

OPPENHEIMER HOLDINGS INC.
ANNUAL STOCKHOLDERS' MEETING

New York, NY

May 9, 2016



**WELCOME to Oppenheimer's 2016
Annual Stockholders' Meeting
May 9, 2016**

SAFE HARBOR STATEMENT

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, 2015 (the “2015 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 2015 Annual Report. Any forward-looking statements herein are qualified in their entirety by reference to all such factors discussed in the 2015 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.

CURRENT ENVIRONMENT

Global

- Economic growth – weakness worldwide; strength in U.S
- Oil Prices stabilize amid continued weakness in other commodity prices
- Interest rate environment- low rates worldwide
- Politics (U.S. Presidential Election 2016)

Industry

- Regulatory landscape
- Fintech revolution
- Demographics of wealth management
- Lower transaction volumes

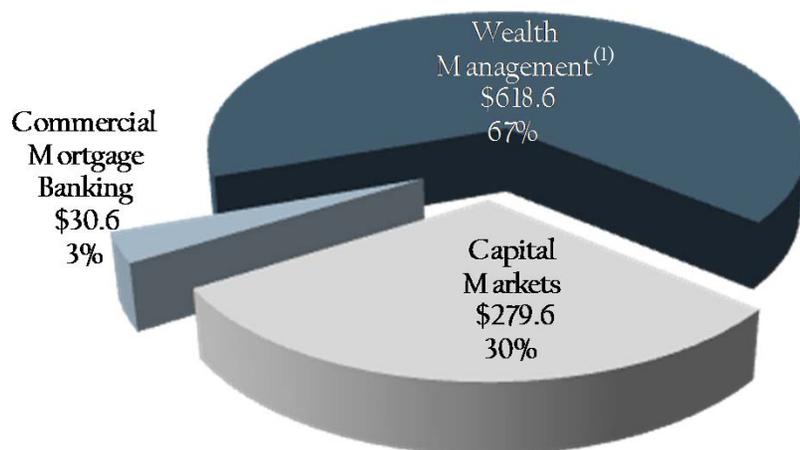
LET'S LOOK AT OUR RESULTS

Snapshot

| | |
|--|-----------|
| Shareholders' Equity at 12/31/15 ('000s) | \$525,082 |
| Book-value at 12/31/15 | \$38.84 |
| Tangible Book-value at 12/31/15 | \$26.13 |
| Market Cap at 4/25/16 ('000s) | \$207,426 |
| Share Price at 4/25/16 | \$15.61 |
| FY 2015 Revenue ('000s) | \$928,385 |

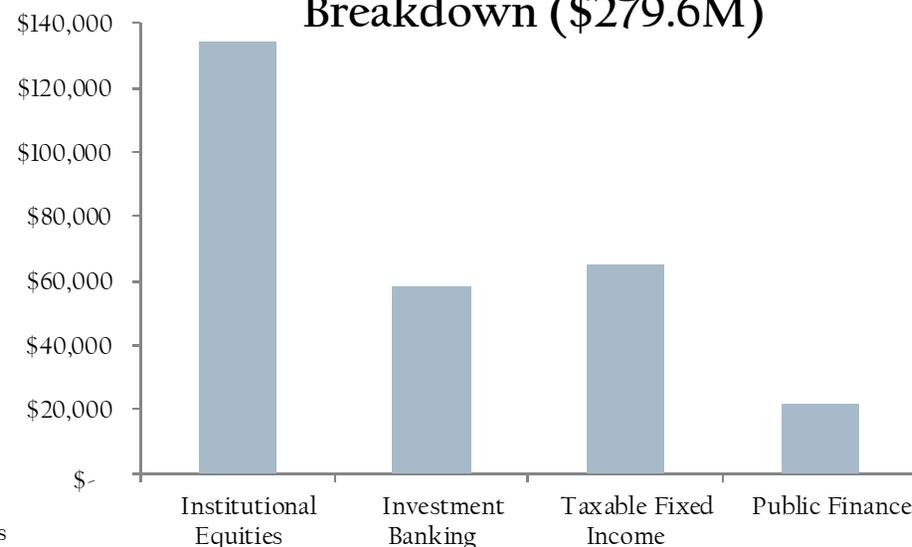
Business Segment Results FY 2015

Total Revenue: \$928M



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

Capital Markets Revenue Breakdown (\$279.6M)



