



Annual Stockholders' Meeting

New York, NY

May 12, 2014

**WELCOME to Oppenheimer's 2014
Annual Stockholders' Meeting
May 12, 2014**

Safe Harbor Disclosure

To the extent that Oppenheimer Holdings makes or publishes forward-looking statements (regarding economic conditions, management expectations, strategic objectives, business prospects, financial results, anticipated results of litigation and regulatory proceedings and other similar matters), a variety of factors, many of which are beyond Oppenheimer Holdings' control, could cause actual results and experiences to differ materially from the expectations and objectives expressed in these statements. These factors are described in Oppenheimer Holdings' 2013 Annual Report on Form 10-K which is available at www.opco.com and www.sec.gov.

Oppenheimer Overview

Overview

- Oppenheimer Holdings Inc. (“OPY”) is a publicly traded diversified financial services holding company with subsidiaries that offer a variety of investment and financial services
- Business activities include retail securities brokerage, institutional sales and trading, investment banking (both corporate and public finance), research, market-making, investment advisory and asset management services as well as mortgage banking services and discount brokerage services
- Oppenheimer provides services from 96 offices in 25 states located throughout the United States and 5 foreign jurisdictions

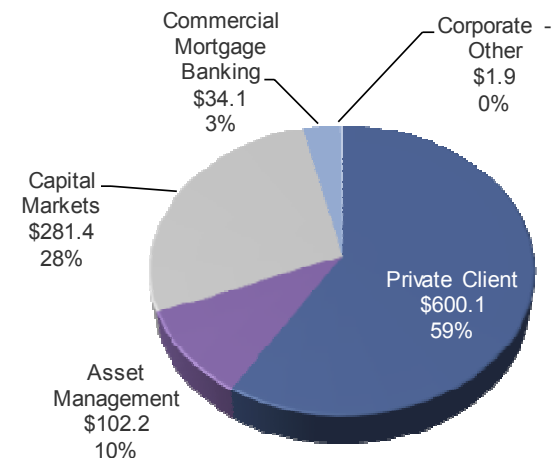
Oppenheimer Snapshot⁽¹⁾

Listed NYSE:

		OPY
▪ Shareholders' Equity ('000s) :	\$	527,871
▪ Market Cap ('000s) - 3/31/14:	\$	376,235
▪ Book Value/Share:	\$	38.77
▪ Share Price - 3/31/14:	\$	28.05
▪ 2013 Revenue ('000s):	\$	1,019,714

▪ Employees:	3,401
▪ FAs:	1,388

Business Mix (2013 Revenue in \$MM)



(1) As of 12/31/13

2013 Economic Recap

- U.S. equity markets closed strong as the S&P 500 returned 32.2%; the largest annual gain for the S&P in 16 years
- Lower unemployment rate and trending lower
- Real estate market continued to improve
- U.S. Federal Reserve began reducing its bond purchases through its “taper”
- Short-term interest rates remain at all-time lows
- Industrial production improved
- Improved consumer sentiment
- Continued low inflation
- Fewer crosscurrents from Washington



