STIFEL

3rd Quarter 2020

Financial Results Presentation

October 27, 2020

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

Third Quarter Snapshot

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3Q20 RESULTS

millions, except per share and ratios

NET REVENUES	NET EARNINGS	EPS
GAAP & NON-GAAP **$883.3**	GAAP **$110.6** NON-GAAP **$120.5**	GAAP **$1.46** NON-GAAP **$1.59**

ANNUALIZED ROE	ANNUALIZED ROTCE	BOOK VALUE PER SHARE
GAAP **12.8%** NON-GAAP **14.0%**	GAAP **20.4%** NON-GAAP **22.2%**	TBV **$32.34** BV **$50.95**

HIGHLIGHTS

- Record Third Quarter & First Nine Months Net Revenue
- Strongest Recruiting Quarter in Last Three Years
- Record Quarterly Capital Raising Revenue
- Strong Growth in Private Client Fee-Based Assets
- Second Highest Quarterly Pre-Tax Income & EPS
- Credit Quality at Stifel Bank Remains Strong

Third Quarter Results

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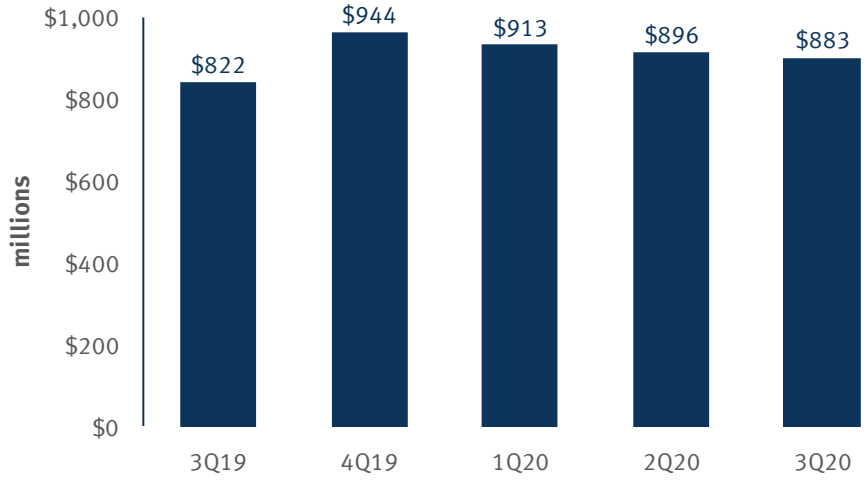
FINANCIAL RESULTS

millions	3Q20	Y/Y Change	Sequential Change	YTD	VS 2019
Global Wealth Management	$527	-1%	4%	$1,616	2%
Institutional	363	25%	-9%	1,094	33%
Other	-7	114%	-14%	-17	147%
Net revenues	**883**	**8%**	**-1%**	**2,692**	**13%**
Compensation expense	527	10%	-2%	1,635	17%
Operating expense	185	4%	-7%	598	13%
Provision for credit loss	-1	NA	NA	35	529%
Pre-tax income	**171**	**4%**	**8%**	**459**	**-2%**
Taxes	41	-5%	5%	112	-9%
Net income	**130**	**2%**	**34%**	**347**	**0%**
Preferred dividends	10	104%	104%	20	57%
Net income available to common shareholders	121	3%	5%	328	-2%
Diluted EPS	**$1.59**	**6%**	**3%**	**$4.33**	**3%**
Compensation ratio	59.6%	150 bps	-40 bps	60.7%	240 bps
Non-compensation ratio	21.0%	-70 bps	-120 bps	22.2%	10 bps
Pre-tax operating margin	19.4%	-80 bps	160 bps	17.1%	-250 bps
Book value per share	$50.95	10%	4%		
Tangible book value per share	$32.34	13%	7%		
ROTCE	22.2%	-150 bps	-100 bps		

THIRD QUARTER HIGHLIGHTS

- Third quarter Non-GAAP Net Revenue of $883 million, up 8% Y/Y
- Institutional Group Revenue of $363 million, up 25% Y/Y
- Record Capital Raising Revenue of $137 million, up 46% Y/Y
- Pre-tax Margin of 19.4%, up 160 bps sequentially
- Fee-based Client Assets of $115 billion, up 8% sequentially
- Tangible Book Value Per Share of $32.34, up 13% Y/Y
- Non-GAAP annualized ROTCE of 22.2%

