

Risk Factors Comparison 2024-02-16 to 2023-02-17 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text Section**

Our operations and financial results are subject to various risks and uncertainties, including those described below, which could adversely affect our business, financial condition, results of operations, liquidity and the trading price of our common stock. The list of risk factors provided in the following sections is not exhaustive ; there may be factors not discussed in the following sections or in this Form 10- K that adversely impact our results of operations, harm our reputation or inhibit our ability to generate new business prospects. We may amend or supplement these risk factors from time to time in other reports we file with the SEC. MARKET AND LIQUIDITY RISKS Lack of **funding**, liquidity , or access to capital could impair our business and financial condition. ~~Our~~ **An inability to maintain adequate funding and liquidity to operate or our business to easily access credit and capital markets could have a significant negative effect on our financial condition. We have a contingency funding plan which would guide our actions if one or more of our businesses were to experience disruptions from normal funding and liquidity sources.** If liquidity ~~the available funding from one our~~ **or brokerage more of or our banking operations contingent funding sources is inadequate or unavailable not sufficient to sustain normal operating levels** , we may be required to scale back or curtail our operations, such as **by limiting our recruiting of additional financial advisors, limiting lending, selling assets at unfavorable prices, and cutting or eliminating dividend payments, or limiting our recruiting of financial advisors** . Our liquidity could be negatively affected by ~~the~~ **any** inability of our subsidiaries to generate cash **in to distribute to the parent company** form of dividends from earnings, liquidity or capital requirements **applicable to our subsidiaries that may prevent us our subsidiaries from upstreaming distributing cash to the parent company, limited limitations on or our no accessibility subsidiaries' access** to credit markets for secured and unsecured borrowings **by our subsidiaries**, diminished access to the **credit and** capital markets **for our company**, and other commitments or restrictions on capital as a result of adverse legal settlements, judgments, ~~or~~ **regulatory sanctions, or an adverse change in our credit rating by one or more of the national rating agencies that rate us** . Furthermore, as a bank holding company, we may become subject to prohibitions or limitations on our ability to pay dividends **to our shareholders** and / or repurchase our stock. Certain of our regulators have the authority, and under certain circumstances, the duty, to prohibit or to limit dividend payments by regulated subsidiaries to their parent **company** . The availability of financing, including access to the credit and capital markets, depends on various factors, such as conditions in the debt and equity markets, the general availability of credit, the volume of securities trading activity, the overall availability of credit to the financial services sector , and our credit ratings. Our cost of capital and the availability of funding may be adversely affected by illiquid credit markets **and**, wider credit spreads , **or our inability to pay a prevailing rate of interest that is competitive with other market offerings** . Additionally, lenders may from time to time curtail, or even cease to provide, funding to borrowers as a result of future concerns over the strength of specific counterparties, as well as the stability of markets generally. ~~See Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources," in this Form 10-K for additional information on liquidity.~~ **See Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources," in this Form 10-K for additional information on liquidity.** **Significant volatility in our domestic clients' cash sweep and bank deposit balances could negatively affect our net revenues and Results of Operations – Liquidity / or our ability to fund our bank subsidiaries' growth and may impact our regulatory Capital Resources," in this Form 10-K ratios. We rely heavily on bank deposits as a low - K-cost source of funding for additional information on liquidity.** **Stifel Bancorp to extend loans to clients and how we manage purchase investment securities. Our bank deposits are primarily driven by our multi- bank sweep program in which clients' cash deposits in their brokerage accounts are swept into FDIC- insured interest- bearing accounts at our bank subsidiaries and various third- party banks. A significant reduction in our domestic clients' cash balances, a change in the allocation of that cash between our bank subsidiaries and third- party banks, a movement of cash away from our company, our **or liquidity risk an inability to implement new or modified deposit offerings in order to retain or grow our client base, could significantly impact our ability to continue growing interest- earning assets and / or require us to use higher- cost deposit sources to grow interest- earning assets. Rapidly rising rates, for example, have made and may continue to make investments in securities, such as fixed income securities and money market funds, more attractive for investors, thereby incentivizing them to reduce the cash they hold** . A downgrade in our credit ratings could have a material adverse effect on our operations, earnings, and financial condition. If our credit ratings were downgraded, or if rating agencies indicate that a downgrade may occur, our business, financial position, and results of operations could be adversely affected, perceptions of our financial strength could be damaged, and as a result, adversely affect our client relationships. Such a change in our credit ratings could also adversely affect our liquidity and competitive position, increase our borrowing costs, limit our access to the capital **and credit** markets, trigger obligations under certain financial agreements, **cause clients to withdraw bank deposits that exceed FDIC insurance limits from our bank subsidiaries**, or decrease the number of investors, clients , and counterparties willing or permitted to do business with or lend to us, thereby curtailing our business operations and reducing profitability. We may not be able to obtain additional outside financing to fund our operations on favorable terms, or at all. The impact of a credit rating downgrade to a level below investment grade would result in our breaching provisions in **certain of** our credit agreements, and may result in decreased levels of available credit or a request for immediate payment. A credit rating downgrade would also result in the Company incurring a higher **commitment facility** fee on **any unused balance on its \$ 750 million unsecured revolving credit facilities- facility agreement (the " Credit Facility ")** , in addition to triggering a higher interest rate applicable to any borrowings outstanding on the line as of and subsequent to such downgrade (see, **See " Item 7 – Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources " of this Form 10- K and** Note 11 of the Notes to Consolidated Financial Statements of this Form 10- K for**

information on the Company's credit **Credit Facility** facilities). We are exposed to market risk, including interest rate risk - ~~We are, directly and indirectly, affected by changes in market conditions~~. Market risk generally represents the risk that values of assets and liabilities or revenues will be adversely affected by changes in market conditions, **which directly and indirectly affect us. Market conditions that change from time to time, thereby exposing us to market risk, include fluctuations in interest rates, equity prices, foreign exchange rates, and price deterioration or changes in value due to changes in market perception, actual credit quality of an issuer, or other factors such as any potential shutdown of the U. S. government or downgrade of the U. S. government's credit rating. Market risk is inherent in financial instruments associated with our operations and activities, including loans, deposits, securities, short- term borrowings, long- term debt, trading assets and liabilities, derivatives, and investments**. For example, interest **rate increases could continue to adversely affect the value of our available- for- sale securities portfolio. Interest** rate changes could **also** adversely affect **the value of our fixed income inventories, as well as** our net interest spread, **which is** the difference between the yield we earn on our **interest- earning** assets and the interest rate we pay for deposits and other sources of funding, **which in turn impacts-impacting** our net interest income and earnings. Interest rate changes could affect the interest earned on assets differently than interest paid on liabilities. In our brokerage operations, a rising interest rate environment generally results in our earning a larger net interest spread and an increase in **servicing** fees received on our multi- bank deposit sweep program **but also increases our costs of funds**. Conversely, in those operations, a falling interest rate environment generally results in our earning **less interest income and lower servicing fees from third- party program banks, and also reduces our cost of funds. In a smaller falling interest rate environment, we may not be able to reduce our cost of funds as quickly as we experience a decrease in interest income. The magnitude of the impact of interest rate changes to our** net interest spread **depends on the yields on interest- earning assets relative to the cost of interest- bearing liabilities, including deposit rates paid to clients on their cash balances**. If we are unable to effectively manage our interest rate risk, changes in interest rates could have a material adverse effect on our profitability. **Market risk is inherent in the financial instruments associated with our operations and activities, including loans, deposits, securities, short- term borrowings, long- term debt, trading account assets and liabilities, derivatives and private equity investments. Market conditions that change from time to time, thereby exposing us to market risk, include fluctuations in interest rates, equity prices, foreign exchange rates, and price deterioration or changes in value due to changes in market perception or actual credit quality of an issuer.**In addition, disruptions in the liquidity or transparency of the financial markets may result in our inability to sell, syndicate, or realize the value of security positions, thereby leading to increased concentrations. The inability to reduce our positions in specific securities may not only increase the market and credit risks associated with such positions, but also increase the level of risk- weighted assets on our balance sheet, thereby increasing our capital requirements, which could have an adverse effect on our business results, financial condition and liquidity ~~.See Item 7A, "Quantitative and Qualitative Disclosures About Market Risk," in this Form 10- K for additional information regarding our exposure to and approaches to managing market risk~~. We are exposed to credit risk. We are generally exposed to the risk that third parties that owe us money, securities, or other assets will fail to meet their obligations to us due to numerous causes, including bankruptcy, lack of liquidity, or operational failure, among others. **Credit risk may also be affected by the deterioration of strength in the U. S. economy or adverse changes in the financial performance or condition of our clients and counterparties.** We actively buy and sell securities from and to clients and counterparties in the normal course of our broker- dealers' **trading market- making and underwriting businesses activities**, which exposes us to credit risk. Although generally collateralized by the underlying security to the transaction, we still face risk associated with changes in the market value of collateral through settlement date. ~~Our credit risk and credit losses may increase to the extent our loans or investments are to borrowers or issuers who, as a group, may be uniquely or disproportionately affected by declining economic or market conditions. The deterioration of an individually large exposure could lead to additional loan loss provisions and / or charges- offs, or credit impairment of our investments, and subsequently have a material impact on our results of operations, financial condition, regulatory capital, and liquidity~~. We also hold certain securities, loans, and derivatives as part of our trading **inventory operations**. Deterioration in the actual or perceived credit quality of the underlying issuers of securities or loans, or the non- performance of ~~issuers and~~ counterparties to certain derivative contracts could result in losses. We borrow securities from, and lend securities to, other **financial institutions broker- dealers**, and may also enter into agreements to repurchase and / or resell securities as part of **our investing and financing activities**. A sharp change in the ~~security~~ **market values of the securities** utilized in these transactions may result in losses if counterparties to these transactions fail to honor their commitments. We manage the risk associated with these transactions by establishing and monitoring credit limits, as well as by evaluating collateral and transaction levels on a recurring basis. Significant deterioration in the credit quality of one of our counterparties could lead to widespread concerns about the credit quality of other counterparties in the same industry, thereby exacerbating our credit risk ~~exposure~~. ~~We~~ **In addition, we** permit our clients to purchase securities on margin. During periods of steep declines in securities prices, the value of the collateral securing client margin loans may fall below the amount of the **loan purchaser's indebtedness**. If clients are unable to provide additional collateral for these margin loans, we may incur losses on those margin transactions. This may cause us to incur additional expenses defending or pursuing claims or litigation related to counterparty or client defaults. We deposit our cash in depository institutions as a means of maintaining the liquidity necessary to meet our operating needs, and we also facilitate the deposit of cash awaiting investment in depository institutions on behalf of our clients. A failure of a depository institution to return these deposits could severely impact our operating liquidity, result in significant reputational damage, and adversely impact our financial performance. We also incur credit risk by lending to businesses and individuals through the offering of loans, including commercial and industrial loans, commercial and residential mortgage loans, tax- exempt loans, home equity lines of credit, and other loans generally collateralized by securities. We also incur credit risk through **certain of** our investments. Our credit risk and credit losses can increase if our loans or investments are concentrated among borrowers or issuers engaged in the same or similar activities, industries, or geographies, or to borrowers or issuers who

