

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 bright, slightly hazy sky. The word 'STIFEL' is overlaid in the top left corner in a dark blue, serif font.

# STIFEL

2<sup>nd</sup> Quarter 2021  
Financial Results Presentation  
July 28, 2021

Stifel's "FORCES" statue by Harry Weber

# Second Quarter & YTD Snapshot

# STIFEL

## 2Q21 & YTD RESULTS

millions, except per share and ratios

### NET REVENUE

2Q21: GAAP & NON-GAAP **\$1,153**  
 YTD: GAAP & NON-GAAP **\$2,288**

### NET EARNINGS

2Q21: GAAP **\$190** NON-GAAP **\$202**  
 YTD: GAAP **\$355** NON-GAAP **\$378**

### EPS

2Q21 GAAP **\$1.60** NON-GAAP **\$1.70**  
 YTD: GAAP **\$3.00** NON-GAAP **\$3.20**

### ANNUALIZED ROE

2Q21: GAAP **19.4%** NON-GAAP **20.6%**  
 YTD: GAAP **18.5%** NON-GAAP **19.7%**

### ANNUALIZED ROTCE

2Q21 GAAP **28.6%** NON-GAAP **30.5%**  
 YTD: GAAP **27.6%** NON-GAAP **29.5%**

### BOOK VALUE PER SHARE

TBV **\$25.87** BV **\$37.89**

## HIGHLIGHTS

Record Quarterly & Six Month  
Net Revenue

Record Quarterly & Six Month  
Pre-tax Income & EPS

Record Quarterly & Six Month  
Global Wealth Management Revenue

Substantial Growth in  
Private Client Fee-Based Assets

Record Quarterly & Six Month  
Institutional Group Revenue

Record Investment Banking  
Pipelines

# Second Quarter Results



## FINANCIAL RESULTS

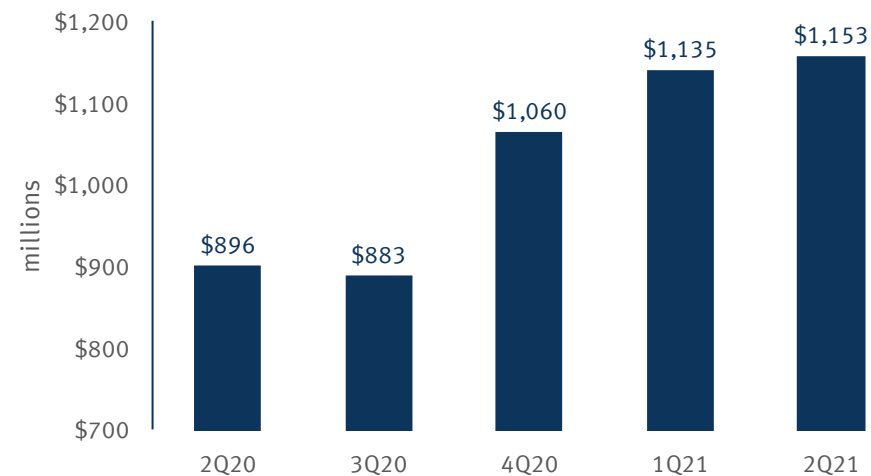
<i>millions</i>	2Q21	Y/Y Change	Sequential Change	YTD	VS 2020
Global Wealth Management	\$638	26%	1%	\$1,269	17%
Institutional	521	31%	3%	1,027	41%
Other	-5	n/m	n/m	-8	n/m
<b>Net revenue</b>	<b>1,153</b>	<b>29%</b>	<b>2%</b>	<b>2,288</b>	<b>27%</b>
Compensation expense	686	28%	-1%	1,378	24%
Operating expense <sup>1</sup>	196	9%	-4%	401	6%
Provision for credit loss	-10	n/m	84%	-15	n/m
<b>Pre-tax income</b>	<b>280</b>	<b>76%</b>	<b>15%</b>	<b>524</b>	<b>82%</b>
Taxes	70	79%	20%	129	81%
<b>Net income</b>	<b>210</b>	<b>75%</b>	<b>14%</b>	<b>395</b>	<b>82%</b>
Preferred dividends	8	71%	0%	17	71%
Net income available to common shareholders	202	75%	15%	378	83%
<b>Diluted EPS</b>	<b>\$1.70</b>	<b>65%</b>	<b>13%</b>	<b>\$3.20</b>	<b>75%</b>
Compensation ratio	59.5%	-50 bps	-140 bps	60.2%	-110 bps
Operating expense ratio <sup>2</sup>	17.0%	-310 bps	-110 bps	17.5%	-340 bps
Pre-tax operating margin	24.3%	650 bps	290 bps	22.9%	700 bps
Book value per share	\$37.89	16%	5%		
Tangible book value per share	\$25.87	29%	8%		
ROTCE	30.5%	730 bps	210 bps		

(1) Operating Expense = Non-Compensation Expense – Provision for Credit Loss  
 (2) Operating Expense Ratio excludes Provision for Credit Loss

## SECOND QUARTER HIGHLIGHTS

- Record Quarterly:
  - Non-GAAP Net Revenue of \$1.15 billion, up 29% Y/Y
  - Global Wealth Management Revenue of \$638 million, up 26% Y/Y
  - Institutional Group Revenue of \$521 million, up 31%
- Non-GAAP Pre-tax Margin of 24.3%, up 650 bps Y/Y
- Fee-based Client Assets of \$149 billion, up 8% sequentially
- Tangible Book Value Per Share of \$25.87, up 29% Y/Y
- Non-GAAP annualized ROTCE of 30.5%, up 730 basis points Y/Y

