SHAREHOLDER LETTER

At Stifel, we strive to be the place "Where Success Meets Success." Our goal is threefold: to be "advisor of choice" for the most successful and ambitious clients, "firm of choice" for the brightest minds in our business, and "investment of choice" for the most visionary investors in the market. Our execution has always started with our clients – families, companies, municipalities, schools, and more – to whom we have provided exceptional service and advice for more than 130 years. We connect them with entrepreneurial and talented individuals, collaborating as teams, who have chosen Stifel as their "firm of choice." The cover of this year's report celebrates the many successful firms that have joined Stifel as it has grown, creating a balanced and efficient investment management and global investment banking company. Through organic hires and accretive mergers, Stifel has become a mosaic of successful teams and entrepreneurs – a company "Where Success Meets Success."

I am often asked for the formula that allowed the successful integration of so many different firms into Stifel. While there are many ingredients, by far the most potent is an attitude of respect for the people and the capabilities of the firms that join us. At Stifel, we recognize that every firm we acquire is comprised of talented, entrepreneurial associates equipped with ideas, products, and technology which, if properly nurtured, would only serve to make Stifel a better firm with more relevance to our clients. We understand that we must learn from and adapt to the new associates and the firms we acquire. There is no better illustration of this formula than the 16 CEOs who joined Stifel in major acquisitions and remain my partners to this day. Stifel is the place "Where Success Meets Success," but it is also where success finds a home.

Ronald J. Kruszewski
Chairman of the Board and Chief Executive Officer

REVIEW OF 2022

When you look at 2022, it was a year marked by significant geopolitical turmoil and 40-year highs in U.S. inflation, which precipitated rapid central bank tightening. In turn, these events put pressure on equity valuations, illustrated by the 19% decline in the S&P 500. Taken together, these factors had a chilling effect on capital-raising and related strategic activity, impacting our institutional business worldwide.

Amidst this difficult environment, and marking Stifel's 132nd year in business, 2022 represented our second best annual results, as our balanced business model delivered return on average tangible equity of 22%. Stifel revenues totaled $4.6 billion and, on a non-GAAP basis, net earnings were $675 million, or $5.74 per share. In addition, we increased our book value by 6% and our tangible book value by 9%. On the basis of our 2022 results and our belief in consistently increasing our dividend, our Board of Directors approved a 20% increase to our common dividend, which now stands at $1.44 per share, or $0.36 per quarter.

Please see the following "Year in Review" for a more detailed look at our company's 2022 results.

EXECUTING OUR STRATEGY

Stifel is a growth company, and we will continue to reinvest in our business, as it has been instrumental in our long history of consistent profitable growth.

Our focus on long-term growth is a key factor in reaching our strategic objectives. Over the past 25 years, Stifel has grown from a small regional wealth manager to a premier global wealth management and investment bank. As I look to the future, we will continue to grow both of our business segments, wealth management and institutional services, by redeploying our substantial excess capital with the goal of generating the best risk-adjusted returns.

For our wealth management franchise, this means continuing to recruit high-quality financial advisors that choose to make Stifel their firm of choice due to our advisor-friendly culture, expansive product suite, excellent technology, and industry-leading yet simple and fair compensation grid.

Stifel is an advisor-focused firm that offers a platform and a culture that enable financial advisors to grow their business without the bureaucracy that plagues many firms. To help our advisors strengthen their client relationships, we continually seek their feedback on how we can improve the service we provide and the capabilities we offer them and their clients. The ongoing improvements and investments we continue to make in our wealth management business not only help us keep our advisors satisfied, they also help us recruit high-quality advisors looking to get more from their careers.

As we look forward, we believe we can reach $1 trillion in total client assets through a combination of strong recruiting, net new asset growth, and market appreciation. This growth will not only help us grow our private client asset base, but increase our deposit base at our bank and further expand our bank balance sheet, which has been a significant contributor to our top- and bottom-line growth.

Our Institutional Group has grown from essentially zero a little less than 20 years ago into a global business that has generated average total revenue in the past three years of $1.75 billion. This was accomplished through both organic growth as well as a number of strategic acquisitions. To underscore our growth, we have increased our ranks of managing directors to nearly 850 at the end of 2022, up more than three times the number we had in 2012. While market conditions have weighed on this business, our increased scale enabled us to generate $971 million of investment banking revenue in 2022, which was the second strongest year in our storied history. As I have stated numerous times, our growth is focused on increasing relevancy to our clients.

Stifel is always eager to embrace the opportunities presented by new technology. This year, developments in artificial intelligence (AI) – specifically deep learning and large language models (LLMs) like ChatGPT – have demonstrated a remarkable potential for changing the way people interact with unfathomably large data sets, such as the entire corpus of text on the internet. Greater use of AI tools is among the most significant potential improvements to our digital capabilities as a firm, allowing clients and associates to better leverage their data and Stifel's expanding digital deployment. However, the use of AI comes with a critical responsibility for the security and privacy of our data, and that of our clients, associates, and other partners. This responsibility is always foremost in our mind as we evaluate new technological opportunities.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE UPDATE

At Stifel, we seek to create a company that reflects the diverse communities that we serve while creating and nurturing an environment where all associates feel they belong and are respected. As such, we continue to integrate environmental, social, and governance (ESG) considerations into our business practices. To us, it's not just good for business, it's the right thing to do.

