STIFEL

1st Quarter 2020
Financial Results Presentation
April 30, 2020

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

Responding to COVID-19

STIFEL

ASSOCIATES

- Maintained continuous communications with our associates
- Committed to supporting our human capital – our associates – through pandemic
- Expanded access to wellness and healthcare remotely
- Supporting associates technical needs and factors of working from home
- Continuing to hire new associates and maintaining commitments to advisor recruits in hiring process
- Implementing plans to move minimum hourly pay levels in the majority of U.S. markets ranging from $15-20 per hour
- Honoring the full financial commitment to summer interns who will have a truncated experience
- Maintaining commitments to vendor partners

INDIVIDUAL CLIENTS & COMMUNITIES

- Firm, executive, and leadership support of international, national, and neighborhood organizations supporting health and wellness, frontline workers, and economic relief to those impacted by the pandemic
- Ongoing delivery of investment advice in rapidly changing environment; client communication and conference calls with CIO Office; thought leadership; messaging to clients and associates, etc.
- Digital account access across business lines – clients access assets, cash, loans, research, and advisor online and through mobile apps
- Consultative conversations with clients via phone and video

SMALL BUSINESS, COMMERCIAL & INSTITUTIONAL CLIENTS

- Stood up solution to provide clients access to CARES Act resources including Paycheck Protection Program (PPP) loans from the SBA
- Committed up to $1 billion in PPP loan financing
- Extended $241 million to commercial clients through loan draws
- COVID-19 series of Reports and Surveys from Research department and leading experts
- Providing liquidity to clients through a strong and stable platform
- Bookrunner on $55.5 billion in capital for clients through debt and equity markets in 1Q20

INFRASTRUCTURE & RESPONSE MANAGEMENT

- Active business continuity and disaster response team implemented pre-tested contingency plans with very little disruption
- Rolling implementation of quarantine in coordination with national and local jurisdictional guidance
- Maintaining critical business functions
- Video meeting capabilities for remote teams across business lines and geography
- Expanded trading from offices 8 major cities in Europe and North America to 183 locations without losing connectivity, functionality, and efficiency
- Nimble: Stifel's ability to react and respond to changing business environment

First Quarter Snapshot

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1Q20 RESULTS

millions, except per share and ratios

NET REVENUES	NET EARNINGS	EPS
GAAP **$913.0** NON-GAAP **$913.2**	GAAP **$81.7** NON-GAAP **$91.9**	GAAP $**1.07** NON-GAAP $**1.20**

ANNUALIZED ROE	ANNUALIZED ROTCE	BOOK VALUE PER SHARE
GAAP **10.0%** NON-GAAP **11.2%**	GAAP **17.4%** NON-GAAP **19.5%**	**$46.13**

HIGHLIGHTS

- Global Wealth Management Continues Profitable Growth
- Diversity of Institutional Group Drives Second Highest Quarterly Revenue
- Credit Quality at Stifel Bank Remains Strong
- Named Investment Bank of the Year by Mergers & Acquisitions Magazine
- Continued to Attract High Quality Financial Advisors
- Record Equity & Fixed Income Brokerage Revenue

First Quarter Results

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FINANCIAL RESULTS

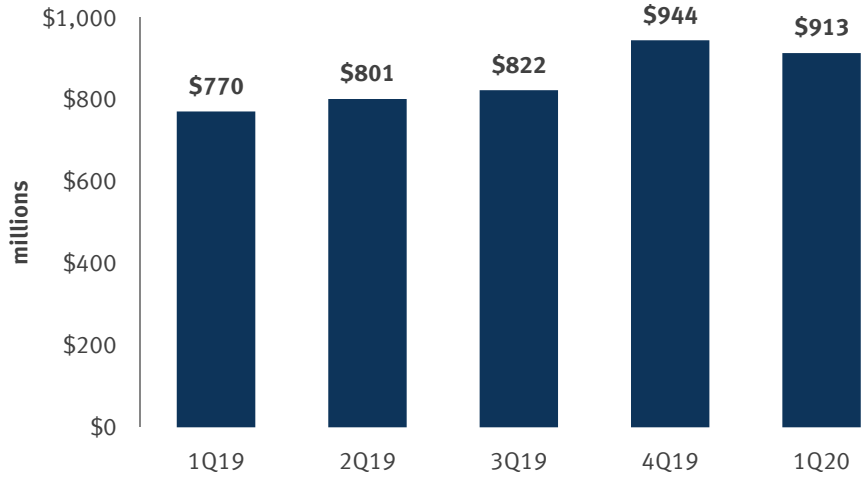
millions	1Q20	VS 1Q19
Global Wealth Management	$ 583	14%
Institutional	332	27%
Other	(2)	-
Net revenues	**913**	**19%**
Compensation expense[1]	539	19%
Operating expense	195	16%
Earnings before special items	**179**	**21%**
Provision for loan loss	19	731%
Additional compensation accrual[2]	32	-
Pre-tax income	**129**	**-12%**
Taxes	32	-18%
Net income	**97**	**-9%**
Preferred dividends	5	107%
Net income available to common shareholders	92	-12%
Diluted EPS	**$ 1.20**	**-9%**
Compensation ratio	62.5%	350 bps
Non-compensation ratio	23.4%	130 bps
Pre-tax provision margin	16.1%	-310 bps
Pre-tax operating margin	14.1%	-490 bps
Book value per share	46.13	7%
Tangible book value per share	26.58	›1%
ROTCE	19.5%	-330 bps