NET REVENUE



Global Wealth Management

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GLOBAL WEALTH MANAGEMENT REVENUE

millions	3Q20	Y/Y Change	Sequential Change	YTD	VS 2019
Brokerage	$163	2%	2%	$502	6%
Asset Management & Service Fees	231	6%	16%	667	7%
Net Interest	108	-22%	-11%	368	-13%
Investment Banking	$8	-18%	1%	26	-8%
Other	17	90%	-6%	52	82%
Total Global Wealth Management Net Revenues	$527	-1%	4%	$1,616	2%
Comp. Ratio	52.7%	370 bps	160 bps	51.7%	280 bps
Non-Comp. Ratio	13.3%	20 bps	-470 bps	15.5%	180 bps
Provision for credit loss	-$1	NA	NA	$34	511%
Pre-tax Margin	34.0%	-390 bps	310 bps	32.8%	-460 bps

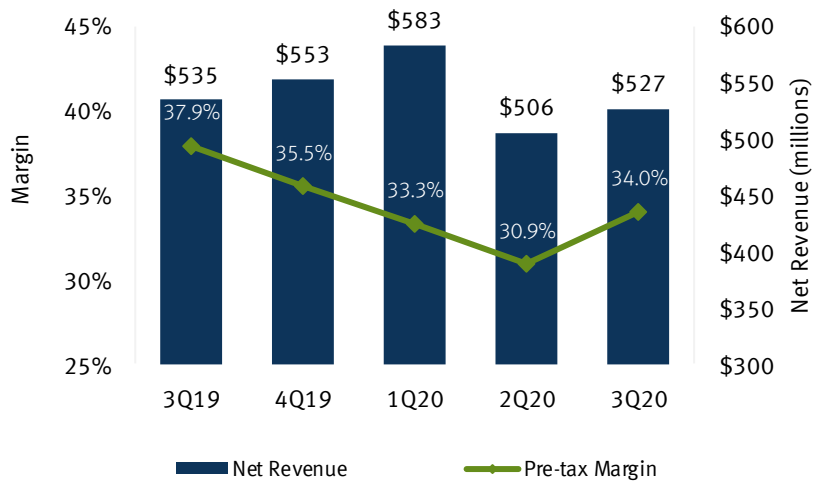
FINANCIAL ADVISOR & CLIENT ASSET METRICS

**millions*	3Q20	Y/Y	Sequential Change
Financial Advisors	2,177	4%	2%
Independent Contractors	94	-2%	0%
Total Financial Advisors	2,271	4%	2%
Client AUA	$325,159	4%	6%
Fee-based Client Assets	$115,162	7%	8%
Private Client Fee-based Client Assets	$99,374	17%	9%

HIGHLIGHTS

- Record first 9-Month Net Revenue of $1.6 billion, up 2% Y/Y
- Third Quarter Pre-tax Margin of 34%, up 310 bps sequentially
- Private Client Fee-based Assets Increased 17% Y/Y
- Recruited 45 Financial Advisors with total Trailing Twelve Month production of $38 million.

NET REVENUE & MARGIN



Wealth Management Metrics

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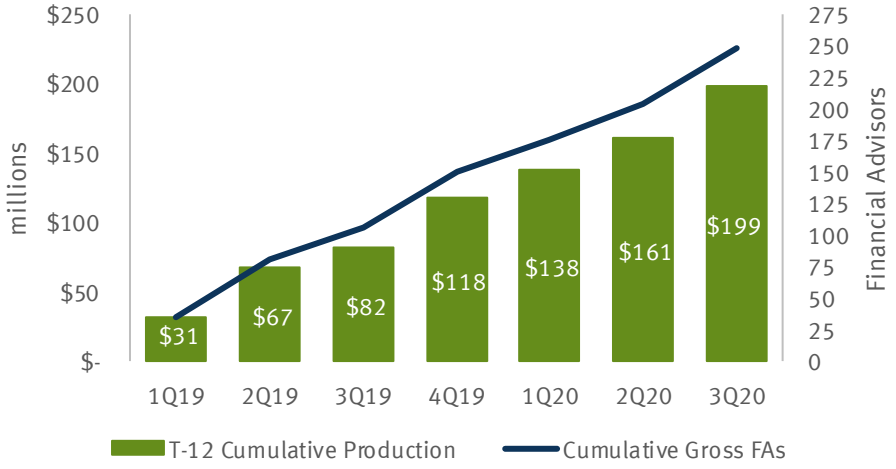
RECRUITING DRIVES REVENUE GROWTH



DYNAMIC BUSINESS

- 85% of FAs who 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
- 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 GROUP REVENUE

