STIFEL

Third Quarter 2022

Financial Results Presentation

October 26, 2022

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

Third Quarter & YTD Snapshot

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3Q22 & YTD Results

millions, except share and ratios

	GAAP		Non- GAAP	
	3Q22	YTD	3Q22	YTD
Net Revenue	$1,045	$3,270	$1,045	$3,270
Net Earnings	$142	$458	$151	$490
EPS	$1.21	$3.89	$1.29	$4.17
Annualized ROE	12.5%	13.7%	13.3%	14.7%
Annualized ROTCE	18.0%	20.0%	19.2%	21.5%
Pre-tax Margin	19.7%	19.9%	20.8%	21.3%
Book Value per Share	$42.76			
Tangible Book Value per Share	$29.63			

* Please see our definition of ROTCE in our third quarter earnings release

HIGHLIGHTS

Second Highest Third Quarter & First Nine Months Net Revenue

Record Quarterly & Nine Month Global Wealth Management Revenue

Second Highest First Nine Months Institutional Group Revenue

Record Loan Balances

Record Quarterly Net Interest Income

Announced Formation of SF Credit Partners

Third Quarter Results

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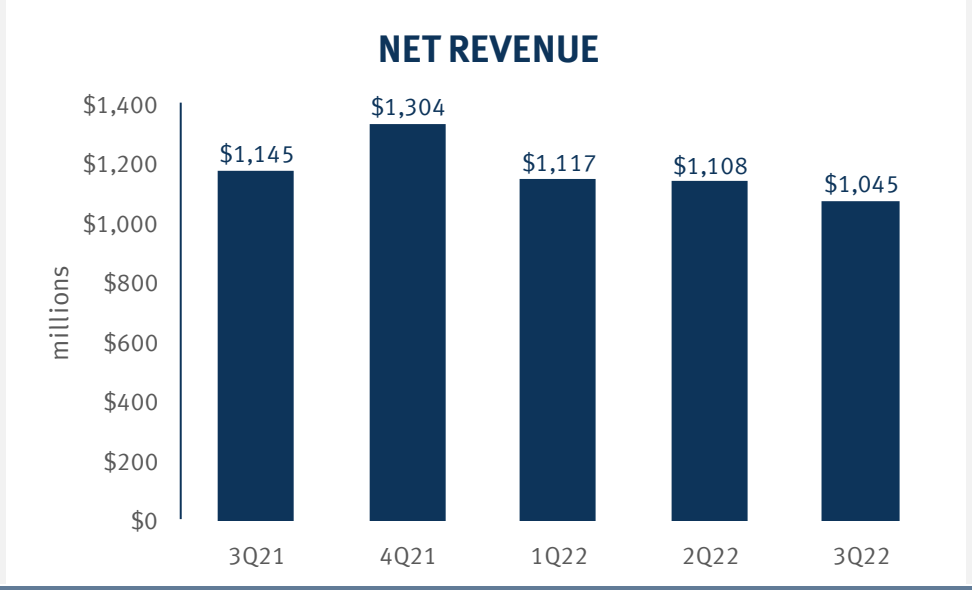
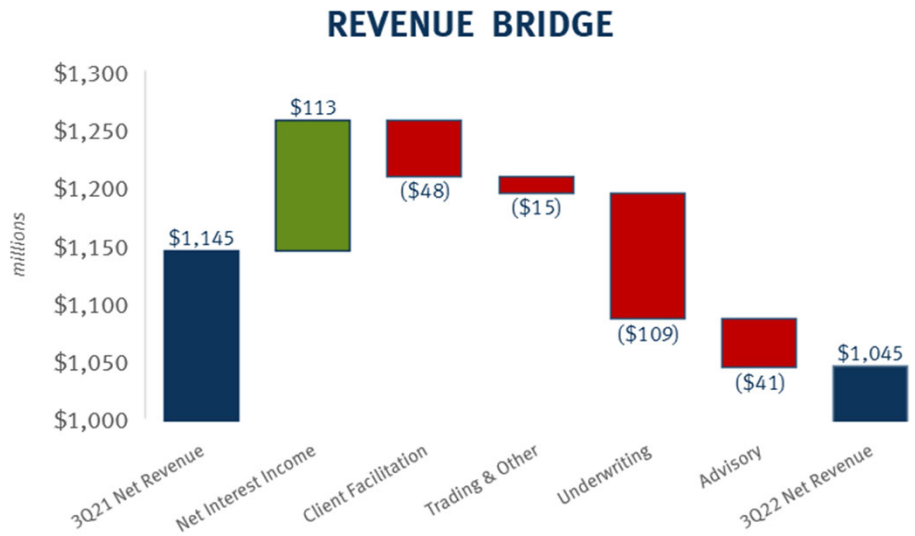
FINANCIAL RESULTS