[1] Before provision for loan loss and additional comp. [2] Amount in excess of 59%

FIRST QUARTER HIGHLIGHTS

- Record Revenue
  - First quarter Non-GAAP Net Revenue of $913 million, up 19% Y/Y.
  - Global Wealth Management Net Revenue of $583 million, up 14% Y/Y.
  - Asset Management & Service Fees of $238 million, up 22% Y/Y
  - Institutional Equity Brokerage Revenue of $70 million, up 81% Y/Y
  - Institutional Fixed Income Brokerage Revenue of $100 million, up 48% Y/Y
- Repurchased 1.1 million share of common stock at an average price of $49.74
- Non-GAAP annualized return on average tangible common shareholders' equity was 19.5%
- The Board of Directors declared a $0.17 quarterly dividend per share, an increase of 13% from the prior quarter

NET REVENUE



Global Wealth Management

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GLOBAL WEALTH MANAGEMENT REVENUE

millions	1Q20	VS 1Q19
Brokerage	$ 180	17%
Asset Management & Service Fees	238	22%
Investment Banking	10	26%
Net Interest	139	-5%
Other	16	89%
Total Global Wealth Management Net Revenues	**$ 583**	**14%**
Comp. Ratio	51.2%	270 bps
Non-Comp. Ratio	15.5%	210 bps
Provision for loan loss	$19	731%
Pre-tax Pre-provision Margin	36.1%	-240 bps
Pre-tax Margin	33.3%	-480 bps

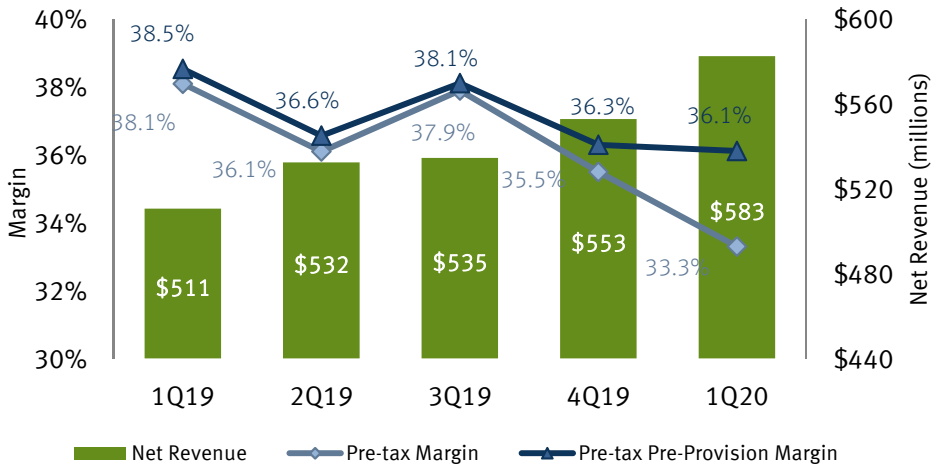
FINANCIAL ADVISOR & CLIENT ASSET METRICS

millions	1Q20	VS 1Q19
Financial Advisors	2,130	3%
Independent Contractors	94	-5%
Total Financial Advisors	**2,224**	**3%**
Client AUA	$ 276,627	-8%
Fee-based Client Assets	93,633	-6%
Private Client Fee-based Client Assets	80,617	10%

HIGHLIGHTS

- Record Net Revenue of $583 million, up 14% Y/Y
- Record Brokerage Revenue of $180 million, up 17% Y/Y
- Record Asset Management & Service Fees of $238 million, up 22% Y/Y
- Recruited 26 Financial Advisor with total Trailing Twelve Month production of $20 million.
- Completed Sale of Ziegler Capital Management LLC, which reduced Fee-based Client Assets by $9 billion as of March 31, 2020

NET REVENUE & MARGIN



Wealth Management Metrics

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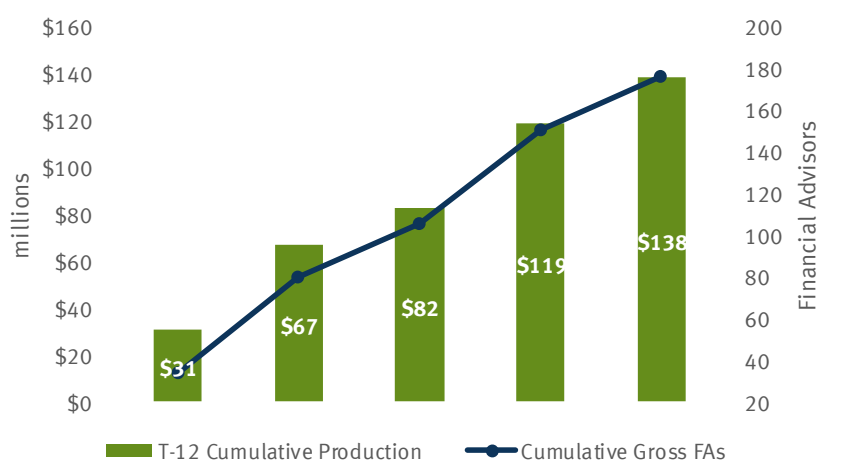
RECRUITING DRIVES REVENUE GROWTH



