

The background of the slide features a large, detailed sculpture of two bears in a physical struggle, known as the 'FORCES' statue by Harry Weber. The sculpture is rendered in a light, textured material, possibly stone or concrete, and is set against a soft, hazy sky. The word 'STIFEL' is overlaid on the left side of the image in a dark blue, serif font.

# STIFEL

## 4th Quarter & Full Year 2019 Financial Results Presentation January 30, 2020

Stifel's **"FORCES"** statue by Harry Weber

# Disclaimer

## Forward-Looking Statements

This presentation may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 that involve significant risks, assumptions, and uncertainties, including statements relating to the market opportunity and future business prospects of Stifel Financial Corp., as well as Stifel, Nicolaus & Company, Incorporated and its subsidiaries (collectively, “SF” or the “Company”). These statements can be identified by the use of the words “may,” “will,” “should,” “could,” “would,” “plan,” “potential,” “estimate,” “project,” “believe,” “intend,” “anticipate,” “expect,” and similar expressions. In particular, these statements may refer to our goals, intentions, and expectations, our business plans and growth strategies, our ability to integrate and manage our acquired businesses, estimates of our risks and future costs and benefits, and forecasted demographic and economic trends relating to our industry.

You should not place undue reliance on any forward-looking statements, which speak only as of the date they were made. We will not update these forward-looking statements, even though our situation may change in the future, unless we are obligated to do so under federal securities laws.

Actual results may differ materially and reported results should not be considered as an indication of future performance. Factors that could cause actual results to differ are included in the Company’s annual and quarterly reports and from time to time in other reports filed by the Company with the Securities and Exchange Commission and include, among other things, changes in general economic and business conditions, actions of competitors, regulatory and legal actions, changes in legislation, and technology changes.

## Use of Non-GAAP Financial Measures

The Company utilized certain non-GAAP calculations as additional measures to aid in understanding and analyzing the Company’s financial results for the three and twelve months ended December 31, 2019. Specifically, the Company believes that the non-GAAP measures provide useful information by excluding certain items that may not be indicative of the Company’s core operating results and business outlook. The Company believes that these non-GAAP measures will allow for a better evaluation of the operating performance of the business and facilitate a meaningful comparison of the Company’s results in the current period to those in prior and future periods. Reference to these non-GAAP measures should not be considered as a substitute for results that are presented in a manner consistent with GAAP. These non-GAAP measures are provided to enhance investors’ overall understanding of the Company’s current financial performance. The non-GAAP financial information should be considered in addition to, not as a substitute for or as being superior to, operating income, cash flows, or other measures of financial performance prepared in accordance with GAAP. These non-GAAP measures primarily exclude expenses which management believes are, in some instances, non-recurring and not representative of ongoing business..

A limitation of utilizing these non-GAAP measures is that the GAAP accounting effects of these charges do, in fact, reflect the underlying financial results of the Company’s business and these effects should not be ignored in evaluating and analyzing its financial results. Therefore, the Company believes that GAAP measures and the same respective non-GAAP measures of the Company’s financial performance should be considered together.

# Full Year Results

- 24th Consecutive Year of Record Net Revenue of \$3.34 billion, up 10%
- Record GAAP EPS of \$5.49, up 16%
- Record Non-GAAP EPS of \$6.10, up 16%
- Record Investment Banking Revenue of \$817 million, up 16%
- Record Asset Management & Services Fees of \$848 million, up 5%
- Record Net Interest Income of \$547 million, up 15%
- Record Client Assets of \$330 billion, up 22% Y/Y
- Record Fee-based Assets of \$117 billion, up 30%, Y/Y
- Recruited 150 Financial Advisors with \$119 million of trailing 12 month production
- Repurchased more than 3.9 million shares at an average price of \$54.94
- Raising Quarterly Dividend by 13% to \$0.17

