

The background of the slide features a large, detailed sculpture of two mammoths facing each other, their tusks touching. The sculpture is rendered in a light, textured material, possibly stone or plaster, 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

3rd Quarter
Financial Results Presentation
October 30, 2019

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 nine months ended September 30, 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.

Highlights & Third Quarter Results

- Record Net Revenue of \$822 million, up 11% Y/Y.
- Record Global Wealth Management Net Revenue of \$535 million, up 7% Y/Y.
- Institutional Group Net Revenue of \$290 million, up 18% Y/Y
- Record Client Assets of \$312 billion, up 8% Y/Y
- Record Fee-Based Assets of \$108 billion, up 13% Y/Y
- Non-GAAP Pre-tax Margin of 20.2%, up 40 bps Q/Q
- Non-GAAP ROCE of 14.8% & Non-GAAP ROTCE of 24.2%
- Repurchased 1 million shares at an average price of \$55.43

Financial Highlights (000s, except per share data)	Three Months Ended					Three Months Ended		
	3Q19	3Q18	Non-GAAP % Change	2Q19	% Change	3Q19	U.S. GAAP 3Q18	2Q19
Net revenues	\$821,572	\$738,367	11%	\$800,787	3%	\$821,572	\$738,342	\$800,787
Brokerage	\$261,767	\$241,168	9%	\$261,445	0%	\$261,767	\$241,168	\$261,445
Investment Banking	\$198,790	\$169,012	18%	\$179,617	11%	\$198,790	\$169,012	\$179,617
Asset Management & Service Fees	\$217,628	\$200,743	8%	\$211,171	3%	\$217,628	\$200,743	\$211,171
Net Interest Income	\$134,640	\$121,317	11%	\$135,049	0%	\$134,640	\$121,292	\$135,049
Other	\$8,747	\$6,127	43%	\$13,505	-35%	\$8,747	\$6,127	\$13,505
Pre-tax Income	\$165,604	\$152,081	9%	\$158,210	5%	\$150,754	\$140,530	\$147,982
Net income	\$122,698	\$112,405	9%	\$117,331	5%	\$110,122	\$103,858	\$109,757
Preferred Dividend & Non-Controlling Interest	\$5,552	\$2,343	137%	\$5,960	-7%	\$5,552	\$2,343	\$5,960
Net income available to common shareholders	\$117,146	\$110,062	6%	\$111,371	5%	\$104,570	\$101,515	\$103,797
Earnings per diluted share available to common shareholders	\$1.50	\$1.35	11%	\$1.41	6%	\$1.34	\$1.25	\$1.31
Compensation ratio	58.1%	56.5%	160 bps	57.9%	20 bps	59.2%	57.2%	58.3%
Non-compensation ratio	21.7%	22.9%	-120 bps	22.3%	-60 bps	22.5%	23.8%	23.2%
Pre-tax operating margin	20.2%	20.6%	-40 bps	19.8%	40 bps	18.3%	19.0%	18.5%
Effective Tax Rate	26.0%	26.1%	-10 bps	25.9%	10 bps	27.1%	26.1%	25.9%

Brokerage Revenue and Asset Management & Service Fees

Brokerage Revenue (000s)	Three Months Ended					YTD		
	3Q19	3Q18	% Change	2Q19	% Change	2019	2018	% Change
Global Wealth Management brokerage revenue	\$160,117	\$158,818	1%	\$162,388	-1%	\$475,699	\$480,842	-1%
Institutional brokerage:								
Equity Capital Markets	41,037	43,904	-7%	40,670	1%	120,588	137,255	-12%
Fixed Income Capital Markets	60,613	38,446	58%	58,387	4%	186,406	142,514	31%
Total Institutional brokerage	101,650	82,350	23%	99,057	3%	306,994	279,769	10%
Total Brokerage Revenue	\$261,767	\$241,168	9%	\$261,445	0%	\$782,693	\$760,611	3%

