

REFINITIV

DELTA REPORT

10-Q

SFB - STIFEL FINANCIAL CORP

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 2273

█	CHANGES	707
█	DELETIONS	1108
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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

(Mark One)

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended **September 30, March 31, 2023** **2024**

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

43-1273600

(State or other jurisdiction of
incorporation or organization)

**(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	Shares or principal amount	Name of Each Exchange on	Shares or principal amount
	Which Registered	outstanding - November 3, 2023		
Common Stock, \$0.15 par value per share (SF)	New York Stock Exchange	101,995,978	New York Stock Exchange	102,455,815
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	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	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	New York Stock Exchange	12,000
5.20% Senior Notes due 2047 (SFB)	New York Stock Exchange	\$ 225,000,000	New York Stock Exchange	\$ 225,000,000

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 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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No No

STIFEL FINANCIAL CORP.

Form 10-Q

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

STIFEL FINANCIAL CORP. **Consolidated Statements of Financial Condition**

(in thousands, except share and per share amounts)	Decembe		December 31,	
	September		March 31, 2024	
	30, 2023	r 31, 2022	(Unaudited)	2023
Assets				
Cash and cash equivalents	\$ 2,768,353	\$ 985	\$ 3,408,528	\$ 3,361,801
Cash segregated for regulatory purposes	33,399	29,017	65,827	162,048
Receivables:				
Brokerage clients, net	885,674	5	876,002	841,507
Brokers, dealers, and clearing organizations	363,008	1	657,871	414,144

Securities purchased under agreements to resell	412,367	348,162	451,056	349,849
Financial instruments owned, at fair value	1,056,745	731,752	1,230,855	918,741
Available-for-sale securities, at fair value	1,512,233	1,636,041	1,499,982	1,551,686
Held-to-maturity securities, at amortized cost	5,900,379	5,990,451	5,793,750	5,888,798
Loans:	20,292,553	20,465,092	18,949,796	19,305,805
Held for investment, net	3	156,912	534,593	423,999
Held for sale, at lower of cost or market	142,617	2	89,518	91,105
Investments, at fair value	91,154	99,376	200,043	191,528
Fixed assets, net	195,987	3	300,775	775,949
Operating lease right-of-use assets, net	786,496	9	804,130	1,326,778,216
Goodwill	1,399,129	548	1,388,306	1,388,243
Intangible assets, net	127,443	9	127,282	130,581,326,133,279
Loans and advances to financial advisors and other employees, net	678,059	654,112	732,945	159,20683,486
Deferred tax assets, net	198,424	7	127,263	950,41121,522
Other assets	1,033,557	2	1,219,801	37,1961,121,703
	37,877,57	37,196		
Total assets	\$ 7	\$,124	\$ 38,258,280	\$ 37,727,460
Liabilities				
Payables:				
Brokerage clients	\$ 704,484	\$ 6	\$ 750,602	\$ 734,821
Brokers, dealers, and clearing organizations	217,916	94,954	366,916	231,736

Drafts	102,21	77,432	2	107,539	117,688
Securities sold under agreements to repurchase	212,01	408,950	1	426,659	417,644
Bank deposits	27,594,35	27,117	8	27,554,411	27,334,579
Financial instruments sold, but not yet purchased, at fair value	454,81	578,290	7	682,279	497,741
Accrued compensation	677,37	448,311	6	368,391	585,612
Lease liabilities, net				854,616	825,529
Accounts payable and accrued expenses	1,264,	1,429,882	282	697,029	512,050
Senior notes	1,114,	1,115,360	554	1,115,897	1,115,629
Debentures to Stifel Financial Capital Trusts	60,000	60,000		60,000	60,000
Total liabilities	32,634,98	31,867	3	,653	32,984,339
Equity					32,433,029
Preferred stock - \$1 par value; authorized 3,000,000 shares; issued 27,400 shares	685,00	685,000	0		
Common stock - \$0.15 par value; authorized 194,000,000 shares; issued 111,662,255 and 111,662,034 shares, respectively	16,749	16,749			
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 111,662,386 and 111,662,321 shares, respectively				16,749	16,749
Additional paid-in-capital	1,928,	1,885,424	069	1,805,717	1,905,097
Retained earnings	3,169,	3,299,143	095	3,414,744	3,398,610
Accumulated other comprehensive loss	(117,9	(134,159)	60)	(84,174)	(74,326)
Treasury stock, at cost, 8,541,973 and 6,314,033 shares, respectively	(352,4	(509,563)	82)		

Treasury stock, at cost, 9,012,906 and 10,600,793 shares, respectively			(564,095)		(636,699)
Total equity		5,328,			
	5,242,594	471	5,273,941		5,294,431
	37,877,57	37,196			
Total liabilities and equity	\$ 7	\$,124	\$ 38,258,280	\$ 37,727,460	

See accompanying Notes to Consolidated Financial Statements.

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STIFEL FINANCIAL CORP.							
Consolidated Statements of Operations							
(Unaudited)							
	Three Months		Nine Months				
	Ended		Ended				
	September 30,		September 30,		Three Months Ended March 31,		
(in thousands, except per share amounts)	2023	2022	2023	2022	2024		2023
Revenues:							
Commissions	165,	159,	499,	541,			
	\$ 075	\$ 054	\$ 983	\$ 644	\$ 185,476		\$ 169,550
Principal transactions	114,	118,	336,	403,			
	841	379	063	252			115,522
Investment banking	146,	221,	525,	747,			
	887	858	591	779			211,879
Asset management	333,	300,	968,	973,			
	127	557	960	457			315,569
			1,43				
Interest	505,	304,	9,53	682,			
	198	195	2	384			451,564
			(94	7,82			
Other income	459	852	0)	3			(2,293)
					4,950		

	1,26	1,10	3,76	3,35		
	5,58	4,89	9,18	6,33		
Total revenues	7	5	9	9	1,417,693	1,261,791
	220,	59,7	566,	86,5		
Interest expense	536	56	624	47	254,655	154,998
	1,04	1,04	3,20	3,26		
	5,05	5,13	2,56	9,79		
Net revenues	1	9	5	2	1,163,038	1,106,793
Non-interest expenses:			1,88	1,93		
Compensation and benefits	613,	611,	0,14	8,27		
	287	870	4	0	679,695	651,190
Occupancy and equipment rental	84,3	77,2	251,	232,		
	96	30	140	507	88,712	82,140
Communications and office supplies	46,2	43,8	137,	129,		
	15	25	320	926	47,367	46,136
Commissions and floor brokerage	14,4	13,5	42,9	44,5		
	13	76	65	69	15,767	14,440
Provision for credit losses	9,99	6,45	22,7	27,4		
	2	3	36	78	5,268	4,920
Other operating expenses	167,	86,4	367,	245,		
	319	16	563	623	107,538	98,084
			2,70	2,61		
Total non-interest expenses	935,	839,	1,86	8,37		
	622	370	8	3	944,347	896,910
Income from operations before income tax expense						
	109,	205,	500,	651,		
	429	769	697	419	218,691	209,883
Provision for income taxes	41,2	54,6	140,	165,		
	68	00	645	885	55,116	52,344
	68,1	151,	360,	485,		
Net income	61	169	052	534	163,575	157,539
	9,32	9,32	27,9	27,9		
Preferred dividends	1	0	61	61	9,320	9,320

Net income available to common shareholders	58,8	141,	332,	457,			
	\$ 40	\$ 849	\$ 091	\$ 573	\$	154,255	\$
							148,219
Earnings per common share:							
Basic	\$ 0.55	\$ 1.30	\$ 3.09	\$ 4.20	\$	1.48	\$ 1.36
Diluted	\$ 0.52	\$ 1.21	\$ 2.91	\$ 3.89	\$	1.40	\$ 1.28
Cash dividends declared per common share	\$ 0.36	\$ 0.30	\$ 1.08	\$ 0.90	\$	0.42	\$ 0.36
Weighted-average number of common shares outstanding:							
Basic	106,	108,	107,	109,			
	068	767	580	017		104,275	108,754
Diluted	113,	117,	114,	117,			
	195	218	170	649		109,985	115,390

See accompanying Notes to Consolidated Financial Statements.

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STIFEL FINANCIAL CORP.							
Consolidated Statements of Comprehensive Income							
(Unaudited)							
		Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
		2023	2022	2023	2022	2024	2023
(in thousands)							

Net income	68,1	151,	360,	485,		\$ 61	\$ 169	\$ 052	\$ 534	\$ 163,575	\$ 157,539
Other comprehensive income/(loss), net of tax: ⁽¹⁾											
Changes in unrealized losses on available-for-sale securities ⁽²⁾	(26,	(54,2	(17,	(189,							
	172)	90)	113)	820)							
Changes in unrealized gains/(losses) on available-for-sale securities ⁽²⁾										(8,204)	22,710
Foreign currency translation adjustment	(3,4	20,6		41,4						(1,644)	3,429
Total other comprehensive loss, net of tax	(29,	(33,5	(16,	(148,							
	644)	98)	199)	359)							
Total other comprehensive income/(loss), net of tax										(9,848)	26,139
Comprehensive income	38,5	117,	343,	337,							
	\$ 17	\$ 571	\$ 853	\$ 175						\$ 153,727	\$ 183,678

⁽¹⁾ Net of a tax benefit of \$17.9 million and tax expense of \$12.1 million for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively. Net of tax benefit of \$6.3 million and \$50.7 million for the nine months ended September 30, 2023 and 2022, 2023, respectively.

⁽²⁾ There were no reclassifications to earnings for the three months ended September 30, 2023 March 31, 2024. Net of reclassifications to earnings of realized losses of \$5.6 million for the nine three months ended September 30, 2023. There were no reclassifications to earnings for the three and nine months ended September 30, 2022 March 31, 2023.

See accompanying Notes to Consolidated Financial Statements.

STIFEL FINANCIAL CORP.
Consolidated Statements of Changes in Shareholders' Equity
(Unaudited)

(in thousands, except per share amounts)	Three Months Ended September 30,		Three Months Ended March 31,					
	2023	2022	2024	2023				
Preferred stock, par value \$1.00 per share:								
Preferred stock, par value \$1.00 per share:								
Balance, beginning of period	\$ 685,000	\$ 685,000	\$ 685,000	\$ 685,000				
Issuance of preferred stock	—	—	—	—				
Balance, end of period	685,000	685,000	685,000	685,000				
Common stock, par value \$0.15 per share:								
Common stock, par value \$0.15 per share:								
Balance, beginning of period	16,749	16,749	16,749	16,749				
Issuance of common stock	—	—	—	—				
Balance, end of period	16,749	16,749	16,749	16,749				
Additional paid-in-capital:								
Balance, beginning of period	1,856,578	1,884,455	1,905,097	1,928,069				
Unit amortization, net of forfeitures	35,862	33,358	42,157	39,781				
Distributions under employee plans	(7,016)	(3,300)	(141,805)	(137,220)				
Other	—	(254)	268	7				
Balance, end of period	1,885,424	1,914,259	1,805,717	1,830,637				
Retained earnings:								
Balance, beginning of period	3,286,777	2,948,280	3,398,610	3,169,095				
Net income	68,161	151,169	163,575	157,539				
Dividends declared:								
Common	(43,235)	(37,299)	(48,608)	(43,728)				
Preferred	(9,321)	(9,320)	(9,320)	(9,320)				
Distributions under employee plans	(3,240)	(1,612)	(89,960)	(63,773)				
Other	1	376	447	2				
Balance, end of period	3,299,143	3,051,594	3,414,744	3,209,815				
Accumulated other comprehensive loss:								
Balance, beginning of period	(104,515)	(110,043)	(74,326)	(117,960)				
Unrealized losses on securities, net of tax	(26,172)	(54,290)						
Unrealized gains/(losses) on securities, net of tax			(8,204)	22,710				
Foreign currency translation adjustment, net of tax	(3,472)	20,692	(1,644)	3,429				

Balance, end of period	(134,159)	(143,641)	(84,174)	(91,821)
Treasury stock, at cost:				
Balance, beginning of period	(397,602)	(299,704)	(636,699)	(352,482)
Distributions under employee plans	6,849	3,093	133,314	124,015
Common stock repurchased	(118,810)	—	(60,710)	(94,521)
Balance, end of period	(509,563)	(296,611)	(564,095)	(322,988)
Total Shareholders' Equity	\$ 5,242,594	\$ 5,227,350	\$ 5,273,941	\$ 5,327,392

See accompanying Notes to Consolidated Financial Statements.

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STIFEL FINANCIAL CORP.

Consolidated Statements of Changes in Shareholders' Equity (continued)

(Unaudited)

	Nine Months Ended September 30,	
	2023	2022
(in thousands, except per share amounts)		
Preferred stock, par value \$1.00 per share:		
Balance, beginning of period	\$ 685,000	\$ 685,000
Issuance of preferred stock	—	—
Balance, end of period	685,000	685,000
Common stock, par value \$0.15 per share:		
Balance, beginning of period	16,749	16,749
Issuance of common stock	—	—
Balance, end of period	16,749	16,749
Additional paid-in-capital:		
Balance, beginning of period	1,928,069	1,922,382
Unit amortization, net of forfeitures	113,426	114,536
Distributions under employee plans	(156,080)	(122,467)

Other	9	(192)
Balance, end of period	1,885,424	1,914,259
Retained earnings:		
Balance, beginning of period	3,169,095	2,757,208
Net income	360,052	485,534
Dividends declared:		
Common	(130,800)	(111,831)
Preferred	(27,961)	(27,961)
Distributions under employee plans	(73,069)	(52,523)
Other	1,826	1,167
Balance, end of period	3,299,143	3,051,594
Accumulated other comprehensive income/(loss):		
Balance, beginning of period	(117,960)	4,718
Unrealized losses on securities, net of tax	(17,113)	(189,820)
Foreign currency translation adjustment, net of tax	914	41,461
Balance, end of period	(134,159)	(143,641)
Treasury stock, at cost:		
Balance, beginning of period	(352,482)	(351,098)
Distributions under employee plans	143,071	85,153
Common stock repurchased	(300,152)	(30,666)
Balance, end of period	(509,563)	(296,611)
Total Shareholders' Equity	\$ 5,242,594	\$ 5,227,350

See accompanying Notes to Consolidated Financial Statements.

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STIFEL FINANCIAL CORP.
Consolidated Statements of Cash Flows
(Unaudited)

(in thousands)	Nine Months Ended		Three Months Ended March 31,	
	September 30,		2024	
	2023	2022	2024	2023
Cash Flows From Operating Activities:				
Net income	\$ 2	\$ 4	\$ 163,575	\$ 157,539

Adjustments to reconcile net income to net cash provided by operating activities:				
Adjustments to reconcile net income to net cash used in operating activities:				
Depreciation and amortization	43,124	36,250	15,665	15,076
Amortization of loans and advances to financial advisors and other employees	104,70		37,143	34,057
Amortization of premium on investment portfolio	3	98,624	2,142	2,356
Provision for credit losses and allowance for loans and advances to financial advisors and other employees	22,736	27,478	5,269	4,920
Amortization of intangible assets	13,872	14,966	5,842	4,437
	(33,02	(15,69		
Deferred income taxes	2)	0)	(2,655)	13,069
	106,23	103,28		
Stock-based compensation	7	1	56,797	43,083
(Gains)/losses on sale of investments	(2,290)	14,933		
Losses/(gains) on sale of investments			373	(1,353)
Other, net	2,141	4,883	(5,974)	(6,157)
Decrease/(increase) in operating assets, net of assets acquired:				
Receivables:				
		(79,19		
Brokerage clients	38,711	3)	(34,495)	(34,435)
Brokers, dealers, and clearing organizations	56,477	32,800	(243,727)	(39,648)
	(64,20			
Securities purchased under agreements to resell	5)	38,026	(101,207)	(201,053)
	(269,5	159,31		
Financial instruments owned, including those pledged	80)	8	(312,114)	(242,050)
	(614,2	(513,1		
Loans originated as held for sale	54)	95)	(545,666)	(380,033)
	626,66	503,28		
Proceeds from mortgages held for sale	3	4		
Proceeds from loans held for sale			444,364	317,468
Loans and advances to financial advisors and other employees	(130,6	(105,4		
	65)	31)	(87,795)	(40,053)

	(31,91	(68,43		
Other assets	3)	5)	(98,281)	218
Increase/(decrease) in operating liabilities, net of liabilities assumed:				
Payables:				
Brokerage clients	(65,85	(90,78		
	2)	1)	15,781	136,855
Brokers, dealers, and clearing organizations	60,363	4,172	46,495	3,369
	(24,78	(52,16		
Drafts	0)	4)	(10,149)	(21,883)
		(118,4		
Financial instruments sold, but not yet purchased	93,131	36)	184,538	199,064
	(74,94	(190,2		
Other liabilities and accrued expenses	0)	16)	(145,642)	(349,919)
	224,15	299,80		
Net cash provided by operating activities	\$ 3	\$ 3		
Net cash used in operating activities			\$ (609,721)	\$ (385,073)

See accompanying Notes to Consolidated Financial Statements.

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	STIFEL FINANCIAL CORP.			
	Consolidated Statements of Cash Flows (continued)			
	(Unaudited)			
	Nine Months Ended		Three Months Ended March 31,	
	September 30,		2024	
	2023	2022	2023	2023
(in thousands)				
Cash Flows From Investing Activities:				
Proceeds from:				

Principal paydowns, calls, maturities, and sales of available-for-sale securities	112,92			
	\$ 8	\$ 287,460	\$ 45,431	\$ 47,416
Calls and principal paydowns of held-to-maturity securities	89,815	113,454	183,460	5,548
Sale or maturity of investments	15,694	12,761	4,830	—
	147,62	(4,075,6		
Decrease/(increase) in loans held for investment, net	9	87)	352,537	(250,052)
Payments for:				
Purchase of fixed assets	(39,026)	(44,924)	(9,636)	(15,411)
		(102,91		
Purchase of available-for-sale securities	(19,635)	7)	(7,000)	(7,551)
		(754,30		
Purchase of held-to-maturity securities	—	6)	(88,500)	—
Purchase of investments	(15,272)	(13,450)	(3,590)	(10,919)
	(113,45			
Acquisitions, net of cash received	2)	(11,021)	(752)	(58,765)
	178,68	(4,588,6		
Net cash provided by/(used in) investing activities	1	30)	476,780	(289,734)
Cash Flows From Financing Activities:				
Payment of contingent consideration	(6,045)	(11,303)	(708)	(5,037)
Increase/(decrease) in securities sold under agreements to repurchase	196,93	(127,76		
	9	9)		
Increase in securities sold under agreements to repurchase			9,015	217,715
	477,24	3,910,27		
Increase in bank deposits, net	7	1	219,832	1,208,216
Increase in securities loaned	36,465	19,521	88,685	32,868
Tax payments related to shares withheld for stock-based compensation plans	(83,909)	(87,434)	(98,638)	(74,238)
	(300,15			
Repurchase of common stock	2)	(30,666)	(60,710)	(94,521)
Cash dividends on preferred stock	(27,961)	(27,961)	(9,320)	(9,320)
Cash dividends paid to common stock and equity-award holders	(123,58	(100,53		
	2)	8)	(63,065)	(47,009)
	169,00	3,544,12		
Net cash provided by financing activities	2	1	85,091	1,228,674

Effect of exchange rate changes on cash	914	41,461	(1,644)	3,429
Increase/(decrease) in cash, cash equivalents, and cash segregated for regulatory purposes	572,75	(703,24	(49,494)	557,296
Cash, cash equivalents, and cash segregated for regulatory purposes at beginning of period	2,229,0	2,149,65	3,523,849	2,229,002
Cash, cash equivalents, and cash segregated for regulatory purposes at end of period	2,801,7	1,446,41	\$ 3,474,355	\$ 2,786,298
Supplemental disclosure of cash flow information:				
Cash paid for interest			\$ 257,723	\$ 158,201
Cash paid for income taxes, net of refunds	104,56	\$ 162,681	114,746	4,037
Cash paid for interest	575,12	1	103,100	
Noncash financing activities:	179,07			
Unit grants, net of forfeitures	8	188,359	124,212	143,638
The following presents cash, cash equivalents, and cash restricted for regulatory purposes for the periods presented (in thousands):	The following presents cash, cash equivalents, and cash restricted for regulatory purposes for the periods presented (in thousands):	The following presents cash, cash equivalents, and cash restricted for regulatory purposes for the periods presented (in thousands):		
	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
Cash and cash equivalents	\$ 2,768,353	\$ 2,199,985	\$ 3,408,528	\$ 3,361,801
Cash segregated for regulatory purposes	33,399	29,017	65,827	162,048
Total cash, cash equivalents, and cash segregated for regulatory purposes	\$ 2,801,752	\$ 2,229,002	\$ 3,474,355	\$ 3,523,849

See accompanying Notes to Consolidated Financial Statements.

STIFEL FINANCIAL CORP.
Notes to Consolidated Financial Statements
(Unaudited)

NOTE 1 – Nature of Operations, Basis of Presentation, and Summary of Significant Accounting Policies

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.

We have prepared the accompanying unaudited consolidated financial statements pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”). Pursuant to these rules and regulations, we have omitted certain information and footnote disclosures we normally include in our annual consolidated financial statements prepared in accordance with U.S. generally accepted accounting principles. In management’s opinion, we have made all adjustments (consisting only of normal, recurring adjustments, except as otherwise noted) necessary to fairly present our financial position, results of operations and cash flows. Our interim period operating results do not necessarily indicate the results that may be expected for any other interim period or for the full fiscal year. These financial statements and accompanying notes should be read in conjunction with the consolidated financial statements and the notes thereto in our Annual Report on Form 10-K for the year ended **December 31, 2022** **December 31, 2023** on file with the SEC.

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 25 for additional information on VIEs.

NOTE 2 – New Accounting Pronouncements

Recently Adopted Accounting Guidance

Financial Instruments – Credit Losses Fair Value Measurement

In **March** **June** 2022, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2022-02, "Financial Instruments – Credit Losses (ASC 326): Troubled Debt Restructurings (TDRs) and Vintage Disclosures," which eliminates the accounting guidance for TDRs, 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 accounting update is effective for interim and annual periods beginning after December 15, 2022 (January 1, 2023, for our company), and early adoption is permitted. The adoption of the accounting update did not have a material impact on our consolidated financial statements.

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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** The adoption is permitted, including in an interim period. We are currently evaluating the impact that of the accounting update will did not have a material impact on our consolidated financial statements.

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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). The adoption of the accounting update did not 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, and interim periods within fiscal years beginning after December 15, 2024, with early adoption is permitted. We While the adoption of the accounting update will not have a material impact on our consolidated financial statements, we are currently evaluating the impact that to our segment disclosures.

Recently Issued Accounting Guidance

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 will 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 on a material impact to our consolidated financial statements.

NOTE 3 – Receivables From and Payables to Brokers, Dealers, and Clearing Organizations

Amounts receivable from brokers, dealers, and clearing organizations at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, included (in thousands):

	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
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Receivable from clearing organizations		\$	408,614	\$	178,991
Deposits paid for securities borrowed	\$ 180,156	\$ 219,052		\$ 204,150	\$ 215,368
Receivables from clearing organizations	\$ 171,303	186,800			
Securities failed to deliver	\$ 11,549	12,239		\$ 45,107	19,785
	\$ 363,008	\$ 418,091		\$ 657,871	\$ 414,144

Amounts payable to brokers, dealers, and clearing organizations at **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, included (*in thousands*):

	December 31,		December 31,	
	September 30, 2023	2022	March 31, 2024	2023
Deposits received from securities loaned	\$ 104,570	\$ 68,105	\$ 224,378	\$ 135,693
Securities failed to receive	\$ 80,231	12,385	\$ 122,804	91,636
Payable to clearing organizations	\$ 33,115	14,464	\$ 19,734	4,407
	\$ 217,916	\$ 94,954	\$ 366,916	\$ 231,736

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 4 – 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, 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 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.

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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.

The table below presents the fair value of our investments in, and unfunded commitments to, funds that are measured at NAV as of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023** (in thousands):

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	September 30,				March 31, 2024		December 31, 2023	
	2023		December 31, 2022					
	Fair value of investments	Unfunded commitments						
	investments	commitments	investments	commitments	investments	commitments	investments	commitments
Partnership interests	\$ 22,413	\$ 7,056	\$ 18,817	\$ 9,853	\$ 25,287	\$ 13,424	\$ 24,261	\$ 14,454
Money market funds					2,013	—	4,706	—

Mutual funds	3,278	—	4,728	—	530	—	3,632	—
Money market funds	1,870	—	1,650	—				
Private equity funds	407	1,181	417	1,181	448	1,181	368	1,181
Total	\$ 27,968	\$ 8,237	\$ 25,612	\$ 11,034	\$ 28,278	\$ 14,605	\$ 32,967	\$ 15,635

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 and equity** 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** **U.S. government agency** securities, and state and municipal securities, included in other in the table below.

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 **September 30, 2023** **March 31, 2024**, are presented below (*in thousands*):

	September 30, 2023				March 31, 2024			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Financial instruments owned:								
U.S. government securities	10,47	10,						
	\$ 9	\$ 479	\$ —	\$ —	\$ 19,071	\$ 19,071	\$ —	\$ —
U.S. government agency securities	158,0		158,0					
	86	—	86	—	195,116	—	195,116	—
Agency mortgage-backed securities	199,2		199,2					
	94	—	94	—	208,299	—	208,299	—
	63,04		61,37	1,66				
Asset-backed securities	6	—	7	9	80,121	—	78,882	1,239
Corporate securities:								
	321,8		321,6					
Fixed income securities	42	197	45	—	340,239	48	340,191	—
	43,09	42,						
Equity securities	1	817	274	—	62,434	62,076	358	—
	163,1		163,1					
State and municipal securities	39	—	39	—	224,714	—	224,714	—
	97,76		88,5					
Other ⁽¹⁾	8	—	9,251	17	100,861	—	3,131	97,730
	1,056	53,	913,0	90,1				
Total financial instruments owned	,745	493	66	86	1,230,855	81,195	1,050,691	98,969
Available-for-sale securities:								
U.S. government agency securities	2,135	—	2,135	—	2,209	—	2,209	—

State and municipal securities	2,294	—	2,294	—	2,350	—	2,350	—
Mortgage-backed securities:								
Agency	715,2		715,2					
Commercial	50	—	50	—	713,939	—	713,939	—
Non-agency	65,69		65,69					
Corporate fixed income securities	537,8		537,8					
Asset-backed securities	50	—	50	—	542,997	—	542,997	—
	188,6		188,6					
	77	—	77	—	171,385	—	171,385	—
Total available-for-sale securities	1,512		1,512					
Investments:								
Corporate equity securities	24,87	10,		11,8				
Auction rate securities	7	888	2,111	78	22,874	10,780	216	11,878
Other (2)	783	—	—	783	783	—	—	783
	39,39			39,2				
	6	71	115	10	39,596	33	96	39,467
Investments in funds and partnerships measured at NAV	26,09				26,265			
	8							
Total investments	91,15	10,		51,8				
Cash equivalents measured at NAV	4	959	2,226	71	89,518	10,813	312	52,128
Derivative contracts (3)	1,870				2,013			
	166,0		166,0					
	38	—	38	—	127,701	—	127,701	—
	2,828	64,	2,593	142,				
	\$,040	\$ 452	\$,563	\$ 057	\$ 2,950,069	\$ 92,008	\$ 2,678,686	\$ 151,097

(1) Includes syndicated loans, and non-agency mortgage-backed securities, securities, and sovereign debt.

(2) Primarily includes private company investments.

(3) Included in other assets in the consolidated statements of financial condition.

September 30, 2023				March 31, 2024			
Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3

Liabilities:									
Financial instruments sold, but not yet purchased:									
		334,	334,						
U.S. government securities		\$ 630	\$ 630	\$ —	\$ —	\$ 411,916	\$ 411,916	\$ —	\$ —
U.S. government agency securities		5,43		5,43					
Agency mortgage-backed securities		70,3		70,3					
		44	—	44	—	56,755	—	56,755	—
Corporate securities:									
		135,	135,						
Fixed income securities		080	—	080	—	164,227	45	164,182	—
		20,1	20,1						
Equity securities		14	14	—	—	45,530	45,530	—	—
		12,6		6,97	5,7				
Other (4)		83	—	4	09	3,851	—	102	3,749
Total financial instruments sold, but not yet purchased		578,	354,	217,	5,7				
		290	744	837	09	682,279	457,491	221,039	3,749
		166,		166,					
Derivative contracts (5)		015	—	015	—	127,680	—	127,680	—
		744,	354,	383,	5,7				
		\$ 305	\$ 744	\$ 852	\$ 09	\$ 809,959	\$ 457,491	\$ 348,719	\$ 3,749

(4) Includes asset-backed syndicated loans, U.S. government agency securities, and syndicated loans, state and municipal securities.

