Press Release

Oppenheimer Holdings Inc. Reports First Quarter 2013 Earnings and Announces Quarterly Dividend

New York, April 26, 2013 – Oppenheimer Holdings Inc. (NYSE: OPY) today reported net income of $3.7 million or $0.27 per share for the first quarter of 2013 compared with a net loss of $4.7 million or $(0.34) per share for the first quarter of 2012. Revenue for the first quarter of 2013 was $239.1 million compared with $238.2 million in the first quarter of 2012, an increase of 0.4%.

Summary Operating Results (Unaudited)			
	For the 3-Months Ended		
('000s, except EPS)	**3/31/13**	**3/31/12**	**% Change**
Revenue	$ 239,146	$ 238,214	0.4
Net Income (Loss) (1)	$ 3,663	$ (4,657)	*
Earnings Per Share (1)			
Basic	$ 0.27	$ (0.34)	*
Diluted	$ 0.26	$ (0.34)	*
	As of		
Book Value Per Share (1)	**3/31/13**	**12/31/12**	**% Change**
Book Value	$ 37.07	$ 36.80	0.7
Tangible Book Value	$ 24.61	$ 24.34	1.1

(1) Attributable to Oppenheimer Holdings Inc.
* Not comparable

Against a backdrop of continuing economic and credit problems across Europe, budgetary and "fiscal cliff" issues in the United States and a weakening Japanese yen, the domestic economy continued to grow in fits and starts propelled by continued accommodative policies by the Federal Reserve. Record low interest rates and purchases of record amounts of government and agency securities through the Federal Reserve's QE-3 policy provided the liquidity to drive the stock market to record levels and to continue to provide the underpinnings for a recovery in housing prices across the U.S. While equity prices moved higher during the recent quarter, it was on decidedly less volume than in the comparable period of 2012.

Albert G. Lowenthal, Chairman and CEO, said "We are pleased to see operating results improve as a result of our reduced real estate consolidation and legal costs compared with the same period last year. We have begun to see cost savings and increased efficiencies from our New York City real estate consolidation. Despite the run up in the equity markets during the first quarter of 2013, we continue to see relatively low trading volumes from the lack of activity among both retail and institutional investors, seemingly based on a lack of confidence in the strength and duration of the current recovery.

Higher security valuations during the fourth quarter of 2012 in both equity and debt markets drove our assets under management to a new all-time high, resulting in increased management fees during the period. Our mortgage financing business continued its strong performance with increased demand for low cost Federal Housing Administration ("FHA")-insured mortgages. We also saw some improvement in equities underwriting for the period. However, we continue to experience low levels of activity in the middle market which produced disappointing results in fee-based investment banking revenue for the period. We remain optimistic about the environment and believe that we have substantially dealt with the issues facing the Company that largely arose during the financial crisis, which began almost six years ago."

Financial Highlights

- Commission revenue was $119.6 million for the first quarter of 2013, a decrease of 4.8% compared with the first quarter of 2012.
- Principal transactions revenue increased 25.2% to $15.7 million during the first quarter of 2013 compared with the first quarter of 2012.
- Investment banking revenue was down 8.2% to $18.4 million for the first quarter of 2013 compared with $20.1 million during the first quarter of 2012.
- Advisory fees were $56.7 million during the first quarter of 2013, an increase of 13.3% compared with the first quarter of 2012.

Business Segment Results (Unaudited)

	For the 3-Months Ended		
('000s)	**3/31/13**	**3/31/12**	**% Change**
Revenue			
Private Client	$ 143,369	$ 144,263	(0.6)
Asset Management	20,956	19,044	10.0
Capital Markets	65,131	69,329	(6.1)
Commercial Mortgage Banking	8,066	8,054	0.2
Corporate/Other	1,624	(2,476)	*
	239,146	238,214	0.4
Income (Loss) Before Income Taxes			
Private Client	17,327	14,962	15.8
Asset Management	6,543	4,990	31.1
Capital Markets	3,533	(1,655)	*
Commercial Mortgage Banking	2,878	3,830	(24.9)
Corporate/Other	(23,568)	(28,616)	17.6
	$ 6,713	$ (6,489)	*

* Not comparable

Private Client

Private Client reported revenue of $143.4 million for the first quarter of 2013, 0.6% lower than the first quarter of 2012. Pre-tax income was $17.3 million, an increase of 15.8% compared with the first quarter of 2012, primarily due to decreased legal costs of $3.6 million during the first quarter of 2013 compared with 2012.