Asset Management & Service Fees: (000s)	Three Months Ended					YTD		
	3Q19	3Q18	% Change	2Q19	% Change	2019	2018	% Change
Asset Management & Service Fees	\$217,628	\$200,743	8%	\$211,171	3%	\$624,066	\$596,112	5%

(000s)	Three Months Ended					YTD		
	3Q19	3Q18	% Change	2Q19	% Change	2019	2018	% Change
Global Wealth Management Revenue & Fees*	\$377,745	\$359,561	5%	\$373,559	1%	\$1,099,765	\$1,076,954	2%

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

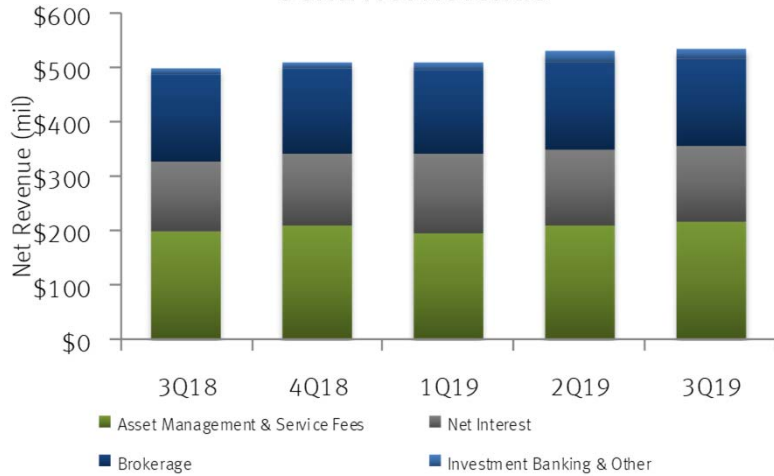
Investment Banking Revenue

Investment banking: (000s)	Three Months Ended					YTD		
	3Q19	3Q18	% Change	2Q19	% Change	2019	2018	% Change
Capital raising:								
Global Wealth Management revenue	\$9,855	\$7,722	28%	\$10,559	-7%	\$28,637	\$23,378	22%
Equity Capital Markets	53,006	65,000	-19%	59,156	-10%	140,021	161,793	-14%
Fixed Income Capital Markets	31,082	20,553	51%	26,997	15%	78,941	60,873	30%
Total capital raising	93,943	93,275	1%	96,712	-3%	247,599	246,044	1%
Advisory fees	104,847	75,717	39%	82,905	27%	292,648	260,393	12%
Total investment banking revenue*	\$198,790	\$168,992	18%	\$179,617	11%	\$540,247	\$506,437	7%

