LPL Financial

Financial Supplement

Third Quarter 2015

October 29, 2015

Safe harbor disclosure

Statements in this presentation regarding LPL Financial Holdings Inc.'s (together with its affiliates and subsidiaries, the “Company”) future financial and operating results, plans, strategies, goals, future growth and insured cash account portfolio, including income projections based on changes in interest rates, the Company's ability to realize benefits from rising interest rates, future fees from banks and future contract maturities, future cash sweep balances, including the statements on the pages titled “Insured Cash Account Fed Funds Sensitivity” and “Insured Cash Account Portfolio Grid of Maturities”, as well as any other statements that are not related to present facts or current conditions or 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 October 29, 2015. The words "anticipates," "believes," "expects," "may," "plans," "predicts," "will" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. 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: changes in general economic and financial market conditions, including retail investor sentiment; fluctuations in the value of advisory and brokerage assets; fluctuations in levels of net new advisory assets and the related impact on fee revenue; 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 strategy in managing cash sweep program fees; changes in the growth of the Company's fee-based business; the Company's success in realizing the service improvements and efficiencies expected to result from its initiatives and programs, particularly its technology initiatives; the effect of current, pending and future legislation, regulation and regulatory actions, including the fiduciary rule proposed by the U.S. Department of Labor and disciplinary actions imposed by federal and state securities regulators or self-regulatory organizations; and the other factors set forth in Part I, “Item 1A. Risk Factors” in the Company's 2014 Annual Report on Form 10-K and any subsequent SEC filings. Except as required by law, the Company specifically disclaims any obligation to update any forward-looking statements as a result of developments occurring after October 29, 2015, even if its estimates change, and you should not rely on those statements as representing the Company's views as of any subsequent date.

Non-GAAP financial metrics

Adjusted earnings represent net income before: (a) employee share-based compensation expense, (b) amortization of intangible assets, (c) acquisition and integration related expenses, (d) restructuring and conversion costs, (e) debt amendment and extinguishment costs, and (f) other. Reconciling items are tax effected using the income tax rates in effect for the applicable period, adjusted for any potentially non-deductible amounts. Adjusted earnings per share represents adjusted earnings divided by weighted-average outstanding shares on a fully diluted basis. The Company prepares adjusted earnings and adjusted earnings per share to eliminate the effects of items that it does not consider indicative of its core operating performance. The Company believes these measures provide investors with greater transparency by helping illustrate the underlying financial and business trends relating to results of operations and financial condition and comparability between current and prior periods.

Non-GAAP financial metrics (continued)

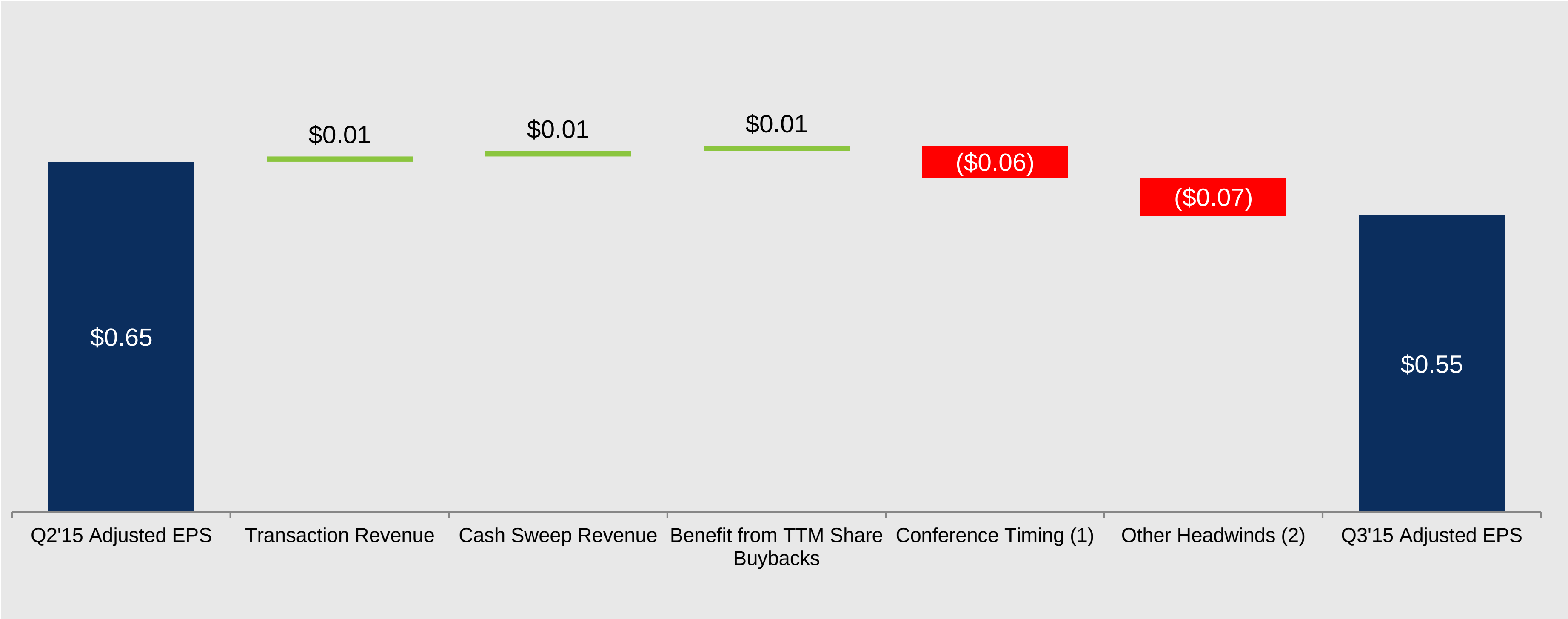
Adjusted EBITDA is defined as EBITDA (net income plus interest expense, income tax expense, depreciation and amortization), further adjusted to exclude certain non-cash charges and other adjustments. The Company presents adjusted EBITDA because the Company considers it a useful financial metric in assessing the Company's operating performance from period to period by excluding certain items that the Company believes are not representative of its core business, such as certain material non-cash items and other adjustments that are outside the control of management.

Adjusted earnings, adjusted earnings per share, and adjusted EBITDA are not measures of the Company's financial performance under GAAP and should not be considered as an alternative to net income or earnings per share or any other performance measure derived in accordance with GAAP, or as an alternative to cash flows from operating activities as a measure of profitability or liquidity. In addition, adjusted EBITDA can differ significantly from company to company depending on long-term strategic decisions regarding capital structure, the tax jurisdictions in which companies operate, and capital investments. Reconciliations of Adjusted Earnings and Adjusted EBITDA to GAAP measures are also set forth on pages 10-12 of this presentation.

Gross Profit is calculated as net revenues less production expenses. Production expenses consist of the following expense categories from the Company’s consolidated statements of income: (i) commission and advisory and (ii) brokerage, clearing, and exchange. All other expense categories, including depreciation and amortization, are considered general and administrative in nature. Because the Company’s gross profit amounts do not include any depreciation and amortization expense, the Company considers its gross profit amounts to be non-GAAP measures that may not be comparable to those of others in its industry.