## NET REVENUE



# Impressive Track Record of Growth

# STIFEL

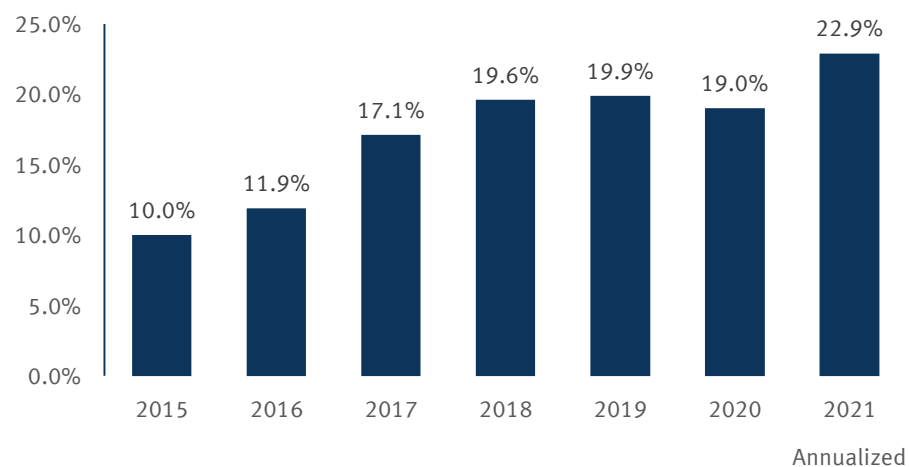
(millions)	2015 <sup>(1)</sup>	2016 <sup>(1)</sup>	2017	2018	2019	2020	Annualized 2015-2021	2015-2021 Change
Total net revenue <sup>3</sup>	\$2,335	\$2,580	\$2,928	\$3,025	\$3,337	\$3,752	\$4,576	<b>96%</b>
<i>growth</i>		10%	13%	3%	10%	12%	22%	
Global Wealth Management	\$1,377	\$1,563	\$1,822	\$1,990	\$2,131	\$2,191	\$2,538	<b>84%</b>
<i>growth</i>		14%	17%	9%	7%	3%	16%	
Institutional Group	\$976	\$1,014	\$1,111	\$1,055	\$1,214	\$1,583	\$2,054	<b>111%</b>
<i>Growth</i>		4%	10%	-5%	15%	30%	30%	
Earnings per share <sup>2,3</sup>	\$1.27	\$1.59	\$2.66	\$3.52	\$4.07	\$4.56	\$6.40	<b>405%</b>
<i>growth</i>		26%	67%	32%	16%	12%	40%	
Assets	\$13,326	\$19,129	\$21,384	\$24,520	\$24,160	\$26,604	\$29,745	<b>123%</b>
<i>growth</i>		44%	12%	15%	-1%	10%	12%	

(1) 2015 & 2016 exclude duplicative acquisition costs

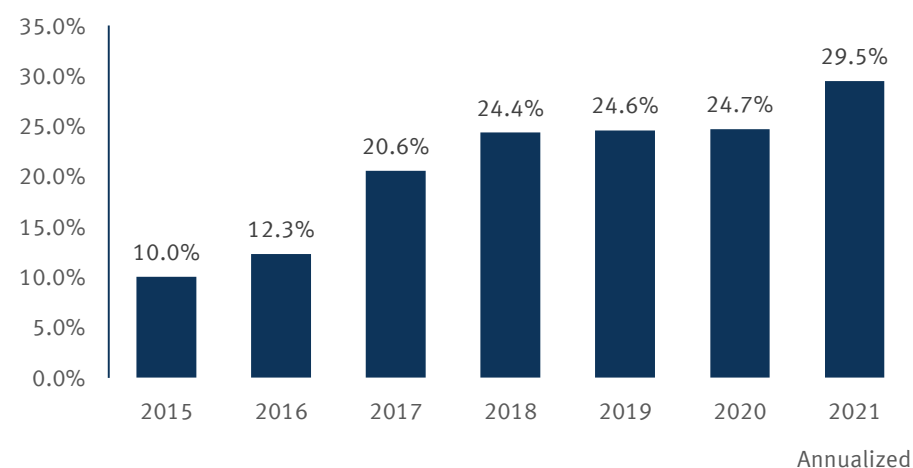
(2) Earnings per share have been adjusted to reflect December 2020 three for two stock split

(3) Non-GAAP

## Non-GAAP Pre-tax Margin



## Non-GAAP Return on Tangible Common Equity



# Increased 2021 Guidance After Record First Half Results

# STIFEL

	Actual	Original Guidance	Consensus	Updated Guidance
(millions)	2020	2021	2021	2021
Net Revenue	\$3,752	\$3,800 - \$4,000	\$4,290	<b>\$4,500 - \$4,700</b>
<i>Net Interest Income</i>	\$458	\$450 - \$500	\$471	<b>\$465 - \$485</b>
Compensation Ratio	59.9%	58.5% - 60.5%	59.4%	<b>58% - 60%</b>
Operating Non-Compensation Ratio <sup>1</sup>	18.8%	18% - 20%	17.8%	<b>16.5% - 18.5%</b>
Tax Rate	22.7%	24% - 26%	24.9%	<b>24% - 26%</b>

(1) Operating Non-Compensation Ratio excludes loan loss provision & investment banking gross up

## Original 2021 Guidance Assumptions

- Total Net Revenue Increase of 1% - 7%
  - Net Interest Income Growth of -2% - 9%
    - Stable Bank Net Interest Margin
    - Bank Interest-Earning Asset Growth of up to \$2 billion
  - Growth in Asset Management Fees
- Comp. Ratio of 58.5% - 60.5%
- Operating Non-Comp. Ratio of 18-20%