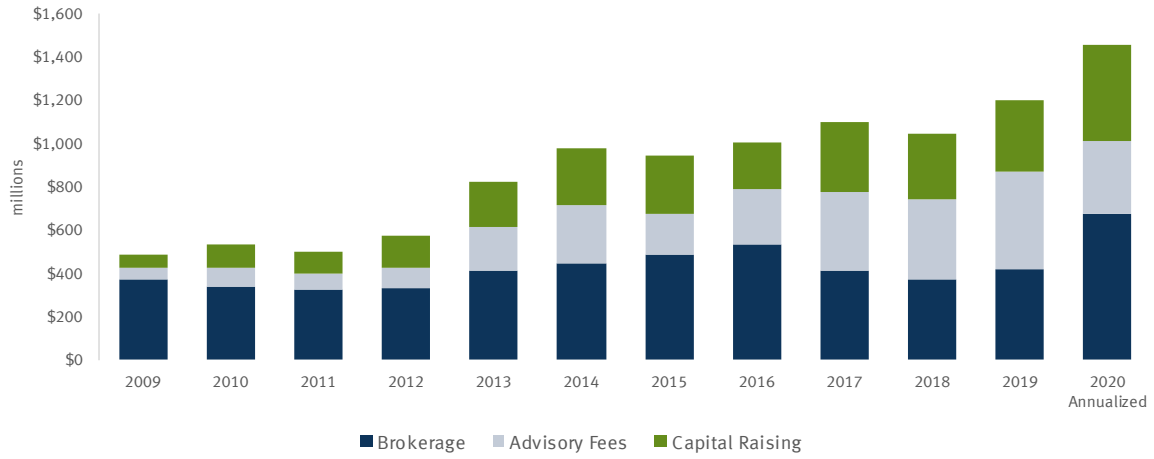
millions	3Q20	Y/Y Change	Sequential Change	YTD	VS 2019
Advisory	$81	-23%	-17%	$255	-13%
Capital Raising	$129	54%	16%	$333	52%
Brokerage	$151	49%	-18%	$505	64%
Total Institutional Revenue*	$363	25%	-9%	$1,094	33%
Comp. Ratio	58.0%	-110 bps	-260 bps	60.2%	100 bps
Non-Comp. Ratio	20.9%	-320 bps	240 bps	21.4%	-480 bps
Pre-tax Margin	21.1%	430 bps	20 bps	18.4%	380 bps

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

HIGHLIGHTS

- Record first 9-Month Revenue of $1.1 billion, up 33% Y/Y
- Record first 9-Month Capital Raising Revenue, up 52% Y/Y
- Brokerage Revenue of $505 million surpassed 2019 Full Year by 19%
- Record Quarterly Capital Raising Revenue of $129 million, up 54% Y/Y
- Pre-tax margin of 21.1%, up 430 bps Y/Y
- Balanced business mix between equities and fixed income

SUSTAINED REVENUE GROWTH



*2020 revenue based on annualized results through 9/30/2020

Institutional Equities & Fixed Income

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INSTITUTIONAL EQUITIES REVENUE

millions	3Q20	Y/Y Change	Sequential Change	YTD	VS 2019
Brokerage	$54	32%	-14%	$187	56%
Capital Raising	$78	48%	24%	$201	44%
Total Equities	$132	40%	5%	$388	49%

INSTITUTIONAL FIXED INCOME REVENUE

millions	3Q20	Y/Y Change	Sequential Change	YTD	VS 2019
Brokerage	$97	60%	-20%	$317	70%
Capital Raising	$51	63%	6%	$132	67%
Total Fixed Income	$148	61%	-12%	$449	69%