DYNAMIC BUSINESS

- 85% of FAs joined Stifel in past 10 years came through organic recruiting, 15% through acquisitions
- Recruiting remotely during pandemic
- Growth of average AUM
- Adding capabilities that attract FAs and differentiate Stifel
  - Stifel Wealth Tracker
  - CIO Office & behavioral finance practice
  - OurCrowd access to early-stage venture sponsors

EFFICIENT BUSINESS MODEL

- Advisors are empowered to do what is right for their clients
- Product-neutral compensation – not motivated by comp to use specific products or services
- Product desks are not layered profit centers
- Minimal management – supervisory function is centralized for efficiency and neutral approach
- Advisors have direct access to knowledgeable home office associates to collaboratively deliver services to clients

TECHNOLOGY TO SUPPORT ADVICE-BASED MODEL

- Stifel Wealth Tracker – online and mobile app: / free/ secure / smart aggregation / budgeting tools / advice when you want it / understand the markets / understand your complete financial picture
- Performance reporting tools – enhanced platform-wide capabilities with key vendor partners collaborating
- Cash management and digital banking capabilities in WM platform, including client mobile app
- Video meetings, centralized technology support

Institutional Group

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INSTITUTIONAL REVENUE

millions	1Q20	VS 1Q19
Advisory	$ 76	-27%
Capital Raising	93	91%
Brokerage	170	60%
Total Institutional Revenue[1]	**$ 332**	**27%**
Comp. Ratio	62.0%	100 bps
Non-Comp. Ratio	25.4%	-130 bps
Pre-tax Margin	12.6%	30 bps

[1] Includes net interest, asset management and service fees, and other income

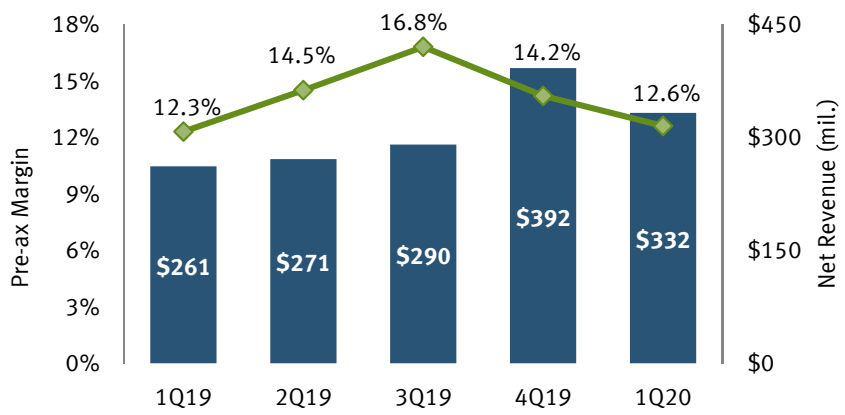
HIGHLIGHTS

- Second Strongest Quarterly Revenue of $332 million, up 27% Y/Y
- Record Institutional Brokerage of $170 million, up 60% Y/Y
- Capital Markets Revenue of $93 million, up 91% Y/Y
- First full quarter contributions from MainFirst & GMP
- Pre-tax margin of 12.6%, up 30 bps Y/Y
- Balanced business mix between equities and fixed income

RESEARCH

- Largest U.S. Equity Research platform, Largest Global Small Cap Platform, & 9th Largest Global Provider of Research Coverage (Stifel & KBW)
  - 2,069 global stocks under coverage with 152 analysts across 15 sectors
  - Top 10 global subsector coverage in: Consumer, Energy, Financials, Healthcare, Industrials, Technology, & Transportation
  - Stifel ranked #1 Broker for North American Non-Deal Roadshows in 2019 (IR Magazine)
- During the quarter, Stifel/KBW global research published over 350 multi-company COVID-19 related notes.
  - Over 300,000 total reads, top 10 notes averaging over 4,900 reads-term" and "Long-term" shopping list publications have had almost 3,500 and over 10,000 hits, respectively.

NET REVENUE AND MARGIN



Institutional Equities & Fixed Income

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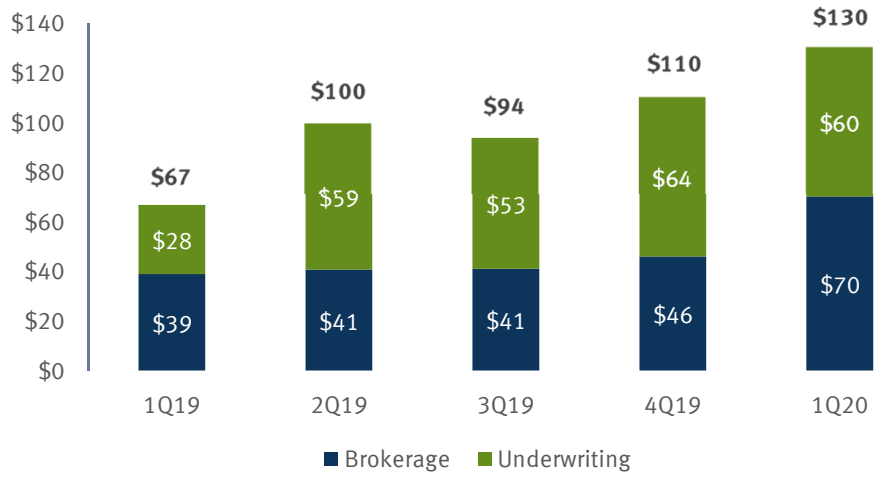
INSTITUTIONAL EQUITIES REVENUE

millions	1Q20	VS 1Q19
Brokerage	$ 70	81%
Capital Raising	60	116%
Total Equities	**$ 130**	**95%**

