



Oppenheimer Holdings Inc.

Annual Stockholders' Meeting

New York, NY

May 14, 2018



**WELCOME to Oppenheimer's
2018
Annual Stockholders' Meeting
May 14, 2018**

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. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on the company’s current beliefs, expectations and assumptions regarding the future of the company’s business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of the company’s control. 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 year ended December 31, 2017 filed with the SEC on March 2, 2018 (the “2017 10-K”). 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 the 2017 10-K. Any forward-looking statements herein are qualified in their entirety by reference to all such factors discussed in the 2017 10-K 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. Therefore, you should not rely on any of these forward-looking statements. Any forward-looking statement made by the company in this presentation is based only on information currently available to the company and speaks only as of the date on which it is made. The company does not undertake any obligation to publicly update or revise any forward-looking statements, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

- Current Environment
- Business Overview
- Financial Results
- Business Segments

Macro

- Economic growth in the U.S. continues to expand with hints of future inflation
- Lowest unemployment rate in over 20 years
- Early 2018 saw an increase in volatility in the equity markets
- Consumer sentiment continues to strengthen
- Short-term interest rates up 150 bps since December 2015 with more rate hikes expected in 2018 and 2019
- Lower corporate taxes due to Tax Cuts and Jobs Act (TCJA)

Industry

- Regulatory landscape (DOL Fiduciary Standard vacated by court and replaced by draft SEC Best Interest Standard)
- Active to passive investment strategy continues to drive investor flows
- Continued decline of transaction-based commission business
- Fewer financial advisors employed in securities industry
- Migration of financial advisors from wirehouses to regional firms or independent platforms
- Impact of Fintech advancements on the industry

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.

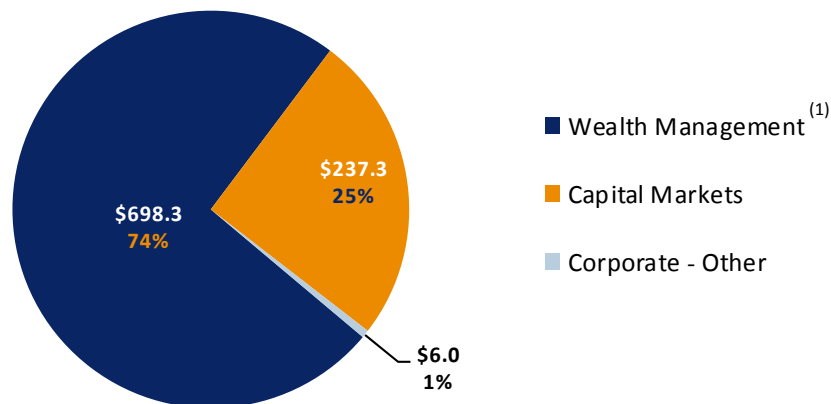
Wealth Management

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

Business Mix – 2017 Revenue (\$920.3mm)



(1) Wealth Management represents the Private Client and Asset Management business segments.

Oppenheimer Snapshot (as of 12/31/17)

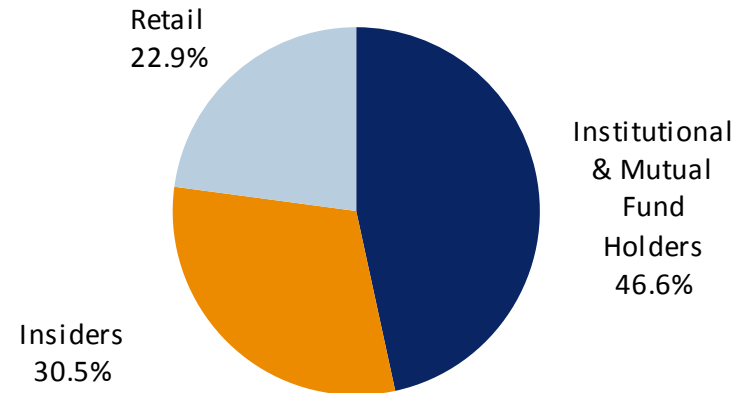
Listed NYSE Ticker:	OPY
Stockholders' Equity (\$mm):	\$523.9
Market Cap (\$mm) – 5/9/18:	\$379.8
Book Value per Share:	\$39.55
Tangible Book Value per Share:	\$26.74
Share Price – 5/9/18:	\$28.90
2017 Revenue (\$mm):	\$920.3
Employees:	2,992
# of FAs:	1,107
Client Assets under Administration (\$bn):	\$86.9
Assets Under Management (\$bn):	\$28.3

