

---

**Evercore Inc.**  
**Financial Supplement - Historical Results**  
**(Unaudited)**

EVERCORE

## Introduction

---

During the fourth quarter of 2018, the Company's Adjusted presentation for current and prior periods was revised to eliminate the netting of client related expenses, expenses associated with revenue sharing engagements with third parties and provisions for uncollected receivables with their related revenue. These expenses were previously reflected as a reduction of revenue and related expenses in the Company's Adjusted presentation. The revised presentation reflects the expense and related revenue gross. The Company revised its presentation for these expenses in order to align with the treatment under U.S. GAAP. There was no impact on Adjusted Operating Income, Net Income or Earnings Per Share. The Company's Adjusted presentation for all periods presented in this supplement was revised to reflect this revised presentation. There was no change to the Company's U.S. GAAP results.

During the first quarter of 2018, the Company changed its U.S. GAAP and Adjusted presentation such that "Investment Banking Revenue" was disaggregated into "Advisory Fees," "Underwriting Fees" and "Commissions and Related Fees" and "Investment Management Revenue" was renamed to "Asset Management and Administration Fees." Principal trading gains and losses and realized and unrealized gains and losses on private equity investments have been reclassified from Investment Banking Revenue and Investment Management Revenue to "Other Revenue, net." The Company has reclassified prior periods to conform to their current presentation in this supplement.

The following presents the Company's quarterly and full year results for 2018, 2017 and 2016 reflecting this revised presentation.

## U.S. GAAP Reconciliation to Adjusted Results (Unaudited)

---

Information in the following financial summary is presented on an Adjusted basis (formerly called “Adjusted Pro Forma”), which is a non-generally accepted accounting principles (“non-GAAP”) measure. Adjusted results begin with information prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), adjusted to exclude certain items and reflect the conversion of vested and certain unvested Evercore LP Units and Interests, as well as Acquisition Related Share Issuances and Unvested Restricted Stock Units granted to ISI employees, into Class A shares. Evercore believes that the disclosed Adjusted measures and any adjustments thereto, when presented in conjunction with comparable U.S. GAAP measures, are useful to investors to compare Evercore's results across several periods and facilitate an understanding of Evercore's operating results. The Company uses these measures to evaluate its operating performance, as well as the performance of individual employees. These measures should not be considered a substitute for, or superior to, measures of financial performance prepared in accordance with U.S. GAAP. These Adjusted amounts are allocated to the Company's two business segments: Investment Banking and Investment Management. The differences between the Adjusted and U.S. GAAP results are as follows:

Assumed Vesting of Evercore LP Units and Exchange into Class A Shares. The Company incurred expenses, in Employee Compensation and Benefits, resulting from the vesting of Class E LP Units issued in conjunction with the acquisition of ISI, as well as Class G and H LP Interests and Class J LP Units. The amount of expense or the reversal of expense for the Class G and H LP Interests was based on the determination if it was probable that Evercore ISI would achieve certain earnings and margin targets in 2017 and in future periods. The Adjusted results assume these LP Units and certain Class G and H LP Interests have vested and have been exchanged for Class A shares. Accordingly, any expense or reversal of expense associated with these units and interests, and related awards, is excluded from the Adjusted results, and the noncontrolling interest related to these units is converted to a controlling interest. The Company's Management believes that it is useful to provide the per-share effect associated with the assumed conversion of these previously granted equity interests, and thus the Adjusted results reflect the exchange of certain vested and unvested Evercore LP partnership units and interests and IPO related restricted stock unit awards into Class A shares.

Adjustments Associated with Business Combinations and Divestitures. The following charges resulting from business combinations and divestitures have been excluded from the Adjusted results because the Company's Management believes that operating performance is more comparable across periods excluding the effects of these acquisition-related charges:

Amortization of Intangible Assets and Other Purchase Accounting-related Amortization. Amortization of intangible assets and other purchase accounting-related amortization from the acquisition of ISI and certain other acquisitions.

Acquisition and Transition Costs. Primarily professional fees incurred and costs related to transitioning acquisitions or divestitures.

Fair Value of Contingent Consideration. The expense, or reversal of expense, associated with changes in the fair value of contingent consideration issued to the sellers of certain of the Company's acquisitions.

Gain on Transfer of Ownership of Mexican Private Equity Business. The gain resulting from the transfer of ownership of the Mexican Private Equity business in the third quarter of 2016.

Gain on Sale of Institutional Trust and Independent Fiduciary business of ETC. The gain resulting from the sale of the Institutional Trust and Independent Fiduciary business of ETC in the fourth quarter of 2017.

Foreign Exchange Gains / (Losses). Release of cumulative foreign exchange losses resulting from the restructuring of our equity method investment in G5 in the fourth quarter of 2017.

## U.S. GAAP Reconciliation to Adjusted Results (Unaudited)

---

Special Charges. Expenses associated with impairments of Goodwill and other costs related to business changes associated with acquisitions and divestitures are excluded from the Adjusted results.

Income Taxes. Evercore is organized as a series of Limited Liability Companies, Partnerships, C-Corporations and a Public Corporation and therefore, not all of the Company's income is subject to corporate-level taxes. As a result, adjustments have been made to the Adjusted earnings to assume that the Company is subject to the statutory tax rates of a C-Corporation under a conventional corporate tax structure in the U.S. at the prevailing corporate rates and that all deferred tax assets relating to foreign operations are fully realizable within the structure on a consolidated basis. This assumption is consistent with the assumption that certain Evercore LP Units and Interests are vested and exchanged into Class A shares, as the assumed exchange would change the tax structure of the Company. Excluded from the Company's Adjusted results are adjustments related to the impact of the enactment of the Tax Cuts and Jobs Act that was signed into law on December 22, 2017, which resulted in a reduction in income tax rates in the U.S. in 2018 and future years. The enactment of this tax reform resulted in a charge to the Provision for Income Taxes for the fourth quarter of 2017 of \$143.3 million primarily resulting from the estimated re-measurement of net deferred tax assets, which relates primarily to temporary differences from the step-up in basis associated with the exchange of partnership units, deferred compensation, accumulated other comprehensive income and depreciation of fixed assets and leasehold improvements. The tax reform also resulted in an estimated adjustment to Other Revenue for the fourth quarter of 2017 of \$77.5 million related to the re-measurement of amounts due pursuant to our tax receivable agreement, which was reduced due to the lower enacted income tax rates in the U.S. in 2018 and future years.

Presentation of Interest Expense. The Adjusted results present interest expense on short-term repurchase agreements in Other Revenues, net, as the Company's Management believes it is more meaningful to present the spread on net interest resulting from the matched financial assets and liabilities. In addition, Adjusted Operating Income is presented before interest expense on debt, which is included in interest expense on a U.S. GAAP basis.

Presentation of Income (Loss) from Equity Method Investments. The Adjusted results present Income (Loss) from Equity Method Investments within Revenue as the Company's Management believes it is a more meaningful presentation.