Financial Highlights (000s, except per share data)	Full Year Non-GAAP			Full Year U.S. GAAP		
	2019	2018	% Change	2019	2018	% Change
Net revenues	\$3,337,204	\$3,024,906	10%	\$3,337,030	\$3,024,881	10%
Pre-tax income	\$663,849	\$592,374	12%	\$599,138	\$534,362	12%
Net income	\$498,545	\$438,817	14%	\$449,986	\$393,968	14%
Preferred dividend & Non-controlling interest	\$18,909	\$9,375	102%	\$18,909	\$9,375	102%
Net income available to common shareholders	\$479,636	\$429,442	12%	\$431,077	\$384,593	12%
<b>Earnings per diluted share available to common shareholders</b>	<b>\$6.10</b>	<b>\$5.28</b>	<b>16%</b>	<b>\$5.49</b>	<b>\$4.73</b>	<b>16%</b>
Compensation ratio	58.3%	58.0%	30 bps	59.3%	58.5%	80 bps
Non-compensation ratio	21.8%	22.4%	-60 bps	22.7%	23.8%	-110 bps
Pre-tax operating margin	19.9%	19.6%	30 bps	18.0%	17.7%	30 bps
Effective tax rate	25.0%	25.9%	-90 bps	25.0%	26.3%	-130 bps

# Four Years of Substantial Growth

(millions)	2015**	2016**	2017	2018	2019	2015-2019 Change
<b>Income Statement*</b>						
Total net revenue	\$2,335	\$2,580	\$2,928	\$3,025	\$3,337	43%
<i>growth</i>		10%	13%	3%	10%	
Net income available to common shareholders	\$149	\$186	\$323	\$429	\$480	222%
<i>growth</i>		25%	74%	33%	12%	
Earnings per share	\$1.90	\$2.39	\$4.11	\$5.28	\$6.10	221%
<i>growth</i>		26%	72%	28%	16%	
Weighted-average diluted shares	78.6	77.6	81.0	81.3	78.6	0%
<b>Ratios*</b>						
Compensation ratio	64.5%	63.1%	61.2%	58.0%	58.3%	-620 bps
Non-compensation ratio	25.5%	25.0%	21.7%	22.4%	21.8%	-370 bps
Pre-tax margin	10.0%	11.9%	17.1%	19.6%	19.9%	990 bps
Non-GAAP ROTCE	10.0%	12.3%	20.6%	24.4%	24.6%	1460 bps
<b>Metrics</b>						
Assets	\$13,326	\$19,129	\$21,384	\$24,520	\$24,160	81%
Common equity	\$2,492	\$2,588	\$2,712	\$3,018	\$3,305	33%
Total client AUA	\$234,070	\$236,942	\$272,591	\$269,862	\$329,495	41%
Total client fee-based assets	\$62,679	\$70,195	\$87,560	\$90,174	\$117,189	87%

\* Income statement & Ratios are Non-GAAP

\*\* 2015 & 2016 Income Statement & Ratios exclude duplicative acquisition costs

# Fourth Quarter Results

- Record Non-GAAP Net Revenue of \$944 million, up 19% Y/Y.
- Record Asset Management & Services Fees of \$224 million, up 7% Y/Y.
- Record Investment Banking Revenue of \$278 million, up 38% Y/Y
- Record Non-GAAP Net Income Available to Common Shareholders of \$147 million, up 16% Y/Y
- Record non-GAAP EPS of \$1.88, up 20% Y/Y
- Record GAAP EPS of \$1.62, up 17% Y/Y
- Non-GAAP Pre-tax Margin of 20.5%, up 30 bps Q/Q
- Non-GAAP ROCE of 18.2% & Non-GAAP ROTCE of 30.6%
- Repurchased approximately 0.6 million shares at an average price of \$54.15
- Closed Acquisitions of MainFirst & GMP Capital

Financial Highlights <i>(000s, except per share data)</i>	Three Months Ended Non-GAAP					Three Months Ended U.S. GAAP		
	4Q19	4Q18	% Change	3Q19	% Change	4Q19	4Q18	3Q19
Net revenues	\$944,425	\$793,449	19%	\$821,572	15%	\$944,251	\$793,449	\$821,572
Pre-tax Income	\$194,035	\$173,663	12%	\$165,604	17%	\$162,593	\$155,931	\$150,754
Net income	\$151,420	\$129,134	17%	\$122,698	23%	\$130,668	\$114,062	\$110,122
Preferred dividend & Non-controlling interest	\$4,821	\$2,344	106%	\$5,552	-13%	\$4,821	\$2,344	\$5,552
Net income available to common shareholders	\$146,599	\$126,790	16%	\$117,146	25%	\$125,847	\$111,718	\$104,570
<b>Earnings per diluted share available to common shareholders</b>	<b>\$1.88</b>	<b>\$1.57</b>	<b>20%</b>	<b>\$1.50</b>	<b>25%</b>	<b>\$1.62</b>	<b>\$1.38</b>	<b>\$1.34</b>
Compensation ratio	58.3%	56.0%	230 bps	58.1%	20 bps	60.0%	56.5%	59.2%
Non-compensation ratio	21.2%	22.1%	-90 bps	21.7%	-50 bps	22.8%	23.8%	22.5%
Pre-tax operating margin	20.5%	21.9%	-140 bps	20.2%	30 bps	17.2%	19.7%	18.3%
Effective tax rate	22.0%	25.6%	-360 bps	26.0%	-400 bps	19.6%	26.9%	27.1%