HIGHLIGHTS

- Brokerage Revenue Surpassed Prior Record by 4% (4Q14)
- Activity levels in April down from March & More inline with Prior Expectations
- Third Highest Capital Raising Quarter Despite Market Volatility

REVENUE



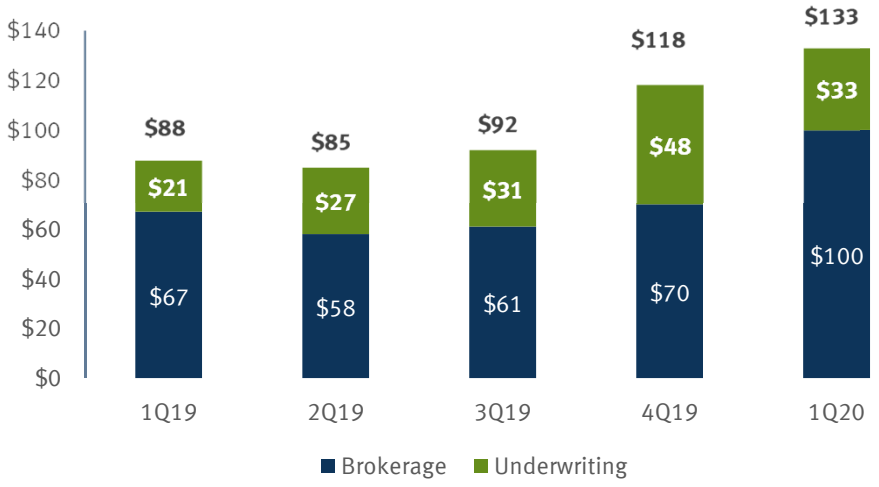
INSTITUTIONAL FIXED INCOME REVENUE

millions	1Q20	VS 1Q19
Brokerage	$ 100	48%
Capital Raising	33	58%
Total Fixed Income	**$ 133**	**50%**

HIGHLIGHTS

- Record Brokerage Revenue Surpassed Prior Record by 19% (1Q16)
- Activity Levels in April down from March but Tracking Higher than 2Q19
- Lead Managed 167 Negotiated Municipal Offerings

REVENUE



Investment Banking Revenue

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INVESTMENT BANKING REVENUE

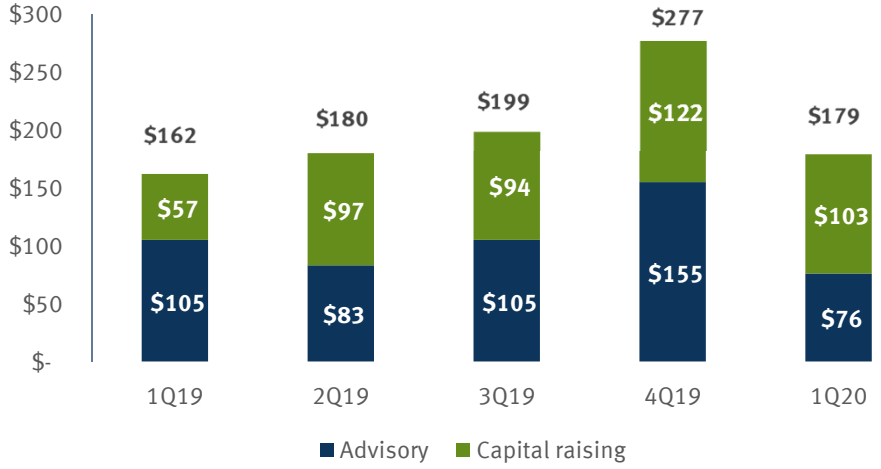
millions		1Q20	VS 1Q19
Capital raising:			
Equity	$	64,774	98%
Debt		38,622	60%
Total capital raising		**103,396**	**82%**
Advisory fees		76,072	-28%
Total investment banking revenue	**$**	**179,468**	**11%**