(5) 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 December 31, 2023, are presented below (*in thousands*):

	December 31, 2022				December 31, 2023			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Financial instruments owned:								
U.S. government securities	38,95	38,						
	\$ 6	\$ 956	\$ —	\$ —	\$ 32,411	\$ 32,411	\$ —	\$ —
U.S. government agency securities	73,60		73,60					
	8	—	8	—	106,634	—	106,634	—
Agency mortgage-backed securities	172,6		172,6					
	42	—	42	—	159,903	—	159,903	—
Asset-backed securities			2,17					
	8,270	—	6,091	9	19,604	—	18,106	1,498
Corporate securities:								
Fixed income securities	202,1		201,4					
	69	689	80	—	237,671	210	237,461	—
Equity securities	38,12	37,						
	9	383	746	—	52,520	52,158	362	—
State and municipal securities	126,2		126,2					
	37	—	37	—	223,155	—	223,155	—
Other (1)	71,74		69,8					
	1	—	1,853	88	86,843	—	3,879	82,964
Total financial instruments owned	731,7	77,	582,6	72,0				
	52	028	57	67	918,741	84,779	749,500	84,462
Available-for-sale securities:								
U.S. government agency securities								
	2,148	—	2,148	—	2,219	—	2,219	—
State and municipal securities								
	2,351	—	2,351	—	2,351	—	2,351	—
Mortgage-backed securities:								
Agency	791,0		791,0					
	22	—	22	—	746,170	—	746,170	—
Commercial	66,11		66,11					
	3	—	3	—	66,671	—	66,671	—
Non-agency	388	—	388	—	261	—	261	—
Corporate fixed income securities	566,2		566,2					
	94	—	94	—	556,161	—	556,161	—

	207,7	207,7						
Asset-backed securities	25	—	25	—	177,853	—	177,853	—
	1,636	—	1,636					
Total available-for-sale securities	,041	—	,041	—	1,551,686	—	1,551,686	—
Investments:								
	23,59	9,9		11,8				
Corporate equity securities	7	28	1,791	78	22,406	10,313	215	11,878
	14,68			14,6				
Auction rate securities	1	—	—	81	783	—	—	783
	37,13			36,9				
Other (2)	6	117	45	74	39,655	73	115	39,467
Investments in funds and partnerships measured at NAV	23,96				28,261			
	2							
	99,37	10,		63,5				
Total investments	6	045	1,836	33	91,105	10,386	330	52,128
Cash equivalents measured at NAV	1,650				4,706			
	142,0		142,0					
Derivative contracts (3)	42	—	42	—	118,668	—	118,668	—
	2,610	87,	2,362	135,				
	\$,861	\$ 073	\$,576	\$ 600	\$ 2,684,906	\$ 95,165	\$ 2,420,184	\$ 136,590

(1) Includes syndicated loans, non-agency mortgage-backed securities, and sovereign debt.

(2) Primarily includes private company investments.

(3) Included in other assets in the consolidated statements of financial condition.

	December 31, 2022			December 31, 2023				
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Liabilities:								
Financial instruments sold, but not yet purchased:								
	254,	254,						
U.S. government securities	\$ 265	\$ 265	\$ —	\$ —	\$ 273,653	\$ 273,653	\$ —	\$ —
U.S. government agency securities	3,97		3,97					
	1	—	1	—	4,924	—	4,924	—
Agency mortgage-backed securities	44,7		44,7					
	93	—	93	—	52,664	—	52,664	—

Corporate securities:								
Fixed income securities	134,	88	293	—	138,359	—	138,359	—
Equity securities	11,5	11,5	—	—	21,576	21,576	—	—
Other (4)	5,81	—	36	81	6,565	—	2,729	3,836
Total financial instruments sold, but not yet purchased	454,	265,	183,	5,7	497,741	295,229	198,676	3,836
Derivative contracts (5)	142,	—	142,	—	118,651	—	118,651	—
	596,	265,	325,	5,7	\$ 616,392	\$ 295,229	\$ 317,327	\$ 3,836
	\$ 845	\$ 943	\$ 121	\$ 81				

(4) Includes syndicated loans, and state and municipal securities, and asset-backed securities.

(5) Included in accounts payable and accrued expenses in the consolidated statements of financial condition.

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The following table summarizes the changes in fair value associated with Level 3 financial instruments during the three months ended **September 30, 2023** **March 31, 2024** (in thousands):

	Three Months Ended September 30, 2023						
	Financial instruments owned				Investments		
	Asset- Backed Securities		Syndicated Loans		Corporate Equity Securities		Auction Rate
	Securities	Loans	Securities	Loans	Securities	Securities	Other
Balance at June 30, 2023	\$ 1,979	\$ 105,541	\$ 11,878	\$ 14,683	\$ 37,342		
Unrealized gains/(losses)	—	(158)	—	—	—	368	
Realized gains/(losses)	502	(1,323)	—	(232)	—	—	
Purchases	—	13,909	—	—	—	1,500	
Sales	—	(26,869)	—	—	—	—	

Redemptions	(812)	(2,583)	—	(13,668)	—
Net change	(310)	(17,024)	—	(13,900)	1,868
Balance at September 30, 2023	\$ 1,669	\$ 88,517	\$ 11,878	\$ 783	\$ 39,210

The following table summarizes the change in fair value associated with Level 3 financial instruments during the nine months ended September 30, 2023 (*in thousands*):

Nine Months Ended September 30, 2023						Three Months Ended March 31, 2024					
Financial instruments						Financial instruments					
owned			Investments			owned			Investments		
Asset- Backed Securiti- es	Syndi- cated Loans	Corporat- e Equity Securiti- ties	Auct- ion Rate	Secu- rities	Oth- er	Asset- Backed Securi- ties	Syndicated Loans	Corporate Equity Securi- ties	Auction Rate	Securi- ties	Other
					3						
Balance					6,						
at					14,						
December	69,8		68		7						
31, 2022	\$ 2,179	\$ 88	\$ 11,878	\$ 1	\$ 4						
Unrealized gains/(loss es)	—	(72)	—	2	6						
Balance											
at											
December											
31, 2023						\$ 1,498	\$ 82,964	\$ 11,878	\$ 783	\$ 39,467	
Unrealized gains						—	1,575	—	—	—	—
Realized gains/(loss es)	(1,3		(2								
	728	96)	—	32)	—	397	(1,596)	—	—	—	—
					1,						
					5						
	68,6		0								
Purchases	—	69	—	—	0	—	21,636	—	—	—	—

Sales	—	438	—	—	—	—	(257)	—	—	—
Redemptions	(1,238)	(17,134)	—	—	3,68	—	(656)	(6,592)	—	—
Net change	(510)	29	—	—	98	6	(259)	14,766	—	—
Balance at September 30, 2023	\$ 1,669	\$ 17	\$ 11,878	\$ 3	\$ 0	9,2	9,1	11,878	\$ 783	\$ 39,467
Balance at March 31, 2024						\$ 1,239	\$ 97,730	\$ 11,878	\$ 783	\$ 39,467

The results included in the **table** above are only a component of the overall investment strategies of our company. The **table** above **does** not present Level 1 or Level 2 valued assets or liabilities. The changes in unrealized gains/(losses) recorded in earnings for the three and nine months ended **September 30, 2023** **March 31, 2024**, relating to Level 3 assets still held at **September 30, 2023** **March 31, 2024**, 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.

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Fair Value of Financial Instruments

The following reflects the fair value of financial instruments as of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, whether or not recognized in the consolidated statements of financial condition at fair value *(in thousands)*.

	September 30, 2023		December 31, 2022		March 31, 2024		December 31, 2023	
	Estima ting Value		Estimat ed Value		Carrying Value		Estimated Fair Value	
	Carryi ng Value	Fair Value	Carryin g Value	Fair Value	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Financial assets:								
Cash and cash equivalents	2,76	2,76	2,19	2,19				
	8,35	8,35	9,98	9,98				
	\$ 3	\$ 3	\$ 5	\$ 5	\$ 3,408,528	\$ 3,408,528	\$ 3,361,801	\$ 3,361,801
Cash segregated for regulatory purposes	33,399	33,399	29,017	29,017	65,827	65,827	162,048	162,048
Securities purchased under agreements to resell	412,367	412,367	348,162	348,162	451,056	451,056	349,849	349,849
Financial instruments owned	1,056,745	1,056,745	731,752	731,752	1,230,855	1,230,855	918,741	918,741
Available-for-sale securities	2,233	2,233	6,041	6,041				
	3	3	1	1	1,499,982	1,499,982	1,551,686	1,551,686
Held-to-maturity securities	5,900,379	5,811,600	5,990,45	5,738,41				
	9	0	1	8	5,793,750	5,792,946	5,888,798	5,852,176
Bank loans	20,253	19,382	20,492	19,743	18,949,796	17,981,705	19,305,805	18,259,923
Loans held for sale	617,142	617,142	912,156	912,156				
	91,1617	91,1617	99,3912	99,3912	534,593	534,593	423,999	423,999
Investments	54,91,1	54,91,1	76,99,3	76,99,3				
Derivative contracts	166,038	166,038	142,042	142,042	89,518	89,518	91,105	91,105
(1)					127,701	127,701	118,668	118,668
Financial liabilities:								
Securities sold under agreements to repurchase	408,950	408,950	212,011	212,011				
	\$ 950	\$ 950	\$ 011	\$ 011	\$ 426,659	\$ 426,659	\$ 417,644	\$ 417,644

	27,5	25,3	27,1	24,2				
	94,3	58,5	17,1	74,2				
Bank deposits	58	17	11	24	27,554,411	25,540,594	27,334,579	25,326,174
Financial instruments sold, but not yet purchased	578,	578,	454,	454,				
	290	290	817	817	682,279	682,279	497,741	497,741
	1,11	1,02	1,11	1,01				
	5,36	0,86	4,55	6,75				
Senior notes	0	8	4	5	1,115,897	1,073,265	1,115,629	1,041,217
Debentures to Stifel Financial Capital Trusts	60,0	58,2	60,0	53,3				
	00	62	00	85	60,000	57,520	60,000	55,507
Derivative contracts	166,	166,	142,	142,				
(2)	015	015	028	028	127,680	127,680	118,651	118,651

⁽¹⁾ Included in other assets in the consolidated statements of financial condition.

⁽²⁾ Included in accounts payable and accrued expenses in the consolidated statements of financial condition.

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The following tables present the estimated fair values of financial instruments not measured at fair value on a recurring basis as of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023** (in thousands):

	September 30, 2023				March 31, 2024			
	Level		Level		Level		Level	
	Total	1	Level 2	13	Total	Level 1	Level 2	Level 3
Financial assets:								
Cash	2,76							
	2,766,	6,48						
Cash	\$ 483	\$ 3	\$ —	\$ —	\$ 3,406,515	\$ 3,406,515	\$ —	\$ —
Cash segregated for regulatory purposes	33,39	33,3			65,827	65,827		
	9	99	—	—			—	—

Securities purchased under agreements to resell	412,3	412,3						
	67	—	67	—	451,056	—	451,056	—
Held-to-maturity securities	5,811,600	5,717,202	39	8	5,792,946	—	5,698,716	94,230
	19,35	19,35						
Bank loans	3,782	—	3,782	—	17,981,705	—	17,981,705	—
Loans held for sale	142,6	142,6			534,593	—	534,593	—
Financial liabilities:								
Securities sold under agreements to repurchase	408,9	408,9						
	\$ 50	\$ —	\$ 50	\$ —	\$ 426,659	\$ —	\$ 426,659	\$ —
	25,35	25,35						
Bank deposits	8,517	—	8,517	—	25,540,594	—	25,540,594	—
	1,02	0,86						
Senior notes	868	8	—	—	1,073,265	1,073,265	—	—
	58,26	26						
Debentures to Stifel Financial Capital Trusts	2	—	—	2	57,520	—	—	57,520

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	December 31, 2022				December 31, 2023			
	Level		Level		Level		Level	
	Total	1	Level 2	3	Total	Level 1	Level 2	Level 3
Financial assets:								
	2,19							
	2,198	8,33						
Cash	\$ 335	\$ 5	\$ —	\$ —	\$ 3,357,095	\$ 3,357,095	\$ —	\$ —
Cash segregated for regulatory purposes	29,01	29,0			162,048	162,048	—	—
	7	17	—	—				

Securities purchased under agreements to resell	348,1	218,	129,6		349,849	—	349,849	—
	62	515	47	—				
Held-to-maturity securities	5,738		5,624	114,	5,852,176	—	5,758,130	94,046
	,418	—	,042	376				
	19,75		19,75					
Bank loans	2,043	—	2,043	—	18,259,923	—	18,259,923	—
	156,9		156,9					
Loans held for sale	12	—	12	—	423,999	—	423,999	—
Financial liabilities:								
Securities sold under agreements to repurchase	212,0		212,0					
	\$ 11	\$ —	\$ 11	\$ —	\$ 417,644	\$ —	\$ 417,644	\$ —
	24,27		24,27					
Bank deposits	4,224	—	4,224	—	25,326,174	—	25,326,174	—
	1,01							
	1,016	6,75						
Senior notes	,755	5	—	—	1,041,217	1,041,217	—	—
Debentures to Stifel	53,38			53,3				
Financial Capital Trusts	5	—	—	85	55,507	—	—	55,507

The following, as supplemented by the discussion above, describes the valuation techniques used in estimating the fair value of our financial instruments as of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**.

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 **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023** 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.

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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 **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023** 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.

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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 5 – Financial Instruments Owned and Financial Instruments Sold, But Not Yet Purchased

The components of financial instruments owned and financial instruments sold, but not yet purchased, at **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023** are as follows (*in thousands*):

	December		December 31,	
	September 30,		March 31, 2024	2023
	2023	2022		
Financial instruments owned:				
U.S. government securities	\$ 10,479	\$ 38,956	\$ 19,071	\$ 32,411
U.S. government agency securities	158,086	73,608	195,116	106,634
Agency mortgage-backed securities	199,294	172,642	208,299	159,903
Asset-backed securities	63,046	8,270	80,121	19,604
Corporate securities:				
Fixed income securities	321,842	202,169	340,239	237,671
Equity securities	43,091	38,129	62,434	52,520
State and municipal securities	163,139	126,237	224,714	223,155
Other ⁽¹⁾	97,768	71,741	100,861	86,843
	\$ 1,056,745	\$ 731,752	\$ 1,230,855	\$ 918,741
Financial instruments sold, but not yet purchased:				
U.S. government securities	\$ 334,630	\$ 254,265	\$ 411,916	\$ 273,653
U.S. government agency securities	5,439	3,971		
Agency mortgage-backed securities	70,344	44,793	56,755	52,664
Corporate securities:				
Fixed income securities	135,080	134,381	164,227	138,359
Equity securities	20,114	11,590	45,530	21,576
Other ⁽²⁾	12,683	5,817	3,851	11,489

\$ 578,290	\$ 454,817	\$ 682,279	\$ 497,741
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⁽¹⁾ Includes syndicated loans, non-agency mortgage-backed securities, and sovereign debt.

⁽²⁾ Includes asset-backed securities, syndicated loans, and U.S. government agency securities, state and municipal securities, and asset-backed securities.

At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, financial instruments owned in the amount of \$418.8 385.7 million and \$218.9 303.2 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.

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NOTE 6 – 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 September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 (in thousands):

	September 30, 2023				March 31, 2024			
	Gross		Gross		Gross		Gross	
	Unrealized	Unrealized	Amortized	Unrealized	Amortized	Unrealized	Amortized	Unrealized
	Gains	Losses	Fair	Gains	Cost	Gains	Cost	Fair Value
	Cost	(1)	(1)	Value	Cost	(1)	Cost	(1)
Available-for-sale securities								
U.S. government agency securities	\$ 2,368	\$ —	\$ (233)	\$ 2,135	\$ 2,384	\$ —	\$ (175)	\$ 2,209
State and municipal securities	2,350	—	(56)	2,294	2,350	—	—	2,350
Mortgage-backed securities:								
Agency	876,00	(160,	715,25		837,331	1	(123,393)	713,939
Commercial	7	—	757)	0				
			(4,86					
	70,563	—	8)	65,695	70,106	—	(3,252)	66,854

Non-agency	351	—	(19)	332	259	—	(11)	248
Corporate fixed income securities	618,16		(80,3	537,85				
	4	5	19)	0	600,776	—	(57,779)	542,997
	192,93		(4,25	188,67				
Asset-backed securities	6	—	9)	7	173,938	69	(2,622)	171,385
	1,762,		(250,	1,512,				
	\$ 739	\$ 5	\$ 511)	\$ 233	\$ 1,687,144	\$ 70	\$ (187,232)	\$ 1,499,982
Held-to-maturity securities (2)	5,900,	5,47	(94,2	5,811,				
Asset-backed securities	\$ 379	\$ 6	\$ 55)	\$ 600	\$ 5,793,750	\$ 10,699	\$ (11,503)	\$ 5,792,946

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	December 31, 2022				December 31, 2023			
	Gross		Gross		Gross		Gross	
	Unrealized	Unrealized	Amortized	Unrealized	Amortized	Unrealized	Amortized	Unrealized
	ed	zed	ed	zed	ed	zed	ed	zed
	Gains	Losses	Gains	Losses	Gains	Losses	Gains	Losses
	Cost	(1)	Cost	(1)	Cost	(1)	Cost	(1)
Available-for-sale securities								
U.S. government agency securities	\$ 2,345	\$ 6	\$ (203)	\$ 2,148	\$ 2,376	\$ 5	\$ (162)	\$ 2,219
State and municipal securities	2,350	1	—	2,351	2,350	1	—	2,351
Mortgage-backed securities:								
Agency	921,6		(130,	791,0				
	76	—	654)	22	855,456	—	(109,286)	746,170
	71,46		(5,34	66,11				
Commercial	2	—	9)	3	70,326	—	(3,655)	66,671

Non-agency	442	—	(54)	388	274	—	(13)	261
Corporate fixed income securities	643,3		(77,1)	566,2				
	79	18	03)	94	615,131	—	(58,970)	556,161
	221,5		(13,9)	207,7				
Asset-backed securities	65	126	66)	25	181,717	—	(3,864)	177,853
	1,863,		(227,	1,636,				
	\$ 219	\$ 151	\$ 329)	\$ 041	\$ 1,727,630	\$ 6	\$ (175,950)	\$ 1,551,686
Held-to-maturity securities (2)	5,990,	3,21	(255,	5,738,				
Asset-backed securities	\$ 451	\$ 3	\$ 246)	\$ 418	\$ 5,888,798	\$ 6,387	\$ (43,009)	\$ 5,852,176

(1) Unrealized gains/(losses) related to available-for-sale securities are reported in accumulated other comprehensive income.

(2) 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. At **September 30, 2023** **March 31, 2024**, we did not have an allowance for credit losses recorded on our investment portfolio.

Accrued interest receivable for our investment portfolio at **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023** was **\$94.8** **89.7** million and **\$82.3** **95.7** 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.

There were no sales of available-for-sale securities during the three months ended **September 30, 2023** **March 31, 2024**. During the **nine** **three** months ended **September 30, 2023** **March 31, 2023**, we received proceeds of **\$10.0** **2.4** million from the sale of available-for-sale securities, which resulted in a realized loss of \$7.6 million. During the three and nine months ended **September 30, 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.

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The table below summarizes the amortized cost and fair values of our securities by contractual maturity at **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023** (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.

September 30,			
2023	December 31, 2022	March 31, 2024	December 31, 2023

	Amortized				Amortized			
	ed	Fair	ed	Fair	Cost	Fair Value	Cost	Fair Value
	Cost	Value	Cost	Value	Cost	Fair Value	Cost	Fair Value
Available-for-sale securities								
	86,97	85,38	16,04	15,87				
Within one year	\$ 1	\$ 0	\$ 7	\$ 7	\$ 134,400	\$ 132,638	\$ 105,389	\$ 104,113
After one year through three years	206,2	191,0	185,0	178,7				
	34	70	12	76	153,908	144,869	184,975	174,827
After three years through five years	38,50	32,67	123,6	108,7				
	2	9	96	07	26,315	23,483	38,462	34,316
After five years through ten years	456,4	386,5	442,0	380,3				
	40	38	55	62	436,074	384,607	448,931	398,624
	974,5	816,5	1,096,	952,3				
After ten years	92	66	409	19	936,447	814,385	949,873	839,806
	1,762	1,512,	1,863,	1,636,				
	\$,739	\$ 233	\$ 219	\$ 041	\$ 1,687,144	\$ 1,499,982	\$ 1,727,630	\$ 1,551,686
Held-to-maturity securities								
After five years through ten years	2,765	2,725,	2,413,	2,323,				
	\$,980	\$ 890	\$ 239	\$ 608	2,626,367	2,625,796	2,754,817	2,740,154
	3,134	3,085,	3,577,	3,414,				
After ten years	,399	710	212	810	3,167,383	3,167,150	3,133,981	3,112,022
	5,900	5,811,	5,990,	5,738,				
	\$,379	\$ 600	\$ 451	\$ 418	\$ 5,793,750	\$ 5,792,946	\$ 5,888,798	\$ 5,852,176

The maturities of our available-for-sale (fair value) and held-to-maturity (amortized cost) securities at **September 30, 2023** **March 31, 2024**, are as follows (*in thousands*):

	Within 1 Year	1-5 Years			5-10 Years			After 10 Years			
		1-5 Years	5-10 Years	Total	Within 1 Year	1-5 Years	5-10 Years	Years	Total		
		Years	Years	Total	Year	1-5 Years	5-10 Years	Years	Total		
Available-for-sale securities (1)											
U.S. government agency securities		2,1		2,1							
	\$ —	\$ 35	\$ —	\$ —	\$ 35	\$ —	\$ 2,209	\$ —	\$ 2,209		
State and municipal securities		2,2		2,2							
	—	94	—	—	94	—	2,350	—	—	2,350	
Mortgage-backed securities:											
				715							
Agency		29	92,0	622,25							
	—	5	85	870	0	—	262	86,846	626,831	713,939	
Commercial				65,6	65,						
	—	—	—	95	695	—	—	—	66,854	66,854	
Non-agency		—	—	332	—	332	—	—	248	—	248
Corporate fixed income securities		85,21		537							
	38	9,0	233,	,85							
	0	25	445	—	0	132,638	163,531	246,828	—	542,997	
Asset-backed securities				188							
			60,6	128,67							
	—	—	76	001	7	—	—	50,685	120,700	171,385	
	85,22			1,5							
	38	3,7	386,	816,	12,						
	\$ 0	\$ 49	\$ 538	\$ 566	\$ 233	\$ 132,638	\$ 168,352	\$ 384,607	\$ 814,385	\$ 1,499,982	
Held-to-maturity securities											

	2,76	3,13	5,9				
Asset-backed securities	5,98	4,39	00,				
	\$ —	\$ —	\$ 0	\$ 9	\$ 379	\$ —	\$ —

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

At **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, securities of **\$721.0** **713.7** million and **\$796.2** **746.4** million, respectively, were pledged at the Federal Home Loan Bank as collateral for borrowings and letters of credit obtained to secure public deposits. At **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, 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 **September 30, 2023** **March 31, 2024** (*in thousands*):

	Less than 12 months		12 months or more		Total	
	Gross		Gross		Gross	
	Unrealize		Unrealize		Unrealize	
	d	d	d	d	d	d
	Losses	Fair Value	Losses	Fair Value	Losses	Fair Value
Available-for-sale securities						
U.S. government agency securities	\$ (8)	\$ 427	\$ (225)	\$ 1,708	\$ (233)	\$ 2,135
State and municipal securities	(56)	2,294	—	—	(56)	2,294
Mortgage-backed securities:			(159,52)	691,15	(160,75)	715,25
Agency	(1,228)	24,100	9)	0	7)	0
Commercial	—	—	(4,868)	65,695	(4,868)	65,695
Non-agency	—	—	(19)	332	(19)	332
			528,91			535,35
Corporate fixed income securities	(235)	6,438	(80,084)	4	(80,319)	2
				124,66		188,67
Asset-backed securities	(1,649)	64,008	(2,610)	9	(4,259)	7
			(247,33)	1,412,4	(250,51)	1,509,7
	\$ (3,176)	\$ 97,267	\$ 5)	\$ 68	\$ 1)	\$ 35

	Less than 12 months	12 months or more	Total

	Gross	Fair Value	Gross	Fair Value	Gross	Fair Value
	Unrealize		Unrealize		Unrealize	
	d	d	d	d	d	d
	Losses		Losses		Losses	
Available-for-sale securities						
U.S. government agency securities	\$ (1)	\$ 442	\$ (174)	\$ 1,767	\$ (175)	\$ 2,209
Mortgage-backed securities:						
Agency			(123,15)	698,78	(123,39)	713,60
Commercial	(240)	14,817	3)	7	3)	4
Non-agency	—	—	(3,252)	66,854	(3,252)	66,854
	—	—	(11)	248	(11)	248
				536,47		542,99
Corporate fixed income securities	(96)	6,526	(57,683)	1	(57,779)	7
Asset-backed securities	(822)	34,623	(1,800)	2	(2,622)	5
			(186,07)	1,415,1	(187,23)	1,471,5
	<u>\$ (1,159)</u>	<u>\$ 56,408</u>	<u>\$ 3)</u>	<u>\$ 89</u>	<u>\$ 2)</u>	<u>\$ 97</u>

At September 30, 2023 March 31, 2024, the amortized cost of 284,276 securities classified as available for sale exceeded their fair value by \$250.5 million, of which \$247.3 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 September 30, 2023 March 31, 2024, 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 September 30, 2023 March 31, 2024 (in thousands):

	AAA	AA	A	C	Total	AAA	AA	C	Total
Held-to-maturity securities									
Asset-backed securities	1,156	4,737	5,0	1,5	5,900				
	\$,155	\$,652	\$ 00	\$ 72	\$,379	\$ 1,708,655	\$ 4,083,852	\$ 1,243	\$ 5,793,750

NOTE 7 – Bank Loans

Our loan portfolio consists primarily of the following 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 commercial real estate project. projects.

Other. Other loans include consumer and credit card lending.

The following table presents the balance and associated percentage of each major loan category in our bank loan portfolio at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 (*in thousands, except percentages*):

	September 30, 2023		December 31, 2022	
	Balance	Percent	Balance	Percent
Residential real estate	\$ 7,957,027	38.9 %	\$ 7,371,671	35.8 %
Commercial and industrial	4,367,671	21.4	4,897,176	23.8
Fund banking	4,114,889	20.1	4,182,641	20.3

Securities-based loans	2,317,631	11.3	2,724,551	13.2
Construction and land	851,709	4.2	593,191	2.9
Commercial real estate	670,907	3.3	675,599	3.3
Home equity lines of credit	123,995	0.6	107,136	0.5
Other	48,560	0.2	50,593	0.2
	20,452,38		20,602,55	
Gross bank loans	9	100.0 %	8	100.0 %
Loans in process	(8,509)		(3,526)	
Unamortized loan fees, net	(15,530)		(22,287)	
Allowance for loan losses	(135,797)		(111,653)	
	20,292,55		20,465,09	
Loans held for investment, net	\$ 3		\$ 2	

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	March 31, 2024		December 31, 2023	
	Balance	Percent	Balance	Percent
Residential real estate	\$ 8,096,975	42.4 %	\$ 8,047,647	41.4 %
Commercial and industrial	3,541,770	18.6	3,566,987	18.3
Fund banking	3,129,642	16.4	3,633,126	18.7
Securities-based loans	2,302,250	12.1	2,306,455	11.9
Construction and land	1,167,300	6.1	1,034,370	5.3
Commercial real estate	655,355	3.4	660,631	3.4
Home equity lines of credit	150,452	0.8	136,270	0.7
Other	48,116	0.2	55,981	0.3
	19,091,86		19,441,46	
Gross bank loans	0	100.0 %	7	100.0 %
Loans in process	(3,659)		1,108	
Unamortized loan fees, net	(8,192)		(8,478)	
Allowance for loan losses	(130,213)		(128,292)	
	18,949,79		19,305,80	
Loans held for investment, net	\$ 6		\$ 5	

At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, Stifel Bancorp had loans outstanding to its executive officers and directors and executive officers and directors of certain affiliated entities in the amount of \$70.7 42.3 million and \$86.4 46.0 million, respectively.

At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, we had loans held for sale of \$142.6 534.6 million and \$156.9 424.0 million, respectively. For the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, we recognized a loss losses, included in other income in the accompanying consolidated statements of operations, of \$0.2 1.4 million and a gain of \$0.4 million, respectively, from the sale of originated loans, net of fees and costs. For the nine months ended September 30, 2023 and 2022, we recognized a loss of \$2.8 million and a gain of \$1.0 0.6 million, respectively, from the sale of originated loans, net of fees and costs.