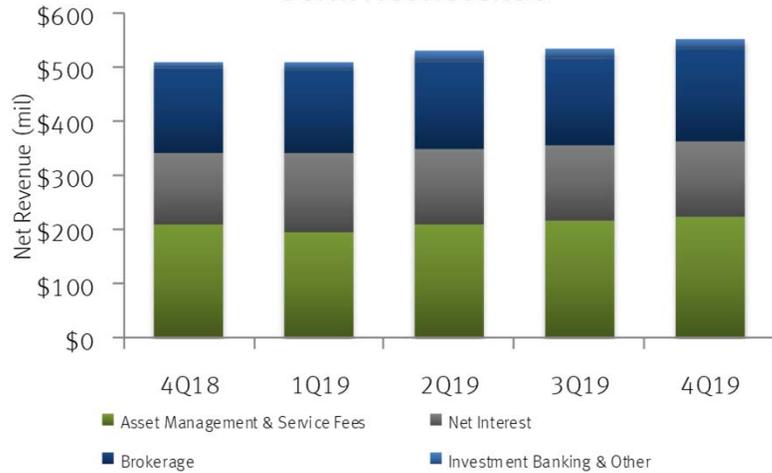
The background of the slide features two large, detailed sculptures of mammoths. One is in the foreground, facing right, with its trunk and tusks visible. Another is behind it, facing left. The sculptures are set against a light, cloudy sky. A dark blue horizontal band is overlaid across the middle of the image, containing the title text.

