

OPPENHEIMER HOLDINGS INC.  
NOVEMBER 2015

*Presented by:*

**Robert Lowenthal**

Senior Managing Director, Chairman of Management Committee

**Jeffrey Alfano**

Executive Vice President & Chief Financial Officer



## *SAFE HARBOR STATEMENT*

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This presentation and other written or oral statements made from time to time by representatives of Oppenheimer Holdings Inc. (the “company”) may contain “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements may relate to such matters as anticipated financial performance, future revenues or earnings, business prospects, new products or services, anticipated market performance and similar matters. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements. The company cautions that a variety of factors could cause the company’s actual results to differ materially from the anticipated results or other expectations expressed in the company’s forwarding-looking statements. These risks and uncertainties include, but are not limited to, those risk factors discussed in Part I, “Item 1A. Risk Factors” of our Annual Report on Form 10-K for the fiscal year ended December 31, 2014 (the “2014 Annual Report”). In addition, important factors that could cause actual results to differ materially from those in the forward-looking statements include those factors discussed in Part II, “Item 7. Management’s Discussion & Analysis of Financial Condition and Results of Operations – Factors Affecting ‘Forward-Looking Statements’” of our 2014 Annual Report. Any forward-looking statements herein are qualified in their entirety by reference to all such factors discussed in the 2014 Annual Report and the company’s other SEC filings. There can be no assurance that the company has correctly or completely identified and assessed all of the factors affecting the company’s business. The company does not undertake any obligation to publicly update or revise any forward-looking statements.

## ABOUT US

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Oppenheimer is a leading investment bank and full-service investment firm that provides financial services and advice to high net worth investors, individuals, businesses and institutions.



### Wealth Management

Private client services and asset management solutions tailored to individuals unique financial objectives



### Capital Markets

Investment banking services and capital markets products for institutions and corporations



### Commercial Mortgage Banking

Provides high quality service for the acquisition, refinance, rehabilitation and construction of multifamily and healthcare properties

#### Quick Facts

\$79.6B Client Assets Under Administration

1,250+ Financial Advisors

91 offices in 24 states;  
5 foreign jurisdictions

\$23.7B Client Assets Under Management

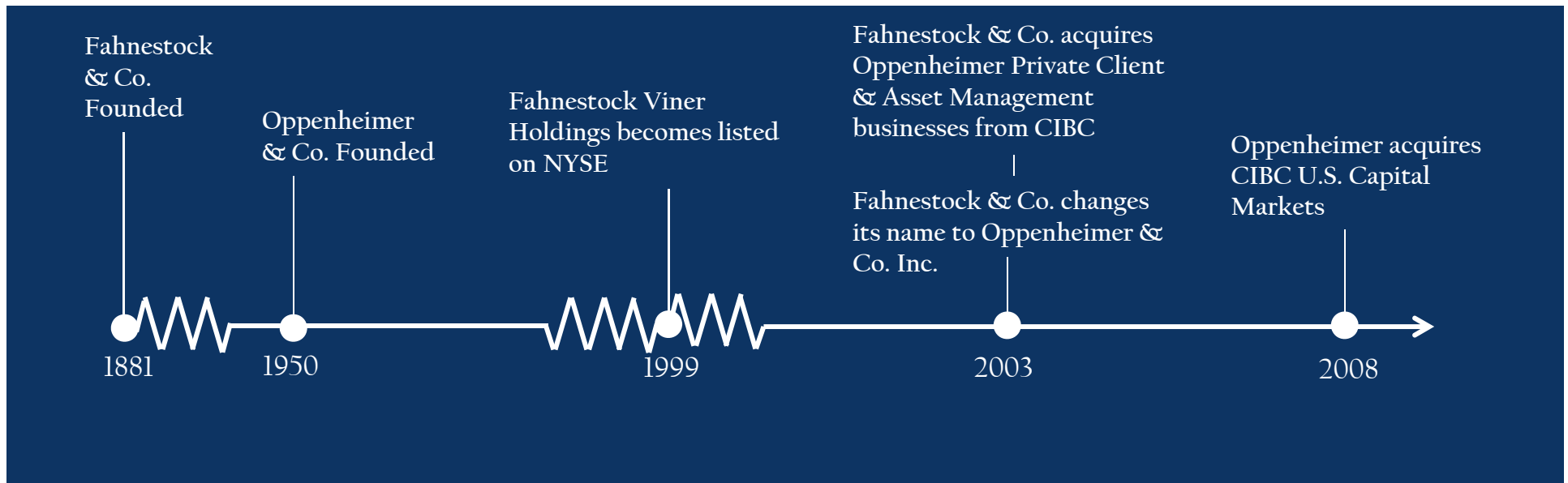
+250 Institutional Sales Professionals

40 senior research analysts covering  
~575 equity securities

Note: Data as of September 30, 2015

# HERITAGE

For over 130 years, we have provided investors with the necessary expertise and insight to meet the challenge of achieving their financial goals.