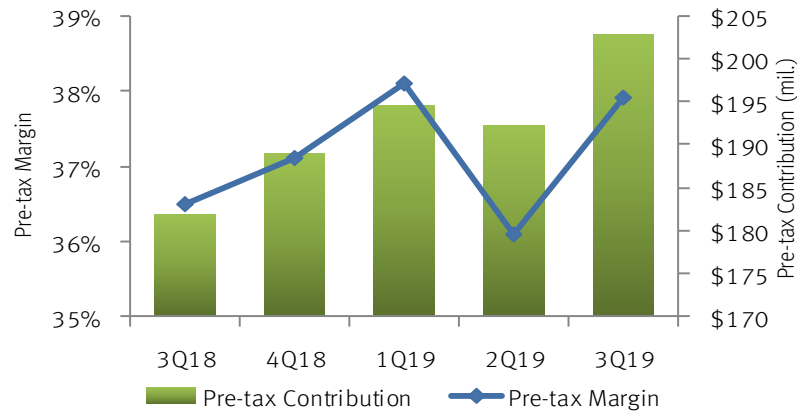
* Excludes Other Segment revenue

Global Wealth Management

GWM Net Revenue



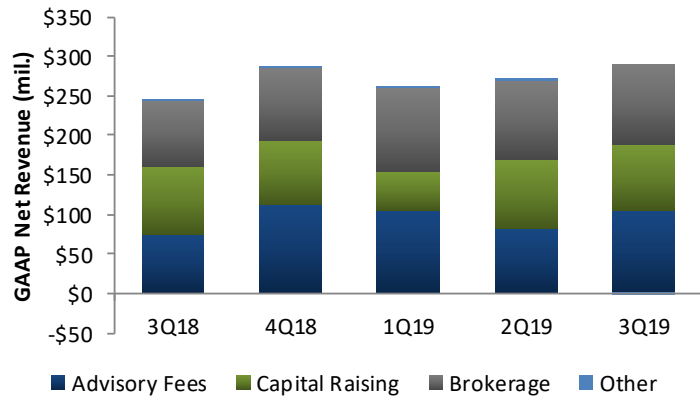
GWM Pre-tax Margin & Contribution



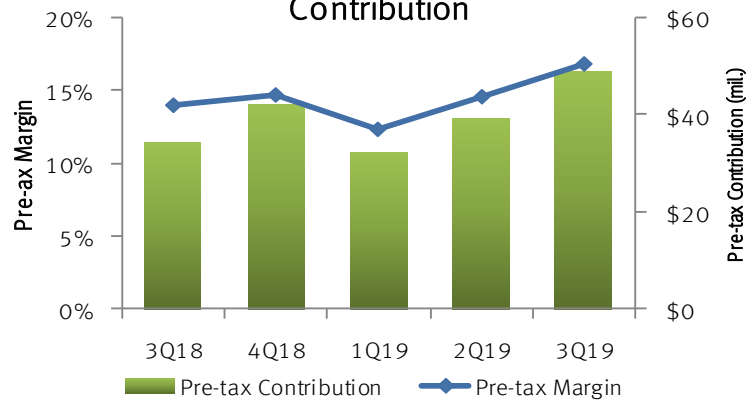
<i>millions</i>	3Q19	Y/Y Change	Sequential Change	2019	YTD Change
Global Wealth Management Revenue					
Commissions	\$118	0%	-2%	\$348	-2%
Principal Transactions	\$42	3%	0%	\$127	1%
Brokerage	\$160	1%	-1%	\$476	-1%
Asset Management & Service Fees	\$218	8%	3%	\$624	5%
Net Interest	\$138	8%	0%	\$421	14%
Investment Banking	\$10	28%	-7%	\$29	22%
Other	\$9	155%	-16%	\$28	187%
Total Global Wealth Management Net Revenue	\$535	7%	0%	\$1,578	7%
Comp. Ratio	49.0%	50 bps	-30 bps	48.9%	20 bps
Non-Comp. Ratio	13.1%	-160 bps	-150 bps	13.7%	-60 bps
Pre-tax Margin	37.9%	110 bps	180 bps	37.4%	40 bps
Financial Advisors	2,097	3%	0%		
Independent Contractors	96	-8%	0%		
Total Financial Advisors	2,193	2%	0%		
Client AUA	\$311,819	8%	2%		
Fee-based Client Assets	\$108,138	13%	4%		
Private Client Fee-based Client Assets	\$85,163	19%	5%		

Institutional Group

Institutional Group Net Revenue



Institutional Group Pre-tax Margin & Contribution



	3Q19	Y/Y Change	Sequential Change	2019	YTD Change
<i>millions</i>					
Institutional Revenue					
Advisory	\$105	39%	27%	\$293	12%
Equity					
Underwriting	\$53	-19%	-10%	\$140	-14%
Brokerage	\$41	-7%	1%	\$121	-12%
Total Equity	\$94	-14%	-7%	\$261	-13%
Fixed Income					
Underwriting	\$31	51%	15%	\$79	30%
Brokerage	\$61	58%	4%	\$186	31%
Total Fixed Income	\$92	55%	7%	\$265	31%
Total Institutional Group Net Revenue*	\$290	18%	7%	\$822	7%
Comp. Ratio	59.1%	-30 bps	150 bps	59.2%	0 bps
Non-Comp. Ratio	24.1%	-260 bps	-380 bps	26.2%	30 bps
Pre-tax Margin	16.8%	290 bps	230 bps	14.6%	-30 bps