# Segment Results & Operating Revenue

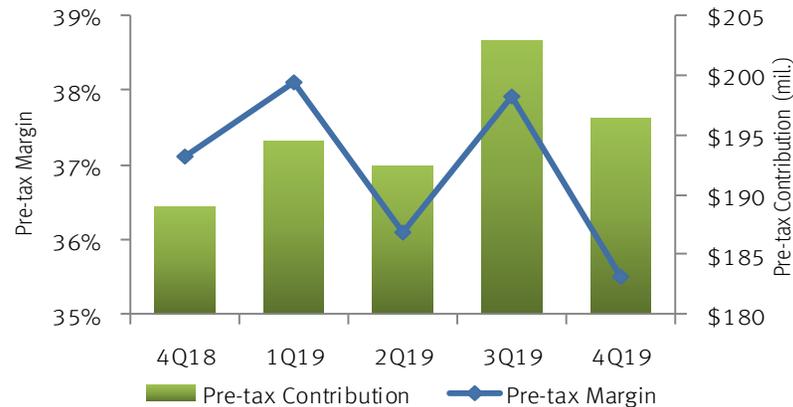
STIFEL

# Global Wealth Management

GWM Net Revenue



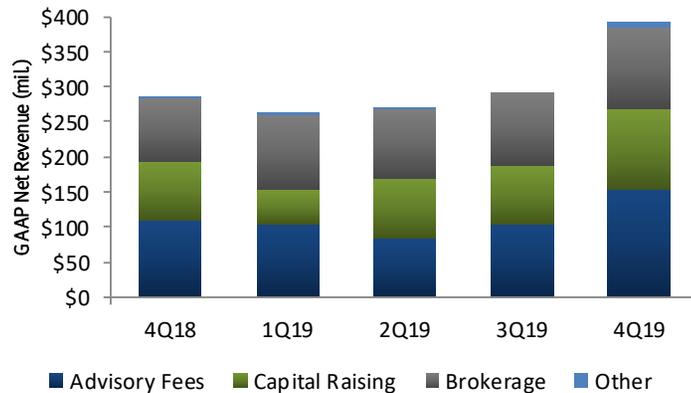
GWM Pre-tax Margin & Contribution



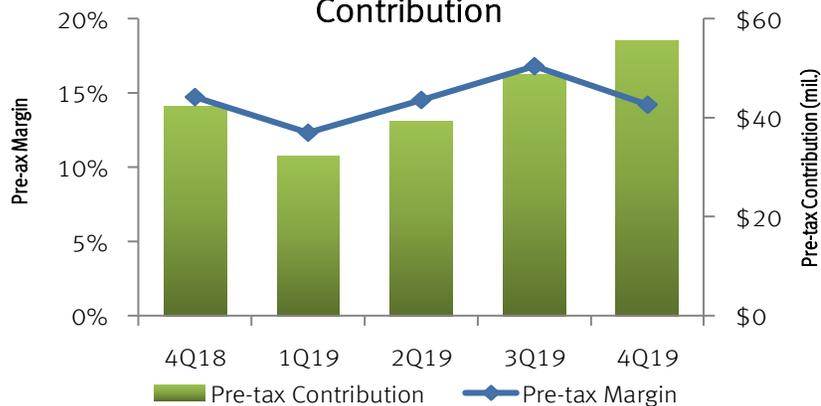
<i>millions</i>	4Q19	Y/Y Change	Sequential Change	2019	YTD Change
<b>Global Wealth Management Revenue</b>					
Commissions	\$129	10%	9%	\$477	1%
Principal Transactions	\$45	11%	7%	\$172	4%
Brokerage	\$174	11%	9%	\$650	2%
Asset Management & Service Fees	\$224	7%	3%	\$848	5%
Net Interest	\$138	4%	0%	\$559	11%
Investment Banking	\$9	17%	-6%	\$38	21%
Other	\$8	392%	-15%	\$36	215%
<b>Total Global Wealth Management Net Revenue</b>	<b>\$553</b>	<b>9%</b>	<b>3%</b>	<b>\$2,131</b>	<b>7%</b>
Comp. Ratio	49.7%	120 bps	70 bps	49.1%	50 bps
Non-Comp. Ratio	14.8%	40 bps	170 bps	14.0%	-40 bps
Pre-tax Margin	35.5%	-160 bps	-240 bps	36.9%	-10 bps
Financial Advisors	2,127	4%	1%		
Independent Contractors	95	-6%	-1%		
Total Financial Advisors	2,222	3%	1%		
Client AUA	\$329,495	22%	6%		
Fee-based Client Assets	\$117,189	30%	8%		
Private Client Fee-based Client Assets	\$92,110	39%	8%		

# Institutional Group

## Institutional Group Net Revenue



## Institutional Group Pre-tax Margin & Contribution



<i>millions</i>	4Q19	Y/Y Change	Sequential Change	2019	YTD Change
<b>Institutional Revenue</b>					
<i>Advisory</i>	\$155	40%	48%	\$448	21%
<i>Equity</i>					
Underwriting	\$64	24%	22%	\$204	-4%
Brokerage	\$46	-6%	12%	\$167	-10%
<b>Total Equity</b>	<b>\$110</b>	<b>9%</b>	<b>17%</b>	<b>\$371</b>	<b>-7%</b>
<i>Fixed Income</i>					
Underwriting	\$48	59%	55%	\$127	39%
Brokerage	\$70	64%	15%	\$256	38%
<b>Total Fixed Income</b>	<b>\$118</b>	<b>62%</b>	<b>29%</b>	<b>\$383</b>	<b>39%</b>
<b>Total Institutional Group Net Revenue*</b>	<b>\$392</b>	<b>37%</b>	<b>35%</b>	<b>\$1,214</b>	<b>15%</b>
Comp. Ratio	63.7%	170 bps	460 bps	60.6%	60 bps
Non-Comp. Ratio	22.1%	-120 bps	-200 bps	24.9%	-20 bps
Pre-tax Margin	14.2%	-50 bps	-260 bps	14.5%	-40 bps

\* Includes net interest, asset management and service fees, and other income

# Brokerage Revenue and Asset Management & Service Fees

(000s)	4Q19	4Q18	% Change	3Q19	% Change	2019	2018	% Change
Global Wealth Management brokerage revenue	\$174,000	\$157,331	11%	\$160,117	9%	\$649,699	\$638,173	2%
Institutional brokerage:								
Equities	45,989	48,705	-6%	41,037	12%	166,577	185,960	-10%
Fixed Income	69,563	42,463	64%	60,613	15%	255,969	184,977	38%
Total Institutional brokerage	115,552	91,168	27%	101,650	14%	422,546	370,937	14%
<b>Total Brokerage Revenue</b>	<b>\$289,552</b>	<b>\$248,499</b>	<b>17%</b>	<b>\$261,767</b>	<b>11%</b>	<b>\$1,072,245</b>	<b>\$1,009,110</b>	<b>6%</b>

