STIFEL

2nd Quarter
Financial Results Presentation
July 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 six months ended June 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 & Second Quarter Results

- Net Revenue of $801 million, up 8% Y/Y.
- Record Global Wealth Management Net Revenue of $532 million, up 7% Y/Y.
- Institutional Group Net Revenue of $271 million, up 7% Y/Y
- Record Client Assets of $305 billion, up 10% Y/Y
- Record Fee-Based Assets of $104 billion, up 14% Y/Y
- Non-GAAP Pre-tax Margin of 19.8%, up 130 bps Y/Y
- Non-GAAP ROCE of 14.3% & Non-GAAP ROTCE of 23.1%
- 33 Net Financial Advisor Additions in the Quarter
- Repurchased 1.3 million shares at an average price of $56.32

Financial Highlights	Three Months Ended Non-GAAP					Three Months Ended U.S. GAAP		
(000s, except per share data)	2Q19	2Q18	% Change	1Q19	% Change	2Q19	2Q18	1Q19
Net revenues	**$800,787**	**$742,541**	**8%**	**$770,420**	**4%**	**$800,787**	**$742,732**	**$770,420**
Brokerage	$261,445	$255,886	2%	$259,481	1%	$261,445	$255,886	$259,481
Investment Banking	$179,617	$161,063	12%	$161,840	11%	$179,617	$161,063	$161,840
Asset Management	$211,171	$199,568	6%	$195,267	8%	$211,171	$199,568	$195,267
Net Interest Income	$135,049	$117,142	15%	$141,623	-5%	$135,049	$117,142	$141,623
Other	$13,505	$9,073	49%	$12,209	11%	$13,505	$9,073	$12,209
Pre-tax Income	**$158,210**	**$137,123**	**15%**	**$146,000**	**8%**	**$147,982**	**$118,347**	**$137,809**
Net income	**$116,659**	**$101,131**	**15%**	**$106,864**	**9%**	**$109,085**	**$87,287**	**$99,207**
Preferred dividend	$5,288	$2,344	126%	$2,344	126%	$5,288	$2,344	$2,344
Net income available to common shareholders	**$111,371**	**$98,787**	**13%**	**$104,520**	**7%**	**$103,797**	**$84,943**	**$96,863**
Earnings per diluted share available to common shareholders	**$1.41**	**$1.22**	**16%**	**$1.32**	**7%**	**$1.31**	**$1.04**	**$1.22**
Compensation ratio	57.9%	59.0%	-110 bps	59.0%	-110 bps	58.3%	59.5%	59.5%
Non-compensation ratio	22.3%	22.5%	-20 bps	22.0%	30 bps	23.2%	24.5%	22.6%
Pre-tax operating margin	19.8%	18.5%	130 bps	19.0%	80 bps	18.5%	16.0%	17.9%
Effective Tax Rate	25.9%	26.2%	-30 bps	26.6%	-70 bps	25.9%	26.2%	27.9%

Investment Banking Revenue

Investment banking:	Three Months Ended					YTD		
(000s)	2Q19	2Q18	% Change	1Q19	% Change	2019	2018	% Change
Capital raising:								
Global Wealth Management revenue	$10,559	$7,968	33%	$8,223	28%	$18,781	$15,656	20%
Equity Capital Markets	59,156	44,087	34%	27,859	112%	87,015	96,794	-10%
Fixed Income Capital Markets	26,997	22,025	23%	20,863	29%	47,860	40,319	19%
Total capital raising	96,712	74,080	31%	56,945	70%	153,656	152,769	1%
Advisory fees	82,905	87,004	-5%	104,895	-21%	187,801	184,676	2%
Total investment banking revenue*	***$179,617***	***$161,084***	***12%***	***$161,840***	***11%***	***$341,457***	***$337,445***	***1%***