## Updated 2021 Guidance Assumptions

- Total Net Revenue Increase of 20% - 25%
  - Net Interest Income Expected Growth of 2% - 6%
    - Stable Bank Net Interest Margin
    - Bank Interest Earning Assets growth of \$4 billion
  - Record Investment Banking Revenue
  - Record Asset Management Revenue
- Comp. Ratio Guidance positively Impacted by Increased Net Interest Income & Investment Banking
- Operating Non-Comp. Ratio Positively Impacted by Higher Revenue & Improved Operating Margin

## GLOBAL WEALTH MANAGEMENT REVENUE

<i>millions</i>	2Q21	Y/Y Change	Sequential Change	YTD	VS 2020
Brokerage	\$195	23%	-3%	\$396	17%
Asset Management & Service Fees	296	49%	6%	574	31%
Net Interest	125	3%	6%	242	-7%
Investment Banking	12	48%	-12%	25	39%
Other	10	-43%	-51%	31	-9%
<b>Total Global Wealth Management Net Revenue</b>	<b>\$638</b>	<b>26%</b>	<b>1%</b>	<b>\$1,269</b>	<b>17%</b>
Comp. Ratio	53.5%	240 bps	20 bps	53.4%	230 bps
Non-Comp. Ratio	10.8%	-720 bps	-60 bps	11.1%	-560 bps
Provision for credit loss	-\$10	nm	nm	-\$15	nm
Pre-tax Margin	35.7%	480 bps	40 bps	35.5%	330 bps

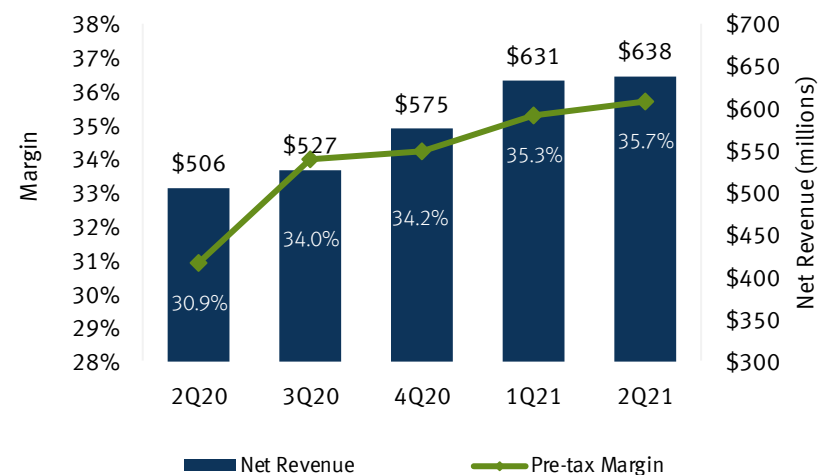
## FINANCIAL ADVISOR & CLIENT ASSET METRICS

<i>*millions</i>	2Q21	Y/Y	Sequential Change
Financial Advisors	2,190	2%	0%
Independent Contractors	92	-2%	0%
<b>Total Financial Advisors</b>	<b>2,282</b>	<b>2%</b>	<b>0%</b>
Client AUA	\$402,442	31%	6%
Fee-based Client Assets	\$148,838	40%	8%
Private Client Fee-based Client Assets	\$129,565	42%	8%

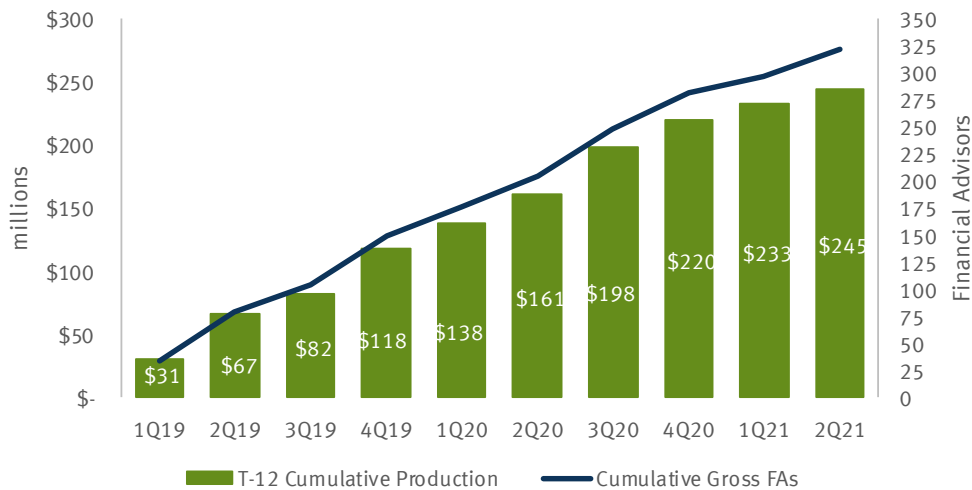
## HIGHLIGHTS

- Record First Half Net Revenue of \$1.3 billion, up 17% Y/Y
- Record Quarterly Net Revenue of \$638 million, up 26% Y/Y
- Record Quarterly Wealth Management Revenue, ex. Stifel Bancorp Inc., of \$501 million
- Private Client Fee-based Assets Increased 42% Y/Y
- Added 26 Financial Advisors, Including 14 Experienced Advisors with Total Trailing Twelve Month Production of \$12 million.