millions	3Q22	Y/Y Change	Sequential Change	YTD	VS 2021
Global Wealth Management	$702	7%	1%	$2,082	8%
Institutional	339	-31%	-17%	1,183	-22%
Other	4	n/m	n/m	6	n/m
Net revenue	**1,045**	**-9%**	**-6%**	**3,270**	**-5%**
Compensation expense	606	-9%	-6%	1,914	-6%
Operating expense[1]	215	5%	-1%	634	4%
Provision for credit loss[2]	6	n/m	-50%	27	n/m
Pre-tax pre-provision income	**224**	**-17%**	**-10%**	**723**	**-8%**
Pre-tax income	**218**	**-21%**	**-8%**	**695**	**-13%**
Taxes	58	-16%	-7%	177	-10%
Net income	**160**	**-22%**	**-8%**	**518**	**-14%**
Preferred dividends	9	-4%	0%	28	6%
Net income available to common shareholders	151	-23%	**-8%**	490	-15%
Diluted EPS	**$1.29**	**-22%**	**-8%**	**$4.17**	**-14%**
Compensation ratio	58.0%	-20 bps	-10 bps	58.5%	-100 bps
Operating expense ratio[3]	20.6%	270 bps	100 bps	19.4%	260 bps
Pre-tax operating margin	20.8%	-310 bps	-40 bps	21.3%	-190 bps
Book value per share	$42.76	9%	2%		
Tangible book value per share	$29.63	8%	3%		
ROTCE[4]	19.2%	-850 bps	-240 bps		

(1) Operating Expense = Non-Compensation Expense – Provision for Credit Loss
(2) Provision for Credit Loss at bank subsidiary
(3) Operating Expense Ratio excludes Provision for Credit Loss
(4) Please see our definition of ROTCE in our third quarter earnings release





Global Wealth Management

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GLOBAL WEALTH MANAGEMENT REVENUE

millions	3Q22	Y/Y Change	Sequential Change	YTD	VS 2021
Transactional	$157	-15%	-8%	$503	-13%
Asset Management	301	-4%	-9%	973	10%
Net Interest	242	86%	24%	595	60%
Investment Banking	4	-61%	-11%	15	-60%
Other	(2)	nm	nm	(5)	nm
Total Global Wealth Management Net Revenue	$702	7%	1%	$2,082	8%
Comp. Ratio	46.5%	-580 bps	-360 bps	50.0%	-300 bps
Non-Comp. Ratio	13.6%	130 bps	-120 bps	13.9%	240 bps
Provision for credit loss	$6	nm	-50%	$27	nm
Pre-tax Margin	39.9%	450 bps	480 bps	36.1%	60 bps
Pre-tax Pre-provision Margin	40.8%	550 bps	380 bps	37.3%	260 bps

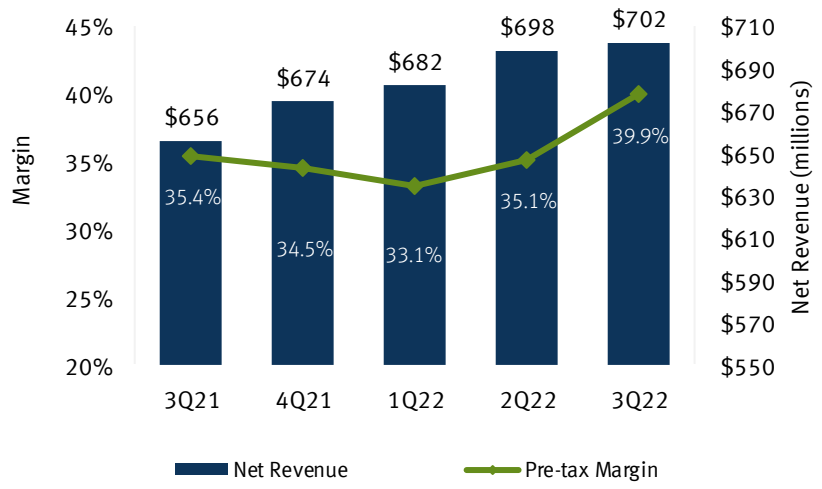
FINANCIAL ADVISOR & CLIENT ASSET METRICS

millions	3Q22	Y/Y	Sequential Change
Financial Advisors	2,235	1%	0%
Independent Contractors	102	13%	2%
Total Financial Advisors	2,337	2%	0%
Client AUA	$364,824	-10%	-3%
Fee-based Client Assets	$135,521	-10%	-4%
Private Client Fee-based Client Assets	$118,850	-9%	-4%

HIGHLIGHTS

- Record Quarterly Revenue of $701 million, up 7% Y/Y
- Record Net Interest Income of $242 million, up 86% Y/Y
- Added 36 Financial Advisors, Including 16 Experienced Advisors with Total Trailing Twelve Month Production of $14 million.
  - 32 Employee Advisors, Including 14 Experienced Advisors with Trailing Twelve Month Production of $12 million
  - 4 Independent Advisors, Including 2 Experienced Advisors with Trailing Twelve Month Production of $2 million