* Excludes Other Segment revenue

Brokerage Revenue and Asset Management & Service Fees

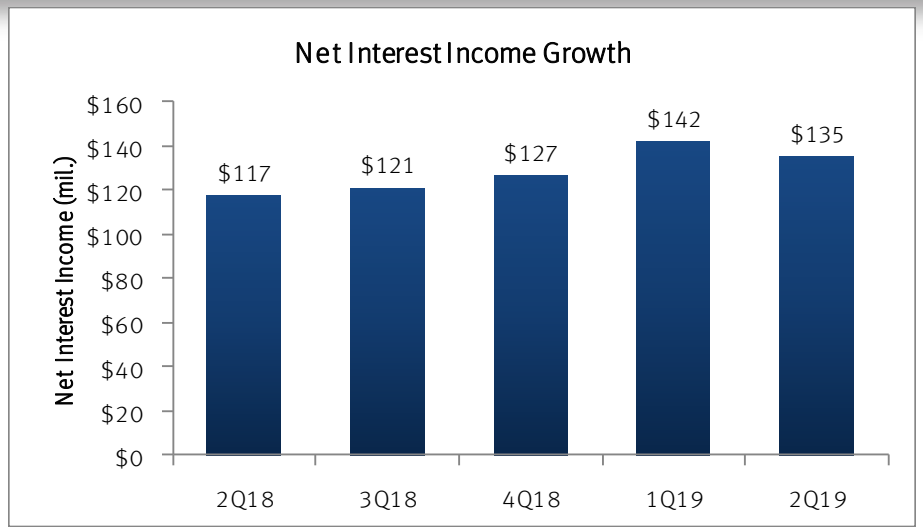
Brokerage Revenue	Three Months Ended					YTD		
(000s)	2Q19	2Q18	% Change	1Q19	% Change	2019	2018	% Change
Global Wealth Management brokerage revenue	$162,388	$159,290	2%	$153,194	6%	$315,582	$322,024	-2%
Institutional brokerage:								
Equity Capital Markets	40,670	45,266	-10%	38,881	5%	79,551	93,351	-15%
Fixed Income Capital Markets	58,387	51,330	14%	67,406	-13%	125,793	104,068	21%
Total Institutional brokerage	99,057	96,596	3%	106,287	-7%	205,344	197,419	4%
Total Brokerage Revenue	***$261,445***	***$255,886***	***2%***	***$259,481***	***1%***	***$520,926***	***$519,444***	***0%***

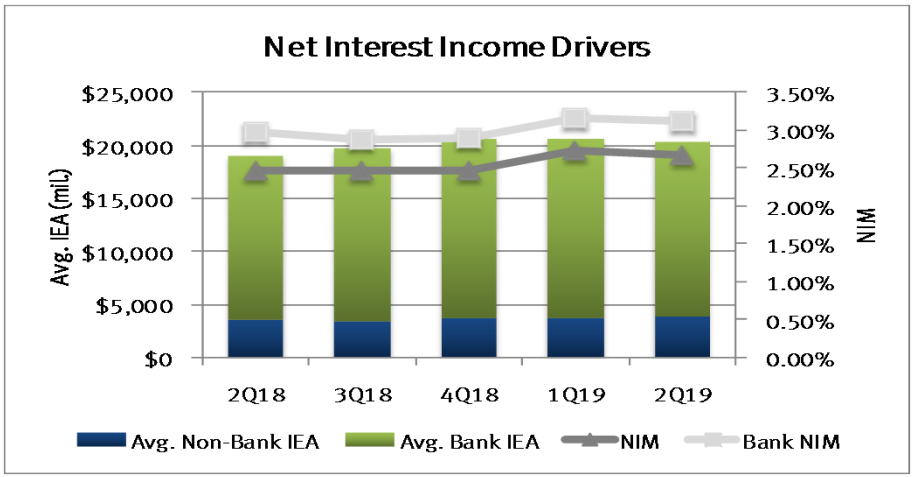
Asset Management & Service Fees:	Three Months Ended					YTD		
(000s)	2Q19	2Q18	% Change	1Q19	% Change	2019	2018	% Change
Asset Management & Service Fees	***$211,171***	***$199,568***	***6%***	***$195,267***	***8%***	***$406,438***	***$395,369***	***3%***

	Three Months Ended					YTD		
(000s)	2Q19	2Q18	% Change	1Q19	% Change	2019	2018	% Change
Global Wealth Management Revenue & Fees*	***$373,559***	***$358,858***	***4%***	***$348,461***	***7%***	***$722,020***	***$717,393***	***1%***