CAPITAL STRUCTURE AS OF DECEMBER 31, 2015

Conservative Risk Profile

- Straight-forward balance sheet
- Level 3 assets represent 3.9% of total assets (primarily ARS)
- Regulatory Net Capital of \$144.8M
- Regulatory Excess Net Capital of \$121.4M
- Long-term Debt Financing Secured Through 2018

Capital Structure

| (\$ in thousands) | December 31, 2015 |
|-----------------------|-------------------|
| Total Assets: | \$2,692,964 |
| Stockholders' Equity: | \$525,082 |
| Long-Term Debt: | \$150,000 |
| <hr/> | |
| Total Capitalization: | \$675,082 |

Ratios

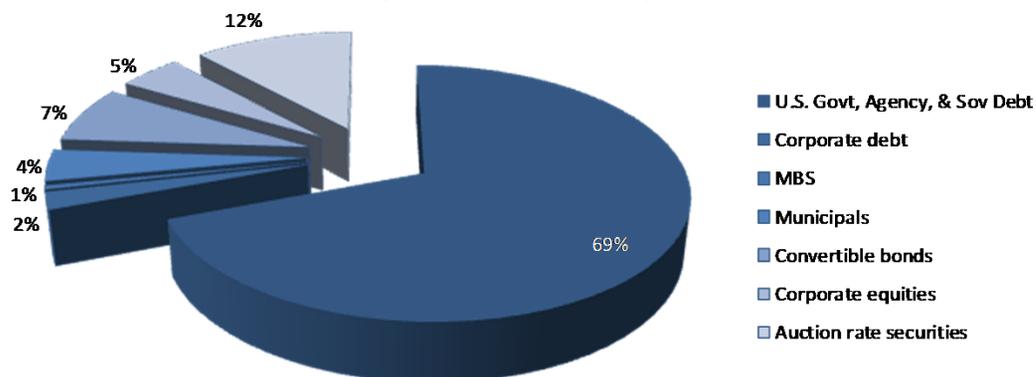
| | |
|---------------------------|------|
| Equity to Assets: | 20% |
| Capitalization to Assets: | 25% |
| Debt to Equity: | 29% |
| Gross Leverage Ratio: | 5.1x |

Securities Trading

- Primarily a client-facing business (limited proprietary trading)
- High turnover of securities inventory
- 2015 VaR average of \$708 thousand
- Gross leverage ratio consistent around 5x

Securities Inventory Composition

\$735M at December 31, 2015



OVERVIEW

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

\$78.7B Client Assets Under Administration

1,220+ Financial Advisors

85 offices in 24 states;
6 foreign jurisdictions

\$23.7B Client Assets Under Management

+250 Institutional Sales Professionals

32 senior research analysts covering
~520 equity securities

Note: Data as of March 31, 2016

OUR CULTURAL VALUES

“Our core values and our culture are the most important and enduring strength of this firm. As we stay true to our principles, always doing what is right and best for our clients, then in the best and worst of times, we can feel justly proud of our efforts. As we make the changes necessary to evolve and to adapt, we face the future from a position of strength”

- Our reputation is based on integrity and trust
- Take responsibility for our actions and decisions
- Follow the spirit as well as the letter of the law
- Keep customer information secure
- Maintain an open dialogue with clients
- Respect our competitors

Cultural Values

Business Principles

Talent & Leadership

Technology
Investments

OUR BUSINESS PRINCIPLES

Client Focus

Deeply committed to our clients and offer the same level of service to investors of all sizes

Tailored Advice

Recommendations for each client are tailored and based on a deep-seeded knowledge of individual goals

Trust

Our track record demonstrates a commitment to results driven investments and leadership in the financial marketplace

Proven Expertise

We have earned a role as a trusted advisor for our clients by consistently providing expertise, insight, and results

Cultural Values

Business Principles

Talent & Leadership

Technology Investments

INVESTING IN TALENT & LEADERSHIP

Recruiting & Growth

- Changed leadership in Private Client Division
- 14 new branch managers in the past year
- Recalibrate expectations from financial advisors
- New National Head of Recruitment
- New financial advisor recruitment package
- Associate Financial Advisor Program

Key Initiatives

- Internship and Training Program
- Next Generation Program
- “Oppenheimer University”
- Professional Development
- Firm-wide Communications



Cultural Values

Business Principles

Talent & Leadership

Technology Investments

TECHNOLOGY INVESTMENTS



Made substantial investments in technology to satisfy regulatory and compliance needs as well as to better service our clients

