



Private Bank Lending

Tailored Liquidity Solutions

STIFEL

STIFEL BANK & TRUST

Private Bank Lending

Overview

Private Bank Lending provides tailored liquidity solutions to ultra-high-net-worth, family office, corporate, and institutional clients.

- **Customization** — Private Bank Lending structures solutions incorporating clients' existing assets as collateral in order to help them capitalize on liquidity solutions opportunities.
- **Continuous Coverage** — Our team works with clients throughout the approval process and after the origination of loans.
- **Access** — Our clients have sophisticated needs that often require access to other specialty teams within Stifel. Private Bank Lending works closely with Stifel Financial Advisors to coordinate the experience and ensure the firm provides collaborative and multi-discipline solutions.
- **Approval Process** — We work with clients and their trusted advisors to create a professional, cooperative experience that permits timely responses and closings.

Loan and Borrower Characteristics

Clients use liquidity provided by Stifel Bank & Trust to capitalize on financial opportunities, such as investing in real estate and businesses, facilitating estate planning objectives, purchasing alternative investments and lifestyle assets, and issuing letters of credit as credit enhancements.



Term:
364-day to 5-year
commitments;
demand loan



Loan Size:
\$5,000,000 to
\$100,000,000+



Borrowers:
Individuals,
Trusts, LLCs,
Partnerships,
Corporations



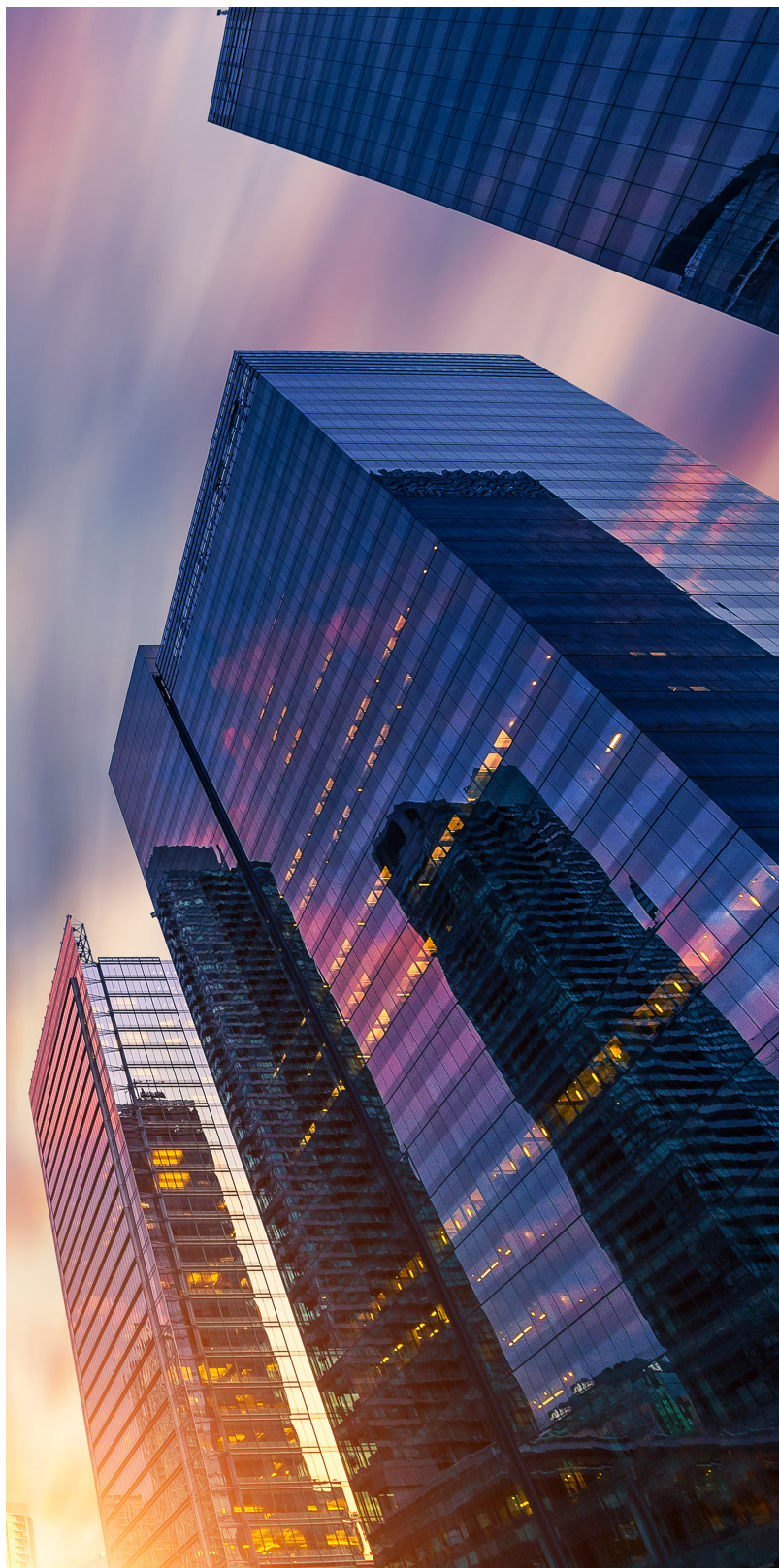
Facility Types:
Revolver, Term,
Letter of Credit