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

Net Interest Income





Average Yields on Balance Sheet	2Q19	2Q18	Change	1Q19	%Change
Assets:					
Bank loans	4.21%	3.63%	58 bps	4.15%	6 bps
Commercial	*4.95%*	*4.36%*	*59 bps*	*4.78%*	*17 bps*
Securities based	*4.21%*	*3.74%*	*47 bps*	*4.25%*	*-4 bps*
Mortgage	*3.05%*	*2.78%*	*27 bps*	*3.07%*	*-2 bps*
Margin loans	4.23%	3.75%	48 bps	4.27%	-4 bps
Bank investments	3.56%	3.29%	27 bps	3.62%	-6 bps
CLO	*4.08%*	*3.87%*	*21 bps*	*4.17%*	*-9 bps*
Mortgage backed securities	*2.33%*	*2.15%*	*18 bps*	*2.35%*	*-2 bps*
Corporates	*3.02%*	*2.74%*	*28 bps*	*3.01%*	*1 bps*
Other	1.85%	1.98%	*-13 bps*	2.38%	*-53 bps*
Average Assets	***3.71%***	***3.25%***	***46 bps***	***3.71%***	***0 bps***
Liabilities:					
Deposits	0.80%	0.46%	34 bps	0.73%	7 bps
Senior notes	4.38%	4.38%	0 bps	4.38%	0 bps
Short-term borrowings	3.16%	2.71%	45 bps	3.10%	6 bps
Average Liabilities	***1.17%***	***0.87%***	***30 bps***	***1.07%***	***10 bps***
Net interest margin	***2.67%***	***2.47%***	***20 bps***	***2.75%***	***-8 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*

Segments, Balance Sheet, & Expenses

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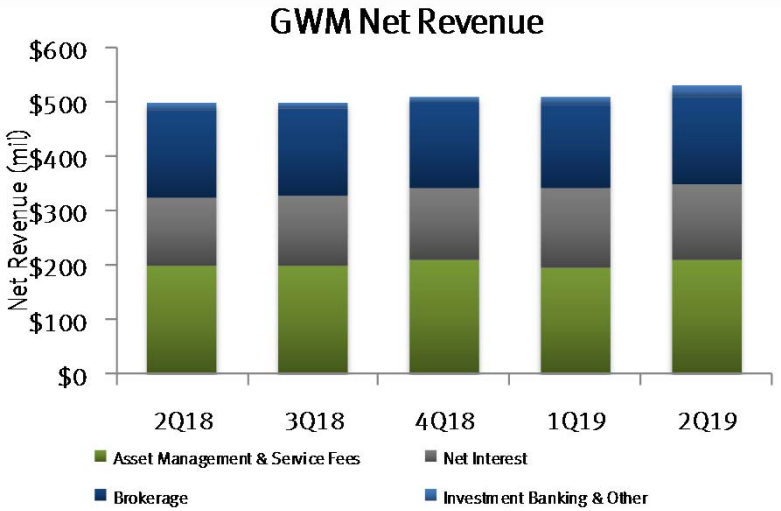
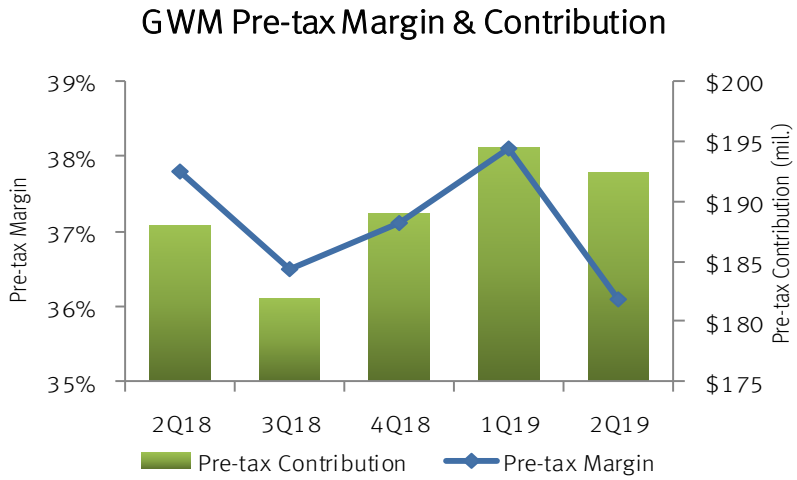
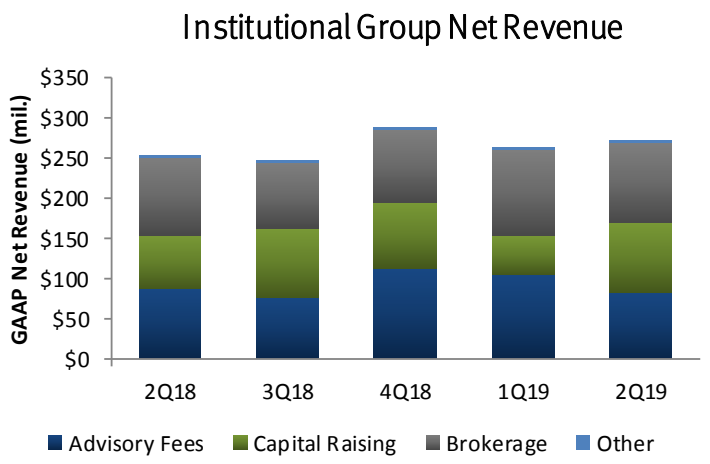
Global Wealth Management

