

Q1 2018 Earnings Key Metrics

LPL Financial Holdings Inc.

Q1 2018 Earnings

May 3, 2018

Notice to Investors: Safe Harbor Statement

Statements in this presentation regarding LPL Financial Holdings Inc.'s (together with its subsidiaries, the "Company") future financial and operating results, and outlook, including forecasts and statements relating to the Company's future deposit betas (and related gross profit benefit), Core G&A expenses (including outlook for 2018, outlook prior to the acquisition of the broker-dealer network of National Planning Holdings, Inc. ("NPH"), and outlook for NPH), promotional expenses (including outlook prior to NPH and for NPH), NPH onboarding costs, and the amount and timing of NPH annual run-rate EBITDA, 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 May 3, 2018. 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 interest rates and fees payable by banks participating in the Company's cash sweep program; the Company's success and strategy in managing cash sweep program fees; changes in general economic and financial market conditions, including retail investor sentiment; fluctuations in the levels and value of advisory and brokerage assets, and the related impact on revenue; effects of competition in the financial services industry and the success of the Company in attracting and retaining financial advisors and institutions; changes in the number of the Company's financial advisors and institutions, and their ability to market effectively financial products and services; whether retail investors served by newly-recruited advisors choose to open accounts and/or move their respective assets to a new account at the Company; changes in the growth and profitability of the Company's fee-based business; the effect of current, pending and future legislation, regulation and regulatory actions, including changes in the retail retirement savings area; changes made to the Company's offerings, services, and pricing, and the effect that such changes may have on the Company's gross profit streams and costs; execution of the Company's plans and its success in realizing the synergies, expense savings, service improvements and efficiencies expected to result from its initiatives and/or programs, including as a result of the NPH acquisition; and the other factors set forth in Part I, "Item 1A. Risk Factors" in the Company's 2017 Annual Report on Form 10-K, as may be amended or updated in the Company's Quarterly Reports on Form 10-Q or subsequent filings with the SEC. Except as required by law, the Company specifically disclaims any obligation to update any forward-looking statements as a result of developments occurring after May 3, 2018, even if its estimates change, and statements contained herein are not to be relied upon as representing the Company's views as of any date subsequent to May 3, 2018.

*Notice to Investors: Non-GAAP Financial Measures

Management believes that presenting certain non-GAAP financial measures by excluding or including certain items can be helpful to investors and analysts who may wish to use some or all of this information to analyze the Company's current performance, prospects, and valuation. Management uses this non-GAAP information internally to evaluate operating performance and in formulating the budget for future periods. Management believes that the non-GAAP measures and metrics discussed herein are appropriate for evaluating the performance of the Company. **Specific Non-GAAP financial measures have been marked with an * (asterisk) within this presentation. Management has also presented certain non-GAAP financial measures further adjusted to reflect the impact of the Company's acquisition of the broker/dealer network of National Planning Holdings, Inc. ("NPH"). Reconciliations and calculations of all such measures can be found on pages 24-27.**

Gross profit is calculated as net revenues, which were \$1,242 million for the three months ended March 31, 2018, less commission and advisory expenses and brokerage, clearing, and exchange fees, which were \$762 million and \$16 million, respectively, for the three months ended March 31, 2018. All other operating expense categories, including depreciation and amortization of fixed assets and amortization of intangible assets, 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. Management believes that gross profit amounts can provide investors with useful insight into the Company's core operating performance before indirect costs that are general and administrative in nature. For a calculation of gross profit, please see page 24 of this presentation.

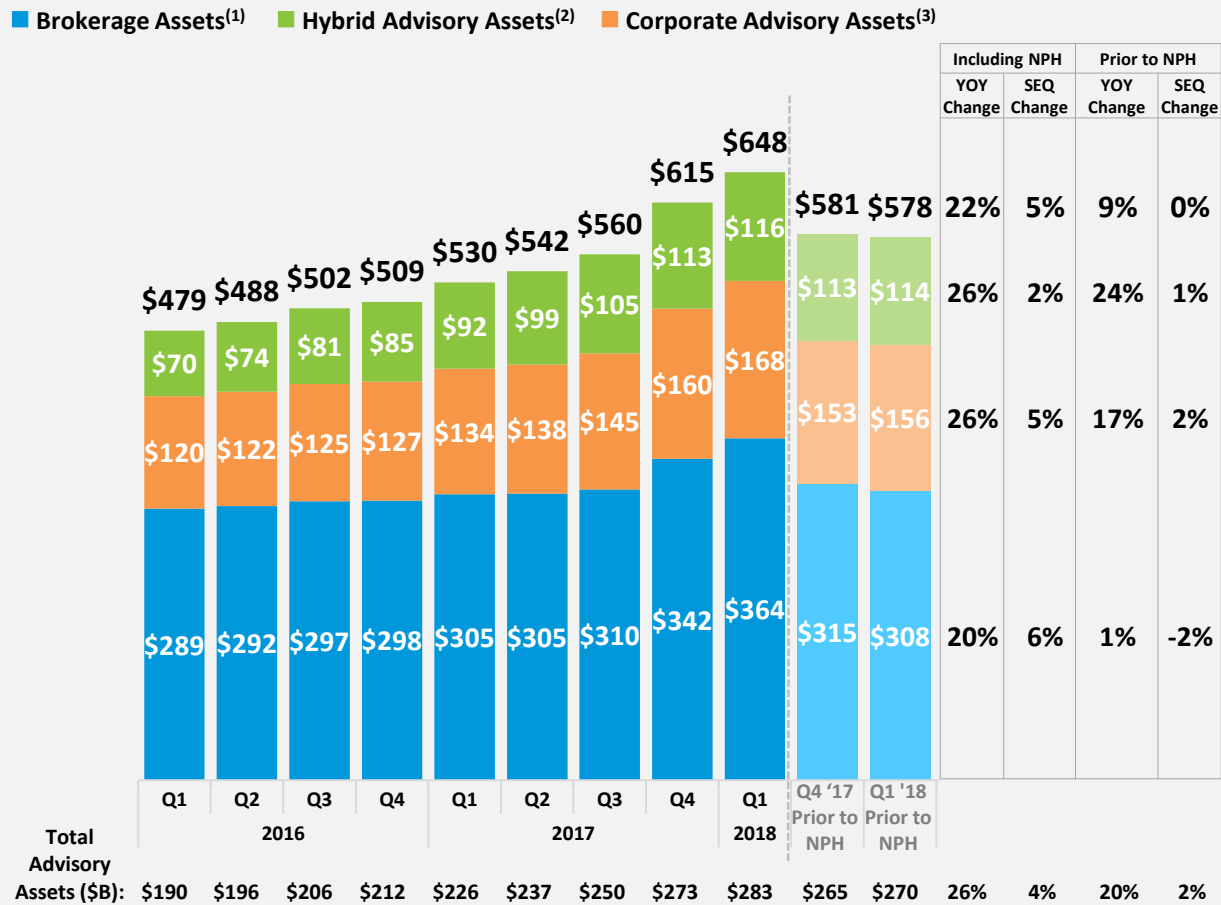
EBITDA is defined as net income plus interest expense, income tax expense, depreciation, amortization, and loss on extinguishment of debt. The Company presents EBITDA because management believes that it can be a useful financial metric in understanding the Company's earnings from operations. EBITDA is not a measure of the Company's financial performance under GAAP and should not be considered as an alternative to net income 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. For a reconciliation of net income to EBITDA, please see page 25 of this presentation. In addition, the Company's EBITDA can differ significantly from EBITDA calculated by other companies, depending on long-term strategic decisions regarding capital structure, the tax jurisdictions in which companies operate, and capital investments.

EPS Prior to Amortization of Intangible Assets is defined as GAAP EPS plus the per share impact of Amortization of Intangible Assets. The per share impact is calculated as Amortization of Intangible Assets expense, net of applicable tax benefit, divided by the number of shares outstanding for the applicable period. The Company presents EPS Prior to Amortization of Intangible Assets because management believes the metric can provide investors with useful insight into the Company's core operating performance by excluding non-cash items that management does not believe impact the Company's ongoing operations. EPS Prior to Amortization of Intangible Assets is not a measure of the Company's financial performance under GAAP and should not be considered as an alternative to GAAP EPS or any other performance measure derived in accordance with GAAP. For a reconciliation of EPS Prior to Amortization of Intangible Assets to GAAP EPS, please see page 26 of this presentation.

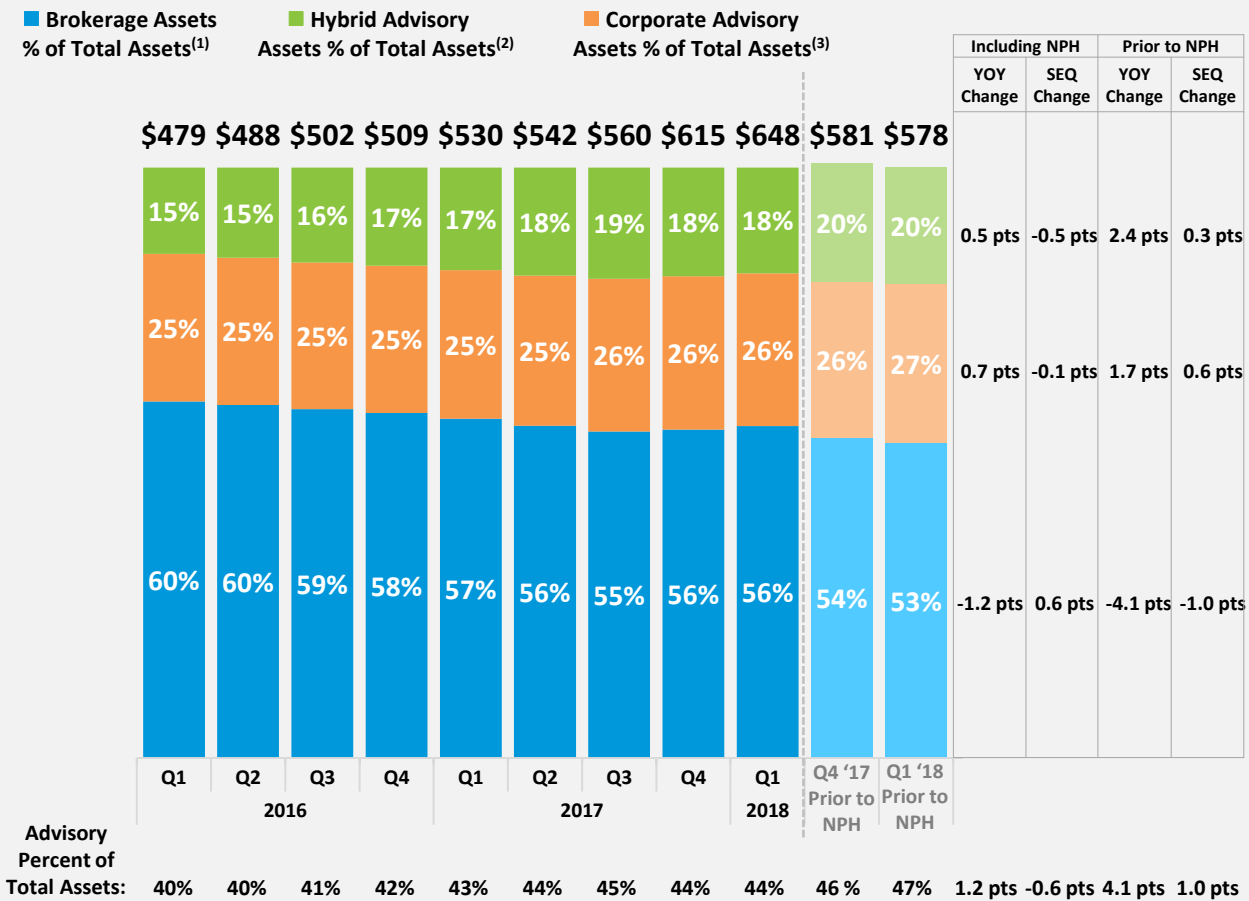
Core G&A consists of total operating expenses, excluding the following expenses: commission and advisory, regulatory charges, promotional, employee share-based compensation, depreciation and amortization, amortization of intangible assets, and brokerage, clearing, and exchange. Management presents Core G&A because it believes Core G&A reflects the corporate operating expense categories over which management can generally exercise a measure of control, compared with expense items over which management either cannot exercise control, such as commission and advisory expenses, or which management views as promotional expense necessary to support advisor growth and retention including conferences and transition assistance. Core G&A is not a measure of the Company's total operating expenses as calculated in accordance with GAAP. For a reconciliation of Core G&A to the Company's total operating expenses, please see page 27 of this presentation. The Company does not provide an outlook for its total operating expenses because it contains expense components, such as commission and advisory expenses, that are market-driven and over which the Company cannot exercise control. Accordingly a reconciliation of the Company's outlook for Core G&A to an outlook for total operating expenses cannot be made available without unreasonable effort.