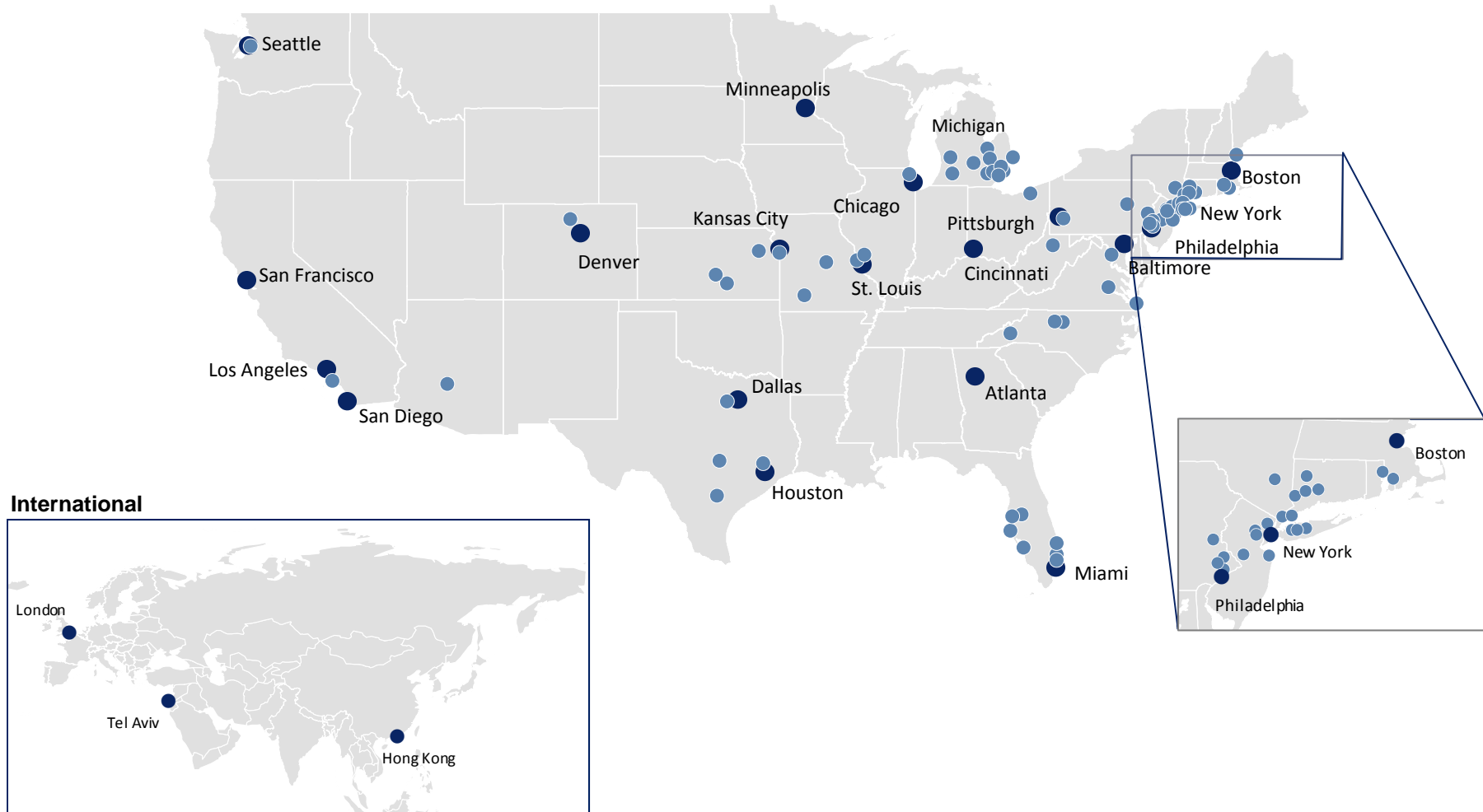


## Acquisitions

	Laidlaw Adams & Peck	Reich & Co.	First of Michigan	WH Newhold's & Son	BC Christopher
NY & Foreign Sec	Josephthal & Co.	Prime Charter	Propp & Co.	Carolan & Co.	Buy & Hold

## WHERE WE OPERATE

Oppenheimer serves clients from 91 offices located throughout the United States as well as select global money centers.



## OUR COMMITMENT

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Our commitment to our clients' investment needs and our experienced and dedicated professionals empower us in our proud tradition to deliver effective and innovative solutions to our clients.



Client Focus



Trusted Reputation



Tailored Advice



Flexibility At Scale



Open Architecture



Heritage and Continuity

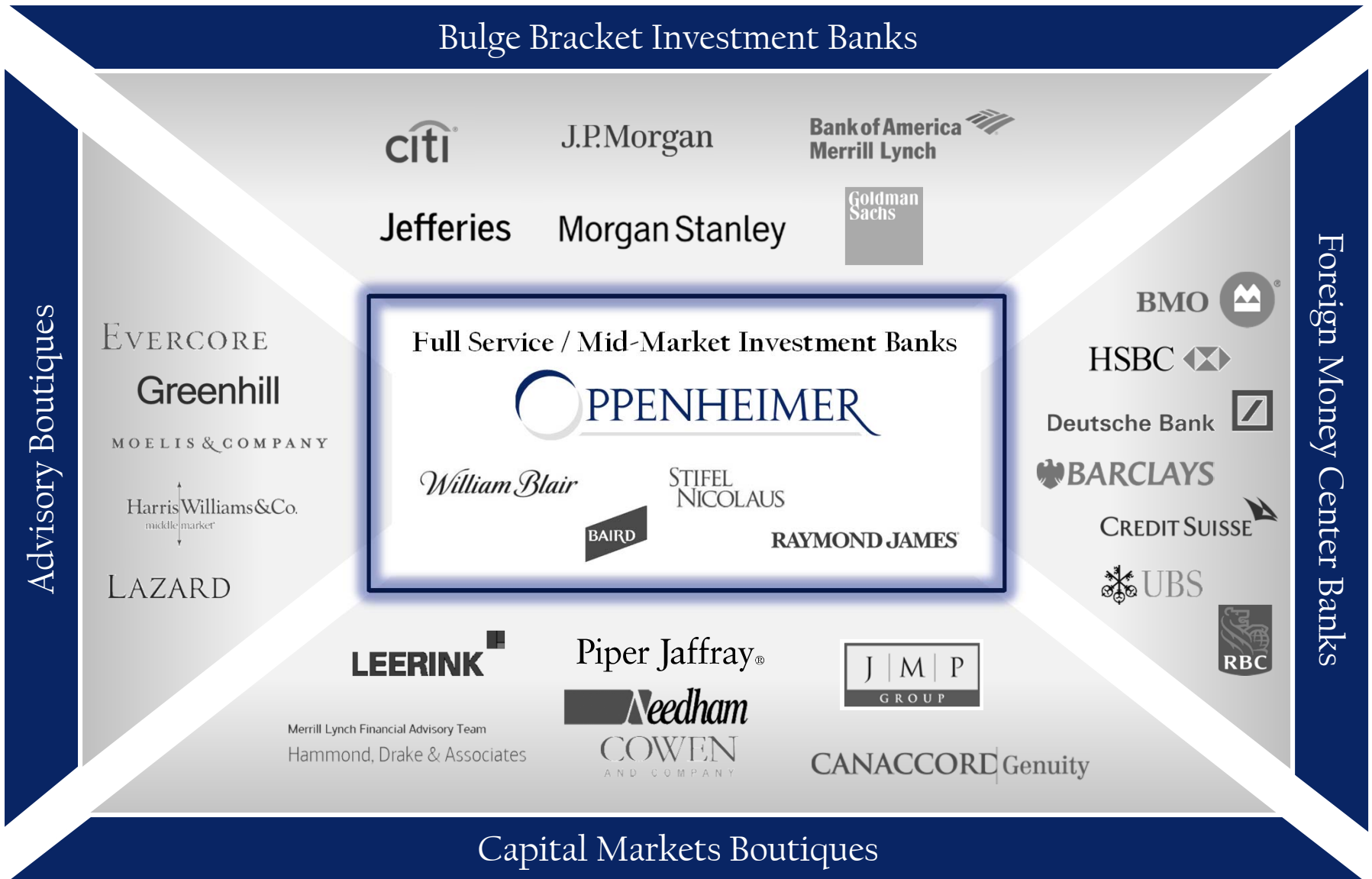


Proven Expertise



Entrepreneurial Mindset

# OUR INDUSTRY



## *WHAT DIFFERENTIATES US*

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Each of our business lines benefits from the dedicated, senior-level commitment of a boutique combined with the capabilities of a global, full-service investment bank.

Full service  
capabilities

Experienced  
professionals lead  
customer engagement

Global distribution

Diversified business,  
stable profile



## *GROWTH STRATEGY*

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Oppenheimer is pursuing a number of initiatives to grow our client base and revenue streams, while also leveraging our operations to improve profitability.

- Refining operations and increasing productivity within our core businesses
- Developing new product offerings
- Adding the right resources – recruiting and retaining top talent
- Focusing resources on secular shift from transaction to fee-based accounts
- Seeking accretive acquisitions that fit our model

