

# STIFEL



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**WHERE SUCCESS  
MEETS SUCCESS**

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2023 ANNUAL REPORT

Since 1997, Stifel's mission has been defined by our **innovative “Of Choice” strategy**, which has appeared in each of our Annual Reports. These time-tested guiding principles drive everything we do and have helped us make Stifel the firm **“WHERE SUCCESS MEETS SUCCESS.”**



WHERE SUCCESS  
MEETS SUCCESS

**TO OUR  
ASSOCIATES:**

current and future, our commitment is to provide an entrepreneurial environment that encourages unconfined, long-term thinking. We seek to reward hard-working team players that devote their energy and attention to client needs. At work, at home, and in your communities, we seek to be your Firm of Choice.

**TO OUR  
CLIENTS:**

individual, institutional, corporate, and municipal, our commitment is to listen and consistently deliver innovative financial solutions. Putting the welfare of clients and community first, we strive to be the Advisor of Choice in the industry. Pursuit of excellence and a desire to exceed clients' expectations are the values that empower our Company to achieve this status.

**TO OUR  
SHAREHOLDERS:**

small and large, our commitment is to create value and maximize your return on investment through all market cycles. By achieving the status of Firm of Choice for our professionals and Advisor of Choice for our clients, we are able to deliver shareholder value as your Investment of Choice.

# FINANCIAL HIGHLIGHTS

## OPERATING RESULTS:

*in thousands, except per share amounts*

	2019	2020	2021	2022	2023
Total Revenues	\$3,514,961	\$3,817,839	\$4,783,086	\$4,592,826	\$5,159,280
Net Income Available to Common Shareholders	\$431,077	\$476,211	\$789,271	\$624,874	\$485,255
Earnings Per Diluted Share <sup>1</sup>	\$3.66	\$4.16	\$6.66	\$5.32	\$4.28
Non-GAAP Net Income <sup>2</sup>	\$479,636	\$522,847	\$839,533	\$675,071	\$531,524
Non-GAAP Earnings Per Diluted Share <sup>1,2</sup>	\$4.07	\$4.56	\$7.08	\$5.74	\$4.68

## FINANCIAL POSITION:

*in thousands, except per share amounts*

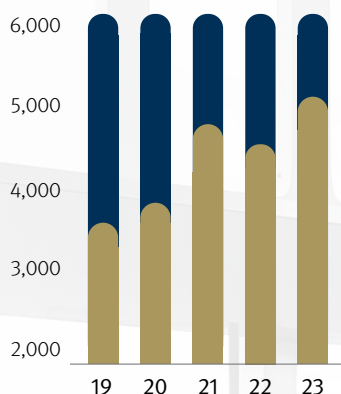
	2019	2020	2021	2022	2023
Total Assets	\$24,610,255	\$26,604,254	\$34,049,715	\$37,196,124	\$37,727,460
Shareholders' Equity	\$3,614,791	\$4,238,766	\$5,034,959	\$5,328,471	\$5,294,431
Book Value Per Share <sup>1</sup>	\$32.24	\$35.91	\$41.63	\$44.08	\$45.61

<sup>1</sup> Per share information adjusted for December 2020 three-for-two stock split.

<sup>2</sup> Non-GAAP net income and non-GAAP earnings per diluted share represent GAAP net income and GAAP earnings per diluted share adjusted for acquisition-related charges other than duplicative expenses.

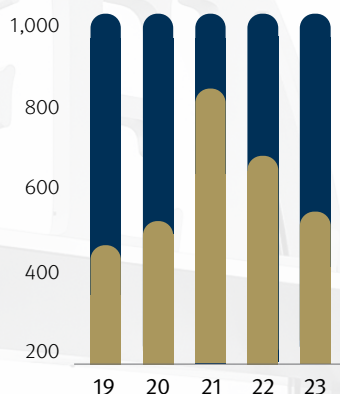
### TOTAL REVENUES

(In millions)

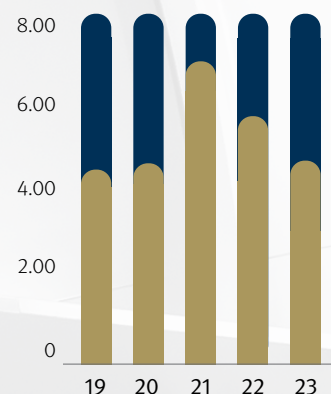


### NON-GAAP NET INCOME<sup>2</sup>

(In millions)

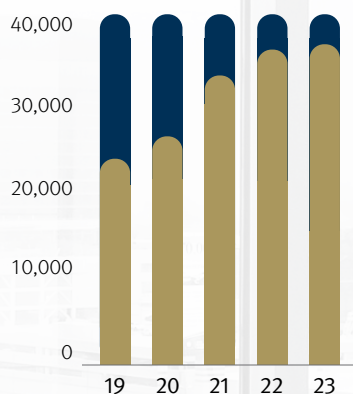


### NON-GAAP EARNINGS PER DILUTED SHARE<sup>1,2</sup>



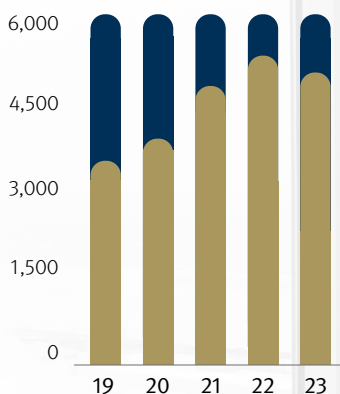
### TOTAL ASSETS

(In millions)

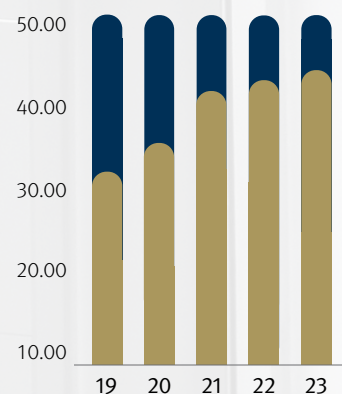


### SHAREHOLDERS' EQUITY

(In millions)



### BOOK VALUE PER SHARE<sup>1</sup>





# SHAREHOLDER LETTER

**Ronald J. Kruszewski**

*Chairman of the Board and Chief Executive Officer*



**The cover of this year's Annual Report** celebrates Stifel being recognized as the No. 1 employee advisor firm in the J.D. Power 2023 U.S. Financial Advisor Satisfaction Study<sup>SM</sup>. Our top ranking across four of the six study categories reflects our unwavering commitment to delivering exceptional service to our client-facing professionals. Stifel was also named the 2023 U.S. Mid-Market Equity House of the Year by *International Financing Review*, recognizing the outstanding capital markets achievement of our institutional business.

With this momentum, we're setting our sights on a transformative era for the firm, initially to double our size by attaining \$10 billion in annual revenue and managing \$1 trillion in client assets. Considering our historic growth, we view these as modest goals and merely milestones as we build the premier wealth management firm and middle-market investment bank.

2023 marked Stifel's third-highest year ever in net revenues, at \$4.35 billion, a testament to the strength and diversification of our business model in a challenging market environment. The results were essentially in line with 2022 despite a significant industry-wide slowdown in investment banking activity.

Stifel generated return on average tangible equity of 19% in 2023, and net earnings were \$532 million on a non-GAAP basis, or \$4.68 per share. In addition, we increased our book value by 4% and our tangible book value by 2%.

With respect to capital deployment, we returned approximately \$650 million to shareholders

through the repurchase of 7.2 million shares totaling approximately \$440 million and approximately \$210 million in common and preferred dividends.

Underscoring our confidence in executing our long-term plan, our Board authorized a 17% increase in our annual dividend on common shares from \$1.44 to \$1.68 per share. 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.

**Turning to Global Wealth Management**, this segment reported record net revenues of \$3.0 billion for the year ended December 31, 2023, compared with \$2.8 billion in 2022. Pre-tax income was \$1.2 billion compared with \$1.1 billion in 2022. In the year, we recruited 171 financial advisors, including 76 experienced employee advisors and nine experienced independent advisors, with total trailing 12-month production of approximately \$70 million. Net interest income was up 24% from the prior year, primarily driven by higher interest rates. Noteworthy is the fact that net interest is up more than 760% since 2015 as our strategy to grow our balance sheet, coupled with a prudent interest and credit philosophy, has enabled Stifel to benefit on the increase in short-term rates over the past two years, and provide stability to our profitability.



## 2023 RESULTS

(in thousands, except per share amounts)

TOTAL FIRM	2023	%Δ
Total Revenues	\$5,159,280	12
Non-GAAP Net Income	531,524	(21)
Non-GAAP EPS	4.68	(19)

### GLOBAL WEALTH MANAGEMENT

Net Revenues	\$3,049,962	8
Contribution	1,215,822	14
AUM	444,318,000	14

### INSTITUTIONAL GROUP

Equity Net Revenues	\$709,286	(24)
Fixed Income Net Revenues	517,031	(14)
Net Revenues	1,226,317	(20)
Contribution	2,100	(99)

### INSTITUTIONAL TRADING

Equity	\$201,413	0
Fixed Income	308,393	(17)
Total	509,806	(11)

### INVESTMENT BANKING

Equity	\$514,310	(31)
Fixed Income	216,945	(4)
Total	731,255	(25)
Capital Raising	265,667	3
Advisory	465,588	(35)

**Switching to the Institutional Group**, market uncertainty led to an extremely difficult year across the industry. Our institutional businesses reported net revenues of \$1.2 billion for the year ended December 31, 2023, compared with \$1.5 billion in 2022 and over \$2.2 billion in 2021. Despite the significant decline in market activity and, as a result, our decline in revenue, this business essentially broke even on a pre-tax basis. Again, to illustrate the relative time periods, our institutional business contributed pre-tax income of approximately \$559 million in 2021 and \$254 million in 2022. With debt and equity markets largely challenged for much of the year, investment banking revenues decreased 25% from the prior year. Equity transactional revenues were relatively flat year over year, while Fixed Income transactional revenues decreased 17% from the previous year. Yet, we believe that market activity is poised to rebound, maybe significantly, and we are well positioned to benefit.

**One Stifel.** We have described 2024 as a transition year, as markets begin to normalize and we position ourselves for the next era of profitable growth at Stifel. Over the past 27 years, Stifel has gone from a small regional brokerage with a little over \$100 million in annual revenue and a market capitalization of \$50 million, into a premier global wealth management firm and middle-market investment bank with approximately \$5 billion of revenue and \$8 billion in market capitalization. Now, it's time to aim even higher.

To achieve this next level of growth, we have developed a vision for "One Stifel." For Stifel to be its best, we must think of all our offerings and capabilities, across all our brands, as one. A client may get a loan from one brand; it may engage another for restructuring services, funding local infrastructure, or taking a road show abroad. Without question, Stifel is

**For Stifel to be its best, we must think of all our offerings and capabilities, across all our brands, as one.**

stronger for the individual cultures, traditions, and integrity of our client-facing brands, including KBW, 1919 Investment Counsel, Eaton Partners, and Miller Buckfire – yet we must avoid the creation of bureaucratic silos. We are all part of one firm. Stifel has one stock. We pay one dividend, we report results as one business, and we have tried to ensure that everyone has ownership in that one company – Stifel. When we talk to clients, we must talk about the full firm and all its capabilities, because our success is measured as a whole.

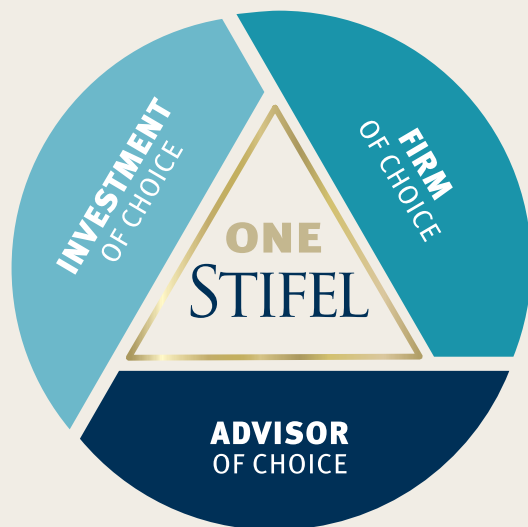
"One Stifel" joins "Where Success Meets Success" as mantras, reflecting Stifel's growth into a singular hub for success-minded people. When successful entrepreneurs seek out a place that reflects their own drive and values – as clients, associates, or investors – they will feel at home at Stifel. They will experience it as a consistent network for success, across all our brands and offerings.

# SHAREHOLDER LETTER

Our foundational “Of Choice” business plan remains unchanged, as it has for the 27 years since I joined Stifel as CEO. As always, the thought process behind that plan starts with our clients. How can we best meet the needs of a diverse and growing set of investors, companies, and institutions? The answer is simple, but not easy: attract the best people to work with us. To become the Advisor of Choice for clients, we need to be the Firm of Choice for associates. If we achieve that, the stock price will take care of itself, and we will naturally be an Investment of Choice for investors. This simple, self-reinforcing cycle was the foundation of our “Of Choice” business plan from the beginning, and it has remained the core of our philosophy and culture ever since.

As evidenced by our remarkable growth, Stifel is not a place that risks either complacency or bureaucracy or accepts the status quo. Much of our success can be attributed to two main factors: the quality of our people and our willingness to adapt, constantly thinking like a growth company even though our history dates to 1890. Opportunities will always exist here for colleagues who want to grow, learn, and lead – and for newcomers who provide fresh perspective.

We are One Stifel, Of Choice, and Where Success Meets Success.



WHERE SUCCESS  
MEETS SUCCESS

**Reflecting on the economy for a moment**, the Federal Reserve finds itself in a precarious position, navigating the tightrope between controlling inflation and preventing recession. Not an easy task. The Fed’s unprecedented series of rate hikes in 2022 was successful at slowing the inflation that reached 40-year highs. However, like a petulant child that wants an extra serving of ice cream, the market has numerous reasons to justify the Fed to begin a cycle of rate reductions, chief among them a desire to achieve a soft economic landing. However, like a diligent and thoughtful parent, the Fed should recognize that reducing rates now, like that extra scoop of ice cream, is both unnecessary and risky for the economy. We believe that inflation will prove sticky and cutting rates too soon may reignite inflationary pressures, undoing the progress made so far. Simply, ensuring that inflation is at or near the Fed’s stated target of 2% is more important than trying to ensure a soft landing. The Fed has plenty of rate flexibility if the economy slows significantly and, in our opinion, should not attempt preemptive rate cuts at the risk of invigorating inflation.

**There’s no question that artificial intelligence (AI) is going to disrupt a wide range of industries.** We are enthusiastic about AI’s potential to improve how we serve clients and operate as a firm. Just as personal computers revolutionized the way professionals worked in the early 1980s, AI will be a massive lever for those who know how to use it. With its ability to analyze vast amounts of data and make intelligent decisions, AI can automate routine tasks, freeing up valuable time for individuals to focus on more complex and creative endeavors. AI-powered tools, such as virtual assistants and chatbots, can handle administrative and repetitive tasks, allowing individuals to prioritize strategic thinking and problem-solving.

What will this mean for workers and businesses? As an extremely powerful productivity tool, AI will allow, for illustration, two weeks of historical productivity to be accomplished in one. A debate exists as to whether this should lead to a shorter workweek, or whether it will simply replace human labor. The fact is that, in a competitive environment, the entrepreneurs who use

these tools to the fullest will simply out-compete those who use them to scale back the time spent at work.

As for replacing human labor, well, I don't believe many jobs will be lost directly to AI, but they may be lost to someone who knows how to use AI to enhance their productivity. AI excels at specific tasks and data analysis, but it currently lacks the general intelligence, creativity, adaptability, and especially the emotional quotient that defines human cognition. While advancements in AI are undeniably impressive, achieving human-level intelligence by the end of 2025, as some predict, remains highly speculative, not least because the level of human intelligence is a moving target. Our own ability rises with the availability of new tools and techniques, including AI-based ones. I'm still betting on people using the technology over the technology alone. Time will tell.

**The world order is in flux.** From ongoing conflict in the Middle East and the heartbreaking war in Ukraine, to the rise of terrorism and heightened geopolitical tensions, particularly with China, the year has shown that the world is increasingly fraught.

In the sweep of history, the relative peace and economic prosperity experienced since 1945 is unprecedented. The world order over the last 80 years, defined by the emergence of global trade and democracy, has been catalyzed by the United States' trade policies and undergirded by its promise of security and stability. This arrangement has, without a doubt, been a net benefit to the United States. The collapse of the Soviet Union – more an economic phenomenon than a military one – left the United States as the dominant economic power and owner of the reserve currency of the world.

Today, several factors challenge this world order as it has existed for nearly eight decades. First is the emergence of China as a major economic and military rival. While the Soviet Union was, and Russia still is, a military rival, it never matched the U.S. in economic terms. China, with potential allies including Russia and Iran, would like nothing more than to undermine the U.S.-led world order in all dimensions. Second,

to me, is the diminished resolve of the U.S. to provide security to our allies, or to thwart aggression. Look no further than the current debate surrounding economic aid to Ukraine. To back away from our traditional role defending freedom and free trade invites Chinese aggression, potentially against Taiwan. Again, our way of life and economic prosperity is rooted in the post-World War II world order. We must protect this position.

Amid these uncertainties, we must not lose sight of the tremendous success story of the free market system. Free markets, underpinned by transparency, competition, legal frameworks, and individual initiative, have demonstrably lifted millions out of poverty and fueled innovation across the globe. They empower individuals to pursue their aspirations and create a better life for themselves and their families. While not without its imperfections, the free market system has proven to be the most effective engine of economic growth and human progress in history. As we navigate this evolving world order, Stifel remains committed to upholding the principles of free markets and advocating for policies that promote global economic collaboration and opportunity.

**Looking forward**, while challenges and uncertainty are omnipresent, these same factors are the seeds of opportunity. Stifel is well positioned to continue to grow and exploit opportunity wherever it may arise, and our entrepreneurial spirit and culture provide an ability to continually adapt. We are excited about our next milestones for growth and are confident in our ability to deliver for our shareholders, associates, and community.

As always, we sincerely thank our shareholders and clients for their support, as well as our nearly 10,000 associates for their commitment to excellence and success.



**Ronald J. Kruszewski**  
*Chairman of the Board and Chief Executive Officer*  
April 2024



# YEAR IN REVIEW

Net revenues of  
**\$4.35 billion**,  
the third highest  
annual total in  
Company history

Non-GAAP  
net income  
available to common  
shareholders of  
**\$4.68  
per share**

Non-GAAP  
return on  
tangible common  
equity of  
**18.7%**

Non-GAAP  
**pre-tax  
margin  
of 19.2%**

In 2023, Stifel  
returned approximately

**\$650  
million**  
to shareholders

**17%**  
**increase**  
to our annual  
common dividend

For the year ended December 31, 2023, the Company reported net income available to common shareholders of \$485.3 million, or \$4.28 per diluted common share, on net revenues of \$4.35 billion. Non-GAAP net income available to common shareholders totaled \$531.5 million, or \$4.68 per diluted common share. Stifel generated return on tangible common equity of 18.7% on a non-GAAP basis.

A clear benefit of our strong financial metrics is the generation of significant cash flow. In 2023, Stifel returned approximately \$650 million to shareholders by repurchasing \$440 million in common stock, and paying common and preferred dividends of approximately \$210 million.

In addition, given our outlook for 2023, the increased reach and breadth of our business, and our ability to generate significant excess capital after continued and anticipated investments in our franchise, we announced a 17% increase to our annual common dividend to \$1.68 per share from \$1.44 per share.

## GLOBAL WEALTH MANAGEMENT

Our Global Wealth Management segment continues to drive the firm's long-term growth. The segment marked its 21st consecutive year of record net revenue in 2023 with \$3.0 billion.

Financial advisor recruiting played a key role in our success. We added 171 advisors in 2023 – a 28% increase over 2022 – with total 12-month trailing production of \$69 million. Stifel is now home to nearly 2,400 financial advisors in more than 400 locations across the U.S.

This level of growth has been the result of our strategy to recruit high-quality advisors and provide them with extraordinary service. In this effort, we have continually invested in resources, support, and technology to reduce bureaucracy and enable our advisors to thrive.

This strategy was further validated by our No. 1 ranking in the employee advisor segment of the J.D. Power 2023 U.S. Financial Advisor Satisfaction Study<sup>SM</sup>. In addition to finishing No. 1 overall, Stifel ranked No. 1 in four individual categories: leadership and culture, products and marketing, operational support, and compensation. The survey results were based on responses from Stifel advisors themselves, reflecting the pride and confidence they have in Stifel as their Firm of Choice.

Our commitment to advisor growth goes hand in hand with a strategic shift to improved fee-based offerings, providing increased stability and predictability for our business. This focus is paying off: recurring revenue reached 78% for the year and a remarkable jump from 44% just ten years ago. Firmwide, asset management revenues increased 3% to a record \$1.3 billion, reflecting higher asset values.

Our strong net interest income growth was also a driver of success for Global Wealth Management, increasing 24% to a record \$1.2 billion. This performance placed Stifel's combined banks 8th out of 173 peers in expanding net interest margin over the last two years.

In a year that saw major shifts in banking, Stifel's banks benefitted from our diversified model and financial strength, enabling us to pursue multiple growth opportunities. Stifel Bancorp ended the year with \$30 billion in assets while maintaining its conservative risk profile, and expanding its role supporting our wealth management and investment banking platforms. Like the rest of Stifel, our banks are extraordinarily diversified with multiple specialized cash management, lending, and trust capabilities.

In 2023, over 80% of Stifel clients' cash was in FDIC-insured products, and the average term in our investment bond portfolio was less than 1.5 years.

Managing cash in a rising rate environment is important to Stifel clients, and we were ready with Stifel Smart Rate, a high-yield cash savings product. The new Stifel ONE cash management and credit card platforms help clients manage cash flow easily and conveniently in Stifel Wealth Tracker.

We expanded our venture and fund banking practice this year with strategic hires on the West Coast and across the country. This once again illustrates our strategy of taking advantage of market disruptions to make opportunistic hires that enhance our long-term growth.

Stifel Trust Services grew this year to \$6 billion in assets under administration, up from \$5.5 billion in 2022, driven by an increase in our specialized trust services offerings and exponential growth in the number of clients naming Stifel Trust as successor trustee in their estate plans.

In 2023, 3,200 nonprofit organizations received \$27 million in grants from Stifel clients through the use of Stifel's Donor-Advised and Legacy Funds, facilitating charitable donations.

Global Wealth Management achieved record net revenue of **\$3 billion** in 2023

Stifel added 171 advisors with total 12-month trailing production of **\$69 million**

Net interest income increased 24% to a record **\$1.2 billion**

Asset management revenues increased 3% to a record **\$1.3 billion**

# YEAR IN REVIEW

## INSTITUTIONAL GROUP

Faced with a number of significant external headwinds, including tighter monetary policy, economic and geopolitical uncertainty, and the resulting market volatility, our Institutional Group achieved revenues of \$1.2 billion in 2023.

Investment Banking revenues totaled \$715 million in 2023, up 5% from 2022. Within Investment Banking, our advisory business recorded revenue of \$466 million while our capital-raising revenue, which was impacted significantly by an industry-wide slowdown in capital raising, totaled \$249 million.

Once again, Stifel received extensive praise for its creativity and resourcefulness in helping our clients navigate a challenging environment. We were named U.S. Middle-Market Equity House of the Year by *International Financing Review* for the fifth time in the past 10 years. Showcasing our global footprint, Stifel was also named an Investment Banking Market Leader in Israel by *Euromoney* for the second straight year.

In 2023, we made significant investments in the scale of our business, which will position us to capitalize on the anticipated rebound in advisory and capital-raising activity when markets further stabilize. We continued to build our leading Investment Banking franchise with the acquisition and integration of Torreya Partners, a leading independent M&A and private capital advisory firm serving the global life sciences industry.

Our Institutional Sales and Trading businesses posted revenues of \$510 million in 2023. That figure comprises \$201 million in Equity transactional revenue as we continue to gain traction in our electronic offerings and see strong engagement with our high-touch trading and best-in-class research.

In the Equities business, our electronic trading platform saw record activity in 2023, driven by growth in algorithmic trading, and we increased

market share in U.S. transactional volume in both high- and low-touch trading.

We also remain one of the largest and most respected providers of equity research coverage in North America and Europe. In its 2023 All-America Survey, *Institutional Investor* honored five individual analysts and nine teams across the Stifel and KBW equities platform, covering research, sales, trading, and corporate access.

Fixed Income transactional revenue totaled \$308 million as our rates business began to rebound from the weakness tied to bank failures, higher interest rates, and an inverted yield curve.

Stifel Fixed Income Capital Markets ranked as the No. 1 non-bulge bracket firm in *Institutional Investor's* 2023 All-America Survey. And we completed the acquisition of Sierra Pacific Securities, an algorithmic trading-focused fixed income market-making firm.

And, once again, our Public Finance group was the nation's leading municipal bond underwriter, finishing the year with a market share in number of negotiated transactions of 14.7%. Simply put, Stifel is invested in the infrastructure of America. We are committed to helping states, municipalities, schools, hospitals, and more with their capital needs.

*Fox Business anchor Maria Bartiromo interviews Stifel Chairman and CEO Ron Kruszewski at the World Economic Forum's annual meeting in Davos, Switzerland.*





# PRESIDENTS LETTER

**One Stifel.** In his accompanying shareholder letter, Ron describes the new initiative we have launched within the company. As the leaders of our operating segments, we understand the importance of breaking down any silos that may exist within our segments but also across our businesses. Last year in our Presidents Letter highlighting Success Meeting Success, we said, “By embedding in our culture the commitment to welcoming and integrating new team members, we accomplish our goal of making each new hire or business combination accretive to our current associates, our new associates, and our shareholders.” That Success Meeting Success mindset, coupled with a vision of One Stifel, is of paramount importance for us to achieve our stated goal of \$10 billion in annual revenue and \$1 trillion in client assets. We know our associates live and breathe it every day.

We have grown our business over the last decade, adding capabilities to better serve individuals, corporations, and municipalities alike while keeping the lines of communication open across businesses. The willingness to look beyond one’s own bottom line for the greater good of the organization is something unique to Stifel. All with an eye toward offering the best outcome to all of our clients. Within our Global Wealth Management segment, we have expanded our client offerings to include products and capabilities gleaned through the addition of colleagues from firms throughout Wall Street, some of whom are highlighted on the coming pages. Within the Institutional Group segment, we have increased our relevancy with the integration of colleagues through our recent combinations with Torrey Partners and Sierra Pacific Securities as well as the hiring of those outstanding professionals highlighted on the pages that follow.

The next natural evolution of this integration of efforts is between our Global Wealth Management and Institutional Group segments. We fielded, on average, nearly 100 actionable opportunities between the businesses over the past several years. While impressive, we feel that number does not reflect the breadth and depth of our



**Victor J. Nesi**  
*Co-President*

**James M. Zemlyak**  
*Co-President*

collective franchises. Whether it be an entrepreneur with a Stifel Financial Advisor looking to sell their business, a founder coming into wealth through an IPO needing investment advice, or a venture banking client in need of private capital, the One Stifel approach to our clients will reinforce our practice of being agnostic internally – what is best for our client will always be best for Stifel. Not the other way around.

As we look to embed the One Stifel mindset across business segments, we have tapped senior leaders to take on roles in new business lines and further partner with one another across divisions to identify and capitalize on cross-organizational opportunities.

Our core businesses are strong, generating solid earnings though a diverse revenue mix, with excellent prospects for growth. As the operating environment continues to improve, we believe Stifel is well positioned to gain relevance to clients and take additional market share from competitors. As we do each year, we want to thank all of our associates for demonstrating an unwavering commitment to our clients, to the firm, and to each other.

# WHERE SUCCESS MEETS SUCCESS

At Stifel, success is ingrained in our culture and our strategic plan. The stories that follow illustrate just a few of the many ways in which we've become a firm "Where Success Meets Success" – one that attracts successful individuals and partners, recognizes up-and-coming successes, helps others achieve success, and shares our success with others.

## WK GROUP

*Dallas, Texas*

Partners at a wirehouse firm for nearly a decade, JR Koeijmans and Lance Whitworth built a highly successful practice, entirely organically. They were confident in their ability to achieve more. But the bureaucracy and red tape of their previous firm was holding them back.

"There were so many hindrances. We probably spent 25% of our time doing things that did not benefit our clients in any way. It felt like we were fighting with one arm tied behind our back. We wanted a place that would help get us to 100% of our capabilities," said Koeijmans.

So the duo explored their options, from the wirehouses, to regionals, to starting their own firm. They found what they were looking for at Stifel and joined the firm in 2019.

In five years at Stifel, they've grown their assets from \$150 million to more than \$600 million, with a goal of surpassing \$1 billion.

"The support we've received from the top down has been refreshing," said Koeijmans. "We've gained autonomy and are in better control of our practice – we feel more like entrepreneurs here. We believe in the people here, which gives us confidence in what we do and how we can help our clients."

Being at a firm where everything is built around the client also meant no more cross-selling mandates from the bank.

"We spent so much time myopically focused on 'counting widgets' – little things that didn't help our clients and that were detrimental to long-term growth. Here, I don't have to worry if I hit a certain metric or if I signed enough clients up for credit cards each month," said Whitworth.

And when it comes to banking, their mortgage lending partner with Stifel Bank works as an extension of their team. What they considered to be a liability at their previous firm is now a strength.



Dylan Sellers, Kristen Low, Lance Whitworth, CMT®, Nicole Reiter, and JR Koeijmans, CRPC™

Stifel's lack of bureaucracy has allowed them to focus on what they do best.

Says Koeijmans, "There are only so many hours in the day – we now have more time freed up to serve clients and win new business. We may have grown our practice by three times, but we're not doing three times the work. The difference is night and day."

**“ We just have more energy here. On Sundays, I'm excited to start the week ahead. I used to dread the headaches and hassles I'd face on Monday. Stifel is a publicly traded company that feels like a partnership. ”**

Lance Whitworth  
Senior Vice President/Investments

## RIDLEY AND HULL WEALTH MANAGEMENT GROUP

*Bowling Green, Kentucky*

For the team of John Ridley, Derek Hull, and Drew Martin, the thought of switching firms was a bit daunting. After all, while they had worked for five different firms – all legacy – they had never moved before and didn't know what to expect.

But within 60 days of moving to Stifel, the team had transitioned more than 90% of its assets and reached 100% shortly thereafter. They credit Stifel's experienced transition team for making it possible.

"We knew the move was going to be substantial, having been with the same legacy firm for more than 25 years, but we felt confident due to the detailed step-by-step process that the transition team laid out for us. It was hard work, but the payoff was that we didn't skip a beat in terms of managing our client relationships," said Hull.

The support they received extended beyond the transition team to other Stifel branches. Shortly after their move to Stifel, their client service associate of 20 years decided to retire. But their colleagues in Stifel's Nashville branch – one hour away – stepped in to assist them with transitioning their clients. Throughout the transition process, individuals from three different Stifel offices came to help, and the team maintains great relationships with them to this day.

Today, two and a half years later, they're 25% above their previous asset level and enjoying a better quality of life here at Stifel.

"We like to pride ourselves in operating effectively and efficiently. Previously, we were so bogged down in administrative tasks that didn't allow us to be efficient. People here want to be as efficient as possible to make us as effective as possible," said Martin. "We can look at introducing products like alternatives because we're not dealing with bureaucracy that takes up too much of our time."

"When you get a sincere commitment from the top of the house, telling you, 'We can do that' or 'Yes, we can!' and it happens, you're not only grateful and enthused, you become even more dedicated to do the best you can for the organization. Integrity, honesty, and a sense of entrepreneurial ownership – that's a formula for success in any business," said Ridley.



Linsay Tambling, Derek Hull, CFP®, Drew Martin, CRPC™, John Ridley, AIF®, and Maria O'Neill

**“We’ve received a level of support from management that we never received before.”**

**Derek Hull**  
Managing Director/Investments

**“It all starts with Ron (Kruszewski) and Jim (Zemlyak) at the top. At Stifel, life is more fun and full of client meetings, less administratively focused. We can focus on fit – working with clients that we enjoy working with.”**

**John Ridley**  
Managing Director/Investments



# WHERE SUCCESS MEETS SUCCESS

## SIMMONS PRIVATE WEALTH GROUP

Frontenac, Missouri

By any measure, Natalea Simmons was a success. Over the span of two decades at a wirehouse, she built a thriving practice with well over \$400 million in client assets. Her passion to better serve families and grow her business drove her to seek a people-first culture for both her clients and her team.

Simmons cites Stifel's "boutique feel" among her reasons for joining the firm in the fall of 2023. It was ultimately the personal connections and local headquarters that convinced her it would be easier to navigate challenges and make a greater impact for clients by joining Stifel.

"We were seeking a firm more aligned with our values," said Simmons. "I grew up in small town where, at the community bank, loans could be made on a handshake. People knew each other and could get business done. That's what it feels like here."

In just a few short months, Simmons already has numerous examples of Stifel associates going above and beyond to help her retain clients and win new ones.

For instance, there's the support she received in working to keep one particularly large account.

"I called (Stifel Co-President) Jim Zemlyak on a Saturday morning to explain the situation. The client wanted to meet with top management and only had time to do so on a specific day the same week. On Monday morning, we had a full agenda prepared. (Chief Investment Officer) Michael O'Keeffe flew to St. Louis, and we had a full slate of executives meet with the client to share the Stifel advantages. This extraordinary effort combined with the long-term team relationship was the motivation he needed to move all his accounts to Stifel. What other firm would do that?"

Stifel's personal approach allows for more flexibility as well.

For instance, at her previous firm, Simmons was not allowed to mention her CPA designation on her business cards or marketing materials. Stifel gives her the ability to use this hard-earned credential to help her stand out among her peers.

"My tax and accounting background is unique. Integrating tax considerations into investment strategies and overall financial



Leslie Kollar, CPRC™, Natalea Simmons Beaudan, CPWA®, CFP®, CIMA®, CPA, and Emily Cuba, CFP®, CRPC™

planning is a key differentiator in how our team serves the needs of our clients. It's a huge advantage to be able to distinguish myself that way," she says.

Resources are another area in which Stifel helps Simmons stand out. Stifel's financial planning and tax planning capabilities, thought leadership content from Stifel's CIO Office, and support and advice from members of Stifel's Women's Initiative Network are among the many resources she's already tapped into in her short time at the firm. And she knows that's just the tip of the iceberg.

**“ Stifel is so much more entrepreneurial, and decisions are made quickly. Here, management is accessible and the focus is on how the firm can support its advisors. I'm excited to get out there, share the Stifel story, and grow my business. ”**

Natalea Simmons Beaudan  
Managing Director/Investments

# GLOBAL WEALTH MANAGEMENT

## VANSUCH WEALTH MANAGEMENT GROUP

Canfield, Ohio

Despite a successful career as a top producer and a market leader, twenty-five years at a wirehouse were starting to take their toll on Steve VanSuch, based in suburban Youngstown, Ohio.

VanSuch and his team knew they needed a firm that cared as deeply about their clients as they do, one that was committed to the wealth management business and supporting its financial advisors.

The solution? Making the move to Stifel in September 2023.

“After the fact, I had a few clients tell me I sounded happier, more energized,” VanSuch said.

To VanSuch, the biggest difference between Stifel and his previous firm can be summed up in one word: respect.

“We talk about the culture – it really is a much better culture here. Whether you’re a client service associate, a branch manager, a financial advisor at any level of production, people are respected at Stifel. It starts at the top of the organization on down.”

VanSuch has found that, at Stifel, respect manifests itself in a number of ways.

For instance, there’s the outstanding tools that Stifel provides its advisors, such as Addepar, MoneyGuide, Vestmark, and Salesforce. Then there are the capabilities that are already positively impacting VanSuch’s practice, like our research, fixed income, and alternative investment teams, that truly differentiate Stifel from other firms.

“I appreciate that Stifel has gone out and brought in the best in the industry. It truly is a ‘best-in-class’ type firm.”

Then there’s the fact that while Stifel offers a full range of banking and lending products, it doesn’t force its advisors to push them on their clients.

“Previously, comp felt like death by a thousand cuts if you weren’t cross-selling. Within just a week being here, it felt like a tremendous weight had been lifted from our shoulders since we weren’t forced to sell banking products. We no longer have to worry about someone breathing down our neck.”



Ashley Szanny, Brian Austalosh, Stephen VanSuch, CFP®, CPFA™, and Amy Rondinelli

He cites the motto of his favorite football team, the Pittsburgh Steelers – “The standard is the standard.” It’s a reflection of the commitment to excellence that both Stifel and VanSuch’s team shares.

“Stifel very much wants to support our growth. We were looking to better serve our clients by expanding our team, which we couldn’t do at our previous firm because of a hiring freeze, but Stifel made it happen for us. There’s a true partnership mentality here at Stifel.”

VanSuch and his team also experience that respect in simple ways from associates across the firm.

**“ In dealing with our home office associates, there’s always a willingness to help. You can literally just pick up the phone and talk to people who are smart and very accessible. That’s not something you find at every firm. It really is a big deal.**

**People are just nicer here. ”**

Stephen VanSuch  
Managing Director/Investments | Branch Manager

# WHERE SUCCESS MEETS SUCCESS

“ We pride ourselves at being **highly responsive, efficient, and thoughtful** and not being bureaucratic. ”

Chris Reichert  
CEO | Stifel Bank & Trust

## STIFEL'S BANKING PLATFORM

Stifel's banks are a vital part of our wealth management and investment banking platforms. Our bank capabilities are designed to support client relationships, from individuals and families to large corporations, with loans, cash management, and trust services. This enables Stifel to serve clients with virtually all of their financial needs.

Our banking capabilities for individuals and families include mortgage, securities-based, and private bank lending. We also offer a full suite of cash management services, debit and credit cards, and bill pay as a fully digital banking experience in Stifel Wealth Tracker. Our commercial banking capabilities include middle-market and large corporate lending, commercial real estate lending, and venture and fund banking, with a full suite of treasury management services.

“Unlike the largest lenders, we are still nimble and entrepreneurial enough to deliver the tailored service and care one would expect from a boutique firm. We pride ourselves at being highly responsive, efficient, and thoughtful ... and not being bureaucratic,” said Chris Reichert, CEO of Stifel Bank & Trust.

## VENTURE AND FUND BANKING

Since 2018, Stifel Bank has been banking venture capital and private equity funds, with capital call lines and treasury management. And, we have provided banking and lending services to their portfolio companies – primarily in the technology space.

## STIFEL BANK CAPITALIZES ON BANKING SECTOR DISRUPTION

When the collapse of Silicon Valley Bank (SVB) sent shockwaves through the system, Stifel Chairman and CEO Ron Kruszewski and Reichert quickly evaluated the opportunity to expand Stifel's practice serving the innovation community, the Venture Banking Group. Leaning into the firm's nimble approach to opportunistic growth, our deep understanding of the banking and tech sectors fueled the expansion.

In March, we hired three San Francisco-based senior bankers from SVB – Jake Moseley, Matt Trotter, and Ted Wilson – who joined forces with Brad Ellis, Nat Stone, and the Venture Banking team we have been building since 2018 – setting the stage for rapid expansion in venture banking.



# VENTURE BANKING

“What attracted us to Stifel,” explained Matt Trotter, Managing Director, Stifel Venture Banking, “is the firm’s full-service platform. Stifel supports founders from the pre-revenue stage through IPO and beyond. Not only are we able to offer highly competitive banking services, our clients have access to all of Stifel – engaging with our tech industry investment bankers to prepare for a liquidity event, connecting with a financial advisor to plan for their future, learning from our equity research and economic thought leaders, and building on our holistic approach as they grow their business.”

Over the past year, the Venture Banking Group has tripled from 25 professionals to approximately 75, dozens of whom were previously with SVB.

“With an established platform, Stifel Bank quickly responded to meet the changing needs of the venture ecosystem,” said to Brad Ellis, Managing Director, Stifel Venture and Fund Banking. “We were able to efficiently handle a massive influx of deposit and loan requests while greatly expanding our impact nationally, growing our business on the East Coast and establishing a stronger presence in San Francisco, Los Angeles, and the Pacific Northwest, ultimately creating more opportunities across the Stifel platform with entrepreneurs and their investors across the country.”

Listening to the needs of clients, Stifel Bank enhanced our product offering for founders and investors, including:

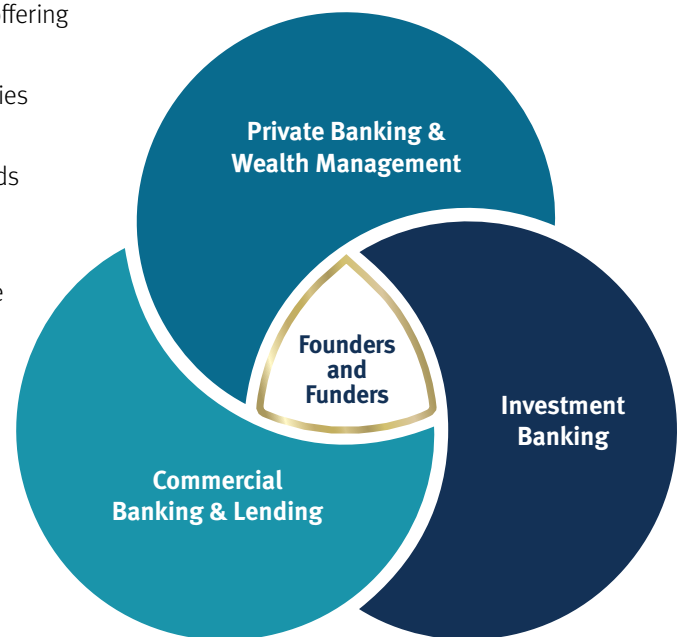
- Treasury Management – full-service business banking capabilities on a versatile technology platform
- Stifel Startup Banking Bundle – banking customized to the needs of venture-backed early stage companies
- Insured Cash Sweep (ICS) – a single account at Stifel Bank offering the security of more than \$200 million in FDIC coverage
- Capital Call Lines of Credit – helping VC firms and other funds readily manage investments and cash flow
- Venture Lending – term loans and lines of credit designed to provide capital for early and growth stage technology companies, bridging to their next equity raise

Stifel’s innovation community partnerships and collaborations highlight our events tailored to founders, providing opportunities to build relationships with peers, mentors, funders, and advisors.

And with the addition of new talent has come exponential growth. Stifel’s venture and fund banking commitments have risen to more than \$9 billion, with deposits growing to \$3 billion. Stifel venture bankers actively screened nearly 1,000 inbound venture loan referrals in 2023 – double the total from 2022 despite an overall market slowdown.

Thanks to its enhanced venture banking capabilities, Stifel Bank is poised to play an integral role in the technology community through its commitment to early stage growth companies, venture capital, and the entire innovation ecosystem. The incumbency as a financial partner for these early stage companies and their investors is extraordinarily strategic given our ability to provide banking, wealth management, and investment banking services throughout their journey.

Over the past year, the Venture Banking Group has tripled from **25 professionals to approximately 75**, dozens of whom were previously with SVB.



Pictured from left to right: Nat Stone, Brad Ellis, Ted Wilson, Matt Trotter, and Jake Moseley



# WHERE SUCCESS MEETS SUCCESS

Within the Institutional Group, we continue to build out our platform through the selective hiring of talented and entrepreneurial associates. Each new addition to our team helps drive our success, which in turn helps us attract even more successful individuals. The following recent hires are just a few examples of our recruiting success.

## MANAGING DIRECTORS LEE AND CLAUSMAN DEEPEN STIFEL'S EQUITY CAPITAL MARKETS EXPERTISE



**Cullen Lee**  
*Investment Banking Managing Director*  
Head of Technology Equity Capital Markets



**Ken Clausman**  
*Investment Banking Managing Director*  
Head of Healthcare Equity Capital Markets

To help further position Stifel for success as capital markets activity stabilizes, Stifel added two Managing Directors to lead key industry verticals within our Equity Capital Markets Group.

Cullen Lee joined Stifel as Head of Technology Equity Capital Markets, our largest industry vertical. With more than two decades of investment banking experience, he previously served as Global Head of TMT Equity Capital Markets at Credit Suisse. He brings a collaborative approach to the subsectors where consumer, industrial & services, and digital commerce intersect with technology.

Ken Clausman joined Stifel as Co-Head of Healthcare Equity Capital Markets, responsible for originating and executing equity transactions in the healthcare sector, including IPOs, marketed and confidentially marketed follow-ons, registered directs, PIPEs, and ATMs. He joined Stifel with more than 20 years of experience in capital markets and investment banking, having previously served as Head of Healthcare Equity Capital Markets at JMP Securities.

“Bringing in Cullen in 2023 to focus on technology and Ken in 2022 to focus on healthcare has rounded out our senior ECM team across all growth sectors,” said Seth Rubin, Head of U.S. Equity Capital Markets. “Having a senior execution team is a true differentiator for Stifel ECM as we expand the practice and gain market share.”

“Having a senior execution team is a true differentiator for Stifel ECM as we **expand the practice and gain market share.**”

**Seth Rubin**  
Head of U.S. Equity  
Capital Markets

# INSTITUTIONAL GROUP

## CADY AND MCKAY JOIN STIFEL TO LAUNCH AGENCY STRUCTURED PRODUCTS GROUP

Continuously working to meet our clients' needs, Stifel launched the Agency Structured Products Group with the hiring of former Credit Suisse executives Karen Cady and Russell McKay. They and their team bring to Stifel extensive industry experience and deep commercial mortgage-backed securities product knowledge.

Their arrival marked the continued expansion of Stifel's origination products and services platform and adds to our strong secondary market-making capabilities in agency commercial mortgage-backed securities.

The group is currently a lead manager of the Small Business Administration's SBAP and SBIC debenture programs – the former of which we are one of two underwriters alongside Bank of America and the latter of which we are one of three underwriters with Goldman Sachs and JPMorgan. The group is also responsible for purchasing and securitizing Ginnie Mae (GNMA) project loans, as well as underwriting loans for other government-sponsored enterprises.

"The launch of the Agency Structured Products Group is another example of our continued commitment to creating a best-in-class origination product offering for our core clients that also leverages the broader depth of Stifel's fixed income platform," noted David Rubulotta, Co-Head of Fixed Income Capital Markets.



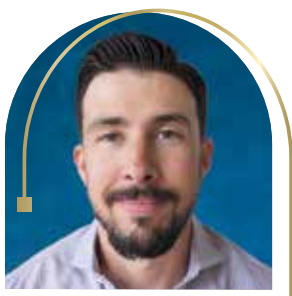
**Karen Cady**  
*Managing Director | Fixed Income*



**Russell McKay**  
*Managing Director | Fixed Income*



**Craig Cline**  
*FI Trader IV | Fixed Income*



**Christopher Dean**  
*FI Trader IV | Fixed Income*

## CLINE AND DEAN HIRED TO LEAD SBA 7(A) AND GOVERNMENT GUARANTEED LOAN TRADING BUSINESS

Broadening Stifel's relationship with the Small Business Administration, we hired industry veterans Craig Cline and Christopher Dean, formerly of FHN Financial, to lead our SBA 7(a) and Government Guaranteed Loan trading business.

The 7(a) program is the SBA's primary loan vehicle for providing financial assistance to small businesses, and there is a robust secondary market for lenders that wish to sell the guaranteed portion of the loans to investors.

As the leading traders in the SBA 7(a) sector over the last several years, Cline and Dean are providing our clients a reliable source of investments in this area. Their arrival further demonstrates our efforts to provide best-in-class services that meet the evolving needs of our core and expanding client base.

"These hires allow us to significantly scale our existing SBA 7(a) platform to best serve the SBA and our core fixed income investors in this space," said Brant McDuffie, Co-Head of Fixed Income Capital Markets. "The expansion of the SBA 7(a) program will also complement our recently announced underwriter roles for the SBA's SBAP and SBIC debenture programs."

# WHERE SUCCESS MEETS SUCCESS

## MANAGING DIRECTOR HIRES STRENGTHEN FINTECH INVESTMENT BANKING FRANCHISE



**Rahul Buxani**  
*Managing Director*  
Investment Banking | KBW



**Shal Chowdhury**  
*Managing Director*  
Investment Banking | KBW



**Matthew Schneider**  
*Managing Director*  
Investment Banking | KBW



**Ted Conway**  
*Managing Director*  
Investment Banking | KBW

In February, investment bankers Rahul Buxani, Shal Chowdhury, Matthew Schneider, and Ted Conway joined our Keefe, Bruyette & Woods affiliate as Managing Directors in the firm's FinTech & Financial Services Group.

The inclusion of these new hires brought the global count of KBW's FinTech and Financial Services platform to nearly 50 professionals, deepening the group's core capabilities of mergers and acquisitions, capital raises, and special committee advisory services. Our FinTech & Financial Services Group is a terrific example of how, by embracing the One Stifel mindset, we married the strengths of our industry-leading Technology and Financial Institutions practices to provide best-in-class advice to a sector that will benefit from both.

"The collective knowledge, industry backgrounds, and unique accomplishments of these individuals will strengthen our platform and further cement the firm as a leader in the FinTech and broader financial services landscape," said Joseph Berry, Co-Head of Investment Banking and Co-Head of FinTech & Financial Services Investment Banking at KBW.

"Our team continues to grow, as the delivery of financial services has transformed through the emergence of FinTech," added Keith Meyers, Co-Head of FinTech & Financial Services Investment Banking at KBW. "We expect FinTech companies to grow revenue three times faster than traditional banks will from 2023 through 2028. FinTech will unquestionably be a key driver of our business."

With extensive advisory and capital-raising experience in a range of transaction types across the FinTech and financial services industries, KBW brings unique and nuanced insight to our diversified client base.

“FinTech will unquestionably be a **key driver of our business.**”

**Keith Meyers**  
Co-Head of FinTech &  
Financial Services  
Investment Banking | KBW

## A Premier Investment Bank

STIFEL NAMED



### 2023 U.S. MID-MARKET EQUITY HOUSE OF THE YEAR

Stifel and affiliate KBW recognized for “reopening the IPO market and taking more companies public than competitors”

**#1** IN TOTAL NUMBER OF MANAGED EQUITY DEALS UNDER \$1 BILLION IN MARKET CAP<sup>1</sup>

**#3** IN TOTAL NUMBER OF MANAGED VENTURE CAPITAL-BACKED IPOs<sup>2</sup>

**#1** IN TOTAL NUMBER OF M&A DEALS UNDER \$1 BILLION<sup>3</sup>

#### Our Capabilities Include:

- Debt Capital Markets
- Equity Capital Markets
- Financial Sponsors Coverage
- Mergers & Acquisitions
- Private Capital Advisory
- Private Capital Markets
- Restructuring
- UK Corporate Broking

#### Deep Domain Expertise:

- Consumer & Retail
- Diversified Industries
- Energy & Natural Resources
- Financial Institutions
- Healthcare
- Real Estate, Gaming & Leisure
- Technology

STIFEL | Investment Banking

<sup>1</sup> Dealogic. Rank-eligible SEC-registered IPOs and follow-on offerings since 2010 as of 2/29/24.

<sup>2</sup> Dealogic. Venture-backed IPOs ranking since 2005 as of 2/29/24.

<sup>3</sup> M&A Analytics as of 2/29/24.

Source: International Financing Review (IFR), February 2, 2024

**FOCUS.  
EXCELLENCE.  
RESULTS.**

*The power of our people and platform*

Stifel Investment Banking provides strategic advisory services to our clients in the United States, Canada, Europe, Asia, Israel, and Latin America that include initiating, structuring, and negotiating mergers, acquisitions, and divestitures as well as providing fairness opinions, valuation, and restructuring services. We raise public and private debt and equity for our clients through our institutional and retail brokerage network. Stifel also has a dedicated financial sponsors coverage team, maintaining regular dialogue and deal flow with private equity firms focused on Stifel’s core industry groups. Stifel clients are served in the United States through Stifel, Nicolaus & Company, Incorporated, including its Eaton Partners and Miller Buckfire business divisions; Keefe, Bruyette & Woods, Inc.; and in the United Kingdom and Europe through Stifel Nicolaus Europe Limited. The combination of a full-service product offering and over 600 bankers’ deep domain and product expertise allows us to provide solutions that meet the evolving needs of our clients.



# WHERE SUCCESS MEETS SUCCESS

**STIFEL**  
WEALTH TRACKER

**STIFEL**  
Portfolio Builder

  
**ADDEPAR**

 **Jacobi**

 **ENVESTNET**  
MoneyGuide

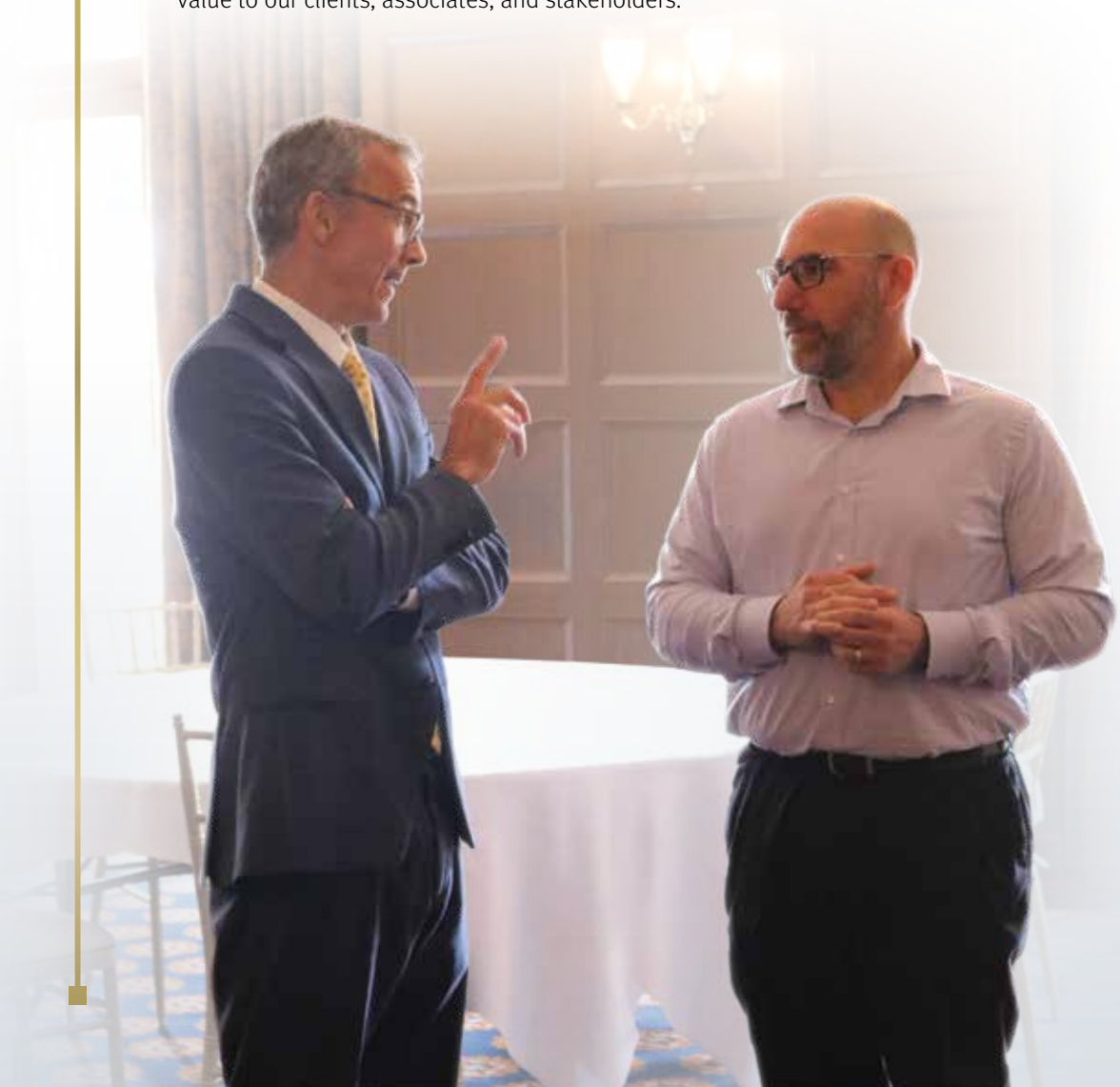
  
salesforce

In 2023, Stifel continued to drive digital transformation across the company, touching all parts of our technology platform.

It was a year marked by successful advancements, particularly with our flagship client-facing application, Wealth Tracker, and our robust lineup of customized advisor-facing platforms like Salesforce, Bloomberg, Addepar, Jacobi, MoneyGuide, and more. Improvements helped streamline operations and expanded our capabilities through better integration with several key partners.

As we reflect on the past year, we're even more excited about upcoming efforts that will enable more innovation and growth. The following pages highlight the recent improvements, outline our plans for the coming years, and touch upon other critical items, such as our commitment to cybersecurity, investments in emerging technologies, and strategies to attract and develop top technology talent.

Together, these components illustrate our belief in leveraging technology to deliver value to our clients, associates, and stakeholders.





**STIFEL**  
WEALTH TRACKER

## ENHANCING STIFEL WEALTH TRACKER

Over the course of 2023, we made a number of enhancements to Wealth Tracker that elevated the user experience and broadened its functionality.

Starting with efficient and secure money movement, we introduced several capabilities to Tracker that allow clients to manage parts of their financial lives with greater flexibility. We also rolled out enhanced security features to help protect client data and transactions.

Additionally, we launched transaction enrichment capabilities and visual enhancements, improving how financial information is presented in the app. We improved the Wealth Tracker enrollment process as well – streamlining the user’s journey from start to finish. And perhaps most notable, we recently completed a revamped user experience carefully designed to deliver faster and clearer access to financial information.

Wealth Tracker now provides reporting capabilities only once available to family offices. This includes a first-ever integration to our Addepar performance reporting platform – innovation that helps clients organize their financial lives. As we look forward, we are excited for more capabilities that will further enhance the client experience.



**ADDEPAR**

# WHERE SUCCESS MEETS SUCCESS

## STAYING AHEAD IN AN EVER-EVOLVING LANDSCAPE

Building on the momentum of our technology advancements, Stifel's banking and institutional businesses have also seen significant technology progress. A notable milestone last year was the acquisition of Sierra Pacific Securities, a strategic move that brought cutting-edge electronic fixed income trading capabilities to Stifel. We also extended our algorithmic trading capabilities to international markets, reflecting our commitment to global expansion and technological leadership.



Concurrently, the continuous development of our institutional Salesforce platforms has been instrumental in fostering collaboration across business units. Most recently, we've initiated a specialized commercial banking and lending instance of Salesforce, which will transform the way our banking colleagues work. This approach to technological enhancement across our banking and institutional businesses underscores a commitment to innovation and operational excellence. We're poised for more improvements in the ever-evolving financial landscape.

## DRIVING STIFEL'S DIGITAL TRANSFORMATION

Looking ahead, we also have a number of big technology initiatives well underway that will further help our digital transformation. Our plans are ambitious and designed to drive meaningful change.

Central among them is an effort we call our global data initiative – a project designed to significantly enhance data capabilities across Stifel. As data represents the currency of any growth company, we're striving to improve our data integration capabilities and speeding our ability to deliver valuable products and services.

In tandem with the data initiatives, we are also accelerating our migration to cloud-based resources, a move that promises better security and scalability, as well as improved efficiency and access to cutting-edge tooling – including machine learning, artificial intelligence, large language models, and advanced analytic tools. The cloud ensures that we remain at the technological forefront.

And lastly, this coming year, significant portions of the firm's base productivity tools will undergo a transformation enabling greater productivity, analysis, and insight. Our associates are already engaged in the transition and upgrade plans, and they are excited to experience the improved platforms.





## INVESTING IN TALENT

Building on our strong culture and track record, Stifel will continue prioritizing investments in the firm's service capabilities. We work hard to develop future leaders who start with us in service roles where they have benefited from cross-training and frontline experience. Simply put, we believe that service differentiates our firm.

Additionally, we're committed to upskilling our technology workforce, rolling out targeted training programs offering hands-on experience with newer technologies. This focus on learning and developing our people helps us safeguard our operations and keep delivering outstanding service.

And lastly, in addition to our people investments, we're continuously evolving our security posture by integrating new layers of advanced cyber tools designed to protect against evolving cyber threats. Cyber investments will continue this year, next year, and all the years ahead.

In closing, it's an incredibly exciting time for the firm. We have a people model that is working, a strategic focus that is helping prioritize the most important initiatives, and momentum that we've been building over the last several years. Stifel is now well positioned to take advantage of the rapidly evolving opportunities becoming available in the marketplace today.





# WHERE SUCCESS MEETS SUCCESS

## TEAM STIFEL

In recent years, we've formed a number of partnerships with brand ambassadors and organizations that align with our values, vision, and mission to be the firm **"WHERE SUCCESS MEETS SUCCESS."**

We specifically chose each partner for their work ethic, dedication, focus, and most of all the success that we strive for in our own endeavors. We're proud to support Team Stifel as they support the firm.

### MIKAELA SHIFFRIN

When it comes to representing Stifel's ethos of "Where Success Meets Success," who better than the winningest alpine skier of all time, Mikaela Shiffrin?

Shiffrin's 2022-23 season was one for the ages. In March, two days before her 28th birthday, she went down in history as the greatest skier of all time, breaking Ingemar Stenmark's record with her 87th World Cup win. By the end of the 2023-24 season, she had extended her career victory total to 97, overcoming injury to win her final two races and secure her eighth career slalom Crystal Globe.

Among her many honors, she was recognized for her feat here in the U.S. by being named the ESPY Female Athlete of the Year last summer.



**2023**  
ESPY Female  
Athlete of  
the Year



## JESSIE DIGGINS

The most decorated American cross country skier in history, Jessie Diggins was part of the country's first-ever gold medal in the sport in the 2018 Winter Olympics. Four years later, she grabbed silver and bronze at the 2022 Beijing Games.

Along with her Olympic success, Diggins has also captured six FIS World Championships medals, including the world championship title in the 10k freestyle at last season's FIS Nordic World Championships in Slovenia, as well as the 2021 World Cup overall title.

In the 2023-24 season, the 32-year-old Minnesotan took home the overall and distance FIS Cross Country World Cup Crystal Globes, cementing herself as the world's most dominant cross country skier. Her six individual wins were the most ever by an American in a single cross country season.



The ***MOST DECORATED***  
American cross  
country skier  
***IN HISTORY***



# WHERE SUCCESS MEETS SUCCESS

## ALYSSA AND GISELE THOMPSON

The future of American soccer is bright, thanks to rising stars Alyssa and Gisele Thompson.

Alyssa became the youngest draft pick in NWSL history when she went No. 1 overall in the 2023 NWSL Draft to Angel City FC at the age of 18. In addition to playing for Angel City FC, she was named to the U.S. Women's National Team and played in the 2023 Women's World Cup.

Gisele was most recently a key member of the U.S. Under-20 Women's Youth National Team at the CONCACAF Women's U-20 Championship. In 2023, she passed up the opportunity to play at Stanford University to join Alyssa at Angel City FC, making the Thompson sisters the second – and youngest – sister duo to play for the same NWSL team.

The Thompson sisters are the **YOUNGEST SISTER DUO** to play for the same NWSL team.

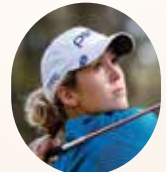


## GOLF

Golfers at every level of the sport embody focus, drive, and dedication – qualities that we hold in the highest regard. We're proud of our longstanding partnership with the Haskins and Annika Awards, recognizing the top male and female collegiate golfers. Our support of college golf also includes our sponsorship of Annika Award winner and NCAA champion Rachel Heck. Kelly Kraft, Greyson Sigg, Harry Higgs, and Ryan McCormick continue to make us proud on the PGA Tour, as does Dawson Armstrong on the Korn Ferry Tour. And, what a fun year it was watching Stifel Ambassador and CBS broadcaster Amanda Balionis star in "Full Swing" on Netflix!



Amanda Balionis



Rachel Heck



Harry Higgs



Kelly Kraft



Greyson Sigg



Ryan McCormick

*Fred Haskins*  
A W A R D

PRESENTED BY STIFEL



**ANNIKA AWARD**

PRESENTED BY STIFEL

# TEAM STIFEL



## STIFEL U.S. SKI TEAM

Thanks to our expanded partnership in 2023, Stifel is now synonymous with U.S. skiing, serving as the official naming rights partner of the Stifel U.S. Alpine Ski Team, Stifel U.S. Cross Country Ski Team, Stifel U.S. Freestyle Ski Team, and Stifel U.S. Freeski Team.

In addition, Stifel sponsored three FIS Alpine World Cup title events in the 2023-24 season – the Stifel Killington Cup, the Stifel Palisades Tahoe Cup, and the Stifel Aspen Winter International – as well as the Stifel Loppet Cup, a FIS Cross Country World Cup.