HIGHLIGHTS

- On record revenue pace through February
- Strongest Verticals were Healthcare, Industrials, and Financials
- Completed two 144A offerings
- Increased engagement for Miller Buckfire through existing Stifel relationships
- Expanding expertise across geographies and sectors – healthcare, technology, software, KBW, and innovation community

by Mergers & Acquisitions Magazine

REVENUE



Net Interest Income

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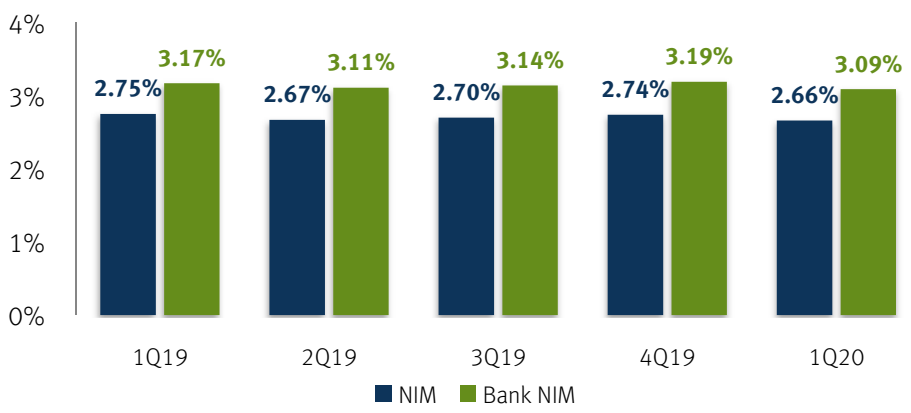
CONDENSED NET INTEREST INCOME

	1Q20		Y/Y Change	
	Average Balance	Average Interest Rate	Average Balance	Average Interest Rate
Interest-bearing cash & fed funds sold	$ 932	1.58%	-17%	-120 bps
Investment Portfolio	6,388	3.01%	-12%	-61 bps
Loans	10,360	3.67%	15%	-48 bps
Total interest-interest earning assets	**$ 20,596**	**3.13%**	**0%**	**-58 bps**
Deposits	15,378	0.25%	1%	-48 bps
Other interest-bearing liabilities	3,327	1.78%	6%	-95 bps
Total liabilities	**$ 18,705**	**0.52%**	**2%**	**-55 bps**
Net interest income		2.66%		

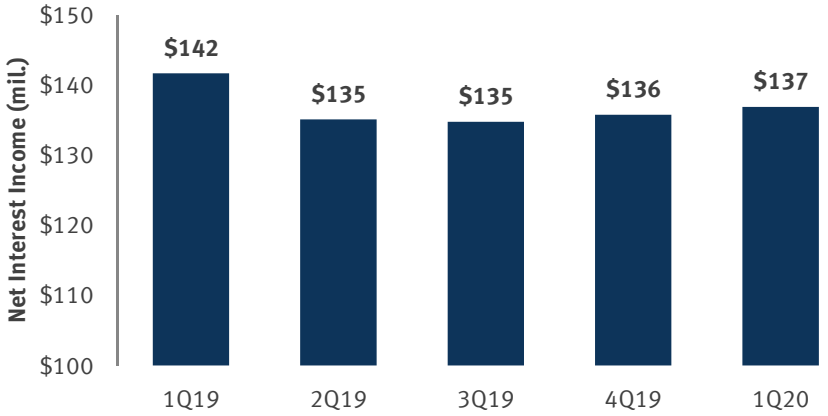
NET INTEREST COMMENTARY

- 1Q20 NII comes in within previous guidance range, but negatively impacted by rate environment
- Interest Earning Asset were flat year-on-year but increased sequentially due to higher cash & loan balances
- 2Q20 Guidance:
  - NII Guidance: $115 – 125 million
  - NIM Guidance: 255 – 265 bps

NET INTEREST MARGIN



NET INTEREST INCOME



Investment Portfolio & CLOs

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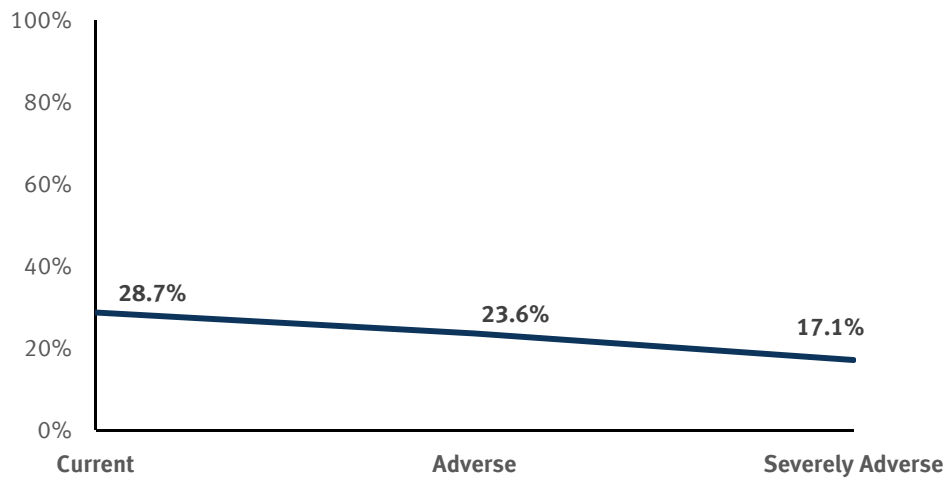
INVESTMENT PORTFOLIO

millions	Total Portfolio	% of Portfolio
CLOs	$ 4,399	67.20%
Agency MBS	807	12.33%
Corporate Bonds	741	11.32%
SBA	306	4.67%
Student Loan ARS	156	2.38%
CMBS	108	1.65%
Other	29	0.44%
Total	**$ 6,546**	**100.00%**