as a group may be uniquely or disproportionately affected by economic or market conditions. **The Declines in the real estate market or sustained economic downturns may cause us to experience credit losses or charge-offs related to our loans, sell loans at unattractive prices, or foreclose on certain real estate properties. Furthermore, the** deterioration of an individually large exposure, for example due to natural disasters, health emergencies or pandemics, acts of terrorism, severe weather events or other adverse economic events, could lead to additional **loan-credit** loss provisions and / or charges-offs, **or credit impairment of our investments**, and subsequently have a material impact on our net income and regulatory capital. Declines in the real estate market or sustained economic downturns may cause us to write down the value of some of the loans in Stifel Bancorp's portfolio, foreclose on certain real estate properties, or write down the value of some of our securities. Credit quality generally may also be affected by adverse changes in the financial performance or condition of our debtors or deterioration in the strength of the U. S. economy. See Item 7A, "Quantitative and Qualitative Disclosures About Market Risk," in this Form 10-K for additional information regarding our exposure to and approaches to managing credit risk. **ECONOMIC ENVIRONMENT RISKS** Abrupt changes in market and general economic conditions have in the past adversely affected, and may in the future adversely affect, our business and profitability and cause volatility in our results of operations. Economic and market conditions have had, and will continue to have, a direct and material impact on our results of operations and financial condition because performance in the financial services industry is heavily influenced by the overall strength of general economic conditions and financial market activity. Our investment banking revenue, in the form of advisory services and underwriting, is directly related to general economic conditions and corresponding financial market activity. When the outlook for such economic conditions is uncertain or negative, financial market activity generally tends to decrease, which reduces our investment banking revenues. Reduced expectations for, or further declines in, the U. S. and global economic outlook could cause financial market activity to decrease and negatively affect our investment banking revenues. In addition to the business risks set forth in the previous risk factor, global economic conditions and global financial markets remain vulnerable to the potential risks posed by certain events, including, among other things, political and financial uncertainty in the United States and the European Union, renewed concern about the U. S. and other major economies, domestic and international political or social unrest (including related protests or disturbances), the reduction in business activity leading to a decrease in global demand for oil and natural gas and the resulting historically low prices for these commodities, and complications involving terrorism and armed conflicts around the world. Our business is **sensitive** closely correlated to the general economic outlook, a significant deterioration in that outlook or realization of certain events would likely have an immediate and significant negative impact on our business and overall results of operations. We are affected by domestic and international macroeconomic conditions that impact **caused by political and geopolitical developments, fiscal, monetary, and tax policies, regulations, and the other global financial markets-domestic and international events**. We are engaged in various financial services businesses. As such, we are affected by domestic and international macroeconomic and political conditions, **including as well as** economic output levels, interest and inflation rates, employment levels, prices of commodities, consumer confidence levels, **changes in consumer spending**, international trade policy, and fiscal and monetary policy. For example, Fed policies determine, in large part, **interest rates and** the cost of funds for **which directly affect the returns and fair value on our** lending and investing **activities and the return earned on those loans and investments**. The market impact from such policies **can also can** decrease materially the value of certain of our financial assets, most notably debt securities, as well as our cash flows. **Changes in tax law and regulation, or any market uncertainty caused by a change in the political environment, may affect our clients and, directly or indirectly, our business.** Macroeconomic conditions may also be negatively affected by **domestic or international events, including natural disasters, political unrest, the indirect impact of wars**, such as those-- **the wars** associated with client cash balances. Changes in Fed policies are beyond **Ukraine and Israel, our or control, public health epidemics and consequently-pandemics**, as well as by the impact of these changes on our activities and results of our operations are difficult to predict. Macroeconomic conditions also may directly and indirectly impact a number of factors in the global financial markets that may be detrimental to our operating results, including trading levels, investing, and origination activity in the securities markets, security valuations, the absolute and relative level and volatility of interest and currency rates, real estate values, the actual and perceived quality of issuers and borrowers, and the supply of and demand for loans and deposits. **If** While we have experienced an operating environment that has been favorable for many of our businesses in recent years, if we were to experience a period of sustained downturn in the securities markets, a return to very low levels of short-term interest rates, credit market dislocations, reductions in the value of real estate, **an increase-increases** in mortgage and other loan delinquencies, **and or** other negative market factors, our revenues **and the value of the assets we own** could be significantly **adversely impaired-impacted**. **Market uncertainty could also cause clients to move their investments to lower margin products, or withdraw them, which could have an adverse impact on our profitability**. We could also experience a **decline-material reduction in commission-trading volume and lower asset prices in times of market uncertainty, which would result in lower brokerage revenue-revenues, including losses on from- firm inventory, as well as losses on certain of our investments. Conversely, periods of severe market volatility may result in a lower-volume-significantly higher level** of trades we execute for our clients, a decline in fees from reduced portfolio values of securities managed on behalf of our clients, a reduction in revenue from capital markets and advisory transactions **and other** due to lower activity **which may cause operational challenges that may result in losses. These can include, increased-but are not limited to, trade errors, failed transaction settlements, late collateral calls to borrowers and counterparties,** credit provisions and charge-offs, losses, **sustained from our- or interruptions** customers' and market participants' failure to **our system processing** fulfill their settlement obligations, reduced net interest earnings, and other losses. Periods of reduced revenue and other losses could lead to reduced profitability because certain of our expenses, including, **but not limited to,** our interest expense on debt, **lease expenses rent, facilities,** and salary expenses, are fixed, and our ability to reduce them over short time periods is limited. **We do business** U. S. markets may also be impacted by public health epidemics or pandemics, such as the COVID-19 pandemic, as