Significant Insider Ownership Committed to Firm's Long Term Success

Institutional (46.6%)⁽¹⁾

- Top 10 institutional holders (~31.7%) of Class A non-voting common stock:
 - Hotchkis & Wiley Capital Management LLC (~ 7.52%)
 - Dimensional Fund Advisors LP (~ 4.49%)
 - BlackRock Fund Advisors (~ 4.08%)
 - Burgundy Asset Management Ltd. (~ 3.56%)
 - The Vanguard Group, Inc. (~ 2.66%)
 - Private Capital Management, Inc. (~ 2.62%)
 - Greenwich Wealth Management LLC (~ 2.35%)
 - Millennium Management LLC (~1.65%)
 - SSgA Funds Management, Inc. (~ 1.47%)
 - AJO LP (~ 1.30%)

Class A Stock – Ownership⁽¹⁾



Insiders^{(1),(2)}

- Albert Lowenthal, Chairman/CEO holds:
 - Class A – 24.2% of non-voting common stock
 - Class B – 96.4% of voting common stock

Corporate Buybacks

- For the period from 2015 - 2017, the Company bought back a total of 1.13 million shares for \$19.6 million
 - Average price of \$17.31 per share (Book Value of \$39.55 at 12/31/17)

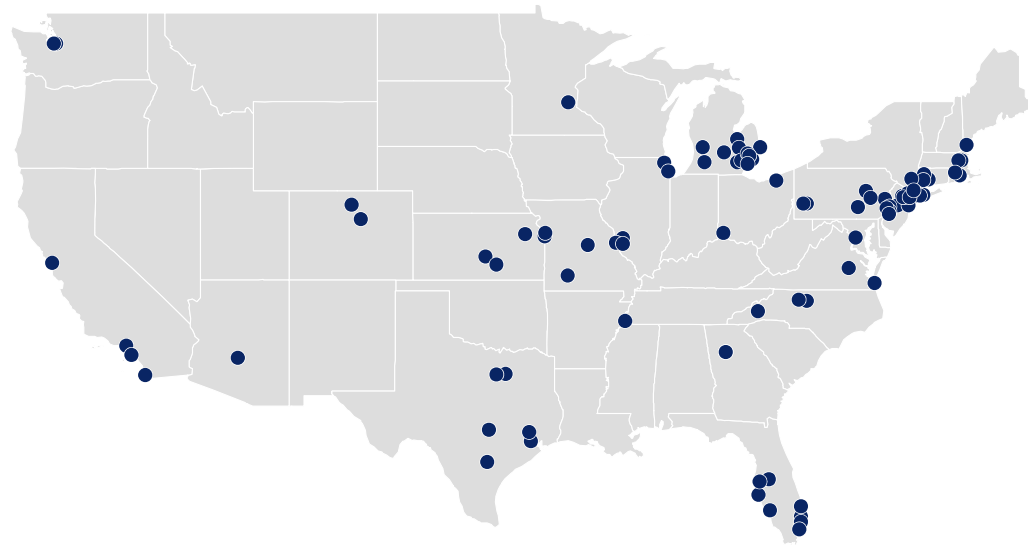
(1) Holdings are as of 12/31/17 per forms filed as of 3/15/18.

(2) Proxy Statement on Schedule 14A as of 3/23/18.

Global Footprint

Strong Presence in the U.S. and Internationally

- 92 offices in the U.S.
- 5 international offices
 - 1,082 financial advisors
 - 185+ institutional sales professionals
 - 30+ senior research analysts



	US	London	Hong Kong	Tel Aviv	Geneva	St. Helier
Wealth Management	✓					
Institutional Equities	✓	✓	✓	✓	✓	
Fixed Income	✓	✓	✓	✓		✓
Investment Banking	✓	✓		✓		
Research	✓	✓		✓		



- London, UK
- Geneva, Switzerland
- St. Helier, Isle of Jersey

- Tel Aviv, Israel

- Hong Kong

Data as of March 31, 2018

Summary Operating Results – Full Year



(\$000's)	For the 12-Months Ended		
	12-31-17	12-31-16	% Change
REVENUE			
Commissions	\$ 336,620	\$ 377,317	10.8%
Advisory fees	320,746	269,119	19.2%
Investment banking	78,215	81,011 -	3.5%
Bank deposit sweep income	76,739	36,316	111.3%
Interest	48,498	47,649	1.8%
Principal transactions, net	23,273	20,481	13.6%
Other	36,247	25,886	40.0%
Total Revenue	920,338	857,779	7.3%
EXPENSES			
Compensation and related expenses	602,138	584,710	3.0%
Non-Compensation related expenses	298,464	294,961	1.2%
Total Expenses	900,602	879,671	2.4%
Pre-tax Income (loss)	19,736	(21,892)	*
Net income (loss)	\$ 22,816	\$ (1,161)	*