HIGHLIGHTS

- AAA /AA CLOs with a Portfolio Credit Enhancement of 28.7%
- 87% of CLO Collateral is BB/B
- Using Severely Adverse Default Expectations Results in Remaining Credit Enhancement of 17.1%
- Limited Exposure to Hotel, Gaming, & Leisure and Energy Verticals

CLO CREDIT ENHANCEMENT



CLO BY MAJOR SECTOR

Healthcare & Pharmaceuticals	10.67%
High Tech Industries	9.62%
Services: Business	8.13%
Banking, Finance, Insurance & Real Estate	7.39%
Telecommunications	5.41%
Media: Broadcasting & Subscription	4.80%
Hotel, Gaming & Leisure	4.48%
Services: Consumer	3.64%
Chemicals, Plastics & Rubber	3.57%
Beverage, Food & Tobacco	3.42%
Construction & Building	3.25%
Capital Equipment	3.07%

Stifel Bancorp Inc. Loan Portfolio

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LOAN PORTFOLIO

millions	1Q20	%of Total Portfolio
Residential Real Estate	$ 3,495	34.41%
Securities Based Lending	1,945	19.15%
Home equity lines of credit	57	0.57%
Other loans	31	0.30%
Unsecured	2	0.02%
Total Consumer	**$ 5,531**	54.45%
Commercial Real Estate	400	3.94%
Commercial	3,814	37.55%
Construction and land	412	4.06%
Total Commercial	**$ 4,626**	45.55%
Total Loan Portfolio	**10,157**	100%
Unfunded Commitments	**$ 1,423**	**14%**
Total[1]	**$ 11,580**	

1 Total excludes $571 million of loans classified as held for sale

HIGHLIGHTS

- Lending facilities for Stifel WM and Institutional clients, as well as banking relationships outside of Stifel
- Over 50% of the loan portfolio is to Wealth Management clients
- Diversity of geographic, sector, business phase, and loan type enhances stability in various markets; low NPLs historically
- Limited exposure to the Energy Industry as well as to the Hotel, Leisure, Entertainment & Restaurant Industry which on a combined basis is less than 5% of our SBI loans.

COMMERCIAL PORTFOLIO BY SECTOR

Industrials	$721	7.10%
Financials	$563	5.54%
Information Technology	$529	5.21%
Consumer Discretionary	$516	5.08%
Hotel, Leisure, Entertainment, Restaurants	$465	4.58%
Materials	$269	2.65%
Consumer Staples	$265	2.61%
REITs	$246	2.42%
Health Care	$171	1.68%
Telecom Services	$51	0.50%
Energy, Utilities	$19	0.19%
Total	**$3,814**	**37.55%**

CECL Impact

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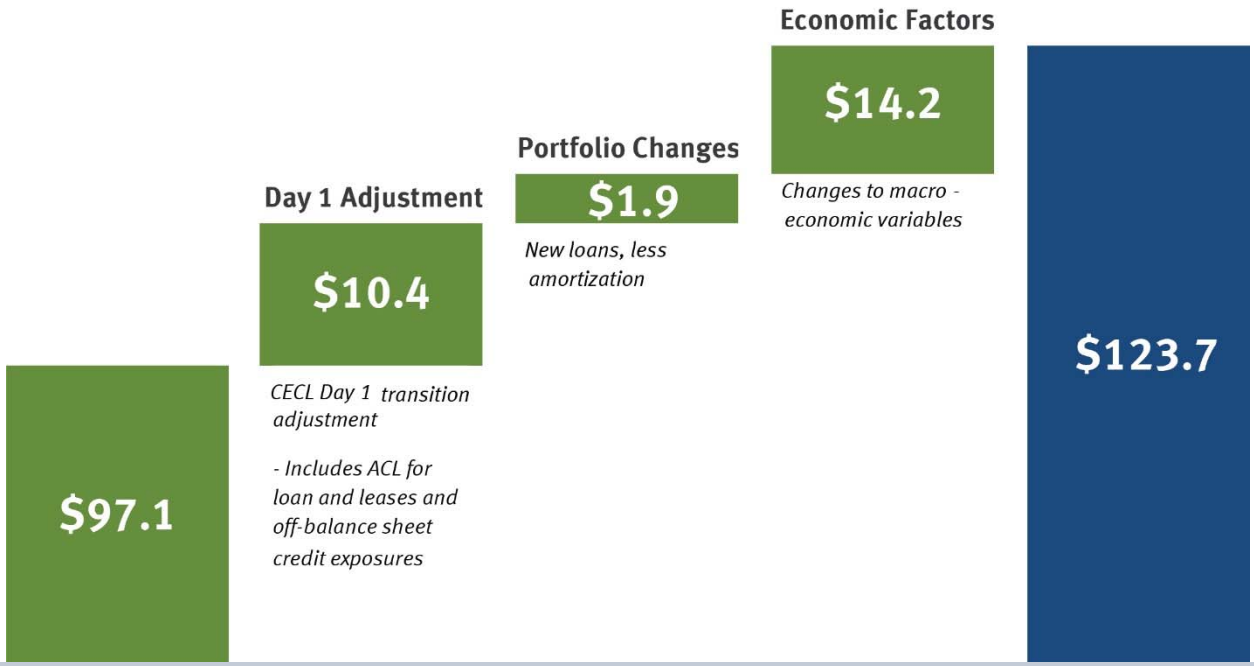
ASSUMPTIONS