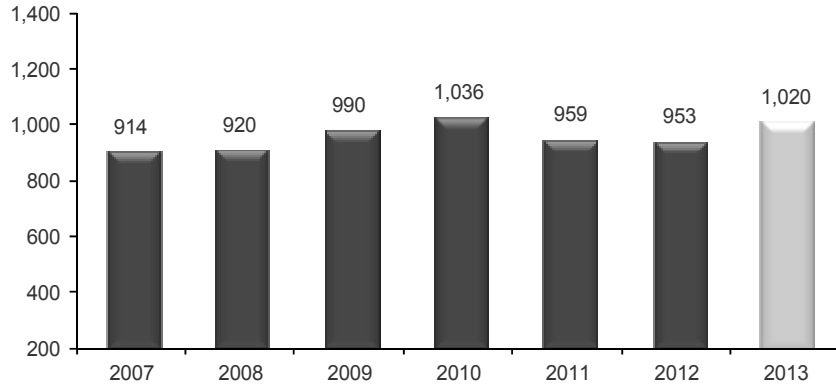
Financial Results

2013 Financial Highlights

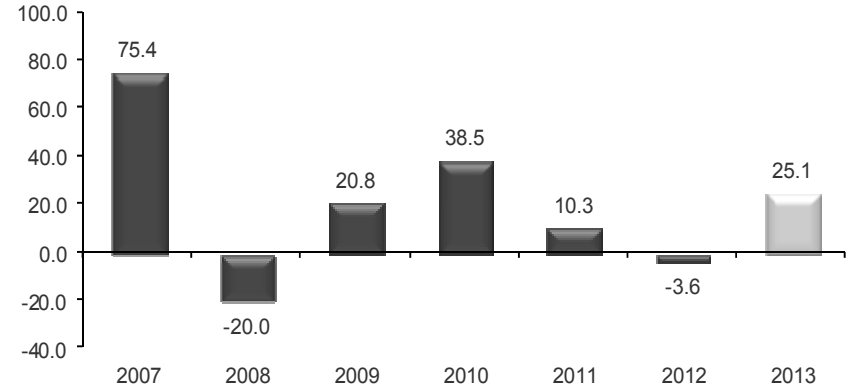
- Full year net income of \$25.1 million
- Revenue of \$1.02 billion (up 7%) – Company produced revenue in excess of \$1 billion for only the second time in its history
- Commission revenue up 3.6% to \$486.8 million in 2013
- Assets under management of \$25.3 billion and assets under administration of \$84.6 billion at year end (both all-time highs)
- Advisory fees were \$274.2 million in 2013, an increase of 23.1% compared to 2012. Gross Incentive fees of \$33.3 million from alternative investments
- Investment banking revenues up 9.5% for the year as a result of continued investment in experienced investment banking professionals
- Effects of a low interest rate environment continue to depress overall profitability (money market fee waivers totaled \$30.4 million in 2013)
- Litigation and regulatory costs continue to weigh on results

Historical Financial Summary

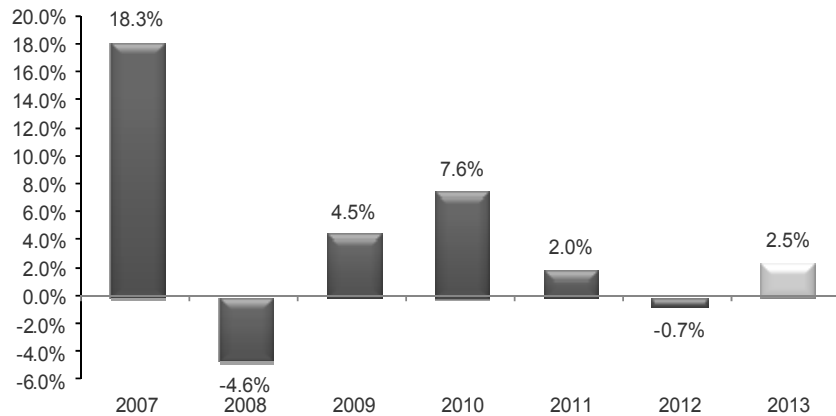
Gross Revenue (\$MM)



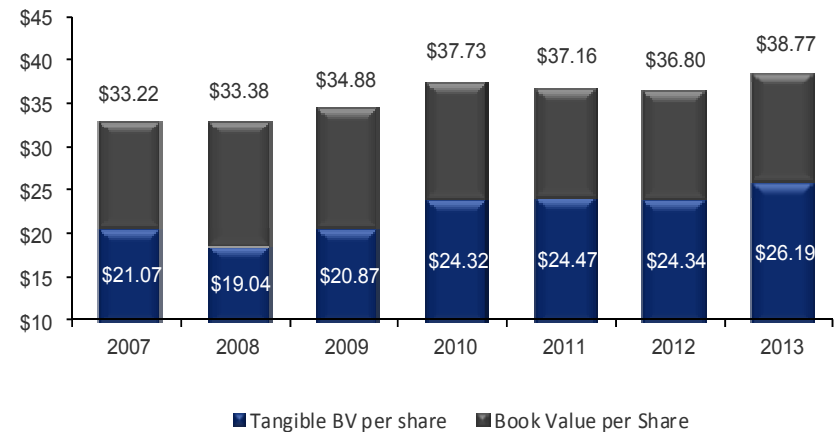
Net Income (\$MM)



Return on Equity (%)