- Client assets under administration reached record levels of $84.9 billion at March 31, 2013, an increase of 9% from March 31, 2012.
- Financial Advisor headcount was 1,405 at the end of the quarter, down from 1,435 from the prior year period.

- Retail commissions were $82.1 million for the quarter, a decrease of 5.8% over the prior year quarter.
- Advisory fee revenue on traditional and alternative managed products was $35.9 million for the first quarter of 2013, an increase of 16.3% over the prior year quarter (see Asset Management below for further information).
- Money market fee waivers were $7.2 million during the first quarter of 2013 versus $6.0 million during the first quarter of 2012.

Asset Management

Asset Management reported revenue of $21.0 million for the first quarter of 2013, 10.0% higher than the first quarter of 2012. Pre-tax income was $6.5 million, an increase of 31.1% compared with the first quarter of 2012, as a result of increased fees earned on managed products as well as lower compensation costs.

- Advisory fee revenue on traditional and alternative managed products was $18.5 million for the first quarter of 2013, an increase of 11.2% over the prior year quarter. Asset management fees are calculated based on client assets under management ("AUM") at the end of the prior quarter which totaled $20.9 billion at December 31, 2012 ($18.6 billion at December 31, 2011) and are allocated to the Private Client and Asset Management Divisions.

- AUM increased 11.4% to $22.4 billion at March 31, 2013, a record for the Company, from $20.1 billion at March 31, 2012, which is the basis for advisory fee billings for the second quarter of 2013. The increase in AUM was comprised of asset appreciation of $1.6 billion and net new assets of $0.7 billion.

Capital Markets

Capital Markets reported revenue of $65.1 million for the first quarter of 2013, 6.1% lower than the first quarter of 2012. Pre-tax income was $3.5 million during the first quarter of 2013 compared with a loss of $1.7 million during the first quarter of 2012, which arose primarily from overlapping rent expense and accelerated amortization of intangible assets during the earlier period.

- Institutional equities commissions were $25.2 million for the first quarter of 2013, a decrease of 12.3% compared with the prior period.
- Advisory fees from investment banking activities decreased 14.5% to $5.8 million in the first quarter of 2013.
- Equity underwriting fees declined $1.8 million to $8.6 million for the first quarter of 2013. While the Company participated in more issues (24 in the first quarter of 2013 versus 19 in the first quarter of 2012) its revenue declined.
- Revenue from Taxable Fixed Income decreased 2.2% to $20.8 million for the 2013 first quarter.
- Public Finance and Municipal Trading revenue was up 65.9% to $5.5 million for the first quarter of 2013.

Commercial Mortgage Banking

Commercial Mortgage Banking reported revenue of $8.1 million for the first quarter of 2013, 0.2% higher than the first quarter of 2012. Pre-tax income was $2.9 million, a decrease of $952,000 or 24.9% compared with the first quarter of 2012, primarily due to increased compensation costs associated with a higher headcount in 2013 compared to the prior year.

- Loan origination fees for the period were $1.6 million as the Company originated 20 commercial loans with principal loan balances of $151.0 million.
- Net servicing revenue for the period was $1.2 million compared with $927,000 for the comparable period in 2012.
- Principal loan balances related to servicing activities totaled $3.5 billion during the 2013 period, up 25% from the first quarter of 2012.