Q1 Total Brokerage and Advisory Assets increased 22% year-over-year to \$648 billion, up 5% sequentially

Total Brokerage and Advisory Assets (\$ billions)



Total Brokerage and Advisory Asset Mix

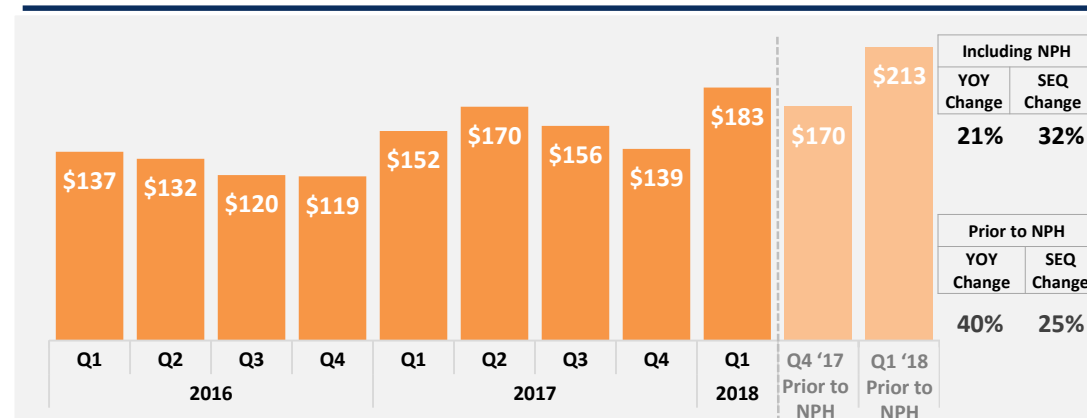


Financial performance has steadily improved on four key metrics

Gross Profit* (\$ millions)



EBITDA* (\$ millions)



EPS, Diluted (\$)



EPS Prior to Amortization of Intangible Assets* (\$)

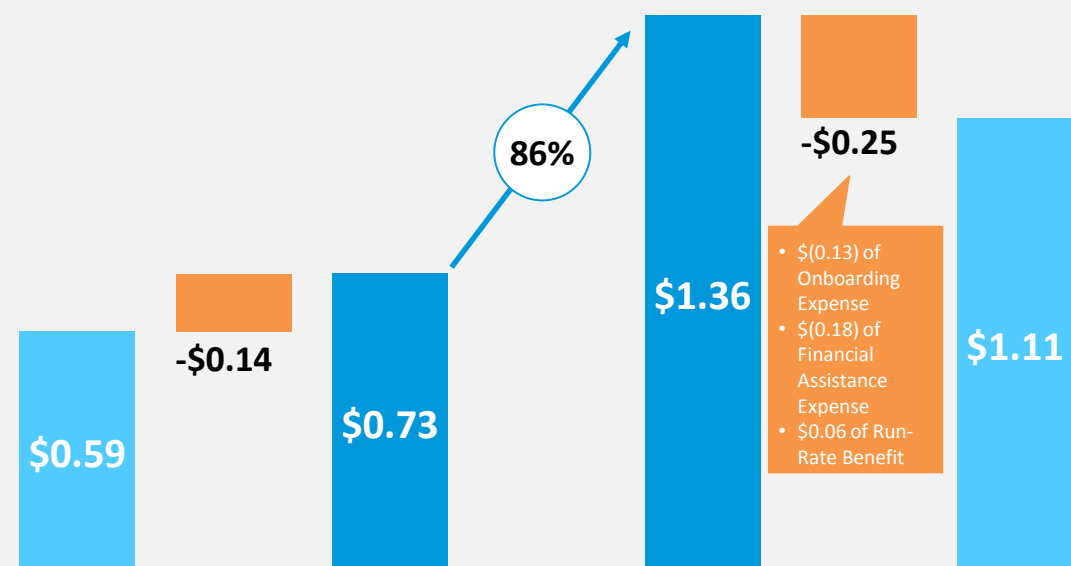


†Prior to \$0.14 of EPS impact from Q1 2017 debt refinancing, and \$0.10 of EPS benefit from Q4 2017 tax reform

Q1 2018 EPS Prior to Amortization of Intangible Assets* was up 86% year-over-year prior to certain items

Q1 2018 – Year-over-Year

EPS Prior to Amortization of Intangible Assets* (\$) ⁽⁶⁾



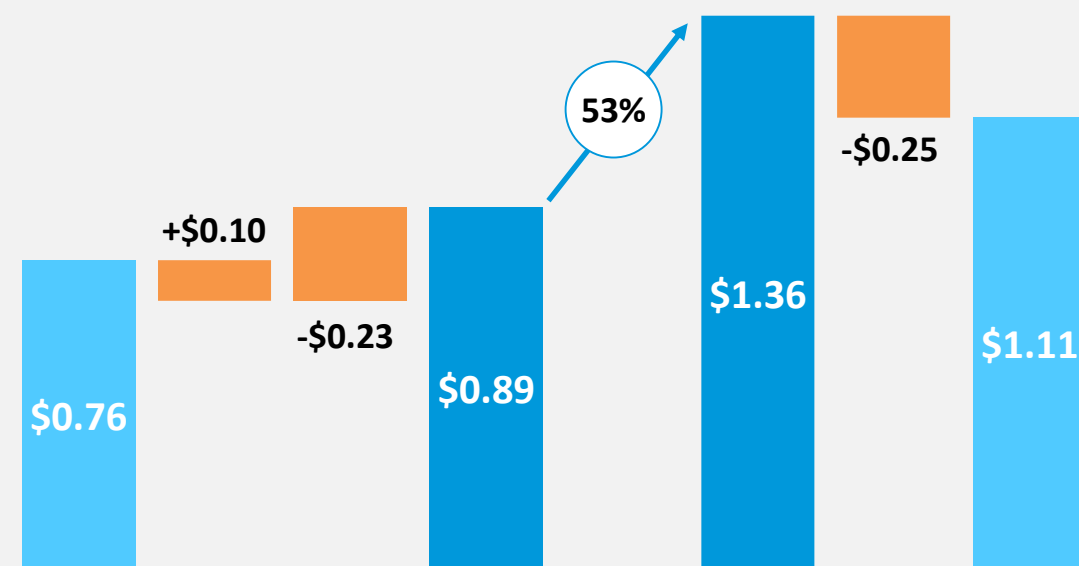
- \$(0.13) of Onboarding Expense
- \$(0.18) of Financial Assistance Expense
- \$0.06 of Run-Rate Benefit

- \$(0.04) of Amortization Expense

	Q1 2017 Results	Debt Refinancing Cost	Q1 2017 Results Prior to Debt Refinancing		Q1 2018 Results Prior to NPH	NPH Impact ⁽⁷⁾	Q1 2018 Results
GAAP EPS	\$0.52	-\$0.14	\$0.66	96%	\$1.30	-\$0.29	\$1.01
Net Income	\$48M	-\$13M	\$61M	97%	\$120M	-\$26M	\$94M

Q1 2018 – Sequential

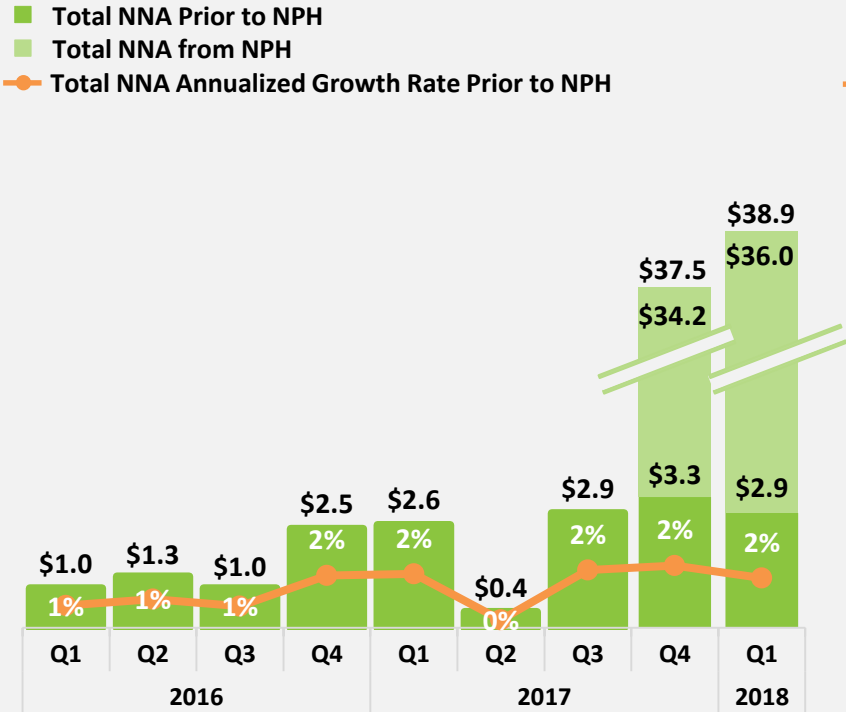
EPS Prior to Amortization of Intangible Assets* (\$) ⁽⁶⁾



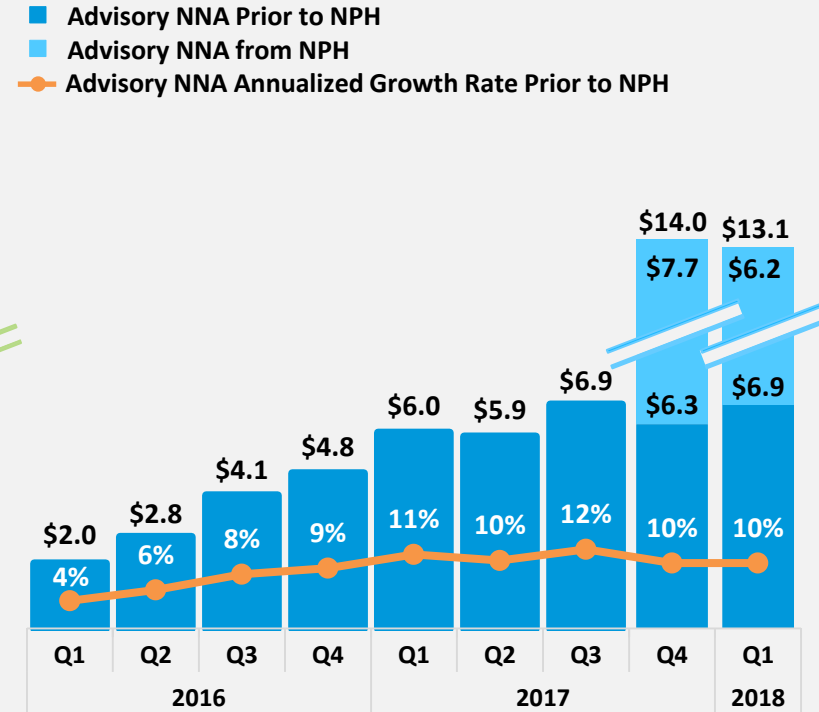
	Q4 2017 Results	Tax Reform	NPH Impact	Q4 2017 Results Prior to NPH and Tax Reform		Q1 2018 Results Prior to NPH	NPH Impact ⁽⁷⁾	Q1 2018 Results
GAAP EPS	\$0.69	+\$0.10	-\$0.24	\$0.83	57%	\$1.30	-\$0.29	\$1.01
Net Income	\$64M	+\$9M	-\$22M	\$77M	56%	\$120M	-\$26M	\$94M

Q1 Total Net New Assets were an inflow of \$2.9 billion prior to NPH

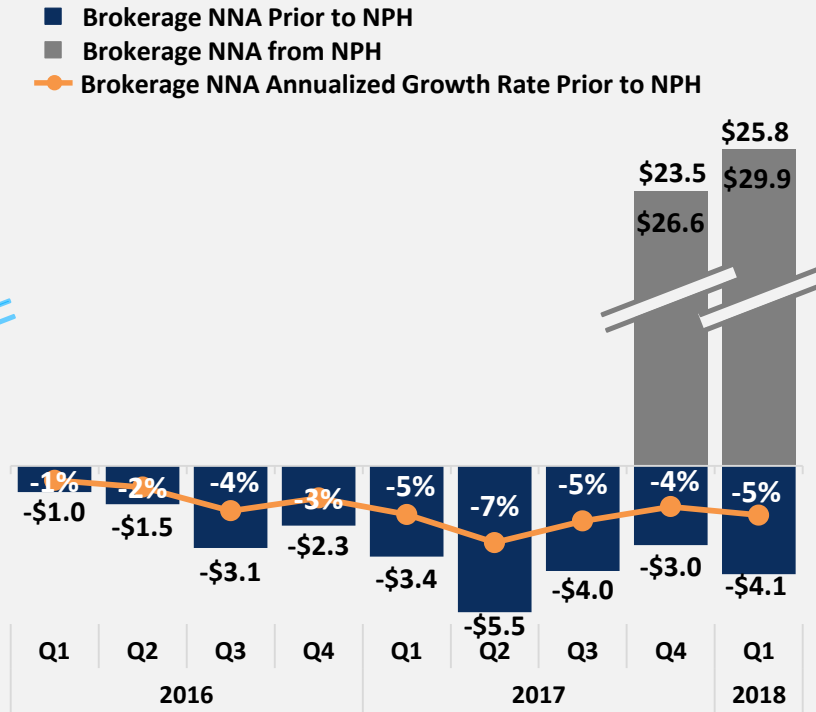
Total Net New Assets (\$ billions)



Net New Advisory Assets⁽⁸⁾ (\$ billions)



