LPL Financial

Q3 2015 Investor Presentation

December 8, 2015

NOTICES

SAFE HARBOR DISCLOSURE

Statements in this presentation regarding LPL Financial Holdings Inc.'s (the "Company") future financial and operating results, outlook, growth, plans, strategies, future market position, ability and plans to repurchase shares and pay dividends in the future, and goals, including forecasts and statements relating to future efficiency gains, scale and projected expenses, and future results of the Company's cash sweep programs, including the statements on the slides entitled "LPL's agile business model provides flexibility to manage potential environmental changes", "LPL's anticipated lower cost growth in 2016", "Latent earnings potential has existed in the Company's business model from rising interest rates", "LPL's capital-light model has supported shareholder capital returns", "LPL's operating principles that guide toward long-term shareholder value creation", "In 2015, LPL has remained focused on executing core opportunities within its existing business model", "On Nov 24, 2015, the Company announced completion of a debt transaction and start of an accelerated share repurchase program", "LPL believes that it has limited financial exposure from alternative investments under the DOL proposal as written", "ICA bank spread outlook", "2016 run-rate cash sweep opportunity", "LPL has potential for substantial run-rate Adjusted EBITDA with interest rate increases", and "LPL is positioned to capture positive leverage from rising interest rates", 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 December 8, 2015. 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; fluctuations in the percentage of mass affluent investors served by the Company, effects of competition in the financial services industry; changes in the number of the Company's financial advisors and institutions, their ability to market effectively financial products and services, and the success of the Company's initiatives designed to engage them; the Company's strategy in managing program fees; changes in the growth of the Company's fee-based business; finalization and implementation of the Department of Labor's proposed fiduciary rule; the effect of current, pending and future legislation, regulation and regulatory actions, including disciplinary actions imposed by federal or state securities regulators or self-regulatory organizations; the costs of settling and remediating issues related to pending or future regulatory matters; execution of the Company's expense management plans and its success in realizing the savings and service improvements expected to result from its initiatives and programs, particularly its technological initiatives; changes in interest rates and fees payable by banks participating in the Company's cash sweep programs, including the Company's success in negotiating agreements with current or additional counterparties; the price and availability of shares and trading volumes of the Company's common stock, which will determine the timing and size of future share repurchases; the performance of third party service providers to which business processes are transitioned from the Company; the Company's success in negotiating and developing commercial arrangements with third party technology providers that will enable the Company to realize the improvements and efficiencies expected to result from such technology, including with respect to supervision and oversight of advisor activities; the Company's ability to control operating risks, information technology systems risks and sourcing risks; the Company's ability to recruit new advisors and attract new business to its platform; and the other factors set forth in Part I, "Item 1A. Risk Factors" in the Company's 2014 Annual Report on Form 10-K as may be amended or updated in its quarterly reports on Form 10-Q. Except as required by law, the Company specifically disclaims any obligation to update any forward-looking statements as a result of future developments, even if its estimates change, and you should not rely on those statements as representing the Company's views after December 8, 2015.

NON-GAAP FINANCIAL MEASURES

Adjusted Earnings represent net income before: (a) employee share-based compensation expense, (b) amortization of intangible assets resulting from various acquisitions, (c) debt extinguishment costs, (d) restructuring and conversion costs, (e) equity issuance and related offering 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.

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.

You can find additional related information, including a reconciliation of such non-GAAP measures for the year ended December 31, 2014 within the Company's Annual Report, under "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—How We Evaluate Our Business." A reconciliation of Adjusted Earnings to GAAP measures is also set forth in the Appendix to 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.

Key messages

- Differentiated value proposition drives advisor growth

- Scale of advisory and brokerage offerings provides flexibility to manage change

- Financial performance demonstrates business growth and earnings potential

LPL is the leading financial services provider to independent advisors, RIAs, and financial institutions

#1 independent broker-dealer for

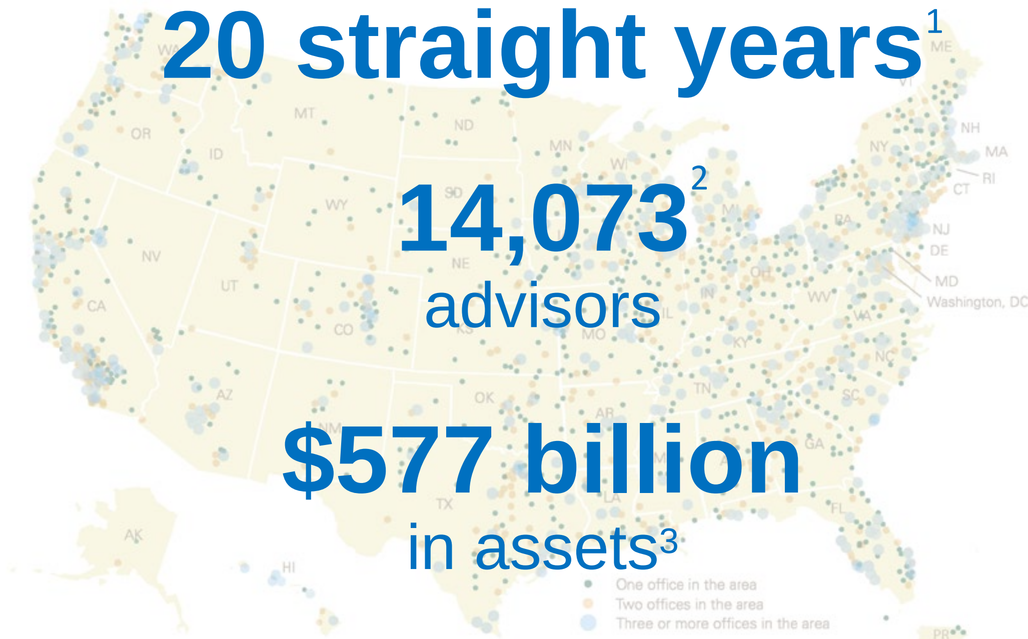
20 straight years[1]

14,073[2]

advisors

$577 billion

in assets[3]



Focus on chosen markets

Independent Advisor Services
Over 8,000 advisors
$240 billion assets served

Institution Services
Over 700 banks, credit unions and clearing clients[4]
$112 billion assets served

Hybrid RIA
Over 350 firms
$110 billion assets served

Retirement Partners
Over 40,000 plans
$115 billion in assets served[5]

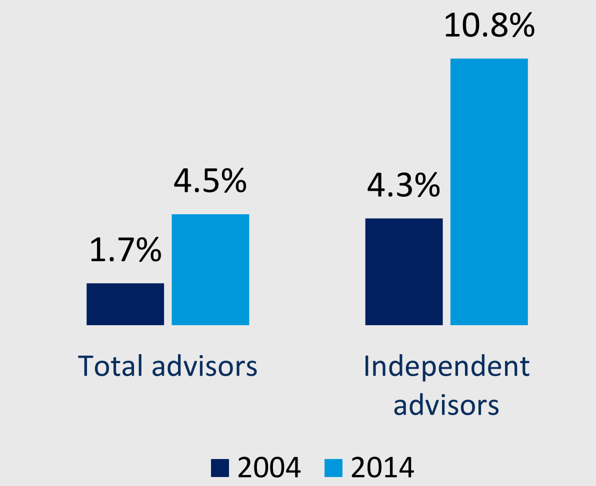
[1] Financial Planning magazine 1996-2015 based on total revenue [2] As of September 30, 2015 [3] Consists of $462 billion in retail assets and $115 billion in retirement plan assets
[4] Clearing clients include approximately 4,300 additional advisors affiliated with insurance companies [5] Retirement plan assets are not custodied by LPL

LPL's differentiated business model and capabilities drive market share growth

Differentiated model and capabilities

		LPL	Custodian	Employee	Independent
Model	Enables independence	✓	✓	✗	✓
	Superior advisor economics	✓	✓	✗	✓
	Focused business model	✓	✗	✗	✓
Capabilities	Integrated brokerage and RIA advisory platform	✓	✗	✗	✗
	Robust technology and service support	✓	✓	✓	✗
	Supports an array of advisor practices	✓	✗	✗	✗

LPL Financial market share by headcount[1]



[1] Cerulli Lodestar - Intermediary. The Company defines "independent advisors" to include IBDs, independent RIAs and dual registrants. In 2015, Cerulli updated their broker/dealer database which resulted in retroactively restating its historical data (including 2004 and 2014 data) to increase the total number of advisors and decrease the market share for any one company. As a result, LPL's 2013 market share of independent advisors, as stated in past investor presentations that are available on LPL's website, was restated from 11.2% to 10.8%. LPL's market share in 2014 was also 10.8%.

