

A blurred background image of a city skyline with tall buildings. The top half is in shades of blue and white, while the bottom half is in shades of green and blue.

BAIRD

SIFMA Annual Meeting 2013

November 11-12, 2013

Baird at a glance

The logo for Baird, featuring the word "BAIRD" in white, uppercase letters on a blue, parallelogram-shaped background.

- Established in 1919
- Employee owned & privately held
 - Stock book value, with dividends, up 225+% since 2002
- 2,900+ associates
- \$110+ billion in client assets
- 2013
 - \$1035 million in revenues
 - \$115 million in operating income
- 100+ locations globally
- FORTUNE 100 Best Companies to Work For®
 - 10 consecutive years
 - #14 in 2013

Baird's overall growth 1994 vs. 2013 estimate



	1994	2013 Est.	Change
Revenues	\$180 million	\$1035 million	5.8x
Operating Income	\$15 million	\$115 million	7.7x
Ownership	20%	94%	4.7x
Client Assets	\$13 billion	\$110+ billion	8.5x
Associates	1,337	2,900+	2.2x
Locations	57 United States	100+ U.S., Europe, Asia	1.8x

Financial results do not reflect the consolidation of certain private equity partnerships.

Baird Financial Revenue (assets)



Recurring Revenues		Capital Markets	
Private Wealth Management	\$480 million (\$87 billion in assets)	Equity Capital Markets	\$300 million
Asset Management	\$50 million (\$21 billion in assets)	Fixed Income Capital Markets	\$165 million
Private Equity and Venture Capital	\$40 million (\$2 billion in assets)		
	\$570 million (\$110+ billion in assets)		\$465 million

TOTAL \$1.035 billion revenue

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Financial Services

Macro environment



- Markets are better
- Long-term Fixed Income – bull market probably over
- Secular bull market in equities emerging
- World is flat – Global positions and policies matter
- Market risks are global and complex
- IT and regulatory costs will continue to increase



Financial Services

What needs to happen?

- Industry needs to continue to de-risk (reduce leverage)
- Firms need to be more client-driven versus product-driven
- Firms need to improve governance and risk
- Industry needs to restore confidence and trust
 - Key to efficient capital formation
 - Critical to growth, productivity and job formation