Asset Management & Service Fees:	Three Months Ended					YTD		
(000s)	4Q19	4Q18	% Change	3Q19	% Change	2019	2018	% Change
<b>Asset Management &amp; Service Fees</b>	<b>\$223,969</b>	<b>\$210,063</b>	<b>7%</b>	<b>\$217,628</b>	<b>3%</b>	<b>\$848,035</b>	<b>\$806,175</b>	<b>5%</b>

(000s)	Three Months Ended					YTD		
	4Q19	4Q18	% Change	3Q19	% Change	2019	2018	% Change
<b>Global Wealth Management Revenue &amp; Fees*</b>	<b>\$397,969</b>	<b>\$367,394</b>	<b>8%</b>	<b>\$377,745</b>	<b>5%</b>	<b>\$1,497,734</b>	<b>\$1,444,348</b>	<b>4%</b>

\* Sum of Global Wealth Management Brokerage Revenue and Asset Management & Service Fees

# Investment Banking Revenue

Investment banking: (000s)	Three Months Ended					YTD		
	4Q19	4Q18	% Change	3Q19	% Change	2019	2018	% Change
Capital raising:								
Equities	\$70,461	\$56,574	25%	\$59,968	17%	\$231,326	\$235,508	-2%
Fixed Income	51,382	33,570	53%	33,975	51%	138,116	100,680	37%
Total capital raising	121,843	90,144	35%	93,943	30%	369,442	336,188	10%
Advisory fees	155,331	111,089	39%	104,847	48%	447,979	371,482	21%
<b>Total investment banking revenue</b>	<b>\$277,174</b>	<b>\$201,233</b>	<b>38%</b>	<b>\$198,790</b>	<b>39%</b>	<b>\$817,421</b>	<b>\$707,670</b>	<b>16%</b>

\*Global Wealth Management capital raising allocated to Equities and Fixed Income