LPL's end-to-end solution attracts and retains independent advisors and institutions

End-to-end solution

Comprehensive clearing and compliance services

Independent research

Consultative practice management programs

Scalable investment platforms

Integrated technology platform

#1
destination for advisors considering a move in 2013[1]

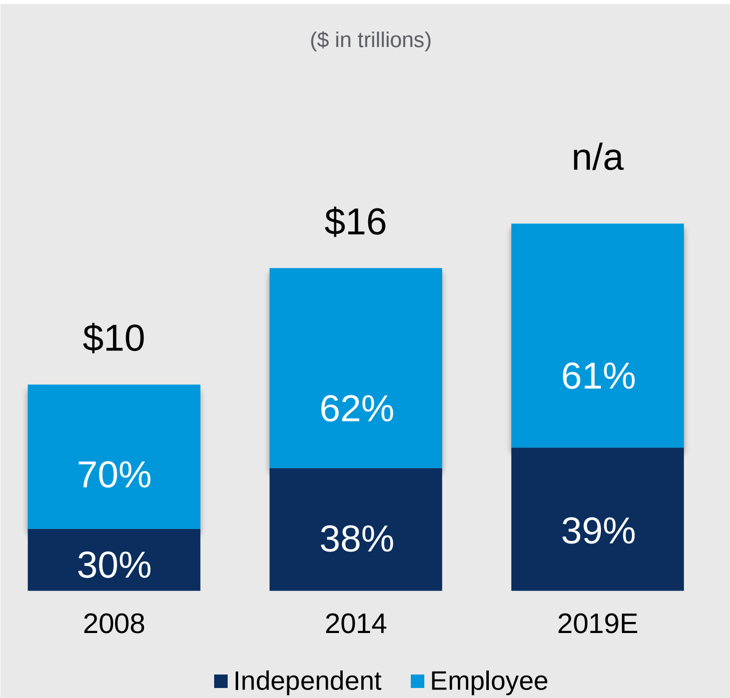
#2
in net new advisor growth since 2010[2]

97%
production retention[3]

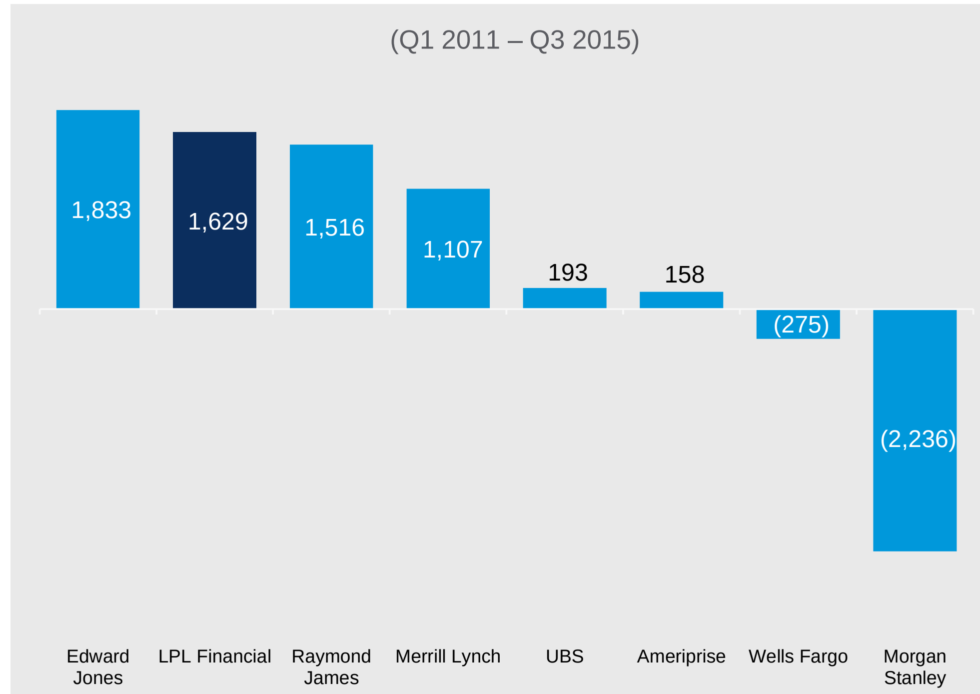
[1] Cogent 2013 Advisor Migration Trends
[2] Based on the number of broker-dealer affiliated advisors reported from publicly disclosed information since 12/31/10 through 9/30/15
[3] As of September 30, 2015

LPL's differentiated model and capabilities have combined with favorable industry trends to generate strong recruiting

Retail Asset Market Share by Channel[1]



Net New Advisors[2]



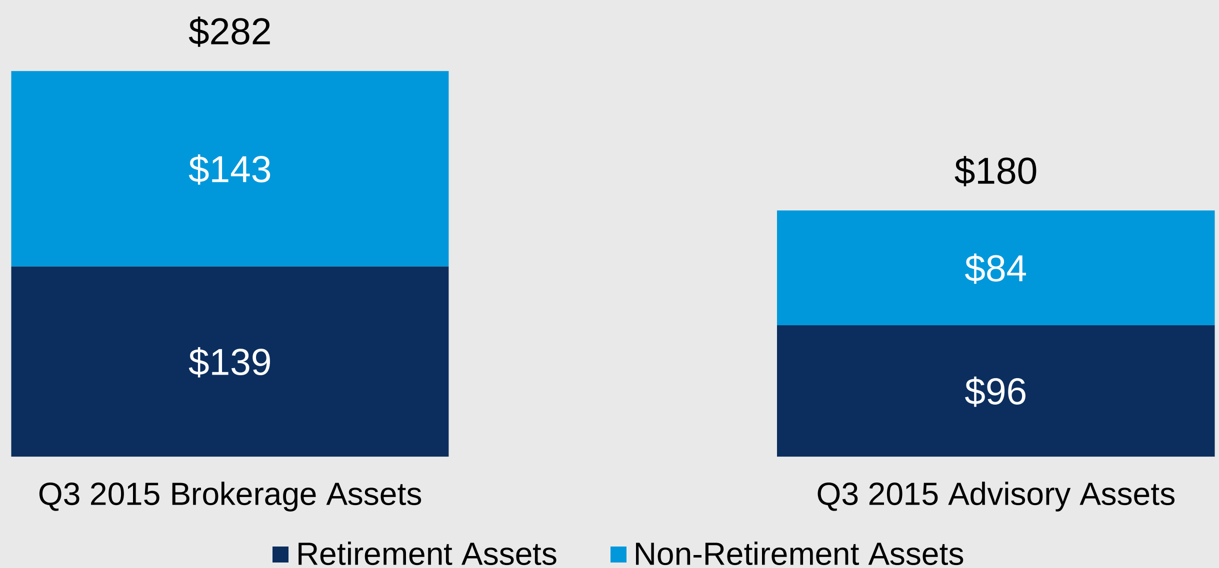
[1] Cerulli: "The State of U.S. Retail and Institutional Asset Management 2015". The Company defines "independent advisors" to include IBDs, independent RIAs and dual registrants
[2] Based on the number of broker-dealer affiliated advisors reported from publicly disclosed information since December 31st, 2010, inclusive of acquisitions

Key messages

- Differentiated value proposition drives advisor growth
- Scale of advisory and brokerage offerings provides flexibility to manage change
- Financial performance demonstrates business growth and earnings potential

LPL operates at scale across both brokerage and advisory businesses

Total Brokerage & Advisory Client Assets of $462 billion (as of September 30, 2015)



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.

LPL has been building its advisory business for many years and has benefitted from the marketplace trend towards advisory

1990 | 2000 | 2010 | Today

- 1991 – LPL Launches its first advisory platform, enabling advisors to build advisory portfolios
- Mid '90s– LPL establishes Advisory Consulting Team, providing advisory-oriented training and support to LPL advisors
- 2004 – LPL launches "centrally managed" platforms, enabling advisors to use 3rd party portfolio managers
- 2008 – LPL launches Hybrid RIA Platform
- 2014 – LPL's 7 advisory offerings serve all levels of wealth, generating industry-leading growth

LPL Financial Advisory Business (2014)