- Moody's forecast:
  - 40% Baseline (sudden sharp recession)
  - 30% Downside (double dip recession)
  - 30% Upside (near term growth)
- Forecast update for most recent scenarios
  - Includes significant economic shock in 2Q and 3Q, followed by slow, sustained recovery
- Reserve build driven by COVID-19 recessionary assumptions

CECL 1Q20 FACTORS



Portfolio	ALL 12/31/2019	CECL Adoption - Opening BS Adj. 1/1/2020	Q1'20 Portfolio Activity	Q1'20 Economic Factors	CECL Reserve 3/31/2020	CECL Reserve %[1]
Total	**$ 97,123,079**	**$ 10,378,707**	**$ 1,946,808**	**$ 14,254,599**	**$ 123,684,780**	**1.21%**

[1] CECL Loan Loss Reserve: Consumer 0.43%
Commercial 1.52%

Expenses

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NON-GAAP EXPENSES & PRE-TAX INCOME

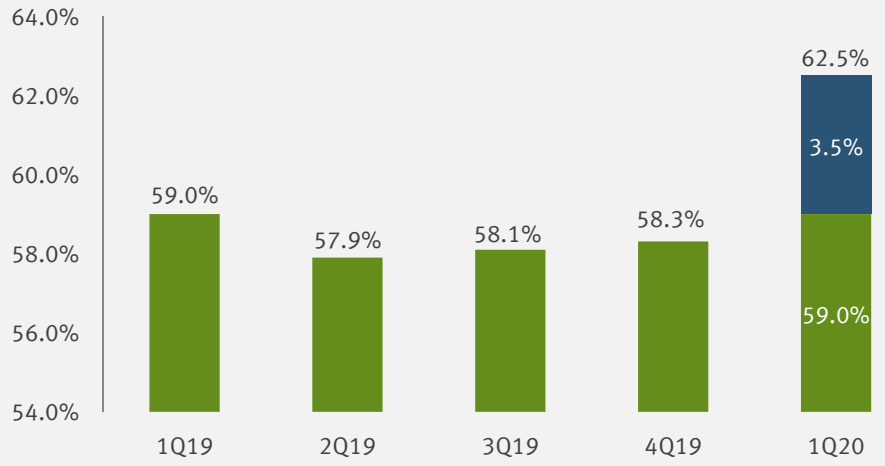
millions	1Q20	VS 1Q19
Compensation	$ 571	26%
Ex. IB gross up & loan loss provision	187	18%
Provision and IB gross up	27	141%
Non-compensation	**214**	**26%**
Pre-tax Income	**$ 129**	**-12%**

GAAP TO NON-GAAP RECONCILIATION FOR 1Q2020

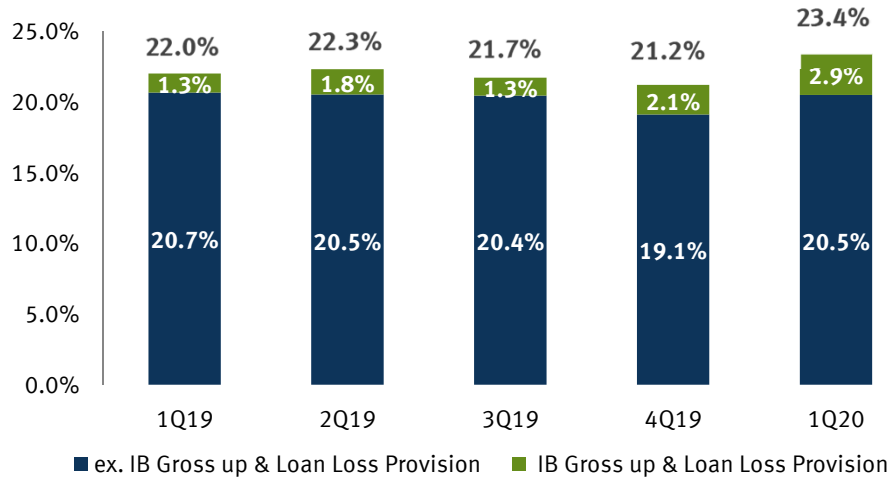
millions	03/31/20
GAAP Net Income	$ 86,589
Preferred Dividend	4,844
Net Income available to common Shareholders	**$ 81,745**
Total Non-GAAP Adjustments, after tax	**$ 10,188**
Non-GAAP Net Income Available to Common Shareholders	**$ 91,933**

* For reconciliation of GAAP to non-GAAP expenses, refer to our first quarter 2020 earnings release.