At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, loans, primarily consisting of residential and commercial real estate loans of \$7.2 7.5 billion and \$7.0 7.4 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 September 30, 2023 March 31, 2024 and December 21, 2022 December 21, 2023 was \$78.2 96.8 million and \$65.7 94.0 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 three and nine months ended September 30, 2023 March 31, 2024 and 2023 (in thousands).

	Three Months Ended September 30, 2023					Three Months Ended March 31, 2024				
	Beginning		Changes			Ending		Beginning		
	Balanc	Provi	ge-	Reco	Balanc	Balance	Provision	Charge-offs	Recoveries	Balance
	ce	sion	offs	verie	ce					
Commercial and industrial	66,377	8,584	\$ (2)	\$ —	\$ 659	\$ 67,077	\$ 1,447	\$ (3,570)	\$ 933	\$ 65,887
Commercial real estate	13,429	6,437	—	—	866	21,386	(697)	—	—	20,689
Construction and land						11,817	6,772	—	—	18,589
Residential real estate	14,413	194	—	—	607	13,855	(1,348)	—	—	12,507

Fund banking	12,178	(660)	—	—	518	10,173	(1,410)	—	—	8,763
Construction and land	12,645	145)	—	—	500					
Securities-based loans	3,086	(68)	—	—	18	3,035	33	—	—	3,068
Home equity lines of credit	168	27	—	—	195	371	(125)	—	—	246
Other	385	49	—	—	434	578	(114)	—	—	464
	122	13,			135					
	,68	41			(30		,79			
	\$ 1	\$ 8	\$ 2)	\$ —	\$ 7	\$ 128,292	\$ 4,558	\$ (3,570)	\$ 933	\$ 130,213

Nine Months Ended September 30,										
2023										
	Beginning	Char	Reco	Ending	Three Months Ended March 31, 2023					
	Balance	Provision	Charge-offs	Recoveries	Beginning	Provision	Charge-offs	Recoveries	Ending	Balance
	ce	sion	offs	s	Balan	ce				
Commercial and industrial	21,54,	28	(92	15	74,	\$ 143	\$ 3	\$ 0)	\$ 3	\$ 659
Commercial real estate	12,897	6,969	—	—	866					
Residential real estate	20,441	(5,834)	—	—	607					
Fund banking	11,711	(19711)	—	—	518					
Commercial real estate						12,897	(1,331)	—	—	11,566
Construction and land	8,568	2,932	—	—	500					
Securities-based loans	3,157	(1357)	—	—	18					

Home equity lines of credit	(16)	—	—	195	364	48	—	—	412
Other	372	62	—	—	434	372	5	—	377
	111	24,			135				
	,65	91	(92	15	,79				
	\$ 3	\$ 1	\$ 0)	\$ 3	\$ 7	\$ 111,653	\$ 5,376	\$ (20)	\$ 153
	<u>\$ 3</u>	<u>\$ 1</u>	<u>\$ 0)</u>	<u>\$ 3</u>	<u>\$ 7</u>	<u>\$ 111,653</u>	<u>\$ 5,376</u>	<u>\$ (20)</u>	<u>\$ 153</u>

During the three and nine months ended September 30, 2023, March, 31, 2024, we released recorded \$3.4 million of net credit loss reserves, including \$4.6 million of the reserve for credit losses for funded loans, \$0.4 million of the reserve for unfunded lending commitments, and \$2.2 million respectively, related to employee retention awards. During the three months ended March 31, 2023, we recorded \$4.9 million of net credit loss reserves, including \$5.4 million of the provision reserve for credit losses for funded loans, partially offset by a release of \$0.5 million of the allowance for unfunded lending commitments. The provision for unfunded lending commitments was \$4.9 million and \$17.8 million for the three and nine months ended September 30, 2022, respectively. The provision for unfunded lending commitments is included in the provision for credit losses on the consolidated statement of operations. 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.

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The following tables detail activity in the allowance for loan losses by portfolio segment for the three and nine months ended September 30, 2022 (in thousands).

	Three Months Ended September 30, 2022					
	Beginning		Provision		Charge-offs	
	Balance	Provision	Charge-offs	Recoveries	Balance	
Commercial and industrial	\$ 57,594	\$ (1,511)	\$ (4,008)	\$ —	\$ —	\$ 52,075
Residential real estate	22,615	(5,150)	—	—	—	17,465
Fund banking	9,758	2,414	—	—	—	12,172
Commercial real estate	6,483	5,480	—	—	—	11,963
Construction and land	5,854	1,675	—	—	—	7,529
Securities-based loans	3,976	(658)	—	—	—	3,318
Home equity lines of credit	922	(724)	—	—	—	198
Other	280	24	—	—	—	304
	\$ 107,482	\$ 1,550	\$ (4,008)	\$ —	\$ —	\$ 105,024
Nine Months Ended September 30, 2022						
	Beginning		Provision		Charge-offs	
	Balance	Provision	Charge-offs	Recoveries	Balance	

Commercial and industrial	\$ 44,661	\$ 11,420	\$ (4,008)	\$ 2	\$ 52,075
Residential real estate	28,560	(11,095)	—	—	17,465
Fund banking	8,868	3,304	—	—	12,172
Commercial real estate	3,934	8,029	—	—	11,963
Construction and land	8,536	(1,007)	—	—	7,529
Securities-based loans	4,006	(652)	(36)	—	3,318
Home equity lines of credit	511	(313)	—	—	198
Other	268	36	—	—	304
	\$ 99,344	\$ 9,722	\$ (4,044)	\$ 2	\$ 105,024

At **September 30, 2023** **March 31, 2024**, we had **\$50.7** **59.4** million of impaired loans, net of discounts, which included **\$0.1** million in **troubled debt restructurings**, **modified loans**. The specific allowance on impaired loans at **September 30, 2023** **March 31, 2024** was **\$13.1** **16.7** million. At **December 31, 2022** **December 31, 2023**, we had **\$10.3** **45.5** million of impaired loans, net of discounts, which included **\$0.2** **0.1** million in **troubled debt restructurings**, **modified loans**. The specific allowance on impaired loans at **December 31, 2022** **December 31, 2023** was **\$6.5** **5.0** 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 three **and nine** months ended **September 30, 2023** **March 31, 2024** and **2022, 2023**, were insignificant to the consolidated financial statements.

The following tables present the aging of the recorded investment in past due loans at **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023** by portfolio segment (*in thousands*):

	As of September 30, 2023					As of March 31, 2024				
	30 – 89 Days	90 or More Days	Total	Days Past Due	Balance	30 – 89 Days	90 or More Days	Total Past Due	Current	Total
	89	More	I	Curre						
	Days	Days	Pas	nt						
	Past	Past	t	Bala		30 – 89 Days	90 or More	Total Past	Current	
	Due	Due	Due	nce	Total	Past Due	Days Past Due	Due	Balance	Total
Resident ial real estate				7,9	7,9					
	6,5,0	1,5,61	50,41	57,02						
	\$ 72	\$ 40	\$ 2	\$ 5	\$ 7	\$ 20,382	\$ 4,447	\$ 24,829	\$ 8,072,146	\$ 8,096,975

			4,3	4,3						
Commercial and industrial	—	9,2	23	43	67	—	—	—	3,541,770	3,541,770
Fund banking	—	—	—	9	9	—	—	—	3,129,642	3,129,642
Securitie s-based loans	—	—	—	1	1	—	—	—	2,302,250	2,302,250
Construction and land	—	—	—	85	85	—	—	—	1,167,300	1,167,300
Commercial real estate	—	—	—	09	09	—	—	—	655,355	655,355
Home equity lines of credit	51	22	73	22	95	242	102	344	150,108	150,452
Other	53	31	84	6	0	11	49	60	48,056	48,116
Total	\$ 76	\$ 6	\$ 02	\$ 87	\$ 89	\$ 20,635	\$ 4,598	\$ 25,233	\$ 19,066,627	\$ 19,091,860

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As of September 30, 2023*					As of March 31, 2024*				
Nonaccrual	Restructured	Nonperforming loans with no allowance			Nonaccrual	Restructured	Nonperforming loans with no allowance		
Total	Total				Total	Total			

					39					
Commercial real estate	39,				,7					
	\$ 747	\$ —	\$ —		\$ 47	\$ 38,171	\$ —	\$ —		— \$ 38,171
Commercial and industrial	9,2				23					
	33	—			3	2,329	—		14,187	16,516
Residential real estate					1,					
	616	146			68					
Home equity lines of credit					924					
	22	—			6	2,009	144		2,438	4,591
Other	29	—			2	31	49	—	—	49
						50				
	49,				,7					
Total	\$ 647	\$ 146	\$ 926	\$ 19		\$ 42,660	\$ 144	\$ 16,625	\$ 59,429	

* There were no loans past due 90 days and still accruing interest at **September 30, 2023** **March 31, 2024**.

	As of December 31, 2022					As of December 31, 2023				
	30 –									
	89	90 or More	Tot			30 – 89	90 or More	Total		
	Day	More	al	Curre		Days	Days Past	Total		
	s	Days	Pas	nt		Past	Days Past	Past	Current	
	Past	Past	t	Bala		Days	Days Past	Past	Current	
	Due	Due	Due	nce	Total	Past Due	Due	Due	Balance	Total
Residential real estate										
	2,		1	68,	71,					
	44	68	3	53	67					
	\$ 5	\$ 8	\$ 3	\$ 8	\$ 1	\$ 15,312	\$ 3,945	\$ 19,257	\$ 8,028,390	\$ 8,047,647
Fund banking						—	—	—	3,633,126	3,633,126
Commercial and industrial										
	9,	4,8	4,8							
	2	87,	97,							
	9,2	2	95	17						
	—	26	6	0	6	—	2,022	2,022	3,564,965	3,566,987

		4,1	4,1								
		82,	82,								
Fund banking		64	64								
		1	1								
		2,7	2,7								
		24,	24,								
Securities-based loans		55	55								
		1	1								
Construction and land											
		—	—	—	—	3	3	2,306,452	2,306,455		
Commercial real estate		67	67								
		5,5	5,5								
		99	99			—	—	660,631	660,631		
Construction and land		59	59								
		—	—	—	—	—	—				
Home equity lines of credit		3,1	3,1								
		91	91								
		2	10	10							
		18	1	6,9	7,1						
		29	2	1	25	570	87	657	135,613	136,270	
Other		50,	50,								
		4	55	59							
		36	6	2	1	45	59	104	55,877	55,981	
		1									
		2,	20,	20,							
		2,	10,	6	58	60					
		51	10	1	9,9	2,5					
Total		\$ 0	\$ 2	\$ 2	\$ 46	\$ 58	\$ 15,927	\$ 6,116	\$ 22,043	\$ 19,419,424	\$ 19,441,467
		As of December 31, 2022*				As of December 31, 2023*					
		Nonaccrual	Restructured	Nonperforming loans with no allowance	Total	Nonaccrual	Restructured	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	9,2 \$ 26	22 \$ —	—	\$ 6	—	—	—	2,022	2,022
Residential real estate	1, 870	02 150	—	0					
Securities- based loans			—		—	—	—	3	3
Home equity lines of credit				22		—	—	65	87
Other	6 —	— —	— —	6 10	59	— —	— —	— —	59
Total	\$ 102	\$ 150	\$ —	\$ 52	\$ 42,221	\$ 145	\$ —	3,090	\$ 45,456

* There were no loans past due 90 days and still accruing interest at December 31, 2022 December 31, 2023.

Credit quality indicators

As of September 30, 2023 March 31, 2024, 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 September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, 97.0 96.9% and 97.5 97.0% 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.

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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.

Based on the most recent analysis performed, the risk category of our loan portfolio was as follows (*in thousands*):

	As of September 30, 2023					As of March 31, 2024					
	Special		Subst			Special		Substandard			
	Pass	Mentio	andar	Dou	btful	Total	Pass	Mention	Substandard	Doubtful	Total
Residential real estate	7,95				1,	7,95					
Commercial and industrial	5,48				54	7,02					
Fund banking	\$ 7	\$ —	\$ —	\$ 0	\$ 7	\$ 8,091,109	\$ 1,419	\$ 4,447	\$ —	\$ 8,096,975	
Securities-based loans	4,12				9,	4,36					
	2,79	75,4	160,	23	7,67						
	1	83	164	3	1	3,216,078	166,177	157,186	2,329	3,541,770	
	4,11				4,11						
	4,88				4,88						
	9	—	—	—	9	3,129,642	—	—	—	3,129,642	
	2,31				2,31						
	7,62				7,63						
	9	—	—	2	1	2,302,250	—	—	—	2,302,250	

Construction and land	827, 228	24,4 81	—	—	851, 709	1,096,074	23,219	48,007	—	1,167,300
Commercial real estate	553, 124	77,9 79	39,8 04	—	670, 907	529,857	30,827	94,671	—	655,355
Home equity lines of credit	123, 973	—	—	22	123, 995	150,251	99	102	—	150,452
Other	31 20,0 63,6	— 177, 199,	14 10 ,8	15 20,4 52,3	60	48,057	10	—	49	48,116
Total	\$ 52 20,0 63,6	\$ 943 177, 199,	\$ 982 10 ,8	\$ 12	\$ 89	\$ 18,563,318	\$ 221,751	\$ 304,413	\$ 2,378	\$ 19,091,860
	As of December 31, 2022					As of December 31, 2023				
	Special Mention Pass					Subst andar btful Dou Total				
Residential real estate	7,3 70, \$ 717	n 266	d —	btful \$ 8	Total \$ 1	7,37	Pass	Special Mention	Substandard	Doubtful Total
Fund banking						3,633,126	—	—	—	3,633,126
Commercial and industrial	4,7 43, 290	9, 87,7 61	4,89 56, 899	9, 22 6	7,17 7,37	3,294,891	89,302	180,772	2,022	3,566,987
Fund banking	4,1 82, 641	—	—	—	4,18 2,64 1					
Securities-based loans	2,7 24, 548	—	—	3	2,72 4,55 1	2,306,452	—	—	3	2,306,455
Construction and land						963,083	71,287	—	—	1,034,370
Commercial real estate	655 .59 9	20,0 00	—	—	675, 599	512,171	49,264	99,196	—	660,631

	593									
Construction and land	,191									
Home equity lines of credit	106,954	18	107,136		135,806	377	87	—	136,270	
	50,		50,5							
Other	587	—	6	93	55,922	—	—	—	59	55,981
	20,									
	427		10	20,6						
	,52	108,	56,	,1	02,5					
Total	\$ 7	\$ 027	\$ 899	\$ 05	\$ 58	\$ 18,943,697	\$ 211,686	\$ 284,000	\$ 2,084	\$ 19,441,467

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Term Loans Amortized Cost Basis by Origination Year – March 31, 2024							
	2024	2023	2022	2021	2020	Prior	Revolving Loans Amortized Cost Basis
							Total
Residential real estate:							
	1,181,68	2,608,18	2,288,16				8,091,10
Pass	\$ 186,767	\$ 0	\$ 1	\$ 9	\$ 899,772	\$ 926,540	\$ —
Special Mention	—	—	1,037	382	—	—	—
Substandard	—	—	1,533	—	1,514	1,400	—
Doubtful	—	—	—	—	—	—	—
	1,181,68	2,610,75	2,288,55				8,096,97
	\$ 186,767	\$ 0	\$ 1	\$ 1	\$ 901,286	\$ 927,940	\$ —
	<u>=====</u>						
Commercial and industrial:							
							3,216,07
Pass	\$ 151,428	\$ 604,465	\$ 907,874	\$ 726,994	\$ 86,751	\$ 148,042	\$ 590,524
	<u>=====</u>						

Special Mention	853	6,475	37,329	28,575	876	—	92,069	166,177
Substandard	6,807	—	38,955	61,794	—	3,544	46,086	157,186
Doubtful	—	—	—	—	—	—	2,329	2,329
								3,541,77
	\$ 159,088	\$ 610,940	\$ 984,158	\$ 817,363	\$ 87,627	\$ 151,586	\$ 731,008	\$ 0
Fund banking:							3,063,02	3,129,64
Pass	\$ —	\$ 10,790	\$ 55,338	\$ —	\$ 491	\$ —	\$ 3	\$ 2
Special Mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—
							3,063,02	3,129,64
	\$ —	\$ 10,790	\$ 55,338	\$ —	\$ 491	\$ —	\$ 3	\$ 2
Securities-based loans:							2,195,33	2,302,25
Pass	\$ 2,000	\$ 15,085	\$ 3,346	\$ 2,123	\$ 47,794	\$ 36,572	\$ 0	\$ 0
Special Mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—
							2,195,33	2,302,25
	\$ 2,000	\$ 15,085	\$ 3,346	\$ 2,123	\$ 47,794	\$ 36,572	\$ 0	\$ 0
Construction and land:							1,096,07	
Pass	\$ —	\$ 132,721	\$ 557,511	\$ 208,426	\$ 184,276	\$ 13,140	\$ —	\$ 4
Special Mention	—	—	—	—	—	23,219	—	23,219
Substandard	—	—	—	—	—	48,007	—	48,007
Doubtful	—	—	—	—	—	—	—	—
							1,167,30	
	\$ —	\$ 132,721	\$ 557,511	\$ 208,426	\$ 184,276	\$ 84,366	\$ —	\$ 0
Commercial real estate:								
Pass	\$ —	\$ 32,252	\$ 315,905	\$ 64,429	\$ 30,648	\$ 86,623	\$ —	\$ 529,857
Special Mention	—	—	30,827	—	—	—	—	30,827
Substandard	—	—	56,500	38,171	—	—	—	94,671
Doubtful	—	—	—	—	—	—	—	—

	\$	—	\$	32,252	\$	403,232	\$	102,600	\$	30,648	\$	86,623	\$	—	\$	655,355
Home equity lines of credit:																
Pass																
Special Mention	\$	—	\$	—	\$	—	\$	—	\$	—	\$	—	\$	150,251	\$	150,251
Substandard	—	—	—	—	—	—	—	—	—	—	—	—	—	99	99	
Doubtful	—	—	—	—	—	—	—	—	—	—	—	—	—	102	102	
	\$	—	\$	—	\$	—	\$	—	\$	—	\$	—	\$	150,452	\$	150,452
Other:																
Pass	\$	3,100	\$	6,050	\$	3,991	\$	—	\$	10,000	\$	18,053	\$	6,863	\$	48,057
Special Mention	—	—	—	—	—	—	—	—	—	—	—	—	—	10	10	
Substandard	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Doubtful	—	—	—	—	—	—	—	—	—	—	—	—	—	49	49	
	\$	3,100	\$	6,050	\$	3,991	\$	—	\$	10,000	\$	18,053	\$	6,922	\$	48,116

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Term Loans Amortized Cost Basis by Origination Year – September 30,

2023

Revolvin
g Loans
Amortize
d Cost

	2023	2022	2021	2020	2019	Prior	Basis	Total
Residential real estate:								
Pass	\$ 1,009,76	\$ 2,677,50	\$ 2,349,44	\$ 934,506	\$ 418,909	\$ 565,351	\$ —	\$ 7,955,48

Special Mention	■	■	■	■	■	■	■	■	■	■
Substandard	■	■	■	■	■	■	■	■	■	■
Doubtful	■	■	924	■	■	■	■	■	616	■
	1,009,76	2,678,43	2,349,44							7,957,02
	\$ 5	\$ 3	\$ 7	\$ 934,506	\$ 418,909	\$ 565,967	\$ —	\$ —	\$ 7	
Commercial and industrial:										
	1,167,66	1,060,51								4,122,79
Pass	\$ 560,666	\$ 1	\$ 0	\$ 220,224	\$ 215,160	\$ 199,041	\$ 699,529	\$ 1		
Special Mention	■	9,839	35,909	17,419	■	■	■	12,316	75,483	
Substandard	■	26,967	74,411	■	3,913	■	■	54,873	160,164	
Doubtful	■	■	■	433	■	■	8,800	■	■	9,233
	1,204,46	1,170,83								4,367,67
	\$ 560,666	\$ 7	\$ 0	\$ 238,076	\$ 219,073	\$ 207,841	\$ 766,718	\$ 1		
Fund banking:										
	4,059,04	4,114,88								
Pass	\$ —	\$ 55,267	\$ —	\$ 578	\$ —	\$ —	\$ 4	\$ 9		
Special Mention	■	■	■	■	■	■	■	■	■	
Substandard	■	■	■	■	■	■	■	■	■	
Doubtful	■	■	■	■	■	■	■	■	■	
	4,059,04	4,114,88								
	\$ —	\$ 55,267	\$ —	\$ 578	\$ —	\$ —	\$ 4	\$ 9		
Securities-based loans:										
	2,188,16	2,317,62								
Pass	\$ 13,954	\$ 28,362	\$ 2,503	\$ 48,070	\$ 27,278	\$ 9,293	\$ 9	\$ 9		
Special Mention	■	■	■	■	■	■	■	■	■	
Substandard	■	■	■	■	■	■	■	■	■	
Doubtful	■	■	■	■	■	■	■	2	2	
	2,188,17	2,317,63								
	\$ 13,954	\$ 28,362	\$ 2,503	\$ 48,070	\$ 27,278	\$ 9,293	\$ 1	\$ 1		
Construction and land:										
Pass	\$ 26,811	\$ 376,902	\$ 191,175	\$ 171,049	\$ 61,291	\$ —	\$ —	\$ 827,228		
Special Mention	■	■	■	■	■	24,481	■	■	24,481	
Substandard	■	■	■	■	■	■	■	■	■	
Doubtful	■	■	■	■	■	■	■	■	■	

	\$ 26,811	\$ 376,902	\$ 191,175	\$ 171,049	\$ 85,772	\$ —	\$ —	\$ 851,709
Commercial real estate:								
Pass	\$ 30,849	\$ 356,640	\$ 64,064	\$ 31,201	\$ 2,785	\$ 67,585	\$ —	\$ 553,124
Special Mention	—	60,000	—	—	17,979	—	—	77,979
Substandard	—	—	39,804	—	—	—	—	39,804
Doubtful	—	—	—	—	—	—	—	—
	\$ 30,849	\$ 416,640	\$ 103,868	\$ 31,201	\$ 20,764	\$ 67,585	\$ —	\$ 670,907
Home equity lines of credit:								
Pass	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 123,973	\$ 123,973
Special Mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	22	22
	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 123,995	\$ 123,995
Other:								
Pass	\$ 4,000	\$ 3,991	\$ —	\$ 10,000	\$ —	\$ 22,555	\$ 7,985	\$ 48,531
Special Mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	14	14
Doubtful	—	—	—	—	—	—	15	15
	\$ 4,000	\$ 3,991	\$ —	\$ 10,000	\$ —	\$ 22,555	\$ 8,014	\$ 48,560

NOTE 8 – 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	Adjust	Write	September	December 31,	Write-	March 31,
	31, 2022	ments	-off	30, 2023	2023	Adjustments	off
Goodwill							
Global Wealth Management	\$ 335,009	\$ —	\$ —	\$ 335,009	\$ 335,009	\$ —	\$ 335,009
Institutional Group	991,539	1	—	1,064,120	1,053,234	63	—
	1,326,54	72,58					
	\$ 8	\$ 1	\$ —	\$ 1,399,129	\$ 1,388,243	\$ 63	\$ —
	\$ 1,326,54	72,58					
	\$ 8	\$ 1	\$ —	\$ 1,399,129	\$ 1,388,243	\$ 63	\$ —
	\$ 1,326,54	72,58					
	\$ 8	\$ 1	\$ —	\$ 1,399,129	\$ 1,388,243	\$ 63	\$ —
	\$ 1,326,54	72,58					
	\$ 8	\$ 1	\$ —	\$ 1,399,129	\$ 1,388,243	\$ 63	\$ —
	\$ 1,326,54	72,58					
	\$ 8	\$ 1	\$ —	\$ 1,399,129	\$ 1,388,243	\$ 63	\$ —
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	\$ 8	\$ 1	\$ —	\$ 1,399,129	\$ 1,388,243	\$ 63	\$ —
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	\$ 8	\$ 1	\$ —	\$ 1,399,129	\$ 1,388,243	\$ 63	\$ —
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	\$ 8	\$ 1	\$ —	\$ 1,399,129	\$ 1,388,243	\$ 63	\$ —
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	\$ 1,326,54	72,58					
	\$ 8	\$ 1	\$ —	\$ 1,399,129	\$ 1,388,243	\$ 63	\$ —
	\$ 1,326,54	72,58					
	\$ 8	\$ 1	\$ —	\$ 1,399,129	\$ 1,388,243	\$ 63	\$ —
	\$ 1,						

	December 31, 2022	Adjustments	Amortization	September 30, 2023
Intangible assets				
Global Wealth Management	\$ 33,499	\$ —	\$ (3,652)	\$ 29,847
Institutional Group	97,090	10,726	(10,220)	97,596
	\$ 130,589	\$ 10,726	\$ (13,872)	\$ 127,443

The adjustments to goodwill and intangible assets during the nine months ended September 30, 2023 are primarily attributable to the acquisitions of Torreya Partners, LLC ("Torreya") and Sierra Pacific Securities, LLC ("Sierra Pacific").

	December 31, 2023	Adjustments	Amortization	March 31, 2024
Intangible assets				
Global Wealth Management	\$ 28,687	\$ —	\$ (1,126)	\$ 27,561
Institutional Group	104,592	(155)	(4,716)	99,721
	\$ 133,279	\$ (155)	\$ (5,842)	\$ 127,282

On March 1, 2023, the Company acquired Torreya, 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, "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 \$61.9 million of goodwill and Amortizable intangible assets in the consolidated statement of financial condition, which has been allocated to our company's Institutional Group segment.

The goodwill represents the value expected from the synergies created through the operational enhancement benefits that will result from the integration of Torreya's business, its employees, and customer base. A significant amount of the goodwill is expected to be deductible for federal income tax purposes.

On August 1, 2023, the Company acquired 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, "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 \$21.4 million of goodwill and intangible assets in the consolidated statement of financial condition, which has been allocated to our company's Institutional Group segment. The allocation of the purchase price of Sierra Pacific is preliminary and will be finalized upon completion of the analysis of the fair values of the net assets of Sierra Pacific as of the acquisition date 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.

The goodwill represents the value expected from the synergies created through the operational enhancement benefits that will result from the integration of Sierra Pacific's business, its employees, and customer base.

Intangible assets consist of acquired customer relationships, trade names, **acquired technology**, non-compete agreements, **core deposits**, and **investment banking backlog**, **and core deposits** that are amortized over their contractual or determined useful lives. Intangible assets as of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023** were as follows (*in thousands*):

	September 30, 2023		December 31, 2022	
	Gross	Accumulate	Gross	
	Carrying	d	Carrying	Accumulated
	Value	Amortization	Value	Amortization
Customer relationships	\$ 226,984	\$ 119,306	\$ 225,631	\$ 109,216
Trade names	30,359	21,995	30,359	20,861
Non-compete agreements	10,071	8,060	9,440	7,158
Core deposits	8,615	7,990	8,615	7,389
Investment banking backlog	8,913	5,368	5,545	4,377
Estimated Sierra Pacific intangibles ⁽¹⁾	5,400	180	—	—
	\$ 290,342	\$ 162,899	\$ 279,590	\$ 149,001

⁽¹⁾ See discussion regarding the allocation of the estimated goodwill and intangibles recorded for the Sierra Pacific acquisition.

	March 31, 2024		December 31, 2023	
	Gross	Accumulate	Gross	
	Carrying	d	Carrying	Accumulated
	Value	Amortization	Value	Amortization
Customer relationships	\$ 227,191	\$ 126,162	\$ 227,486	\$ 122,971
Trade names	30,359	22,736	30,359	22,366
Acquired technology	18,314	4,723	18,314	3,447
Non-compete agreements	10,700	8,759	10,700	8,421
Investment banking backlog	8,913	6,151	8,913	5,758
Core deposits	8,615	8,279	8,615	8,145
	\$ 304,092	\$ 176,810	\$ 304,387	\$ 171,108

Amortization expense related to intangible assets was **\$4.8** **5.8** million and **\$4.4** million for the three months ended

September 30, 2023 **March 31, 2024** and **2022**, respectively. Amortization expense related to intangible assets was **\$13.9**

million 2023, respectively, and \$15.0 million for the nine months ended September 30, 2023 and 2022, respectively.

Amortization expense is included in other operating expenses in the consolidated statements of operations.