well as by political and civil unrest occurring in other parts of the world **and, as a result, are exposed to risks, including market, litigation, and regulatory compliance risks**. Our businesses and revenues derived from non-U. S. operations may also be subject to risk of loss from currency fluctuations, social or political instability, less established regulatory regimes, changes in governmental or central bank policies, downgrades in the credit ratings of sovereign countries, expropriation, nationalization, confiscation of assets, and unfavorable legislative, economic, and political developments. Any negative impact on economic conditions and global markets from these developments could adversely affect our business, financial condition, and liquidity. We may be impacted by budget pressures affecting U. S. state and local governments, as well as negative trends in the housing and labor markets. Investor concerns regarding these trends could potentially reduce the number and size of transactions in which we participate and, in turn, reduce our fixed income investment banking revenues. In addition, such factors could potentially have an adverse effect on the value of the municipal securities we hold in our trading securities portfolio. We are affected primarily by economic conditions in the North America. Market conditions in the U. S. and Canada can be assessed through the following metrics: the level and volatility of interest rates; unemployment and under-employment rates; real estate prices; consumer confidence levels and changes in consumer spending; and the number of personal bankruptcies, among others. Deterioration of market conditions can diminish loan demand, lead to an increase in mortgage and other loan delinquencies, affect loan repayment performance, and result in higher reserves and net charge-offs, which can adversely affect our earnings. We are exposed to risks from international markets. We do business in other parts of the world and, as a result, are exposed to risks, including market, litigation, and regulatory compliance risks. Our businesses and revenues derived from non-U. S. operations are subject to risk of loss from currency fluctuations, social or political instability, less established regulatory regimes, changes in governmental or central bank policies, downgrades in the credit ratings of sovereign countries, expropriation, nationalization, confiscation of assets, and unfavorable legislative, economic, and political developments. Action or inaction in any of these operations, including failure to follow proper practices with respect to regulatory compliance and / or corporate governance, could harm our operations and our reputation. We also invest or trade in the securities of corporations located in non-U. S. jurisdictions. Revenues from trading non-U. S. securities also may be subject to negative fluctuations as a result of the previously mentioned factors. OPERATIONAL RISKS Damage to our reputation could damage our businesses. Maintaining our reputation is critical to attracting and maintaining clients, investors, financial advisors, and other associates. If we fail to address, or appear to fail to address, issues that may give rise to reputational risk, we could significantly harm our business prospects. These issues may include, but are not limited to, any of the risks discussed in this Item 1A, including appropriately dealing with potential conflicts of interest, legal and regulatory requirements, ethical issues, money laundering, cybersecurity and privacy, record keeping, and sales and trading practices, **and associate misconduct**. In addition, the failure to **either** sell securities we have underwritten at anticipated price levels **or to**, **and the proper** **properly identify** identification of the legal, credit, liquidity, and market **communicate the** risks inherent in our **the** products, **and services we offer** could also give rise to reputational risk. Failure to maintain appropriate service and quality standards, or a failure or perceived failure to treat clients fairly, can result in client dissatisfaction, litigation, and heightened regulatory scrutiny, all of which can lead to lost revenue, higher operating costs, and reputational harm. Negative publicity about us, **including information posted on social media and internet forums or published by news organizations**, whether or not true, may also harm our reputation. **The speed and pervasiveness with which information can be disseminated through these channels, in particular social media, may magnify risk relating to negative publicity. Further, failures at other large financial institutions or other market participants, regardless of whether they relate to our activities, could lead to a general loss of customer confidence in financial institutions that could negatively affect us, including harming the market perception of the financial system in general**. Our ability to attract and retain senior professionals, qualified financial advisors, and other associates is critical to the continued success of our business. Our ability to **develop-recruit, serve,** and retain our clients depends on the reputation, judgment, **leadership,** business generation capabilities, and skills of our **senior-client-serving** professionals, members of our executive **committees-team**, as well as associates **who support revenue-generating professionals** and **financial advisors-their clients**. To compete effectively, we must attract, **develop, and** retain, **and motivate** qualified professionals, including successful financial advisors, investment bankers, trading professionals, portfolio managers, and other revenue-producing or specialized **support** personnel. **Further, effective management succession planning is important for the continued success of our company**. Competitive pressures we experience, **or inadequate management succession planning**, could have an adverse effect on our business, results of operations, financial condition, and liquidity. The labor market **remains competitive** continues to experience elevated levels of turnover in the aftermath of the COVID-19 pandemic, and we **face** **have been** impacted by an extremely competitive labor market, including increased competition for talent across all aspects of our business, as well as **increased** competition with non-traditional **competitors-firms**, such as technology companies. Employers are **developing a wide variety of offering offerings increased to attract talent, including but not limited to, increasing** compensation and opportunities to work with greater flexibility, including **enhancing health and wellness solutions, and providing in- office, hybrid, and** remote work **options**, on a permanent basis. These can be important factors in a current associate's decision to leave us as well as in a prospective associate's decision to join us. As competition for skilled professionals remains intense, we may have to devote significant resources to attract and retain qualified personnel, which could negatively **impact-affect** earnings. **Specifically within** The cost of recruiting and retaining skilled professionals in the financial services industry, **has escalated considerably. Financial industry employers are increasingly offering guaranteed contracts, upfront payments, and increased compensation. Our** These can be important factors in a current associate's decision to leave us as well as in a prospective associate's decision to join us. As competition for skilled professionals in the industry remains intense, we may have to devote significant resources to attract and retain qualified personnel. In particular, our financial results may be adversely affected by the costs we incur in connection with any **upfront** loans or other incentives we may offer to newly recruited financial advisors and other key personnel. **If we were to lose the services of any of our financial advisors,**

investment bankers, senior equity research, sales and trading professionals, asset managers, or executive officers to a competitor or otherwise, we may not be able to retain valuable relationships and some of our clients could choose to use the services of a competitor instead of our services. If we are unable to retain our senior professionals or recruit additional professionals, our reputation, business, results of operations, and financial condition will be adversely affected.

To the extent we have compensation targets, we may not be able to retain our associates, which could result in increased recruiting expense or result in our recruiting additional associates at compensation levels that are not within our target range. In particular, our financial results may be adversely affected by the costs we incur in connection with any upfront loans or other incentives we may offer to newly recruited financial advisors and other key personnel. If we were to lose the services of any of our investment bankers, senior equity research, sales and trading professionals, asset managers, or executive officers to a competitor or otherwise, we may not be able to retain valuable relationships and some of our clients could choose to use the services of a competitor instead of our services. If we are unable to retain our senior professionals or recruit additional professionals, our reputation, business, results of operations, and financial condition will be adversely affected.

Further, new business initiatives and efforts to expand existing businesses generally require that we incur compensation and benefits expense before generating additional revenues. Moreover, companies in our industry whose employees accept positions with competitors frequently claim that those competitors have engaged in unfair hiring practices. We have been subject to several such claims and may be subject to additional claims in the future as we seek to hire qualified personnel, some of whom may work for our competitors. Some of these claims may result in material litigation. We could incur substantial costs in defending against these claims, regardless of their merits. Such claims could also discourage potential employees who work for our competitors from joining us. Certain of our competitors have withdrawn from We participate, with limited exceptions, in the Protocol for Broker Recruiting (“ Protocol ”), a voluntary agreement among many over 1,800 firms in the industry that governs, among other things, the client information that financial advisors may take with them when they affiliate with a new firm and the financial advisor’s ability to solicit clients of their previous firm. The ability to bring such customer-client data to a new broker-dealer, as well as the ability to solicit clients, generally means that the clients of the financial advisor are better able to move more client likely to choose to open account accounts balances to his or her at the advisor’s new firm. It Participation is voluntary, and it is possible that other certain of our competitors will similarly withdraw from the Protocol. If the broker-dealers from whom we recruit new financial advisors prevent, or significantly limit, the transfer of client data and the solicitation of clients, our recruiting efforts may be adversely affected and. Additionally, we could continue to experience a larger number of claims against us relating to our recruiting efforts. Our business depends on fees earned from the management of client accounts and asset management fees. We have grown our asset management business in recent years, which has increased the risks associated with this business relative to our overall operations. The asset management fees we are paid are dependent upon the value of client assets in fee-based accounts in our Private Client Group segment, as well as assets under management (“ AUM ”) in our asset management business. The value of our fee-based assets and AUM is impacted by market fluctuations and inflows or outflows of assets. As a result of a shift by our Private Client Group clients to increasingly show a preference for fee-based accounts over from traditional transaction-based accounts, a larger portion of our client assets are more directly impacted by market movements. Therefore, in periods of declining market values, the values of fee-based accounts and AUM may resultantly decline, which would negatively impact our revenues. In addition, below-market investment performance by our funds, portfolio managers, or financial advisors could result in reputational damage that might cause outflows or make it more difficult to attract new investors into our asset management products and thus further impact our business and financial condition. Our asset management fees may also decline over time due to factors such as increased competition and the renegotiation of contracts. In addition, the market environment in recent years has resulted in a shift to passive investment products, which generate lower fees than actively managed products. A continued trend toward passive investments or changes in market values or in the fee structure of asset management accounts would negatively affect our revenues, business, and financial condition. Our underwriting, market-making, trading, and other business activities place our capital at risk. We may incur losses and be subject to reputational harm to the extent that, for any reason, we are unable to sell securities we have underwritten at the anticipated price levels. As an underwriter, we also are subject to heightened standards regarding liability for material misstatements or omissions in prospectuses and other offering documents relating to offerings in which we are involved. While it is not typical, from time to time and as part of our underwriting processes, we may carry significant positions in securities of a single issuer or issuers engaged in a specific industry. Sudden changes in the value of these positions, despite our risk mitigation policies, could impact our financial results. As a market-maker, we may own take ownership of positions in specific securities, and these undiversified holdings concentrate the risk of market fluctuations and may result in greater losses than would be the case if our holdings were more diversified. Despite risk mitigation policies, we may incur losses as a result of positions we hold in connection with our market-making. We have made, and to the limited extent permitted by applicable regulations, may continue to make principal investments in private equity funds and other illiquid investments; however, our current focus is on the divestiture of our existing portfolio. We may be unable to realize our investment objectives if we cannot sell or otherwise dispose of our interests at attractive prices or complete a desirable exit strategy. In particular, these activities risks could arise from changes in the financial condition or prospects of the portfolio companies in which investments are made, changes in economic conditions or changes in laws, regulations, fiscal policies or political conditions. It could take a substantial period of time to identify attractive investment opportunities and then to realize the cash value of such investments. In addition, even if a private equity investment proves to be profitable, it may be several years or longer before any profits can be realized in cash. The soundness of other financial institutions and intermediaries affects us. We face the risk of operational failure, termination, or capacity constraints of any of the clearing agents, exchanges, clearing houses, or other financial intermediaries that we use to facilitate our securities transactions. As a result of regulatory changes and the consolidation over the years among clearing agents, exchanges, and clearing houses, our exposure to certain

