

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

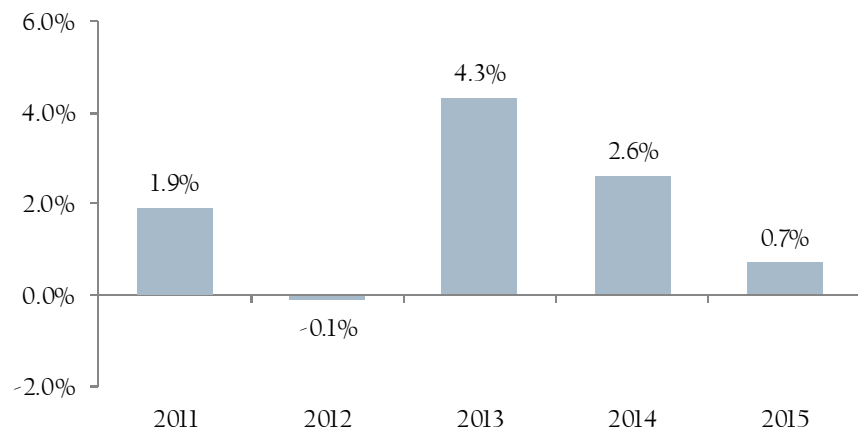
Business Principles

Talent & Leadership

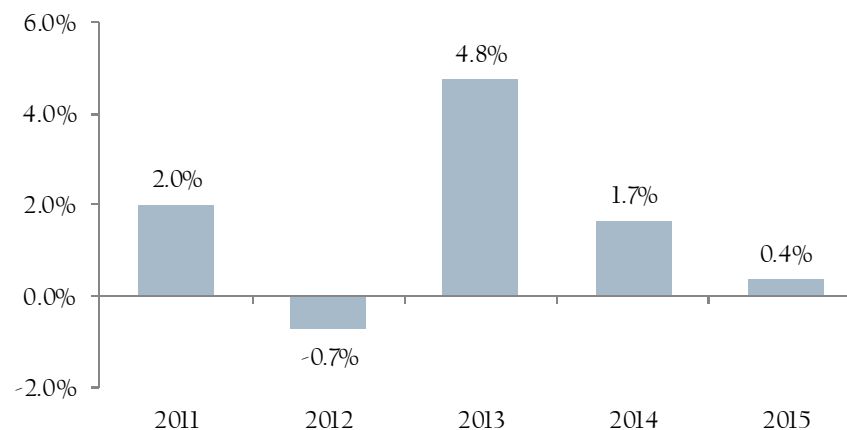
Technology Investments

SELECT FINANCIAL MEASURES

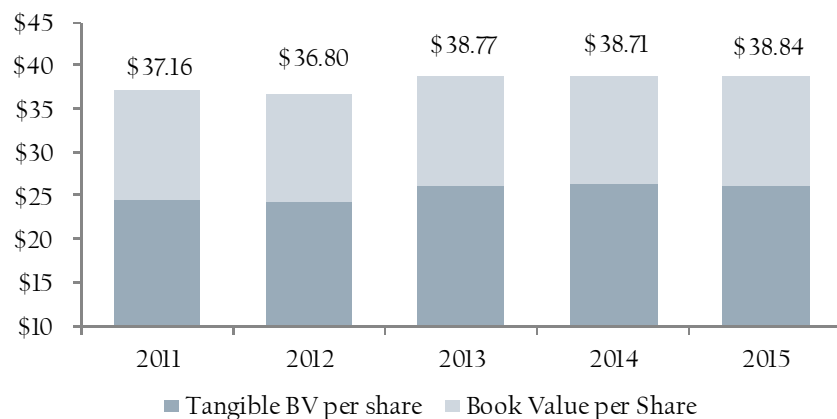
Pretax Margin (%)



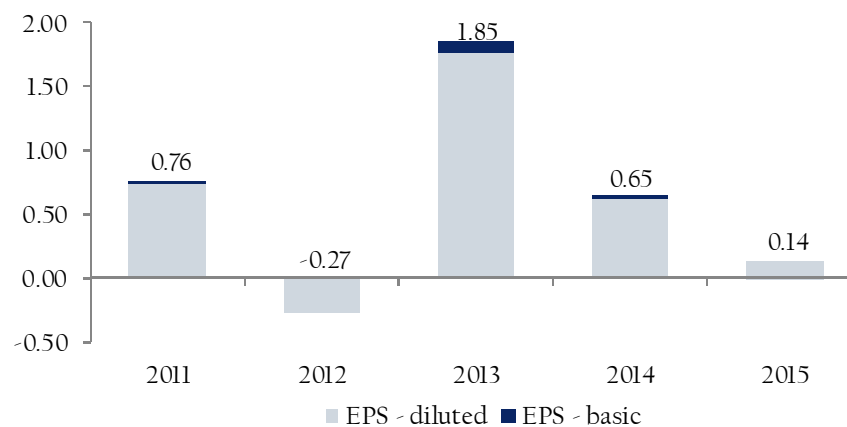
ROE



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

 OPPENHEIMER