90%
of advisors licensed for advisory business

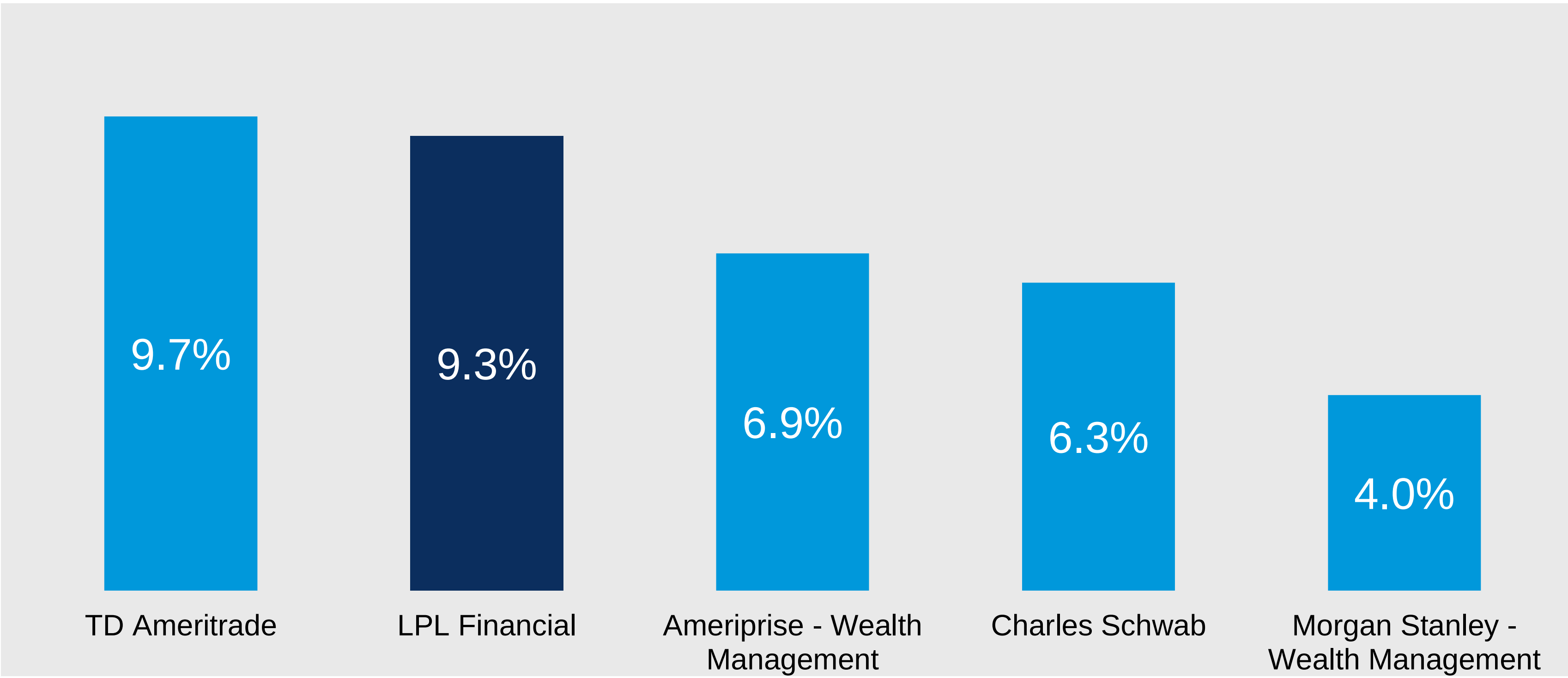
38%
of client assets were in advisory accounts

62%
of gross asset sales[1] were advisory

[1] Gross asset sales include advisory offerings, mutual funds, variable annuities, fixed annuities, group annuities, and alternative investments but excludes equity, fixed income, and insurance sales

LPL's rate of net new advisory asset growth was among the top of publicly-traded peers

Q3 2015 Net New Advisory Asset Annualized Growth Rate[1]



[1] Based on the Q3 2015 quarter's annualized net flows divided by current period-end total assets, as reported from publicly disclosed information as of September 30, 2015, inclusive of acquisitions

LPL’s agile business model provides flexibility to manage potential environmental changes

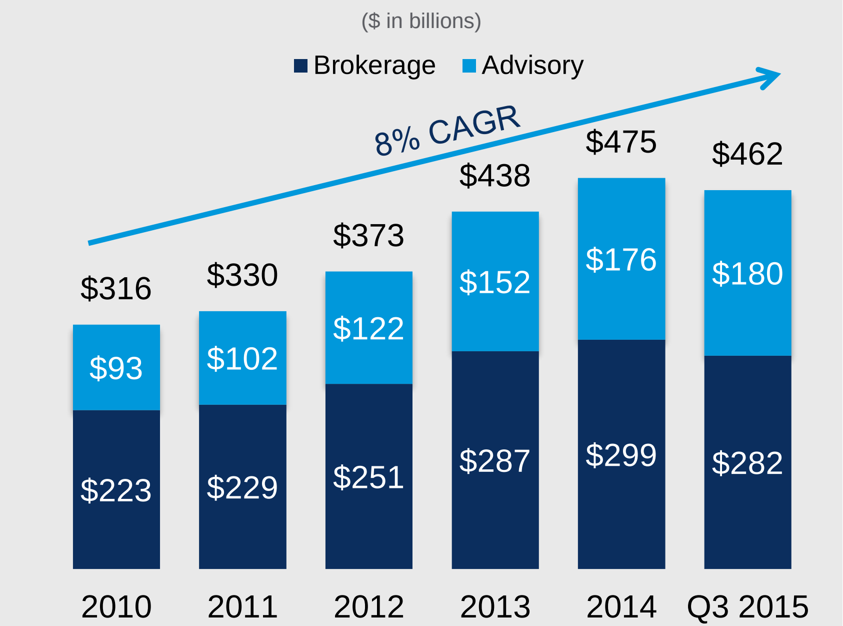
Potential environmental change	Potential impact
Department of Labor proposal / heightened regulatory standards	• Product substitution • Cost to comply with final rule • Further acceleration of industry shift to advisory • Industry consolidation
Marketplace shift from brokerage toward advisory	• Growth of the Company’s hybrid RIA platform and broader advisory offerings • Improved LPLA economics
Emergence of robo-advice	• Reassessment of value proposition • Market expansion strategy for advisors • Improved productivity of advisors • Increased use of the Company’s centrally managed platforms

Key messages

- Differentiated value proposition drives advisor growth
- Scale of advisory and brokerage offerings provides flexibility to manage change
- Financial performance demonstrates business growth and earnings potential

LPL's steady asset growth has driven topline performance

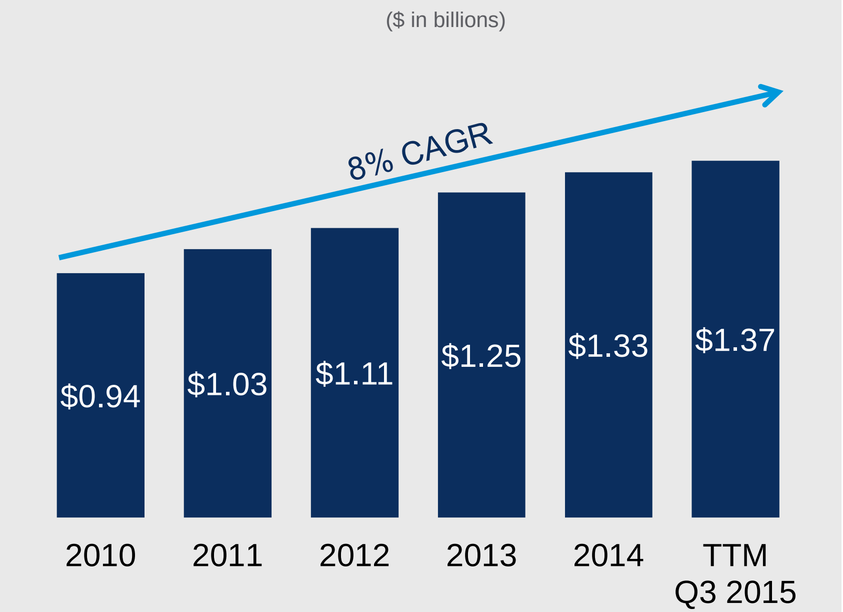
Assets[1]



Brokerage Assets = 5% CAGR[2]

Advisory Assets = 15% CAGR[2]

Gross Profit



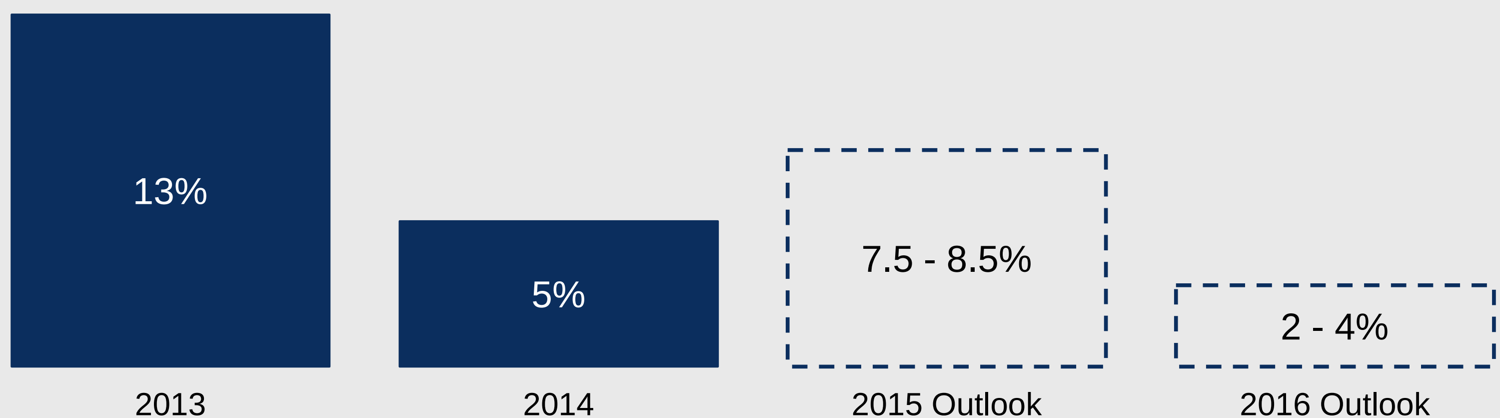
Gross Profit ex Cash Sweep Revenue = 10% CAGR[2]