financial intermediaries has increased and could affect our ability to find adequate and cost-effective alternatives should the need arise. Any failure, termination, or constraint of these intermediaries could adversely affect our ability to execute transactions, service our clients, and manage our exposure to risk. Our ability to engage in routine trading and funding transactions could be **adversely** affected ~~adversely~~ by the actions and commercial soundness of other financial institutions. Financial services institutions are **interrelated-interdependent** as a result of trading, clearing, funding, counterparty, or other relationships. We have exposure to many different industries and counterparties, and we routinely execute transactions with counterparties in the financial industry, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds, and other institutional clients. Defaults by, or even rumors or questions about the financial condition of, one or more financial services institutions, or the financial services industry generally, have historically led to market-wide liquidity problems and could lead to losses or defaults by us or by other institutions. Many of these transactions expose us to credit risk in the event of default of our counterparty or client. In addition, our credit risk may be exacerbated when the collateral held by us cannot be realized or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure due us. Losses arising in connection with counterparty defaults may have a material adverse effect on our results of operations. We **deposit** continue to experience pricing pressures in areas of our **cash in depository institutions as a means of maintaining the liquidity necessary** business, which may impair our future revenue and profitability. We continue to experience pricing pressures **meet our operating needs, and we also facilitate the deposit of cash awaiting investment in depository institutions on behalf of our clients** trading margins and commissions in fixed income and equity trading. **In Many of the these** fixed income market **deposits exceed FDIC-insured limits. Recent events in the financial services industry,** regulatory requirements **including the failure of certain banks,** have resulted in greater price transparency, leading to price competition and decreased trading margins. In the equity market, we experience pricing pressure from institutional clients to reduce commissions, partially due to the industry trend toward the separate payment for research and execution services. Our trading margins have been further compressed by the use of electronic and direct market access trading, which has created additional competitive pressure. We believe that price competition and pricing pressures in these and other areas will continue as institutional investors continue to reduce the amounts they are willing to pay, including by reducing the number of brokerage firms they use, and some of our competitors seek to obtain market share by reducing fees, commissions, or margins. The growth of our bank subsidiaries may expose us to increased **counterparty** credit risk, operational risk, regulatory risk, and sensitivity to market interest rates along with increased regulation, examinations, and supervision by regulators. We have experienced growth in **While we perform extensive diligence on** the **banks we select to** loan portfolio and the investment portfolio, which includes available for sale and held **hold these** to maturity securities, of Stifel Bancorp, which is funded by affiliated customer deposits. Although, **a failure of one our** **or more of** stock-secured loans are collateralized by assets held in our clients' brokerage accounts, we are exposed to some credit and operational risk associated with these loans. With **depository institutions to return** the **these** increase in deposits and resulting **could affect our operating** liquidity, we have been able to expand our investment portfolio. In addition, Stifel Bancorp has significantly grown its mortgage and commercial lending businesses. Although we believe we have conservative underwriting policies in place, there are inherent risks associated with the mortgage banking business. As a result of the high percentage of our assets and liabilities that are in **reputational damage, and impair** the form of interest-bearing or **our** interest-related instruments, we are more sensitive to changes in interest rates, in the shape of the yield curve, or in relative spreads between market interest rates. The monetary, tax, and other policies of the government and its agencies, including the Federal Reserve, have a significant impact on interest rates and overall financial market performance. An important function of the Federal Reserve is to regulate the national supply of bank credit and market interest rates. The actions of the Fed influence the rates of interest that we charge on loans and that we pay on borrowings and interest-bearing deposits, which may also affect the value of our on-balance sheet and off-balance sheet financial instruments. We cannot predict the nature or timing of future changes in monetary, tax, and other policies or the effect that they may have on our activities and results of operations. In addition, our bank subsidiaries are heavily regulated at the state and federal level. This regulation is to protect depositors, federal deposit insurance funds, consumers, and the banking system as a whole, but not our shareholders. Federal and state regulations can significantly restrict our businesses, and we are subject to various regulatory actions, which could include fines, penalties, or other sanctions for violations of laws and regulatory rules if we are ultimately found to be out of compliance. We face intense competition **and pricing pressures and may not be able to keep pace with technological change.** We are engaged in intensely competitive businesses. We compete on the basis of a number of factors, including the quality of our ~~financial advisors and~~ associates, our products and services, pricing (such as execution pricing and fee levels), **technology solutions, and** location, and reputation in relevant markets. Over time, there has been substantial consolidation and convergence among companies in the financial services industry, which has significantly increased the capital base and geographic reach of our competitors. See the section titled "**Item 1 – Business- Competition**" of ~~Item 1~~ of this Form 10-K for additional information about our competitors. We compete directly with **other** national full-service broker-dealers, investment banking firms, **and commercial banks, and investment managers,** and to a lesser extent, with discount brokers and dealers and investment advisers. **We** ~~In addition, we~~ face competition from more recent entrants into the market, **including fintechs,** and increased use of alternative sales channels by other firms. **Technology has lowered barriers to entry and made it possible for fintechs to compete with larger financial institutions in providing electronic, internet-based, and mobile phone-based financial solutions. This competition has grown significantly over recent years and is expected to intensify. In addition, commercial firms and other non-traditional competitors have applied for banking licenses or have entered into partnerships with banks to provide banking services.** We also compete indirectly for investment assets with insurance companies, real estate firms, and hedge funds, among others. **This competition- Competition from other financial services firms to attract clients or trading volume, through direct-to-investor online financial services, or higher deposit rates to attract client cash balances, could result in pricing pressure or otherwise adversely impact our business and** cause our

business to suffer. **Our** ~~To remain competitive, our~~ future success also depends, in part, on our ability to develop, **maintain,** and enhance our products and services, **including factors such as customer experience, and the pricing and range of our offerings.** The ~~inability~~ **financial services industry is continually undergoing rapid technological change with frequent introductions of new technology- driven products and services. If we are not able** to develop new products and services, or enhance existing offerings, **effectively implement new technology- driven products and services, or successfully market these products and services to our customers, our business, financial condition, or results of operations may be adversely affected. Furthermore, both financial institutions and their non- banking competitors face the risk that payments processing and other services could be significantly disrupted by technologies, such as cryptocurrencies, that require no intermediation. New technologies have a material adverse effect** ~~required, and could require us in the future, to spend more to modify or adapt our products to attract and retain clients or to match products and services offered by our competitors, including technology companies. We must monitor the pricing of our services and financial products in relation to competitors and periodically may need to adjust our fees, commissions, margins, or interest rates on our~~ **profitability deposits to remain competitive . In fixed income markets, regulatory requirements have resulted in greater price transparency, leading to price competition and decreased trading margins. Our trading margins have been further compressed by the shift from high- to low- touch services over time, which has created additional** ~~additional~~ **we may incur substantial expenditures** ~~competitive pressure. We believe that price competition and pricing pressures in these and other areas will continue as institutional investors continue to keep pace with~~ **reduce the amounts the they constant changes are willing to pay, including by reducing the number of brokerage firms they use, and enhancements being made in technology some of our competitors seek to obtain market share by reducing fees, commissions, or margins** . We are exposed to operational risk. Our diverse operations expose us to risk of loss resulting from inadequate or failed internal processes, people, and systems external events, including technological or connectivity failures either at the exchanges in which we do business or between our data centers, operations processing sites, or our branches. Our businesses depend on our ability to process and monitor, on a daily basis, a large number of complex transactions across numerous and diverse markets. The inability of our systems to accommodate an increasing volume of transactions could also constrain our ability to expand our businesses. Our financial, accounting, data processing, or other operating systems and facilities may fail to operate properly or become disabled as a result of events that are wholly or partially beyond our control, adversely affecting our ability to process these transactions or provide these services. Operational risk exists in every activity, function, or unit of our business, and can take the form of internal or external fraud, employment and hiring practices, an error in meeting a professional obligation, or failure to meet corporate fiduciary standards. Operational risk also exists in the event of business disruption, system failures, or failed transaction processing. Third parties with which we do business could also be a source of operational risk, including with respect to breakdowns or failures of the systems or misconduct by the employees of such parties. In addition, as we change processes or introduce new products and services, we may not fully appreciate or identify new operational risks that may arise from such changes. Increasing use of automated technology has the potential to amplify risks from manual or system processing errors, including outsourced operations. Our business contingency plan in place is intended to ensure we have the ability to recover our critical business functions and supporting assets, including staff and technology, in the event of a business interruption. Despite the diligence we have applied to the development and testing of our plans, due to unforeseen factors, our ability to conduct business may, in any case, be adversely affected by a disruption involving physical site access, catastrophic events, including weather- related events, events involving electrical, environmental, or communications malfunctions, as well as events impacting services provided by others that we rely upon which could impact our associates or third parties with whom we conduct business. ~~See Item 7A, “Quantitative and Qualitative Disclosures About Market Risk,” in this Form 10- K for additional information regarding our exposure to and approaches to managing operational risk.~~ A continued interruption to our telecommunications or data processing systems, or the failure to effectively update the technology we utilize, could be materially adverse to our business. Our businesses rely extensively on data processing and communications systems. In addition to better serving clients, the effective use of technology increases efficiency and enables us to reduce costs. Adapting or developing our technology systems to meet new regulatory requirements, client needs, and competitive demands is critical for our business. Introduction of new technology presents challenges on a regular basis. There are significant technical and financial costs and risks in the development of new or enhanced applications, including the risk that we might be unable to effectively use new technologies or adapt our applications to emerging industry standards. Our continued success depends, in part, upon our ability to: (i) successfully maintain and upgrade the capability of our technology systems on a regular basis; (ii) maintain the quality of the information contained in our data processing and communications systems; (iii) address the needs of our clients by using technology to provide products and services that satisfy their demands; and (iv) retain skilled information technology associates. Failure of our technology systems **to operate appropriately** , which could result from events beyond our control, including a systems malfunction or cyber attack, **failure by a third- party service provider,** or an inability to effectively upgrade those systems or implement new technology- driven products or services, could result in financial losses, liability to clients **for non- compliant data processing, and other** violations of ~~applicable~~ privacy and other ~~applicable~~ laws, and **regulations, as well as** regulatory sanctions . ~~See Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations [2] Risk Management” in this Form 10- K for additional information regarding our exposure to and approaches for managing operational risks.~~ Any cyber attack or other security breach of our technology systems, or those of our clients or other third- party vendors we rely on, could subject us to significant liability and harm our reputation. Our operations rely heavily on the secure processing, storage, and transmission of sensitive and confidential financial, personal, and other information in our computer systems and networks. There have been several highly publicized cases involving financial services companies reporting the unauthorized disclosure of client or other confidential information in recent years, as well as cyber attacks involving the theft, dissemination, and destruction of corporate information or other assets, in some cases as a result of