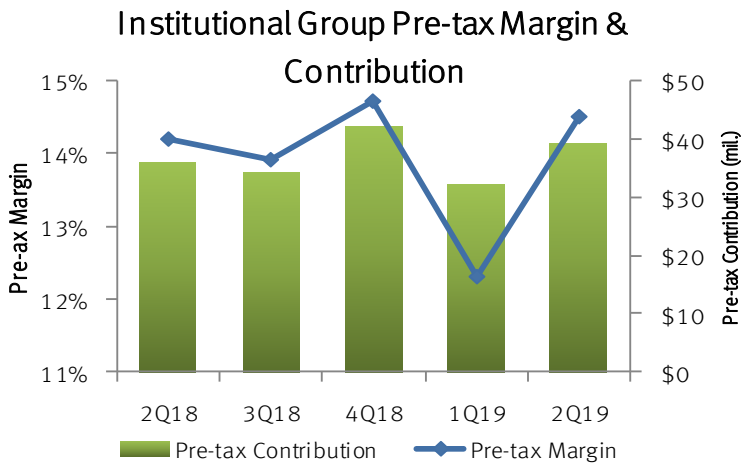




millions	2Q19	Y/Y Change	Sequential Change	2019	YTD Change
Global Wealth Management Revenue					
Commissions	$120	2%	9%	$230	-3%
Principal Transactions	$42	2%	-3%	$85	1%
Brokerage	$162	2%	6%	$316	-2%
Asset Management & Service Fees	$211	6%	8%	$406	3%
Net Interest	$138	10%	-5%	$283	16%
Investment Banking	$11	31%	28%	$19	19%
Other	$11	97%	24%	$19	205%
Total Global Wealth Management Net Revenue	$532	7%	4%	$1,043	6%
Comp. Ratio	49.3%	150 bps	80 bps	48.9%	10 bps
Non-Comp. Ratio	14.6%	20 bps	120 bps	14.0%	-10 bps
Pre-tax Margin	36.1%	-170 bps	-200 bps	37.1%	0 bps
Financial Advisors	2,097	4%	2%		
Independent Contractors	96	-9%	-3%		
Total Financial Advisors	2,193	4%	2%		
Client AUA	$305,233	10%	2%		
Fee-based Client Assets	$103,824	14%	4%		
Private Client Fee-based Client Assets	$80,983	19%	10%		

Institutional Group





millions	2Q19	Y/Y Change	Sequential Change	2019	YTD Change
Institutional Revenue					
Advisory	$83	-5%	-21%	$188	2%
Equity					
Underwriting	$59	34%	112%	$87	-10%
Brokerage	$41	-10%	5%	$80	-15%
Total Equity	$101	12%	51%	$167	-12%
Fixed Income					
Underwriting	$27	23%	29%	$48	19%
Brokerage	$58	14%	-13%	$126	21%
Total Fixed Income	$87	15%	-3%	$177	20%
Total Institutional Group Net Revenue	$271	7%	4%	$532	2%
Comp. Ratio	57.6%	-170 bps	-340 bps	59.3%	10 bps
Non-Comp. Ratio	27.9%	140 bps	120 bps	27.3%	190 bps
Pre-tax Margin	14.5%	30 bps	220 bps	13.4%	-200 bps