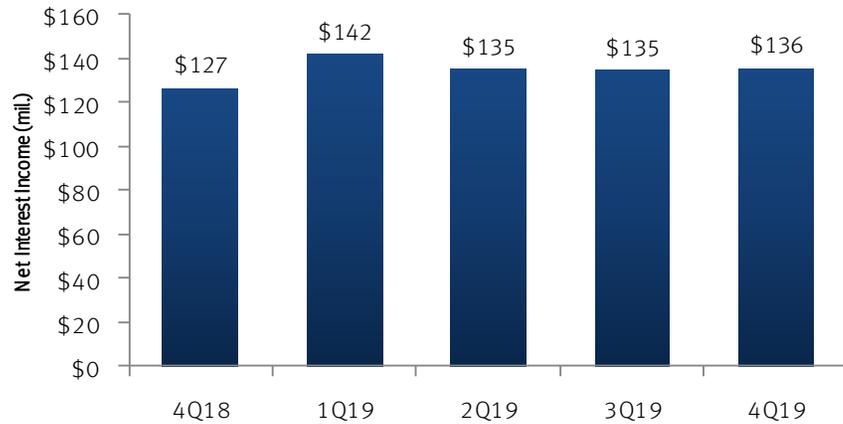


# Net Interest Income, Expenses & Balance Sheet

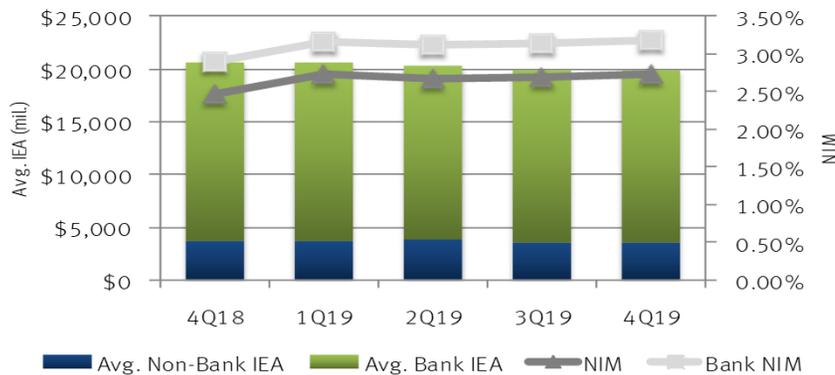
STIFEL

# Net Interest Income

### Net Interest Income Growth



### Net Interest Income Drivers



### Average Yields on Balance Sheet

	4Q19	4Q18	Change	3Q19	%Change
<b>Assets:</b>					
<b>Bank loans</b>	<b>3.88%</b>	<b>4.11%</b>	<b>-23 bps</b>	<b>4.09%</b>	<b>-21 bps</b>
Commercial	4.37%	4.79%	-42 bps	4.77%	-40 bps
Securities based	3.59%	4.18%	-59 bps	4.06%	-47 bps
Mortgage	3.06%	2.96%	10 bps	3.08%	-2 bps
<b>Margin loans</b>	<b>3.58%</b>	<b>4.24%</b>	<b>-66 bps</b>	<b>4.08%</b>	<b>-50 bps</b>
<b>Bank investments</b>	<b>3.16%</b>	<b>3.47%</b>	<b>-31 bps</b>	<b>3.43%</b>	<b>-27 bps</b>
CLO	3.44%	4.01%	-57 bps	3.88%	-44 bps
Mortgage backed securities	2.06%	2.18%	-12 bps	2.10%	-4 bps
Corporates	2.89%	2.98%	-9 bps	3.06%	-17 bps
Other	2.02%	0.00%	202 bps	5.98%	-396 bps
<b>Average Assets</b>	<b>3.37%</b>	<b>3.59%</b>	<b>-22 bps</b>	<b>3.59%</b>	<b>-22 bps</b>
<b>Liabilities:</b>					
Deposits	0.37%	0.90%	-53 bps	0.67%	-30 bps
Senior notes	4.38%	4.38%	0 bps	4.38%	0 bps
Short-term borrowings	1.66%	3.09%	-143 bps	2.63%	-97 bps
<b>Average Liabilities</b>	<b>0.71%</b>	<b>1.27%</b>	<b>-56 bps</b>	<b>0.99%</b>	<b>-28 bps</b>
<b>Net interest margin</b>	<b>2.74%</b>	<b>2.47%</b>	<b>27 bps</b>	<b>2.70%</b>	<b>4 bps</b>