The weighted-average remaining lives of the following intangible assets at September 30, 2023 March 31, 2024, are: customer relationships, 9.8 9.4 years; trade names, 7.3 6.9 years; non-compete agreements, 4.5 4.3 years; acquired technology, 2.3 years; core deposits, 1.4 1.0 years; and investment banking backlog, 4.9 4.5 years; and Sierra Pacific intangibles, 4.8 years. We have an intangible asset that is not subject to amortization and is, therefore, not included in the table below. As of September 30, 2023 March 31, 2024, we expect amortization expense in future periods to be as follows (in thousands):

Fiscal year		
Remainder of 2023	\$ 4,732	
2024	18,243	
Remainder of 2024		\$ 17,195
2025	16,032	20,959
2026	14,442	16,885
2027	14,142	13,188
2028		12,230
Thereafter	57,734	44,707
	<u>\$ 125,325</u>	<u>\$ 125,164</u>

NOTE 9 – 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 September 30, 2023 March 31, 2024, 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 \$115.0 70.0 million during the nine three months ended September 30, 2023 March 31, 2024. 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 **September 30, 2023** **March 31, 2024**, 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 nine months ended September 30, 2023 was 4.97%**. 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 **September 30, 2023** **March 31, 2024**, 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** **Borrowers'** existing \$500.0 million unsecured revolving credit facility agreement were terminated.

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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 **September 30, 2023** **March 31, 2024**.

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NOTE 10 – Senior Notes

The following table summarizes our senior notes as of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023** (*in thousands*):

	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
4.25% senior notes, due 2024 ⁽¹⁾	\$ 500,000	\$ 500,000		
4.00% senior notes, due 2030 ⁽²⁾	400,000	400,000		
5.20% senior notes, due 2047 ⁽³⁾	225,000	225,000		
4.25% senior notes, due 2024 ⁽¹⁾			\$ 500,000	\$ 500,000

4.00% senior notes, due 2030 (2)			400,000	400,000
5.20% senior notes, due 2047 (3)			225,000	225,000
	1,125,000	1,125,000	1,125,000	1,125,000
Debt issuance costs, net	(9,640)	(10,446)	(9,103)	(9,371)
Senior notes, net	\$ 1,115,360	\$ 1,114,554	\$ 1,115,897	\$ 1,115,629

(1) 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 July 2024.

(2) 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.

(3) 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. On or after October 15, 2022, 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*):

2023	\$	—	
2024		500,000	\$ 500,000
2025		—	—
2026		—	—
2027		—	—
2028		—	—
Thereafter		625,000	625,000
	\$	1,125,000	\$ 1,125,000

NOTE 11 – 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 September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 were as follows (*in thousands*):

	December 31,		December 31,	
	September 30, 2023	2022	March 31, 2024	2023
Demand deposits (interest-bearing)	\$ 27,335,890	\$ 26,805,073	\$ 27,357,692	\$ 27,111,072

Demand deposits (non-interest-bearing)	258,466	305,138	196,717	223,505
Certificates of deposit	2	6,900	2	2
	\$ 27,594,358	\$ 27,117,111	\$ 27,554,411	\$ 27,334,579

The weighted-average interest rate on deposits was 2.48 3.33% and 0.58 2.66% at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively.

At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the amount of deposits includes related party deposits, primarily interest-bearing and time deposits of executive officers, directors, and their affiliates of were \$10.3 5.2 million and \$9.8 9.0 million, respectively. Brokerage customers' deposits were \$24.7 25.3 billion and \$25.3 24.1 billion, respectively.

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NOTE 12 – 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. These interest rate contracts are not designated as hedging instruments for accounting purposes. 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 tables provide the notional values and fair values of our derivative instruments as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 (in thousands):

	September 30, 2023		
	Derivative Assets	Derivative Liabilities	Notional value
			\$ 1,876,064
Interest rate contracts	\$ 166,038	\$ 166,015	\$ 1,876,064

March 31, 2024

	Derivative Assets	Derivative Liabilities	Notional value
Interest rate contracts	\$ 127,701	\$ 127,680	\$ 1,993,275

	December 31, 2022		
	Derivative Assets	Derivative Liabilities	Notional value
Interest rate contracts	\$ 142,042	\$ 142,028	\$ 1,395,135

	December 31, 2023		
	Derivative Assets	Derivative Liabilities	Notional value
Interest rate contracts	\$ 118,668	\$ 118,651	\$ 1,994,919

The scheduled maturities of our derivative instruments as of **September 30, 2023** **March 31, 2024**, are as follows (*in thousands*):

Within one year	\$ 41,369	\$ 113,474
One to three years	581,049	685,246
Three to five years	381,601	393,085
Five to ten years	758,302	707,593
Ten to fifteen years	94,603	76,680
Fifteen years and thereafter	19,140	17,197
	\$ 1,876,064	\$ 1,993,275

The following table presents the distribution of customer interest rate derivative transactions, by derivative product, as of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023** (*in thousands*):

	September 30, 2023	December 31, 2022
Swaps	\$ 1,706,064	\$ 1,375,135
Written options	170,000	20,000
	\$ 1,876,064	\$ 1,395,135
December 31, March 31, 2024		
Swaps	\$ 1,823,275	\$ 1,824,919
Written options	170,000	170,000

\$ 1,993,275 \$ 1,994,919

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NOTE 13 – Disclosures About Offsetting Assets and Liabilities

The following table provides information about financial assets and derivative assets that are subject to offset as of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023** (in thousands):

	As of September 30, 2023				As of March 31, 2024			
	Interest				Reverse			
	Securities	Reverse	rate		Securities	repurchase	Interest rate	
	borrowing	repurchase	contracts		borrowing (1)	agreements (2)	contracts (3)	
	(1)	agreements (2)	(3)	Total				Total
Gross amounts of recognized assets	\$ 180,156	166,038	8,575		\$ 204,150	451,056	127,701	\$ 782,907
Gross amounts offset in the statement of financial condition	—	—	—	—	—	—	—	—
Net amounts presented in the statement of financial condition	180,156	166,038	8,575		204,150	451,056	127,701	782,907
<i>Gross amounts not offset in the statement of financial condition:</i>								
Amounts available for offset	(23,613)	(19,706)	(1,486)	(44,805)	(38,004)	(89,403)	(4,667)	(132,074)

	(147,7	(98,51	6,5		(158,059)	(360,298)	(87,751)	(606,108)
	73)	(390,288)	4)	75)				
Available collateral					77,			
Net amount	\$ 8,770	\$ 2,373	\$ 66,038	\$ 18	\$ 8,087	\$ 1,355	\$ 35,283	\$ 44,725
	1							
	As of December 31, 2022				As of December 31, 2023			
	Interest							
	Securities	Reverse	rate		Securities	Reverse		
	borrowing	repurchase	contracts		borrowing	repurchase	Interest rate	
	(1)	agreements (2)	(3)	Total	borrowing (1)	agreements (2)	contracts (3)	Total
Gross amounts of recognized assets	\$ 219,05			70	\$ 215,368			
	2	\$ 348,162	\$ 2	\$ 56		\$ 349,849	\$ 118,668	\$ 683,885
Gross amounts offset in the statement of financial condition	—	—	—	—	—	—	—	—
Net amounts presented in the statement of financial condition	219,05		142,04	9,2	215,368	349,849	118,668	683,885
2	348,162	2	56					
Gross amounts not offset in the statement of financial condition:								
Amounts available for offset				(60				
	(46,64			,63				
	7)	(12,028)	(1,959)	4)	(23,691)	(23,441)	(14,556)	(61,688)
Available collateral	(160,1		(55,56	0,2				
	39)	(334,537)	8)	44)	(184,689)	(325,627)	(82,607)	(592,923)
Net amount	\$ 12,266	\$ 1,597	\$ 84,515	\$ 37	\$ 6,988	\$ 781	\$ 21,505	\$ 29,274
				8				

⁽¹⁾ Securities borrowing transactions are included in receivables from brokers, dealers, and clearing organizations on consolidated statements of financial condition. See Note 3 in the notes to consolidated financial statements for additional information on receivables from brokers, dealers, and clearing organizations.

(2) 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 \$410.1 million and \$346.5 million at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively.

(3) 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 \$74.4 million and \$50.0 million at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively.

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The following table provides information about financial liabilities and derivative liabilities that are subject to offset as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 (in thousands):

	As of September 30, 2023			
	Securities lending (4)	Repurchase agreements (5)	Interest rate contracts (6)	Total
	\$ (104,570)	\$ (408,950)	\$ (166,015)	\$ (679,535)
Gross amounts of recognized liabilities				
Gross amounts offset in the statement of financial condition	—	—	—	—
Net amounts presented in the statement of financial condition	(104,570)	(408,950)	(166,015)	(679,535)
<i>Gross amounts not offset in the statement of financial condition:</i>				
Amounts available for offset	23,613	19,706	1,486	44,805
Collateral pledged	80,956	389,244	52,653	522,853
Net amount	\$ (1)	\$ —	\$ (111,876)	\$ (111,877)
 As of December 31, 2022				
	Securities lending (4)	Repurchase agreements (5)	Interest rate contracts (6)	Total
	\$ (68,105)	\$ (212,011)	\$ (142,028)	\$ (422,144)
	—	—	—	—
Gross amounts of recognized liabilities				
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)

As of March 31, 2024				
	Securities lending (4)	Repurchase agreements (5)	Interest rate contracts (6)	Total
	\$ (224,378)	\$ (426,659)	\$ (127,680)	\$ (778,717)
Gross amounts of recognized liabilities	—	—	—	—
Gross amounts offset in the statement of financial condition	—	—	—	—
Net amounts presented in the statement of financial condition	(224,378)	(426,659)	(127,680)	(778,717)
<i>Gross amounts not offset in the statement of financial condition:</i>				
Amounts available for offset	38,004	89,403	4,667	132,074
Collateral pledged	186,374	337,256	30,184	553,814
Net amount	\$ —	\$ —	\$ (92,829)	\$ (92,829)

As of December 31, 2023				
	Securities lending (4)	Repurchase agreements (5)	Interest rate contracts (6)	Total
	\$ (135,693)	\$ (417,644)	\$ (118,651)	\$ (671,988)
Gross amounts of recognized liabilities	—	—	—	—
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)

(4) Securities lending transactions are included in payables to brokers, dealers, and clearing organizations on the consolidated statements of financial condition. See Note 3 in the notes to consolidated financial statements for additional information on payables to brokers, dealers, and clearing organizations.

(5) 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 \$418.7 million and \$218.3 million at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively.

(6) Collateral pledged includes the fair value of securities pledged to the counterparty. The fair value of securities pledged as collateral was \$25.2 million and \$24.1 million at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively.

NOTE 14 – 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 **September 30, 2023** **March 31, 2024**, 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 **security** **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 **September 30, 2023** **March 31, 2024**, the fair value of the TBA securities and the estimated fair value of the purchase commitments were **\$70.3** **56.8** 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 21 in the notes to consolidated financial statements for further details.

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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 **September 30, 2023** **March 31, 2024**, we did not have significant concentrations of credit risk with any one customer or counterparty, or any group of customers or counterparties.

NOTE 15 – 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 **established reserves** **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 **reserve** **liability** has not been established and for which we believe a loss is reasonably possible, as well as for matters where **a reserve** **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 **Company** has reached an agreement in principle with the

SEC to resolve its investigation and the CFTC has provided the Company with a settlement offer and the offer. The Company has established reserves 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 a settlement settlements will be achieved or the ultimate resolution of this matter.

The Company has also been contacted by the CFTC in connection with an investigation of the use of non-Stifel communications platforms for business-related communications by employees who were associated persons of CFTC registrants. At this time, based upon currently available information and review with outside counsel, the Company is not able to estimate the outcome of this matter, including the range of possible ultimate resolutions. these matters.

NOTE 16 – 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 September 30, 2023 March 31, 2024, Stifel had net capital of \$395.4 446.4 million, which was 36.5 35.3% of aggregate debit items and \$373.8 421.1 million in excess of its minimum required net capital. At September 30, 2023 March 31, 2024, all of our other broker-dealer subsidiaries' net capital exceeded the minimum net capital required under the SEC rule.

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Our international subsidiary, SNEL, is subject to the regulatory supervision and requirements of the Financial Conduct Authority ("FCA") in the United Kingdom. At September 30, 2023 March 31, 2024, our international subsidiary's capital and reserves were in excess of the financial resources requirement under the rules of the FCA.

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Our Canadian subsidiary, SNC, is subject to the regulatory supervision and requirements of the Canadian Investment Industry Regulatory Organization of Canada ("IIROC" CIRO"). At September 30, 2023 March 31, 2024, SNC's net capital and reserves were in excess of the financial resources requirement under the rules of the IIROC, 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 **September 30, 2023** **March 31, 2024** are represented in the tables below (*in thousands, except ratios*).

	To Be Well Capitalized						To Be Well Capitalized						
	Under			For			Prompt			Under			
	Capital		Adequacy		Corrective		Capital		Adequacy		Prompt		
	Actual	R	Purposes		R	Provisions	Actual		Actual	Purposes		Action Provisions	
	Amo	unt	ati	Amo	unt	ati	Amou	nt	Ratio	Amount	Ratio	Amount	Ratio
Stifel													
Financial	Amo	unt	ati	Amo	unt	ati	Amou	nt	Ratio	Amount	Ratio	Amount	Ratio
Corp.													
Common	3,2	1		1,0									
equity tier	28,	3		44,	4		1,50						
1 capital	95	.		84	.		9,22	6.					
	\$ 2	9%	\$ 9	5%	\$ 6	5%	\$ 3,225,964	14.3%	\$ 1,016,475	4.5%	\$ 1,468,241	6.5%	

	3,9	1	1,3										
	13,	6	93,	6	1,85								
Tier 1 capital	95	.	13	.	7,50	8.							
	2	9%	1	0%	9	0%	3,910,964	17.3%	1,355,300	6.0%	1,807,066	8.0%	
	4,1	1	1,8										
Total capital	01	.	50	.	1,88	0.							
	7	8%	9	0%	6	0%	4,130,093	18.3%	1,807,066	8.0%	2,258,833	10.0%	
	3,9	1	1,4										
Tier 1 leverage	95	.	23	.	7,79	5.							
	2	8%	3	0%	1	0%	3,910,964	10.6%	1,480,733	4.0%	1,850,917	5.0%	

	To Be Well Capitalized											
	Under Prompt						Corrective					
	For Capital			Adequacy Purposes			Action Provisions					
	Actual	Amount	Ratio	Actual	Amount	Ratio	Actual	Amount	Ratio			
Stifel Bank & Trust												
Common equity tier 1 capital		1,489,			620,22					895,87		
Tier 1 capital		\$ 819	10.8%	\$ 4	4	4.5%	\$ 8	8	6.5%			
Total capital		1,489,			826,96					1,102,		
Tier 1 leverage		819	10.8%	5	5	6.0%	620	620	8.0%			
		1,625,			1,102,					1,378,		
		012	11.8%	620	620	8.0%	275	275	10.0%			
		1,489,			774,19					967,74		
		819	7.7%	8	8	4.0%	8	8	5.0%			
	To Be Well Capitalized											
	Under Prompt											
	For Capital		Prompt									
	Adequacy		Corrective									
	Actual		Purposes		Provisions		Actual		Purposes		Action Provisions	
	Amo	Ra	Amo	Ra	Amou	Rat						
Stifel Bank	unt	tio	unt	tio	nt	io						
Stifel Bank & Trust							Amount	Ratio	Amount	Ratio	Amount	Ratio

Common equity tier 1 capital	69	1	0,4	21	4	45	.	2,5	.	307,	6.	\$ 6	6%	\$ 88	5%	\$ 071	5%	\$ 1,242,565	10.8%	\$ 517,604	4.5%	\$ 747,650	6.5%
Tier 1 capital	69	1	0,4	28	6	45	.	3,4	.	377,	8.	6	6%	51	0%	934	0%	1,242,565	10.8%	690,139	6.0%	920,185	8.0%
Total capital	72	1	2,5	37	8	84	.	7,9	.	472,	0.	0	3%	34	0%	418	0%	1,367,153	11.9%	920,185	8.0%	1,150,231	10.0%
Tier 1 leverage	69	0,7	0,3	39	4	45	.	0,3	.	487,	5.	6	1%	41	0%	926	0%	1,242,565	7.1%	700,273	4.0%	875,342	5.0%

Stifel Bank	To Be Well Capitalized					
	Under Prompt					
	Actual		For Capital Adequacy Purposes		Corrective Action Provisions	
Stifel Bank	Amount	Ratio	Amount	Ratio	Amount	Ratio
Common equity tier 1 capital	838,00		254,86		368,14	
Tier 1 capital	\$ 2	14.8%	\$ 8	4.5%	\$ 2	6.5%
Total capital	838,00		339,82		453,09	
Tier 1 leverage	2	14.8%	4	6.0%	8	8.0%
	876,22		453,09		566,37	
	7	15.5%	8	8.0%	3	10.0%
	838,00		467,97		584,96	
	2	7.2%	5	4.0%	9	5.0%

NOTE 17 – Operating Leases

Our operating leases primarily relate to office space and office equipment with remaining lease terms of 1 to 13 years. At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, operating lease right-of-use assets were \$786.5 804.1 million and \$775.9 778.2 million, respectively, and lease liabilities were \$831.7 854.6 million and \$819.7 825.5 million, respectively, included in accounts payable and accrued expenses in the consolidated statements of financial condition, respectively.

The table below summarizes our net lease cost for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 (in thousands):

	Three Months Ended September 30,			
	2023		2022	
Operating lease cost	\$ 27,183		\$ 26,685	
Short-term lease cost	710		401	
Variable lease cost	7,299		6,028	
Sublease income	(274)		(591)	
Net lease cost	\$ 34,918		\$ 32,523	

	Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2024	2023
Operating lease cost	\$ 79,961	\$ 80,137	\$ 27,512	\$ 26,429
Short-term lease cost	1,425	998	724	330
Variable lease cost	21,244	17,051	7,260	6,955
Sublease income	(836)	(1,786)	(275)	(289)
Net lease cost	\$ 101,794	\$ 96,400	\$ 35,221	\$ 33,425

Operating lease costs are included in occupancy and equipment rental in the consolidated statements of operations.

The table below summarizes other information related to our operating leases as of and for the nine three months ended September 30, 2023 March 31, 2024 (in thousands):

Operating lease cash flows	\$ 82,976	\$ 24,991
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 83,749	\$ 42,643
Weighted-average remaining lease term (years)	12.8 years	12.7
Weighted-average discount rate	4.92 %	4.87 %

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 **September 30, 2023** **March 31, 2024**, (*in thousands, except percentages*).

Remainder of 2023	\$ 26,798	
2024	105,237	
Remainder of 2024		\$ 73,221
2025	99,070	101,023
2026	99,271	102,017
2027	98,302	102,121
2028		99,480
Thereafter	730,135	708,423
Total undiscounted lease payments	1,158,813	1,186,285
Imputed interest	(327,095)	(331,669)
Total operating lease liabilities	\$ 831,718	\$ 854,616

As of March 31, 2024, the Company had a total lease portfolio of 17 aircraft engines with a net book value of \$114.5 million, which is included in fixed assets, net in the consolidated statements of financial condition. The aircraft engines were purchased by the Company, through its subsidiaries, during the first quarter of 2024. See Note 25 for addition information.

As of March 31, 2024, minimum future payments under non-cancelable leases were (*in thousands*):

Remainder of 2024	\$ 5,861
2025	1,029
	\$ 6,890

Lease income, included in other income in the consolidated statements of operations, was \$1.9 million for the three months ended March 31, 2024.

NOTE 18 – 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 three and nine months ended **September 30, 2023** **March 31, 2024** and **2022** **2023** (in thousands):

	Three Months Ended September 30,	
	2023	2022
Revenues from contracts with customers:		
Commissions	\$ 165,075	\$ 159,054
Investment banking	146,887	221,858
Asset management	333,127	300,557
Other	1,380	1,055
Total revenue from contracts with customers	646,469	682,524
Other sources of revenue:		
Interest	505,198	304,195
Principal transactions	114,841	118,379
Other	(921)	(203)
Total revenues	\$ 1,265,587	\$ 1,104,895

	Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2024	2023
Revenues from contracts with customers:				
Commissions	\$ 499,983	\$ 541,644	\$ 185,476	\$ 169,550
Investment banking	525,591	747,779	213,949	211,879
Asset management	968,960	973,457	367,476	315,569
Other	3,987	4,763	1,236	1,227
Total revenue from contracts with customers	1,998,521	2,267,643	768,137	698,225
Other sources of revenue:				
Interest	1,439,532	682,384	506,828	451,564
Principal transactions	336,063	403,252	139,014	115,522
Other	(4,927)	3,060	3,714	(3,520)
Total revenues	\$ 3,769,189	\$ 3,356,339	\$ 1,417,693	\$ 1,261,791

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, 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 standalone 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.

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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 three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 (in thousands):

Major Business Activity:	Three Months Ended September 30, 2023 (1)				Three Months Ended March 31, 2024			
	Global				Global			
	Wealth	Instituti	Global		Wealth Management	Institutional Group	Other	Total
	ent	Group	er	Total				
	Management	onal	Oth	er				
	ent	Group	er	Total				

					16			
					5,			
Commissi					07			
ons	\$ 112,300	\$ 5	\$ —	\$ 5	\$	121,217	\$	\$ 64,259
								\$ — \$ 185,476
					49			
Capital					,6			
raising	3,895	9	—	14		4,280		90,417
					97			— 94,697
					,2			
Advisory					97,27			
	—	3	—	73		—		119,252
					14			— 119,252
					6,			
Investme					88			
nt					142,9			
banking	3,895	92	—	7		4,280		209,669
					33			— 213,949
					,3,			
Asset					12			
managem					7			
ent	333,088	39	—	7		367,450		26
					3,			— 367,476
					1,			
Other					38			
	1,319	17	4	0		1,236		— 1,236
					64			
					6,			
					46			
Total	450,602	23	4	9		494,183		273,954
								— 768,137
<i>Primary</i>								
<i>Geographi</i>								
<i>c Region:</i>								
					59			
					6,			
United					43			
States	145,7	4	43					
	450,602	87	4	3		494,183		223,450
					31			— 717,633
					,2			
United					2			
Kingdom					40			
	—	0	—	40		—		28,185
								— 28,185

				8,				
				60				
Canada	—	8,601	—	1	—	—	11,375	—
				10				
Other	—	10,19	—	,1	—	—	10,944	—
	—	5	—	95	—	—	—	10,944
				64				
				6,				
		195,8	4	46				
	\$ 450,602	\$ 23	\$ 4	\$ 9	\$ 494,183	\$ 273,954	\$ —	\$ 768,137

⁽¹⁾ Excludes revenues not derived from contracts with customers included in the Other segment.

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Three Months Ended September 30, 2022 (1)						
	Global Wealth Management		Institutional Group			Total
	Management	Group	Other			
<i>Major Business Activity:</i>						
Commissions	\$ 108,214	\$ 50,840	\$ —	\$ —	\$ 159,054	
Capital raising	4,498	50,624	—	—	55,122	
Advisory	—	166,736	—	—	166,736	
Investment banking	4,498	217,360	—	—	221,858	
Asset management	300,540	17	—	—	300,557	
Other	979	—	76	—	1,055	
Total	414,231	268,217	76	—	682,524	
<i>Primary Geographic Region:</i>						
United States	414,231	223,713	76	—	638,020	
United Kingdom	—	29,987	—	—	29,987	
Canada	—	7,920	—	—	7,920	
Other	—	6,597	—	—	6,597	
	\$ 414,231	\$ 268,217	\$ 76	\$ —	\$ 682,524	
Nine Months Ended September 30, 2023 (1)						
	Global Wealth Management		Institutional Group			Total
	Management	Group	Other	—	—	
<i>Major business activity:</i>						
Commissions	\$ 332,327	\$ 167,656	\$ —	\$ —	\$ 499,983	

Capital raising	12,118	177,263	—	189,381
Advisory	—	336,210	—	336,210
Investment banking	12,118	513,473	—	525,591
Asset management	968,863	97	—	968,960
Other	3,821	17	149	3,987
Total	1,317,129	681,243	149	1,998,521

Primary Geographic Region:

United States	1,317,129	499,047	149	1,816,325
United Kingdom	—	99,844	—	99,844
Canada	—	38,738	—	38,738
Other	—	43,614	—	43,614
	\$ 1,317,129	\$ 681,243	\$ 149	\$ 1,998,521

Nine Months Ended September 30, 2022 (1)					
	Global Wealth	Institutional			Total
	Management	Group	Other		
<i>Major business activity:</i>					
Commissions	\$ 360,994	\$ 180,650	\$ —	\$ —	\$ 541,644
Capital raising	14,701	185,390	—	—	200,091
Advisory	—	547,688	—	—	547,688
Investment banking	14,701	733,078	—	—	747,779
Asset management	973,396	61	—	—	973,457
Other	4,573	—	190	190	4,763
Total	1,353,664	913,789	190	190	2,267,643
<i>Primary Geographic Region:</i>					
United States	1,353,664	763,774	190	190	2,117,628
United Kingdom	—	101,342	—	—	101,342
Canada	—	25,043	—	—	25,043
Other	—	23,630	—	—	23,630
	\$ 1,353,664	\$ 913,789	\$ 190	\$ 190	\$ 2,267,643

(1) Excludes revenues not derived from contracts with customers included in the Other segment.

Three Months Ended March 31, 2023					
	Global Wealth	Institutional			Total
	Management	Group	Other		
<i>Major Business Activity:</i>					

Commissions	\$ 110,191	\$ 59,359	\$ —	\$ 169,550
Capital raising	4,158	56,658	—	60,816
Advisory	—	151,063	—	151,063
Investment banking	4,158	207,721	—	211,879
Asset management	315,537	32	—	315,569
Other	1,184	—	43	1,227
Total	431,070	267,112	43	698,225

<i>Primary Geographic Region:</i>				
United States	431,070	210,877	43	641,990
United Kingdom	—	23,383	—	23,383
Canada	—	22,523	—	22,523
Other	—	10,329	—	10,329
\$ 431,070	\$ 267,112	\$ 43	\$ 698,225	

See Note 22 for further break-out of revenues by geography.

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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 **September 30, 2023** **March 31, 2024**. Investment banking advisory revenues that are

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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 **September 30, 2023** **March 31, 2024**.

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 \$132.8 million and \$141.2 million at **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, respectively, in other assets in the consolidated statements of financial condition. We had no significant impairments related to these receivables during the **nine** **three** months ended **September 30, 2023** **March 31, 2024**.

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 **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023** was \$21.4 million and \$12.8 million, respectively, and is included in accounts payable and accrued expenses in the consolidated statements of financial condition.

NOTE 19 – Interest Income and Interest Expense

The components of interest income and interest expense are as follows (*in thousands*):

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Interest income:				
Loans held for investment, net	\$ 320,715	\$ 208,365	\$ 928,801	\$ 480,053
Investment securities	120,670	71,420	345,201	151,728
Interest-bearing cash and federal funds sold	35,560	7,745	83,280	11,721
Margin balances	15,651	12,510	45,874	28,154
Other	12,602	4,155	36,376	10,728
	\$ 505,198	\$ 304,195	\$ 1,439,532	\$ 682,384
Interest expense:				
Bank deposits	\$ 198,197	\$ 43,371	\$ 506,847	\$ 47,899
Senior notes	12,507	11,220	37,519	33,919
Other	9,832	5,165	22,258	4,729
	\$ 220,536	\$ 59,756	\$ 566,624	\$ 86,547
Three Months Ended March 31,				
	2024		2023	
Interest income:				
Loans held for investment, net	\$ 306,142	\$ 295,052		
Investment securities	118,535	108,327		
Interest-bearing cash and federal funds sold	54,341	22,725		
Margin balances	14,204	14,871		
Financial instruments owned	4,860	3,721		
Other	8,746	6,868		

	\$ 506,828	\$ 451,564
Interest expense:		
Bank deposits	\$ 230,064	\$ 137,288
Senior notes	12,506	12,506
Other	12,085	5,204
	\$ 254,655	\$ 154,998

NOTE 20 – 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 **5.0** **4.2** million shares at **September 30, 2023** **March 31, 2024**.

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 **\$35.2** **33.3** million and **\$33.3** **29.6** million for the three months ended **September 30, 2023** **March 31, 2024** and **2022**, respectively, and **\$102.9** million and **\$101.1** million for the nine months ended **September 30, 2023** and **2022**, **2023**, respectively.

Expense associated with our debentures, included in compensation and benefits expense in the consolidated statements of operations was **\$27.2** **27.4** million and **\$23.6** **23.9** million for the three months ended **September 30, 2023** **March 31, 2024** and **2022**, respectively, and **\$78.4** million and **\$67.8** million for the nine months ended **September 30, 2023** and **2022**, **2023**, respectively.