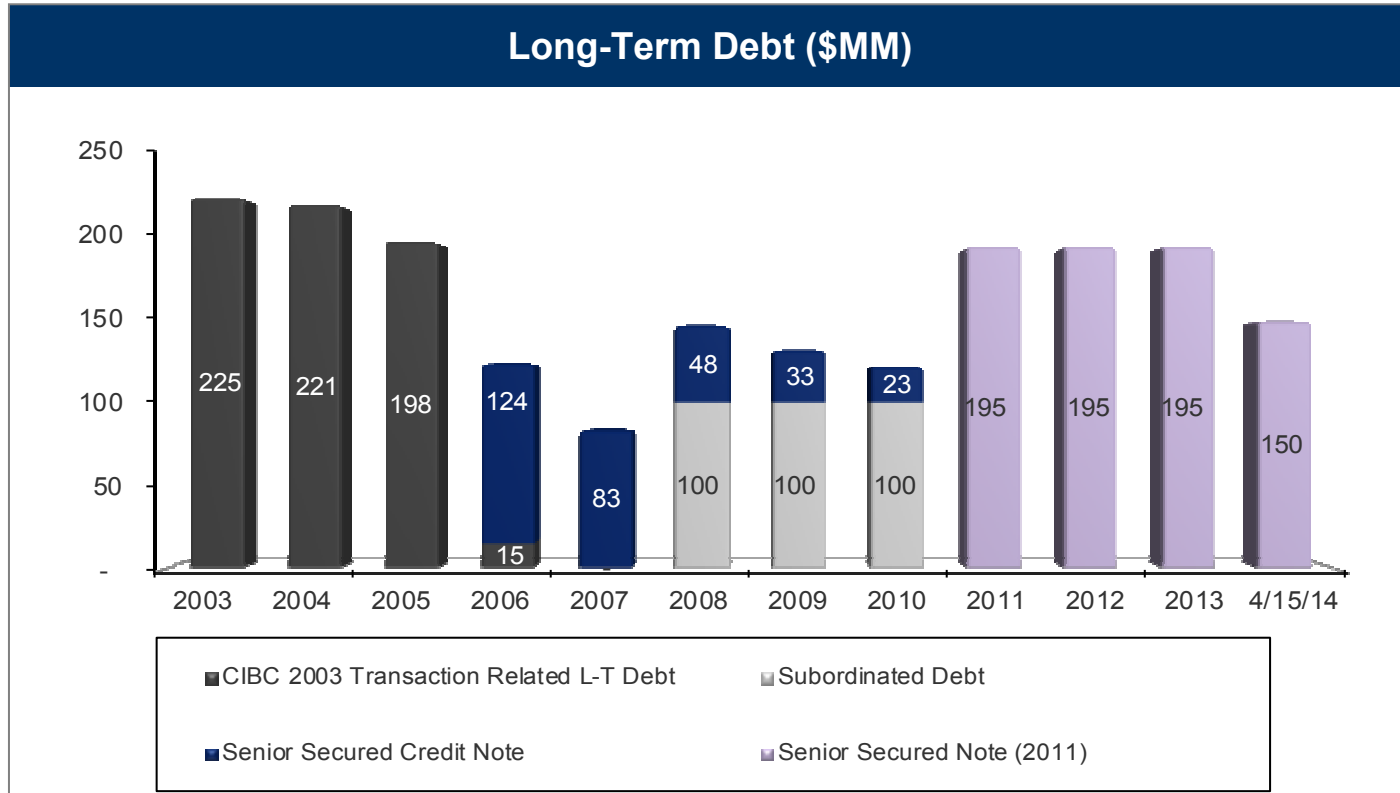
Book Value & Tangible Book Value per Share (\$)





Financial Condition

Long-Term Debt



- **Senior Secured Note**

- Size: Issued \$200 million (non-callable 3 years) and \$150MM outstanding
- Coupon: 8.75% per annum
- Issue Date: April 14, 2011 (Maturity Date: April 15, 2018)
- Interest Payment: semi-annually in arrears on April 15th and October 15th
- On March 7, 2014, the Company announced a \$45 million partial redemption which took place on April 15, 2014