## NET REVENUE & MARGIN



## RECRUITING DRIVES REVENUE GROWTH



## DYNAMIC BUSINESS

- Announced renewed focus on recruiting independent FAs & rebranded business to Stifel Independent Advisors
- 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
  - 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 REVENUE

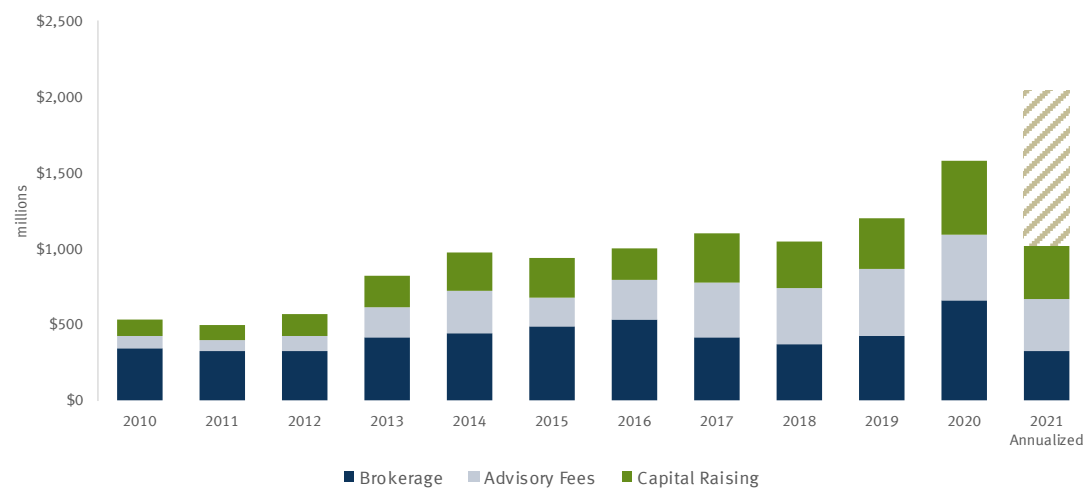
<i>millions</i>	2Q21	Y/Y Change	Sequential Change	YTD	VS 2020
Advisory	\$207	111%	58%	\$337	94%
Capital Raising	\$158	42%	-19%	\$353	73%
Brokerage	\$153	-17%	-14%	\$331	-7%
<b>Total Institutional Revenue*</b>	<b>\$521</b>	<b>31%</b>	<b>3%</b>	<b>\$1,027</b>	<b>41%</b>
Comp. Ratio	57.5%	-310 bps	-210 bps	58.5%	-280 bps
Non-Comp. Ratio	15.3%	-320 bps	-190 bps	16.3%	-530 bps
Pre-tax Margin	27.2%	630 bps	400 bps	25.2%	810 bps

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

## HIGHLIGHTS

- Record Results:
  - Quarterly Net Revenue of \$521 million, up 31% Y/Y
  - Quarterly Advisory Revenue of \$207 million, up 111% Y/Y
  - First Half Net Revenue of \$1.03 billion, up 41% Y/Y
  - First Half Advisory Revenue of \$337 million, up 94% Y/Y
  - First Half Capital Raising Revenue of \$353 million, up 73% Y/Y
- Pre-tax Margin of 27.2%, up 630 bps Y/Y

## SUSTAINED REVENUE GROWTH



\* 2021 revenue based on annualized results through 6/30/2021



# Institutional Equities & Fixed Income



## INSTITUTIONAL EQUITIES REVENUE

<i>millions</i>	2Q21	Y/Y Change	Sequential Change	YTD	VS 2020
Brokerage	\$61	-3%	-22%	\$141	5%
Capital Raising	\$102	62%	-31%	\$250	102%
<b>Total Equities</b>	<b>\$163</b>	<b>29%</b>	<b>-28%</b>	<b>\$391</b>	<b>52%</b>

## INSTITUTIONAL FIXED INCOME REVENUE

<i>millions</i>	2Q21	Y/Y Change	Sequential Change	YTD	VS 2020
Brokerage	\$92	-24%	-7%	\$190	-14%
Capital Raising	\$55	16%	16%	\$103	28%
<b>Total Fixed Income</b>	<b>\$147</b>	<b>-13%</b>	<b>1%</b>	<b>\$293</b>	<b>-3%</b>

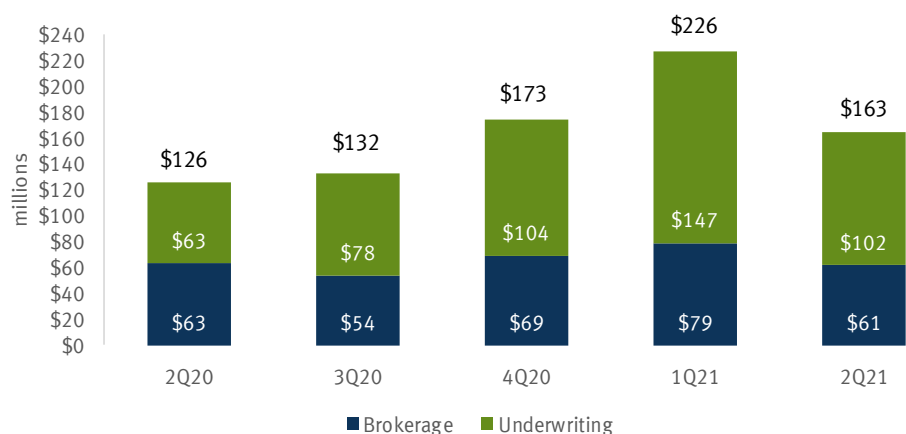
### HIGHLIGHTS

- Record Six Month Institutional Equities Revenue
- Record Six Month Institutional Equities Brokerage Revenue
- Second Highest Quarterly Institutional Equities Revenue
- Third Highest Quarterly Capital Raising Revenue

