The background of the slide features a grayscale image of classical columns, likely from a government building or institution, receding into the distance. The columns are fluted and have papyrus capitals. The image is semi-transparent, allowing the text to be clearly visible.

**2<sup>nd</sup> Quarter 2013**  
**Financial Results Presentation**

**August 8, 2013**

**STIFEL**

# Disclaimer

## **Forward-Looking Statements**

This presentation may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 that involve significant risks, assumptions, and uncertainties, including statements relating to the market opportunity and future business prospects of Stifel Financial Corp., as well as Stifel, Nicolaus & Company, Incorporated and its subsidiaries (collectively, “SF” or the “Company”). These statements can be identified by the use of the words “may,” “will,” “should,” “could,” “would,” “plan,” “potential,” “estimate,” “project,” “believe,” “intend,” “anticipate,” “expect,” and similar expressions. In particular, these statements may refer to our goals, intentions, and expectations, our business plans and growth strategies, our ability to integrate and manage our acquired businesses, estimates of our risks and future costs and benefits, and forecasted demographic and economic trends relating to our industry.

You should not place undue reliance on any forward-looking statements, which speak only as of the date they were made. We will not update these forward-looking statements, even though our situation may change in the future, unless we are obligated to do so under federal securities laws.

Actual results may differ materially and reported results should not be considered as an indication of future performance. Factors that could cause actual results to differ are included in the Company’s annual and quarterly reports and from time to time in other reports filed by the Company with the Securities and Exchange Commission and include, among other things, changes in general economic and business conditions, actions of competitors, regulatory and legal actions, changes in legislation, and technology changes.

## **Use of Non-GAAP Financial Measures**

The Company utilized non-GAAP calculations of presented net revenues, compensation and benefits, non-compensation operating expenses, income before income taxes, provision for income taxes, net income, compensation and non-compensation operating expense ratios, pre-tax margin and diluted earnings per share as an additional measure to aid in understanding and analyzing the Company’s financial results for the three and six months ended June 30, 2013. Specifically, the Company believes that the non-GAAP measures provide useful information by excluding certain items that may not be indicative of the Company’s core operating results and business outlook. The Company believes that these non-GAAP measures will allow for a better evaluation of the operating performance of the business and facilitate a meaningful comparison of the Company’s results in the current period to those in prior periods and future periods. Reference to these non-GAAP measures should not be considered as a substitute for results that are presented in a manner consistent with GAAP. These non-GAAP measures are provided to enhance investors’ overall understanding of the Company’s financial performance.

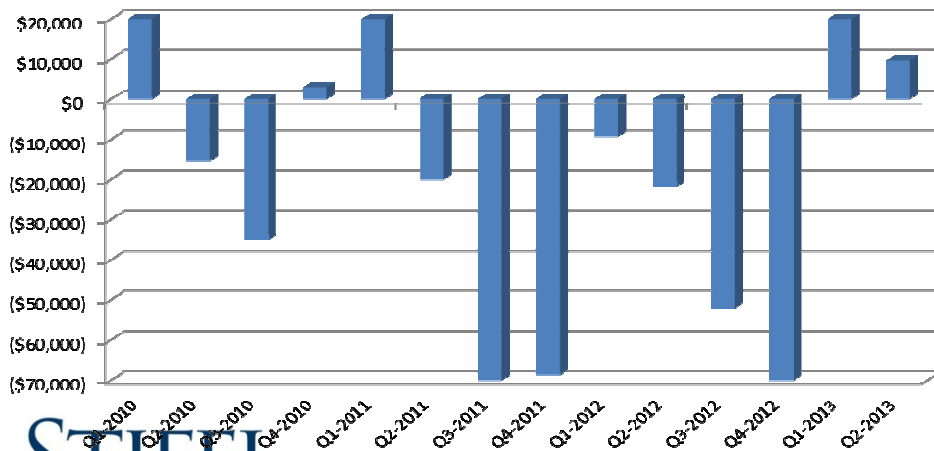
## Chairman's Comments

“We are pleased to announce record revenues for the second quarter and for the first six months of 2013 in both the Global Wealth Management and the Institutional Group, especially against the challenging market conditions in the quarter. We are very encouraged with our investment banking results, which demonstrate the breadth of our capabilities. The merger with KBW continues to exceed our expectations, and we are gaining market share in the financial institutions space. This quarter, we look forward to the contributions from the institutional fixed income sales and trading professionals who joined us from Knight Capital Group.”