The Adjusted Earnings per Share ("EPS") sequential decrease was primarily due to both conference expense and market-sensitive revenue declines

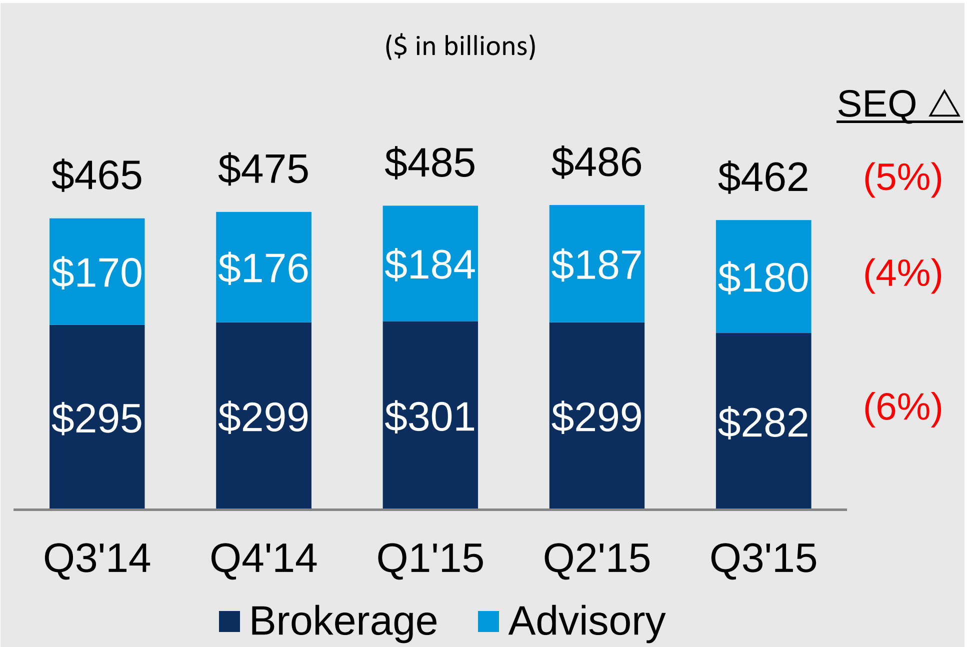
Adjusted Earnings Per Share: Q2'15 vs. Q3'15



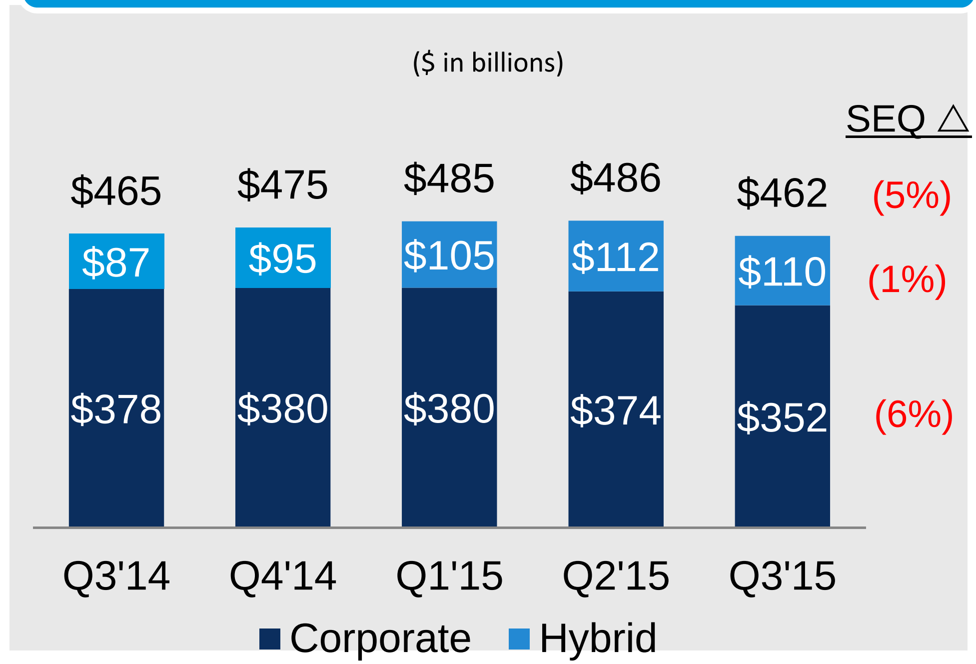
Note: Adjusted Earnings per Share and Gross Profit are non-GAAP measures.
(1) Represents an increase in conference expense net conference revenue attributable to the Company's annual national advisor conference in Q3'15.
(2) Other headwinds consisted of a) Gross Profit growth excluding transaction revenue, cash sweep revenue and conference revenue, less b) Core G&A growth.
Gross Profit is defined on page 2 and Core G&A is defined in Footnote 2 on page 14.

Assets declined sequentially as solid net new advisory asset flows were offset by declines in brokerage and advisory asset valuation

Brokerage vs. Advisory Assets



Corporate(2) vs. Hybrid RIA Assets(3)



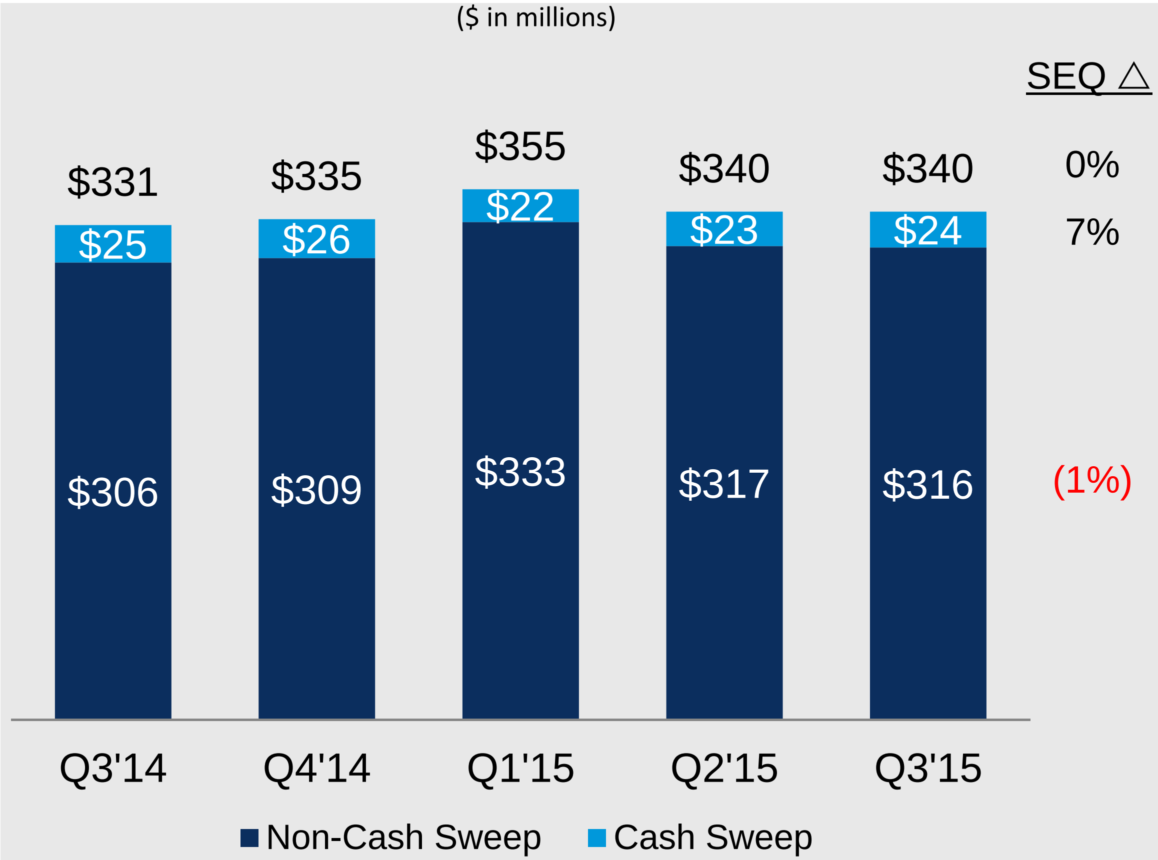
- During the third quarter, the Company added an additional $4.2 billion in net new advisory assets at an annualized growth rate of 9.3 percent