As the firm “Where Success Meets Success,” we look forward to following our ski partners’ successes on the world stage in the coming years.

## ST. LOUIS CARDINALS

In May 2023, Stifel became the first-ever official jersey patch partner of the St. Louis Cardinals.

The sponsorship has helped generate brand awareness for the firm, as the jersey patch has been featured in more than 147.9 million social media impressions.

The Cardinals’ two-game 2023 London Series with the Chicago Cubs alone was seen by 3.5 million viewers in 36 countries and generated 16.5 million social media impressions.



## ST. LOUIS BLUES

Now in its second year, our partnership with the St. Louis Blues continues to bring the Stifel brand to audiences across the NHL’s footprint in the U.S. and Canada.

With the Stifel logo featured prominently on the Blues’ home and road uniforms, we reached 1.4 million in-person viewers and were featured in nearly 276 million digital impressions.



# COMMUNITY

At Stifel, philanthropy is a core value. As a firm and as individuals, we continue to make a positive impact on the communities in which we live and work. Here are just a few of the many ways in which Stifel and our associates are making a difference:

**More than 31,000  
total volunteer hours**



## CARR LANE

Stifel partnered with the St. Louis Blues to renovate and upgrade the tech lab at Carr Lane Visual Performing Arts Middle School in the St. Louis Public School District. Forty employees across both organizations volunteered more than 250 hours during the school's holiday break.

## TOYS FOR TOTS

This holiday season, Stifel's Women's Initiative Network hosted a stuffed animal workshop at our New York City office. Eighty volunteers from across the firm's Institutional Group gathered to hand stuff plush toys that were donated to Toys for Tots' toy drive.



## LITTLE PATRIOTS EMBRACED

In honor of Military Appreciation Month, more than 100 Stifel home office associates volunteered to help Little Patriots Embraced create care packages that were delivered to military families nationwide with a parent or guardian who recently deployed or was scheduled to deploy.



## HABITAT FOR HUMANITY

Associates from Stifel Bank & Trust and 1919 Investment Counsel volunteered with Habitat for Humanity in Baltimore, Cincinnati, and St. Louis, spending nearly 350 hours helping build homes.

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2023

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 001-09305

**STIFEL FINANCIAL CORP.**

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

43-1273600  
(I.R.S. Employer Identification No.)

501 North Broadway, St. Louis, Missouri 63102-2188

(Address of principal executive offices and zip code)

(314) 342-2000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class/Trading Symbol	Name of Each Exchange On Which Registered	Shares or principal amount outstanding February 1, 2024
Common Stock, \$0.15 par value per share (SF)	New York Stock Exchange	102,796,022
Depository Shares, each representing 1/1,000th interest in a share of 6.25% Non-Cumulative Preferred Stock, Series B (SF-PB)	New York Stock Exchange	6,400
Depository Shares, each representing 1/1,000th interest in a share of 6.125% Non-Cumulative Preferred Stock, Series C (SF-PC)	New York Stock Exchange	9,000
Depository Shares, each representing 1/1,000th interest in a share of 4.50% Non-Cumulative Preferred Stock, Series D (SF-PD)	New York Stock Exchange	12,000
5.20% Senior Notes due 2047 (SFB)	New York Stock Exchange	\$225,000,000

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 ("the Exchange Act") during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company  Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The aggregate market value of the registrant's common stock, \$0.15 par value per share, held by non-affiliates of the registrant as of the close of business on June 30, 2023, was \$6.5 billion.<sup>1</sup>

<sup>1</sup>In determining this amount, the registrant assumed that the executive officers and directors of the registrant are affiliates of the registrant. Such assumptions shall not be deemed to be conclusive for any other purposes.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement for the annual meeting of shareholders, to be filed within 120 days of our fiscal year ended December 31, 2023, are incorporated by reference in Part III hereof.

# STIFEL FINANCIAL CORP.

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## PART I

Certain statements in this report may be considered forward-looking. Statements that are not historical or current facts, including statements about beliefs and expectations, are forward-looking statements. These forward-looking statements cover, among other things, statements made about general economic, political, regulatory, and market conditions, the investment banking and brokerage industries, our objectives and results, and also may include our belief regarding the effect of various legal proceedings, management expectations, our liquidity and funding sources, counterparty credit risk, or other similar matters. Forward-looking statements involve inherent risks and uncertainties, and important factors could cause actual results to differ materially from those anticipated, including those factors discussed below under “Item 1A – Risk Factors” as well as those discussed in “Item 7 – Management’s Discussion and Analysis of Financial Condition and Results of Operations Economic and Market Conditions” of this Form 10-K.

Because of these and other uncertainties, our actual future results may be materially different from the results indicated by these forward-looking statements. In addition, our past results of operations do not necessarily indicate our future results. We undertake no obligation to publicly release any revisions to the forward-looking statements or reflect events or circumstances after the date of this document.

### ITEM 1. BUSINESS

Stifel Financial Corp. is a Delaware corporation and a financial holding company headquartered in St. Louis. We were organized in 1983. Our principal subsidiary is Stifel, Nicolaus & Company, Incorporated (“Stifel”), a full-service retail and institutional wealth management and investment banking firm. Stifel is the successor to a partnership founded in 1890. Our other subsidiaries include Stifel Independent Advisors, LLC (“SIA”), an independent contractor broker-dealer firm; Keefe, Bruyette & Woods, Inc. (“KBW”), a broker-dealer firm; Stifel Nicolaus Europe Limited (“SNEL”), our European subsidiary; Stifel Nicolaus Canada Inc. (“SNC”), our Canadian subsidiary; Stifel Bank & Trust and Stifel Bank, retail and commercial banks, Stifel Trust Company, N.A. and Stifel Trust Company Delaware, N.A. (collectively, “Stifel Trust”), our trust companies (collectively “Stifel Bancorp”); and 1919 Investment Counsel, LLC, an asset management firm. Unless the context requires otherwise, the terms “the Company,” “our company,” “we,” and “our,” as used herein, refer to Stifel Financial Corp. and its subsidiaries.

We have a 133-year operating history and have built a diversified business serving private clients, institutional investors, and investment banking clients located across the country. Our principal activities are:

- Private client services, including securities transaction and financial planning services;
- Institutional equity and fixed income sales, trading and research, and municipal finance;
- Investment banking services, including mergers and acquisitions, public offerings, and private placements; and
- Retail and commercial banking, including personal and commercial lending programs.

Our core philosophy is based upon a tradition of trust, understanding, and studied advice. We attract and retain experienced professionals by fostering a culture of entrepreneurial, long-term thinking. We provide our private, institutional, and corporate clients quality, personalized service, with the theory that if we place clients’ needs first, both our clients and our company will prosper. Our unwavering client and associate focus have earned us a reputation as one of the nation’s leading wealth management and investment banking firms.

We have grown our business both organically and through opportunistic acquisitions. Over the past several years, we have grown substantially, primarily by completing and successfully integrating a number of acquisitions, including the following acquisitions, which were integrated during 2022 and 2023:

- **ACXIT Capital Partners** – On July 1, 2022, the Company acquired ACXIT Capital Partners, a leading independent corporate finance and financial advisory firm serving European middle-market clients and entrepreneurs.
- **Torrey Partners LLC** – On March 1, 2023, the Company acquired Torrey Partners LLC, a leading independent M&A and private capital advisory firm serving the global life sciences industry.
- **Sierra Pacific Securities, LLC** – On August 1, 2023, the Company acquired Sierra Pacific Securities, LLC, an algorithmic trading-focused, fixed income market-making firm.

### Business Segments

We operate in the following segments: Global Wealth Management, Institutional Group, and Other. For a discussion of the financial results of our segments, see “Item 7 – Management’s Discussion and Analysis of Financial Condition and Results of Operations – Segment Analysis” of this Form 10-K.

### Narrative Description of Business

Through our broker-dealer subsidiaries, we provide securities-related financial services to customers from the United States, Europe, and Canada. Our customers include individuals, corporations, municipalities, and institutions. We have customers throughout the United States, with a growing presence in the United Kingdom, Europe, and Canada. No single client accounts for a material percentage of any segment of our business. Our inventory, which we believe is of modest size and intended to turn over quickly, exists to facilitate order flow and support the investment strategies of our clients. The inventory of securities held to facilitate customer trades and our market-making activities is sensitive to market movements. Furthermore, our balance sheet is highly liquid, without material holdings of securities that are difficult to value or remarket. We believe that our broad platform, fee-based revenues, and strong distribution network position us well to take advantage of current trends within the financial services sector.

#### GLOBAL WEALTH MANAGEMENT

We provide securities transaction, brokerage, and investment services to our clients through the consolidated Stifel branch system. We have made significant investments in personnel and technology to grow the Private Client Group.

#### Consolidated Stifel Branch System

At December 31, 2023, the Private Client Group had a network of 2,278 financial advisors located in 398 branch offices in 48 states and the District of Columbia. In addition, we have 108 independent contractors.

Our financial advisors provide a broad range of investments and services to our clients, including financial planning services. We offer equity securities; taxable and tax-exempt fixed income securities, including municipal, corporate, and government agency securities; preferred stock; and unit investment trusts. We also offer a broad range of externally managed fee-based products. In addition, we offer insurance and annuity products and investment company shares through agreements with numerous third-party distributors. We encourage our financial advisors to pursue the products and services that best fit their clients’ needs and that they feel most comfortable recommending. Our private clients may choose from a traditional, commission-based structure or fee-based money management programs. In most cases, commissions are charged for sales of investment products to clients based on an established commission schedule. In certain cases, varying discounts may be given based on relevant client or trade factors determined by the financial advisor.

Our independent contractors, who operate in our SIA business, provide the same types of financial products and services to its private clients as does Stifel. Under their contractual arrangements, these independent contractors may also provide accounting services, real estate brokerage, insurance, or other business activities for their own account. Independent contractors are responsible for all of their direct costs and are paid a larger percentage of commissions to compensate them for their added expenses. SIA is an introducing broker-dealer and, as such, clears its transactions through Stifel.

#### Customer Financing

Client securities transactions are effected on either a cash or margin basis. When securities are purchased on a margin basis, the customer deposits less than the full cost of the security in their account. We make a loan to the customer for the balance of the purchase price. Such loans are collateralized by the purchased securities. The amounts of the loans are subject to the margin requirements of Regulation T of the Board of Governors of the Federal Reserve System, Financial Industry Regulatory Authority, Inc. (“FINRA”) margin requirements, and our internal policies, which usually are more restrictive than Regulation T or FINRA requirements. In permitting customers to purchase securities on margin, we are subject to the risk of a market decline, which could reduce the value of our collateral below the amount of the customers’ indebtedness.

We offer securities-based lending through Stifel Bancorp, which allows clients to borrow money against the value of qualifying securities for any suitable purpose other than purchasing, trading, or carrying marketable securities or refinancing margin debt. The loan requirements are subject to Regulation U of the Board of Governors of the Federal Reserve System



("Regulation U") and our internal policies, which are typically more restrictive than Regulation U. We establish approved lines and advance rates against qualifying securities and monitor limits daily and, pursuant to such guidelines, require customers to deposit additional collateral or reduce debt positions, when necessary. Factors considered in the review of securities-based lending are the amount of the loan, the degree of concentrated or restricted positions, and the overall evaluation of the portfolio to ensure proper diversification, or, in the case of concentrated positions, appropriate liquidity of the underlying collateral or potential hedging strategies. Underlying collateral for securities-based loans is reviewed with respect to the liquidity of the proposed collateral positions, valuation of securities, historic trading range, volatility analysis, and an evaluation of industry concentrations.

#### **Asset Management**

Our asset management business offers specialized investment management solutions for institutions, private clients, and investment advisers. Revenues for this segment are primarily generated by the investment advisory fees related to asset management services provided for individual and institutional investment portfolios, along with mutual funds. Investment advisory fees are earned on assets held in managed or non-discretionary asset-based programs. These fees are computed based on balances either at the beginning of the quarter, the end of the quarter, or average daily assets. Fees from private client investment portfolios and institutional fees are typically based on asset values at the end of the prior period. Asset balances are impacted by both the performance of the market and sales and redemptions of client accounts/funds. Rising markets have historically had a positive impact on investment advisory fee revenues as existing accounts increase in value, and individuals and institutions may commit incremental funds in rising markets. No single client accounts for a material percentage of this segment's total business.

#### **Stifel Bancorp**

We offer retail and commercial banking services to private and corporate clients, including personal loan programs, such as fixed and variable mortgage loans, home equity lines of credit, personal loans, loans secured by CDs or savings, and securities-based loans, as well as commercial lending programs, such as small business loans, commercial real estate loans, lines of credit, credit cards, term loans, and inventory and receivables financing, in addition to other banking products. We believe Stifel Bancorp not only helps us serve our private clients more effectively by offering them a broader range of services, but also enables us to better utilize our private client cash balances held which are swept to our bank subsidiaries, which is their primary source of funding.

### **INSTITUTIONAL GROUP**

The Institutional Group segment includes research, equity and fixed income institutional sales and trading, investment banking, public finance, and syndicate.

#### **Research**

Our research department publishes research across multiple industry groups and provides our clients with timely, insightful, and actionable research, aimed at improving investment performance.

#### **Institutional Sales and Trading**

Our equity sales and trading team distributes our proprietary equity research products and communicates our investment recommendations to our client base of institutional investors, executes equity trades, sells the securities of companies for which we act as an underwriter, and makes a market in securities. In our various sales and trading activities, we take a focused approach to serving our clients by maintaining inventory to facilitate order flow and support the investment strategies of our institutional fixed income clients, as opposed to seeking trading profits through proprietary trading.

The fixed income institutional sales and trading group is comprised of taxable and tax-exempt sales departments. Our institutional sales and trading group executes trades with diversification across municipal, corporate, government agency, and mortgage-backed securities.

#### **Investment Banking**

Our investment banking activities include the provision of financial advisory services principally with respect to mergers and acquisitions and the execution of public offerings and private placements of debt and equity securities. The investment banking group focuses on middle-market companies as well as on larger companies in targeted industries where we have particular expertise, which include real estate, financial services, healthcare, aerospace/defense and government services, telecommunications, transportation, energy, business services, consumer services, industrial, technology, and education.

Our syndicate department coordinates marketing, distribution, pricing, and stabilization of our managed equity and debt offerings. In addition, the department coordinates our underwriting participations and selling group opportunities managed by other investment banking firms.

#### **Public Finance**

Our public finance group acts as an underwriter and dealer in bonds issued by states, cities, and other political subdivisions and acts as manager or participant in offerings managed by other firms.

### **OTHER SEGMENT**

The Other segment includes interest income from stock borrow activities, unallocated interest expense, interest income and gains and losses from investments held, amortization of stock-based awards for certain administrative associates, and all unallocated overhead costs associated with the execution of orders; processing of securities transactions; custody of client securities; receipt, identification, and delivery of funds and securities; compliance with regulatory and legal requirements; internal financial accounting and controls; and general administration and acquisition charges.

### **HUMAN CAPITAL**

Our associates are vital to our success. As a human capital-intensive business, our ability to attract, develop, and retain exceptional associates is critical, not only in the current competitive labor market, but also to our long-term success. As of December 31, 2023, we had over 9,000 associates, including 2,386 financial advisors, located primarily in the United States, with a growing presence in the United Kingdom, Europe, and Canada.

We have become a premier middle-market investment bank and wealth management firm. Our long-term success as a company and our ability to generate sustainable value for our shareholders is only possible because of a corporate culture that puts the needs of our clients and our associates first. As a financial services company, we believe it is our responsibility to contribute to the sustainable economic development of the communities in which we live and operate. Our culture rewards collaboration, hard work, and empathy. And at the core of that culture is the Golden Rule of treating others as one would wish to be treated.

#### **Culture**

To provide the best possible service to our clients, we hire individuals who embrace our firm's principles, think outside the box, and introduce ideas that challenge the status quo. To create a culture that fosters a sense of belonging and an identity of being the best at what we do, we reward our associates for performance, we engage them about their needs and interests, and, as a result, we develop the best leaders in the field. At work, at home, and in our communities, we want to be our associates' Firm of Choice.

#### **Diversity, Equity, and Inclusion**

Across the firm, there is momentum to build on our efforts to foster, cultivate, and preserve a culture of diversity, equity, and inclusion. We continue to build on past efforts so that Stifel is a place where the best talent wants to work and where people of all races, gender, sexual orientation, disability status, veteran status, or ethnicity can reach their full potential. We have taken this mission to heart, challenging ourselves to meet and beat industry averages in diversity and inclusion.

Our approach is not limited to broadening representation of those at the entry level of Stifel, but also carries over to all levels of our firm to create and sustain an environment of high retention. We continue to look at diversity holistically.

#### **Recruitment and Talent Development**

We believe our culture, our effort to maintain a meritocracy in terms of opportunity, and our continued evolution and growth contribute to our success in attracting and retaining strong talent. Our recruiting efforts are focused on identifying high achieving candidates from a variety of backgrounds. In addition to racial and gender diversity, we recognize the value that diverse experience can bring our business. Our high standards remain, allowing us to expand our search and maintain the skills and drive that make our associates so strong. As such, we have established new university partnerships, visiting campuses across the country to promote a variety of tailored summer programs and internships. To expand our reach and attract a diverse talent pool, we position our job postings on a wide variety of job boards, utilize social media, and participate in career fairs. In attracting the candidates that make up our company's future, our entrepreneurial culture and focus on diversity and inclusion provide significant appeal.

Our associates are key to our success. Thus, we prioritize providing them with ample resources for learning and development as they progress in their careers. Mentoring opportunities along with our Senior Leaders and "Great on the Job"

rising talent programs are integral to maturing leadership from within our own ranks. Supplementing these efforts are a host of learning resources available to all associates, aligned with best practices for fostering both team and individual growth.

#### **Compensation and Benefits**

To be the Firm of Choice for our associates, we are committed to providing both competitive compensation and a robust benefit package. Our competitive pay packages include base salary, incentive bonus, and equity compensation programs. Additionally, the firm makes annual contributions to support the retirement goals of each associate through a matching contribution program for the 401(k) retirement savings plan. As an additional retention tool, we may grant equity awards in connection with initial employment or under various retention programs for individuals who are responsible for contributing to our management, growth, and/or profitability. We view our associates as partners and believe that our company is most successful when our associates think and act like owners.

We have enhanced our comprehensive benefits package to represent the value we place on taking care of the talented individuals that we attract and aim to retain. The physical, emotional, and financial well-being of our associates is a high priority of the firm. To that end, programs include healthcare insurance, health and flexible savings accounts, paid time off, family leave, flexible work arrangements, tuition assistance, counseling services, access to quality child and elder care, enhanced fertility and family-building services, as well as on-site services at our corporate offices, which includes a health clinic and a fitness center.

#### **BUSINESS CONTINUITY**

We have developed a business continuity plan which is designed to permit continued operation of business-critical functions in the event of disruptions to our St. Louis, Missouri, headquarters facility as well as other critical functional areas of the firm. Several critical business functions are supported by outside vendors who maintain backup and recovery in line with our internal needs and capabilities. We periodically participate in testing of these backup and recovery functions. Likewise, the business functions we support internally can be supported without the St. Louis headquarters through a combination of redundant computer facilities in other diverse data centers and from certain office locations which can connect to our third-party securities processing vendor through its primary or redundant facilities. Systems have been designed so that we can route critical processing activity and functions to alternate locations, which can be staffed with relocated personnel as appropriate.

#### **GROWTH STRATEGY**

We believe our strategy for growth will allow us to increase our revenues and to expand our role with clients as a valued partner. In executing our growth strategy, we take advantage of the consolidation among mid-tier firms, which we believe provides us opportunities in our global wealth and institutional group segments. We do not create specific growth or business plans for any particular type of acquisition, focus on specific firms, or geographic expansion, nor do we establish quantitative goals, such as intended numbers of new hires or new office openings; however, our corporate philosophy has always been to be in a position to take advantage of opportunities as they arise, while maintaining sufficient levels of capital. We intend to pursue the following strategies with discipline:

- *Further expand our private client footprint in the U.S.* We have expanded the number of our private client branches from 39 at December 31, 1997 to 398 at December 31, 2023, and our branch-based financial advisors from 262 to 2,278 over the same period. In addition, client assets have grown from \$11.7 billion at December 31, 1997 to \$444.3 billion at December 31, 2023. Through organic growth and acquisitions, we have built a strong footprint nationally. Over time, we plan to further expand our domestic private client footprint. We plan on achieving this through recruiting experienced financial advisors with established client relationships and continuing to selectively consider acquisition opportunities as they may arise.
- *Grow our investment banking business.* By leveraging our industry expertise, our product knowledge, our research platform, our experienced associates, our capital markets strength, our middle-market focus, and our private client network, we intend to grow our investment banking business. Opportunistic acquisitions over the past 15 years have accelerated the growth of our investment banking business through expanded industry, product, and geographic coverage, including capital-raising for start-up companies, particularly from the venture community. We believe our position as a middle-market-focused investment bank with broad-based and respected research will allow us to take advantage of

opportunities in the middle market and continue to align our investment banking coverage with our research footprint.

- *Further expand our institutional business both domestically and internationally.* Our institutional equity business is built upon the premise that high-quality fundamental research is not a commodity. The growth of our business has been fueled by the effective partnership of our highly rated research and institutional sales and trading teams. We have identified opportunities to expand our research capabilities by taking advantage of market disruptions. Our goal is to further monetize our research platform by adding additional institutional sales and trading teams and by placing a greater emphasis on client management.
- *Focus on asset generation within Stifel Bancorp by offering banking services to our clients.* We believe the banking services provided through Stifel Bancorp strengthens our existing client relationships and helps us recruit financial advisors seeking to provide a full range of services to their private clients. We intend to continue focusing on the sale of banking products and services to our private and corporate clients.
- *Approach acquisition opportunities with discipline.* Over the course of our operating history, we have demonstrated our ability to identify, effect, and integrate attractive acquisition opportunities. We believe the current environment and market dislocation will continue to provide us with the ability to thoughtfully consider acquisitions on an opportunistic basis.

#### **COMPETITION**

We compete with other securities firms, some of which offer their customers a broader range of brokerage services, have substantially greater resources, and may have greater operating efficiencies. In addition, we face increasing competition from other financial institutions, such as commercial banks, online service providers, and other companies offering financial services.

Our ability to compete effectively is substantially dependent on our continuing ability to develop or attract, retain, and motivate qualified financial advisors, investment bankers, trading professionals, portfolio managers, and other revenue-producing or specialized personnel. Furthermore, the labor market continues to experience elevated levels of turnover in the aftermath of the pandemic and an extremely competitive labor market, including increased competition for talent across all areas of our business, as well as increased competition with non-traditional competitors, such as technology companies. Employers are increasingly offering guaranteed contracts, upfront payments, increased compensation, and increased opportunities to work with greater flexibility, including remote work, on a permanent basis.

As we enter our 134<sup>th</sup> year in business, we continue to rely on the expertise acquired in our market area, our personnel, and our equity capital to operate in the competitive environment.

#### **REGULATION**

We continue to experience an unprecedented and dramatic increase in the pace of rulemaking affecting financial and public company regulation and supervision, as well as a high degree of scrutiny from various regulators. Recent events impacting the financial services industry, including the failure of certain banks during 2023, have resulted in and may continue to result in changes to regulations applicable to bank holding companies. Regulatory, supervisory, and investigatory activity has increased, and we expect it to continue to increase. Penalties and fines imposed by regulatory and other governmental authorities have also been substantial and growing in recent years. These changes in, as well as any further expansion of, business regulations could result in increased compliance costs. Further, any regulatory actions brought against us may result in judgments, settlements, fines, penalties, or other results, any of which could have a material adverse effect on our business, financial condition, results of operations, and cash flows in the future; however, we cannot predict the exact changes or quantify their potential impacts. See "Item 1A - Risk Factors" of this Form 10-K for further discussion of the potential future impact on our operations.

The following summarizes the principal elements of the regulatory and supervisory framework applicable to our company as a participant in the financial services industry and, in particular, the banking and securities sectors. The framework includes extensive regulation under U.S. federal and state laws, as well as the applicable laws of the jurisdictions outside the U.S. in which our company does business. While the framework is intended to protect our clients, the integrity of the financial markets, our depositors, and the Federal Deposit Insurance Fund, it is not intended to protect our creditors or shareholders. These rules and regulations limit our ability to engage in certain activities, as well as our ability to fund our company from its regulated subsidiaries, which include Stifel Bancorp and our broker-dealer subsidiaries, and our trust

subsidiaries. To the extent that the following information describes statutory and regulatory provisions, it is qualified in its entirety by reference to the particular statutory and regulatory provisions that are referenced. A change in applicable statutes or regulations or in regulatory or supervisory policy may have a material effect on our business.

We continue to experience a period of notable change in financial regulation and supervision. These changes could have a significant impact on how we conduct our business. Many regulatory or supervisory policies remain in a state of flux and may be subject to amendment in the near future. As a result, we cannot specifically quantify the impact that such regulatory or supervisory requirements will have on our business and operations. See “Item 1A – Risk Factors” of this Form 10-K for further discussion of the potential future impact on our operations.

### Financial Holding Company Regulation

We are a bank holding company under the Bank Holding Company Act of 1956 (“BHCA”), as amended, that has made an election to be a financial holding company. Consequently, our company and its business activities are subject to the supervision, examination, and regulation of the Federal Reserve Board (the “Fed”). The BHCA and other federal laws subject bank and financial holding companies to particular restrictions on the types of activities in which they may engage and to a range of supervisory requirements and activities, including regulatory enforcement actions for violations of laws and regulations. Supervision and regulation of bank holding companies, financial holding companies, and their subsidiaries are intended primarily for the protection of depositors and other clients of banking subsidiaries, the deposit insurance fund of the Federal Deposit Insurance Corporation (“FDIC”), and the banking system as a whole, but not for the protection of stockholders or other creditors.

Stifel Bank & Trust and Stifel Bank (collectively “bank subsidiaries”) are state-chartered banks regulated, supervised, and examined by the Fed and the Consumer Financial Protection Bureau (“CFPB”). Stifel Trust is regulated, supervised, and examined by the Office of the Comptroller of the Currency (“OCC”). The Fed and the FDIC also regulate and may examine our bank subsidiaries and, with respect to the Fed, Stifel Trust.

Collectively, the rules and regulations of the Fed, the OCC, the FDIC, and the CFPB result in extensive regulation and supervision covering all aspects of our banking and trust businesses, including, for example, lending practices, the receipt of deposits, capital structure, transactions with affiliates, conduct and qualifications of personnel, and as discussed further in the following sections, capital requirements. This regulatory, supervisory and oversight framework is subject to significant changes that can affect the operating costs and permissible businesses of our company, our bank subsidiaries, Stifel Trust, and all of our other subsidiaries. As a part of their supervisory functions, these regulatory bodies conduct extensive examinations of our operations and also have the power to bring enforcement actions for violations of law and, in the case of certain of these regulatory bodies, for unsafe or unsound practices.

### Basel III and U.S. Capital Rules

Our company, as a bank and financial holding company, and our bank subsidiaries are subject to regulation, including capital requirements, by the Federal Reserve. Our bank subsidiaries are subject to various regulatory capital requirements administered by the Fed and the Missouri Division of Finance. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on our company’s and our bank subsidiaries’ financial statements.

The OCC, the Fed, and the FDIC published final U.S. rules implementing the Basel III capital framework developed by the Basel Committee on Banking Supervision and certain Dodd-Frank Act and other capital provisions and updated the prompt corrective action framework to reflect the new regulatory capital minimums (the “U.S. Basel III Rules”). The U.S. Basel III Rules: (i) increased the quantity and quality of regulatory capital; (ii) established a capital conservation buffer; and (iii) made changes to the calculation of risk-weighted assets. The capital requirements could restrict our ability to grow during favorable market conditions and to return capital to shareholders, or require us to raise additional capital. As a result, our business, results of operations, financial condition, and prospects could be adversely affected. See “Item 1A – Risk Factors” of this Form 10-K for more information.

Failure to meet minimum capital requirements can trigger discretionary, and in certain cases, mandatory actions by regulators that could have a direct material effect on the financial results of our bank subsidiaries. Under the capital adequacy guidelines, our bank subsidiaries must meet specific

capital guidelines that involve quantitative measures of assets, liabilities, and certain off-balance sheet items as calculated under the rules. The capital amounts and classification for our bank subsidiaries are also subject to the qualitative judgments of U.S. regulators based on components of capital, risk-weightings of assets, off-balance sheet transactions, and other factors.

Under applicable capital rules, our company and its bank subsidiaries would need to obtain prior approval from the Fed if its repurchases or redemptions of equity securities over a twelve-month period would reduce its net worth by ten percent or more and an exemption were not available. Guidance from the Fed also provides that our company and its bank subsidiaries would need to inform the Fed in advance of repurchasing common stock in certain prescribed situations, such as if it were experiencing, or at risk of experiencing, financial weaknesses or considering expansion, either through acquisitions or other new activities, or if the repurchases would result in a net reduction in common equity over a quarter. Further, Fed guidance indicates that, pursuant to the Fed’s general supervisory and enforcement authority, Fed supervisory staff should prevent a bank holding company from repurchasing its common stock if such action would be inconsistent with the bank holding company’s prospective capital needs and safe and sound operation. See Note 19 of the Notes to the Consolidated Financial Statements of this Form 10-K for further information.

### Source of financial strength

The Fed requires that bank holding companies, such as our company, serve as a source of financial strength for any of its subsidiary depository institutions. The term “source of financial strength” is defined as the ability of a company to provide financial assistance to its insured depository institution subsidiaries in the event of financial distress at such subsidiaries. Under this requirement, we in the future could be required to provide financial assistance to our bank subsidiaries should they experience financial distress.

### Deposit insurance

Our bank subsidiaries are subject to the Federal Deposit Insurance Act because they provide deposits covered by FDIC insurance, generally up to \$250,000 per account ownership type. For banks with greater than \$10 billion in assets, which includes Stifel Bancorp, the FDIC’s current assessment-rate calculation relies on a scorecard method based on a number of factors, including the bank’s regulatory ratings, asset quality, and amount of brokered deposits. This scorecard method is designed to measure a bank’s financial performance and ability to withstand stress, in addition to measuring the FDIC’s exposure should the bank fail. From time to time, in response to specific events, the FDIC may also enact a special assessment to recover any losses to the FDIC’s deposit insurance fund as a result of protecting uninsured depositors, such as the special assessment enacted as a result of the recent bank failures which was finalized in November 2023.

### Prompt corrective action

The U.S. Federal Deposit Insurance Corporation Improvement Act of 1991 (“FDICIA”) requires the U.S. federal bank regulatory agencies to take “prompt corrective action” with respect to depository institutions that do not meet specified capital requirements. FDICIA establishes five capital categories for FDIC-insured banks, such as our bank subsidiaries: well-capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized.

An institution may be downgraded to, or deemed to be in, a capital category that is lower than the category indicated by its capital ratios if the institution is determined to be in an unsafe or unsound condition or if it receives an unsatisfactory examination rating with respect to certain matters. FDICIA imposes progressively more restrictive constraints on operations, management, and capital distributions as the capital category of an institution declines. Failure to meet the capital requirements could also require a depository institution to raise capital. Ultimately, critically undercapitalized institutions are subject to the appointment of a receiver or conservator.

Although the prompt corrective action regulations do not apply to bank holding companies, such as our company, the Fed is authorized to take appropriate action at the bank holding company level, based upon the undercapitalized status of the bank holding company’s depository institution subsidiaries. In certain instances related to an undercapitalized depository institution subsidiary, the bank holding company would be required to guarantee the performance of the undercapitalized subsidiary’s capital restoration plan and might be liable for civil money damages for failure to fulfill its commitments on that guarantee. Furthermore, in the event of the bankruptcy of the bank holding company, this guarantee would take priority over the bank holding company’s general unsecured creditors.



### *The Volcker Rule*

We are subject to the Volcker Rule, which generally prohibits bank holding companies and their subsidiaries and affiliates from engaging in proprietary trading, but permits underwriting, market making, and risk-mitigating hedging activities. The Volcker Rule also prohibits bank holding companies and their subsidiaries and affiliates from acquiring or retaining ownership interests in, sponsoring, or having certain relationships with “covered funds” (as defined in the rule), including hedge funds and private equity funds, subject to certain exceptions.

### **Broker-Dealer and Securities Regulation**

The SEC is the federal agency charged with administration of the federal securities laws in the U.S. Our U.S. broker-dealer subsidiaries are subject to SEC regulations relating to their business operations, including sales and trading practices, securities offerings and other investment banking activity, publication of research reports, use and safekeeping of client funds and securities, capital structure, record-keeping, privacy requirements, and the conduct of directors, officers and employees. Financial services firms are also subject to regulation by state securities commissions in those states in which they conduct business.

Financial services firms are also subject to regulation by various foreign governments, securities exchanges, central banks and regulatory bodies, particularly in those countries where they have established offices. Outside of the U.S., we have additional offices primarily in Canada, the U.K., and Europe and are subject to regulations in those areas. Much of the regulation of broker-dealers in the U.S. and Canada, however, has been delegated to self-regulatory organizations (“SROs”), such as FINRA in the U.S., the Canadian Investment Regulatory Organization (“CIRO”) in Canada, and securities exchanges. These SROs adopt and amend rules for regulating the industry, subject to the approval of government agencies. These SROs also conduct periodic examinations of member broker-dealers.

The SEC, SROs and other securities regulators may conduct administrative proceedings that can result in censure, fine, suspension or expulsion of a broker-dealer, its officers, employees, or other associated persons. Such administrative proceedings, whether or not resulting in adverse findings, can require substantial expenditures and may adversely impact the reputation of a broker-dealer.

Our U.S. broker-dealer subsidiaries are subject to the Securities Investor Protection Act (“SIPA”) and are required by federal law to be members of the Securities Investor Protection Corporation (“SIPC”). The SIPC was established under SIPA, and oversees the liquidation of broker-dealers during liquidation or financial distress. The SIPC fund provides protection for cash and securities held in client accounts up to \$500,000 per client, with a limitation of \$250,000 on claims for cash balances.

### *U.S. broker-dealer capital*

Our U.S. broker-dealer subsidiaries are subject to certain of the SEC’s financial stability rules, including the: (i) net capital rule; (ii) customer protection rule; (iii) record-keeping rules; and (iv) notification rules. Broker-dealers are required to maintain the minimum net capital deemed necessary to meet their continuing commitments to customers and others, and are required to keep their assets in relatively liquid form. These rules also limit the ability of broker-dealers to transfer capital to parent companies and other affiliates. See Note 19 of the Notes to Consolidated Financial Statements of this Form 10-K for further information pertaining to our broker-dealer regulatory minimum net capital requirements.

### *Money market reform*

The SEC adopted amendments to the rules that govern money market mutual funds. The amendments make structural and operational reforms to address risks of excessive withdrawals over relatively short time frames by investors from money market funds, while preserving the benefits of the funds. We do not sponsor any money market funds. We utilize funds sponsored by third parties in limited circumstances for our own investment purposes as well as to offer our clients as one of several cash sweep alternatives.

### *Standard of care*

SEC Regulation Best Interest requires that a broker-dealer and its associated persons act in a retail customer’s best interest and not place their own financial or other interests ahead of a retail customer’s interests when recommending securities transactions or investment strategies, including recommendations of types of accounts. Form CRS requires that broker-dealers and investment advisers provide retail investors with a brief summary document containing simple, easy-to-understand information about the nature of the relationship between the parties. Our implementation of these

regulations resulted in the review and modification of certain of our policies and procedures and associated supervisory and compliance controls, as well as the implementation of additional client disclosures, which included us providing related education and training to financial advisors.

Various states have also proposed, or adopted, laws and regulations seeking to impose new standards of conduct on broker-dealers that may differ from the SEC’s regulations, which may lead to additional implementation costs. In 2022, the Department of Labor (“DOL”) promulgated a new exemption that enables investment advice fiduciaries to receive transaction-based compensation and engage in certain otherwise prohibited transactions, subject to compliance with the exemption’s requirements. In 2023, the DOL indicated that it plans to amend the definition of “fiduciary” in connection with investment advice regarding employee benefit plans and IRAs. Imposing a new fiduciary standard could result in increased costs and other impacts to our business.

### **Investment Management Regulation**

Our investment advisory operations, including the mutual funds that we sponsor, are also subject to extensive regulation in the U.S. Our U.S. asset managers are registered as investment advisers with the SEC under the Investment Advisers Act of 1940 as amended, and are also required to make notice filings in certain states. Virtually all aspects of our asset management business are subject to various federal and state laws and regulations. These laws and regulations are primarily intended to benefit the asset management clients.

### **Other Non-U.S. Regulation**

Our non-U.S. subsidiaries are subject to applicable laws and regulations of the jurisdictions in which they operate.

SNC, a wholly owned subsidiary, is currently registered as an investment dealer in all provinces and territories in Canada. The financial services industry in Canada is subject to comprehensive regulation under both federal and provincial laws. Securities commissions have been established in all provinces and territorial jurisdictions, which are charged with the administration of securities laws. Investment dealers in Canada are subject to regulation by CIRO, an SRO under the oversight of the securities commissions that make up the Canadian Securities Administrators. CIRO is responsible for the enforcement of, and conformity with, securities legislation for their members and has been granted the powers to prescribe their own rules of conduct and financial requirements of members. CIRO also requires that SNC be a member of the Canadian Investor Protection Fund, whose primary role is investor protection. This fund provides protection for securities and cash held in client accounts up to 1 million Canadian dollars (“CAD”) per client, with additional coverage of CAD 1 million for certain types of accounts.

Certain of our subsidiaries are registered in, and operate from, the U.K., which has a highly developed and comprehensive regulatory regime. These subsidiaries are authorized and regulated by the U.K. conduct regulator, the Financial Conduct Authority (“FCA”), and have permission to carry out business in certain European Union (“E.U.”) countries to the extent permitted under domestic law and regulation in those countries. The FCA operates on a statutory basis and creates rules which are largely principles-based. These regulated U.K. subsidiaries and their senior managers are registered with the FCA, and wealth managers and certain other staff are subject to certification requirements. Certain of these subsidiaries operate in the retail sector, providing investment and financial planning services to high-net-worth individuals, while others provide brokerage and investment banking services to institutional clients. Retail clients of our U.K. subsidiaries benefit from the Financial Ombudsman Service, which settles complaints between consumers and businesses that provide financial services, as well as the Financial Services Compensation Scheme, which is the U.K.’s statutory deposit insurance and investors compensation scheme for customers of authorized financial services firms.

In Europe, the Markets in Financial Instruments Regulation and a revision of the Markets in Financial Instruments Directive (collectively referred to as “MiFID II”) imposes certain restrictions as to the trading of shares and derivatives including market structure-related, reporting, investor protection-related and organizational requirements, requirements on pre- and post-trade transparency, requirements to use certain venues when trading financial instruments (which includes shares and certain derivative instruments), requirements affecting the way investment managers can obtain research, powers of regulators to impose position limits, and provisions on regulatory sanctions.

### **Bank Secrecy Act and USA PATRIOT Act of 2001**

The U.S. Bank Secrecy Act (“BSA”), as amended by the USA PATRIOT Act of 2001 (“PATRIOT Act”), the Customer Due Diligence Rule, and the Anti-Money Laundering Act of 2020 (“AMLA”), contains anti-money laundering and



financial transparency laws and mandates the implementation of various regulations applicable to all financial institutions, including standards for verifying client identification at account opening, and obligations to monitor client transactions and report suspicious activities. Through these and other provisions, the BSA, the PATRIOT Act, and AMLA seek to promote the identification of parties that may be involved in terrorism, money laundering, or other suspicious activities. Anti-money laundering laws outside the U.S. contain some similar provisions.

The U.S. Treasury's Office of Foreign Assets Control administers economic and trade sanctions programs and enforces sanctions regulations with which all U.S. persons must comply. The E.U. as well as various countries have also adopted economic sanctions programs targeted at countries, entities, and individuals that are involved in terrorism, hostilities, embezzlement, or human rights violations.

In addition, various countries have adopted laws and regulations, including the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act, related to corrupt and illegal payments to, and hiring practices with regard to, government officials and others. The scope of the types of payments or other benefits covered by these laws is very broad and is subject to significant uncertainties that may be clarified only in the context of further regulatory guidance or enforcement proceedings.

Our company and its affiliates have implemented and maintain internal policies, procedures, and controls to meet the compliance obligations imposed by such U.S. and non-U.S. laws and regulations concerning anti-money laundering, economic sanctions, and anti-bribery and corruption. Failure to continue to meet the requirements of these regulations could result in supervisory action, including fines.

#### Privacy and Data Protection

U.S. federal law establishes minimum federal standards for financial privacy by, among other provisions, requiring financial institutions to adopt and disclose privacy policies with respect to consumer information and setting forth certain limitations on disclosure to third parties of consumer information. U.S. state laws and regulations adopted under U.S. federal law impose obligations on our company and its subsidiaries for protecting the confidentiality, integrity, and availability of client information, and require notice of data breaches to certain U.S. regulators and to clients. The Fair Credit Reporting Act of 1970, as amended, mandates the development and implementation of a written identity theft prevention program that is designed to detect, prevent, and mitigate identity theft.

The California Privacy Rights Act ("CPRA") amended the California Consumer Privacy Act of 2020 and became enforceable in 2023. CPRA regulations updated the existing privacy protections for the personal information of California residents, including by requiring companies to provide certain additional disclosures to California consumers, and provides for a number of specific additional data subject rights for California residents.

Similarly, the General Data Protection Regulation ("GDPR") imposes requirements for companies that collect or store personal data of E.U. residents, as well as residents of the U.K. GDPR's legal requirements extend to all foreign companies that solicit and process personal data of E.U. and U.K. residents, imposing a strict data protection compliance regime that includes consumer rights actions that must be responded to by organizations. Canadian data privacy laws contain many provisions similar to U.S. financial privacy laws and are currently undergoing legislative reform at a federal and provincial level.

We have implemented policies, processes, and training with regard to communicating to our clients and business partners required information relating to financial privacy and data security. We continue to monitor regulatory developments on both a domestic and international level to assess requirements and potential impacts on our business operations.

The multitude of data privacy laws and regulations adds complexity and cost to managing compliance and data management capabilities and can result in potential litigation, regulatory fines, and reputational harm. Data privacy requirements affect business processes and compel companies to track personal information use and provide greater transparency on data practices to consumers. In addition, technology advances in the areas of artificial intelligence, mobile applications, and remote connectivity solutions have increased the collection and processing of personal information as well as the risks associated with unauthorized disclosure and access to personal information.

#### Alternative Reference Rate Transition

The FCA, which regulated the widely referenced benchmark London Interbank Offered Rate ("LIBOR"), ceased publication of the most commonly used U.S. dollar ("USD") LIBOR tenors ("USD LIBOR") on June 30, 2023. On September 30, 2022,

the Adjustable Interest (LIBOR) Rate Act ("LIBOR Act") was enacted into U.S. federal law to provide a statutory framework to replace LIBOR with a benchmark rate based on the secured overnight financing rate ("SOFR") in contracts that do not have fallback provisions or that have fallback provisions resulting in a replacement rate based on LIBOR. As of December 31, 2023, we no longer offer new contracts referencing LIBOR and legacy contracts indexed to USD LIBOR have transitioned to SOFR-based or other alternative reference rates in accordance with existing fallback provisions or the LIBOR Act.

#### Public Company Regulations

As a public company whose common stock is listed on the New York Stock Exchange ("NYSE") and the Chicago Stock Exchange ("CHX"), we are subject to corporate governance requirements established by the SEC, NYSE, and CHX, as well as federal and state law. Under the Sarbanes-Oxley Act of 2002 (the "Act"), we are required to meet certain requirements regarding business dealings with members of the Board of Directors, the structure of our Audit and Compensation Committees, ethical standards for our senior financial officers, implementation of an internal control structure and procedures for financial reporting, and additional responsibilities regarding financial statements for our Chief Executive Officer and Chief Financial Officer and their assessment of our internal controls over financial reporting. Compliance with all aspects of the Act, particularly the provisions related to management's assessment of internal controls, has imposed additional costs on our company, reflecting internal staff and management time, as well as additional audit fees since the Act went into effect.

#### Executive Officers

Information regarding our executive officers and their ages as of February 1, 2024, is as follows:

Name	Age	Position(s)
Ronald J. Kruszewski	65	Chairman of the Board of Directors and Chief Executive Officer
Thomas W. Weisel	82	Senior Managing Director and Director
James M. Zemlyak	64	President
Thomas B. Michaud	59	Senior Vice President
Victor J. Nesi	63	President and Director of Institutional Group
Mark P. Fisher	54	Senior Vice President and General Counsel
James M. Marischen	44	Senior Vice President and Chief Financial Officer
David D. Sliney	54	Senior Vice President and Chief Operating Officer
Christopher K. Reichert	60	Chief Executive Officer of Stifel Bank & Trust

**Ronald J. Kruszewski** has been Chief Executive Officer and Director of our company and Stifel since September 1997 and Chairman of the Board of Directors of our company and Stifel since April 2001. Prior thereto, Mr. Kruszewski served as Managing Director and Chief Financial Officer of Baird Financial Corporation and Managing Director of Robert W. Baird & Co. Incorporated, a securities broker-dealer firm, from 1993 to September 1997.

**Thomas W. Weisel** has been Senior Managing Director of our company since August 2010, after the completion of the merger between our company and Thomas Weisel Partners Group, Inc. Prior thereto, Mr. Weisel served as Chairman and CEO of Thomas Weisel Partners Group, Inc., a firm he founded, from 1998 to June 2010. Prior to founding Thomas Weisel Partners, Mr. Weisel was a founder, in 1971, of Robertson, Coleman, Siebel & Weisel that became Montgomery Securities in 1978, where he was Chairman and CEO until September 1998. Mr. Weisel served as a director on the NASDAQ Stock Market board of directors from 2002 to 2006.

**James M. Zemlyak** was named to the Office of the President in June 2014. Mr. Zemlyak served as Chief Financial Officer of our company from February 1999 to August 2018. Mr. Zemlyak served as Director of our company from February 1999 to June 2017. Mr. Zemlyak served as our company's Treasurer from February 1999 to January 2012. Mr. Zemlyak has been Chief Operating Officer of Stifel since August 2002 and Executive Vice President of Stifel since December 1, 2005. Mr. Zemlyak also served as Chief Financial Officer of Stifel from February 1999 to October 2006. Prior to joining our company, Mr. Zemlyak served as Managing Director and Chief Financial Officer of Baird Financial Corporation from 1997 to 1999 and Senior Vice President and Chief Financial Officer of Robert W. Baird & Co. Incorporated from 1994 to 1999.

**Thomas B. Michaud** has served as Senior Vice President of our company and Chairman, Chief Executive Officer, and President of Keefe, Bruyette & Woods, Inc., one of our broker-dealer subsidiaries, since February 15, 2013,

the completion of the merger between our company and KBW, Inc. Mr. Michaud served as Director of our company from February 2013 to June 2017. Prior thereto, Mr. Michaud served as the Chief Executive Officer and President of KBW, Inc. since October 2011 and as Vice Chairman and director since its formation in August 2005. He previously served as Chief Operating Officer from August 2005 until October 2011.

**Victor J. Nesi** was named to the Office of the President in June 2014. Mr. Nesi has served as Director of Investment Banking and Director of our Institutional Group since July 2009. Mr. Nesi served as Director of our company from August 2009 to June 2017. Mr. Nesi has more than 30 years of banking and private equity experience, most recently with Merrill Lynch, where he headed the global private equity business for the telecommunications and media industry. From 2005 to 2007, he directed Merrill Lynch's investment banking group for the Americas region. Prior to joining Merrill Lynch in 1996, Mr. Nesi spent seven years as an investment banker at Salomon Brothers and Goldman Sachs.

**Mark P. Fisher** has served as Senior Vice President since July 2010 and General Counsel since May 2014. Mr. Fisher served as General Counsel of Thomas Weisel Partners Group, Inc. from May 2005 until the merger between our company and Thomas Weisel Partners Group, Inc. in July 2010. From January 1998 until May 2005, Mr. Fisher practiced corporate and securities law at Sullivan & Cromwell LLP.

**James M. Marischen** was appointed Chief Financial Officer of our company and Stifel in August 2018. Prior thereto, Mr. Marischen served as Senior Vice President and Chief Risk Officer of our company from January 2014 to August 2018. During 2015, Mr. Marischen was named our Chief Accounting Officer. Mr. Marischen served as Executive Vice President and Chief Financial Officer of Stifel Bank & Trust from February 2008 to January 2014. Prior to joining our company in 2008, Mr. Marischen worked in public accounting at KPMG LLP.

**David D. Sliney** was appointed to Chief Operating Officer of our company in August 2018. Mr. Sliney has been a Senior Vice President of our company since May 2003. In 1997, Mr. Sliney began a Strategic Planning and Finance role with Stifel and has served as a Director of Stifel since May 2003. Mr. Sliney is also responsible for our company's Operations and Technology departments. Mr. Sliney joined Stifel in 1992, and between 1992 and 1995, Mr. Sliney worked as a fixed income trader and later assumed responsibility for the firm's Equity Syndicate Department.

**Christopher K. Reichert** has served as Chief Executive Officer of Stifel Bank & Trust since January 2008. Prior thereto, Mr. Reichert served as President of Stifel Bank & Trust from October 2007 to January 2008. Prior to joining the company in 2007, Mr. Reichert served as Executive Vice President of Pulaski Bank and was a member of the Pulaski Bank and Pulaski Financial Corp. Board of Directors.

#### AVAILABLE INFORMATION

Our internet address is [www.stifel.com](http://www.stifel.com). We make available, free of charge, through a link to the SEC website, annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to reports filed or furnished pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended, as well as proxy statements, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC.

Additionally, we make available on our website under "Investor Relations – Corporate Governance," and in print upon request of any shareholder, a number of our corporate governance documents. These include: Audit Committee charter, Compensation Committee charter, Risk Management/Corporate Governance Committee charter, Corporate Governance Guidelines, Complaint Reporting Process, and the Code of Ethics for Employees. Within the time period required by the SEC and the NYSE, we will post on our website any modifications to any of the available documents. The information on our website is not incorporated by reference into this report.

#### ITEM 1A. RISK FACTORS

Our operations and financial results are subject to various risks and uncertainties, including those described below, which could adversely affect our business, financial condition, results of operations, liquidity, and the trading price of our common stock. The list of risk factors provided in the following sections is not exhaustive; there may be factors not discussed in the following sections or in this Form 10-K that adversely impact our results of operations, harm our reputation, or inhibit our ability to generate new business prospects. We may amend or supplement these risk factors from time to time in other reports we file with the SEC.

#### MARKET AND LIQUIDITY RISKS

**Lack of funding, liquidity, or access to capital could impair our business and financial condition.** An inability to maintain adequate funding and liquidity to operate our business could have a significant negative effect on our financial condition. We have a contingency funding plan which would guide our actions if one or more of our businesses were to experience disruptions from normal funding and liquidity sources. If the available funding from one or more of our contingent funding sources is not sufficient to sustain normal operating levels, we may be required to scale back or curtail our operations, such as by limiting lending, selling assets at unfavorable prices, cutting or eliminating dividend payments, or limiting our recruiting of financial advisors. Our liquidity could be negatively affected by: any inability of our subsidiaries to generate cash to distribute to the parent company, liquidity or capital requirements that may prevent our subsidiaries from distributing cash, limitations on our subsidiaries' access to credit markets for secured and unsecured borrowings, diminished access to the credit and capital markets, and other commitments or restrictions on capital as a result of adverse legal settlements, judgments, regulatory sanctions, or an adverse change in our credit rating by one or more of the national rating agencies that rate us. Furthermore, as a bank holding company, we may become subject to prohibitions or limitations on our ability to pay dividends to our shareholders and/or repurchase our stock. Certain of our regulators have the authority, and under certain circumstances, the duty, to prohibit or to limit dividend payments by regulated subsidiaries to their parent company.

The availability of financing, including access to the credit and capital markets, depends on various factors, such as conditions in the debt and equity markets, the general availability of credit, the volume of securities trading activity, the overall availability of credit to the financial services sector, and our credit ratings. Our cost of capital and the availability of funding may be adversely affected by illiquid credit markets, wider credit spreads, or our inability to pay a prevailing rate of interest that is competitive with other market offerings. Additionally, lenders may from time to time curtail, or even cease to provide, funding to borrowers as a result of future concerns over the strength of specific counterparties, as well as the stability of markets generally.

Significant volatility in our domestic clients' cash sweep and bank deposit balances could negatively affect our net revenues and/or our ability to fund our bank subsidiaries' growth and may impact our regulatory capital ratios.

We rely heavily on bank deposits as a low-cost source of funding for Stifel Bancorp to extend loans to clients and purchase investment securities. Our bank deposits are primarily driven by our multi-bank sweep program in which clients' cash deposits in their brokerage accounts are swept into FDIC-insured interest-bearing accounts at our bank subsidiaries and various third-party banks. A significant reduction in our domestic clients' cash balances, a change in the allocation of that cash between our bank subsidiaries and third-party banks, a movement of cash away from our company, or an inability to implement new or modified deposit offerings in order to retain or grow our client base, could significantly impact our ability to continue growing interest-earning assets and/or require us to use higher-cost deposit sources to grow interest-earning assets. Rapidly rising rates, for example, have made and may continue to make investments in securities, such as fixed income securities and money market funds, more attractive for investors, thereby incentivizing them to reduce the cash they hold.

**A downgrade in our credit ratings could have a material adverse effect on our operations, earnings, and financial condition.** If our credit ratings were downgraded, or if rating agencies indicate that a downgrade may occur, our business, financial position, and results of operations could be adversely affected, perceptions of our financial strength could be damaged, and as a result, adversely affect our client relationships. Such a change in our credit ratings could also adversely affect our liquidity and competitive position, increase our borrowing costs, limit our access to the capital and credit markets, trigger obligations under certain financial agreements, cause clients to withdraw bank deposits that exceed FDIC insurance limits from our bank subsidiaries, or decrease the number of investors, clients, and counterparties willing or permitted to do business with or lend to us, thereby curtailing our business operations and reducing profitability.

We may not be able to obtain additional outside financing to fund our operations on favorable terms, or at all. The impact of a credit rating downgrade to a level below investment grade would result in our breaching provisions in certain of our credit agreements, and may result in decreased levels of available credit or a request for immediate payment.

A credit rating downgrade would also result in the Company incurring a higher facility fee on its \$750 million unsecured revolving credit facility agreement (the "Credit Facility"), in addition to triggering a higher interest rate applicable to any borrowings outstanding on the line as of and subsequent to such downgrade.

See “Item 7 – Management’s Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources” of this Form 10-K and Note 11 of the Notes to Consolidated Financial Statements of this Form 10-K for information on the Credit Facility.

**We are exposed to market risk, including interest rate risk.** Market risk generally represents the risk that values of assets and liabilities or revenues will be adversely affected by changes in market conditions, which directly and indirectly affect us. Market conditions that change from time to time, thereby exposing us to market risk, include fluctuations in interest rates, equity prices, foreign exchange rates, and price deterioration or changes in value due to changes in market perception, actual credit quality of an issuer, or other factors such as any potential shutdown of the U.S. government or downgrade of the U.S. government’s credit rating.

Market risk is inherent in financial instruments associated with our operations and activities, including loans, deposits, securities, short-term borrowings, long-term debt, trading assets and liabilities, derivatives, and investments. For example, interest rate increases could continue to adversely affect the value of our available-for-sale securities portfolio. Interest rate changes could also adversely affect the value of our fixed income inventories, as well as our net interest spread, which is the difference between the yield we earn on our interest-earning assets and the interest rate we pay for deposits and other sources of funding, in turn impacting our net interest income and earnings. Interest rate changes could affect the interest earned on assets differently than interest paid on liabilities.

In our brokerage operations, a rising interest rate environment generally results in our earning a larger net interest spread and an increase in servicing fees received on our multi-bank deposit sweep program but also increases our costs of funds. Conversely, in those operations, a falling interest rate environment generally results in our earning less interest income and lower servicing fees from third-party program banks, and also reduces our cost of funds. In a falling interest rate environment, we may not be able to reduce our cost of funds as quickly as we experience a decrease in interest income. The magnitude of the impact of interest rate changes to our net interest spread depends on the yields on interest-earning assets relative to the cost of interest-bearing liabilities, including deposit rates paid to clients on their cash balances. If we are unable to effectively manage our interest rate risk, changes in interest rates could have a material adverse effect on our profitability.

In addition, disruptions in the liquidity or transparency of the financial markets may result in our inability to sell, syndicate, or realize the value of security positions, thereby leading to increased concentrations. The inability to reduce our positions in specific securities may not only increase the market and credit risks associated with such positions, but also increase the level of risk-weighted assets on our balance sheet, thereby increasing our capital requirements, which could have an adverse effect on our business results, financial condition and liquidity.

**We are exposed to credit risk.** We are generally exposed to the risk that third parties that owe us money, securities, or other assets will fail to meet their obligations to us due to numerous causes, including bankruptcy, lack of liquidity, or operational failure, among others. Credit risk may also be affected by the deterioration of strength in the U.S. economy or adverse changes in the financial performance or condition of our clients and counterparties. We actively buy and sell securities from and to clients and counterparties in the normal course of our broker-dealers’ trading and underwriting activities, which exposes us to credit risk. Although generally collateralized by the underlying security to the transaction, we still face risk associated with changes in the market value of collateral through settlement date. We also hold certain securities, loans, and derivatives as part of our trading operations. Deterioration in the actual or perceived credit quality of the underlying issuers of securities or loans, or the non-performance of counterparties to certain derivative contracts could result in losses.

We borrow securities from, and lend securities to, other financial institutions, and may also enter into agreements to repurchase and/or resell securities as part of our financing activities. A sharp change in the market values of the securities utilized in these transactions may result in losses if counterparties to these transactions fail to honor their commitments.

We manage the risk associated with these transactions by establishing and monitoring credit limits, as well as by evaluating collateral and transaction levels on a recurring basis. Significant deterioration in the credit quality of one of our counterparties could lead to widespread concerns about the credit quality of other counterparties in the same industry, thereby exacerbating our credit risk.

In addition, we permit our clients to purchase securities on margin. During periods of steep declines in securities prices, the value of the collateral securing client margin loans may fall below the amount of the loan. If clients are unable to provide additional collateral for these margin loans, we may incur losses on

these margin transactions. This may cause us to incur additional expenses defending or pursuing claims or litigation related to counterparty or client defaults.

We deposit our cash in depository institutions as a means of maintaining the liquidity necessary to meet our operating needs, and we also facilitate the deposit of cash awaiting investment in depository institutions on behalf of our clients. A failure of a depository institution to return these deposits could severely impact our operating liquidity, result in significant reputational damage, and adversely impact our financial performance.

We also incur credit risk by lending to businesses and individuals through the offering of loans, including commercial and industrial loans, commercial and residential mortgage loans, tax-exempt loans, home equity lines of credit, and other loans generally collateralized by securities. We also incur credit risk through certain of our investments. Our credit risk and credit losses can increase if our loans or investments are concentrated among borrowers or issuers engaged in the same or similar activities, industries, or geographies, or to borrowers or issuers who as a group may be uniquely or disproportionately affected by economic or market conditions. Declines in the real estate market or sustained economic downturns may cause us to experience credit losses or charge-offs related to our loans, sell loans at unattractive prices, or foreclose on certain real estate properties. Furthermore, the deterioration of an individually large exposure, for example due to natural disasters, health emergencies or pandemics, acts of terrorism, severe weather events or other adverse economic events, could lead to additional credit loss provisions and/or charges-offs, and subsequently have a material impact on our net income and regulatory capital.

#### ECONOMIC ENVIRONMENT RISKS

**Our business is sensitive to domestic and international macroeconomic conditions caused by political and geopolitical developments, fiscal, monetary, and tax policies, regulations, and other domestic and international events.** We are engaged in various financial services businesses. As such, we are affected by domestic and international macroeconomic and political conditions, as well as economic output levels, interest and inflation rates, employment levels, prices of commodities, consumer confidence levels, changes in consumer spending, international trade policy, and fiscal and monetary policy. For example, Fed policies determine, in large part, interest rates and the cost of funds which directly affect the returns and fair value on our lending and investing activities. The market impact from such policies can also decrease materially the value of certain of our financial assets, most notably debt securities, as well as our cash flows. Changes in tax law and regulation, or any market uncertainty caused by a change in the political environment, may affect our clients and, directly or indirectly, our business. Macroeconomic conditions may also be negatively affected by domestic or international events, including natural disasters, political unrest, the indirect impact of wars, such as the wars in Ukraine and Israel, or public health epidemics and pandemics, as well as by a number of factors in the global financial markets that may be detrimental to our operating results, including trading levels, investing, and origination activity in the securities markets, security valuations, the absolute and relative level and volatility of interest and currency rates, real estate values, the actual and perceived quality of issuers and borrowers, and the supply of and demand for loans and deposits.

If we were to experience a period of sustained downturn in the securities markets, credit market dislocations, reductions in the value of real estate, increases in mortgage and other loan delinquencies, or other negative market factors, our revenues and the value of the assets we own could be adversely impacted. Market uncertainty could also cause clients to move their investments to lower margin products, or withdraw them, which could have an adverse impact on our profitability. We could also experience a material reduction in trading volume and lower asset prices in times of market uncertainty, which would result in lower brokerage revenues, including losses on firm inventory, as well as losses on certain of our investments. Conversely, periods of severe market volatility may result in a significantly higher level of transactions and other activity which may cause operational challenges that may result in losses. These can include, but are not limited to, trade errors, failed transaction settlements, late collateral calls to borrowers and counterparties, credit losses, or interruptions to our system processing. Periods of reduced revenue and other losses could lead to reduced profitability because certain of our expenses, including our interest expense on debt, lease expenses, and salary expenses, are fixed, and our ability to reduce them over short time periods is limited.

We do business in other parts of the world and, as a result, are exposed to risks, including market, litigation, and regulatory compliance risks. Our businesses and revenues derived from non-U.S. operations are subject to risk of loss from currency fluctuations, social or political instability, less established regulatory regimes, changes in governmental or central bank policies, down-



grades in the credit ratings of sovereign countries, expropriation, nationalization, confiscation of assets, and unfavorable legislative, economic, and political developments. Action or inaction in any of these operations, including failure to follow proper practices with respect to regulatory compliance and/or corporate governance, could harm our operations and our reputation. We also invest or trade in the securities of corporations located in non-U.S. jurisdictions. Revenues from trading non-U.S. securities also may be subject to negative fluctuations as a result of the previously mentioned factors.

#### OPERATIONAL RISKS

**Damage to our reputation could damage our businesses.** Maintaining our reputation is critical to attracting and maintaining clients, investors, financial advisors, and other associates. If we fail to address, or appear to fail to address, issues that may give rise to reputational risk, we could significantly harm our business prospects. These issues may include, but are not limited to, any of the risks discussed in this Item 1A, including appropriately dealing with potential conflicts of interest, legal and regulatory requirements, ethical issues, money laundering, cybersecurity and privacy, record keeping, sales and trading practices, and associate misconduct. In addition, the failure to either sell securities we have underwritten at anticipated price levels or to properly identify and communicate the risks inherent in the products and services we offer could also give rise to reputational risk. Failure to maintain appropriate service and quality standards, or a failure or perceived failure to treat clients fairly, can result in client dissatisfaction, litigation, and heightened regulatory scrutiny, all of which can lead to lost revenue, higher operating costs, and reputational harm. Negative publicity about us, including information posted on social media and internet forums or published by news organizations, whether or not true, may also harm our reputation. The speed and pervasiveness with which information can be disseminated through these channels, in particular social media, may magnify risk relating to negative publicity. Further, failures at other large financial institutions or other market participants, regardless of whether they relate to our activities, could lead to a general loss of customer confidence in financial institutions that could negatively affect us, including harming the market perception of the financial system in general.

**Our ability to attract and retain senior professionals, qualified financial advisors, and other associates is critical to the continued success of our business.** Our ability to recruit, serve, and retain our clients depends on the reputation, judgment, leadership, business generation capabilities, and skills of our client-serving professionals, members of our executive team, as well as associates who support revenue-generating professionals and their clients. To compete effectively, we must attract, develop, and retain qualified professionals, including successful financial advisors, investment bankers, trading professionals, portfolio managers, and other revenue-producing or specialized support personnel. Further, effective management succession planning is important for the continued success of our company. Competitive pressures we experience, or inadequate management succession planning, could have an adverse effect on our business, results of operations, financial condition, and liquidity.

The labor market remains competitive, and we face competition for talent across all aspects of our business, as well as competition with non-traditional firms, such as technology companies. Employers are developing a wide variety of offerings to attract talent, including but not limited to, increasing compensation, enhancing health and wellness solutions, and providing in-office, hybrid, and remote work options. These can be important factors in a current associate's decision to leave us as well as in a prospective associate's decision to join us. As competition for skilled professionals remains intense, we may have to devote significant resources to attract and retain qualified personnel, which could negatively affect earnings.