NET REVENUE & MARGIN



Wealth Management Metrics

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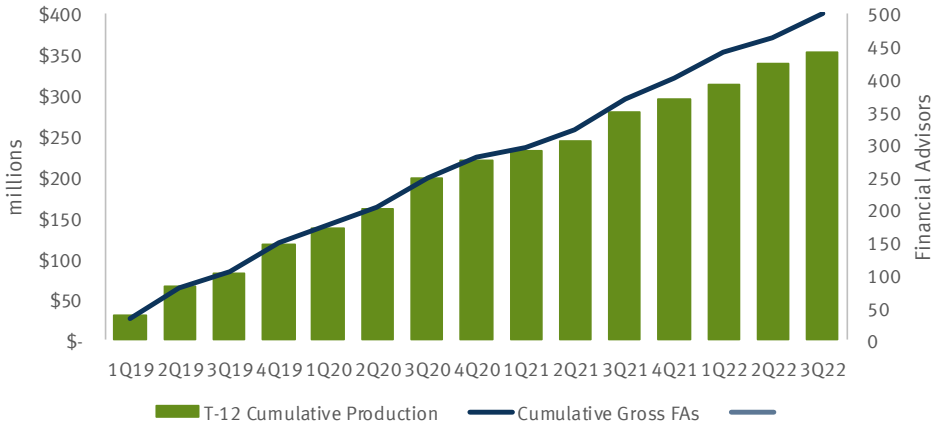
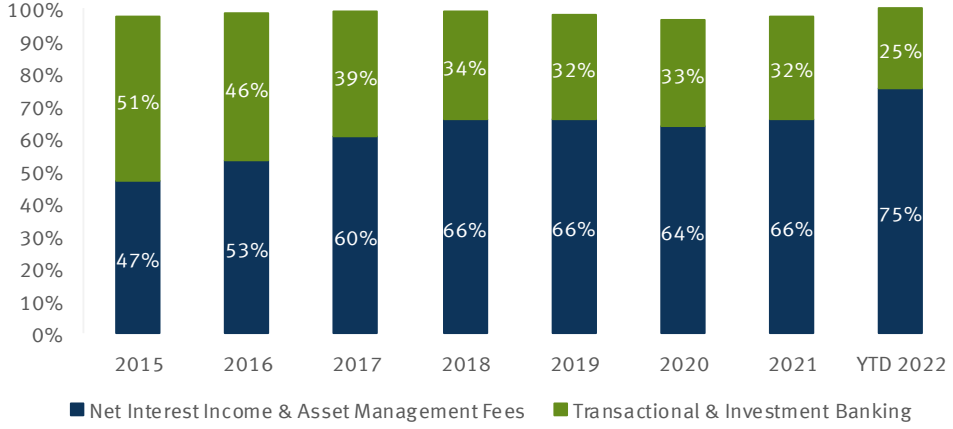
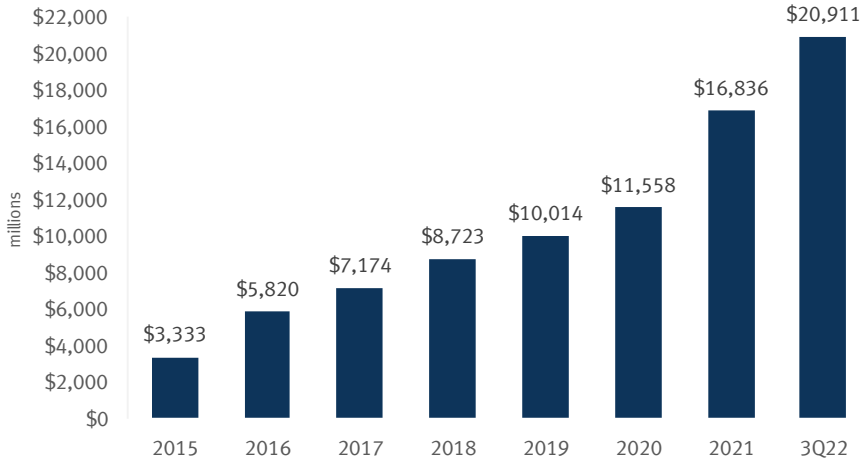
RECRUITING DRIVES REVENUE GROWTH



INCREASING PERCENTAGE OF RECURRING REVENUE



SUBSTANTIAL LOAN GROWTH



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

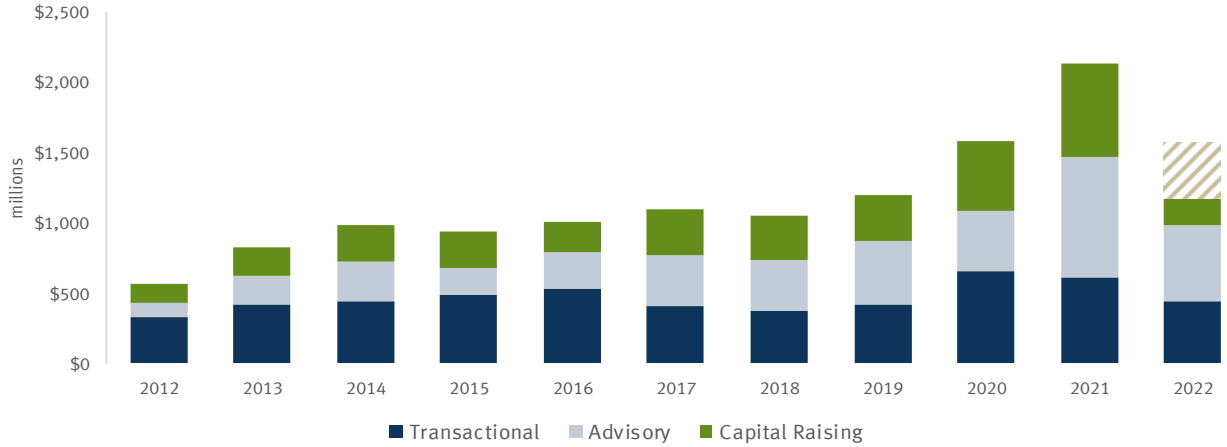
millions	3Q22	Y/Y Change	Sequential Change	YTD	VS 2021
Advisory	$167	-20%	-16%	$548	0%
Capital Raising	$51	-67%	-24%	$185	-63%
Transactional	$121	-3%	-15%	$442	-3%
Total Institutional Revenue*	$339	-31%	-18%	$1,182	-22%
Comp. Ratio	62.4%	490 bps	290 bps	60.0%	180 bps
Non-Comp. Ratio	25.8%	870 bps	300 bps	22.3%	580 bps
Pre-tax Margin	11.8%	-1360 bps	-590 bps	17.7%	-760 bps