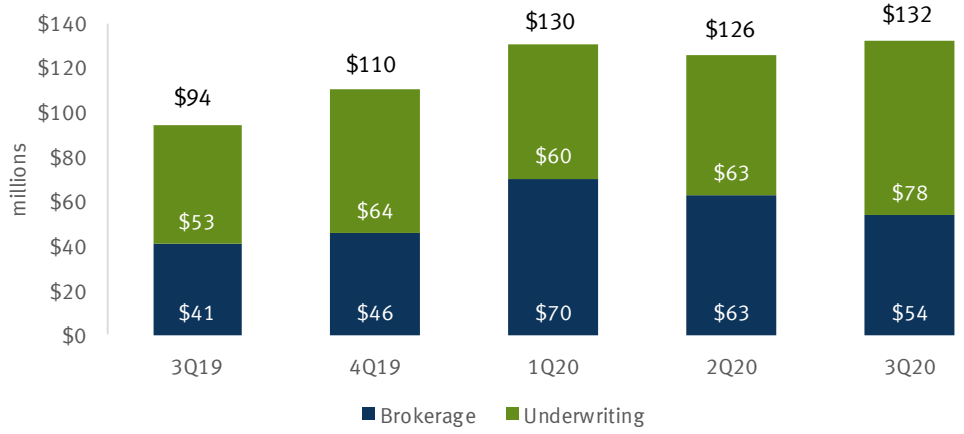
HIGHLIGHTS

- Record First Nine Months Revenue Surpassed Prior Record by 23% (2014)
- Record First Nine Months Brokerage Revenue
- Record Quarterly Capital Raising Revenue

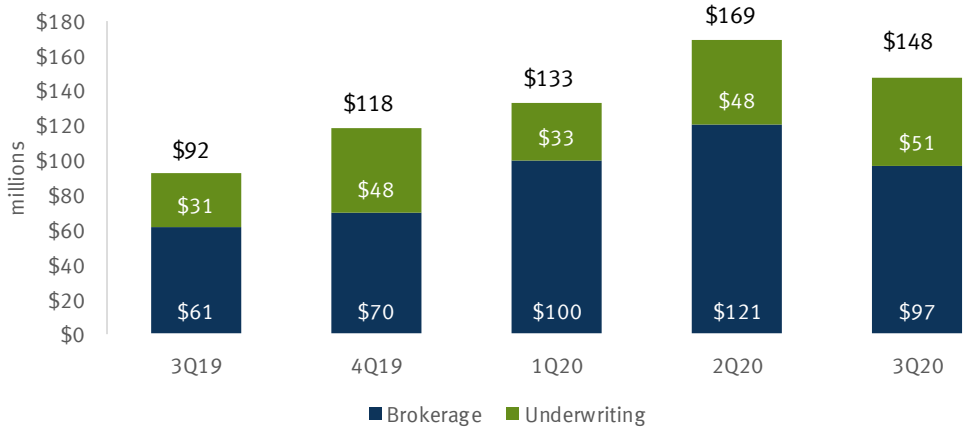
HIGHLIGHTS

- Record First Nine Months Revenue Surpassed Prior Full Year Record by 5% (2016)
- Record First Nine Months Brokerage Revenue
- Record Quarterly Revenue in Capital Raising
- Lead Managed 264 Negotiated Municipal Offerings

REVENUE



REVENUE



Investment Banking Revenue

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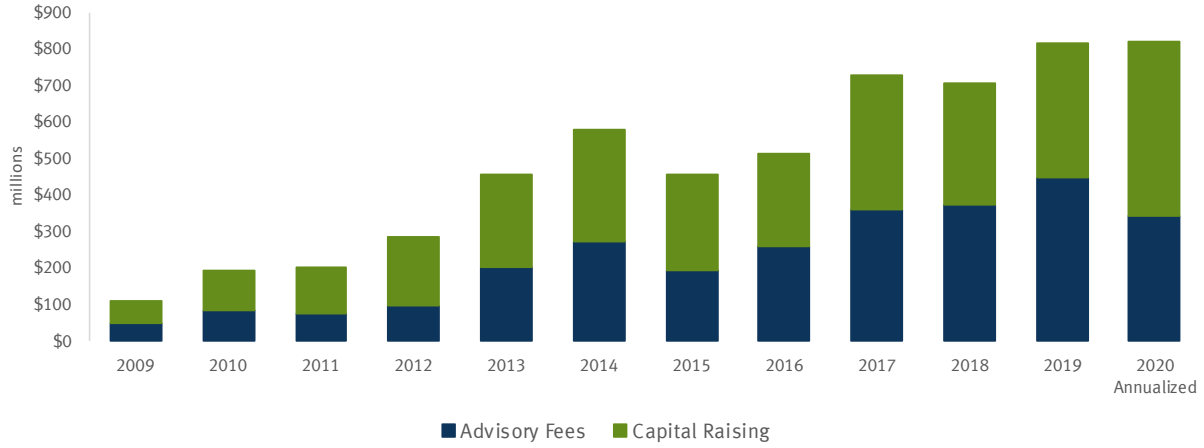
INVESTMENT BANKING REVENUE

millions	3Q20	Y/Y Change	Sequential Change	YTD	VS 2019
Capital Raising:					
Equity	$85	41%	21%	$224	39%
Debt	$53	55%	7%	$136	57%
Total Capital Raising	$137	46%	15%	$360	45%
Advisory Fees	$81	-23%	-17%	$255	-13%
Total Investment Banking	$218	10%	1%	$615	14%