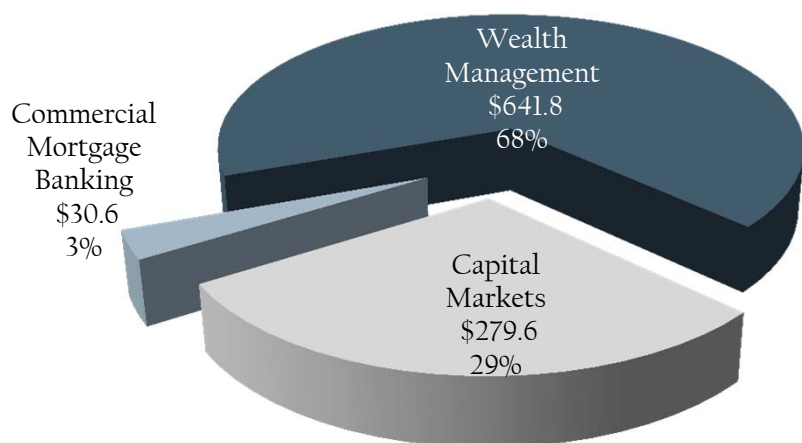
# LET'S LOOK AT OUR RESULTS

## Snapshot

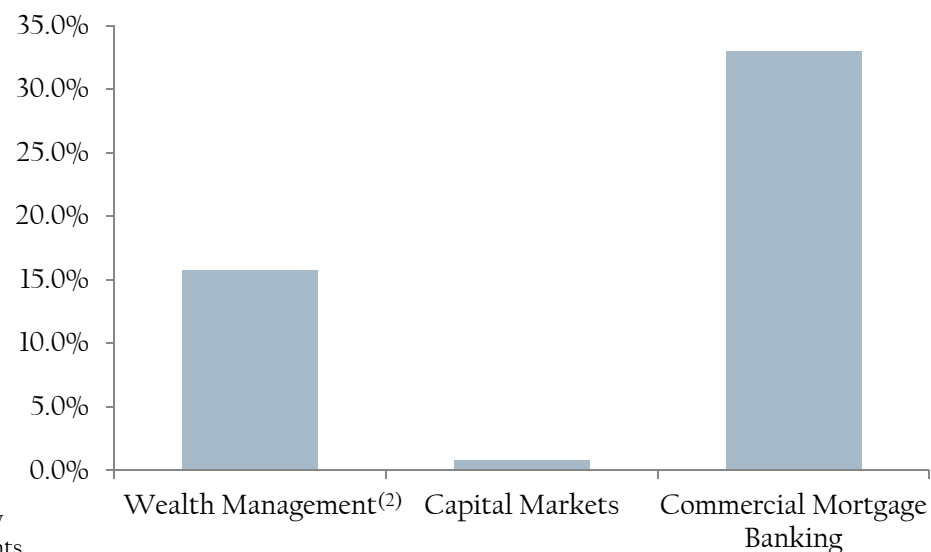
Shareholders' Equity at 9/30/15 ('000s)	\$529,777
Book-value at 9/30/15	\$38.92
Tangible Book-value at 9/30/15	\$26.29
Market Cap at 10/29/15 ('000s)	\$258,348
Share Price at 10/29/15	\$18.91
LTM Revenue 9/30/15 ('000s)	\$952,953

## Business Segment Results LTM September 30, 2015

Total Revenue: \$953M



Operating Profit<sup>(1)</sup>

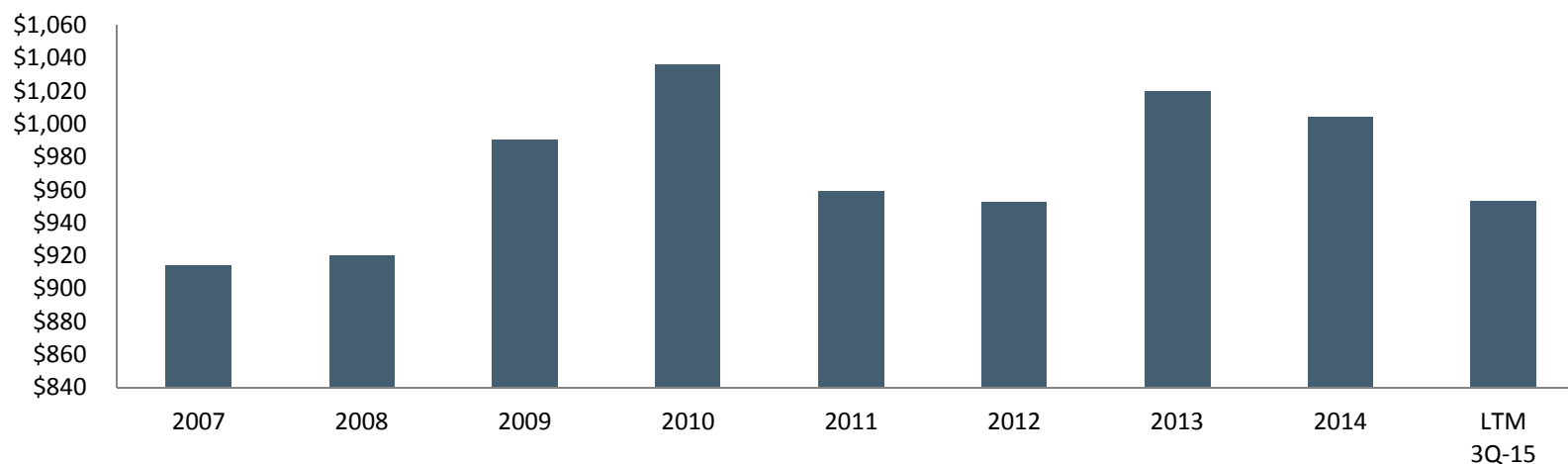


<sup>(1)</sup> Operating Profit as reported. Does not include allocations to Corporate – Other category

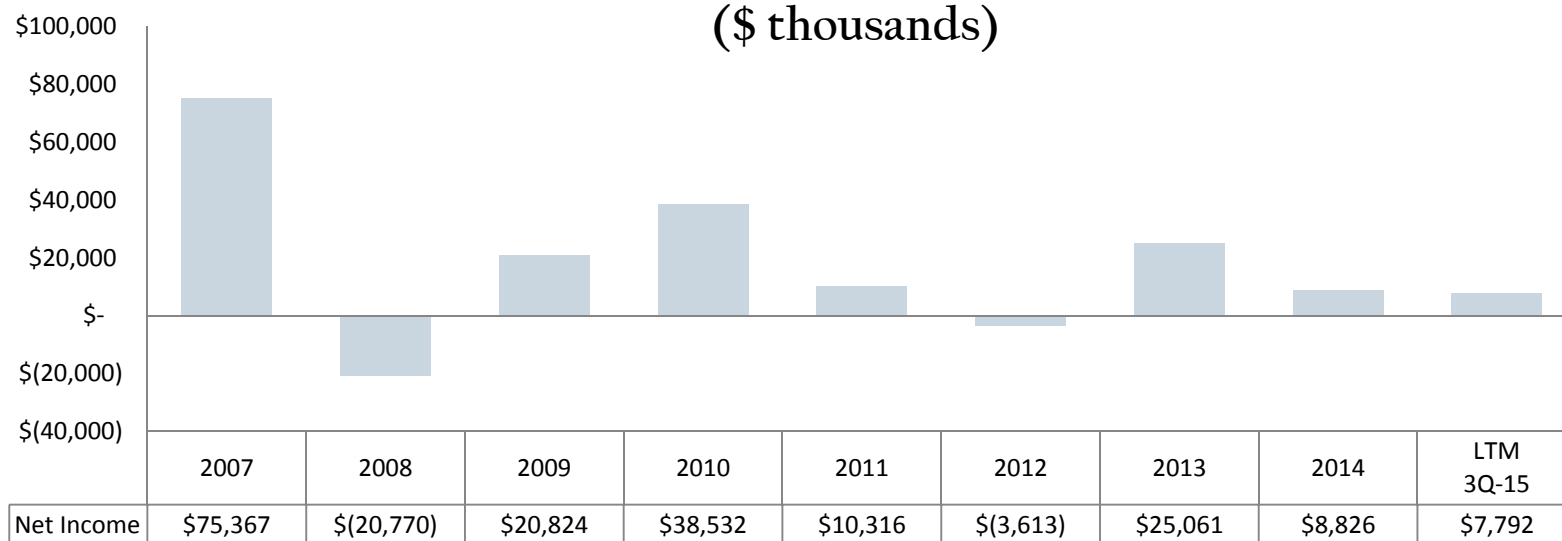
<sup>(2)</sup> Wealth Management represents Private Client and Asset Management business segments

## FINANCIAL RESULTS CONTINUED

### Gross Revenue (\$M)



### Net Income/(Loss) (\$ thousands)



# CAPITAL STRUCTURE AS OF SEPTEMBER 30, 2015

## Conservative Risk Profile

- Straight-forward balance sheet
- Level 3 assets represent 4.1% of total assets (primarily ARS)
- Regulatory Net Capital of \$143.4M
- Regulatory Excess Net Capital of \$111.6M
- Long-term Debt Financing Secured Through 2018