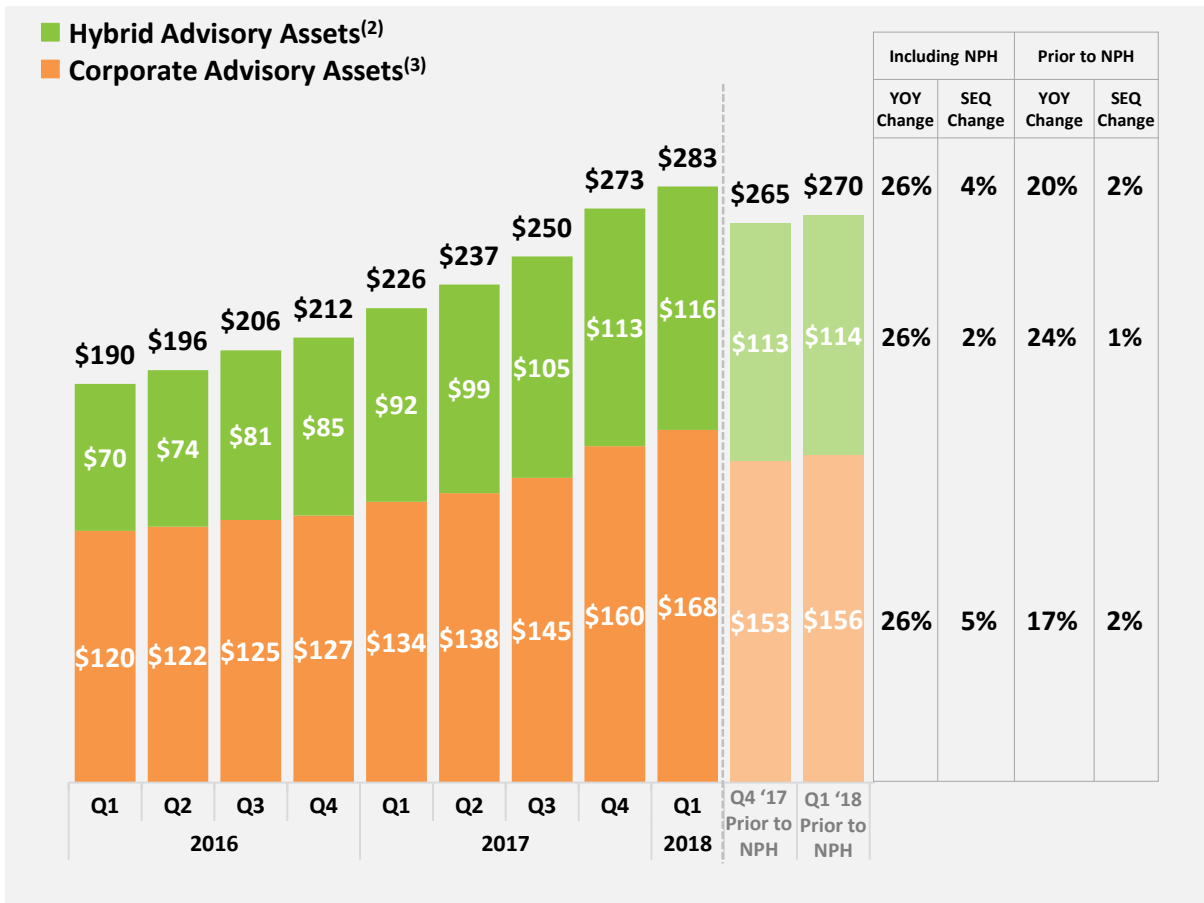
Net New Brokerage Assets⁽⁹⁾ (\$ billions)



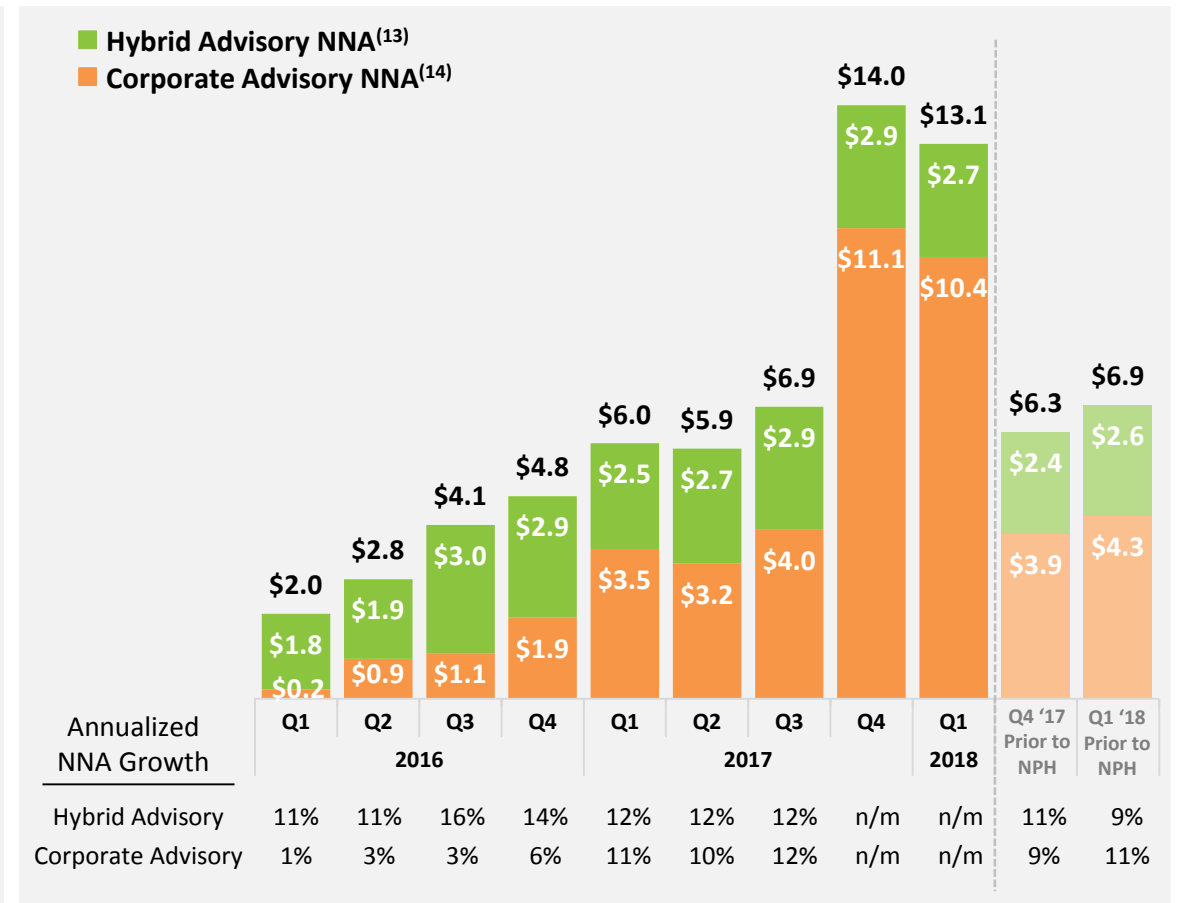
Net Brokerage to Advisory Conversions⁽¹⁰⁾ (billions): \$1.0 \$1.4 \$1.3 \$1.7 \$2.3 \$2.0 \$1.9 \$2.1⁽¹¹⁾ \$2.5⁽¹²⁾

Q1 Corporate Advisory Assets increased 26% year-over-year to \$168 billion, including \$12 billion from NPH

Corporate and Hybrid Advisory Platform Mix (\$ billions)

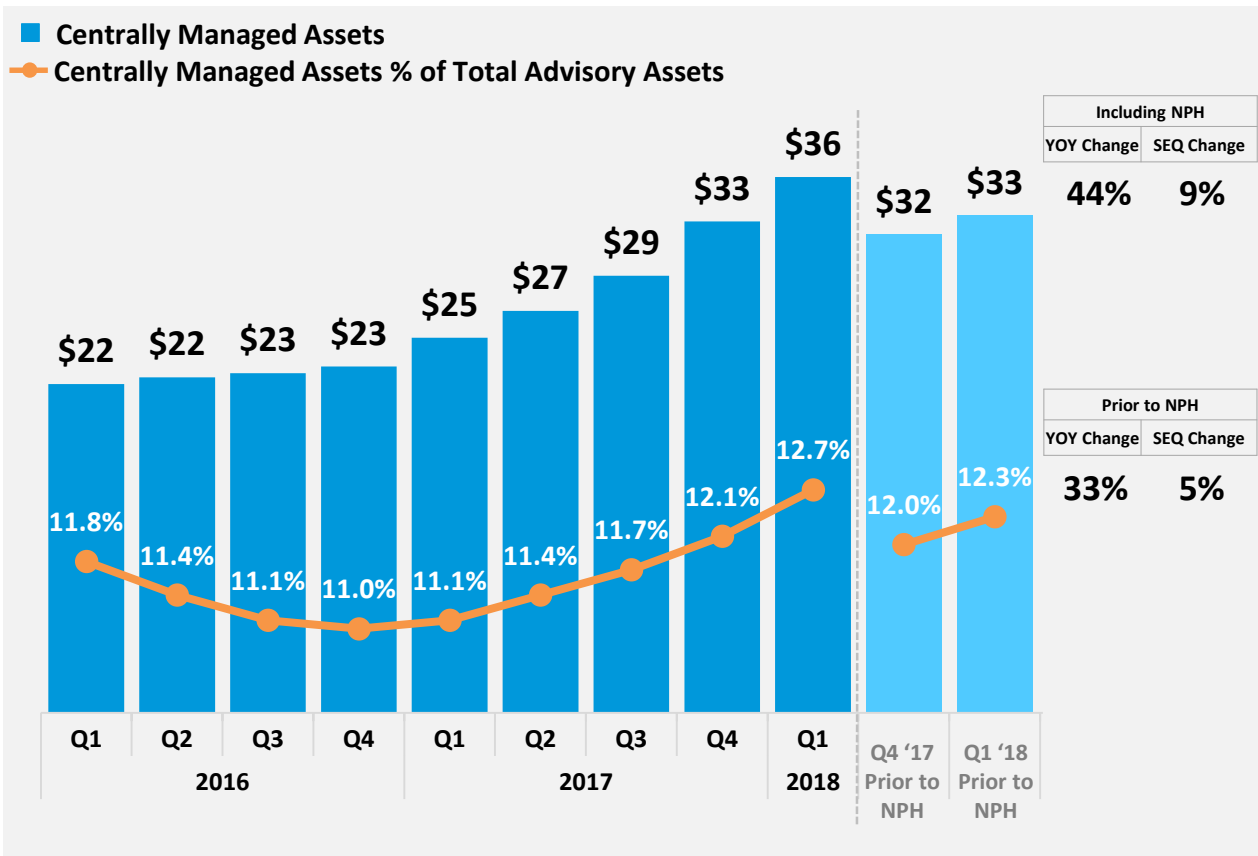


Corporate and Hybrid Advisory NNA Mix (\$ billions)

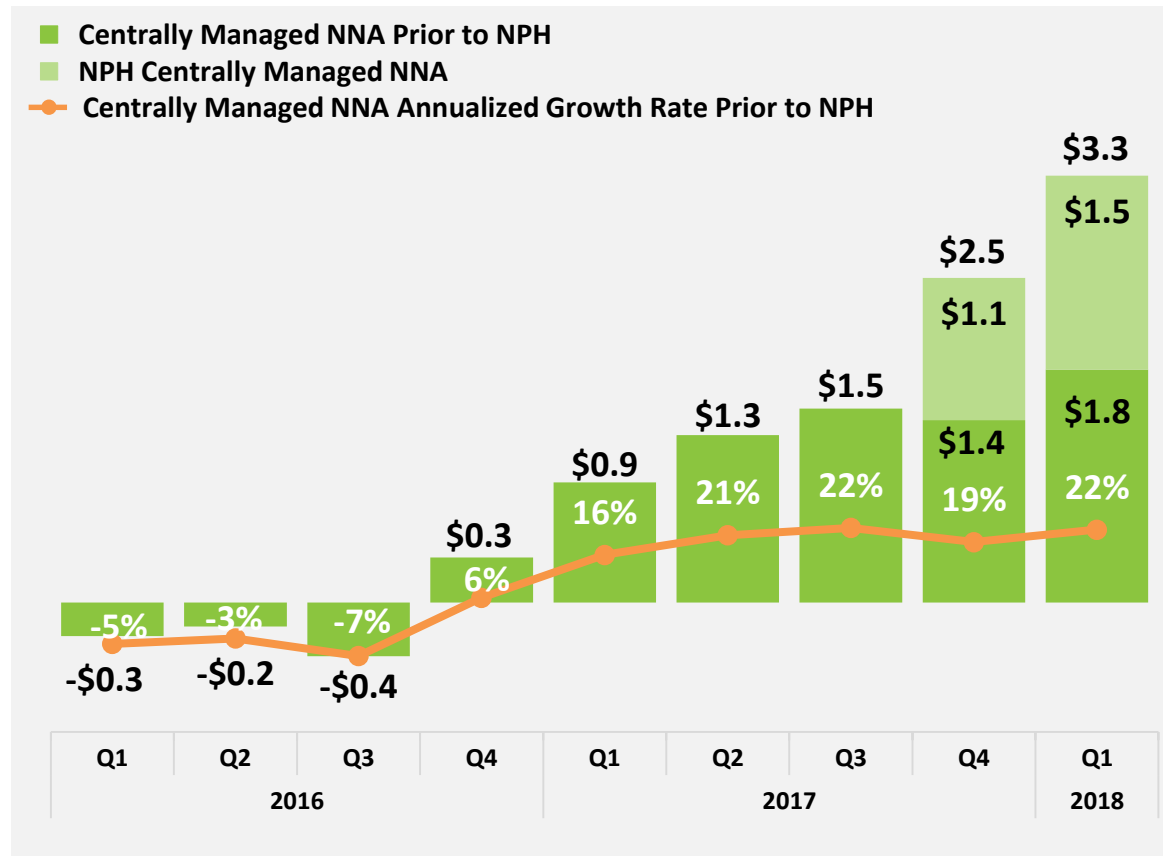


Q1 Centrally Managed Assets increased 44% year over year to \$36 billion, including \$3 billion from NPH