* Includes net interest, asset management, and other income

HIGHLIGHTS

- Second Highest First Nine Months Institutional Revenue
- Record First Nine Months Advisory Revenue
- Continued Growth in Number of High Fee Advisory Assignments
- Record Electronic Trading Platform Activity Levels

BUILDING CAPACITY



*2022 revenue based on annualized results through 9/30/2022

Institutional Equities & Fixed Income

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INSTITUTIONAL EQUITIES REVENUE

millions	3Q22	Y/Y Change	Sequential Change	YTD	VS 2021
Transactional	$46	-4%	1%	$149	-21%
Capital Raising	$24	-75%	-8%	$79	-77%
Total Equities	$70	-50%	-83%	$228	-57%

INSTITUTIONAL FIXED INCOME REVENUE

millions	3Q22	Y/Y Change	Sequential Change	YTD	VS 2021
Transactional	$74	-2%	-23%	$292	10%
Capital Raising	$27	-55%	-34%	$106	-35%
Total Fixed Income	$101	-25%	-26%	$398	-7%

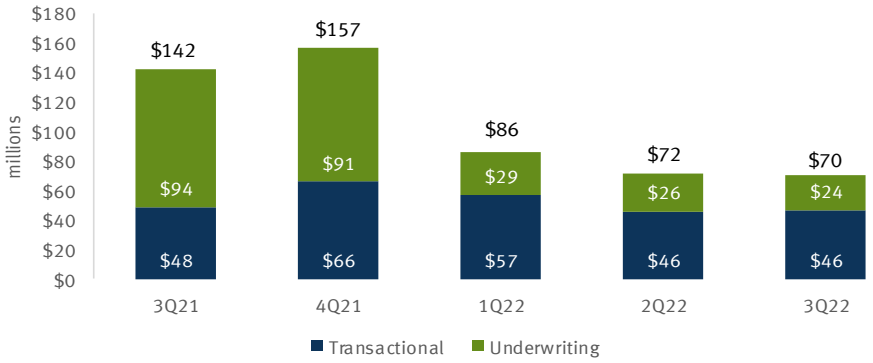
HIGHLIGHTS

- Record Number of Active Daily Users on Electronic Trading Platform
- Record Number of New Clients on Electronic Trading Platform
- Increased Market Share in Equity Capital Raising

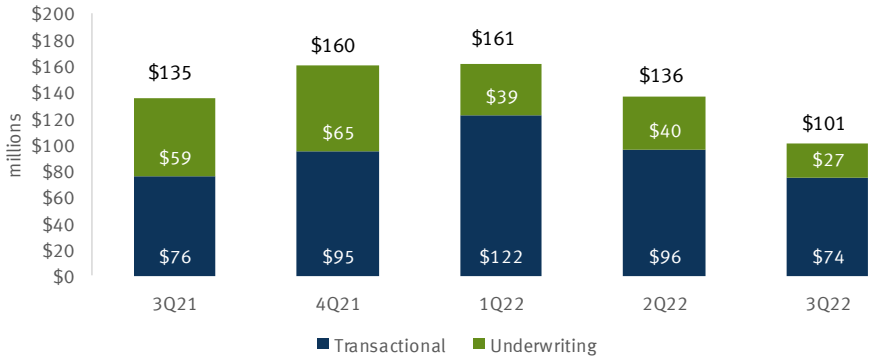
HIGHLIGHTS

- Third Highest First Nine Months Revenue
- Second Highest First Nine Months Transactional Revenue
- Lead Managed 223 Negotiated Municipal Offerings

REVENUE



REVENUE



Net Interest Income

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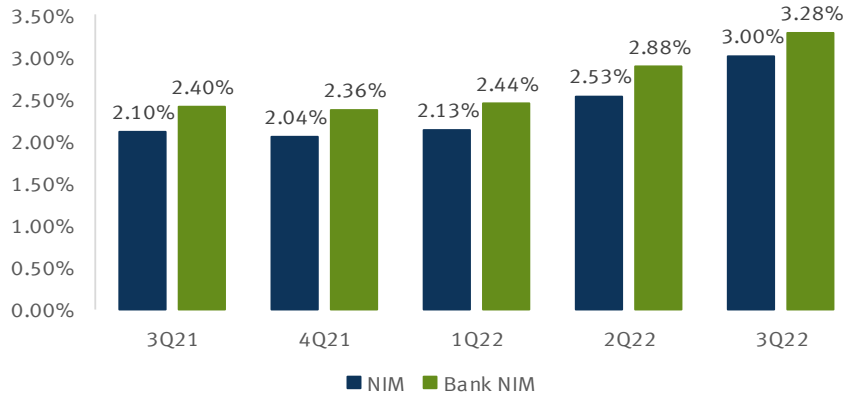
CONDENSED NET INTEREST INCOME