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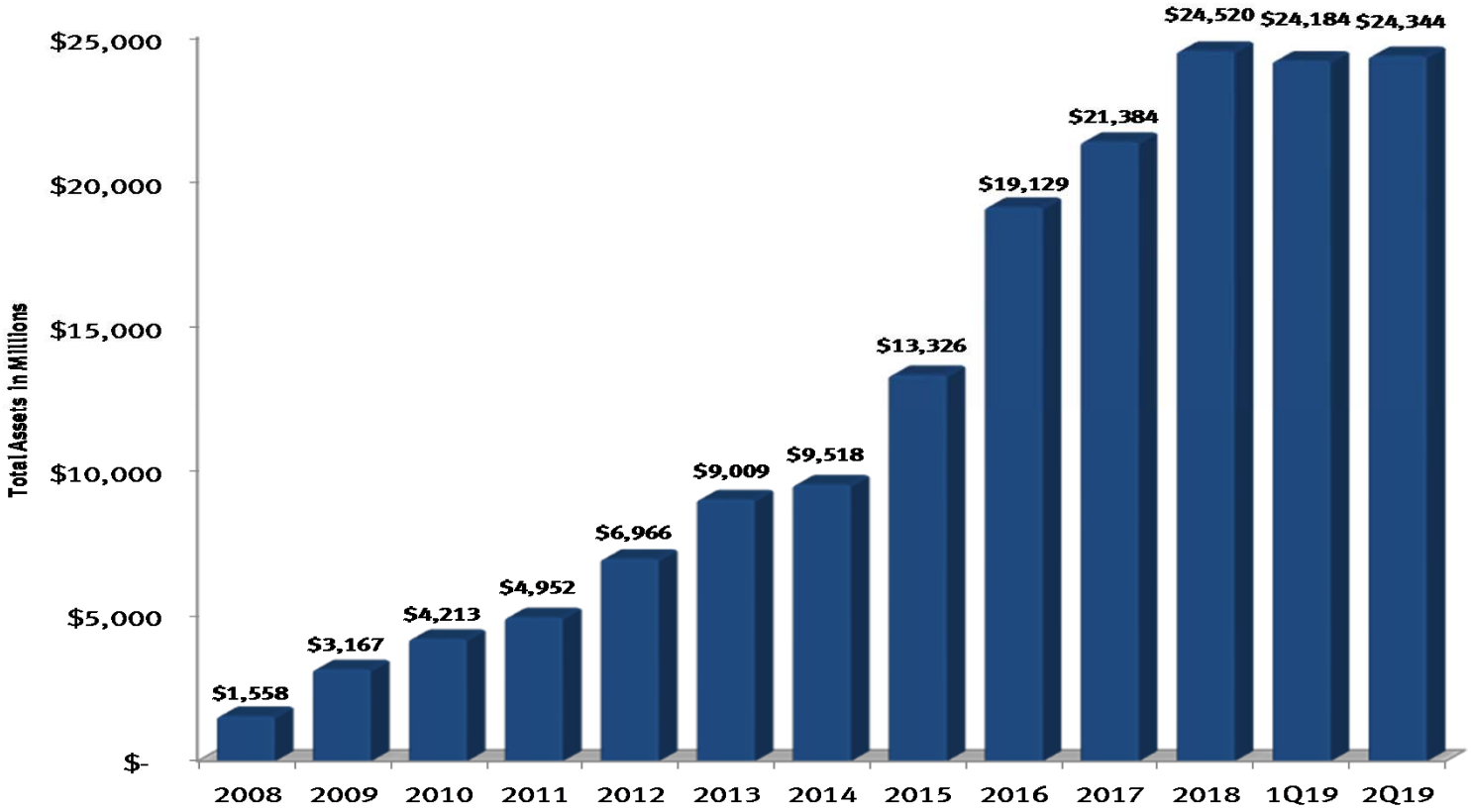
Balance Sheet



`	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	1Q19	2Q19
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%
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%
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%

* 2Q19 Capital ratios are estimated

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Stifel Bancorp, Inc.