Centrally Managed Assets⁽¹⁵⁾ (\$ billions)

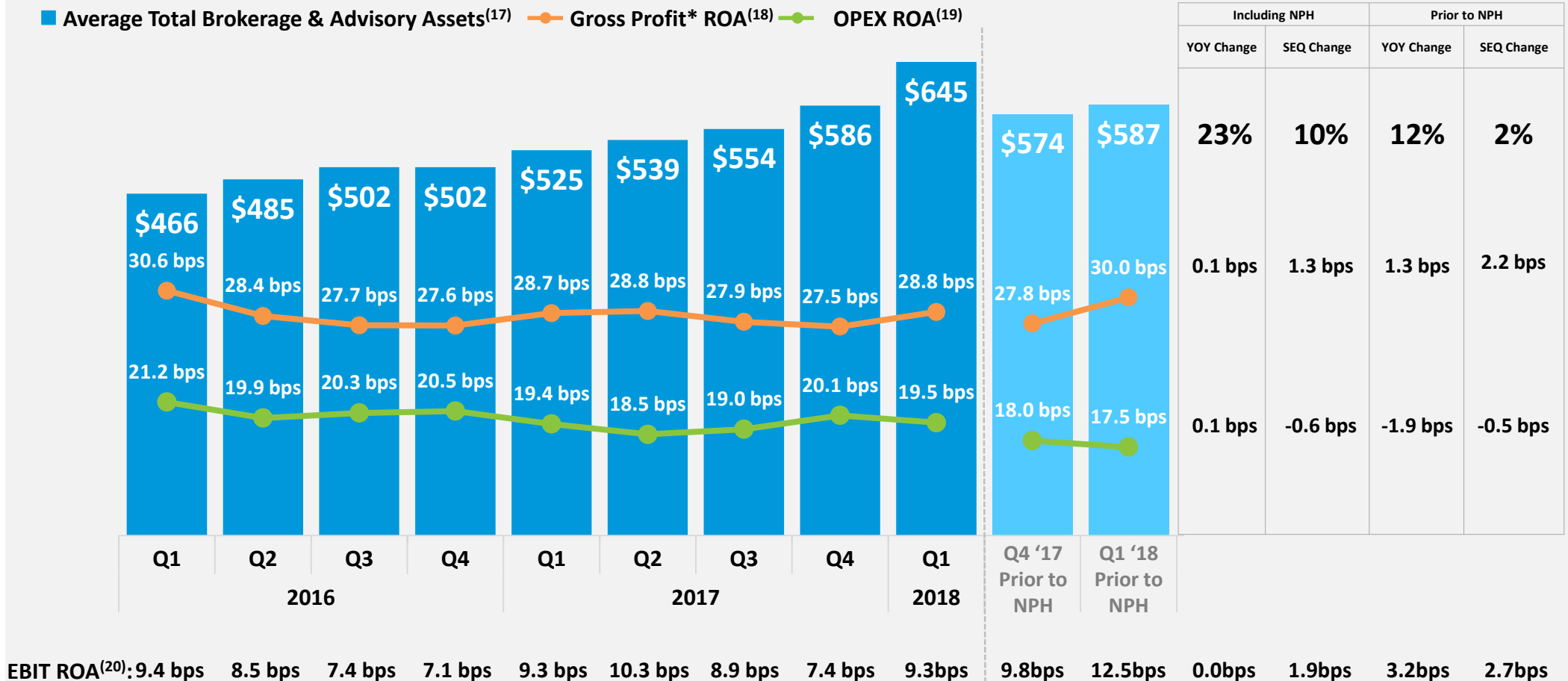


Centrally Managed NNA⁽¹⁶⁾ (\$ billions)



Q1 EBIT ROA prior to NPH was 12.5 basis points, up 3.2 basis points year-over-year

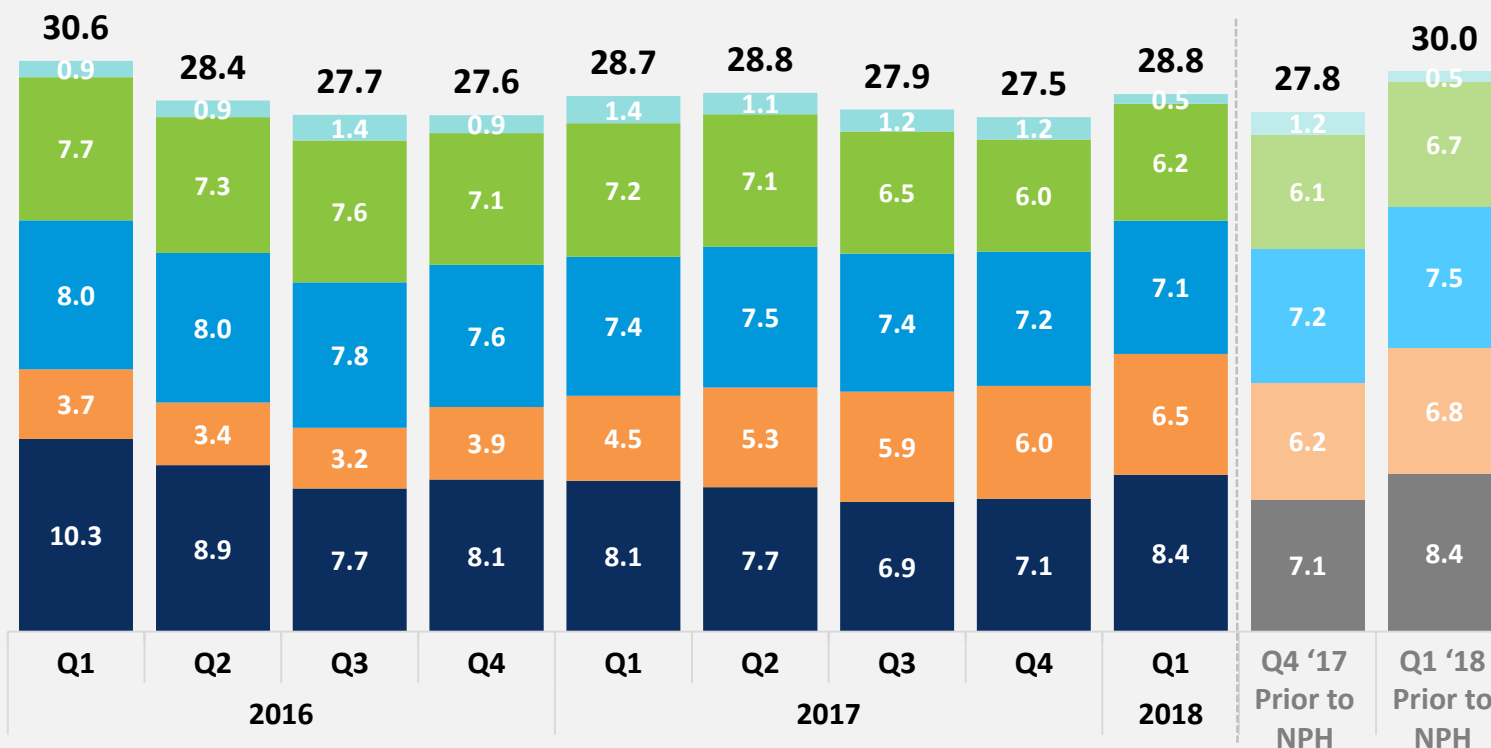
Average Total Brokerage & Advisory Assets (\$ billions)



Q1 Gross Profit* ROA prior to NPH increased 1.3 basis points year-over-year

Gross Profit* ROA⁽¹⁸⁾ (bps)

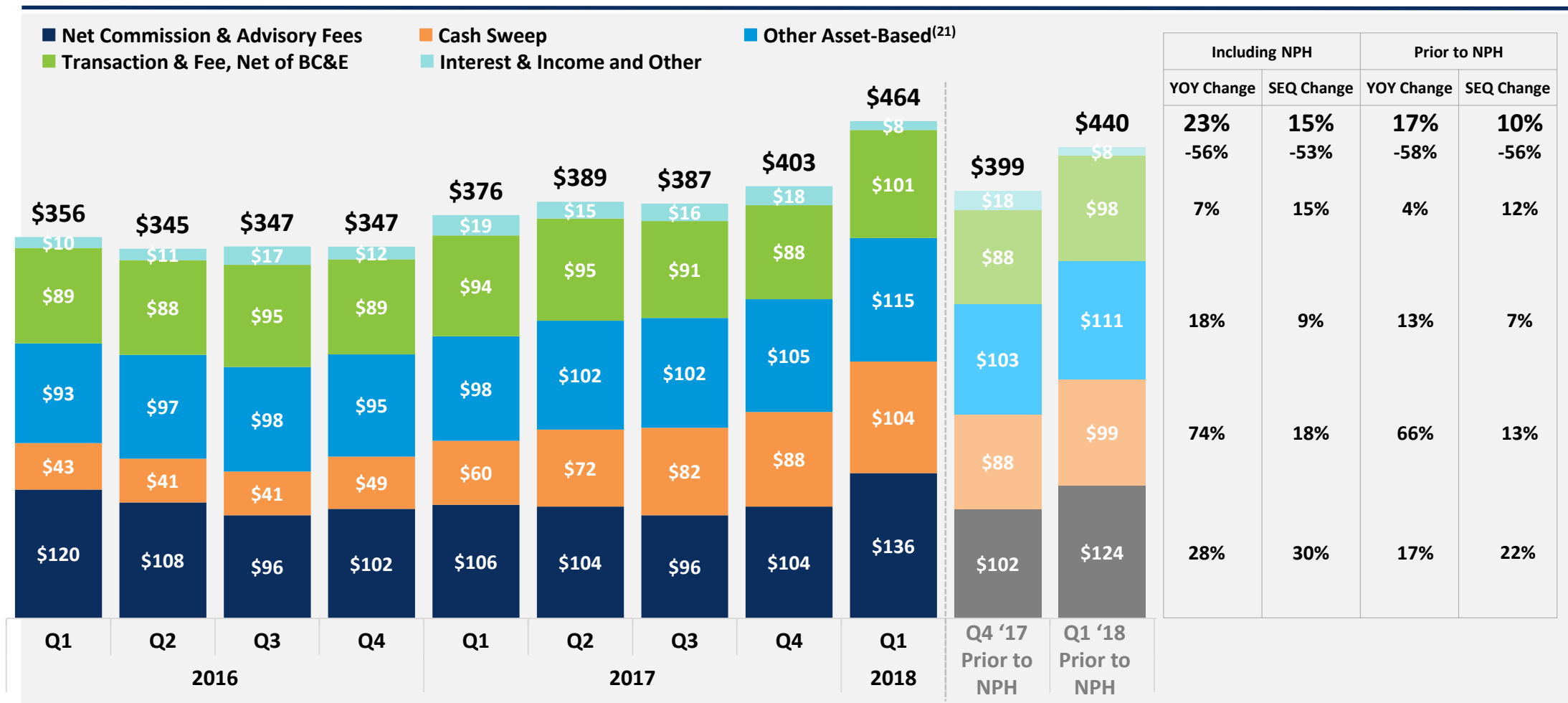
■ Net Commission & Advisory Fees
 ■ Cash Sweep
 ■ Other Asset-Based⁽²¹⁾
■ Transaction & Fee, Net of BC&E
 ■ Interest & Income and Other



Including NPH		Prior to NPH	
YOY Change	SEQ Change	YOY Change	SEQ Change
0.1	1.3	1.3	2.2
-0.9	-0.7	-0.9	-0.7
-0.9	0.3	-0.5	0.6
-0.3	-0.1	0.1	0.4
1.9	0.4	2.2	0.6
0.3	1.3	0.4	1.3