# Summary of Consolidated Results (Unaudited)

(dollars in thousands)

	U.S. GAAP					Adjusted				
	Q4 2018	Q3 2018	Q2 2018	Q1 2018	FY 2018	Q4 2018	Q3 2018	Q2 2018	Q1 2018	FY 2018
Net Revenues	\$ 771,406	\$ 381,259	\$ 448,477	\$ 463,563	\$ 2,064,705	\$ 776,198	\$ 385,857	\$ 453,196	\$ 467,949	\$ 2,083,200
Compensation Expense	\$ 430,636	\$ 225,452	\$ 265,591	\$ 275,494	\$ 1,197,173	\$ 426,865	\$ 221,688	\$ 261,868	\$ 271,511	\$ 1,181,932
Operating Income	\$ 250,206	\$ 74,540	\$ 104,782	\$ 112,549	\$ 542,077	\$ 263,559	\$ 87,026	\$ 115,381	\$ 124,993	\$ 590,959
Compensation Ratio	55.8%	59.1%	59.2%	59.4%	58.0%	55.0%	57.5%	57.8%	58.0%	56.7%
Operating Margin	32.4%	19.6%	23.4%	24.3%	26.3%	34.0%	22.6%	25.5%	26.7%	28.4%

  

	U.S. GAAP					Adjusted				
	Q4 2017	Q3 2017	Q2 2017	Q1 2017	FY 2017	Q4 2017	Q3 2017	Q2 2017	Q1 2017	FY 2017
Net Revenues	\$ 540,031	\$ 406,601	\$ 370,470	\$ 387,247	\$ 1,704,349	\$ 476,751	\$ 410,916	\$ 374,965	\$ 391,438	\$ 1,654,070
Compensation Expense	\$ 273,326	\$ 246,772	\$ 236,856	\$ 205,558	\$ 962,512	\$ 266,862	\$ 237,523	\$ 219,754	\$ 226,929	\$ 951,068
Operating Income	\$ 184,146	\$ 87,070	\$ 46,266	\$ 111,329	\$ 428,811	\$ 134,192	\$ 103,625	\$ 92,139	\$ 96,541	\$ 426,497
Compensation Ratio	50.6%	60.7%	63.9%	53.1%	56.5%	56.0%	57.8%	58.6%	58.0%	57.5%
Operating Margin	34.1%	21.4%	12.5%	28.7%	25.2%	28.1%	25.2%	24.6%	24.7%	25.8%

  

	U.S. GAAP					Adjusted				
	Q4 2016	Q3 2016	Q2 2016	Q1 2016	FY 2016	Q4 2016	Q3 2016	Q2 2016	Q1 2016	FY 2016
Net Revenues	\$ 445,369	\$ 386,314	\$ 350,656	\$ 257,713	\$ 1,440,052	\$ 450,513	\$ 389,678	\$ 355,196	\$ 261,148	\$ 1,456,535
Compensation Expense	\$ 267,631	\$ 231,710	\$ 221,334	\$ 179,915	\$ 900,590	\$ 253,141	\$ 217,851	\$ 200,596	\$ 148,156	\$ 819,744
Operating Income	\$ 97,359	\$ 85,085	\$ 62,605	\$ 16,125	\$ 261,174	\$ 127,010	\$ 106,169	\$ 90,980	\$ 54,670	\$ 378,829
Compensation Ratio	60.1%	60.0%	63.1%	69.8%	62.5%	56.2%	55.9%	56.5%	56.7%	56.3%
Operating Margin	21.9%	22.0%	17.9%	6.3%	18.1%	28.2%	27.2%	25.6%	20.9%	26.0%

# Investment Banking Segment Results (Unaudited)

(dollars in thousands)

	U.S. GAAP					Adjusted				
	Q4 2018	Q3 2018	Q2 2018	Q1 2018	FY 2018	Q4 2018	Q3 2018	Q2 2018	Q1 2018	FY 2018
Net Revenues:										
Investment Banking:										
Advisory Fees	\$ 696,214	\$ 305,949	\$ 362,995	\$ 378,315	\$ 1,743,473	\$ 696,435	\$ 305,949	\$ 363,292	\$ 378,315	\$ 1,743,991
Underwriting Fees	8,907	11,440	21,065	30,279	71,691	8,907	11,440	21,065	30,279	71,691
Commissions and Related Fees	60,568	45,337	51,076	43,034	200,015	60,568	45,337	51,076	43,034	200,015
Other Revenue, net	(6,375)	4,108	539	(1,428)	(3,156)	(4,035)	6,408	2,839	833	6,045
Net Revenues	759,314	366,834	435,675	450,200	2,012,023	761,875	369,134	438,272	452,461	2,021,742
Expenses:										
Employee Compensation and Benefits	423,017	217,471	258,142	267,539	1,166,169	419,246	213,707	254,419	263,556	1,150,928
Non-compensation Costs	86,068	76,259	74,875	70,284	307,486	82,426	74,102	72,718	68,127	297,373
Special Charges	1,148	1,967	-	1,897	5,012	-	-	-	-	-
Total Expenses	510,233	295,697	333,017	339,720	1,478,667	501,672	287,809	327,137	331,683	1,448,301
Operating Income	\$ 249,081	\$ 71,137	\$ 102,658	\$ 110,480	\$ 533,356	\$ 260,203	\$ 81,325	\$ 111,135	\$ 120,778	\$ 573,441
Compensation Ratio	55.7%	59.3%	59.3%	59.4%	58.0%	55.0%	57.9%	58.1%	58.2%	56.9%
Operating Margin	32.8%	19.4%	23.6%	24.5%	26.5%	34.2%	22.0%	25.4%	26.7%	28.4%
	U.S. GAAP					Adjusted				
	Q4 2017	Q3 2017	Q2 2017	Q1 2017	FY 2017	Q4 2017	Q3 2017	Q2 2017	Q1 2017	FY 2017
Net Revenues:										
Investment Banking:										
Advisory Fees	\$ 384,571	\$ 332,753	\$ 294,804	\$ 312,284	\$ 1,324,412	\$ 384,959	\$ 332,678	\$ 294,917	\$ 312,135	\$ 1,324,689
Underwriting Fees	15,657	11,034	9,156	9,980	45,827	15,657	11,034	9,156	9,980	45,827
Commissions and Related Fees (1)	56,732	45,390	53,824	49,684	205,630	56,732	45,390	53,824	49,684	205,630
Other Revenue, net (1)	61,830	(878)	(1,375)	(1,178)	58,399	3,027	1,610	1,050	1,403	7,090
Net Revenues	518,790	388,299	356,409	370,770	1,634,268	460,375	390,712	358,947	373,202	1,583,236
Expenses:										
Employee Compensation and Benefits	266,261	236,564	227,544	196,125	926,494	259,797	227,315	210,442	217,496	915,050
Non-compensation Costs	74,240	68,448	61,667	66,488	270,843	71,557	65,949	59,275	64,096	260,877
Special Charges	-	-	14,400	-	14,400	-	-	-	-	-
Total Expenses	340,501	305,012	303,611	262,613	1,211,737	331,354	293,264	269,717	281,592	1,175,927
Operating Income	\$ 178,289	\$ 83,287	\$ 52,798	\$ 108,157	\$ 422,531	\$ 129,021	\$ 97,448	\$ 89,230	\$ 91,610	\$ 407,309
Compensation Ratio	51.3%	60.9%	63.8%	52.9%	56.7%	56.4%	58.2%	58.6%	58.3%	57.8%
Operating Margin	34.4%	21.4%	14.8%	29.2%	25.9%	28.0%	24.9%	24.9%	24.5%	25.7%
	U.S. GAAP					Adjusted				
	Q4 2016	Q3 2016	Q2 2016	Q1 2016	FY 2016	Q4 2016	Q3 2016	Q2 2016	Q1 2016	FY 2016
Net Revenues:										
Investment Banking:										
Advisory Fees	\$ 352,976	\$ 306,993	\$ 256,758	\$ 180,102	\$ 1,096,829	\$ 354,440	\$ 306,881	\$ 257,048	\$ 179,830	\$ 1,098,199
Underwriting Fees	11,791	7,929	13,238	3,306	36,264	11,791	7,929	13,238	3,306	36,264
Commissions and Related Fees (1)	62,999	53,504	57,054	57,356	230,913	62,999	53,504	57,054	57,356	230,913
Other Revenue, net (1)	(411)	208	1,107	(1,051)	(147)	2,221	2,800	3,983	427	9,431
Net Revenues	427,355	368,634	328,157	239,713	1,363,859	431,451	371,114	331,323	240,919	1,374,807
Expenses:										
Employee Compensation and Benefits	261,125	221,380	208,916	169,718	861,139	246,635	207,521	188,178	137,959	780,293
Non-compensation Costs	67,674	64,708	61,404	57,574	251,360	65,846	61,145	58,738	54,305	240,034
Total Expenses	328,799	286,088	270,320	227,292	1,112,499	312,481	268,666	246,916	192,264	1,020,327
Operating Income	\$ 98,556	\$ 82,546	\$ 57,837	\$ 12,421	\$ 251,360	\$ 118,970	\$ 102,448	\$ 84,407	\$ 48,655	\$ 354,480
Compensation Ratio	61.1%	60.1%	63.7%	70.8%	63.1%	57.2%	55.9%	56.8%	57.3%	56.8%
Operating Margin	23.1%	22.4%	17.6%	5.2%	18.4%	27.6%	27.6%	25.5%	20.2%	25.8%