Private Bank Lending

Collateral

Private Bank Lending has structured loans with the following assets as collateral:

- U.S. and International Securities
- Concentrated Stock
- Fixed Income (Captives)
- Structured Investments
- Collateralized Mortgage Obligations
- 1042 Qualified Replacement Property
- Exchange Funds
- Real Estate Investment Trust (REIT) Operating Units
- Hedge Funds
- Long-Only Limited Partnerships
- Commercial Real Estate
- Private Stock
- Luxury Assets (Real Estate, Yachts, Jets)
- Private Equity (Limited Partnership Units)
- General Partner Capital Call Facilities (Collateral varies)
- Employee & Partner Loan Programs (Collateral varies)
- Management Fees
- Other collateral considered at discretion of management



Private Bank Lending

Case Study: *Bridge Loan to Purchase a Home*

16-Day Turnaround

Scenario: The CEO of a company, shortly after his company going public, wanted to purchase a home on behalf of his trust. The closing was scheduled to occur prior to receiving proceeds from the sale of company stock in his 10b5-1 plan. He did not want to pledge company stock to a loan.

The Stifel Financial Advisor introduced the CEO's family office to the Private Bank Lending team, who quickly provided the structure for a 6-month, \$5 million unsecured loan to be used to purchase the home. Upon initial repayment of the first advance from the 10b5-1 funds, the CEO was given the option to repurpose the loan into a 364-day revolver for general working capital needs and short-term investments.

Result: Stifel provided a flexible solution that went beyond the CEO's original stated objectives and presented the final documents for his signature 16 days after initial engagement – well ahead of the home closing deadline. As part of the process, the CEO learned of Stifel's superior trading execution, so he terminated his trade agreement at another firm and entered into a new one with Stifel.

Case Study: *Liquidity Solutions for Concentrated & Exchange Fund Positions*

Scenario: KBW introduced a client to a Stifel Financial Advisor. The client had invested in a bank that KBW was taking public through an IPO. The client needed a wealth management plan that took into consideration a concentrated single stock position. As part of the solution, the Financial Advisor established a line of credit to provide liquidity using a Stifel Pledged Asset (SPA) loan. The SPA loan used the client's existing diversified portfolio and a portion of the concentrated securities as collateral for the line of credit on the SPA loan. The client diversified the concentration without triggering a taxable event by contributing shares to the Eaton Vance Clearfork Exchange Fund, an exchange fund. These private units were not eligible as collateral in the SPA loan and, over time, this impacted the client's liquidity.

Result: The Financial Advisor introduced the client to our Private Bank Lending team. They worked closely with the client and the Financial Advisor to review the client's financial situation – which reflected a strong balance sheet and reasonable leverage – to underwrite a new custom loan with expanded collateral. PBL and the Financial Advisor coordinated the solution with Stifel's Alternative Investments group and the exchange fund custodian in order to pledge the assets as collateral for a loan. The higher collateral base provided additional loan capacity as well as the diversification gained through contributing concentrated shares to the exchange fund.



Private Bank Lending

Case Study: *Two Solutions in One Year*

Private Stock Loan for Taxes; Commitment Letter for 363 Acquisition

Scenario: As part of Stifel's commitment to serving clients with a holistic approach to wealth management, Private Bank Lending (PBL) provided two important, timely solutions to an entrepreneurial healthcare client within 12 months. First, the client requested a solution for his family's tax obligation on a business gain. Later in the year, he sought a commitment letter to support a 363 stalking horse bid to acquire healthcare facilities. The client, his family, and his employees have enjoyed a long-standing relationship with their Stifel Financial Advisor, who has helped them address various individual wealth management and business-related needs. In the latter case, the client engaged Stifel's investment bank to raise the senior debt, mezzanine, and equity to finance the 363 acquisition, and as part of the transaction, the bankruptcy court required a bank commitment letter of \$18 million. The letter was necessary to demonstrate the client's immediate availability of the required equity prior to raising some or all of the funds from other sources.