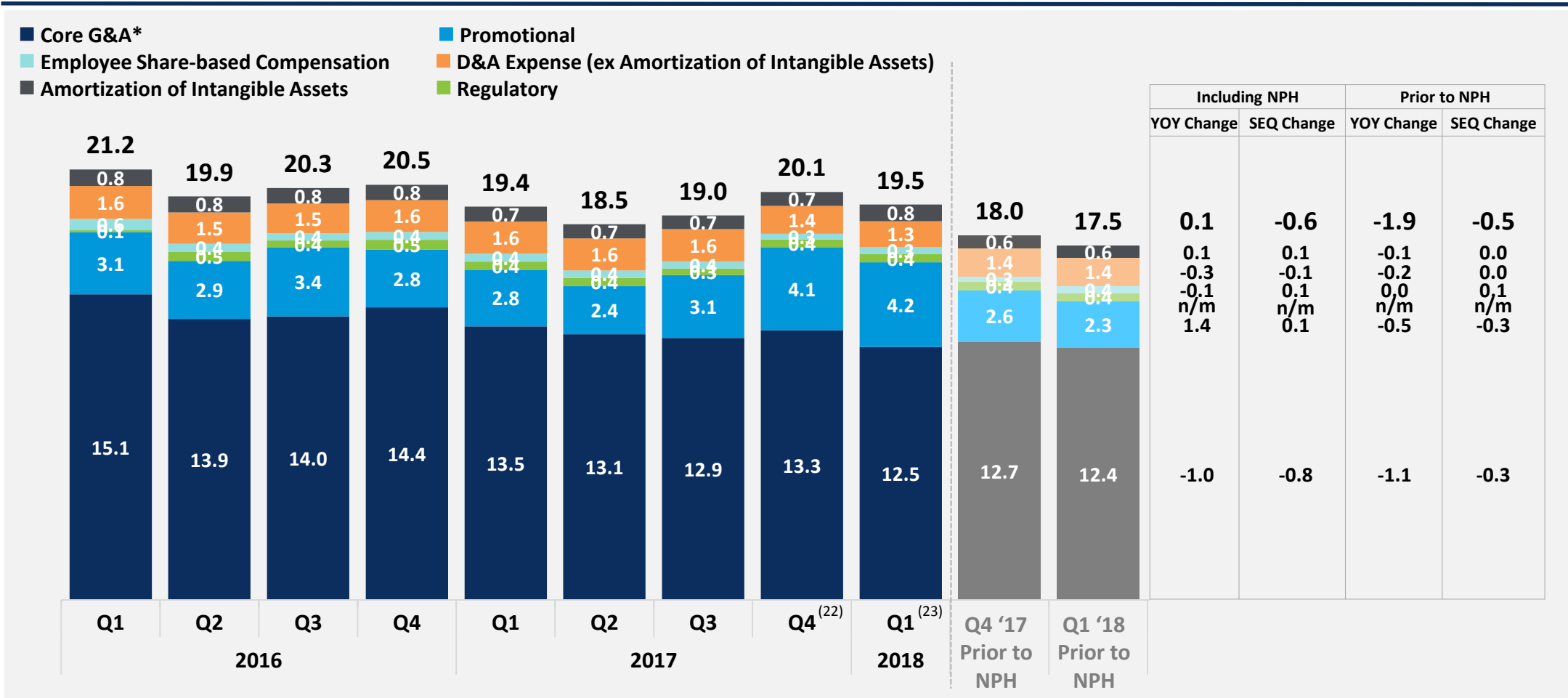
Q1 Gross Profit* prior to NPH increased 17% year-over-year

Gross Profit* (\$ millions)



Q1 Total OPEX ROA prior to NPH was down 1.9 basis points year-over-year and down 0.5 basis points sequentially

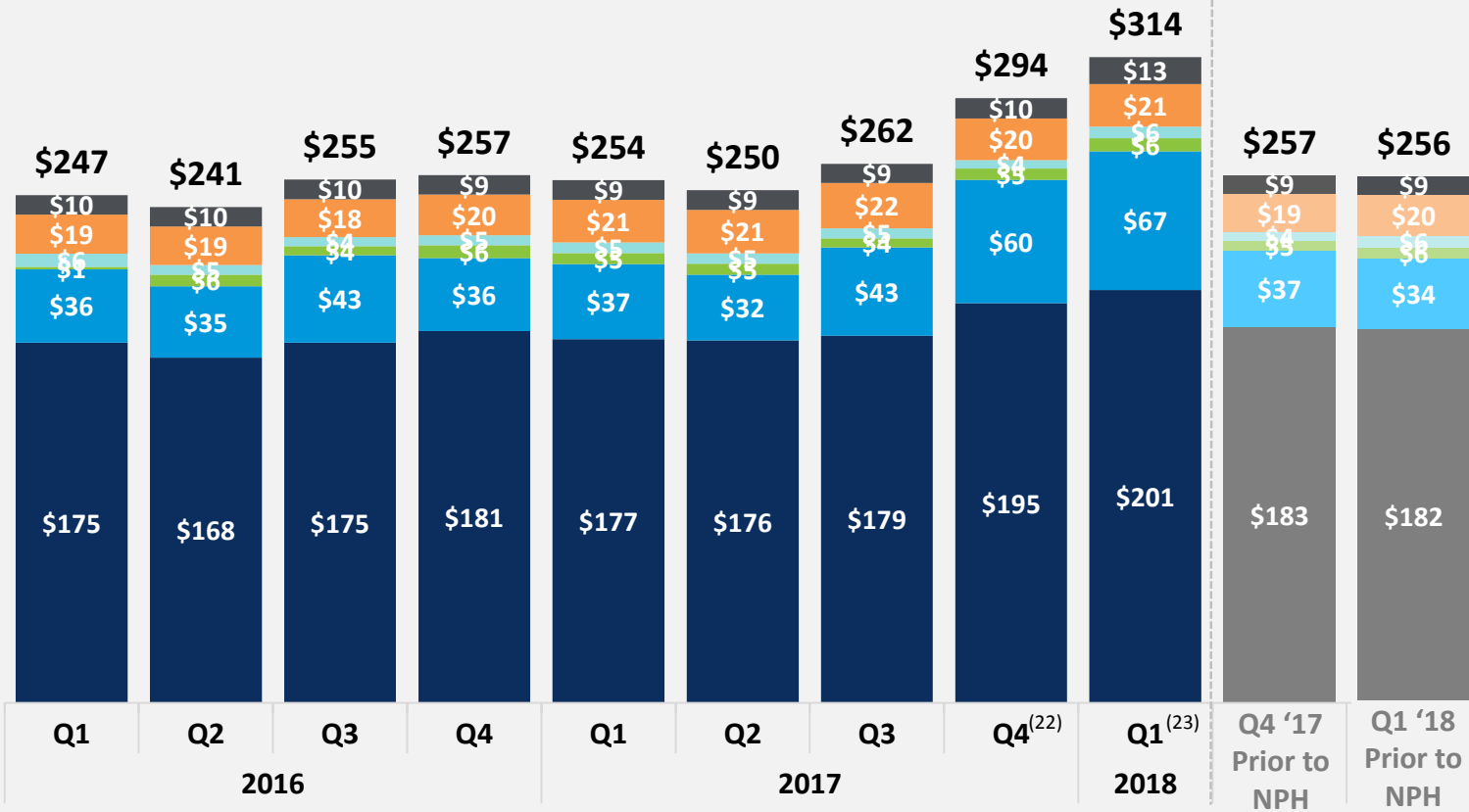
Total OPEX ROA⁽¹⁹⁾ (bps)



Q1 Total OPEX prior to NPH increased 1% year-over-year and was roughly flat sequentially

Total OPEX⁽¹⁹⁾ (\$ millions)

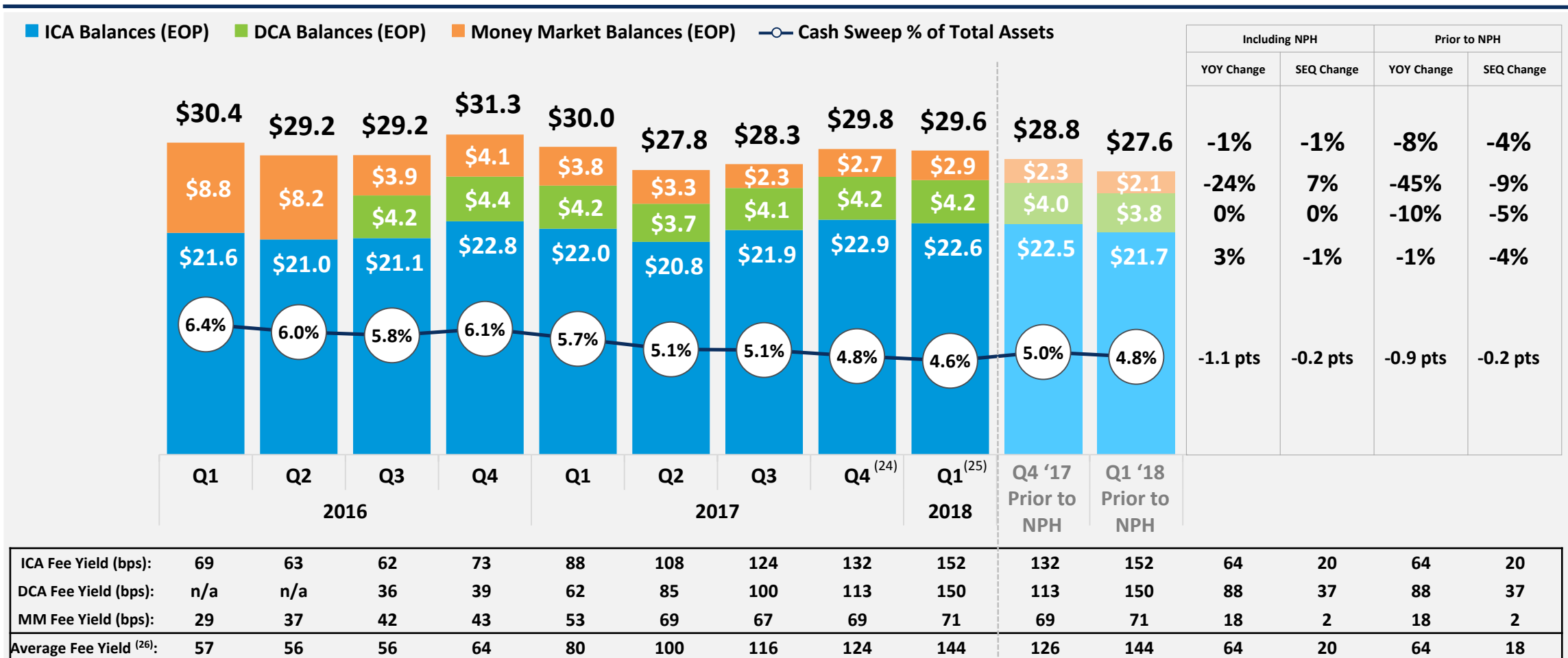
- Core G&A*
- Employee Share-based Compensation
- Amortization of Intangible Assets
- Promotional
- D&A Expense (ex Amortization of Intangible Assets)
- Regulatory



Including NPH		Prior to NPH	
YOY Change	SEQ Change	YOY Change	SEQ Change
24%	7%	1%	0%
39%	32%	-8%	-3%
0%	3%	-3%	6%
7%	33%	6%	38%
n/m	n/m	n/m	n/m
84%	12%	-7%	-8%
14%	3%	3%	-6%

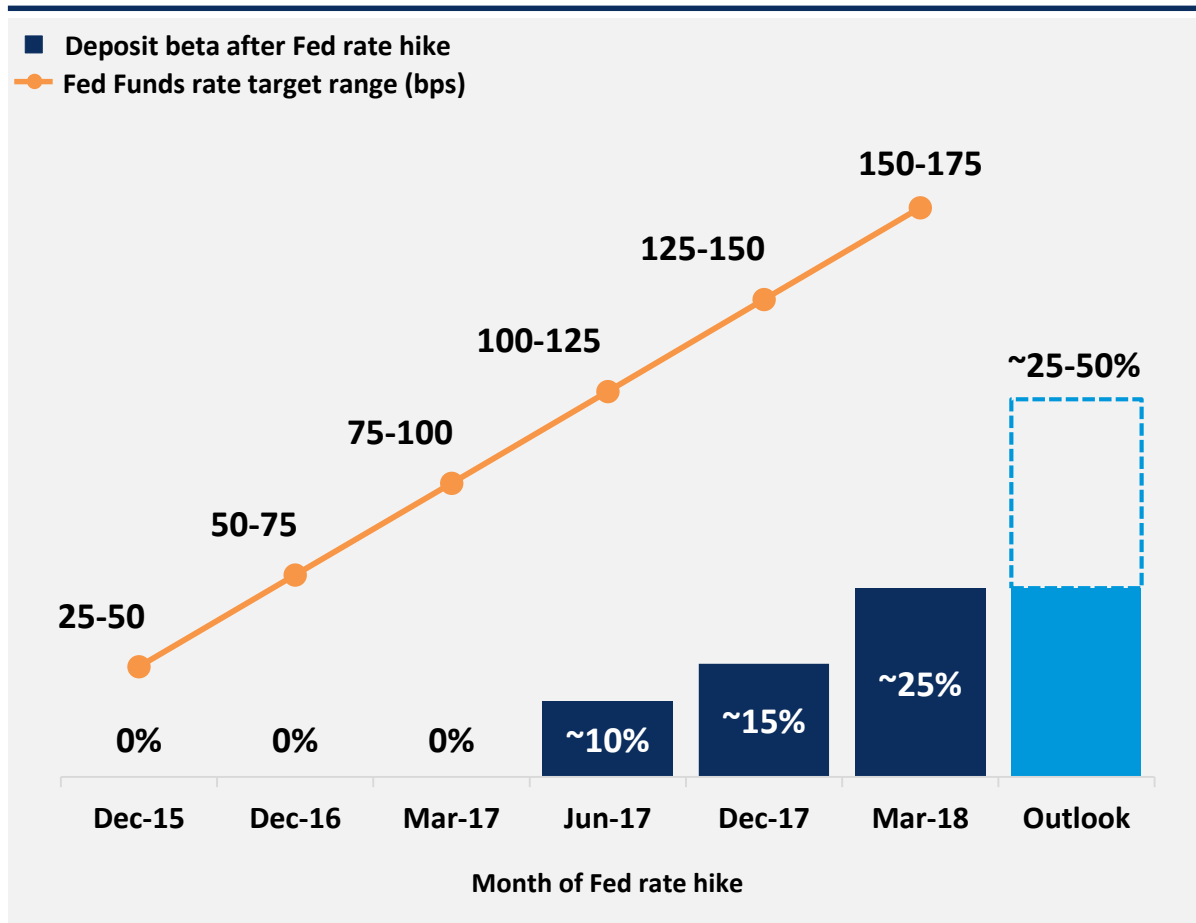
Q1 Cash Sweep yields increased 64 basis points year-over year, and balances decreased 8% year-over-year prior to NPH