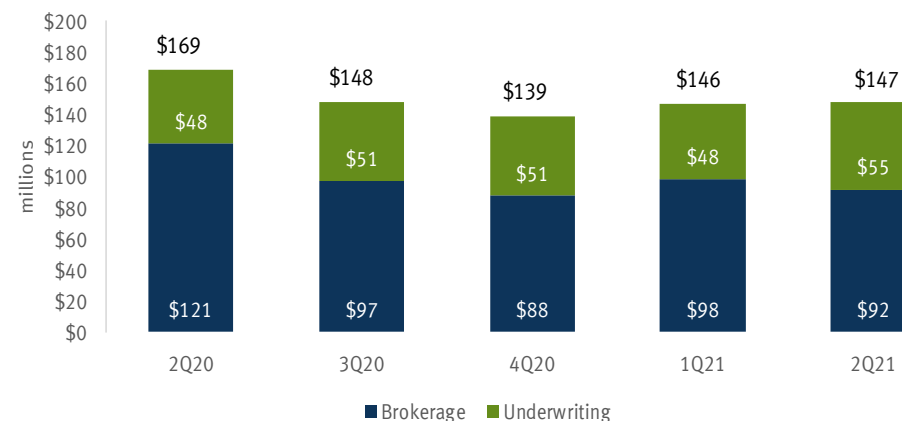
### HIGHLIGHTS

- Record Quarterly Capital Raising Revenue Surpassed Prior Record by 9% (3Q20)
- Second Highest First Half Institutional Fixed Income Revenue
- Third Highest Quarterly Institutional Fixed Income Revenue
- Lead Managed 244 Negotiated Municipal Offerings

### REVENUE



### REVENUE



# Investment Banking Revenue



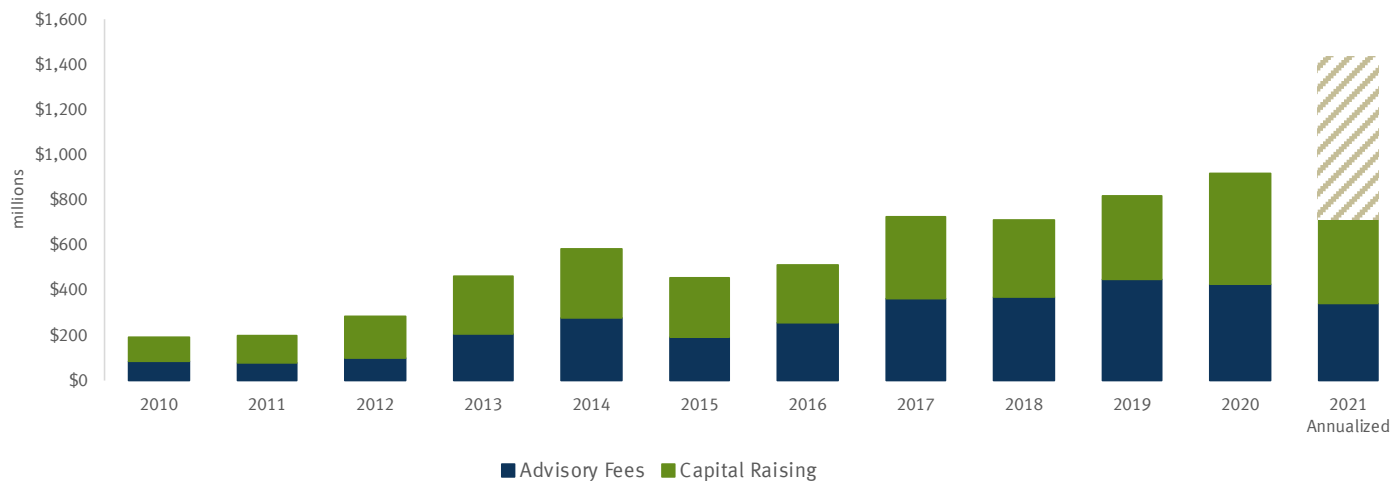
## INVESTMENT BANKING REVENUE

<i>millions</i>	2Q21	Y/Y Change	Sequential Change	YTD	VS 2020
<b>Capital Raising:</b>					
Equity	\$112	61%	-30%	\$272	96%
Debt	\$57	16%	17%	\$106	27%
<b>Total Capital Raising</b>	<b>\$170</b>	<b>42%</b>	<b>-19%</b>	<b>\$379</b>	<b>70%</b>
Advisory Fees	\$207	111%	58%	\$337	94%
<b>Total Investment Banking</b>	<b>\$376</b>	<b>73%</b>	<b>11%</b>	<b>\$716</b>	<b>81%</b>

## HIGHLIGHTS

- Record Quarterly Investment Banking Revenue
  - Record Quarterly Advisory Revenue, up 111% Y/Y
  - Record 2<sup>nd</sup> Quarter Capital Raising Revenue, up 42% Y/Y
- Record Half Year Investment Banking Revenue
  - Surpassed Prior Record by 29% (2<sup>nd</sup> half 2020)
- Strongest Verticals were Financials, Healthcare, Technology, & Consumer