## Capital Structure

(\$ in thousands)	September 30, 2015
Total Assets:	\$2,854,252
Stockholders' Equity:	\$529,777
Long-Term Debt:	\$150,000
<b>Total Capitalization:</b>	<b>\$679,777</b>

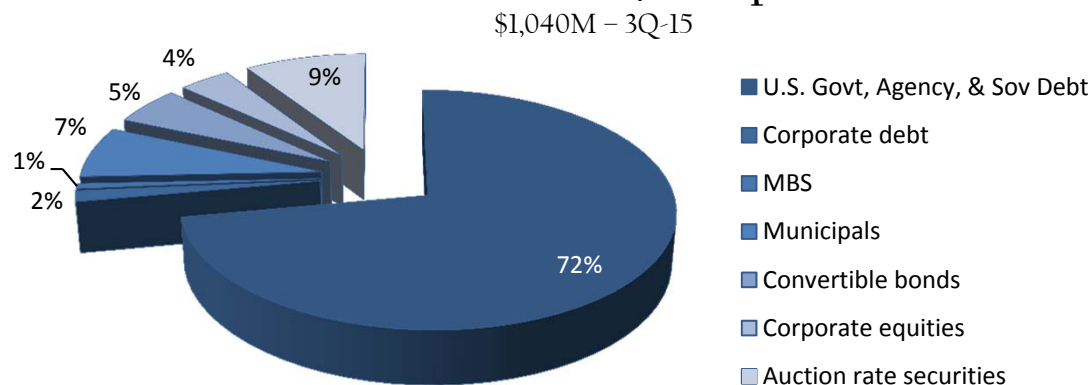
## Ratios

Equity to Assets:	19%
Capitalization to Assets:	24%
Debt to Equity:	28%
Gross Leverage Ratio:	5.4x

## Securities Trading

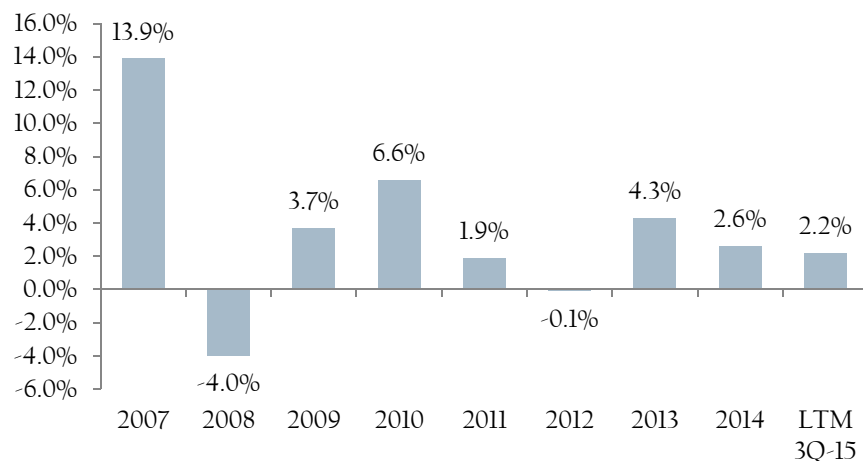
- Primarily a client-facing business (limited proprietary trading)
- High turnover of securities inventory
- 2014 VaR average of \$650 thousand
- No significant losses during financial crisis
- Gross leverage ratio consistent around 5x

## Securities Inventory Composition

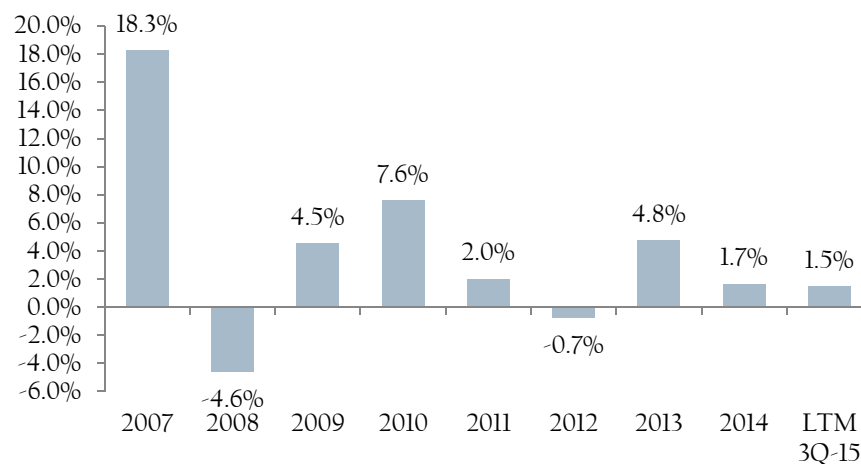


# SELECT FINANCIAL MEASURES

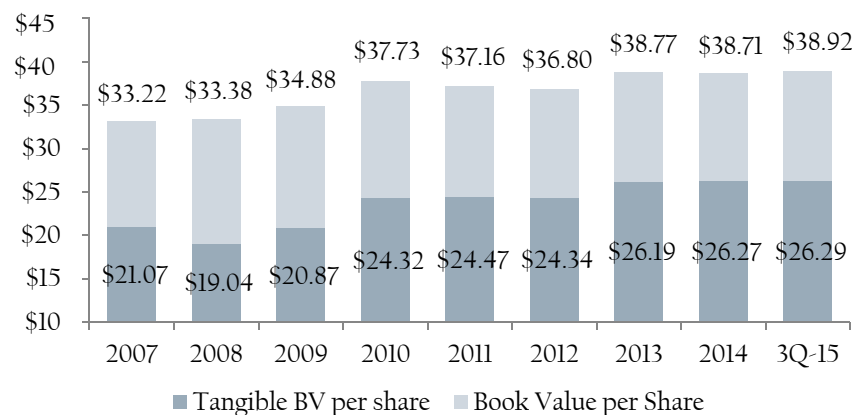
## Pretax Margin (%)



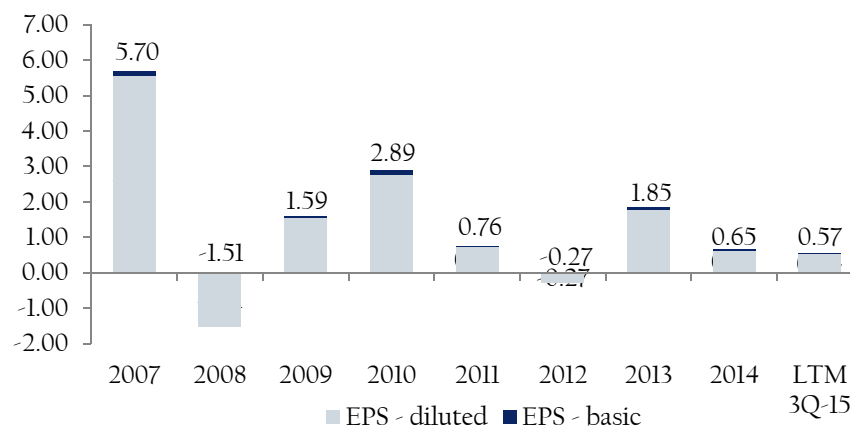
## ROE



## Book Value



## Earnings per Share (\$)



## INVESTING IN REGULATORY COMPLIANCE

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Oppenheimer has spent a significant amount of time and resources to address legal, compliance & regulatory matters.