HIGHLIGHTS

- Third Strongest Investment Banking Quarter
- Record Capital Raising Quarter
- Strongest Verticals were Healthcare, Technology, & Industrials
- Miller Buckfire's Restructuring Practice Remained Strong

SUSTAINED REVENUE GROWTH



*2020 revenue based on annualized results through 9/30/2020

Net Interest Income

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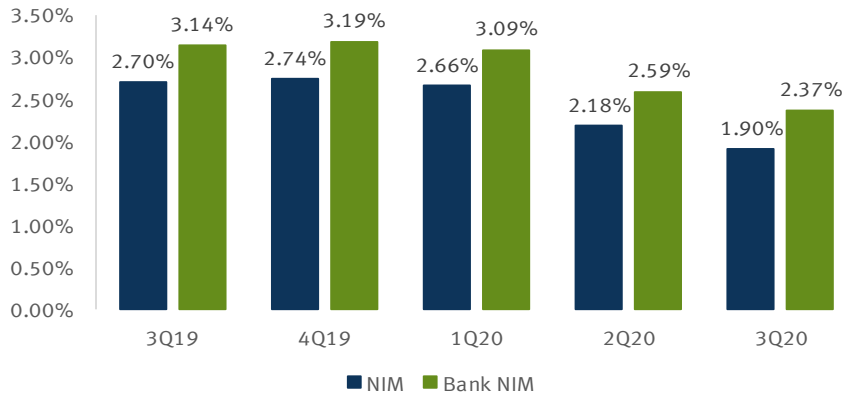
CONDENSED NET INTEREST INCOME

	3Q20		Y/Y Change		Sequential Change	
	Average Balance	Average Interest	Average Balance	Average Interest	Average Balance	Average Interest
Interest-earning Cash & Fed Funds Sold	$1,790	0.25%	69%	-190 bps	7%	1 bps
Investment Portfolio	$6,222	2.06%	-3%	-137 bps	-3%	-54 bps
Loans	$10,998	2.77%	18%	-132 bps	1%	-13 bps
Total Interest-earning Assets	$21,231	2.16%	7%	-143 bps	0%	-26 bps
Deposits	$16,379	0.04%	10%	-63 bps	-2%	-1 bps
Other Interest-bearing Liabilities	$2,641	1.86%	-11%	-70 bps	0%	22 bps
Total Interest-bearing Liabilities	$19,020	0.29%	6%	-70 bps	-2%	2 bps
Net Interest Margin		1.90%		-80 bps		-28 bps

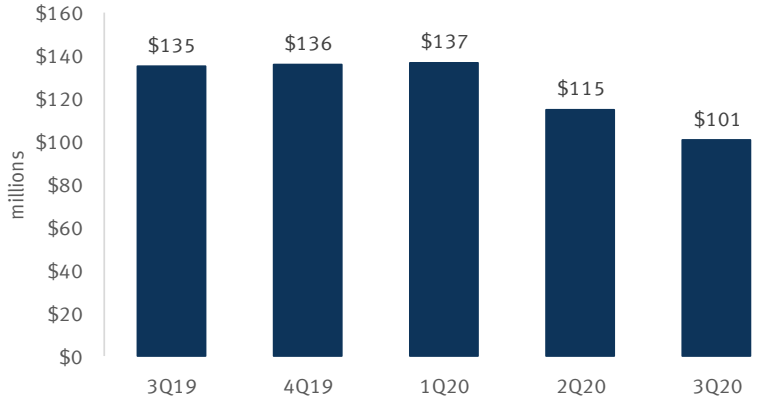
NET INTEREST COMMENTARY

- 3Q20 NII within previous guidance range, but negatively impacted by increased cash balances.
- Interest Earning Assets increased year-on-year and sequentially due to higher cash & loan balances.