Specifically within the financial industry, employers are increasingly offering guaranteed contracts, upfront payments, and increased compensation. Our financial results may be adversely affected by the costs we incur in connection with any loans or other incentives we may offer to newly recruited financial advisors and other key personnel.

If we were to lose the services of any of our financial advisors, investment bankers, senior equity research, sales and trading professionals, asset managers, or executive officers to a competitor or otherwise, we may not be able to retain valuable relationships and some of our clients could choose to use the services of a competitor instead of our services. If we are unable to retain our senior professionals or recruit additional professionals, our reputation, business, results of operations, and financial condition will be adversely affected. To the extent we have compensation targets, we may not be able to retain our associates, which could result in increased recruiting expense or result in our recruiting additional associates at compensation levels that

are not within our target range. Further, new business initiatives and efforts to expand existing businesses generally require that we incur compensation and benefits expense before generating additional revenues.

Moreover, companies in our industry whose employees accept positions with competitors frequently claim that those competitors have engaged in unfair hiring practices. We have been subject to several such claims and may be subject to additional claims in the future as we seek to hire qualified personnel, some of whom may work for our competitors. Some of these claims may result in material litigation. We could incur substantial costs in defending against these claims, regardless of their merits. Such claims could also discourage potential employees who work for our competitors from joining us. We participate, with limited exceptions, in the Protocol for Broker Recruiting ("Protocol"), a voluntary agreement among many firms in the industry that governs, among other things, the client information that financial advisors may take with them when they affiliate with a new firm and the financial advisor's ability to solicit clients of their previous firm. The ability to bring such client data to a new broker-dealer, as well as the ability to solicit clients, generally means that the clients of the financial advisor are more likely to choose to open accounts at the advisor's new firm. Participation is voluntary, and it is possible that certain of our competitors will withdraw from the Protocol. If the broker-dealers from whom we recruit new financial advisors prevent, or significantly limit, the transfer of client data and the solicitation of clients, our recruiting efforts may be adversely affected. Additionally, we could experience a larger number of claims against us relating to our recruiting efforts.

**Our business depends on fees earned from the management of client accounts and asset management fees.** We have grown our asset management business in recent years, which has increased the risks associated with this business relative to our overall operations. The asset management fees we are paid are dependent upon the value of client assets in fee-based accounts in our Private Client Group segment, as well as assets under management ("AUM") in our asset management business. The value of our fee-based assets and AUM is impacted by market fluctuations and inflows or outflows of assets. As our Private Client Group clients increasingly show a preference for fee-based accounts over transaction-based accounts, a larger portion of our client assets are more directly impacted by market movements. Therefore, in periods of declining market values, the values of fee-based accounts and AUM may resultantly decline, which would negatively impact our revenues. In addition, below-market investment performance by our funds, portfolio managers, or financial advisors could result in reputational damage that might cause outflows or make it more difficult to attract new investors into our asset management products and thus further impact our business and financial condition.

Our asset management fees may also decline over time due to factors such as increased competition and the renegotiation of contracts. In addition, the market environment in recent years has resulted in a shift to passive investment products, which generate lower fees than actively managed products. A continued trend toward passive investments or changes in market values or in the fee structure of asset management accounts would negatively affect our revenues, business, and financial condition.

**Our underwriting, market-making, trading, and other business activities place our capital at risk.** We may incur losses and be subject to reputational harm to the extent that, for any reason, we are unable to sell securities we have underwritten at anticipated price levels. As an underwriter, we also are subject to heightened standards regarding liability for material misstatements or omissions in prospectuses and other offering documents relating to offerings in which we are involved. While it is not typical, from time to time and as part of our underwriting processes, we may carry significant positions in securities of a single issuer or issuers engaged in a specific industry. Sudden changes in the value of these positions, despite our risk mitigation policies, could impact our financial results.

As a market-maker, we may take ownership of positions in specific securities, and these undiversified holdings concentrate the risk of market fluctuations and may result in greater losses than would be the case if our holdings were more diversified. Despite risk mitigation policies, we may incur losses as a result of positions we hold in connection with these activities.

**The soundness of other financial institutions and intermediaries affects us.** We face the risk of operational failure, termination, or capacity constraints of any of the clearing agents, exchanges, clearing houses, or other financial intermediaries that we use to facilitate our securities transactions. As a result of regulatory changes and the consolidation over the years among clearing agents, exchanges, and clearing houses, our exposure to certain financial intermediaries has increased and could affect our ability



to find adequate and cost-effective alternatives should the need arise. Any failure, termination, or constraint of these intermediaries could adversely affect our ability to execute transactions, service our clients, and manage our exposure to risk.

Our ability to engage in routine trading and funding transactions could be adversely affected by the actions and commercial soundness of other financial institutions. Financial services institutions are interdependent as a result of trading, clearing, funding, counterparty, or other relationships. We have exposure to many different industries and counterparties, and we routinely execute transactions with counterparties in the financial industry, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds, and other institutional clients. Defaults by, or even rumors or questions about the financial condition of, one or more financial services institutions, or the financial services industry generally, have historically led to market-wide liquidity problems and could lead to losses or defaults by us or by other institutions. Many of these transactions expose us to credit risk in the event of default of our counterparty or client. In addition, our credit risk may be exacerbated when the collateral held by us cannot be realized or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure due us. Losses arising in connection with counterparty defaults may have a material adverse effect on our results of operations.

We deposit our cash in depository institutions as a means of maintaining the liquidity necessary to meet our operating needs, and we also facilitate the deposit of cash awaiting investment in depository institutions on behalf of our clients. Many of these deposits exceed FDIC-insured limits. Recent events in the financial services industry, including the failure of certain banks, have increased counterparty credit risk. While we perform extensive diligence on the banks we select to hold these deposits, a failure of one or more of these depository institutions to return these deposits could affect our operating liquidity, result in reputational damage, and impair our financial performance.

***We face intense competition and pricing pressures and may not be able to keep pace with technological change.*** We are engaged in intensely competitive businesses. We compete on the basis of a number of factors, including the quality of our associates, our products and services, pricing (such as execution pricing and fee levels), technology solutions, and location and reputation in relevant markets. Over time, there has been substantial consolidation and convergence among companies in the financial services industry, which has significantly increased the capital base and geographic reach of our competitors. See "Item 1 – Business - Competition" of this Form 10-K for additional information about our competitors.

We compete directly with other national full-service broker-dealers, investment banking firms, commercial banks, and investment managers, and to a lesser extent, with discount brokers and dealers and investment advisers. We face competition from more recent entrants into the market, including fintechs, and increased use of alternative sales channels by other firms. Technology has lowered barriers to entry and made it possible for fintechs to compete with larger financial institutions in providing electronic, internet-based, and mobile phone-based financial solutions. This competition has grown significantly over recent years and is expected to intensify. In addition, commercial firms and other non-traditional competitors have applied for banking licenses or have entered into partnerships with banks to provide banking services. We also compete indirectly for investment assets with insurance companies, real estate firms, and hedge funds, among others. Competition from other financial services firms to attract clients or trading volume, through direct-to-investor online financial services, or higher deposit rates to attract client cash balances, could result in pricing pressure or otherwise adversely impact our business and cause our business to suffer.

Our future success also depends in part on our ability to develop, maintain, and enhance our products and services, including factors such as customer experience, and the pricing and range of our offerings. The financial services industry is continually undergoing rapid technological change with frequent introductions of new technology-driven products and services. If we are not able to develop new products and services, enhance existing offerings, effectively implement new technology-driven products and services, or successfully market these products and services to our customers, our business, financial condition, or results of operations may be adversely affected. Furthermore, both financial institutions and their non-banking competitors face the risk that payments processing and other services could be significantly disrupted by technologies, such as cryptocurrencies, that require no intermediation. New technologies have required, and could require us in the future, to spend more to modify or adapt our products to attract and retain clients or to match products and services offered by our competitors, including technology companies.

We must monitor the pricing of our services and financial products in relation to competitors and periodically may need to adjust our fees, commissions, margins, or interest rates on deposits to remain competitive. In fixed income markets, regulatory requirements have resulted in greater price transparency, leading to price competition and decreased trading margins. Our trading margins have been further compressed by the shift from high- to low-touch services over time, which has created additional competitive pressure. We believe that price competition and pricing pressures in these and other areas will continue as institutional investors continue to reduce the amounts they are willing to pay, including by reducing the number of brokerage firms they use, and some of our competitors seek to obtain market share by reducing fees, commissions, or margins.

***We are exposed to operational risk.*** Our diverse operations expose us to risk of loss resulting from inadequate or failed internal processes, people, and systems external events, including technological or connectivity failures either at the exchanges in which we do business or between our data centers, operations processing sites, or our branches. Our businesses depend on our ability to process and monitor, on a daily basis, a large number of complex transactions across numerous and diverse markets. The inability of our systems to accommodate an increasing volume of transactions could also constrain our ability to expand our businesses. Our financial, accounting, data processing, or other operating systems and facilities may fail to operate properly or become disabled as a result of events that are wholly or partially beyond our control, adversely affecting our ability to process these transactions or provide these services. Operational risk exists in every activity, function, or unit of our business, and can take the form of internal or external fraud, employment and hiring practices, an error in meeting a professional obligation, or failure to meet corporate fiduciary standards. Operational risk also exists in the event of business disruption, system failures, or failed transaction processing. Third parties with which we do business could also be a source of operational risk, including with respect to breakdowns or failures of the systems or misconduct by the employees of such parties. In addition, as we change processes or introduce new products and services, we may not fully appreciate or identify new operational risks that may arise from such changes. Increasing use of automated technology has the potential to amplify risks from manual or system processing errors, including outsourced operations.

Our business contingency plan in place is intended to ensure we have the ability to recover our critical business functions and supporting assets, including staff and technology, in the event of a business interruption. Despite the diligence we have applied to the development and testing of our plans, due to unforeseen factors, our ability to conduct business may, in any case, be adversely affected by a disruption involving physical site access, catastrophic events, including weather-related events, events involving electrical, environmental, or communications malfunctions, as well as events impacting services provided by others that we rely upon which could impact our associates or third parties with whom we conduct business.

***A continued interruption to our telecommunications or data processing systems, or the failure to effectively update the technology we utilize, could be materially adverse to our business.*** Our businesses rely extensively on data processing and communications systems. In addition to better serving clients, the effective use of technology increases efficiency and enables us to reduce costs. Adapting or developing our technology systems to meet new regulatory requirements, client needs, and competitive demands is critical for our business. Introduction of new technology presents challenges on a regular basis. There are significant technical and financial costs and risks in the development of new or enhanced applications, including the risk that we might be unable to effectively use new technologies or adapt our applications to emerging industry standards.

Our continued success depends, in part, upon our ability to: (i) successfully maintain and upgrade the capability of our technology systems on a regular basis; (ii) maintain the quality of the information contained in our data processing and communications systems; (iii) address the needs of our clients by using technology to provide products and services that satisfy their demands; and (iv) retain skilled information technology associates. Failure of our technology systems to operate appropriately, which could result from events beyond our control, including a systems malfunction or cyber attack, failure by a third-party service provider, or an inability to effectively upgrade those systems or implement new technology-driven products or services, could result in financial losses, liability to clients for non-compliant data processing, and other violations of privacy and other laws and regulations, as well as regulatory sanctions.

***Any cyber attack or other security breach of our technology systems, or those of our clients or other third-party vendors we rely on, could subject us to significant liability and harm our reputation.*** Our opera-

tions rely heavily on the secure processing, storage, and transmission of sensitive and confidential financial, personal, and other information in our computer systems and networks. There have been several highly publicized cases involving financial services companies reporting the unauthorized disclosure of client or other confidential information in recent years, as well as cyber attacks involving the theft, dissemination, and destruction of corporate information or other assets, in some cases as a result of failure to follow procedures by employees or contractors or as a result of actions by third parties. There have also been several highly publicized cases where hackers have requested “ransom” payments in exchange for not disclosing customer information or for restoring access to information or systems. Like other financial services firms, we experience malicious cyber activity directed at our computer systems, software, networks, and its users on a daily basis. This malicious activity includes attempts at unauthorized access, implantation of computer viruses or malware, and denial-of-service attacks. We also experience large volumes of phishing and other forms of social engineering attempted for the purpose of perpetrating fraud against our company, our associates, our advisors, or our clients. Additionally, like many large enterprises, we have shifted to a more hybrid work environment which includes a combination of in-office and remote work for our associates. The increase in remote work over the past few years has introduced potential new vulnerabilities to cyber threats. We may also face increased cybersecurity risk for a period of time after acquisitions as we transition the acquired entity’s historical systems and networks to our standards. We also face increased cybersecurity risk as we deploy additional mobile and cloud technologies. We seek to continuously monitor for and nimbly react to any and all such malicious cyber activity, and we develop our systems to protect the confidentiality, integrity, and availability of our data and technology infrastructure and data from misuse, misappropriation, or corruption. Senior management of our Information Security Office gives a quarterly update on cybersecurity to the Risk Management Committee of our Board of Directors and an update to our full Board of Directors twice annually.

Cyber attacks can originate from a variety of sources, including threat actors affiliated with foreign governments, organized crime, or terrorist organizations. Threat actors may also attempt to place individuals within our company or induce associates, clients, or other users of our systems to disclose sensitive information or provide access to our data, and these types of risks may be difficult to detect or prevent. Although cybersecurity incidents among financial services firms are on the rise, we have not experienced any material losses relating to cyber attacks or other information security breaches. However, the techniques used in these attacks are increasingly sophisticated, change frequently and are often not recognized until launched. Although we seek to maintain a robust suite of authentication and layered information security controls, including our cyber threat analytics, data encryption, and monitoring technologies, anti-malware defenses, and vulnerability management programs, any one or combination of these controls could fail to detect, mitigate, or remediate these risks in a timely manner. Despite our implementation of protective measures and endeavoring to modify them as circumstances warrant, our computer systems, software, and networks may be vulnerable to human error, equipment failure, natural disasters, power loss, unauthorized access, supply chain attacks, distributed denial of service attacks, zero-day vulnerabilities, computer viruses and other malicious code, and other events that could result in significant liability and damage to our reputation, and have an ongoing impact on the security and stability of our operations. In addition, although we maintain insurance coverage that may, subject to terms and conditions, cover certain aspects of cyber and information security risks, such insurance coverage may be insufficient to cover all losses, such as litigation costs or financial losses that exceed our policy limits or are not covered under any of our current insurance policies.

We also rely on numerous third-party service providers to conduct other aspects of our business operations, and we face similar risks relating to them. While we regularly conduct security assessments and external scans on these third-party vendors, we cannot be certain that their information security protocols are sufficient to withstand a cyber attack or other security breach. We also cannot be certain that we will receive timely notification of such cyber attacks or other security breaches. In addition, in order to access our products and services, our customers may use computers and other devices that are beyond our security control systems.

Notwithstanding the precautions we take, if a cyber attack or other information security breach were to occur, this could jeopardize the information we confidentially maintain, or otherwise cause interruptions in our operations or those of our clients and counterparties, exposing us to liability. As attempted attacks continue to evolve in scope and sophistication, we may be required to expend substantial additional resources to modify or enhance our protec-

tive measures, to investigate and remediate vulnerabilities or other exposures or to communicate about cyber attacks to our customers. A technological breakdown could also interfere with our ability to comply with financial reporting and other regulatory requirements, exposing us to potential disciplinary action by regulators. Further, successful cyber attacks at other large financial institutions or other market participants, whether or not we are affected, could lead to a general loss of confidence in financial institutions that could negatively affect us, including harming the market perception of the effectiveness of our security measures or the financial system in general, which could result in reduced use of our financial products and services.

Further, in light of the high volume of transactions we process, use of remote work, the large number of our clients, partners, and counterparties, and the increasing sophistication of malicious actors, a cyber attack could occur. Moreover, any such cyber attack may persist for an extended period of time without detection. We endeavor to design and implement policies and procedures to identify such cyber attacks as quickly as possible; however, we expect that any investigation of a cyber attack would take substantial amounts of time, and that there may be extensive delays before we obtain full and reliable information. During such time, we would not necessarily know the extent of the harm or how best to remediate it, and certain errors or actions could be repeated or compounded before they are discovered and remediated, all of which would further increase the costs and consequences of such an attack.

The SEC recently enacted rules requiring public companies to disclose material cybersecurity incidents that they experience on Form 8-K within four business days of determining that a material cybersecurity incident has occurred and to disclose on an annual basis material information regarding their cybersecurity risk management, strategy, and governance. These new reporting requirements are effective for us as of December 18, 2023. If we fail to comply with these new requirements we could incur regulatory fines in addition to other adverse consequences to our reputation, business, financial condition, and/or results of operations.

We may also be subject to liability under various data protection laws. In providing services to clients, we manage, utilize, and store sensitive or confidential client or associate data, including personal data. As a result, we are subject to numerous laws and regulations designed to protect this information, such as U.S. federal, state, and international laws governing the protection of personally identifiable information. These laws and regulations are increasing in complexity and number. If any person, including any of our associates, negligently disregards or intentionally breaches our established controls with respect to client or associate data, or otherwise mismanages or misappropriates such data, we could be subject to significant monetary damages, regulatory enforcement actions, fines, and/or criminal prosecution. In addition, unauthorized disclosure of sensitive or confidential client or associate data, whether through system failure, associate negligence, fraud, or misappropriation, could damage our reputation and cause us to lose clients and related revenue. Potential liability in the event of a security breach of client data could be significant. Depending on the circumstances giving rise to the breach, this liability may not be subject to a contractual limit or an exclusion of consequential or indirect damages.

***The preparation of the consolidated financial statements requires the use of estimates that may vary from actual results, and new accounting standards could adversely affect future reported results.*** The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses for the reporting period. Such estimates and assumptions may require management to make difficult, subjective, and complex judgments about matters that are inherently uncertain. One of our most critical estimates is our allowance for credit losses. At any given point in time, conditions in real estate and credit markets may increase the complexity and uncertainty involved in estimating the losses inherent in our loan portfolio. The recorded amount of liabilities related to legal and regulatory matters is also subject to significant management judgement. For either of these estimates, if management’s underlying assumptions and judgments prove to be inaccurate, our loss provisions could be insufficient to cover actual losses and our financial condition, including our liquidity and capital, and results of operations could be materially and adversely impacted.

Our accounting policies and methods are fundamental to how we record and report our financial condition and results of operations. The Financial Accounting Standards Board (the “FASB”) and the SEC have at times revised the financial accounting and reporting standards that govern the prepara-

tion of our financial statements. In addition, accounting standard setters and those who interpret the accounting standards may change or even reverse their previous interpretations or positions on how these standards should be applied. These changes can be hard to predict and can materially impact how we record and report our financial condition and results of operations. In some cases, we could be required to apply a new or revised standard retroactively, resulting in our restating prior period financial statements.

For further discussion of our significant accounting estimates, policies, and standards, see “Item 7 – Management’s Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Estimates” of this Form 10-K and Note 2 of the Notes to Consolidated Financial Statements of this Form 10-K.

***Our risk management and conflicts of interest policies and procedures may leave us exposed to unidentified or unanticipated risk.*** We seek to manage, monitor, and control our market, credit, operational, liquidity, and legal and regulatory compliance risk, through operational and compliance reporting systems, internal controls, management review processes, and other mechanisms; however, there can be no assurance that our procedures will be effective. While we use limits and other risk mitigation techniques, those techniques and the judgments that accompany their application cannot always anticipate unforeseen economic and financial outcomes or the specifics and timing of such outcomes. Our risk management methods may not predict future risk exposures effectively. In addition, some of our risk management methods are based on an evaluation of information regarding markets, clients and other matters that are based on assumptions that may no longer be accurate or may have limited predictive value. A failure to manage our growth adequately, including growth in the products or services we offer, or to manage our risk effectively, could materially and adversely affect our business and financial condition.

Financial services firms are subject to numerous actual or perceived conflicts of interest, which are routinely examined by regulators and SROs such as FINRA, and are often used as the basis for claims for legal liability by plaintiffs in actions against the Company. Our risk management processes include addressing potential conflicts of interest that arise in our business. Management of potential conflicts of interest has become increasingly complex as we expand our business activities. A perceived or actual failure to address conflicts of interest adequately could affect our reputation, the willingness of clients to transact business with us or give rise to litigation or regulatory actions. Therefore, there can be no assurance that conflicts of interest will not arise in the future that could result in material harm to our business and financial condition.

***Associate misconduct, which is difficult to detect and deter, could harm us by impairing our ability to attract and retain clients and subject us to significant legal liability and reputational harm.*** There is a risk that our associates could engage in misconduct that adversely affects our business. For example, our investment banking business often requires that we deal with confidential matters of great significance to our clients. Our associates interact with clients, customers, and counterparties on an ongoing basis. All associates are expected to exhibit the behaviors and ethics that are reflected in our framework of principles, policies, and technology to protect both our own information as well as that of our clients. If our associates improperly use or disclose confidential information provided by our clients, we could be subject to future regulatory sanctions and suffer serious harm to our reputation, financial position, current client relationships, and ability to attract future clients. We are also subject to a number of obligations and standards arising from our asset management business and our authority over our assets under management. In addition, our financial advisors are required to act in the best interests of our clients and may act in a fiduciary capacity, providing financial planning, investment advice, and discretionary asset management. The violation of these obligations and standards by any of our associates would adversely affect our clients and us. Associate conduct on non-business matters, such as social issues, including the posting of information on social media or other internet forums, could be inconsistent with our policies and ethics and result in reputational harm to our business due to their employment by us or affiliation with us. It is not always possible to deter or prevent every instance of associate misconduct, and the precautions we take to detect and prevent this activity may not be effective in all cases. If our associates engage in misconduct, our business would be adversely affected.

***Business growth, including through acquisitions, could increase costs and regulatory and integration risks.*** We continue to grow, including through acquisitions and through our recruiting efforts. Integrating acquired businesses, providing a platform for new businesses and partnering with other firms involve risks and present financial, managerial, and operational challenges. While cultural fit is a requirement for both our recruiting and

acquisition efforts, there can be no assurance that recruited talent and/or acquisition targets will ultimately assimilate into our company in a manner which results in the expected financial benefits. We may incur significant expense, including in the areas of technology and cybersecurity, in connection with expanding our existing businesses, recruiting financial advisors, or when acquiring and integrating businesses. Our overall profitability would be negatively affected if investments and expenses associated with such growth are not matched or exceeded by the earnings derived from such investments or growth. Assumptions which underlie the basis of our acquisition decisions, such as the retention of key personnel, future revenue growth of an acquired business, cost efficiencies to be realized, or the value created through the application of specialized expertise we plan to bring to the acquired business, may not be fully realized post-acquisition, resulting in an adverse impact on the value of our investment and potential dilution of the value of our shares.

We may be unable to integrate an acquired business into our existing business successfully, or such integration may be materially delayed or become more costly or difficult than expected. Further, either company’s clients, suppliers, employees, or other business partners may react negatively to the transaction. Such developments could have an adverse effect on our business, financial condition, and results of operations.

Domestic and international business growth, including through acquisitions, may expose us to additional regulatory oversight, create a need for additional compliance, risk management, and internal control procedures, and require us to hire additional personnel to address these procedures. To the extent such procedures are not adequate or not adhered to with respect to our expanded business or any new business, we could be exposed to a material loss or regulatory sanction.

Moreover, to the extent we pursue acquisitions, or enter into acquisition commitments, a number of factors may prevent us from completing such acquisitions on acceptable terms. For example, regulators such as the Fed could fail to approve a proposed transaction or such approvals could result in the imposition of conditions that could adversely affect the combined company or the expected benefits of the transaction. The shareholders of a publicly traded target company could fail to approve the transaction. Closing conditions in the transaction agreement could fail to be satisfied, or there could be an unexpected delay in closing. Other developments that may affect future results of an acquired company may occur, including changes in asset quality and credit risk, changes in interest rates and capital markets, inflation, and/or changes in customer borrowing, repayment, investment, and deposit practices. Finally, an event, change, or other circumstance could occur that gives rise to the termination of the transaction agreement.

In addition, we may need to raise capital or borrow funds in order to finance an acquisition, which could result in dilution or increased leverage. We may not be able to obtain such financing on favorable terms or perhaps at all. Further, we may issue our shares as a component of some or all of the purchase consideration for an acquisition, which may result in dilution.

Securities class action lawsuits and derivative lawsuits are often brought against public companies that have entered into merger agreements. Even if such lawsuits are without merit, defending against these claims could result in substantial costs and divert management time and resources. An adverse judgment could result in monetary damages, which could have a negative impact on our liquidity and financial condition.

***We are subject to risks relating to environmental, social, and governance (“ESG”) matters that could adversely affect our reputation, business, financial condition, and results of operations.*** We are subject to a variety of risks, including reputational risk, associated with ESG matters. The public holds diverse and often conflicting views on ESG topics. As a large financial institution, we have multiple stakeholders, including our shareholders, clients, associates, federal and state regulatory authorities, and the communities in which we operate, and these stakeholders will often have differing priorities and expectations regarding ESG issues. For example, individual U.S. states are increasingly developing differing, and sometimes conflicting, rules related to ESG matters, such as the recently enacted Climate Corporate Data Accountability Act in California. If we take action in conflict with one or another of those stakeholders’ expectations, we could experience an increase in client complaints, a loss of business, or reputational harm. We could also face negative publicity or reputational harm based on the identity of those with whom we choose to do business. Any adverse publicity in connection with ESG issues could damage our reputation, our ability to attract and retain clients and associates, compete effectively, and grow our business.

In addition, proxy advisory firms and certain institutional investors who manage investments in public companies are increasingly integrating ESG



factors into their investment analysis. The consideration of environmental and social matters in making investment and voting decisions is relatively new. Accordingly, the frameworks and methods for assessing ESG policies are not fully developed, vary considerably among the investment community, and will likely continue to evolve over time. Moreover, the subjective nature of methods used by various stakeholders to assess a company with respect to ESG criteria could result in erroneous perceptions or a misrepresentation of our actual ESG policies and practices. Organizations that provide ratings information to investors on ESG matters may also assign unfavorable ratings to our company. Public companies are facing increased pressure from stakeholders to consider ESG issues in corporate actions, such as the election of directors and approval of executive compensation. Certain of our clients might also require that we implement additional ESG procedures or standards in order to continue to do business with them. If we fail to comply with specific ESG-related investor or client expectations and standards, or to provide the disclosure relating to ESG issues that any third parties may believe is necessary or appropriate (regardless of whether there is a legal requirement to do so), our reputation, business, financial condition, and/or results of operations, as well as the price of our common and preferred stock could be negatively impacted.

#### LEGAL AND REGULATORY RISKS

***Financial services firms are highly regulated and are currently subject to a number of new and proposed regulations, all of which may increase our risk of financial liability and reputational harm resulting from adverse regulatory actions.*** Financial services firms operate in an evolving regulatory environment and are subject to extensive supervision and regulation. The laws and regulations governing financial services firms are intended primarily for the protection of our depositors, our clients, the financial system, and the FDIC insurance fund, not our shareholders or creditors. The financial services industry has experienced an extended period of significant change in laws and regulations, as well as a high degree of scrutiny from various regulators, including the SEC, the Fed, the FDIC, the OCC, and the CFPB, in addition to stock exchanges, FINRA, and governmental authorities, such as state attorneys general. The SEC has recently been very active in proposing and adopting major new rules and regulations that affect public companies and, in particular, the financial services industry. Several of these new rules have been adopted after significantly abbreviated periods for public comments, and these new or proposed rules involve sweeping changes that could require significant shifts in industry operations and practices, thereby increasing uncertainty for markets and investors. Penalties and fines imposed by regulatory and other governmental authorities have also been substantial and growing in recent years. Additionally, an increasing number of U.S. states have proposed, or are considering, their own laws and regulations, and as a result, our activities could be subject to overlapping and conflicting regulation. We may be adversely affected by the adoption of new rules and by changes in the interpretation or enforcement of existing laws, rules, and regulations. Existing and new laws and regulations could negatively affect our revenue, limit our ability to pursue business opportunities, impact the value of our assets, require us to alter our business practices, impose additional compliance costs, and otherwise adversely affect our businesses.

Additionally, our international business operations are subject to laws, regulations, and standards in the countries in which we operate. In many cases, our activities have been and may continue to be subject to overlapping and divergent regulation in different jurisdictions. As our international operations continue to grow, we may need to comply with additional laws, rules, and regulations which could require us to alter our business practices and/or result in additional compliance costs. Any violations of these laws, regulations, or standards could subject us to a range of potential regulatory events or outcomes that could have a material adverse effect on our business, financial condition, and prospects, including potential adverse impacts on continued operations in the relevant international jurisdiction.

We are also required to comply with the Volcker Rule's provisions. Although we have not historically engaged in significant levels of proprietary trading, due to our underwriting and market-making activities and our investments in covered funds, we continue to incur costs to ensure compliance with the Volcker Rule. Any changes to regulations or changes to the supervisory approach may also result in increased compliance costs to the extent we are required to modify our existing compliance policies, procedures and practices.

Broker-dealers and investment advisers are subject to regulations covering all aspects of the securities business, including, but not limited to: sales and trading methods; trade practices among broker-dealers; use and safekeeping of clients' funds and securities; capital structure of securities firms; anti-money laundering efforts; recordkeeping; and the conduct of directors,

officers, and employees. Any violation of these laws or regulations could subject us to the following events, any of which could have a material adverse effect on our business, financial condition, reputation, and prospects: civil and criminal liability for us or our associates; sanctions, which could include the revocation of our subsidiaries' registrations as investment advisers or broker-dealers; the revocation of the licenses of our financial advisors; censures; fines; conditions or limitations on our business activities, including higher capital requirements; or a temporary suspension or permanent bar from conducting business. As a recent example of this risk, the Company has been contacted by each of the SEC and the CFTC in connection with an investigation of the Company's compliance with records preservation requirements for off-channel communications relating to the broker-dealer or investment adviser business activities of the Company using personally owned communications devices and/or messaging platforms that have not been approved by the Company. The SEC has announced their imposition of significant fines on a number of financial services companies in connection with similar investigations, and has reportedly conducted similar investigations of record preservation practices at other financial institutions. See Note 18 of the Notes to Consolidated Financial Statements of this Form 10-K for additional information.

The Federal Reserve requires a bank holding company to act as a source of financial and managerial strength for its subsidiary banks. The Federal Reserve could require the Company to commit resources to its bank subsidiaries when doing so is not otherwise in the best interests of our company or its shareholders or creditors.

Regulatory actions brought against us may result in judgments, settlements, fines, penalties, or other results, any of which could have a material adverse effect on our business, financial condition, reputation, or results of operations. There is no assurance that regulators will be satisfied with the policies and procedures implemented by our company and its subsidiaries. In addition, from time to time, the Company and its subsidiaries may become subject to additional findings with respect to supervisory, compliance, or other regulatory deficiencies, which could subject us to additional liability, including penalties, and restrictions on our business activities. Among other things, these restrictions could limit our ability to make investments, complete acquisitions, expand into new business lines, pay dividends on our common and preferred stock, and/or engage in share repurchases. See "Item 1, Business – Regulation," of this Form 10-K for additional information regarding our regulatory environment.

***We are exposed to litigation and regulatory investigations and proceedings, which could materially and adversely impact our business operations and prospects.*** The financial services industry faces significant litigation and regulatory risks. Additionally, our litigation and regulatory risks continue to increase as our business expands internationally. Many aspects of our business involve substantial risk of liability. We have been named as a defendant or co-defendant in lawsuits and arbitrations primarily involving claims for damages. The risks associated with potential litigation often may be difficult to assess or quantify, and the existence and magnitude of potential claims often remain unknown for substantial periods of time.

In our role as underwriter and selling agent, we may be liable if there are material misstatements or omissions of material information in prospectuses and other communications regarding underwritten offerings of securities. At any point in time, the aggregate amount of existing claims against us could be material. While we do not expect the outcome of any existing claims against us to have a material adverse impact on our business, financial condition, or results of operations, we cannot assure you that these types of proceedings will not materially and adversely affect our company. We do not carry insurance that would cover payments regarding these liabilities, except for insurance against certain fraudulent acts of our associates. Acts of fraud are difficult to detect and deter, and while we believe our supervisory procedures are reasonably designed to detect and prevent violations of applicable laws, rules, and regulations, we cannot assure investors that our risk management procedures and controls will prevent losses from fraudulent activity. In addition, our bylaws provide for the indemnification of our officers, directors, and associates to the maximum extent permitted under Delaware law. In the future, we may be the subject of indemnification assertions under these documents by our officers, directors, or associates who have or may become defendants in litigation. These claims for indemnification may subject us to substantial risks of potential liability.

In challenging market conditions, the volume of claims and amount of damages sought in litigation and regulatory proceedings against financial institutions have historically increased. Litigation risks include potential liability under securities laws or other laws for alleged materially false or misleading statements made in connection with securities offerings and other transac-



tions, issues related to our investment recommendations, including the suitability of such recommendations or potential concentration of investments, the inability to sell or redeem securities in a timely manner during adverse market conditions, contractual issues, employment claims, and potential liability for other advice we provide to participants in strategic transactions. Substantial legal liability could have a material adverse financial impact or cause us significant reputational harm, which, in turn, could seriously harm our business and future business prospects.

In addition to the foregoing financial costs and risks associated with potential liability, the costs of defending individual litigation and claims and/or regulatory matters continue to increase over time. The amount of attorneys' fees incurred in connection with the defense of litigation and claims and/or regulatory matters could be substantial and might materially and adversely affect our results of operations. See "Item 3 – Legal Proceedings," and Note 18 of the Notes to Consolidated Financial Statements of this Form 10-K for further information about legal matters.

***The Basel III regulatory capital standards impose capital and other requirements on us that could negatively impact our profitability.*** The Fed and other federal banking regulators have implemented the global regulatory capital requirements of Basel III and certain requirements implemented by the Dodd-Frank Act. The U.S. Basel III Rules establish the quantity and quality of regulatory capital, set forth a capital conservation buffer, and define the calculation of risk-weighted assets. The capital requirements stipulated under the U.S. Basel III Rules could restrict our ability to grow during favorable market conditions or require us to raise additional capital. Revisions to the Basel III Rules could, when implemented in the U.S., negatively impact our regulatory capital ratio calculations or subject us to higher and more stringent capital and other regulatory requirements. As a result, our business, results of operations, financial condition, and prospects could be adversely affected. See "Item 1 – Business – Regulation" of this Form 10-K for further information on the Basel III regulatory capital standards.

***Failure to comply with regulatory capital requirements primarily applicable to our company, our bank subsidiaries, or our broker-dealer subsidiaries would significantly harm our business.*** As discussed in "Item 1 – Business – Regulation" of this Form 10-K, our company and its bank subsidiaries are subject to capital requirements administered by various federal regulators in the U.S. and, accordingly, must meet specific capital guidelines that involve quantitative measures of our company's and our bank subsidiaries' assets, liabilities, and certain off-balance sheet items as calculated under regulatory guidelines. Failure to meet minimum capital requirements can trigger certain mandatory (and potentially discretionary) actions by regulators that, if undertaken, could harm either our company or our bank subsidiaries' operations and financial condition, including precluding us from accepting or renewing brokered deposits. Further, we are subject to the SEC's Uniform Net Capital Rule (Rule 15c3-1) and FINRA's net capital rule, which may limit our ability to make withdrawals of capital from our broker-dealer subsidiaries. Our non-U.S. subsidiaries are subject to similar limitations under applicable regulations in the countries in which they operate. Regulatory capital requirements applicable to some of our significant subsidiaries may impede access to funds that we may need to make payments on any of our obligations. See Note 19 of the Notes to Consolidated Financial Statements of this Form 10-K for further information on regulatory capital requirements.

***Changes in requirements relating to the standard of care for broker-dealers have increased, and may continue to increase, our costs.*** The SEC's Regulation Best Interest requires, among other things, a broker-dealer to act in the best interest of a retail client when making a recommendation to that client of any securities transaction or investment strategy involving securities. The regulation imposes heightened standards on broker-dealers, and we have incurred substantial costs in order to review and modify our policies and procedures, including associated supervisory and compliance controls. We anticipate that we will continue to incur incremental costs in the future to comply with the standard.

In addition to the SEC, various states have adopted, or are considering adopting, laws and regulations seeking to impose new standards of conduct on broker-dealers that, as written, differ from the SEC's regulations and may lead to additional implementation costs. Implementation of the SEC regulations, as well as any new state rules that are adopted addressing similar matters, has resulted in (and may continue to result in) increased costs related to compliance, legal, operations, and information technology. Furthermore, certain non-U.S. jurisdictions have imposed heightened standards of conduct, which may have similar impacts on our business in those jurisdictions.

The DOL has indicated that it plans to amend the definition of "fiduciary" in connection with investment advice regarding employee benefit plans and IRAs. Imposing a new fiduciary standard could result in increased costs and other impacts to our business.

***Numerous regulatory changes and enhanced regulatory and enforcement activity relating to our asset management activities may increase our compliance and legal costs and otherwise adversely affect our business.***

As some of our wholly owned subsidiaries are registered as investment advisers with the SEC, increased regulatory scrutiny and rulemaking initiatives may result in additional operational and compliance costs or the assessment of significant fines or penalties against our asset management business, and may otherwise limit our ability to engage in certain activities. While it is not possible to determine the extent of the long-term impact of any new laws or regulations that have been promulgated, or initiatives that have been or may be proposed, even the short-term impact of preparing for or implementing changes to our infrastructure and processes could negatively affect the ways we conduct business and increase our compliance and legal costs. Conformance with any new law or regulations could also make compliance more difficult and expensive and affect our product and service offerings. New regulations regarding the management of hedge funds and the use of certain investment products, including additional recordkeeping and disclosure requirements, may also impact our asset management business and result in increased costs. In addition, U.S. and foreign governments have taken regulatory actions impacting the investment management industry, and may continue to do so, including expanding current (or enacting new) standards, requirements, and rules that may be applicable to us and our subsidiaries. For example, several states and municipalities in the U.S. have adopted "pay-to-play" rules, which could limit our ability to charge advisory fees. Such "pay-to-play" rules could affect the profitability of that portion of our business.

***As a financial holding company, our company's liquidity depends on payments from its subsidiaries, which may be subject to regulatory restrictions.*** The Company, as a financial holding company, depends on dividends, distributions, and other payments from its subsidiaries in order to meet its obligations, including its debt service obligations and to fund dividend payments and share repurchases. Our subsidiaries are subject to laws and regulations that restrict dividend payments or authorize regulatory bodies to prevent or reduce the flow of funds from those subsidiaries to our company. If our subsidiaries are unable to make dividend payments to us and sufficient cash or liquidity is otherwise not available, the Company may not be able to make dividend payments to its shareholders, repurchase its shares, or make principal and interest payments on its outstanding debt. Our broker-dealers and bank subsidiaries are limited in their ability to lend or transact with affiliates, are subject to minimum regulatory capital and other requirements, and, in the case of our broker-dealer subsidiaries, have limitations on their ability to use funds deposited with them in brokerage accounts to fund their businesses. These requirements and limitations may hinder our company's ability to access funds from its subsidiaries. Federal regulators, including the Federal Reserve and the SEC (through FINRA), have the authority and, under certain circumstances, the obligation to limit or prohibit dividend payments and stock repurchases by the banking organizations they supervise, including our company and its bank subsidiaries.

#### **ITEM 1B. UNRESOLVED STAFF COMMENTS**

None.

#### **ITEM 1C. CYBERSECURITY**

We maintain an information security program and governance framework that are designed to protect our information systems against operational risks related to cybersecurity.

##### ***Cybersecurity Risk Management and Strategy***

We define information security and cybersecurity risk as the risk that the confidentiality, integrity, or availability of our information and information systems are impacted by unauthorized or unintended access, use, disclosure, disruption, modification, or destruction. Information security and cybersecurity risk is an operational risk that is measured and managed as part of our operational risk framework. Operational risk is incorporated into our comprehensive Enterprise Risk Management ("ERM") program, which we use to identify, aggregate, monitor, report, and manage risks.

Our Written Information Security Program ("WISP"), which is our enterprise information security and cybersecurity program incorporated in our ERM program and led by our Chief Information Security Officer ("CISO"), is designed to (i) ensure the security, confidentiality, integrity, and availability of our information and information systems; (ii) protect against any anticipated

threats or hazards to the security, confidentiality, integrity, or availability of such information and information systems; and (iii) protect against unauthorized access to or use of such information or information systems that could result in substantial harm or inconvenience to us, our associates, or our clients. The WISP program is built upon a foundation of advanced security technology, employs a highly trained team of experts, and is designed to operate in alignment with global regulatory requirements. The program deploys multiple layers of controls, including embedding security into our technology investments, designed to identify, protect, detect, respond to, and recover from information security and cybersecurity incidents. Those controls are measured and monitored by a combination of subject matter experts and a security operations center with integrated cyber detection, response, and recovery capabilities. The WISP program includes our Incident Response program, which manages information security incidents involving compromises of sensitive information, and our Security Incident Response Plan, which provides a documented framework for handling high severity security incidents and facilitates coordination across multiple parts of the Company to manage response efforts. We also routinely perform simulations and drills around security matters at both a technical and management level, and our associates receive annual cybersecurity awareness training.

In addition, we incorporate reviews by our Internal Audit department and reviews by external third-party experts as part of our WISP program. Our company also undergoes periodic independent third-party maturity assessments of our cybersecurity measures and controls within our WISP program against the Cyber Risk Institute Profile standards for the financial sector. We also invest in threat intelligence, collaborate with our peers in areas of threat intelligence, vulnerability management, incident response, and drills, and are active participants in industry and government forums.

Cybersecurity risks related to third parties are managed as part of our System and Services Acquisition Policy, which sets forth the procurement, risk management, and contracting framework for managing third-party relationships commensurate with their risk and complexity. Our program sets guidelines for identifying, measuring, monitoring, and reporting the risks associated with third parties through the life cycle of the relationships, which includes planning, due diligence and third-party selection, contracting, ongoing monitoring, and termination. Our program includes the identification of third parties with risks related to information security. Third parties that access, process, collect, share, create, store, transmit, or destroy our information or have access to our systems may have additional security requirements, depending on the levels of risk, such as enhanced risk assessments and monitoring, and additional contractual controls. We also conduct reassessments of our third-party risk, using a risk-based approach to determine frequency. Where appropriate, the Company seeks to incorporate contractual language with third-party service providers that includes clear terms involving the collection, use, sharing, and retention of user data, as well as compliance with appropriate security terms.

## ITEM 2. PROPERTIES

The following table sets forth the location, approximate square footage, and use of each of the principal properties used by our company during the year ended December 31, 2023. We own our executive offices in St. Louis, Missouri. We lease or sublease a majority of these properties under operating leases. Such leases expire at various times through 2036.

Location	Approximate Square Footage	Use
St. Louis, Missouri	434,000	Headquarters and administrative offices of Stifel, Global Wealth Management operations (including SIA), and Institutional Group operations
New York, New York	282,000	Global Wealth Management and Institutional Group operations
Baltimore, Maryland	97,500	Institutional Group operations and administrative offices
San Francisco, California	70,500	Global Wealth Management and Institutional Group operations

We also maintain operations in 468 leased offices in various locations throughout the United States and in certain foreign countries, primarily for our broker-dealer business. We lease 398 private client offices. Our Institutional Group segment leases 70 offices in the United States and certain foreign locations. We believe that, at the present time, the space available to us in the facilities under our current leases and co-location arrangements are suitable and adequate to meet our needs and that such facilities have sufficient productive capacity and are appropriately utilized.

Leases for the branch offices of our independent contractor firms are the responsibility of the respective independent financial advisors.

See Note 20 of the Notes to Consolidated Financial Statements for further information regarding our lease obligations.

While we do not believe that our business strategy, results of operations, or financial condition have been materially adversely affected by any cybersecurity incidents, cybersecurity threats are pervasive, and, similar to other global financial services firms, we, as well as our clients, associates, regulators, service providers, and other third parties, have experienced a significant increase in information security and cybersecurity risk in recent years and will likely continue to be the target of cyber attacks. We continue to assess the risks and changes in the cyber environment, invest in enhancements to our cybersecurity capabilities, and engage in industry and government forums to promote advancements in our cybersecurity capabilities, as well as the broader financial services cybersecurity ecosystem. For more information on risks to us from cybersecurity threats, see “Any cyber attack or other security breach of our technology systems, or those of our clients or other third-party vendors we rely on, could subject us to significant liability and harm our reputation” in “Item 1A – Risk Factors” of this Form 10-K.

### Cybersecurity Governance

Under our information security framework, our Board and our Risk Management Committee are primarily responsible for overseeing and governing the development, implementation, and maintenance of our WISP program, with the Board designating our Risk Management Committee to provide oversight and governance of technology and cybersecurity risks. Our Board receives an update on cybersecurity at least twice a year from our CISO or their designee. Our Risk Management Committee receives reports on cybersecurity at least four times a year, with ad hoc updates as needed. In addition, our Risk Management Committee annually approves our WISP program.

Our Operational Risk Committee (“ORC”), chaired by our CISO, provides oversight and governance for our information security risk management activities, including those related to cybersecurity. This includes efforts to identify, measure, manage, monitor, and report information security risks associated with our information and information systems. The ORC escalates risks to the Risk Management Committee or our Board based on the escalation criteria provided in our information security framework. Members of management with cybersecurity oversight responsibilities are informed about cybersecurity risks and incidents through a number of channels, including periodic and annual reports, with the annual report also provided to our Risk Management Committee and the ORC.

Our CISO leads the strategy, engineering, and operations of cybersecurity across the Company and is responsible for providing annual updates to our Board and the ORC on our WISP program, as well as ad hoc updates on information security and cybersecurity matters. Our CISO reports directly to the Risk Management Committee. The CISO has been with the Company since 2016 and prior to this worked in a number of security and technical roles within the Federal Reserve System.

## ITEM 3. LEGAL PROCEEDINGS

Our company and its subsidiaries are named in and subject to various proceedings and claims arising primarily from our securities business activities, including lawsuits, arbitration claims, class actions, and regulatory matters. Some of these claims seek substantial compensatory, punitive, or indeterminate damages. Our company and its subsidiaries are also involved in other reviews, investigations, and proceedings by governmental and self-regulatory organizations regarding our business, which may result in adverse judgments, settlements, fines, penalties, injunctions, and other relief. We are contesting allegations in these claims, and we believe that there are meritorious defenses in each of these lawsuits, arbitrations, and regulatory investigations. In view of the number and diversity of claims against our company, the number of jurisdictions in which litigation is pending, and the inherent difficulty of predicting the outcome of litigation and other claims, we cannot state with certainty what the eventual outcome of pending litigation or other claims will be.

We have accrued for potential losses that are probable and reasonably estimable that may result from pending and potential legal actions, investigations, and regulatory proceedings. In many cases, however, it is inherently difficult to determine whether any loss is probable or reasonably possible or to estimate the amount or range of any potential loss, particularly where proceedings may be in relatively early stages or where plaintiffs are seeking substantial or indeterminate damages. Matters frequently need to be more developed before a loss or range of loss can reasonably be estimated.

In our opinion, based on currently available information, review with outside legal counsel, and consideration of amounts provided for in our consolidated financial statements with respect to these matters, including the matter described below, the ultimate resolution of these matters will not have a material adverse impact on our financial position and results of operations. However, resolution of one or more of these matters may have a material effect on the results of operations in any future period, depending upon the ultimate resolution of those matters and depending upon the level of income for such period. For matters where a liability has not been established and for which we believe a loss is reasonably possible, as well as for matters where an accrual has been recorded but for which an exposure to loss in excess of the amount accrued

is reasonably possible, based on currently available information, we believe that such losses will not have a material effect on our consolidated financial statements.

#### *SEC and CFTC Investigation of Communications Recordkeeping*

The Company has been contacted by each of the SEC and the CFTC in connection with an investigation of the Company's compliance with records preservation requirements for off-channel communications relating to the broker-dealer or investment adviser business activities of the Company using personally owned communications devices and/or messaging platforms that have not been approved by the Company. The SEC and the CFTC have provided the Company with settlement offers, and the Company has established an accrual for potential losses that are probable and reasonably estimable, but at this time, based upon currently available information and review with outside counsel, the Company is not able to state with certainty that any settlements will be achieved or the ultimate resolution of these matters.

#### **ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

## PART II

### **ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES**

#### *Market Information*

Our common stock is traded on the New York Stock Exchange and Chicago Stock Exchange under the symbol "SF." The closing sale price of our common stock as reported on the New York Stock Exchange on February 1, 2024, was \$72.86. As of that date, our common stock was held by approximately 92,500 shareholders. The following table sets forth for the periods indicated the high and low trades for our common stock.

	2023		2022	
	High	Low	High	Low
First Quarter	\$68.77	\$53.48	\$83.28	\$60.35
Second Quarter	62.35	54.84	70.26	54.74
Third Quarter	66.61	58.08	65.39	51.73
Fourth Quarter	70.07	54.81	66.96	49.31

Cash dividends per share of common stock paid during the year are reflected below. The dividends were declared during the quarter of payment.

	Fiscal Year 2023	Fiscal Year 2022
First Quarter	\$0.36	\$0.30
Second Quarter	0.36	0.30
Third Quarter	0.36	0.30
Fourth Quarter	0.36	0.30

The payment of dividends on our common stock is subject to several factors, including operating results, financial requirements of our company, and the availability of funds from our subsidiaries. See Note 19 of the Notes to Consolidated Financial Statements for more information on the capital restrictions placed on our broker-dealer subsidiaries and bank subsidiaries.

#### *Securities Authorized for Issuance Under Equity Compensation Plans*

Information about securities authorized for issuance under our equity compensation plans is contained in "Item 12 – Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters" of this Form 10-K.

#### *Issuer Purchases of Equity Securities*

There were no unregistered sales of equity securities during the quarter ended December 31, 2023. The following table sets forth information with respect to purchases made by or on behalf of Stifel Financial Corp. or any "affiliated purchaser" (as defined in Rule 10b-10(a)(3) under the Securities Exchange Act of 1934, as amended), of our common stock during the quarter ended December 31, 2023.

	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans	Maximum Number of Shares That May Yet Be Purchased Under the Plan or Program
October 1-31, 2023	816,702	58.28	816,702	13,365,258
November 1-30, 2023	1,028,445	59.12	1,028,445	12,336,813
December 1-31, 2023	500,000	65.48	500,000	11,836,813
	2,345,147	60.18	2,345,147	

We have an ongoing authorization from the Board of Directors to repurchase our common stock in the open market or in negotiated transactions. At December 31, 2023, the maximum number of shares that may yet be purchased under this plan was 11.8 million.

## Stock Performance Graph

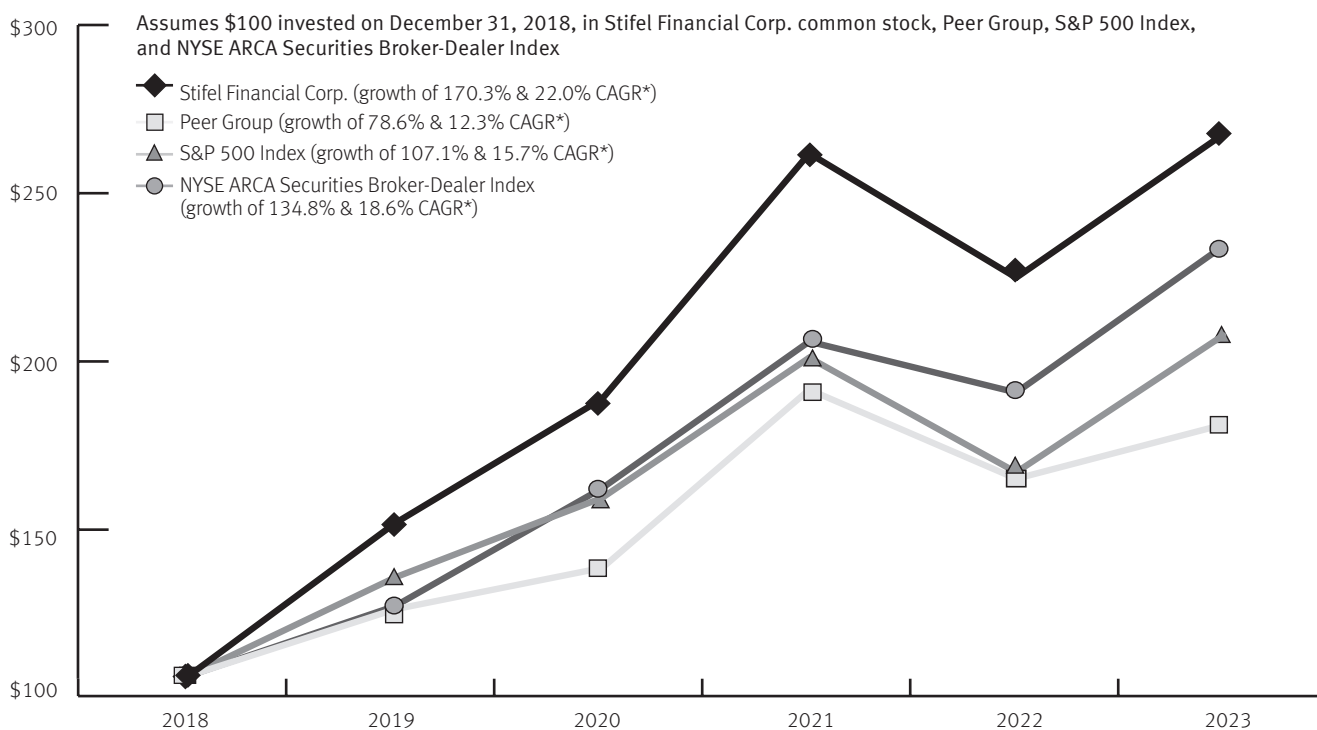
### Five-Year Shareholder Return Comparison

The graph below compares the cumulative stockholder return on our common stock with the cumulative total return of a Peer Group Index, the Standard & Poor's 500 Index ("S&P 500"), and the NYSE ARCA Securities Broker Dealer Index for the five-year period ended December 31, 2023. The NYSE ARCA Securities Broker Dealer Index consists of eighteen firms in the brokerage sector. The Broker-Dealer Index includes our company. The stock price information shown on the graph below is not necessarily indicative of future price performance.

The material in this report is not deemed "filed" with the SEC and is not to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, whether made before or after the date hereof and irrespective of any general incorporation language in any such filings.

The following table and graph assume that \$100.00 was invested on December 31, 2018, in our common stock, the Peer Group Index, the S&P 500 Index, and the NYSE ARCA Securities Broker Dealer Index, with reinvestment of dividends.

	2019	2020	2021	2022	2023
Stifel Financial Corp.	\$148	\$187	\$264	\$225	\$270
Peer Group	121	134	190	162	179
S&P 500 Index	131	156	200	164	207
NYSE ARCA Securities Broker-Dealer Index	122	159	205	189	235



\* Compound Annual Growth Rate

The Peer Group Index consists of the following companies that serve the same markets as us and which compete with us in one or more markets:

Affiliated Managers Group Inc.	Houlihan Lokey, Inc.	Moelis & Company
Ameriprise Financial, Inc.	Invesco Ltd.	Northern Trust Corp.
Cowen Inc. <sup>(1)</sup>	Jefferies Financial Group Inc.	Piper Sandler Companies
Evercore Inc.	Lazard Ltd.	Raymond James Financial, Inc.
Franklin Resources, Inc.	LPL Financial Holdings Inc.	T. Rowe Price Group, Inc.

<sup>(1)</sup> Cowen Inc. was acquired by TD Bank Group on March 1, 2023.



## ITEM 6. Reserved

## ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of the financial condition and results of operations of our company should be read in conjunction with the Consolidated Financial Statements and Notes thereto included in this Annual Report on Form 10-K for the year ended December 31, 2023.

Unless otherwise indicated, the terms "we," "us," "our," or "our company" in this report refer to Stifel Financial Corp. and its wholly owned subsidiaries.

### *Executive Summary*

We operate as a financial services and bank holding company. We have built a diversified business serving private clients, institutional investors, and investment banking clients located across the U.S., Europe, and Canada. Our principal activities are: (i) private client services, including securities transaction and financial planning services; (ii) institutional equity and fixed income sales, trading, and research, and municipal finance; (iii) investment banking services, including mergers and acquisitions, public offerings, and private placements; and (iv) retail and commercial banking, including personal and commercial lending programs.

Our core philosophy is based upon a tradition of trust, understanding, and studied advice. We attract and retain experienced professionals by fostering a culture of entrepreneurial, long-term thinking. We provide our private, institutional, and corporate clients quality, personalized service, with the theory that if we place clients' needs first, both our clients and our company will prosper. Our unwavering client and associate focus have earned us a reputation as one of the nation's leading wealth management and investment banking firms. We have grown our business both organically and through opportunistic acquisitions.

We plan to maintain our focus on revenue growth with a continued appreciation for the development of quality client relationships. Within our private client business, our efforts will be focused on recruiting experienced financial advisors with established client relationships. Within our capital markets business, our focus continues to be on providing quality client management and product diversification. In executing our growth strategy, we will continue to seek out opportunities that allow us to take advantage of the consolidation among middle-market firms, whereby allowing us to increase market share in our private client and institutional group businesses.

Stifel Financial Corp., through its wholly owned subsidiaries, is principally engaged in retail brokerage; securities trading; investment banking; investment advisory; retail, consumer, and commercial banking; and related financial services. Our major geographic area of concentration is throughout the United States, with a growing presence in the United Kingdom, Europe, and Canada. Our principal customers are individual investors, corporations, municipalities, and institutions.

Our ability to attract and retain highly skilled and productive associates is critical to the success of our business. Accordingly, compensation and benefits comprise the largest component of our expenses, and our performance is dependent upon our ability to attract, develop, and retain highly skilled associates who are motivated and committed to providing the highest quality of service and guidance to our clients.

On March 1, 2023, the Company acquired Torrey Partners LLC, a leading independent M&A and private capital advisory firm serving the global life sciences industry.

On August 1, 2023, the Company acquired Sierra Pacific Securities, LLC, an algorithmic trading-focused, fixed income market-making firm.

### *Results for the Year Ended December 31, 2023*

For the year ended December 31, 2023, net revenues decreased 1.0% to \$4.3 billion compared to \$4.4 billion during the comparable period in 2022. Net income available to common shareholders for the year ended December 31, 2023, decreased 22.3% to \$485.3 million, or \$4.28 per diluted common share, compared to \$624.9 million, or \$5.32 per diluted common share, in 2022. For the year ended December 31, 2023, our Global Wealth Management segment posted record net revenues and pre-tax income.

Our revenue decline for the year ended December 31, 2023, was primarily attributable to lower advisory and transactional revenues, partially offset by higher net interest income, asset management, and capital-raising revenues.

We remain well-positioned entering fiscal 2024, with nearly \$445 billion of client assets under administration, strong activity levels for financial advisory

recruiting, a significant interest rate-sensitive asset base at our bank subsidiaries, and a strong investment banking pipeline. We don't believe that 2024 will be a "normalized" operating environment, as there remains uncertainty regarding the number of rate cuts that the Federal Reserve will make, the timing of the pickup in investment banking revenue, the presidential election, and how the equity markets will react to these changes. As a result, we may continue to experience volatility in transactional and investment banking revenues, which may negatively impact revenues in future periods. In our Global Wealth segment, we anticipate further net interest income growth despite the slower growth rate of our balance sheet. Our strong recruiting efforts will lead to further net new asset growth in our private client business. Our Institutional business is more cyclical but remains well positioned to benefit from any pickup in capital-raising activity, and we will continue to focus on increasing our relevance to our customers.

### *Economic and Market Conditions*

We currently operate in a challenging and uncertain economic environment. Financial services companies continue to be affected by, among other things, market volatility, rapidly rising interest rates, and inflationary pressures. The market environment in aggregate remained mixed, characterized by inflationary pressures and uncertainty regarding the future path of interest rates, which have remained persistently high. This environment has impacted our businesses, as discussed further in "Segment Results" herein, and, to the extent that it continues to remain uncertain, could adversely impact client confidence and related activity.

The benefits of our diversified business model enabled us to successfully navigate market conditions that included increased geopolitical risks, tightening of financial conditions primarily due to significant increases in short-term rates, and quantitative tightening by the Federal Reserve, both implemented to corral inflation, and the failure of three major U.S. banks.

We are monitoring the war and increased tensions in the Middle East and its impact on the regional economy, as well as on other world economies and the financial markets. Our direct exposure to Israel is limited. We have a small number of employees in Israel, and we continue to support them.

For more information on economic and market conditions, and the potential effects of geopolitical events on our future results, refer to "Item 1A – Risk Factors" of this Form 10-K.

### *Impact of Interest Rates*

During 2023, the Federal Reserve remained committed to tightening monetary policy as a means of combating inflation. While modest decreases in key inflationary measures such as the Consumer Price Index demonstrated that the rate increases implemented throughout 2022 were beginning to have their intended impact, unexpectedly strong job growth and consumer spending data led the Federal Reserve to conclude that further short-term rate increases were necessary. As a result, the Federal Reserve increased the Federal funds rate by 100 basis points to a target range of 5.25% to 5.50% during 2023. The 2023 rate increases balanced the Federal Reserve's intention not to "over-tighten," while also acknowledging that a contraction in bank lending in light of the Silicon Valley Bank and Signature Bank failures would likely help ease inflation. At its January 2024 Federal Open Market Committee meeting, the Federal Reserve unanimously voted not to raise interest rates. The Federal Reserve has forecasted that it will make three quarter-point cuts to the Federal funds rate during 2024.

The increases in rates, which are intended to reduce inflation, are also likely to reduce economic activity, possibly leading to a recession in the coming months. These factors have already reduced customer confidence and are likely to continue to reduce discretionary spending, increase volatility in financial markets, and reduce revenues the Company derives from commissions and possibly from fees based on the value of client assets managed by the Company should equity prices decline. The increases in the Federal funds rate are favorable to the Company's interest-based revenue. However, increases in interest rates have increased fees the Company earns from FDIC-insured deposits of clients through a program offered by the Company, though such increases may be offset to some extent if the cash sweep balances decrease as clients seek higher-yielding investments. These rate increases have also increased the rates the Company charges on margin balances, which has positively impacted earnings. The stability and expected reduction in the Federal funds rate should positively impact our fixed income transactional business.