- New platform for all investment advisory programs
- Launched new mobile application
- Enhanced internal systems and implemented external systems to improve surveillance capabilities
- Strengthened Know Your Client system to gather more information on our clients
- Engaged outside data experts to review and analyze big data

Cultural Values

Business Principles

Talent & Leadership

Technology Investments

2015 REVENUE BREAKDOWN

| Business Segment Results | | | |
|---------------------------------|--------------------------------|------------------|---------------|
| ('000s) | For the 12-Months Ended | | |
| | 12/31/15 | 12/31/14 | % Δ |
| Revenue | | | |
| Wealth Management* | \$ 618,647 | \$ 682,328 | (9.3) |
| Capital Markets | 279,589 | 298,597 | (6.4) |
| Commercial Mortgage Banking | 30,584 | 23,329 | 31.1 |
| Corporate-Other | (435) | 210 | (306.8) |
| | <u>928,385</u> | <u>1,004,464</u> | <u>(7.6)</u> |
| Pre-tax Income/(Loss) | | | |
| Wealth Management* | 92,149 | 93,823 | (1.8) |
| Capital Markets | 5,167 | 17,819 | (71.0) |
| Commercial Mortgage Banking | 9,139 | 8,546 | 6.9 |
| Corporate-Other | (99,744) | (94,451) | 5.6 |
| | <u>\$ 6,711</u> | <u>\$ 25,736</u> | <u>(73.9)</u> |

*Wealth Management represents Private Client and Asset Management business segments

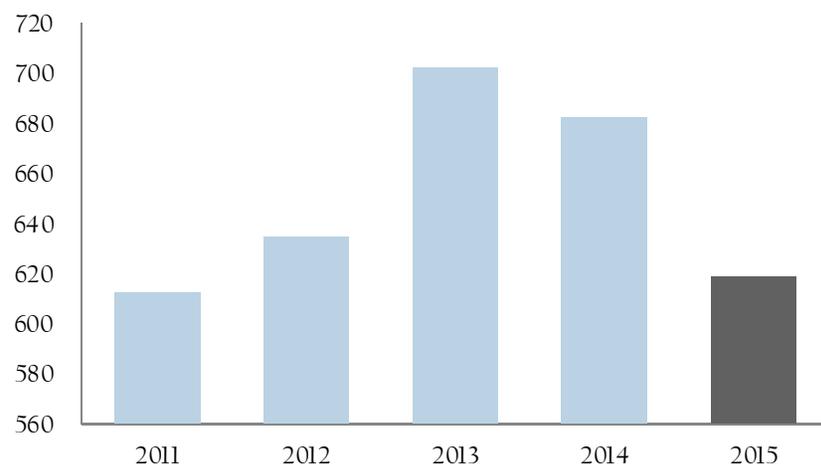
WEALTH MANAGEMENT

- 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
- Assessing impact of recently released DOL Conflicts of Interest Rule
- Position business for generational transfer of wealth
- Increased focus on mitigation of regulatory risk

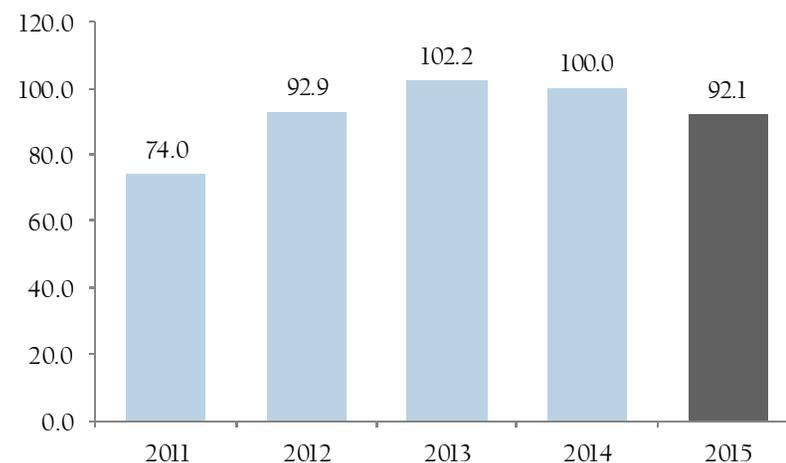
Wealth Management Services

- ❖ 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)