- Tone at the Top & Compliance Regime
- Appointment of qualified leadership
- Increased staffing of regulatory & compliance groups
- Purchase & development of technology applications
- Enhanced review of employment practices
- Compliance with new regulatory requirements



### People

- Structural and leadership changes
- Increased staffing in broker-dealer and investment advisory compliance departments
- New AML officer and increased staffing in AML department
- New Corporate Information Security Officer



### Process

- Established committees and working groups to address new initiatives
- Enhanced policies and procedures
- Developed new reports for management and compliance



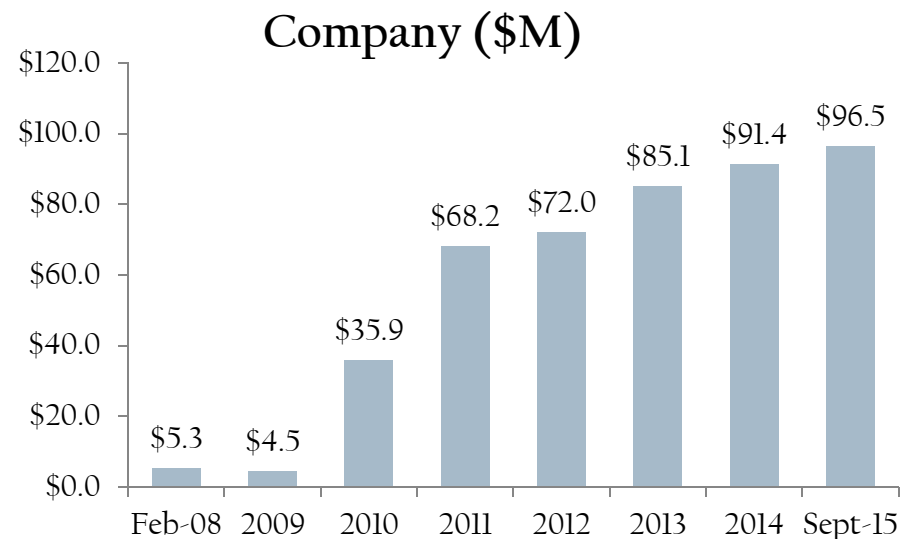
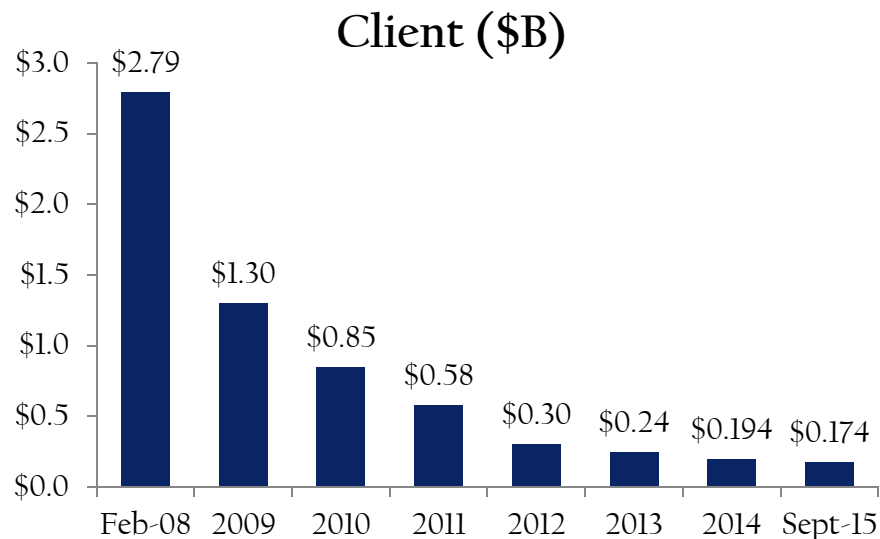
### Technology

- Implementing new technology to replace legacy systems that support asset management business
- Continue to develop new and enhance existing applications across the firm
- Engaged additional vendors to assist with enhancing “Know Your Client” and AML procedures

## *WE CONTINUE TO ADDRESS THE ARS MATTER*

- Auction Rate Securities (“ARS”) failed in Feb. 2008 with over \$330B outstanding in market
- Oppenheimer clients held \$2.8B in Feb. 2008
- Settlement with New York Attorney General and Massachusetts Securities Division in Feb. 2010
- ARS purchased from clients under regulatory settlements totals \$111.6M through September 30, 2015
- Eligible investors for future buybacks under the settlements with the regulators held approximately \$78.5M of ARS as of September 30, 2015
- Commitments to purchase under legal settlements and awards as of September 30, 2015 was \$9.6M

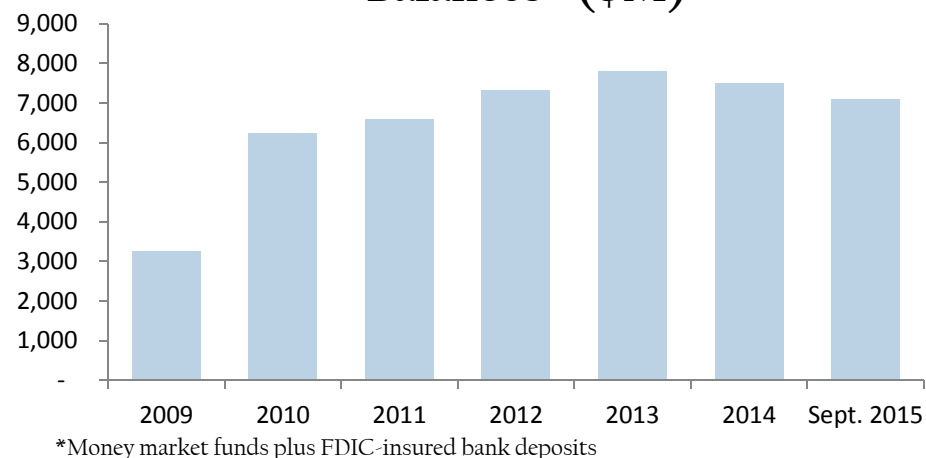
### ARS Holdings



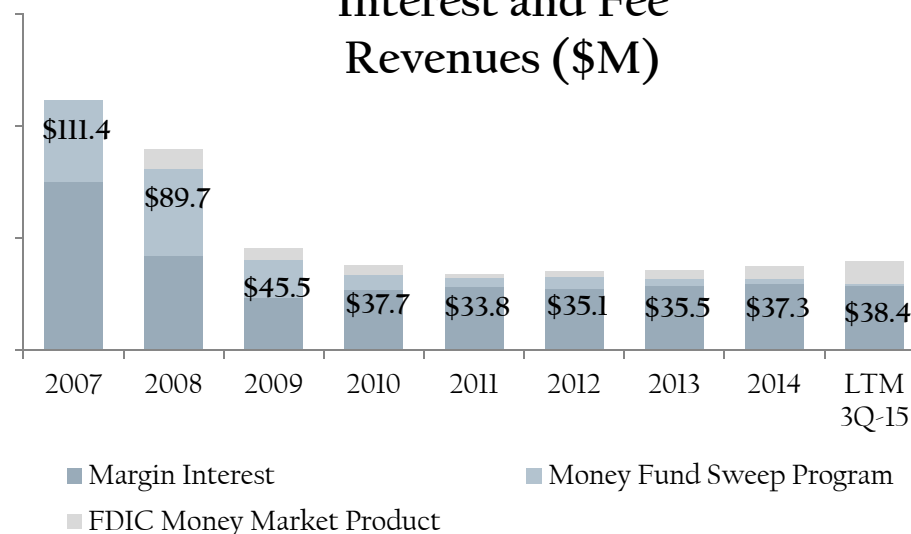
## POSITIONED WELL FOR A RISING INTEREST RATE ENVIRONMENT

- Low interest rates have had significant impact on interest and fee revenues
- Gross interest revenues down approximately \$74M annually since 2010 due to low interest rates
- Firm's interest rate sensitive products:
  - Cash sweep balances
  - Margin lending
  - Firm investments (Auction Rate Securities)
- As of June 30, 2015, the Firm has consolidated its money market funds into the FDIC-insured bank deposits
- Market indicates 50-50 chance that the Federal Reserve will raise rates before year-end