## SUSTAINED REVENUE GROWTH



\* 2021 revenue based on annualized results through 6/30/2021

# Net Interest Income



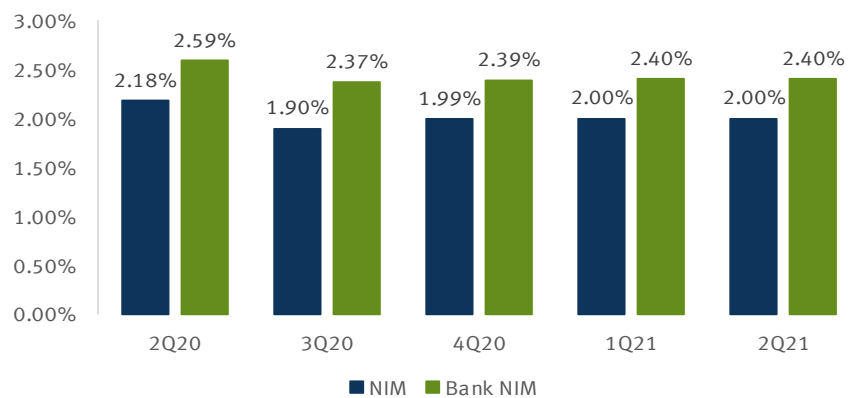
## CONDENSED NET INTEREST INCOME

	2Q21		Y/Y Change		Sequential Change	
	Average Balance	Average Interest	Average Balance	Average Interest	Average Balance	Average Interest
Interest-earning Cash & Fed Funds Sold	\$1,249	0.26%	-25%	2 bps	-31%	6 bps
Investment Portfolio	\$6,919	1.82%	8%	-78 bps	10%	-9 bps
Loans	\$12,959	2.85%	19%	-5 bps	7%	-3 bps
<b>Total Interest-earning Assets</b>	<b>\$23,865</b>	<b>2.24%</b>	<b>13%</b>	<b>-18 bps</b>	<b>6%</b>	<b>-2 bps</b>
Deposits	\$18,637	0.03%	12%	-2 bps	6%	0 bps
Other Interest-bearing Liabilities	\$2,615	2.25%	-1%	5 bps	12%	1 bps
<b>Total Interest-bearing Liabilities</b>	<b>\$21,252</b>	<b>0.27%</b>	<b>10%</b>	<b>0 bps</b>	<b>6%</b>	<b>-2 bps</b>
<b>Net Interest Margin</b>		<b>2.00%</b>		<b>-18 bps</b>		<b>0 bps</b>

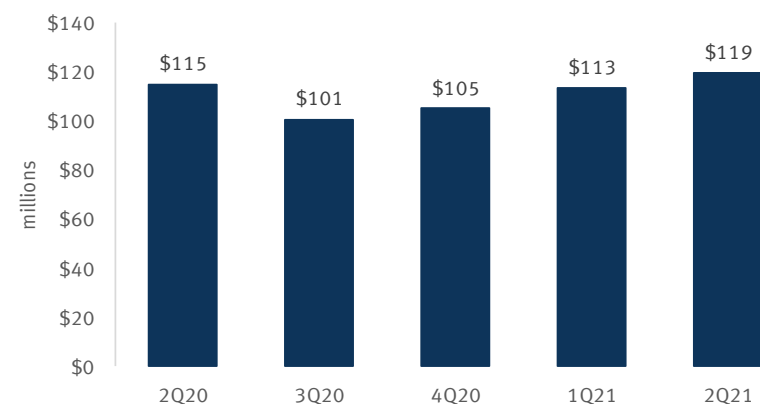
## NET INTEREST COMMENTARY

- 2Q21 Net Interest Income Increased 6% sequentially.
- Average Interest Earning Assets Increased by \$1.3 billion in 2Q21.
- Deposits up 20% year-on-year
- More Highly Levered to Increased Short-term Interest Rates than in Past Cycles
  - 2021: Estimated Incremental Pre-tax Income of \$150-\$175 million from a 100 bps increase in Fed Funds rate.
  - 2015: Estimated Incremental Pre-tax Income of \$66 million from a 100 bps increase in Fed Funds rate.

## NET INTEREST MARGIN



## NET INTEREST INCOME



## LOAN PORTFOLIO

<i>millions</i>	2Q21	% of Total Portfolio
Residential Real Estate	\$4,567	29%
Securities Based Lending	2,332	15%
Home Equity lines of Credit & Other	\$115	1%
<b>Total Consumer</b>	<b>\$7,014</b>	<b>45%</b>
Commercial Real Estate	\$371	2%
Commercial	4,951	31%
Construction and Land	\$564	4%
<b>Total Commercial</b>	<b>\$5,885</b>	<b>37%</b>
<b>Total Loan Portfolio</b>	<b>\$12,899</b>	<b>82%</b>
Unfunded Commitments	\$2,827	18%
<b>Total</b>	<b>\$15,726</b>	

\* Total excludes \$394 million of loans classified as held for sale

## INVESTMENT PORTFOLIO

<i>millions</i>	2Q21	% of Total Portfolio
CLO	\$4,947	68%
Agency MBS	1,004	14%
Corporate Bonds	787	11%
SBA	250	3%
Student Loan ARS	156	2%
CMBS	77	1%
Others	4	0%
<b>Total Portfolio</b>	<b>\$7,227</b>	<b>100%</b>

## COMMERCIAL PORTFOLIO BY MAJOR SECTOR

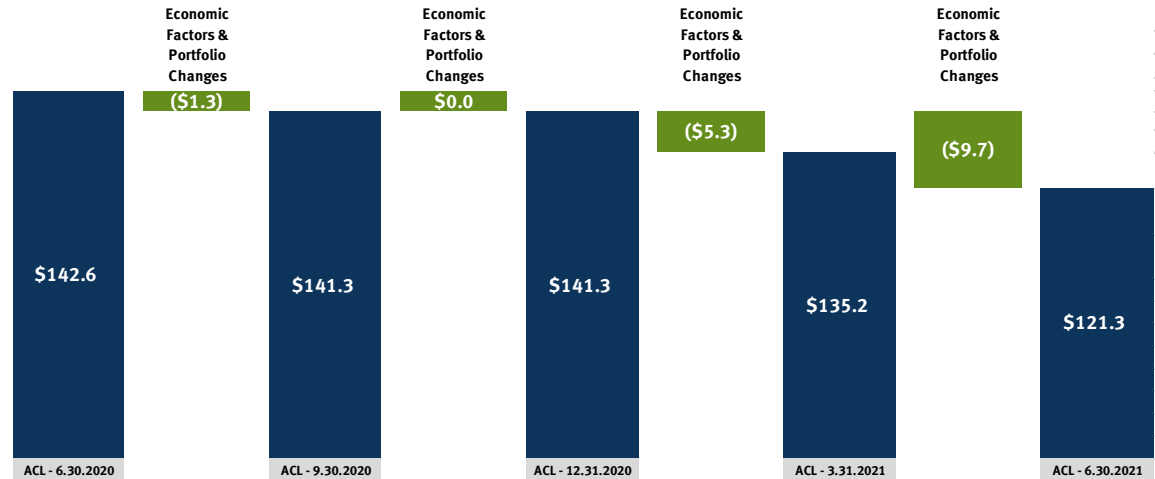
Fund (PE/VC Capital Call Lines)	\$1,161	7%
Industrials	646	4%
PPP	598	4%
Consumer Discretionary	522	3%
Information Technology	454	3%
Materials	371	2%
Financials	334	2%
Health Care	223	1%
REITs	223	1%
Communication Services	157	1%