- Hybrid RIA assets continued to gain share of total brokerage and advisory assets

(1) Total brokerage and advisory assets are defined in Footnote 1 on page 19
(2) Corporate assets include both Corporate brokerage and Corporate RIA assets
(3) The Company serves independent RIAs that conduct their advisory business through separate entities ("Hybrid RIAs") operating pursuant to the Investment Advisers Act of 1940 or through their respective states' investment advisory licensing rules, rather than through LPL Financial. The Company's Hybrid RIA platform provides an integrated offering of technology, clearing, compliance, and custody services to Hybrid RIAs. Total Hybrid RIA Assets are defined in Footnote 2 on page 19.

Gross profit remained flat sequentially in spite of a challenging market environment; achieved record transactions, volumes, and client cash balances

Gross Profit

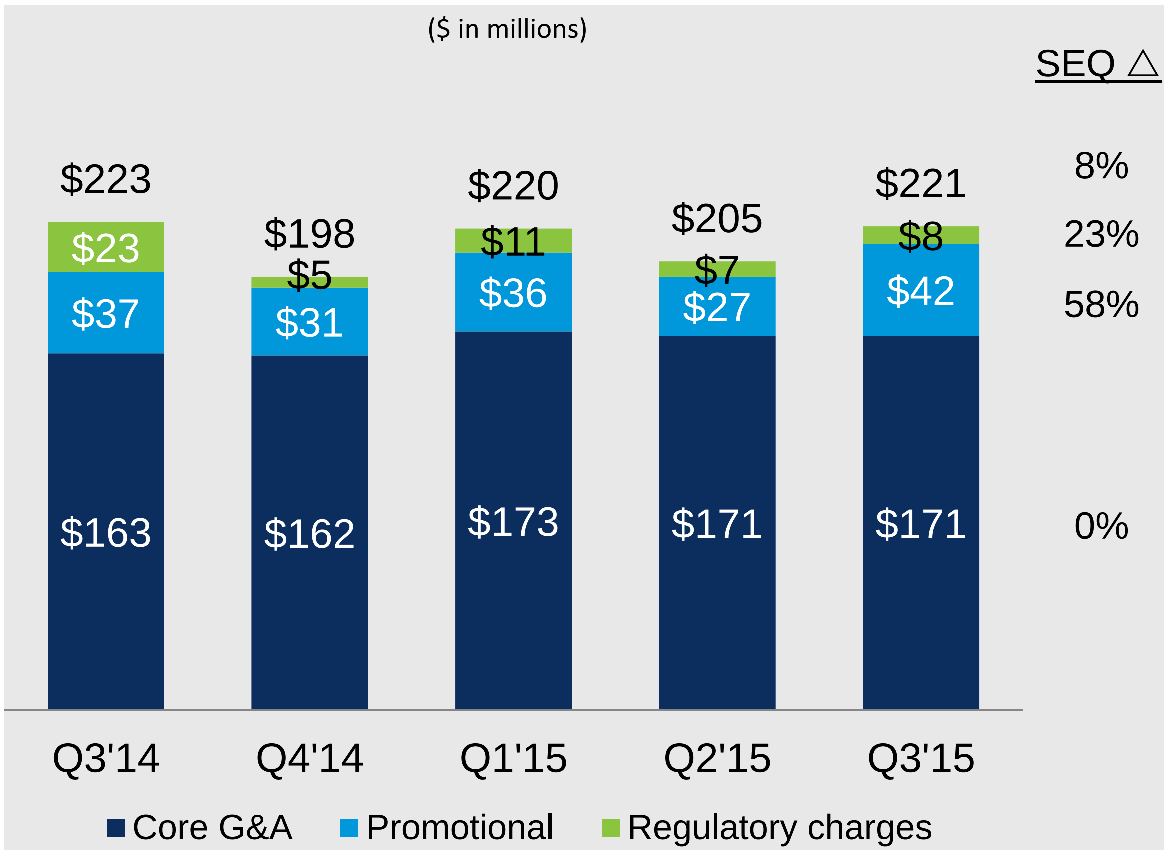


- Cash sweep revenue increased 7% sequentially primarily due to cash balances increasing to a record $28 billion by the end of Q3
- Asset-based revenue excluding cash sweep revenue was down 3% sequentially driven by declining value of customer assets, which reduced the Company's asset-based revenue streams
- Transaction and fee revenue increased 8% sequentially primarily due to conference revenue and record transaction volume
- Other revenues declined sequentially primarily due to market impact of the Company's advisor deferred compensation plan and lower marketing allowances received from decreased alternative investment sales

Note: Gross Profit is a non-GAAP measure

Core G&A was flat sequentially, though total G&A grew due to national advisor conference expense

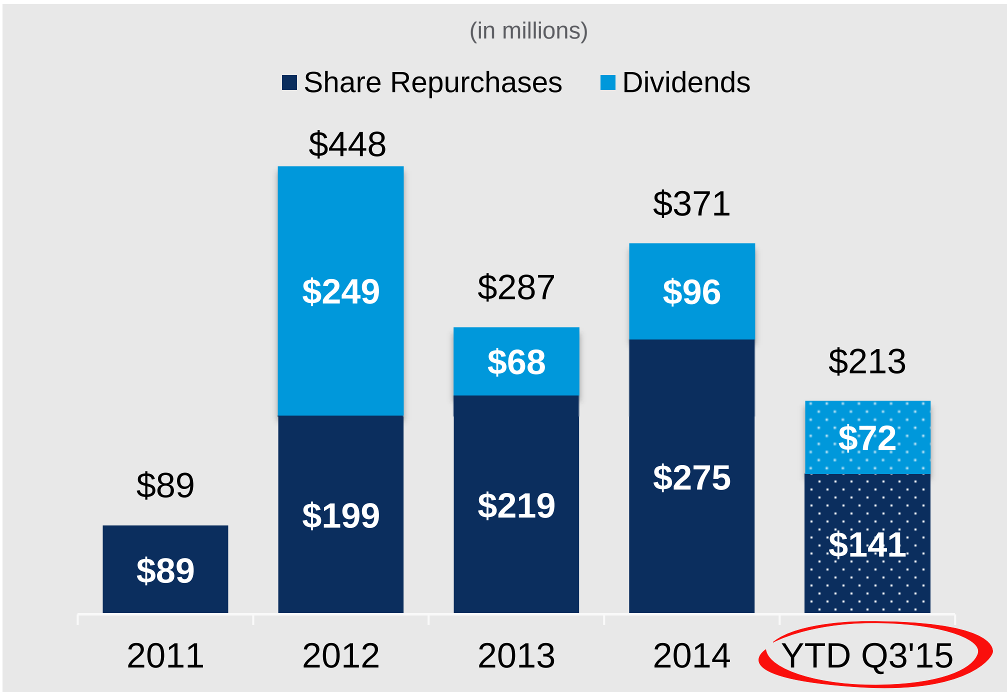
G&A Expense



- Core G&A, excluding regulatory expense, remained flat sequentially. For full year 2015, the Company believes that it is on track to meet its 7.5 to 8.5% year-over-year growth expectation, and likely at the lower end of the range.
- Promotional expense grew sequentially due to a planned $15 million conference expense from the Company's annual national advisor conference. Remaining promotional expense was flat sequentially.
- Regulatory charges increased by $1 million sequentially from the resolution of several regulatory matters. Full year 2015 charges are expected to be below 2014 full year charges of $36M, and full year 2016 charges are expected to be meaningfully lower than 2015 charges