## RESULTS OF OPERATIONS

The following table presents consolidated financial information for the periods indicated (*in thousands, except percentages*):

	For the Year Ended December 31,			Percentage Change		As a Percentage of Net Revenues for the Year Ended December 31,		
	2023	2022	2021	2023	2022	2023	2022	2021
				vs.	vs.			
				2022	2021			
<b>Revenues:</b>								
Commissions	\$ 673,597	\$ 710,589	\$ 809,500	(5.2)%	(12.2)%	15.5%	16.2%	17.1%
Principal transactions	490,440	529,033	581,164	(7.3)	(9.0)	11.3	12.0	12.3
Investment banking	731,255	971,485	1,565,381	(24.7)	(37.9)	16.8	22.1	33.0
Asset management	1,299,496	1,262,919	1,206,516	2.9	4.7	29.9	28.8	25.5
Interest	1,955,745	1,099,115	548,400	77.9	100.4	45.0	25.0	11.6
Other income	8,747	19,685	72,125	(55.6)	(72.7)	0.1	0.5	1.5
<b>Total revenues</b>	<b>5,159,280</b>	<b>4,592,826</b>	<b>4,783,086</b>	<b>12.3</b>	<b>(4.0)</b>	<b>118.6</b>	<b>104.6</b>	<b>101.0</b>
Interest expense	810,336	201,387	45,998	302.4	337.8	18.6	4.6	1.0
<b>Net revenues</b>	<b>4,348,944</b>	<b>4,391,439</b>	<b>4,737,088</b>	<b>(1.0)</b>	<b>(7.3)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Non-interest expenses:</b>								
Compensation and benefits	2,554,581	2,586,232	2,820,301	(1.2)	(8.3)	58.7	58.9	59.5
Occupancy and equipment rental	339,322	313,247	290,243	8.3	7.9	7.8	7.1	6.1
Communication and office supplies	184,652	175,135	165,490	5.4	5.8	4.3	4.0	3.5
Commissions and floor brokerage	58,344	57,752	59,681	1.0	(3.2)	1.3	1.3	1.3
Provision for credit losses	24,999	33,506	(11,502)	(25.4)	391.3	0.6	0.8	(0.2)
Other operating expenses	480,354	340,451	345,794	41.1	(1.5)	11.1	7.7	7.3
<b>Total non-interest expenses</b>	<b>3,642,252</b>	<b>3,506,323</b>	<b>3,670,007</b>	<b>3.9</b>	<b>(4.5)</b>	<b>83.8</b>	<b>79.8</b>	<b>77.5</b>
<b>Income before income taxes</b>	<b>706,692</b>	<b>885,116</b>	<b>1,067,081</b>	<b>(20.2)</b>	<b>(17.1)</b>	<b>16.2</b>	<b>20.2</b>	<b>22.5</b>
Provision for income taxes	184,156	222,961	242,223	(17.4)	(8.0)	4.2	5.1	5.1
<b>Net income</b>	<b>522,536</b>	<b>662,155</b>	<b>824,858</b>	<b>(21.1)</b>	<b>(19.7)</b>	<b>12.0</b>	<b>15.1</b>	<b>17.4</b>
Preferred dividends	37,281	37,281	35,587	—	4.8	0.8	0.9	0.7
<b>Net Income available to common shareholders</b>	<b>\$ 485,255</b>	<b>\$ 624,874</b>	<b>\$ 789,271</b>	<b>(22.3)%</b>	<b>(20.8)%</b>	<b>11.2%</b>	<b>14.2%</b>	<b>16.7%</b>

## NET REVENUES

The following table presents consolidated net revenues for the periods indicated (*in thousands, except percentages*):

	For the Year Ended December 31,			Percentage Change	
	2023	2022	2021	2023	2022
				vs.	vs.
				2022	2021
<b>Revenues:</b>					
Commissions	\$ 673,597	\$ 710,589	\$ 809,500	(5.2)%	(12.2)%
Principal transactions	490,440	529,033	581,164	(7.3)	(9.0)
<i>Transactional revenues</i>	<b>1,164,037</b>	<b>1,239,622</b>	<b>1,390,664</b>	<b>(6.1)</b>	<b>(10.9)</b>
Capital raising	265,667	256,862	709,236	3.4	(63.8)
Advisory	465,588	714,623	856,145	(34.8)	(16.5)
<i>Investment banking</i>	<b>731,255</b>	<b>971,485</b>	<b>1,565,381</b>	<b>(24.7)</b>	<b>(37.9)</b>
Asset management	1,299,496	1,262,919	1,206,516	2.9	4.7
Net interest	1,145,409	897,728	502,402	27.6	78.7
Other income	8,747	19,685	72,125	(55.6)	(72.7)
<b>Total net revenues</b>	<b>\$4,348,944</b>	<b>\$4,391,439</b>	<b>\$4,737,088</b>	<b>(1.0)%</b>	<b>(7.3)%</b>

*Year Ended December 31, 2023, Compared With Year Ended December 31, 2022*

For the year ended December 31, 2023, net revenues decreased 1.0% to \$4.3 billion from \$4.4 billion in 2022. The decrease was primarily attributable to lower advisory and transactional revenues, partially offset by higher net interest income, asset management, and capital-raising revenues.

**Commissions** – Commission revenues are primarily generated from agency transactions in OTC and listed equity securities, insurance products, and options. In addition, commission revenues also include distribution fees for promoting and distributing mutual funds.

For the year ended December 31, 2023, commission revenues decreased 5.2% to \$673.6 million from \$710.6 million in 2022.

**Principal transactions** – Principal transaction revenues are gains and losses on secondary trading, principally fixed income transactional revenues.

For the year ended December 31, 2023, principal transactions revenues decreased 7.3% to \$490.4 million from \$529.0 million in 2022.

**Transactional revenues** – For the year ended December 31, 2023, transactional revenues decreased 6.1% to \$1.16 billion from \$1.24 billion in 2022 as a result of a decrease in client activity. Broad macroeconomic and geopolitical concerns led to volatility in global equity prices.

**Investment banking** – Investment banking revenues include: (i) capital-raising revenues representing fees earned from the underwriting of debt and equity securities, and (ii) advisory fees related to corporate debt and equity offerings, municipal debt offerings, merger and acquisitions, private placements, and other investment banking advisory fees.

For the year ended December 31, 2023, investment banking revenues decreased 24.7% to \$731.3 million from \$971.5 million in 2022.

Capital-raising revenues increased 3.4% to \$265.7 million for the year ended December 31, 2023, from \$256.9 million in 2022. For the year ended December 31, 2023, equity capital-raising revenues increased 1.6% to \$114.6 million from \$112.7 million in 2022 driven by higher volumes during 2023. For the year ended December 31, 2023, fixed income capital-raising revenues increased 4.8% to \$151.1 million from \$144.2 million in 2022 driven by an increase in our corporate debt issuance business.

Advisory revenues decreased 34.8% to \$465.6 million for the year ended December 31, 2023, from \$714.6 million in 2022. The decrease is primarily attributable to lower levels of completed advisory transactions during 2023.

**Asset management** – Asset management revenues include fees for asset-based financial services provided to individuals and institutional clients. Investment advisory fees are charged based on the value of assets in fee-based accounts. Asset management revenues are affected by changes in the balances of client assets due to market fluctuations and levels of net new client assets.

For the year ended December 31, 2023, asset management revenues increased 2.9% to a record \$1.30 billion from \$1.26 billion in 2022. The increase is primarily attributable to higher asset values. Please refer to “Asset management” in the Global Wealth Management segment discussion for information on the changes in asset management revenues.

**Other income** – For the year ended December 31, 2023, other income decreased 55.6% to \$8.7 million from \$19.7 million during 2022. The decrease is primarily attributable to losses on the sale of investments in the first quarter of 2023 and a decrease in loan origination fees.

*Year Ended December 31, 2022, Compared With Year Ended December 31, 2021*

For the year ended December 31, 2022, net revenues decreased 7.3% to \$4.4 billion from \$4.7 billion in 2021. The decrease was primarily attributable to lower capital-raising, advisory, and transactional revenues, partially offset by higher net interest income and asset management revenues.

**Commissions** – For the year ended December 31, 2022, commission revenues decreased 12.2% to \$710.6 million from \$809.5 million in 2021.

**Principal transactions** – For the year ended December 31, 2022, principal transactions revenues decreased 9.0% to \$529.0 million from \$581.2 million in 2021.

**Transactional revenues** – For the year ended December 31, 2022, transactional revenues decreased 10.9% to \$1.2 billion from \$1.4 billion in 2021 as a result of a decrease in client activity from significantly elevated levels a year ago. Broad macroeconomic and geopolitical concerns led to volatility in global equity prices. Institutional fixed income transactional revenue was impacted by the Vining Sparks acquisition, which closed in November 2021.

**Investment banking** – For the year ended December 31, 2022, investment banking revenues decreased 37.9% to \$971.5 million from \$1.6 billion in 2021.

Capital-raising revenues decreased 63.8% to \$256.9 million for the year ended December 31, 2022, from \$709.2 million in 2021. For the year ended December 31, 2022, equity capital-raising revenues decreased 76.3% to \$112.7 million from \$475.5 million in 2021. The decrease is primarily attributable to lower issuances in line with market volumes in an uncertain market environment. For the year ended December 31, 2022, fixed income capital-raising revenues decreased 38.3% to \$144.2 million from \$233.7 million in 2021 as macroeconomic conditions contributed to lower bond issuances during 2022.

Advisory revenue decreased 16.5% to \$714.6 million for the year ended December 31, 2022, from \$856.1 million in 2021. The decrease is primarily attributable to lower levels of completed advisory transactions during 2022.

**Asset management** – For the year ended December 31, 2022, asset management revenues increased 4.7% to \$1.3 billion from \$1.2 billion in 2021. The increase is primarily attributable to strong fee-based asset flows. Please refer to “Asset management” in the Global Wealth Management segment discussion for information on the changes in asset management revenues.

**Other income** – For the year ended December 31, 2022, other income decreased 72.7% to \$19.7 million from \$72.1 million in 2021. The decrease is primarily attributable to a decrease in mortgage loan origination fees and lower investment gains over 2021.

## NET INTEREST INCOME

The following tables present average balance data and operating interest revenue and expense data, as well as related interest yields for the periods indicated (*in thousands, except rates*):

	For the Year Ended								
	December 31, 2023			December 31, 2022			December 31, 2021		
	Average Balance	Interest Income/Expense	Average Interest Rate	Average Balance	Interest Income/Expense	Average Interest Rate	Average Balance	Interest Income/Expense	Average Interest Rate
<b>Interest-earning assets:</b>									
Interest-bearing cash and federal funds sold	\$ 2,394,404	\$ 123,363	5.15 %	\$ 1,346,939	\$ 29,996	2.23 %	\$ 1,617,859	\$ 3,794	0.23 %
Financial instruments owned	895,020	16,726	1.87	1,059,013	20,545	1.94	987,188	15,041	1.52
Margin balances	786,264	61,138	7.78	1,060,724	43,751	4.12	1,043,515	25,780	2.47
Investment portfolio	7,735,535	467,199	6.04	7,670,470	247,755	3.23	6,974,668	129,858	1.86
Loans	20,738,634	1,253,008	6.04	19,457,051	752,273	3.87	13,407,458	378,086	2.82
Other interest-bearing assets	764,679	34,311	4.49	936,508	4,795	0.51	686,610	(4,159)	(0.61)
<b>Total interest-earning assets/interest income</b>	<b>\$33,314,536</b>	<b>\$1,955,745</b>	<b>5.87 %</b>	<b>\$31,530,705</b>	<b>\$1,099,115</b>	<b>3.49%</b>	<b>\$24,717,298</b>	<b>\$548,400</b>	<b>2.22 %</b>
<b>Interest-bearing liabilities:</b>									
Short-term borrowings	\$ 2,412	\$ 144	5.97 %	\$ 1,323	\$ 23	1.74 %	\$ 2,140	\$ 10	0.49 %
Stock loan	147,904	(8,028)	(5.43)	334,712	(16,642)	(4.97)	230,208	(17,348)	(7.54)
Senior notes	1,115,052	50,025	4.49	1,113,977	44,424	3.99	1,112,899	47,500	4.27
Stifel Capital Trusts	60,000	4,363	7.27	60,000	2,090	3.48	60,000	1,197	1.99
Deposits	27,267,429	724,857	2.66	25,170,404	146,636	0.58	19,227,385	4,510	0.02
Federal Home Loan Bank advances	1,371	68	4.99	238,508	4,094	1.72	54,972	164	0.30
Other interest-bearing liabilities	1,027,985	38,907	3.78	1,067,725	20,762	1.94	1,070,764	9,965	0.93
<b>Total interest-bearing liabilities/interest expense</b>	<b>\$ 29,622,153</b>	<b>\$ 810,336</b>	<b>2.74 %</b>	<b>\$27,986,649</b>	<b>\$ 201,387</b>	<b>0.72 %</b>	<b>\$21,758,368</b>	<b>\$ 45,998</b>	<b>0.21 %</b>
<b>Net interest income/margin</b>		<b>\$1,145,409</b>	<b>3.44 %</b>		<b>\$ 897,728</b>	<b>2.85 %</b>		<b>\$502,402</b>	<b>2.03 %</b>

Please refer to the Distribution of Assets, Liabilities, and Shareholders' Equity; Interest Rates and Interest Differential table included in "Results of Operations – Global Wealth Management" for additional information on Stifel Bancorp's average balances and interest income and expense.

### Year Ended December 31, 2023, Compared With Year Ended December 31, 2022

**Net interest income** – Net interest income is the difference between interest earned on interest-earning assets and interest paid on funding sources. Net interest income is affected by changes in the volume and mix of these assets and liabilities, as well as by fluctuations in interest rates and portfolio management strategies. For the year ended December 31, 2023, net interest income increased 27.6% to \$1.1 billion from \$897.7 million in 2022.

For the year ended December 31, 2023, interest revenue increased 77.9% to \$2.0 billion from \$1.1 billion in 2022, principally as a result of higher interest rates and an increase in interest-earning assets. The average interest-earning assets of Stifel Bancorp increased to \$29.9 billion during the year ended December 31, 2023, compared to \$27.8 billion in 2022 at average interest rates of 6.01% and 3.66%, respectively.

For the year ended December 31, 2023, interest expense increased 302.4% to \$810.3 million from \$201.4 million in 2022. The increase is primarily attributable to higher interest rates and higher interest-bearing liabilities. The average interest-bearing liabilities of Stifel Bancorp increased to \$27.3 billion during the

year ended December 31, 2023, compared to \$25.4 billion in 2022 at average interest rates of 2.66% and 0.59%, respectively.

### Year Ended December 31, 2022, Compared With Year Ended December 31, 2021

**Net interest income** – For the year ended December 31, 2022, net interest income increased 78.7% to \$897.7 million from \$502.4 million in 2021.

For the year ended December 31, 2022, interest revenue increased 100.4% to \$1.1 billion from \$548.4 million in 2021, principally as a result of higher interest rates and an increase in interest-earning assets. The average interest-earning assets of Stifel Bancorp increased to \$27.8 billion during the year ended December 31, 2022, compared to \$21.2 billion in 2021 at average interest rates of 3.66% and 2.40%, respectively.

For the year ended December 31, 2022, interest expense increased 337.8% to \$201.4 million from \$46.0 million in 2021. The increase is primarily attributable to higher interest rates and higher interest-bearing liabilities. The average interest-bearing liabilities of Stifel Bancorp increased to \$25.4 billion during the year ended December 31, 2022, compared to \$19.3 billion in 2021 at average interest rates of 0.59% and 0.02%, respectively.

## NON-INTEREST EXPENSES

The following table presents consolidated non-interest expenses for the periods indicated (*in thousands, except percentages*):

	For the Year Ended December 31,			Percentage Change	
	2023	2022	2021	2023	2022
				vs. 2022	vs. 2021
<b>Non-interest expenses:</b>					
Compensation and benefits	\$2,554,581	\$2,586,232	\$2,820,301	(1.2)%	(8.3)%
Occupancy and equipment rental	339,322	313,247	290,243	8.3	7.9
Communications and office supplies	184,652	175,135	165,490	5.4	5.8
Commissions and floor brokerage	58,344	57,752	59,681	1.0	(3.2)
Provision for credit losses	24,999	33,506	(11,502)	(25.4)	391.3
Other operating expenses	480,354	340,451	345,794	41.1	(1.5)
<b>Total non-interest expenses</b>	<b>\$3,642,252</b>	<b>\$3,506,323</b>	<b>\$3,670,007</b>	<b>3.9 %</b>	<b>(4.5)%</b>



*Year Ended December 31, 2023, Compared With Year Ended December 31, 2022*

**Compensation and benefits** – Compensation and benefits expenses, which are the largest component of our expenses, include salaries, bonuses, transition pay, benefits, amortization of stock-based compensation, employment taxes, and other associate-related costs. A significant portion of compensation expense is comprised of production-based variable compensation, including discretionary bonuses, which fluctuates in proportion to the level of business activity, increasing with higher revenues and operating profits. Other compensation costs, including base salaries, stock-based compensation amortization, and benefits, are more fixed in nature.

For the year ended December 31, 2023, compensation and benefits expense decreased 1.2% to \$2.55 billion from \$2.59 billion in 2022. The decrease in compensation and benefits expenses is primarily attributable to lower variable compensation expense. Compensation and benefits expense as a percentage of net revenues was 58.7% for the year ended December 31, 2023, compared to 58.9% for the year ended December 31, 2022. The compensation ratio benefited from higher net interest income, which is a relatively low compensatory revenue source.

**Occupancy and equipment rental** – For the year ended December 31, 2023, occupancy and equipment rental expense increased 8.3% to \$339.3 million from \$313.2 million in 2022. The increase is primarily attributable to higher occupancy, data processing, and furniture and equipment costs associated with the continued investments made in our business.

**Communications and office supplies** – Communications expense includes costs for telecommunication and data transmission, primarily for obtaining third-party market data information. For the year ended December 31, 2023, communications and office supplies expense increased 5.4% to \$184.7 million from \$175.1 million in 2022. The increase is primarily attributable to higher communication and quote equipment expenses associated with the continued investments made in our business.

**Commissions and floor brokerage** – For the year ended December 31, 2023, commissions and floor brokerage expense increased 1.0% to \$58.3 million from \$57.8 million in 2022. The increase is primarily attributable to higher electronic communication network (“ECN”) trading costs and processing expenses, partially offset by lower clearing expenses.

**Provision for credit losses** – For the year ended December 31, 2023, provision for credit losses decreased 25.4% to \$25.0 million from \$33.5 million in 2022. Provision for credit losses was primarily impacted by a slightly better macroeconomic forecast, partially offset by a deterioration in certain asset classes.

**Other operating expenses** – Other operating expenses primarily include license and registration fees, litigation-related expenses, which consist of amounts we accrue and/or pay out for legal and regulatory matters, travel and entertainment, promotional, investment banking deal costs, and professional service expenses.

For the year ended December 31, 2023, other operating expenses increased 41.1% to \$480.4 million from \$340.5 million in 2022. Elevated provisions for legal and regulatory matters during the third quarter of 2023 accounted for approximately \$67 million of the increase, with the remainder primarily resulting from higher travel and entertainment expenses, FDIC-insurance expense, professional fees, advertising, conference-related expenses, and subscriptions, partially offset by lower investment banking transaction expenses.

**Provision for income taxes** – For the year ended December 31, 2023, our provision for income taxes was \$184.2 million, representing an effective tax rate of 26.1%, compared to \$223.0 million in 2022, representing an effective tax rate of 25.2%. The effective tax rate in 2023 was impacted by the benefit related to the tax impact on stock-based compensation and the non-deductibility of the provision for legal and regulatory matters recorded during the third quarter of 2023.

*Year Ended December 31, 2022, Compared With Year Ended December 31, 2021*

Except as noted in the following discussion of variances, the underlying reasons for the increase in non-interest expenses can be attributed principally to our continued expansion, both organically and through our acquisitions, and increased administrative overhead to support the growth in our segments.

**Compensation and benefits** – For the year ended December 31, 2022, compensation and benefits expense decreased 8.3% to \$2.6 billion from \$2.8 billion in 2021. The decrease in compensation and benefits expenses is primarily attributable to lower variable compensation expense.

Compensation and benefits expense as a percentage of net revenues was 58.9% for the year ended December 31, 2022, compared to 59.5% for the year ended December 31, 2021. The compensation ratio benefited from higher net interest income, which is a relatively low compensatory revenue source.

**Occupancy and equipment rental** – For the year ended December 31, 2022, occupancy and equipment rental expense increased 7.9% to \$313.2 million from \$290.2 million in 2021. The increase is primarily attributable to higher data processing and furniture and equipment costs associated with the continued investments made in our business.

**Communications and office supplies** – For the year ended December 31, 2022, communications and office supplies expense increased 5.8% to \$175.1 million from \$165.5 million in 2021. The increase is primarily attributable to higher communication and quote equipment expenses associated with the continued investments made in our business.

**Commissions and floor brokerage** – For the year ended December 31, 2022, commissions and floor brokerage expense decreased 3.2% to \$57.8 million from \$59.7 million in 2021. The decrease is primarily attributable to lower clearing expenses and ECN trading costs, partially offset by higher processing expenses.

**Provision for credit losses** – For the year ended December 31, 2022, provision for credit losses increased 391.3% to \$33.5 million from a credit of \$11.5 million in 2021. Provision for credit losses was primarily impacted by growth in the loan portfolio during the year, as credit quality remained strong. The provision for credit losses in 2021 included a release related to loans sold at a premium.

**Other operating expenses** – For the year ended December 31, 2022, other operating expenses decreased 1.5% to \$340.5 million from \$345.8 million in 2021. The decrease is primarily attributable to lower investment banking transaction expenses and settlement-related expenses, partially offset by increases in travel and entertainment expenses, conference-related expenses, subscriptions, advertising, FDIC-insurance expense, and professional fees. Other operating expense was impacted by the recognition of additional earn-out expense recorded during 2021.

**Provision for income taxes** – For the year ended December 31, 2022, our provision for income taxes was \$223.0 million, representing an effective tax rate of 25.2%, compared to \$242.2 million in 2021, representing an effective tax rate of 22.7%. The effective tax rate in 2022 was substantially driven by the impact of a reduced tax benefit from stock conversions and foreign operations.

## SEGMENT ANALYSIS

Our reportable segments include Global Wealth Management, Institutional Group, and Other.

Our Global Wealth Management segment consists of two businesses, the Private Client Group and Stifel Bancorp. The Private Client Group includes branch offices and independent contractor offices of our broker-dealer subsidiaries located throughout the United States. These branches provide securities brokerage services, including the sale of equities, mutual funds, fixed income products, and insurance, as well as offering banking products to their private clients through our bank subsidiaries, which provide residential, consumer, and commercial lending, as well as FDIC-insured deposit accounts to customers of our broker-dealer subsidiaries and to the general public.

The success of our Global Wealth Management segment is dependent upon the quality of our products, services, financial advisors, and support personnel, including our ability to attract, retain, and motivate a sufficient number of these associates. We face competition for qualified associates from major financial services companies, including other brokerage firms, insurance companies, banking institutions, and discount brokerage firms. Segment revenue growth, operating income, and segment pre-tax operating margin are used to evaluate and measure segment performance by our management team in deciding how to allocate resources and in assessing performance.

The Institutional Group segment includes institutional sales and trading. It provides securities brokerage, trading, and research services to institutions with an emphasis on the sale of equity and fixed income products. This segment also includes the management of and participation in underwritings for both corporate and public finance (exclusive of sales credits generated through the Private Client Group, which are included in the Global Wealth Management segment), merger and acquisition, and financial advisory services.

The success of our Institutional Group segment is dependent upon the quality of our personnel, the quality and selection of our investment products and services, pricing (such as execution pricing and fee levels), and reputation. Segment operating income and segment pre-tax operating margin are used to evaluate and measure segment performance by our management team in deciding how to allocate resources and in assessing performance.

The Other segment includes interest income and expense from stock borrow activities, unallocated interest expense, interest income and gains and losses from investments held, amortization of stock-based awards, and all unallocated overhead cost associated with the execution of orders; processing of securities transactions; custody of client securities; receipt, identification, and delivery of funds and securities; compliance with regulatory and legal requirements; internal financial accounting and controls; and general administration and acquisition charges.

## Results of Operations – Global Wealth Management

The following table presents consolidated financial information for the Global Wealth Management segment for the periods indicated (*in thousands, except percentages*):

	For the Year Ended December 31,			Percentage Change		As a Percentage of Net Revenues for the Year Ended December 31,		
	2023	2022	2021	2023 vs. 2022	2022 vs. 2021	2023	2022	2021
	<b>Revenues:</b>							
Commissions	\$ 444,949	\$ 473,638	\$ 567,491	(6.1)%	(16.5)%	14.6 %	16.8 %	21.8 %
Principal transactions	209,282	195,274	207,474	7.2	(5.9)	6.9	6.9	8.0
<i>Transactional revenues</i>	654,231	668,912	774,965	(2.2)	(13.7)	21.5	23.7	29.8
Asset management	1,299,361	1,262,841	1,206,406	2.9	4.7	42.6	44.7	46.4
Interest	1,861,873	1,062,710	538,940	75.2	97.2	61.0	37.6	20.7
Investment banking	16,680	19,515	48,210	(14.5)	(59.5)	0.5	0.7	1.9
Other income	(6,938)	(5,182)	57,563	(33.9)	(109.0)	(0.2)	(0.2)	2.2
<b>Total revenues</b>	<b>3,825,207</b>	<b>3,008,796</b>	<b>2,626,084</b>	<b>27.1</b>	<b>14.6</b>	<b>125.4</b>	<b>106.5</b>	<b>101.0</b>
Interest expense	775,245	182,930	27,247	323.8	571.4	25.4	6.5	1.0
<b>Net revenues</b>	<b>3,049,962</b>	<b>2,825,866</b>	<b>2,598,837</b>	<b>7.9</b>	<b>8.7</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Non-interest expenses:</b>								
Compensation and benefits	1,415,210	1,368,576	1,370,308	3.4	(0.1)	46.4	48.4	52.7
Occupancy and equipment rental	165,776	153,079	138,644	8.3	10.4	5.4	5.4	5.3
Communication and office supplies	63,345	60,791	56,378	4.2	7.8	2.1	2.2	2.2
Commissions and floor brokerage	25,458	25,983	26,007	(2.0)	(0.1)	0.8	0.9	1.0
Provision for credit losses	22,699	33,506	(11,502)	(32.3)	391.3	0.7	1.2	(0.4)
Other operating expenses	141,652	116,360	104,049	21.7	11.8	4.7	4.1	4.0
<b>Total non-interest expenses</b>	<b>1,834,140</b>	<b>1,758,295</b>	<b>1,683,884</b>	<b>4.3</b>	<b>4.4</b>	<b>60.1</b>	<b>62.2</b>	<b>64.8</b>
<b>Income before income taxes</b>	<b>\$1,215,822</b>	<b>\$1,067,571</b>	<b>\$ 914,953</b>	<b>13.9 %</b>	<b>16.7 %</b>	<b>39.9 %</b>	<b>37.8 %</b>	<b>35.2 %</b>

	December 31,		
	2023	2022	2021
Branch offices	398	398	396
Financial advisors	2,278	2,242	2,227
Independent contractors	108	102	91
<b>Total financial advisors</b>	<b>2,386</b>	<b>2,344</b>	<b>2,318</b>

Year Ended December 31, 2023, Compared With Year Ended December 31, 2022

### NET REVENUES

For the year ended December 31, 2023, Global Wealth Management net revenues increased 7.9% to a record \$3.0 billion from \$2.8 billion in 2022. The increase in net revenues is primarily attributable to increases in net interest income, asset management revenues, and principal transaction revenues, partially offset by lower commission revenues and investment banking revenues.

**Commissions** – For the year ended December 31, 2023, commission revenues decreased 6.1% to \$444.9 million from \$473.6 million in 2022. The decrease is primarily attributable to a decrease in equities trading and mutual funds revenue.

**Principal transactions** – For the year ended December 31, 2023, principal transactions revenues increased 7.2% to \$209.3 million from \$195.3 million in 2022.

**Transactional revenues** – For the year ended December 31, 2023, transactional revenues decreased 2.2% to \$654.2 million from \$668.9 million in 2022 as a result of a decrease in client activity amid uncertainty in the markets, partially offset by an increase in fixed income revenue as our rates business began to rebound in the fourth quarter from the weakness tied to the bank failures, higher rates, and an inverted yield curve.

**Asset management** – For the year ended December 31, 2023, asset management revenues increased 2.9% to a record \$1.30 billion from \$1.26 billion in 2022. The increase is primarily attributable to higher asset values and strong fee-based asset flows. Fee-based account revenues are primarily billed based on asset values at the end of the prior quarter.

Client asset metrics as of the periods indicated (*in thousands*):

	December 31,			Percentage Change	
	2023	2022	2021	2023 vs. 2022	2022 vs. 2021
	Client assets	\$444,318,000	\$389,818,000	\$435,978,000	14.0%
Fee-based client assets	\$165,301,000	\$144,952,000	\$162,428,000	14.0	(10.8)
Number of client accounts	1,213,000	1,183,000	1,125,000	2.5	5.2
Number of fee-based client accounts	333,000	319,000	298,000	4.4	7.0

The increase in the value of our client assets and fee-based assets was primarily attributable to improved market conditions and asset growth resulting from our recruiting efforts.

**Interest revenue** – For the year ended December 31, 2023, interest revenue increased 75.2% to \$1.9 billion from \$1.1 billion in 2022. The increase is primarily attributable to higher interest-earning assets and higher interest rates. Please refer to the Distribution of Assets, Liabilities, and Shareholders' Equity; Interest Rates and Interest Differential table below for additional information on Stifel Bancorp's average balances and interest income and expense.

**Investment banking** – Investment banking, which represents sales credits for investment banking underwritings, decreased 14.5% to \$16.7 million for the year ended December 31, 2023, from \$19.5 million in 2022. Please refer to "Investment banking" in the Institutional Group segment discussion for information on the changes in investment banking revenues.

**Other income** – For the year ended December 31, 2023, other income decreased 33.9% to a loss of \$6.9 million from a loss of \$5.2 million in 2022. The decrease is primarily attributable to losses on the sale of investments in the first quarter of 2023 and a decrease in loan origination fees.

**Interest expense** – For the year ended December 31, 2023, interest expense increased 323.8% to \$775.2 million from \$182.9 million in 2022. The increase in interest expense is primarily attributable to higher interest rates and higher interest-bearing liabilities. Please refer to the Distribution of Assets, Liabilities, and Shareholders' Equity; Interest Rates and Interest Differential table below for additional information on Stifel Bancorp's average balances and interest income and expense.

#### NON-INTEREST EXPENSES

For the year ended December 31, 2023, Global Wealth Management non-interest expenses increased 4.3% to \$1.83 billion from \$1.76 billion in 2022.

**Compensation and benefits** – For the year ended December 31, 2023, compensation and benefits expense increased 3.4% to \$1.42 billion from \$1.37 billion in 2022. The increase is primarily attributable to increased variable compensation from our continued recruiting efforts.

Compensation and benefits expense as a percentage of net revenues was 46.4% for the year ended December 31, 2023, compared to 48.4% in 2022. The decrease is primarily as a result of higher net interest income, which is a relatively low compensatory revenue source.

**Occupancy and equipment rental** – For the year ended December 31, 2023, occupancy and equipment rental expense increased 8.3% to \$165.8 million from \$153.1 million in 2022. The increase is primarily attributable to higher occupancy and furniture and equipment costs and higher data processing costs associated with an increase in business activity.

**Communications and office supplies** – For the year ended December 31, 2023, communications and office supplies expense increased 4.2% to \$63.3 million from \$60.8 million in 2022. The increase is primarily attributable to higher postage and shipping expenses and communication and quote equipment expenses associated with the continued growth of our business.

**Commissions and floor brokerage** – For the year ended December 31, 2023, commissions and floor brokerage expense decreased 2.0% to \$25.5 million from 26.0 million in 2022. The decrease is primarily attributable to lower clearing expenses.

**Provision for credit losses** – For the year ended December 31, 2023, provision for credit losses decreased 32.3% to \$22.7 million from \$33.5 million in 2022. Provision for credit losses was primarily impacted by a slightly better macroeconomic forecast, partially offset by a deterioration in certain asset classes.

**Other operating expenses** – For the year ended December 31, 2023, other operating expenses increased 21.7% to \$141.7 million from \$116.4 million in 2022. The increase is primarily attributable to increases in FDIC-insurance expense, travel and conference-related expenses, legal costs, and subscription expense, partially offset by lower advertising expense and professional fees.

#### INCOME BEFORE INCOME TAXES

For the year ended December 31, 2023, income before income taxes increased 13.9% to \$1.2 billion from \$1.1 billion in 2022. Profit margins (income before income taxes as a percent of net revenues) have increased to 39.9% for the year ended December 31, 2023, from 37.8% in 2022. The improved profit margin is a result of strong revenue growth and our continued expense discipline, as well as a change in the composition of revenue (higher net interest income).

#### Year Ended December 31, 2022, Compared With Year Ended December 31, 2021

#### NET REVENUES

For the year ended December 31, 2022, Global Wealth Management net revenues increased 8.7% to \$2.8 billion from \$2.6 billion in 2021. The increase in net revenues is primarily attributable to increases in net interest income and asset management revenues, partially offset by lower transactional revenues, other income, and investment banking revenues.

**Commissions** – For the year ended December 31, 2022, commission revenues decreased 16.5% to \$473.6 million from \$567.5 million in 2021. The decrease is primarily attributable to a decrease in equities trading and mutual funds revenue.

**Principal transactions** – For the year ended December 31, 2022, principal transactions revenues decreased 5.9% to \$195.3 million from \$207.5 million in 2021.

**Transactional revenues** – For the year ended December 31, 2022, transactional revenues decreased 13.7% to \$668.9 million from \$775.0 million in the comparable period in 2021 as a result of a decrease in client activity from significantly elevated levels a year ago.

**Asset management** – For the year ended December 31, 2022, asset management revenues increased 4.7% to \$1.3 billion from \$1.2 billion in 2021. The increase is primarily attributable to strong fee-based asset flows. Fee-based account revenues are primarily billed based on asset values at the end of the prior quarter.

The value of assets in fee-based accounts at December 31, 2022, decreased 10.8% to \$145.0 billion from \$162.4 billion at December 31, 2021.

**Interest revenue** – For the year ended December 31, 2022, interest revenue increased 97.2% to \$1.1 billion from \$538.9 million in 2021. The increase is primarily attributable to higher interest-earning assets and higher interest rates. Please refer to the Distribution of Assets, Liabilities, and Shareholders' Equity; Interest Rates and Interest Differential table below for additional information on Stifel Bancorp's average balances and interest income and expense.

**Investment banking** – Investment banking decreased 59.5% to \$19.5 million for the year ended December 31, 2022, from \$48.2 million in 2021. Please refer to "Investment banking" in the Institutional Group segment discussion for information on the changes in investment banking revenues.

**Other income** – For the year ended December 31, 2022, other income decreased 109.0% to a loss of \$5.2 million from \$57.6 million in 2021. The decrease is primarily attributable to lower investment gains and a decrease in mortgage loan origination fees.

**Interest expense** – For the year ended December 31, 2022, interest expense increased 571.4% to \$182.9 million from \$27.2 million in 2021. The increase in interest expense is primarily attributable to higher interest rates and higher interest-bearing liabilities. Please refer to the Distribution of Assets, Liabilities, and Shareholders' Equity; Interest Rates and Interest Differential table below for additional information on Stifel Bancorp's average balances and interest income and expense.

#### NON-INTEREST EXPENSES

For the year ended December 31, 2022, Global Wealth Management non-interest expenses increased 4.4% to \$1.8 billion from \$1.7 billion in 2021.

**Compensation and benefits** – For the year ended December 31, 2022, compensation and benefits expense of \$1.4 billion remained consistent with 2021.

Compensation and benefits expense as a percentage of net revenues was 48.4% for the year ended December 31, 2022, compared to 52.7% in 2021. The decrease is primarily as a result of higher net interest income.

**Occupancy and equipment rental** – For the year ended December 31, 2022, occupancy and equipment rental expense increased 10.4% to \$153.1 million from \$138.6 million in 2021. The increase is primarily attributable to higher data processing costs associated with an increase in business activity and higher occupancy costs as a result of an increase in locations.

**Communications and office supplies** – For the year ended December 31, 2022, communications and office supplies expense increased 7.8% to \$60.8 million from \$56.4 million in 2021. The increase is primarily attributable to higher communication and quote equipment expenses associated with the continued growth of our business.

**Commissions and floor brokerage** – For the year ended December 31, 2022, commissions and floor brokerage expense of \$26.0 million remained consistent with 2021.

**Provision for credit losses** – For the year ended December 31, 2022, provision for credit losses increased 391.3% to \$33.5 million from a credit of \$11.5 million in 2021. Provision for credit losses was primarily impacted by growth in the loan portfolio during the year, as credit quality remained strong. The provision for credit losses in 2021 included a release related to loans sold at a premium.

**Other operating expenses** – For the year ended December 31, 2022, other operating expenses increased 11.8% to \$116.4 million from \$104.0 million in 2021. The increase is primarily attributable to increases in settlement costs, subscriptions, FDIC-insurance expense, and professional fees, partially offset by lower travel and entertainment and conference-related expenses.

#### INCOME BEFORE INCOME TAXES

For the year ended December 31, 2022, income before income taxes increased 16.7% to \$1.1 billion from \$915.0 million in 2021. Profit margins (income before income taxes as a percent of net revenues) increased to 37.8% for the year ended December 31, 2022, from 35.2% in 2021. The improved profit margin is a result of strong revenue growth and our continued expense discipline, as well as a change in the composition of revenue (higher net interest income).

#### I. Distribution of Assets, Liabilities, and Shareholders' Equity; Interest Rates and Interest Differential

The following tables present average balance data and operating interest revenue and expense data for Stifel Bancorp, as well as related interest yields for the periods indicated (*in thousands, except rates*):

	For the Year Ended					
	December 31, 2023			December 31, 2022		
	Average Balance	Interest Income/Expense	Average Interest Rate	Average Balance	Interest Income/Expense	Average Interest Rate
<b>Assets:</b>						
Interest-bearing cash and federal funds sold	\$ 1,358,817	\$ 74,486	5.48%	\$ 603,840	\$ 13,915	2.30%
U.S. government agencies	2,359	49	2.10	2,493	42	1.70
State and municipal securities (tax-exempt) <sup>(1)</sup>	2,350	71	3.00	2,361	49	2.06
Mortgage-backed securities	963,414	21,355	2.22	1,008,770	19,840	1.97
Corporate fixed income securities	624,079	17,060	2.73	724,184	19,627	2.71
Asset-backed securities	6,143,333	428,664	6.98	5,932,662	208,197	3.51
Federal Home Loan Bank and other capital stock	62,517	2,602	4.16	62,339	2,612	4.19
Loans <sup>(2)</sup>						
Securities-based loans	2,440,912	170,699	6.99	2,879,651	106,758	3.71
Commercial and industrial	4,491,531	378,277	8.42	4,784,928	241,792	5.05
Fund banking	4,256,903	323,120	7.59	3,750,297	160,780	4.29
Residential real estate	7,731,478	241,730	3.13	6,517,911	175,545	2.69
Commercial real estate	670,556	49,715	7.41	649,663	28,937	4.45
Home equity lines of credit	116,668	9,512	8.15	98,120	4,627	4.72
Construction and land	770,563	63,134	8.19	508,676	24,624	4.84
Other	49,577	3,193	6.44	39,391	1,873	4.75
Loans held for sale	210,446	13,628	6.48	228,414	7,337	3.21
<b>Total interest-earning assets<sup>(3)</sup></b>	<b>\$29,895,503</b>	<b>\$1,797,295</b>	<b>6.01%</b>	<b>\$27,793,700</b>	<b>\$1,016,555</b>	<b>3.66%</b>
Cash and due from banks	9,127			15,954		
Other non-interest-earning assets	140,958			117,016		
<b>Total assets</b>	<b>\$30,045,588</b>			<b>\$27,926,670</b>		
<b>Liabilities and stockholders' equity:</b>						
<b>Deposits:</b>						
Money market	\$24,967,085	\$ 632,251	2.53%	\$23,771,966	\$ 125,816	0.53%
Time deposits	2,535	75	2.95	16,976	456	2.69
Demand deposits	2,297,253	92,527	4.03	1,327,711	18,812	1.42
Savings	556	4	0.72	53,751	1,552	2.89
Federal Home Loan Bank advances	1,371	68	4.99	238,508	4,094	1.72
Other borrowings	19,076	1,725	9.04	966	141	14.63
<b>Total interest-bearing liabilities<sup>(3)</sup></b>	<b>\$27,287,876</b>	<b>\$ 726,650</b>	<b>2.66%</b>	<b>\$25,409,878</b>	<b>\$ 150,871</b>	<b>0.59%</b>
Non-interest-bearing deposits	382,686			515,767		
Other non-interest-bearing liabilities	153,543			108,896		
<b>Total liabilities</b>	<b>\$27,824,105</b>			<b>\$26,034,541</b>		
Stockholders' equity	2,221,483			1,892,129		
<b>Total liabilities and stockholders' equity</b>	<b>\$30,045,588</b>			<b>\$27,926,670</b>		
<b>Net interest income/spread</b>		<b>\$1,070,645</b>	<b>3.35%</b>		<b>\$ 865,684</b>	<b>3.07%</b>
<b>Net interest margin</b>			<b>3.58%</b>			<b>3.11%</b>

<sup>(1)</sup> Due to the immaterial amount of income recognized on tax-exempt securities, yields were not calculated on a tax-equivalent basis.

<sup>(2)</sup> Loans on nonaccrual status are included in average balances.

<sup>(3)</sup> Please refer to the Net Interest Income table included in "Results of Operations" for additional information on our company's average balances and operating interest and expenses.



	For the Year Ended December 31, 2021		
	Average Balance	Interest Income/Expense	Average Interest Rate
<b>Assets:</b>			
Interest-bearing cash and federal funds sold	\$ 820,424	\$ 1,149	0.14%
U.S. government agencies	2,960	63	2.15
State and municipal securities (tax-exempt) <sup>(1)</sup>	2,384	47	1.97
Mortgage-backed securities	1,027,372	15,331	1.49
Corporate fixed income securities	730,526	21,056	2.88
Asset-backed securities	5,211,426	93,361	1.79
Federal Home Loan Bank and other capital stock	45,087	1,315	2.92
Loans <sup>(2)</sup>			
Securities-based loans	2,353,621	45,448	1.93
Commercial and industrial	3,953,320	137,618	3.48
Fund banking	1,136,392	34,003	2.99
Residential real estate	4,557,592	119,162	2.61
Commercial real estate	381,550	12,187	3.19
Home equity lines of credit	79,387	2,266	2.85
Construction and land	557,406	18,015	3.23
Other	37,835	805	2.13
Loans held for sale	350,355	8,582	2.45
<b>Total interest-earning assets<sup>(3)</sup></b>	<b>\$ 21,247,637</b>	<b>\$ 510,408</b>	<b>2.40%</b>
Cash and due from banks	27,096		
Other non-interest-earning assets	348,801		
<b>Total assets</b>	<b>\$ 21,623,534</b>		
<b>Liabilities and stockholders' equity:</b>			
Deposits:			
Money market	\$ 18,340,673	\$ 2,897	0.02%
Time deposits	58,549	1,108	1.89
Demand deposits	827,532	505	0.06
Savings	631	—	—
Federal Home Loan Bank advances	54,972	164	0.30
Other borrowings	1,269	119	9.37
<b>Total interest-bearing liabilities<sup>(3)</sup></b>	<b>\$ 19,283,626</b>	<b>\$ 4,793</b>	<b>0.02%</b>
Non-interest-bearing deposits	608,825		
Other non-interest-bearing liabilities	176,185		
<b>Total liabilities</b>	<b>\$ 20,068,636</b>		
Stockholders' equity	1,554,898		
<b>Total liabilities and stockholders' equity</b>	<b>\$ 21,623,534</b>		
Net interest income/spread		\$ 505,615	2.38%
Net interest margin			2.38%

<sup>(1)</sup>Due to immaterial amount of income recognized on tax-exempt securities, yields were not calculated on a tax-equivalent basis.

<sup>(2)</sup>Loans on nonaccrual status are included in average balances.

<sup>(3)</sup>Please refer to the Net Interest Income table included in "Results of Operations" for additional information on our company's average balances and operating interest and expenses.

**Net interest income** – Net interest income is the difference between interest earned on interest-earning assets and interest paid on funding sources. Net interest income is affected by changes in the volume and mix of these assets and liabilities, as well as by fluctuations in interest rates and portfolio management strategies.

For the year ended December 31, 2023, interest revenue for Stifel Bancorp of \$1.8 billion was generated from weighted-average interest-earning assets of \$29.9 billion at a weighted-average interest rate of 6.01%. For the year ended December 31, 2022, interest revenue for Stifel Bancorp of \$1.0 billion was generated from weighted-average interest-earning assets of \$27.8 billion at a weighted-average interest rate of 3.66%. For the year ended December 31, 2021, interest revenue for Stifel Bancorp of \$510.4 million was generated from weighted-average interest-earning assets of \$21.2 billion at a weighted-average interest rate of 2.40%. Interest-earning assets principally consist of residential,

commercial and industrial, fund banking, and securities-based loans, investment securities, and interest-bearing cash and federal funds sold.

For the year ended December 31, 2023, interest expense for Stifel Bancorp of \$726.7 million was incurred from weighted-average interest-bearing liabilities of \$27.3 billion at a weighted-average interest rate of 2.66%. For the year ended December 31, 2022, interest expense for Stifel Bancorp of \$150.9 million was incurred from weighted-average interest-bearing liabilities of \$25.4 billion at a weighted-average interest rate of 0.59%. For the year ended December 31, 2021, interest expense for Stifel Bancorp of \$4.8 million was incurred from weighted-average interest-bearing liabilities of \$19.3 billion at a weighted-average interest rate of 0.02%. Interest expense represents interest on customer money market accounts, time deposits, Federal Home Loan Bank advances, and other borrowings.

The following table sets forth an analysis of the effect on net interest income of volume and rate changes for the periods indicated (*in thousands*):

	Year Ended December 31, 2023 Compared to Year Ended December 31, 2022			Year Ended December 31, 2022 Compared to Year Ended December 31, 2021		
	Increase (decrease) due to			Increase (decrease) due to		
	Volume	Rate	Total	Volume	Rate	Total
<b>Interest income:</b>						
Interest-bearing cash and federal funds sold	\$ 28,807	\$ 31,764	\$ 60,571	\$ (222)	\$ 12,988	\$ 12,766
U.S. government agencies	(2)	9	7	(9)	(12)	(21)
State and municipal securities (tax-exempt)	(1)	23	22	(1)	3	2
Mortgage-backed securities	(830)	2,345	1,515	(272)	4,781	4,509
Corporate fixed income securities	(2,738)	171	(2,567)	(181)	(1,248)	(1,429)
Asset-backed securities	7,647	212,820	220,467	14,483	100,353	114,836
Federal Home Loan Bank and other capital stock	7	(17)	(10)	606	691	1,297
<b>Loans</b>						
Securities-based loans	(13,273)	77,214	63,941	11,984	49,326	61,310
Commercial and industrial	(13,825)	150,310	136,485	33,103	71,071	104,174
Fund banking	24,215	138,125	162,340	106,702	20,075	126,777
Residential real estate	35,506	30,679	66,185	52,696	3,687	56,383
Commercial real estate	959	19,819	20,778	10,727	6,023	16,750
Home equity lines of credit	1,006	3,879	4,885	627	1,734	2,361
Construction and land	16,421	22,089	38,510	(1,408)	8,017	6,609
Other	557	763	1,320	34	1,034	1,068
Loans held for sale	(528)	6,819	6,291	(11,851)	10,606	(1,245)
	<b>\$ 83,928</b>	<b>\$696,812</b>	<b>\$780,740</b>	<b>\$217,018</b>	<b>\$ 289,129</b>	<b>\$ 506,147</b>
<b>Interest expense:</b>						
<b>Deposits:</b>						
Money market	\$ 6,639	\$499,796	\$506,435	\$ 1,110	\$121,809	\$122,919
Time deposits	(431)	50	(381)	(1,598)	946	(652)
Demand deposits	20,921	52,794	73,715	485	17,822	18,307
Savings	(880)	(668)	(1,548)	152	1,400	1,552
Federal Home Loan Bank advances	(8,424)	4,398	(4,026)	1,622	2,308	3,930
Other borrowings	1,617	(33)	1,584	(18)	40	22
	<b>\$ 19,442</b>	<b>\$556,337</b>	<b>\$575,779</b>	<b>\$ 1,753</b>	<b>\$144,325</b>	<b>\$146,078</b>

Increases and decreases in interest revenue and interest expense result from changes in average balances (volume) of interest-earning bank assets and liabilities, as well as changes in average interest rates. The effect of changes in volume is determined by multiplying the change in volume by the previous year's average yield/cost. Similarly, the effect of rate changes is calculated by multiplying the change in average yield/cost by the previous year's volume. Changes applicable to both volume and rate have been allocated proportionately.

## II. Investment in Debt Securities

The maturities and related weighted-average yields of our debt securities not carried at fair value at December 31, 2023, are as follows (*in thousands, except rates*):

	Within 1 Year	1-5 Years	5-10 Years	After 10 Years	Total
Asset-backed securities	\$ —	\$ —	\$2,754,817	\$3,133,981	\$5,888,798
Weighted-average yield <sup>(1)</sup>	0.0%	0.00%	7.48%	7.71%	7.60%

<sup>(1)</sup> The weighted-average yield is computed using the expected maturity of each security weighted based on the amortized cost of each security.

## III. Loan Portfolio

The following table presents the maturities of each major loan category in Stifel Bancorp's loan portfolio held for investment for the periods indicated (*in thousands*):

	Within 1 Year	1-5 Years	5-15 Years	Over 15 Years	Total
Residential real estate	\$ —	\$ 922	\$ 748,329	\$7,298,396	\$ 8,047,647
Fund banking	2,902,921	729,812	393	—	3,633,126
Commercial and industrial	238,350	3,151,656	176,981	—	3,566,987
Securities-based loans	2,173,186	133,269	—	—	2,306,455
Construction and land	275,045	759,325	—	—	1,034,370
Commercial real estate	263,679	351,285	45,622	45	660,631
Home equity lines of credit	11,965	5,858	118,447	—	136,270
Other	55,980	—	—	1	55,981
	\$5,921,126	\$5,132,127	\$1,089,772	\$7,298,442	\$19,441,467

The sensitivity of loans with maturities in excess of one year at December 31, 2023, is as follows (*in thousands*):

<b>Variable or adjusted-rate loans</b>		
Residential real estate		\$ 5,991,212
Fund banking		730,205
Commercial and industrial		2,913,677
Securities-based loans		99,575
Construction and land		759,325
Commercial real estate		367,875
Home equity lines of credit		124,305
Other		—
		<b>\$10,986,174</b>
<b>Fixed-rate loans</b>		
Residential real estate		\$ 2,056,435
Fund banking		—
Commercial and industrial		414,960
Securities-based loans		33,694
Construction and land		—
Commercial real estate		29,077
Home equity lines of credit		—
Other		1
		<b>\$ 2,534,167</b>

The following table presents the Company's credit ratios, as well as the component of the ratio's calculation, for the periods indicated (*in thousands, except percentages*):

	As of and for the year ending December 31,		
	2023	2022	2021
<b>Allowance for credit losses to total loans outstanding</b>	<b>0.83%</b>	<b>0.72%</b>	<b>0.71%</b>
Allowance for credit losses	\$ 161,605	\$ 147,853	\$ 118,562
Retained loans outstanding	19,441,467	20,602,558	16,743,487
<b>Nonaccrual loans to total loans outstanding</b>	<b>0.22%</b>	<b>0.05%</b>	<b>0.10%</b>
Nonaccrual loans	\$ 42,221	\$ 10,102	\$ 17,193
Retained loans outstanding	19,441,467	20,602,558	16,743,487
<b>Allowance for credit losses to nonaccrual loans</b>	<b>3.83x</b>	<b>14.64x</b>	<b>6.90x</b>
Allowance for credit losses	\$ 161,605	\$ 147,853	\$ 118,562
Nonaccrual loans	42,221	10,102	17,193

The following table presents net charge-offs to average loans outstanding by major loan category for the year ended December 31, 2023 (in thousands, except percentages):

<b>Commercial and industrial</b>	0.20%
Net charge-off during the period	\$ 9,100
Average amount outstanding	4,491,531
<b>Residential real estate</b>	0.00%
Net charge-off during the period	\$ —
Average amount outstanding	7,731,478
<b>Fund banking</b>	0.00%
Net charge-off during the period	\$ —
Average amount outstanding	4,256,903
<b>Securities-based loans</b>	0.00%
Net charge-off during the period	\$ —
Average amount outstanding	2,440,912
<b>Construction and land</b>	0.00%
Net charge-off during the period	\$ —
Average amount outstanding	770,563
<b>Commercial real estate</b>	0.00%
Net charge-off during the period	\$ —
Average amount outstanding	670,556
<b>Home equity lines of credit</b>	0.00%
Net charge-off during the period	\$ —
Average amount outstanding	116,668
<b>Other</b>	0.00%
Net charge-off during the period	\$ —
Average amount outstanding	49,577
<b>Total retained loans</b>	0.04%
Net charge-off during the period	\$ 9,100
Average amount outstanding	20,528,188

#### Allocation of the Allowance for Loan Losses

The following is a breakdown of the allowance for loan losses by each major loan category at December 31, 2023 and 2022 (in thousands, except rates):

	December 31, 2023		December 31, 2022	
	Balance	Percent <sup>(1)</sup>	Balance	Percent <sup>(1)</sup>
Commercial and industrial	\$ 67,077	18.3%	\$ 54,143	23.8%
Commercial real estate	21,386	3.4	12,897	3.3
Residential real estate	13,855	41.4	20,441	35.8
Construction and land	11,817	5.3	8,568	2.9
Fund banking	10,173	18.7	11,711	20.3
Securities-based loans	3,035	11.9	3,157	13.2
Home equity lines of credit	371	0.7	364	0.5
Other	578	0.3	372	0.2
	<b>\$128,292</b>	<b>100.0%</b>	<b>\$111,653</b>	<b>100.0%</b>

<sup>(1)</sup> Loan category as a percentage of total loan portfolio.

A loan is determined to be impaired usually when principal or interest becomes 90 days past due or when collection becomes uncertain. At the time a loan is determined to be impaired, the accrual of interest and amortization of deferred loan origination fees is discontinued ("nonaccrual status") and any accrued and unpaid interest income is reversed.

Please refer to the section entitled "Critical Accounting Policies and Estimates" herein regarding our policies for establishing loan loss reserves, including placing loans on nonaccrual status.

#### IV. Deposits

Deposits consist of money market and savings accounts, certificates of deposit, and demand deposits. The average balances of deposits and the associated weighted-average interest rates for the periods indicated are as follows (in thousands, except percentages):

	December 31, 2023		December 31, 2022		December 31, 2021	
	Average Balance	Average Interest Rate	Average Balance	Average Interest Rate	Average Balance	Average Interest Rate
Non-interest bearing demand deposits	\$ 382,686	*	\$ 515,767	*	\$ 608,825	*
Interest-bearing demand deposits	2,297,253	4.03%	1,327,711	1.42%	827,532	0.06%
Money Market and Savings deposits	24,967,641	2.53%	23,825,717	0.53%	18,341,304	0.02%
Time deposits	2,535	2.95%	16,976	2.69%	58,549	1.89%
Other	20,447	8.77%	239,474	1.77%	56,241	0.50%

\* Not applicable



## Results of Operations – Institutional Group

The following table presents consolidated financial information for the Institutional Group segment for the periods indicated (*in thousands, except percentages*):

	For the Year Ended December 31,			Percentage Change		As a Percentage of Net Revenues for the Year Ended December 31,		
	2023	2022	2021	2023 vs. 2022	2022 vs. 2021	2023	2022	2021
<b>Revenues:</b>								
Commissions	\$ 228,648	\$ 236,951	\$ 242,009	(3.5)%	(2.1)%	18.6%	15.4%	11.2%
Principal transactions	281,158	333,759	373,689	(15.8)	(10.7)	22.9	21.7	17.4
<i>Transactional revenues</i>	509,806	570,710	615,698	(10.7)	(7.3)	41.5	37.1	28.6
Capital raising	248,987	237,347	661,088	4.9	(64.1)	20.3	15.5	30.7
Advisory	465,588	714,623	856,083	(34.8)	(16.5)	38.0	46.5	39.8
<i>Investment banking</i>	714,575	951,970	1,517,171	(24.9)	(37.3)	58.3	62.0	70.5
Interest	24,025	25,430	20,734	(5.5)	22.6	2.0	1.7	1.0
Other income <sup>(1)</sup>	12,680	7,075	11,313	79.2	(37.5)	1.0	0.4	0.5
<b>Total revenues</b>	<b>1,261,086</b>	<b>1,555,185</b>	<b>2,164,916</b>	<b>(18.9)</b>	<b>(28.2)</b>	<b>102.8</b>	<b>101.2</b>	<b>100.6</b>
Interest expense	34,769	19,168	12,477	81.4	53.6	2.8	1.2	0.6
<b>Net revenues</b>	<b>1,226,317</b>	<b>1,536,017</b>	<b>2,152,439</b>	<b>(20.2)</b>	<b>(28.6)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Non-interest expenses:</b>								
Compensation and benefits	841,671	929,606	1,251,595	(9.5)	(25.7)	68.6	60.5	58.1
Occupancy and equipment rental	85,644	77,111	71,204	11.1	8.3	7.0	5.0	3.3
Communication and office supplies	100,831	95,103	89,963	6.0	5.7	8.2	6.2	4.2
Commissions and floor brokerage	32,886	31,769	33,675	3.5	(5.7)	2.7	2.1	1.6
Other operating expenses	163,185	148,296	147,065	10.0	0.8	13.3	9.7	6.8
<b>Total non-interest expenses</b>	<b>1,224,217</b>	<b>1,281,885</b>	<b>1,593,502</b>	<b>(4.5)</b>	<b>(19.6)</b>	<b>99.8</b>	<b>83.5</b>	<b>74.0</b>
<b>Income before income taxes</b>	<b>\$ 2,100</b>	<b>\$ 254,132</b>	<b>\$ 558,937</b>	<b>(99.2)%</b>	<b>(54.5)%</b>	<b>0.2%</b>	<b>16.5%</b>	<b>26.0%</b>

<sup>(1)</sup> Includes asset management and revenues.

### Year Ended December 31, 2023, Compared With Year Ended December 31, 2022

#### NET REVENUES

For the year ended December 31, 2023, Institutional Group net revenues decreased 20.2% to \$1.2 billion from \$1.5 billion in 2022. The decrease in net revenues is primarily attributable to lower advisory revenues and fixed income transactional revenues, partially offset by an increase in capital-raising revenues and equity transactional revenues.

**Commissions** – For the year ended December 31, 2023, commission revenues decreased 3.5% to \$228.6 million from \$237.0 million in 2022.

**Principal transactions** – For the year ended December 31, 2023, principal transactions revenues decreased 15.8% to \$281.2 million from \$333.8 million in 2022.

**Transactional revenues** – For the year ended December 31, 2023, transactional revenues decreased 10.7% to \$509.8 million from \$570.7 million in 2022.

For the year ended December 31, 2023, fixed income transactional revenues decreased 16.7% to \$308.4 million from \$370.2 million in 2022. The decrease in fixed income transactional revenues is primarily attributable to decreased activity as a result of lower market volatility, compared with elevated levels in 2022, partially offset by higher trading gains.

For the year ended December 31, 2023, equity transactional revenues increased 0.4% to \$201.4 million from \$200.5 million in 2022. The increase in equity transactional revenues is primarily attributable to higher trading gains.

**Investment banking** – For the year ended December 31, 2023, investment banking revenues decreased 24.9% to \$714.6 million from \$952.0 million in 2022.

For the year ended December 31, 2023, capital-raising revenues increased 4.9% to \$249.0 million from \$237.3 million in 2022.

For the year ended December 31, 2023, equity capital-raising revenues increased 3.8% to \$107.3 million from \$103.4 million in 2022 driven by higher volumes.

For the year ended December 31, 2023, fixed income capital-raising revenues increased 5.8% to \$141.6 million from \$133.9 million in 2022. The increase is primarily attributable to an increase in our corporate debt issuance business.

For the year ended December 31, 2023, advisory revenues decreased 34.8% to \$465.6 million from \$714.6 million in 2022. The decrease is primarily attributable to lower levels of completed advisory transactions.

**Interest income** – For the year ended December 31, 2023, interest income decreased 5.5% to \$24.0 million from \$25.4 million in 2022.

**Other income** – For the year ended December 31, 2023, other income increased 79.2% to \$12.7 million from \$7.1 million in 2022. The increase is primarily attributable to an increase in investment gains.

**Interest expense** – For the year ended December 31, 2023, interest expense increased 81.4% to \$34.8 million from \$19.2 million in 2022. The increase is primarily attributable to higher interest rates and an increase in inventory levels.

#### NON-INTEREST EXPENSES

For the year ended December 31, 2023, Institutional Group non-interest expenses decreased 4.5% to \$1.2 billion from \$1.3 billion in 2022.

**Compensation and benefits** – For the year ended December 31, 2023, compensation and benefits expense decreased 9.5% to \$841.7 million from \$929.6 million in 2022. The decrease is driven by lower compensable revenues.

Compensation and benefits expense as a percentage of net revenues was 68.6% for the year ended December 31, 2023, compared to 60.5% in 2022. The increase is primarily attributable to lower compensable revenues.

**Occupancy and equipment rental** – For the year ended December 31, 2023, occupancy and equipment rental expense increased 11.1% to \$85.6 million from \$77.1 million in 2022. The increase is attributable to higher occupancy, furniture and equipment, and data processing costs associated with continued investments in our business.

**Communications and office supplies** – For the year ended December 31, 2023, communications and office supplies expense increased 6.0% to \$100.8 million from \$95.1 million in 2022. The increase is primarily attributable to

higher communication and quote expenses, partially offset by lower telecommunication expenses.

**Commissions and floor brokerage** – For the year ended December 31, 2023, commissions and floor brokerage increased 3.5% to \$32.9 million from \$31.8 million in 2022. The increase was primarily attributable to higher ECN trading costs and processing expenses, partially offset by lower clearing expenses.

**Other operating expenses** – For the year ended December 31, 2023, other operating expenses increased 10.0% to \$163.2 million from \$148.3 million in 2022. The increase is primarily attributable to higher travel and entertainment expenses, settlement-related expenses, conference-related expenses, professional fees, and subscriptions, partially offset by lower litigation-related expenses and investment banking transaction expenses.

#### INCOME BEFORE INCOME TAXES

For the year ended December 31, 2023, income before income taxes for the Institutional Group segment decreased 99.2% to \$2.1 million from \$254.1 million in 2022. Profit margins (income before income taxes as a percentage of net revenues) have decreased to 0.2% for the year ended December 31, 2023, from 16.5% in 2022 as a result of lower revenues and higher non-compensation operating expenses.

*Year Ended December 31, 2022, Compared With Year Ended December 31, 2021*

#### NET REVENUES

For the year ended December 31, 2022, Institutional Group net revenues decreased 28.6% to \$1.5 billion from \$2.2 billion in 2021. The decrease in net revenues is primarily attributable to lower capital-raising revenues, advisory revenues, and equity transactional revenues, partially offset by an increase in fixed income transactional revenues.

**Commissions** – For the year ended December 31, 2022, commission revenues decreased 2.1% to \$237.0 million from \$242.0 million in 2021.

**Principal transactions** – For the year ended December 31, 2022, principal transactions revenues decreased 10.7% to \$333.8 million from \$373.7 million in 2021.

**Transactional revenues** – For the year ended December 31, 2022, transactional revenues decreased 7.3% to \$570.7 million from \$615.7 million in 2021.

For the year ended December 31, 2022, fixed income transactional revenues increased 2.5% to \$370.2 million from \$361.0 million in 2021. The increase in fixed income transactional revenues is primarily attributable to revenues from the Vining Sparks acquisition, partially offset by lower trading gains.

For the year ended December 31, 2022, equity transactional revenues decreased 21.3% to \$200.5 million from \$254.7 million in 2021. The decline in equity transactional revenues is primarily attributable to trading losses and declines in activity.

**Investment banking** – For the year ended December 31, 2022, investment banking revenues decreased 37.3% to \$952.0 million from \$1.5 billion in 2021.

For the year ended December 31, 2022, capital-raising revenues decreased 64.1% to \$237.3 million from \$661.1 million in 2021.

For the year ended December 31, 2022, equity capital-raising revenues decreased 76.2% to \$103.4 million from \$434.2 million in 2021. The decrease is a result of lower issuances in line with market volumes in an uncertain market environment.

For the year ended December 31, 2022, fixed income capital-raising revenues decreased 41.0% to \$133.9 million from \$226.9 million in 2021. The decrease is primarily attributable to lower municipal bond and loan issuances as a result of the microeconomic conditions that existed during 2022.

For the year ended December 31, 2022, advisory revenues decreased 16.5% to \$714.6 million from \$856.1 million in 2021. The decrease is primarily attributable to lower levels of completed advisory transactions.

**Interest income** – For the year ended December 31, 2022, interest income increased 22.6% to \$25.4 million from \$20.7 million in 2021. The increase is primarily attributable to higher leveraged finance activity.

**Other income** – For the year ended December 31, 2022, other income decreased 37.5% to \$7.1 million from \$11.3 million in 2021. The decrease is primarily attributable to a decrease in investment gains over 2021.

**Interest expense** – For the year ended December 31, 2022, interest expense increased 53.6% to \$19.2 million from \$12.5 million in 2021. The increase is primarily attributable to higher interest rates and an increase in inventory levels.

#### NON-INTEREST EXPENSES

For the year ended December 31, 2022, Institutional Group non-interest expenses decreased 19.6% to \$1.3 billion from \$1.6 billion in 2021.

**Compensation and benefits** – For the year ended December 31, 2022, compensation and benefits expense decreased 25.7% to \$929.6 million from \$1.3 billion in 2021. The decrease is driven by lower compensable revenues.

Compensation and benefits expense as a percentage of net revenues was 60.5% for the year ended December 31, 2022, compared to 58.1% in 2021. The increase is primarily attributable to lower compensable revenues.

**Occupancy and equipment rental** – For the year ended December 31, 2022, occupancy and equipment rental expense increased 8.3% to \$77.1 million from \$71.2 million in 2021. The increase is attributable to higher data processing and furniture and equipment costs associated with an increase in business activity.

**Communications and office supplies** – For the year ended December 31, 2022, communications and office supplies expense increased 5.7% to \$95.1 million from \$90.0 million in 2021. The increase is primarily attributable to higher communication and quote expenses, partially offset by lower telecommunication expenses.