We are committed to acting and increasing our transparency on issues such as diversity and inclusion, ethics and integrity, risk management, and sustainable finance. I am proud of the significant strides we have made in our ESG initiatives in the past few years, and I invite our shareholders to learn more about them by reading our Environmental, Social & Governance Report, which is available at Stifel.com.

RECENT BANKING TURMOIL

The recent failures of Silicon Valley Bank and Signature Bank are, in my opinion, examples of a classic "run on the bank" crisis. In this case, the banks operated under a very accommodative fiscal policy, financed by an expansion of the Federal Reserve balance sheet. Easy money policies, in conjunction with unprecedented fiscal stimulus, resulted in a substantial increase in bank deposits without a corresponding increase in loan demand. Ironically, these banks were encouraged to own government securities because of the low credit risk, high liquidity, and low capital requirements. In addition, many thought it inconceivable that short-term rates would increase nearly 500 basis points in a year. As many have commented, this significant interest rate risk was "hiding in plain sight," but risk management controls at both banks failed to recognize it – along with the new speed at which depositors can move to withdraw.

The follow-on risk to our banking system is a regulatory overreaction to the failure of a few banks with mostly idiosyncratic risks. The real damage to the system is the potential loss of confidence in regional, mid-sized, and community banks, primarily as to the perceived safety of uninsured deposits. Meanwhile, one can argue that the larger, globally systemic banks benefited from this crisis. Look no further than the resolution of Credit Suisse to see that certain institutions are treated as "too big to fail." As a result, such institutions have implied deposit insurance covering all their deposits, regardless of size – which explains why the largest banks saw significant increases to their deposit balances during the crisis.

This market dynamic simply must change.

The United States financial system benefits from the local knowledge and community relationships that regional, mid-sized, and community banks provide. Those benefits will be lost if we continue down the path of a de facto two-tiered system, whereby uninsured deposits are viewed as either at-risk (smaller banks) or essentially insured at the "too big to fail" institutions. This is not an indictment of our large, global banks, as these institutions are equally important to the United States, and the world, in terms of competitive global markets. But we must acknowledge the unintended consequences of tilting the playing field so that uninsured deposits flow in their direction.

While I am generally opposed to government intervention in markets, the fact is that by treating banks as "too big to fail," the government has already intervened.

To level the playing field, I believe that all business deposits should be FDIC insured. The largest banks should pay their fair share of premiums for this FDIC insurance, instead of paying nothing for the implicitly unlimited insurance they have for being "too big to fail." Why business deposits? Because the vast majority of uninsured deposits are, essentially, business deposits. They are the foundation for many smaller banks and provide the funding for local development. Insuring all business deposits will provide a robust market environment, in which competition will be based on local dynamics, service, and competitive rates – and not by the perception that deposits are essentially government guaranteed at the largest banks. I believe this policy would foster a more stable foundation for our banking system.

Sometimes, the solution to problems is "hiding in plain sight."

2022 RESULTS

(in thousands, except per share amounts)

TOTAL FIRM	2022	%Δ
Total Revenues	$4,592,826	(4)
Non-GAAP Net Income	675,071	(20)
Non-GAAP EPS	5.74	(19)
GLOBAL WEALTH MANAGEMENT		
Net Revenues	$2,825,866	9
Contribution	1,067,571	17
AUM	389,818,000	(11)
INSTITUTIONAL GROUP		
Equity Net Revenues	$935,507	(36)
Fixed Income Net Revenues	600,510	(14)
Net Revenues	1,536,017	(29)
Contribution	254,132	(55)
INSTITUTIONAL TRADING		
Equity	$200,512	(21)
Fixed Income	370,198	3
Total	570,710	(7)
INVESTMENT BANKING		
Equity	$745,413	(40)
Fixed Income	226,072	(32)
Total	971,485	(38)
Capital Raising	256,862	(64)
Advisory	714,623	(17)

LOOKING FORWARD

Predicting the future economic landscape is difficult, as is forecasting interest rates. However, the convergence of inflation, higher rates, and quantitative tightening represents financial conditions which have not been experienced for years, in fact decades. Despite my reservation about predictions, I do believe that inflation is likely to be persistent and the market anticipation of rate cuts later this year optimistic. That said, Stifel is well positioned, through our strategy and culture, to continue our long-term success and growth.

I would like to thank Kathleen Brown, as she retires from our Board of Directors, for her years of service, including recently as Lead Independent Director. Kathleen has been a reliably fair, thoughtful, and incisive voice. She has helped guide Stifel's continued growth and been a partner to me and her fellow directors. I, and our shareholders, will miss her wise counsel.

As always, we sincerely thank our shareholders and clients for their support, as well as our approximately 9,000 associates for their commitment to excellence and success.

Ronald J. Kruszewski
Chairman of the Board and Chief Executive Officer
April 2023