

STIFEL

Ronald J. Kruszewski
Chairman and Chief Executive Officer

December 1, 2018

Dear Valued Client:

As part of our ongoing commitment to being your Advisor of Choice, we recognize the importance of ensuring Stifel is a financially strong and stable place to hold your assets.

To that end, we employ sound business practices, avoiding the excessive leverage that adversely affected many firms during the financial crisis more than a decade ago. As made evident by the financial crisis, absolute size is not an indication of financial strength. At Stifel, we believe an important measure of strength is equity capital relative to size.

Stifel continues to maintain a strong capital position, and the following ratios as of September 30, 2018, illustrate our financial strength:

- Stifel Financial Corp., our holding company, has a Tier 1 capital ratio of 18.0%, which is 1.9 times the required level.
- Stifel, Nicolaus & Company, Incorporated, our broker-dealer, has a net capital ratio of 20%, 9 times the required level.

In addition, it is important to note that holding securities with Stifel is secure. Stifel's clients have the same right as clients of banks/trusts companies to reclaim securities free from any general creditor claims because, in both cases, client securities are not considered assets of the firm.

Our conservative approach has helped Stifel Financial Corp. achieve 22 consecutive years of record net revenues. We remain focused on our core capabilities, which have guided us for 128 years. The end result is a firm that is well positioned for years to come.

Thank you for your continued trust and for allowing us to assist you in pursuing your financial goals.

Sincerely,