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

Acquisitions

 Hanifen, Imhoff Inc. Investment Bankers 2000	 LEGG MASON CAPITAL MARKETS 2005	 Miller Johnson Stechen Kinnand Investment Securities PRIVATE CLIENT GROUP 2006	 RYAN BECK & CO. 2007	 FIRST SERVICE BANK RELATIONSHIP BANKING RENAMED STIFEL BANK & TRUST 2007	 ButlerWick investments·trust·insurance 2008	56 UBS BRANCHES 2009
 MISSOURI VALLEY PARTNERS 2010	 Thomas Weisel Partners™ Experts in Growth 2010	 STONE & YOUNGBERG 2011	 MILLER BUCKFIRE 2012	 KEEFE, BRUYETTE & WOODS 2013	 Knight Institutional Fixed Income Sales & Trading 2013	 Ziegler Lotsoff CAPITAL MANAGEMENT, LLC 2013
 ACACIA FEDERAL SAVINGS BANK 2013	 DE LA ROSA & CO. INVESTMENT BANKERS 2014	 Oriel SECURITIES 2014	 LEGG MASON INVESTMENT COUNSEL RENAMED 1919 INVESTMENT COUNSEL 2014	 MERCHANT CAPITAL L.L.C. 2014	 sterne agee 2015	 BARCLAYS Wealth and Investment Management, Americas 2015
 EATON PARTNERS 2016	 ISM Capital LP 2016	 CITY FINANCIAL CORPORATION Invested in you. 2017	 Ziegler Wealth Management 2018	 THE BUSINESS BANK OF SAINT LOUIS RENAMED STIFEL BANK 2018	 RAND & ASSOCIATES WEALTH MANAGEMENT 2018	
 MAINFIRST ANNOUNCED*	 FIRST EMPIRE 2019	 MOORELAND PARTNERS 2019	 B&F CAPITAL MARKETS, INC. 2019	 George K. Baum & Company INVESTMENT BANKERS SINCE 1928 2019	 GMP Capital Inc. ANNOUNCED*	

*ANNOUNCED AGREEMENT TO ACQUIRE

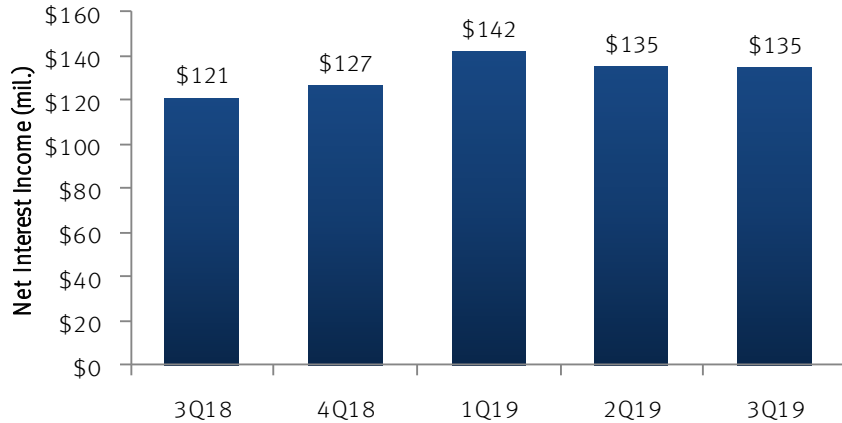
The background of the slide features two large, weathered sculptures of mammoths. One is on the left, facing right, and the other is on the right, facing left. They appear to be made of stone or concrete and are set against a backdrop of a cloudy sky. A dark blue horizontal band is overlaid across the middle of the image, containing the title text.