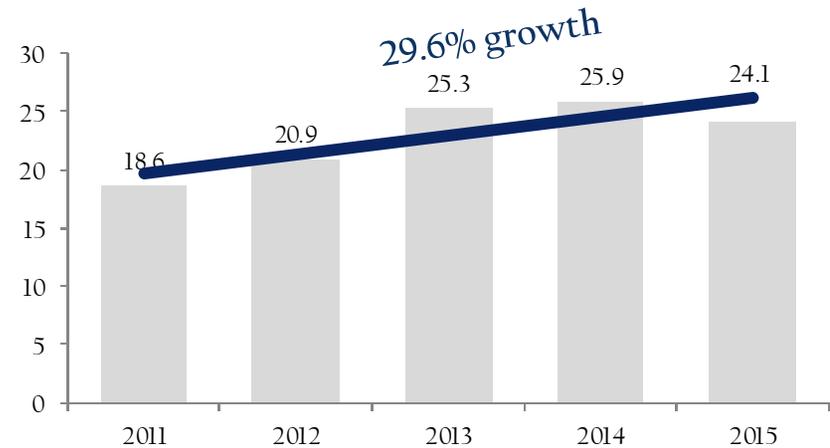


*Segment revenue and operating profit as reported

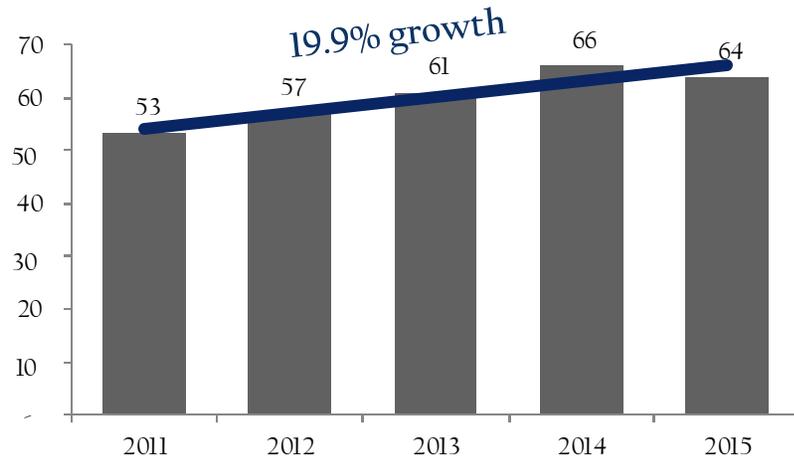
WEALTH MANAGEMENT (CONTINUED)

- \$63.8M of assets per financial advisor
- Increase in AUM comprised of asset appreciation and new assets
- One-on-one personalized financial advice
- Continued focus on shift in client assets to fee-based programs
- Identified series of portfolio managers who are unique to Oppenheimer platform

Assets Under Management (\$B)



Client Assets per Financial Advisor (\$M)



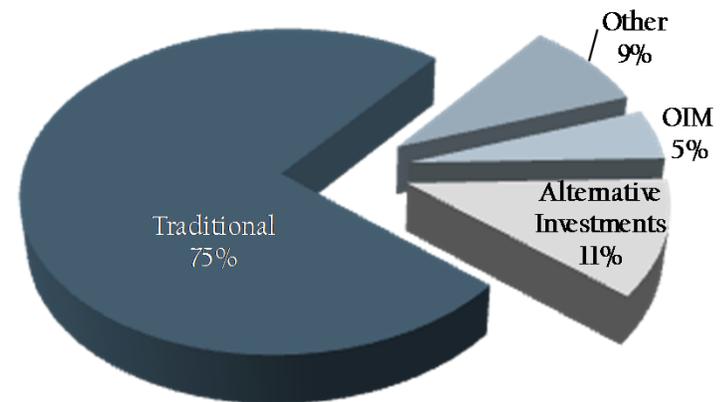
Assets Under Administration (\$B)