Highlights
➤ Management fees continue to increase due to higher net new assets and market appreciation
➤ Incentive fees of \$27.3 million earned during 4Q-17
➤ Increases in short-term interest rates continue to benefit bank deposit sweep income
➤ Compensation as percentage of revenue was 65.4% in 2017 vs. 68.2% in 2016
➤ After-tax benefit of \$9.0 million recorded in 4Q-17 as a result of enactment of the TCJA

* Percentage not meaningful.

Summary Operating Results – First Quarter



(\$000's)	For the 3-Months Ended		
	3-31-18	3-31-17	% Change
REVENUE			
Commissions	\$ 83,407	\$ 86,717	3.8%
Advisory fees	77,548	69,409	11.7%
Investment banking	28,210	18,021	56.5%
Bank deposit sweep income	25,297	14,126	79.1%
Interest	12,227	10,565	15.7%
Principal transactions, net	2,726	5,373	49.3%
Other	5,115	9,050	43.5%
Total Revenue	234,530	213,261	10.0%
		-	
EXPENSES			
Compensation and related expenses	153,104	143,878	6.4%
Non-Compensation related expenses ⁽¹⁾	71,801	76,408	6.0%
Total Expenses	224,905	220,286	2.1%
Pre-tax Income (loss)	9,625	(7,025)	*
		-	
Net income (loss)	\$ 6,705	\$ (4,847)	*

Highlights
➤ Management fees continue to increase due to higher net new assets and market appreciation
➤ Investment banking results increased due to higher equity underwriting and M&A fees
➤ Increases in short-term interest rates continue to benefit bank deposit sweep income
➤ Compensation as percentage of revenue was 65.3% in 1Q-18 vs. 67.5% in 1Q-17
➤ The effective income tax rate was 30.3% due primarily to the lower Federal tax rate under the TCJA

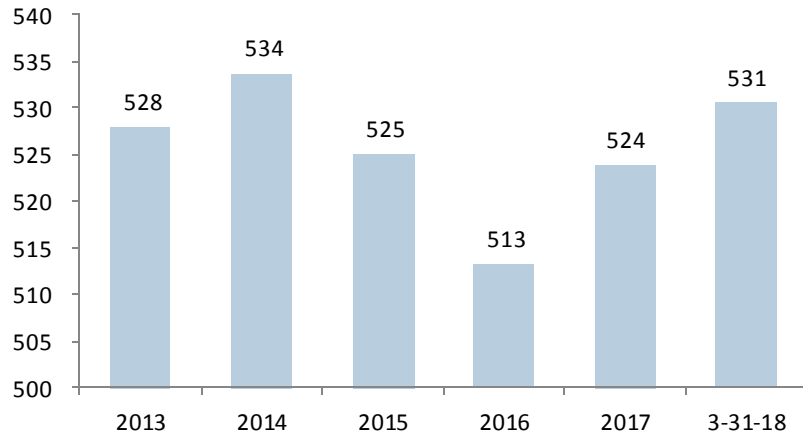
• Percentage not meaningful.

(1) During 1Q-17, the Company recorded a charge of \$6.4 million related to a value-added-tax matter in its Oppenheimer Israel business covering the period August 2008 to March 2017.