[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] Compound annual growth rate from 12/31/10 to 9/30/15

LPL anticipates lower cost growth in 2016

Year-over-Year Core G&A[1] Growth Rate Excluding Regulatory Charges



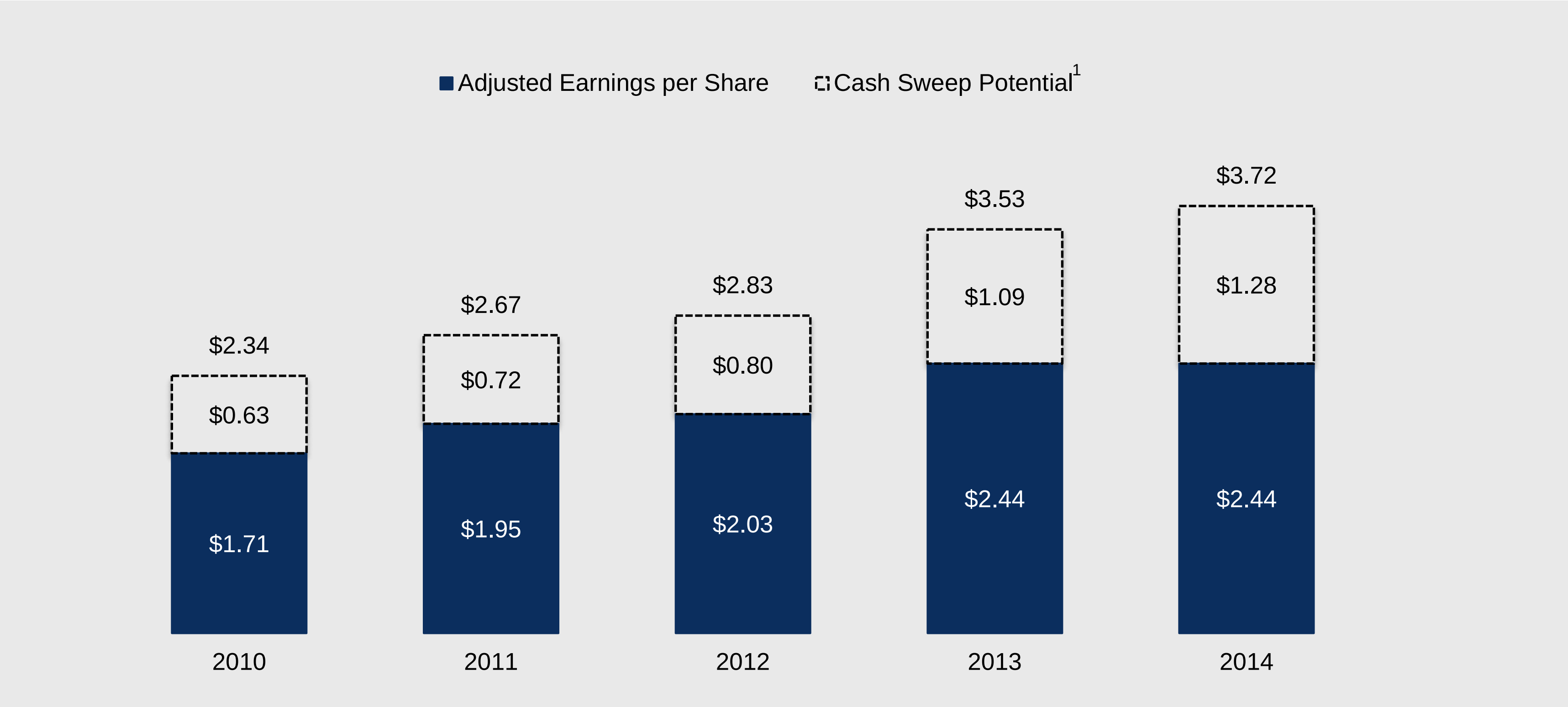
Core G&A ($ in mm)

	2013	2014	2015 Outlook	2016 Outlook
Ex-Regulatory	$616	$648	~$697 - 703	~$715 - 730
Regulatory	$8	$36	Lower than 2014	Meaningfully lower than 2015[2]

[1] Core G&A expenses are defined as 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.
[2] The Company operates in a complex and highly regulated industry, and its regulatory charges are unpredictable quarter to quarter.

Latent earnings potential has existed in the Company's business model from rising interest rates

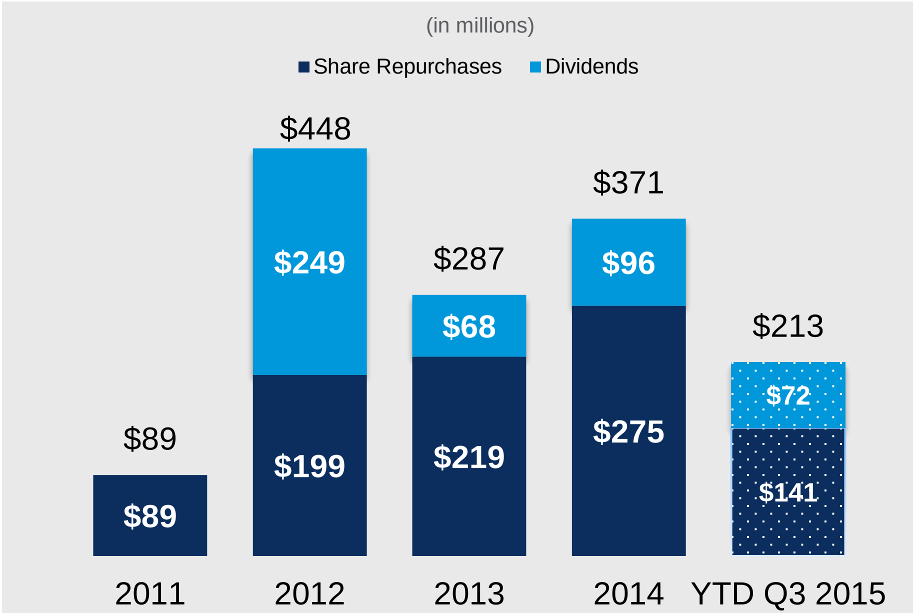
Adjusted Earnings Per Share



[1] Demonstrates the potential benefit that rising interest rates would have had on cash sweep revenue, using applicable quarterly end of period average asset balances and cash sweep yields, and assuming a maximum fee of 185 bps in the Company's insured cash account (ICA) program and 55 bps in its money market fund (MMF) program. Analysis includes the impact that rising interest rates would have had on the Company's floating rate term loans. Adjusted Earnings per Share is a non-GAAP metric.

LPL's capital-light model has supported shareholder capital returns

Return of Capital

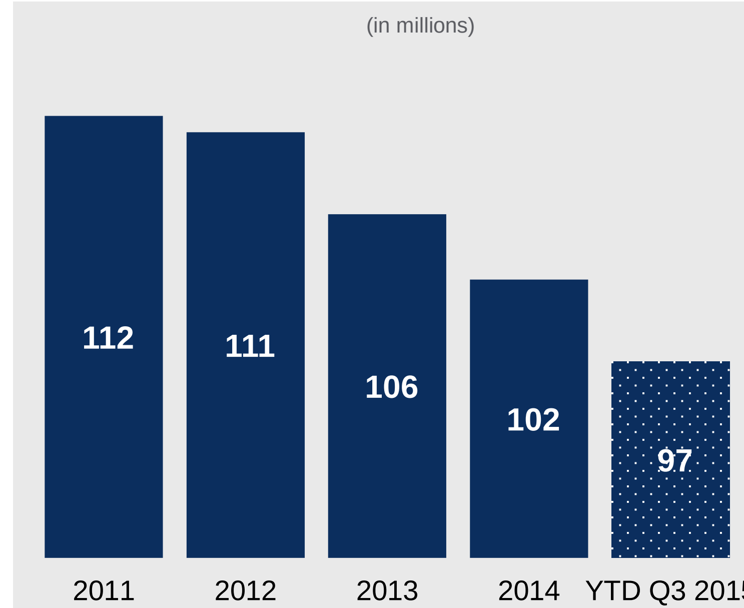


Return of capital per share

$0.79	$4.04	$2.71	$3.65	$2.19

2012 includes a special dividend of $223 million

Fully Diluted Shares



Operating principles that guide LPL toward long-term shareholder value creation

1. **Enable the delivery of objective advice**, which the Company believes is the best solution for retail investors, through an **unmatched independent model**
2. **Provide choice** by offering both **brokerage and advisory** solutions and an **open architecture** platform with products that meet the diverse financial needs of American investors
3. **Drive differentiated value for the Company's advisors** by offering a comprehensive, integrated set of services that are designed to serve investors effectively and efficiently
4. **Protect investor interests** by developing and maintaining leading compliance and risk management capabilities
5. **Prioritize reinvestment to drive long-term business outcomes**, recognizing that, at times, longer-term investments must be prioritized ahead of maximizing short-term results
6. **Allocate capital to create the highest long-term shareholder value**; reinvesting in the business where the Company can earn attractive long-term returns and returning surplus capital to shareholders
7. **Make decisions that create long-term value for all stakeholders** in the Company's community – employees, advisors, investors, business partners, and shareholders