Net Interest Income, Balance Sheet, & Expenses

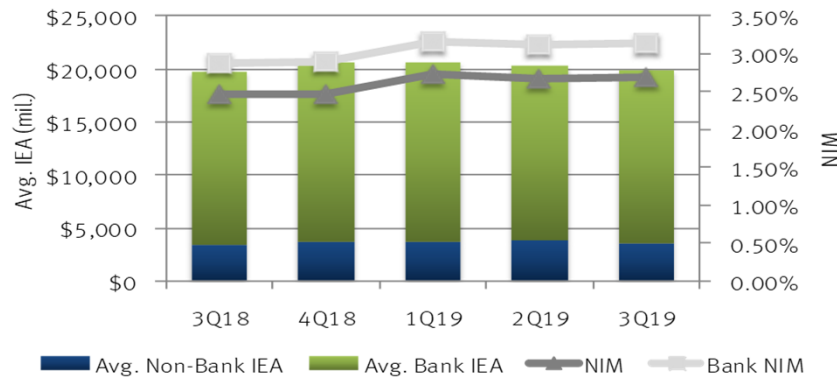
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Net Interest Income

Net Interest Income Growth



Net Interest Income Drivers



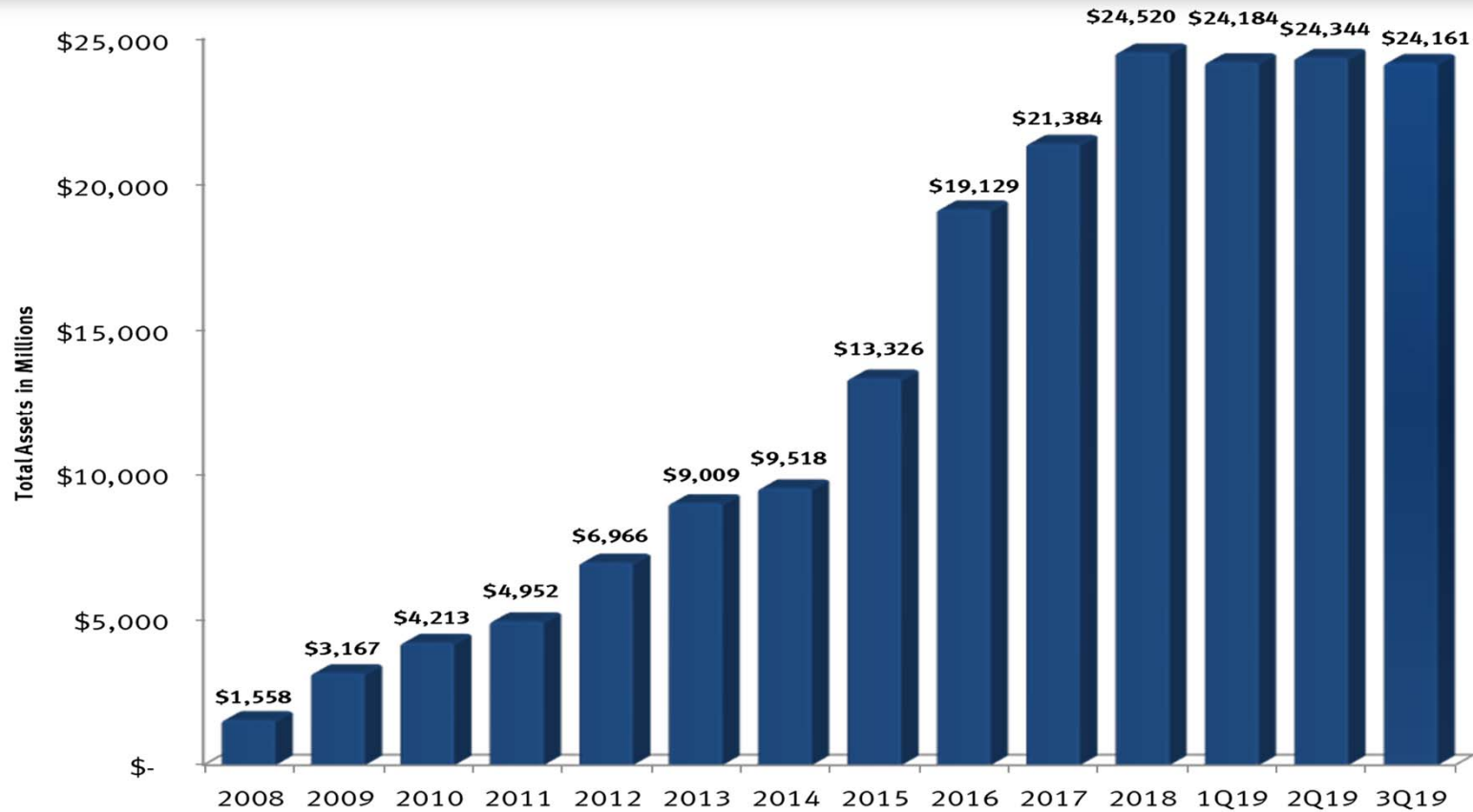
Average Yields on Balance Sheet

	3Q19	3Q18	Change	2Q19	%Change
Assets:					
Bank loans	4.09%	3.88%	21 bps	4.21%	-12 bps
Commercial	4.77%	4.62%	15 bps	4.95%	-18 bps
Securities based	4.06%	3.94%	12 bps	4.21%	-15 bps
Mortgage	3.08%	2.88%	20 bps	3.05%	3 bps
Margin loans	4.08%	3.95%	13 bps	4.23%	-15 bps
Bank investments	3.43%	3.34%	9 bps	3.56%	-13 bps
CLO	3.88%	3.88%	0 bps	4.08%	-20 bps
Mortgage backed securities	2.10%	2.18%	-8 bps	2.33%	-23 bps
Corporates	3.06%	2.85%	21 bps	3.02%	4 bps
Other	5.98%	1.48%	450 bps	0.00%	598 bps