\*Yields for Average Assets & Liabilities include the impact of Financial Instruments Owned, Stock Loan, Stifel Capital Trusts, Cash and Other.

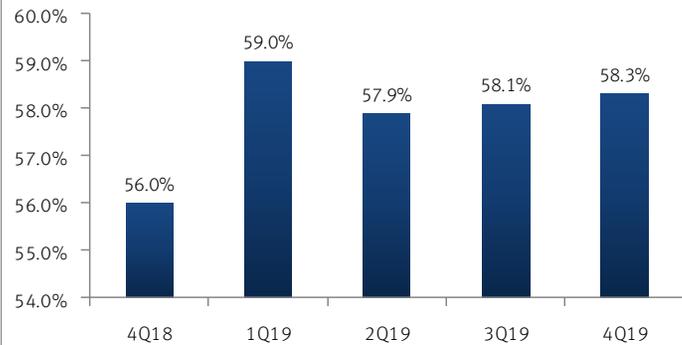
\*\*Net interest margin in historical periods reflect impact of reverse repos

# Stifel Bancorp, Inc.

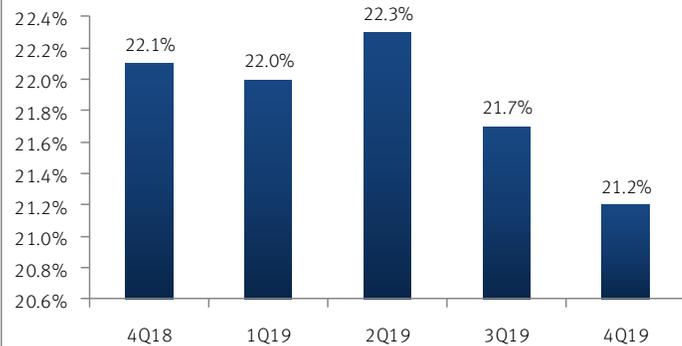
(mil. except for %'s)	4Q19	4Q18	% Change	3Q19	% Change
<b>Assets:</b>					
Mortgage Loans	3,310	2,875	15%	3,043	9%
Commercial Loans	3,439	3,304	4%	3,316	4%
Securities Based Loans	2,098	1,787	17%	1,986	6%
Commercial Real Estate	429	319	34%	388	11%
Loans Held for Sale	389	206	89%	265	47%
<b>Total Loans, net</b>	<b>\$10,014</b>	<b>\$8,723</b>	<b>15%</b>	<b>\$9,367</b>	<b>7%</b>
Asset Backed Securities	\$4,446	\$4,730	-6%	\$4,604	-3%
Mortgage Backed Securities	948	1,551	-39%	1,017	-7%
Corporates	675	931	-27%	674	0%
Other	37	73	-49%	32	16%
Total Other Securities	1,660	2,555	-35%	1,723	-4%
<b>Total Investments</b>	<b>\$6,107</b>	<b>\$7,285</b>	<b>-16%</b>	<b>\$6,327</b>	<b>-3%</b>
Total Assets	\$16,942	\$17,836	-5%	\$16,443	3%
<b>Liabilities:</b>					
Deposits	\$15,333	\$15,864	-3%	\$14,837	3%
<b>Credit Metrics</b>					
Non-performing assets (\$s)	15	24	-38%	18	-17%
Non-performing assets (%s)	0.09%	0.14%	-5 bps	0.11%	-2 bps
Allowance as a percentage of loans	0.98%	1.00%	-2 bps	0.99%	-1 bps
Net Interest Margin	3.19%	2.89%	30 bps	3.14%	5 bps