Long-term shareholder value

In 2015, LPL has remained focused on executing core opportunities within its existing business model

Adding **advisors**

Supporting the shift to **advisory** where appropriate

Retaining upside on **interest rates**

Positioning **cost structure** to enter normalized conditions

Remaining good **financial stewards** of our investors' capital

LPL Q4 2015 mid-quarter operational update (1 of 2)

- Brokerage and advisory assets rebounded with equity markets, reaching $483B as of the end of October[1]. Additionally, October net new advisory assets totaled $1.5B

- At the same time, Q4 gross profit is likely to decline slightly on a sequential basis
  - In spite of increased advisory assets, advisory fees are likely to decline sequentially as such fees are billed on prior quarter ending balances
  - Sales commissions continue to be slow
  - Other asset-based gross profit streams have increased with assets (trail commissions, asset-based fees)
  - Client cash balances increased to $27.8B as of the end of October[2]
  - October transaction volumes were solid
  - Conference revenues have declined sequentially after the national advisor conference in Q3

- Advisor headcount growth was relatively small through October and November as the number of recruited higher producing advisors was offset by continued lower producer attrition

[1]This compares to total brokerage and advisory assets of $462B at the end of September 2015
[2]This compares to client cash balances of $27.6B at the end of September 2015

LPL Q4 2015 mid-quarter operational update (2 of 2)

- Expenses remain on track with the outlook discussed on the Q3 2015 earnings call, which included:
  - 2015 Core G&A of 7.5-8.5% growth (or approximately $697-703M for 2015). We are on track for the lower end of the range, which implies Core G&A sequential growth in Q4, due primarily to several cost reduction actions that will likely incur upfront costs
  - 2016 Core G&A of 2-4% growth (or approximately $715-730M for 2016)
  - Q4 promotional expense sequential decline due to sequential decline in conference expenses offset by seasonally greater transition assistance
  - 2015 regulatory-related charges lower than 2014 charges, and 2016 charges meaningfully lower than 2015 charges
  - Q4 depreciation sequential increase mostly due to $3M one-time charge for real estate consolidation

- On November 24, announced completion of a planned debt transaction and the start of an accelerated share repurchase program
  - Issued new debt of $700M, amended debt covenants, extended maturity of significant portion of current debt, and used $150M to fully pay off the balance of $400M revolving credit facility
  - Began previously announced $500M share repurchase program by entering into a $250M accelerated share repurchase plan

APPENDIX

On Nov 24, 2015, the Company announced completion of a debt transaction and start of an accelerated share repurchase program

- On Nov 20, 2015, the Company entered into an agreement under which it issued $700M of new debt, amended covenants in its existing credit agreement to enable higher leverage, extended the maturity of a significant portion of its existing loan facilities, and used $150M of the net debt proceeds to pay off outstanding balances under its revolving credit facility.

- Under the agreement:
  - Net leverage ratio increased to 3.7 times (following the debt transaction)
  - Net leverage covenant increased to 5X, with a stepdown to 4.75X on Jan 1, 2017
  - Interest coverage covenant remained at 3X
  - Following the debt transaction, ratings agencies Moody's and S&P maintained their stable outlook, assigning the Company a ratings of Ba3 and BB- respectively

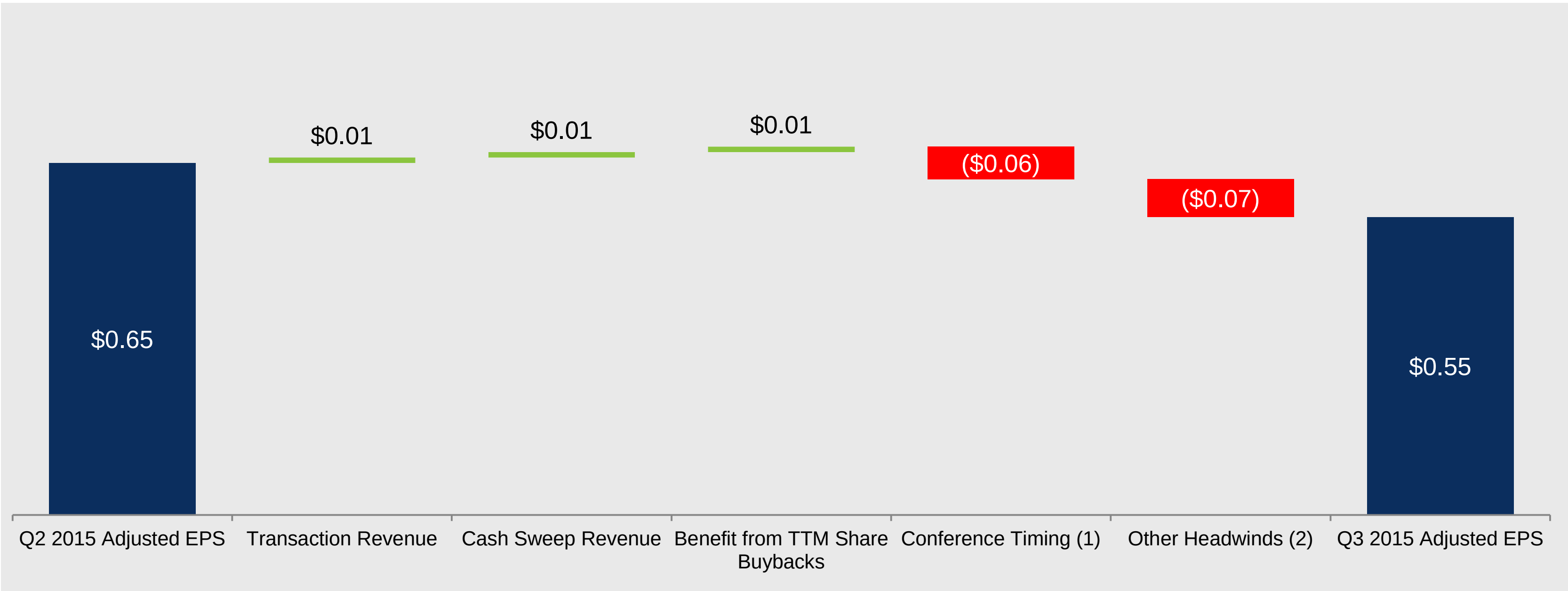
- The following table summarizes the outstanding balances and terms of the Company's credit facilities before and after the transaction. For the Term Loan B credit facilities, there is a LIBOR floor of 75 basis points.

	Prior			Current (Post November 20th Transaction)		
	Amount	Cost	Maturity	Amount	Cost	Maturity
Revolving Credit Facility Loans	$150M	L+250bps	2019	$0		2019
Term Loan A	$459M	L+250bps	2019	$459M	L+250bps	2019
Term Loan B	$1,057M	L+250bps	2019	$426M	L+250bps	2019
Extended Term Loan B				$631M	L+350bps	2021
New Term Loan B				$700M	L+400bps	2022
Total / Weighted Average (at Current LIBOR)	$1,666M	3.1%		$2,216M	3.9%	

- Following the completion of the debt transaction, the Company moved forward with its previously announced $500M share repurchase program, entering into a $250M accelerated share repurchase plan on Nov 24, 2015. The Company expects the plan to take several months to complete.

Adjusted Earnings per Share sequential decrease was primarily due to both conference expense and market-sensitive revenue declines

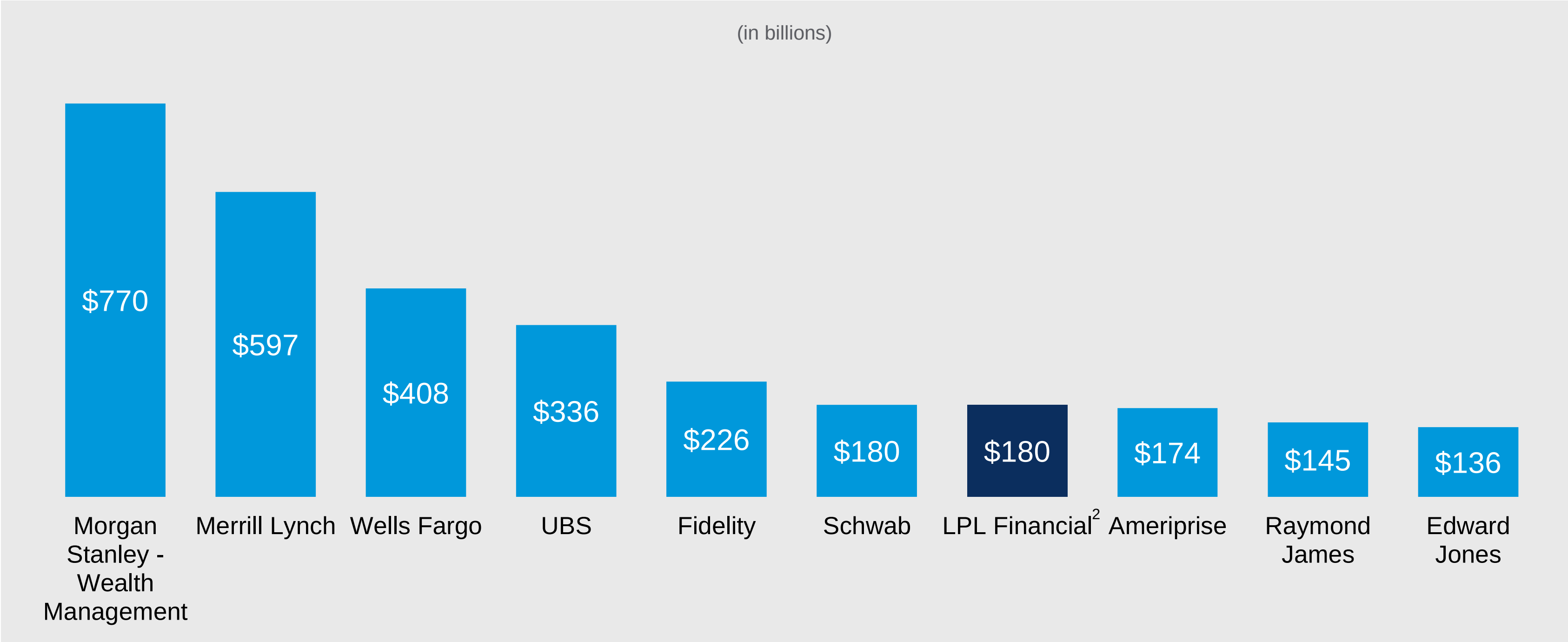
Adjusted Earnings Per Share: Q2 2015 vs. Q3 2015