Average Assets	3.59%	3.44%	15 bps	3.71%	-12 bps
Liabilities:					
Deposits	0.67%	0.74%	-7 bps	0.80%	-13 bps
Senior notes	4.38%	4.43%	-5 bps	4.38%	0 bps
Short-term borrowings	2.63%	2.89%	-26 bps	3.16%	-53 bps
Average Liabilities	0.99%	1.10%	-11 bps	1.17%	-18 bps
Net interest margin	2.70%	2.46%	24 bps	2.67%	3 bps

*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

Balance Sheet



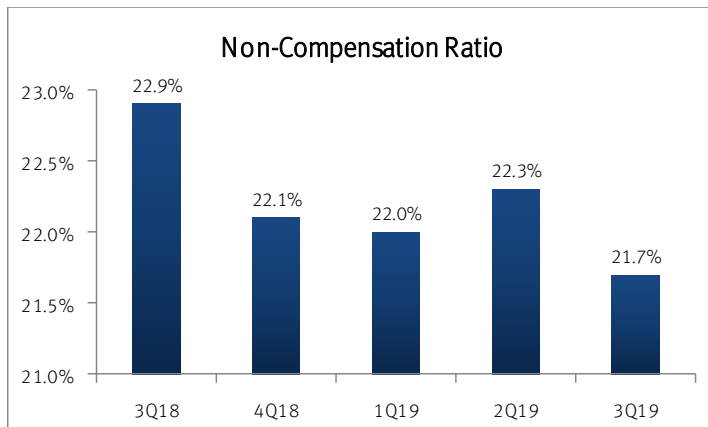
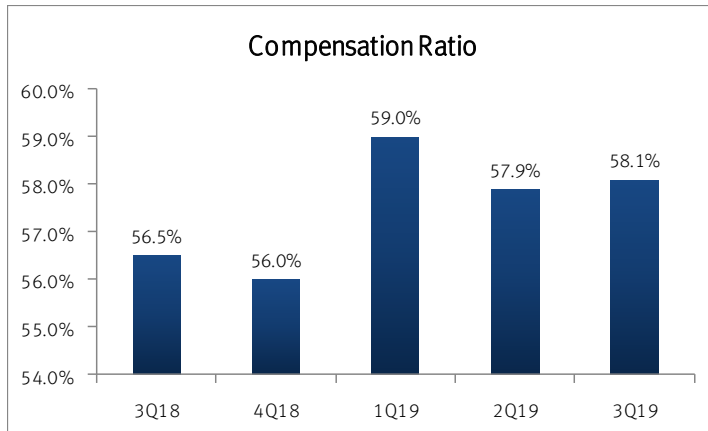
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	1Q19	2Q19	3Q19
Tier 1 Leverage	32.3%	30.5%	25.6%	21.4%	17.7%	15.4%	16.5%	16.6%	10.2%	9.5%	9.3%	9.8%	10.0%	10.0%
Tier 1 Risk Based Capital	49.4%	40.5%	29.1%	27.4%	26.8%	26.7%	25.0%	26.3%	20.3%	19.0%	18.2%	18.5%	18.0%	18.1%
Risk Weighting Assets Density	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%	52.2%