# Investment Management Segment Results (Unaudited)

(dollars in thousands)

	U.S. GAAP					Adjusted				
	Q4 2018	Q3 2018	Q2 2018	Q1 2018	FY 2018	Q4 2018	Q3 2018	Q2 2018	Q1 2018	FY 2018
Net Revenues:										
Asset Management and Administration										
Fees	\$ 11,643	\$ 12,678	\$ 12,170	\$ 11,755	\$ 48,246	\$ 13,874	\$ 14,976	\$ 14,292	\$ 13,880	\$ 57,022
Other Revenue, net	449	1,747	632	1,608	4,436	449	1,747	632	1,608	4,436
Net Revenues	12,092	14,425	12,802	13,363	52,682	14,323	16,723	14,924	15,488	61,458
Expenses:										
Employee Compensation and Benefits	7,619	7,981	7,449	7,955	31,004	7,619	7,981	7,449	7,955	31,004
Non-compensation Costs	3,348	3,041	3,229	3,339	12,957	3,348	3,041	3,229	3,318	12,936
Total Expenses	10,967	11,022	10,678	11,294	43,961	10,967	11,022	10,678	11,273	43,940
Operating Income	\$ 1,125	\$ 3,403	\$ 2,124	\$ 2,069	\$ 8,721	\$ 3,356	\$ 5,701	\$ 4,246	\$ 4,215	\$ 17,518
Compensation Ratio	63.0%	55.3%	58.2%	59.5%	58.9%	53.2%	47.7%	49.9%	51.4%	50.4%
Operating Margin	9.3%	23.6%	16.6%	15.5%	16.6%	23.4%	34.1%	28.5%	27.2%	28.5%
	U.S. GAAP					Adjusted				
	Q4 2017	Q3 2017	Q2 2017	Q1 2017	FY 2017	Q4 2017	Q3 2017	Q2 2017	Q1 2017	FY 2017
Net Revenues:										
Asset Management and Administration										
Fees (2)	\$ 12,611	\$ 16,284	\$ 15,471	\$ 15,282	\$ 59,648	\$ 15,554	\$ 18,186	\$ 17,428	\$ 17,041	\$ 68,209
Other Revenue, net (2)	8,630	2,018	(1,410)	1,195	10,433	822	2,018	(1,410)	1,195	2,625
Net Revenues	21,241	18,302	14,061	16,477	70,081	16,376	20,204	16,018	18,236	70,834
Expenses:										
Employee Compensation and Benefits	7,065	10,208	9,312	9,433	36,018	7,065	10,208	9,312	9,433	36,018
Non-compensation Costs	4,389	4,311	4,174	3,872	16,746	4,140	3,819	3,797	3,872	15,628
Special Charges	3,930	-	7,107	-	11,037	-	-	-	-	-
Total Expenses	15,384	14,519	20,593	13,305	63,801	11,205	14,027	13,109	13,305	51,646
Operating Income (Loss)	\$ 5,857	\$ 3,783	\$ (6,532)	\$ 3,172	\$ 6,280	\$ 5,171	\$ 6,177	\$ 2,909	\$ 4,931	\$ 19,188
Compensation Ratio	33.3%	55.8%	66.2%	57.2%	51.4%	43.1%	50.5%	58.1%	51.7%	50.8%
Operating Margin	27.6%	20.7%	(46.5%)	19.3%	9.0%	31.6%	30.6%	18.2%	27.0%	27.1%
	U.S. GAAP					Adjusted				
	Q4 2016	Q3 2016	Q2 2016	Q1 2016	FY 2016	Q4 2016	Q3 2016	Q2 2016	Q1 2016	FY 2016
Net Revenues:										
Asset Management and Administration										
Fees (2)	\$ 15,832	\$ 16,024	\$ 16,042	\$ 15,506	\$ 63,404	\$ 16,880	\$ 17,314	\$ 17,416	\$ 17,065	\$ 68,675
Other Revenue, net (2)	2,182	1,656	6,457	2,494	12,789	2,182	1,250	6,457	3,164	13,053
Net Revenues	18,014	17,680	22,499	18,000	76,193	19,062	18,564	23,873	20,229	81,728
Expenses:										
Employee Compensation and Benefits	6,506	10,330	12,418	10,197	39,451	6,506	10,330	12,418	10,197	39,451
Non-compensation Costs	4,605	4,811	5,313	4,099	18,828	4,516	4,513	4,882	4,017	17,928
Special Charges	8,100	-	-	-	8,100	-	-	-	-	-
Total Expenses	19,211	15,141	17,731	14,296	66,379	11,022	14,843	17,300	14,214	57,379
Operating Income (Loss)	\$ (1,197)	\$ 2,539	\$ 4,768	\$ 3,704	\$ 9,814	\$ 8,040	\$ 3,721	\$ 6,573	\$ 6,015	\$ 24,349
Compensation Ratio	36.1%	58.4%	55.2%	56.7%	51.8%	34.1%	55.6%	52.0%	50.4%	48.3%
Operating Margin	(6.6%)	14.4%	21.2%	20.6%	12.9%	42.2%	20.0%	27.5%	29.7%	29.8%

# U.S. GAAP Reconciliation to Adjusted Results (Unaudited)

(dollars in thousands)