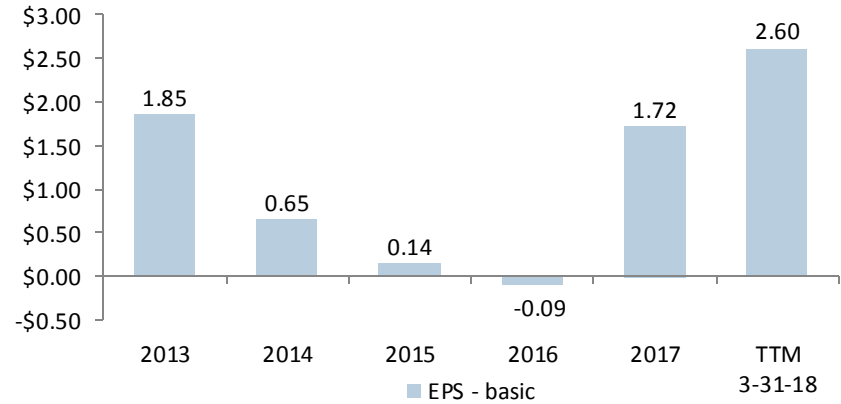
Select Financial Measures



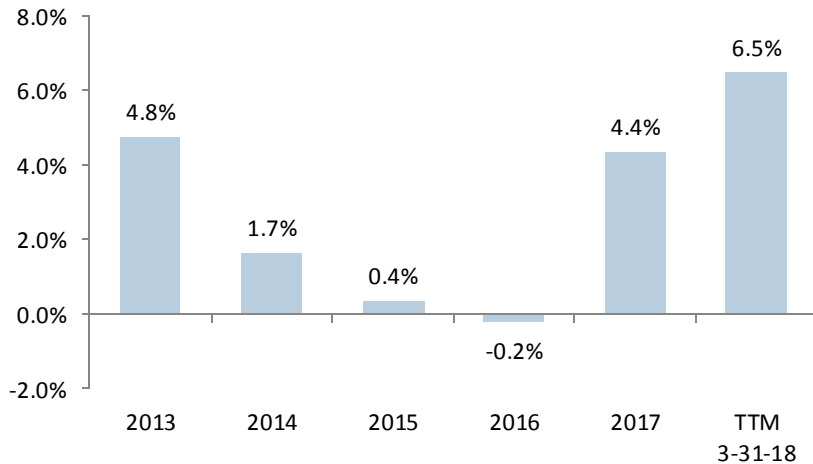
Shareholders Equity (\$mm)



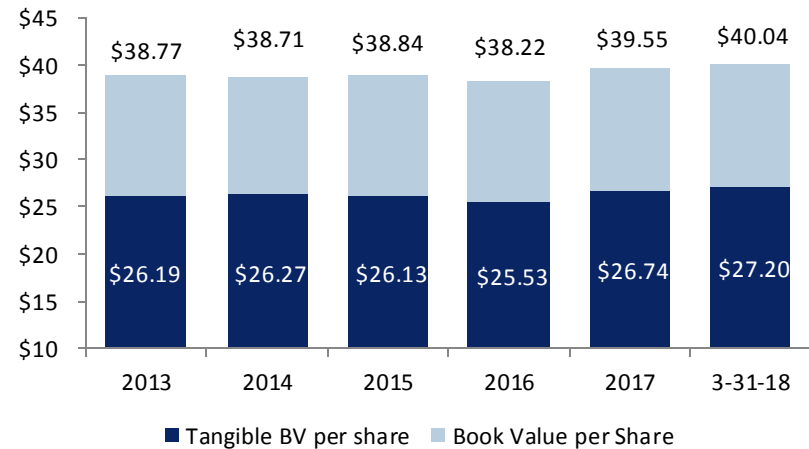
Earnings per Share (\$)



Return on Equity (%)



Book Value (\$)



Capital Structure



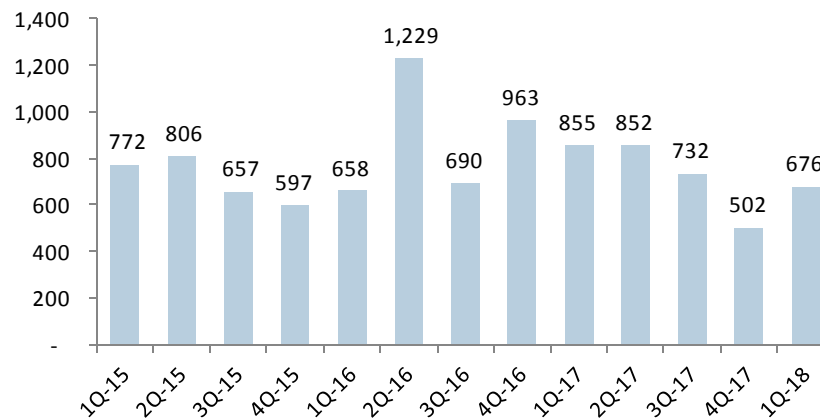
Conservative risk profile with strong balance sheet

As of March 31, 2018 (\$in thousands)	
Total Assets:	\$2,533,976
Stockholders' Equity:	\$530,509
Long-Term Debt:	\$200,000
Total Capitalization:	\$730,509
Ratios	
Equity to Assets:	20.9%
Capitalization to Assets:	28.8%
Debt to Equity	37.7%
Gross Leverage Ratio ⁽¹⁾ :	4.8x

Liquidity & Capital

- Issued \$200 million 5 year 6.75% Senior Secured Note in June 2017
- Regulatory Net Capital of \$147 million at 3-31-18
- ARS holdings declined \$25 million in 1Q-18
- Level 3 assets represent 3.5% of total assets (primarily ARS)

Value-at-Risk (VaR) (\$in thousands)



(1) Total Assets divided by Total Stockholders' Equity.