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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 **three** **two** **years**.

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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 **September 30, 2023** **March 31, 2024**, the total number of restricted stock units, PRSUs, and restricted stock awards outstanding was **16.2** **13.5** million, of which **14.1** **11.8** million were unvested.

At **September 30, 2023** **March 31, 2024**, there was unrecognized compensation cost for deferred awards of approximately **\$759.0** **825.1** million, which is expected to be recognized over a weighted-average period of **2.5** **2.6** years.

Deferred Compensation Plans

The Plan is provided to certain revenue producers, officers, and key administrative associates, whereby a certain percentage of their incentive compensation 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 **ability to defer a certain percentage** **earn deferred awards. These financial advisors can earn 5-6%** of their gross **commissions. As stipulated by the Plan, the financial advisors will defer 5% of commissions that is contributed to their gross commissions.** **mandatory deferral.** 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 \$4.3 **4.8** million and \$4.3 **4.6** million for the three months ended **September 30, 2023** **March 31, 2024** and **2022**, respectively and \$13.2 million and \$12.2 million for the nine months ended **September 30, 2023** and **2022, 2023**, respectively.

NOTE 21 – 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.

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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 **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, the fair value

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of securities accepted as collateral where we are permitted to sell or repledge the securities was \$1.71.6 billion and \$1.81.6 billion, respectively, and the fair value of the collateral that had been sold or repledged was \$409.0426.7 million and \$212.0417.6 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 12 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 September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, Stifel Bancorp had outstanding commitments to originate loans aggregating \$214.3248.7 million and \$164.6103.6 million, respectively. The commitments extended over varying periods of time, with all commitments at September 30, 2023 March 31, 2024, 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 **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, Stifel Bancorp had outstanding letters of credit totaling **\$33.6** **34.6** million and **\$22.9** **37.1** million, respectively. A majority of the standby letters of credit commitments at **September 30, 2023** **March 31, 2024**, 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 **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, Stifel Bancorp had granted unused lines of credit to commercial and consumer borrowers aggregating \$6.0 billion and **\$6.1** **6.3** 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 **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, the expected credit losses for unfunded lending commitments was **\$34.0** **33.7** million and **\$36.2** **33.3** million, respectively.

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NOTE 22 – 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, 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 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, 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.

Information concerning operations in these segments of business for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 is as follows (in thousands):

	Three Months Ended		Nine Months Ended			
	September 30,		September 30,		Three Months Ended March 31,	
	2023	2022	2023	2022	2024	2023
Net revenues: (1)						
Global Wealth Management	768,55	701,82	2,283,	2,081,	\$ 790,500	\$ 757,186
Institutional Group	256,88	339,40	867,02	1,182,	351,376	332,613
Other	19,605	3,911	51,606	6,132	21,162	16,994
	1,045,	1,045,	3,202,	3,269,		
	\$ 051	\$ 139	\$ 565	\$ 792	\$ 1,163,038	\$ 1,106,793
Income/(loss) before income taxes:						
Global Wealth Management	298,44	279,93	914,46	750,50	\$ 290,748	\$ 316,109
Institutional Group	(27,80			209,62	37,109	33,720
Other	4)	40,000	(5,671)	0	(109,166)	(139,946)
	16)	(114,1	(408,0	(308,7		
	109,42	205,76	500,69	651,41	\$ 218,691	\$ 209,883

⁽¹⁾ No individual client accounted for more than 10 percent of total net revenues for the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023.

The following table presents our company's total assets on a segment basis at **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023** (*in thousands*):

	December 31,		December 31,	
	September 30, 2023	2022	March 31, 2024	2023
Global Wealth Management	\$ 32,601,555	\$ 32,449,466	\$ 32,899,009	\$ 32,773,613
Institutional Group	4,779,831	4,285,212	4,895,407	4,564,058
Other	496,191	461,446	463,864	389,789
	\$ 37,877,577	\$ 37,196,124	\$ 38,258,280	\$ 37,727,460

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.

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Revenues, classified by the major geographic areas in which they were earned for the three **and nine** months ended **September 30, 2023** **March 31, 2024** and **2022, 2023**, were as follows (*in thousands*):

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
United States	\$ 979,282	\$ 987,770	\$ 2,982,274	\$ 3,085,241
United Kingdom	45,095	40,980	131,855	134,836
Canada	8,364	7,798	37,195	21,182
Other	12,310	8,591	51,241	28,533
	\$ 1,045,051	\$ 1,045,139	\$ 3,202,565	\$ 3,269,792
Three Months Ended March 31,				
	2024		2023	
United States	\$ 1,101,004		\$ 1,038,895	
United Kingdom	37,525		33,197	
Canada	11,620		21,978	
Other	12,889		12,723	
	\$ 1,163,038		\$ 1,106,793	

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NOTE 23 – 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 three and nine months ended **September 30, 2023** **March 31, 2024** and **2022** **2023** (in thousands, except per share data):

	Three Months		Nine Months		Three Months Ended March 31,	
	Ended September		Ended September			
	30,	2023	30,	2022	2024	2023
Net income	68,16	151,1	360,0	485,5	\$ 163,575	\$ 157,539
Preferred dividends			27,96	27,96	9,320	9,320
Net income available to common shareholders	58,84	141,8	332,0	457,5	\$ 154,255	\$ 148,219
Shares for basic and diluted calculation:						
Average shares used in basic computation	106,0	108,7	107,5	109,0	104,275	108,754
Dilutive effect of stock options and units ⁽¹⁾	68	67	80	17	5,710	6,636
Average shares used in diluted computation	113,1	117,2	114,1	117,6	109,985	115,390
Earnings per common share:						
Basic	\$ 0.55	\$ 1.30	\$ 3.09	\$ 4.20	\$ 1.48	\$ 1.36
Diluted	\$ 0.52	\$ 1.21	\$ 2.91	\$ 3.89	\$ 1.40	\$ 1.28

⁽¹⁾ Diluted earnings per share is computed on the basis of the weighted-average number of shares of common stock plus effect of dilutive potential common shares outstanding during the period using the treasury stock method. Diluted earnings per share include units.

For the three and nine months ended September 30, 2023 March 31, 2024 and 2022, the anti-dilutive effect from restricted stock units was immaterial.

Cash Dividends

During the three and nine months ended September 30, 2023 March 31, 2024, we declared and paid cash dividends of \$0.42 per common share. During the three months ended March 31, 2023, we declared and paid cash dividends of \$0.36 and \$1.08 per common share. During the three and nine months ended September 30, 2022, we declared and paid cash dividends of \$0.30 and \$0.90 per common share.

NOTE 24 – 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 September 30, 2023 March 31, 2024, the maximum number of shares that may yet be purchased under this plan was 4.211.0 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 company's employee benefit plans and for general corporate purposes. During the three months ended September 30, 2023 March 31, 2024, we repurchased \$118.860.7 million or 1.90.8 million shares using existing Board authorizations at an average price of \$63.0072.27 per share to meet obligations under our company's employee benefit plans and for general corporate purposes. During the nine months ended September 30, 2023 March 31, 2023, we repurchased \$300.294.5 million or 4.81.5 million shares using existing Board authorizations at an average price of \$62.14 per share to meet obligations under our company's employee benefit plans and for general corporate purposes. There were no share repurchases during the three months ended September 30, 2022. During the nine months ended September 30, 2022, we repurchased \$30.7 million, or 0.5 million shares using existing Board authorizations at an average price of \$60.6865.07 per share to meet obligations under our company's employee benefit plans and for general corporate purposes.

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Issuance of Common Stock from Treasury

During the nine months ended September 30, 2023 March 31, 2024, we issued 2.62.4 million shares which were primarily reissued of common stock from treasury. Share issuances were treasury, primarily a result of the vesting and conversion exercise transactions under our incentive stock award plans.

NOTE 25 – 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.

Securitization Interests

During the first quarter of 2024, the Company purchased the E-Certificates of Turbine Engines Securitization Ltd. ("Turbine"). The purchase of these Turbine E-Certificates represents 100% of the equity of Turbine. The Company has determined the interest it holds in this VIE requires consolidation in its financial statements, as it is deemed to be the primary beneficiary. The assets acquired and liabilities assumed were recorded at fair value as of the consolidation date. At March 31, 2024, Turbine has assets of \$114.5 million, which consist of aircraft engines that are under operating leases, included in fixed assets, net in the accompanying consolidated statement of financial condition and liabilities of \$113.2 million, which primarily consist of debt, included in accounts payable and accrued expenses in the accompanying consolidated statement of financial condition.

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 cash and cash equivalents, aircraft, aircraft engine-related assets, receivables, other 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*):

	September 30, 2023			March 31, 2024		
	Aggregate Assets	Aggregate Liabilities	Our Risk of Loss	Aggregate Assets	Aggregate Liabilities	Our Risk of Loss
Debt and Equity Investments	\$ 401,245	\$ 274,342	\$ 27,627	\$ 466,060	\$ 275,009	\$ 40,062

Partnership Interests	336,271	768	—	265,772	10,111	—
	<u>\$ 737,516</u>	<u>\$ 275,110</u>	<u>\$ 27,627</u>	<u>\$ 731,832</u>	<u>\$ 285,120</u>	<u>\$ 40,062</u>

	December 31, 2022			December 31, 2023		
	Aggregate Assets	Aggregate Liabilities	Our Risk of Loss	Aggregate Assets	Aggregate Liabilities	Our Risk of Loss
Debt and Equity Investments	\$ 388,408	\$ 296,375	\$ 14,776	\$ 456,286	\$ 277,924	\$ 40,088
Partnership Interests	402,703	1,180	—	341,980	678	—
	<u>\$ 791,111</u>	<u>\$ 297,555</u>	<u>\$ 14,776</u>	<u>\$ 798,266</u>	<u>\$ 278,602</u>	<u>\$ 40,088</u>

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.

NOTE 26 – Subsequent Events

We evaluate subsequent events that have occurred after the balance sheet date but before the financial statements are issued. There are two types of subsequent events: (1) recognized, or those that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing financial statements, and (2) non-recognized, or those that provide evidence about conditions that did not exist at the date of the balance sheet but arose after that date. Based on the evaluation, we did not identify any recognized and non-recognized subsequent events that would have required adjustment to the consolidated financial statements.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of the financial condition and results of operations of the Company should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended **December 31, 2022** December 31, 2023, and the accompanying consolidated financial statements and notes thereto contained in this Quarterly Report on Form 10-Q.

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 and market conditions, the investment banking industry, 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 under "Economic and Market Conditions" in Part II, Item 1A in this Quarterly Report on Form 10-Q, as well as the factors identified under "Risk Factors" in Part I, Item 1A of the Company's Annual Report on Form 10-K for the year ended **December 31, 2022** December 31, 2023, as updated in our subsequent reports filed with the SEC. These reports are available at the Company's web site at www.stifel.com and at the SEC web site at www.sec.gov.

Because of these and other uncertainties, the Company's actual future results may be materially different from the results indicated by these forward-looking statements. In addition, the Company's past results of operations do not necessarily indicate its future results. Forward-looking statements speak only as of the date they are made, and the Company undertakes no obligation to update them in light of new information or future events, unless it is obligated to do so under federal securities laws.

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 March 14, 2024, the Company acquired Torreya Partners LLC, announced it signed a leading independent M&A definitive agreement to acquire Finance 500, Inc. ("Finance 500") and private capital advisory firm serving the global life sciences industry.

On August 1, 2023 CB Resource, Inc. ("CBR"), the Company acquired Sierra Pacific, an algorithmic trading-focused, which operate as strategic partners under common ownership. Finance 500 is a brokerage and investment services provider focused on underwriting FDIC-insured Certificates of Deposits and fixed income market-making firm.

For the three months ended September 30, 2023 March 31, 2024, net revenues remained relatively consistent with increased 5.1% to \$1.2 billion from \$1.1 billion during the comparable period in 2022 at \$1.05 billion. Net income available to common shareholders decreased 58.5% increased 4.1% to \$58.8 million \$154.3 million, or \$0.52 \$1.40 per diluted common share for the three months ended September 30, 2023 March 31, 2024, compared to \$141.8 million \$148.2 million, or \$1.21 \$1.28 per diluted common share during the comparable period in 2022. Net income available 2023.

Our revenue growth was primarily attributable to common shareholders was negatively impacted by elevated provisions for legal and regulatory matters of \$0.58 per diluted common share (after-tax). Net revenues for the three months ended September 30, 2023 were positively impacted by higher net interest income, asset management, transactional, and capital-raising revenues and commission revenues, during the quarter, partially offset by lower advisory, capital-raising, and principal transactions revenues.

For the nine months ended September 30, 2023, net revenues decreased 2.1% to \$3.2 billion compared to \$3.3 billion during the comparable period in 2022. Net income available to common shareholders decreased 27.4% to \$332.1 million, or \$2.91 per diluted common share for the nine months ended September 30, 2023, compared to \$457.6 million, or \$3.89 per diluted common share during the comparable period in 2022. Our revenue decline was primarily attributable to lower advisory, transactional, capital-raising, and asset management revenues, partially offset by higher net interest income and advisory revenues. We benefited from market conditions that included strong equity markets, recovering capital markets, and an improving U.S. economy.

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.

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 "Risk Factors" in the **2022** **2023** Form 10-K.

Impact of Change in Short-term Interest Rates

During 2023, At its meetings in first quarter of 2024, the Federal Reserve ("FED") remained committed unanimously decided to tightening monetary policy as hold the target federal funds rate steady at 5.25% to 5.50%, a means of combating inflation. 23-year high and the fifth consecutive meeting with no target rate change. While modest decreases in key inflationary measures such as the Consumer Price Index demonstrated market generally expected that the rate increases implemented throughout 2022 were beginning Federal Reserve would ease rates to have their intended impact, unexpectedly some extent in 2024 given the strong job growth performance of the U.S. economy and consumer spending data led the FED to conclude that further short-term rate increases were necessary. As a result, the FED increased low unemployment levels, the Federal funds rate by 25 basis point to a target Reserve has held them at their current, more restrictive range of 5.25% to 5.50% during since the three months ended September 30, 2023. However, the smaller nature (25 basis point) outset of the 2023 rate increases balances year given higher than anticipated inflationary readings and the FED's intention not Federal Reserve's desire for inflation to 'over-tighten,' while also acknowledging that a contraction in bank lending in light of the Silicon Valley Bank and Signature Bank failures will likely help ease inflation. return to its 2% long-term target. The FED's Federal Reserve's median forecast currently projects one additional three rate increase decreases during 2023. 2024, though this is subject to change and the market believes that these restrictive conditions will likely continue.

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 While the Federal Reserve hasn't eased rates in 2024, any future rate decreases to the federal funds rate are favorable to the Company's may result in reduced interest-based revenue. However, revenues though any future federal funds rate increases may improve these revenues. While decreases in interest rates will increase lower fees the Company earns from FDIC-insured FDIC insured deposits of clients through a program offered by the Company, though such increases decreases may be offset to some extent a degree if the cash sweep balances decrease increase as clients seek find fewer higher-yielding investments. These alternatives to deploy these balances. Future rate increases decreases will also increase reduce the rates the Company charges on margin balances and which will have a positive negative impact on our earnings.

RESULTS OF OPERATIONS

Three Months Ended September 30, 2023 **March 31, 2024** Compared with **Three Months Ended September 30, 2022** **March 31, 2023**

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

	As a Percentage of Net Revenues For the Three Months Ended September 30,				
	Three Months Ended September 30,			30,	
	2023	2022	Change	2023	2022
Revenues:					
Commissions	\$ 165,075	\$ 159,054	3.8	15.8 %	15.2 %
Principal transactions	114,841	118,379	(3.0)	11.0	11.3
<i>Transactional revenues</i>	279,916	277,433	0.9	26.8	26.5
Investment banking	146,887	221,858	(33.8)	14.1	21.2
Asset management	333,127	300,557	10.8	31.9	28.8
Interest	505,198	304,195	66.1	48.3	29.1
Other income	459	852	(46.1)	0.0	0.1
	1,265,58	1,104,89			
Total revenues	7	5	14.5	121.1	105.7
Interest expense	220,536	59,756	269.1	21.1	5.7
	1,045,05	1,045,13			
Net revenues	1	9	(0.0)	100.0	100.0
Non-interest expenses:					
Compensation and benefits	613,287	611,870	0.2	58.7	58.5
Occupancy and equipment rental	84,396	77,230	9.3	8.1	7.4
Communication and office supplies	46,215	43,825	5.5	4.4	4.2
Commissions and floor brokerage	14,413	13,576	6.2	1.4	1.3
Provision for credit losses	9,992	6,453	54.8	1.0	0.6
Other operating expenses	167,319	86,416	93.6	15.9	8.3

Total non-interest expenses	935,622	839,370	11.5	89.5	80.3
Income before income taxes	109,429	205,769	(46.8)	10.5	19.7
Provision for income taxes	41,268	54,600	(24.4)	4.0	5.2
Net income	68,161	151,169	(54.9)	6.5	14.5
Preferred dividends	9,321	9,320	0.0	0.9	0.9
Net income available to common shareholders	\$ 58,840	\$ 141,849	(58.5)	5.6 %	13.6 %

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	As a Percentage of Net Revenues For the Three Months Ended March 31,				
	Three Months Ended March 31,			Months Ended March 31,	
	2024	2023	Change	2024	2023
Revenues:					
Commissions	\$ 185,476	\$ 169,550	9.4	15.9 %	15.3 %
Principal transactions	139,014	115,522	20.3	12.0	10.5
<i>Transactional revenues</i>	324,490	285,072	13.8	27.9	25.8
Investment banking	213,949	211,879	1.0	18.4	19.1
Asset management	367,476	315,569	16.4	31.6	28.5
Interest	506,828	451,564	12.2	43.6	40.8
Other income	4,950	(2,293)	315.9	0.4	(0.2)
	1,417,69	1,261,79			
Total revenues	3	1	12.4	121.9	114.0
Interest expense	254,655	154,998	64.3	21.9	14.0
	1,163,03	1,106,79			
Net revenues	8	3	5.1	100.0	100.0
Non-interest expenses:					
Compensation and benefits	679,695	651,190	4.4	58.4	58.8
Occupancy and equipment rental	88,712	82,140	8.0	7.6	7.4
Communication and office supplies	47,367	46,136	2.7	4.1	4.2
Commissions and floor brokerage	15,767	14,440	9.2	1.4	1.3
Provision for credit losses	5,268	4,920	7.1	0.5	0.4
Other operating expenses	107,538	98,084	9.6	9.2	8.9
Total non-interest expenses	944,347	896,910	5.3	81.2	81.0
Income before income taxes	218,691	209,883	4.2	18.8	19.0

Provision for income taxes	55,116	52,344	5.3	4.7	4.8
Net income	163,575	157,539	3.8	14.1	14.2
Preferred dividends	9,320	9,320	—	0.8	0.8
Net income available to common shareholders	\$ 154,255	\$ 148,219	4.1	13.3 %	13.4 %

Nine Months Ended September 30, 2023 Compared with Nine Months Ended September 30, 2022

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

	As a Percentage of Net Revenues For the Nine Months Ended September				
	Nine Months Ended September 30,		30,		
	2023	2022	Change	2023	2022
Revenues:					
Commissions	\$ 499,983	\$ 541,644	(7.7)	15.6 %	16.6 %
Principal transactions	336,063	403,252	(16.7)	10.5	12.3
<i>Transactional revenues</i>	836,046	944,896	(11.5)	26.1	28.9
Investment banking	525,591	747,779	(29.7)	16.4	22.9
Asset management	968,960	973,457	(0.5)	30.3	29.8
	1,439,53				
Interest	2	682,384	111.0	44.9	20.9
Other income	(940)	7,823	(112.0)	(0.0)	0.1
	3,769,18	3,356,33			
Total revenues	9	9	12.3	117.7	102.6
Interest expense	566,624	86,547	554.7	17.7	2.6
	3,202,56	3,269,79			
Net revenues	5	2	(2.1)	100.0	100.0
Non-interest expenses:					
	1,880,14	1,938,27			
Compensation and benefits	4	0	(3.0)	58.7	59.3
Occupancy and equipment rental	251,140	232,507	8.0	7.8	7.1
Communication and office supplies	137,320	129,926	5.7	4.3	4.0
Commissions and floor brokerage	42,965	44,569	(3.6)	1.3	1.4
Provision for credit losses	22,736	27,478	(17.3)	0.7	0.8
Other operating expenses	367,563	245,623	49.6	11.6	7.5

Total non-interest expenses	2,701,86	2,618,37	3.2	84.4	80.1
	8	3			
Income before income taxes	500,697	651,419	(23.1)	15.6	19.9
Provision for income taxes	140,645	165,885	(15.2)	4.4	5.1
Net income	360,052	485,534	(25.8)	11.2	14.8
Preferred dividends	27,961	27,961	—	0.8	0.8
Net income available to common shareholders	\$ 332,091	\$ 457,573	(27.4)	10.4%	14.0%

NET REVENUES

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

Net revenues:	Three Months Ended			Nine Months Ended			Three Months Ended March 31,		
	September 30,		%	September 30,		%	2024		%
	2023	2022	Change	2023	2022	Change	2023	2022	Change
Commissions	165, \$ 075	159, \$ 054	3. 8	499, \$ 983	541, \$ 644	(7. 7)	185,476	\$ 169,550	9.4
Principal transaction fees	114, \$ 841	118, 379	(3. 0)	336, 063	403, 252	(1. 6.7)	139,014	115,522	20.3
Transactional revenues	279, 916	277, 433	0. 9	836, 046	944, 896	(1. 1.5)	324,490	285,072	13.8
Capital raising	49,6 15	55,1 22	0. (0)	189, 381	200, 091	(5. 4)	94,697	60,816	55.7
Advisory	97,2 72	166, 736	1. (7)	336, 210	547, 688	(3. 8.6)	119,252	151,063	(21.1)
Investment banking	146, 887	221, 858	3. (8)	525, 591	747, 779	(2. 9.7)	213,949	211,879	1.0

Asset									
management	333,	300,	10	968,	973,	(0.			
nt	127	557	.8	960	457	5)	367,476	315,569	16.4
	284,	244,	16	872,	595,	46.			
Net interest	662	439	.5	908	837	5	252,173	296,566	(15.0)
			(4			(1			
Other			6.		7,82	12.			
income	459	852	1)	(940)	3	0)	4,950	(2,293)	315.9
Total net	1,04	1,04		3,20	3,26				
revenue	5,05	5,13	(0.	2,56	9,79	(2.			
s	\$ 1	\$ 9	0)	\$ 5	\$ 2	1)	\$ 1,163,038	\$ 1,106,793	5.1

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 three months ended September 30, 2023 March 31, 2024, commission revenues increased 3.8% 9.4% to \$165.1 million \$185.5 million from \$159.1 million \$169.6 million in the comparable period in 2022. For the nine months ended September 30, 2023, commission revenues decreased 7.7% to \$500.0 million from \$541.6 million in the comparable period in 2022. 2023.

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

For the three months ended September 30, 2023 March 31, 2024, principal transactions revenues decreased 3.0% increased 20.3% to \$114.8 million \$139.0 million from \$118.4 million \$115.5 million in the comparable period in 2022. For the nine months ended September 30, 2023, principal transactions revenues decreased 16.7% to \$336.1 million from \$403.3 million in the comparable period in 2022. 2023.

Transactional revenues – For the three months ended September 30, 2023 March 31, 2024, transactional revenues increased 0.9% 13.8% to \$279.9 million \$324.5 million from \$277.4 million \$285.1 million in the comparable period in 2022. For the nine months ended September 30, 2023, transactional revenues decreased 11.5% to \$836.0 million from \$944.9

million in the comparable period in 2022²⁰²³ as a result of a decrease^{an increase} 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 three months ended **September 30, 2023****March 31, 2024**, investment banking revenues **decreased** 33.8%**increased** 1.0% to **\$146.9 million****\$213.9 million** from **\$221.9 million****\$211.9 million** in the comparable period in **2022, 2023**.

Capital-raising revenues **decreased** 10.0%**increased** 55.7% to **\$49.6 million****\$94.7 million** for the three months ended **September 30, 2023****March 31, 2024** from **\$55.1 million****\$60.8 million** in the comparable period in **2022, 2023**. For the three months ended **September 30, 2023****March 31, 2024**, equity capital-raising revenues **decreased** 12.0%**increased** 58.7% to **\$22.6 million****\$42.3 million** from **\$25.7 million****\$26.6 million** in the comparable period in **2022, 2023** driven by **lower volumes** during the **quarter**, **higher volumes**. For the three months ended **September 30, 2023****March 31, 2024**, fixed income capital-raising revenues **decreased** 8.3%**increased** 53.4% to **\$27.0 million****\$52.4 million** from **\$29.3 million****\$34.2 million** in the comparable period in **2022** as macroeconomic conditions contributed to **lower** 2023 driven by **higher bond issuances** during the **quarter**, **first quarter of 2024**.

Advisory revenues decreased 41.7%^{21.1%} to **\$97.3 million****\$119.3 million** for the three months ended **September 30, 2023****March 31, 2024** from **\$166.7 million****\$151.1 million** in the comparable period in **2022, 2023**. The decrease is primarily attributable to **lower** levels of completed advisory transactions during the **quarter**.

For the nine months ended September 30, 2023, investment banking revenues decreased 29.7% to \$525.6 million from \$747.8 million in the comparable period in 2022.

Capital-raising revenues decreased 5.4% to \$189.4 million for the nine months ended September 30, 2023 from \$200.1 million in the comparable period in 2022. For the nine months ended September 30, 2023, equity capital-raising revenues decreased 6.2% to \$81.1 million from \$86.5 million in the comparable period in 2022. The decrease is primarily attributable to **lower** issuances in line with market volumes in an uncertain market environment. For the nine months ended September 30, 2023, fixed income capital-raising revenues decreased 4.7% to \$108.3 million from \$113.6 million in the comparable period in 2022 as macroeconomic conditions contributed to **lower** bond issuances during 2023.

Advisory revenues decreased 38.6% to \$336.2 million for the nine months ended September 30, 2023 from \$547.7 million in the comparable period in 2022. The decrease is primarily attributable to **lower** levels of completed advisory transactions.

Asset management – Asset management revenues 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. 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 levels of net new client assets. 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.

For the three months ended **September 30, 2023** **March 31, 2024**, asset management revenues increased **10.8%** **16.4%** to **\$333.1 million** **\$367.5 million** from **\$300.6 million** **\$315.6 million** in the comparable period in **2022**. For the nine months ended September 30, 2023, asset management revenues decreased 0.5% to \$969.0 million from \$973.5 million in the comparable period in **2022**. Please refer to "Asset management" in the Global Wealth Management segment discussion for information on the changes in asset management revenues.

Other income – Other income primarily includes investment gains and losses, rental income, and loan originations fees. For the three months ended **September 30, 2023** **March 31, 2024**, other income decreased **46.1%** increased **315.9%** to **\$0.5 million** **\$5.0 million** from **\$0.9 million** a loss of **\$2.3 million** during the comparable period in **2022**. **2023**. The decrease increase is primarily attributable to a decrease lower investment losses in the first quarter of 2024, rental income generated from our aircraft engine leasing business, and higher loan origination fees, partially offset fees. The first quarter of 2023 was negatively impacted by investment gains during the quarter. For the nine months ended September 30, 2023, other income decreased 112.0% to a loss of \$0.9 million from \$7.8 million during the comparable period 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 from the comparable period in 2022. investments.