	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016
<b>Net Revenues - U.S. GAAP</b>	\$ 463,563	\$ 448,477	\$ 381,259	\$ 771,406	\$ 2,064,705	\$ 387,247	\$ 370,470	\$ 406,601	\$ 540,031	\$ 1,704,349	\$ 257,713	\$ 350,656	\$ 386,314	\$ 445,369	\$ 1,440,052
Income from Equity Method Investments (3)	2,125	2,419	2,298	2,452	9,294	1,610	2,070	1,827	3,331	8,838	1,287	1,664	1,178	2,512	6,641
Interest Expense on Debt (4)	2,261	2,300	2,300	2,340	9,201	2,581	2,425	2,488	2,466	9,960	2,148	2,876	2,592	2,632	10,248
Gain on Sale of Institutional Trust and Independent Fiduciary business of ETC (5)	-	-	-	-	-	-	-	-	(7,808)	(7,808)	-	-	-	-	-
Foreign Exchange Losses from G5 Transaction (6)	-	-	-	-	-	-	-	-	16,266	16,266	-	-	-	-	-
Gain on Transfer of Ownership of Mexican Private Equity Business (7)	-	-	-	-	-	-	-	-	-	-	-	-	(406)	-	(406)
Adjustment to Tax Receivable Agreement Liability (11)	-	-	-	-	-	-	-	-	(77,535)	(77,535)	-	-	-	-	-
<b>Net Revenues - Adjusted</b>	<b>\$ 467,949</b>	<b>\$ 453,196</b>	<b>\$ 385,857</b>	<b>\$ 776,198</b>	<b>\$ 2,083,200</b>	<b>\$ 391,438</b>	<b>\$ 374,965</b>	<b>\$ 410,916</b>	<b>\$ 476,751</b>	<b>\$ 1,654,070</b>	<b>\$ 261,148</b>	<b>\$ 355,196</b>	<b>\$ 389,678</b>	<b>\$ 450,513</b>	<b>\$ 1,456,535</b>
<b>Compensation Expense - U.S. GAAP</b>	\$ 275,494	\$ 265,591	\$ 225,452	\$ 430,636	\$ 1,197,173	\$ 205,558	\$ 236,856	\$ 246,772	\$ 273,326	\$ 962,512	\$ 179,915	\$ 221,334	\$ 231,710	\$ 267,631	\$ 900,590
Amortization of LP Units / Interests and Certain Other Awards (8)	(3,983)	(3,723)	(3,764)	(3,771)	(15,241)	21,371	(17,102)	(9,249)	(6,464)	(11,444)	(31,759)	(20,738)	(13,859)	(14,490)	(80,846)
<b>Compensation Expense - Adjusted</b>	<b>\$ 271,511</b>	<b>\$ 261,868</b>	<b>\$ 221,688</b>	<b>\$ 426,865</b>	<b>\$ 1,181,932</b>	<b>\$ 226,929</b>	<b>\$ 219,754</b>	<b>\$ 237,523</b>	<b>\$ 266,862</b>	<b>\$ 951,068</b>	<b>\$ 148,156</b>	<b>\$ 200,596</b>	<b>\$ 217,851</b>	<b>\$ 253,141</b>	<b>\$ 819,744</b>
<b>Operating Income - U.S. GAAP</b>	\$ 112,549	\$ 104,782	\$ 74,540	\$ 250,206	\$ 542,077	\$ 111,329	\$ 46,266	\$ 87,070	\$ 184,146	\$ 428,811	\$ 16,125	\$ 62,605	\$ 85,085	\$ 97,359	\$ 261,174
Income from Equity Method Investments (3)	2,125	2,419	2,298	2,452	9,294	1,610	2,070	1,827	3,331	8,838	1,287	1,664	1,178	2,512	6,641
<b>Pre-Tax Income - U.S. GAAP</b>	114,674	107,201	76,838	252,658	551,371	112,939	48,336	88,897	187,477	437,649	17,412	64,269	86,263	99,871	267,815
Gain on Sale of Institutional Trust and Independent Fiduciary business of ETC (5)	-	-	-	-	-	-	-	-	(7,808)	(7,808)	-	-	-	-	-
Foreign Exchange Losses from G5 Transaction (6)	-	-	-	-	-	-	-	-	16,266	16,266	-	-	-	-	-
Gain on Transfer of Ownership of Mexican Private Equity Business (7)	-	-	-	-	-	-	-	-	-	-	-	-	(406)	-	(406)
Amortization of LP Units / Interests and Certain Other Awards (8)	3,983	3,723	3,764	3,771	15,241	(21,371)	17,102	9,249	6,464	11,444	31,759	20,738	13,859	14,490	80,846
Special Charges (9)	1,897	-	1,967	1,148	5,012	-	21,507	-	3,930	25,437	-	-	-	8,100	8,100
Intangible Asset Amortization / Other Purchase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounting-related Amortization (10a)	2,157	2,157	2,157	2,157	8,628	2,392	2,392	2,392	2,235	9,411	3,245	2,845	2,538	2,392	11,020
Acquisition and Transition Costs (10b)	21	-	-	-	21	-	377	599	697	1,673	-	(329)	339	89	99
Fair Value of Contingent Consideration (10c)	-	-	-	1,485	1,485	-	-	-	-	-	106	581	984	(564)	1,107
Adjustment to Tax Receivable Agreement Liability (11)	-	-	-	-	-	-	-	-	(77,535)	(77,535)	-	-	-	-	-
<b>Pre-Tax Income - Adjusted</b>	<b>122,732</b>	<b>113,081</b>	<b>84,726</b>	<b>261,219</b>	<b>581,758</b>	<b>93,960</b>	<b>89,714</b>	<b>101,137</b>	<b>131,726</b>	<b>416,537</b>	<b>52,522</b>	<b>88,104</b>	<b>103,577</b>	<b>124,378</b>	<b>368,581</b>
Interest Expense on Debt (4)	2,261	2,300	2,300	2,340	9,201	2,581	2,425	2,488	2,466	9,960	2,148	2,876	2,592	2,632	10,248
<b>Operating Income - Adjusted</b>	<b>\$ 124,993</b>	<b>\$ 115,381</b>	<b>\$ 87,026</b>	<b>\$ 263,559</b>	<b>\$ 590,959</b>	<b>\$ 96,541</b>	<b>\$ 92,139</b>	<b>\$ 103,625</b>	<b>\$ 134,192</b>	<b>\$ 426,497</b>	<b>\$ 54,670</b>	<b>\$ 90,980</b>	<b>\$ 106,169</b>	<b>\$ 127,010</b>	<b>\$ 378,829</b>
Compensation Ratio - U.S. GAAP	59.4%	59.2%	59.1%	55.8%	58.0%	53.1%	63.9%	60.7%	50.6%	56.5%	69.8%	63.1%	60.0%	60.1%	62.5%
Compensation Ratio - Adjusted	58.0%	57.8%	57.5%	55.0%	56.7%	58.0%	58.6%	57.8%	56.0%	57.5%	56.7%	56.5%	55.9%	56.2%	56.3%
Operating Margin - U.S. GAAP	24.3%	23.4%	19.6%	32.4%	26.3%	28.7%	12.5%	21.4%	34.1%	25.2%	6.3%	17.9%	22.0%	21.9%	18.1%
Operating Margin - Adjusted	26.7%	25.5%	22.6%	34.0%	28.4%	24.7%	24.6%	25.2%	28.1%	25.8%	20.9%	25.6%	27.2%	28.2%	26.0%