Interest Rates



Continuing to see the benefit of a rising interest rate environment

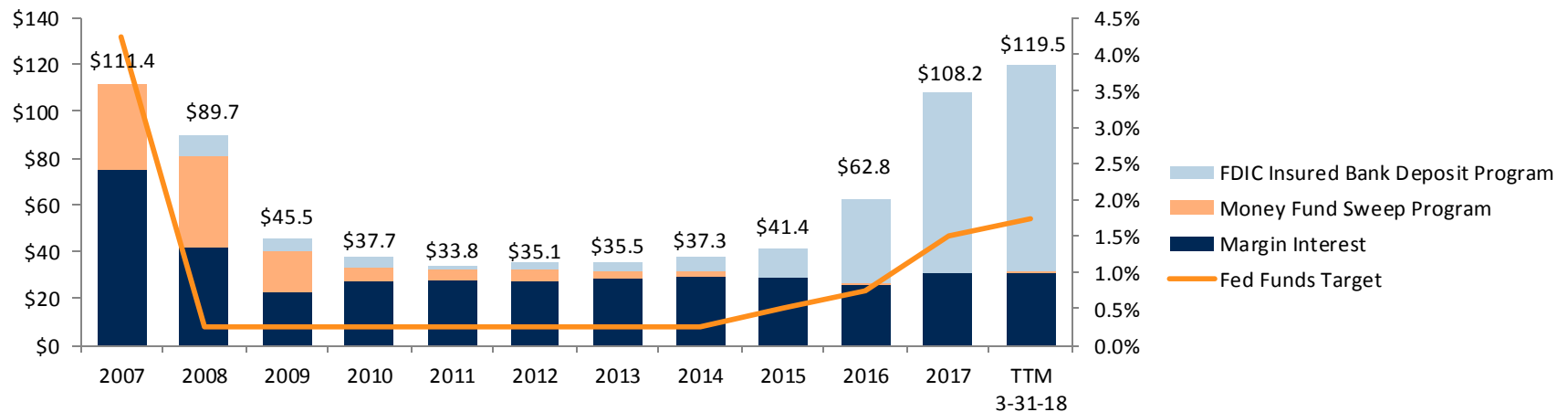
FDIC Insured Bank Deposit Program

- Client funds swept into deposit accounts at participating banks and eligible for FDIC deposit insurance
- +45 participating banks
- FDIC Insured Bank Deposit program balance of \$6.4 billion at 3-31-18
- Bank deposit sweep income of \$87.9 million for TTM 3-31-18

Margin Lending

- Credit extended to clients on a collateralized basis
- Higher margin interest revenue during 1Q-18
- Average customer margin debits were \$832.0 million for TTM 3-31-18
- Margin interest revenue of \$31.3 million for TTM 3-31-18

Interest and Fee Revenues (\$mm)



Business Segment Results



(\$000's)	For the 12-Months Ended			For the 3-Months Ended		
	12-31-17	12-31-16	% Change	3-31-18	3-31-17	% Change
Revenue						
Wealth Management	\$ 682,649	\$ 597,044	14.3%	\$ 171,738	\$ 156,055	10.0%
Capital Markets	\$ 231,632	\$ 254,933	9.1%	\$ 61,529	\$ 55,903	10.1%
Corporate - Other	\$ 6,057	\$ 5,802	4.4%	\$ 1,263	\$ 1,303	3.1%
	\$ 920,338	\$ 857,779	7.3%	\$ 234,530	\$ 213,261	10.0%
Pre-tax Income (loss)						
Wealth Management	\$ 155,525	\$ 97,484	59.5%	\$ 43,880	\$ 32,473 ⁻	35.1%
Capital Markets	\$ (39,978)	\$ (17,713)	125.7%	\$ (6,057)	\$ (12,614)	-52.0%
Corporate - Other	\$ (95,811)	\$ (101,663)	-5.8%	\$ (28,198)	\$ (26,884)	4.9%
	\$ 19,736	\$ (21,892)	*	\$ 9,625	\$ (7,025)	*

(1) Wealth Management represents the Private Client and Asset Management business segments.