failure to follow procedures by employees or contractors or as a result of actions by third parties. **There have also been several highly publicized cases where hackers have requested “ransom” payments in exchange for not disclosing customer information or for restoring access to information or systems.** Like other financial services firms, we experience malicious cyber activity directed at our computer systems, software, networks, and its users on a daily basis. This malicious activity includes attempts at unauthorized access, implantation of computer viruses or malware, and denial-of-service attacks. We also experience large volumes of phishing and other forms of social engineering attempted for the purpose of perpetrating fraud against our company, our associates, our advisors, or our clients. **Additionally, like many large enterprises, we have shifted to a more hybrid work environment which includes a combination of in-office and remote work for our associates. The increase in remote work over the past few years has introduced potential new vulnerabilities to cyber threats. We may also face increased cybersecurity risk for a period of time after acquisitions as we transition the acquired entity’s historical systems and networks to our standards. We also face increased cybersecurity risk as we deploy additional mobile and cloud technologies.** We seek to continuously monitor for and nimbly react to any and all such malicious cyber activity, and we develop our systems to protect the confidentiality, integrity, and availability of our data and technology infrastructure **and data from misuse, misappropriation, or corruption. Senior management of our Information Security Office gives a quarterly update on cybersecurity to the Risk Management Committee of our Board of Directors and an update to our full Board of Directors twice annually.** Cyber attacks can originate from a variety of sources, including ~~third parties~~ **threat actors** affiliated with foreign governments, organized crime, or terrorist organizations. ~~Third parties~~ **Threat actors** may also attempt to place individuals within our company or induce associates, clients, or other users of our systems to disclose sensitive information or provide access to our data, and these types of risks may be difficult to detect or prevent. Although cybersecurity incidents among financial services firms are on the rise, we have not experienced any material losses relating to cyber attacks or other information security breaches. However, the techniques used in these attacks are increasingly sophisticated, change frequently and are often not recognized until launched. Although we seek to maintain a robust suite of authentication and layered information security controls, including our cyber threat analytics, data encryption, and ~~tokenization~~ **monitoring** technologies, anti-malware defenses, and vulnerability management ~~program~~ **programs**, any one or combination of these controls could fail to detect, mitigate, or remediate these risks in a timely manner. Despite our implementation of protective measures and endeavoring to modify them as circumstances warrant, our computer systems, software, and networks may be vulnerable to human error, **equipment failure**, natural disasters, power loss, ~~spam attacks~~, unauthorized access, **supply chain attacks**, distributed denial of service attacks, **zero-day vulnerabilities**, computer viruses and other malicious code, and other events that could result in significant liability and damage to our reputation, and have an ongoing impact on the security and stability of our operations. **In addition, although we maintain insurance coverage that may, subject to terms and conditions, cover certain aspects of cyber and information security risks, such insurance coverage may be insufficient to cover all losses, such as litigation costs or financial losses that exceed our policy limits or are not covered under any of our current insurance policies.** We also rely on numerous third-party service providers to conduct other aspects of our business operations, and we face similar risks relating to them. While we regularly conduct security assessments **and external scans** on these third-party vendors, we cannot be certain that their information security protocols are sufficient to withstand a cyber attack or other security breach. **We also cannot be certain that we will receive timely notification of such cyber attacks or other security breaches.** In addition, in order to access our products and services, our customers may use computers and other devices that are beyond our security control systems. Notwithstanding the precautions we take, if a cyber attack or other information security breach were to occur, this could jeopardize the information we confidentially maintain, or otherwise cause interruptions in our operations or those of our clients and counterparties, exposing us to liability. As attempted attacks continue to evolve in scope and sophistication, we may be required to expend substantial additional resources to modify or enhance our protective measures, to investigate and remediate vulnerabilities or other exposures or to communicate about cyber attacks to our customers. ~~Though we have insurance against some cyber risks and attacks, we may be subject to litigation and financial losses that exceed our policy limits or are not covered under any of our current insurance policies.~~ A technological breakdown could also interfere with our ability to comply with financial reporting and other regulatory requirements, exposing us to potential disciplinary action by regulators. ~~Additionally, the SEC has issued guidance stating that, as a public company, we are expected to have controls and procedures that relate to cybersecurity disclosure, and are required to disclose information relating to certain cyber attacks or other information security breaches in disclosures required to be made under the federal securities laws.~~ Further, successful cyber attacks at other large financial institutions or other market participants, whether or not we are affected, could lead to a general loss of ~~customer~~ confidence in financial institutions that could negatively affect us, including harming the market perception of the effectiveness of our security measures or the financial system in general, which could result in reduced use of our financial products and services. Further, in light of the high volume of transactions we process, **use of remote work**, the large number of our clients, partners, and counterparties, and the increasing sophistication of malicious actors, a cyber attack could occur ~~and~~. **Moreover, any such cyber attack may** persist for an extended period of time without detection. We **endeavor to design and implement policies and procedures to identify such cyber attacks as quickly as possible; however, we** expect that any investigation of a cyber attack would take substantial amounts of time, and that there may be extensive delays before we obtain full and reliable information. During such time, we would not necessarily know the extent of the harm or how best to remediate it, and certain errors or actions could be repeated or compounded before they are discovered and remediated, all of which would further increase the costs and consequences of such an attack. **The SEC recently enacted rules requiring public companies to disclose material cybersecurity incidents that they experience on Form 8-K within four business days of determining that a material cybersecurity incident has occurred and to disclose on an annual basis material information regarding their cybersecurity risk management, strategy, and governance. These new reporting requirements are effective for us as of December 18, 2023. If we fail to comply with these new**

requirements we could incur regulatory fines in addition to other adverse consequences to our reputation, business, financial condition, and / or results of operations. We may also be subject to liability under various data protection laws. In providing services to clients, we manage, utilize, and store sensitive or confidential client or associate data, including personal data. As a result, we are subject to numerous laws and regulations designed to protect this information, such as U. S. federal, state, and international laws governing the protection of personally identifiable information. These laws and regulations are increasing in complexity and number. If any person, including any of our associates, negligently disregards or intentionally breaches our established controls with respect to client or associate data, or otherwise mismanages or misappropriates such data, we could be subject to significant monetary damages, regulatory enforcement actions, fines, and / or criminal prosecution. In addition, unauthorized disclosure of sensitive or confidential client or associate data, whether through system failure, associate negligence, fraud, or misappropriation, could damage our reputation and cause us to lose clients and related revenue. Potential liability in the event of a security breach of client data could be significant. Depending on the circumstances giving rise to the breach, this liability may not be subject to a contractual limit or an exclusion of consequential or indirect damages. ~~See Item 7A, “Quantitative and Qualitative Disclosures About Market Risk,” in this Form 10-K for additional information regarding our exposure to and approaches to managing these types of operational risk.~~ The preparation of the consolidated financial statements requires the use of estimates that may vary from actual results, and new accounting standards could adversely affect future reported results. The preparation of the consolidated financial statements in conformity with U. S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses ~~during for~~ the reporting period. Such estimates and assumptions may require management to make difficult, ~~and subjective,~~ **and complex** judgments **about matters that are inherently uncertain**. One of our most critical estimates is ~~our Stifel Bancorp’s allowance for loan credit losses.~~ At any given point in time, conditions in real estate and credit markets may increase the complexity and uncertainty involved in estimating the losses inherent in ~~our Stifel Bancorp’s loan portfolio.~~ **If The recorded amount of liabilities related to legal and regulatory matters is also subject to significant management judgement. For either of these estimates, if** management’s underlying assumptions and judgments prove to be inaccurate, ~~our the allowance for loan losses --~~ **loss provisions** could be insufficient to cover actual losses. ~~Our and our financial condition, including our liquidity and capital, and results of operations could be materially and adversely impacted. Our financial instruments, including certain trading assets and liabilities, available-for-sale securities, investments, and certain loans, among other items, require management to make a determination of their fair value in order to prepare our consolidated financial statements. Where quoted market prices are not available, we may make fair value determinations based on internally developed models or other means, which ultimately rely to some degree on our subjective judgment. Some of these instruments and other assets and liabilities may have no directly observable inputs, making their valuation particularly subjective, and consequently, based on estimation and judgment. In addition, sudden illiquidity in markets or declines in prices of certain securities may make it more difficult to value certain items, which may lead to the possibility that such valuations will be subject to further change or adjustment, as well as declines in our earnings in subsequent periods.~~ Our accounting policies and methods are fundamental to how we record and report our financial condition and results of operations. The Financial Accounting Standards Board (the “FASB”) and the SEC have at times revised the financial accounting and reporting standards that govern the preparation of our financial statements. In addition, accounting standard setters and those who interpret the accounting standards may change or even reverse their previous interpretations or positions on how these standards should be applied. These changes can be hard to predict and can materially impact how we record and report our financial condition and results of operations. In some cases, we could be required to apply a new or revised standard retroactively, resulting in our restating prior period financial statements. ~~The FASB has issued several new accounting standards in recent years, including on the topics of credit losses and leases, and the federal banking regulators have released implementation guidance and proposed implementation rules for some of these new standards. In particular, the new credit losses standard will replace multiple existing impairment models, including the replacement of the “incurred loss” model for loans with an “expected loss” model. The adoption of the new credit losses standard will not have a material impact on our consolidated financial statements. We are evaluating the potential impact that the proposed regulatory implementation rules will have on our regulatory capital.~~ For a further discussion ~~of some~~ of our significant accounting estimates, policies, and standards, see **“Item 7 — “Management’s Discussion and Analysis of Financial Condition and Results of Operations (2) — Critical Accounting Estimates” and Note 2 of the Notes to Consolidated Financial Statements in this Form 10-K and Note 2 of the Notes to Consolidated Financial Statements of this Form 10-K.** Our risk management and ~~conflict~~ **conflicts** of interest policies and procedures may leave us exposed to unidentified or unanticipated risk. We seek to manage, monitor, and control our market, credit, operational, liquidity, and legal and regulatory compliance risk, through operational and compliance reporting systems, internal controls, management review processes, and other mechanisms; however, there can be no assurance that our procedures will be effective. While we use limits and other risk mitigation techniques, those techniques and the judgments that accompany their application cannot always anticipate unforeseen economic and financial outcomes or the specifics and timing of such outcomes. Our risk management methods may not predict future risk exposures effectively. In addition, some of our risk management methods are based on an evaluation of information regarding markets, clients and other matters that are based on assumptions that may no longer be accurate or may have limited predictive value. A failure to manage our growth adequately, including growth in the products or services we offer, or to manage our risk effectively, could materially and adversely affect our business and financial condition. Financial services firms are subject to numerous actual or perceived conflicts of interest, which are routinely examined by ~~U.S. federal and state regulators and SROs such as FINRA,~~ **and are often used as the basis for claims for legal liability by plaintiffs in actions against the Company.** Our risk management processes include addressing potential conflicts of interest that arise in our business. Management of potential conflicts of interest has become increasingly complex as we expand our