## CLO BY MAJOR SECTOR

Healthcare & Pharmaceuticals	\$541	11%
High Tech Industries	491	10%
Services: Business	407	8%
Banking, Finance, Insurance & Real Estate	400	8%
Telecommunications	241	5%
Media: Broadcasting & Subscription	235	5%
Hotel, Gaming & Leisure	203	4%
Chemicals, Plastics & Rubber	197	4%
Construction & Building	182	4%
Services: Consumer	169	3%

## ASSUMPTIONS

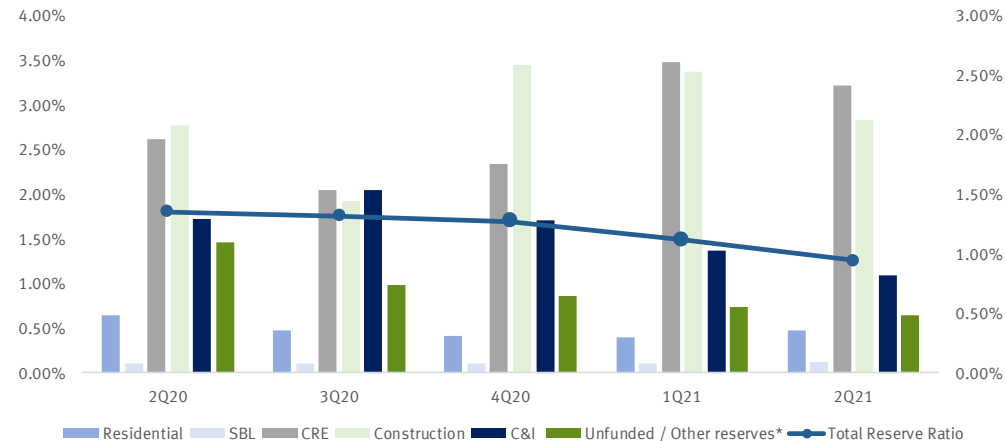
- Moody's Forecast
  - 40% Baseline (gradual recovery)
  - 30% Downside (double dip recession)
  - 30% Upside (accelerated recovery)
- Forecast Update for Most Recent Scenarios
  - Broad-based Improvement of Forecasted Economic Variables Since June 30
- Incorporated a Management Overlay to Offset Some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