	3Q22		Y/Y Change		Sequential Change	
	Average Balance	Average Interest	Average Balance	Average Interest	Average Balance	Average Interest
Interest-earning Cash & Fed Funds Sold	$1,303	2.38%	-15%	211bps	5%	133 bps
Investment Portfolio	$7,938	3.60%	10%	171 bps	4%	114 bps
Loans	$20,376	4.09%	51%	127 bps	8%	91 bps
Total Interest-earning Assets	$32,551	3.74%	30%	148 bps	5%	99 bps
Deposits	$25,998	0.67%	33%	65 bps	6%	61 bps
Other Interest-bearing Liabilities	$3,073	0.52%	25%	27 bps	-2%	-123 bps
Total Interest-bearing Liabilities	$29,071	0.82%	32%	64 bps	6%	57 bps
Net Interest Margin		3.00%		90 bps		47 bps

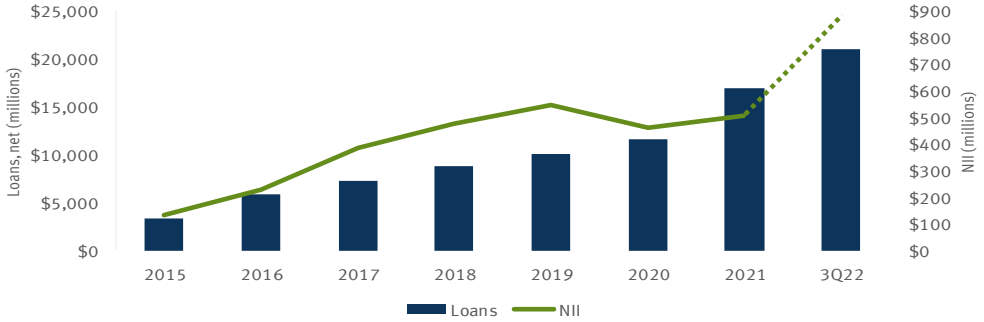
NET INTEREST COMMENTARY

- 3Q22 Net Interest Income Increased 86% Y/Y.
- Average Interest Earning Assets Increased $5.5 billion in the First Nine Months of 2022.
- Quarter End Deposits up 33% year-on-year
- **Updated NII Forecast for 2022: *$885 million - $895 million*:**
  - $4 billion - $6 billion of loan growth
  - 75 bps increase in Fed Funds in July & September
  - 425 bps increase in Fed Funds by year end
  - 40% - 50% deposit beta

NET INTEREST MARGIN



LOAN & NII GROWTH



*2022 Represents $6 billion of loan growth & NII guidance

Stifel Bancorp Inc. Loan & Investment Portfolio

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LOAN PORTFOLIO

millions	*3Q22*	*% of Total Portfolio*
Residential Real Estate	$7,049	26%
Securities Based Lending	2,786	10%
Home Equity lines of Credit & Other	$154	1%
Total Consumer	$9,989	37%
Commercial Real Estate	$872	3%
Commercial	9,395	35%
Construction and Land	$565	2%
Total Commercial	$10,831	40%
Total Loan Portfolio	$20,819	78%
Unfunded Commitments	$5,948	22%
Total	$26,767	

* Total excludes $235 million of loans classified as held for sale

INVESTMENT PORTFOLIO

Book Value (millions)	*3Q22*	*% of Total Portfolio*
CLO	$5,932	75%
Agency MBS	948	12%
Corporate Bonds	654	8%
SBA	167	2%
Student Loan ARS	123	2%
CMBS	71	1%
Others	6	0%
Total Portfolio	$7,901	100%

COMMERCIAL PORTFOLIO BY MAJOR SECTOR

Fund (PE/VC Capital Call Lines)	$4,329	16%
Industrials	1,134	4%
Financials	887	3%
Consumer Discretionary	757	3%
Information Technology	566	2%
Materials	392	1%
Healthcare	386	1%
REITs	268	1%
Communication Services	240	1%
Hotel, Leisure, Restaurants	168	1%

CLO BY MAJOR SECTOR

Healthcare & Pharmaceuticals	$631	11%
High Tech Industries	593	10%
Services: Business	541	9%
Banking, Finance, Insurance & Real Estate	488	8%
Telecommunications	247	4%
Construction & Building	247	4%
Media: Broadcasting & Subscription	243	4%
Services: Consumer	234	4%
Hotel, Gaming & Leisure	232	4%
Chemicals, Plastics & Rubber	232	4%