2013 Balance Sheet Capital

Debt Reduction Reduces Already Low Levels of Leverage

Capital Structure

Ratios:	- Debt to Equity	37%
	- Gross to Leverage Ratio	5.6%

Pro – Forma Capital Structure

Ratios:	- Debt to Equity	28%
	- Gross to Leverage Ratio	5.6%



Business Segments

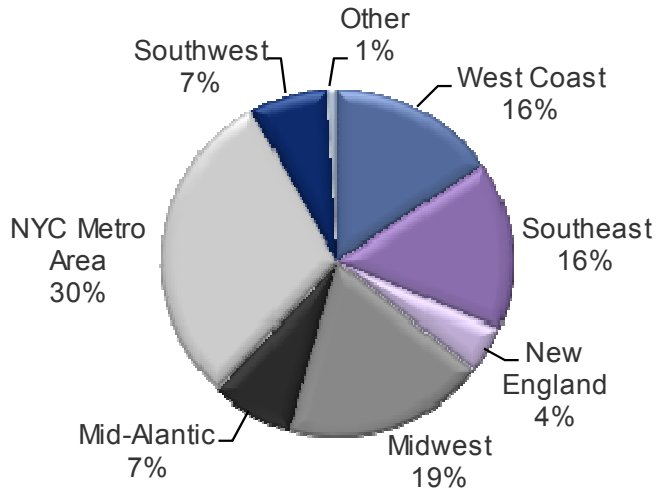
2013 Segment Revenue Breakdown

Business Segment Results (Unaudited)			
('000s)	For the 12-Months Ended		
	12/31/13	12/31/12	% Δ
Revenue			
Private Client Division	\$ 600,071	\$ 550,797	8.9
Asset Management	102,214	84,160	21.5
Capital Markets	281,377	283,139	(0.6)
Commercial Mortgage Banking	34,144	35,682	(4.3)
Corporate-Other	1,908	(1,166)	*
	<u>1,019,714</u>	<u>952,612</u>	<u>7.0</u>
Pre-tax Income/(Loss)			
Private Client Division	65,924	53,487	23.3
Asset Management	40,951	25,436	61.0
Capital Markets	6,968	(15,324)	*
Commercial Mortgage Banking	11,413	15,267	(25.2)
Corporate-Other	(81,347)	(79,392)	2.5
	<u>\$ 43,909</u>	<u>\$ (527)</u>	<u>*</u>

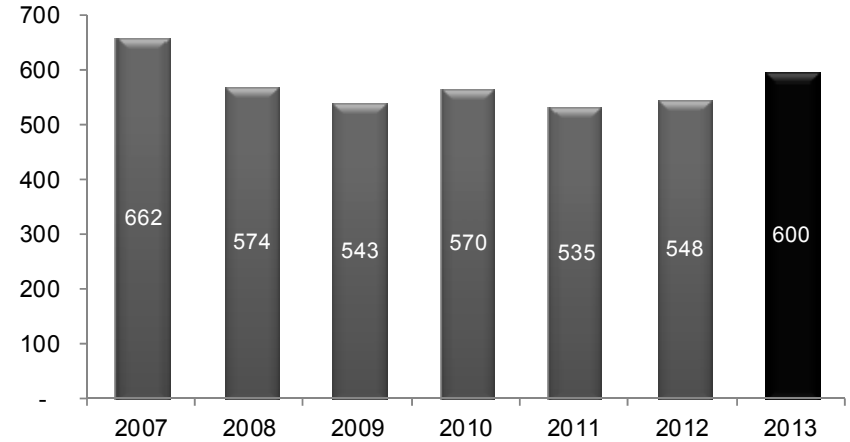
* Not comparable

Private Client Division Overview

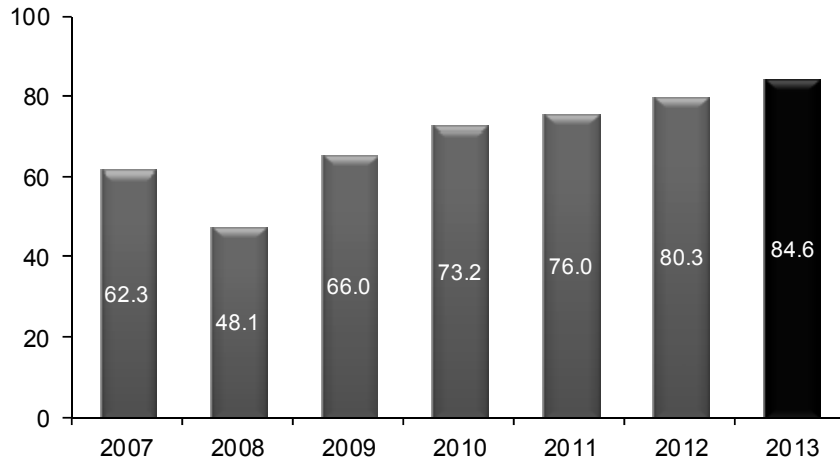
2013 Private Client Revenue



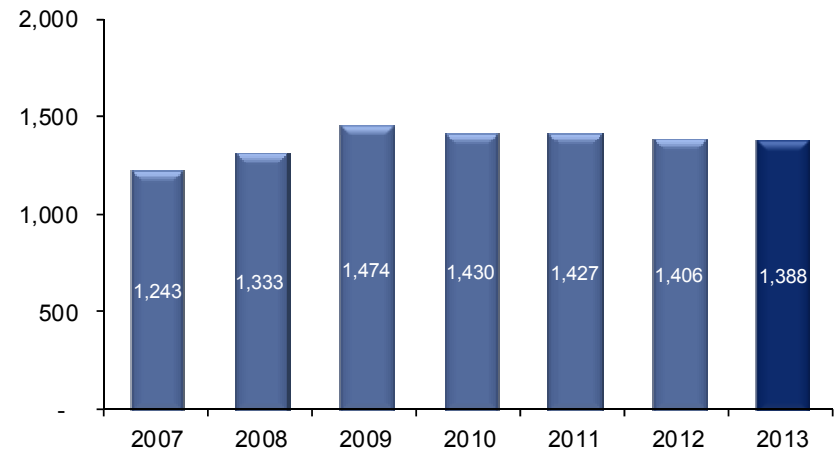
Revenue (\$MM)