NET INTEREST MARGIN



NET INTEREST INCOME



Stifel Bancorp Inc. Loan & Investment Portfolio

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LOAN PORTFOLIO

millions	*3Q20*	*% of Total Portfolio*
Residential Real Estate	$3,805	30%
Securities Based Lending	1,842	14%
Home Equity lines of Credit & Other	$107	1%
Total Consumer	$5,754	45%
Commercial Real Estate	$387	3%
Commercial	4,081	32%
Construction and Land	$532	4%
Total Commercial	$5,000	39%
Total Loan Portfolio	$10,754	84%
Unfunded Commitments	$2,121	16%
Total	$12,875	

* Total excludes $282 million of loans classified as held for sale

INVESTMENT PORTFOLIO

millions	*3Q20*	*% of Total Portfolio*
CLO	$4,394	71%
Agency MBS	665	11%
Corporate Bonds	581	9%
SBA	284	5%
Student Loan ARS	156	3%
CMBS	94	2%
Others	14	0%
Total Portfolio	$6,188	100%

COMMERCIAL PORTFOLIO BY SECTOR

Financials	$852	7%
Industrials	665	5%
Consumer Discretionary	642	5%
Information Technology	430	3%
PPP	372	3%
Materials	264	2%
Hotel, Leisure, Restaurants	249	2%
REITs	209	2%
Consumer Staples	161	1%
Health Care	155	1%

CLO BY MAJOR SECTOR

Healthcare & Pharmaceuticals	$448	10%
High Tech Industries	431	10%
Services: Business	360	8%
Banking, Finance, Insurance & Real Estate	338	8%
Telecommunications	242	6%
Media: Broadcasting & Subscription	228	5%
Hotel, Gaming & Leisure	202	5%
Services: Consumer	163	4%
Chemicals, Plastics & Rubber	163	4%
Construction & Building	149	3%

CECL & Credit Metrics

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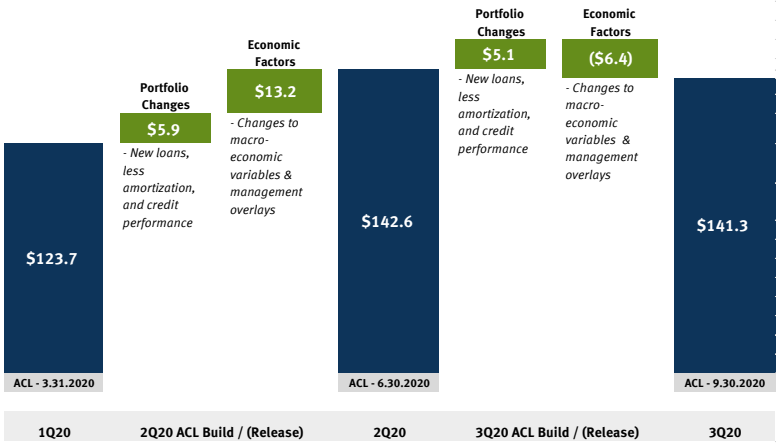
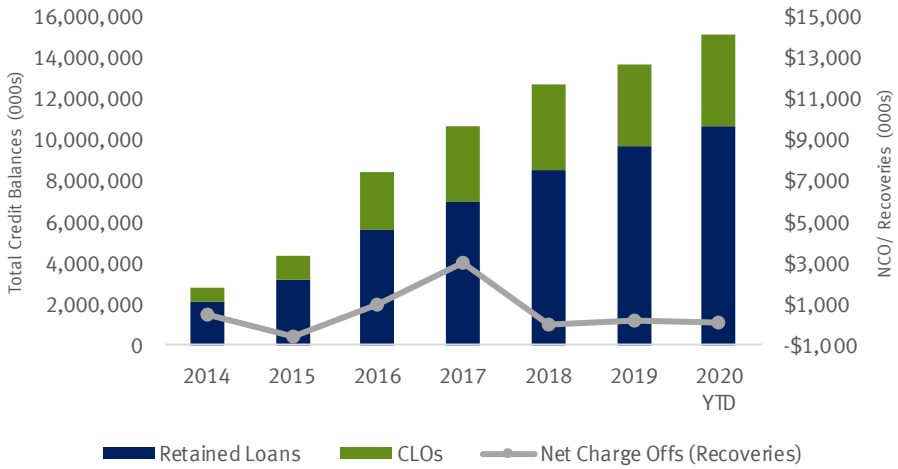
ASSUMPTIONS

- Moody's Forecast
  - 40% Baseline (gradual recovery)
  - 30% Downside (double dip recession)
  - 30% Upside (accelerated recovery)
- Forecast Update for Most Recent Scenarios
  - Broad-based Improvement of Forecasted Economic Variables Since June 30
- Incorporated a Management Overlay to Offset Some of the Forecasted Economic Variables