**Commissions and floor brokerage** – For the year ended December 31, 2022, commissions and floor brokerage expense decreased 5.7% to \$31.8 million from \$33.7 million in 2021. The decrease was primarily attributable to lower clearing expenses and ECN trading costs, partially offset by higher processing expenses.

**Other operating expenses** – For the year ended December 31, 2022, other operating expenses increased 0.8% to \$148.3 million from \$147.1 million in 2021. The increase is primarily attributable to higher travel and entertainment expenses, conference-related expenses, and subscriptions, partially offset by lower investment banking transaction expenses and professional fees.

#### INCOME BEFORE INCOME TAXES

For the year ended December 31, 2022, income before income taxes for the Institutional Group segment decreased 54.5% to \$254.1 million from \$558.9 million in 2021. Profit margins (income before income taxes as a percentage of net revenues) decreased to 16.5% for the year ended December 31, 2022, from 26.0% in 2021 as a result of lower revenues, partially offset by a decrease in expenses.

## Results of Operations – Other Segment

The Other segment includes costs associated with investments made in the Company's infrastructure and control environment and expenses related to the Company's acquisition strategy. The following table presents financial information for our Other segment for the periods presented broken out between infrastructure growth-related expenses and acquisition-related expenses (*in thousands, except percentages*):

	For the Year Ended December 31,			Percentage Change	
	2023	2022	2021	2023 vs. 2022	2022 vs. 2021
<b>Net revenues</b>	<b>\$ 72,665</b>	<b>\$ 29,556</b>	<b>\$ (14,188)</b>	<b>145.9 %</b>	<b>308.3 %</b>
<b>Non-interest expenses:</b>					
Compensation and benefits:					
Infrastructure growth-related	265,550	248,936	172,307	6.7	44.5
Acquisition-related	32,150	39,114	26,092	(17.8)	49.9
Total compensation and benefits	297,700	288,050	198,399	3.4	45.2
Other operating expenses:					
Infrastructure growth-related	255,137	150,160	155,153	69.9	(3.2)
Acquisition-related	31,058	27,933	39,069	11.2	(28.5)
Total other operating expenses	286,195	178,093	194,222	60.7	(8.3)
<b>Total non-interest expenses</b>	<b>583,895</b>	<b>466,143</b>	<b>392,621</b>	<b>25.3</b>	<b>18.7</b>
<b>Loss before income taxes</b>	<b>\$(511,230)</b>	<b>\$(436,587)</b>	<b>\$(406,809)</b>	<b>17.1 %</b>	<b>7.3 %</b>

For the year ended December 31, 2023, non-interest expenses increased 25.3% to \$583.9 million from \$466.1 million in 2022. Elevated provisions for legal and regulatory matters during the third quarter of 2023 accounted for approximately \$67 million of the increase, with the remainder primarily resulting from higher data processing, advertising, professional fees, and travel expenses.

The expenses relating to the Company's acquisition strategy are primarily attributable to integration-related activities, signing bonuses, amortization of restricted stock awards, debentures, and promissory notes issued as retention, additional earn-out expense, and amortization of intangible assets acquired. These costs were directly related to acquisitions of certain businesses and are not representative of the costs of running the Company's ongoing business.

For the year ended December 31, 2023, non-interest expenses related to our acquisition strategy, included in the numbers presented in the table above, decreased 5.7% to \$63.2 million from \$67.0 million in 2022.

### Analysis of Financial Condition

Our company's consolidated statements of financial condition consist primarily of cash and cash equivalents, receivables, financial instruments owned, bank loans, investments, goodwill, loans and advances to financial advisors, bank deposits, and payables. Total assets of \$37.7 billion at December 31, 2023, were up 1.4% over December 31, 2022. Our broker-dealer subsidiary's gross assets and liabilities, including financial instruments owned, stock loan/borrow, receivables and payables from/to brokers, dealers, and clearing organizations and clients, fluctuate with our business levels and overall market conditions.

As of December 31, 2023, our liabilities were comprised primarily of deposits of \$27.3 billion at Stifel Bancorp, accounts payable and accrued expenses of \$1.3 billion, senior notes, net of debt issuance costs, of \$1.1 billion, payables to customers of \$734.8 million at our broker-dealer subsidiaries, and accrued employee compensation of \$585.6 million. To meet our obligations to clients and operating needs, we had \$12.4 billion of cash or assets readily convertible into cash at December 31, 2023.

### Cash Flow

Cash and cash equivalents increased \$1.2 billion to \$3.4 billion at December 31, 2023, from \$2.2 billion at December 31, 2022. Operating activities provided cash of \$499.3 million primarily due to net income recognized in 2023 adjusted for non-cash activities. Investing activities provided cash of \$1.0 billion due to a decline in our loan portfolio and proceeds from the sale and maturity of securities in our investment portfolio, partially offset by cash used to fund acquisitions, fixed asset purchases, and investment securities purchases. Financing activities used cash of \$254.6 million primarily due to repurchases of our common stock, dividends paid on our common and preferred stock, and tax payments related to shares withheld for stock-based

compensation, partially offset by an increase in bank deposits, securities sold under agreement to repurchase, and securities loaned.

### Liquidity and Capital Resources

Liquidity and capital are essential to our business. The primary goal of our liquidity management activities is to ensure adequate funding and liquidity to conduct our business over a range of economic and market environments, including times of broader industry or market liquidity stress events, such as those which occurred in the banking industry during fiscal 2023. In times of market stress or uncertainty, we generally maintain higher levels of capital and liquidity, including increased cash levels at our bank subsidiaries, to ensure we have adequate funding to support our business and meet our clients' needs. We seek to manage capital levels to support execution of our business strategy, provide financial strength to our subsidiaries, and maintain sustained access to the capital markets, while at the same time meeting our regulatory capital requirements, and conservative internal management targets.

Liquidity and capital resources are provided primarily through our business operations and financing activities. Financing activities could include bank borrowings, collateralized financing arrangements, new or enhanced deposit product offerings, or additional capital-raising activities under our "universal" shelf registration statement. We believe our existing assets, most of which are liquid in nature, together with funds generated from operations and available from committed and uncommitted financing facilities, provide adequate funds for continuing operations at current levels of activity in the short term. We also believe that we will be able to continue to meet our long-term cash requirements due to our strong financial position and ability to access capital from financial markets.

The Company's senior management establishes the liquidity and capital policies of our company. The Company's senior management reviews business performance relative to these policies, monitors the availability of alternative sources of financing, and oversees the liquidity and interest rate sensitivity of our company's asset and liability position.

Our assets, consisting mainly of cash or assets readily convertible into cash, are our principal source of liquidity. The liquid nature of these assets provides for flexibility in managing and financing the projected operating needs of the business. These assets are financed primarily by our equity capital, corporate debt, debentures to trusts, client credit balances, short-term bank loans, proceeds from securities lending, repurchase agreements, and other payables. We currently finance our client accounts and firm trading positions through ordinary course borrowings at floating interest rates from various banks on a demand basis, securities lending, and repurchase agreements, with company-owned and client securities pledged as collateral. Changes in securities market volumes, related client borrowing demands, underwriting activity, and levels of securities inventory affect the amount of our financing requirements.

Our bank assets consist principally of available-for-sale and held-to-maturity securities, retained loans, and cash and cash equivalents. Stifel Bancorp's current liquidity needs are generally met through deposits from brokerage

clients and equity capital. We monitor the liquidity of our bank subsidiaries daily to ensure their ability to meet customer deposit withdrawals, maintain reserve requirements, and support asset growth.

As of December 31, 2023, we had \$37.7 billion in assets, \$12.4 billion of which consisted of cash or assets readily convertible into cash as follows (*in thousands*):

	December 31,	
	2023	2022
Cash and cash equivalents	\$ 3,361,801	\$ 2,199,985
Receivables from brokers, dealers, and clearing organizations	414,144	418,091
Securities purchased under agreements to resell	349,849	348,162
Financial instruments owned at fair value	834,279	659,685
Available-for-sale securities at fair value	1,551,686	1,636,041
Held-to-maturity securities at amortized cost	5,888,798	5,990,451
Investments	23,189	38,278
Total cash and assets readily convertible to cash	\$12,423,746	\$ 11,290,693

As of December 31, 2023 and 2022, the amount of collateral by asset class is as follows (*in thousands*):

	December 31, 2023		December 31, 2022	
	Contractual	Contingent	Contractual	Contingent
Cash and cash equivalents	\$185,195	\$ —	\$129,045	\$ —
Financial instruments owned at fair value	417,644	417,644	212,011	212,011
Investment portfolio (AFS & HTM)	—	2,076,717	—	2,090,583
	\$602,839	\$2,494,361	\$341,056	\$2,302,594



### *Liquidity Available From Subsidiaries*

Liquidity is principally available to our company from Stifel and Stifel Bancorp.

Stifel is required to maintain net capital equal to the greater of \$1 million or two percent of aggregate debit items arising from client transactions. Covenants in the Company's committed financing facilities require the excess net capital of Stifel, our principal broker-dealer subsidiary, to be above a defined amount. At December 31, 2023, Stifel's excess net capital exceeded the minimum requirement, as defined. There are also limitations on the amount of dividends that may be declared by a broker-dealer without FINRA approval. See Note 19 of the Notes to Consolidated Financial Statements for more information on the capital restrictions placed on our broker-dealer subsidiaries.

Stifel Bancorp may pay dividends to the parent company without prior approval by its regulator as long as the dividend does not exceed the sum of Stifel Bancorp's current calendar year and the previous two calendar years' retained net income and Stifel Bancorp maintains its targeted capital to risk-weighted assets ratios.

Although we have liquidity available to us from our other subsidiaries, the available amounts are not as significant as the amounts described above and, in certain instances, may be subject to regulatory requirements.

### *Capital Management*

We have an ongoing authorization from the Board of Directors to repurchase our common stock in the open market or in negotiated transactions. At December 31, 2023, the maximum number of shares that may yet be purchased under this plan was 11.8 million. We utilize the share repurchase program to manage our equity capital relative to the growth of our business and help to meet obligations under our employee benefit plans.

### *Liquidity Risk Management*

Our businesses are diverse, and our liquidity needs are determined by many factors, including market movements, collateral requirements, and client commitments, all of which can change dramatically in a difficult funding environment. During a liquidity crisis, credit-sensitive funding, including unsecured debt and some types of secured financing agreements, may be unavailable, and the terms (e.g., interest rates, collateral provisions, and tenor) or availability of other types of secured financing may change. We manage liquidity risk by diversifying our funding sources across products and among individual counterparties within those products.

As a holding company, whereby all of our operations are conducted through our subsidiaries, our cash flow and our ability to service our debt, including the notes, depend upon the earnings of our subsidiaries. Our subsidiaries are separate and distinct legal entities. Our subsidiaries have no obligation to pay any amounts due on the notes or to provide us with funds to pay our obligations, whether by dividends, distributions, loans, or other payments.

Our liquidity requirements may change in the event we need to raise more funds than anticipated to increase inventory positions, support more rapid expansion, develop new or enhanced services and products, acquire technologies, respond to acquisition opportunities, expand our recruiting efforts, or respond to other unanticipated liquidity requirements. We primarily rely on financing activities and distributions from our subsidiaries for funds to implement our business and growth strategies and repurchase our shares. Net capital rules, restrictions under our borrowing arrangements of our subsidiaries, as well as the earnings, financial condition, and cash requirements of our subsidiaries, may each limit distributions to us from our subsidiaries.

The availability of outside financing, including access to the capital markets and bank lending, depends on a variety of factors, such as market conditions, the general availability of credit, the volume of trading activities, the overall availability of credit to the financial services sector, and our credit rating. Our cost and availability of funding may be adversely affected by illiquid credit markets and wider credit spreads. As a result of any future concerns about the stability of the markets generally and the strength of counterparties specifically, lenders may from time to time curtail, or even cease to provide, funding to borrowers.

Our liquidity management policies are designed to mitigate the potential risk that we may be unable to access adequate financing to service our financial obligations without material business impact. The principal elements of our liquidity management framework are: (a) daily monitoring of our liquidity needs at the holding company and significant subsidiary level, (b) stress testing the liquidity positions of Stifel and our bank subsidiaries, and (c) diversification of our funding sources.

**Monitoring of liquidity** – Senior management establishes our liquidity and capital policies. These policies include senior management's review of short-

and long-term cash flow forecasts, review of monthly capital expenditures, the monitoring of the availability of alternative sources of financing, and the daily monitoring of liquidity in our significant subsidiaries. Our decisions on the allocation of capital to our business units consider, among other factors, projected profitability and cash flow, risk, and impact on future liquidity needs. Our treasury department assists in evaluating, monitoring, and controlling the impact that our business activities have on our financial condition, liquidity, and capital structure, as well as maintains our relationships with various lenders. The objectives of these policies are to support the successful execution of our business strategies while ensuring ongoing and sufficient liquidity.

**Liquidity stress testing (Firmwide)** – A liquidity stress test model is maintained by the Company that measures liquidity outflows across multiple scenarios at the major operating subsidiaries and details the corresponding impact to our holding company and the overall consolidated firm. Liquidity stress tests are utilized to ensure that current exposures are consistent with the Company's established liquidity risk tolerance and, more specifically, to identify and quantify sources of potential liquidity strain. Further, the stress tests are utilized to analyze possible impacts on the Company's cash flows and liquidity position. The outflows are modeled over a 30-day liquidity stress timeframe and include the impact of idiosyncratic and macro-economic stress events.

The assumptions utilized in the Company's liquidity stress tests include, but are not limited to, the following:

- No government support
- No access to equity and unsecured debt markets within the stress horizon
- Higher haircuts and significantly lower availability of secured funding
- Additional collateral that would be required by trading counter-parties, certain exchanges, and clearing organizations related to credit rating downgrades
- Client cash withdrawals and inability to accept new deposits
- Increased demand from customers on the funding of loans and lines of credit

At December 31, 2023, the Company maintained sufficient liquidity to meet current and contingent funding obligations as modeled in its liquidity stress test model.

**Liquidity stress testing (Stifel Bancorp)** – Our bank subsidiaries perform three primary stress tests on their liquidity position. These stress tests are based on the following company-specific stresses: (1) the amount of deposit run-off that they could withstand over a one-month period of time based on their on-balance sheet liquidity and available credit, (2) the ability to fund operations if all available credit were to be drawn immediately, with no additional available credit, and (3) the ability to fund operations under a regulatory prompt corrective action. The goal of these stress tests is to determine their ability to fund continuing operations under significant pressures on both assets and liabilities.

Under all stress tests, our bank subsidiaries consider cash and highly liquid investments as available to meet liquidity needs. In their analysis, our bank subsidiaries consider agency mortgage-backed securities, corporate bonds, and commercial mortgage-backed securities as highly liquid. In addition to being able to be readily financed at modest haircut levels, our bank subsidiaries estimate that each of the individual securities within each of the asset classes described above could be sold into the market and converted into cash within three business days under normal market conditions, assuming that the entire portfolio of a given asset class was not simultaneously liquidated. At December 31, 2023, available cash and highly liquid investments comprised approximately 20% of Stifel Bancorp's assets, which was well in excess of its internal target.

In addition to these stress tests, management performs a daily liquidity review. The daily analysis provides management with all major fluctuations in liquidity. The analysis also tracks the proportion of deposits that Stifel Bancorp is sweeping from its affiliated broker-dealer, Stifel. On a monthly basis, liquidity key performance indicators and compliance with liquidity policy limits are reported to the Board of Directors. Our banking subsidiaries have not violated any internal liquidity policy limits.

### *Funding Sources*

The Company pursues a strategy of diversification of secured and unsecured funding sources (by product and by investor) and attempts to ensure that the tenor of the Company's liabilities equals or exceeds the expected holding period of the assets being financed. The Company funds its balance sheet through diverse sources. These sources may include the Company's equity capital, long-term debt, repurchase agreements, securities lending, deposits, committed and uncommitted credit facilities, Federal Home Loan Bank advances, and federal funds agreements.

On September 14, 2023, we filed a “universal” shelf registration statement with the SEC pursuant to which we can issue debt, equity, and other capital instruments if and when necessary or perceived by us to be opportune. Subject to certain conditions, this registration statement will be effective through September 14, 2026.

**Cash and Cash Equivalents** – We held \$3.4 billion of cash and cash equivalents at December 31, 2023, compared to \$2.2 billion at December 31, 2022. Cash and cash equivalents provide immediate sources of funds to meet our liquidity needs.

**Available-for-Sale Securities** – We held \$1.55 billion in available-for-sale investment securities at December 31, 2023, compared to \$1.64 billion at December 31, 2022. As of December 31, 2023, the weighted-average life of the investment securities portfolio was approximately 1.3 years. These investment securities provide increased liquidity and flexibility to support our company’s funding requirements.

We monitor the available-for-sale investment portfolio for other-than-temporary impairment based on a number of criteria, including the size of the unrealized loss position, the duration for which the security has been in a loss position, credit rating, the nature of the investments, and current market conditions. For debt securities, we also consider any intent to sell the security and the likelihood we will be required to sell the security before its anticipated recovery. We continually monitor the ratings of our security holdings and conduct regular reviews of our credit-sensitive assets.

**Deposits** – Deposits have become our largest funding source. Deposits provide a stable, low-cost source of funds that we utilize to fund asset growth and to diversify funding sources. We have continued to expand our deposit-gathering efforts through our existing private client network and through expansion. These channels offer a broad set of deposit products that include demand deposits, money market deposits, and certificates of deposit (“CDs”). Our core deposits are primarily comprised of money market deposit accounts, non-interest-bearing deposits, and CDs.

Deposits are primarily sourced by our multi-bank sweep program in which clients’ cash deposits in their brokerage accounts are swept into FDIC-insured interest-bearing accounts at our bank subsidiaries and various third-party banks. In addition to our historical sweep program, we offer the Stifel Smart Rate Program (“Smart Rate”), a high yield savings account that keeps our brokerage clients’ cash balances at Stifel affiliated banks through their securities accounts. Brokerage client deposits totaled \$24.1 billion and \$25.3 billion at December 31, 2023 and 2022, respectively, which includes \$14.5 billion and \$8.7 billion, respectively, of client cash in our Smart Rate program. The increase in money market deposits in 2023 was primarily driven by elevated client interest in the Smart Rate program. Please refer to the Distribution of Assets, Liabilities, and Shareholders’ Equity; Interest Rates and Interest Differential table included in “Results of Operations – Global Wealth Management” for additional information on Stifel Bancorp’s average balances and interest income and expense.

**Short-term borrowings** – Our short-term financing is generally obtained through short-term bank line financing on an uncommitted, secured basis, securities lending arrangements, repurchase agreements, advances from the Federal Home Loan Bank, term loans, and committed bank line financing on an unsecured basis. We borrow from various banks on a demand basis with company-owned and customer securities pledged as collateral. The value of customer-owned securities used as collateral is not reflected in the consolidated statements of financial condition. We also have an unsecured, committed bank line available.

Our uncommitted secured lines of credit at December 31, 2023, totaled \$880.0 million with four banks and are dependent on having appropriate collateral, as determined by the bank agreements, to secure an advance under the line. The availability of our uncommitted lines is subject to approval by the individual banks each time an advance is requested and may be denied. Our peak daily borrowing on our uncommitted secured lines was \$240.0 million during the year ended December 31, 2023. There are no compensating balance requirements under these arrangements. Any borrowings on secured lines of credit are day-to-day and are generally utilized to finance certain fixed income securities. At December 31, 2023, we had no outstanding balances on our uncommitted secured lines of credit.

Federal Home Loan advances are floating-rate advances. The weighted average interest rates during the year ended December 31, 2023, on these advances was 4.99%. The advances are secured by Stifel Bancorp’s residential mortgage loan portfolio and investment portfolio. The interest rates reset on a daily basis. Stifel Bancorp has the option to prepay these advances without penalty on the interest reset date. At December 31, 2023, there were no Federal Home Loan advances.

**Unsecured borrowings** – On September 27, 2023, the Company and Stifel (the “Borrowers”) entered into an unsecured credit agreement with a syndicate of lenders led by Bank of America, N.A., as administrative agent (the “Credit Agreement”). Concurrently with, and conditional upon, the effectiveness of the Credit Agreement, all of the commitments under the Borrowers’ existing \$500.0 million unsecured revolving credit facility agreement were terminated.

The Credit Agreement has a maturity date of September 27, 2028, and provides for a committed unsecured borrowing facility for maximum aggregate borrowings of up to \$750.0 million, depending on the amount of outstanding borrowings of the Borrowers from time to time during the duration of the Credit Agreement. The interest rates on borrowings under the Credit Agreement are variable and based on the Secured Overnight Financing Rate.

The Borrowers can draw upon this line as long as certain restrictive covenants are maintained. Under the Credit Agreement, the Borrowers are required to maintain compliance with a minimum consolidated tangible net worth covenant, as defined, and a maximum consolidated total capitalization ratio covenant, as defined. In addition, Stifel is required to maintain compliance with a minimum regulatory excess net capital percentage covenant, as defined, and our bank subsidiaries are required to maintain their status as well-capitalized, as defined.

Upon the occurrence and during the continuation of an event of default, the Company’s obligations under the Credit Agreement may be accelerated and the lending commitments thereunder terminated. The Credit Agreement contains customary events of default, including, without limitation, payment defaults, breaches of representations and warranties, covenant defaults, cross-defaults to similar obligations, certain events of bankruptcy and insolvency, change of control, and judgment defaults. At December 31, 2023, we had no advances on the Credit Facility and were in compliance with all covenants and currently do not expect any covenant violations.

**Federal Home Loan Bank Advances and other secured financing** – Stifel Bancorp has borrowing capacity with the Federal Home Loan Bank of \$5.7 billion at December 31, 2023, and \$64.5 million in federal funds agreements for the purpose of purchasing short-term funds should additional liquidity be needed. At December 31, 2023, there were no outstanding Federal Home Loan Bank advances. Stifel Bancorp is eligible to participate in the Federal Reserve’s discount window program; however, Stifel Bancorp does not view borrowings from the Federal Reserve as a primary means of funding. The credit available in this program is subject to periodic review, may be terminated or reduced at the discretion of the Federal Reserve, and is secured by securities. Stifel Bancorp has borrowing capacity of \$1.3 billion with the Federal Reserve’s discount window at December 31, 2023. Stifel Bancorp receives overnight funds from excess cash held in Stifel brokerage accounts, which are deposited into a money market account. These balances totaled \$24.1 billion at December 31, 2023. At December 31, 2023, there was \$26.5 billion in client money market and FDIC-insured product balances.

**Public Offering of Senior Notes** – On July 15, 2014, we sold in a registered underwritten public offering, \$300.0 million in aggregate principal amount of 4.25% senior notes due July 2024 (the “2014 Notes”). Interest on the 2014 Notes is payable semi-annually in arrears. We may redeem the 2014 Notes in whole or in part, at our option, at a redemption price equal to 100% of their principal amount, plus a “make-whole” premium and accrued and unpaid interest, if any, to the date of redemption. In July 2016, we issued an additional \$200.0 million in aggregate principal amount of 4.25% senior notes due 2024. In July 2014, we received a BBB- rating on the 2014 Notes.

On October 4, 2017, we completed the pricing of a registered underwritten public offering of \$200.0 million in aggregate principal amount of 5.20% senior notes due October 2047. Interest on the senior notes is payable quarterly in arrears in January, April, July, and October. We may redeem some or all of the senior notes at any time at a redemption price equal to 100% of the principal amount of the notes being redeemed plus accrued interest thereon to the redemption date. On October 27, 2017, we completed the sale of an additional \$25.0 million aggregate principal amount of Notes pursuant to the over-allotment option. In October 2017, we received a BBB- rating on the notes.

On May 20, 2020, we sold in a registered underwritten public offering, \$400.0 million in aggregate principal amount of 4.00% senior notes due May 2030. Interest on these senior notes is payable semi-annually in arrears in May and November. We may redeem the notes in whole or in part, at our option, at a redemption price equal to the greater of a) 100% of their principal amount or b) discounted present value at Treasury rate plus 50 basis points prior to February 15, 2030, and on or after February 15, 2030, at 100% of their principal amount, and accrued and unpaid interest, if any, to the date of redemption. In May 2020, we received a BBB- rating on the notes.

**Public Offering of Preferred Stock** – In July 2016, the Company completed an underwritten registered public offering of \$150.0 million 6.25% Non-Cumulative Perpetual Preferred Stock, Series A. On August 20, 2021, the Company redeemed all of the outstanding Series A Preferred Stock.

In February 2019, the Company completed an underwritten registered public offering of \$150.0 million 6.25% Non-Cumulative Perpetual Preferred Stock, Series B. In March 2019, we completed a public offering of an additional \$10.0 million of Series B Preferred, pursuant to the over-allotment option.

In May 2020, the Company completed an underwritten registered public offering of \$225.0 million 6.125% Non-Cumulative Perpetual Preferred Stock, Series C, which included the sale of \$25.0 million of Series C Preferred pursuant to an over-allotment option.

On July 22, 2021, the Company completed an underwritten registered public offering of \$300.0 million of 4.50% Non-Cumulative Perpetual Preferred Stock, Series D. When, as, and if declared by the board of directors of the Company, dividends will be payable at an annual rate of 4.50%, payable quarterly, in arrears. The Company may redeem the Series D preferred stock at its option, subject to regulatory approval, on or after August 15, 2026.

#### **Credit Rating**

We believe our current rating depends upon a number of factors, including industry dynamics, operating and economic environment, operating results, operating margins, earnings trends and volatility, balance sheet composition, liquidity and liquidity management, our capital structure, our overall risk management, business diversification, and our market share and competitive position in the markets in which we operate. Deteriorations in any of these factors could impact our credit rating. A reduction in our credit rating could adversely affect our liquidity and competitive position, increase our incremental borrowing costs, limit our access to the capital markets, or trigger our obligations under certain financial agreements. As such, we may not be able to successfully obtain additional outside financing to fund our operations on favorable terms, or at all.

We believe our existing assets, a significant portion of which are liquid in nature, together with the funds from operations, available informal short-term credit arrangements, and our ability to raise additional capital will provide sufficient resources to meet our present and anticipated financing needs.

#### **Use of Capital Resources**

On March 1, 2023, the Company acquired Torrey Partners LLC, a leading independent M&A and private capital advisory firm serving the global life sciences industry. Consideration for this acquisition consisted of cash from operations.

On August 1, 2023, the Company acquired Sierra Pacific Securities, LLC, an algorithmic trading-focused, fixed income market-making firm. Consideration for this acquisition consisted of cash from operations.

The Company's Board of Directors approved a 17% increase in the quarterly dividend to \$0.42 per common share starting in the first quarter of 2024.

During the year ended December 31, 2023, we repurchased \$441.3 million, or 7.2 million shares, at an average price of \$61.50 per share.

As part of our ongoing operations, we also enter into contractual arrangements that may require future cash payments, including certificates of deposit, lease obligations, and other contractual arrangements. See Notes 13 and 20 of the Notes to the Consolidated Financial Statements for information regarding our certificates of deposit and lease obligations, respectively. We have entered into investment commitments, lending commitments, and other commitments to extend credit for which we are unable to reasonably predict the timing of future payments. See Note 24 of the Notes to Consolidated Financial Statements for further information.

The following table summarizes the activity related to our company's note receivable from January 1, 2022 to December 31, 2023 (*in thousands*):

	2023	2022
<b>Beginning balance – January 1</b>	<b>\$ 654,112</b>	<b>\$ 653,955</b>
Notes issued – organic growth	170,367	132,653
Amortization	(145,227)	(132,012)
Other	4,234	(484)
<b>Ending balance – December 31</b>	<b>\$ 683,486</b>	<b>\$ 654,112</b>

We have paid \$170.4 million in the form of upfront notes to financial advisors for transition pay during the year ended December 31, 2023. As we continue to take advantage of the opportunities created by market displacement and as competition for skilled professionals in the industry increases, we may decide to devote more significant resources to attracting and retaining qualified personnel.

We utilize transition pay, principally in the form of upfront demand notes, to aid financial advisors, who have elected to join our firm, to supplement their lost compensation while transitioning their customers' accounts to the Stifel platform. The initial value of the notes is determined primarily by the financial advisors' trailing production and assets under management. These notes are generally forgiven over a five- to ten-year period based on production. The future estimated amortization expense of the upfront notes, assuming current-year production levels and static growth for the years ended December 31, 2024, 2025, 2026, 2027, 2028, and thereafter, is \$158.6 million, \$115.0 million, \$104.4 million, \$84.8 million, \$71.4 million, and \$149.3 million, respectively. These estimates could change if we continue to grow our business through expansion or experience increased production levels.

We maintain an incentive stock plan and a wealth accumulation plan that provides for the granting of stock options, stock appreciation rights, restricted stock, performance awards, stock units, and debentures (collectively, "deferred awards") to our associates. Historically, we have granted stock units to our associates as part of our retention program. A restricted stock unit or restricted stock award represents the right to receive a share of the Company's common stock at a designated time in the future without cash payment by the associate and is issued in lieu of cash incentive, principally for deferred compensation and employee retention plans. The restricted stock units generally vest over the next one to ten years after issuance and are distributed at predetermined future payable dates once vesting occurs. Restricted stock awards are restricted as to sale or disposition. These restrictions lapse over the next one to two years.

At December 31, 2023, the total number of restricted stock units, Performance-based Restricted Stock Units ("PRSUs"), and restricted stock awards outstanding was 15.5 million, of which 13.5 million were unvested. At December 31, 2023, there was approximately \$708.8 million of unrecognized compensation cost for all deferred awards, which is expected to be recognized over a weighted-average period of 2.5 years.

The future estimated compensation expense of the deferred awards, assuming current year forfeiture levels and static growth for the years ended December 31, 2024, 2025, 2026, 2027, 2028, and thereafter, is \$224.4 million, \$186.8 million, \$145.6 million, \$85.8 million, \$35.8 million, and \$30.4 million, respectively. These estimates could change if our forfeitures change from historical levels.

**Net Capital Requirements** – We operate in a highly regulated environment and are subject to capital requirements, which may limit distributions to our company from our subsidiaries. Distributions from our broker-dealer subsidiaries are subject to net capital rules. These subsidiaries have historically operated in excess of minimum net capital requirements. However, if distributions were to be limited in the future due to the failure of our subsidiaries to comply with the net capital rules or a change in the net capital rules, it could have a material and adverse effect to our company by limiting our operations that require intensive use of capital, such as underwriting or trading activities, or limit our ability to implement our business and growth strategies, pay interest on and repay the principal of our debt, and/or repurchase our common stock. Our non-broker-dealer subsidiaries, Stifel Bank & Trust, Stifel Bank, Stifel Trust Company, N.A., and Stifel Trust Company Delaware, N.A., are also subject to various regulatory capital requirements administered by the federal banking agencies. Our broker-dealer subsidiaries and our bank subsidiaries have consistently operated in excess of their capital adequacy requirements. Our Canadian subsidiary, SNC, is subject to the regulatory supervision and requirements of CRO.

At December 31, 2023, Stifel had net capital of \$457.9 million, which was 41.5% of aggregate debit items and \$435.9 million in excess of its minimum required net capital. At December 31, 2023, all of our broker-dealer subsidiaries' net capital exceeded the minimum net capital required under the SEC rule. At December 31, 2023, SNEL's capital and reserves were in excess of the financial resources requirement under the rules of the FCA. At December 31, 2023, our banking subsidiaries were considered well capitalized under the regulatory framework for prompt corrective action. At December 31, 2023, SNC's net capital and reserves were in excess of the financial resources requirement under the rules of the CRO. See Note 19 of the Notes to Consolidated Financial Statements for details of our regulatory capital requirements.

#### **Critical Accounting Policies and Estimates**

In preparing our consolidated financial statements in accordance with U.S. generally accepted accounting principles and pursuant to the rules and regulations of the SEC, we make assumptions, judgments, and estimates that affect the reported amounts of assets, liabilities, revenues, and expenses, and related disclosures of contingent assets and liabilities. We base our assumptions, judgments, and estimates on historical experience and various other factors that we believe to be reasonable under the circumstances. Actual results could differ



materially from these estimates under different assumptions or conditions. On a regular basis, we evaluate our assumptions, judgments, and estimates. We also discuss our critical accounting policies and estimates with the Audit Committee of the Board of Directors.

We believe that the assumptions, judgments, and estimates involved in the accounting policies described below have the greatest potential impact on our consolidated financial statements. These areas are key components of our results of operations and are based on complex rules that require us to make assumptions, judgments, and estimates, so we consider these to be our critical accounting policies. Historically, our assumptions, judgments, and estimates relative to our critical accounting policies and estimates have not differed materially from actual results.

For a full description of these and other accounting policies, see Note 2 of the Notes to Consolidated Financial Statements.

### *Valuation of Financial Instruments*

We measure certain financial assets and liabilities at fair value on a recurring basis, including trading securities owned, available-for-sale securities, investments, trading securities sold, but not yet purchased, and derivatives.

Trading securities owned and pledged and trading securities sold, but not yet purchased, are carried at fair value on the consolidated statements of financial condition, with unrealized gains and losses reflected on the consolidated statements of operations.

The fair value of a financial instrument is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, or an exit price. The degree of judgment used in measuring the fair value of financial instruments generally correlates to the level of pricing observability. Financial instruments with readily available active quoted prices or for which fair value can be measured from actively quoted prices in active markets generally have more pricing observability and less judgment used in measuring fair value. Conversely, financial instruments rarely traded or not quoted have less pricing observability and are measured at fair value using valuation models that require more judgment. Pricing observability is impacted by a number of factors, including the type of financial instrument, whether the financial instrument is new to the market and not yet established, the characteristics specific to the transaction, and overall market conditions generally.

When available, we use observable market prices, observable market parameters, or broker or dealer quotes (bid and ask prices) to derive the fair value of financial instruments. In the case of financial instruments transacted on recognized exchanges, the observable market prices represent quotations for completed transactions from the exchange on which the financial instrument is principally traded.

A substantial percentage of the fair value of our trading securities and other investments owned, trading securities pledged as collateral, and trading securities sold, but not yet purchased, are based on observable market prices, observable market parameters, or derived from broker or dealer prices. The availability of observable market prices and pricing parameters can vary from product to product. Where available, observable market prices and pricing or market parameters in a product may be used to derive a price without requiring significant judgment. In certain markets, observable market prices or market parameters are not available for all products, and fair value is determined using techniques appropriate for each particular product. These techniques involve some degree of judgment.

For investments in illiquid or privately held securities that do not have readily determinable fair values, the determination of fair value requires us to estimate the value of the securities using the best information available. Among the factors we consider in determining the fair value of investments are the cost of the investment, terms and liquidity, developments since the acquisition of the investment, the sales price of recently issued securities, the financial condition and operating results of the issuer, earnings trends and consistency of operating cash flows, the long-term business potential of the issuer, the quoted market price of securities with similar quality and yield that are publicly traded, and other factors generally pertinent to the valuation of investments. In instances where a security is subject to transfer restrictions, the value of the security is based primarily on the quoted price of a similar security without restriction but may be reduced by an amount estimated to reflect such restrictions. The fair value of these investments is subject to a high degree of volatility and may be susceptible to significant fluctuation in the near term, and the differences could be material.

We have categorized our financial instruments measured at fair value into a three-level classification in accordance with Topic 820, "Fair Value Measurement and Disclosures." Fair value measurements of financial instruments that use quoted prices in active markets for identical assets or liabilities are generally categorized as Level 1, and fair value measurements of financial instruments that have no direct observable levels are generally categorized as Level 3. All other fair value measurements of financial instruments that do not fall within the Level 1 or Level 3 classification are considered Level 2. The lowest level input that is significant to the fair value measurement of a financial instrument is used to categorize the instrument and reflects the judgment of management.

Level 3 financial instruments have little to no pricing observability as of the report date. These financial instruments do not have active two-way markets and are measured using management's best estimate of fair value, where the inputs into the determination of fair value require significant management judgment or estimation. We have identified Level 3 financial instruments to include certain asset-backed securities, consisting of collateral loan obligation securities, that have experienced low volumes of executed transactions, certain corporate bonds and equity securities where there was less frequent or nominal market activity, investments in private equity funds, and auction rate securities for which the market has been dislocated and largely ceased to function. Our Level 3 asset-backed securities are valued using cash flow models that utilize unobservable inputs. Level 3 corporate bonds are valued using prices from comparable securities. Equity securities with unobservable inputs are valued using management's best estimate of fair value, where the inputs require significant management judgment. Auction rate securities are valued based upon our expectations of issuer redemptions and using internal models.

### *Contingencies*

We are involved in various pending and potential legal proceedings related to our business, including litigation, arbitration, and regulatory proceedings. Some of these matters involve claims for substantial amounts, including claims for punitive damages. We have, after consultation with outside legal counsel and consideration of facts currently known by management, recorded estimated losses in accordance with Topic 450 ("Topic 450"), "Contingencies," to the extent that claims are probable of loss and the amount of the loss can be reasonably estimated. The determination of the amount to accrue requires us to use significant judgment, and our final liabilities may ultimately be materially different. This determination is inherently subjective, as it requires estimates that are subject to potentially significant revision as more information becomes available and due to subsequent events. In making these determinations, we consider many factors, including, but not limited to, the loss and damages sought by the plaintiff or claimant, the basis and validity of the claim, the likelihood of a successful defense against the claim, and the potential for, and magnitude of, damages or settlements from such pending and potential litigation and arbitration proceedings, and fines and penalties or orders from regulatory agencies. See "Item 3 – Legal Proceedings" of this Form 10-K for information on our legal, regulatory, and arbitration proceedings.

### *Allowance for Credit Losses*

The measurement of the allowance for credit losses, which includes the allowance for loan losses and the reserve for unfunded lending commitments, is based on management's best estimate of lifetime expected credit losses inherent in the Company's relevant financial assets.

The expected credit losses on our loan portfolio are referred to as the allowance for loan losses and are reported separately as a contra-asset to loans on the consolidated statement of financial condition. The expected credit losses for unfunded lending commitments, including standby letters of credit and binding unfunded loan commitments, are reported on the consolidated statement of financial condition in accounts payable and accrued expenses. The provision for loan losses related to the loan portfolio and the provision for unfunded lending commitments are reported in the consolidated statement of operations in provision for credit losses.

For loans, the expected credit loss is typically estimated using quantitative methods that consider a variety of factors, such as historical loss experience derived from proxy data, the current credit quality of the portfolio, as well as an economic outlook over the life of the loan. The life of the loan for closed-ended products is based on the contractual maturity of the loan adjusted for any expected prepayments. The contractual maturity includes any extension options that are at the sole discretion of the borrower. For open-ended products, the expected credit loss is determined based on the maximum repayment term associated with future draws from credit lines.



In our loss forecasting framework, we incorporate forward-looking information through the use of macroeconomic scenarios applied over the forecasted life of the assets. These macroeconomic scenarios include variables that have historically been key drivers of increases and decreases in credit losses. These variables include, but are not limited to, unemployment rates, real estate prices, gross domestic product levels, corporate bond spreads, and long-term interest rate forecasts. To estimate losses for contractual periods that extend beyond the forecast horizon, we revert to an average historical loss experience. As any one economic outlook is inherently uncertain, we leverage multiple scenarios. The scenarios that are chosen each quarter and the amount of weighting given to each scenario depend on a variety of factors, including recent economic events, leading economic indicators, and industry trends. The reserve for unfunded lending commitments is estimated using the same scenarios, models, and economic data as the loan portfolio.

The allowance for loan losses includes adjustments for qualitative reserves based on our company's assessment that may not be adequately represented in the quantitative methods or the economic assumptions described above. For example, factors that we consider include changes in lending policies and procedures, business conditions, the nature and size of the portfolio, portfolio concentrations, the volume and severity of past due loans and nonaccrual loans, the effect of external factors such as competition, and legal and regulatory requirements, among others. Further, we consider the inherent uncertainty in quantitative models that are built on historical data. As a result of the uncertainty inherent in the quantitative models, other quantitative and qualitative factors are considered in adjusting allowance amounts, including, but not limited to, the following: model imprecision, imprecision in macroeconomic scenario forecasts, or changes in the economic environment affecting specific portfolio segments that deviate from the macroeconomic forecasts. The evaluation is inherently subjective, as it requires estimates that are susceptible to significant revision as more information becomes available. Depending on changes in circumstances, future assessments of credit risk may yield materially different results from the prior estimates, which may require an increase or a decrease in the allowance for loan losses.

As described above, the process to determine the allowance for credit losses requires numerous estimates and assumptions, some of which require a high degree of judgment and are often interrelated. Changes in the estimates and assumptions can result in significant changes in the allowance for credit losses. Our process for determining the allowance for credit losses is further discussed in Note 1 of the Notes to Consolidated Financial Statements.

#### **Income Taxes**

The provision for income taxes and related tax reserves is based on our consideration of known liabilities and tax contingencies for multiple taxing authorities. Known liabilities are amounts that will appear on current tax returns, amounts that have been agreed to in revenue agent revisions as the result of examinations by the taxing authorities, and amounts that will follow from such examinations but affect years other than those being examined. Tax contingencies are liabilities that might arise from a successful challenge by the taxing authorities taking a contrary position or interpretation regarding the application of tax law to our tax return filings. Factors considered in estimating our liability are results of tax audits, historical experience, and consultation with tax attorneys and other experts.

Accounting Standards Codification ("ASC") Topic 740 ("Topic 740"), "Income Taxes," clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribed recognition threshold and measurement attributes for financial statement disclosure of tax positions taken or expected to be taken on a tax return. The impact of an uncertain income tax position on the income tax return must be recognized at the largest amount that is more likely than not to be sustained upon audit by the relevant taxing authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained. Additionally, Topic 740 provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

#### **Goodwill and Intangible Assets**

Under the provisions of ASC Topic 805, "Business Combinations," we record all assets and liabilities acquired in purchase acquisitions, including goodwill and other intangible assets, at fair value. Determining the fair value of assets and liabilities requires certain estimates.

Goodwill for certain acquisitions is deductible for tax purposes. The amortization of goodwill for tax purposes creates a cash tax savings due to a reduction in the current taxes payable. We have recorded cash tax savings for the

year ending December 31, 2023, of \$10.8 million and anticipate cumulative future cash savings of \$93.1 million as of result of the tax amortization of goodwill.

In accordance with ASC Topic 350, "Intangibles – Goodwill and Other," indefinite-life intangible assets and goodwill are not amortized. Rather, they are subject to impairment testing on an annual basis, or more often if events or circumstances indicate there may be impairment. This test involves assigning tangible assets and liabilities as well as identified intangible assets and goodwill to reporting units and comparing the fair value of each reporting unit to its carrying amount. If the fair value is less than the carrying amount, a further test is required to measure the amount of the impairment.

We test goodwill for impairment on an annual basis as of October 1 and on an interim basis when certain events or circumstances exist. Evaluating goodwill for impairment requires management to make significant judgments, including, in part, the use of unobservable inputs that are subject to uncertainty. Goodwill impairment tests are performed at the reporting unit level, which is generally at the level of or one level below our business segments. Goodwill no longer retains its association with a particular acquisition once it has been assigned to a reporting unit. As such, all the activities of a reporting unit, whether acquired or organically developed, are available to support the value of the goodwill.

For both the annual and interim tests, we have the option to either (i) perform a quantitative impairment test or (ii) first perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, in which case the quantitative test would be performed.

When performing a quantitative impairment test, we compare the fair value of a reporting unit with its carrying amount, including goodwill. If the fair value of the reporting unit is less than its carrying amount, the goodwill impairment loss is equal to the excess of the carrying value over the fair value, limited by the carrying amount of goodwill allocated to that reporting unit.

The carrying value of each reporting unit is determined based on the capital allocated to the reporting unit. The estimated fair value of the reporting units is derived based on valuation techniques we believe market participants would use for each of the reporting units. The estimated fair value is generally determined by utilizing a discounted cash flow methodology. In certain instances, we may also utilize methodologies that incorporate price-to-book and price-to-earnings multiples of certain comparable companies.

The discounted cash flow methodology uses projected future cash flows based on the reporting units' earnings forecast. The discount rate used represents an estimate of the cost of capital for that reporting unit.

At each annual goodwill impairment testing date, each of our reporting units with goodwill had a fair value that was in excess of its carrying value.

Identifiable intangible assets, which are amortized over their estimated useful lives, are tested for potential impairment whenever events or changes in circumstances suggest that the carrying value of an asset or asset group may not be fully recoverable.

#### **Recent Accounting Pronouncements**

See Note 2 of the Notes to Consolidated Financial Statements for information regarding the effect of new accounting pronouncements on our consolidated financial statements.

#### **Off-Balance Sheet Arrangements**

Information concerning our off-balance sheet arrangements is included in Note 24 of the Notes to Consolidated Financial Statements. Such information is hereby incorporated by reference.

#### **Dilution**

As of December 31, 2023, there were 15,527,544 outstanding restricted stock units, PRSUs, and restricted stock awards. A restricted stock unit represents the right to receive a share of the Company's common stock at a designated time in the future without cash payment by the associate and is issued in lieu of cash incentive, principally for deferred compensation and employee retention plans. The restricted stock units vest on an annual basis over the next one to ten years and are distributable, if vested, at future specified dates. Restricted stock awards are restricted as to sale or disposition. These restrictions lapse over the next one to two years. Of the outstanding restricted stock units, PRSUs, and restricted stock awards, 1,998,583 shares are currently vested and 13,528,961 are unvested. Assuming vesting requirements are met, the Company anticipates that

4,074,099 shares under these awards will be distributed in 2024, 2,662,970 will vest in 2025, 2,236,213 will vest in 2026, and the balance of 4,555,679 will be distributed thereafter.

An associate will realize income as a result of an award of stock units at the time shares are distributed in an amount equal to the fair market value of the shares at that time, and we are entitled to a corresponding tax deduction in the year of vesting in some instances, or delivery in other instances. Unless an associate elects to satisfy the withholding in another manner, either by paying the amount in cash or by delivering shares of Stifel Financial Corp. common stock already owned by the individual for at least six months, we may satisfy tax withholding obligations on income associated with the grants by reducing the number of shares otherwise deliverable in connection with the awards. The reduction will be calculated based on a current market price of our common stock. Based on current tax law, we anticipate that the shares issued when the awards are paid to the associates will be reduced by approximately 35% to satisfy the maximum withholding obligations, so that approximately 65% of the total restricted stock units that are distributable in any particular year will be converted into issued and outstanding shares.

It has been our practice historically to satisfy almost all tax withholding obligations on income associated with the grants by reducing the number of shares otherwise deliverable in connection with the awards. We anticipate that practice will continue, as recently our Compensation Committee made a determination to satisfy tax withholding obligations through the cancellation of shares subject to an award. In addition, the plan pursuant to which we issue restricted stock units and restricted stock awards permits us to elect to settle certain awards entirely in cash, and we may elect to do so as those awards vest and become deliverable.

#### ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

##### Risk Management

Risks are an inherent part of our business and activities. Management of these risks is critical to our soundness and profitability. Risk management at our company is a multi-faceted process that requires communication, judgment, and knowledge of financial products and markets. Our senior management group takes an active role in the risk management process and requires specific administrative and business functions to assist in the identification, assessment, monitoring, and control of various risks. The principal risks involved in our business activities are: market (interest rates and equity prices), credit, capital and liquidity, operational, and regulatory and legal.

We have adopted policies and procedures concerning Enterprise Risk Management. The Risk Management Committee of the Board of Directors, in exercising its oversight of management's activities, conducts periodic reviews and discussions with management regarding the guidelines and policies governing the processes by which risk assessment and risk management are handled.

##### Market Risk

The potential for changes in the value of financial instruments owned by our company resulting from changes in interest rates and equity prices is referred to as "market risk." Market risk is inherent to financial instruments, and accordingly, the scope of our market risk management procedures includes all market risk-sensitive financial instruments.

The following table sets forth the high, low, and daily average VaR for our trading portfolios during the year ended December 31, 2023, and the daily VaR at December 31, 2023 and 2022 (*in thousands*):

	December 31, 2023			VaR Calculation at December 31,	
	High	Low	Daily Average	2023	2022
Daily VaR	\$11,953	\$3,612	\$7,572	\$6,464	\$6,293

Stifel Bancorp's interest rate risk is principally associated with changes in market interest rates related to residential, consumer, and commercial lending activities, as well as FDIC-insured deposit accounts to customers of our broker-dealer subsidiaries and to the general public.

Our primary emphasis in interest rate risk management for Stifel Bancorp is the matching of assets and liabilities of similar cash flow and repricing time frames. This matching of assets and liabilities reduces exposure to interest rate movements and aids in stabilizing positive interest spreads. Stifel Bancorp has established limits for acceptable interest rate risk and acceptable portfolio value risk. To ensure that Stifel Bancorp is within the limits established for net interest income, an analysis of net interest income based on various shifts in interest rates is prepared each quarter and presented to Stifel Bancorp's Board of Directors. Stifel Bancorp utilizes a third-party model to analyze the available data.

We trade tax-exempt and taxable debt obligations, including U.S. treasury bills, notes, and bonds; U.S. government agency and municipal notes and bonds; bank certificates of deposit; mortgage-backed securities; and corporate obligations. We are also an active market-maker in over-the-counter equity securities. In connection with these activities, we may maintain inventories in order to ensure availability and to facilitate customer transactions.

Changes in value of our financial instruments may result from fluctuations in interest rates, credit ratings, equity prices, and the correlation among these factors, along with the level of volatility.

We manage our trading businesses by product and have established trading departments that have responsibility for each product. The trading inventories are managed with a view toward facilitating client transactions, considering the risk and profitability of each inventory position. Position limits in trading inventory accounts are established by our Enterprise Risk Management department and monitored on a daily basis within the business units. We monitor inventory levels and results of the trading departments, as well as inventory aging, pricing, concentration, securities ratings, and risk sensitivities.

We are also exposed to market risk based on our other investing activities. These investments consist of investments in private equity partnerships, startup companies, venture capital investments, and zero coupon U.S. government securities and are included under the caption "Investments" on the consolidated statements of financial condition.

##### Interest Rate Risk

We are exposed to interest rate risk as a result of maintaining inventories of interest rate-sensitive financial instruments and from changes in the interest rates on our interest-earning assets (including client loans, stock borrow activities, investments, inventories, and resale agreements) and our funding sources (including client cash balances, Federal Home Loan Bank advances, stock lending activities, bank borrowings, and repurchase agreements), which finance these assets. The collateral underlying financial instruments at the broker-dealer is repriced daily, thus requiring collateral to be delivered as necessary. Interest rates on client balances and stock borrow and lending produce a positive spread to our company, with the rates generally fluctuating in parallel.

We manage our inventory exposure to interest rate risk by setting and monitoring limits and, where feasible, hedging with offsetting positions in securities with similar interest rate risk characteristics. While a significant portion of our securities inventories have contractual maturities in excess of five years, these inventories, on average, turn over several times per year.

Value-at-Risk ("VaR") is a statistical technique used to estimate the probability of portfolio losses based on the statistical analysis of historical price trends and volatility. It provides a common risk measure across financial instruments, markets, and asset classes. We estimate VaR using a model that assumes historical changes in market conditions are representative of future changes, and trading losses on any given day could exceed the reported VaR by significant amounts in unusually volatile markets. Further, the model involves a number of assumptions and inputs. While we believe that the assumptions and inputs we use in our risk model are reasonable, different assumptions and inputs could produce materially different VaR estimates. We monitor, on a daily basis, the VaR in our trading portfolios using a ten-day horizon and a five-year look-back period measured at a 99% confidence level.

The following table illustrates the estimated change in net interest income at December 31, 2023, based on shifts in interest rates of up to positive 200 basis points and negative 200 basis points:

Hypothetical Change in Interest Rates	Projected Change in Net Interest Margin
+200	4.0 %
+100	2.0
0	—
-100	(1.7)
-200	(4.1)

The following GAP Analysis table indicates Stifel Bancorp's interest rate sensitivity position at December 31, 2023 (*in thousands*):

	Repricing Opportunities			
	0-6 Months	7-12 Months	1-5 Years	5+ Years
<b>Interest-earning assets:</b>				
Loans	\$11,886,841	\$ 419,349	\$ 4,012,262	\$ 3,816,443
Securities	6,126,689	102,375	665,489	750,107
Interest-bearing cash	2,018,547	—	—	—
	\$20,032,077	\$ 521,724	\$ 4,677,751	\$ 4,566,550
<b>Interest-bearing liabilities:</b>				
Transaction accounts and savings	\$27,136,708	\$ —	\$ —	\$ —
Certificates of deposit	—	—	5	—
	\$27,136,708	\$ —	\$ 5	\$ —
GAP	(7,104,631)	521,724	4,677,746	4,566,550
Cumulative GAP	\$ (7,104,631)	\$ (6,582,907)	\$ (1,905,161)	\$ 2,661,389

### Equity Price Risk

We are exposed to equity price risk as a consequence of making markets in equity securities. We attempt to reduce the risk of loss inherent in our inventory of equity securities by monitoring those security positions constantly throughout each day.

Our equity securities inventories are repriced on a regular basis, and there are no unrecorded gains or losses. Our activities as a dealer are client-driven, with the objective of meeting clients' needs while earning a positive spread.

### Credit Risk

We are engaged in various trading and brokerage activities, with the counterparties primarily being broker-dealers. In the event counterparties do not fulfill their obligations, we may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. We manage this risk by imposing and monitoring position limits for each counterparty, monitoring trading counterparties, conducting regular credit reviews of financial counterparties, reviewing security concentrations, holding and marking to market collateral on certain transactions, and conducting business through clearing organizations, which guarantee performance.

Our client activities involve the execution, settlement, and financing of various transactions on behalf of our clients. Client activities are transacted on either a cash or margin basis. Credit exposure associated with our private client business consists primarily of customer margin accounts, which are monitored daily and are collateralized. We monitor exposure to industry sectors and individual securities and perform analyses on a regular basis in connection with our margin lending activities. We adjust our margin requirements if we believe our risk exposure is not appropriate based on market conditions.

We have accepted collateral in connection with resale agreements, securities borrowed transactions, and customer margin loans. Under many agreements, we are permitted to sell or repledge these securities held as collateral and use these securities to enter into securities lending arrangements or to deliver to counterparties to cover short positions. At December 31, 2023, the fair value of securities accepted as collateral where we are permitted to sell or repledge the securities was \$1.6 billion and the fair value of the collateral that had been sold or repledged was \$417.6 million.

By using derivative instruments, we are exposed to credit and market risk on those derivative positions. Credit risk is equal to the fair value gain in a derivative, if the counterparty fails to perform. When the fair value of a derivative contract is positive, this generally indicates that the counterparty owes our company and, therefore, creates a repayment risk for our company. When the fair value of a derivative contract is negative, we owe the counterparty and, therefore, have no repayment risk. We minimize the credit (or repayment) risk in derivative instruments by entering into transactions with high-quality counterparties that are reviewed periodically by senior management.

Stifel Bancorp extends credit to individual and commercial borrowers through a variety of loan products, including residential and commercial mortgage loans, home equity loans, construction loans, and non-real-estate commercial and consumer loans. Bank loans are generally collateralized by real estate, real property, or other assets of the borrower. Stifel Bancorp's loan policy includes criteria to adequately underwrite, document, monitor, and manage credit risk. Underwriting requires reviewing and documenting the fundamental characteristics of credit, including character, capacity to service the debt, capital, conditions, and collat-

eral. Benchmark capital and coverage ratios are utilized, which include liquidity, debt service coverage, credit, working capital, and capital to asset ratios. Lending limits are established to include individual, collective, committee, and board authority. Monitoring credit risk is accomplished through defined loan review procedures, including frequency and scope.

We are subject to concentration risk if we hold large positions, extend large loans to, or have large commitments with a single counterparty, borrower, or group of similar counterparties or borrowers (i.e., in the same industry). Securities purchased under agreements to resell consist of securities issued by the U.S. government or its agencies. Receivables from and payables to clients and stock borrow and lending activities, both with a large number of clients and counterparties, and any potential concentration are carefully monitored. Stock borrow and lending activities are executed under master netting agreements, which gives our company right of offset in the event of counterparty default. Inventory and investment positions taken and commitments made, including underwritings, may involve exposure to individual issuers and businesses. We seek to limit this risk through careful review of counterparties and borrowers and the use of limits established by our senior management group, taking into consideration factors including the financial strength of the counterparty, the size of the position or commitment, the expected duration of the position or commitment, and other positions or commitments outstanding.

### Operational Risk

Operational risk generally refers to the risk of loss resulting from our operations, including, but not limited to, business disruptions, improper or unauthorized execution and processing of transactions, deficiencies in our technology or financial operating systems and inadequacies or breaches in our control processes including cyber security incidents. See "Item 1A – Risk Factors" of this Form 10-K for a discussion of certain cyber security risks).

We operate different businesses in diverse markets and are reliant on the ability of our associates and systems to process a large number of transactions. These risks are less direct than credit and market risk, but managing them is critical, particularly in a rapidly changing environment with increasing transaction volumes. In the event of a breakdown or improper operation of systems or improper action by associates, we could suffer financial loss, regulatory sanctions, and damage to our reputation. In order to mitigate and control operational risk, we have developed and continue to enhance specific policies and procedures that are designed to identify and manage operational risk at appropriate levels throughout the organization and within such departments as Accounting, Operations, Information Technology, Legal, Compliance, and Internal Audit. These control mechanisms attempt to ensure that operational policies and procedures are being followed and that our various businesses are operating within established corporate policies and limits. Business continuity plans exist for critical systems, and redundancies are built into the systems as deemed appropriate.

### Regulatory and Legal Risk

Legal risk includes the risk of private client group customer claims for sales practice violations. While these claims may not be the result of any wrongdoing, we do, at a minimum, incur costs associated with investigating and defending against such claims. See "Item 7 – Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Policies and Estimates" and "Item 3 – Legal Proceedings" of this Form 10-K for further discussion of our legal proceedings. In addition, we are subject to potentially sizable adverse legal judgments or arbitration awards, and fines, penalties, and other

sanctions for non-compliance with applicable legal and regulatory requirements. We are generally subject to extensive regulation by the SEC, FINRA, and state securities regulators in the different jurisdictions in which we conduct business. As a bank holding company, we are subject to regulation by the Federal Reserve. Our bank subsidiaries are subject to regulation by the FDIC. As a result, we are subject to a risk of loss resulting from failure to comply with banking laws. Our international subsidiary, SNEL, is subject to the regulatory supervision and requirements of the FCA in the United Kingdom. Our Canadian subsidiary, SNC, is subject to the regulatory supervision and requirements of the CIRO. We have comprehensive procedures addressing issues such as regulatory capital requirements, sales and trading practices, use of and safekeeping of customer funds, the extension of credit, including margin loans, collection activities, money laundering, and record keeping. We act as an underwriter or selling group member in both equity and fixed income product offerings. When acting as lead or co-lead manager, we have potential legal exposure to claims relating to these securities offerings. To manage this exposure, a committee of senior executives review proposed underwriting commitments to assess the quality of the offering and the adequacy of due diligence investigation.

Our company, as a bank and financial holding company, is subject to regulation, including capital requirements, by the Federal Reserve. Stifel Bancorp is subject

to various regulatory capital requirements administered by the FDIC and state banking authorities. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on our company's and Stifel Bancorp's financial statements.

#### *Effects of Inflation*

Our assets are primarily monetary, consisting of cash, securities inventory, and receivables from customers and brokers and dealers. These monetary assets are generally liquid and turn over rapidly and, consequently, are not significantly affected by inflation. However, the rate of inflation affects various expenses of our company, such as employee compensation and benefits, communications and office supplies, and occupancy and equipment rental, which may not be readily recoverable in the price of services we offer to our clients. Further, to the extent inflation results in rising interest rates and has other adverse effects upon the securities markets, it may adversely affect our financial position and results of operations.



ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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## Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of Stifel Financial Corp.

### Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial condition of Stifel Financial Corp. (the Company) as of December 31, 2023 and 2022, the related consolidated statements of operations, comprehensive income, changes in shareholders' equity and cash flows for each of the three years in the period ended December 31, 2023, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 16, 2024 expressed an unqualified opinion thereon.

### Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

## Allowance for Credit Losses

*Description of the Matter* The Company's loans held for investment portfolio totaled \$19.4 billion as of December 31, 2023 and the associated allowance for credit losses (ACL) was \$161.6 million, which includes the allowance for loan losses of \$128.3 million and the reserve for unfunded lending commitments of \$33.3 million. The loans held for investment portfolio and associated ACL is comprised of commercial loans (as defined as commercial and industrial, commercial real estate, fund banking, and construction and land) and consumer loans (as defined as residential real estate, securities-based loans, home equity lines of credit and other). As discussed above and in Notes 2 and 8 to the consolidated financial statements, the ACL is calculated using: quantitative methods that rely on a variety of factors such as historical loss experience derived from proxy data, the current credit quality of the portfolio and incorporating forward-looking information through the use of macroeconomic scenarios applied over the forecasted life of the asset and qualitative reserves for factors that are not adequately reflected in the quantitative models. Management considers various factors, as well as uncertainty inherent in the quantitative models, when assessing its qualitative reserves, including, but not limited to: model imprecision, imprecision in the macroeconomic scenario forecasts, or changes in the economic environment affecting specific portfolio segments that deviate from the macroeconomic forecasts.

*How We Addressed the Matter in Our Audit* Auditing management's estimate of the commercial qualitative allowance reserve involves a high degree of subjectivity. Management's considerations of the inherent uncertainty in the quantitative model due to model imprecision and imprecision in the macroeconomic scenario forecasts and resulting qualitative adjustments, are highly judgmental and could have a significant effect on the ACL.

We obtained an understanding of the Company's process for establishing the ACL, including the estimation of the qualitative allowance reserve. We evaluated the design and tested the operating effectiveness of controls and governance over the appropriateness of these components of the ACL, including controls over the review of the ACL methodology, the review over the identification and measurement of qualitative adjustments, including data and assumptions used in the measurement, and management's review of the overall adequacy of the allowance for losses.

To test the reasonableness of the qualitative adjustments used in the measurement of the ACL, we evaluated management's assessment of the quantitative results to determine whether qualitative adjustments are necessary. With the assistance of specialists, we assessed management's methodology and whether relevant risks were reflected in the quantitative models and whether qualitative adjustments to the model output were appropriate. We tested the sufficiency, reliability, and relevance of the information used in developing the qualitative adjustment, including portfolio specific risk assessments, historical proxy loss data, and management's analyses of economic scenario sensitivity. We also evaluated whether the overall ACL amount, including qualitative adjustments, appropriately reflects expected credit losses within the portfolio by comparing the overall ACL to those established by peer banking institutions with similar loan portfolios. Additionally, we evaluated the reasonableness of the economic scenarios used in calculating the ACL, including agreeing information to third-party sources and assessing the weighting of the economic scenarios. We also reviewed subsequent events and transactions and considered whether they corroborate or contradict the Company's conclusion.

The logo for Ernst & Young LLP is written in a black, cursive script font. The letters are connected and fluid, with a prominent 'E' and 'Y'.

We have served as the Company's auditor since 2008.

Stamford, Connecticut

February 16, 2024

**STIFEL FINANCIAL CORP.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION**

<i>(in thousands, except share and per share amounts)</i>	December 31,	
	2023	2022
<b>Assets</b>		
Cash and cash equivalents	\$ 3,361,801	\$ 2,199,985
Cash segregated for regulatory purposes	162,048	29,017
Receivables:		
Brokerage clients, net	841,507	924,385
Broker, dealers, and clearing organizations	414,144	418,091
Securities purchased under agreements to resell	349,849	348,162
Financial instruments owned, at fair value	918,741	731,752
Available-for-sale securities, at fair value	1,551,686	1,636,041
Held-to-maturity securities, at amortized cost	5,888,798	5,990,451
Loans:		
Held for investment, net	19,305,805	20,465,092
Held for sale, at lower cost or market	423,999	156,912
Investments, at fair value	91,105	99,376
Fixed assets, net	191,528	200,043
Operating lease right-of-use assets, net	778,216	775,949
Goodwill	1,388,243	1,326,548
Intangible assets, net	133,279	130,589
Loans and advances to financial advisors and other employees, net	683,486	654,112
Deferred tax assets, net	121,522	159,207
Other assets	1,121,703	950,412
<b>Total assets</b>	<b>37,727,460</b>	<b>37,196,124</b>
<b>Liabilities</b>		
Payables:		
Brokerage clients	734,821	770,336
Brokers, dealers, and clearing organizations	231,736	94,954
Drafts	117,688	102,212
Securities sold under agreements to repurchase	417,644	212,011
Bank deposits	27,334,579	27,117,111
Financial instruments sold, but not yet purchased, at fair value	497,741	454,817
Accrued compensation	585,612	677,376
Accounts payable and accrued expenses	1,337,579	1,264,282
Senior notes, net	1,115,629	1,114,554
Debentures to Stifel Financial Capital Trusts	60,000	60,000
<b>Total liabilities</b>	<b>32,433,029</b>	<b>31,867,653</b>
<b>Equity</b>		
Preferred stock – \$1 par value; authorized 3,000,000 shares; issued 27,400 shares	685,000	685,000
Common stock – \$0.15 par value; authorized 194,000,000 shares; issued 111,662,321 and 111,662,034 shares, respectively	16,749	16,749
Additional paid-in-capital	1,905,097	1,928,069
Retained earnings	3,398,610	3,169,095
Accumulated other comprehensive loss	(74,326)	(117,960)
Treasury stock, at cost, 10,600,793 and 6,314,033 shares, respectively	(636,699)	(352,482)
<b>Total equity</b>	<b>5,294,431</b>	<b>5,328,471</b>
<b>Total liabilities and equity</b>	<b>\$37,727,460</b>	<b>\$37,196,124</b>

See accompanying Notes to Consolidated Financial Statements.