COMPENSATION RATIO



NON-COMPENSATION RATIO



Capital & Liquidity

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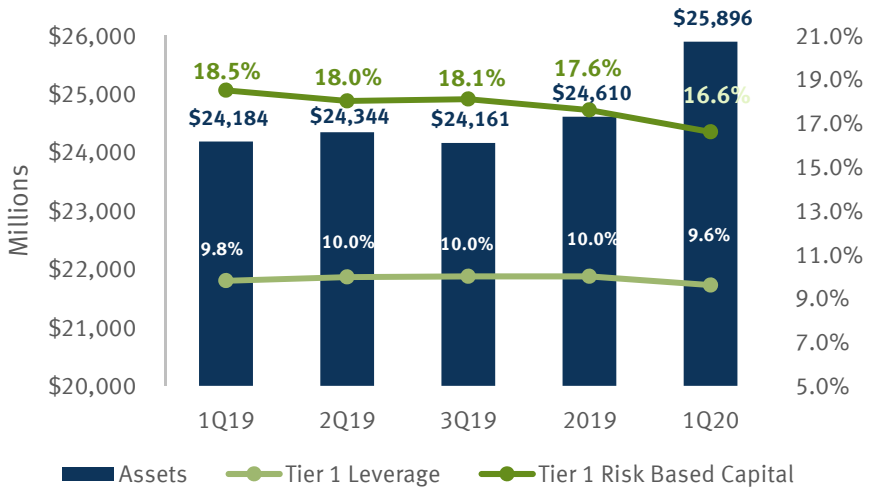
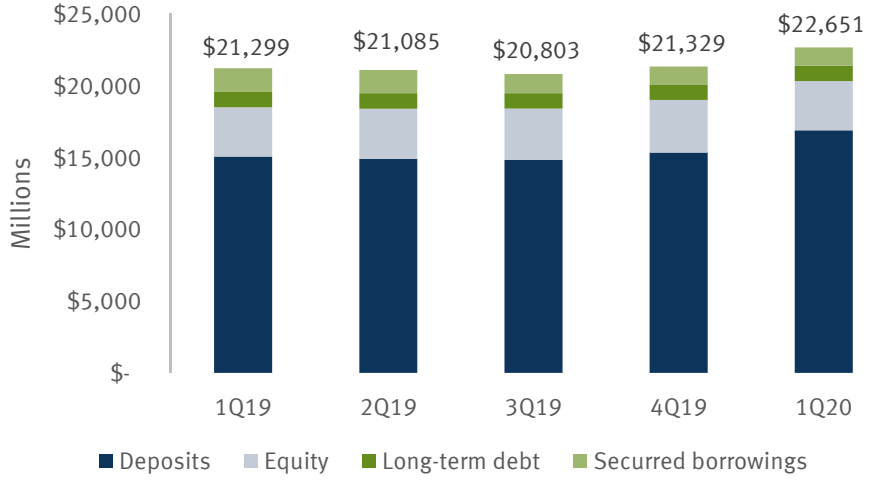
FIRM-WIDE ASSETS & CAPITAL RATIOS



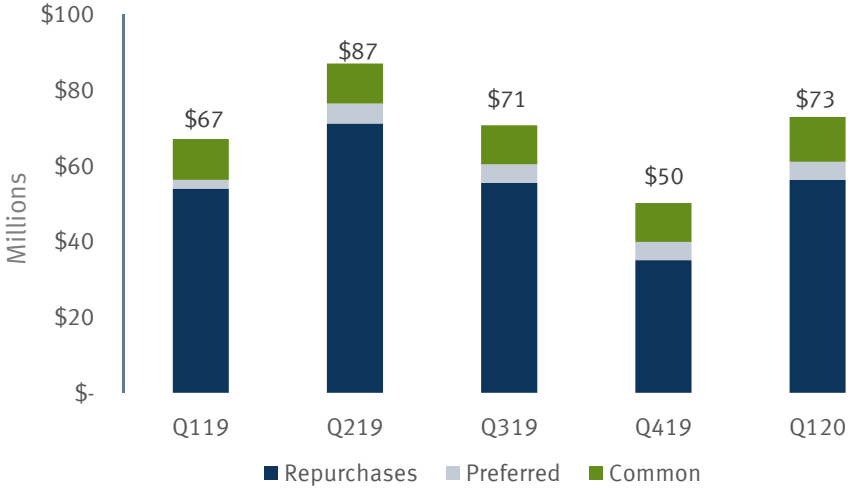
HIGHLIGHTS

- Significant Increase in Sweep Balances During 1Q20
- Balance Sheet Growth due to Higher Cash Balances and Loan Draws
- No longer Projecting any Further Balance sheet Growth in 2Q20
- Expect Tier 1 Leverage Ratio to trend back to 10% in future quarters

STABLE FUNDING SOURCES



STOCK REPURCHASES & DIVIDENDS



Q&A

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Disclaimer

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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.

All statements not dealing with historical results are forward-looking and are based on various assumptions. The forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by the statements. For information about the risks and important factors that could affect the Company's future results, financial condition and liquidity, see Item 8.01 of the Company's Report on Form 8-K dated April 30, 2020 and "Risk Factors" in Part I, Item 1A of the Company's Annual Report on Form 10-K for the year ended December 31, 2019. Forward-looking statements speak only as to the date they are made. The Company disclaims any intent or obligation to update forward-looking statements to reflect circumstances or events that occur after the date the forward-looking statements are made.

Statements about the effects of the COVID-19 pandemic on the Company's business, results, financial position and liquidity may constitute forward-looking statements and are subject to the risk that the actual impact may differ, possibly materially, from what is currently expected.

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 months ended March 31, 2020. 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.