Client Assets (\$BN)

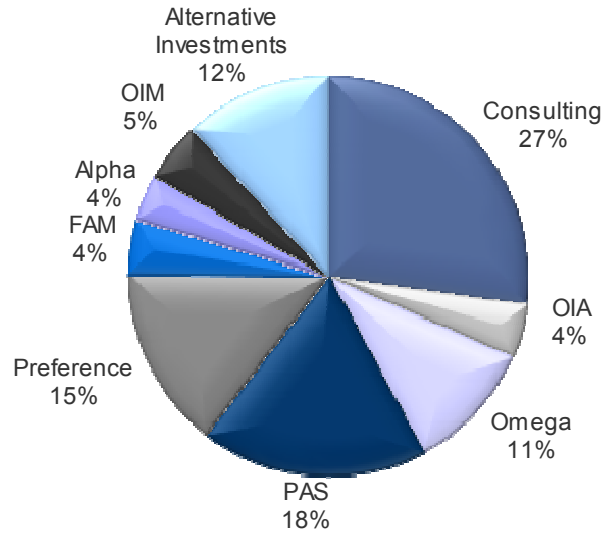


Financial Advisors (#)

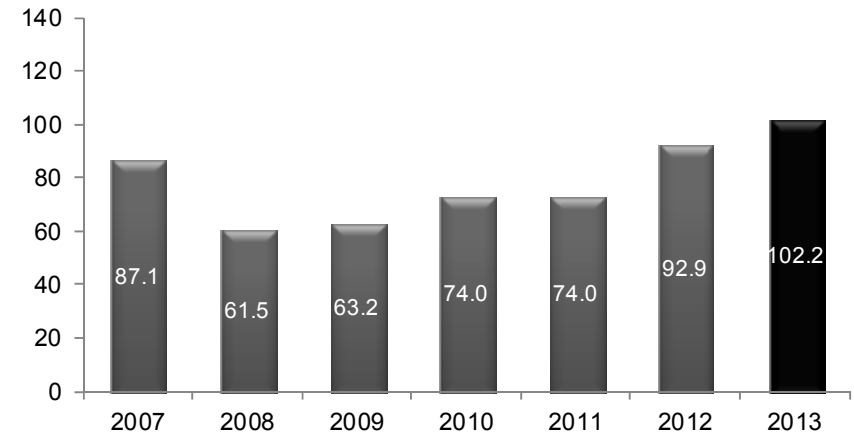


Asset Management Division Overview

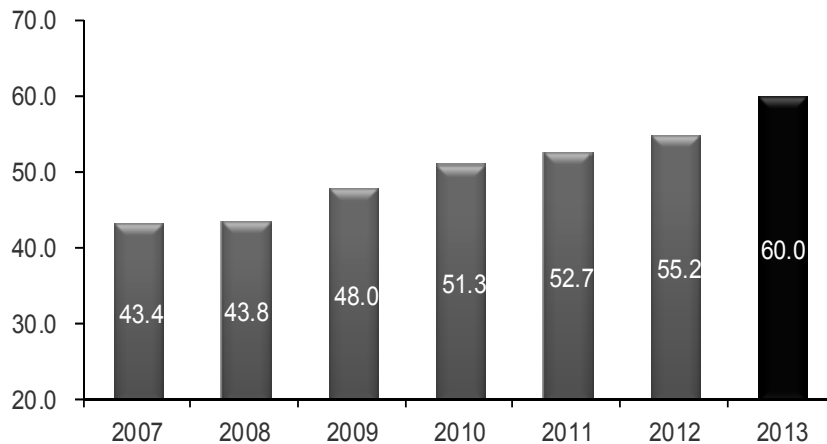
2013 Distribution of AUM (\$25.3BN)