### Cash Sweep Balances\* (\$M)



### Interest and Fee Revenues (\$M)





## *WHY OPPENHEIMER*

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- Oppenheimer has a strong history
- The firm has navigated through a difficult environment
- Our client assets are near all time highs
- Our business model is low risk and well diversified
- We are poised to benefit from a rising interest rate environment
- We are investing in our future and well-positioned for growth

# APPENDIX

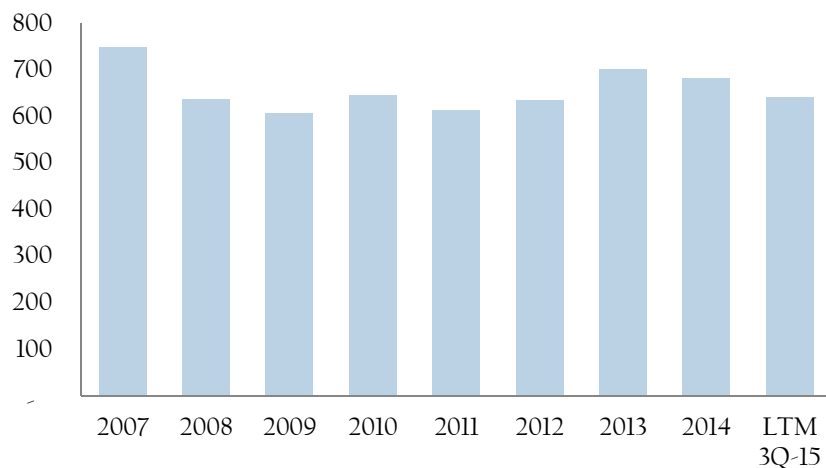
# WEALTH MANAGEMENT OVERVIEW

- Wealth Management represents Private Client and Asset Management business segments
- Provide a full range of products and services to clients to meet their complex and evolving financial needs
- One-on-one personalized financial advice
- Position business for generational transfer of wealth
- Increased focus on mitigation of regulatory risk

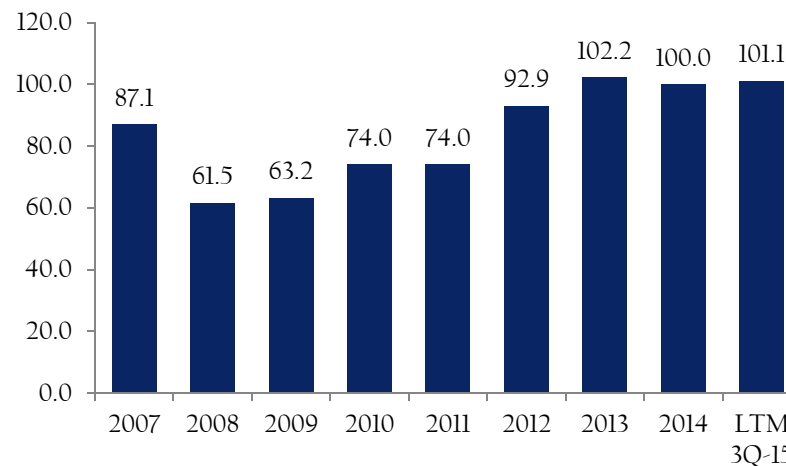
## Wealth Management Services

- ❖ Planning Services
- ❖ Retirement Services
- ❖ Trust Services
- ❖ Estate and Succession Strategies
- ❖ Portfolio Analysis
- ❖ Personal Investment Policy
- ❖ Asset Allocation
- ❖ Investment Manager Recommendations
- ❖ Portfolio Monitoring
- ❖ Consolidated Reporting
- ❖ Due Diligence

Wealth Management Revenue\* (\$M)



Wealth Management Operating Profit\* (\$M)

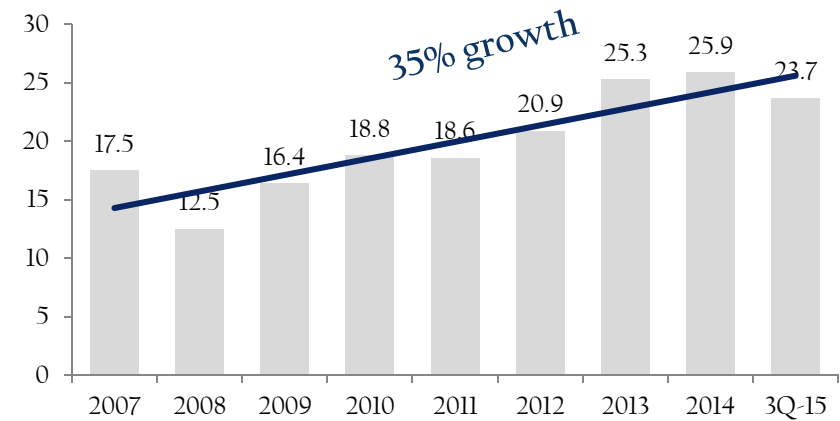


\*Segment revenue and operating profit as reported

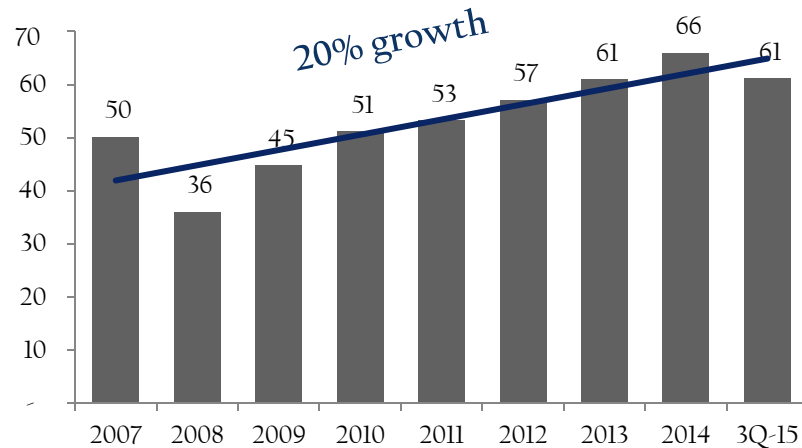
## WEALTH MANAGEMENT (CONTINUED)

- \$61.2M of assets per financial advisor
- Increase in AUM comprised of asset appreciation and new assets
- Continued focus on shift in client assets to fee-based programs
- Recent contract with Vestmark will consolidate advisory programs and systems
- Identified series of portfolio managers who are unique to Oppenheimer platform

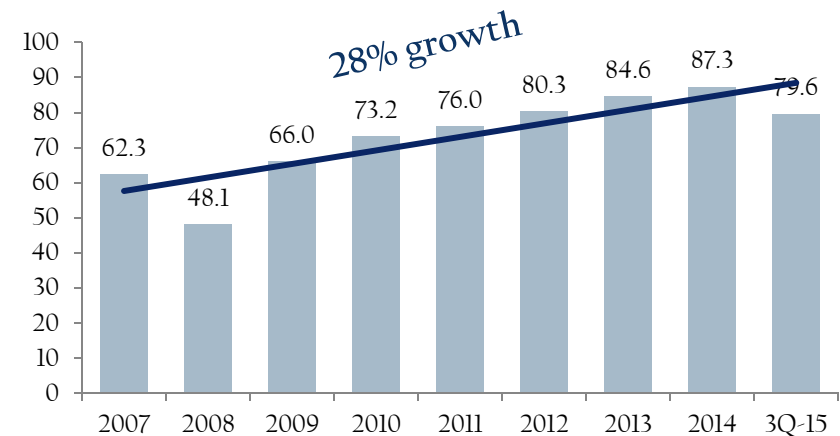
### Assets Under Management (\$B)