LPL's capital-light model continued to support shareholder capital returns, which totaled $49M in Q3 and $213M YTD

Return of Capital

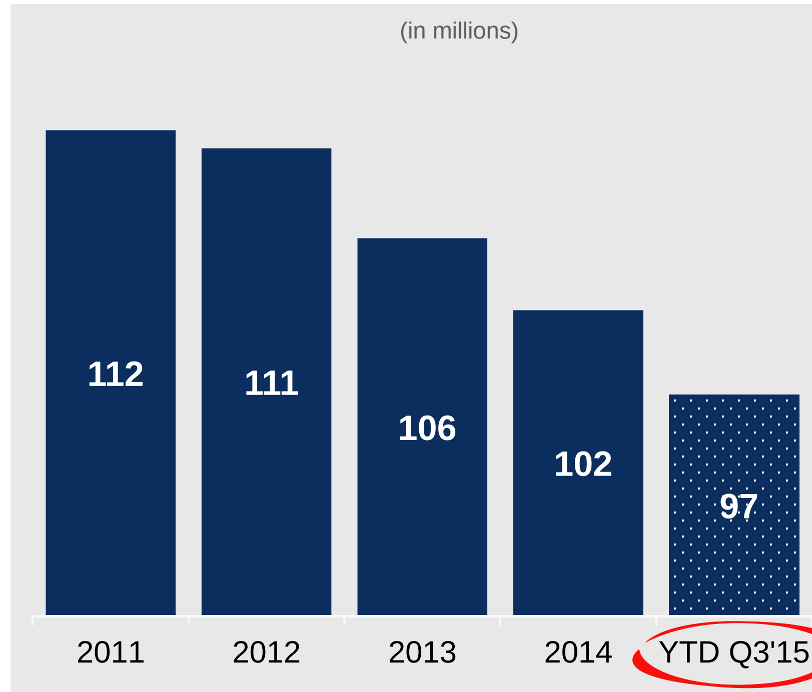


Return of capital per share

2011	2012	2013	2014	YTD Q3'15
$0.79	$4.04	$2.71	$3.65	$2.19

2012 includes a special dividend of $223 million

Fully Diluted Shares



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

	Three Month Quarterly Results				
	Q3 2015	**Q2 2015**	**Q1 2015**	**Q4 2014**	**Q3 2014**
REVENUES					
Commission	$ 480,271	$ 509,689	$ 523,399	$ 528,355	$ 520,388
Advisory	341,217	344,884	342,112	339,943	340,369
Asset-based	123,921	125,072	120,632	122,101	121,283
Transaction and fee	105,593	97,811	101,695	93,537	94,674
Other	3,743	13,205	21,464	20,332	12,520
Net revenues	1,054,745	1,090,661	1,109,302	1,104,268	1,089,234
EXPENSES					
Production(1)	714,988	750,390	753,988	768,917	758,091
Compensation and benefits	110,494	112,337	112,280	104,370	106,290
General and administrative	117,246	99,457	114,354	99,209	122,056
Depreciation and amortization	26,766	26,732	26,066	26,227	24,519
Restructuring charges	3,071	4,492	3,924	8,179	9,928
Total operating expenses	972,565	993,408	1,010,612	1,006,902	1,020,884
Non-operating interest expense	13,493	13,163	14,015	12,887	12,897
Loss on extinguishment of debt	—	—	—	3,943	—
Total expenses	986,058	1,006,571	1,024,627	1,023,732	1,033,781
INCOME BEFORE PROVISION FOR INCOME TAXES	68,687	84,090	84,675	80,536	55,453
PROVISION FOR INCOME TAXES	27,635	33,848	33,997	31,991	22,181
NET INCOME	$ 41,052	$ 50,242	$ 50,678	$ 48,545	$ 33,272
EARNINGS PER SHARE					
Basic	$ 0.43	$ 0.52	$ 0.52	$ 0.50	$ 0.33
Diluted	$ 0.43	$ 0.52	$ 0.52	$ 0.49	$ 0.33
Weighted-average shares outstanding — basic	94,972	95,724	96,551	97,853	100,052
Weighted-average shares outstanding — diluted	96,472	97,239	98,227	99,469	101,834

Continued on following page

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

	Three Month Quarterly Results				
	Q3 2015	**Q2 2015**	**Q1 2015**	**Q4 2014**	**Q3 2014**
FINANCIAL CONDITION					
Total Cash & Cash Equivalents ($ billions)	$ 0.4	$ 0.5	$ 0.5	$ 0.4	$ 0.5
Total Assets ($ billions)	$ 4.0	$ 4.0	$ 4.1	$ 4.1	$ 3.9
Total Debt ($ billions)(2)	$ 1.7	$ 1.7	$ 1.6	$ 1.6	$ 1.5
Stockholders' Equity ($ billions)	$ 0.9	$ 0.9	$ 1.0	$ 1.0	$ 1.1
KEY METRICS					
Advisors	14,073	14,130	14,098	14,036	13,910
Production Payout(1)	85.40%	86.22%	85.64%	87.12%	86.67%
Advisory and Brokerage Assets ($ billions)(3)	$ 461.8	$ 485.7	$ 485.4	$ 475.1	$ 464.8
Advisory Assets Under Custody ($ billions)(3)(4)	$ 179.7	$ 186.8	$ 183.7	$ 175.8	$ 169.5
Net New Advisory Assets ($ billions)(5)	$ 4.2	$ 4.3	$ 5.2	$ 4.1	$ 4.8
Insured Cash Account Balances ($ billions)(6)	$ 19.5	$ 17.5	$ 17.7	$ 18.6	$ 16.9
Money Market Account Balances ($ billions)(6)	$ 8.2	$ 6.8	$ 6.9	$ 7.4	$ 7.1
Adjusted EBITDA(7)	$ 118,352	$ 135,401	$ 135,093	$ 137,953	$ 108,878
Adjusted Earnings(8)	$ 52,772	$ 63,238	$ 63,180	$ 66,044	$ 48,773
Adjusted Earnings per share(8)	$ 0.55	$ 0.65	$ 0.64	$ 0.66	$ 0.48

(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.

(3) Advisory and brokerage assets are comprised of assets that are custodied, networked, and non-networked and reflect market movement in addition to new assets, inclusive of new business development and net of attrition. Insured cash account and money market account balances are also included in advisory and brokerage assets.

(4) Advisory assets under custody are comprised of advisory assets under management in the Company's corporate RIA platform, and Hybrid RIA assets in advisory accounts custodied by the Company.

(5) 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 each of the three month quarterly periods then ended.