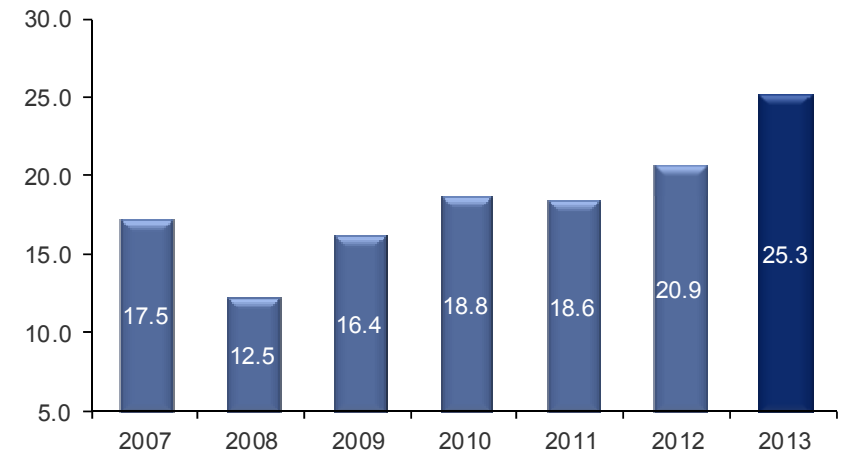
Total Revenue (\$MM)



Total # of Accounts ('000s)

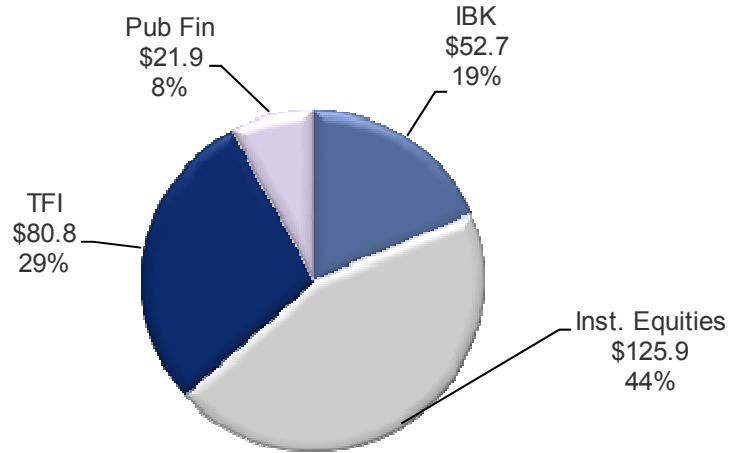


Total AUM (\$BN)