* 3Q19 Capital ratios are estimated

Stifel Bancorp, Inc.

(mil. except for %'s)	3Q19	3Q18	% Change	2Q19	% Change
Assets:					
Mortgage Loans	3,043	2,792	9%	2,985	2%
Commercial Loans	3,316	3,127	6%	3,338	-1%
Securities Based Loans	1,986	1,836	8%	1,963	1%
Commercial Real Estate	388	329	18%	367	6%
Loans Held for Sale	265	262	1%	164	62%
Total Loans, net	\$9,367	\$8,516	10%	\$9,128	3%
Asset Backed Securities	\$4,604	\$5,039	-9%	\$4,387	5%
Mortgage Backed Securities	1,017	1,621	-37%	1,433	-29%
Corporates	674	1,176	-43%	797	-15%
Other	32	69	-54%	43	-26%
Total Other Securities	1,723	2,866	-40%	2,273	-24%
Total Investments	\$6,327	\$7,910	-20%	\$6,660	-5%
Total Assets	\$16,443	\$17,005	-3%	\$16,646	-1%
Liabilities:					
Deposits	\$14,837	\$14,503	2%	\$14,901	0%
Credit Metrics					
Non-performing assets (\$s)	18	24	-25%	21	-14%
Non-performing assets (%s)	0.11%	0.14%	-3 bps	0.13%	-2 bps
Allowance as a percentage of loans	0.99%	0.97%	2 bps	1.00%	-1 bps
Net Interest Margin	3.14%	2.87%	27 bps	3.11%	3 bps

Expenses



Non-GAAP Expenses & Pre-tax Income	Three Months Ended				YTD			
	3Q19	3Q18	Change	2Q19	Change	2019	2018	Change
<i>(millions)</i>								
Compensation	\$477	\$417	15%	\$464	3%	\$1,395	\$1,309	7%
Non-compensation	\$179	\$169	5%	\$179	0%	\$528	\$504	5%
Pre-tax Income	\$166	\$152	9%	\$158	5%	\$470	\$419	12%

GAAP to Non-GAAP Reconciliation for Third Quarter 2019		YTD
<i>(000s)</i>		2019
	09/30/19	
GAAP Net Income	\$109,414	\$317,706
Preferred Dividend	4,844	12,476
Net Income available to common Shareholders	\$104,570	\$305,230
Non-GAAP After Tax Adjustments		
Acquisition-Related & Severance	12,576	25,210
Litigation-Related	-	2,597
Total Non-GAAP Adjustments	12,576	27,807
Non-GAAP Net Income Available to Common Shareholders	\$117,146	\$333,037

* For reconciliation of GAAP to non-GAAP expenses, refer to our third quarter 2019 earnings release.

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Outlook

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A Five Year Quarterly Comparison

<i>(000s)</i>	3Q'19	3Q'14	Fluctuation
Net Revenues	\$821,572	\$524,725	57%
Asset Management	217,628	96,638	125%
Net Interest Income	134,640	40,529	232%
Advisory	104,847	50,939	106%
Brokerage	261,767	260,999	0%
Net Income	\$117,146	\$48,698	141%
Non-GAAP EPS	\$ 1.50	\$ 0.64	134%
Diluted Shares O/S	78,144	76,681	2%
Pre-Tax Margins	20.2%	14.9%	530 bps
ROCE	15%	9%	600 bps



Q&A

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