**STIFEL FINANCIAL CORP.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

<i>(in thousands, except per share amounts)</i>	Year Ended December 31,		
	2023	2022	2021
<b>Revenues</b>			
Commissions	\$ 673,597	\$ 710,589	\$ 809,500
Principal transactions	490,440	529,033	581,164
Investment banking	731,255	971,485	1,565,381
Asset management	1,299,496	1,262,919	1,206,516
Interest	1,955,745	1,099,115	548,400
Other income	8,747	19,685	72,125
<b>Total revenues</b>	<b>5,159,280</b>	<b>4,592,826</b>	<b>4,783,086</b>
Interest expense	810,336	201,387	45,998
<b>Net revenues</b>	<b>4,348,944</b>	<b>4,391,439</b>	<b>4,737,088</b>
<b>Non-interest expenses:</b>			
Compensation and benefits	2,554,581	2,586,232	2,820,301
Occupancy and equipment rental	339,322	313,247	290,243
Communications and office supplies	184,652	175,135	165,490
Commissions and floor brokerage	58,344	57,752	59,681
Provision for credit losses	24,999	33,506	(11,502)
Other operating expenses	480,354	340,451	345,794
<b>Total non-interest expenses</b>	<b>3,642,252</b>	<b>3,506,323</b>	<b>3,670,007</b>
Income before income tax expense	706,692	885,116	1,067,081
Provision for income taxes	184,156	222,961	242,223
Net income	522,536	662,155	824,858
Preferred dividends	37,281	37,281	35,587
<b>Net income available to common shareholders</b>	<b>\$ 485,255</b>	<b>\$ 624,874</b>	<b>\$ 789,271</b>
<b>Earnings per common share:</b>			
Basic	\$ 4.55	\$ 5.74	\$ 7.34
Diluted	\$ 4.28	\$ 5.32	\$ 6.66
Cash dividends declared per common share	\$ 1.44	\$ 1.20	\$ 0.60
<b>Weighted-average number of common shares outstanding:</b>			
Basic	106,661	108,848	107,536
Diluted	113,453	117,540	118,530

See accompanying Notes to Consolidated Financial Statements.

**STIFEL FINANCIAL CORP.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

<i>(in thousands)</i>	Year Ended December 31,		
	2023	2022	2021
Net income	\$ 522,536	\$ 662,155	\$ 824,858
Other comprehensive income/(loss), net of tax: <sup>(1)</sup>			
Changes in unrealized gains/(losses) on available-for-sale securities, net of tax <sup>(2)</sup>	38,180	(177,731)	(19,385)
Foreign currency translation adjustment, net of tax <sup>(3)</sup>	5,454	55,053	(3,536)
<b>Total other comprehensive income/(loss), net of tax</b>	<b>43,634</b>	<b>(122,678)</b>	<b>(22,921)</b>
<b>Comprehensive income</b>	<b>\$ 566,170</b>	<b>\$ 539,477</b>	<b>\$ 801,937</b>

<sup>(1)</sup> Net of a tax expense of \$15.4 million, tax benefit of \$41.3 million, and tax benefit of \$6.7 million for the years ended December 31, 2023, 2022, and 2021, respectively.

<sup>(2)</sup> Net of reclassifications to earnings of realized losses of \$5.6 million for the year ended December 31, 2023. There were no reclassifications to earnings for the years ended December 31, 2022 and 2021.

<sup>(3)</sup> During the year ended December 31, 2022, we closed our derivative instruments used to hedge the foreign exchange risk related to our equity investment in non-U.S. Dollar functional currency foreign subsidiaries, primarily the British Pound and Euro. The net gain recorded on these hedges was \$75.0 million, which included \$23.3 million in tax expense.

See accompanying Notes to Consolidated Financial Statements.

**STIFEL FINANCIAL CORP.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

<i>(in thousands, except share and per share amounts)</i>	Year Ended December 31,		
	2023	2022	2021
<b>Preferred stock, par value \$1.00 per share:</b>			
Balance, beginning of year	\$ 685,000	\$ 685,000	\$ 535,000
Issuance of preferred stock	—	—	300,000
Redemption of preferred stock	—	—	(150,000)
Balance, end of year	685,000	685,000	685,000
<b>Common stock, par value \$0.15 per share:</b>			
Balance, beginning of year	16,749	16,749	16,749
Issuance of common stock	—	—	—
Balance, end of year	16,749	16,749	16,749
<b>Additional paid-in-capital:</b>			
Balance, beginning of year	1,928,069	1,922,382	1,888,982
Unit amortization, net of forfeitures	149,088	150,408	127,458
Distributions under employee plans	(172,154)	(144,658)	(120,158)
Issuance of preferred stock	—	—	(9,112)
Common stock issued for acquisitions	—	—	35,186
Other	94	(63)	26
Balance, end of year	1,905,097	1,928,069	1,922,382
<b>Retained earnings:</b>			
Balance, beginning of year	3,169,095	2,757,208	2,078,135
Net income	522,536	662,155	824,858
Dividends declared:			
Common	(172,985)	(148,694)	(74,437)
Preferred	(37,281)	(37,281)	(35,587)
Distributions under employee plans	(83,135)	(65,415)	(35,233)
Other	380	1,122	(528)
Balance, end of year	3,398,610	3,169,095	2,757,208
<b>Accumulated other comprehensive income/(loss):</b>			
Balance, beginning of year	(117,960)	4,718	27,639
Unrealized gains/(losses) on securities, net of tax	38,180	(177,731)	(19,385)
Foreign currency translation adjustment, net of tax	5,454	55,053	(3,536)
Balance, end of year	(74,326)	(117,960)	4,718
<b>Treasury stock, at cost:</b>			
Balance, beginning of year	(352,482)	(351,098)	(307,739)
Distributions under employee plans	159,659	104,447	74,568
Common stock issued for acquisitions	—	—	54,814
Common stock repurchased	(443,876)	(105,831)	(172,741)
Balance, end of year	(636,699)	(352,482)	(351,098)
<b>Total Shareholders' Equity</b>	<b>\$5,294,431</b>	<b>\$5,328,471</b>	<b>\$5,034,959</b>

See accompanying Notes to Consolidated Financial Statements.

**STIFEL FINANCIAL CORP.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

<i>(in thousands)</i>	Year Ended December 31,		
	2023	2022	2021
<b>Cash Flows From Operating Activities:</b>			
Net income	\$ 522,536	\$ 662,155	\$ 824,858
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	60,533	50,615	45,574
Amortization of loans and advances to financial advisors and other employees	145,227	132,012	114,690
Amortization of premium on investment portfolio	9,871	12,156	17,042
Provision for credit losses and allowance for loans and advances to financial advisors and other employees	24,999	33,506	(11,502)
Amortization of intangible assets	20,929	19,595	18,188
Deferred income taxes	15,968	12,693	32,104
Stock-based compensation	140,263	135,505	119,384
Unrealized (gains)/losses on investments	(460)	11,892	2,999
Other, net	2,572	8,852	26,222
Decrease/(increase) in operating assets, net of assets acquired:			
Receivables:			
Brokerage clients, net	82,878	228,492	(214,033)
Brokers, dealers, and clearing organizations	5,341	156,165	(8,496)
Securities purchased under agreements to resell	(1,687)	231,704	(266,801)
Financial instruments owned, including those pledged	(131,576)	425,252	(271,475)
Loans originated as held for sale	(995,084)	(576,153)	(1,997,561)
Proceeds from loans held for sale	864,996	593,086	2,313,934
Loans and advances to financial advisors and other employees, net	(181,583)	(132,384)	(172,553)
Other assets	(107,859)	(66,020)	(96,700)
Increase/(decrease) in operating liabilities, net of liabilities assumed:			
Payables:			
Brokerage clients	(35,515)	(201,588)	(92,015)
Brokers, dealers, and clearing organizations	43,060	(81,661)	6,535
Drafts	15,476	(20,405)	4,880
Financial instruments sold, but not yet purchased	12,582	(301,333)	229,708
Other liabilities and accrued expenses	(14,139)	(176,721)	247,112
Net cash provided by operating activities	\$ 499,328	\$ 1,157,415	\$ 872,094

*See accompanying Notes to Consolidated Financial Statements.*

**STIFEL FINANCIAL CORP.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS** (continued)

<i>(in thousands)</i>	Year Ended December 31,		
	2023	2022	2021
<b>Cash Flows From Investing Activities:</b>			
Proceeds from:			
Principal paydowns, calls, maturities, and sales of available-for-sale securities	\$ 138,216	\$ 330,049	\$ 562,352
Calls and principal paydowns of held-to-maturity securities	101,240	114,741	1,751,313
Sale of fixed assets	—	—	148,375
Sale or maturity of investments	15,694	20,753	19,606
Decrease/(increase) in loans held for investment, net	1,002,320	(3,822,654)	(5,609,314)
Payments for:			
Purchase of available-for-sale securities	(19,635)	(103,339)	(813,657)
Purchase of held-to-maturity securities	—	(754,306)	(2,668,221)
Purchase of investments	(29,257)	(15,551)	(23,309)
Purchase of fixed assets	(51,976)	(82,327)	(188,176)
Acquisitions, net of cash received	(111,958)	(11,903)	(144,471)
Net cash provided by/(used in) investing activities	1,044,644	(4,324,537)	(6,965,502)
<b>Cash Flows From Financing Activities:</b>			
Increase/(decrease) in securities sold under agreements to repurchase	205,633	(173,517)	135,588
Increase in bank deposits, net	217,468	3,836,763	5,883,851
Increase/(decrease) in securities loaned	67,588	(81,114)	4,095
Tax payments related to shares withheld for stock-based compensation plans	(94,387)	(102,546)	(78,565)
Repurchase of common stock	(443,876)	(105,831)	(172,741)
Cash dividends on preferred stock	(37,281)	(37,281)	(35,587)
Cash dividends paid to common stock and equity-award holders	(162,984)	(133,747)	(66,336)
Payment of contingent consideration	(6,740)	(11,313)	(16,798)
Other financing, net	—	—	140,888
Net cash (used in)/provided by financing activities	(254,579)	3,191,414	5,794,395
Effect of exchange rate changes on cash	5,454	55,053	(3,536)
Increase/(decrease) in cash, cash equivalents, and cash segregated for regulatory purposes	1,294,847	79,345	(302,549)
Cash, cash equivalents, and cash segregated for regulatory purposes at beginning of year	2,229,002	2,149,657	2,452,206
Cash, cash equivalents, and cash segregated for regulatory purposes at end of year	\$3,523,849	\$ 2,229,002	\$ 2,149,657
Cash and cash equivalents	\$3,361,801	\$ 2,199,985	\$ 1,963,326
Cash segregated for regulatory purposes	162,048	29,017	186,331
Total cash, cash equivalents, and cash segregated for regulatory purposes	\$3,523,849	\$ 2,229,002	\$ 2,149,657
<b>Supplemental disclosure of cash flow information:</b>			
Cash paid for income taxes, net of refunds	\$ 183,815	\$ 217,133	\$ 288,950
Cash paid for interest	821,741	220,851	62,510
<b>Noncash investing and financing activities:</b>			
Unit grants, net of forfeitures	\$ 188,641	\$ 194,741	\$ 156,535
Issuance of common stock for acquisitions	—	—	90,000

See accompanying Notes to Consolidated Financial Statements.



# STIFEL FINANCIAL CORP.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1 – Nature of Operations and Basis of Presentation

#### *Nature of Operations*

Stifel Financial Corp. (the “Company”), through its wholly owned subsidiaries, is principally engaged in retail brokerage; securities trading; investment banking; investment advisory; retail, consumer, and commercial banking; and related financial services. Our major geographic area of concentration is throughout the United States, with a growing presence in the United Kingdom, Europe, and Canada. Our company’s principal customers are individual investors, corporations, municipalities, and institutions.

#### *Basis of Presentation*

The consolidated financial statements include Stifel Financial Corp. and its wholly owned subsidiaries, principally Stifel, Nicolaus & Company, Incorporated (“Stifel”), Keefe Bruyette & Woods, Inc. (“KBW”), Stifel Bancorp, Inc. (“Stifel Bancorp”), Stifel Nicolaus Canada Inc. (“SNC”), and Stifel Nicolaus Europe Limited (“SNEL”). Unless otherwise indicated, the terms “we,” “us,” “our,” or “our company” in this report refer to Stifel Financial Corp. and its wholly owned subsidiaries.

The accompanying consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles, which require management to make certain estimates and assumptions that affect the reported amounts. We consider significant estimates, which are most susceptible to change and impacted significantly by judgments, assumptions, and estimates, to be: valuation of financial instruments and investments in partnerships, accrual for contingencies, allowance for loan losses, derivative instruments and hedging activities, fair value of goodwill and intangible assets, provision for income taxes and related tax reserves, and forfeitures associated with stock-based compensation. Actual results could differ from those estimates.

Certain amounts from prior periods have been reclassified to conform to the current period’s presentation. The effect of these reclassifications on our company’s previously reported consolidated financial statements was not material.

#### *Consolidation Policies*

The consolidated financial statements include the accounts of Stifel Financial Corp. and its subsidiaries. All material intercompany balances and transactions have been eliminated in consolidation.

We have investments or interests in other entities for which we must evaluate whether to consolidate by determining whether we have a controlling financial interest or are considered to be the primary beneficiary. Under our current consolidation policy, we consolidate those entities where we have the power to direct the activities of the entity that most significantly impact the entity’s economic performance and the obligation to absorb losses of the entity or the rights to receive benefits from the entity that could potentially be significant to the entity.

We determine whether we are the primary beneficiary of a variable interest entity (“VIE”) by performing an analysis of the VIE’s control structure, expected benefits and losses, and expected residual returns. This analysis includes a review of, among other factors, the VIE’s capital structure, contractual terms, which interests create or absorb benefits or losses, variability, related party relationships, and the design of the VIE. We reassess our evaluation of whether an entity is a VIE when certain reconsideration events occur. We reassess our determination of whether we are the primary beneficiary of a VIE on an ongoing basis based on current facts and circumstances. See Note 29 for additional information on VIEs.

### NOTE 2 – Summary of Significant Accounting Policies

#### *Cash and Cash Equivalents*

We consider money market mutual funds and highly liquid investments with original maturities of three months or less that are not restricted or segregated to be cash equivalents. Cash and cash equivalents include deposits with banks, federal funds sold, money market mutual funds, and certificates of deposit. Cash and cash equivalents also include balances that our bank subsidiaries maintain at the Federal Reserve Bank.

#### *Cash Segregated for Regulatory Purposes*

Our broker-dealer subsidiaries are subject to Rule 15c3-3 under the Securities Exchange Act of 1934, which requires our company to maintain cash or qualified securities in a segregated reserve account for the exclusive benefit of its clients. In accordance with Rule 15c3-3, our company has portions of its cash segregated for the exclusive benefit of clients at December 31, 2023.

#### *Brokerage Client Receivables, Net*

Brokerage client receivables include receivables of our company’s broker-dealer subsidiaries, which represent amounts due on cash and margin transactions and are generally collateralized by securities owned by clients. The brokerage client receivables consisting of floating-rate loans collateralized by customer-owned securities are charged interest at rates similar to other such loans made throughout the industry. The receivables are reported at their outstanding principal balance net of allowance for doubtful accounts. When a brokerage client receivable is considered to be impaired, the amount of the impairment is generally measured based on the fair value of the securities acting as collateral, which is measured based on current prices from independent sources, such as listed market prices or broker-dealer price quotations. Securities owned by customers, including those that collateralize margin or other similar transactions, are not reflected in the consolidated statements of financial condition.

#### *Securities Borrowed and Securities Loaned*

Securities borrowed require our company to deliver cash to the lender in exchange for securities and are included in receivables from brokers, dealers, and clearing organizations in the consolidated statements of financial condition. For securities loaned, we generally receive collateral in the form of cash in an amount in excess of the market value of securities loaned. Securities loaned are included in payables to brokers, dealers, and clearing organizations in the consolidated statements of financial condition. We monitor the market value of securities borrowed and loaned on a daily basis, with additional collateral obtained or refunded as necessary. Fees received or paid are recorded in interest revenue or interest expense in the consolidated statements of operations.

Substantially all of these transactions are executed under master netting agreements, which gives us right of offset in the event of counterparty default; however, such receivables and payables with the same counterparty are not set off in the consolidated statements of financial condition.

#### *Securities Purchased Under Agreements to Resell and Repurchase Agreements*

Securities purchased under agreements to resell (“resale agreements”) are collateralized financing transactions that are recorded at their contractual amounts plus accrued interest. We obtain control of collateral with a market value equal to or in excess of the principal amount loaned and accrued interest under resale agreements. These agreements are short-term in nature and are generally collateralized by U.S. government securities, U.S. government agency securities, and corporate bonds. We value collateral on a daily basis, with additional collateral obtained when necessary to minimize the risk associated with this activity.

Securities sold under agreements to repurchase (“repurchase agreements”) are collateralized financing transactions that are recorded at their contractual amounts plus accrued interest. We make delivery of securities sold under agreements to repurchase and monitor the value of collateral on a daily basis. When necessary, we will deliver additional collateral.

#### *Financial Instruments*

We measure certain financial assets and liabilities at fair value on a recurring basis, including cash equivalents, financial instruments owned, available-for-sale securities, investments, financial instruments sold, but not yet purchased, and derivatives. Other than those separately discussed in the notes to the consolidated financial statements, the remaining financial instruments are generally short-term in nature, and their carrying values approximate fair value.

The fair value of a financial instrument is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., “the exit price”) in an orderly transaction between market participants at the measurement date. We have categorized our financial instruments measured at fair value into a three-level classification in accordance with Topic 820, “Fair Value Measurement,” which established a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from independent sources. Unobservable inputs reflect our assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the transparency of inputs as follows:

Level 1 – Quoted prices (unadjusted) are available in active markets for identical assets or liabilities as of the measurement date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement, because it is directly observable to the market.

Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the measurement date. The nature of these financial instruments includes instruments for which quoted prices are available but traded less frequently, derivative instruments whose fair value have been derived using a model where inputs to the model are directly observable in the market, or can be derived principally from or corroborated by observable market data, and instruments that are fair valued using other financial instruments, the parameters of which can be directly observed.

Level 3 – Instruments that have little to no pricing observability as of the measurement date. These financial instruments do not have two-way markets and are measured using management's best estimate of fair value, where the inputs into the determination of fair value require significant management judgment or estimation.

#### *Valuation of Financial Instruments*

When available, we use observable market prices, observable market parameters, or broker or dealer prices (bid and ask prices) to derive the fair value of financial instruments. In the case of financial instruments transacted on recognized exchanges, the observable market prices represent quotations for completed transactions from the exchange on which the financial instrument is principally traded.

A substantial percentage of the fair value of our financial instruments owned, available-for-sale securities, investments, and financial instruments sold, but not yet purchased, are based on observable market prices, observable market parameters, or derived from broker or dealer prices. The availability of observable market prices and pricing parameters can vary from product to product. Where available, observable market prices and pricing or market parameters in a product may be used to derive a price without requiring significant judgment. In certain markets, observable market prices or market parameters are not available for all products, and fair value is determined using techniques appropriate for each particular product. These techniques involve some degree of judgment.

For investments in illiquid or privately held securities that do not have readily determinable fair values, the determination of fair value requires us to estimate the value of the securities using the best information available. Among the factors we consider in determining the fair value of investments are the cost of the investment, terms and liquidity, developments since the acquisition of the investment, the sales price of recently issued securities, the financial condition and operating results of the issuer, earnings trends and consistency of operating cash flows, the long-term business potential of the issuer, the quoted market price of securities with similar quality and yield that are publicly traded, and other factors generally pertinent to the valuation of investments. In instances where a security is subject to transfer restrictions, the value of the security is based primarily on the quoted price of a similar security without restriction but may be reduced by an amount estimated to reflect such restrictions. The fair value of these investments is subject to a high degree of volatility and may be susceptible to significant fluctuation in the near term, and the differences could be material.

The degree of judgment used in measuring the fair value of financial instruments generally correlates to the level of pricing observability. Pricing observability is impacted by a number of factors, including the type of financial instrument, whether the financial instrument is new to the market and not yet established, and the characteristics specific to the transaction. Financial instruments with readily available active quoted prices for which fair value can be measured from actively quoted prices generally will have a higher degree of pricing observability and a lesser degree of judgment used in measuring fair value. Conversely, financial instruments rarely traded or not quoted will generally have less, or no, pricing observability and a higher degree of judgment used in measuring fair value. See Note 5 for additional information on how we value our financial instruments.

#### *Available-for-Sale and Held-to-Maturity Securities*

Securities available for sale, which are carried at fair value, include U.S. government agency securities; state and municipal securities; agency, non-agency, and commercial mortgage-backed securities; corporate fixed income securities; and asset-backed securities, which primarily includes collateralized loan obligations.

Securities held to maturity are recorded at amortized cost based on our company's positive intent and ability to hold these securities to maturity. Securities held to maturity include asset-backed securities, consisting of collateralized loan obligation securities and student loan ARS.

We evaluate each available-for-sale security where the value has declined below amortized cost. If our company intends to sell or believes it is more likely than not that it will be required to sell the debt security, it is written down to fair value through earnings. For available-for-sale debt securities our company intends to hold, we evaluate the debt securities for expected credit losses except for debt securities that are guaranteed by the U.S. Treasury or U.S. government agencies where we apply a zero credit loss assumption.

For the remaining available-for-sale debt securities, we consider qualitative parameters such as internal and external credit ratings and the value of underlying collateral. If an available-for-sale debt security fails any of the qualitative parameters, a discounted cash flow analysis is used by our company to determine if a portion of the unrealized loss is a result of a credit loss. Any credit losses determined are recognized as an increase to the allowance for credit losses through provision expense recorded in the consolidated statement of operations in provision for credit losses. Cash flows expected to be collected are estimated using all relevant information available, such as remaining payment terms, prepayment speeds, the financial condition of the issuer, expected defaults, and the value of the underlying collateral. If any of the decline in fair value is related to market factors, that amount is recognized in accumulated other comprehensive income. In certain instances, the credit loss may exceed the total decline in fair value, in which case, the allowance recorded is limited to the difference between the amortized cost and the fair value of the asset. We separately evaluate our held-to-maturity debt securities for any credit losses. We perform a discounted cash flow analysis to estimate any credit losses, which are then recognized as part of the allowance for credit losses. For available-for-sale and held-to-maturity debt securities, we have established a nonaccrual policy that results in timely write-off of accrued interest. See Note 7 for more information.

Unrealized gains and losses on our available-for-sale securities are reported, net of taxes, in accumulated other comprehensive income included in shareholders' equity. Amortization of premiums and accretion of discounts are recorded as interest income in the consolidated statements of operations using the interest method. Realized gains and losses from sales of securities available for sale are determined on a specific identification basis and are included in other income in the consolidated statements of operations in the period they are sold. For securities transferred from available-for-sale to held-to-maturity, carrying value also includes unrealized gains and losses recognized in accumulated other comprehensive income at the date of transfer. Such unrealized gains or losses are accreted over the remaining life of the security with no impact on future net income.

#### *Loan Classification*

We classify loans based on our investment strategy and management's assessment of our intent and ability to hold loans for the foreseeable future or until maturity. Management's intent and ability with respect to certain loans may change from time to time depending on a number of factors, including economic, liquidity, and capital conditions. The accounting and measurement framework for loans differs depending on the loan classification. The classification criteria and accounting and measurement framework for bank loans and loans held for sale are described below.

#### *Bank Loans*

Bank loans consist of commercial and residential mortgage loans, commercial and industrial loans, stock-secured loans, home equity loans, construction loans, and consumer loans originated or acquired by Stifel Bancorp. Bank loans include those loans that management has the intent and ability to hold and are recorded at outstanding principal adjusted for any charge-offs, allowance for loan losses, deferred origination fees and costs, and purchased discounts. Loan origination costs, net of fees, and premiums and discounts on purchased loans are deferred and recognized over the contractual life of the loan as an adjustment of yield using the interest method. Bank loans are generally collateralized by real estate, real property, marketable securities, or other assets of the borrower. Interest income is recognized using the effective interest rate method, which is based upon the respective interest rates and the average daily asset balance. Discount accretion/premium amortization is recognized using the effective interest rate method, which is based upon the respective interest rate and expected lives of loans.

#### *Allowance for Credit Losses*

The measurement of the allowance for credit losses, which includes the allowance for loan losses and the reserve for unfunded lending commitments, is based on management's best estimate of lifetime expected credit losses inherent in the Company's relevant financial assets.

The expected credit losses on our loan portfolio are referred to as the allowance for loan losses and are reported separately as a contra-asset to loans on the

consolidated statement of financial condition. The expected credit losses for unfunded lending commitments, including standby letters of credit and binding unfunded loan commitments, are reported on the consolidated statement of financial condition in accounts payable and accrued expenses. The provision for loan losses related to the loan portfolio and the provision for unfunded lending commitments are reported in the consolidated statement of operations in provision for credit losses.

For loans, the expected credit loss is typically estimated using quantitative methods that consider a variety of factors, such as historical loss experience derived from proxy data, the current credit quality of the portfolio, as well as an economic outlook over the life of the loan. The life of the loan for closed-ended products is based on the contractual maturity of the loan adjusted for any expected prepayments. The contractual maturity includes any extension options that are at the sole discretion of the borrower. For open-ended products, the expected credit loss is determined based on the maximum repayment term associated with future draws from credit lines.

In our loss forecasting framework, we incorporate forward-looking information through the use of macroeconomic scenarios applied over the forecasted life of the assets. These macroeconomic scenarios include variables that have historically been key drivers of increases and decreases in credit losses. These variables include, but are not limited to, unemployment rates, real estate prices, gross domestic product levels, corporate bond spreads, and long-term interest rate forecasts. To estimate losses for contractual periods that extend beyond the forecast horizon, we revert to an average historical loss experience. As any one economic outlook is inherently uncertain, we leverage multiple scenarios. The scenarios that are chosen each quarter and the amount of weighting given to each scenario depend on a variety of factors, including recent economic events, leading economic indicators, and industry trends. The reserve for unfunded lending commitments is estimated using the same scenarios, models, and economic data as the loan portfolio.

The allowance for loan losses includes adjustments for qualitative reserves based on our company's assessment that may not be adequately represented in the quantitative methods or the economic assumptions described above. For example, factors that we consider include changes in lending policies and procedures, business conditions, the nature and size of the portfolio, portfolio concentrations, the volume and severity of past due loans and nonaccrual loans, the effect of external factors such as competition, and legal and regulatory requirements, among others. Further, we consider the inherent uncertainty in quantitative models that are built on historical data. As a result of the uncertainty inherent in the quantitative models, other quantitative and qualitative factors are considered in adjusting allowance amounts, including, but not limited to, the following: model imprecision, imprecision in macroeconomic scenario forecasts, or changes in the economic environment affecting specific portfolio segments that deviate from the macroeconomic forecasts. The evaluation is inherently subjective, as it requires estimates that are susceptible to significant revision as more information becomes available. Depending on changes in circumstances, future assessments of credit risk may yield materially different results from the prior estimates, which may require an increase or a decrease in the allowance for loan losses.

#### *Loans Held for Sale*

Loans that we intend to sell or for which we do not have the ability and intent to hold for the foreseeable future are classified as held for sale. Loans held for sale consist of fixed-rate and adjustable-rate residential and multi-family real estate mortgage loans intended for sale. Loans held for sale are stated at lower of cost or market value on an individual loan basis. Declines in market value below cost and any gains or losses on the sale of these assets are recognized in other income in the consolidated statements of operations. Market value is determined based on prevailing market prices for loans with similar characteristics or on sale contract prices. Deferred fees and costs related to these loans are not amortized but are recognized as part of the cost basis of the loan at the time it is sold. Because loans held for sale are reported at lower of cost or market value, an allowance for loan losses is not established for loans held for sale.

#### *Impaired Loans*

A loan is considered impaired when, based on current information and events, it is probable that the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement will not be collectible. Factors considered in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as

impaired. We determine the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed.

Effective January 1, 2023, we prospectively adopted the new guidance that eliminated the recognition and measurement of TDRs. Following the adoption of this guidance, we evaluate all loans and receivables restructurings according to the accounting guidance for loan refinancing and restructuring to determine whether such loan modification should be accounted for as a new loan or a continuation of the existing loan. Our loan restructurings for borrowers experiencing financial difficulty are generally accounted for as a continuation of the existing loan, which reflects the ongoing effort to support our customer and recover our investment in the existing loan.

Once a loan is determined to be impaired, when principal or interest becomes 90 days past due or when collection becomes uncertain, the accrual of interest and amortization of deferred loan origination fees is discontinued ("nonaccrual status") and any accrued and unpaid interest income is reversed. Loans placed on nonaccrual status are returned to accrual status when all delinquent principal and interest payments are collected and the collectibility of future principal and interest payments is reasonably assured. Loan losses are charged against the allowance for loan losses when we believe the uncollectibility of a loan balance is certain. Subsequent recoveries, if any, are credited to the allowance for loan losses.

We do not include reserves for interest receivable in the measurement of the allowance for credit losses, as we generally classify loans as nonperforming at 90 days past due and reverse interest income for these loans at that time.

Large groups of smaller balance homogenous loans are collectively evaluated for impairment. Accordingly, we do not separately identify individual consumer and residential loans for impairment measurements. Impairment is measured on a loan-by-loan basis for non-homogeneous loans, and a specific allowance is established for individual loans determined to be impaired. Impairment is measured by comparing the carrying value of the impaired loan to the present value of its expected cash flow discounted at the loan's effective interest rate, the loan's observable market price, or the fair value of the collateral if the loan is collateral dependent. See Note 8 for more information.

#### *Investments*

Our broker-dealer subsidiaries report changes in fair value of marketable and non-marketable securities in other income in the consolidated statements of operations. The fair value of marketable investments is generally based on either quoted market or dealer prices. The fair value of non-marketable securities is based on management's estimate using the best information available, which generally consists of quoted market prices for similar securities and internally developed discounted cash flow models.

Investments in the consolidated statements of financial condition contain investments in securities that are marketable and securities that are not readily marketable. These investments are not included in our broker-dealer trading inventory or available-for-sale or held-to-maturity portfolios and represent the acquiring and disposing of debt or equity instruments for our benefit.

#### *Fixed Assets, Net*

Office equipment is depreciated on a straight-line basis over the estimated useful life of the asset of two to seven years. Leasehold improvements are amortized on a straight-line basis over the lesser of the estimated useful life of the asset or the term of the lease. Buildings and building improvements are amortized on a straight-line basis over the estimated useful life of the asset of three to thirty-nine years. Internally developed software is amortized on a straight-line basis over the estimated useful life of the asset. Depreciation expense is recorded in occupancy and equipment rental in the consolidated statements of operations. Office equipment, leasehold improvements, and internally developed software are stated at cost net of accumulated depreciation and amortization in the consolidated statements of financial condition. Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable.

#### *Goodwill and Intangible Assets*

Goodwill represents the cost of acquired businesses in excess of the fair value of the related net assets acquired. We test goodwill for impairment on an annual basis and on an interim basis when certain events or circumstances exist. We test goodwill for impairment on an annual basis as of October 1 and on an interim basis when certain events or circumstances exist. Evaluating



goodwill for impairment requires management to make significant judgments, including, in part, the use of unobservable inputs that are subject to uncertainty. Goodwill impairment tests are performed at the reporting unit level, which is generally at the level of or one level below our business segments. Goodwill no longer retains its association with a particular acquisition once it has been assigned to a reporting unit. As such, all the activities of a reporting unit, whether acquired or organically developed, are available to support the value of the goodwill. For both the annual and interim tests, we have the option to either (i) perform a quantitative impairment test or (ii) first perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, in which case the quantitative test would be performed.

When performing a quantitative impairment test, we compare the fair value of a reporting unit with its carrying amount, including goodwill. If the fair value of the reporting unit is less than its carrying amount, the goodwill impairment loss is equal to the excess of the carrying value over the fair value, limited to the carrying amount. The carrying value of each reporting unit is determined based on the capital allocated to the reporting unit. The estimated fair value of the reporting units is derived based on valuation techniques we believe market participants would use. The estimated fair values are generally determined by utilizing a discounted cash flow methodology or methodologies that incorporate price-to-book and price-to-earnings multiples of certain comparable companies for goodwill impairment testing. The Company performed impairment testing on October 1, 2023, with no impairment charges resulting from the annual impairment test.

Identifiable intangible assets, which are amortized over their estimated useful lives, are tested for potential impairment whenever events or changes in circumstances suggest that the carrying value of an asset or asset group may not be fully recoverable.

#### ***Loans and Advances to Financial Advisors and Other Employees, Net***

We offer transition pay, principally in the form of upfront loans, to financial advisors and certain key revenue producers as part of our company's overall growth strategy. These loans are generally forgiven by a charge to compensation and benefits over a five- to ten-year period if the individual satisfies certain conditions, usually based on continued employment and certain performance standards. We monitor and compare individual financial advisor production to each loan issued to ensure future recoverability. In the event that the financial advisor is no longer affiliated with us, any unpaid balance of such loan becomes immediately due and payable to us. In determining the allowance for doubtful accounts related to former employees, management primarily considers our historical collection experience as well as other factors, including amounts due at termination, the reasons for the terminated relationship, and the former financial advisor's overall financial position. When the review of these factors indicates that further collection activity is highly unlikely, the outstanding balance of such loan is written-off and the corresponding allowance is reduced. The aging of this receivable balance is not a determinative factor in computing our allowance for doubtful accounts, as concerns regarding the recoverability of these loans primarily arise in the event that the financial advisor is no longer affiliated with us. We present the outstanding balance of loans to financial advisors on our consolidated statements of financial condition, net of the allowance for doubtful accounts. Our allowance for doubtful accounts was approximately \$26.8 million and \$19.8 million at December 31, 2023 and 2022, respectively.

#### ***Derivative Instruments***

In order to mitigate the interest rate exposure associated with its customer transactions, the Company also enters into offsetting derivative transactions with derivative dealers. We recognize all of our derivative instruments at fair value as either assets or liabilities in the consolidated statements of financial condition, with changes in fair value recorded through earnings in principal transactions, net. These instruments are recorded in other assets or accounts payable and accrued expenses in the consolidated statements of financial condition and in the operating section of the consolidated statements of cash flows as increases or decreases of other assets and accounts payable and accrued expenses. Derivatives consist of interest rate swaps and options. Interest rate swaps are contractual agreements that convert the interest rate bases (i.e., fixed or floating) on an underlying financial asset or liability. Interest rate options grant the option holder the right to buy or sell an underlying financial instrument for a predetermined price before the contract expires. Our company's policy is not to offset fair value amounts recognized for derivative instruments and fair value amounts recognized for the right to reclaim cash collateral or the obligation to return cash collateral arising from derivative instruments recognized at fair value executed with the same counterparty under master netting arrangements. The accounting for changes in the fair value (i.e., gains and losses) of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging

relationship and, further, on the type of hedging relationship. For those derivative instruments that are designated and qualify as hedging instruments, we must also designate the hedging instrument or transaction, based upon the exposure being hedged. See Note 14 for additional details.

#### ***Revenue Recognition***

Customer securities transactions are recorded on a settlement date basis, with related commission revenues and expenses recorded on a trade date basis. Commission revenues are recorded as the amount charged to the customer, which, in certain cases, may include varying discounts. Principal securities transactions are recorded on a trade date basis. We typically distribute our proprietary equity research products to our client base of institutional investors at no charge. These proprietary equity research products are accounted for as a cost of doing business.

#### ***Investment Banking***

Revenues from investment banking activities consist of revenues earned from underwriting, primarily equity and fixed income securities and loan syndications, and advisory fees, primarily for mergers, acquisitions, and restructurings.

**Underwriting revenues** are generally recognized on trade date if there is no uncertainty or contingency related to the amount to be paid.

**Advisory revenues** from mergers and acquisitions engagements are recognized at a point in time when the related transaction is completed, as the performance obligation is to successfully broker a specific transaction.

**Underwriting expenses** are recognized as non-interest expense in other operating expenses in the consolidated statements of operations, and any expense reimbursements are recognized as investment banking revenues (i.e., expenses are not netted against revenues).

**Advisory expenses** are deferred only to the extent they are explicitly reimbursable by the client and the related revenue has not been recognized. All other investment banking advisory related expenses, including expenses incurred related to restructuring assignments, are expensed as incurred in the relevant non-interest expense line items.

#### ***Asset management***

We earn management and performance fees in connection with investment advisory services provided to institutional and individual clients. Investment advisory fees are charged based on the value of assets in fee-based accounts and are affected by changes in the balances of client assets due to market fluctuations and levels of net new client assets. Fees are charged either in advance based on fixed rates applied to the value of the customers' account at the beginning of the period or periodically based on contracted rates and account performance. Contracts can be terminated at any time with no incremental payments due to our company upon termination. If the contract is terminated by the customer, fees are prorated for the period and fees charged for the post termination period are refundable to the customer.

We earn fees from the investment partnerships that we manage or of which we are a general partner. Such management fees are generally based on the net assets or committed capital of the underlying partnerships. We have agreed, in certain cases, to waive management fees, in lieu of making a cash contribution, in satisfaction of our general partner investment commitments to the investment partnerships. In these cases, we generally recognize our management fee revenues at the time when we are allocated a special profit interest in realized gains from these partnerships.

#### ***Interest revenue***

We recognize interest revenue in the period earned based upon average or daily asset balances, contractual cash flows, and interest rates. Interest revenue represents interest earned on bank loans, investment securities, margin loans, trading inventory, cash and cash equivalents, securities borrowed transactions, and resale agreements.

#### ***Operating Leases***

Our company enters into operating leases for real estate, office equipment, and other assets, substantially all of which are used in connection with its operations. We recognize, for leases longer than one year, a right-of-use asset representing the right to use the underlying asset for the lease term, and a lease liability representing the liability to make payments. The lease term is generally determined based on the contractual maturity of the lease. For leases where our company has the option to terminate or extend the lease, an assessment of the likelihood of exercising the option is incorporated into the determination of the lease term. Such assessment is initially performed at the inception of the lease and is updated if events occur that impact the original assessment.

An operating lease right-of-use asset is initially determined based on the operating lease liability, adjusted for initial direct costs, lease incentives, and



amounts paid at or prior to lease commencement. This amount is then amortized over the lease term. At December 31, 2023, the right-of-use assets are included in operating lease right-of-use assets, net with the corresponding lease liabilities included in accounts payable and accrued expenses in the consolidated statements of financial condition. See Note 20 for information about operating leases.

For leases where our company ceased using the space and management has concluded that it will not derive any future economic benefits, we record an impairment of right-of-use assets.

#### *Income Taxes*

We compute income taxes using the asset and liability method, under which deferred income taxes are provided for the temporary differences between the financial statement carrying amounts and the tax basis of our company's assets and liabilities. We establish a valuation allowance for deferred tax assets if it is more likely than not that these items will either expire before we are able to realize their benefits, or that future deductibility is uncertain.

We recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. We recognize interest and penalties related to uncertain tax positions in provision for income taxes in the consolidated statements of operations. See Note 25 for further information regarding income taxes.

#### *Foreign Currency Translation*

We consolidate our foreign subsidiaries, which have designated their local currency as their functional currency. Assets and liabilities of these foreign subsidiaries are translated at year-end rates of exchange. Revenues and expenses are translated at an average rate for the period. Gains or losses resulting from translating foreign currency financial statements are reflected in accumulated other comprehensive income, a separate component of Stifel Financial Corp. shareholders' equity, net of hedging activity. Gains or losses resulting from foreign currency transactions are included in other income in the consolidated statements of operations.

#### *Recently Issued Accounting Guidance*

##### *Fair Value Measurement*

In June 2022, the FASB issued ASU 2022-03, "Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions" (ASU 2022-03), an update to ASC Topic 820 – Fair Value Measurement. The amendments in ASU 2022-03 clarify that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. The amendments clarify that an entity cannot, as a separate unit of account, recognize and measure a contractual sale restriction. The amendments require new disclosures related to equity securities subject to contractual sale restrictions, including the fair value of such equity securities, the nature and remaining duration of the corresponding restrictions, and any circumstances that could cause a lapse in the restrictions.

The amendments are effective for annual reporting periods beginning after December 15, 2023 (January 1, 2024, for our company), and for the interim periods within those annual reporting periods. Early adoption is permitted, including in an interim period. The adoption of the accounting update is not expected to have a material impact on our consolidated financial statements.

##### *Leases*

In March 2023, the FASB issued ASU 2023-01, "Leases (Topic 842): Common Control Arrangements," which requires entities to classify and account for leases with related parties on the basis of legally enforceable terms and conditions of the arrangement. The accounting update is effective for interim and annual periods beginning after December 15, 2023 (January 1, 2024, for our company), and early adoption is permitted. The adoption of the accounting update is not expected to have a material impact on our consolidated financial statements.

##### *Segment Reporting*

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures," which requires enhanced disclosures for significant expenses by reportable operating segment. Significant expense categories and amounts are those regularly provided to the chief operating decision maker (CODM) and included in the measure of a segment's profit or loss. The updated guidance will also require us to disclose the title and position of our CODM, including an explanation of how our CODM

uses the reported measure(s) of segment profit or loss in assessing segment performance and deciding how to allocate resources. The accounting update is effective for annual periods beginning after December 15, 2023 (January 1, 2024 for our company), with early adoption permitted. The adoption of the accounting update is not expected to have a material impact on our consolidated financial statements.

##### *Income Taxes*

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 240): Improvements to Income Tax Disclosures," which requires additional disclosure and disaggregated information in the Income Tax Rate reconciliation using both percentages and reporting currency amounts, with additional qualitative explanations of individually significant reconciling items. The updated guidance also requires disclosure of the amount of income taxes paid (net of refunds received) disaggregated by jurisdictional categories (federal (national), state, and foreign). The accounting update is effective for annual periods beginning after December 15, 2024 (January 1, 2025 for our company), with early adoption permitted. We are currently assessing the updated guidance; however, it is not expected to have a material impact to our consolidated financial statements.

#### *Recently Adopted Accounting Guidance*

##### *Financial Instruments – Credit Losses*

Effective January 1, 2023, we adopted new accounting guidance on trouble debt restructurings (TDRs) and vintage disclosures. The new guidance eliminates the existing TDR guidance, now requiring an entity to determine whether a modification results in a new loan or a continuation of an existing loan, as well as expanding disclosures related to modifications and requires disclosure of current period gross write-offs of financing receivables within the vintage disclosures table. The adoption of the accounting update did not have a material impact on our consolidated financial statements.

##### *Income Taxes*

In December 2019, the FASB issued ASU 2019-12, "Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes," which is intended to simplify various aspects related to accounting for income taxes. This accounting update removes certain exceptions to the general principles in Topic 740 and also clarifies and amends existing guidance to improve consistent application. We prospectively adopted the accounting update on January 1, 2021. The adoption did not have a material impact on our consolidated financial statements.

#### **NOTE 3 – Acquisitions**

##### *Sierra Pacific Securities, LLC*

On August 1, 2023, the Company acquired Sierra Pacific Securities, LLC ("Sierra Pacific"), an algorithmic trading-focused, fixed income market-making firm. Consideration for this acquisition consisted of cash from operations.

The acquisition was accounted for under the acquisition method of accounting in accordance with ASC 805 ("ASC Topic 805"), "Business Combinations." Accordingly, goodwill was measured as the excess of the acquisition-date fair value of the consideration transferred over the amount of acquisition-date identifiable assets acquired net of assumed liabilities. We recorded \$6.6 million of goodwill in the consolidated statement of financial condition, which has been allocated to our company's Institutional Group segment. Identifiable intangible assets purchased by our company consisted of acquired technology and non-compete agreements with an acquisition-date fair value of \$18.1 million.

The goodwill represents the value expected from the synergies created through the operational enhancement benefits that will result from the integration of the Sierra Pacific business. Goodwill will not be deductible for federal income tax purposes.

Pro forma information is not presented because the acquisition is not considered to be material, as defined by the SEC. The results of operations of Sierra Pacific have been included in our results prospectively from the date of acquisition.

##### *Torrey Partners LLC*

On March 1, 2023, the Company acquired Torrey Partners LLC ("Torrey"), an independent M&A and private capital advisory firm that serves the global life sciences industry. Consideration for this acquisition consisted of cash from operations.

The acquisition was accounted for under the acquisition method of accounting in accordance with ASC 805 ("ASC Topic 805"), "Business Combinations." Accordingly, goodwill was measured as the excess of the

acquisition-date fair value of the consideration transferred over the amount of acquisition-date identifiable assets acquired net of assumed liabilities. We recorded \$55.1 million of goodwill in the consolidated statement of financial condition, which has been allocated to our company's Institutional Group segment. Identifiable intangible assets purchased by our company consisted of backlog, customer relationships, and non-compete agreements with an acquisition-date fair value of \$5.3 million.

The goodwill represents the value expected from the synergies created through the operational enhancement benefits that will result from the integration of the Torrey business. A majority of goodwill is expected to be deductible for federal income tax purposes.

Pro forma information is not presented because the acquisition is not considered to be material, as defined by the SEC. The results of operations of Torrey have been included in our results prospectively from the date of acquisition.

#### **ACXIT Capital Partners**

On July 1, 2022, the Company acquired ACXIT Capital Partners, a leading independent corporate finance and financial advisory firm serving European middle-market clients and entrepreneurs. Consideration for this acquisition consisted primarily of cash from operations.

The acquisition was accounted for under the acquisition method of accounting in accordance with ASC 805 ("ASC Topic 805"), "Business Combinations." Accordingly, goodwill was measured as the excess of the acquisition-date fair value of the consideration transferred over the amount of acquisition-date identifiable assets acquired net of assumed liabilities. We recorded \$17.3 million of goodwill in the consolidated statement of financial condition, which has been allocated to our company's Institutional Group segment. Identifiable intangible assets purchased by our company consisted of customer relationships with an acquisition-date fair value of \$5.0 million.

The goodwill represents the value expected from the synergies created through the operational enhancement benefits that will result from the integration of the ACXIT Capital Partners business. Goodwill will not be deductible for federal income tax purposes.

We recognized a liability for estimated earn-out payments. These payments will be based on the performance of ACXIT Capital Partners over a one-year period. The liability for earn-out payments was \$5.2 million at December 31, 2022. The contingent consideration accrual is included in accounts payable and accrued expenses in the consolidated statements of financial condition.

Pro forma information is not presented because the acquisition is not considered to be material, as defined by the SEC. The results of operations of ACXIT Capital Partners have been included in our results prospectively from the date of acquisition.

#### **Vining Sparks**

On November 1, 2021, the Company acquired Vining Sparks and its affiliates ("Vining Sparks"). Established in 1981 and headquartered in Memphis, Tennessee, Vining Sparks provides institutional fixed income brokerage, balance sheet management, and underwriting services to institutional clients, with a core focus on depository institutions, but also serving municipalities, money managers, insurance companies, trust departments, and pension funds. Consideration for this acquisition consisted of cash from operations and shares of company common stock. We issued approximately 1.2 million shares as part of the consideration for the Vining Sparks acquisition.

The acquisition was accounted for under the acquisition method of accounting in accordance with ASC 805 ("ASC Topic 805"), "Business Combinations." Accordingly, goodwill was measured as the excess of the acquisition-date fair value of the consideration transferred over the amount of acquisition-date identifiable assets acquired net of assumed liabilities. We recorded \$127.0 million of goodwill in the consolidated statement of financial condition, which has been allocated to our company's Institutional Group segment. Identifiable intangible assets purchased by our company consisted of customer relationships and trade name with an acquisition-date fair value of \$25.4 million.

The goodwill represents the value expected from the synergies created through the operational enhancement benefits that will result from the integration of the Vining Sparks business. Goodwill is expected to be deductible for federal income tax purposes.

Pro forma information is not presented because the acquisition is not considered to be material, as defined by the SEC. The results of operations of Vining Sparks have been included in our results prospectively from the date of acquisition.

#### **NOTE 4 – Receivables From and Payables to Brokers, Dealers, and Clearing Organizations**

Amounts receivable from brokers, dealers, and clearing organizations at December 31, 2023 and 2022, included (*in thousands*):

	December 31,	
	2023	2022
Deposits paid for securities borrowed	\$215,368	\$219,052
Receivable from clearing organizations	178,991	186,800
Securities failed to deliver	19,785	12,239
	<b>\$414,144</b>	<b>\$418,091</b>

Amounts payable to brokers, dealers, and clearing organizations at December 31, 2023 and 2022, included (*in thousands*):

	December 31,	
	2023	2022
Deposits received from securities loaned	\$135,693	\$68,105
Securities failed to receive	91,636	12,385
Payable to clearing organizations	4,407	14,464
	<b>\$231,736</b>	<b>\$94,954</b>

Deposits paid for securities borrowed approximate the market value of the securities. Securities failed to deliver and receive represent the contract value of securities that have not been delivered or received on settlement date.

#### **NOTE 5 – Fair Value Measurements**

We measure certain financial assets and liabilities at fair value on a recurring basis, including financial instruments owned, available-for-sale securities, investments, financial instruments sold, but not yet purchased, and derivatives.

We generally utilize third-party pricing services to value Level 1 and Level 2 available-for-sale investment securities, as well as certain derivatives designated as cash flow hedges. We review the methodologies and assumptions used by the third-party pricing services and evaluate the values provided, principally

by comparison with other available market quotes for similar instruments and/or analysis based on internal models using available third-party market data. We may occasionally adjust certain values provided by the third-party pricing service when we believe, as the result of our review, that the adjusted price most appropriately reflects the fair value of the particular security.

Following are descriptions of the valuation methodologies and key inputs used to measure financial assets and liabilities recorded at fair value. The descriptions include an indication of the level of the fair value hierarchy in which the assets or liabilities are classified.

#### **Financial Instruments Owned and Available-For-Sale Securities**

When available, the fair value of financial instruments is based on quoted prices in active markets and reported in Level 1. Level 1 financial instruments include

highly liquid instruments with quoted prices, such as U.S. government securities, corporate fixed income securities, and equity securities listed in active markets.

If quoted prices are not available for identical instruments, fair values are obtained from pricing services, broker quotes, or other model-based valuation techniques with observable inputs, such as the present value of estimated cash flows, and reported as Level 2. The nature of these financial instruments include instruments for which quoted prices are available but traded less frequently, instruments whose fair value has been derived using a model where inputs to the model are directly observable in the market, or can be derived principally from or corroborated by observable market data, and instruments that are fair valued using other financial instruments, the parameters of which can be directly observed. Level 2 financial instruments include U.S. government agency securities, agency mortgage-backed securities, fixed income and equity securities infrequently traded, state and municipal securities, asset-backed securities, and non-agency mortgage-backed securities and sovereign debt securities, included in other in the table below.

We have identified Level 3 financial instruments to include certain asset-backed securities and syndicated loans, included in other in the table below, and equity securities with unobservable pricing inputs. Level 3 financial instruments have little to no pricing observability as of the report date. These financial instruments do not have active two-way markets and are measured using management's best estimate of fair value, where the inputs into the determination of fair value require significant management judgment or estimation.

#### Investments

Investments carried at fair value primarily include corporate equity securities, auction-rate securities ("ARS"), and private company investments.

Corporate equity securities are primarily valued based on quoted prices in active markets and reported in Level 1. Corporate equity securities that have little to no pricing observability are reported in Level 3.

ARS are primarily valued based upon our expectations of issuer redemptions and using internal discounted cash flow models that utilize unobservable inputs. ARS are reported as Level 3 assets. Private company investments are primarily valued based upon internally developed models. These valuations

The table below presents the fair value of our investments in, and unfunded commitments to, funds that are measured at NAV (*in thousands*):

	December 31, 2023		December 31, 2022	
	Fair value of investments	Unfunded commitments	Fair value of investments	Unfunded commitments
Partnership interests	\$ 24,261	\$ 14,454	\$ 18,817	\$ 9,853
Money market funds	4,706	—	1,650	—
Mutual funds	3,632	—	4,728	—
Private equity funds	368	1,181	417	1,181
Total	\$32,967	\$15,635	\$25,612	\$11,034

#### Financial Instruments Sold, But Not Yet Purchased

Financial instruments sold, but not purchased, recorded at fair value based on quoted prices in active markets and other observable market data include highly liquid instruments with quoted prices, such as U.S. government securities, and equity and fixed income securities listed in active markets, which are reported as Level 1.

If quoted prices are not available, fair values are obtained from pricing services, broker quotes, or other model-based valuation techniques with observable inputs, such as the present value of estimated cash flows, and reported as Level 2. The nature of these financial instruments include instruments for which quoted prices are available but traded less frequently, instruments whose fair value has been derived using a model where inputs to the model are directly observable in the market, or can be derived principally from or corroborated by observable market data, and instruments that are fair valued using other financial instruments, the parameters of which can be directly observed. Level 2 financial instruments include U.S. government agency securities, agency mortgage-backed securities not actively traded, fixed income securities, and asset-backed securities and state and municipal securities, included in other in the table below.

require significant management judgment due to the absence of quoted market prices, the inherent lack of liquidity, and their long-term nature. Typically, the initial costs of these investments are considered to represent fair market value, as such amounts are negotiated between willing market participants. Private company investments are primarily reported as Level 3 assets.

Investments at fair value include investments in funds, including certain money market funds that are measured at net asset value ("NAV"). The Company uses NAV to measure the fair value of its fund investments when (i) the fund investment does not have a readily determinable fair value and (ii) the NAV of the investment fund is calculated in a manner consistent with the measurement principles of investment company accounting, including measurement of the underlying investments at fair value.

The Company's investments in funds measured at NAV include partnership interests, mutual funds, money market funds, and private equity funds. Private equity funds primarily invest in a broad range of industries worldwide in a variety of situations, including leveraged buyouts, recapitalizations, growth investments, and distressed investments. The private equity funds are primarily closed-end funds in which the Company's investments are generally not eligible for redemption. Distributions will be received from these funds as the underlying assets are liquidated or distributed.

The general and limited partnership interests in investment partnerships were primarily valued based upon NAVs received from third-party fund managers. The various partnerships are investment companies, which record their underlying investments at fair value based on fair value policies established by management of the underlying fund. Fair value policies at the underlying fund generally require the funds to utilize pricing/valuation information, including independent appraisals, from third-party sources. However, in some instances, current valuation information for illiquid securities or securities in markets that are not active may not be available from any third-party source or fund management may conclude that the valuations that are available from third-party sources are not reliable. In these instances, fund management may perform model-based analytical valuations that may be used as an input to value these investments.

We have identified Level 3 financial instruments to include syndicated loans, included in other in the table below. Level 3 financial instruments have little to no pricing observability as of the report date. These financial instruments do not have active two-way markets and are measured using management's best estimate of fair value, where the inputs into the determination of fair value require significant management judgment or estimation.

#### Derivatives

Derivatives are valued using quoted market prices for identical instruments when available or observable inputs from forward and futures yield curves. The valuation models used require market observable inputs, including contractual terms, market prices, yield curves, credit curves, and measures of volatility. We have classified our derivatives as Level 2. The counterparties to most of our company's derivative transactions represent regulated banks, bank holding companies, and derivative clearing houses. Management has determined that the counterparty credit risk associated with its derivative transactions is not significant. Accordingly, the recorded fair values for these transactions have not been adjusted to reflect counterparty credit risk.

Assets and liabilities measured at fair value on a recurring basis as of December 31, 2023, are presented below (in thousands):

	December 31, 2023			
	Total	Level 1	Level 2	Level 3
<b>Financial Instruments owned:</b>				
U.S. government securities	\$ 32,411	\$ 32,411	\$ —	\$ —
U.S. government agency securities	106,634	—	106,634	—
Agency mortgage-backed securities	159,903	—	159,903	—
Asset-backed securities	19,604	—	18,106	1,498
Corporate securities:				
Fixed income securities	237,671	210	237,461	—
Equity securities	52,520	52,158	362	—
State and municipal securities	223,155	—	223,155	—
Other <sup>(1)</sup>	86,843	—	3,879	82,964
<b>Total financial instruments owned</b>	<b>918,741</b>	<b>84,779</b>	<b>749,500</b>	<b>84,462</b>
<b>Available-for-sale securities:</b>				
U.S. government agency securities	2,219	—	2,219	—
State and municipal securities	2,351	—	2,351	—
Mortgage-backed securities:				
Agency	746,170	—	746,170	—
Commercial	66,671	—	66,671	—
Non-agency	261	—	261	—
Corporate fixed income securities	556,161	—	556,161	—
Asset-backed securities	177,853	—	177,853	—
<b>Total available-for-sale securities</b>	<b>1,551,686</b>	<b>—</b>	<b>1,551,686</b>	<b>—</b>
<b>Investments:</b>				
Corporate equity securities	22,406	10,313	215	11,878
Auction rate securities	783	—	—	783
Other <sup>(2)</sup>	39,655	73	115	39,467
Investments in funds and partnerships measured at NAV	28,261	—	—	—
<b>Total investments</b>	<b>91,105</b>	<b>10,386</b>	<b>330</b>	<b>52,128</b>
Cash equivalents measured at NAV	4,706	—	—	—
Derivative contracts <sup>(3)</sup>	118,668	—	118,668	—
	<b>\$2,684,906</b>	<b>\$ 95,165</b>	<b>\$2,420,184</b>	<b>\$136,590</b>
<b>Liabilities:</b>				
<b>Financial instruments sold, but not yet purchased:</b>				
U.S. government securities	\$ 273,653	\$273,653	\$ —	\$ —
U.S. government agency securities	4,924	—	4,924	—
Agency mortgage-backed securities	52,664	—	52,664	—
Corporate securities:				
Fixed income securities	138,359	—	138,359	—
Equity securities	21,576	21,576	—	—
Other <sup>(4)</sup>	6,565	—	2,729	3,836
<b>Total financial instruments sold, but not yet purchased</b>	<b>497,741</b>	<b>295,229</b>	<b>198,676</b>	<b>3,836</b>
Derivative contracts <sup>(5)</sup>	118,651	—	118,651	—
	<b>\$ 616,392</b>	<b>\$295,229</b>	<b>\$ 317,327</b>	<b>\$ 3,836</b>

<sup>(1)</sup> Includes syndicated loans, non-agency mortgage-backed securities, and sovereign debt.

<sup>(2)</sup> Primarily includes private company investments.

<sup>(3)</sup> Included in other assets in the consolidated statements of financial condition.

<sup>(4)</sup> Includes syndicated loans, state and municipal securities, and asset-backed securities.

<sup>(5)</sup> Included in accounts payable and accrued expenses in the consolidated statements of financial condition.



Assets and liabilities measured at fair value on a recurring basis as of December 31, 2022, are presented below *(in thousands)*:

	December 31, 2022			
	Total	Level 1	Level 2	Level 3
<b>Financial Instruments owned:</b>				
U.S. government securities	\$ 38,956	\$ 38,956	\$ —	\$ —
U.S. government agency securities	73,608	—	73,608	—
Agency mortgage-backed securities	172,642	—	172,642	—
Asset-backed securities	8,270	—	6,091	2,179
Corporate securities:				
Fixed income securities	202,169	689	201,480	—
Equity securities	38,129	37,383	746	—
State and municipal securities	126,237	—	126,237	—
Other <sup>(1)</sup>	71,741	—	1,853	69,888
<b>Total financial instruments owned</b>	<b>731,752</b>	<b>77,028</b>	<b>582,657</b>	<b>72,067</b>
<b>Available-for-sale securities:</b>				
U.S. government agency securities	2,148	—	2,148	—
State and municipal securities	2,351	—	2,351	—
Mortgage-backed securities:				
Agency	791,022	—	791,022	—
Commercial	66,113	—	66,113	—
Non-agency	388	—	388	—
Corporate fixed income securities	566,294	—	566,294	—
Asset-backed securities	207,725	—	207,725	—
<b>Total available-for-sale securities</b>	<b>1,636,041</b>	<b>—</b>	<b>1,636,041</b>	<b>—</b>
<b>Investments:</b>				
Corporate equity securities	23,597	9,928	1,791	11,878
Auction rate securities	14,681	—	—	14,681
Other <sup>(2)</sup>	37,136	117	45	36,974
Investments in funds and partnerships measured at NAV	23,962	—	—	—
<b>Total investments</b>	<b>99,376</b>	<b>10,045</b>	<b>1,836</b>	<b>63,533</b>
Cash equivalents measured at NAV	1,650	—	—	—
Derivative contracts <sup>(3)</sup>	142,042	—	142,042	—
	<b>\$2,610,861</b>	<b>\$ 87,073</b>	<b>\$2,362,576</b>	<b>\$135,600</b>
<b>Liabilities:</b>				
<b>Financial instruments sold, but not yet purchased:</b>				
U.S. government securities	\$ 254,265	\$ 254,265	\$ —	\$ —
U.S. government agency securities	3,971	—	3,971	—
Agency mortgage-backed securities	44,793	—	44,793	—
Corporate securities:				
Fixed income securities	134,381	88	134,293	—
Equity securities	11,590	11,590	—	—
Other <sup>(4)</sup>	5,817	—	36	5,781
<b>Total financial instruments sold, but not yet purchased</b>	<b>454,817</b>	<b>265,943</b>	<b>183,093</b>	<b>5,781</b>
Derivative contracts <sup>(5)</sup>	142,028	—	142,028	—
	<b>\$ 596,845</b>	<b>\$ 265,943</b>	<b>\$ 325,121</b>	<b>\$ 5,781</b>

<sup>(1)</sup> Includes syndicated loans, non-agency mortgage-backed securities, and sovereign debt.

<sup>(2)</sup> Primarily includes private company investments.

<sup>(3)</sup> Included in other assets in the consolidated statements of financial condition.

<sup>(4)</sup> Includes syndicated loans and state and municipal securities.

<sup>(5)</sup> Included in accounts payable and accrued expenses in the consolidated statements of financial condition.

The following table summarizes the changes in fair value associated with Level 3 financial instruments during the year ended December 31, 2023 (*in thousands*):

	Year Ended December 31, 2023				
	Financial instruments owned			Investments	
	Asset-Backed Securities	Syndicated Loans	Corporate Equity Securities	Auction Rate Securities	Other
Balance at December 31, 2022	\$2,179	\$69,888	\$11,878	\$14,681	\$36,974
Unrealized gains/(losses)	—	(15)	—	2	993
Realized gains/(losses)	1,007	(2,161)	—	(232)	—
Purchases	—	69,881	—	—	1,500
Sales	—	(35,988)	—	—	—
Redemptions	(1,688)	(18,641)	—	(13,668)	—
Net change	(681)	13,076	—	(13,898)	2,493
Balance at December 31, 2023	\$1,498	\$82,964	\$11,878	\$ 783	\$39,467

The following table summarizes the changes in fair value associated with Level 3 financial instruments during the year ended December 31, 2022 (*in thousands*):

	Year Ended December 31, 2022					
	Financial instruments owned			Investments		
	Asset-Backed Securities	Corporate Equity Securities	Syndicated Loans	Corporate Equity Securities	Auction Rate Securities	Other
Balance at December 31, 2021	\$ 64,706	\$ 225	\$ 26,857	\$ 5,754	\$13,032	\$35,837
Unrealized gains	4,789	—	550	6,124	1,649	1,183
Realized gains	4,287	1,621	2,653	—	—	992
Purchases	4,820	—	227,548	—	—	—
Sales	—	(1,846)	(177,895)	—	—	(999)
Redemptions	(76,423)	—	(9,825)	—	—	(39)
Net change	(62,527)	(225)	43,031	6,124	1,649	1,137
Balance at December 31, 2022	\$ 2,179	\$ —	\$ 69,888	\$11,878	\$14,681	\$36,974

The results included in the tables above are only a component of the overall investment strategies of our company. The tables above do not present Level 1 or Level 2 valued assets or liabilities. The changes in unrealized gains/(losses) recorded in earnings for the years ended December 31, 2023 and 2022, relating to Level 3 assets still held at December 31, 2023, were immaterial.