# U.S. GAAP Segment Reconciliation to Adjusted Results (Unaudited) (dollars in thousands)

	Investment Banking Segment								
	Twelve Months Ended December 31, 2018			Twelve Months Ended December 31, 2017			Twelve Months Ended December 31, 2016		
	U.S. GAAP Basis	Adjustments	Non-GAAP Adjusted Basis	U.S. GAAP Basis	Adjustments	Non-GAAP Adjusted Basis	U.S. GAAP Basis	Adjustments	Non-GAAP Adjusted Basis
Net Revenues:									
Investment Banking:									
Advisory Fees	\$ 1,743,473	\$ 518 (3)	\$ 1,743,991	\$ 1,324,412	\$ 277 (3)	\$ 1,324,689	\$ 1,096,829	\$ 1,370 (3)	\$ 1,098,199
Underwriting Fees	71,691	-	71,691	45,827	-	45,827	36,264	-	36,264
Commissions and Related Fees (1)	200,015	-	200,015	205,630	-	205,630	230,913	-	230,913
Other Revenue, net (1)	(3,156)	9,201 (4)	6,045	58,399	(51,309) (4)(6)(11)	7,090	(147)	9,578 (4)	9,431
Net Revenues	<u>2,012,023</u>	<u>9,719</u>	<u>2,021,742</u>	<u>1,634,268</u>	<u>(51,032)</u>	<u>1,583,236</u>	<u>1,363,859</u>	<u>10,948</u>	<u>1,374,807</u>
Expenses:									
Employee Compensation and Benefits	1,166,169	(15,241) (8)	1,150,928	926,494	(11,444) (8)	915,050	861,139	(80,846) (8)	780,293
Non-compensation Costs	307,486	(10,113) (10)	297,373	270,843	(9,966) (10)	260,877	251,360	(11,326) (10)	240,034
Special Charges	5,012	(5,012) (9)	-	14,400	(14,400) (9)	-	-	-	-
Total Expenses	<u>1,478,667</u>	<u>(30,366)</u>	<u>1,448,301</u>	<u>1,211,737</u>	<u>(35,810)</u>	<u>1,175,927</u>	<u>1,112,499</u>	<u>(92,172)</u>	<u>1,020,327</u>
Operating Income (a)	<u>\$ 533,356</u>	<u>\$ 40,085</u>	<u>\$ 573,441</u>	<u>\$ 422,531</u>	<u>\$ (15,222)</u>	<u>\$ 407,309</u>	<u>\$ 251,360</u>	<u>\$ 103,120</u>	<u>\$ 354,480</u>
Compensation Ratio (b)	58.0%		56.9%	56.7%		57.8%	63.1%		56.8%
Operating Margin (b)	26.5%		28.4%	25.9%		25.7%	18.4%		25.8%
	Investment Management Segment								
	Twelve Months Ended December 31, 2018			Twelve Months Ended December 31, 2017			Twelve Months Ended December 31, 2016		
	U.S. GAAP Basis	Adjustments	Non-GAAP Adjusted Basis	U.S. GAAP Basis	Adjustments	Non-GAAP Adjusted Basis	U.S. GAAP Basis	Adjustments	Non-GAAP Adjusted Basis
Net Revenues:									
Asset Management and Administration Fees (2)	\$ 48,246	\$ 8,776 (3)	\$ 57,022	\$ 59,648	\$ 8,561 (3)	\$ 68,209	\$ 63,404	\$ 5,271 (3)	\$ 68,675
Other Revenue, net (2)	4,436	-	4,436	10,433	(7,808) (5)	2,625	12,789	264 (4)(7)	13,053
Net Revenues	<u>52,682</u>	<u>8,776</u>	<u>61,458</u>	<u>70,081</u>	<u>753</u>	<u>70,834</u>	<u>76,193</u>	<u>5,535</u>	<u>81,728</u>
Expenses:									
Employee Compensation and Benefits	31,004	-	31,004	36,018	-	36,018	39,451	-	39,451
Non-compensation Costs	12,957	(21) (10)	12,936	16,746	(1,118) (10)	15,628	18,828	(900) (10)	17,928
Special Charges	-	-	-	11,037	(11,037) (9)	-	8,100	(8,100) (9)	-
Total Expenses	<u>43,961</u>	<u>(21)</u>	<u>43,940</u>	<u>63,801</u>	<u>(12,155)</u>	<u>51,646</u>	<u>66,379</u>	<u>(9,000)</u>	<u>57,379</u>
Operating Income (a)	<u>\$ 8,721</u>	<u>\$ 8,797</u>	<u>\$ 17,518</u>	<u>\$ 6,280</u>	<u>\$ 12,908</u>	<u>\$ 19,188</u>	<u>\$ 9,814</u>	<u>\$ 14,535</u>	<u>\$ 24,349</u>
Compensation Ratio (b)	58.9%		50.4%	51.4%		50.8%	51.8%		48.3%
Operating Margin (b)	16.6%		28.5%	9.0%		27.1%	12.9%		29.8%

(a) Operating Income for U.S. GAAP excludes Income (Loss) from Equity Method Investments.

(b) Reconciliations of the key metrics from U.S. GAAP to Adjusted results are a derivative of the reconciliations of their components above.

# U.S. GAAP Segment Reconciliation to Adjusted Results (Unaudited) (dollars in thousands)

## Investment Banking Segment

	Three Months Ended March 31, 2018			Three Months Ended June 30, 2018			Three Months Ended September 30, 2018			Three Months Ended December 31, 2018		
	U.S. GAAP Basis	Adjustments	Non-GAAP Adjusted Basis	U.S. GAAP Basis	Adjustments	Non-GAAP Adjusted Basis	U.S. GAAP Basis	Adjustments	Non-GAAP Adjusted Basis	U.S. GAAP Basis	Adjustments	Non-GAAP Adjusted Basis
	Net Revenues:											
Investment Banking:												
Advisory Fees	\$ 378,315	\$ -	\$ 378,315	\$ 362,995	\$ 297 (3)	\$ 363,292	\$ 305,949	\$ -	\$ 305,949	\$ 696,214	\$ 221 (3)	\$ 696,435
Underwriting Fees	30,279	-	30,279	21,065	-	21,065	11,440	-	11,440	8,907	-	8,907
Commissions and Related Fees	43,034	-	43,034	51,076	-	51,076	45,337	-	45,337	60,568	-	60,568
Other Revenue, net	(1,428)	2,261 (4)	833	539	2,300 (4)	2,839	4,108	2,300 (4)	6,408	(6,375)	2,340 (4)	(4,035)
Net Revenues	<u>450,200</u>	<u>2,261</u>	<u>452,461</u>	<u>435,675</u>	<u>2,597</u>	<u>438,272</u>	<u>366,834</u>	<u>2,300</u>	<u>369,134</u>	<u>759,314</u>	<u>2,561</u>	<u>761,875</u>
Expenses:												
Employee Compensation and Benefits	267,539	(3,983) (8)	263,556	258,142	(3,723) (8)	254,419	217,471	(3,764) (8)	213,707	423,017	(3,771) (8)	419,246
Non-compensation Costs	70,284	(2,157) (10)	68,127	74,875	(2,157) (10)	72,718	76,259	(2,157) (10)	74,102	86,068	(3,642) (10)	82,426
Special Charges	1,897	(1,897) (9)	-	-	-	-	1,967	(1,967) (9)	-	1,148	(1,148) (9)	-
Total Expenses	<u>339,720</u>	<u>(8,037)</u>	<u>331,683</u>	<u>333,017</u>	<u>(5,880)</u>	<u>327,137</u>	<u>295,697</u>	<u>(7,888)</u>	<u>287,809</u>	<u>510,233</u>	<u>(8,561)</u>	<u>501,672</u>
Operating Income (a)	<u>\$ 110,480</u>	<u>\$ 10,298</u>	<u>\$ 120,778</u>	<u>\$ 102,658</u>	<u>\$ 8,477</u>	<u>\$ 111,135</u>	<u>\$ 71,137</u>	<u>\$ 10,188</u>	<u>\$ 81,325</u>	<u>\$ 249,081</u>	<u>\$ 11,122</u>	<u>\$ 260,203</u>
Compensation Ratio (b)	59.4%		58.2%	59.3%		58.1%	59.3%		57.9%	55.7%		55.0%
Operating Margin (b)	24.5%		26.7%	23.6%		25.4%	19.4%		22.0%	32.8%		34.2%