(6) Represents advisors' clients' insured cash and money market account balances as of the end of each reporting period.

Continued on following page

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

	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014
			(unaudited)		
Net income	$ 41,052	$ 50,242	$ 50,678	$ 48,545	$ 33,272
Non-operating interest expense	13,493	13,163	14,015	12,887	12,897
Provision for income taxes	27,635	33,848	33,997	31,991	22,181
Amortization of intangible assets	9,534	9,536	9,637	9,822	9,634
Depreciation and amortization of fixed assets	17,231	17,196	16,429	16,405	14,885
EBITDA	108,945	123,985	124,756	119,650	92,869
EBITDA Adjustments:					
Employee share-based compensation expense(a)	6,250	6,805	6,158	5,159	5,550
Acquisition and integration related expenses(b)	(8)	(19)	85	650	(328)
Restructuring and conversion costs(c)	3,080	4,519	3,888	8,177	9,958
Debt amendment and extinguishment costs(d)	—	—	—	4,361	—
Other(e)	85	111	206	(44)	829
Total EBITDA Adjustments	9,407	11,416	10,337	18,303	16,009
Adjusted EBITDA	$ 118,352	$ 135,401	$ 135,093	$ 137,953	$ 108,878

Continued on following page

(8) 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):

	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014
			(unaudited)		
Net income	$ 41,052	$ 50,242	$ 50,678	$ 48,545	$ 33,272
After-Tax:					
EBITDA Adjustments(f)					
Employee share-based compensation expense(g)	3,928	4,309	4,019	3,397	3,666
Acquisition and integration related expenses(h)	(5)	(11)	52	399	(703)
Restructuring and conversion costs	1,891	2,775	2,387	5,021	6,114
Debt amendment and extinguishment costs	—	—	—	2,678	—
Other	52	68	127	(27)	509
Total EBITDA Adjustments	5,866	7,141	6,585	11,468	9,586
Amortization of intangible assets(f)	5,854	5,855	5,917	6,031	5,915
Adjusted Earnings	$ 52,772	$ 63,238	$ 63,180	$ 66,044	$ 48,773
Adjusted Earnings per share(i)	$ 0.55	$ 0.65	$ 0.64	$ 0.66	$ 0.48
Weighted-average shares outstanding — diluted	96,472	97,239	98,227	99,469	101,834

(a) 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 recognized over the requisite service period of the individual awards, which generally equals the vesting period.

(b) Represents acquisition and integration costs resulting from various acquisitions, including changes in the estimated fair value of future payments, or contingent consideration, that may be required to be made to former shareholders of certain acquired entities.

(c) Represents organizational restructuring charges, conversion, and other related costs resulting from the expansion of the Company's Service Value Commitment initiative. Results for the third, second, and first quarter of 2015 also include charges related to the restructuring of the business of the Company's subsidiary, Fortigent Holdings Company, Inc. and its subsidiaries.

(d) Represents expenses incurred resulting from the early extinguishment of amounts outstanding under prior senior secured credit facilities, including the accelerated recognition of unamortized debt issuance costs that had no economic benefit, as well as various other charges incurred in connection with the amended senior secured credit facilities.

(e) Results for the second, third, and fourth quarter of 2014 include approximately $3.2 million, $0.6 million, and $0.4 million, respectively, in parallel rent, property tax, and common area maintenance expenses incurred in connection with the Company's relocation to its San Diego office building.

(f) Generally, EBITDA Adjustments and amortization of intangible assets have been tax effected using a federal rate of 35.0% and the applicable effective state rate, which was 3.6%, net of the federal tax benefit, for 2015 and 2014, respectively, except as noted in footnotes (g) and (i) in this table.

(g) Includes the full expense impact of incentive stock options granted to employees that qualify for preferential tax treatment and conversely for which the Company does not receive a tax deduction.

Continued on following page

(h) Represents the after-tax expense of acquisition and related costs for which the Company receives a tax deduction.

(i) 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:

	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014
			(unaudited)		
Earnings per share — diluted	$ 0.43	$ 0.52	$ 0.52	$ 0.49	$ 0.33
After-Tax:					
EBITDA Adjustments per share	0.06	0.07	0.06	0.11	0.09
Amortization of intangible assets per share	0.06	0.06	0.06	0.06	0.06
Adjusted Earnings per share	$ 0.55	$ 0.65	$ 0.64	$ 0.66	$ 0.48

LPL Financial Holdings Inc.
Pre-Tax Earnings Adjustments - Q3 2015 Compared to Q3 2014
(Dollars in thousands)
(Unaudited)

	Q3 2015			Q3 2014			Increase (Decrease)	
	Unadjusted	Adjustments	As Adjusted	Unadjusted	Adjustments	As Adjusted	$	%
REVENUES:								
Commission	$ 480,271	$ —	$ 480,271	$ 520,388	$ —	$ 520,388	$ (40,117)	(7.7)%
Advisory	341,217	—	341,217	340,369	—	340,369	848	0.2 %
Asset-based	123,921	—	123,921	121,283	—	121,283	2,638	2.2 %
Transaction and fee	105,593	1	105,594	94,674	—	94,674	10,920	11.5 %
Interest income, net of operating interest	5,221	(8)	5,213	4,727	—	4,727	486	10.3 %
Other	(1,478)	—	(1,478)	7,793	—	7,793	(9,271)	(119.0)%
Net revenues	1,054,745	(7)	1,054,738	1,089,234	—	1,089,234	(34,496)	(3.2)%
EXPENSES:								
Commission and advisory	701,585	—	701,585	746,001	—	746,001	(44,416)	(6.0)%
Compensation and benefits	110,494	(6,610)	103,884	106,290	(6,285)	100,005	3,879	3.9 %
Promotional	42,040	—	42,040	36,669	—	36,669	5,371	14.6 %
Depreciation and amortization	26,766	(9,534)	17,232	24,519	(9,634)	14,885	2,347	15.8 %
Occupancy and equipment	19,760	—	19,760	19,043	73	19,116	644	3.4 %
Professional services	15,341	(8)	15,333	14,923	(185)	14,738	595	4.0 %
Brokerage, clearing, and exchange	13,403	—	13,403	12,090	—	12,090	1,313	10.9 %
Communications and data processing	11,253	—	11,253	11,476	(140)	11,336	(83)	(0.7)%
Restructuring charges	3,071	(2,744)	327	9,928	(9,928)	—	327	*
Other	28,852	(52)	28,800	39,945	456	40,401	(11,601)	(28.7)%
Total operating expenses	972,565	(18,948)	953,617	1,020,884	(25,643)	995,241	(41,624)	(4.2)%
Non-operating interest expense	13,493	—	13,493	12,897	—	12,897	596	4.6 %
Total expenses	$ 986,058	$ (18,948)	$ 967,110	$ 1,033,781	$ (25,643)	$ 1,008,138	$ (41,028)	(4.1)%
Regulatory charges(1)			$ 8,290			$ 22,700	$ (14,410)	(63.5)%
Core G&A Expenses, excluding regulatory charges(2)			$ 171,067			$ 162,896	$ 8,171	5.0 %

* Not Meaningful

(1) Regulatory charges is a subset of "Other" expenses that relates to the resolution of regulatory issues (including remediation, restitution, and fines).

(2) Core G&A Expenses, excluding regulatory charges are total operating expenses, excluding the following expenses: commission and advisory, promotional, depreciation and amortization, and brokerage, clearing, and exchange.