CECL & Credit Metrics

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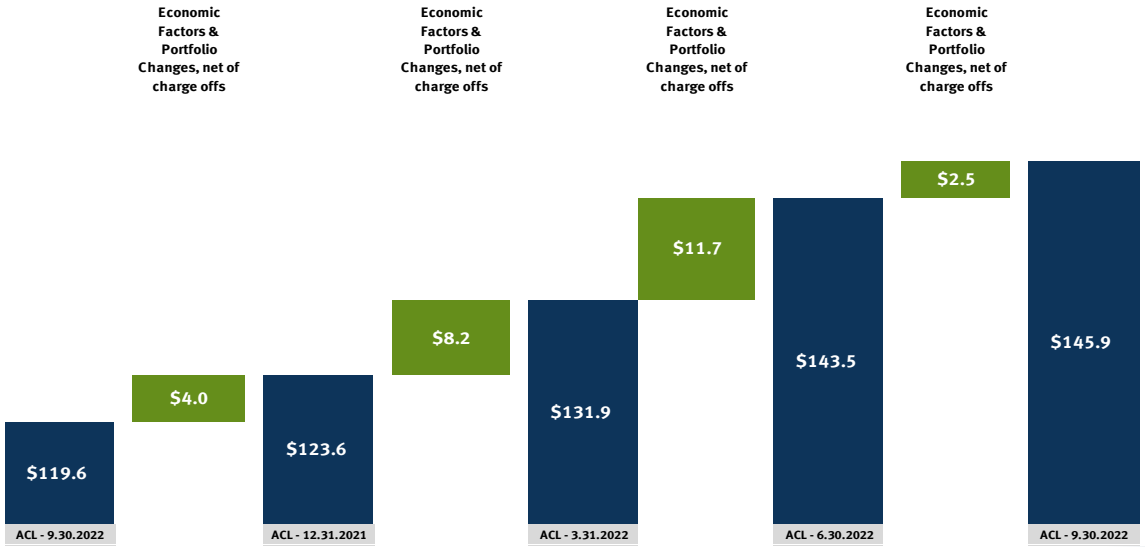
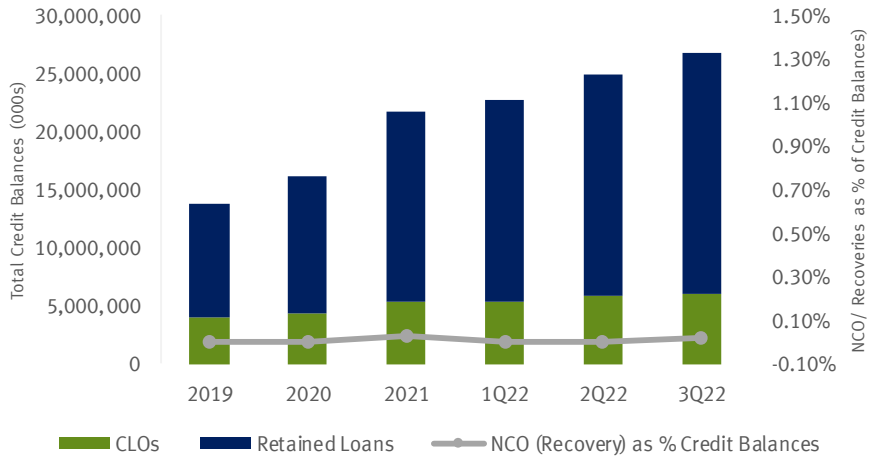
ASSUMPTIONS

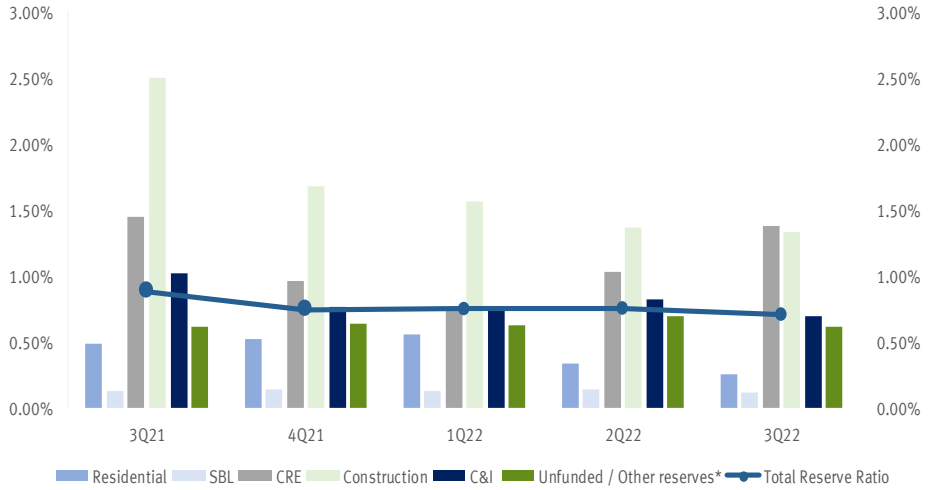
- Moody's Forecast
  - 40% Baseline
  - 30% Downside
  - 30% Upside
- Forecast Update for Most Recent Scenarios
  - Includes Slowing Growth
- Incorporated a Management Overlay to Increase the Severity of the Forecasted Economic Variables