(mil. except for %'s)	2Q19	2Q18	% Change	1Q19	% Change
Assets:					
Mortgage Loans	2,985	2,704	10%	2,928	2%
Commercial Loans	3,338	2,677	25%	3,315	1%
Securities Based Loans	1,963	1,845	6%	1,861	5%
Commercial Real Estate	367	127	189%	362	1%
Loans Held for Sale	164	211	-22%	144	14%
Total Loans, net	***$9,128***	***$7,558***	**21%**	***$8,851***	***3%***
Asset Backed Securities	$4,387	$4,957	-11%	$4,608	-5%
Mortgage Backed Securities	1,433	1,690	-15%	1,483	-3%
Corporates	797	1,269	-37%	947	-16%
Other	43	73	-41%	64	-33%
Total Other Securities	2,273	3,032	-25%	2,494	-9%
Total Investments	***$6,660***	***$7,989***	**-17%**	***$7,102***	***-6%***
Total Assets	**$16,646**	**$15,860**	**5%**	**$16,823**	**-1%**
Liabilities:					
Deposits	**$14,901**	**$13,891**	**7%**	**$15,050**	***-1%***
Credit Metrics					
Non-performing assets ($s)	21	19	11%	21	0%
Non-performing assets (%s)	0.13%	0.12%	1 bps	0.13%	0 bps
Allowance as a percentage of loans	1.00%	0.99%	1 bps	1.00%	2 bps
Net Interest Margin	3.11%	2.97%	14 bps	3.17%	-6 bps

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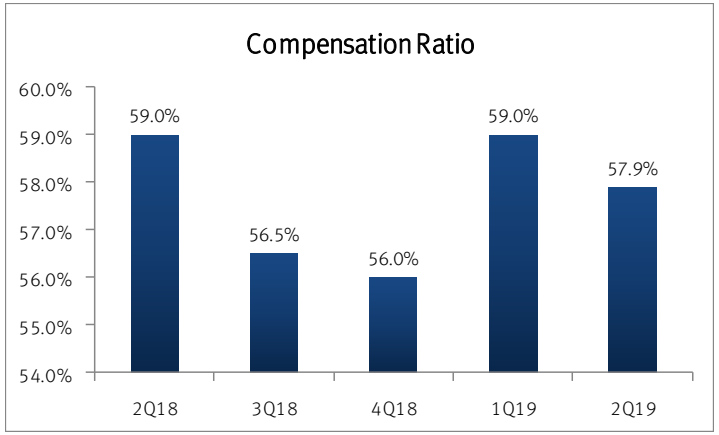
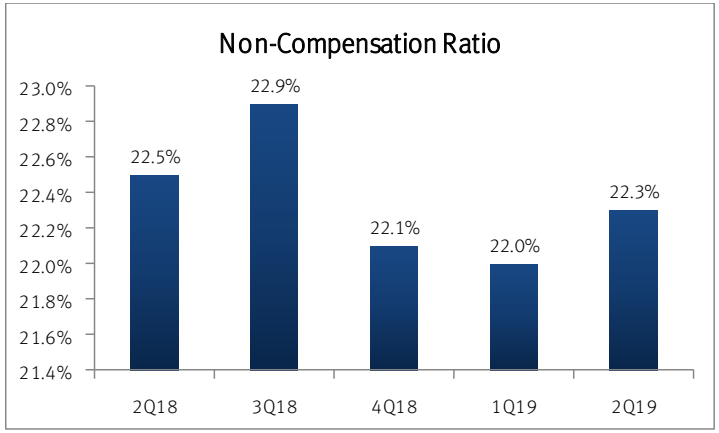
Expenses





Non-GAAP Expenses & Pre-tax Income	Three Months Ended					YTD		
	2Q19	2Q18	% Change	1Q19	% Change	2019	2018	% Change
(millions)								
Compensation	$464	$438	6%	$454	2%	$918	$892	3%
Non-compensation	$179	$167	7%	$170	5%	$349	$334	5%
Pre-tax Income	**$158**	**$137**	***15%***	**$146**	***8%***	**$304**	**$267**	***14%***

GAAP to Non-GAAP Reconciliation for Second Quarter 2019 *(000s)*	06/30/19	YTD 2019
GAAP Net Income	***$109,085***	***$208,292***
Preferred Dividend	5,288	7,632
Net Income available to common Shareholders	***$103,797***	***$200,660***
Non-GAAP After Tax Adjustments		
Acquistion-Related & Severance	4,977	12,634
Litigation-Related	2,597	2,597
Total Non-GAAP Adjustments	***7,574***	***15,231***
Non-GAAP Net Income Available to Common Shareholders	***$111,371***	***$215,891***

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

Outlook

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Q&A

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