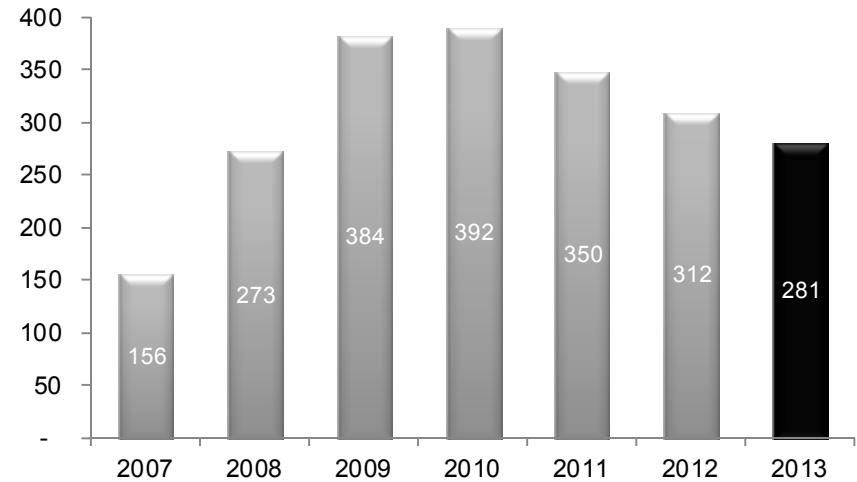


Capital Markets Overview

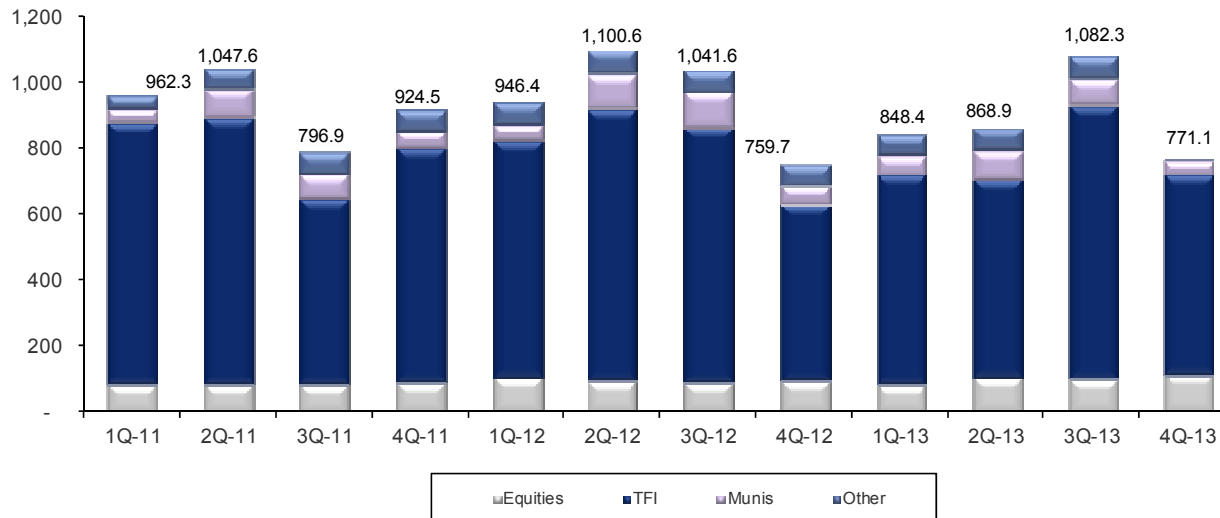
2013 Total Revenue (\$MM)



Total Revenue (\$MM)

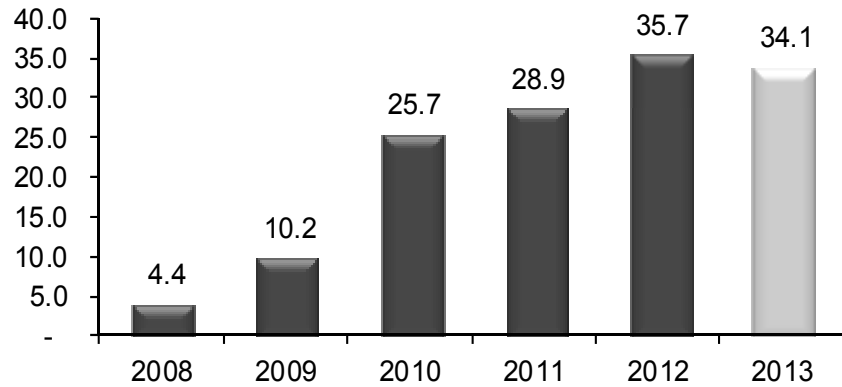


Long Market Value (\$MM)

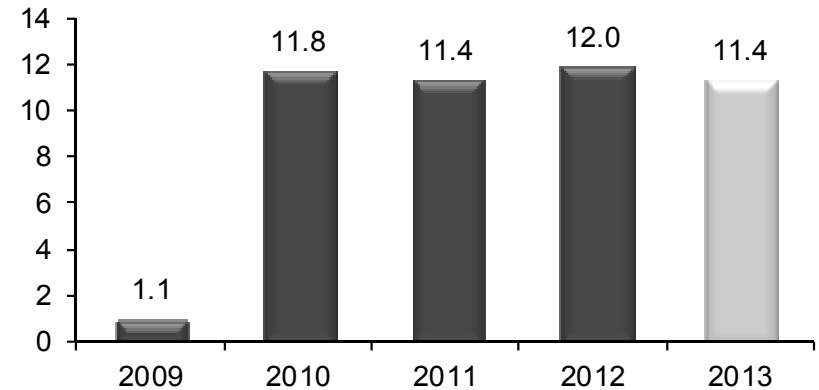


Commercial Mortgage Banking Overview

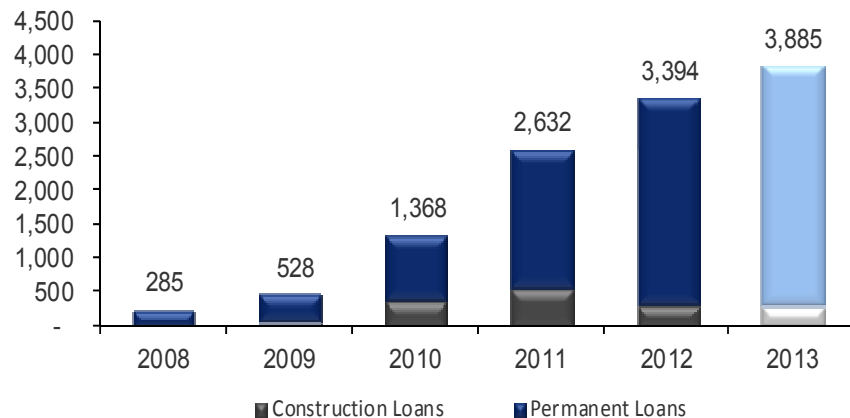
Gross Revenue (\$MM)