Note: Adjusted Earnings per Share and Gross Profit are non-GAAP metrics.
(1) Represents an increase in conference expense net conference revenue attributable to the Company's annual national advisor conference in Q3 2015
(2) Other headwinds consisted of a) Gross Profit growth excluding transaction revenue, cash sweep revenue and conference revenue, less b) Core G&A expense growth. Gross Profit is defined on page 2 and Core G&A expenses is defined on page 15.

LPL is the 7th largest advisory asset manager

Q3 2015 Advisory Assets[1]

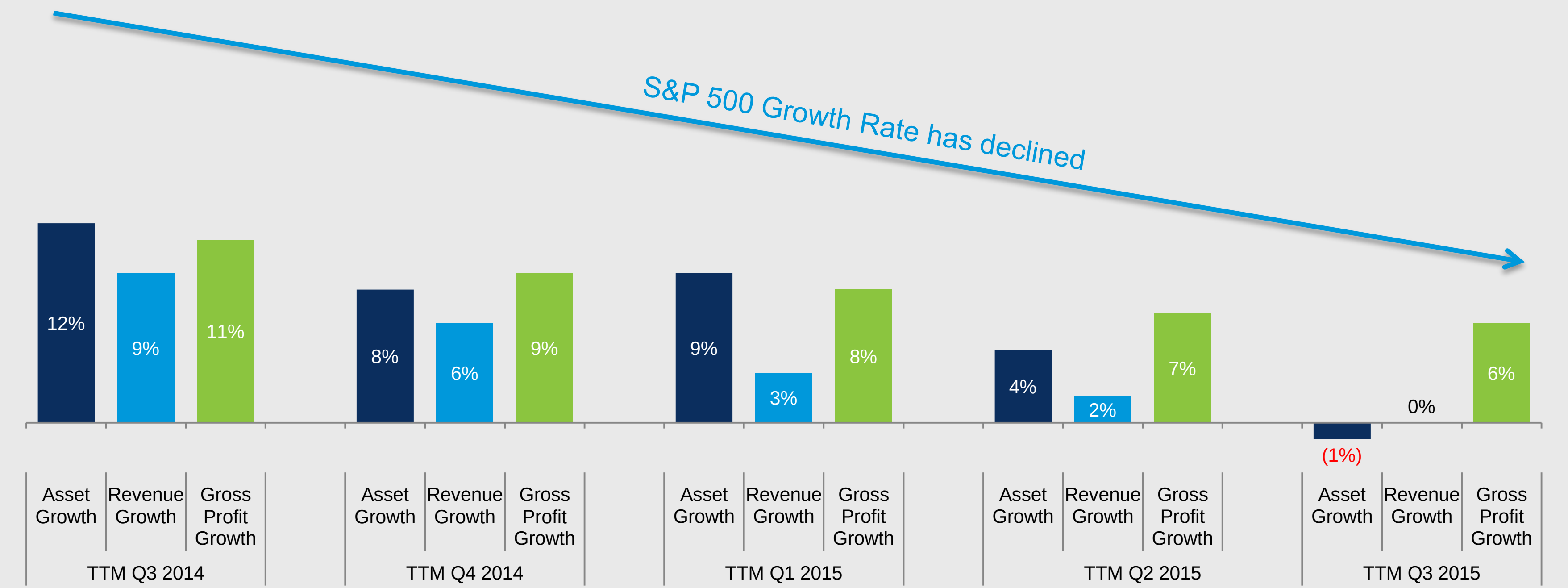


[1] Cerulli Associates – Lodestar Database as of November 20, 2015
[2] Represents the Company's fee-based assets on its corporate and hybrid RIA platforms

LPL views growth of assets and gross profit as more representative of its business growth than revenue growth

Asset, Revenue[1] and Gross Profit[2] Growth

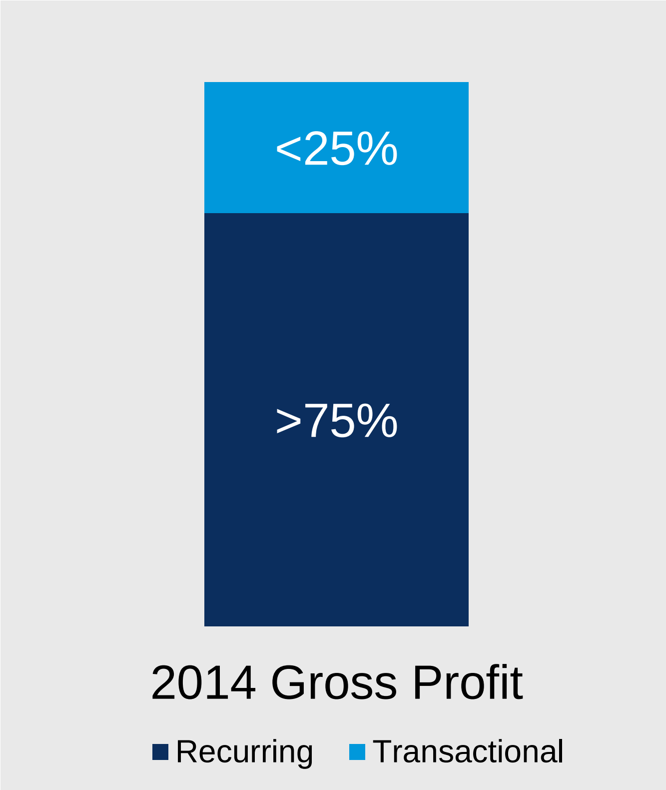
Under accounting standards, advisory fees charged to investors by advisors on the Company's hybrid RIA platform are not reflected on its income statement (unlike advisory fees charged for the Company's corporate advisory platform business).



LPL Financial Member FINRA/SIPC

[1] Revenue growth has included cash sweep revenue.
[2] Gross Profit growth has excluded cash sweep revenue for purposes of this comparison. Gross Profit is a non-GAAP metric.

Recurring gross profit* of >75% has created financial stability and minimized dependency on sales commissions



2014 Components ($ in millions)	Revenue	% Recurring	Gross Profit	% of Gross Profit	Recurring Gross Profit
Advisory	1,338	99%	231	17%	229
Sales commissions	1,181	0%	120	9%	-
Trailing commissions	937	100%	115	9%	115
Cash sweep	100	100%	100	8%	100
Other asset based	377	96%	357	27%	344
Transaction and fee	370	63%	340	26%	214
Interest and other	71	32%	62	4%	20
Total	**4,373**		**1,326**	**100%**	**1,022**
% Recurring		**68%**			**77%**