(2) During 1Q-17, the Company recorded a charge of \$6.4 million related to a value-added-tax matter in its Oppenheimer Israel business covering the period August 2008 to March 2017.

*Percentage not meaningful.

Leading Wealth Management Platform

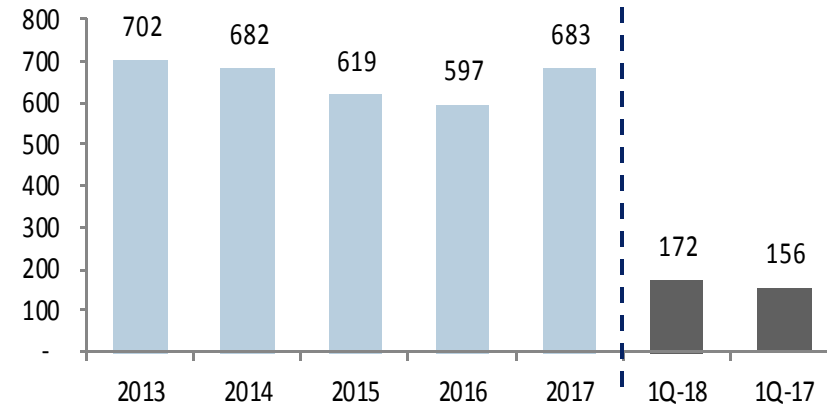


Well recognized brand and one of the few independent, non-bank broker-dealers with full service capabilities

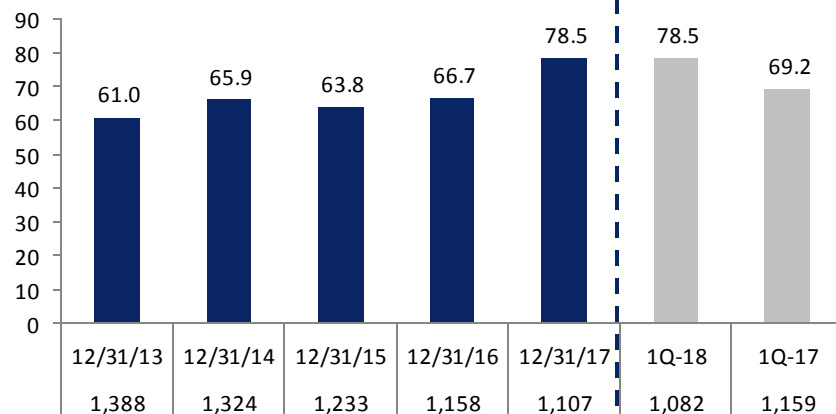
Wealth Management Services

- **Retail services:**
 - Full-Service Brokerage
 - Financial Planning, Retirement Services, Corporate & Executive Services, and Trust Services
 - Margin & Securities Lending
- **Advisory Services:**
 - Investment Policy Design & Implementation
 - Asset Allocation & Portfolio Construction
 - Research, Diligence & Manager Selection
 - Portfolio Monitoring & Reporting
- **Alternative Asset Management:**
 - Hedge Funds & Fund-of-Funds
 - Private Equity

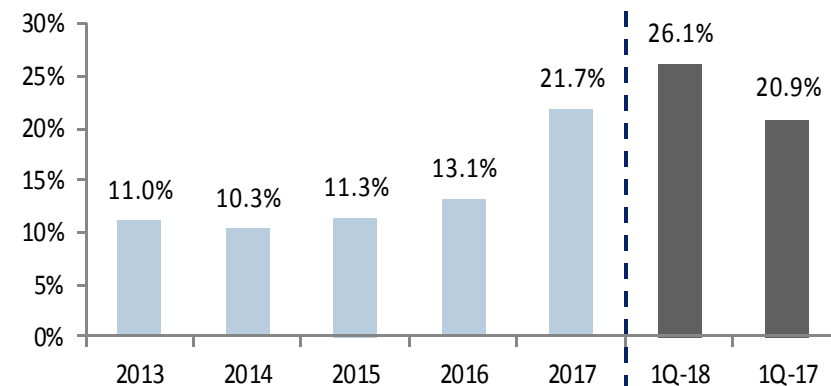
Wealth Management Revenue (\$mm)



Client Assets per Financial Advisor (\$mm)