## Investment Management Segment

	Three Months Ended March 31, 2018			Three Months Ended June 30, 2018			Three Months Ended September 30, 2018			Three Months Ended December 31, 2018		
	U.S. GAAP Basis	Adjustments	Non-GAAP Adjusted Basis	U.S. GAAP Basis	Adjustments	Non-GAAP Adjusted Basis	U.S. GAAP Basis	Adjustments	Non-GAAP Adjusted Basis	U.S. GAAP Basis	Adjustments	Non-GAAP Adjusted Basis
	Net Revenues:											
Asset Management and Administration Fees	\$ 11,755	\$ 2,125 (3)	\$ 13,880	\$ 12,170	\$ 2,122 (3)	\$ 14,292	\$ 12,678	\$ 2,298 (3)	\$ 14,976	\$ 11,643	\$ 2,231 (3)	\$ 13,874
Other Revenue, net	1,608	-	1,608	632	-	632	1,747	-	1,747	449	-	449
Net Revenues	<u>13,363</u>	<u>2,125</u>	<u>15,488</u>	<u>12,802</u>	<u>2,122</u>	<u>14,924</u>	<u>14,425</u>	<u>2,298</u>	<u>16,723</u>	<u>12,092</u>	<u>2,231</u>	<u>14,323</u>
Expenses:												
Employee Compensation and Benefits	7,955	-	7,955	7,449	-	7,449	7,981	-	7,981	7,619	-	7,619
Non-compensation Costs	3,339	(21) (10)	3,318	3,229	-	3,229	3,041	-	3,041	3,348	-	3,348
Total Expenses	<u>11,294</u>	<u>(21)</u>	<u>11,273</u>	<u>10,678</u>	<u>-</u>	<u>10,678</u>	<u>11,022</u>	<u>-</u>	<u>11,022</u>	<u>10,967</u>	<u>-</u>	<u>10,967</u>
Operating Income (a)	<u>\$ 2,069</u>	<u>\$ 2,146</u>	<u>\$ 4,215</u>	<u>\$ 2,124</u>	<u>\$ 2,122</u>	<u>\$ 4,246</u>	<u>\$ 3,403</u>	<u>\$ 2,298</u>	<u>\$ 5,701</u>	<u>\$ 1,125</u>	<u>\$ 2,231</u>	<u>\$ 3,356</u>
Compensation Ratio (b)	59.5%		51.4%	58.2%		49.9%	55.3%		47.7%	63.0%		53.2%
Operating Margin (b)	15.5%		27.2%	16.6%		28.5%	23.6%		34.1%	9.3%		23.4%

(a) Operating Income for U.S. GAAP excludes Income (Loss) from Equity Method Investments.

(b) Reconciliations of the key metrics from U.S. GAAP to Adjusted results are a derivative of the reconciliations of their components above.

# U.S. GAAP Segment Reconciliation to Adjusted Results (Unaudited) (dollars in thousands)

## Investment Banking Segment

	Three Months Ended March 31, 2017			Three Months Ended June 30, 2017			Three Months Ended September 30, 2017			Three Months Ended December 31, 2017		
	U.S. GAAP Basis	Adjustments	Non-GAAP Adjusted Basis	U.S. GAAP Basis	Adjustments	Non-GAAP Adjusted Basis	U.S. GAAP Basis	Adjustments	Non-GAAP Adjusted Basis	U.S. GAAP Basis	Adjustments	Non-GAAP Adjusted Basis
Net Revenues:												
Investment Banking:												
Advisory Fees	\$ 312,284	\$ (149)	(3) \$ 312,135	\$ 294,804	\$ 113	(3) \$ 294,917	\$ 332,753	\$ (75)	(3) \$ 332,678	\$ 384,571	\$ 388	(3) \$ 384,959
Underwriting Fees	9,980	-	9,980	9,156	-	9,156	11,034	-	11,034	15,657	-	15,657
Commissions and Related Fees (1)	49,684	-	49,684	53,824	-	53,824	45,390	-	45,390	56,732	-	56,732
Other Revenue, net (1)	(1,178)	2,581	(4) 1,403	(1,375)	2,425	(4) 1,050	(878)	2,488	(4) 1,610	61,830	(58,803)	(4)(6)(11) 3,027
Net Revenues	<u>370,770</u>	<u>2,432</u>	<u>373,202</u>	<u>356,409</u>	<u>2,538</u>	<u>358,947</u>	<u>388,299</u>	<u>2,413</u>	<u>390,712</u>	<u>518,790</u>	<u>(58,415)</u>	<u>460,375</u>
Expenses:												
Employee Compensation and Benefits	196,125	21,371	(8) 217,496	227,544	(17,102)	(8) 210,442	236,564	(9,249)	(8) 227,315	266,261	(6,464)	(8) 259,797
Non-compensation Costs	66,488	(2,392)	(10) 64,096	61,667	(2,392)	(10) 59,275	68,448	(2,499)	(10) 65,949	74,240	(2,683)	(10) 71,557
Special Charges	-	-	-	14,400	(14,400)	(9) -	-	-	-	-	-	-
Total Expenses	<u>262,613</u>	<u>18,979</u>	<u>281,592</u>	<u>303,611</u>	<u>(33,894)</u>	<u>269,717</u>	<u>305,012</u>	<u>(11,748)</u>	<u>293,264</u>	<u>340,501</u>	<u>(9,147)</u>	<u>331,354</u>
Operating Income (a)	<u>\$ 108,157</u>	<u>\$ (16,547)</u>	<u>\$ 91,610</u>	<u>\$ 52,798</u>	<u>\$ 36,432</u>	<u>\$ 89,230</u>	<u>\$ 83,287</u>	<u>\$ 14,161</u>	<u>\$ 97,448</u>	<u>\$ 178,289</u>	<u>\$ (49,268)</u>	<u>\$ 129,021</u>
Compensation Ratio (b)	52.9%		58.3%	63.8%		58.6%	60.9%		58.2%	51.3%		56.4%
Operating Margin (b)	29.2%		24.5%	14.8%		24.9%	21.4%		24.9%	34.4%		28.0%