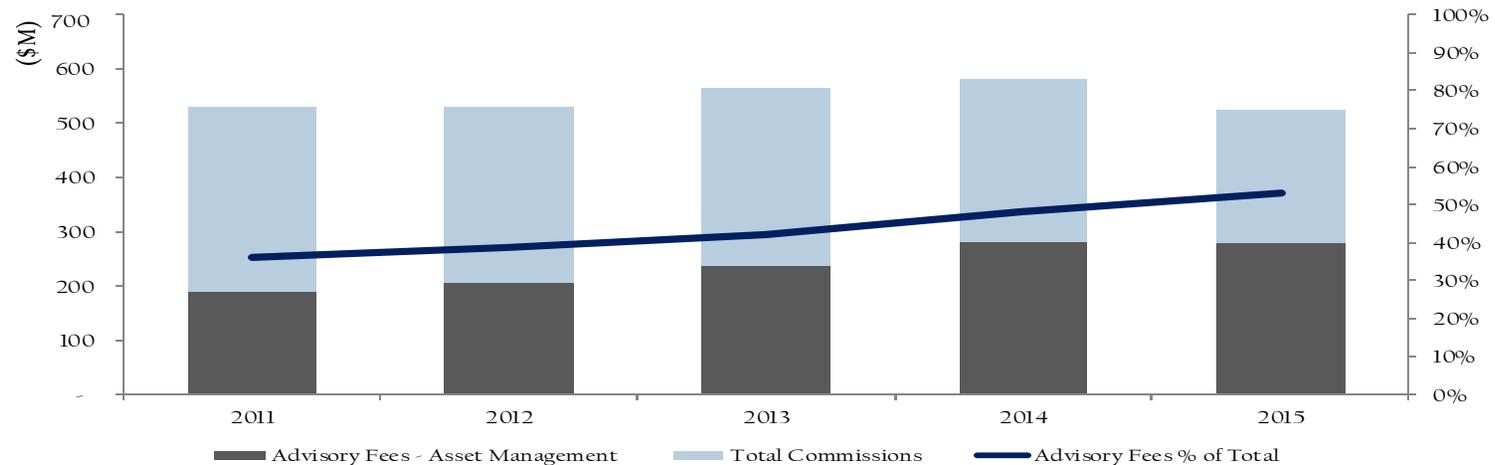
WEALTH MANAGEMENT (CONTINUED)

- 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 December 31, 2015
\$24.1B



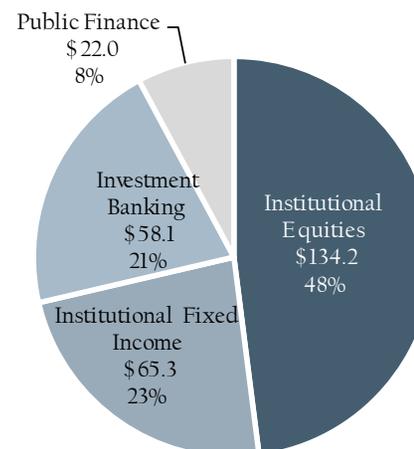
Advisory Fees as a Percentage of Wealth Management Advisory Fees and Commissions



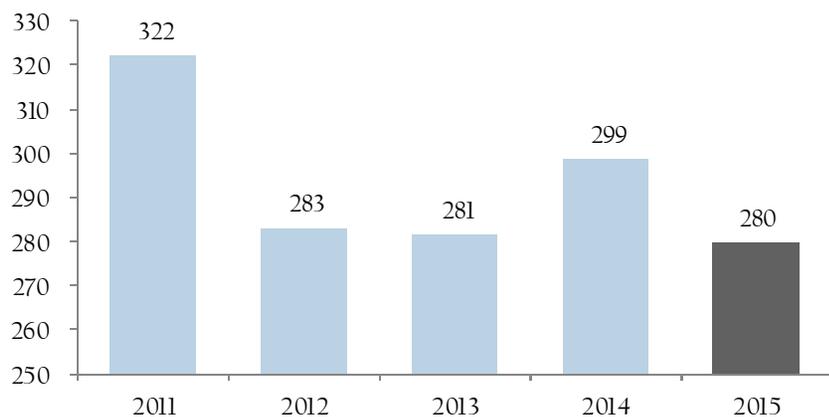
CAPITAL MARKETS

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

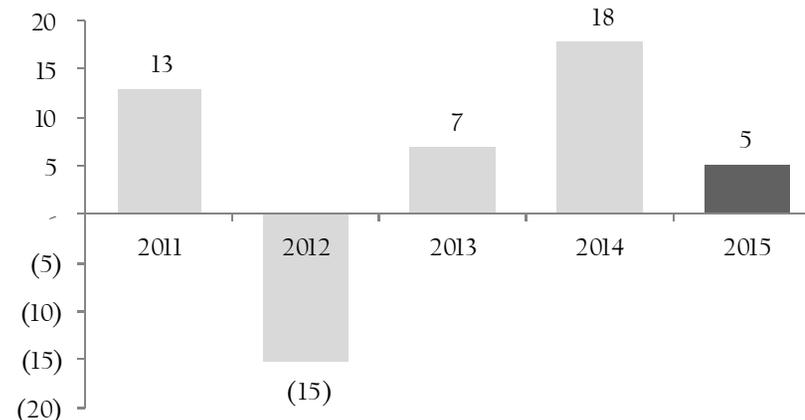
Capital Markets Revenue Breakdown FY 2015 \$279.6M