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NET INTEREST INCOME

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

	Three Months Ended							
	March 31, 2024			March 31, 2023				
	Interest		Interest	Interest		Interest		
	Average	Income/		Average	Expens			
Interest-earning assets:								
Interest-bearing cash and federal funds sold								
Interest-bearing cash and federal funds sold	\$ 4,060,336	\$ 54,341	5.35 %	\$ 1,989,550	\$ 22,725	4.57 %		
Financial instruments owned	911,671	4,860	2.13	877,653	3,721	1.70		
Margin balances	699,780	14,204	8.12	831,225	14,871	7.16		

Investment portfolio	7,538,751	118,535	6.29	7,831,246	108,32	5.53
					7	
	19,743,19			20,936,33	295,05	
Loans	3	306,142	6.20	8	2	5.64
Other interest-bearing assets	755,076	8,746	4.63	797,285	6,868	3.45
Total interest-earning assets/interest income	33,708,80			33,263,29	451,56	
Interest-bearing liabilities:						
Stock loan	\$ 207,000	\$ (1,400)	(2.71 %)	\$ 135,840	\$ (2,785)	(8.20 %)
Senior notes	1,115,721	12,506	4.48	1,114,646	12,506	4.49
Stifel Capital Trusts	60,000	1,123	7.49	60,000	1,044	6.96
	27,607,76			27,138,00	137,28	
Deposits	4	230,064	3.33	5	8	2.02
FHLB	—	—	0.00	5,556	68	4.92
Other interest-bearing liabilities	1,118,767	12,362	4.42	969,047	6,877	2.84
Total interest-bearing liabilities/interest expense	30,109,25			29,423,09	154,99	
	\$ 2	254,655	3.38 %	\$ 4	8	2.11 %
					296,56	
Net interest income/margin		\$ 252,173	2.99 %		\$ 6	3.57 %
Three Months Ended						
September 30, 2023						
Average						
Interest						
Interest Income/						
Average						
Balance						
Expense						
Interest Rate						
Interest-earning assets:						
Interest-bearing cash and federal funds sold	\$ 2,595,065	\$ 35,560	5.48 %	\$ 1,302,894	\$ 7,745	2.38 %
Financial instruments owned	875,606	4,402	2.01 %	982,689	3,564	1.45 %
Margin balances	768,187	15,651	8.15 %	1,062,323	12,510	4.71 %
		120,67				
Investment portfolio	7,711,905	0	6.26 %	7,938,004	71,420	3.60 %
	20,562,83	320,71		20,376,06	208,36	
Loans	4	5	6.24 %	5	5	4.09 %
Other interest-bearing assets	730,859	8,200	4.49 %	889,513	591	0.27 %

Total interest-earning assets/interest income	\$ 33,244,45	\$ 505,19	6.08 %	\$ 32,551,48	\$ 304,19	3.74 %
Interest-bearing liabilities:						
Stock loan						
	\$ 127,777	\$ (1,634)	(5.12 %)	\$ 349,942	\$ (4,070)	(4.65 %)
Senior notes	1,115,183	12,507	4.49 %	1,114,108	11,220	4.03 %
Stifel Capital Trusts	60,000	1,125	7.50 %	60,000	574	3.83 %
	27,247,35	198,19		25,998,24		
Deposits	9	7	2.91 %	8	43,371	0.67 %
FHLB	—	—	0.00 %	542,228	3,270	2.41 %
Other interest-bearing liabilities	1,031,170	10,341	4.01 %	1,006,365	5,391	2.14 %
Total interest-bearing liabilities/interest expense	29,581,48	220,53		29,070,89		
	\$ 9	6	2.98 %	\$ 1	59,756	0.82 %
		284,66			244,43	
Net interest income/margin	\$ 2	3.43 %		\$ 9		3.00 %
Nine Months Ended						
September 30, 2023						
Average						
Interest						
Average						
Balance						
Interest/Expense						
Interest Rate						
Interest-earning assets:						
Interest-bearing cash and federal funds sold						
	\$ 2,202,822	\$ 83,280	5.04 %	\$ 1,245,794	\$ 11,721	1.25 %
Financial instruments owned	872,639	12,754	1.95 %	1,109,940	13,041	1.57 %
Margin balances	798,335	45,874	7.66 %	1,085,889	28,154	3.46 %
Investment portfolio	7,768,915	345,201	5.92 %	7,602,909	151,728	2.66 %
	20,805,88			18,927,96		
Loans	0	928,801	5.95 %	0	480,053	3.38 %
Other interest-bearing assets	748,762	23,622	4.21 %	991,939	(2,313)	(0.31 %)
Total interest-earning assets/interest income	33,197,35	1,439,53		30,964,43		
	\$ 3	\$ 2	5.78 %	\$ 1	\$ 682,384	2.94 %
Interest-bearing liabilities:						
Stock loan						
	\$ 133,539	(7,414)	(7.40 %)	\$ 359,082	\$ (15,077)	(5.60 %)
Senior notes	1,114,917	37,519	4.49 %	1,113,842	33,919	4.06 %
Stifel Capital Trusts	60,000	3,220	7.16 %	60,000	1,280	2.84 %

Deposits	27,203,29	506,847	2.48 %	24,463,85	47,899	0.26 %
	4			8		
FHLB	1,833	68	4.97 %	318,884	4,094	1.71 %
Other interest-bearing liabilities	994,781	26,384	3.54 %	1,098,534	14,432	1.75 %
Total interest-bearing liabilities/interest expense	29,508,36			27,414,20		
	\$ 4	566,624	2.56 %	\$ 0	86,547	0.42 %
Net interest income/margin		\$ 872,908	3.51 %		\$ 595,837	2.57 %

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.

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 three months ended **September 30, 2023** **March 31, 2024**, net interest income **increased** **decreased** to **\$284.7 million** **\$252.2 million** from **\$244.4 million** **\$296.6 million** during the comparable period in **2022**. For the nine months ended September 30, 2023, net interest income increased to **\$872.9 million** from **\$595.8 million** during the comparable period in **2022**. **2023**.

For the three months ended **September 30, 2023** **March 31, 2024**, interest revenue increased **66.1%** **12.2%** to **\$505.2 million** **\$506.8 million** from **\$304.2 million** **\$451.6 million** in the comparable period in **2022**, **2023**, principally as a result of **higher** **an increase in interest rates and an increase in interest-earning assets. The average**

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interest-earning assets of Stifel Bancorp increased to **\$29.9 billion** during the three months ended September 30, 2023 compared to **\$28.9 billion** during the comparable period in **2022** at average interest rates of **6.21%** and **3.93%**, respectively.

For the nine months ended September 30, 2023, interest revenue increased **111.0%** to **\$1.4 billion** from **\$682.4 million** in the comparable period 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 **\$29.8 billion** **\$30.2 billion** during the **nine** **three** months ended **September 30, 2023** **March 31, 2024** compared to **\$27.1 billion** **\$29.7 billion** during the comparable period in **2022** **2023** at average interest rates of **5.92%** **6.16%** and **3.14%** **5.58%**, respectively.

For the three months ended **September 30, 2023** **March 31, 2024**, interest expense increased **269.1%** **64.3%** to **\$220.5 million** **\$254.7 million** from **\$59.8 million** **\$155.0 million** during the comparable period in **2022**, **2023**. The increase is primarily attributable to **higher interest rates and interest-bearing liabilities**. The average interest-bearing liabilities of Stifel Bancorp increased to **\$27.2 billion** **\$27.7 billion** during the three months ended **September 30, 2023** **March 31, 2024** compared to **\$26.5 billion** **\$27.1 billion** during the comparable period in **2022** **2023** at average interest rates of **2.91%** **3.34%** and **0.70%** **2.02%**, respectively.

For the nine months ended September 30, 2023, interest expense increased **554.7%** to **\$566.6 million** from **\$86.5 million** in the comparable period 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 \$27.2 billion during the nine months ended September 30, 2023 compared to \$24.8 billion during the comparable period in 2022 at average interest rates of 2.49% and 0.28%, respectively.

NON-INTEREST EXPENSES

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

Non-interest expenses:	Three Months Ended September 30,			Nine Months Ended September 30,			Three Months Ended March 31,		
			%			%			
			Change			Change			
	2023	2022	% Change	2023	2022	% Change	2024	2023	% Change
Compensation and benefits	61	61		1,88	1,93				
Occupancy and equipment rental	3,2	1,8	0.3%	0,14	8,27	(3.3%)			
Communication s and office supplies	\$ 87	\$ 70	2%	\$ 4	\$ 0	0)	\$ 679,695	\$ 651,190	4.4%
Commissions and floor brokerage	84,39	77,23	9.0%	251,140	232,507	8.0%	88,712	82,140	8.0%
Provision for credit losses	46,21	43,82	5.5%	137,320	129,926	5.7%	47,367	46,136	2.7%
Other operating expenses	14,16	13,86	6.2%	42,965	44,569	(3.6%)	15,767	14,440	9.2%
	9,9	6,4	54.8%	22,736	27,478	(17.3%)	5,268	4,920	7.1%
	92	53	.8%						
	7,3	41	93.6%	367,563	245,623	49.6%	107,538	98,084	9.6%

Total non-interest expenses	93	83	2,70	2,61							
	5,6	9,3	11	1,86	8,37						
	\$ 22	\$ 70	.5	\$ 8	\$ 3	3.2	\$	944,347	\$	896,910	5.3

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 employee-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 three months ended September 30, 2023 March 31, 2024, compensation and benefits expense increased 0.2% 4.4% to \$613.3 million \$679.7 million from \$611.9 million \$651.2 million during the comparable period in 2022. For the nine months ended September 30, 2023, compensation and benefits expense decreased 3.0% to \$1.88 billion from \$1.94 billion during the comparable period in 2022. The decrease increase in compensation and benefits expenses is primarily attributable to lower variable compensation expense, higher compensable revenues.

Compensation and benefits expense as a percentage of net revenues was 58.7% and 58.7% 58.4% for the three and nine months ended September 30, 2023 March 31, 2024, respectively, compared to 58.5% and 59.3% 58.8% for the three and nine months ended September 30, 2022, respectively. The compensation ratios benefited from decrease is primarily attributable to higher net interest income, which is a relatively low compensatory revenue source, revenues over the comparable period in 2023.

Occupancy and equipment rental – For the three months ended September 30, 2023, occupancy and equipment rental expense increased 9.3% to \$84.4 million from \$77.2 million during the comparable period in 2022. For the nine months ended September 30, 2023 March 31, 2024, occupancy and equipment rental expense increased 8.0% to \$251.1 million \$88.7 million from \$232.5 million \$82.1 million during the comparable period in 2022. The increase is primarily attributable to higher furniture data processing expense and equipment and data processing occupancy costs associated with the continued investments made in our business and higher occupancy costs as a result of an increase in locations over the comparable period in 2022. business activity.

Communications and office supplies – Communications expense includes costs for telecommunication and data communication, primarily for obtaining third-party market data information. For the three months ended September 30, 2023 March 31, 2024, communications and office supplies expense increased 5.5% 2.7% to \$46.2 million \$47.4 million from \$43.8 million \$46.1 million during the comparable period in 2022. For the nine months ended September 30, 2023, communications and office supplies expense increased 5.7% to \$137.3 million from \$129.9 million during the comparable period in 2022. The increase is primarily attributable to higher communication and quote equipment and postage and shipping expenses associated with the continued investments made in growth of our business.

Commissions and floor brokerage – For the three months ended September 30, 2023 March 31, 2024, commissions and floor brokerage expense increased 6.2% 9.2% to \$14.4 million \$15.8 million from \$13.6 million \$14.4 million during the

comparable period in 2022. The increase is primarily attributable to higher electronic communication network ("ECN") trading costs, and processing expenses, partially offset by lower clearing expenses.

For the nine months ended September 30, 2023, commissions and floor brokerage expense decreased 3.6% to \$43.0 million from \$44.6 million during the comparable period in 2022. The decrease is primarily attributable to lower clearing expenses, partially offset by higher ECN trading costs and processing expenses.

Provision for credit losses – For the three months ended September 30, 2023 March 31, 2024, provision for credit losses increased 54.8% 7.1% to \$10.0 million \$5.3 million from \$6.5 million \$4.9 million during the comparable period in 2022. The provision for the quarter was primarily impacted by a deterioration in certain asset classes, partially offset by a slightly better macroeconomic forecast. For the nine months ended September 30, 2023, provision for credit losses decreased 17.3% to \$22.7 million from \$27.5 million during the comparable period in 2022. The decrease increase is primarily attributable to reserve reductions during 2023. changes in the outlook for macroeconomic conditions.

Other operating expenses – Other operating expenses primarily include license and registration fees, litigation-related expenses, which consist of amounts we reserve accrue and/or pay out related to legal and regulatory matters, travel and entertainment, promotional expenses and expenses for professional services.

For the three months ended September 30, 2023 March 31, 2024, other operating expenses increased 93.6% 9.6% to \$167.3 million \$107.5 million from \$86.4 million \$98.1 million during the comparable period 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 FDIC-insurance expense, travel and entertainment expenses, advertising, and professional fees, partially offset by lower investment banking transaction expenses and subscriptions.

For the nine months ended September 30, 2023, other operating expenses increased 49.6% to \$367.6 million from \$245.6 million during the comparable period in 2022. The increase is primarily attributable to aforementioned provision for legal increases in FDIC-insurance expense, investment banking transaction expenses, professional fees, advertising, and regulatory matters, as well as higher travel and entertainment expenses, advertising, FDIC-insurance expense, professional fees, conference-related expenses, and subscriptions, partially offset by lower investment banking transaction settlement-related expenses.

Provision for income taxes – For the three and nine months ended September 30, 2023 March 31, 2024, our provision for income taxes was \$41.3 million and \$140.6 million \$55.1 million, representing an effective tax rate of 37.7% and 28.1% 25.2%, respectively, compared to \$54.6 million and \$165.9 million \$52.3 million for the comparable periods period in 2022. 2023, representing an effective tax rate of 26.5% and 25.5%, respectively 24.9%. The effective tax rate for the three months ended September 30, 2023 was negatively impacted by the non-deductibility of the provision for legal excess tax benefit related to stock based compensation and regulatory matters recorded during the quarter, non-deductible foreign losses.

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 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.

We evaluate the performance of our segments and allocate resources to them based on various factors, including prospects for growth, return on investment, and return on revenues.

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Results of Operations – Global Wealth Management

Three Months Ended September 30, 2023 **March 31, 2024** Compared with **Three Months Ended September 30, 2022** **March 31, 2023**

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

	Three Months Ended September 30, 2023					As a Percentage of Net Revenues For the Three Months Ended September 30, 2023					As a Percentage of Net Revenues For the Three Months Ended March 31, 2024				
	30, 2023		As a Percentage of Net Revenues For the Three Months Ended September 30, 2023			30, 2022		As a Percentage of Net Revenues For the Three Months Ended September 30, 2022			31, 2024		As a Percentage of Net Revenues For the Three Months Ended March 31, 2024		
			%					%					%		
	2023	2022	e	2023	2022	2024	2023	Change	2024	2023	2024	2023	Change	2024	2023
Revenues:															
Commission	11	10													
S	2,	8,													
Principal	30	21	3.												
transactions	\$ 0	\$ 4	8	14.6 %	15.4 %	\$ 121,217	\$ 110,191	10.0	15.3 %	14.6 %					
Transactio	53	48	1												
nal	,2	,3	0.												
revenues	47	51	1	6.9	6.9	60,536	51,064	18.5	7.7	6.7					
	16	15													
	5,	6,													
	54	56	5.												
	7	5	7	21.5	22.3	181,753	161,255	12.7	23.0	21.3					

	33	30								
Asset management	3,08	0,54	1.0.							
	8	0	8	43.3	42.8	367,450	315,537	16.5	46.5	41.7
Investment banking	3,89	4,49	3.0.							
	5	8	4)	0.5	0.6	4,280	4,158	2.9	0.5	0.5
	48	29								
	0,	7,	6							
Interest	32	41	1.							
	0	3	5	62.5	42.4	480,362	430,548	11.6	60.8	56.9
Other income	(3,40	(1,97	2.							
	3)	7)	1)	(0.4)	(0.2)	748	(5,696)	113.1	0.1	(0.8)
	97	75								
	9,	7,	2							
Total revenues	44	03	9.							
	7	9	4	127.4	107.9	1,034,593	905,802	14.2	130.9	119.6
	21		2							
	0,	55	8							
Interest expense	88	,2	1.							
	9	19	9	27.4	7.9	244,093	148,616	64.2	30.9	19.6
	76	70								
	8,	1,								
Net revenues	55	82	9.							
	8	0	5	100.0	100.0	790,500	757,186	4.4	100.0	100.0
Non-interest expenses:										
	35	32								
Compensation and benefits	9,32	6,11	1.0.							
	5	6	2	46.8	46.5	389,536	342,423	13.8	49.3	45.2
Occupancy and equipment rental	41	38								
	,3	,3	7.							
	31	33	8	5.4	5.5	43,324	41,391	4.7	5.5	5.5

Communication and office supplies	16	15				16,538	15,756	5.0	2.1	2.1
Commission s and floor brokerage	6,	6,				6,425	6,335	1.4	0.8	0.8
Provision for credit losses	9,	6,	5			4,968	4,920	1.0	0.6	0.6
Other operating expenses	36	29	2			38,961	30,252	28.8	4.9	4.1
Total non-interest expense s	47	42				499,752	441,077	13.3	63.2	58.3
Income before income taxes	8,	9,								
	44	93	6.							
	\$ 9	\$ 5	6	38.8 %	39.9 %	\$ 290,748	\$ 316,109	(8.0)	36.8 %	41.7 %

	September 30,	
	2023	2022
Branch offices	398	398
Financial advisors	2,266	2,235
Independent contractors	108	102
Total financial advisors	2,374	2,337

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Nine Months Ended September 30, 2023 Compared with Nine Months Ended September 30, 2022

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

	Nine Months Ended September 30,	As a Percentage of Net Revenues For the Nine

	Months Ended September 30,				
	%				
	2023	2022	Change	2023	2022
Revenues:					
Commissions	\$ 332,327	\$ 360,994	(7.9)	14.6 %	17.3 %
Principal transactions	152,433	142,361	7.1	6.7	6.8
<i>Transactional revenues</i>	484,760	503,355	(3.7)	21.3	24.2
Asset management	968,863	973,396	(0.5)	42.4	46.8
Investment banking	12,118	14,701	(17.6)	0.5	0.7
	1,371,82				
Interest	3	668,595	105.2	60.1	32.1
Other income	(10,515)	(4,709)	(123.3)	(0.5)	(0.2)
	2,827,04	2,155,33			
Total revenues	9	8	31.2	123.8	103.5
Interest expense	543,115	73,813	635.8	23.8	3.5
	2,283,93	2,081,52			
Net revenues	4	5	9.7	100.0	100.0
Non-interest expenses:					
	1,055,83	1,040,47			
Compensation and benefits	4	7	1.5	46.2	50.0
Occupancy and equipment rental	122,748	113,495	8.2	5.4	5.5
Communication and office supplies	46,823	45,043	4.0	2.1	2.2
Commissions and floor brokerage	19,096	20,027	(4.6)	0.8	1.0
Provision for credit losses	22,736	27,478	(17.3)	1.0	1.3
Other operating expenses	102,235	84,505	21.0	4.5	3.9
	1,369,47	1,331,02			
Total non-interest expenses	2	5	2.9	60.0	63.9
Income before income taxes	\$ 914,462	\$ 750,500	21.8	40.0 %	36.1 %

	March 31,	
	2024	2023
Branch offices	395	397
Financial advisors	2,242	2,248
Independent contractors	114	102
Total financial advisors	2,356	2,350

NET REVENUES

For the three months ended September 30, 2023 March 31, 2024, Global Wealth Management net revenues increased 9.5% 4.4% to a record \$768.6 million \$790.5 million from \$701.8 million \$757.2 million for the comparable period in 2022, 2023. The increase in net revenues over the comparable period in 2022, 2023 is primarily attributable to increases in net interest income, asset management revenues and transactional revenues, partially offset by lower investment banking revenues. For the nine months ended September 30, 2023, Global Wealth Management net revenues increased 9.7% to a record \$2.3 billion from \$2.1 billion for the comparable period in 2022. The increase in net revenues over the comparable period in 2022 is primarily attributable to increases in net interest income and principal transactions revenue, partially offset by lower commissions revenues, asset management revenues, and investment banking revenues. income.

Commissions – For the three months ended September 30, 2023 March 31, 2024, commission revenues increased 3.8% 10.0% to \$112.3 million \$121.2 million from \$108.2 million \$110.2 million in the comparable period in 2022. For the nine months ended September 30, 2023, commission revenues decreased 7.9% to \$332.3 million from \$361.0 million in the comparable period in 2022. The decrease is primarily attributable to a decrease in equities trading and mutual funds revenue. 2023.

Principal transactions – For the three months ended September 30, 2023 March 31, 2024, principal transactions revenues increased 10.1% 18.5% to \$53.2 million \$60.5 million from \$48.4 million \$51.1 million in the comparable period in 2022. For the nine months ended September 30, 2023, principal transactions revenues increased 7.1% 2023. The increase is primarily attributable to \$152.4 million from \$142.4 million an increase in corporate debt trading over the comparable period in 2022, 2023.

Transactional revenues – For the three months ended September 30, 2023 March 31, 2024, transactional revenues increased 5.7% 12.7% to \$165.5 million \$181.8 million from \$156.6 million \$161.3 million in the comparable period in 2022 driven by an increase in client activity during the quarter. For the nine months ended September 30, 2023, transactional revenues decreased 3.7% to \$484.8 million from \$503.4 million in the comparable period in 2022, 2023 as a result of a decrease an increase in client activity.

Asset management – For the three months ended September 30, 2023 March 31, 2024, asset management revenues increased 10.8% 16.5% to \$333.1 million a record \$367.5 million from \$300.5 million \$315.5 million in the comparable period in 2022 driven by higher asset values. For the nine months ended September 30, 2023, asset management decreased 0.5% to \$968.9 million from \$973.4 million in the comparable period in 2022, 2023. The decrease increase is primarily attributable to declines in the markets. higher asset values. Fee-based account revenues are primarily billed based on asset values at the end the prior quarter.

Client asset metrics as of the periods indicated (in thousands, except number of accounts and percentages):

	9/30/2	9/30/2	% Ch		3/31/24	3/31/23	% Change	12/31/23	% Change
			an	Ch					
			3	ge					
Client assets	412	364	1	417					
	\$,45	\$,82	3.	\$,66	(1)	\$ 467,697,000	\$ 405,988,000	15.2	\$ 444,318,000
	8,0	4,0		9,0	.2				5.3
	00	00	1	00					
Fee-based client assets	150	135	1	154					
	\$,98	\$,52	1.	\$,53	(2)	\$ 177,108,000	\$ 149,541,000	18.4	\$ 165,301,000
	2,0	1,0		8,0	.3				7.1
	00	00	4	00					
Number of client accounts	1,205,000	1,162,700	3.	1,195,000	0.				
					8	1,188,000	3,0	1,213,000	0.9
						1,224,000			
Number of fee-based client accounts	329,000	315,000	4.	323,000	1.				
					9	321,000	5.3	333,000	1.5
			0	0		338,000			

The increase in the value of our client assets and fee-based assets over the comparable period in 2022 was primarily attributable to improved market conditions and asset growth resulting from our recruiting efforts.

Investment banking – Investment banking, which represents sales credits for investment banking underwritings, decreased 13.4% increased 2.9% to \$3.9 million \$4.3 million for the three months ended September 30, 2023 March 31, 2024 from \$4.5 million \$4.2 million during the comparable period in 2022. For the nine months ended September 30, 2023, investment banking revenues decreased 17.6% to \$12.1 million from \$14.7 million during the comparable period in 2022. Please refer to “Investment banking” in the Institutional Group segment discussion for information on the changes in net revenues.

Interest revenue – For the three months ended September 30, 2023 March 31, 2024, interest revenue increased 61.5% 11.6% to \$480.3 million \$480.4 million from \$297.4 million \$430.5 million in the comparable period in 2022. For the nine months ended September 30, 2023, interest revenue increased 105.2% to \$1.4 billion from \$668.6 million during the comparable period in 2022. The increase is primarily attributable to higher interest rates and interest-earning assets

and higher interest rates. assets. Please refer to "Net Interest Income – Stifel Bancorp" below for a further discussion of the changes in net interest income.

Other income – For the three months ended September 30, 2023 March 31, 2024, other income decreased 72.1% increased 113.1% to a loss of \$3.4 million \$0.7 million from a loss of \$2.0 million \$5.7 million in the comparable period in 2022, 2023. The decrease increase is primarily attributable to a decrease lower investment losses in the first quarter of 2024 and an increase in loan origination fees, partially offset fees. The first quarter of 2023 was negatively impacted by investment gains during the quarter. For the nine months ended September 30, 2023, other income decreased 123.3% to a loss of \$10.5 million from a loss of \$4.7 million during the comparable period 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 from the comparable period in 2022. investments.

Interest expense – For the three months ended September 30, 2023 March 31, 2024, interest expense increased 281.9% 64.2% to \$210.9 million \$244.1 million from \$55.2 \$148.6 million in the comparable period in 2022. For the nine months ended September 30, 2023, interest expense increased 635.8% to \$543.1 million from \$73.8 million during the comparable period in 2022, 2023. The increase in interest expense is primarily attributable to higher interest rates and higher interest-bearing liabilities. Please refer to "Net Interest Income – Stifel Bancorp" below for a further discussion of the changes in net interest income.

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NET INTEREST INCOME – STIFEL BANCORP

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*):

	Three Months Ended September 30,			Three Months Ended September 30,		
	2023			2022		
	Interest	Average		Interest	Average	
	Average	Income/	Interest	Average	Income/	Interest
	Balance	Expense	Rate	Balance	Expense	Rate
Assets:						
	1,536,7	21,88		520,51		
Interest-bearing cash and federal funds sold	\$ 80	\$ 3	5.70 %	\$ 5	\$ 3,190	2.45 %
U.S. government agencies	2,363	12	2.10	2,313	9	1.57

State and municipal securities (tax-exempt) ⁽¹⁾	2,350	18	3.00	2,358	12	1.97
				1,032,		
Mortgage-backed securities	957,327	5,309	2.22	674	5,361	2.08
				722,65		
Corporate fixed income securities	619,533	4,294	2.77	9	5,083	2.81
	6,130,3	111,0		6,178,		
Asset-backed securities	32	37	7.25	000	60,955	3.95
Federal Home Loan Bank and other capital stock	64,898	661	4.08	75,816	829	4.37
Loans ⁽²⁾						
	2,342,3	42,74		2,901,		
Securities-based loans	77	0	7.30	920	31,658	4.36
	4,372,4	96,79		4,947,		
Commercial and industrial	14	7	8.86	852	65,231	5.27
	4,155,7	83,03		4,090,		
Fund banking	41	1	7.99	188	47,633	4.66
	7,839,4	61,73		6,824,		
Residential real estate	19	9	3.15	259	44,824	2.63
		13,35		733,42		
Commercial real estate	668,021	9	8.00	8	8,584	4.68
				106,44		
Home equity lines of credit	116,039	2,450	8.45	6	1,411	5.30
		17,30		493,34		
Construction and land	820,451	1	8.44	3	6,425	5.21
Other	46,196	737	6.38	47,452	537	4.52
				231,17		
Loans held for sale	202,176	2,561	5.06	7	2,062	3.57
	29,876,	463,9		28,910	283,80	
Total interest-earning assets ⁽³⁾	\$ 417	\$ 29	6.21%	\$,400	\$ 4	3.93%
Cash and due from banks	8,502			16,201		
Other non interest-earning assets	84,692			72,337		
	29,969,			28,998		
Total assets	\$ 611			\$,938		
Liabilities and stockholders' equity:						
Deposits:						

Money market	\$ 24,721,	\$ 171,4	2.77 %	\$ 24,437	\$ 37,248	0.61 %
	706	46		,968		
Time deposits	5	—	2.15	14,296	97	2.72
	2,525,0	26,75		1,436,		
Demand deposits	57	0	4.24	325	5,311	1.48
				109,65		
Savings	591	1	0.73	9	715	2.61
				542,22		
Federal Home Loan Bank advances	—	—	0.00	8	3,270	2.41
Other borrowings	901	181	80.57	967	34	14.26
	27,248,	198,3		26,541		
Total interest-bearing liabilities (3)	260	78	2.91 %	,443	46,675	0.70 %
				415,38		
Non-interest-bearing deposits	350,002			2		
				117,53		
Other non-interest bearing liabilities	151,136			1		
	27,749,			27,074		
Total liabilities	398			,356		
	2,220,2			1,924,		
Stockholders' equity	13			582		
	29,969,			28,998		
Total liabilities and stockholders' equity	\$ 611			\$,938		
	265,5				237,12	
Net interest income/spread	\$ 51	3.30 %		\$ 9	3.23 %	
Net interest margin			3.56 %			3.28 %
Three Months Ended March 31, 2024						
Interest						
Average						
Income/						
Interest						
Average						
Balance						
Expense						
Rate						
Assets:						
	2,845,8	39,55		916,14		
Interest-bearing cash and federal funds sold	\$ 77	\$ 2	5.56 %	\$ 5	\$ 11,244	4.91 %
U.S. government agencies	2,379	13	2.10	2,347	12	2.09
State and municipal securities (tax-exempt) (1)	2,350	18	3.00	2,350	18	3.00
				986,56		
Mortgage-backed securities	916,452	5,247	2.29	8	5,380	2.18

Corporate fixed income securities	606,474	4,192	2.76	637,486	4,156	2.61
				6		
Asset-backed securities	6,011,096	109,065	7.26	6,202,495	98,761	6.37
Federal Home Loan Bank and other capital stock	62,730	739	4.71	57,412	554	3.86
Loans (2)	2,297,115	41,624		2,637,992	42,489	6.44
Securities-based loans	3,527,489	81,262		4,816,281	94,258	7.83
Commercial and industrial	3,418,889	67,836		4,396,455	76,297	6.94
Fund banking	8,060,624	67,826		7,446,084	53,479	2.87
Residential real estate	19	7	3.37			
	11,851			666,792		
Commercial real estate	658,252	1	7.20	2	10,949	6.57
				107,542		
Home equity lines of credit	142,990	3,032	8.48	7	2,012	7.48
	1,099,822	22,939		612,567		
Construction and land	50	9	8.34	7	11,477	7.49
Other	48,745	762	6.25	46,363	726	6.27
				206,257		
Loans held for sale	489,309	9,009	7.36	7	3,365	6.53
	30,190,	464,9		29,741	415,17	
Total interest-earning assets (3)	\$ 551	\$ 68	6.16 %	\$,141	\$ 7	5.58 %
Cash and due from banks	17,725			12,283		
				162,71		
Other non interest-earning assets	110,592			6		
	30,318,			29,916		
Total assets	\$ 868			\$,140		
Liabilities and stockholders' equity:						
Deposits:						
	24,861,	201,7		25,808	126,53	
Money market	\$ 514	\$ 20	3.25 %	\$,784	\$ 3	1.96 %
Time deposits	7	—	3.24	6,903	50	2.91

Demand deposits	2,745,6	28,34	4.13	1,321,	10,704	3.24
	20	3		850		
Savings	623	1	0.76	468	1	0.67
Federal Home Loan Bank advances	—	—	0.00	5,556	68	4.92
Other borrowings	55,111	1,049	7.61	867	38	17.48
	27,662,	231,1		27,144	137,39	
Total interest-bearing liabilities (3)	875	13	3.34 %	,428	4	2.02 %
				441,78		
Non-interest-bearing deposits	314,358			9		
				163,37		
Other non-interest bearing liabilities	144,222			0		
	28,121,			27,749		
Total liabilities	455			,587		
				2,197,4		
Stockholders' equity	13			2,166,		
	30,318,			29,916		
Total liabilities and stockholders' equity	\$ 868			\$,140		
		233,8			277,78	
Net interest income/spread	\$ 55	2.82 %		\$ 3	3.56 %	
Net interest margin			3.10 %			3.74 %

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

(2) Loans on nonaccrual status are included in average balances.