Client Cash Sweep balances (\$ billions)

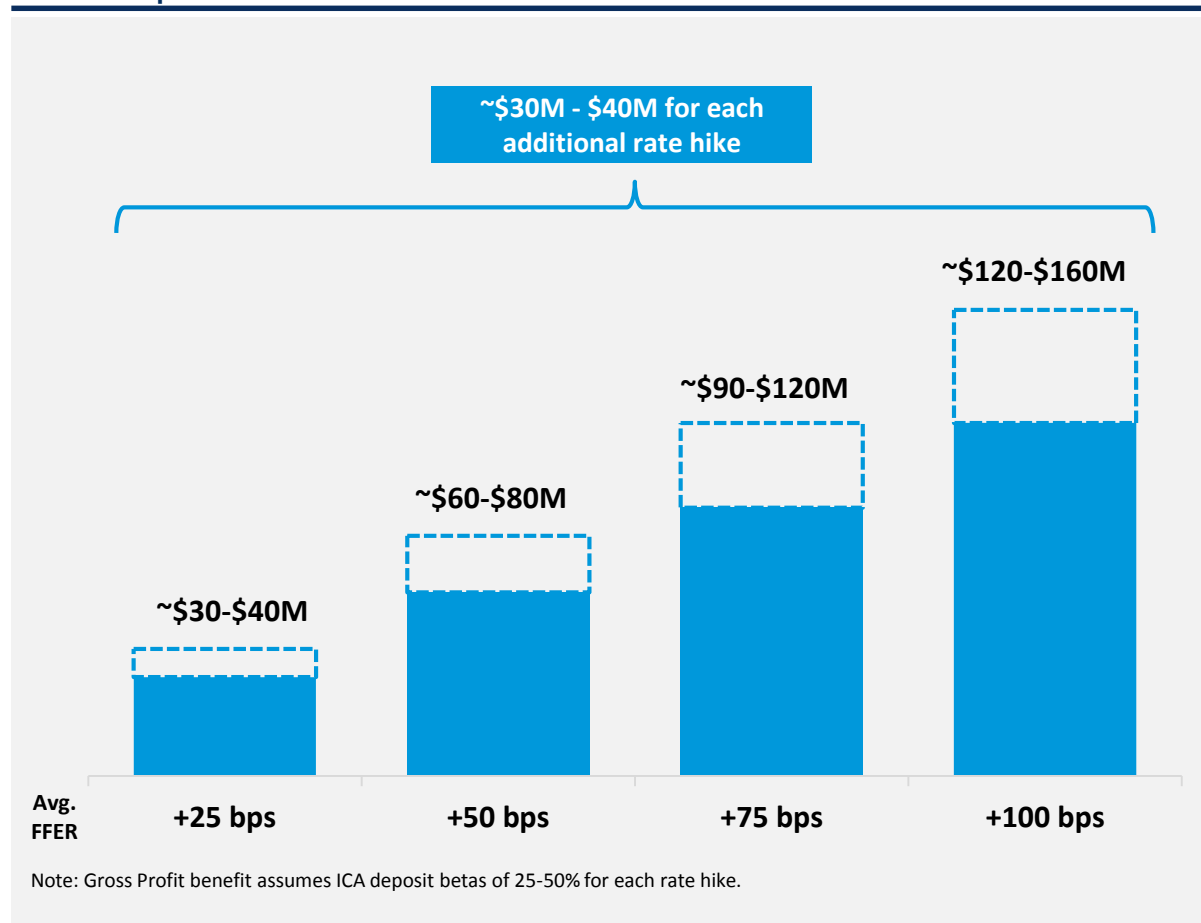


Our deposit betas have remained low through this rate cycle and were ~25% for the March 2018 rate hike

ICA deposit beta history and outlook

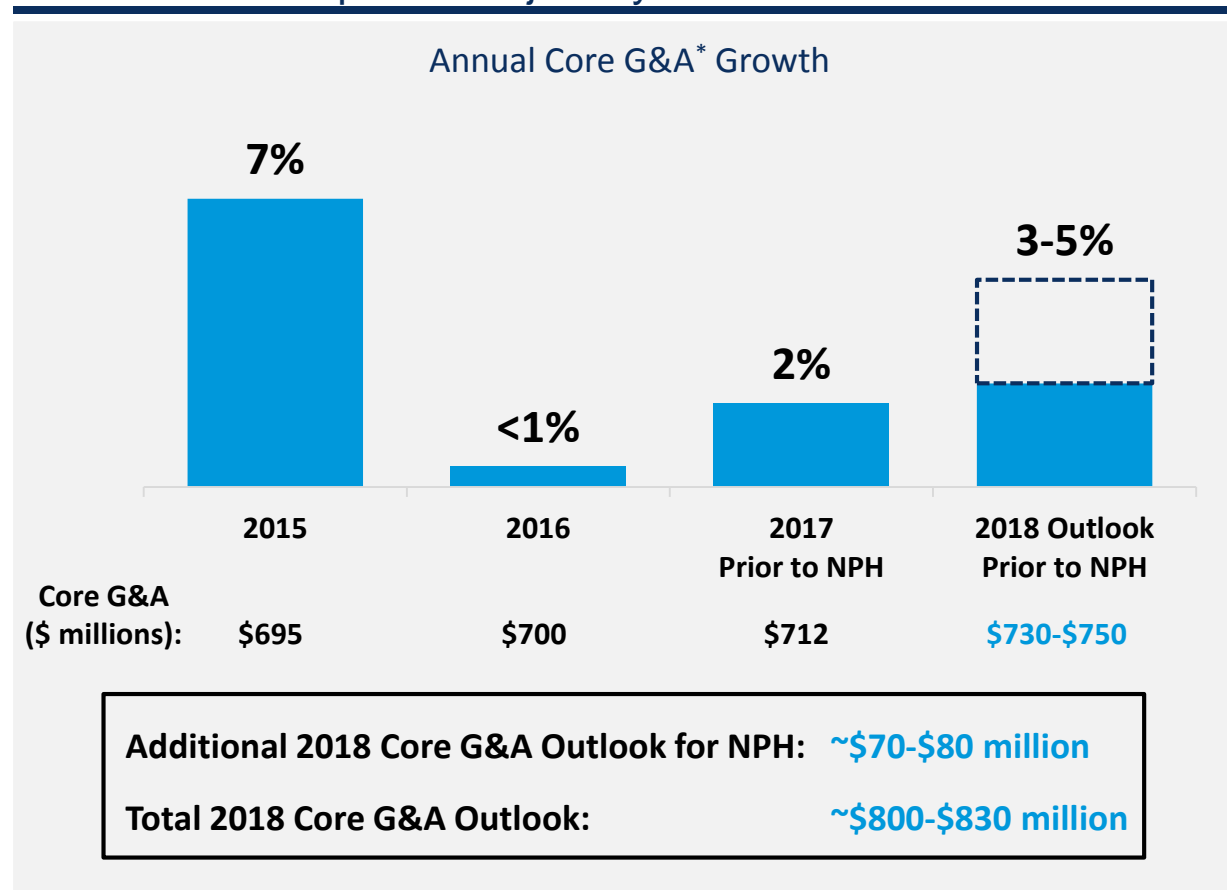


Annual potential ICA Gross Profit* benefit



Our outlook for 2018 Core G&A* is \$800 to \$830 million, with most year-over-year growth driven by costs to support NPH

Lower Recent Expense Trajectory



Long-term cost strategy

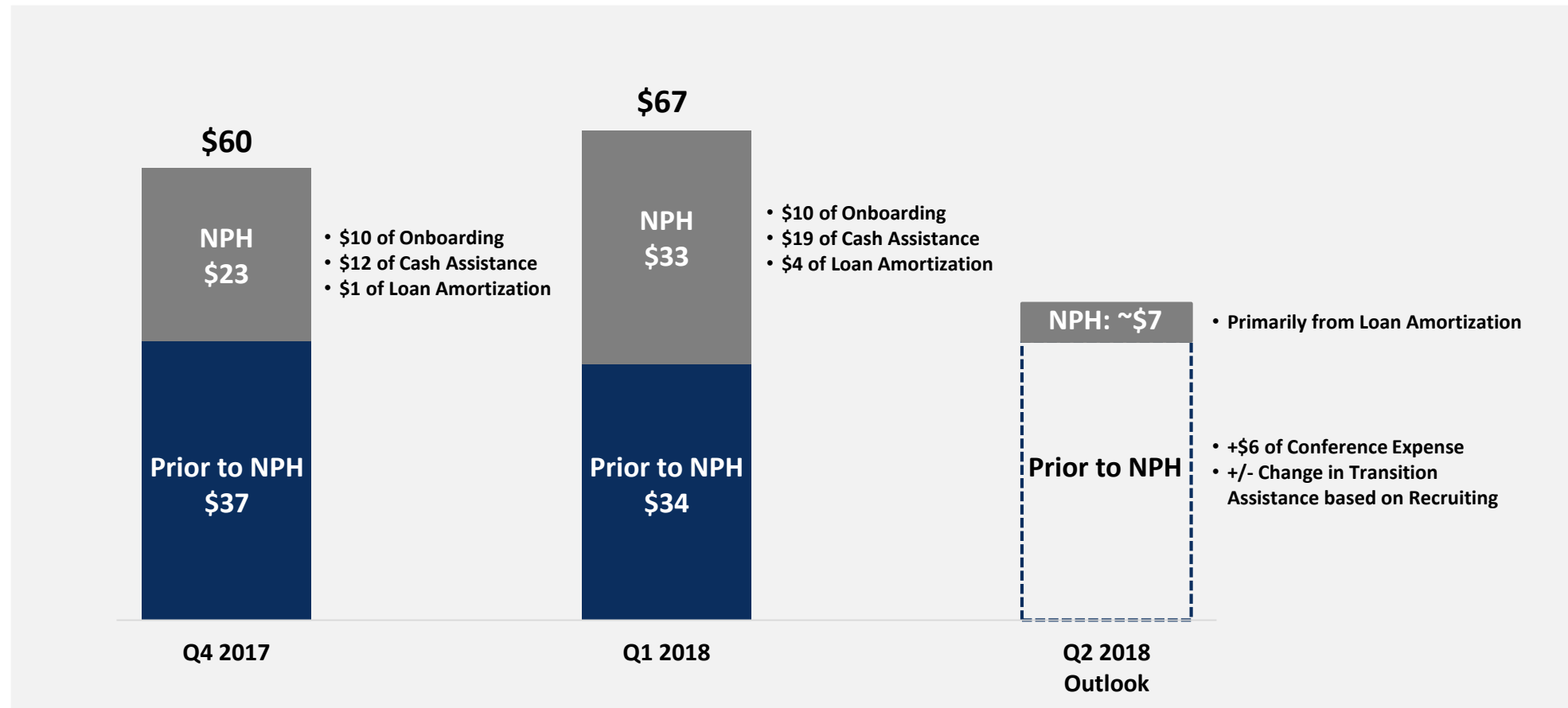
- Focus on delivering operating leverage
- Prioritize investments that drive organic growth
- Drive productivity and efficiency
- Adapt cost trajectory as environment evolves

2018 Core G&A outlook

- **Core G&A outlook prior to NPH of \$730-\$750M**
 - We believe we have a larger set of opportunities to invest in organic growth
 - This creates a range slightly wider than we've had historically
- **Total Core G&A outlook including NPH of \$800-\$830M**
 - NPH expense will be inherently more variable than the rest of Core G&A given the timing of advisor and asset onboarding
 - This variability may impact the timing and amount of expense in 2018, but we do not expect it to impact our run-rate estimates for the transaction