Total Revenue⁽¹⁾ (\$M)



Capital Markets Operating Profit^(1,2) (\$M)



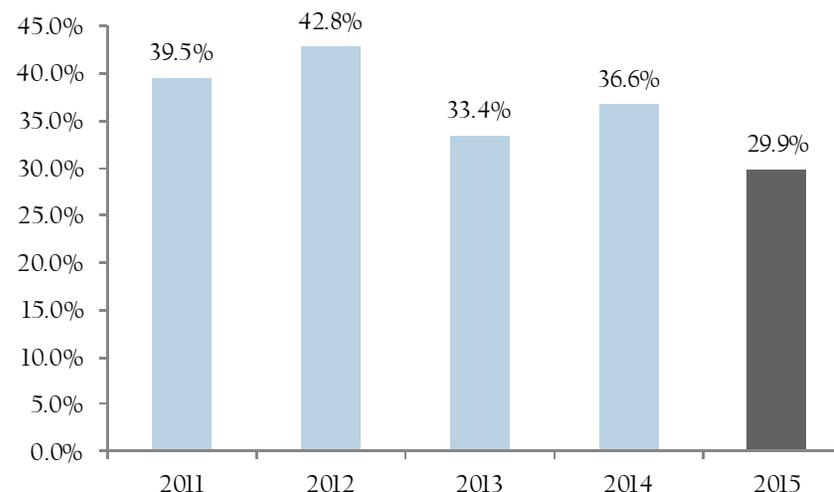
⁽¹⁾ Segment revenue and operating profit as reported

⁽²⁾ 2012 was negatively impacted by a \$30M pre-tax charge related to arbitration award levied against the firm in ARS matter

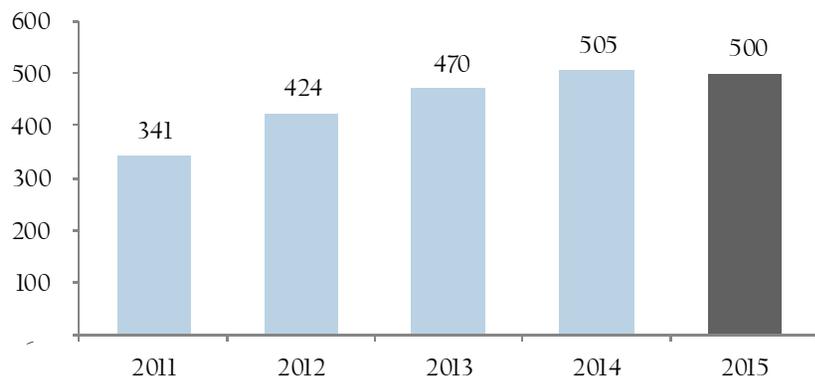
COMMERCIAL MORTGAGE BANKING

- 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
- The Company previously reported that its Board of Directors had authorized management to evaluate the potential disposition of one or more of the corporate assets of OMHMF

Operating Profit Margin



Number of Loans in Servicing



Principal Loan Balance (\$M)



SELECT FINANCIAL MEASURES

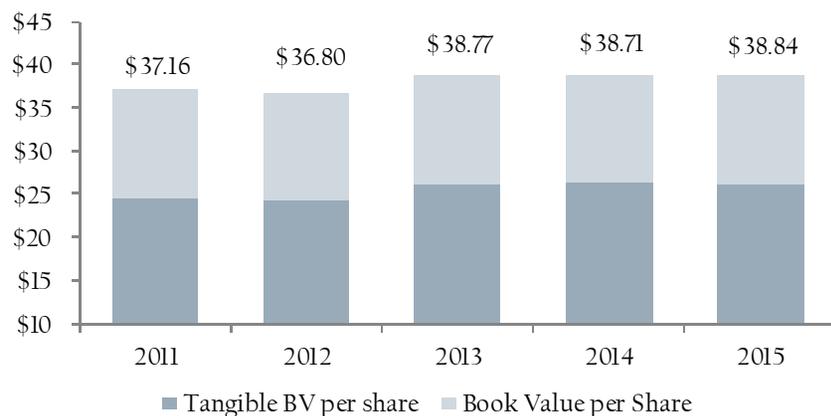
Pretax Margin (%)