The fair value of certain Level 3 assets was determined using various methodologies, as appropriate, including third-party pricing vendors and broker quotes. These inputs are evaluated for reasonableness through various procedures, including due diligence reviews of third-party pricing vendors, variance analyses, consideration of current market environment, and other analytical procedures.

The fair value for our auction rate securities was determined using an income approach based on an internally developed discounted cash flow model. The discounted cash flow model utilizes two significant unobservable inputs: discount rate and workout period. Significant increases in any of these inputs in isolation would result in a significantly lower fair value. On an ongoing basis, management verifies the fair value by reviewing the appropriateness of the discounted cash flow model and its significant inputs.

*Fair Value of Financial Instruments*

The following reflects the fair value of financial instruments, as of December 31, 2023 and 2022, whether or not recognized in the consolidated statements of financial condition at fair value (*in thousands*):

	December 31, 2023		December 31, 2022	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
<b>Financial assets:</b>				
Cash and cash equivalents	\$ 3,361,801	\$ 3,361,801	\$ 2,199,985	\$ 2,199,985
Cash segregated for regulatory purposes	162,048	162,048	29,017	29,017
Securities purchased under agreements to resell	349,849	349,849	348,162	348,162
Financial instruments owned	918,741	918,741	731,752	731,752
Available-for-sale securities	1,551,686	1,551,686	1,636,041	1,636,041
Held-to-maturity securities	5,888,798	5,852,176	5,990,451	5,738,418
Bank loans	19,305,805	18,259,923	20,465,092	19,752,043
Loans held for sale	423,999	423,999	156,912	156,912
Investments	91,105	91,105	99,376	99,376
Derivative contracts <sup>(1)</sup>	118,668	118,668	142,042	142,042
<b>Financial liabilities:</b>				
Securities sold under agreements to repurchase	\$ 417,644	\$ 417,644	\$ 212,011	\$ 212,011
Bank deposits	27,334,579	25,326,174	27,117,111	24,274,224
Financial instruments sold, but not yet purchased	497,741	497,741	454,817	454,817
Senior notes	1,115,629	1,041,217	1,114,554	1,016,755
Debentures to Stifel Financial Capital Trusts	60,000	55,507	60,000	53,385
Derivative contracts <sup>(2)</sup>	118,651	118,651	142,028	142,028

<sup>(1)</sup> Included in other assets in the consolidated statements of financial condition.

<sup>(2)</sup> Included in accounts payable and accrued expenses in the consolidated statements of financial condition.

The following tables present the estimated fair values of financial instruments not measured at fair value on a recurring basis as of December 31, 2023 and December 31, 2022 (*in thousands*):

	December 31, 2023			
	Total	Level 1	Level 2	Level 3
<b>Financial assets:</b>				
Cash	\$ 3,357,095	\$3,357,095	\$ —	\$ —
Cash segregated for regulatory purposes	162,048	162,048	—	—
Securities purchased under agreements to resell	349,849	—	349,849	—
Held-to-maturity securities	5,852,176	—	5,758,130	94,046
Bank loans	18,259,923	—	18,259,923	—
Loans held for sale	423,999	—	423,999	—
<b>Financial liabilities:</b>				
Securities sold under agreements to repurchase	\$ 417,644	\$ —	\$ 417,644	\$ —
Bank deposits	25,326,174	—	25,326,174	—
Senior notes	1,041,217	1,041,217	—	—
Debentures to Stifel Financial Capital Trusts	55,507	—	—	55,507

	December 31, 2022			
	Total	Level 1	Level 2	Level 3
<b>Financial assets:</b>				
Cash	\$ 2,198,335	\$2,198,335	\$ —	\$ —
Cash segregated for regulatory purposes	29,017	29,017	—	—
Securities purchased under agreements to resell	348,162	218,515	129,647	—
Held-to-maturity securities	5,738,418	—	5,624,042	114,376
Bank loans	19,752,043	—	19,752,043	—
Loans held for sale	156,912	—	156,912	—
<b>Financial liabilities:</b>				
Securities sold under agreements to repurchase	\$ 212,011	\$ —	\$ 212,011	\$ —
Bank deposits	24,274,224	—	24,274,224	—
Senior notes	1,016,755	1,016,755	—	—
Debentures to Stifel Financial Capital Trusts	53,385	—	—	53,385

The following, as supplemented by the discussion above, describes the valuation techniques used in estimating the fair value of our financial instruments as of December 31, 2023 and 2022.

### **Financial Assets**

#### *Securities Purchased Under Agreements to Resell*

Securities purchased under agreements to resell are collateralized financing transactions that are recorded at their contractual amounts plus accrued interest. The carrying values at December 31, 2023 and 2022 approximate fair value due to their short-term nature.

#### *Held-to-Maturity Securities*

Securities held to maturity are recorded at amortized cost based on our company's positive intent and ability to hold these securities to maturity. Securities held to maturity include asset-backed securities, consisting of collateralized loan obligation securities and student loan ARS. The estimated fair value, included in the above table, is determined using several factors; however, primary weight is given to discounted cash flow modeling techniques that incorporated an estimated discount rate based upon recent observable debt security issuances with similar characteristics.

#### *Bank Loans*

The fair values of mortgage loans and commercial loans were estimated using a discounted cash flow method, a form of the income approach. Discount rates were determined considering rates at which similar portfolios of loans, with similar remaining maturities, would be made and considering liquidity spreads applicable to each loan portfolio based on the secondary market.

#### *Loans Held for Sale*

Loans held for sale consist of fixed-rate and adjustable-rate residential real estate mortgage loans intended for sale. Loans held for sale are stated at lower of cost or market value. Market value is determined based on prevailing market prices for loans with similar characteristics or on sale contract prices.

### **Financial Liabilities**

#### *Securities Sold Under Agreements to Repurchase*

Securities sold under agreements to repurchase are collateralized financing transactions that are recorded at their contractual amounts plus accrued interest. The carrying values at December 31, 2023 and 2022 approximate fair value due to the short-term nature.

#### *Bank Deposits*

The fair value of interest-bearing deposits, including certificates of deposits, demand deposits, savings, and checking accounts, was calculated by discounting the future cash flows using discount rates based on the replacement cost of funding of similar structures and terms.

#### *Senior Notes*

The fair value of our senior notes is estimated based upon quoted market prices.

#### *Debentures to Stifel Financial Capital Trusts*

The fair value of our trust preferred securities is based on the discounted value of contractual cash flows. We have assumed a discount rate based on similar type debt instruments.

These fair value disclosures represent our best estimates based on relevant market information and information about the financial instruments. Fair value estimates are based on judgments regarding future expected losses, current economic conditions, risk characteristics of the various instruments, and other factors. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in the above methodologies and assumptions could significantly affect the estimates.



**NOTE 6 – Financial Instruments Owned and Financial Instruments Sold, But Not Yet Purchased**

The components of financial instruments owned and trading securities sold, but not yet purchased, at December 31, 2023 and 2022, are as follows (*in thousands*):

	December 31,	
	2023	2022
<b>Financial instruments owned:</b>		
U.S. government securities	\$ 32,411	\$ 38,956
U.S. government agency securities	106,634	73,608
Agency mortgage-backed securities	159,903	172,642
Asset-backed securities	19,604	8,270
Corporate securities:		
Fixed income securities	237,671	202,169
Equity securities	52,520	38,129
State and municipal securities	223,155	126,237
Other <sup>(1)</sup>	86,843	71,741
	<b>\$918,741</b>	<b>\$ 731,752</b>
<b>Financial instruments sold, but not yet purchased:</b>		
U.S. government securities	\$273,653	\$254,265
U.S. government agency securities	4,924	3,971
Agency mortgage-backed securities	52,664	44,793
Corporate securities:		
Fixed income securities	138,359	134,381
Equity securities	21,576	11,590
Other <sup>(2)</sup>	6,565	5,817
	<b>\$497,741</b>	<b>\$454,817</b>

<sup>(1)</sup> Includes syndicated loans, non-agency mortgage-backed securities, and sovereign debt.

<sup>(2)</sup> Includes syndicated loans, state and municipal securities, and asset-backed securities.

At December 31, 2023 and 2022, financial instruments owned in the amount of \$303.2 million and \$218.9 million, respectively, were pledged as collateral for our repurchase agreements and short-term borrowings. Our financial instruments owned are presented on a trade-date basis in the consolidated statements of financial condition.

Financial instruments sold, but not yet purchased, represent obligations of our company to deliver the specified security at the contracted price, thereby creating a liability to purchase the security in the market at prevailing prices in future periods. We are obligated to acquire the securities sold short at prevailing market prices in future periods, which may exceed the amount reflected in the consolidated statements of financial condition.

**NOTE 7 – Available-for-Sale and Held-to-Maturity Securities**

The following tables provide a summary of the amortized cost and fair values of the available-for-sale securities and held-to-maturity securities at December 31, 2023 and 2022 (*in thousands*):

	December 31, 2023			
	Amortized Cost	Gross Unrealized Gains <sup>(1)</sup>	Gross Unrealized Losses <sup>(1)</sup>	Fair Value
<b>Available-for-sale securities</b>				
U.S. government agency securities	\$ 2,376	\$ 5	\$ (162)	\$ 2,219
State and municipal securities	2,350	1	—	2,351
Mortgage-backed securities:				
Agency	855,456	—	(109,286)	746,170
Commercial	70,326	—	(3,655)	66,671
Non-agency	274	—	(13)	261
Corporate fixed income securities	615,131	—	(58,970)	556,161
Asset-backed securities	181,717	—	(3,864)	177,853
	<b>\$1,727,630</b>	<b>\$ 6</b>	<b>\$(175,950)</b>	<b>\$1,551,686</b>
<b>Held-to-maturity securities<sup>(2)</sup></b>				
Asset-backed securities	\$5,888,798	\$6,387	\$ (43,009)	\$5,852,176
	December 31, 2022			
	Amortized Cost	Gross Unrealized Gains <sup>(1)</sup>	Gross Unrealized Losses <sup>(1)</sup>	Fair Value
<b>Available-for-sale securities</b>				
U.S. government agency securities	\$ 2,345	\$ 6	\$ (203)	\$ 2,148
State and municipal securities	2,350	1	—	2,351
Mortgage-backed securities:				
Agency	921,676	—	(130,654)	791,022
Commercial	71,462	—	(5,349)	66,113
Non-agency	442	—	(54)	388
Corporate fixed income securities	643,379	18	(77,103)	566,294
Asset-backed securities	221,565	126	(13,966)	207,725
	<b>\$1,863,219</b>	<b>\$ 151</b>	<b>\$(227,329)</b>	<b>\$1,636,041</b>
<b>Held-to-maturity securities<sup>(2)</sup></b>				
Asset-backed securities	\$5,990,451	\$3,213	\$(255,246)	\$5,738,418

<sup>(1)</sup> Unrealized gains/(losses) related to available-for-sale securities are reported in accumulated other comprehensive income.

<sup>(2)</sup> Held-to-maturity securities are carried in the consolidated statements of financial condition at amortized cost, and the changes in the value of these securities, other than impairment charges, are not reported on the consolidated financial statements.

We are required to evaluate our available-for-sale and held-to-maturity debt securities for any expected losses with recognition of an allowance for credit losses, when applicable. For more information, see Note 2 – *Summary of Significant Accounting Policies*. At December 31, 2023, we did not have an allowance for credit losses recorded on our investment portfolio.

Accrued interest receivable for our investment portfolio at December 31, 2023 and 2022, was \$95.7 million and \$82.3 million, respectively, and is reported in other assets in the consolidated statements of financial condition. We do not include reserves for interest receivable in the measurement of the allowance for credit losses.

For the year ended December 31, 2023, we received proceeds of \$2.4 million from the sale of available-for-sale securities, which resulted in a realized loss of \$7.6 million. For the year ended December 31, 2022, we received proceeds of \$80.0 million from the sale of available-for-sale securities, which resulted in a realized gain of \$0.1 million. There were no sales of available-for-sale securities during the year ended December 31, 2021.

The table below summarizes the amortized cost and fair values of our securities by contractual maturity (*in thousands*). Expected maturities may differ significantly from contractual maturities, as issuers may have the right to call or prepay obligations with or without call or prepayment penalties.

	December 31, 2023		December 31, 2022	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
<b>Available-for-sale securities</b>				
Within one year	\$ 105,389	\$ 104,113	\$ 16,047	\$ 15,877
After one year through three years	184,975	174,827	185,012	178,776
After three years through five years	38,462	34,316	123,696	108,707
After five years through ten years	448,931	398,624	442,055	380,362
After ten years	949,873	839,806	1,096,409	952,319
	<b>\$1,727,630</b>	<b>\$1,551,686</b>	<b>\$1,863,219</b>	<b>\$1,636,041</b>
<b>Held-to-maturity securities</b>				
After five years through ten years	2,754,817	2,740,154	2,413,239	2,323,608
After ten years	3,133,981	3,112,022	3,577,212	3,414,810
	<b>\$5,888,798</b>	<b>\$5,852,176</b>	<b>\$5,990,451</b>	<b>\$5,738,418</b>

The maturities of our available-for-sale (fair value) and held-to-maturity (amortized cost) securities at December 31, 2023, are as follows (*in thousands*):

	Within 1 Year	1-5 Years	5-10 Years	After 10 Years	Total
<b>Available-for-sale securities<sup>(1)</sup></b>					
U.S. government agency securities	\$ —	\$ 2,219	\$ —	\$ —	\$ 2,219
State and municipal securities	—	2,351	—	—	2,351
Mortgage-backed securities:					
Agency	—	286	92,573	653,311	746,170
Commercial	—	—	—	66,671	66,671
Non-agency	—	—	261	—	261
Corporate fixed income securities	104,113	204,287	247,761	—	556,161
Asset-backed securities	—	—	58,029	119,824	177,853
	<b>\$104,113</b>	<b>\$209,143</b>	<b>\$ 398,624</b>	<b>\$ 839,806</b>	<b>\$1,551,686</b>
<b>Held-to-maturity securities</b>					
Asset-backed securities	\$ —	\$ —	\$ 2,754,817	\$ 3,133,981	\$ 5,888,798

<sup>(1)</sup> Due to the immaterial amount of income recognized on tax-exempt securities, yields were not calculated on a tax-equivalent basis.

At December 31, 2023 and 2022, securities of \$746.4 million and \$796.2 million, respectively, were pledged at the Federal Home Loan Bank as collateral for borrowings and letters of credit obtained to secure public deposits. At December 31, 2023 and 2022, securities of \$1.3 billion and \$1.3 billion, respectively, were pledged with the Federal Reserve discount window.

The following table shows the gross unrealized losses and fair value of the Company's investment securities with unrealized losses, aggregated by investment category and length of time the individual investment securities have been in continuous unrealized loss positions, at December 31, 2023 (*in thousands*):

	Less Than 12 Months		12 Months or More		Total	
	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value
<b>Available-for-sale securities</b>						
U.S. government agency securities	\$ —	\$ —	\$ (162)	\$ 1,775	\$ (162)	\$ 1,775
Mortgage-backed securities:						
Agency	(382)	24,584	(108,904)	721,586	(109,286)	746,170
Commercial	—	—	(3,655)	66,671	(3,655)	66,671
Non-agency	—	—	(13)	261	(13)	261
Corporate fixed income securities	(152)	8,297	(58,818)	547,864	(58,970)	556,161
Asset-backed securities	(1,338)	68,770	(2,526)	109,083	(3,864)	177,853
	<b>\$(1,872)</b>	<b>\$101,651</b>	<b>\$(174,078)</b>	<b>\$1,447,240</b>	<b>\$(175,950)</b>	<b>\$1,548,891</b>

At December 31, 2023, the amortized cost of 281 securities classified as available for sale exceeded their fair value by \$176.0 million, of which \$174.1 million related to investment securities that had been in a loss position for 12 months or longer. The total fair value of these investments at December 31, 2023, was \$1.5 billion, which was 99.8% of our available-for-sale portfolio.

#### Credit Quality Indicators

The Company uses Moody credit ratings as the primary credit quality indicator for its held-to-maturity debt securities. Each security is evaluated at least quarterly. The indicators represent the rating for debt securities, as of the date presented, based on the most recent assessment performed. The following table shows the amortized cost of our held-to-maturity securities by credit quality indicator at December 31, 2023 (*in thousands*):

	AAA	AA	A	C	Total
<b>Held-to-maturity securities</b>					
Asset-backed securities	\$1,145,186	\$4,737,237	\$5,000	\$1,375	\$5,888,798

#### NOTE 8 – Bank Loans

The following table presents the balance and associated percentage of each major loan category in our loan portfolio at December 31, 2023 and 2022 (*in thousands, except percentages*):

	December 31, 2023		December 31, 2022	
	Balance	Percent	Balance	Percent
Residential real estate	\$ 8,047,647	41.4%	\$ 7,371,671	35.8%
Fund banking	3,633,126	18.7	4,182,641	20.3
Commercial and industrial	3,566,987	18.3	4,897,176	23.8
Securities-based loans	2,306,455	11.9	2,724,551	13.2
Construction and land	1,034,370	5.3	593,191	2.9
Commercial real estate	660,631	3.4	675,599	3.3
Home equity lines of credit	136,270	0.7	107,136	0.5
Other	55,981	0.3	50,593	0.2
Gross bank loans	19,441,467	100.0%	20,602,558	100.0%
Loans in process	1,108		(3,526)	
Unamortized loan fees, net	(8,478)		(22,287)	
Allowance for loan losses	(128,292)		(111,653)	
Loans held for investment, net	\$19,305,805		\$20,465,092	

At December 31, 2023 and 2022, Stifel Bancorp had loans outstanding to its executive officers and directors and executive officers and directors of certain affiliated entities in the amount of \$46.0 million and \$86.4 million, respectively.

At December 31, 2023 and 2022, we had loans held for sale of \$424.0 million and \$156.9 million, respectively. For the years ended December 31, 2023 and 2022, we recognized losses, included in other income in the consolidated statements of operations, of \$1.2 million and \$7.8 million, respectively, from the sale of originated loans, net of fees and costs. For the year ended December 31, 2021, we recognized a gain of \$29.8 million, included in other income in the consolidated statements of operations, from the sale of originated loans, net of fees and costs.

At December 31, 2023 and 2022, loans, primarily consisting of residential and commercial real estate loans of \$7.4 billion and \$7.0 billion, respectively, were pledged at the Federal Home Loan Bank as collateral for borrowings.

Accrued interest receivable for loans and loans held for sale at December 31, 2023 and 2022, was \$94.0 million and \$65.7 million, respectively, and is reported in other assets on the consolidated statement of financial condition.



The following tables detail activity in the allowance for loan losses by portfolio segment for the years ended December 31, 2023 and 2022 (*in thousands*):

	Year Ended December 31, 2023				
	Beginning Balance	Provision	Charge-Offs	Recoveries	Ending Balance
Commercial and industrial	\$ 54,143	\$ 21,881	\$ (9,100)	\$ 153	\$ 67,077
Commercial real estate	12,897	8,489	—	—	21,386
Residential real estate	20,441	(6,586)	—	—	13,855
Construction and land	8,568	3,249	—	—	11,817
Fund banking	11,711	(1,538)	—	—	10,173
Securities-based loans	3,157	(122)	—	—	3,035
Home equity lines of credit	364	7	—	—	371
Other	372	206	—	—	578
	<b>\$111,653</b>	<b>\$25,586</b>	<b>\$ (9,100)</b>	<b>\$ 153</b>	<b>\$128,292</b>

	Year Ended December 31, 2022				
	Beginning Balance	Provision	Charge-Offs	Recoveries	Ending Balance
Commercial and industrial	\$44,661	\$ 13,662	\$ (4,550)	\$ 370	\$ 54,143
Residential real estate	28,560	(8,119)	—	—	20,441
Commercial real estate	3,934	8,963	—	—	12,897
Fund banking	8,868	2,843	—	—	11,711
Construction and land	8,536	32	—	—	8,568
Securities-based loans	4,006	(813)	(36)	—	3,157
Home equity lines of credit	511	(147)	—	—	364
Other	268	104	—	—	372
	<b>\$99,344</b>	<b>\$16,525</b>	<b>\$ (4,586)</b>	<b>\$ 370</b>	<b>\$111,653</b>

During the year ended December, 31, 2023, we recorded \$25.0 million of net credit loss reserves, including \$25.6 million of the reserve for credit losses for funded loans and \$2.3 million related to uncollectible broker notes, partially offset by a release of \$2.9 million of the allowance for unfunded lending commitments. During the year ended December 31, 2022, we recorded \$33.5 million of net credit loss reserves, including \$16.5 million of the reserve for credit losses for funded loans and \$17.0 million of the reserve for unfunded lending commitments. For more information on our company's credit loss accounting policies, including the allowance for credit losses, see Note 2 – *Summary of Significant Accounting Policies*. For more information on the reserve for unfunded lending commitments, see Note 24 – *Off-Balance Sheet Credit Risk*.

At December 31, 2023, we had \$45.5 million of impaired loans, net of discounts, which included \$0.1 million in modified loans. The specific allowance on impaired loans at December 31, 2023, was \$5.0 million. At December 31, 2022, we had \$10.3 million of impaired loans, net of discounts, which included \$0.2 million in modified loans. The specific allowance on impaired loans at December 31, 2022, was \$6.5 million. The gross interest income related to impaired loans, which would have been recorded had these loans been current in accordance with their original terms, and the interest income recognized on these loans during the year ended December 31, 2023 and 2022, were insignificant to the consolidated financial statements.

The following table presents the aging of the recorded investment in past due loans at December 31, 2023 and 2022, by portfolio segment (*in thousands*):

	December 31, 2023				
	30-89 Days Past Due	90 or More Days Past Due	Total Past Due	Current Balance	Total
Residential real estate	\$ 15,312	\$ 3,945	\$ 19,257	\$ 8,028,390	\$ 8,047,647
Fund banking	—	—	—	3,633,126	3,633,126
Commercial and industrial	—	2,022	2,022	3,564,965	3,566,987
Securities-based loans	—	3	3	2,306,452	2,306,455
Construction and land	—	—	—	1,034,370	1,034,370
Commercial real estate	—	—	—	660,631	660,631
Home equity lines of credit	570	87	657	135,613	136,270
Other	45	59	104	55,877	55,981
<b>Total</b>	<b>\$15,927</b>	<b>\$ 6,116</b>	<b>\$22,043</b>	<b>\$19,419,424</b>	<b>\$19,441,467</b>

	December 31, 2023*			
	Nonaccrual	Modified	Nonperforming Loans With No Allowance	Total
Commercial real estate	\$ 39,195	\$ —	\$ —	\$ 39,195
Residential real estate	2,945	145	1,000	4,090
Commercial and industrial	—	—	2,022	2,022
Securities-based loans	—	—	3	3
Home equity lines of credit	22	—	65	87
Other	59	—	—	59
<b>Total</b>	<b>\$42,221</b>	<b>\$145</b>	<b>\$3,090</b>	<b>\$45,456</b>

\* There were no loans past due 90 days and still accruing interest at December 31, 2023.

	December 31, 2022				
	30-89 Days Past Due	90 or More Days Past Due	Total Past Due	Current Balance	Total
Residential real estate	\$ 2,445	\$ 688	\$ 3,133	\$ 7,368,538	\$ 7,371,671
Commercial and industrial	—	9,226	9,226	4,887,950	4,897,176
Fund banking	—	—	—	4,182,641	4,182,641
Securities-based loans	—	—	—	2,724,551	2,724,551
Commercial real estate	—	—	—	675,599	675,599
Construction and land	—	—	—	593,191	593,191
Home equity lines of credit	29	182	211	106,925	107,136
Other	36	6	42	50,551	50,593
<b>Total</b>	<b>\$ 2,510</b>	<b>\$10,102</b>	<b>\$12,612</b>	<b>\$20,589,946</b>	<b>\$20,602,558</b>

	December 31, 2022*			
	Nonaccrual	Modified	Nonperforming Loans With No Allowance	Total
Commercial and industrial	\$ 9,226	\$ —	\$ —	\$ 9,226
Residential real estate	870	150	—	1,020
Other	6	—	—	6
<b>Total</b>	<b>\$10,102</b>	<b>\$150</b>	<b>\$ —</b>	<b>\$10,252</b>

\* There were no loans past due 90 days and still accruing interest at December 31, 2022.

#### Credit quality indicators

As of December 31, 2023, bank loans were primarily extended to non-investment-grade borrowers. Substantially all of these loans align with the U.S. Federal bank regulatory agencies' definition of Pass. Loans meet the definition of Pass when they are performing and do not demonstrate adverse characteristics that are likely to result in a credit loss. A loan is determined to be impaired when principal or interest becomes 90 days past due or when collection becomes uncertain. At the time a loan is determined to be impaired, the accrual of interest and amortization of deferred loan origination fees is discontinued ("nonaccrual status"), and any accrued and unpaid interest income is reversed.

We closely monitor economic conditions and loan performance trends to manage and evaluate our exposure to credit risk. Trends in delinquency ratios are an indicator, among other considerations, of credit risk within

our loan portfolio. The level of nonperforming assets represents another indicator of the potential for future credit losses. Accordingly, key metrics we track and use in evaluating the credit quality of our loan portfolio include delinquency and nonperforming asset rates, as well as charge-off rates and our internal risk ratings of the loan portfolio. In general, we are a secured lender. At December 31, 2023 and 2022, 97.0% and 97.5% of our loan portfolio was collateralized, respectively. Collateral is required in accordance with the normal credit evaluation process based upon the creditworthiness of the customer and the credit risk associated with the particular transaction. The Company uses the following definitions for risk ratings:

**Pass.** A credit exposure rated pass has a continued expectation of timely repayment, all obligations of the borrower are current, and the obligor complies with material terms and conditions of the lending agreement.

**Special Mention.** Extensions of credit that have potential weakness that deserve management's close attention and, if left uncorrected, may, at some future date, result in the deterioration of the repayment prospects or collateral position.

**Substandard.** Obligor has a well-defined weakness that jeopardizes the repayment of the debt and has a high probability of payment default with the distinct possibility that the Company will sustain some loss if noted deficiencies are not corrected.

**Doubtful.** Inherent weakness in the exposure makes the collection or repayment in full, based on existing facts, conditions, and circumstances, highly improbable, and the amount of loss is uncertain.

Substandard loans are regularly reviewed for impairment. Doubtful loans are considered impaired. When a loan is impaired, the impairment is measured based on the present value of expected future cash flows discounted at the loan's effective interest rate, or as a practical expedient, the observable market price of the loan or the fair value of the collateral if the loan is collateral dependent.

#### Portfolio segments

**Commercial and industrial ("C&I").** C&I loans primarily include commercial and industrial lending used for general corporate purposes, working capital and liquidity, and "event-driven." "Event-driven" loans support client merger, acquisition or recapitalization activities. C&I lending is structured as revolving lines of credit, letter of credit facilities, term loans and bridge loans. Risk factors considered in determining the allowance for corporate loans include the borrower's financial strength, seniority of the loan, collateral type, leverage, volatility of collateral value, debt cushion, and covenants.

**Fund banking.** Fund banking loans primarily include capital call lines of credit, also known as subscription lines of credit. These credit facilities are used by closed-end private investment funds ("Fund") that have raised capital commitments from limited partners to effectively manage the Fund's cash and bridge timing between the Fund's investments and capital calls. The lines of credit are collateralized by a pledge of the limited partner's contractually callable capital and the general partner's right to call such capital as permitted in the Fund's partnership agreement.

**Securities-based loans.** Securities-based loans allow clients to borrow money against the value of qualifying securities for any suitable purpose other than purchasing, trading, or carrying securities or refinancing margin debt. The majority of consumer loans are structured as revolving lines of credit and letter of credit facilities and are primarily offered through Stifel's Pledged Asset ("SPA") program. The allowance methodology for securities-based lending considers the collateral type underlying the loan, including the liquidity and trading volume of the collateral, position concentration, and other borrower-specific factors, such as personal guarantees.

**Real Estate.** Real estate loans include residential real estate non-conforming loans, residential real estate conforming loans, commercial real estate, and home equity lines of credit. The allowance methodology related to real estate loans considers several factors, including, but not limited to, loan-to-value ratio, FICO score, home price index, delinquency status, credit limits, and utilization rates.

**Construction and land.** Short-term loans used to finance the development of a real estate project.

**Other.** Other loans includes consumer and credit card lending.

Based on the most recent analysis performed, the risk category of our loan portfolio was as follows (*in thousands*):

	December 31, 2023				
	Pass	Special Mention	Substandard	Doubtful	Total
Residential real estate	\$ 8,042,246	\$ 1,456	\$ 3,945	\$ —	\$ 8,047,647
Fund banking	3,633,126	—	—	—	3,633,126
Commercial and industrial	3,294,891	89,302	180,772	2,022	3,566,987
Securities-based loans	2,306,452	—	—	3	2,306,455
Construction and land	963,083	71,287	—	—	1,034,370
Commercial real estate	512,171	49,264	99,196	—	660,631
Home equity lines of credit	135,806	377	87	—	136,270
Other	55,922	—	—	59	55,981
<b>Total</b>	<b>\$18,943,697</b>	<b>\$211,686</b>	<b>\$284,000</b>	<b>\$2,084</b>	<b>\$19,441,467</b>

	December 31, 2022				
	Pass	Special Mention	Substandard	Doubtful	Total
Residential real estate	\$ 7,370,717	\$ 266	\$ —	\$ 688	\$ 7,371,671
Commercial and industrial	4,743,290	87,761	56,899	9,226	4,897,176
Fund banking	4,182,641	—	—	—	4,182,641
Securities-based loans	2,724,548	—	—	3	2,724,551
Commercial real estate	655,599	20,000	—	—	675,599
Construction and land	593,191	—	—	—	593,191
Home equity lines of credit	106,954	—	—	182	107,136
Other	50,587	—	—	6	50,593
<b>Total</b>	<b>\$20,427,527</b>	<b>\$108,027</b>	<b>\$56,899</b>	<b>\$10,105</b>	<b>\$20,602,558</b>

Term Loans Amortized Cost Basis by Origination Year – December 31, 2023

	2023	2022	2021	2020	2019	Prior	Revolving Loan Amortized Cost Basis	Total
Residential real estate:								
Pass	\$ 1,216,823	\$ 2,638,262	\$ 2,313,511	\$ 916,443	\$ 414,142	\$ 543,065	\$ —	\$ 8,042,246
Special Mention	—	1,192	—	—	—	264	—	1,456
Substandard	—	2,603	—	—	—	1,342	—	3,945
Doubtful	—	—	—	—	—	—	—	—
	\$ 1,216,823	\$ 2,642,057	\$ 2,313,511	\$ 916,443	\$ 414,142	\$ 544,671	\$ —	\$ 8,047,647
Commercial and industrial:								
Pass	\$ 633,616	\$ 979,509	\$ 758,901	\$ 124,717	\$ 139,886	\$ 79,285	\$ 578,977	\$ 3,294,891
Special Mention	6,606	33,914	—	18,249	—	—	30,533	89,302
Substandard	—	36,442	81,653	—	3,729	—	58,948	180,772
Doubtful	—	—	—	432	—	1,590	—	2,022
	\$ 640,222	\$ 1,049,865	\$ 840,554	\$ 143,398	\$ 143,615	\$ 80,875	\$ 668,458	\$ 3,566,987
Fund banking:								
Pass	\$ 14,817	\$ 55,338	\$ —	\$ 534	\$ —	\$ —	\$ 3,562,437	\$ 3,633,126
Special Mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—
	\$ 14,817	\$ 55,338	\$ —	\$ 534	\$ —	\$ —	\$ 3,562,437	\$ 3,633,126
Securities-based loans:								
Pass	\$ 15,347	\$ 23,511	\$ 2,123	\$ 47,394	\$ 27,278	\$ 9,294	\$ 2,181,505	\$ 2,306,452
Special Mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	3	3
	\$ 15,347	\$ 23,511	\$ 2,123	\$ 47,394	\$ 27,278	\$ 9,294	\$ 2,181,508	\$ 2,306,455
Commercial real estate:								
Pass	\$ 31,542	\$ 315,818	\$ 64,380	\$ 30,925	\$ 2,770	\$ 66,736	\$ —	\$ 512,171
Special Mention	—	31,371	—	—	17,893	—	—	49,264
Substandard	—	60,000	39,196	—	—	—	—	99,196
Doubtful	—	—	—	—	—	—	—	—
	\$ 31,542	\$ 407,189	\$ 103,576	\$ 30,925	\$ 20,663	\$ 66,736	\$ —	\$ 660,631
Construction and land:								
Pass	\$ 73,332	\$ 488,202	\$ 210,183	\$ 178,054	\$ 13,312	\$ —	\$ —	\$ 963,083
Special Mention	—	—	—	—	71,287	—	—	71,287
Substandard	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—
	\$ 73,332	\$ 488,202	\$ 210,183	\$ 178,054	\$ 84,599	\$ —	\$ —	\$ 1,034,370
Home equity lines of credit:								
Pass	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 135,806	\$ 135,806
Special Mention	—	—	—	—	—	—	377	377
Substandard	—	—	—	—	—	—	87	87
Doubtful	—	—	—	—	—	—	—	—
	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 136,270	\$ 136,270
Other:								
Pass	\$ 8,410	\$ 9,991	\$ —	\$ 10,000	\$ —	\$ 20,097	\$ 7,424	\$ 55,922
Special Mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	59	59
	\$ 8,410	\$ 9,991	\$ —	\$ 10,000	\$ —	\$ 20,097	\$ 7,483	\$ 55,981



## NOTE 9 – Fixed Assets

The following is a summary of fixed assets as of December 31, 2023 and 2022 (*in thousands*):

	December 31,	
	2023	2022
Office equipment	\$ 356,707	\$ 341,641
Leasehold improvements	141,585	129,279
Internally developed software	85,993	67,250
Building	80,771	73,549
Aircraft engine operating leases	2,370	8,612
	667,426	620,331
Accumulated depreciation and amortization	(475,898)	(420,288)
	\$ 191,528	\$ 200,043

For the years ended December 31, 2023, 2022, and 2021, depreciation and amortization totaled \$60.5 million, \$50.6 million, and \$45.6 million, respectively.

## NOTE 10 – Goodwill and Intangible Assets

The carrying amount of goodwill and intangible assets attributable to each of our reporting segments is presented in the following table (*in thousands*):

	December 31, 2022	Adjustments	Write-off	December 31, 2023
<b>Goodwill</b>				
Global Wealth Management	\$ 335,009	\$ —	\$ —	\$ 335,009
Institutional Group	991,539	61,695	—	1,053,234
	\$1,326,548	\$61,695	\$ —	\$1,388,243
	December 31, 2022	Adjustments	Amortization	December 31, 2023
<b>Intangible assets</b>				
Global Wealth Management	\$ 33,499	\$ —	\$ (4,812)	\$ 28,687
Institutional Group	97,090	23,619	(16,117)	104,592
	\$ 130,589	\$23,619	\$(20,929)	\$ 133,279

The adjustments to goodwill and intangible assets included in our Institutional Group segment during the year ended December 31, 2023, are primarily attributable to the acquisitions of Torrey on March 1, 2023, and Sierra Pacific on August 1, 2023.

The allocation of the purchase price of these acquisitions are preliminary and will be finalized upon completion of the analysis of the fair values of the net assets as of the respective acquisition dates and the identified intangible assets. The final goodwill recorded on the consolidated statement of

financial condition may differ from that reflected herein as a result of future measurement period adjustments and the recording of identified intangible assets. See Note 3 in the notes to our consolidated financial statements for additional information regarding our acquisitions.

The goodwill represents the value expected from the synergies created through the operational enhancement benefits that will result from the integration of each respective business, its employees, and customer base.

Amortizable intangible assets consist of acquired customer relationships, trade names, acquired technology, non-compete agreements, investment banking backlog, and core deposits that are amortized over their contractual or determined useful lives. Intangible assets as of December 31, 2023 and 2022, were as follows (*in thousands*):

	December 31, 2023		December 31, 2022	
	Gross Carrying Value	Accumulated Amortization	Gross Carrying Value	Accumulated Amortization
Customer relationships	\$227,486	\$122,971	\$225,631	\$109,216
Trade names	30,359	22,366	30,359	20,861
Acquired technology	18,314	3,447	840	840
Non-compete agreements	10,700	8,421	9,440	7,158
Investment banking backlog	8,913	5,758	5,545	4,377
Core deposits	8,615	8,145	8,615	7,389
	<b>\$304,387</b>	<b>\$171,108</b>	<b>\$280,430</b>	<b>\$149,841</b>

Amortization expense related to intangible assets was \$20.9 million, \$19.6 million, and \$18.2 million for the years ended December 31, 2023, 2022, and 2021, respectively, and is included in other operating expenses in the consolidated statements of operations.

The weighted-average remaining lives of the following intangible assets at December 31, 2023, are: customer relationships, 9.6 years; trade names, 7.1 years; non-compete agreements, 4.4 years; acquired technology, 2.6 years; core deposits, 1.2 years; and investment banking backlog, 4.7 years. We have an intangible asset that is not subject to amortization and is, therefore, not included in the table below. As of December 31, 2023, we expect amortization expense in future periods to be as follows (*in thousands*):

Fiscal year	
2024	\$ 22,917
2025	20,952
2026	16,885
2027	13,188
2028	12,230
Thereafter	44,989
	<b>\$131,161</b>

#### NOTE 11 – Borrowings and Federal Home Loan Bank Advances

Our short-term financing is generally obtained through short-term bank line financing on an uncommitted, secured basis, securities lending arrangements, repurchase agreements, advances from the Federal Home Loan Bank, term loans, and committed bank line financing on an unsecured basis. We borrow from various banks on a demand basis with company-owned and customer securities pledged as collateral. The value of customer-owned securities used as collateral is not reflected in the consolidated statements of financial condition. We also have an unsecured, committed bank line available.

Our uncommitted secured lines of credit at December 31, 2023, totaled \$880.0 million with four banks and are dependent on having appropriate collateral, as determined by the bank agreements, to secure an advance under the line. The availability of our uncommitted lines is subject to approval by the individual banks each time an advance is requested and may be denied. Our peak daily borrowing on our uncommitted secured lines was \$240.0 million during the year ended December 31, 2023. There are no compensating balance requirements under these arrangements. Any borrowings on secured lines of credit are generally utilized to finance certain fixed income securities. At December 31, 2023, we had no outstanding balances on our uncommitted secured lines of credit.

The Federal Home Loan advances are floating-rate advances. The weighted average interest rate on these advances during the year ended December 31, 2023, was 4.99%. The advances are secured by Stifel Bancorp's residential mortgage loan portfolio and investment portfolio. The interest rates reset on a daily basis. Stifel Bancorp has the option to prepay these advances without penalty on the interest reset date. At December 31, 2023, there were no Federal Home Loan advances.

On September 27, 2023, the Company and Stifel (the "Borrowers") entered into an unsecured credit agreement with a syndicate of lenders led by Bank of America, N.A., as administrative agent (the "Credit Agreement"). Concurrently with, and conditional upon, the effectiveness of the Credit Agreement, all of the commitments under the Borrowers' existing \$500.0 million unsecured revolving credit facility agreement were terminated.

The Credit Agreement has a maturity date of September 27, 2028, and provides for a committed unsecured borrowing facility for maximum aggregate borrowings of up to \$750.0 million, depending on the amount of outstanding borrowings of the Borrowers from time to time during the duration of the Credit Agreement. The interest rates on borrowings under the Credit Agreement are variable and based on the Secured Overnight Financing Rate. There were no borrowings outstanding on the Credit Facility as of December 31, 2023.

## NOTE 12 – Senior Notes

The following table summarizes our senior notes as of December 31, 2023 and 2022 (*in thousands*):

	December 31	
	2023	2022
4.25% senior notes, due 2024 <sup>(1)</sup>	\$ 500,000	\$ 500,000
4.00% senior notes, due 2030 <sup>(2)</sup>	400,000	400,000
5.20% senior notes, due 2047 <sup>(3)</sup>	225,000	225,000
	1,125,000	1,125,000
Debt issuance costs, net	(9,371)	(10,446)
Senior notes, net	\$1,115,629	\$1,114,554

<sup>(1)</sup> In July 2014, we sold in a registered underwritten public offering, \$300.0 million in aggregate principal amount of 4.25% senior notes due July 2024. Interest on these senior notes is payable semi-annually in arrears. We may redeem the notes in whole or in part, at our option, at a redemption price equal to 100% of their principal amount, plus a “make-whole” premium and accrued and unpaid interest, if any, to the date of redemption. In July 2016, we issued an additional \$200.0 million in aggregate principal amount of 4.25% senior notes due 2024.

<sup>(2)</sup> In May 2020, we sold in a registered underwritten public offering, \$400.0 million in aggregate principal amount of 4.00% senior notes due May 2030. Interest on these senior notes is payable semi-annually in arrears. We may redeem the notes in whole or in part, at our option, at a redemption price equal to the greater of a) 100% of their principal amount, or b) discounted present value at Treasury rate plus 50 basis points prior to February 15, 2030, and on or after February 15, 2030, at 100% of their principal amount, and accrued and unpaid interest, if any, to the date of redemption.

<sup>(3)</sup> In October 2017, we completed the pricing of a registered underwritten public offering of \$200.0 million in aggregate principal amount of 5.20% senior notes due October 2047. Interest on the senior notes is payable quarterly in arrears. We may redeem some or all of the senior notes at any time at a redemption price equal to 100% of the principal amount of the notes being redeemed plus accrued interest thereon to the redemption date. On October 27, 2017, we completed the sale of an additional \$25.0 million aggregate principal amount of Notes pursuant to the over-allotment option.

Our senior notes mature as follows, based upon contractual terms (*in thousands*):

2024	\$ 500,000
2025	—
2026	—
2027	—
2028	—
Thereafter	625,000
	\$1,125,000

## NOTE 13 – Bank Deposits

Deposits consist of interest-bearing-demand deposits (primarily money market and savings accounts), non-interest-bearing demand deposits, and certificates of deposit. Deposits at December 31, 2023 and 2022, were as follows (*in thousands*):

	December 31	
	2023	2022
Demand deposits (interest-bearing)	\$27,111,072	\$26,805,073
Demand deposits (non-interest-bearing)	223,505	305,138
Certificates of deposit	2	6,900
	\$27,334,579	\$27,117,111

The weighted-average interest rate on deposits was 2.66% and 0.58% at December 31, 2023 and 2022, respectively. At December 31, 2023 and 2022, related party deposits, primarily interest-bearing and time deposits of executive officers, directors, and their affiliates, were \$9.0 million and \$9.8 million, respectively. Brokerage customers' deposits were \$24.1 billion and \$25.3 billion, respectively.

**NOTE 14 – Derivative Instruments and Hedging Activities**

We manage the interest rate risk associated with our derivative transactions with customers by entering into offsetting positions with other derivative dealers, resulting in a substantially “matched book” portfolio. Credit risk associated with its derivative transactions is managed through a variety of measures, including initial and ongoing periodic underwriting of its counterparties’ creditworthiness, establishment of customer credit limits, and

collateral maintenance requirements for customer exposures that exceed certain preset thresholds.

Our policy is not to offset fair value amounts recognized for derivative instruments and fair value amounts recognized for the right to reclaim cash collateral or the obligation to return cash collateral arising from derivative instruments recognized at fair value executed with the same counterparty under master netting arrangements.

The following table provides the notional values and fair values of our derivative instruments as of December 31, 2023 and 2022 (*in thousands*):

	December 31, 2023		
	Derivative Assets	Derivative Liabilities	Notional Value
Interest rate contracts	\$118,668	\$118,651	\$1,994,919

	December 31, 2022		
	Derivative Assets	Derivative Liabilities	Notional Value
Interest rate contracts	\$142,042	\$142,028	\$1,395,135

The scheduled maturities of our derivative instruments as of December 31, 2023, are as follows (*in thousands*):

Within one year	\$ 59,925
One to three years	694,176
Three to five years	383,215
Five to ten years	747,395
Ten to fifteen years	91,136
Fifteen years and thereafter	19,072
	\$1,994,919

The following table presents the distribution of customer interest rate derivative transactions, by derivative product, as of December 31, 2023 and 2022 (*in thousands*):

	December 31	
	2023	2022
Swaps	\$1,824,919	\$1,375,135
Written options	170,000	20,000
	\$1,994,919	\$1,395,135



#### NOTE 15 – Debentures to Stifel Financial Capital Trusts

The following table summarizes our debentures to Stifel Financial Capital Trusts as of December 31, 2023 and 2022 (*in thousands*):

	December 31	
	2023	2022
Debenture to Stifel Financial Capital Trust II <sup>(1)</sup>	\$ 20,000	\$ 20,000
Debenture to Stifel Financial Capital Trust III <sup>(2)</sup>	35,000	35,000
Debenture to Stifel Financial Capital Trust IV <sup>(3)</sup>	5,000	5,000
	<b>\$ 60,000</b>	<b>\$ 60,000</b>

<sup>(1)</sup> On August 12, 2005, we completed a private placement of \$35.0 million of 6.38% Cumulative Trust Preferred Securities. The trust preferred securities were offered by Stifel Financial Capital Trust II (the “Trust II”), a non-consolidated wholly owned subsidiary of our company. The trust preferred securities mature on September 30, 2035, but may be redeemed early by our company, and in turn, the Trust II would call the debenture. The Trust II requires quarterly distributions of interest to the holders of the trust preferred securities. Distributions are payable at a floating interest rate equal to three-month LIBOR, or an appropriate alternative reference rate at the time that LIBOR ceases to be published, plus 1.70% per annum. During 2016, we extinguished \$15.0 million of the Trust II debentures.

<sup>(2)</sup> On March 30, 2007, we completed a private placement of \$35.0 million of 6.79% Cumulative Trust Preferred Securities. The trust preferred securities were offered by Stifel Financial Capital Trust III (the “Trust III”), a non-consolidated wholly owned subsidiary of our company. The trust preferred securities mature on June 6, 2037, but may be redeemed early by our company, and in turn, Trust III would call the debenture. Trust III requires quarterly distributions of interest to the holders of the trust preferred securities. Distributions are payable at a floating interest rate equal to three-month LIBOR, or an appropriate alternative reference rate at the time that LIBOR ceases to be published, plus 1.85% per annum.

<sup>(3)</sup> On June 28, 2007, we completed a private placement of \$35.0 million of 6.78% Cumulative Trust Preferred Securities. The trust preferred securities were offered by Stifel Financial Capital Trust IV (the “Trust IV”), a non-consolidated wholly owned subsidiary of our company. The trust preferred securities mature on September 6, 2037, but may be redeemed early by our company, and in turn, Trust IV would call the debenture. Trust IV requires quarterly distributions of interest to the holders of the trust preferred securities. Distributions are payable at a floating interest rate equal to three-month LIBOR, or an appropriate alternative reference rate at the time that LIBOR ceases to be published, plus 1.85% per annum.

#### NOTE 16 – Disclosures About Offsetting Assets and Liabilities

The following table provides information about financial assets and derivative assets that are subject to offset as of December 31, 2023 and 2022 (*in thousands*):

	As of December 31, 2023			
	Securities borrowing <sup>(1)</sup>	Reverse repurchase agreements <sup>(2)</sup>	Interest rate contracts <sup>(3)</sup>	Total
Gross amounts of recognized assets	\$ 215,368	\$ 349,849	\$ 118,668	\$ 683,885
Gross amounts offset in the statement of financial condition	—	—	—	—
Net amounts presented in the statement of financial condition	215,368	349,849	118,668	683,885
<i>Gross amounts not offset in the statement of financial condition:</i>				
Amounts available for offset	(23,691)	(23,441)	(14,556)	(61,688)
Available collateral	(184,689)	(325,627)	(82,607)	(592,923)
Net amount	\$ 6,988	\$ 781	\$ 21,505	\$ 29,274

	As of December 31, 2022			
	Securities borrowing <sup>(1)</sup>	Reverse repurchase agreements <sup>(2)</sup>	Interest rate contracts <sup>(3)</sup>	Total
Gross amounts of recognized assets	\$ 219,052	\$ 348,162	\$ 142,042	\$ 709,256
Gross amounts offset in the statement of financial condition	—	—	—	—
Net amounts presented in the statement of financial condition	219,052	348,162	142,042	709,256
<i>Gross amounts not offset in the statement of financial condition:</i>				
Amounts available for offset	(46,647)	(12,028)	(1,959)	(60,634)
Available collateral	(160,139)	(334,537)	(55,568)	(550,244)
Net amount	\$ 12,266	\$ 1,597	\$ 84,515	\$ 98,378

<sup>(1)</sup> Securities borrowing transactions are included in receivables from brokers, dealers, and clearing organizations on the consolidated statements of financial condition. See Note 4 in the notes to consolidated financial statements for additional information on receivables from brokers, dealers, and clearing organizations.

<sup>(2)</sup> Available collateral includes securities received from the counterparty. These securities are not included on the consolidated statements of financial condition unless there is an event of default. The fair value of securities received as collateral was \$350.2 million and \$346.5 million at December 31, 2023 and 2022, respectively.

<sup>(3)</sup> Available collateral includes securities received from the counterparty. These securities are not included on the consolidated statements of financial condition unless there is an event of default. The fair value of securities received as collateral was \$84.1 million and \$50.0 million at December 31, 2023 and 2022, respectively.

The following table provides information about financial liabilities and derivative liabilities that are subject to offset as of December 31, 2023 and 2022 (*in thousands*):

	As of December 31, 2023			
	Securities lending <sup>(4)</sup>	Repurchase agreements <sup>(5)</sup>	Interest rate contracts <sup>(6)</sup>	Total
Gross amounts of recognized liabilities	\$ (135,693)	\$ (417,644)	\$ (118,651)	\$ (671,988)
Gross amounts offset in the statement of financial condition	—	—	—	—
Net amounts presented in the statement of financial condition	(135,693)	(417,644)	(118,651)	(671,988)
<i>Gross amounts not offset in the statement of financial condition:</i>				
Amounts available for offset	23,691	23,441	14,556	61,688
Collateral pledged	111,981	394,203	22,661	528,845
Net amount	\$ (21)	\$ —	\$ (81,434)	\$ (81,455)

	As of December 31, 2022			
	Securities lending <sup>(4)</sup>	Repurchase agreements <sup>(5)</sup>	Interest rate contracts <sup>(6)</sup>	Total
Gross amounts of recognized liabilities	\$ (68,105)	\$ (212,011)	\$ (142,028)	\$ (422,144)
Gross amounts offset in the statement of financial condition	—	—	—	—
Net amounts presented in the statement of financial condition	(68,105)	(212,011)	(142,028)	(422,144)
<i>Gross amounts not offset in the statement of financial condition:</i>				
Amounts available for offset	46,647	12,028	1,959	60,634
Collateral pledged	21,448	199,983	25,850	247,281
Net amount	\$ (10)	\$ —	\$ (114,219)	\$ (114,229)

<sup>(4)</sup> Securities lending transactions are included in payables to brokers, dealers, and clearing organizations on the consolidated statements of financial condition. See Note 4 in the notes to consolidated financial statements for additional information on payables to brokers, dealers, and clearing organizations.

<sup>(5)</sup> Collateral pledged includes the fair value of securities pledged to the counterparty. These securities are included on the consolidated statements of financial condition unless we default. Collateral pledged by our company to the counterparty includes U.S. government agency securities, U.S. government securities, and corporate fixed income securities with market values of \$425.9 million and \$218.3 million at December 31, 2023 and 2022, respectively.

<sup>(6)</sup> Collateral pledged includes the fair value of securities pledged to the counterparty. The fair value of securities pledged as collateral was \$19.1 million and \$24.1 million at December 31, 2023 and 2022, respectively.

#### NOTE 17 – Commitments, Guarantees, and Contingencies

##### *Broker-Dealer Commitments and Guarantees*

In the normal course of business, we enter into underwriting commitments. Settlement of transactions relating to such underwriting commitments, which were open at December 31, 2023, had no material effect on the consolidated financial statements.

As a part of our fixed income public finance operations, we enter into forward commitments to purchase agency mortgage-backed securities. In order to hedge the market interest rate risk to which we would otherwise be exposed between the date of the commitment and date of sale of the mortgage-backed securities, we enter into to be announced (“TBA”) security contracts with investors for generic mortgage-backed securities at specific rates and prices to be delivered on settlement dates in the future. We may be subject to loss if the timing of, or the actual amount of, the mortgage-backed security differs significantly from the term and notional amount of the TBA security contract to which we entered. These TBA securities and related purchase commitment are accounted for at fair value. As of December 31, 2023, the fair value of the TBA securities and the estimated fair value of the purchase commitments was \$52.7 million.

We also provide guarantees to securities clearinghouses and exchanges under their standard membership agreement, which requires members to guarantee the performance of other members. Under the agreement, if another member becomes unable to satisfy its obligations to the clearinghouse, other members would be required to meet shortfalls. Our liability under these agreements is not quantifiable and may exceed the cash and securities we have posted as collateral. However, the potential requirement for us to make payments under these arrangements is considered remote. Accordingly, no liability has been recognized for these arrangements.

##### *Other Commitments*

In the ordinary course of business, Stifel Bancorp has commitments to extend credit in the form of commitments to originate loans, standby letters of credit, and lines of credit. See Note 24 in the notes to consolidated financial statements for further details.

##### *Concentration of Credit Risk*

We provide investment, capital-raising, and related services to a diverse group of domestic customers, including governments, corporations, and institutional and individual investors. Our exposure to credit risk associated with the non-performance of customers in fulfilling their contractual obligations pursuant to securities transactions can be directly impacted by volatile securities markets, credit markets, and regulatory changes. This exposure is measured on an individual customer basis and on a group basis for customers that share similar attributes. To reduce the potential for risk concentrations, counterparty credit limits have been implemented for certain products and are continually monitored in light of changing customer and market conditions. As of December 31, 2023 and 2022, we did not have significant concentrations of credit risk with any one customer or counterparty, or any group of customers or counterparties.

#### NOTE 18 – Legal Proceedings

Our company and its subsidiaries are named in and subject to various proceedings and claims arising primarily from our securities business activities, including lawsuits, arbitration claims, class actions, and regulatory matters. Some of these claims seek substantial compensatory, punitive, or indeterminate damages. Our company and its subsidiaries are also involved in other reviews, investigations, and proceedings by governmental and self-regulatory organizations regarding our business, which may result in adverse judgments, settlements, fines, penalties, injunctions, and other relief. We are contesting allegations in these claims, and we believe that there are meritorious defenses in each of these lawsuits, arbitrations, and regulatory investigations. In view of the number and diversity of claims against our company, the number of jurisdictions in which litigation is pending, and the inherent difficulty of predicting the outcome of litigation and other claims, we cannot state with certainty what the eventual outcome of pending litigation or other claims will be.

We have accrued for potential losses that are probable and reasonably estimable that may result from pending and potential legal actions, investigations, and regulatory proceedings. In many cases, however, it is inherently difficult to determine whether any loss is probable or reasonably possible or to estimate the amount or range of any potential loss, particularly where proceedings may be in relatively early stages or where plaintiffs are

seeking substantial or indeterminate damages. Matters frequently need to be more developed before a loss or range of loss can reasonably be estimated.

In our opinion, based on currently available information, review with outside legal counsel, and consideration of amounts provided for in our consolidated financial statements with respect to these matters, including the matter described below, the ultimate resolution of these matters will not have a material adverse impact on our financial position and results of operations. However, resolution of one or more of these matters may have a material effect on the results of operations in any future period, depending upon the ultimate resolution of those matters and depending upon the level of income for such period. For matters where a liability has not been established and for which we believe a loss is reasonably possible, as well as for matters where an accrual has been recorded but for which an exposure to loss in excess of the amount accrued is reasonably possible, based on currently available information, we believe that such losses will not have a material effect on our consolidated financial statements.

#### *SEC and CFTC Investigation of Communications Recordkeeping*

The Company has been contacted by each of the SEC and the CFTC in connection with an investigation of the Company's compliance with records preservation requirements for off-channel communications relating to the broker-dealer or investment adviser business activities of the Company using personally owned communications devices and/or messaging platforms that have not been approved by the Company. The SEC and the CFTC have provided the Company with settlement offers, and the Company has established an accrual for potential losses that are probable and reasonably estimable, but at this time, based upon currently available information and review with outside counsel, the Company is not able to state with certainty that any settlements will be achieved or the ultimate resolution of these matters.

#### **NOTE 19 – Regulatory Capital Requirements**

We operate in a highly regulated environment and are subject to capital requirements, which may limit distributions to our company from its subsidiaries. Distributions from our broker-dealer subsidiaries are subject to net capital rules. A broker-dealer that fails to comply with the SEC's Uniform Net Capital Rule (Rule 15c3-1) may be subject to disciplinary actions by the SEC and self-regulatory organizations, such as FINRA, including censures, fines, suspension, or expulsion. Stifel has chosen to calculate its net capital under the alternative method, which prescribes that their net capital shall not be less than the greater of \$1.0 million or two percent of aggregate debit balances (primarily receivables from customers) computed in accordance with the SEC's Customer Protection Rule (Rule 15c3-3). Our other broker-dealer subsidiaries calculate their net capital under the aggregate indebtedness method, whereby their aggregate indebtedness may not be greater than fifteen times their net capital (as defined).

At December 31, 2023, Stifel had net capital of \$457.9 million, which was 41.5% of aggregate debit items and \$435.9 million in excess of its minimum required net capital. At December 31, 2023, all of our other broker-dealer subsidiaries' net capital exceeded the minimum net capital required under the SEC rule.

Our international subsidiary, SNEL, is subject to the regulatory supervision and requirements of the Financial Conduct Authority ("FCA") in the United Kingdom. At December 31, 2023, our international subsidiary's capital and reserves were in excess of the financial resources requirement under the rules of the FCA.

Our Canadian subsidiary, SNC, is subject to the regulatory supervision and requirements of the Canadian Investment Regulatory Organization ("CIRO"). At December 31, 2023, SNC's net capital and reserves were in excess of the financial resources requirement under the rules of the CIRO.

Our company, as a bank holding company, Stifel Bank & Trust, Stifel Bank, Stifel Trust Company, N.A., and Stifel Trust Company, Delaware, N.A., (collectively, "banking subsidiaries"), are subject to various regulatory capital requirements administered by the Federal and state banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on our company's and its banking subsidiaries' financial results. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, our company and its banking subsidiaries must meet specific capital guidelines that involve quantitative measures of our assets, liabilities, and certain off-balance sheet items as calculated under regulatory accounting practices. Our company's and its banking subsidiaries' capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

Under the Basel III rules, the quantity and quality of regulatory capital increased, a capital conservation buffer was established, selected changes were made to the calculation of risk-weighted assets, and a new ratio, common equity Tier 1, was introduced, all of which are applicable to both our company and its banking subsidiaries.

Our company and its banking subsidiaries are required to maintain minimum amounts and ratios of Total and Tier 1 capital (as defined) to risk-weighted assets (as defined), Tier 1 capital to average assets (as defined), and under rules defined in Basel III, Common equity Tier 1 capital to risk-weighted assets. Our company and its banking subsidiaries each calculate these ratios in order to assess compliance with both regulatory requirements and their internal capital policies. At current capital levels, our company and its banking subsidiaries are each categorized as "well capitalized" under the regulatory framework for prompt corrective action. To be categorized as "well capitalized," our company and its banking subsidiaries must maintain total risk-based, Tier 1 risk-based, and Tier 1 leverage ratios.

The amounts and ratios for Stifel Financial Corp., Stifel Bank & Trust, and Stifel Bank as of December 31, 2023, are represented in the tables below (in thousands, except ratios):

	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Provision	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
<b>Stifel Financial Corp.</b>						
Common equity tier 1 capital	\$3,230,965	14.2%	\$1,023,670	4.5%	\$1,478,634	6.5%
Tier 1 capital	3,915,965	17.2%	1,364,893	6.0%	1,819,857	8.0%
Total capital	4,129,814	18.2%	1,819,857	8.0%	2,274,822	10.0%
Tier 1 leverage	3,915,965	10.5%	1,498,042	4.0%	1,872,552	5.0%

	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Provision	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
<b>Stifel Bank &amp; Trust</b>						
Common equity tier 1 capital	\$1,344,589	11.8%	\$ 511,437	4.5%	\$ 738,743	6.5%
Tier 1 capital	1,344,589	11.8%	681,916	6.0%	909,222	8.0%
Total capital	1,464,939	12.9%	909,222	8.0%	1,136,527	10.0%
Tier 1 leverage	1,344,589	7.3%	740,724	4.0%	925,905	5.0%

	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Provision	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
<b>Stifel Bank</b>						
Common equity tier 1 capital	\$ 788,811	11.9%	\$ 298,030	4.5%	\$ 430,488	6.5%
Tier 1 capital	788,811	11.9%	397,374	6.0%	529,831	8.0%
Total capital	827,822	12.5%	529,831	8.0%	662,289	10.0%
Tier 1 leverage	788,811	7.2%	440,792	4.0%	550,990	5.0%



## NOTE 20 – Operating Leases

Our operating leases primarily relate to office space and office equipment with remaining lease terms of 1 to 12 years. At December 31, 2023 and 2022, operating lease right-of-use assets were \$778.2 million and \$775.9 million, respectively, and lease liabilities were \$825.5 million and \$819.7 million, respectively, and included in accounts payable and accrued expenses in the consolidated statements of financial condition.

The table below summarizes our net lease cost for the years ended December 31, 2023 and 2022 (*in thousands*):

	Year Ended December 31,	
	2023	2022
Operating lease cost	\$107,281	\$107,963
Short-term lease cost	2,164	1,385
Variable lease cost	28,623	23,106
Sublease income	(1,111)	(2,303)
Net lease cost	\$136,957	\$130,151

Operating lease costs, included in occupancy and equipment rental in the consolidated statements of operations.

## NOTE 21 – Revenues From Contracts With Customers

The following table presents the Company's total revenues broken out by revenues from contracts with customers and other sources of revenue for the years ended December 31, 2023 and 2022 (*in thousands*):

	Year Ended December 31,	
	2023	2022
<b>Revenues from contracts with customers:</b>		
Commissions	\$ 673,597	\$ 710,589
Investment banking	731,255	971,485
Asset management	1,299,496	1,262,919
Other	5,281	5,834
Total revenue from contracts with customers	2,709,629	2,950,827
<b>Other sources of revenue:</b>		
Interest	1,955,745	1,099,115
Principal transactions	490,440	529,033
Other	3,466	13,851
<b>Total revenues</b>	<b>\$5,159,280</b>	<b>\$4,592,826</b>

Revenue from contracts with customers is recognized when, or as, we satisfy our performance obligations by transferring the promised services to the customers. A service is transferred to a customer when, or as, the customer obtains control of that service. A performance obligation may be satisfied over time or at a point in time. Revenue from a performance obligation satisfied over time is recognized by measuring our progress in satisfying the performance obligation in a manner that depicts the transfer of the services to the customer. Revenue from a performance obligation satisfied at a point in time is recognized at the point in time that we determine the customer obtains control over the promised service. The amount of revenue recognized reflects the consideration we expect to be entitled to in exchange for those promised services (i.e., the "transaction price"). In determining the transaction price, we consider multiple factors, including the effects of variable consideration. Variable consideration is included in the transaction price only to the extent it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainties with respect to the amount are resolved. In determining when to include variable consideration in the transaction price, we consider the range of possible outcomes, the predictive value of our past experiences, the time period of when uncertainties expect to be resolved, and the amount of consideration that is susceptible to factors outside of our influence, such as market volatility or the judgment and actions of third parties.

The following provides detailed information on the recognition of our revenues from contracts with customers:

**Commissions.** We earn commission revenue by executing, settling, and clearing transactions for clients primarily in OTC and listed equity securities,

The table below summarizes other information related to our operating leases as of and for the year ended December 31, 2023 (*in thousands*):

Operating lease cash flows	\$111,295
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 91,925
Weighted-average remaining lease term (years)	12.6
Weighted-average discount rate	5.03%

The weighted-average discount rate represents our company's incremental borrowing rate at the lease inception date.

The table below presents information about operating lease liabilities as of December 31, 2023 (*in thousands, except percentages*):

2024	\$ 105,502
2025	99,994
2026	100,545
2027	100,148
2028	97,335
Thereafter	651,330
Total undiscounted lease payments	1,154,854
Imputed interest	(329,325)
<b>Total operating lease liabilities</b>	<b>\$ 825,529</b>

insurance products, and options. Trade execution and clearing and custody services, when provided together, represent a single performance obligation, as the services are not separately identifiable in the context of the contract. Commission revenues associated with combined trade execution and clearing and custody services, as well as trade execution services on a stand-alone basis, are recognized at a point in time on trade date. Commission revenues are generally paid on settlement date, and we record a receivable between trade date and payment on settlement date.

**Investment Banking.** We provide our clients with a full range of capital markets and financial advisory services. Capital markets services include underwriting and placement agent services in both the equity and debt capital markets, including private equity placements, initial public offerings, follow-on offerings, underwriting, and distributing public and private debt.