# Expenses

Compensation Ratio



Non-Compensation Ratio

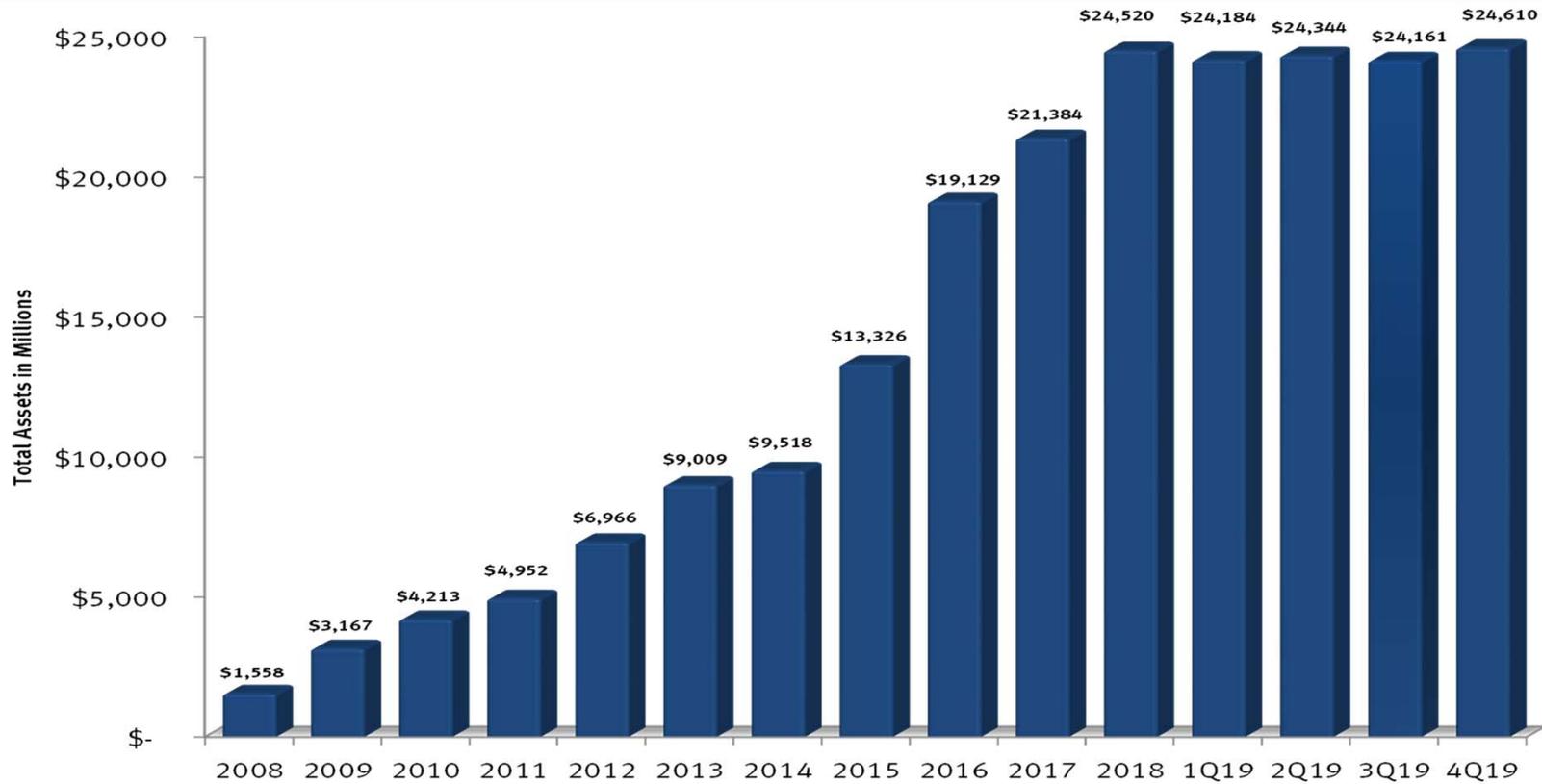


Non-GAAP Expenses & Pre-tax Income	Three Months Ended					YTD		
	4Q19	4Q18	Change %	3Q19	Change %	2019	2018	Change %
<i>(millions)</i>								
Compensation	\$551	\$444	24%	\$477	15%	\$1,946	\$1,753	11%
Non-compensation	\$200	\$175	14%	\$179	12%	\$728	\$679	7%
<i>Ex. IB gross up &amp; loan loss provision</i>	\$180	\$162	11%	\$168	7%	\$672	\$627	7%
<b>Pre-tax Income</b>	<b>\$194</b>	<b>\$174</b>	<b>12%</b>	<b>\$166</b>	<b>17%</b>	<b>\$663</b>	<b>\$592</b>	<b>12%</b>

GAAP to Non-GAAP Reconciliation for Fourth Quarter 2019		YTD
<i>(000s)</i>		2019
<b>GAAP Net Income</b>	12/31/19	<b>\$448,396</b>
Preferred Dividend		17,319
<b>Net Income available to common Shareholders</b>		<b>\$431,077</b>
<b>Non-GAAP After Tax Adjustments</b>		
Acquisition-Related & Severance	20,752	45,962
Litigation-Related	-	2,597
<b>Total Non-GAAP Adjustments</b>	<b>20,752</b>	<b>48,559</b>
<b>Non-GAAP Net Income Available to Common Shareholders</b>	<b>146,599</b>	<b>479,636</b>

\* For reconciliation of GAAP to non-GAAP expenses, refer to our fourth quarter 2018 earnings release.

# Balance Sheet



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	1Q19	2Q19	3Q19	4Q19
Tier 1 Leverage	32.3%	30.5%	25.6%	21.4%	17.7%	15.4%	16.5%	16.6%	10.2%	9.5%	9.3%	9.8%	10.0%	10.0%	10.0%
Tier 1 Risk Based Capital	49.4%	40.5%	29.1%	27.4%	26.8%	26.7%	25.0%	26.3%	20.3%	19.0%	18.2%	18.5%	18.0%	18.1%	17.6%
Risk Weighting Assets Density	64.9%	56.2%	67.3%	62.7%	57.0%	50.7%	58.2%	46.6%	46.5%	46.9%	47.2%	50.5%	52.5%	51.8%	52.8%

\* 4Q19 Capital ratios are estimated

The background of the slide features two large, detailed mammoth heads. They are positioned in a close embrace, with their snouts touching. The heads are rendered in a light, textured style, possibly made of stone or a similar material. The background behind the heads is a bright, cloudy sky. A dark blue horizontal band is overlaid across the middle of the image, containing the word "Outlook" in white text.

# Outlook

STIFEL

# 2019 Results & 2020 Outlook

<i>millions</i>	2019 Guidance	2019 Actual	2020 Estimate
Net Revenue	\$3,050 - \$3,350	\$3,337	\$3,500-\$3,700
Net Interest Income	\$530 - \$550	\$547	\$590 - \$605
Incremental Acquisition-related Revenue	NA	\$84	\$120 - \$135
Brokerage	NA	\$34	\$45 - \$50
Investment Banking	NA	\$50	\$75 - \$85
Compensation Ratio	57% - 59%	58.3%	57% - 59%
Non-Compensation**	20% - 22%	20.1%	19% - 21%
Tax Rate	25% - 27%	25.0%	25% - 27%

\* All dollar amounts and ratios are non-GAAP

\*\* Non-Compensation ranges *exclude* loan loss provision expense and investment banking gross ups.

A photograph of two mammoth skulls, one in profile and one facing forward, set against a background of a museum gallery with other exhibits and a cloudy sky. A dark blue horizontal band is overlaid across the middle of the image.

# Q&A

STIFEL