NPH Wave 2 onboarding drove higher Q1 promotional expense

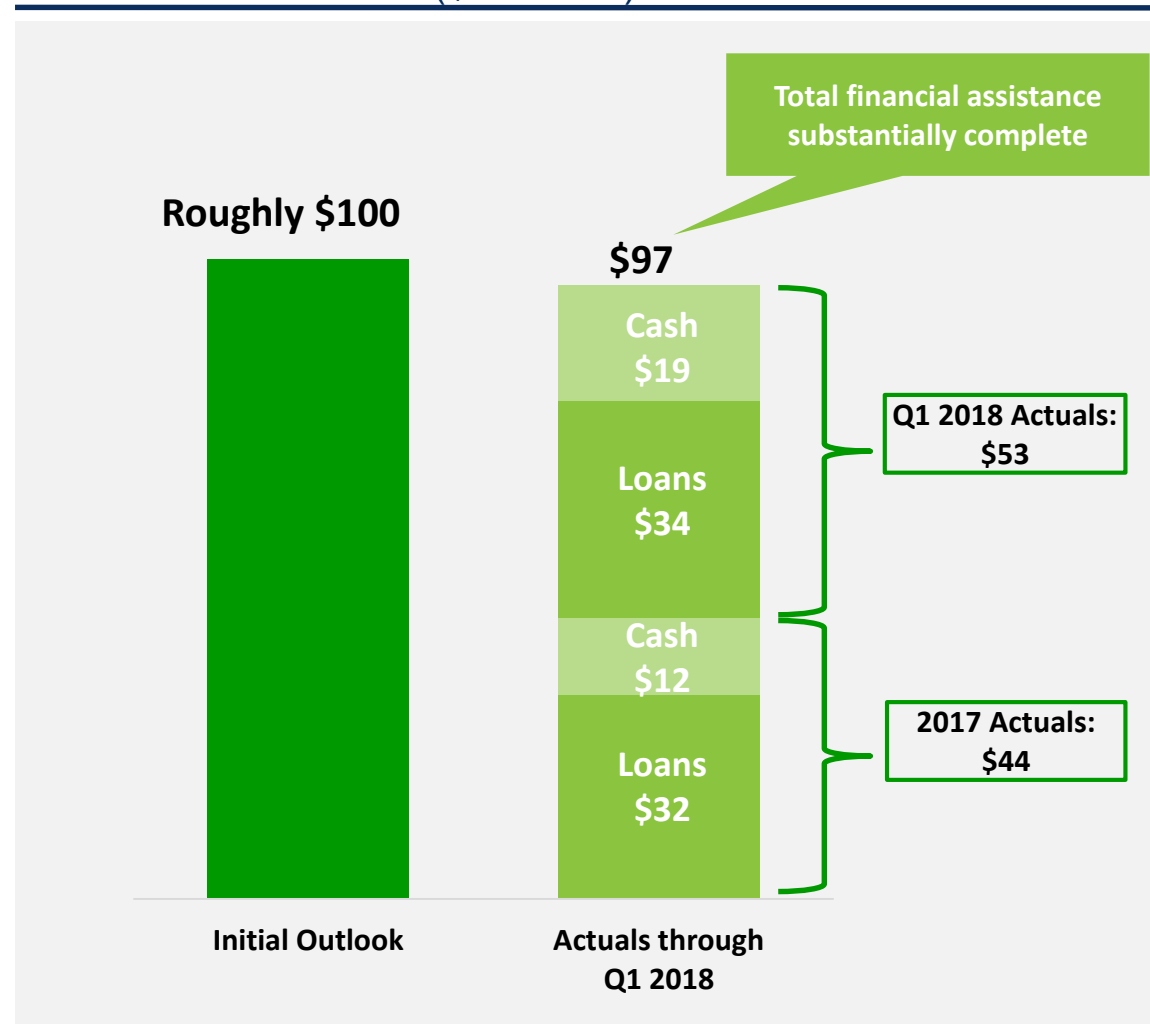
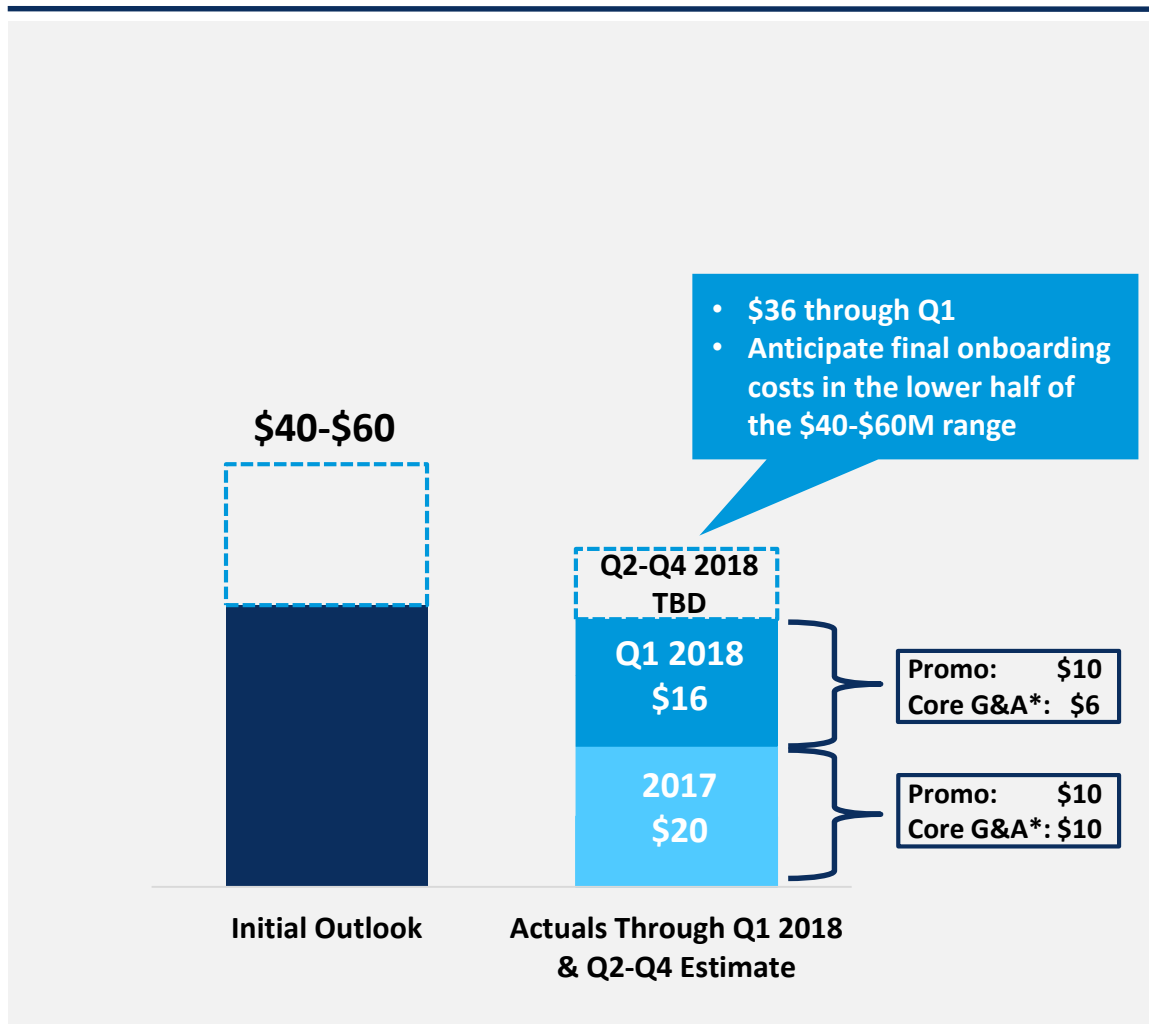
Promotional (\$ millions)



NPH onboarding costs and financial assistance through Q1 2018 were consistent with initial outlook

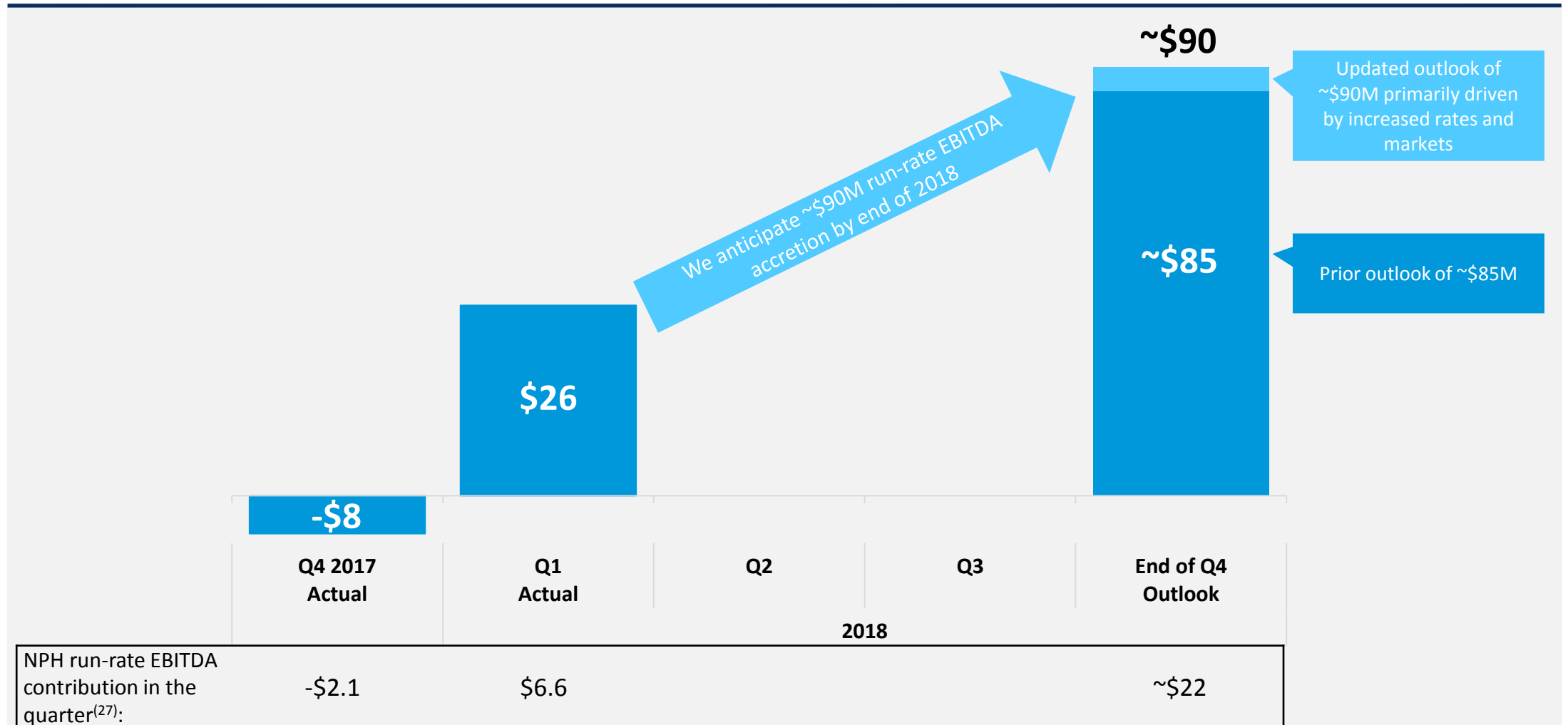
Onboarding Costs (\$ millions)

Financial Assistance (\$ millions)



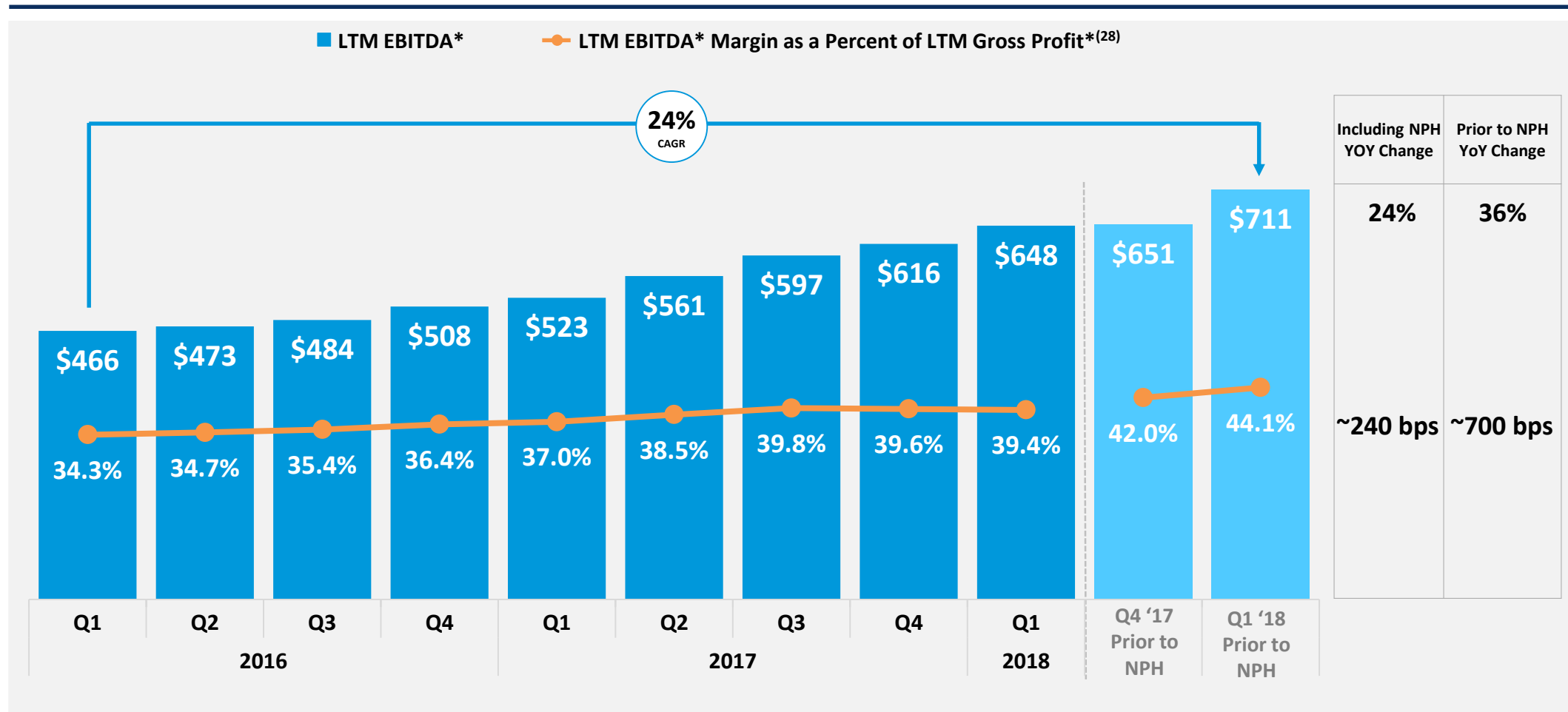
Our outlook for NPH annual run-rate EBITDA accretion increased to ~\$90 million, and we are on track to achieve that outlook by end of 2018