CREDIT BALANCES & NET CHARGE-OFFS



ALLOWANCE FOR CREDIT LOSSES / TOTAL LOANS



Capital & Liquidity

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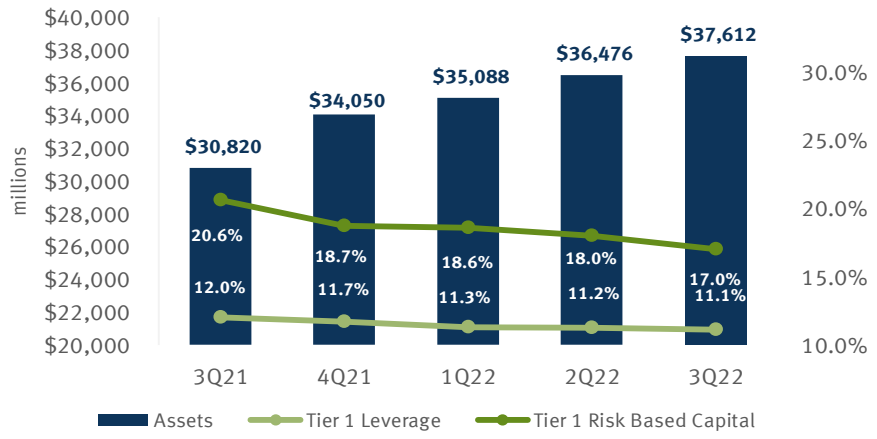
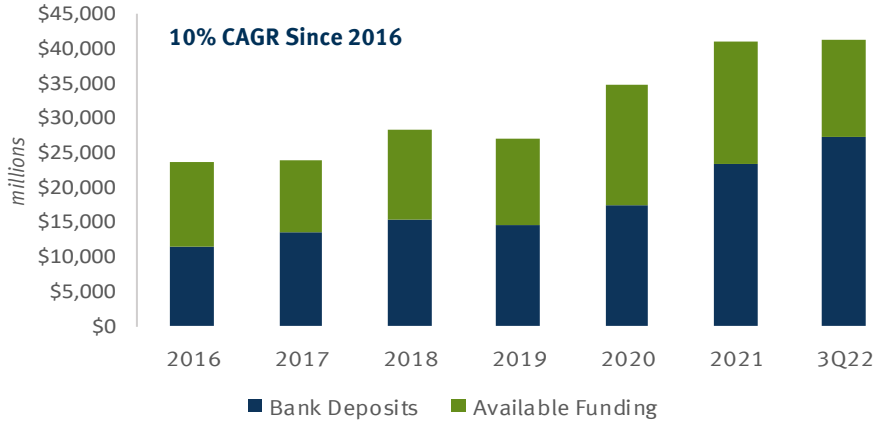
FIRM-WIDE ASSETS & CAPITAL RATIOS



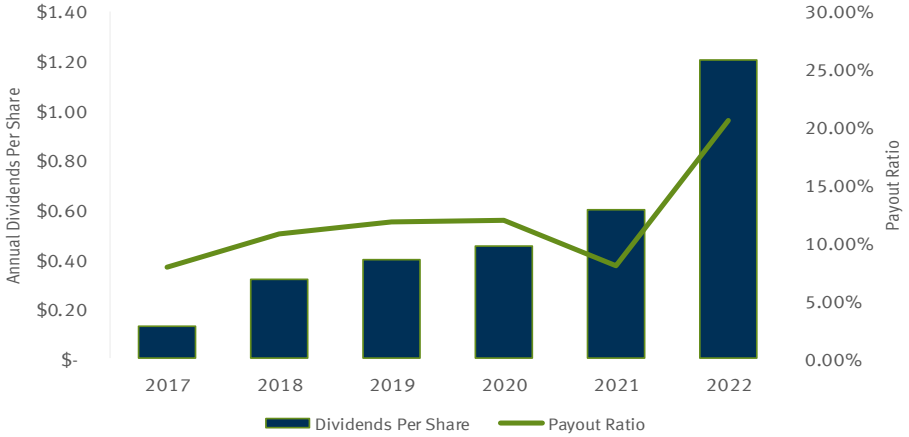
HIGHLIGHTS

- Balance Sheet Growth of $1.1 billion in 3Q22
- Capital Ratios Remained Strong
- Total Bank Funding Increased by more than $900 million
- 21% Payout Ratio on Common Dividend

BANK FUNDING: A TRACK RECORD of GROWTH



DIVIDEND GROWTH & PAYOUT RATIO



*Payout Ratio calculated as total common stock dividends divided by GAAP net income
** 2022 dividends per share based on annualized common dividends through 9/30/2022

Expenses

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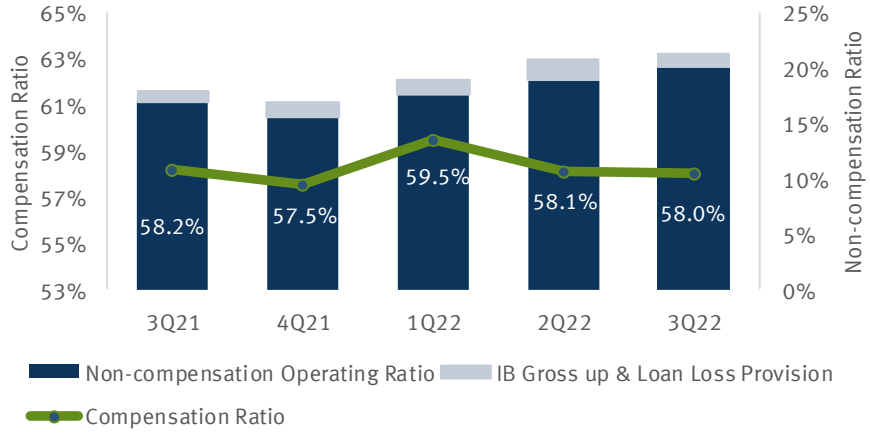
NON-GAAP EXPENSES & PRE-TAX INCOME

millions	3Q22	3Q21	Y/Y Change
Compensation	$606	$667	-9%
Non-compensation Expense, Ex. IB Gross Up & Credit Loss Provision	$209	$193	8%
Credit Loss Provision & IB Gross Up	$12	$11	10%
Non-compensation	$222	$205	8%
Pre-tax Income	$218	$274	-21%