*Gross Profit is a Non-GAAP financial metric

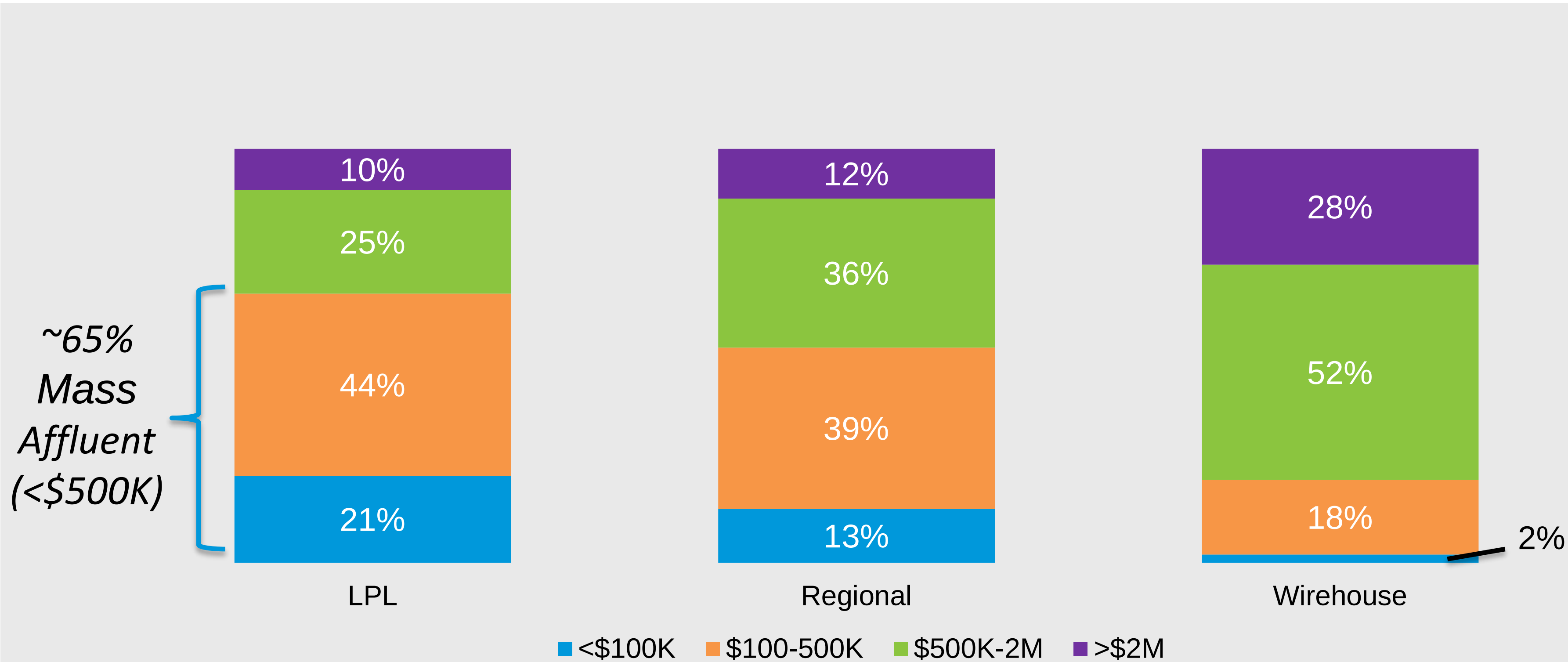
Note: The 2014 Gross Profit breakdown applies a refined cost allocation methodology that the Company implemented in 2015. The Gross Profit breakdown methodology differs from the Company's 2013 gross profit breakdown methodology that was included in a presentation dated December 10, 2014 ("The LPL Financial Opportunity") posted on LPL's website in connection with the Goldman Sachs investor conference held on December 10, 2014. Applying the updated methodology to 2013 would yield gross profit distribution of 17% Advisory, 9% Sales Commissions, 9% Trail Commissions, 34% Asset Based, 27% Transaction and Fees, and 4% Interest and Other.

LPL believes that it has limited financial exposure from alternative investments under the DOL proposal as written

Alternative investment sales as a percentage of total gross profit (2014 total of $1,326M)	~5% (~$65 million)
Percentage of alternative investment sales that are made in brokerage retirement accounts	~40%
Alternative investment sales in brokerage retirement accounts as a share of total gross profit	~2% (~$26 million)
Variable cost projected to be eliminated due to reduced manual alternative investments processing and compliance	~25% of gross profit reduction (~$6 million)
Substitute products potential contribution to gross profit*	At least 1% ($13 million+)
Potential EBIT impact	**$7 million or less** **($26M - $6M - $13M+)**

*Substitute product contribution to gross profit is likely to phase in over several years due to trailing commissions and attachment revenue, whereas alternative investments accrue to gross profit at the time of sale

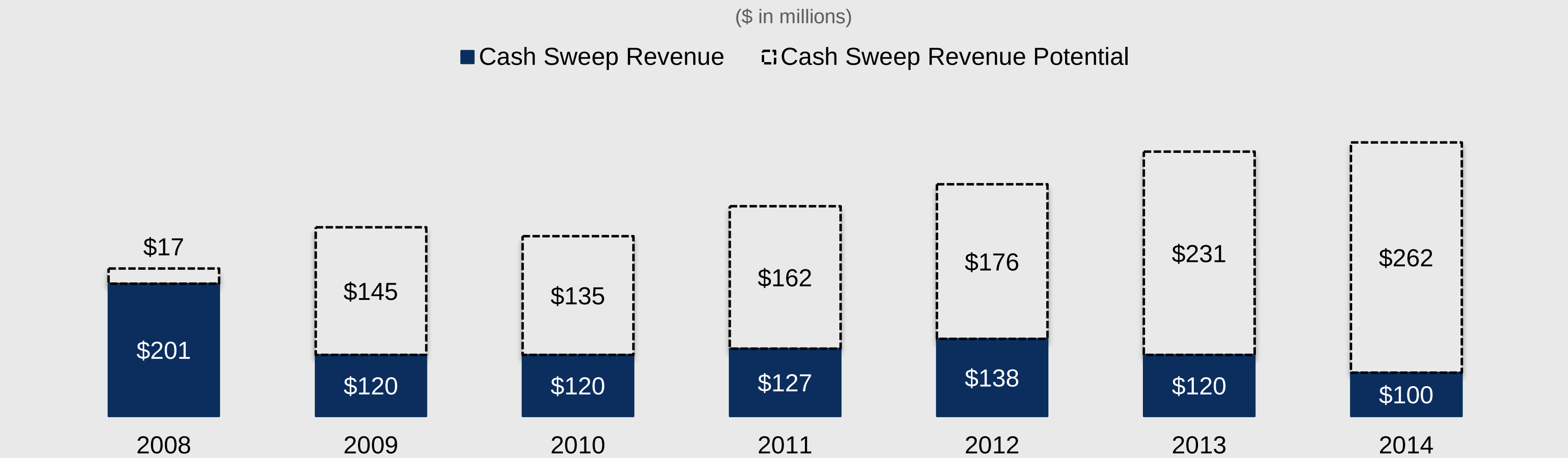
LPL's product mix reflects the greater percentage of mass affluent investors that it serves relative to wirehouse or regional firms



[1] Cerulli Advisor Metrics 2014

LPL's cash sweep revenue potential has grown over time

Cash Sweep Revenue



	2008	2009	2010	2011	2012	2013	2014
Average Cash Sweep Balances ($bn)	$19.4	$20.3	$18.7	$21.5	$22.8	$24.8	$24.1
Average Cash Sweep Yield (bps)	113	57	64	61	62	50	42

Note: The cash sweep revenue potential assumes a maximum fee of 185 bps in the Company's insured cash account (ICA) program and 55 bps in its money market fund (MMF) program.

ICA bank spread outlook

- Certain insured cash account ("ICA") bank contracts established in 2008 have provided the Company with fees that are above market. As these contracts gradually reset to market rates, the weighted average bank spread over FFER has and will continue to decline
- The Company expects a ~22 bps step-down in its bank spread in Q1 2016. If FFER remains flat in 2016, the result would be a ~$40 million run-rate revenue and EBITDA headwind based on Q3 2015 cash balances
- The anticipated Q1 2016 bank spread is approximately within the range of current market rates
- As interest rates rise, the Company expects to incur additional interest expense related to its loan facilities

	Beginning of Year FFER[1]		Beginning of the Year Bank Spread[1]		ICA Fee[1]		Change in FFER		Bank Spread Compression[2]		Change in bank spread due to volume shift between contracts[3]		Estimated Ending Average ICA Fee[4]	FFER needed to achieve 185 bps ICA target fee [5,6]	EBITDA upside from rise in interest rate ($mm)[7]
2016 (pro forma)	14	+	35	=	~48	+	tbd	-	~22	+	tbd	=	~26	~303	~$329

[1] As of January 1st , based on average balances and fees as of the end of Q3 2015
[2] 2016 bank spread compression is an estimate; historically a majority of bank spread compression has occurred in the first quarter
[3] Bank spread may increase or decrease as asset balances shift among banks with differing yields
[4] An increase in balances may lead to further ICA bank fee compression
[5] Please see pages 21 - 22 of the Company's Q3 2015 Financial Supplement, which is posted on the LPL Financial Investor Relations website under the Events section and provides additional information regarding the effect of a rising FFER on the ICA program
[6] Based on Q3 2015 balances and contracts, if maximum bank spread compression occurs, the minimum FFER rate required to maximize fees could increase up to approximately 350 bps
[7] Does not include the potential to incur additional interest expense related to the Company's loan facilities as interest rates rise

2016 run-rate cash sweep opportunity

	ICA	MMF	Total
Average Asset Balances[1] ($ in bn)	$18.5	$7.5	$26.0
Fee[2] (bps)	26	9	21
Assumed max fee (bps)	185	55	145
Potential annualized incremental EBITDA ($ in mm)[2]	$295	$34	$329

ICA upside from FFER will be recognized incrementally and immediately as FFER improves

[1] Based on the average balances and fees in Q3 2015. An increase in customer asset balances could lead to further bank fee compression.
[2] Assumes the expected 2016 ICA bank spread step-down of 22 basis point from Q3 2015 average ICA rate. Does not include the potential to incur additional expense related to the Company's loan facilities due to an interest rates rise.