(3) 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.

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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*):

Nine Months Ended September 30.	Nine Months Ended September 30.
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	Nine Months Ended September 30,			Nine Months Ended September 30,		
	2023			2022		
	Interest		Average	Interest		Average
	Average	Income/Expense	Interest	Average	Income/Expense	Interest
	Balance	Expense	Rate	Balance	Expense	Rate
Assets:						
	1,196,03	48,10			507,59	
Interest-bearing cash and federal funds sold	\$ 9	\$ 5	5.36%	\$ 8	\$ 4,484	1.18%
U.S. government agencies	2,355	37	2.10	2,622	32	1.61
State and municipal securities (tax-exempt) ⁽¹⁾	2,350	53	3.00	2,364	35	1.97
	16,05			1,010,	14,44	
Mortgage-backed securities	972,826	6	2.20	497	9	1.91
	12,76			750,40	15,12	
Corporate fixed income securities	626,439	7	2.72	3	2	2.69
	6,164,94	316,2		5,837,	122,0	
Asset-backed securities	5	88	6.84	023	90	2.79
Federal Home Loan Bank and other capital stock	61,784	1,866	4.03	64,748	1,983	4.08
Loans ⁽²⁾						
	2,482,08	128,1		2,928,	66,78	
Securities-based loans	8	99	6.89	234	5	3.04
	4,632,27	287,7		4,713,	157,4	
Commercial and industrial	4	80	8.28	243	20	4.45
	4,317,70	242,1		3,548,	95,48	
Fund banking	8	95	7.48	623	9	3.59
	7,631,88	172,3		6,274,	119,8	
Residential real estate	4	75	3.01	383	83	2.55
	37,36			597,22	16,41	
Commercial real estate	674,360	7	7.39	3	5	3.66
Home equity lines of credit	111,725	6,702	8.00	95,315	2,876	4.02
	42,94			483,39	14,74	
Construction and land	712,523	2	8.04	0	6	4.07
Other	47,553	2,312	6.48	38,781	1,240	4.26
				248,76		
Loans held for sale	195,765	8,929	6.08	8	5,199	2.79
	29 832 6	1 323		27 103	638 2	

Total interest-earning assets (3)	\$ 18	\$ 973	5.92 %	\$,215	\$ 48	3.14 %
Cash and due from banks	6,989			13,745		
				116,59		
Other non interest-earning assets	119,483			4		
	29,959,0			27,233		
Total assets	\$ 90			\$,554		
Liabilities and stockholders' equity:						
Deposits:						
	25,065,7	443,7		23,242	41,10	
Money market	\$ 93	\$ 51	2.36 %	\$,914	\$ 8	0.24 %
Time deposits	3,387	75	2.95	20,084	400	2.66
	2,133,58	63,01		1,163,		
Demand deposits	8	8	3.94	747	5,676	0.65
Savings	526	3	0.70	37,113	715	2.57
				318,88		
Federal Home Loan Bank advances	1,833	68	4.97	4	4,094	1.71
Other borrowings	845	317	50.00	999	107	14.33
	27,205,9	507,2		24,783	52,10	
Total interest-bearing liabilities (3)	72	32	2.49 %	,741	0	0.28 %
				522,47		
Non-interest-bearing deposits	380,484			9		
Other non-interest bearing liabilities	152,903			97,574		
	27,739,3			25,403		
Total liabilities	59			,794		
	2,219,73			1,829,		
Stockholders' equity	1			760		
	29,959,0			27,233		
Total liabilities and stockholders' equity	\$ 90			\$,554		
	816,7			586,1		
Net interest income/spread	\$ 41	3.43 %		\$ 48	2.86 %	
Net interest margin		3.65 %				2.88 %

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

(2) Loans on nonaccrual status are included in average balances.

(3) 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.

The following table sets forth an analysis of the effect on net interest income of volume and rate changes for the three and nine month periods ended September 30, 2023 March 31, 2024 compared to the three and nine month periods ended September 30, 2022 March 31, 2023 (in thousands):

	Three Months Ended September 30, 2023 Compared to Three Months September 30, 2022			Nine Months Ended September 30, 2023 Compared to Nine Months Ended September 30, 2022		
	Increase/(decrease) due to:			Increase/(decrease) due to:		
	Volume	Rate	Total	Volume	Rate	Total
	Interest income:					
Interest-bearing cash and federal funds sold	\$ 11,140	\$ 7,553	\$ 18,693	\$ 12,052	\$ 31,569	\$ 43,621
U.S. government agencies	1	2	3	(3)	8	5
State and municipal securities (tax-exempt)	(1)	7	6	(1)	19	18
Mortgage-backed securities	(808)	756	(52)	(512)	2,119	1,607
Corporate fixed income securities	(716)	(73)	(789)	(2,528)	173	(2,355)
Asset-backed securities	(466)	50,548	50,082	7,230	186,968	194,198
Federal Home Loan Bank and other capital stock	(114)	(54)	(168)	(90)	(27)	(117)
Loans						
Securities-based loans	(4,454)	15,536	11,082	(8,412)	69,826	61,414
Commercial and industrial	(6,522)	38,088	31,566	(2,657)	133,017	130,360
Fund banking	775	34,623	35,398	24,433	122,273	146,706
Residential real estate	7,236	9,679	16,915	28,502	23,990	52,492
Commercial real estate	(687)	5,462	4,775	2,363	18,589	20,952
Home equity lines of credit	137	902	1,039	568	3,258	3,826
Construction and land	5,624	5,252	10,876	9,220	18,976	28,196
Other	(14)	214	200	325	747	1,072
Loans held for sale	(212)	711	499	(820)	4,550	3,730
	169,20	180,12				
	\$ 10,919	\$ 6	\$ 5	\$ 69,670	\$ 616,055	\$ 685,725
Interest expense:						
Deposits:						
		133,76	134,19			
Money market	\$ 438	0	\$ 8	\$ 3,475	\$ 399,168	\$ 402,643
Time deposits	(80)	(17)	(97)	(375)	50	(325)

Demand deposits	6,195	15,244	21,439	8,115	49,227	57,342
Savings	(414)	(300)	(714)	(410)	(302)	(712)
Federal Home Loan Bank advances	(1,635)	(1,635)	(3,270)	(5,600)	1,574	(4,026)
Other borrowings	(3)	150	147	(14)	224	210
	147,20	151,70				
	\$ 4,501	\$ 2	\$ 3	\$ 5,191	\$ 449,941	\$ 455,132

Three Months Ended March 31, 2024 Compared to Three

Months Ended March 31, 2023

Increase/(decrease) due to:

	Volume	Rate	Total
Interest income:			
Interest-bearing cash and federal funds sold	\$ 26,634	\$ 1,674	\$ 28,308
U.S. government agencies	1	—	1
State and municipal securities (tax-exempt)	—	—	—
Mortgage-backed securities	(446)	313	(133)
Corporate fixed income securities	(151)	187	36
Asset-backed securities	(2,927)	13,231	10,304
Federal Home Loan Bank and other capital stock	55	130	185
Loans			
Securities-based loans	(6,575)	5,710	(865)
Commercial and industrial	(18,435)	5,439	(12,996)
Fund banking	(13,810)	5,349	(8,461)
Residential real estate	4,660	9,688	14,348
Commercial real estate	(138)	1,040	902
Home equity lines of credit	726	294	1,020
Construction and land	10,034	1,428	11,462
Other	38	(2)	36
Loans held for sale	5,161	483	5,644
	\$ 4,827	\$ 44,964	\$ 49,791

Interest expense:

Deposits:

Money market	\$ (4,463)	79,650	\$ 75,187
Time deposits	(57)	7	(50)
Demand deposits	14,053	3,586	17,639
Savings	—	—	—

Federal Home Loan Bank advances	(34)	(34)	(68)
Other borrowings	1,019	(8)	1,011
	\$ 10,518	\$ 83,201	\$ 93,719

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.

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. Increases in short-term interest rates have had a positive impact on our results, in particular on our net interest income.

For the three months ended **September 30, 2023** **March 31, 2024**, interest revenue of **\$463.9 million** **\$465.0 million** was generated from average interest-earning assets of **\$29.9 billion** **\$30.2 billion** at an average interest rate of **6.21%** **6.16%**. Interest revenue of **\$283.8 million** **\$415.2 million** for the comparable period in **2022** **2023** was generated from average interest-earning assets of **\$28.9 billion** **\$29.7 billion** at an average interest rate of **3.93%**.

For the nine months ended September 30, 2023, interest revenue of **\$1.3 billion** was generated from average interest-earning assets of **\$29.8 billion** at an average interest rate of **5.92%**. Interest revenue of **\$638.2 million** for the comparable period in 2022 was generated from average interest-earning assets of **\$27.1 billion** at an average interest rate of **3.14%** **5.58%**.

Interest expense represents interest on customer money market accounts, interest on time deposits, Federal Home Loan Bank advances, and other interest expense. For the three months ended **September 30, 2023** **March 31, 2024**, interest expense of **\$198.4 million** **\$231.1 million** was incurred from average interest-bearing liabilities of **\$27.2 billion** **\$27.7 billion** at an average interest rate of **2.91%** **3.34%**. Interest expense of **\$46.7 million** **\$137.4 million** for the comparable period in **2022** **2023** was incurred from average interest-bearing liabilities of **\$26.5 billion** **\$27.1 billion** at an average interest rate of **0.70%**.

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For the nine months ended September 30, 2023, interest expense of **\$507.2 million** was incurred from average interest-bearing liabilities of **\$27.2 billion** at an average interest rate of **2.49%**. Interest expense of **\$52.1 million** for the comparable period in 2022 was incurred from average interest-bearing liabilities of **\$24.8 billion** at an average interest rate of **0.28%** **2.02%**.

Please refer to “Net Interest Income – Stifel Bancorp” above for more information regarding average balances, interest income and expense, and average interest rate yields.

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NON-INTEREST EXPENSES

For the three months ended September 30, 2023 March 31, 2024, Global Wealth Management non-interest expenses increased 11.4% 13.3% to \$470.1 million \$499.8 million from \$421.9 million \$441.1 million for the comparable period in 2022. For the nine months ended September 30, 2023, Global Wealth Management non-interest expenses increased 2.9% to \$1.4 billion from \$1.3 billion for the comparable period in 2022. 2023.

Compensation and benefits – For the three months ended September 30, 2023 March 31, 2024, compensation and benefits expense increased 10.2% 13.8% to \$359.3 million \$389.5 million from \$326.1 million \$342.4 million during the comparable period in 2022. For the nine months ended September 30, 2023, compensation and benefits expense increased 1.5% to \$1.1 billion from \$1.0 billion during the comparable period in 2022. 2023. The increase is primarily attributable to increased higher variable compensation from our continued recruiting efforts. expense.

Compensation and benefits expense as a percentage of net revenues was 46.8% and 46.2% 49.3% for the three and nine months ended September 30, 2023 March 31, 2024, respectively, compared to 46.5% and 50.0% 45.2% for the comparable periods period in 2022. 2023. The change in the compensation and benefits ratio increase is primarily attributable to higher compensable revenues over the comparable periods period in 2022 is primarily attributable variances in our compensable revenues period over period. Higher compensable revenues leads to an increase in the compensation and benefits ratio, while lower compensable revenues drives the compensation and benefits ratio lower. The changes are also impacted by our revenue growth period over period. 2023.

Occupancy and equipment rental – For the three months ended September 30, 2023 March 31, 2024, occupancy and equipment rental expense increased 7.8% 4.7% to \$41.3 million \$43.3 million from \$38.3 million \$41.4 million during the comparable period in 2022. For the nine months ended September 30, 2023, occupancy and equipment rental expense increased 8.2% to \$122.7 million from \$113.5 million during the comparable period in 2022. 2023. The increase is primarily attributable to higher data processing expense and occupancy costs as a result of associated with an increase in locations over the comparable period in 2022 and higher furniture and equipment and data processing costs associated with continued investments in our business. business activity.

Communications and office supplies – For the three months ended September 30, 2023 March 31, 2024, communications and office supplies expense increased 4.4% 5.0% to \$16.1 million \$16.5 million from \$15.4 million \$15.8 million during the comparable period in 2022. For the nine months ended September 30, 2023, communications and office supplies expense increased 4.0% to \$46.8 million from \$45.0 million during the comparable period in 2022. 2023. The increase is primarily attributable to higher postage and shipping expenses and communication and quote equipment expenses and postage and shipping expenses associated with the continued growth of our business.

Commissions and floor brokerage – For the three months ended September 30, 2023 March 31, 2024, commissions and floor brokerage expense increased 3.6% 1.4% to \$6.5 million \$6.4 million from \$6.3 million during the comparable period in 2022. The increase is primarily attributable to higher processing fees and ECN trading costs, expenses, partially offset by lower clearing expenses. For the nine months ended September 30, 2023, commissions and floor brokerage expense decreased 4.6% to \$19.1 million from \$20.0 million during the comparable period in 2022. The decrease is primarily attributable to lower clearing expenses.

Provision for credit losses – For the three months ended September 30, 2023 March 31, 2024, provision for credit losses increased 54.8% 1.0% to \$10.0 million \$5.0 million from \$6.5 million \$4.9 million during the comparable period in 2022. The provision for the quarter was primarily impacted by a deterioration in certain asset classes, partially offset by a slightly better macroeconomic forecast. For the nine months ended September 30, 2023, provision for credit losses decreased 17.3% to \$22.7 million from \$27.5 million during the comparable period in 2022. The decrease increase is primarily attributable to reserve reductions during 2023, changes in the outlook for macroeconomic conditions.

Other operating expenses – For the three months ended September 30, 2023 March 31, 2024, other operating expenses increased 25.9% 28.8% to \$36.9 million \$39.0 million from \$29.3 million \$30.3 million during the comparable period in 2022. The increase is primarily attributable to increases in litigation and settlement expenses, FDIC-insurance, expense, settlement-related expenses, travel and entertainment expense, and litigation expense, partially offset by lower advertising and professional fees. For the nine months ended September 30, 2023, other operating expenses increased 21.0% to \$102.2 million from \$84.5 million during the comparable period in 2022. The increase is primarily attributable to increases in FDIC-insurance expense, travel and entertainment expense, subscriptions, and litigation expense, partially offset by lower advertising, settlement-related expenses, bank service charges, and professional fees.

INCOME BEFORE INCOME TAXES

For the three months ended September 30, 2023 March 31, 2024, income before income taxes increased 6.6% decreased 8.0% to \$298.4 million \$290.7 million from \$279.9 million \$316.1 million during the comparable period in 2022. For the nine months ended September 30, 2023, income before income taxes increased 21.8% to \$914.5 million from \$750.5 million during the comparable period in 2022. 2023.

Profit margin margins (income before income taxes as a percent of net revenues) have decreased to 36.8% for the three months ended September 30, 2023 decreased to 38.8% March 31, 2024, from 39.9% 41.7% during the comparable period in 2022. 2023, primarily due to an increase in the provision for credit losses operating expenses during the quarter, partially offset by higher net revenues. Profit margin for the nine months ended September 30, 2023 increased to 40.0% from

36.1% during the comparable period in 2022, driven by the growth in net revenues and our continued expense discipline, as well as a change in the composition of revenue (higher net interest income), partially offset by a higher provision for credit losses.

Results of Operations – Institutional Group

Three Months Ended September 30, 2023 **March 31, 2024** Compared with **Three Months Ended September 30, 2022** **March 31, 2023**

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

	As a Percentage of Net Revenues For the Three Months Ended September				
	Three Months Ended September 30,			30,	
	2023	2022	Change	2023	2022
Revenues:					
Commissions	\$ 52,775	\$ 50,840	3.8	20.5%	15.0%
Principal transactions	61,594	70,027	(12.0)	24.0	20.6
<i>Transactional revenues</i>	114,369	120,867	(5.4)	44.5	35.6
Capital raising	45,719	50,625	(9.7)	17.8	14.9
Advisory	97,272	166,736	(41.7)	37.9	49.1
<i>Investment banking</i>	142,991	217,361	(34.2)	55.7	64.0
Interest	5,854	3,923	49.2	2.3	1.2
Other income	2,808	1,932	45.3	1.1	0.6
Total revenues	266,022	344,083	(22.7)	103.6	101.4
Interest expense	9,134	4,675	95.4	3.6	1.4
Net revenues	256,888	339,408	(24.3)	100.0	100.0
Non-interest expenses:					
Compensation and benefits	192,638	211,818	(9.1)	75.0	62.4
Occupancy and equipment rental	21,656	18,825	15.0	8.4	5.5
Communication and office supplies	25,183	23,620	6.6	9.8	7.0
Commissions and floor brokerage	7,882	7,268	8.4	3.1	2.1
Other operating expenses	37,333	37,877	(1.4)	14.5	11.2
Total non-interest expenses	284,692	299,408	(4.9)	110.8	88.2
Income/(loss) before income taxes	\$ (27,804)	\$ 40,000	(169.5)	(10.8%)	11.8%

Nine Months Ended September 30, 2023 Compared with Nine Months Ended September 30, 2022

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

	As a Percentage of Net Revenues For the Nine Months Ended September 30, Months Ended September 30,					As a Percentage of Net Revenues For the Three Months Ended March 31, March 31,				
	Nine Months Ended September 30,		As a Percentage of Net Revenues For the Nine Months Ended September 30,			Three Months Ended March 31,		As a Percentage of Net Revenues For the Three Months Ended March 31, March 31,		
	September 30,		As a Percentage of Net Revenues For the Nine Months Ended September 30,			Three Months Ended March 31,		As a Percentage of Net Revenues For the Three Months Ended March 31, March 31,		
	2023	2022	%	2023	2022	2024	2023	Change	2024	2023
Revenues:										
Commissions	16									
	7,	18								
	65	0,6	(7							
	\$ 6	\$ 50	.2)	19.3%		15.3%	\$ 64,259	\$ 59,359	8.3	18.3%
Principal transaction s	18									
	3,	26	(2							
	63	0,8	9.							
	0	90	6)	21.2		22.1	78,478	64,458	21.8	22.3
	35									
Transaction al revenues	1,	44	(2							
	28	1,5	0.							
	6	40	4)	40.5		37.4	142,737	123,817	15.3	40.6
Capital raising	17									
	7,	18								
	26	5,3	(4							
	3	91	.4)	20.4		15.7	90,417	56,658	59.6	25.7
	33									
	6,	54	(3							
Advisory	21	7,6	8.							
	0	88	6)	38.8		46.3	119,252	151,063	(21.1)	34.0

	51									
	3,	73	(3							
<i>Investment</i>	47	3,0	0.							
<i>banking</i>	3	79	0)	59.2	62.0	209,669	207,721	0.9	59.7	62.5
	18	15,	2							
	,6	40	0.							
<i>Interest</i>	25	5	9	2.1	1.3	6,332	5,465	15.9	1.8	1.6
			1							
	7,	0								
<i>Other</i>	76	3,7	8.							
<i>income</i>	1	24	4	1.0	0.3	3,634	2,296	58.3	1.0	0.7
	89	1,1								
	1,	93,	(2							
Total	14	74	5.							
revenues	5	8	3)	102.8	101.0	362,372	339,299	6.8	103.1	102.0
			1							
	24	11,	0							
<i>Interest</i>	,1	61	7.							
<i>expense</i>	20	3	7	2.8	1.0	10,996	6,686	64.5	3.1	2.0
	86	1,1								
	7,	82,	(2							
Net	02	13	6.							
revenues	5	5	7)	100.0	100.0	351,376	332,613	5.6	100.0	100.0
Non-interest										
expenses:										
	59									
<i>Compensation</i>	2,	70	(1							
<i>and</i>	70	8,8	6.							
<i>benefits</i>	1	76	4)	68.4	60.0	215,749	205,905	4.8	61.4	61.9
<i>Occupancy</i>	63	57,	1							
<i>and</i>	,8	30	1.							
<i>equipment</i>	61	5	4	7.4	4.8	22,121	21,273	4.0	6.3	6.4
<i>rental</i>										
<i>Communication</i>	75	70,								
<i>and</i>	,7	62	7.							
<i>office</i>	68	9	3	8.7	6.0	25,159	25,247	(0.3)	7.2	7.6

Commissions and floor brokerage	23,869	24,541	(2.7)	2.8	2.1	9,342	8,105	15.3	2.7	2.4
Other operating expenses	6,497	11,164	8	13.4	9.4	41,896	38,363	9.2	11.8	11.6
Total non-interest expense	87,2,696	97,2,515	(1)3)	100.7	82.3	314,267	298,893	5.1	89.4	89.9
Income/(loss) before income taxes	(5,67\$ 1)	20\$ 20	09,6	2.7)	(0.7%)	17.7%				
Income before income taxes	\$ 37,109	\$ 33,720	10.1	10.6%	10.1%					

NET REVENUES

For the three months ended September 30, 2023 March 31, 2024, Institutional Group net revenues decreased 24.3% increased 5.6% to \$256.9 million \$351.4 million from \$339.4 million \$332.6 million for the comparable period in 2022, 2023. The decrease increase in net revenues was primarily attributable to lower advisory revenues, principal transaction increases in capital-raising revenues and capital-raising transactional revenues, partially offset by an increase in commission revenues.

For the nine months ended September 30, 2023, Institutional Group net revenues decreased 26.7% to \$867.0 million from \$1.2 billion during the comparable period in 2022. The decrease in net revenues is primarily attributable to lower advisory revenues, transactional revenues, and capital-raising revenues.

Commissions – For the three months ended September 30, 2023 March 31, 2024, commission revenues increased 3.8% 8.3% to \$52.8 million \$64.3 million from \$50.8 million \$59.4 million in the comparable period in 2022. For the nine months ended September 30, 2023, commission revenues decreased 7.2% to \$167.7 million from \$180.7 million in the comparable period in 2022, 2023.

Principal transactions – For the three months ended September 30, 2023 March 31, 2024, principal transaction revenues decreased 12.0% increased 21.8% to \$61.6 million \$78.5 million from \$70.0 million \$64.5 million in the comparable period in 2022. For the nine months ended September 30, 2023, principal transaction revenues decreased 29.6% to \$183.6 million from \$260.9 million in the comparable period in 2022, 2023.

Transactional revenues – For the three months ended September 30, 2023 March 31, 2024, institutional transactional revenues decreased 5.4% increased 15.3% to \$114.4 million \$142.7 million from \$120.9 million \$123.8 million in the comparable period in 2022. For the nine months ended September 30, 2023, institutional transactional revenues decreased 20.4% to \$351.3 million from \$441.5 million in the comparable period in 2022. 2023.

For the three months ended September 30, 2023 March 31, 2024, fixed income institutional transactional revenues increased 24.1% to \$88.6 million from \$71.4 million in the comparable period in 2023. The increase in fixed income institutional transactional revenues is primarily attributable to improved market conditions and increased client activity.

For the three months ended March 31, 2024, equity institutional transactional revenues increased 1.0% 3.2% to \$46.9 million \$54.1 million from \$46.5 million in the comparable period in 2022 driven by an increase in equities trading commissions, partially offset by lower trading gains. For the nine months ended September 30, 2023, equity transactional revenues decreased 2.5% to \$144.9 million from \$148.7 million \$52.4 million during the comparable period in 2022. 2023. The decline increase in equity institutional transactional revenues is primarily attributable to declines in activity, partially offset by lower higher trading losses in 2023.

For the three months ended September 30, 2023, fixed income institutional transactional revenues decreased 9.3% to \$67.4 million from \$74.4 million in the comparable period in 2022. For the nine months ended September 30, 2023, fixed income transactional revenues decreased 29.5% to \$206.4 million from \$292.9 million in the comparable period in 2022.

The decrease in fixed income institutional

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transactional revenues is primarily attributable to decreased activity as a result of lower market volatility, compared with elevated levels during the comparable periods in 2022. gains.

Investment banking – For the three months ended September 30, 2023 March 31, 2024, investment banking revenues decreased 34.2% increased 0.9% to \$143.0 million \$209.7 million from \$217.4 million \$207.7 million during the comparable period in 2022. For the nine months ended September 30, 2023, investment banking revenues decreased 30.0% to \$513.5 million from \$733.1 million during the comparable period in 2022.

For the three months ended September 30, 2023, capital-raising revenues decreased 9.7% to \$45.7 million from \$50.6 million in the comparable period in 2022. For the nine months ended September 30, 2023, capital-raising revenues decreased 4.4% to \$177.3 million from \$185.4 million in the comparable period in 2022.

For the three months ended September 30, 2023, equity capital-raising revenues decreased 11.9% to \$21.0 million from \$23.9 million during the comparable period in 2022 driven by lower volumes during the quarter. For the nine months ended September 30, 2023, equity capital-raising revenues decreased 4.4% to \$75.8 million from \$79.3 million during the comparable period in 2022. The decrease is a result of lower issuances in line with market volumes in an uncertain market environment.

For the three months ended September 30, 2023, fixed income capital-raising revenues decreased 7.7% to \$24.7 million from \$26.7 million during the comparable period in 2022. For the nine months ended September 30, 2023, fixed income

capital-raising revenues decreased 4.4% to \$101.4 million from \$106.1 million during the comparable period in 2022. The decrease is primarily attributable to lower bond issuances as a result of the macroeconomic conditions that have existed during 2023.

For the three months ended September 30, 2023 March 31, 2024, advisory capital-raising revenues decreased 41.7% increased 59.6% to \$97.3 million \$90.4 million from \$166.7 million \$56.7 million in the comparable period in 2022. 2023.

For the nine three months ended September 30, 2023 March 31, 2024, equity capital-raising revenues increased 63.3% to \$40.3 million from \$24.7 million during the comparable period in 2023 driven by higher volumes.

For the three months ended March 31, 2024, fixed income capital-raising revenues increased 56.7% to \$50.1 million from \$32.0 million during the comparable period in 2023. The increase is primarily attributable to higher bond issuances.

For the three months ended March 31, 2024, advisory revenues decreased 38.6% 21.1% to \$336.2 million \$119.3 million from \$547.7 million \$151.1 million in the comparable period in 2022. 2023. The decrease is primarily attributable to lower levels of completed advisory transactions over the comparable periods period in 2022. 2023.

Interest – For the three months ended September 30, 2023 March 31, 2024, interest increased 49.2% 15.9% to \$5.9 million \$6.3 million from \$3.9 million \$5.5 million in the comparable period in 2022. For the nine months ended September 30, 2023, interest increased 20.9% to \$18.6 million from \$15.4 million in the comparable period in 2022. 2023.