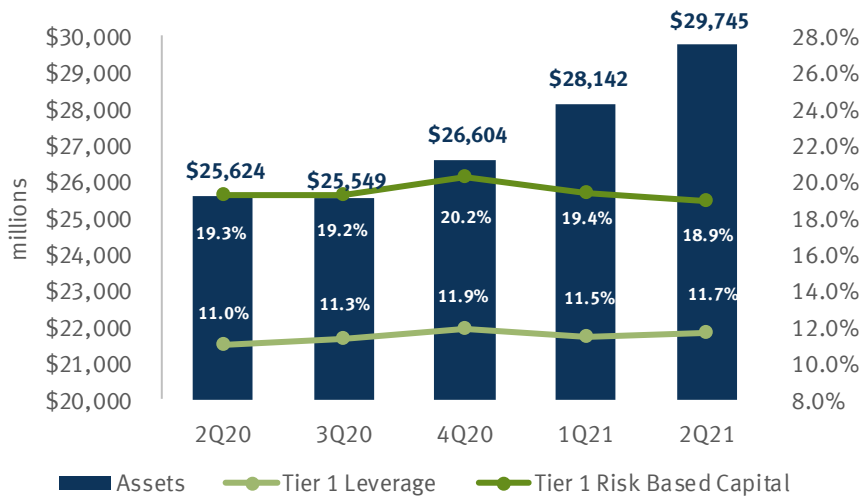
## CREDIT BALANCES & NET CHARGE-OFFS



## ALLOWANCE FOR CREDIT LOSSES / TOTAL LOANS



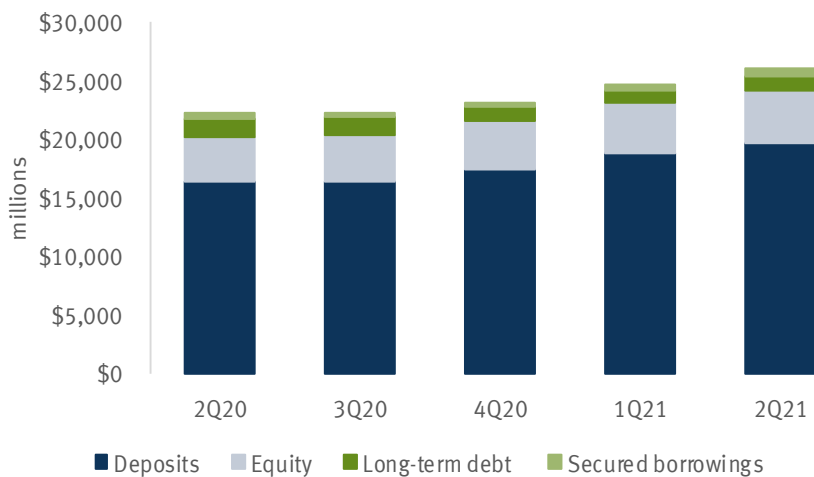
## FIRM-WIDE ASSETS & CAPITAL RATIOS



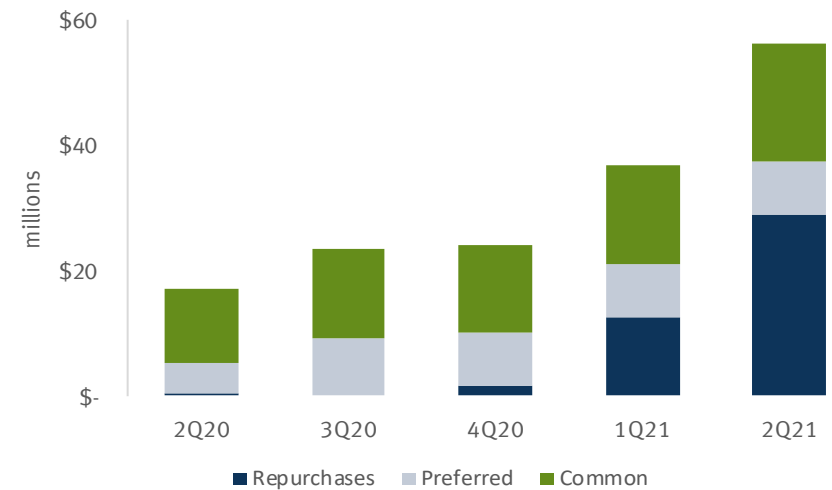
## HIGHLIGHTS

- Balance Sheet Growth of \$3 billion in First Half of 2021, Increase of 12% YTD.
- Client Cash Balances Continued to Increase in 3Q21
- Capital Ratios Remained Strong
- Repurchased Nearly 650,000 Shares in the First Half of 2021
- Issued \$300 million of Preferred Stock in July 2021
- Announced Redemption of \$150 million of Series A Preferred Stock in July 2021

## STABLE FUNDING SOURCES



## STOCK REPURCHASES & DIVIDENDS

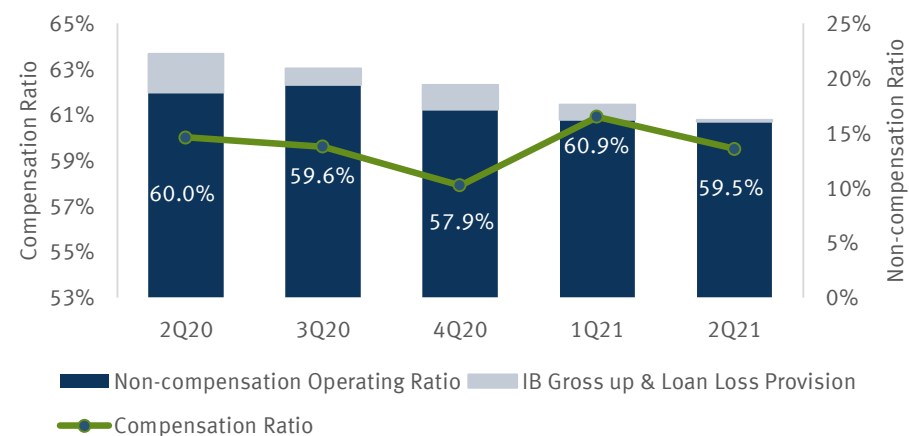


# Expenses

## NON-GAAP EXPENSES & PRE-TAX INCOME

<i>millions</i>	2Q21	Y/Y Change	Sequential Change
Compensation	\$686	28%	-1%
Ex. IB Gross Up & Credit Loss Provision	\$185	10%	1%
Credit Loss Provision & IB Gross Up	\$2	-95%	-89%
Non-compensation	\$187	-6%	-7%
Pre-tax Income	\$280	76%	15%

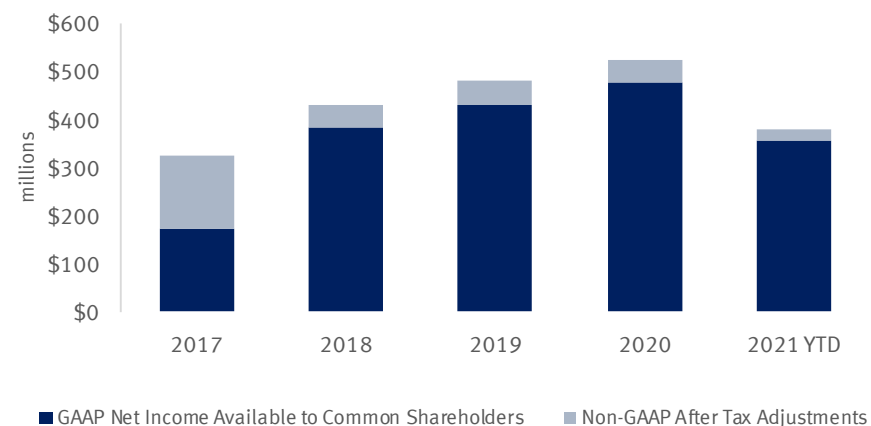
## Non-GAAP EXPENSE RATIOS



## GAAP to Non-GAAP RECONCILIATION

<i>(000s)</i>	2Q21
GAAP Net Income	\$198,077
Preferred Dividend	\$8,289
Net Income available to common Shareholders	\$189,788
Non-GAAP After Tax Adjustments	\$12,279
Non-GAAP Net Income Available to Common Shareholders	\$202,067

## ANNUAL GAAP to Non-GAAP RESULTS



\* For reconciliation of GAAP to non-GAAP expenses, refer to our second quarter 2021 earnings release.



# Q&A

STIFEL



## **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 I of the Company’s Annual Report on Form 10-K for the year ended December 31, 2020. 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 and six months ended June 30, 2021. 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.