business activities. A perceived or actual failure to address conflicts of interest adequately could affect our reputation, the willingness of clients to transact business with us or give rise to litigation or regulatory actions. Therefore, there can be no assurance that conflicts of interest will not arise in the future that could ~~cause~~ result in material harm to our business and financial condition. ~~For more information on how we monitor and manage market and certain other risks, see Item 7A, “Quantitative and Qualitative Disclosures About Market Risk,” in this Form 10-K.~~ Associate misconduct, which is difficult to detect and deter, could harm us by impairing our ability to attract and retain clients and subject us to significant legal liability and reputational harm. There is a risk that our associates could engage in misconduct that adversely affects our business. For example, our **investment** banking business often requires that we deal with confidential matters of great significance to our clients. Our associates interact with clients, customers, and counterparties on an ongoing basis. All associates are expected to exhibit the behaviors and ethics that are reflected in our framework of principles, policies, and technology to protect both our own information as well as that of our clients. ~~It is not possible to deter or prevent every instance of associate misconduct, and the precautions we take to prevent and detect this activity will likely not be effective in all cases.~~ If our associates improperly use or disclose confidential information provided by our clients, we could be subject to future regulatory sanctions and suffer serious harm to our reputation, financial position, current client relationships, and ability to attract future clients. We are also subject to a number of obligations and standards arising from our asset management business and our authority over our assets under management. In addition, our financial advisors **are required to act in the best interests of our clients and** may act in a fiduciary capacity, providing financial planning, investment advice, and discretionary asset management. The violation of these obligations and standards by any of our associates would adversely affect our clients and **us. Associate conduct on non-business matters, such as social issues, including the posting of information on social media or other internet forums, could be inconsistent with our policies and ethics and result in reputational harm to our business due to their employment by us or affiliation with** us. It is not always possible to deter **or prevent every instance of** associate misconduct, and the precautions we take to detect and prevent this activity may not be effective **in all cases**. If our associates engage in misconduct, our business would be adversely affected. **Business** A significant decline in our domestic client cash balances could negatively impact our net revenues and / or our ability to fund Stifel Bancorp’s growth. We rely heavily on bank deposits as a low-cost source of funding for Stifel Bancorp to extend loans to clients and purchase investment securities. Our bank deposits are primarily driven by our multi-bank sweep program in which clients’ cash deposits in their brokerage accounts are swept into FDIC-insured interest-bearing accounts at our bank subsidiaries and various third-party banks. A significant reduction in our domestic clients’ cash balances, **including through acquisitions** a change in the allocation of that cash between our bank subsidiaries and third-party banks, or a transfer of cash away from our company, could significantly impact our ability to continue growing interest-earning assets and / or require us to use higher-cost deposit sources to grow interest-earning assets. Growth of our business could increase costs and regulatory and integration risks. We continue to grow, including through acquisitions and through our recruiting efforts. Integrating acquired businesses, providing a platform for new businesses, and partnering with other firms involve risks and present financial, managerial, and operational challenges. **While cultural fit is a requirement for both our recruiting and acquisition efforts, there can be no assurance that recruited talent and / or acquisition targets will ultimately assimilate into our company in a manner which results in the expected financial benefits.** We may incur significant expense, **including in the areas of technology and cybersecurity,** in connection with expanding our existing businesses, recruiting financial advisors, or ~~making strategic acquisitions or investments~~ **when acquiring and integrating businesses**. Our overall profitability would be negatively affected if investments and expenses associated with such growth are not matched or exceeded by the ~~revenues earnings~~ derived from such investments or growth. **Expansion Assumptions which underlie the basis of our acquisition decisions, such as the retention of key personnel, future revenue growth of an acquired business, cost efficiencies to be realized, or the value created through the application of specialized expertise we plan to bring to the acquired business, may also not be fully realized post-acquisition, resulting in an adverse impact on the value of our investment and potential dilution of the value of our shares. We may be unable to integrate an acquired business into our existing business successfully, or such integration may be materially delayed or become more costly or difficult than expected. Further, either company’s clients, suppliers, employees, or other business partners may react negatively to the transaction. Such developments could have an adverse effect on our business, financial condition, and results of operations. Domestic and international business growth, including through acquisitions, may expose us to additional regulatory oversight,** create a need for additional compliance, documentation, risk management, and internal control procedures, and ~~often involves hiring~~ **require us to hire** additional personnel to address these procedures. To the extent such procedures are not adequate or not adhered to with respect to our expanded business or any new business, we could be exposed to a material loss or regulatory sanction. Moreover, to the extent we pursue acquisitions, **we or enter into acquisition commitments, a number of factors may be unable to prevent us from complete-completing** such acquisitions on acceptable terms. ~~We~~ **For example, regulators such as the Fed could fail to approve a proposed transaction or such approvals could result in the imposition of conditions that could adversely affect the combined company or the expected benefits of the transaction. The shareholders of a publicly traded target company could fail to approve the transaction. Closing conditions in the transaction agreement could fail to be satisfied, or there could be an unexpected delay in closing. Other developments that may affect future results of** be unable to integrate any acquired business into our existing business successfully. Difficulties we may encounter in integrating an acquired business company may occur, **including changes in asset quality and credit risk, changes in interest rates and capital markets, inflation, and / or changes in customer borrowing, repayment, investment, and deposit practices. Finally, an event, change, or other circumstance could have an adverse effect on our occur that gives rise to the termination** business, financial condition, and results of operations **the transaction agreement**. In addition, we may need to raise capital or borrow funds in order to finance an acquisition, which could result in dilution or increased leverage. We may not be able to obtain **such** financing on favorable