Result: The Stifel Financial Advisor introduced the client to PBL, who underwrote a \$20 million private stock loan to the family's trust, providing an alternate liquidity source for its tax liability. PBL structured the facility as a 5-year amortizing term loan collateralized by the trust's membership interests, including distribution rights on cash flow from multiple real estate properties. The loan was underwritten, documented, and funded in less than 60 days to meet the deadline.

Later, PBL was engaged to address the need for the \$18 million commitment letter. At the time, the 363 process was well underway, so PBL worked closely with the client and Stifel Investment Banking to quickly update the valuation of the private stock collateral, which was key to PBL's recommendation to reset the 5-year term for the \$20 million loan and allow the trust to draw on the \$10 million in principal it had previously paid. Stifel Bank & Trust's 90-day commitment letter was provided to the court before the deadline and the client was awarded the bid. The 90-day commitment period eventually ran its course and was near expiration while court matters were still pending. Stifel Bank & Trust completed the amended loan facility with delayed draw options to allow the transaction to stay in place during the court process. Additionally, our Corporate and Institutional Advisory Service group is in active discussions to provide co-fiduciary advisory services for the client's 401(k) plans.



Private Bank Lending

Stifel's Banks – Personal and Corporate Banking Services

Stifel became a bank holding company in 2007 with the acquisition of Stifel Bank & Trust. As a Broker-Dealer affiliated Bank, Stifel Bank & Trust works differently than most community or commercial banks. We help clients primarily through a broader Stifel relationship, collaborating with Financial Advisors, Investment Banking, and other firm colleagues. Together we are able to solve our clients' wide-ranging needs with innovative banking solutions. We offer securities-based lending, private bank lending, corporate, and real estate banking. Stifel Bank has a specialized team focused on Venture & Fund Banking and Sponsor Finance to serve the innovation community and their private equity sponsors. Stifel now holds several bank and trust charters with combined assets of approximately \$25 billion, as of December 31, 2021.

- Venture Banking & Lending provides early stage financing and treasury management services to venture capital-sponsored companies (Series A/B through expansion stage/IPO).
- Fund Banking originates subscription lines of credit to closed-end funds across all asset classes (private equity, venture capital, credit, real estate, secondaries, etc.)
- Sponsor Finance offers senior cash flow loans to support the buyout of middle-market companies of private equity sponsors.
- Private Bank Lending structures custom liquidity solutions to address complex requests to entrepreneurs, corporate executives, family offices, sponsor funds, and other investors.

Stifel Financial Corp.

Stifel Financial Corp. (NYSE: SF) is the parent company of Stifel Bank and several other wholly owned subsidiaries. The firm has approximately 9,000 associates in more than 400 offices across the U.S., Canada, and Europe. Since 2005, the firm has executed more than 30 acquisitions, retaining leadership and key associates, and achieved 26 consecutive years of record net revenue.

The firm's primary broker-dealer subsidiary, Stifel, Nicolaus & Company, Incorporated ("Stifel"), is a premier wealth management and investment banking firm founded in 1890. Stifel serves clients through approximately 2,300 financial advisors, making it the nation's seventh largest full-service investment firm in terms of number of financial advisors. Stifel also has more than 600 investment banking professionals and was named Investment Bank of the Year in 2020 by Mergers & Acquisitions magazine, as well as 2013, 2015, 2017, and 2021 U.S. Mid-Market Equity House of the Year by Thomson Reuters' International Financing Review. Stifel and affiliate Keefe, Bruyette & Woods (KBW) comprise one of the industry's largest equity research platforms with more than 2,000 global stocks under coverage. Together, Stifel & KBW won 15 awards in Refinitiv StarMine's U.S. Analyst Awards in 2020 and have ranked in the top ten for 14 consecutive years.