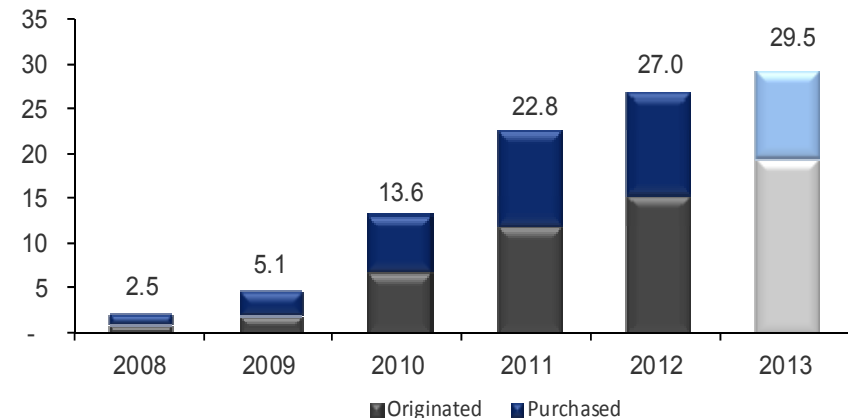
Pre-Tax Income (\$MM)



Principal Loan Balance (\$MM)



Net Mortgage Servicing Rights (\$MM)





First Quarter – 2014

2014 First Quarter Financial Summary

- Gross Revenue of \$255.2 million vs. \$239.1 million, up 6.7%
- Net income of \$3.2 million vs. \$3.7 million (\$0.24 per share vs. \$0.27 per share)
- Commission revenue increased 2.1% in 1Q-14 to \$122.1 million (from \$119.6 million in 1Q-13)
- Principal trading revenues decreased 43.9% in 1Q-14 to \$8.8 million due to lower fixed income trading profits (compared to \$15.7 million in the 1Q-13)
- Investment banking revenues up 81.7% to \$33.5 million in the 1Q-14 compared to \$18.4 million in 1Q-13
- Advisory fees increased 20.2% to \$68.2 million in 1Q-14 (from \$56.7 million in 1Q-13) driven by higher AUM
- Commercial Mortgage Banking segment earned \$1.8 million in pre-tax profits

1Q-14 Segment Revenue Breakdown

Business Segment Results (Unaudited)			
<i>(000s)</i>	For the 3-Months Ended		
	3/31/14	3/31/13	% Δ
Revenue			
Private Client	\$ 147,820	\$ 143,369	3.1
Asset Management	24,610	20,956	17.4
Capital Markets	77,881	65,131	19.6
Commercial Mortgage Banking	4,872	8,066	(39.6)
Corporate/Other	(15)	1,624	*
	<u>255,168</u>	<u>239,146</u>	<u>6.7</u>
Income (Loss) Before Income Taxes			
Private Client	10,308	17,327	(40.5)
Asset Management	7,683	6,543	17.4
Capital Markets	11,184	3,533	216.6
Commercial Mortgage Banking	1,849	2,878	(35.8)
Corporate/Other	(25,915)	(23,568)	(10.0)
	<u>\$ 5,109</u>	<u>\$ 6,713</u>	<u>(23.9)</u>

* Not comparable

2014 – *Business Plans and Outlook*

- Evaluate non-core and underperforming business lines
- Refocus on core business lines
- Expand in high margin businesses
- Grow market share in each business segment
- Recruit and retain top level talent
- \$50 million retirement of 8.75% Senior Secured Notes due 2018 will result in annual interest savings of \$3.9 million
- Put legacy legal and regulatory issues behind us so that we can more fully realize the progress we have made in our operating units

A positive environment will add momentum to our fundamentally strong organization

- Total Revenue expected to grow in more hospitable environment
- Client assets under administration at all time highs (\$87.2 billion at March 31, 2014)
- Client assets under management at all time highs (\$25.6 billion at March 31, 2014)
- Over \$7 billion of client assets in money market/FDIC products will benefit from increases in interest rates
- Investment in capital markets platform starting to pay off



Summary & Conclusion

Conclusion

- Oppenheimer is well positioned across its entire base of business to compete in the current environment
- High levels of service to clients will help attract and retain them
- The firm continues to attract highly qualified and experienced professionals
- Private Client continues to be the most undervalued franchise unit of the company, adds the most inherent value to the franchise and offers significant growth potential through organic growth of existing branches and new branches in existing and new markets
- Oppenheimer will continue to offer an extremely competitive platform to attract high net worth clients
- We believe that as we put legacy legal and regulatory issues behind us, the value of this franchise will be recognized in the valuation of the company's shares



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