terms or perhaps at all. **Further, we may issue our shares as a component of some or all of the purchase consideration for an acquisition, which may result in dilution. Securities class action lawsuits and derivative lawsuits are often brought against public companies that have entered into merger agreements. Even if such lawsuits are without merit, defending against these claims could result in substantial costs and divert management time and resources. An adverse judgment could result in monetary damages, which could have a negative impact on our liquidity and financial condition.** We are subject to risks relating to environmental, social, and governance (“ ESG ”) matters that could adversely affect our reputation, business, financial condition, and results of operations. We are subject to a variety of risks, including reputational risk, associated with ESG ~~issues~~ **matters**. The public holds diverse and often conflicting views on ESG topics. As a large financial institution, we have multiple stakeholders, including our shareholders, clients, associates, federal and state regulatory authorities, and the communities in which we operate, and these stakeholders will often have differing priorities and expectations regarding ESG issues. **For example, individual U. S. states are increasingly developing differing, and sometimes conflicting, rules related to ESG matters, such as the recently enacted Climate Corporate Data Accountability Act in California.** If we take action in conflict with one or another of those stakeholders’ expectations, we could experience an increase in client complaints, a loss of business, or reputational harm. We could also face negative publicity or reputational harm based on the identity of those with whom we choose to do business. Any adverse publicity in connection with ESG issues could damage our reputation, ~~as well as~~ our ability to attract and retain clients and associates, compete effectively, and grow our business. In addition, proxy advisory firms and certain institutional investors who manage investments in public companies are increasingly integrating ESG factors into their investment analysis. The consideration of ~~ESG factors~~ **environmental and social matters** in making investment and voting decisions is relatively new. Accordingly, the frameworks and methods for assessing ESG policies are not fully developed, vary considerably among the investment community, and will likely continue to evolve over time. Moreover, the subjective nature of methods used by various stakeholders to assess a company with respect to ESG criteria could result in erroneous perceptions or a misrepresentation of our actual ESG policies and practices. Organizations that provide ratings information to investors on ESG matters may also assign unfavorable ratings to our company. **Public companies are facing increased pressure from stakeholders to consider ESG issues in corporate actions, such as the election of directors and approval of executive compensation.** Certain of our clients might also require that we implement additional ESG procedures or standards in order to continue to do business with them. If we fail to comply with specific ESG- related investor or client expectations and standards, or to provide the disclosure relating to ESG issues that any third parties may believe is necessary or appropriate (regardless of whether there is a legal requirement to do so), our reputation, business, financial condition, and / or results of operations, as well as the price of our common and preferred stock could be negatively impacted. **LEGAL AND REGULATORY RISKS** Financial services firms are highly regulated, ~~and the increased~~ **are currently subject to a number of new and proposed regulatory regulations , all of which** ~~scrutiny over the last several years~~ may increase ~~the our~~ risk of financial liability and reputational harm resulting from adverse regulatory actions. ~~Over the last several years, financial~~ **Financial** services firms ~~have been operating~~ **operate** in an evolving regulatory environment **and are subject to extensive supervision and regulation**. The **laws and regulations governing financial services firms are intended primarily for the protection of our depositors, our clients, the financial system, and the FDIC insurance fund, not our shareholders or creditors. The financial services** industry has experienced an extended period of significant change in laws and regulations ~~governing the financial services industry,~~ as well as ~~increased a high degree of~~ scrutiny from various regulators, including the SEC, the Fed, the **FDIC, the** OCC, and the CFPB, in addition to stock exchanges, FINRA, and **governmental authorities, such as** state attorneys general. ~~The~~ **Currently, the SEC has proposed or adopted a number of** ~~recently been very active in~~ **proposing and adopting major** new rules **and regulations that affect public companies and, in particular, the financial services industry. Several of these new rules have been adopted** after significantly abbreviated periods for public comments, and these new or proposed rules involve sweeping changes that could require significant shifts in industry operations and practices, thereby increasing uncertainty for markets and investors. Penalties and fines imposed by regulatory and other governmental authorities have also been substantial and growing in recent years. **Additionally, an increasing number of U. S. states have proposed, or are considering, their own laws and regulations, and as a result, our activities could be subject to overlapping and conflicting regulation.** We may be adversely affected by the adoption of new rules and by changes in the interpretation or enforcement of existing laws, rules, and regulations. Existing and new laws and regulations could negatively affect our revenue, limit our ability to pursue business opportunities, impact the value of our assets, require us to alter our business practices, impose additional compliance costs, and otherwise adversely affect our businesses. Additionally, our international business operations are subject to laws, regulations, and standards in the countries in which we operate. In many cases, our activities have been and may continue to be subject to overlapping and divergent regulation in different jurisdictions. As our international operations continue to grow, we may need to comply with additional laws, rules, and regulations which could require us to alter our business practices and / or result in additional compliance costs. Any violations of these laws, regulations, or standards could subject us to a range of potential regulatory events or outcomes that could have a material adverse effect on our business, financial condition, and prospects, including potential adverse impacts on continued operations in the relevant international jurisdiction. ~~There is also increased regulatory scrutiny (and related compliance costs) as we continue to grow and surpass certain consolidated asset thresholds established under the Dodd- Frank Act, which have the effect of imposing enhanced standards and requirements on larger institutions. These include, but are not limited to, our bank subsidiaries’ oversight by the CFPB. Any action taken by the CFPB could result in requirements to alter or cease offering affected products and services, make such products and services less attractive, impose additional compliance measures, or result in fines, penalties, or required remediation.~~ We are also required to comply with the Volcker Rule’ s provisions. Although we have not historically engaged in significant levels of proprietary trading, due to our underwriting and market- making activities and our investments in covered funds, we ~~have experienced and expect to continue to experience increased operational and~~

incur costs to ensure compliance **with the Volcker Rule** ~~costs and changes to our private equity investments~~. Any changes to regulations or changes to the supervisory approach may also result in increased compliance costs to the extent we are required to modify our existing compliance policies, procedures and practices. Broker- dealers and investment advisers are subject to regulations covering all aspects of the securities business, including, but not limited to: sales and trading methods; trade practices among broker- dealers; use and safekeeping of clients' funds and securities; capital structure of securities firms; anti-money laundering efforts; recordkeeping; and the conduct of directors, officers and employees. Any violation of these laws or regulations could subject us to the following events, any of which could have a material adverse effect on our business, financial condition, **reputation**, and prospects: civil and criminal liability **for us or our associates**; sanctions, which could include the revocation of our subsidiaries' registrations as investment advisers or broker- dealers; the revocation of the licenses of our financial advisors; censures; fines; **conditions or limitations on our business activities, including higher capital requirements**; or a temporary suspension or permanent bar from conducting business. **As a recent example of this risk, the Company has been contacted by each of the SEC and the CFTC in connection with an investigation of the Company's compliance with records preservation requirements for off- channel communications relating to the broker- dealer or investment adviser business activities of the Company using personally owned communications devices and / or messaging platforms that have not been approved by the Company. The SEC has announced their imposition of significant fines on a number of financial services companies in connection with similar investigations, and has reportedly conducted similar investigations of record preservation practices at other financial institutions. See Note 18 of the Notes to Consolidated Financial Statements of this Form 10- K for additional information. The Federal Reserve requires a bank holding company to act as a source of financial and managerial strength for its subsidiary banks. The Federal Reserve could require the Company to commit resources to its bank subsidiaries when doing so is not otherwise in the best interests of our company or its shareholders or creditors.** Regulatory actions brought against us may result in judgments, settlements, fines, penalties, or other results, any of which could have a material adverse effect on our business, financial condition, **reputation**, or results of operations. There is no assurance that regulators will be satisfied with the policies and procedures implemented by our company and its subsidiaries. In addition, from time to time, the Company and its **affiliates subsidiaries** may become subject to additional findings with respect to supervisory, compliance, or other regulatory deficiencies, which could subject us to additional liability, including penalties, and restrictions on our business activities. Among other things, these restrictions could limit our ability to make investments, complete acquisitions, expand into new business lines, pay dividends **on our common and preferred stock**, and / or engage in share repurchases. See "Item 1, "Business – Regulation," of this **report Form 10- K** for additional information regarding our regulatory environment and Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations– Risk Management," in this report regarding our approaches to managing regulatory risk. We are exposed to **litigation and regulatory investigations and proceedings, which could materially and adversely impact our business operations and prospects. The financial services industry faces significant litigation and regulatory** risks of legal proceedings, which may result in significant losses to us that we cannot recover. **Additionally** Claimants in these proceedings may be customers, associates, or **our litigation and regulatory risks continue to increase as** agencies, among others, seeking damages for mistakes, errors, negligence, or **our business expands internationally** acts of fraud by our associates. Many aspects of our business involve substantial risk of liability, arising in the normal course of business. Participants **We have been named as a defendant or co- defendant in lawsuits** the financial services industry face an **and** increasing amount of litigation and arbitration **arbitrations primarily involving** proceedings. Dissatisfied clients regularly make claims against broker- dealers and their employees for **damages**; among others, negligence, fraud, unauthorized trading, suitability, churning, failure to supervise, breach of fiduciary duty, employee errors, intentional misconduct, unauthorized transactions by financial advisors or traders, improper recruiting activity, and failures in the processing of securities transactions. The risks associated with potential litigation often may be difficult to assess or quantify, and the existence and magnitude of potential claims often remain unknown for substantial periods of time. These types of claims expose us to the risk of significant loss. Acts of fraud are difficult to detect and deter, and while we believe our supervisory procedures are reasonably designed to detect and prevent violations of applicable laws, rules, and regulations, we cannot assure investors that our risk management procedures and controls will prevent losses from fraudulent activity. In our role as underwriter and selling agent, we may be liable if there are material misstatements or omissions of material information in prospectuses and other communications regarding underwritten offerings of securities. At any point in time, the aggregate amount of existing claims against us could be material. While we do not expect the outcome of any existing claims against us to have a material adverse impact on our business, financial condition, or results of operations, we cannot assure you that these types of proceedings will not materially and adversely affect our company. We do not carry insurance that would cover payments regarding these liabilities, except for insurance against certain fraudulent acts of our associates. **Acts of fraud are difficult to detect and deter, and while we believe our supervisory procedures are reasonably designed to detect and prevent violations of applicable laws, rules, and regulations, we cannot assure investors that our risk management procedures and controls will prevent losses from fraudulent activity.** In addition, our bylaws provide for the indemnification of our officers, directors, and associates to the maximum extent permitted under Delaware law. In the future, we may be the subject of indemnification assertions under these documents by our officers, directors, or associates who have or may become defendants in litigation. These claims for indemnification may subject us to substantial risks of potential liability. In challenging market conditions, the volume of claims and amount of damages sought in litigation and regulatory proceedings against financial institutions **has have** historically increased. Litigation risks include potential liability under securities laws or other laws for alleged materially false or misleading statements made in connection with securities offerings and other transactions, issues related to **our investment recommendations, including** the suitability of **such recommendations** ~~our~~ **or potential concentration of** investment **investments** advice based on our clients' investment objectives (including auction rate