## Investment Management Segment

	Three Months Ended March 31, 2017			Three Months Ended June 30, 2017			Three Months Ended September 30, 2017			Three Months Ended December 31, 2017		
	U.S. GAAP Basis	Adjustments	Non-GAAP Adjusted Basis	U.S. GAAP Basis	Adjustments	Non-GAAP Adjusted Basis	U.S. GAAP Basis	Adjustments	Non-GAAP Adjusted Basis	U.S. GAAP Basis	Adjustments	Non-GAAP Adjusted Basis
Net Revenues:												
Asset Management and Administration Fees (2)	\$ 15,282	\$ 1,759	(3) \$ 17,041	\$ 15,471	\$ 1,957	(3) \$ 17,428	\$ 16,284	\$ 1,902	(3) \$ 18,186	\$ 12,611	\$ 2,943	(3) \$ 15,554
Other Revenue, net (2)	1,195	-	1,195	(1,410)	-	(1,410)	2,018	-	2,018	8,630	(7,808)	(5) 822
Net Revenues	<u>16,477</u>	<u>1,759</u>	<u>18,236</u>	<u>14,061</u>	<u>1,957</u>	<u>16,018</u>	<u>18,302</u>	<u>1,902</u>	<u>20,204</u>	<u>21,241</u>	<u>(4,865)</u>	<u>16,376</u>
Expenses:												
Employee Compensation and Benefits	9,433	-	9,433	9,312	-	9,312	10,208	-	10,208	7,065	-	7,065
Non-compensation Costs	3,872	-	3,872	4,174	(377)	(10) 3,797	4,311	(492)	(10) 3,819	4,389	(249)	(10) 4,140
Special Charges	-	-	-	7,107	(7,107)	(9) -	-	-	-	3,930	(3,930)	(9) -
Total Expenses	<u>13,305</u>	<u>-</u>	<u>13,305</u>	<u>20,593</u>	<u>(7,484)</u>	<u>13,109</u>	<u>14,519</u>	<u>(492)</u>	<u>14,027</u>	<u>15,384</u>	<u>(4,179)</u>	<u>11,205</u>
Operating Income (Loss) (a)	<u>\$ 3,172</u>	<u>\$ 1,759</u>	<u>\$ 4,931</u>	<u>\$ (6,532)</u>	<u>\$ 9,441</u>	<u>\$ 2,909</u>	<u>\$ 3,783</u>	<u>\$ 2,394</u>	<u>\$ 6,177</u>	<u>\$ 5,857</u>	<u>\$ (686)</u>	<u>\$ 5,171</u>
Compensation Ratio (b)	57.2%		51.7%	66.2%		58.1%	55.8%		50.5%	33.3%		43.1%
Operating Margin (b)	19.3%		27.0%	(46.5%)		18.2%	20.7%		30.6%	27.6%		31.6%

(a) Operating Income for U.S. GAAP excludes Income (Loss) from Equity Method Investments.

(b) Reconciliations of the key metrics from U.S. GAAP to Adjusted results are a derivative of the reconciliations of their components above.

# U.S. GAAP Segment Reconciliation to Adjusted Results (Unaudited) (dollars in thousands)

## Investment Banking Segment

	Three Months Ended March 31, 2016			Three Months Ended June 30, 2016			Three Months Ended September 30, 2016			Three Months Ended December 31, 2016						
	U.S. GAAP Basis	Adjustments	Non-GAAP Adjusted Basis	U.S. GAAP Basis	Adjustments	Non-GAAP Adjusted Basis	U.S. GAAP Basis	Adjustments	Non-GAAP Adjusted Basis	U.S. GAAP Basis	Adjustments	Non-GAAP Adjusted Basis				
Net Revenues:																
Investment Banking:																
Advisory Fees	\$ 180,102	\$ (272)	(3)	\$ 179,830	\$ 256,758	\$ 290	(3)	\$ 257,048	\$ 306,993	\$ (112)	(3)	\$ 306,881	\$ 352,976	\$ 1,464	(3)	\$ 354,440
Underwriting Fees	3,306	-		3,306	13,238	-		13,238	7,929	-		7,929	11,791	-		11,791
Commissions and Related Fees (1)	57,356	-		57,356	57,054	-		57,054	53,504	-		53,504	62,999	-		62,999
Other Revenue, net (1)	(1,051)	1,478	(4)	427	1,107	2,876	(4)	3,983	208	2,592	(4)	2,800	(411)	2,632	(4)	2,221
Net Revenues	<u>239,713</u>	<u>1,206</u>		<u>240,919</u>	<u>328,157</u>	<u>3,166</u>		<u>331,323</u>	<u>368,634</u>	<u>2,480</u>		<u>371,114</u>	<u>427,355</u>	<u>4,096</u>		<u>431,451</u>
Expenses:																
Employee Compensation and Benefits	169,718	(31,759)	(8)	137,959	208,916	(20,738)	(8)	188,178	221,380	(13,859)	(8)	207,521	261,125	(14,490)	(8)	246,635
Non-compensation Costs	57,574	(3,269)	(10)	54,305	61,404	(2,666)	(10)	58,738	64,708	(3,563)	(10)	61,145	67,674	(1,828)	(10)	65,846
Total Expenses	<u>227,292</u>	<u>(35,028)</u>		<u>192,264</u>	<u>270,320</u>	<u>(23,404)</u>		<u>246,916</u>	<u>286,088</u>	<u>(17,422)</u>		<u>268,666</u>	<u>328,799</u>	<u>(16,318)</u>		<u>312,481</u>
Operating Income (a)	<u>\$ 12,421</u>	<u>\$ 36,234</u>		<u>\$ 48,655</u>	<u>\$ 57,837</u>	<u>\$ 26,570</u>		<u>\$ 84,407</u>	<u>\$ 82,546</u>	<u>\$ 19,902</u>		<u>\$ 102,448</u>	<u>\$ 98,556</u>	<u>\$ 20,414</u>		<u>\$ 118,970</u>
Compensation Ratio (b)	70.8%			57.3%	63.7%			56.8%	60.1%			55.9%	61.1%			57.2%
Operating Margin (b)	5.2%			20.2%	17.6%			25.5%	22.4%			27.6%	23.1%			27.6%