Wealth Management Profit Margin

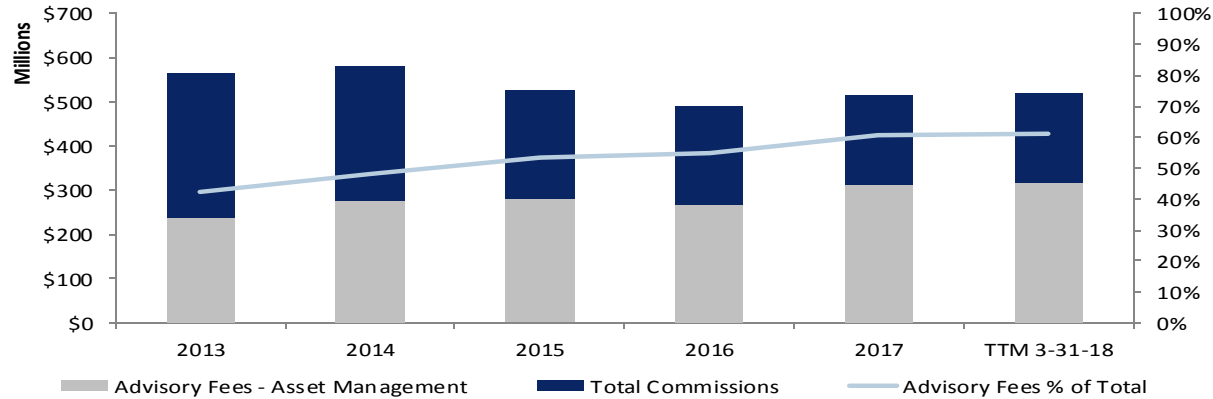


Wealth Management Metrics

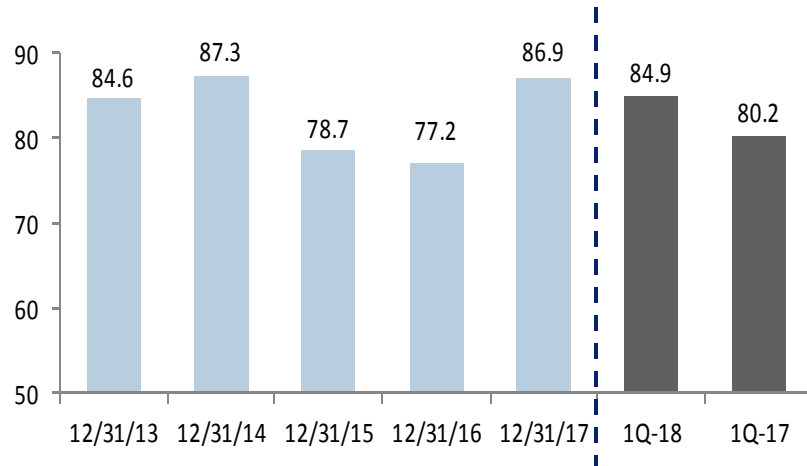


Increasing Shift to Fee Based Revenue

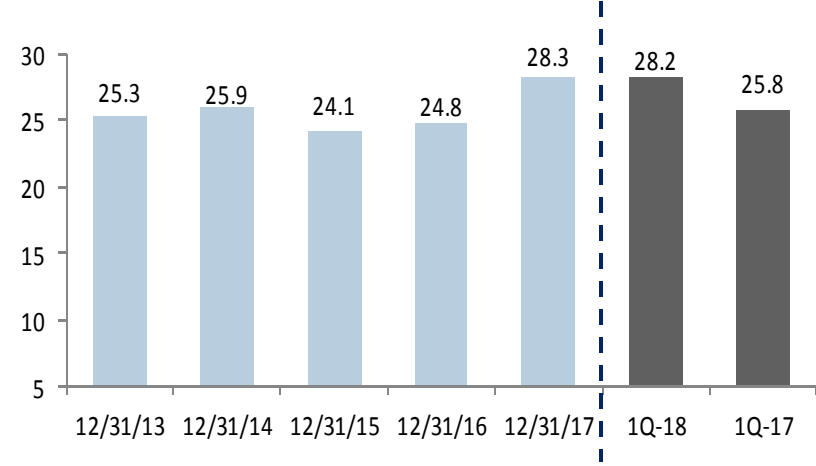
Advisory Fees as a Percentage of Wealth Management Advisory Fees and Commissions



Client Assets Under Administration (\$bn)



Client Assets Under Management (\$bn)