Compensation and Benefit Expenses

Compensation and benefits (including salaries, production and incentive compensation, share-based compensation, deferred compensation, and other benefit-related items) totaled $159.2 million during the 2013 period, an increase of 0.4% over the first quarter of 2012. Compensation as a percentage of revenue was 66.7% for both the first quarter of 2013 and 2012. Higher healthcare costs were largely responsible for the increase.

Non-Compensation Expenses

Non-compensation expenses decreased to $73.2 million during the 2013 period from $86.1 million during the same period last year, a decrease of $12.9 million or 14.9%. A significant driver for the decrease was related to additional costs of $6.3 million incurred in the first quarter of 2012 in connection with the Company's New York City real estate consolidation in the form of overlapping rent expense, accelerated amortization of fixed and intangible assets, and relocation costs. Also, contributing substantially to the decrease was a $5 million reduction in legal costs during the 2013 first quarter.

Provision for Income Taxes

The effective income tax rate for the first quarter of 2013 was 42.0% compared with 40.2% for the prior year first quarter.

Balance Sheet and Liquidity

- At March 31, 2013, total equity was $508.9 million compared with $505.0 million at December 31, 2012.
- At March 31, 2013, book value per share was $37.07 (compared with $36.80 at December 31, 2012) and tangible book value per share was $24.61 (compared with $24.34 at December 31, 2012).
- The Company's level 3 assets were $85.6 million at March 31, 2013 (compared with $85.4 million at December 31, 2012).

Dividend Announcement

- The Company today announced a quarterly dividend in the amount of $0.11 per share, payable on May 24, 2013 to holders of Class A non-voting and Class B voting common stock of record on May 10, 2013.

Oppenheimer Holdings Inc.
Quarterly Consolidated Income Statement (unaudited)

('000s, except EPS)

	For the 3-Months Ended		
	3/31/13	3/31/12	% Change
REVENUE			
Commissions	$119,580	$125,634	(4.8)
Principal transactions, net	15,717	12,555	25.2
Interest	12,371	13,393	(7.6)
Investment banking	18,448	20,087	(8.2)
Advisory fees	56,720	50,077	13.3
Other	16,310	16,468	(1.0)
	239,146	238,214	0.4
EXPENSES			
Compensation and related expenses	159,209	158,651	0.4
Clearing and exchange fees	6,042	6,031	0.2
Communications and technology	15,864	16,138	(1.7)
Occupancy and equipment costs	17,565	24,344	(27.8)
Interest	6,862	8,792	(22.0)
Other	26,891	30,747	(12.5)
	232,433	244,703	(5.0)
Income (loss) before income taxes	6,713	(6,489)	*
Income tax provision (benefit)	2,820	(2,606)	*
Net income (loss) for the period	3,893	(3,883)	*
Less net income attributable to non-controlling interest, net of tax	230	774	(70.3)
Net income (loss) attributable to Oppenheimer Holdings Inc.	$3,663	($4,657)	*
Earnings (loss) per share attributable to Oppenheimer Holdings Inc.			
Basic	$0.27	($0.34)	*
Diluted	$0.26	($0.34)	*
Weighted Average Number of Common Shares Outstanding			
Basic	13,608	13,597	0.1
Diluted	14,029	13,597	3.2

* Not comparable

Company Information

Oppenheimer Holdings Inc., through its operating subsidiaries, is a leading middle market investment bank and full service broker-dealer that provides a wide range of financial services including retail securities brokerage, institutional sales and trading, investment banking (both corporate and public finance), research, market-making, trust, investment management, and commercial mortgage. With roots tracing back to 1881, the firm is headquartered in New York and has 94 offices in 26 states and 6 foreign jurisdictions.

Forward-Looking Statements

This press release includes certain “forward-looking statements” relating to anticipated future performance. For a discussion of the factors that could cause future performance to be different than anticipated, reference is made to Factors Affecting “Forward-Looking Statements” and Part 1A – Risk Factors in Oppenheimer’s Annual Report on Form 10-K for the year ended December 31, 2012.