LPL Financial Holdings Inc.
Pre-Tax Earnings Adjustments - Q3 2015 Compared to Q2 2015
(Dollars in thousands)
(Unaudited)

	Q3 2015			Q2 2015			Increase (Decrease)	
	Unadjusted	Adjustments	As Adjusted	Unadjusted	Adjustments	As Adjusted	$	%
REVENUES:								
Commission	$ 480,271	$ —	$ 480,271	$ 509,689	$ —	$ 509,689	$ (29,418)	(5.8)%
Advisory	341,217	—	341,217	344,884	—	344,884	(3,667)	(1.1)%
Asset-based	123,921	—	123,921	125,072	—	125,072	(1,151)	(0.9)%
Transaction and fee	105,593	1	105,594	97,811	1	97,812	7,782	8.0 %
Interest income, net of operating interest	5,221	(8)	5,213	5,177	(8)	5,169	44	0.9 %
Other	(1,478)	—	(1,478)	8,028	—	8,028	(9,506)	(118.4)%
Net revenues	1,054,745	(7)	1,054,738	1,090,661	(7)	1,090,654	(35,916)	(3.3)%
EXPENSES:								
Commission and advisory	701,585	—	701,585	736,854	—	736,854	(35,269)	(4.8)%
Compensation and benefits	110,494	(6,610)	103,884	112,337	(6,869)	105,468	(1,584)	(1.5)%
Promotional	42,040	—	42,040	26,684	(1)	26,683	15,357	57.6 %
Depreciation and amortization	26,766	(9,534)	17,232	26,732	(9,536)	17,196	36	0.2 %
Occupancy and equipment	19,760	—	19,760	21,315	(13)	21,302	(1,542)	(7.2)%
Professional services	15,341	(8)	15,333	14,529	(3)	14,526	807	5.6 %
Brokerage, clearing, and exchange	13,403	—	13,403	13,536	—	13,536	(133)	(1.0)%
Communications and data processing	11,253	—	11,253	11,107	—	11,107	146	1.3 %
Restructuring charges	3,071	(2,744)	327	4,492	(4,492)	—	327	*
Other	28,852	(52)	28,800	25,822	(45)	25,777	3,023	11.7 %
Total operating expenses	972,565	(18,948)	953,617	993,408	(20,959)	972,449	(18,832)	(1.9)%
Non-operating interest expense	13,493	—	13,493	13,163	—	13,163	330	2.5 %
Total expenses	$ 986,058	$ (18,948)	$ 967,110	$ 1,006,571	$ (20,959)	$ 985,612	$ (18,502)	(1.9)%
Regulatory charges(1)			$ 8,290			$ 6,743	$ 1,547	22.9 %
Core G&A Expenses, excluding regulatory charges(2)			$ 171,067			$ 171,437	$ (370)	(0.2)%

* Not Meaningful

(1) Regulatory charges is a subset of "Other" expenses that relates to the resolution of regulatory issues (including remediation, restitution, and fines).

(2) Core G&A Expenses, excluding regulatory charges are total operating expenses, excluding the following expenses: commission and advisory, promotional, depreciation and amortization, and brokerage, clearing, and exchange.

LPL Financial Holdings Inc.
Pre-Tax Earnings Adjustments - Year to Date 2015 Compared to Same Period in 2014
(Dollars in thousands)
(unaudited)

	Year to Date 2015			Year to Date 2014			Increase (Decrease)	
	Unadjusted	Adjustments	As Adjusted	Unadjusted	Adjustments	As Adjusted	$	%
REVENUES:								
Commission	$ 1,513,359	$ —	$ 1,513,359	$ 1,590,139	$ —	$ 1,590,139	$ (76,780)	(4.8)%
Advisory	1,028,213	—	1,028,213	998,016	—	998,016	30,197	3.0 %
Asset-based	369,625	—	369,625	354,494	—	354,494	15,131	4.3 %
Transaction and fee	305,099	2	305,101	276,284	2	276,286	28,815	10.4 %
Interest income, net of operating interest	14,976	(23)	14,953	14,279	(143)	14,136	817	5.8 %
Other	23,436	(481)	22,955	36,182	(30)	36,152	(13,197)	(36.5)%
Net revenues	3,254,708	(502)	3,254,206	3,269,394	(171)	3,269,223	(15,017)	(0.5)%
EXPENSES:								
Commission and advisory	2,179,686	—	2,179,686	2,242,206	—	2,242,206	(62,520)	(2.8)%
Compensation and benefits	335,111	(19,982)	315,129	317,459	(18,369)	299,090	16,039	5.4 %
Promotional	104,416	(1)	104,415	93,581	(1)	93,580	10,835	11.6 %
Depreciation and amortization	79,564	(28,707)	50,857	70,618	(29,046)	41,572	9,285	22.3 %
Occupancy and equipment	61,957	(13)	61,944	62,922	(7,781)	55,141	6,803	12.3 %
Professional services	43,914	(13)	43,901	44,951	507	45,458	(1,557)	(3.4)%
Brokerage, clearing, and exchange	39,680	—	39,680	36,594	—	36,594	3,086	8.4 %
Communications and data processing	33,974	—	33,974	32,598	(569)	32,029	1,945	6.1 %
Restructuring charges	11,487	(11,160)	327	26,473	(26,473)	—	327	*
Other	86,796	(493)	86,303	89,180	(2,609)	86,571	(268)	(0.3)%
Total operating expenses	2,976,585	(60,369)	2,916,216	3,016,582	(84,341)	2,932,241	(16,025)	(0.5)%
Non-operating interest expense	40,671	—	40,671	38,651	—	38,651	2,020	5.2 %
Total expenses	$ 3,017,256	$ (60,369)	$ 2,956,887	$ 3,055,233	$ (84,341)	$ 2,970,892	$ (14,005)	(0.5)%
Regulatory charges(1)			$ 25,997			$ 31,400	$ (5,403)	(17.2)%
Core G&A Expenses, excluding regulatory charges(2)			$ 515,581			$ 486,889	$ 28,692	5.9 %

* Not Meaningful
(1) Regulatory charges is a subset of "Other" expenses that relates to the resolution of regulatory issues (including remediation, restitution, and fines).
(2) Core G&A Expenses, excluding regulatory charges are total operating expenses, excluding the following expenses: commission and advisory, promotional, depreciation and amortization, and brokerage, clearing, and exchange.

LPL Financial Holdings Inc.
Management's Discussion of Sequential non-GAAP Quarterly Results
(In thousands, except share data)
(Unaudited)

Information on the following two pages contain forward-looking statements and includes the Management's discussion on the Company's non-GAAP quarterly results, and should be read in conjunction with its consolidated financial statements and the Management's Discussion & Analysis included in the Company's Quarterly Report on Form 10-Q. Please also refer to the disclosure under heading "Safe harbor disclosure" on page 1 of this Financial Supplement.