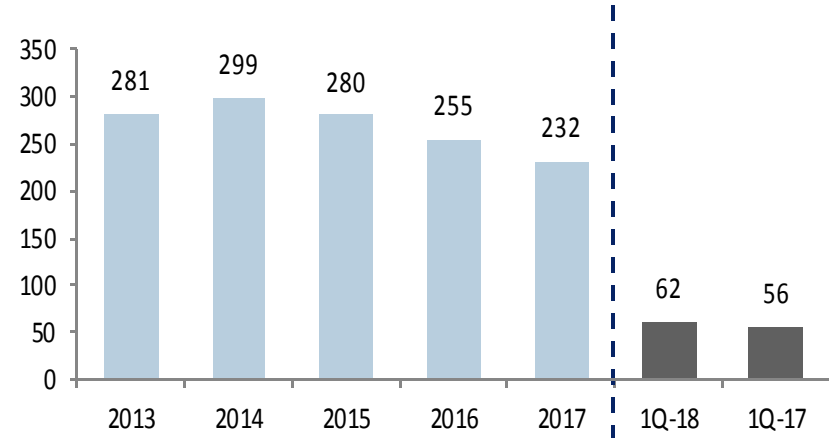


A leading capital markets business providing sophisticated investment banking, research and trading solutions

Capital Markets Capabilities Overview

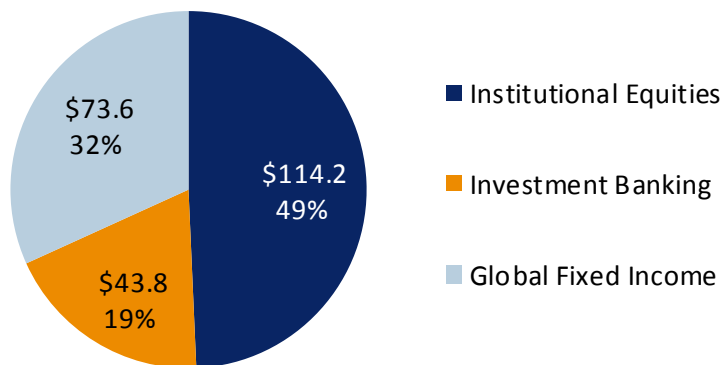
- **Institutional Equities**
 - Sales & Trading
 - Equity Research
 - Corporate Access
- **Investment Banking**
- **Global Fixed Income**
 - Taxable Fixed Income
 - Non-Taxable Fixed Income
 - Public Finance

Capital Markets Revenue (\$mm)

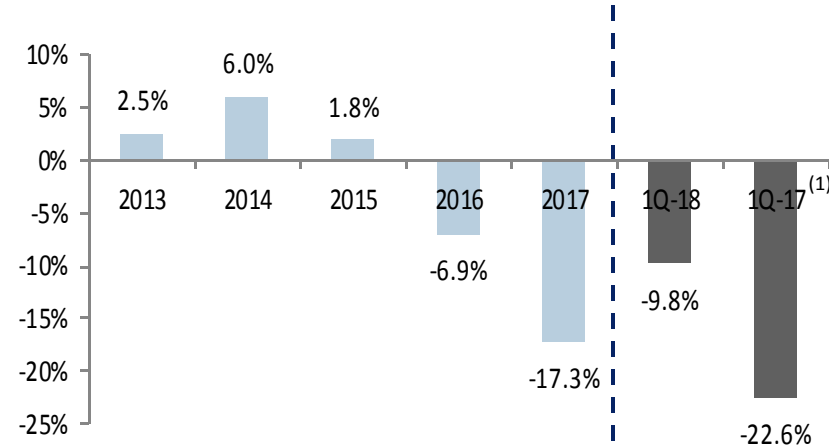


Capital Markets Revenue Breakdown

FY 2017 \$231.6mm



Capital Markets Profit Margin



(1) During 1Q-17, the Company recorded a charge of \$6.4 million related to a value-added-tax matter in its Oppenheimer Israel business covering the period August 2008 to March 2017.

- Well recognized brand with strong history
- Business model low risk and well diversified with low leverage
- Investing in technology to remain competitive and attract millennials
- Building momentum in investment banking business
- Increasing shift from transaction-based business to fee-based business
- Continue to benefit from rising interest rate environment
- Lower legal and regulatory costs
- Conservative balance sheet
- Completed \$200 million debt offering which provides fixed long-term financing through 2022 at a lower coupon rate
- Investing in our future and poised for growth, organically and through acquisitions



PPENHEIMER