Our subsidiaries also include:

Stifel Independent Advisors, LLC – Our independent contractor broker-dealer

Keefe, Bruyette & Woods, Inc. – A full-service boutique investment bank and broker-dealer specializing in the financial services sector

Miller Buckfire – A specialized investment bank providing strategic corporate restructuring and recapitalization services

Eaton Partners – A leading global fund placement agent and advisor to private equity, private credit, real estate, real assets, and hedge funds

Private Bank Lending

Contact the Team

Andrew Bowers

Senior Credit Analyst
bowersa@stifelbank.com
(212) 328-1593

Courtney Colbert

Credit Analyst
colbertc@stifelbank.com
(314) 342-3876

Elizabeth Gordon

Vice President
Senior Lending Advisor
gordone@stifelbank.com
(212) 328-1097

Preston Lappe

Vice President
Senior Lending Advisor
lappep@stifelbank.com
(314) 342-2856

Mauricio Osorio

Director
Senior Lending Advisor
osoriom@stifelbank.com
(786) 257-2424

Catharine Pulver

Senior Vice President
Senior Lending Advisor
pulverc@stifelbank.com
(212) 328-1628



Stifel's banking and lending services are provided by Stifel Bank, Member FDIC, and Stifel Bank & Trust, Member FDIC, Equal Housing Lender, NMLS# 375103 (collectively, "Stifel Banks"). Trust and fiduciary services are provided by Stifel Trust Company, N.A., Member FDIC, and Stifel Trust Company Delaware, N.A., Member FDIC (collectively, "Stifel Trust Companies").

Stifel Banks and Stifel Trust Companies are affiliated with Stifel, Nicolaus & Company, Incorporated, Member SIPC & NYSE, each a wholly owned subsidiary of Stifel Financial Corp. Unless otherwise specified, references to "Stifel" may mean Stifel Financial Corp. and/or any of its subsidiaries. Unless otherwise specified, products purchased from or held by Stifel, Stifel Banks, and/or Stifel Trust Companies are not deposits or other obligations of Stifel, Stifel Banks, or Stifel Trust Companies, are not guaranteed by Stifel, Stifel Banks, and/or Stifel Trust Companies, and are subject to investment risks, including possible loss of the principal invested. None of Stifel, Stifel Banks, or Stifel Trust Companies provide legal or tax advice.

Residential mortgage lending services for clients of Stifel, Nicolaus & Company, Incorporated are performed exclusively by Stifel Bank & Trust. The financial advisors of Stifel, Nicolaus & Company, Incorporated do not offer mortgage loans, provide mortgage loan information, or accept residential mortgage loan applications. Stifel, Nicolaus & Company, Incorporated may compensate your Financial Advisor in connection with the origination of any mortgage loan, where permissible by law.

Understanding the potential risks of a Stifel Pledged Asset (SPA) Line of Credit

Speak with your Financial Advisor about your risk tolerance level, market fluctuations, and specifically the potential risks associated with a Stifel Pledged Asset (SPA) Line of Credit.

Securities-based lines of credit involve risk and are not appropriate for all borrowers. The SPA Line of Credit is a full recourse, demand loan using the assets in a brokerage account as collateral and can be called at any time. An increase in interest rates will affect the overall cost of borrowing. The return on your securities must be higher than your financing cost in order for you to generate a positive return in your securities account. The market value of your securities may decline, which may result in the value of that collateral no longer covering an outstanding loan amount. In either event, the borrower may be required to post additional collateral and/or repay part or all of any outstanding loan, and Stifel Bank & Trust may call the loan and sell or force the sale of the assets in the collateral account, or any other collateral, without contacting the borrower. The borrower can lose more assets than the borrower is required to deposit in the collateral account. The borrower is responsible for satisfying any amount not covered by the collateral.

Stifel Bank & Trust can increase its collateral maintenance requirements at any time. Stifel Bank & Trust may, in its sole and absolute discretion, demand full or partial payment of the SPA Line of Credit at any time, without notice to cover the loan balance and any interest. The borrower is not entitled to an extension of time to meet a collateral maintenance call.

If pledged securities need to be sold, they may be sold without notice, the borrower may not be offered a chance to deposit cash or additional collateral, and the borrower may not be able to pick which securities will be sold, which can interrupt the borrower's long-term investment strategy. If pledged securities are sold, this could trigger an unfavorable taxable event for the borrower. Neither Stifel Bank & Trust nor our affiliates provide legal or tax advice. Borrowers should consult with their legal and tax advisors.

Borrowers are entitled to draw against their SPA Line of Credit only if loan terms and collateral requirements are met and the draw request is approved by Stifel Bank & Trust.

There may be alternative ways of borrowing funds that are less expensive and involve less risk. Your Financial Advisor may receive compensation for balances on SPA loans. Your Financial Advisor benefits when the borrower uses the available balance on his or her loan to meet liquidity needs in lieu of selling securities or other investments.

