

The actual impact to cash sweep revenue, including a change in the FFER of greater than 2.25%, may vary depending on our strategy in response to a change in interest rate levels, the significance of a change, and actual balances at the time of such change.

LPL Financial Holdings Inc.
Insured Cash Account Portfolio Grid of Maturities
(Dollars in billions)
(unaudited)

The following table outlines the number of bank relationships and maturities in our Insured Cash Account program.

Maturity Year	Number of Banks	Cash Assets Represented	Percentage of Total ICA Cash Balances
2013	5	$ 1.2	7.7%
2014	9	$ 7.7	49.7%
2015	3	$ 0.8	5.2%
2016-2019	6	$ 5.8	37.4%
Total	23	$ 15.5	100.0%

Note: Bank contracts mature regularly, are often renegotiated and new bank relationships are also added to the Cash Account program. The table reflects bank contracts and expected maturities as of 03/31/13. While certain contracts are direct with us, others are administered through a third party, and the information presented above is therefore provided to the best of our knowledge.