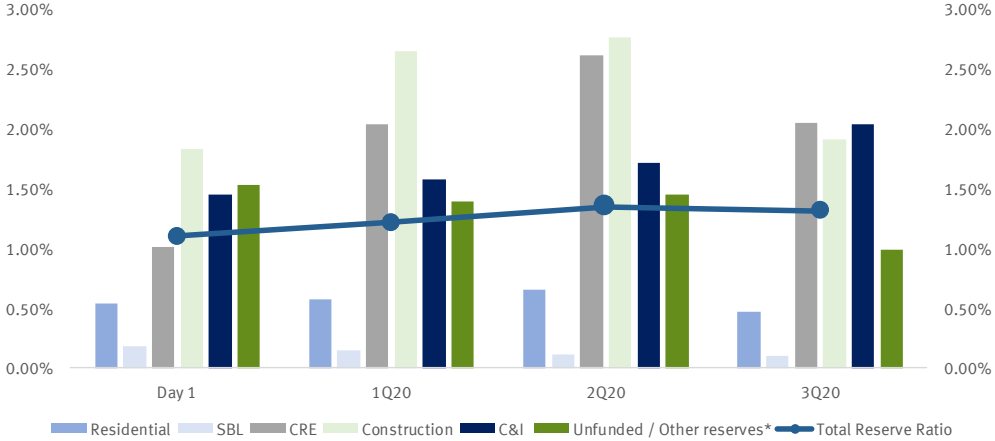
CECL 3Q20 FACTORS



NET CHARGE OFFS & CREDIT BALANCES



ALLOWANCE FOR CREDIT LOSSES / TOTAL LOANS



Capital & Liquidity

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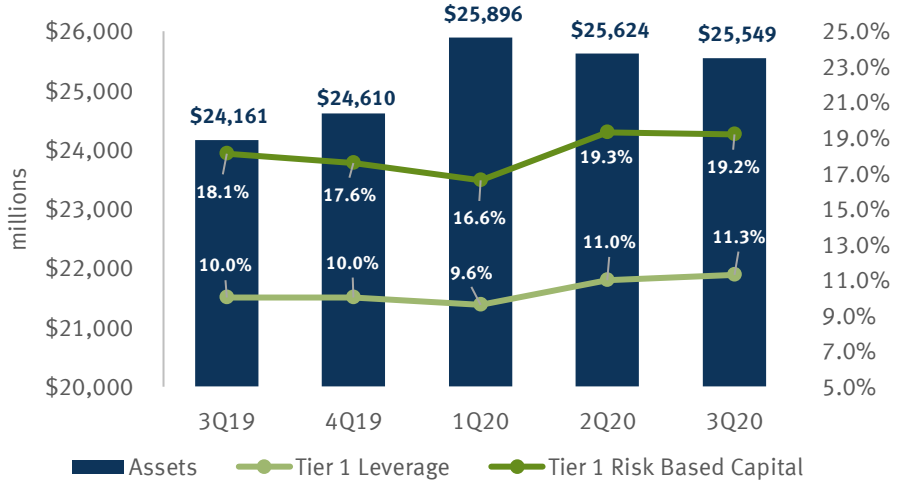
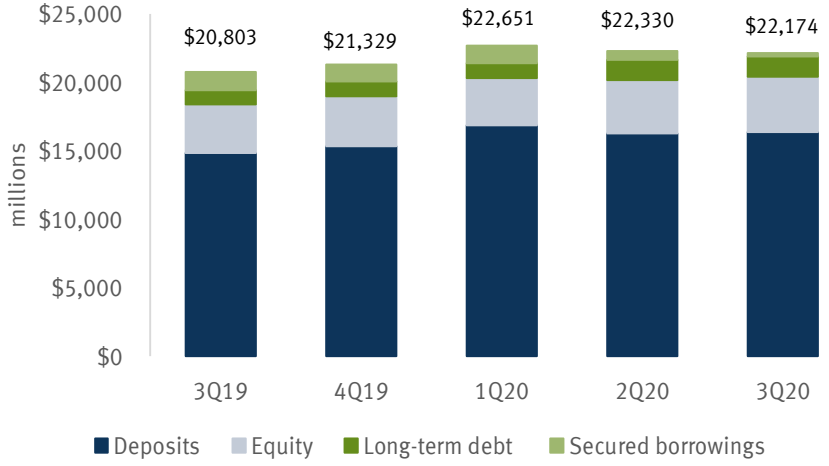
FIRM-WIDE ASSETS & CAPITAL RATIOS