### Client Assets per Financial Advisor (\$M)



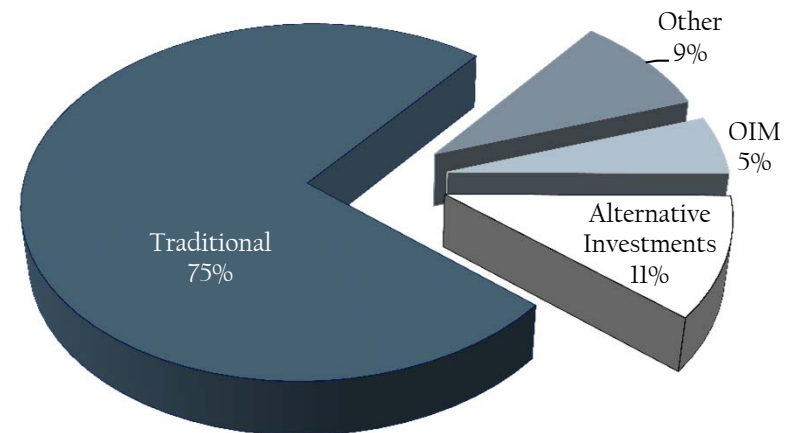
### Assets Under Administration (\$B)



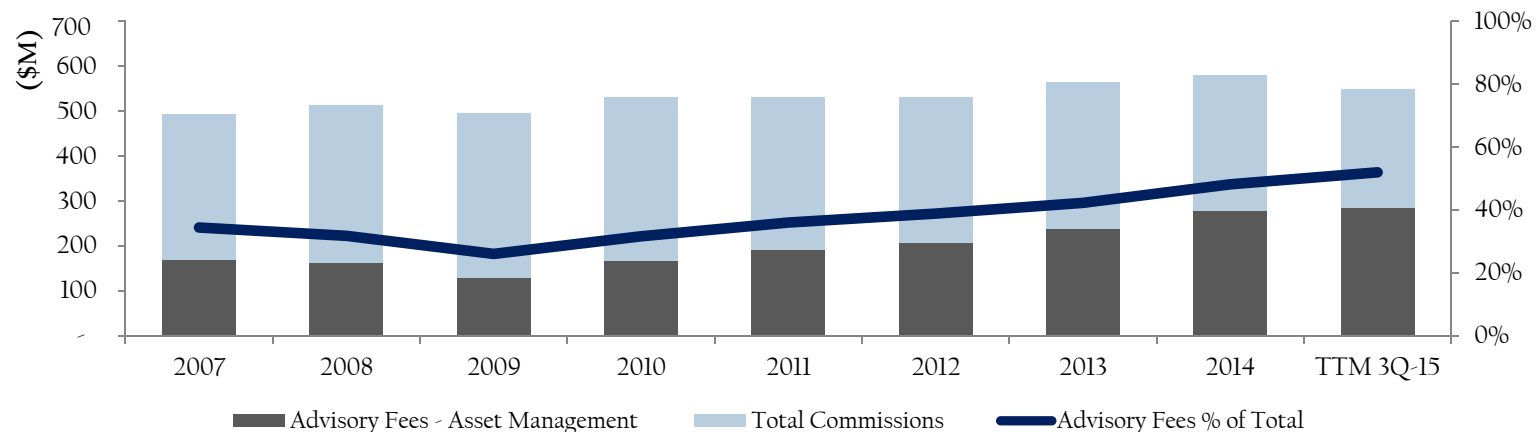
# WEALTH MANAGEMENT (CONTINUED)

- Traditional Multi-Asset Strategies
  - Professional money management
  - Access to a unique selection of investment advisers subject to a rigorous due diligence process
  - Portfolios encompassing multiple strategies
  - Flexible, open architecture platform
- Alternative Investments
  - Hedge funds and private equity investments
- Oppenheimer Investment Management (OIM)
  - Institutional money management focused on alpha-generating investment ideas

Distribution of AUM 3Q-15  
\$23.7B



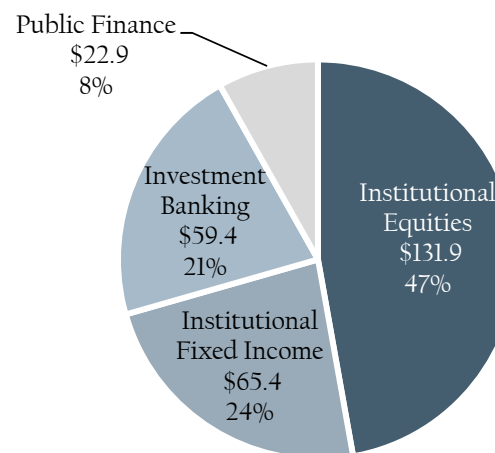
## Advisory Fees as a Percentage of Wealth Management Advisory Fees and Commissions



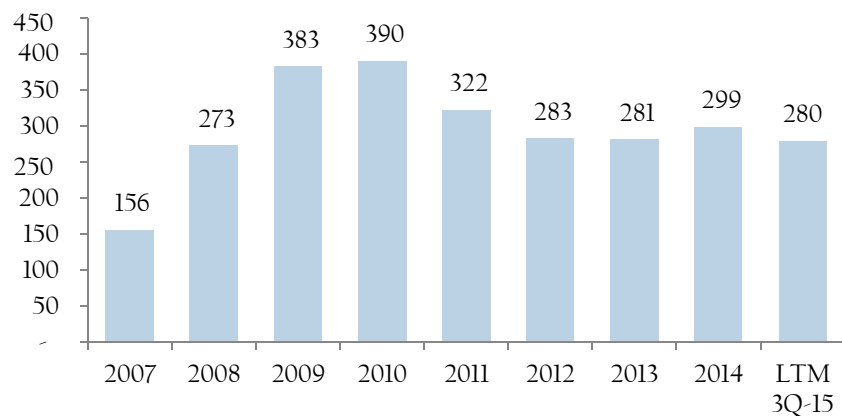
# CAPITAL MARKETS

- Institutional Equities
  - Sales & Trading
  - Equity Research
  - Corporate Access
- Institutional Fixed Income
  - Taxable Fixed Income
  - Non-Taxable Fixed Income
- Investment Banking
- Public Finance

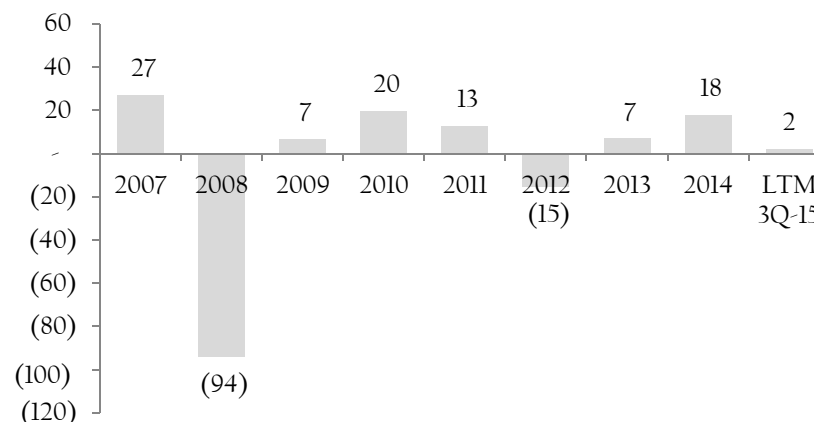
## Capital Markets Revenue Breakdown LTM 3Q-15 \$280M



## Total Revenue<sup>(1)</sup> (\$M)



## Capital Markets Operating Profit<sup>(1,2)</sup> (\$M)



<sup>(1)</sup> Segment revenue and operating profit as reported

<sup>(2)</sup> 2008 was negatively impacted by acquisition costs relating to acquisition of CIBC U.S. Capital Markets business;