Capital-raising revenues are recognized at a point in time on trade date, as the client obtains the control and benefit of the capital markets offering at that point. Costs associated with capital-raising transactions are deferred until the related revenue is recognized or the engagement is otherwise concluded, and are recorded on a gross basis within other operating expenses in the consolidated statements of operations, as we are acting as a principal in the arrangement. Any expenses reimbursed by our clients are recognized as investment banking revenues.

Revenues from financial advisory services primarily consist of fees generated in connection with merger, acquisition, and restructuring transactions. Advisory revenues from mergers and acquisitions engagements are recognized at a point in time when the related transaction is completed, as the performance obligation is to successfully broker a specific transaction.

Fees received prior to the completion of the transaction are deferred within accounts payable and accrued expenses on the consolidated statements of financial condition. Advisory revenues from restructuring engagements are recognized over time using a time elapsed measure of progress as our clients simultaneously receive and consume the benefits of those services as they are provided. A significant portion of the fees we receive for our advisory services are considered variable as they are contingent upon a future event (e.g., completion of a transaction or third party emergence from bankruptcy) and are excluded from the transaction price until the uncertainty associated with the variable consideration is subsequently resolved, which is expected to occur upon achievement of the specified milestone. Payment for advisory services are generally due promptly upon completion of a specified milestone or, for retainer fees, periodically over the course of the engagement. We recognize a receivable between the date of completion of the milestone and payment by the customer. Expenses associated with investment banking advisory engagements are deferred only to the extent they are explicitly reimbursable by the client, and the related revenue is recognized at the same time as the associated expense. All other investment

banking advisory-related expenses, including expenses incurred related to restructuring assignments, are expensed as incurred. All investment banking advisory expenses are recognized within other operating expenses on the consolidated statements of operations, and any expenses reimbursed by our clients are recognized as investment banking revenues.

**Asset Management Fees.** We earn management and performance fees in connection with investment advisory services provided to institutional and individual clients. Investment advisory fees are charged based on the value of assets in fee-based accounts and are affected by changes in the balances of client assets due to market fluctuations and levels of net new client assets. Fees are charged either in advance based on fixed rates applied to the value of the customers' account at the beginning of the period or periodically based on contracted rates and account performance. Contracts can be terminated at any time with no incremental payments due to our company upon termination. If the contract is terminated by the customer, fees are prorated for the period and fees charged for the post-termination period are refundable to the customer.

#### Disaggregation of Revenue

The following tables present the Company's revenues from contracts with customers by reportable segment disaggregated by major business activity and primary geographic regions for the years ended December 31, 2023 and 2022 (in thousands):

	Year Ended December 31, 2023			
	Global Wealth Management	Institutional Group	Other	Total
<i>Major business activity:</i>				
Commissions	\$ 444,949	\$ 228,648	\$ —	\$ 673,597
Capital raising	16,680	248,987	—	265,667
Advisory	—	465,588	—	465,588
Investment banking	16,680	714,575	—	731,255
Asset management	1,299,361	135	—	1,299,496
Other	5,079	17	185	5,281
Total	\$1,766,069	\$ 943,375	\$185	\$2,709,629
<i>Primary Geographic Region:</i>				
United States	1,766,069	741,283	185	2,507,537
United Kingdom	—	107,631	—	107,631
Canada	—	42,263	—	42,263
Other	—	52,198	—	52,198
Total	\$1,766,069	\$ 943,375	\$185	\$2,709,629
	Year Ended December 31, 2022			
	Global Wealth Management	Institutional Group	Other	Total
<i>Major business activity:</i>				
Commissions	\$ 473,638	\$ 236,951	\$ —	\$ 710,589
Capital raising	19,515	237,347	—	256,862
Advisory	—	714,623	—	714,623
Investment banking	19,515	951,970	—	971,485
Asset management	1,262,841	78	—	1,262,919
Other	5,569	—	265	5,834
Total	\$1,761,563	\$1,188,999	\$265	\$2,950,827
<i>Primary Geographic Region:</i>				
United States	1,761,563	970,960	265	2,732,788
United Kingdom	—	148,690	—	148,690
Canada	—	33,718	—	33,718
Other	—	35,631	—	35,631
Total	\$1,761,563	\$1,188,999	\$265	\$2,950,827

See Note 26 for further break-out of revenues by geography.

#### Information on Remaining Performance Obligations and Revenue Recognized From Past Performance

We do not disclose information about remaining performance obligations pertaining to contracts that have an original expected duration of one year or less. The transaction price allocated to remaining unsatisfied or partially unsatisfied performance

obligations with an original expected duration exceeding one year was not material at December 31, 2023. Investment banking advisory revenues that are contingent upon completion of a specific milestone and fees associated with certain distribution services are also excluded as the fees are considered variable and not included in the transaction price at December 31, 2023.

### Contract Balances

The timing of our revenue recognition may differ from the timing of payment by our customers. We record a receivable when revenue is recognized prior to payment and we have an unconditional right to payment. Alternatively, when payment precedes the provision of the related services, we record deferred revenue until the performance obligations are satisfied.

We had receivables related to revenues from contracts with customers of \$136.9 million and \$141.2 million at December 31, 2023 and December 31, 2022, respectively, in other assets in the consolidated statements of financial

condition. We had no significant impairments related to these receivables during the year ended December 31, 2023.

Our deferred revenue primarily relates to retainer fees received in investment banking advisory engagements where the performance obligation has not yet been satisfied. Deferred revenue at December 31, 2023 and December 31, 2022, was \$18.5 million and \$12.8 million, respectively, and included in accounts payable and accrued expenses in the consolidated statements of financial condition.

### NOTE 22 – Interest Income and Interest Expense

The components of interest income and interest expense are as follows (*in thousands*):

	Year Ended December 31,		
	2023	2022	2021
<b>Interest income:</b>			
Loans held for investment, net	\$ 1,253,008	\$ 752,273	\$ 378,086
Investment securities	467,199	247,755	129,858
Interest-bearing cash and federal funds sold	123,363	29,996	3,794
Margin balances	61,138	43,751	25,780
Financial instruments owned	16,726	20,545	15,041
Other	34,311	4,795	(4,159)
	<b>\$ 1,955,745</b>	<b>\$ 1,099,115</b>	<b>\$ 548,400</b>
<b>Interest expense:</b>			
Bank deposits	\$ 724,857	\$ 146,636	\$ 4,510
Senior notes	50,025	44,424	47,500
Other	35,454	10,327	(6,012)
	<b>\$ 810,336</b>	<b>\$ 201,387</b>	<b>\$ 45,998</b>

### NOTE 23 – Employee Incentive, Deferred Compensation, and Retirement Plans

We maintain an incentive stock plan and a wealth accumulation plan (“the Plan”) that provides for the granting of stock options, stock appreciation rights, restricted stock, performance awards, stock units, and debentures (collectively, “deferred awards”) to our associates. We are permitted to issue new shares under all stock award plans approved by shareholders or to reissue our treasury shares. Stock awards issued under our company’s incentive stock plan are granted at market value at the date of grant. Our deferred awards generally vest ratably over a one- to ten-year vesting period.

Our stock-based compensation plans are administered by the Compensation Committee of the Board of Directors (“Compensation Committee”), which has the authority to interpret the plans, determine to whom awards may be granted under the plans, and determine the terms of each award. According to the incentive stock plan, we are authorized to grant an additional 5.2 million shares at December 31, 2023.

Expense associated with our stock-based compensation, included in compensation and benefits expense in the consolidated statements of operations for our company’s incentive stock award plan was \$137.6 million, \$135.2 million, and \$120.7 million for the years ended December 31, 2023, 2022, and 2021, respectively. Additionally, the tax benefit associated with the stock-based compensation expense was \$27.8 million, \$30.8 million, and \$26.9 million for the years ended December 31, 2023, 2022, and 2021, respectively. The excess tax benefit related to stock-based compensation that vested during the year was \$36.9 million, \$23.8 million, and \$38.7 million for the years ended December 31, 2023, 2022, and 2021, respectively.

Expense associated with our debentures, included in compensation and benefits expense in the consolidated statements of operations was \$105.8 million, \$91.6 million, and \$64.4 million for the years ended December 31, 2023, 2022, and 2021, respectively.

#### Deferred Awards

A restricted stock unit represents the right to receive a share of the Company’s common stock at a designated time in the future without cash payment by the associate and is issued in lieu of cash incentive, principally for deferred compensation and employee retention plans. The restricted stock units vest on an annual basis over the next one to ten years and are distributable, if vested, at future specified dates. Restricted stock awards are restricted as to sale or disposition. These restrictions lapse over the next one to two years.

The Company grants Performance-based Restricted Stock Units (“PRSUs”) to certain of its executive officers. Under the terms of the grants, the number of PRSUs that will vest and convert to shares will be based on the Company’s achievement of the pre-determined performance objectives during the performance period. The PRSUs will be measured over a four-year performance period and vested over a five-year period. Any resulting delivery of shares for PRSUs granted as part of compensation will occur after four years for 80% of the earned award, and in the fifth year for the remaining 20% of the earned award. The number of shares converted has the potential to range from 0% to 200% based on how the Company performs during the performance period. Compensation expense is amortized over the service period based on the fair value of the deferred award on the grant date. The Company’s pre-determined performance objectives must be met for the awards to vest. Associates forfeit unvested deferred awards upon termination of employment with a corresponding reversal of compensation expense. Certain deferred awards may continue to vest under certain circumstances as described in the Plan. At December 31, 2023, the total number of restricted stock units, PRSUs, and restricted stock awards outstanding was 15.5 million, of which 13.5 million were unvested.

A summary of unvested restricted equity award activity, which includes restricted stock units and restricted stock awards, for the year ended December 31, 2023, is presented below (*in thousands, except weighted-average fair value*):

		Weighted-Average Grant Date Fair Value
Unvested December 31, 2022	14,845	\$46.83
Granted	3,101	62.14
Vested	(4,017)	40.49
Cancelled	(400)	50.38
Unvested December 31, 2023	13,529	\$52.12

At December 31, 2023, there was approximately \$708.8 million of unrecognized compensation cost for all deferred awards, which is expected to be recognized over a weighted-average period of 2.5 years.

The fair value of restricted stock units and restricted stock that vested or converted during the year ended December 31, 2023, was \$162.7 million.

#### Deferred Compensation Plans

The Plan is provided to certain revenue producers, officers, and key administrative associates, whereby a certain percentage of their incentive compen-

sation is deferred as defined by the Plan into company stock units, restricted stock, and debentures. Participants may elect to defer a portion of their incentive compensation. Deferred awards generally vest over a one- to ten-year period and are distributable upon vesting or at future specified dates. Deferred compensation costs are amortized on a straight-line basis over the vesting period. Elective deferrals are 100% vested.

Additionally, the Plan allows Stifel financial advisors who achieve certain levels of production the option to defer a certain percentage of their gross commissions. As stipulated by the Plan, the financial advisors will defer 5% of their gross commissions. The mandatory deferral is split between company restricted stock units and debentures. They have the option to defer an additional 1% of gross commissions into company stock units.

In addition, certain revenue producers, upon joining the Company, may receive company stock units in lieu of transition cash payments. Deferred compensation related to these awards generally vests over a one- to eight-year period. Deferred compensation costs are amortized on a straight-line basis over the deferral period.

#### *Profit Sharing Plan*

Eligible U.S. associates of the Company who have met certain service requirements may participate in the Stifel Financial Corp. Profit Sharing 401(k) Plan (the "401(k) Plan"). Associates are permitted within limitations imposed by tax law to make pre-tax contributions to the 401(k) Plan. We may match certain associate contributions or make additional contributions to the 401(k) Plan at our discretion. Our contributions to the 401(k) Plan, included in compensation and benefits in the consolidated statements of operations, were \$17.6 million, \$15.8 million, and \$15.2 million for the years ended December 31, 2023, 2022, and 2021, respectively.

#### **NOTE 24 – Off-Balance Sheet Credit Risk**

In the normal course of business, we execute, settle, and finance customer and proprietary securities transactions. These activities expose our company to off-balance sheet risk in the event that customers or other parties fail to satisfy their obligations.

In accordance with industry practice, securities transactions generally settle within two business days after trade date. Should a customer or broker fail to deliver cash or securities as agreed, we may be required to purchase or sell securities at unfavorable market prices.

We borrow and lend securities to facilitate the settlement process and finance transactions, utilizing customer margin securities held as collateral. We monitor the adequacy of collateral levels on a daily basis. We periodically borrow from banks on a collateralized basis, utilizing firm and customer margin securities in compliance with SEC rules. Should the counterparty fail to return customer securities pledged, we are subject to the risk of acquiring the securities at prevailing market prices in order to satisfy our customer obligations. We control our exposure to credit risk by continually monitoring our counterparties' positions, and where deemed necessary, we may require a deposit of additional collateral and/or a reduction or diversification of positions. Our company sells securities it does not currently own (short sales) and is obligated to subsequently purchase such securities at prevailing market prices. We are exposed to risk of loss if securities prices increase prior to closing the transactions. We control our exposure to price risk from short sales through daily review and setting position and trading limits.

We manage our risks associated with the aforementioned transactions through position and credit limits and the continuous monitoring of collateral. Additional collateral is required from customers and other counterparties when appropriate.

We have accepted collateral in connection with resale agreements, securities borrowed transactions, and customer margin loans. Under many agreements, we are permitted to sell or repledge these securities held as collateral and use these securities to enter into securities lending arrangements or to deliver to counterparties to cover short positions. At December 31, 2023 and 2022, the fair value of securities accepted as collateral where we are permitted to sell or repledge the securities was \$1.6 billion and \$1.8 billion, respectively, and the fair value of the collateral that had been sold or repledged was \$417.6 million and \$212.0 million, respectively.

We enter into interest rate derivative contracts to manage exposures that arise from business activities that result in the receipt or payment of future known and uncertain cash amounts, the value of which are determined by interest rates. Our derivative financial instruments are principally used to manage differences in the amount, timing, and duration of our known or expected cash payments related to certain variable-rate affiliated deposits.

Interest rate swaps designated as cash flow hedges involve the receipt of variable-rate amounts from a counterparty in exchange for us making fixed-rate payments. Our interest rate hedging strategies may not work in all market environments and, as a result, may not be effective in mitigating interest rate risk.

Derivatives' notional contract amounts are not reflected as assets or liabilities in the consolidated statements of financial condition. Rather, the market or fair value of the derivative transactions are reported in the consolidated statements of financial condition as other assets or accounts payable and accrued expenses, as applicable. For a complete discussion of our activities related to derivative instruments, see Note 14 in the notes to consolidated financial statements.

In the ordinary course of business, Stifel Bancorp has commitments to originate loans, standby letters of credit, and lines of credit. Commitments to originate loans are agreements to lend to a customer as long as there is no violation of any condition established by the contract. These commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since a portion of the commitments may expire without being drawn upon, the total commitment amounts do not necessarily represent future cash commitments. Each customer's creditworthiness is evaluated on a case-by-case basis. The amount of collateral obtained, if necessary, is based on the credit evaluation of the counterparty. Collateral held varies, but may include accounts receivable, inventory, property, plant and equipment, commercial real estate, and residential real estate.

At December 31, 2023 and 2022, Stifel Bancorp had outstanding commitments to originate loans aggregating \$103.6 million and \$164.6 million, respectively. The commitments extended over varying periods of time, with all commitments at December 31, 2023, scheduled to be disbursed in the following three months.

Through Stifel Bancorp, in the normal course of business, we originate residential mortgage loans and sell them to investors. We may be required to repurchase mortgage loans that have been sold to investors in the event there are breaches of certain representations and warranties contained within the sales agreements. We may be required to repurchase mortgage loans that were sold to investors in the event that there was inadequate underwriting or fraud, or in the event that the loans become delinquent shortly after they are originated. We also may be required to indemnify certain purchasers and others against losses they incur in the event of breaches of representations and warranties and in various other circumstances, and the amount of such losses could exceed the repurchase amount of the related loans. Consequently, we may be exposed to credit risk associated with sold loans.

Standby letters of credit are irrevocable conditional commitments issued by Stifel Bancorp to guarantee the performance of a customer to a third party. Financial standby letters of credit are primarily issued to support public and private borrowing arrangements, including commercial paper, bond financing, and similar transactions. Performance standby letters of credit are issued to guarantee performance of certain customers under non-financial contractual obligations. The credit risk involved in issuing standby letters of credit is essentially the same as that involved in extending loans to customers. Should Stifel Bancorp be obligated to perform under the standby letters of credit, it may seek recourse from the customer for reimbursement of amounts paid. At December 31, 2023 and 2022, Stifel Bancorp had outstanding letters of credit totaling \$37.1 million and \$22.9 million, respectively. A majority of the standby letters of credit commitments at December 31, 2023, have expiration terms that are less than one year.

Lines of credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Lines of credit generally have fixed expiration dates. Stifel Bancorp uses the same credit policies in granting lines of credit as it does for on-balance sheet instruments. At December 31, 2023 and 2022, Stifel Bancorp had granted unused lines of credit to commercial and consumer borrowers aggregating \$6.3 billion and \$6.1 billion, respectively.

We are required to evaluate our loan portfolio for any expected losses with recognition of an allowance for credit losses, when applicable. At December 31, 2023 and 2022, the expected credit losses for unfunded lending commitments was \$33.3 million and \$36.2 million, respectively.



NOTE 25 – Income Taxes

The provision for income taxes consists of the following *(in thousands)*:

	Year Ended December 31,		
	2023	2022	2021
Current taxes:			
Federal	\$127,771	\$159,383	\$167,258
State	39,361	49,956	39,911
Foreign	1,056	929	2,950
	168,188	210,268	210,119
Deferred taxes:			
Federal	9,067	8,752	19,747
State	2,917	4,203	5,640
Foreign	3,984	(262)	6,717
	15,968	12,693	32,104
Provision for income taxes	\$184,156	\$222,961	\$242,223

Reconciliation of the statutory federal income tax rate with our company's effective income tax rate is as follows *(in thousands)*:

	Year Ended December 31,		
	2023	2022	2021
Statutory rate	\$148,405	\$185,874	\$224,087
State income taxes, net of federal income tax	34,012	42,813	37,169
Non-deductible business expenses	25,177	10,944	9,732
Change in valuation allowance	21,931	9,802	2,248
Foreign tax rate difference	(2,471)	(2,846)	125
Federal tax credits	(7,002)	(2,793)	(2,126)
Excess tax benefit from stock-based compensation	(31,109)	(19,418)	(32,004)
Other, net	(4,787)	(1,415)	2,992
	\$184,156	\$222,961	\$242,223

Tax effect of temporary differences and carryforwards that comprise significant portions of deferred tax assets and liabilities *(in thousands)*:

	December 31,	
	2023	2022
Deferred tax assets:		
Lease liabilities	\$ 205,487	\$ 206,091
Deferred compensation	82,593	81,457
Receivable reserves	52,342	47,308
Unrealized loss on investments	51,549	62,318
Net operating loss carryforwards	45,879	28,997
Accrued expenses	15,457	25,833
Total deferred tax assets	453,307	452,004
Valuation allowance	(46,843)	(24,779)
	406,464	427,225
Deferred tax liabilities:		
Lease right-of-use assets	(195,962)	(199,085)
Goodwill and other intangibles	(72,927)	(61,225)
Prepaid expenses	(6,966)	(4,427)
Depreciation	(3,620)	(1,180)
Other	(5,467)	(2,101)
	(284,942)	(268,018)
Net deferred tax asset	\$ 121,522	\$ 159,207

Our net deferred tax asset at December 31, 2023, includes net operating loss carryforwards of \$134.0 million that expire between 2024 and 2043. Certain of our net operating loss carryforwards do not expire. A valuation allowance is recorded to the extent that it is more likely than not that any portion of the deferred tax asset will not be realized. The valuation allowance was increased by \$22.1 million. We believe the realization of the remaining net deferred tax asset of \$121.5 million is more likely than not based on the ability to carry back certain tax attributes against prior year taxable income for tax years before 2023 and to carry forward net operating losses indefinitely after 2023, and expectations of future taxable income, which is supported by a history of cumulative income.

The current tax payable, included in accounts payable and accrued expenses, is \$6.1 million and \$9.1 million as of December 31, 2023 and 2022, respectively. The current tax receivable, included in other assets, is \$38.9 million and \$28.1 million as of December 31, 2023 and 2022, respectively.

As of December 31, 2023, we considered all undistributed earnings of non-U.S. subsidiaries to be permanently reinvested. Therefore, we have not

provided for any U.S. deferred income taxes. Because the time or manner of repatriation is uncertain, we cannot determine the impact of local taxes, withholding taxes and foreign tax credits associated with the future repatriation of such earnings, and therefore cannot quantify the tax liability that would be payable in the event all such foreign earnings are repatriated.

#### Uncertain Tax Positions

As of December 31, 2023 and 2022, we had \$5.4 million and \$5.3 million, respectively, of gross unrecognized tax benefits, all of which, if recognized, would impact the effective tax rate. We recognize interest and penalties related to uncertain tax positions in provision for income taxes in the consolidated statements of operations. As of December 31, 2023 and 2022, we had accrued interest and penalties of \$0.4 million and \$0.3 million, respectively, before benefit of federal tax deduction, included in accounts payable and accrued expenses in our consolidated statements of financial condition. The amount of interest and penalties recognized in our consolidated statements of operations for the years ended December 31, 2023, 2022, and 2021, was not significant.

The following table summarizes the activity related to our company's unrecognized tax benefits from January 1, 2021 to December 31, 2023 (*in thousands*):

	Year Ended December 31,		
	2023	2022	2021
<b>Beginning balance</b>	<b>\$5,271</b>	<b>\$ 4,924</b>	<b>\$ 3,962</b>
Increase related to prior year tax positions	112	195	2,719
Decrease related to prior year tax positions	(63)	(635)	(119)
Increase related to current year tax positions	1,083	978	745
Decrease related to settlements with taxing authorities	—	—	(2,370)
Decrease related to lapsing of statute of limitations	(973)	(191)	(13)
<b>Ending balance</b>	<b>\$5,430</b>	<b>\$ 5,271</b>	<b>\$ 4,924</b>

We file income tax returns with the U.S. federal jurisdiction, various states, and certain foreign jurisdictions. We are not subject to U.S. federal examination for taxable years before 2020. We are not subject to certain state and local, or non-U.S. income tax examinations for taxable years before 2015.

There is a reasonable possibility that the unrecognized tax benefits will change within the next 12 months as a result of the expiration of various statutes of limitations or for the resolution of U.S. federal and state examinations, but we do not expect this change to be material to the consolidated financial statements.

**NOTE 26 – Segment Reporting**

We currently operate through the following three business segments: Global Wealth Management, Institutional Group, and various corporate activities combined in the Other segment.

Our Global Wealth Management segment consists of two businesses, the Private Client Group and Stifel Bancorp. The Private Client Group includes branch offices and independent contractor offices of our broker-dealer subsidiaries located throughout the United States. These branches provide securities brokerage services, including the sale of equities, mutual funds, fixed income products, and insurance, as well as offering banking products to their clients through our bank subsidiaries, which provide residential, consumer, and commercial lending, as well as FDIC-insured deposit accounts to customers of our private client group and to the general public.

The Institutional Group segment includes institutional sales and trading. It provides securities brokerage, trading, and research services to institutions,

Information concerning operations in these segments of business for the years ended December 31, 2023, 2022, and 2021 is as follows (*in thousands*):

	Year Ended December 31,		
	2023	2022	2021
<b>Net revenues:<sup>(1)</sup></b>			
Global Wealth Management	\$3,049,962	\$2,825,866	\$2,598,837
Institutional Group	1,226,317	1,536,017	2,152,439
Other	72,665	29,556	(14,188)
	<b>\$4,348,944</b>	<b>\$4,391,439</b>	<b>\$4,737,088</b>
<b>Income/(loss) before income taxes:</b>			
Global Wealth Management	\$1,215,822	\$1,067,571	\$914,953
Institutional Group	2,100	254,132	558,937
Other	(511,230)	(436,587)	(406,809)
	<b>\$706,692</b>	<b>\$885,116</b>	<b>\$1,067,081</b>

<sup>(1)</sup> No individual client accounted for more than 10 percent of total net revenues for the years ended December 31, 2023, 2022, and 2021.

The following table presents our company's total assets on a segment basis at December 31, 2023 and 2022 (*in thousands*):

	December 31,	
	2023	2022
Global Wealth Management	\$32,773,613	\$32,449,466
Institutional Group	4,564,058	4,285,212
Other	389,789	461,446
	<b>\$37,727,460</b>	<b>\$37,196,124</b>

We have operations in the United States, United Kingdom, Europe, and Canada. The Company's foreign operations are conducted through its wholly owned subsidiaries, SNEL and SNC. Substantially all long-lived assets are located in the United States.

Revenues, classified by the major geographic areas in which they were earned for the years ended December 31, 2023, 2022, and 2021, were as follows (*in thousands*):

	Year Ended December 31,		
	2023	2022	2021
United States	\$4,095,476	\$4,125,563	\$4,332,743
United Kingdom	152,125	192,985	239,559
Canada	40,034	29,268	109,285
Other	61,309	43,623	55,501
	<b>\$4,348,944</b>	<b>\$4,391,439</b>	<b>\$4,737,088</b>

## NOTE 27 – Earnings Per Share (“EPS”)

Basic EPS is computed by dividing earnings available to common shareholders by the weighted-average number of common shares outstanding. Diluted EPS reflects the potential dilution that could occur if securities or other

contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in the earnings of the entity. Diluted earnings per share include dilutive stock options and stock units under the treasury stock method.

The following table sets forth the computation of basic and diluted earnings per share for the years ended December 31, 2023, 2022, and 2021 (*in thousands, except per share data*):

	Year Ended December 31,		
	2023	2022	2021
<b>Net income</b>	<b>\$522,536</b>	<b>\$662,155</b>	<b>\$824,858</b>
Preferred dividends	37,281	37,281	35,587
<b>Net income available to common shareholders</b>	<b>\$485,255</b>	<b>\$624,874</b>	<b>\$789,271</b>
Shares for basic and diluted calculation:			
Average shares used in basic computation	106,661	108,848	107,536
Dilutive effect of stock options and units <sup>(1)</sup>	6,792	8,692	10,994
Average shares used in diluted computation	113,453	117,540	118,530
<b>Earnings per common share:</b>			
Basic	\$ 4.55	\$ 5.74	\$ 7.34
Diluted	\$ 4.28	\$ 5.32	\$ 6.66

<sup>(1)</sup> Diluted earnings per share is computed on the basis of the weighted-average number of shares of common stock plus the effect of dilutive potential common shares outstanding during the period using the treasury stock method. Diluted earnings per share include units.

For the years ended December 31, 2023, 2022, and 2021, the anti-dilutive effect from restricted stock units was immaterial.

### Cash Dividends

During the year ended December 31, 2023, we declared and paid cash dividends of \$1.44 per common share. During the year ended December 31, 2022, we declared and paid cash dividends of \$1.20 per common share. During the year ended December 31, 2021, we declared and paid cash dividends of \$0.60 per common share.

## NOTE 28 – Shareholders' Equity

### Share Repurchase Program

We have an ongoing authorization from the Board of Directors to repurchase our common stock in the open market or in negotiated transactions. At December 31, 2023, the maximum number of shares that may yet be purchased under this plan was 11.8 million. The repurchase program has no expiration date. These purchases may be made on the open market or in privately negotiated transactions, depending upon market conditions and other factors. Repurchased shares may be used to meet obligations under our employee benefit plans and for general corporate purposes. During the year ended December 31, 2023, we repurchased \$441.3 million or 7.2 million shares using existing Board authorizations at an average price of \$61.50 per share to meet obligations under our company's employee benefit plans and for general corporate purposes. During the year ended December 31, 2022, we repurchased \$105.8 million or 1.8 million shares using existing Board authorizations at an average price of \$60.24 per share to meet obligations under our company's employee benefit plans and for general corporate purposes.

### Issuance of Common Stock from Treasury

During the years ended December 31, 2023 and 2022, we issued 2.9 million and 2.6 million shares, respectively, of common stock from treasury primarily as a result of vesting and exercise transactions under our incentive stock award plans.

## NOTE 29 – Variable Interest Entities

Our variable interests in VIEs include debt and equity interests, commitments, certain fees, the establishment of Stifel Financial Capital Trusts, and our issuance of a convertible promissory note.

Our involvement with VIEs arises primarily from the following activities: purchases of securities in connection with our trading and secondary market-making activities; retained interests held as a result of securitization activities; and loans to, investments in, and fees from various investment vehicles.

### Partnership Interests

We have formed several non-consolidated investment funds with third-party investors that are typically organized as limited liability companies (“LLCs”) or limited partnerships. These investment vehicles have assets primarily consisting of private and public equity investments. For those funds where we act as the general partner, our company's economic interest is generally limited to management fee arrangements as stipulated by the fund operating agreements. We have generally provided the third-party investors with rights to terminate the funds or to remove us as the general partner. We have concluded that we are not the primary beneficiary of these VIEs, and therefore, we do not consolidate these entities.

### Debt and Equity Investments

Our exposure to loss is limited to the total of our carrying value. These investment vehicles have net assets, primarily consisting of aircraft, aircraft engine-related assets, and debt. For these investments, our involvement is primarily limited to management fee arrangements as stipulated by the operating agreements. We have concluded that we are not the primary beneficiary of these VIEs, and therefore, we do not consolidate these entities.

The following tables present the aggregate assets, liabilities, and our exposure to loss from those VIEs in which we hold a variable interest, but as to which we have concluded we are not the primary beneficiary (*in thousands*):

	December 31, 2023		
	Aggregate Assets	Aggregate Liabilities	Our Risk of Loss
Debt and Equity Investments	\$456,286	\$277,924	\$40,088
Partnership Interests	341,980	678	—
	\$798,266	\$278,602	\$40,088

	December 31, 2022		
	Aggregate Assets	Aggregate Liabilities	Our Risk of Loss
Debt and Equity Investments	\$388,408	\$296,375	\$14,776
Partnership Interests	402,703	1,180	—
	\$791,111	\$297,555	\$14,776

*Debenture to Stifel Financial Capital Trusts*

We have completed private placements of cumulative trust preferred securities through Stifel Financial Capital Trust II, Stifel Financial Capital Trust III, and Stifel Financial Capital Trust IV (collectively, the “Trusts”). The Trusts are non-consolidated wholly owned business trust subsidiaries of our company and were established for the limited purpose of issuing trust securities to third parties and lending the proceeds to our company.

The trust preferred securities represent an indirect interest in junior subordinated debentures purchased from our company by the Trusts, and we effectively provide for the full and unconditional guarantee of the securities issued by the Trusts. We make timely payments of interest to the Trusts as required

by contractual obligations, which are sufficient to cover payments due on the securities issued by the Trusts, and believe that it is unlikely that any circumstances would occur that would make it necessary for our company to make payments related to these Trusts other than those required under the terms of the debenture agreements and the trust preferred securities agreements. The Trusts were determined to be VIEs because the holders of the equity investment at risk do not have adequate decision-making ability over the Trust’s activities. Our investment in the Trusts is not a variable interest, because equity interests are variable interests only to the extent that the investment is considered to be at risk. Because our investment was funded by the Trusts, it is not considered to be at risk.



**ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

None

**ITEM 9A. CONTROLS AND PROCEDURES**

**Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures**

As of the end of the period covered by this report, an evaluation was carried out by the management of Stifel Financial Corp., with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934). Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that these disclosure controls and procedures were effective as of the end of the period covered by this report. In addition, no change in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) occurred during the fourth quarter of our fiscal year ended December 31, 2023, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

**Management's Report on Internal Control Over Financial Reporting**

Management of Stifel Financial Corp., together with its consolidated subsidiaries, is responsible for establishing and maintaining adequate internal control over financial reporting. Our company's internal control over financial reporting is a process designed under the supervision of our principal executive and principal financial officers to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our consolidated financial statements for external purposes in accordance with U.S. generally accepted accounting principles. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management has assessed the effectiveness of our company's internal control over financial reporting as of December 31, 2023. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control – Integrated Framework (2013)*.

Based on management's assessment and those criteria, we conclude that, as of December 31, 2023, our company's internal control over financial reporting is effective.

Our internal control over financial reporting includes those policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets; provide reasonable assurances that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of management and directors of our company; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our company's assets that could have a material effect on our consolidated financial statements.

Our company's internal control over financial reporting as of December 31, 2023, has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report appearing on the following page, which expresses an unqualified opinion on the effectiveness of our company's internal control over financial reporting as of December 31, 2023.

## Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of Stifel Financial Corp.

### Opinion on Internal Control over Financial Reporting

We have audited Stifel Financial Corp.'s internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Stifel Financial Corp. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statements of financial condition of Stifel Financial Corp. as of December 31, 2023 and 2022, and the related consolidated statements of operations, comprehensive income, changes in shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2023 and the related notes, and our report dated February 16, 2024, expressed an unqualified opinion thereon.

### Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

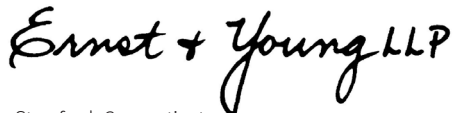
We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The logo for Ernst & Young LLP is written in a black, cursive script font. The words "Ernst" and "Young" are connected by an ampersand, and "LLP" is written in a smaller font size at the end of the line.

Stamford, Connecticut  
February 16, 2024

### ITEM 9B. OTHER INFORMATION

On October 30, 2023, Victor Nesi, President and Director of Institutional Group, entered into trading plans to sell an aggregate of 36,000 shares held indirectly through trusts (the “Nesi Sales Plans”), with sales commencing on January 31, 2024, and terminating on the earliest to occur of (i) the close of business on January 29, 2025; (ii) the date on which the total shares subject to the Nesi Sales Plans have been sold; and (iii) the date the Nesi Sales Plans are terminated in connection with certain extraordinary transactions as speci-

fied by the terms of the Nesi Sales Plans. The Nesi Sales Plans were entered into during an open insider trading window and are intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act of 1934, as amended, and the Company’s policies regarding insider transactions.

### ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

## PART III

### ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

Information regarding our Board of Directors and committees, our Corporate Governance, compliance with Section 16(a) of the Securities Exchange Act of 1934, and procedures by which shareholders may recommend nominees to our Board of Directors is contained in our Proxy Statement for the 2024 Annual Meeting of Shareholders to be filed with the SEC within 120 days after our fiscal year-end, which information is incorporated herein by reference.

Information regarding the executive officers is contained in “Item 1 – Business – Executive Officers” of this Form 10-K. There is no family relationship between any of the directors or named executive officers.

Under Section 303A.12 (a) NYSE Listed Company Manual, the CEO certification was submitted to the NYSE after the 2024 Annual Meeting of Shareholders.

### ITEM 11. EXECUTIVE COMPENSATION

Information regarding compensation of certain executive officers and directors (“Executive Compensation”), as well as “Compensation Committee Interlocks and Insider Participation” and “Compensation Committee Report” is contained in our Proxy Statement for the 2024 Annual Meeting of Shareholders to be filed with the SEC within 120 days after our fiscal year-end, which information is incorporated herein by reference.

### ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

#### *Securities authorized for issuance under equity compensation plans*

The following table provides information as of December 31, 2023, with respect to the shares of our common stock that may be issued under our existing equity compensation plans.

Plan Category	Number of securities to be issued upon exercise of outstanding options and units	Weighted-average exercise price of outstanding options and units	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by the shareholders	15,479,476	\$50.41	5,204,835
Equity compensation plans not approved by the shareholders	—	—	—
	15,479,476	\$50.41	5,204,835

As of December 31, 2023, the total number of securities to be issued upon exercise of options and units consisted of 15,479,476 units. Those shares are issuable pursuant to the Stifel Financial Corp. 2001 Incentive Stock Plan (2018 Restatement), the 2007 Incentive Stock Plan, and the Equity Incentive Plan for Non-Employee Directors.

As of December 31, 2023, the remaining shares available for future grants or awards under equity compensation plans approved by the shareholders consist of 5,204,835 shares under the 2001 Incentive Stock Plan (2018 Restatement).

The number of securities remaining available for future issuance under equity compensation plans reflects an adjustment to outstanding awards granted under the Stifel Financial Corp. 2001 Incentive Stock Plan (2018 Restatement) to net shares withheld in payment of tax withholding obligations, due to a determination by the Compensation Committee to satisfy tax withholding obligations through the cancellation of shares subject to an award.

If an outstanding award granted under the 2001 Incentive Stock Plan (2018 Restatement) expires or is canceled or forfeited without having been exercised in full, the number of shares underlying such unexercised award will again become available for issuance.

Additional information with respect to this Item, including information regarding security ownership of certain beneficial owners and management, is contained in “Ownership of Certain Beneficial Owners” and “Ownership of Directors, Nominees, and Executive Officers,” included in our Proxy Statement for the 2024 Annual Meeting of Shareholders to be filed with the SEC within 120 days after our fiscal year-end, which information is incorporated herein by reference.

#### *Security ownership of certain beneficial owners*

Information regarding security ownership of certain beneficial owners is contained in “Ownership of Certain Beneficial Owners,” included in our Proxy Statement for the 2024 Annual Meeting of Shareholders to be filed with the SEC within 120 days after our fiscal year-end, which information is incorporated herein by reference.

#### *Security ownership of management*

Information regarding security ownership of certain beneficial owners and management is contained in “Ownership of Directors, Nominees, and Executive Officers,” included in our Proxy Statement for the 2024 Annual Meeting of Shareholders to be filed with the SEC within 120 days after our fiscal year-end, which information is incorporated herein by reference.

### ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information regarding certain relationships and related transactions and director independence is contained in “Certain Relationships and Related Transactions,” and “Director Independence” included in our Proxy Statement for the 2024 Annual Meeting of Shareholders to be filed with the SEC within 120 days after our fiscal year-end, which information is incorporated herein by reference.

### ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Information regarding principal accounting fees and services is contained in “Ratification of Appointment of Independent Registered Public Accounting Firm,” included in our Proxy Statement for the 2024 Annual Meeting of Shareholders to be filed with the SEC within 120 days after our fiscal year-end, which information is incorporated herein by reference.

## PART IV

### ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

#### (a) 1. Financial Statements

The following financial statements are included in “Item 8 – Financial Statements and Supplementary Data,” and incorporated by reference hereto:

	Page
Report of Independent Registered Public Accounting Firm	45
Consolidated Financial Statements:	
Statements of Financial Condition as of December 31, 2023 and 2022	47
Statements of Operations for the years ended December 31, 2023, 2022, and 2021	48
Statements of Comprehensive Income for the years ended December 31, 2023, 2022, and 2021	48
Statements of Changes in Shareholders' Equity for the years ended December 31, 2023, 2022, and 2021	49
Statements of Cash Flows for the years ended December 31, 2023, 2022, and 2021	50
Notes to the Consolidated Financial Statements	52

#### 2. Financial Statement Schedules

All schedules are omitted, since the required information is either not applicable, not deemed material, or is shown in the respective financial statements or in the notes thereto.

#### (b) Exhibits

A list of the exhibits to this Annual Report on Form 10-K is set forth on the Exhibit Index immediately preceding such exhibits and is incorporated herein by reference.

## EXHIBIT INDEX

### STIFEL FINANCIAL CORP. ANNUAL REPORT ON FORM 10-K YEAR ENDED DECEMBER 31, 2023

Exhibit No.	Description
3.1	Second Restated Certificate of Incorporation of Stifel Financial Corp., filed with the Secretary of State of the State of Delaware and effective August 11, 2023, incorporated by reference to Exhibit 3.1 to Stifel Financial Corp.'s Current Report on Form 8-K filed on August 11, 2023.
3.2	Second Amended and Restated By-Laws of Stifel Financial Corp., effective August 8, 2023, incorporated by reference to Exhibit 3.2 to Stifel Financial Corp.'s Current Report on Form 8-K filed on August 11, 2023.
3.3	Certificate of Designations, Preferences, and Rights of the Special Voting Preferred Stock, incorporated herein by reference to Exhibit 3.1 to Stifel Financial Corp.'s Current Report on Form 8-K filed on July 1, 2010.
3.4	Certificate of Designations of 6.25% Non-Cumulative Preferred Stock, Series A, incorporated by reference to Exhibit 3.1 to Stifel Financial Corp.'s Current Report on Form 8-K filed on July 15, 2016.
3.5	Certificate of Designations of 6.25% Non-Cumulative Preferred Stock, Series B, incorporated by reference to Exhibit 3.1 to Stifel Financial Corp.'s Current Report on Form 8-K filed on February 28, 2019.
3.6	Certificate of Designations of 6.125% Preferred Stock, Series C, incorporated by reference to Exhibit 7 to Stifel Financial Corp.'s Form 8-A filed on May 19, 2020.
3.7	Certificate of Designations of 4.50% Preferred Stock, Series D, incorporated by reference to Exhibit 8 to Stifel Financial Corp.'s Form 8-A filed on July 22, 2021.
4.1	Deposit Agreement dated July 15, 2016, incorporated herein by reference to Exhibit 4.1 to Stifel Financial Corp.'s Current Report on Form 8-K filed on July 15, 2016.
4.2	Form of Depository Receipt, incorporated herein by reference to Exhibit 4.2 to Stifel Financial Corp.'s Current Report on Form 8-K filed on July 15, 2016.
4.3	Deposit Agreement dated February 28, 2019, incorporated herein by reference to Exhibit 4.1 to Stifel Financial Corp.'s Current Report on Form 8-K filed on February 28, 2019.
4.4	Form of Depository Receipt, incorporated herein by reference to Exhibit 4.2 to Stifel Financial Corp.'s Current Report on Form 8-K filed on February 28, 2019.
4.5	Deposit Agreement, dated May 19, 2020, incorporated by reference to Exhibit 8 of Stifel Financial Corp.'s Form 8-A filed on May 19, 2020.
4.6	Form of certificate representing the Series C Preferred Stock, incorporated by reference to Exhibit 9 to Stifel Financial Corp.'s Form 8-A filed on May 19, 2020.
4.7	Form of depository receipt representing the Depository Shares (included as Exhibit A to the Deposit Agreement dated May 19, 2020), incorporated by reference to Exhibit 4.3 to Stifel Financial Corp.'s Form 8-A filed on May 19, 2020.
4.8	Deposit Agreement, dated July 22, 2021, incorporated by reference to Exhibit 9 of Stifel Financial Corp.'s Form 8-A filed on July 22, 2021.
4.9	Form of certificate representing the Series D Preferred Stock, incorporated by reference to Exhibit 10 to Stifel Financial Corp.'s Form 8-A filed on July 22, 2021.
4.10	Form of depository receipt representing the Depository Shares (included as Exhibit A to the Deposit Agreement dated July 22, 2021), incorporated by reference to Exhibit 11 to Stifel Financial Corp.'s Form 8-A filed on July 22, 2021.
4.11	Description of Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934, filed herewith.
4.12	Indenture, dated as of January 23, 2012, between Stifel Financial Corp. and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to Stifel Financial Corp.'s Current Report on Form 8-K filed on January 23, 2012).
4.13	Third Supplemental Indenture dated as of July 18, 2014, between Stifel Financial Corp. and U.S. Bank National Association, as trustee, incorporated by reference to Exhibit 4.2 to Stifel Financial Corp.'s Form 8-K filed on July 18, 2014.
4.14	Form of 4.25% Senior Note due 2024 (included as Exhibit A to Exhibit 4.13).
4.15	Fifth Supplemental Indenture dated as of October 4, 2017, between Stifel Financial Corp. and U.S. Bank National Association, as trustee incorporated by reference to Exhibit 4.2 to Stifel Financial Corp.'s Form 8-K filed on October 4, 2017.
4.16	Form of 5.20% Senior Note due 2047 (included as Exhibit A to Exhibit 4.15).
4.17	Sixth Supplemental Indenture, dated as of May 20, 2020, between Stifel Financial Corp. and U.S. Bank National Association, as trustee, incorporated by reference to Exhibit 4.2 to Stifel Financial Corp.'s Form 8-K filed on May 20, 2020.
4.18	Form of 4.000% Senior Note due 2030 (included as Exhibit A to Exhibit 4.17).
10.1	Form of Indemnification Agreement with directors dated as of June 30, 1987, incorporated herein by reference to Exhibit 10.2 to Stifel Financial Corp.'s Current Report on Form 8-K filed on July 14, 1987. (P)
10.2	Stifel Financial Corp. Dividend Reinvestment and Stock Purchase Plan, incorporated by reference to Stifel Financial Corp.'s Registration Statement on Form S-3 (33-53699) filed on May 18, 1994. (P)
10.3	Employment Letter with Ronald J. Kruszewski, incorporated herein by reference to Exhibit 10.(l) to Stifel Financial Corp.'s Annual Report on Form 10-K for the year ended December 31, 1997.* (P)
10.4	Employment Agreement with Victor Nesi dated June 25, 2009, incorporated herein by reference to Exhibit 10.(EE) to Stifel Financial Corp.'s Annual Report on Form 10-K for the year ended December 31, 2009, filed on February 26, 2010.*
10.5	Stock Unit Agreement with Ronald J. Kruszewski, incorporated herein by reference to Exhibit 10.(j)(2) to Stifel Financial Corp.'s Annual Report on Form 10-K for the year ended December 31, 1998.* (P)
10.6	Stock Unit Agreement with James M. Zemlyak dated January 11, 2000, incorporated herein by reference to Exhibit 10.(s) to Stifel Financial Corp.'s Annual Report on Form 10-K / A Amendment No. 1 for the year ended December 31, 2001, filed on April 9, 2002.*
10.7	Stifel Financial Corp. 1999 Executive Incentive Performance Plan, incorporated herein by reference to Annex B of Stifel Financial Corp.'s Proxy Statement for the 1999 Annual Meeting of Shareholders filed on March 26, 1999.*



- 10.8 Stifel Financial Corp. Equity Incentive Plan for Non-Employee Directors, incorporated herein by reference to Stifel Financial Corp.'s Registration Statement on Form S-8 (333-52694) filed on December 22, 2000.\*
- 10.9 Stifel Financial Corp. Equity Incentive Plan for Non-Employee Directors, as restated and amended, incorporated by reference to Annex A of Stifel Financial Corp.'s Definitive Proxy Statement for the 2008 Annual Meeting of Shareholders filed on April 29, 2008.\*
- 10.10 Stifel Profit Sharing 401(k) Plan, incorporated herein by reference to Stifel Financial Corp.'s Registration Statement on Form S-8 (333-60516) filed on May 9, 2001.\*
- 10.11 Stifel Financial Corp. 2001 Incentive Plan, incorporated herein by reference to Stifel Financial Corp.'s Registration Statement on Form S-8 (333-82328) filed on February 7, 2002.\*
- 10.12 Stifel Financial Corp. 2001 Incentive Plan Amendment No. 1, incorporated herein by reference to Stifel Financial Corp.'s Registration Statement on Form S-8 (333-105756) filed on June 2, 2003.\*
- 10.13 Stifel Financial Corp. 2001 Incentive Plan Amendment No. 2, incorporated herein by reference to Stifel Financial Corp.'s Registration Statement on Form S-8 (333-140662) filed on February 13, 2007.\*
- 10.14 Stifel Financial Corp. 2001 Incentive Stock Plan, as restated and amended, incorporated herein by reference to Annex B to the Stifel Financial Corp.'s Definitive Proxy Statement for the 2008 Annual Meeting of Shareholders filed on April 29, 2008.\*
- 10.15 Stifel Financial Corp. 2001 Incentive Stock Plan (2011 Restatement), as amended, incorporated herein by reference to Exhibit 10.1 to Stifel Financial Corp.'s Current Report on Form 8-K filed on June 22, 2011.\*
- 10.16 First Amendment to Stifel Financial Corp. 2001 Incentive Stock Plan (2011 Restatement), incorporated herein by reference to Exhibit 10.1 to Stifel Financial Corp.'s Registration Statement on Form S-8 (333-222290) filed on December 26, 2017.\*
- 10.17 Form of Deferred Award Agreement for Restricted Stock Units pursuant to the Stifel Financial Corp. 2001 Incentive Stock Plan (2011 Restatement), incorporated herein by reference to Exhibit 9(f) to Stifel Financial Corp.'s Annual Report on Form 10-K for the year ended December 31, 2015, filed on March 1, 2016.\*
- 10.18 Form of Award Agreement for Restricted Stock Units and/or Debentures pursuant to the Stifel Financial Corp. 2001 Incentive Stock Plan (2011 Restatement), incorporated herein by reference to Exhibit 9(g) to Stifel Financial Corp.'s Annual Report on Form 10-K for the year ended December 31, 2015, filed on March 1, 2016.\*
- 10.19 Stifel Financial Corp. 2017 Restricted Stock Award Agreement, incorporated herein by reference to Exhibit 10.1 to Stifel Financial Corp.'s Current Report on Form 8-K filed on December 22, 2017.\*
- 10.20 Form of Modification of Award Agreement under the Stifel Financial Corp. 2001 Incentive Stock Plan (2011 Restatement) in accordance with the Stifel Financial Corp. Wealth Accumulation Plan, incorporated herein by reference to Exhibit 10.2 to Stifel Financial Corp.'s Current Report on Form 8-K filed on December 22, 2017.\*
- 10.21 Stifel Financial Corp. 2017 Restricted Stock Award Agreement (Executive), incorporated herein by reference to Exhibit 10.1 to Stifel Financial Corp.'s Current Report on Form 8-K filed on January 2, 2018.\*
- 10.22 Form of Restricted Stock Unit Award Agreement (Performance RSUs) pursuant to the Stifel Financial Corp. 2001 Incentive Stock Plan (2011 Restatement), incorporated herein by reference to Exhibit 10.9(l) to Stifel Financial Corp.'s Annual Report on Form 10-K for the year ended December 31, 2017, filed on February 26, 2018.\*
- 10.23 Stifel Financial Corp. 2001 Incentive Stock Plan (2018 Restatement), incorporated herein by reference to Exhibit 10.1 to Stifel Financial Corp.'s Current Report on Form 8-K filed on May 15, 2020.\*
- 10.24 Stifel Financial Corp. 2003 Employee Stock Purchase Plan, incorporated herein by reference to Stifel Financial Corp.'s Registration Statement on Form S-8 (333-100414) filed on October 8, 2002.\*
- 10.25 Stifel Financial Corp. 2010 Executive Incentive Plan, incorporated herein by reference to Appendix A to Stifel Financial Corp.'s Definitive Proxy Statement for the 2010 Annual Meeting of Shareholders filed on February 26, 2010.\*
- 10.26 Stifel Financial Corp., Wealth Accumulation Plan 2015 Restatement, incorporated herein by reference to Exhibit 10.1 to Stifel Financial Corp.'s Current Report on Form 8-K filed on September 4, 2015.\*
- 10.27 First Amendment to Stifel Financial Corp. Wealth Accumulation Plan 2015 Restatement, incorporated herein by reference to Exhibit 10.1 to Stifel Financial Corp.'s Current Report on Form 8-K filed on November 20, 2015.\*
- 10.28 Second Amendment to Stifel Financial Corp. Wealth Accumulation Plan 2015 Restatement, incorporated herein by reference to Exhibit 12(f) to Stifel Financial Corp.'s Annual Report on Form 10-K for the year ended December 31, 2015, filed on March 1, 2016.\*
- 10.29 Stifel Financial Corp. Wealth Accumulation Plan 2017 Restatement, incorporated herein by reference to Exhibit 10.1 to Stifel Financial Corp.'s Current Report on Form 8-K filed on February 13, 2017.\*
- 10.30 Stifel Financial Corp. Wealth Accumulation Plan 2017 Restatement, as amended, incorporated herein by reference to Exhibit 10.1 to Stifel Financial Corp.'s Current Report on Form 8-K filed on November 13, 2018.\*
- 10.31 Stifel Financial Corp. Wealth Accumulation Plan 2019 Restatement, incorporated by reference to Exhibit 10.1 to Stifel Financial Corp.'s Current Report on Form 8-K filed on February 6, 2019.\*
- 10.32 Form of Restricted Stock Unit Award Agreement (Performance RSUs), incorporated by reference to Exhibit 10.2 to Stifel Financial Corp.'s Current Report on Form 8-K filed on February 6, 2019.\*
- 10.33 Form of Deferred Award Agreement, incorporated by reference to Exhibit 10.3 to Stifel Financial Corp.'s Current Report on Form 8-K filed on February 6, 2019.\*
- 10.34 Form of Restricted Cash Award Agreement, incorporated by reference to Exhibit 10.1 to Stifel Financial Corp.'s Current Report on Form 8-K filed on February 2, 2021.\*
- 10.35 Form of Deferred Award Agreement, incorporated by reference to Exhibit 10.1 to Stifel Financial Corp.'s Current Report on Form 8-K filed on November 5, 2021.\*
- 10.36 Form of Deferred Award Agreement pursuant to the Stifel Financial Corp. 2001 Incentive Stock Plan (2018 Restatement), filed herewith.\*
- 10.37 Credit Agreement, dated as of September 27, 2023, among Stifel Financial Corp. and Stifel Nicolaus & Company, Incorporated, the Lenders party thereto, and Bank of America, N.A., incorporated by reference to Exhibit 10.1 to Stifel Financial Corp.'s Current Report on Form 8-K filed on September 28, 2023.
- 11 Computation of Per Share Earnings is set forth in Note 27 of Notes to Consolidated Financial Statements included in this Form 10-K.
- 21 List of Subsidiaries of Stifel Financial Corp., filed herewith.
- 23 Consent of Independent Registered Public Accounting Firm, filed herewith.

- 31.1 Certification of Ronald J. Kruszewski pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.
- 31.2 Certification of James M. Marischen pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.
- 32.1 Certification of Ronald J. Kruszewski pursuant to Rule 13a-14(b) and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith.\*\*
- 32.2 Certification of James M. Marischen pursuant to Rule 13a-14(b) and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith.\*\*
- 97 Stifel Financial Corp. Incentive Compensation Recovery Policy, filed herewith.
- 101 The following financial information, formatted in iXBRL (Inline Extensible Business Report Language), Pursuant to Rule 405 of Regulation S-T: (i) Consolidated Statements of Financial Condition as of December 31, 2023 and 2022; (ii) Consolidated Statements of Operations for the years ended December 31, 2023, 2022, and 2021; (iii) Consolidated Statements of Comprehensive Income for the years ended December 31, 2023, 2022, and 2021; (iv) Consolidated Statements of Changes in Shareholders' Equity for the years ended December 31, 2023, 2022, and 2021; (v) Consolidated Statements of Cash Flows for the years ended December 31, 2023, 2022, and 2021; and (vi) Notes to Consolidated Financial Statements.
- 104 Cover Page Interactive Data File (embedded within the Inline XBRL document).

\* Management contract or compensatory plan or arrangement.

\*\* The certifications attached as Exhibits 32.1 and 32.2 that accompany this Annual Report on Form 10-K are not deemed filed with the SEC and are not to be incorporated by reference into any filing of Stifel Financial Corp. under the Securities Act of 1933, as amended, or the Securities Act of 1934, as amended, whether made before or after the date of this Form 10-K, irrespective of any general incorporation language contained in such filing.

**ITEM 16. FORM 10-K SUMMARY**

None.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on February 16, 2024.

STIFEL FINANCIAL CORP.

By: /s/ Ronald J. Kruszewski  
Ronald J. Kruszewski  
Chairman of the Board,  
Chief Executive Officer, and Director

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on February 16, 2024.

/s/ <u>Ronald J. Kruszewski</u> Ronald J. Kruszewski	Chairman of the Board, Chief Executive Officer, and Director (Principal Executive Officer)
/s/ <u>James M. Marischen</u> James M. Marischen	Chief Financial Officer (Principal Financial and Accounting Officer)
/s/ <u>Adam T. Berlew</u> Adam T. Berlew	Director
/s/ <u>Maryam Brown</u> Maryam Brown	Director
/s/ <u>Michael W. Brown</u> Michael W. Brown	Director
/s/ <u>Lisa Carnoy</u> Lisa Carnoy	Director
/s/ <u>Robert E. Grady</u> Robert E. Grady	Director
/s/ <u>Jim Kavanaugh</u> Jim Kavanaugh	Director
/s/ <u>Daniel J. Ludeman</u> Daniel J. Ludeman	Director
/s/ <u>Maura A. Markus</u> Maura A. Markus	Director
/s/ <u>David A. Peacock</u> David A. Peacock	Director
/s/ <u>Thomas W. Weisel</u> Thomas W. Weisel	Director
/s/ <u>Michael J. Zimmerman</u> Michael J. Zimmerman	Director

# BOARD OF DIRECTORS



**Ronald J. Kruszewski**

*Chairman of the Board and  
Chief Executive Officer  
Stifel Financial Corp.*



**Adam T. Berlew**

*Vice President  
Digital, Enterprise and  
Platform Marketing  
Atlassian*



**Maryam Brown**

*President  
SoCalGas*



**Michael W. Brown**

*Former Vice President and  
Chief Financial Officer  
Microsoft Corporation*



**Lisa Carnoy**

*Former Chief Financial Officer  
Alix Partners*



**Robert E. Grady**

*Advisory Partner  
Summit Partners*



**Jim Kavanaugh**

*Co-Founder and  
Chief Executive Officer  
World Wide Technology*



**Daniel J. Ludeman, Sr.**

*President and  
Chief Executive Officer  
Concordance Academy  
of Leadership*



**Maura A. Markus**

*Former President and  
Chief Operating Officer  
Bank of the West*



**David A. Peacock**

*Chief Executive Officer  
Advantage Solutions*



**Thomas W. Weisel**

*Senior Managing Director  
and Director  
Stifel Financial Corp.*



**Michael J. Zimmerman**

*Vice Chairman  
Continental Grain Company*

# SHAREHOLDER INFORMATION

## ANNUAL MEETING

Our 2024 Annual Meeting of Shareholders will be virtual-only, Wednesday, June 5, 2024, at 9:30 a.m. Central. For instructions on how to access, vote, and submit questions at the virtual meeting, please refer to page 2 of our proxy statement distributed on April 26, 2024.

## TRANSFER AGENT

The transfer agent and registrar for Stifel Financial Corp. is Computershare Trust Company, N.A., Canton, Massachusetts.

## STOCK LISTINGS

The common stock of Stifel Financial Corp. is traded on the New York Stock Exchange and Chicago Stock Exchange under the symbol "SF." The high/low sales prices for Stifel Financial Corp. common stock for each full quarterly period for the last two calendar years are as follows:

	SALES PRICE				CASH DIVIDENDS	
	2022		2023		2022	2023
	High	Low	High	Low		
First Quarter	\$83.28	\$60.35	\$68.77	\$53.48	\$0.30	\$0.36
Second Quarter	70.26	54.74	62.35	54.84	0.30	0.36
Third Quarter	65.39	51.73	66.61	58.08	0.30	0.36
Fourth Quarter	66.96	49.31	70.07	54.81	0.30	0.36

## RECONCILIATION OF GAAP NET INCOME TO NON-GAAP NET INCOME

A reconciliation of GAAP Net Income to Non-GAAP Net Income and GAAP Net Income Per Diluted Common Share, the most directly comparable measure under GAAP, to Non-GAAP Earnings Per Diluted Common Share is included in the table below.

<i>in thousands, except per share amounts</i>	2019	2020	2021	2022	2023
GAAP net income	\$448,396	\$503,472	\$824,858	\$662,155	\$522,536
Preferred dividends	17,319	27,261	35,587	37,281	37,281
GAAP net income available to common shareholders	431,077	476,211	789,271	624,874	485,255
Tax reform, net of tax					
Litigation charges, net of tax					
Acquisition revenues, net of tax	132	117	117	39	10
Acquisition charges, net of tax					
Compensation	24,288	23,339	20,079	29,262	23,529
Other non-compensation	24,139	23,180	30,066	20,896	22,730
Non-GAAP net income	\$479,636	\$522,847	\$839,533	\$675,071	\$531,524
GAAP earnings per diluted common share <sup>1</sup>	\$3.66	\$4.16	\$6.66	\$5.32	\$4.28
Adjustments <sup>1</sup>	0.41	0.40	0.42	0.42	0.40
Non-GAAP earnings per diluted common share <sup>1</sup>	\$4.07	\$4.56	\$7.08	\$5.74	\$4.68

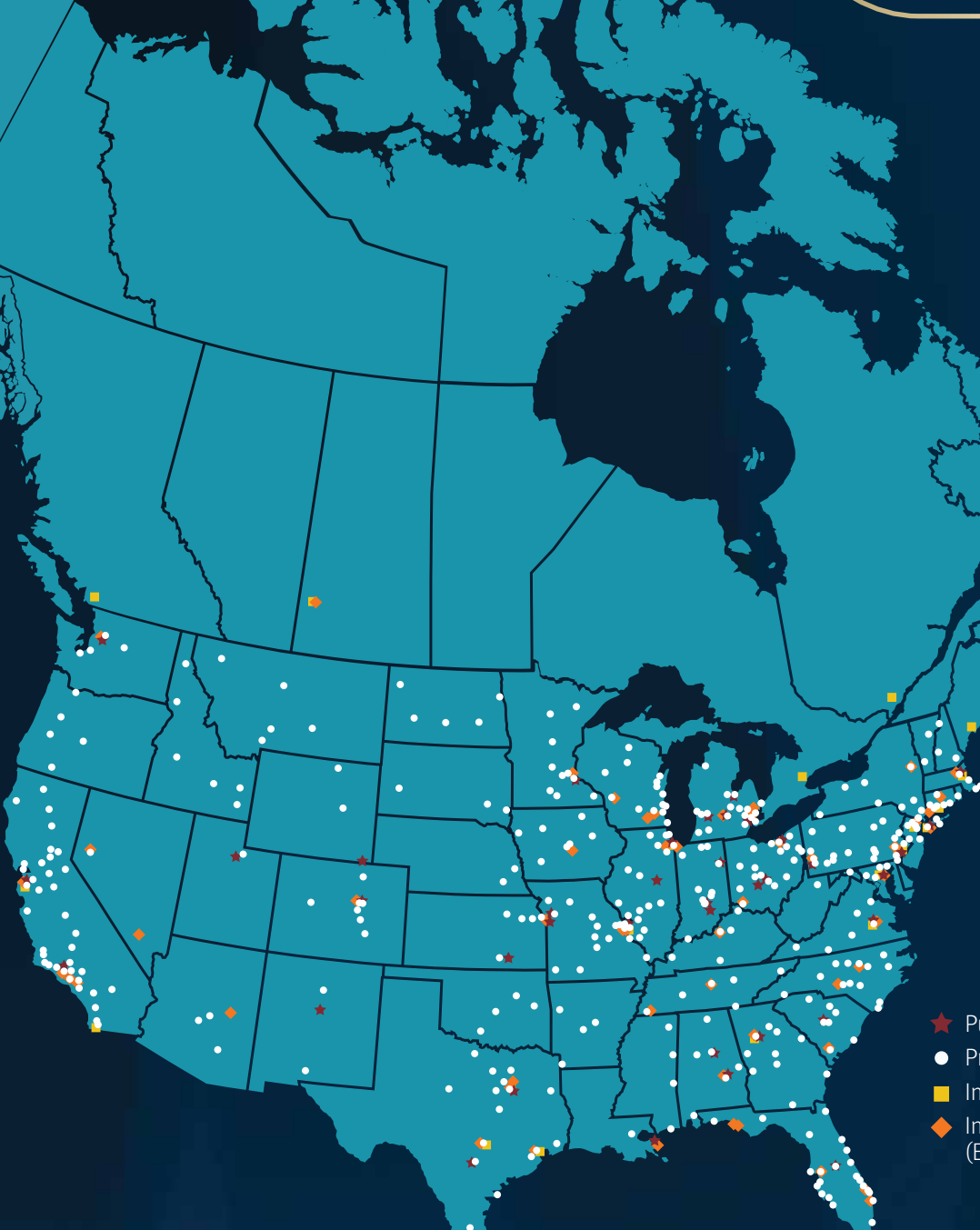
<sup>1</sup> Adjusted for December 2020 three-for-two stock split.



# STIFEL LOCATIONS



EUROPE



- ★ Public Finance
- Private Client Group
- Investment Banking
- ◆ Institutional Sales Offices (Equity & Fixed Income)

# STIFEL

Stifel Financial Corp. | [www.stifel.com](http://www.stifel.com)  
One Financial Plaza | 501 North Broadway | St. Louis, Missouri 63102

\* J.D. Power trophy awarded based on the results of the J.D. Power 2023 U.S. Financial Advisor Satisfaction Study<sup>SM</sup>.  
**Stifel is the #1 Wealth Management Firm for Employee Advisor Satisfaction.**

*For J.D. Power 2023 award information, visit [jdpower.com/awards](http://jdpower.com/awards). Compensation provided for using, not obtaining, the award.*