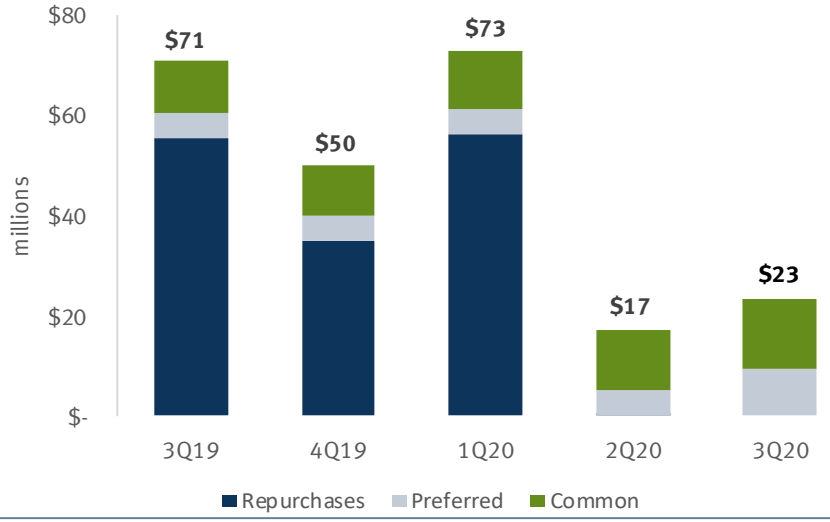
HIGHLIGHTS

- Sweep Balances Continued to Increase in 3Q20
- Capital Ratios Consistent with 2Q20
- Projecting No Material Change in the Size or Composition of the Balance Sheet
- Capital Return in 3Q20 Limited to Dividends

STABLE FUNDING SOURCES



STOCK REPURCHASES & DIVIDENDS



Expenses & Fourth Quarter Guidance

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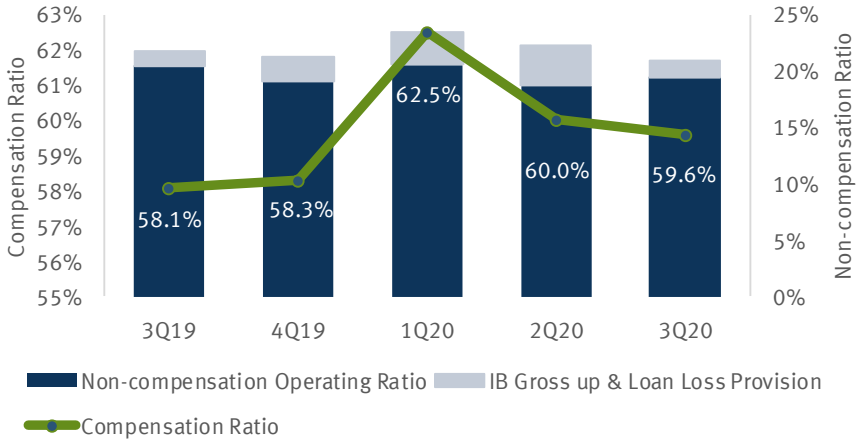
NON-GAAP EXPENSES & PRE-TAX INCOME

millions	3Q20	Y/Y Change	Sequential Change	YTD	VS 2019
Compensation	$527	10%	-2%	$1,635	17%
Ex. IB Gross Up & Loan Loss Provision	$173	3%	4%	$527	7%
Loan Loss Provision & IB Gross Up	$12	14%	-61%	$71	93%
Non-compensation	$185	4%	-7%	$598	13%
Pre-tax Income	$171	4%	8%	$459	-2%

EXPENSE RATIOS



GAAP to Non-GAAP RECONCILIATION

(000s)	3Q20	YTD
GAAP Net Income	$120,527	$315,003
Preferred Dividend	$9,897	$19,584
Net Income available to common Shareholders	$110,630	$295,419
Non-GAAP After Tax Adjustments	$9,895	$32,374
Non-GAAP Net Income Available to Common Shareholders	$120,525	$327,793

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

FOURTH QUARTER 2020 GUIDANCE

- Net Revenue: $870 – $920 million
- Firm-wide NII: $100 – $110 million
- Bank NIM: 235 – 245 bps
- Compensation Ratio: 57.5% - 59.5%
- Non-compensation Operating Ratio: 19%-21%
- Diluted Share Count: 77.4 million

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 "Risk Factors" in Part II, Item 1A of the Company's Quarterly Report on Form 10-Q for the quarters ended March 31, 2020 and June 30,2020 and in Part I 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 nine months ended September 30, 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.