2012 was negatively impacted by a \$30M pre-tax charge related to arbitration award levied against the firm in ARS matter

# INSTITUTIONAL EQUITIES

- 100+ research professionals covering 570+ companies
- 100+ sales professionals throughout U.S., U.K., Israel, Asia covering over 3,000 investors
- Over 1,000 events annually providing investor access to growing public and private companies
- Broad capital markets capabilities offering innovative and comprehensive solutions to mid-tier companies

## Premier Research, Trading and Capital Markets Solutions for the Markets we serve.

### Global Institutional Sales

- ❖ Sales teams located throughout the US, London, Geneva, Tel Aviv & Hong Kong
- ❖ Average of 12 + years of specialized experience
- ❖ Cross Asset Class capability

### Equity Research

- ❖ Domain expertise in Consumer, Energy, Financial Institutions, Healthcare, Industrials, Technology, Telecom & Internet

### Investment & Portfolio Strategy

- ❖ Proprietary & innovative Investment Strategy, Portfolio Strategy & Technical research

### Research Marketing Services

- ❖ Non-deal road shows
- ❖ Conferences & events
- ❖ Bespoke and customized trips tailored to clients individual needs

### U.S. Cash Trading

- ❖ Specialized sector traders
- ❖ High-Touch Client service
- ❖ Dedicated Block trading capability

### Event Driven and Merger Arbitrage

- ❖ Full Suite of Event Driven & Merger Arbitrage Strategies
- ❖ Dedicated research staff
- ❖ Focus on execution & liquidity

### Listed Options & Convertible Securities

- ❖ Deeply experienced sales, trading and specialized research staff
- ❖ Innovative derivative strategies for portfolio hedging

### Electronic & Program Trading

- ❖ Advanced Technology solutions
- ❖ Full access to all available venues
- ❖ Best in class analytics

# INSTITUTIONAL FIXED INCOME

- 100 Institutional Sales People and 60 Traders
- More than \$115B raised since 2004
- More than \$100B bonds traded in 2014
- -1,500 Active Accounts

## Product Capabilities

### Short Term Trading

- ❖ Money funds
- ❖ Commercial Paper
- ❖ Certificates of Deposit

### Euro Bond Trading

- ❖ Non-U.S. Dollar Denominated Foreign Issuers

### Investment Grade Credit Trading

- ❖ U.S. Dollar Denominated Investment Grade Corporate Issuers

### High Yield Trading

- ❖ Non-Investment Grade Corporate Issuers

### Mortgage and Asset Backed Trading

- ❖ TBAs
- ❖ Pass-throughs
- ❖ CMOs
- ❖ ARMs
- ❖ CMBS
- ❖ ABS

### Municipals & Public Finance

- ❖ Underwriting and trading of Tax-exempt
- ❖ Taxable
- ❖ Bank Qualified
- ❖ High Yield Municipal Bonds

### Emerging Markets

- ❖ EMEA, LATAM, Asia Corporates and Sovereigns

### Government Trading and Finance

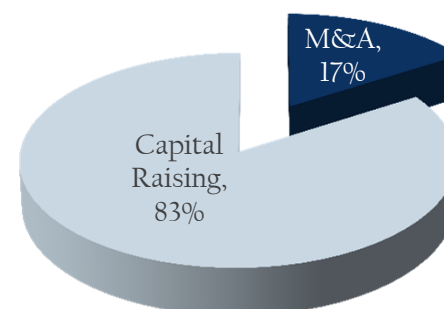
- ❖ U.S. Treasuries: Bills; Notes; Bonds
- ❖ TIPS
- ❖ STRIPS
- ❖ REPO
- ❖ Treasury
- ❖ Agency
- ❖ Mortgages



## INVESTMENT BANKING

- Full-service investment banking capabilities focused on middle-market and emerging growth clients
- Multi-sector, multi-product model enlarges market opportunity and diversifies the revenue stream
- Corporate and financial sponsor coverage
- Experienced Managing Directors lead industry coverage and product teams to provide best-in-class execution
- Focus on growing the franchise by recruiting top performers with experience serving Oppenheimer's target client

### Investment Banking Engagements<sup>(1)</sup>



- ❖ **Period:** 2012 – 3Q-15
- ❖ **# of Deals:** 368
- ❖ **Transaction Volume:** \$83.9B

<sup>(1)</sup> Reflects all announced deals and disclosed deal values; data is sourced from Dealogic, CapIQ and deal records

### Industry Coverage

Technology

Healthcare

Consumer

Business Services

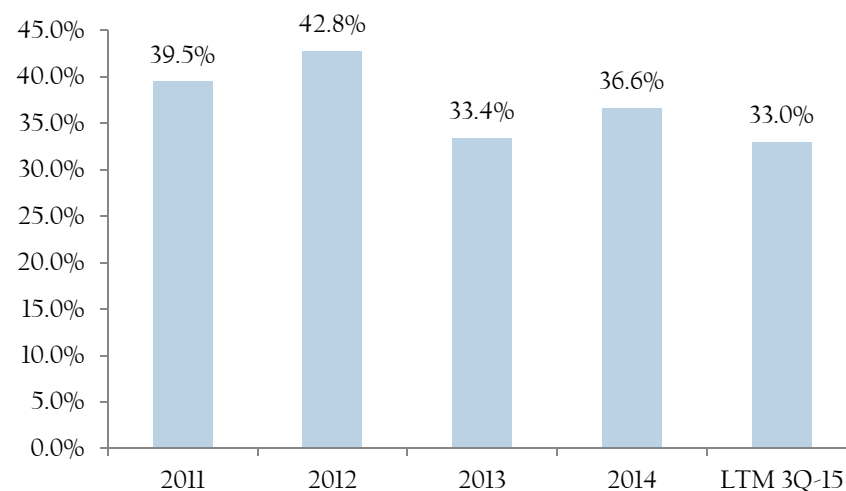
Financial  
Institutions

Energy &  
Industrials

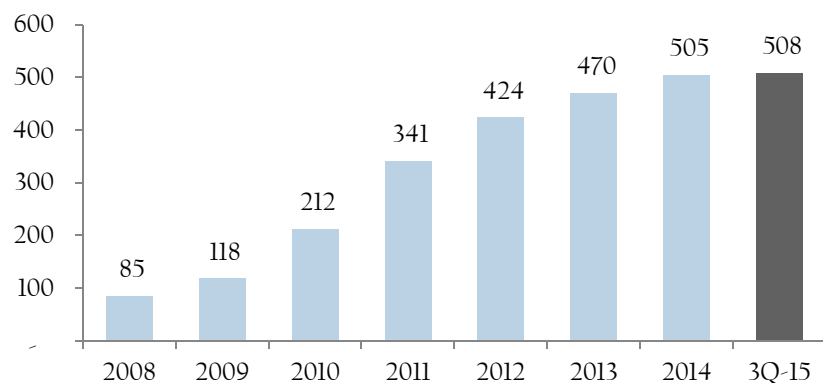
# COMMERCIAL MORTGAGE BANKING

- Commercial Mortgage Banking segment is made up of Oppenheimer Multifamily Housing & Healthcare Finance, Inc., a Pennsylvania corporation (“OMHMF”)
- The Firm owns an 83.68% controlling interest; remaining non-controlling interest belongs to President and CEO of OMHMF
- Originator and servicer of FHA-insured multifamily and healthcare facility loans
- Top 10 FHA-insured mortgage lender

## Operating Profit Margin



## Number of Loans in Servicing<sup>(1)</sup>



## Principal Loan Balance (\$M)



<sup>(1)</sup> Escrow deposits of \$309.1M as of September 30, 2015

THANK YOU FOR YOUR TIME

 OPPENHEIMER