Other income – For the three months ended September 30, 2023 March 31, 2024, other income increased 45.3% 58.3% to \$2.8 million \$3.6 million from \$1.9 million \$2.3 million in the comparable period in 2022. For the nine months ended September 30, 2023, other 2023. The increase is primarily attributable to rental income increased 108.4% to \$7.8 million generated from \$3.7 million during the comparable period in 2022. our aircraft engine leasing business.

Interest expense – For the three months ended September 30, 2023 March 31, 2024, interest expense increased 95.4% 64.5% to \$9.1 million \$11.0 million from \$4.7 million \$6.7 million in the comparable period in 2022. For the nine months ended September 30, 2023, interest expense increased 107.7% to \$24.1 million from \$11.6 million in the comparable period in 2022. 2023. The increase is primarily attributable to higher interest rates and an increase in inventory levels.

NON-INTEREST EXPENSES

For the three months ended September 30, 2023 March 31, 2024, Institutional Group non-interest expenses decreased 4.9% increased 5.1% to \$284.7 million \$314.3 million from \$299.4 million \$298.9 million for the comparable period in 2022.

For the nine months ended September 30, 2023, Institutional Group non-interest expenses decreased 10.3% to \$872.7 million from \$972.5 million during the comparable period in 2022. 2023.

Compensation and benefits – For the three months ended September 30, 2023 March 31, 2024, compensation and benefits expense decreased 9.1% increased 4.8% to \$192.6 million \$215.7 million from \$211.8 million \$205.9 million during the comparable period in 2022. For the nine months ended September 30, 2023, compensation and benefits expense decreased 16.4% to \$592.7 million from \$708.9 million during the comparable period in 2022. 2023. The decrease increase is primarily driven by lower compensable revenues. higher variable compensation expense as a result of an improving operating environment.

Compensation and benefits expense as a percentage of net revenues was 75.0% and 68.4% 61.4% for the three and nine months ended September 30, 2023 March 31, 2024, respectively, compared to 62.4% and 60.0% 61.9% for the comparable periods period in 2022, 2023. The increase decrease is primarily attributable to lower net higher revenues.

Occupancy and equipment rental – For the three months ended September 30, 2023 March 31, 2024, occupancy and equipment rental expense increased 15.0% 4.0% to \$21.7 million \$22.1 million from \$18.8 million \$21.3 million during the comparable period in 2022. For the nine months ended September 30, 2023, occupancy and equipment rental expense increased 11.4% to \$63.9 million from \$57.3 million during the comparable period in 2022. 2023. The increase is attributable to higher occupancy and data processing and furniture and equipment costs associated with continued investments in our business.

Communications and office supplies – For the three months ended September 30, 2023 March 31, 2024, communications and office supplies expense increased 6.6% to of \$25.2 million from \$23.6 million during remained relatively consistent with the comparable period in 2022. For the nine months ended September 30, 2023, communications and office supplies expense increased 7.3% to \$75.8 million from \$70.6 million during the comparable period in 2022. The increase is primarily attributable to higher communication and quote expenses.

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2023.

Commissions and floor brokerage – For the three months ended September 30, 2023 March 31, 2024, commissions and floor brokerage expense increased 8.4% 15.3% to \$7.9 million \$9.3 million from \$7.3 million \$8.1 million during the comparable period in 2022. 2023. The increase is primarily attributable to higher ECN trading costs. For the nine months ended September 30, 2023, commissions costs and floor brokerage expense decreased 2.7% to \$23.9 million from \$24.5 million during the comparable period in 2022. The decrease is primarily attributable to lower clearing expenses partially offset by higher ECN trading costs.

Other operating expenses – For the three months ended September 30, 2023 March 31, 2024, other operating expenses decreased 1.4% increased 9.2% to \$37.3 million \$41.9 million from \$37.9 million \$38.4 million during the comparable period in 2022. The decrease is primarily attributable to lower litigation-related expenses and investment banking transaction expenses, partially offset by higher professional fees, travel and entertainment expenses, and conference-related expenses. For the nine months ended September 30, 2023, other operating expenses increased 4.8% to \$116.5 million

from \$111.2 million during the comparable period in 2022. The increase is primarily attributable to higher travel and entertainment investment banking transaction expenses, conference-related settlement-related expenses, and subscription conference-related expenses, partially offset by lower investment banking transaction licensing costs, subscription expenses, and travel and entertainment expenses.

INCOME BEFORE INCOME TAXES

For the three months ended September 30, 2023 March 31, 2024, income before income taxes for the Institutional Group segment decreased 169.5% increased 10.1% to a loss of \$27.8 million \$37.1 million from \$40.0 million \$33.7 million during the comparable period in 2022. For the nine months ended September 30, 2023, income before income taxes for the Institutional Group segment decreased 102.7% to a loss of \$5.7 million from \$209.6 million during the comparable period in 2022. 2023.

Profit margins (income before income taxes as a percentage of net revenues) have increased to 10.6% for the three and nine months ended September 30, 2023 were primarily impacted March 31, 2024, from 10.1% during the comparable period in 2023 driven by lower revenues and higher non-compensation operating expenses. net revenues.

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Results of Operations – Other Segment

Three and Nine Months Ended September 30, 2023 months ended March 31, 2024 Compared with Three and Nine Months Ended September 30, 2022 months ended March 31, 2023

The Other segment includes costs associated with investments made in the Company's infrastructure and control environment core business 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*):

	Three Months Ended			Nine Months Ended			Three Months Ended March 31,			
	September 30,		%	September 30,		%	2024		2023	% Change
	2023	2022	Change	2023	2022	Change				
	19,	40	51,	74	60	3,9	60	6,1	1.	24.5
Net revenues	\$ 5	\$ 11	3	\$ 6	\$ 32	6	\$ 21,162	\$ 16,994		24.5

Non-interest expenses:									
Compensation and benefits:									
Infrastructure growth-related	54,153	67,877	(2,0,7)	20,8,6,62	16,4,3,73	26,.9			
Core business-related							68,877	93,609	(26.4)
Acquisition-related	7,171	6,058	18,.4	22,7	24,54,3	(6,5)		5,533	9,253
Total compensation and benefits	61,324	73,935	(1,7,1)	23,1,6,09	18,8,9,16	22,.6		74,410	102,862
Other operating expenses:	11,2,874	38,236	19,5,2	20,4,7,11	10,6,9,13	.5			
Core business-related							49,297	45,942	7.3
Acquisition-related	6,623	5,906	12,.1	23,0	19,00,4	23,.0		6,621	8,136
Total other operating expenses	11,9,497	44,142	17,0,7	22,8,0,91	12,5,9,17	81,.1		55,918	54,078
Total non-interest expenses	18,0,821	11,8,0,77	53,.1	45,9,7,00	31,4,8,33	.0		130,328	156,940
									(17.0)

	(16	(11	(40	(30						
Loss before	1,2	4,1	41	8,0	8,7	32				
income taxes	\$ 16)	\$ 66)	.2%	\$ 94)	\$ 01)	.2%	\$	(109,166)	\$	(139,946)

For the three and months ended September 30, 2023 March 31, 2024, non-interest expenses increased 53.1% and 46.0% decreased 17.0% to \$180.8 million and \$459.7 million, respectively. Elevated provisions for legal and regulatory matters during the third quarter of 2023 accounted for approximately \$67 million of the increase, with the remainder \$130.3 million from \$156.9 million in 2023. The decrease is primarily resulting from higher data processing, advertising, profession fees, and travel expenses, attributable to a decrease in variable compensation.

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 three and months ended September 30, 2023 March 31, 2024, non-interest expenses related to our acquisition strategy, included in the numbers presented in the table above, increased 15.3% and 6.4% decreased 30.1% to \$13.8 million and \$46.3 million, respectively.

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\$12.2 million from \$17.4 million in 2023.

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 \$37.9 billion \$38.3 billion, were up 1.8% 1.4% over December 31, 2022 December 31, 2023. 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 September 30, 2023 March 31, 2024, our liabilities were comprised primarily of deposits of \$27.6 billion at Stifel Bancorp, senior notes, net of debt issuance costs, of \$1.1 billion, lease liabilities of \$854.6 million, payables to customers of \$704.5 million \$750.6 million at our broker-dealer subsidiaries, accounts payable and accrued expenses of \$1.4 billion, senior notes, net of debt issuance costs, of \$1.1 billion \$697.0 million, and accrued employee compensation of \$448.3 million \$368.4 million. To meet our obligations to clients and operating needs, we had \$11.9 billion \$13.0 billion of cash or assets readily convertible into cash at September 30, 2023 March 31, 2024.

Cash Flow

Cash and cash equivalents increased \$568.4 million \$46.7 million to \$2.8 billion \$3.41 billion at September 30, 2023 March 31, 2024, from \$2.2 billion \$3.36 billion at December 31, 2022 December 31, 2023. Operating activities provided used cash of \$224.2 million \$609.7 million. Investing activities provided cash of \$178.7 million \$476.8 million due to proceeds from the

sale and maturity of securities in our investment portfolio and a decline in our loan portfolio and proceeds from calls and principal paydowns of held-to-maturity securities, partially offset by cash used to fund acquisitions, investment securities purchases and fixed asset purchases, and investment securities purchases. Financing activities provided cash of \$169.0 million \$85.1 million primarily due to increases an increase in bank deposits, securities loaned, and securities sold under agreement to repurchase, and securities loaned, partially offset by repurchases of our common stock, tax payments related to shares withheld for stock-based compensation, repurchases of our common stock, and dividends paid on our common and preferred stock.

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 such as the SmartRate Program, 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, and 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. Interest rate increases may harm the value of our investment portfolio, if interest rates rise, our unrealized gains on fixed income securities may decrease and our unrealized losses may increase. We would recognize the accumulated change in estimated fair value of these fixed income securities in net income when we realize a gain or loss upon the sale of the security.

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.

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As of **September 30, 2023** **March 31, 2024**, we had **\$37.9 billion** **\$38.3 billion** in assets, **\$11.9 billion** **\$13.0 billion** of which consisted of cash or assets readily convertible into cash as follows (*in thousands*):

	September 30,	December 31,	March 31, 2024	December 31, 2023
	2023	2022		
Cash and cash equivalents	\$ 2,768,353	\$ 2,199,985	\$ 3,408,528	\$ 3,361,801
Receivables from brokers, dealers, and clearing organizations	363,008	418,091	657,871	414,144
Securities purchased under agreements to resell	412,367	348,162	451,056	349,849
Financial instruments owned at fair value	966,559	659,685	1,131,886	834,279
Available-for-sale securities at fair value	1,512,233	1,636,041	1,499,982	1,551,686
Held-to-maturity securities at amortized cost	5,900,379	5,990,451	5,793,750	5,888,798
Investments	25,660	38,278	23,657	23,189
Total cash and assets readily convertible to cash	\$ 11,948,559	\$ 11,290,693	\$ 12,966,730	\$ 12,423,746

As of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, the amount of collateral by asset class is as follows (*in thousands*):

September		December 31,		March 31, 2024		December 31, 2023	
30, 2023		2022		March 31, 2024		December 31, 2023	
Contr	Contr	Contr	Contr	Contractual	Contingent	Contractual	Contingent
actua	Conti	actua	Conti				
I	ngent	I	ngent				

Cash and cash equivalents	173,	129,									
	\$ 009	\$ —	\$ 045	\$ —	\$ 185,381	\$ —	\$ 185,195	\$ —			
Financial instruments owned at fair value	408,	408,	212,	212,							
	950	950	011	011	426,659	426,659	417,644	417,644			
Investment portfolio (AFS & HTM)		2,02		2,09							
		0,13		0,58							
	—	5	—	3	—	1,986,145	—	—	—	2,076,717	
		2,42		2,30							
	581,	9,08	341,	2,59							
	\$ 959	\$ 5	\$ 056	\$ 4	\$ 612,040	\$ 2,412,804	\$ 602,839	\$ 2,494,361			

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 **September 30, 2023** **March 31, 2024**, 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

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Note 16 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 **September 30, 2023** **March 31, 2024**, the maximum number of shares that may yet be

purchased under this plan was **4.2 million** **11.0 million**. In October 2023, the Board of Directors approved the increase of an additional **10.0 million shares**, bringing the authorized share repurchase amount to **14.2 million shares**. 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

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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 **September 30, 2023** **March 31, 2024**, 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 September 30, 2023 March 31, 2024, available cash and highly liquid investments comprised approximately 18% 22% 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

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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 bank 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 \$2.8 billion \$3.41 billion of cash and cash equivalents at September 30, 2023 March 31, 2024, compared to \$2.2 billion \$3.36 billion at December 31, 2022 December 31, 2023. Cash and cash equivalents provide immediate sources of funds to meet our liquidity needs.

Available-for-Sale Securities – We held \$1.5 billion in available-for-sale investment securities at September 30, 2023 March 31, 2024, compared to \$1.6 billion at December 31, 2022 December 31, 2023. As of September 30, 2023 March 31, 2024, 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”). As of **September 30, 2023** **March 31, 2024**, we had \$27.6 billion in deposits compared to **\$27.1 billion** **\$27.3 billion** at **December 31, 2022**.

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December 31, 2023. 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 **\$24.7 billion** **\$25.3 billion** and **\$25.3 billion** **\$24.1 billion** at **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, respectively, which includes **\$13.6 billion** **\$15.6 billion** and **\$8.7 billion** **\$14.5 billion**, respectively, of client cash in our Smart Rate program. The increase in money market deposits in **2023** **2024** 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 **September 30, 2023** **March 31, 2024**, 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 **\$115.0 million** **\$70.0 million**.

during the **nine** **three** months ended **September 30, 2023** **March 31, 2024**. 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 **September 30, 2023** **March 31, 2024**, we had no outstanding balances on our uncommitted secured lines of credit.

Federal Home Loan advances are floating-rate advances. **The weighted average interest rate during the nine months ended September 30, 2023 on these advances was 4.97%.** 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 **September 30, 2023** **March 31, 2024**, there were no Federal Home Loan advances.

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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** **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 **September 30, 2023** **March 31, 2024**, 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 \$5.5 billion \$5.8 billion at **September 30, 2023** **March 31, 2024** and \$64.5 million in federal funds agreements for the purpose of purchasing short-term funds should additional liquidity be needed. At **September 30, 2023** **March 31, 2024**, there were no outstanding Federal Home Loan Bank advances. Stifel Bancorp is eligible to participate in the Fed's discount window program; however, Stifel Bancorp does not view borrowings from the Fed 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 Fed, and is secured by securities. Stifel Bancorp has borrowing capacity of \$1.3 billion with the Fed's discount window at **September 30, 2023** **March 31, 2024**. Stifel Bancorp receives overnight funds from excess cash held in Stifel brokerage accounts, which are deposited into a money market account. These balances totaled **\$24.7 billion** **\$25.3 billion** at **September 30, 2023** **March 31, 2024**. At **September 30, 2023** **March 31, 2024**, there was **\$25.5 billion** **\$26.9 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.

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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.

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. **On or after October 15, 2022, we** **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. We received a credit rating upgrade from S&P Global Ratings during the first quarter of 2024.

Use of Capital Resources

We have paid \$130.7 million \$18.8 million in the form of upfront notes to financial advisors for transition pay during the nine three months ended September 30, 2023 March 31, 2024. 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 remaining three nine months in 2023, 2024, and the years ended December 31, 2024 December 31, 2025, 2025, 2026, 2027, 2028, and thereafter are \$57.6 million \$131.1 million, \$131.4 million \$115.4 million, \$110.0 million \$104.6 million, \$99.7 million \$85.1

million, \$79.3 million \$72.7 million, and \$200.1 million \$156.8 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 or restricted stock awards 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 three two years. In addition, we sponsor non-share-based compensation plans, which includes restricted cash awards that are subject to ratable vesting terms with service requirements. We paid \$64.6 million restricted cash awards in March 2024. These awards are amortized as compensation expense over the relevant service period.

At September 30, 2023 March 31, 2024, the total number of restricted stock units, PRSUs, and restricted stock awards outstanding was 16.2 million 13.5 million, of which 14.1 million 11.8 million were unvested. At September 30, 2023 March 31, 2024, there was unrecognized compensation cost for deferred awards of approximately \$759.0 million \$825.1 million, which is expected to be recognized over a weighted-average period of 2.5 2.6 years.

The future estimated compensation expense of the deferred awards, assuming current year forfeiture levels and static growth for the remaining three nine months in 2023, 2024, and the years ended December 31, 2024 December 31, 2025, 2025, 2026, 2027, 2028, and thereafter are \$63.4 million \$190.5 million, \$223.3 million \$217.1 million, \$185.5 million \$176.3 million, \$144.1 million \$118.0 million, \$83.8 million \$68.4 million, and \$58.9 million \$54.8 million, respectively. These estimates could change if our forfeitures change from historical levels.

On March 1, 2023 March 14, 2024, the Company acquired Torreya Partners LLC, announced it signed a leading independent M&A definitive agreement to acquire Finance 500, Inc. ("Finance 500") and private CB Resource, Inc. ("CBR"), which operate as strategic partners under common ownership. Finance 500 is a brokerage and investment services provider focused on underwriting FDIC-insured Certificates of Deposits and fixed income securities trading. CBR integrates ERM, strategic and capital advisory firm serving the global life sciences industry, plan solutions, and industry analytics through its fully integrated tech-enabled platform. Consideration for this acquisition consisted of cash from operations.

On August 1, 2023, We expect to close the Company acquired Sierra Pacific, an algorithmic trading-focused, fixed income market-making firm. Consideration for this acquisition consisted in the third quarter of cash from operations. 2024.

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

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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 IIROC. CIRO.

At September 30, 2023 March 31, 2024, Stifel had net capital of \$395.4 million \$446.4 million, which was 36.5% 35.3% of aggregate debit items and \$373.8 million \$421.1 million in excess of its minimum required net capital. At September 30, 2023 March 31, 2024, all of our other broker-dealer subsidiaries' net capital exceeded the minimum net capital required under the SEC rule. At September 30, 2023 March 31, 2024, SNEL's capital and reserves were in excess of the financial resources requirement under the rules of the FCA. At September 30, 2023 March 31, 2024, our banking subsidiaries were considered well capitalized under the regulatory framework for prompt corrective action. At September 30, 2023 March 31, 2024, SNC's net capital and reserves were in excess of the financial resources requirement under the rules of the IIROC. CIRO. See Note 16 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 more information, see Note 2 of the Notes to Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023. There have not been any material updates to our critical accounting policies and estimates as disclosed in the MD&A of the Company's Annual Report on Form 10-K.

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 21 of the Notes to Consolidated Financial Statements. Such information is hereby incorporated by reference.

Contractual Obligations

Our contractual obligations have not materially changed from those reported in our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

ITEM 3. 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/Corporate Governance 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.

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, start-up 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 sets forth the high, low, and daily average VaR for our trading portfolios during the ~~nine~~three months ended ~~September 30, 2023~~March 31, 2024, and the daily VaR at ~~September 30, 2023~~March 31, 2024 and ~~December 31, 2022~~December 31, 2023 (*in thousands*):

	Nine Months Ended September 30,			VaR Calculation at	
	2023			September 30, 2023	December 31, 2022
	High	Low	Daily Average		
Daily VaR	\$ 11,953	\$ 3,612	\$ 7,512	\$ 6,844	\$ 6,293

	Three Months Ended March 31,			VaR Calculation at	
	2024			March 31, 2024	December 31, 2023
	High	Low	Daily Average		
Daily VaR	\$ 12,537	\$ 5,259	\$ 8,080	\$ 9,032	\$ 6,464

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.

The following table illustrates the estimated change in net interest income at **September 30, 2023** **March 31, 2024**, 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 Income	Projected Change in Net Interest Income	
		4.9 %	3.8 %
+200		4.9 %	3.8 %
+100		2.5	1.9
0		—	—
-100		0.8	(1.4)
-200		(2.6)	(4.0)

The following GAP Analysis table indicates Stifel Bancorp's interest rate sensitivity position at **September 30, 2023** **March 31, 2024 (in thousands)**:

	Repricing Opportunities				Repricing Opportunities			
	0-6		7-12		5+			
	Mont	Mont	1-5	Year	hs	hs	Years	s
					0-6 Months	7-12 Months	1-5 Years	5+ Years
Interest-earning assets:								
	12,4		3,82	4,0				
	99,6	434,	0,19	19,				
Loans	\$ 80	\$ 187	\$ 0	\$ 602	\$ 11,566,966	\$ 535,457	\$ 4,157,627	\$ 3,672,206
	6,08				806			
	5,81	117,	682,	,92				
Securities	2	108	503	9	6,001,878	173,974	600,897	739,466
	1,19							
Interest-bearing cash	3,71							
	8	—	—	—	2,462,910	—	—	—
	19,7		4,50	4,8				
	79,2	551,	2,69	26,				
	\$ 10	\$ 295	\$ 3	\$ 531	\$ 20,031,754	\$ 709,431	\$ 4,758,524	\$ 4,411,672
Interest-bearing liabilities:								

Transaction accounts and savings	27,3 84,6	\$ 76 \$ — \$ — \$ — \$ 27,390,319 \$ — \$ — \$ —
Certificates of deposit	— — 5 —	— — — 5 —
Borrowings		51,290
	27,3 84,6	
	\$ 76 \$ — \$ 5 \$ — \$ 27,441,609 \$ — \$ 5 \$ —	
	(7,6) 4,50 4,8	
	05,4 551, 2,68 26,	
GAP	66) 295 8 531	(7,409,855) 709,431 4,758,519 4,411,672
Cumulative GAP	(7,6) (7,0) (2,5) 2,2 05,4 54,1 51,4 75, \$ 66) \$ 71) \$ 83) \$ 048 \$ (7,409,855) \$ (6,700,424) \$ (1,941,905) \$ 2,469,767	

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.

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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 **September 30, 2023** **March 31, 2024**, the fair value of securities accepted as collateral where we are permitted to sell or repledge the securities was **\$1.7 billion**, **\$1.6 billion** and the fair value of the collateral that had been sold or repledged was **\$409.0 million** **\$426.7 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.

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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 collateral. 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. 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.

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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 further discussion on our legal reserves policy under "Critical Accounting Policies and Estimates" in Item 2, Part I and "Legal Proceedings" in Item 1, Part II of this report. report 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 IIROC. 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.

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ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our disclosure controls and procedures are designed to, among other things, provide reasonable assurance that material information, both financial and non-financial, and other information required under the securities laws to be disclosed is accumulated and communicated to senior management, including the Chief Executive Officer and Chief Financial Officer, on a timely basis. Under the direction of the Chief Executive Officer and Chief Financial Officer, management has evaluated our disclosure controls and procedures as of **September 30, 2023** **March 31, 2024** and has concluded that the disclosure controls and procedures were adequate and effective as of such date.

Changes in Internal Control over Financial Reporting

There have been no changes in our company's internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) during the three months ended **September 30, 2023** **March 31, 2024**, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Please see our discussion set forth under Item 3. "Legal Proceedings" in our Annual Report on Form 10-K for the year ended **December 31, 2022** **December 31, 2023** and Item 1. "Financial Statements" in our Form 10-Q for the quarter ended **September 30, 2023** **March 31, 2024**.

ITEM 1A. RISK FACTORS

The discussion of our business and operations should be read together with the information contained in our other reports and periodic filings that we make with the SEC, including, without limitation, the information contained under the caption "Item 1A. Risk Factors" in our annual report on Form 10-K for the year ended **December 31, 2022** **December 31, 2023**. Those risk factors could materially affect our business, financial condition, and results of operations. The risks that we describe in our public filings are not the only risks that we face. Additional risks and uncertainties not currently known to us, or that we presently deem to be immaterial, also may materially adversely affect our business, financial condition, and results of operations.

There have been no material changes in our risk factors from those disclosed under the caption "Item 1A. Risk Factors" to our annual report on Form 10-K for the year ended **December 31, 2022** **December 31, 2023**.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

There were no unregistered sales of equity securities during the quarter ended **September 30, 2023** **March 31, 2024**. 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 **September 30, 2023** **March 31, 2024**.

	Total Number of Shares Purchased	Average Price Paid per share	Total Number of Shares Announced as Part of Publicly Announced Plans	Maximum Number of Shares That May Yet be Purchased Under the Plan or Program
July 1 - 31, 2023	486,300	\$ 62.27	486,300	5,581,488
August 1 - 31, 2023	805,715	62.76	805,715	4,775,773
September 1 - 30, 2023	593,813	63.93	593,813	4,181,960
	1,885,828	\$ 63.00	1,885,828	

	Total Number of Shares Purchased	Average Price Paid per share	Total Number of Shares Announced as Part of Publicly Announced Plans	Maximum Number of Shares That May Yet be Purchased Under the Plan or Program
January 1 - 31, 2024	510,000	\$ 70.25	510,000	11,326,813
February 1 - 29, 2024	110,000	75.26	110,000	11,216,813
March 1 - 31, 2024	220,000	75.46	220,000	10,996,813

840,000	\$	72.27	840,000
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We have an ongoing authorization from the Board of Directors to repurchase our common stock in the open market or in negotiated transactions. At **September 30, 2023** **March 31, 2024**, the maximum number of shares that may yet be purchased under this plan was **4.2 million** **11.0 million**.

In October 2023, the Board of Directors approved the increase of an additional 10.0 million shares, bringing the authorized share repurchase amount to 14.2 million shares.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

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ITEM 6. EXHIBITS

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 herein 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 herein by reference to Exhibit 3.2 to Stifel Financial Corp.'s Current Report on Form 8-K filed on August 11, 2023.
10.1	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 herein by reference to Exhibit 10.1 to Stifel Financial Corp.'s Current Report on Form 8-K filed on September 28, 2023.

11.1 [Statement Re: Computation of per Share Earnings \(The calculation of per share earnings is included in Part I, Item 1 in the Notes to Consolidated Financial Statements \(Earnings Per Share\) and is omitted here in accordance with Section \(b\)\(11\) of Item 601 of Regulation S-K\).](#)

31.1 [Rule 13a-14\(a\) Certification of Chief Executive Officer.](#)

31.2 [Rule 13a-14\(a\) Certification of Chief Financial Officer.](#)

32.1 [Section 1350 Certification of Chief Executive Officer.*](#)

32.2 [Section 1350 Certification of Chief Financial Officer.*](#)

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 **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**; (ii) Consolidated Statements of Operations for the three **and nine** months ended **September 30, 2023** **March 31, 2024** and **2022; 2023**; (iii) Consolidated Statements of Comprehensive Income for the three **and nine** months ended **September 30, 2023** **March 31, 2024** and **2022; 2023**; (iv) Consolidated Statements of Changes in Shareholders' Equity for the three **and nine** months ended **September 30, 2023** **March 31, 2024** and **2022; 2023**; (vi) Consolidated Statements of Cash Flows for the **nine** **three** months ended **September 30, 2023** **March 31, 2024** and **2022; 2023**; and (vii) Notes to Consolidated Financial Statements.

104 Cover Page Interactive Data File (embedded within the Inline XBRL document).

* The certifications attached as Exhibits 32.1 and 32.2 that accompany this Quarterly Report on Form 10-Q, are not deemed filed with the Securities and Exchange Commission 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-Q, irrespective of any general incorporation language contained in such filing.

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SIGNATURES

Pursuant to the requirements 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.

STIFEL FINANCIAL CORP.

/s/ Ronald J. Kruszewski

Ronald J. Kruszewski

Chairman of the Board and

Chief Executive Officer

/s/ James M. Marischen

James M. Marischen

Chief Financial Officer

Date: **November 7, 2023** **May 8, 2024**

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EXHIBIT 31.1

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Ronald J. Kruszewski, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Stifel Financial Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

- a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
- c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or other persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **November 7, 2023** **May 8, 2024**

/s/ Ronald J. Kruszewski

Ronald J. Kruszewski

Chairman of the Board and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION PURSUANT TO

SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, James M. Marischen, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Stifel Financial Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2023 May 8, 2024

/s/ James M. Marischen

James M. Marischen
Chief Financial Officer

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EXHIBIT 32.1

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Stifel Financial Corp. on Form 10-Q for the quarter ended **September 30, 2023** **March 31, 2024**, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned officer certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the registrant.

Date: **November 7, 2023** **May 8, 2024**

/s/ Ronald J. Kruszewski

Ronald J. Kruszewski

Chairman of the Board and Chief Executive Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

EXHIBIT 32.2

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Stifel Financial Corp. on Form 10-Q for the quarter ended **September 30, 2023** **March 31, 2024**, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned officer certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the registrant.

Date: **November 7, 2023** **May 8, 2024**

/s/ James M. Marischen

James M. Marischen

Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

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