## Investment Management Segment

	Three Months Ended March 31, 2016			Three Months Ended June 30, 2016			Three Months Ended September 30, 2016			Three Months Ended December 31, 2016						
	U.S. GAAP Basis	Adjustments	Non-GAAP Adjusted Basis	U.S. GAAP Basis	Adjustments	Non-GAAP Adjusted Basis	U.S. GAAP Basis	Adjustments	Non-GAAP Adjusted Basis	U.S. GAAP Basis	Adjustments	Non-GAAP Adjusted Basis				
Net Revenues:																
Asset Management and Administration																
Fees (2)	\$ 15,506	\$ 1,559	(3)	\$ 17,065	\$ 16,042	\$ 1,374	(3)	\$ 17,416	\$ 16,024	\$ 1,290	(3)	\$ 17,314	\$ 15,832	\$ 1,048	(3)	\$ 16,880
Other Revenue, net (2)	2,494	670	(4)	3,164	6,457	-		6,457	1,656	(406)	(7)	1,250	2,182	-		2,182
Net Revenues	<u>18,000</u>	<u>2,229</u>		<u>20,229</u>	<u>22,499</u>	<u>1,374</u>		<u>23,873</u>	<u>17,680</u>	<u>884</u>		<u>18,564</u>	<u>18,014</u>	<u>1,048</u>		<u>19,062</u>
Expenses:																
Employee Compensation and Benefits	10,197	-		10,197	12,418	-		12,418	10,330	-		10,330	6,506	-		6,506
Non-compensation Costs	4,099	(82)	(10)	4,017	5,313	(431)	(10)	4,882	4,811	(298)	(10)	4,513	4,605	(89)	(10)	4,516
Special Charges	-	-		-	-	-		-	-	-		-	8,100	(8,100)	(9)	-
Total Expenses	<u>14,296</u>	<u>(82)</u>		<u>14,214</u>	<u>17,731</u>	<u>(431)</u>		<u>17,300</u>	<u>15,141</u>	<u>(298)</u>		<u>14,843</u>	<u>19,211</u>	<u>(8,189)</u>		<u>11,022</u>
Operating Income (Loss) (a)	<u>\$ 3,704</u>	<u>\$ 2,311</u>		<u>\$ 6,015</u>	<u>\$ 4,768</u>	<u>\$ 1,805</u>		<u>\$ 6,573</u>	<u>\$ 2,539</u>	<u>\$ 1,182</u>		<u>\$ 3,721</u>	<u>\$ (1,197)</u>	<u>\$ 9,237</u>		<u>\$ 8,040</u>
Compensation Ratio (b)	56.7%			50.4%	55.2%			52.0%	58.4%			55.6%	36.1%			34.1%
Operating Margin (b)	20.6%			29.7%	21.2%			27.5%	14.4%			20.0%	(6.6%)			42.2%

(a) Operating Income for U.S. GAAP excludes Income (Loss) from Equity Method Investments.

(b) Reconciliations of the key metrics from U.S. GAAP to Adjusted results are a derivative of the reconciliations of their components above.

## U.S. GAAP Reconciliation to Adjusted Results (Unaudited)

---

### Footnotes

1. Other Revenue, net, includes (\$10), (\$253), (\$343) and (\$95) of principal trading losses that were previously included in Investment Banking Revenue for the three months ended March 31, 2017, June 30, 2017, September 30, 2017 and December 31, 2017, respectively, and (\$701) for the twelve months ended December 31, 2017, to conform to the current presentation. Other Revenue, net, includes (\$138), \$124, \$8 and \$98 of principal trading gains (losses) that were previously included in Investment Banking Revenue for the three months ended March 31, 2016, June 30, 2016, September 30, 2016 and December 31, 2016, respectively, and \$92 for the twelve months ended December 31, 2016, to conform to the current presentation.
2. Other Revenue, net, includes \$1,064, (\$1,589), \$1,952 and \$610 of net realized and unrealized gains (losses) on private equity investments that were previously included in Investment Management Revenue for the three months ended March 31, 2017, June 30, 2017, September 30, 2017 and December 31, 2017, respectively, and \$2,037 for the twelve months ended December 31, 2017, to conform to the current presentation. Other Revenue, net, includes \$2,923, \$6,213, \$1,134 and \$2,133 of net realized and unrealized gains on private equity investments that were previously included in Investment Management Revenue for the three months ended March 31, 2016, June 30, 2016, September 30, 2016 and December 31, 2016, respectively, and \$12,403 for the twelve months ended December 31, 2016, to conform to the current presentation.
3. Income (Loss) from Equity Method Investments has been reclassified to Revenue in the Adjusted presentation.
4. Interest Expense on Debt is excluded from Net Revenues and presented below Operating Income in the Adjusted results and is included in Interest Expense on a U.S. GAAP basis.
5. The gain resulting from the sale of the Institutional Trust and Independent Fiduciary business of ETC in the fourth quarter of 2017 is excluded from the Adjusted presentation.
6. Release of cumulative foreign exchange losses resulting from the restructuring of our equity method investment in G5 in the fourth quarter of 2017 are excluded from the Adjusted presentation.
7. The gain resulting from the transfer of ownership of the Mexican Private Equity business in the third quarter of 2016 is excluded from the Adjusted presentation.
8. Expenses or reversal of expenses incurred from the assumed vesting of Class E LP Units, Class G and H LP Interests and Class J LP Units issued in conjunction with the acquisition of ISI are excluded from the Adjusted presentation.

## U.S. GAAP Reconciliation to Adjusted Results (Unaudited)

---

### Footnotes

9. Expenses during 2018 that are excluded from the Adjusted presentation relate to separation benefits and costs of terminating certain contracts associated with closing the agency trading platform in the U.K. and separation benefits and related charges associated with the Company's businesses in Mexico, as well as the acceleration of depreciation expense for leasehold improvements in conjunction with the previously announced expansion of our headquarters in New York. Expenses during 2017 that are excluded from the Adjusted presentation relate to a charge for the impairment of goodwill in the Institutional Asset Management reporting unit and a charge for the impairment of our investment in G5 in the second quarter and the sale of the Institutional Trust and Independent Fiduciary business of ETC during the fourth quarter. Expenses during 2016 that are excluded from the Adjusted presentation relate to a charge for the impairment of our investment in Atalanta Sosnoff during the fourth quarter.
10. Non-compensation Costs on an Adjusted basis reflect the following adjustments:
  - a. The exclusion from the Adjusted presentation of expenses associated with amortization of intangible assets and other purchase accounting-related amortization from the acquisition of ISI and certain other acquisitions.
  - b. Primarily the exclusion from the Adjusted presentation of professional fees incurred and costs related to transitioning acquisitions or divestitures.
  - c. The exclusion from the Adjusted presentation of the expense, or reversal of expense, associated with the changes in fair value of contingent consideration issued to the sellers of certain of the Company's acquisitions.
11. Evercore is organized as a series of Limited Liability Companies, Partnerships, C-Corporations and a Public Corporation and therefore, not all of the Company's income is subject to corporate-level taxes. As a result, adjustments have been made to the Adjusted earnings to assume that the Company is subject to the statutory tax rates of a C-Corporation under a conventional corporate tax structure in the U.S. at the prevailing corporate rates and that all deferred tax assets relating to foreign operations are fully realizable within the structure on a consolidated basis. This assumption is consistent with the assumption that certain Evercore LP Units and Interests are vested and exchanged into Class A shares, as the assumed exchange would change the tax structure of the Company. Excluded from the Company's Adjusted results are adjustments, described below, related to the impact of the enactment of the Tax Cuts and Jobs Act that was signed into law on December 22, 2017, which resulted in a reduction in income tax rates in the U.S. in 2018 and future years. The enactment of this tax reform resulted in a charge to the Provision for Income Taxes for the fourth quarter of 2017 of \$143.3 million primarily resulting from the estimated re-measurement of net deferred tax assets, which relates principally to temporary differences from the step-up in basis associated with the exchange of partnership units, deferred compensation, accumulated other comprehensive income and depreciation of fixed assets and leasehold improvements. The tax reform also resulted in an estimated adjustment to Other Revenue of \$77.5 million in the fourth quarter of 2017 related to the re-measurement of amounts due pursuant to our tax receivable agreement, which was reduced due to the lower enacted income tax rates in the U.S. in 2018 and future years.