Annualized run-rate EBITDA* Impact (\$ millions)



LTM EBITDA has grown steadily over the past two years

LTM EBITDA* (\$ millions)



Appendix

Q1 Key Metrics prior to and including NPH

	Q1 2018				
	Results Prior to NPH	+	NPH Impact	=	Results Including NPH
Assets:					
Total Brokerage & Advisory Assets	\$578.1 B		\$69.4 B		\$647.5 B
Advisory Assets	\$269.8 B		\$13.7 B		\$283.5 B
Brokerage Assets	\$308.4 B		\$55.7 B		\$364.1 B
Total Net New Assets	\$2.9 B		\$36.0 B		\$38.9 B
Advisory Net New Assets	\$6.9 B		\$6.2 B		\$13.1 B
Brokerage Net New Assets	-\$4.1 B		\$29.9 B		\$25.8 B
Advisors:					
Advisors	14,173		1,894		16,067
Net New Advisors	-84		941		857

Calculation of Gross Profit

Gross profit is a non-GAAP financial measure. Please see a description of gross profit under “Non-GAAP Financial Measures” on page 3 of this release for additional information.

Set forth below is a calculation of Gross Profit for the periods presented on pages 5 and 10-12.

\$ in millions	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Total Net Revenue	\$1,242	\$1,116	\$1,064	\$1,066	\$1,035	\$1,007	\$1,017	\$1,019	\$1,005
Commission & Advisory Expense	762	698	664	663	645	\$647	\$657	\$661	\$636
Brokerage, Clearing, & Exchange	16	15	13	14	14	\$14	\$13	\$14	\$14
Gross Profit	\$464	\$403	\$387	\$389	\$376	\$347	\$347	\$345	\$356
NPH Gross Profit	24	4							
Gross Profit Prior to NPH	\$440	\$399							

Reconciliation of Net Income to EBITDA

EBITDA is a non-GAAP financial measure. Please see a description of EBITDA under “Non-GAAP Financial Measures” on page 3 of this presentation for additional information.

Below are reconciliations of the Company’s net income to EBITDA for the periods presented on page 5, and of the Company’s net income prior to the impact of the acquisition of NPH to EBITDA for Q4 2017 and Q1 2018, as presented on page 5:

\$ in millions	Q1 2018 Prior to NPH	Q4 2017 Prior to NPH	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
NET INCOME	\$120	\$86	\$94	\$64	\$58	\$68	\$48	\$42	\$52	\$48	\$50
Non-operating interest expense	27	26	30	29	27	26	25	25	24	24	24
Provision for Income Taxes	37	30	26	16	38	44	27	23	16	32	34
Depreciation and amortization	20	19	21	20	22	21	21	20	18	19	19
Amortization of intangible assets	9	9	13	10	9	9	9	9	10	10	10
Loss on Extinguishment of debt	0	0	0	0	1	0	21	0	0	0	0
EBITDA	\$213	\$170	\$183	\$139	\$156	\$170	\$152	\$119	\$120	\$132	\$137
NPH costs excluded above	\$29	\$31									
EBITDA including NPH	\$183	\$139									

Reconciliation of EPS Prior to Amortization of Intangible Assets to GAAP EPS

EPS Prior to Amortization of Intangible Assets is a non-GAAP financial measure. Please see a description of EPS Prior to Amortization of Intangible Assets under “Non-GAAP Financial Measures” on page 3 of this presentation for additional information.

Below are the following reconciliations of EPS Prior to Amortization of Intangible Assets to GAAP EPS for the periods presented on page 5, and:

- For Q1 2018, as further adjusted to reflect the impact of the NPH acquisition as presented on pages 5 and 6
- For Q4 2017, as further adjusted to reflect the impact of the NPH acquisition and tax reform as presented on pages 5 and 6
- For Q1 2017, as further adjusted to reflect the impact of the debt refinancing as presented on pages 5 and 6

	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
GAAP EPS	\$1.01	\$0.69	\$0.63	\$0.74	\$0.52	\$0.46	\$0.58	\$0.53	\$0.56
Amortization of Intangible Assets (\$ in millions)	\$13	\$10	\$9	\$9	\$9	\$9	\$10	\$10	\$10
Tax Expense (\$ in millions)	(\$4)	(\$4)	(\$4)	(\$4)	(\$4)	(\$4)	(\$4)	(\$4)	(\$4)
Amortization of Intangible Assets Net of Tax (\$ in millions)	\$10	\$6	\$6	\$6	\$6	\$6	\$6	\$6	\$6
Diluted Share Count	92.8	92.4	92.0	92.0	92.0	91.0	90.0	89.7	89.6
EPS Impact	\$0.10	\$0.07	\$0.06	\$0.06	\$0.06	\$0.06	\$0.06	\$0.06	\$0.06
EPS Prior to Amortization of Intangible Assets	\$1.11	\$0.76	\$0.69	\$0.81	\$0.59	\$0.52	\$0.64	\$0.60	\$0.63

	Q1 2018		Q4 2017		Q1 2017
EPS Prior to Amortization of Intangible Assets	\$1.11	EPS Prior to Amortization of Intangible Assets	\$0.76	EPS Prior to Amortization of Intangible Assets	\$0.59
Net Income Impact of NPH (\$ in millions)	\$23	Net Income Impact of NPH (\$ in millions)	\$21	Net Income Impact of Debt Refinancing (\$ in millions)	\$13
Diluted Share Count	92.8	Net Income Impact of Tax Reform (\$ in millions)	(\$9)	Diluted Share Count	92.0
EPS Impact	\$0.25	Diluted Share Count	92.4	EPS Impact	\$0.14
EPS Prior to Amortization of Intangible Assets and NPH	\$1.36	EPS Impact	\$0.13	EPS Prior to Amortization of Intangible Assets and Debt Refinancing	\$0.73
		EPS Prior to Amortization of Intangible Assets, NPH, and Tax Reform	\$0.89		

Reconciliation of Core G&A to total operating expenses

Core G&A is a non-GAAP financial measure. Please see a description of Core G&A under “Non-GAAP Financial Measures” on page 3 of this presentation for additional information.

Below are reconciliations of Core G&A to the Company’s total operating expenses for the periods presented on pages 13-14, and of Core G&A prior to the impact of the acquisition of NPH to the Company’s total operating expense for Q4 2017, Full Year 2017, and Q1 2018 as presented on page 17:

\$ in millions	FY 2017 Prior to NPH	Q1 2018 Prior to NPH	Q4 2017 Prior to NPH	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Core G&A	\$712	\$182	183	201	\$195	\$179	\$176	\$177	\$181	\$175	\$168	\$175
Regulatory charges	21	6	5	6	5	4	5	5	6	4	\$6	1
Promotional	162	34	37	67	60	43	32	37	36	43	\$35	36
Employee share-based compensation	19	6	4	6	4	5	5	5	5	4	\$5	6
Total G&A	914	227	229	281	264	231	219	224	228	227	\$213	219
Commissions and advisory	2,670	708	688	762	698	664	663	645	647	657	\$661	636
Depreciation & amortization	84	20	19	21	20	22	21	21	20	18	\$19	19
Amortization of intangible assets	38	9	9	13	10	9	9	9	9	10	\$10	10
Brokerage, clearing and exchange	57	15	15	16	15	13	14	14	14	13	\$14	14
Total operating expenses	\$3,763	\$979	\$960	\$1,092	\$1,008	\$940	\$926	\$914	\$918	\$925	\$916	\$897

Footnotes

- (1) Consists of brokerage assets serviced by advisors licensed with the Company's broker-dealer subsidiary LPL Financial LLC ("LPL Financial").
- (2) Consists of total assets on LPL Financial's independent advisory platform serviced by investment advisor representatives of separate investment advisor firms ("Hybrid RIAs"), rather than of LPL Financial.
- (3) Consists of total assets on LPL Financial's corporate advisory platform serviced by investment advisor representatives of LPL Financial.
- (4) EPS for Q1 2017 includes a charge related to the Company's March 2017 debt refinancing that reduced its EPS by \$0.14. Prior to this charge, EPS was \$0.66.
- (5) EPS for Q3 2017 includes items related to the Company's August 2017 acquisition of NPH and September 2017 debt refinancing that reduced its EPS by \$0.03. Prior to these items, EPS was \$0.66.
- (6) The Company calculates pro forma EPS amounts using a 28% effective tax rate for 2018 amounts, which is the mid-point of its long-term guidance of 27-29% for 2018, and 39% for 2017 amounts, which was the Company's prior long term tax rate.
- (7) Represents the per share impact that management estimates to be attributable to the NPH Acquisition.
- (8) Net New Advisory Assets consists of total client deposits into advisory accounts less total client withdrawals from advisory accounts. The Company considers conversions to and from advisory accounts as deposits and withdrawals respectively. Annualized growth is calculated as the current period Net New Advisory Assets divided by preceding period total Advisory Assets, multiplied by four.
- (9) Net New Brokerage Assets consists of total client deposits into brokerage accounts less total client withdrawals from brokerage accounts. The Company considers conversions to and from brokerage accounts as deposits and withdrawals respectively. Annualized growth is calculated as the current period Net New Brokerage Assets divided by preceding period total Brokerage Assets, multiplied by four.
- (10) Net Brokerage to Advisory Conversions consists of existing custodied assets that converted from brokerage to advisory, less existing custodied assets that converted from advisory to brokerage.
- (11) This includes \$0.2 billion of net conversions from NPH.
- (12) This includes \$0.3 billion of net conversions from NPH.
- (13) Consists of total client deposits into advisory accounts on LPL Financial's independent advisory platform less total client withdrawals from advisory accounts on its independent advisory platform.
- (14) Consists of total client deposits into advisory accounts on LPL Financial's corporate advisory platform less total client withdrawals from advisory accounts on its corporate advisory platform.
- (15) Centrally Managed Assets represents those advisory assets in LPL Financial's Model Wealth Portfolios, Optimum Market Portfolios, Personal Wealth Portfolios, and Guided Wealth Portfolios platforms.
- (16) Consists of total client deposits into Centrally Managed Assets (see FN15) accounts less total client withdrawals from Centrally Managed Assets accounts. Annualized growth is calculated as the current period Centrally Managed net new assets divided by preceding period total Centrally Managed Assets, multiplied by four.
- (17) Represents the average month-end Total Brokerage and Advisory Assets for the period.
- (18) Represents annualized Gross Profit* for the period, divided by average month-end Total Brokerage and Advisory Assets for the period (see FN17).
- (19) Represents annualized operating expenses for the period, excluding production-related expense ("OPEX"), divided by average month-end Total Brokerage and Advisory Assets for the period. Production-related expense includes commissions and advisory expense and brokerage, clearing and exchange expense. For purposes of this metric, operating expenses includes Core G&A*, Regulatory, Promotional, Employee Share Based Compensation, Depreciation & Amortization, and Amortization of Intangible Assets.
- (20) EBIT ROA is calculated as Gross Profit ROA (see FN18) less OPEX ROA (see FN19).
- (21) Other asset-based revenues consist of revenues from the Company's sponsorship programs with financial product manufacturers and omnibus processing and networking services, but not including fees from cash sweep programs. Other asset-based revenues are a component of asset-based revenues and are derived from the Company's Unaudited Condensed Consolidated Statements of Income.
- (22) These results include NPH expense of \$12M in Core G&A, \$23M in Promotional expense, \$1M of Amortization of Intangible Assets expense, and \$1M of Depreciation expense.
- (23) These results include NPH expense of \$19M in Core G&A, \$33M in Promotional expense, and \$5 of Amortization of Intangible Assets expense.
- (24) These results include the Company's NPH acquisition of \$1.0 billion in cash sweep balances, including \$0.4 billion of ICA balances, \$0.4 billion of Money Market balances, and \$0.2 billion of DCA balances.
- (25) These results include the Company's NPH acquisition of \$2.0 billion in cash sweep balances, including \$0.9 billion of ICA balances, \$0.7 billion of Money Market balances, and \$0.4 billion of DCA balances.
- (26) Calculated by dividing revenue for the period by the average balance during the quarter.
- (27) Represents the portion of EBITDA that management estimates to be attributable to the NPH Acquisition.
- (28) Represents LTM EBITDA* divided by LTM Gross Profit*.