securities), the inability to sell or redeem securities in a timely manner during adverse market conditions, contractual issues, employment claims, and potential liability for other advice we provide to participants in strategic transactions. Substantial legal liability could have a material adverse financial impact or cause us significant reputational harm, which, in turn, could seriously harm our business and future business prospects. In addition to the foregoing financial costs and risks associated with potential liability, the costs of defending individual litigation and claims **and / or regulatory matters** continue to increase over time. The amount of ~~outside~~ attorneys' fees incurred in connection with the defense of litigation and claims **and / or regulatory matters** could be substantial and might materially and adversely affect our results of operations. See **"Item 3 – Legal Proceedings,"** in **and Note 18 of the Notes to Consolidated Financial Statements of** this Form 10- K for **further information about** a discussion of our legal matters and Item 7A, "Quantitative and Qualitative Disclosures About Market Risk," in this Form 10- K for a discussion regarding our approach to managing legal risk. The Basel III regulatory capital standards impose additional capital and other requirements on us that could ~~decrease~~ **negatively impact** our profitability. The Fed ~~and the other federal banking regulators~~ **OCC, and the FDIC** have implemented the global regulatory capital **reforms requirements** of Basel III and certain ~~changes required~~ **requirements implemented** by the Dodd- Frank Act. The U. S. Basel III Rules ~~increase~~ **establish** the quantity and quality of regulatory capital, ~~establish~~ **set forth** a capital conservation buffer, and ~~define~~ **make selected changes to** the calculation of risk- weighted assets. ~~We are subject to the requirements under the U. S. Basel III Rules, subject to a phase- in period for several of its provisions, including the new minimum capital ratio requirements, the capital conservation buffer, and the regulatory capital adjustments and deductions.~~ ~~The increased capital requirements stipulated under the U. S. Basel III Rules could restrict our ability to grow during favorable market conditions or require us to raise additional capital.~~ **Revisions to the Basel III Rules could, when implemented in the U. S., negatively impact our regulatory capital ratio calculations or subject us to higher and more stringent capital and other regulatory requirements.** As a result, our business, results of operations, financial condition, and prospects could be adversely affected. See **"Item 1 – Business – Regulation "** of this **Form 10- K for further information on the Basel III regulatory capital standards**. Failure to comply with regulatory capital requirements primarily applicable to our company, our bank subsidiaries, or our broker- dealer subsidiaries would significantly harm our business. ~~Our~~ **As discussed in "Item 1 – Business – Regulation " of this Form 10- K, our** company and its bank subsidiaries are subject to ~~various regulatory and~~ capital requirements administered by various federal regulators in the U. S. and, accordingly, must meet specific capital guidelines that involve quantitative measures of our company' s and our bank subsidiaries' assets, liabilities, and certain off- balance sheet items as calculated under regulatory guidelines. ~~The capital amounts and classifications for both our company and its bank subsidiaries are also subject to qualitative judgments by U. S. federal regulators based on components of our capital, risk weightings of assets, off- balance sheet transactions, and other factors. Quantitative measures established by regulation to ensure capital adequacy require our company and its bank subsidiaries to maintain minimum amounts and ratios of Common Equity Tier 1, Tier 1, and Total capital to risk- weighted assets, Tier 1 capital to average assets, and capital conservation buffers (as defined in the regulations).~~ Failure to meet minimum capital requirements can trigger certain mandatory (and potentially ~~additional discretionary~~) actions by regulators that, if undertaken, could harm either our company or our bank subsidiaries' operations and financial condition, **including precluding us from accepting or renewing brokered deposits**. ~~We~~ **Further, we** are subject to the SEC' s ~~uniform~~ **Uniform net Net capital- Capital rule Rule** (Rule 15c3- 1) and FINRA' s net capital rule, which may limit our ability to make withdrawals of capital from our broker- dealer subsidiaries. ~~Our non~~ **The uniform net capital rule sets the minimum level of net capital that a broker- U dealer must maintain and also requires that a portion of its assets be relatively liquid. S** FINRA may prohibit a member firm from expanding its business or paying cash dividends if resulting net capital falls below certain thresholds. In addition, our ~~Canada- based broker- dealer subsidiary~~ **subsidiaries is are** subject to similar limitations under applicable ~~regulation- regulations~~ **in that jurisdiction by HROC- the countries in which they operate**. Regulatory capital requirements applicable to some of our significant subsidiaries may impede access to funds ~~our company- that we may needs- need~~ to make payments on any ~~such of our~~ obligations. See Note 19 of the Notes to Consolidated Financial Statements of this Form 10- K for further information on ~~regulations- regulatory and~~ capital requirements. Changes in requirements relating to the standard of ~~conduct- care~~ for broker- dealers ~~applicable under federal and state laws~~ have increased, and may continue to increase, our costs. The SEC' s Regulation Best Interest requires, among other things, a broker- dealer to act in the best interest of a retail client when making a recommendation to that client of any securities transaction or investment strategy involving securities. The regulation imposes heightened standards on broker- dealers, and we have incurred substantial costs in order to review and modify our policies and procedures, including associated supervisory and compliance controls. We anticipate that we will continue to incur **incremental** costs in the future to comply with the standard. In addition to the SEC, various states have adopted, or are considering adopting, laws and regulations seeking to impose new standards of conduct on broker- dealers that, as written, differ from the SEC' s ~~new~~ regulations and may lead to additional implementation costs. Implementation of the ~~new~~ SEC regulations, as well as any new state rules that are adopted addressing similar matters, has resulted in (and may continue to result in) increased costs related to compliance, legal, operations, and information technology. **Furthermore, certain non- U. S. jurisdictions have imposed heightened standards of conduct, which may have similar impacts on our business in those jurisdictions.** The DOL has ~~also reinstated- indicated that it plans to amend~~ the **definition of historical " five- part test " for determining who is an investment advice " fiduciary " when dealing in connection** with certain retirement **investment advice regarding employee benefit** plans and accounts and promulgated **IRAs. Imposing** a new exemption that enables investment advice fiduciaries to receive transaction- based compensation and engage in certain otherwise prohibited transactions, subject to compliance with the exemption' s requirements. In addition, the DOL is expected to amend the five- part test by the end of 2023 so that the fiduciary standard would apply to a broader range of client relationships. Imposing such a new standard of care on ~~additional client relationships~~ could lead to **incremental result in increased** costs for **and other impacts to** our business. Numerous regulatory changes and enhanced regulatory and enforcement activity relating to ~~the- our~~ asset management business

activities may increase our compliance and legal costs and otherwise adversely affect our business. Investment management businesses have been affected by a number of highly publicized regulatory matters, which have resulted in increased scrutiny within the industry and new rules and regulations for mutual funds, investment advisers, and broker-dealers. As broker-dealers review and potentially make changes to the availability of mutual funds and mutual fund share classes available on their distribution platforms, such changes could affect our profitability. Asset management businesses have experienced a number of highly publicized regulatory inquiries, which have resulted in increased scrutiny within the industry and new rules and regulations for mutual funds, investment advisers, and broker-dealers. As some of our wholly owned subsidiaries are registered as investment advisers with the SEC, increased regulatory scrutiny and rulemaking initiatives may result in additional operational and compliance costs or the assessment of significant fines or penalties against our asset management business, and may otherwise limit our ability to engage in certain activities. **While it** is not possible to determine the extent of the **long-term** impact of any new laws, or regulations **that have been promulgated**, or initiatives that have been or may be proposed, **even the short-term impact of preparing or for whether any of or implementing changes to our infrastructure and processes could negatively affect** the proposals will become law **ways we conduct business and increase our compliance and legal costs**. Conformance with any new laws, law or regulations could **also** make compliance more difficult and expensive and affect **the manner in which we conduct business, including our product and service offerings**. **New regulations regarding the management of hedge funds and the use of certain investment products, including additional recordkeeping and disclosure requirements, may also impact our asset management business and result in increased costs**. In addition, U. S. and foreign governments have taken regulatory actions impacting the investment management industry, and may continue to do so, including expanding current (or enacting new) standards, requirements, and rules that may be applicable to us and our subsidiaries. For example, several states and municipalities in the U. S. have adopted “pay-to-play” rules, which could limit our ability to charge advisory fees. Such “pay-to-play” rules could affect the profitability of that portion of our business. The use of “soft dollars,” where a portion of commissions paid to broker-dealers in connection with the execution of trades also pays for research and other services provided to advisors, is periodically reexamined, and may be limited or modified in the future. The research relied on in our investment management activities in the investment decision-making process is typically generated internally by our investment analysts or external research, including external research paid for with soft dollars. This external research is generally used for information gathering or verification purposes and includes broker-provided research as well as third-party provided databases and research services. If the use of soft dollars is limited, we may have to bear some of these additional costs. New regulations regarding the management of hedge funds and the use of certain investment products, including additional recordkeeping and disclosure requirements, may impact our asset management business and result in increased costs. As a financial holding company, our company’s liquidity depends on payments from its subsidiaries, which may be subject to regulatory restrictions. **We are The Company, as** a financial holding company, **and therefore depend depends** on dividends, distributions, and other payments from **our-its** subsidiaries in order to meet **our-its** obligations, including **its** debt service obligations **and to fund dividend payments and share repurchases**. Our subsidiaries are subject to laws and regulations that restrict dividend payments or authorize regulatory bodies to prevent or reduce the flow of funds from those subsidiaries to our company. **If our subsidiaries are unable to make dividend payments to us and sufficient cash or liquidity is otherwise not available, the Company may not be able to make dividend payments to its shareholders, repurchase its shares, or make principal and interest payments on its outstanding debt.** Our broker-dealers and bank subsidiaries are limited in their ability to lend or transact with affiliates **and**, are subject to minimum regulatory capital and other requirements, **as well as and, in the case of our broker-dealer subsidiaries, have** limitations on their ability to use funds deposited with them in brokerage **or bank** accounts to fund their businesses. These requirements **and limitations** may hinder our company’s ability to access funds from its subsidiaries. **We may also become subject to a prohibition or limitations on our ability to pay dividends or repurchase our common stock.** The federal **Federal** banking regulators, including the OCC, the Federal Reserve, and the FDIC, as well as the SEC (through FINRA), have the authority and, under certain circumstances, the obligation to limit or prohibit dividend payments and stock repurchases by the banking organizations they supervise, including our company and its bank subsidiaries. See Item 7 “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources” of this report for additional information on liquidity and how we manage our liquidity risk.