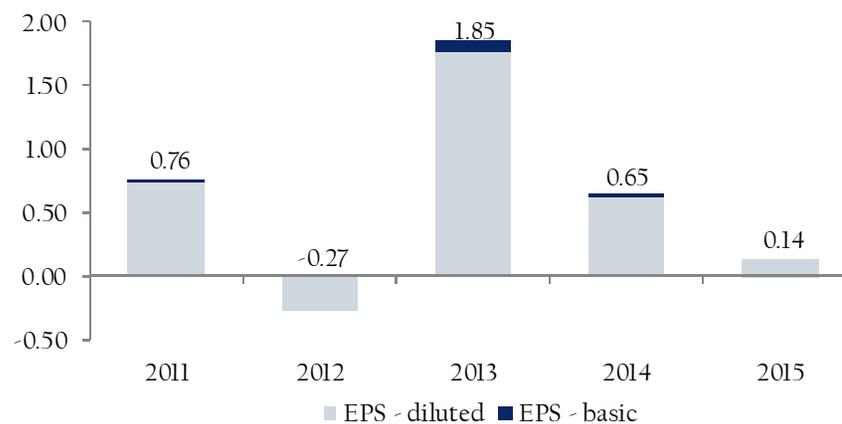
ROE



Book Value



Earnings per Share (\$)



2016 FIRST QUARTER FINANCIAL SUMMARY

- Gross Revenue of \$218.7 vs. \$245.6 million, down 10.9%
- Net loss of \$8.0 million vs net income of \$5.7 million (-\$0.29 per share vs. \$0.42 per share)
- Commission revenue decreased 5.3% in 1Q-16 to \$103.8 million (from \$109.7 million in 1Q-15)
- Principal trading revenues decreased 91.7% in 1Q-16 to \$1.5 million (compared to \$18.6 million in the 1Q-15)
- Investment banking revenues down 54.6% to \$12.4 million in the 1Q-16 compared to \$27.3 million in 1Q-15
- Advisory fees decreased 7.0% to \$66.0 million in 1Q-16 (from \$71.0 million in 1Q-15)
- Commercial Mortgage Banking segment had a pre-tax loss of \$0.7 million

1Q-16 REVENUE BREAKDOWN

| Business Segment Results | | | |
|----------------------------------|-------------------------------|-----------------|---------------|
| ('000s) | For the 3-Months Ended | | |
| | 3/31/16 | 3/31/15 | % Δ |
| Revenue | | | |
| Wealth Management ⁽¹⁾ | \$ 150,518 | \$ 164,393 | (8.4) |
| Capital Markets | 61,065 | 72,166 | (15.4) |
| Commercial Mortgage Banking | 3,738 | 8,386 | (55.4) |
| Corporate-Other | 3,373 | 616 | 447.6 |
| | <u>218,694</u> | <u>245,561</u> | <u>(10.9)</u> |
| Pre-tax Income/(Loss) | | | |
| Wealth Management ⁽¹⁾ | 23,085 | 24,643 | (6.3) |
| Capital Markets | (6,798) | 6,735 | * |
| Commercial Mortgage Banking | (657) | 4,037 | * |
| Corporate-Other | (23,627) | (25,564) | (7.6) |
| | <u>\$ (7,997)</u> | <u>\$ 9,851</u> | <u>*</u> |

*Not Comparable

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

OPPORTUNITIES & CHALLENGES

Growing the Franchise

- Recruitment of experienced & talented employees
- Competitive platform & advanced products
- Acquisitions within our expertise
- Significant upside to increase in short-term interest rates

Investor Preferences

- Fee-based vs. transaction-based
- Capital preservation vs. growth
- Technology (personal service vs. robo-advice)

Challenges

- Regulatory environment
- Department of Labor Conflicts of Interest Rule
- Enhanced requirements for liquidity
- Cybersecurity developments

THANK YOU FOR YOUR TIME

PPENHEIMER