	Q3 2015	**Q2 2015**		
	(Includes Pre-Tax Earnings Adjustments)		**SEQ %**	**Comments on Quarterly Financial Results**
REVENUES				
Commission	$ 480,271	$ 509,689	(5.8)%	Overall commissions decreased sequentially by 6% as sales-based commissions across products declined 7% and trail-based commissions decreased 4%. Variable annuities sales declined as 10-year treasury yields remain below 3%. Alternative investment sales commissions were challenged by a mature real estate market. Trail commissions decreased primarily from market-driven declines in the value of retail investor assets.
Advisory	341,217	344,884	(1.1)%	Advisory fee revenue decreased 1% sequentially primarily due to market-driven declines in the value of retail investor assets.
Production revenues	**$ 821,488**	**$ 854,573**	**(3.9)%**	
Cash sweep revenue	24,024	22,553	6.5 %	Cash sweep revenue increased by 7% sequentially as volatile equity markets drove cash balances to record levels of $28 billion ($20 billion in Insured Cash Accounts ("ICA") and $8 billion in Money Markets).
Non-cash Asset-based	99,897	102,519	(2.6)%	The sequential decrease in asset-based fees of 3% was primarily due to market-driven declines in the value of retail investor assets.
Transaction and fee	105,594	97,812	8.0 %	Transaction and fee revenue increased 8% sequentially primarily due to the expected revenue increase of $6 million related to the Company's annual advisor conference. In additional the Company had record transaction volumes fueled by market volatility.
Other	3,735	13,197	(71.7)%	Other revenue declined sequentially primarily due to the market impact of the advisor deferred compensation plan, which is marked-to-market. Additionally, alternative investment marketing allowances decreased consistent with lower sales of alternative investments.
Net revenues	**$ 1,054,738**	**$ 1,090,654**	**(3.3)%**	
Production expense	714,988	750,390	(4.7)%	Production expense is the product of total GDC (discussed above) and payout rate (discussed below).
Gross profit (1)	**$ 339,750**	**$ 340,264**	**(0.2)%**	
Payout rate	*85.40%*	*86.22%*	(0.82)%	Payout rate decreased by 82 basis points sequentially. Base payout rate decreased by 26 basis points due to the shift to advisory business, through which advisors earn a lower payout than they do through brokerage. Production based bonuses, which grow throughout the year as advisors reach greater production tiers, were up 56 basis points sequentially. Non-GDC Payout decreased by 112 basis points primarily due to advisor deferred compensation plan, which is marked-to-market quarterly.

Continued on following page

LPL Financial Holdings Inc.
Management's Discussion of Sequential non-GAAP Quarterly Results
(In thousands, except per share data)
(Unaudited)

	Q3 2015	Q2 2015	SEQ %	Comments on Quarterly Financial Results
	(Includes Pre-Tax Earnings Adjustments)			
EXPENSES				
Core G&A (excluding regulatory charges)	$ 171,067	$ 171,437	(0.2)%	Core G&A growth was relatively flat sequentially and up 5% year-over-year.
Regulatory charges	8,290	6,743	22.9 %	We experienced sequential growth in regulatory charges because the Company reached agreement to resolve several regulatory matters on which it had been working.
Promotional G&A	42,040	26,683	57.6 %	Promotional expenses increased sequentially, primarily due to the expected $15 million sequential increase related to the Company's annual national advisor conference.
Total G&A	**$ 221,397**	**$ 204,863**	**8.1 %**	Total G&A grew sequentially primarily due to the Company's annual national advisor conference. Excluding the incremental conference expense of $15 million, total G&A grew 1% sequentially.
Adjusted EBITDA (2)	**$ 118,352**	**$ 135,401**	**(12.6)%**	

(1) Gross Profit is a non-GAAP measure.

(2) Adjusted EBITDA, Adjusted Earnings and Adjusted Earnings per Share are non-GAAP measures. See the GAAP to non-GAAP reconciliation on pages 10-12.

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

	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Seq Growth	YoY Growth
Advisory and Brokerage Assets							
Advisory	$ 179.7	$ 186.8	$ 183.7	$ 175.8	$ 169.5	(3.8%)	6.0%
Brokerage	282.1	298.9	301.7	299.3	295.3	(5.6%)	(4.5%)
Total Advisory and Brokerage Assets(1)	**$ 461.8**	**$ 485.7**	**$ 485.4**	**$ 475.1**	**$ 464.8**	**(4.9%)**	**(0.6%)**
Advisory % of Total Assets	*38.9%*	*38.5%*	*37.8%*	*37.0%*	*36.5%*	*n/a*	*n/a*
Brokerage Assets Associated with Hybrid RIAs	$ 49.4	$ 51.1	$ 48.1	$ 43.8	$ 41.0	(3.3%)	20.5%
Hybrid RIA Firm Advisory Assets	60.6	60.5	56.7	50.7	46.4	0.2%	30.6%
Total Hybrid RIA Assets(2)	**$ 110.0**	**$ 111.6**	**$ 104.8**	**$ 94.5**	**$ 87.4**	**(1.4%)**	**25.9%**
Net New Advisory Assets(3)	$ 4.2	$ 4.3	$ 5.2	$ 4.1	$ 4.8	(2.3%)	(12.5%)
Annualized Growth(4)	**9%**	**9%**	**11%**	**9%**	**11%**	**n/a**	**n/a**
Insured Cash Account	$ 19.5	$ 17.5	$ 17.7	$ 18.6	$ 16.9	11.4%	15.4%
Money Market Funds	$ 8.2	6.8	6.9	7.4	7.1	20.6%	15.5%
Total Cash Sweep Assets (EOP)	**$ 27.7**	**$ 24.3**	**$ 24.6**	**$ 26.0**	**$ 24.0**	**14.0%**	**15.4%**
% of total Advisory and Brokerage Assets	*6.0%*	*5.0%*	*5.1%*	*5.5%*	*5.2%*	*100 bps*	*80 bps*
Insured Cash Account Fee - bps	46	48	45	55	58	(2 bps)	(12 bps)
Money Market Fee - bps	9	9	8	7	7	— bps	2 bps
Cash Sweep Fee - bps	**35**	**37**	**35**	**41**	**43**	**(2 bps)**	**(8 bps)**
Weighted FFE Daily Average Fee - bps	14	13	11	10	9	1 bps	5 bps
Advisors							
Advisors	14,073	14,130	14,098	14,036	13,910	(0.4%)	1.2%
Annualized commissions revenue per Advisor ($ thousands)(5)(6)	$ 136	$ 144	$ 149	$ 151	$ 150	(5.6%)	(9.3%)
Annualized GDC per Advisor ($ thousands)(5)(6)	$ 233	$ 242	$ 246	$ 249	$ 248	(3.7%)	(6.0%)
Net New Advisors	(57)	32	62	126	70	(278.1%)	(181.4%)
Custom Clearing Services Subscribers(7)	4,277	4,281	4,304	4,358	4,407	(0.1%)	(2.9%)

Continued on following page

LPL Financial Holdings Inc.
Additional Business Metrics
(Dollars in millions, except where noted)
(Unaudited)