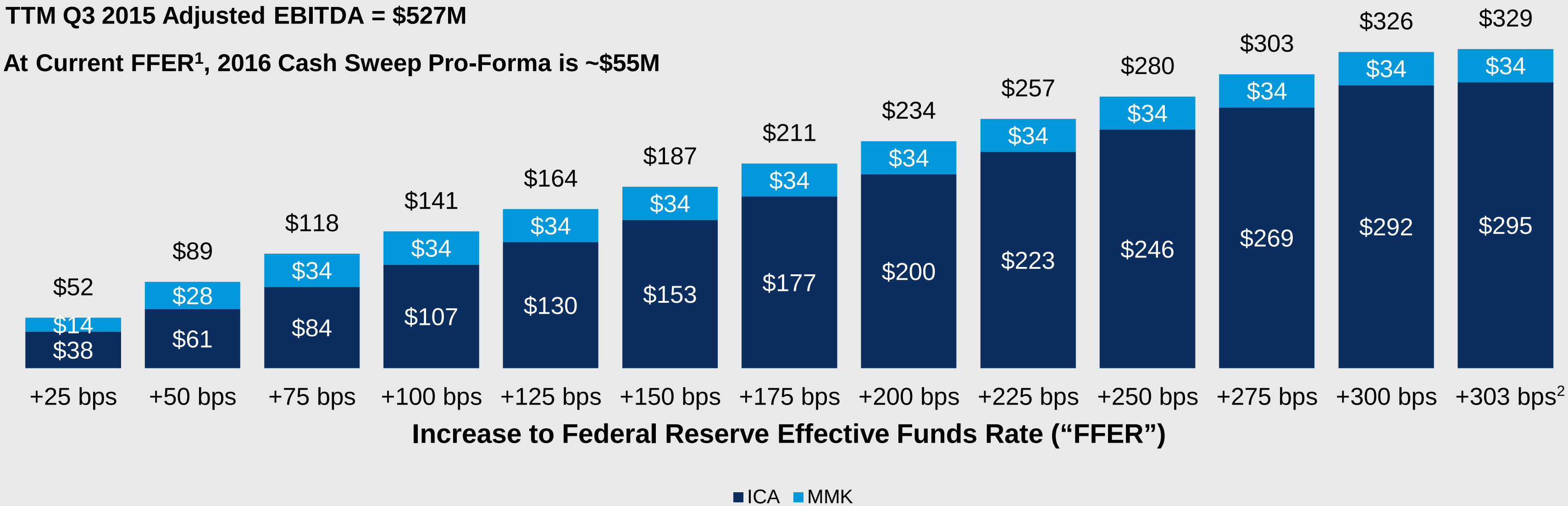
LPL has potential for substantial run-rate Adjusted EBITDA with interest rate increases[1]

LPL's Cash Sweep Revenue Potential Incremental Run-Rate[1]

(projections[1] in millions)

TTM Q3 2015 Adjusted EBITDA = $527M

At Current FFER[1], 2016 Cash Sweep Pro-Forma is ~$55M



[1] Assumes no change to the average customer asset balances and FFER in Q3 2015. In Q3 2015 average ICA balances were $18.5 billion, money market balances were $7.5 billion and FFER was 13.5 basis points. An increase in customer asset balances could lead to further bank fee compression. Assumes the expected 2016 ICA bank spread step-down of 22 basis points from Q3 2015 average ICA rate. Does not include the potential to incur additional expense related to the Company's loan facilities due to an interest rates rise. An increase of 303 bps would achieve the Company's 185 bps ICA target fee.

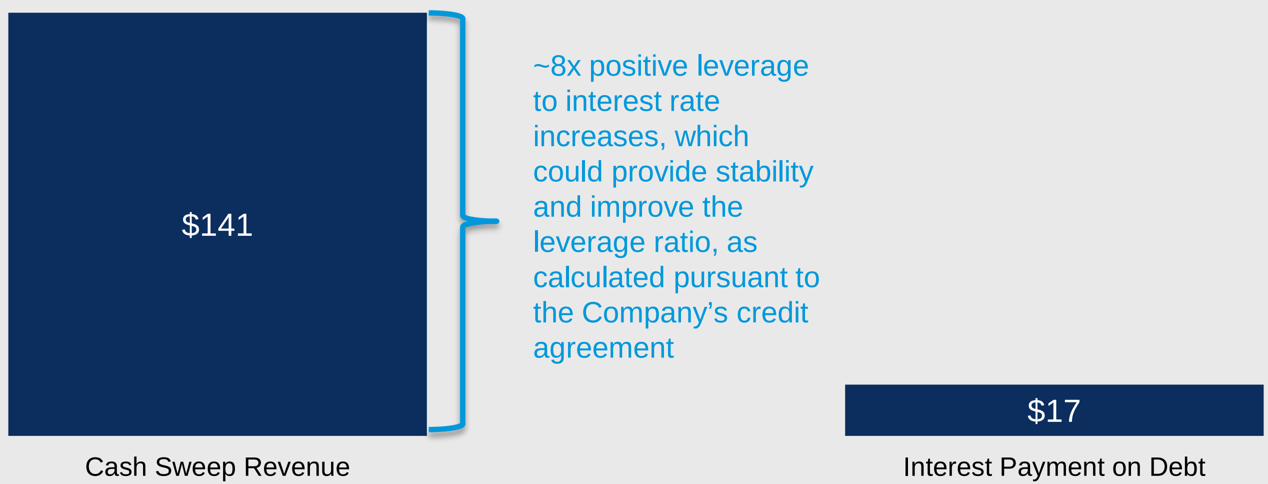
[2] Assuming a maximum compression in the fees from banks that participate in the Company's insured cash account ("ICA") program, normalized FFER would need to increase to a maximum of approximately 3.50% in order for the Company to realize its 185 basis point target fee. Please see pages 21-22 of the Company's Q3 2015 Financial Supplement, which is posted on the LPL Financial Investor Relations website under the Events section, for additional information on the effect of a rising FFER on the Company's ICA bank fee program.

LPL is positioned to capture positive leverage from rising interest rates

Projected Impact of Increased Interest Rates

Assumption: FFER increases 100 bps[1]

($ in millions)



[1] Assumes no change to the average customer asset balances as of the end of Q3 2015 and the Q3 2015 average FFER of 13.5 basis points. An increase in customer asset balances could lead to further bank fee compression. Assumes the expected 2016 ICA bank spread step-down of 22 basis point from Q3 2015 ICA rate.

Adjusted Earnings per share reconciliation

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

	TTM Q3'15	2014	2013	2012	2011	2010
			(unaudited)			
Net income (loss)	$190,517	$178,043	$181,857	$151,918	$170,382	($56,862)
After-Tax:						
EBITDA Adjustments(a)						
Employee share-based compensation expense(b)	15,653	14,175	11,109	13,161	11,472	8,400
Acquisition and integration related expenses(c)	435	366	10,919	11,106	(2,354)	7,638
Restructuring and conversion costs(d)	12,074	21,357	19,011	3,792	13,606	13,877
Debt amendment and extinguishment costs(e)	2,678	2,678	4,916	10,274	-	23,477
Equity issuance and related offering costs(f)	-	-	-	4,262	1,272	149,568
Other	220	7,137	6,926	7,384	156	91
Total EBITDA Adjustments	31,060	45,713	52,881	49,979	24,152	203,051
Amortization of intangible assets(a)(g)	23,657	23,865	24,067	24,397	24,051	26,531
Acquisition related benefit for a net operating loss carry-forward(h)	-	-	-	(1,265)	-	-
Adjusted Earnings	$245,234	$247,621	$258,805	$225,029	$218,585	$172,720
Adjusted Earnings per share(i)	$2.50	$2.44	$2.44	$2.03	$1.95	$1.71
Weighted-average shares outstanding - diluted	98,094	101,651	106,003	111,060	112,119	100,933

(a) 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 3.30%, net of the federal tax benefit, for the periods presented, except as noted below.

(b) Represents share-based compensation expense 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.

(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.

(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 Financial Services Group, Inc. and the 2009 consolidation of Mutual Service Corporation, Associated Financial Group, Inc., Associated Planners Investment Advisory, Inc. and Waterstone Financial Group.

(e) Represents expenses incurred resulting from the early extinguishment, amending, restating, and repayment of amounts outstanding under the Company's credit agreement.

(f) Represents equity issuance and offering costs for the Company's IPO, which was completed in the fourth quarter of 2010.

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

(h) Represents the expected tax benefit available to the Company from the accumulated net operating losses of the Concord Trust and Wealth division of LPL Financial LLC that arose prior to the Company's acquisition of Concord Capital Partners; such benefits were recorded in the third quarter of 2012.

(i) Represents adjusted Earnings, a non-GAAP measure, divided by weighted-average number of shares outstanding on a fully diluted basis.