Non-GAAP EXPENSE RATIOS

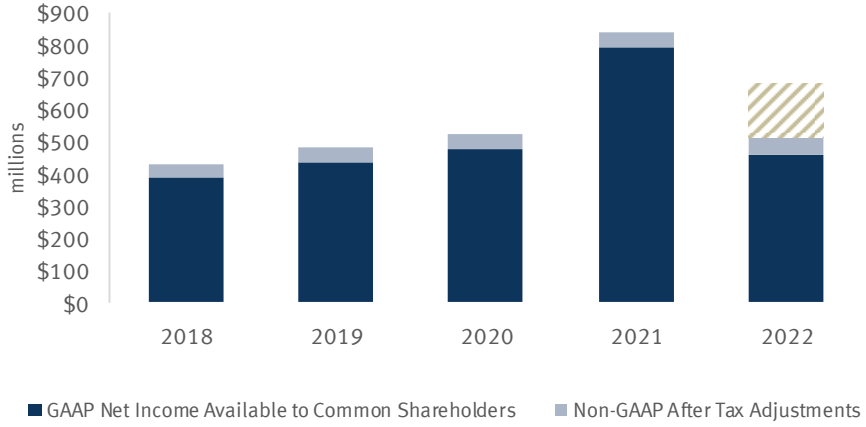


GAAP to Non-GAAP RECONCILIATION

(000s)	3Q22
GAAP Net Income	$151,169
Preferred Dividend	$9,320
Net Income available to common Shareholders	$141,849
Non-GAAP After Tax Adjustments	$8,907
Non-GAAP Net Income Available to Common Shareholders	$150,756

* For reconciliation of GAAP to non-GAAP expenses, refer to our third quarter 2022 earnings release.

ANNUAL GAAP to Non-GAAP RESULTS



*2022 revenue based on annualized results through 9/30/2022

2022 Updated Guidance

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(millions)	Actual 2021	2Q22 Revision 2022	Updated Guidance 2022
Net Revenue	$4,737	$4,500 - $5,200	Approx. $4,500
Net Interest Income	*$503*	*$800 - $900*	*$885 - $895*
Compensation Ratio	59.0%	56% - 58%	Approx. 58%
Operating Non-Compensation Ratio[1]	16.1%	16% - 18%	18% - 19%

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

Prior Guidance Assumptions

- Annual Net Revenue Range of -5% to +5% from 2021
  - Net Interest Income $825 million - $925 million
    - Year-end Bank Net Interest Margin of 3.25% - 3.50%
    - Bank Interest-Earning Asset Growth of $4 billion to $6 billion
  - Increased Transactional Revenue in the Second Half of 2021
  - Asset Management Revenue Negatively Impacted by 20% Decline in S&P 500
- Comp. Ratio of 56% - 58%
- Operating Non-Comp. Ratio of 16%-18%

Revised Guidance Assumptions

- Total Net Revenue Down Approximately 5% from 2021
  - Net Interest Income Range of $885 million - $895 million
    - Year-end Bank Net Interest Margin of 3.75% - 3.85%
    - Average Interest Earning Assets Increased by $6 billion
  - Institutional Revenue Negatively Impacted by Slower Transactional Revenue and Continued Weakness in Capital Markets.
- Comp. Ratio of Approximately 58%
- Operating Non-Comp. Ratio of 18%-19%

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Concluding Remarks

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

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October 26, 2022

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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 I of the Company's Annual Report on Form 10-K for the year ended December 31, 2021. 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.

Use of Non-GAAP Financial Measures

The Company prepares its Consolidated Financial Statements using accounting principles generally accepted in the United States (U.S. GAAP). The Company may disclose certain "non-GAAP financial measures" in the course of its earnings releases, earnings conference calls, financial presentations and otherwise. The Securities and Exchange Commission defines a "non-GAAP financial measure" as a numerical measure of historical or future financial performance, financial position, or cash flows that is subject to adjustments that effectively exclude, or include, amounts from the most directly comparable measure calculated and presented in accordance with U.S. GAAP. Non-GAAP financial measures disclosed by the Company are provided as additional information to analysts, investors and other stakeholders in order to provide them with greater transparency about, or an alternative method for assessing the Company's financial condition or operating results. These measures are not in accordance with, or a substitute for U.S. GAAP, and may be different from or inconsistent with non-GAAP financial measures used by other companies. Whenever the Company refers to a non-GAAP financial measure, it will also define it or present the most directly comparable financial measure calculated and presented in accordance with U.S. GAAP, along with a reconciliation of the differences between the non-GAAP financial measure it references and such comparable U.S. GAAP financial measure.