	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Seq Growth	YoY Growth
Payout Rate (8)							
Base Payout Rate	83.17 %	83.43%	83.45%	83.36%	83.50 %	(26 bps)	(33 bps)
Production Based Bonuses	3.12 %	2.56%	1.80%	3.64%	3.18 %	56 bps	(6 bps)
GDC Sensitive Payout	**86.29 %**	**85.99%**	**85.25%**	**87.00%**	**86.68 %**	**30 bps**	**(39 bps)**
Non-GDC Sensitive Payout(9)	(0.89)%	0.23%	0.39%	0.12%	(0.01)%	(112 bps)	(88 bps)
Total Payout Ratio	**85.40 %**	**86.22%**	**85.64%**	**87.12%**	**86.67 %**	**(82 bps)**	**(127 bps)**
Production Based Bonuses Ratio (Trailing Twelve Months)	2.8 %	2.8%	2.8%	2.8%	2.7 %	— bps	10 bps
G&A Expenses ($ millions)							
Core G&A(10)	$ 179.4	$ 178.2	$ 184.0	$ 166.3	$ 185.6	0.7%	(3.3%)
Core G&A, excluding regulatory charges(11)	$ 171.1	$ 171.4	$ 173.1	$ 161.4	$ 162.9	(0.2%)	5.0%
Noncash Transition Assistance(12)	$ 9.4	$ 9.3	$ 8.6	$ 8.0	$ 8.0	1.1%	17.5%
Metrics							
Advisory Revenue as a percentage of Advisory Assets, excluding Hybrid RIA assets(13)	1.1 %	1.1%	1.1%	1.1%	1.1 %	—%	—%
Production Retention Rate (YTD Annualized)(14)	96.6 %	96.7%	97.0%	96.9%	97.0 %	(0.1%)	(0.4%)
Attachment Rate, excluding Cash Sweep Revenue (15)	25.5 %	25.0%	25.7%	24.2%	23.6 %	2.0%	8.1%
Recurring Revenue Rate	72.4 %	71.7%	69.2%	68.9%	70.2 %	1.0%	3.1%
Adjusted EBITDA / Gross Profit	34.8 %	39.8%	38.0%	41.1%	32.9 %	(12.6%)	5.8%
Annualized Gross Profit / Total Advisory and Brokerage Assets	0.29 %	0.28%	0.29%	0.28%	0.28 %	1 bps	1 bps
Employees - period end	3,413	3,385	3,352	3,384	3,397	0.8%	0.5%
Cash available for corporate use (millions)(16)	$ 225	$ 219	$ 238	$ 205	$ 200	2.7%	12.5%
Capital Allocation per Share(17)	$ 0.51	$ 1.13	$ 0.55	$ 1.49	$ 0.48	n/a	n/a

(1) Advisory and brokerage assets are comprised of assets that are custodied, networked, and non-networked and reflect market movement in addition to new assets, inclusive of new business development and net of attrition. Insured cash account and money market account balances are also included in advisory and brokerage assets.

(2) Total Hybrid RIA assets are composed of assets managed or serviced by advisors associated with a Hybrid RIA firm that are custodied, networked, and non-networked, and reflect market movement in addition to new assets, inclusive of new business development and net of attrition.

(3) Reflects net new advisory assets consisting of funds from new accounts and additional funds deposited into advisory accounts that are custodied in the Company's fee-based advisory platforms and exclude market impact.

(4) Calculated by dividing net new advisory assets by end of period advisory assets and multiplying by four.

(5) A simple average advisor count is used to calculate "per advisor" metrics by taking the average advisor count from the current period and sequential period.

(6) Calculation uses average at the beginning and the end of period advisor count, excluding Custom Clearing Services subscribers.

(7) Custom Clearing Services subscribers are financial advisors who are affiliated and licensed with insurance companies that receive customized clearing services, advisory platforms, and technology solutions from the Company.

(8) The Company's production payout ratio is calculated as production expenses, excluding brokerage, clearing, and exchange fees, divided by GDC.

(9) Non-GDC Sensitive Payout includes share-based compensation expense from equity awards granted to advisors and financial institutions based on the fair value of the awards at each reporting period, and mark-to-market gains or losses on amounts designated by advisors as deferred commissions in a non-qualified deferred compensation plan.

(10) Core G&A Expenses are total operating expenses, including the pre-tax earnings adjustments, but excluding the following expenses: commission and advisory, promotional, depreciation and amortization, and brokerage, clearing, and exchange.

(11) Regulatory charges relate to the resolution of regulatory issues (including remediation, restitution, and fines).

(12) Transition assistance represents payments to newly recruited advisors and financial institutions to assist in the transition process. Smaller advisor practices receive payments that are charged to earnings in the current period, whereas larger advisor practices and financial institutions typically receive transition assistance in the form of forgivable loans or recoverable advances that are generally amortized into earnings over a period of three to five years. Noncash transition assistance represents the amortizable amount of forgivable loans or recoverable advances that are charged to earnings in the period presented.

(13) Based on annualized advisory revenues over corporate advisory assets at the prior quarter's end (corporate advisory assets is defined as total Advisory Assets less Hybrid RIA Firm Advisory Assets).

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

(15) Attachment revenue is comprised of asset-based revenues (including revenue from cash sweep programs), transaction and fee revenue, and other revenue. Attachment rate, excluding cash revenue is calculated as attachment revenue (less revenue from cash sweep programs) over total commission and advisory revenues for the quarter.

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

(17) Capital allocation per share equals the amount of capital allocated for share repurchases and cash dividends over the diluted weighted average shares outstanding.

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

The following table reflects the approximate annual impact to asset-based revenues on the Company's insured cash programs of an upward or downward change in short-term interest rates of one basis point. The impact assumes that advisors' clients' balances in the programs at September 30, 2015 remain unchanged:

Federal Reserve Effective Federal Funds Rate ("FFER")	Annualized Increase or Decrease in Asset-Based Revenues per One Basis Point Change
0.00% - 0.25%	$ 1,900
0.26% - 1.25%	$ 1,000
1.26% - 2.80%	$ 900

Example: Assuming the FFER is 0.10% and increases by 0.25% to 0.35%, the Company would benefit from an annualized increase of $38 million in income, before taxes. The pace at which the Company realizes the benefit from a rising FFER may vary depending on its strategy in response to a change in interest rate levels, the significance of a change, and actual cash sweep balances at the time of such change.

This example excludes the benefit from incremental money market revenue. In a normalized interest rate environment when there are no longer money market fund fee waivers, the Company would earn approximately 55 basis points on money market fund cash balances based upon cash asset level allocations as of September 30, 2015.

The Company believes it can achieve fees of approximately 185 basis points on the balances in its Insured Cash Account ("ICA") program when the FFER is normalized. Currently, based on the Company's balances and contract arrangements with third parties as of September 30, 2015, normalized FFER would need to be approximately 2.80% for the Company to realize its 185 basis point fee. Assuming maximum compression in the fees from banks in the Company's ICA program, normalized FFER would increase to a maximum of approximately 3.50% in order for the Company to realize its 185 basis point fee.

In a scenario where the Company maximizes its fees on both of its cash sweep programs, the Company would generate approximately $290 million in incremental revenue and income before taxes, based on cash sweep balances as of September 30, 2015. If interest rates rise above the level where the Company has maximized its fees, the incremental rate would benefit the retail investor.

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 the ICA program as of September 30, 2015 (dollars in millions):

Maturity Year	Number of Banks	Cash Assets Represented	Percentage of Total ICA Cash Balances
2015	1	$ 0.1	0.5%
2016	14	$ 11.0	56.4%
2017	10	$ 1.4	7.2%
2018-2020	4	$ 7.0	35.9%
Total	29	$ 19.5	100.0%

Note: The Company's contracts with banks that participate in the ICA program mature regularly and are often renegotiated. From time to time, bank relationships may end and the Company may also add new bank relationships to the ICA program. The table above reflects the bank contracts and their expected maturities in the ICA program as of September 30, 2015. These numbers are subject to change based on new bank contract terms and changes in ICA balances. While certain bank contracts are made directly with the Company, other relationships with banks are administered through third parties. Accordingly, the information presented above includes data provided to the Company from third parties that the Company has not independently verified.