# Market Overview

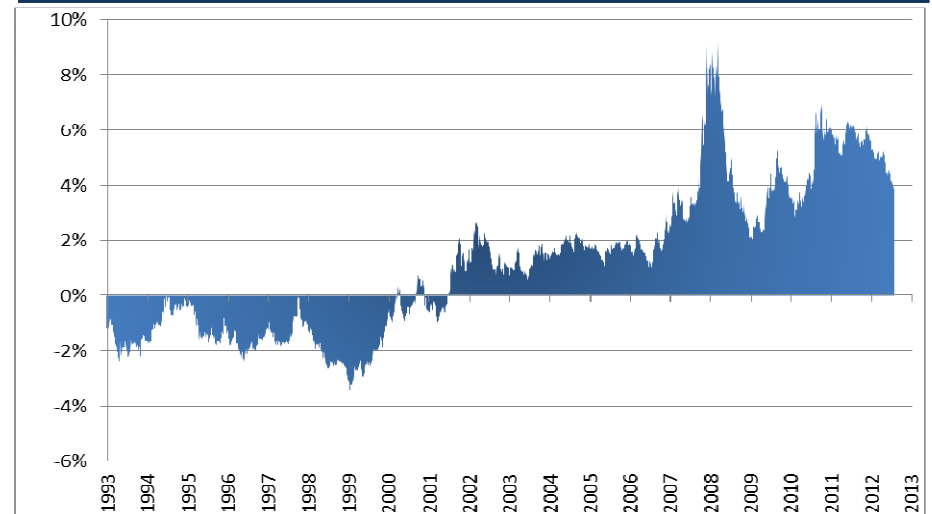
Activity Summary						Second Quarter Results	
Volumes are in million \$, except trading volumes which are in million shares. Data as of 6/30/2013.							
	2013 Q2	2013 Q1	2012 Q4	2012 Q3	2012 Q2	QoQ	YoY
S&P 500	1,606	1,569	1,426	1,441	1,362	2%	18%
U.S. Treasury 10yr Yield	2.49%	1.85%	1.76%	1.63%	1.65%	64 bps	85 bps
Equity ADV	6,594	6,372	6,084	5,981	6,917	3%	-5%
Corporate Bond ADV	20,285	20,736	16,347	16,364	17,147	-2%	18%
U.S. ECM (\$)	70,090	66,130	57,479	72,721	63,108	6%	11%
U.S. ECM (#)	264	248	208	198	183	6%	44%
U.S. DCM (\$)	537,406	638,092	585,195	640,538	545,330	-16%	-1%
U.S. DCM (#)	2,255	2,418	2,236	2,448	2,491	-7%	-9%
Municipal Bond DCM (\$)	93,171	83,481	97,126	87,670	115,009	12%	-19%
U.S. Announced M&A (\$)	193,501	310,801	354,156	217,632	228,327	-38%	-15%
U.S. Announced M&A (#)	2,275	2,654	3,303	2,896	2,968	-14%	-23%
U.S. Completed M&A (\$)	204,022	234,295	321,526	211,896	302,631	-13%	-33%
U.S. Completed M&A (#)	2,145	2,645	3,307	2,855	2,886	-19%	-26%

## Domestic Equity Flows



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## Equity Risk Premium



# KBW Update

## *First Half Performance*

### Advisory

- #1 by number of FIG mergers
- #1 by number of Bank mergers
- #1 by Bank deal value
- Representative of the acquirer or seller on 7 out of the 10 largest bank deals

### Capital Markets

- Bookrunner on all four bank initial public offerings in the first half

### Notable Q2 Capital Markets Bookrun Offerings

- Zions Bancorporation - \$301 million preferred offering
- First PacTrust Bancorp - \$40 million preferred offering
- First NBC Bank - \$115 million initial public offering
- Fidelity Southern Corporation - \$69 million follow-on offering

### KBW Equities

- Superior recognition in Greenwich Associates rankings for Research, Sales and Trading
- Improving equity trading market share:
  - Market share in adv. volume for KBW Regional Bank Index (KRX) components was 4.6% for 1H 2013, compared to 3.1% for 1H 2012
  - Market share in adv. volume for small-cap banks was 8.4% for 1H 2013, compared to 5.2% for 1H 2012
- Successful July Community Bank Conference:
  - Record attendance with over 700 attendees and over 1,500 investor meetings organized
- Stifel / KBW fixed income:
  - Integration efforts underway

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M&A Statistics Source: SNL Financial; Includes transactions announced since 1/1/2013; Data as of 7/1/2013  
Note: Includes only whole institution transactions in the United States  
Capital markets offerings inclusive of select Stifel transactions pre-closing  
Small-cap banks includes the largest 50 banks under KBW Research coverage sub-\$1bn market cap.



# **Financial Results**

# Stifel Financial Corp. Results

## Three months ended June 30, 2013

	Three Months Ended June 30, 2013 <sup>(1)</sup>			Three Months Ended			
	GAAP	Non-Core	Non-GAAP	6/30/12	% Change	3/31/13	% Change
<i>(\$ in thousands, except per share amounts)</i>							
<b>Total revenues</b>	\$ 511,421	\$ 1,736	\$ 513,157	\$ 384,264	<b>33.5%</b>	\$ 453,240	<b>13.2%</b>
Interest expense	12,685	-	12,685	9,857	<b>28.7%</b>	11,460	<b>10.7%</b>
<b>Net revenues</b>	<b>498,736</b>	1,736	<b>500,472</b>	374,407	<b>33.7%</b>	\$ 441,780	<b>13.3%</b>
Compensation and benefits	321,331	(6,018)	315,313	239,374	<b>31.7%</b>	281,941	<b>11.8%</b>
Non-comp operating expenses	126,207	(14,974)	111,233	91,159	<b>22.0%</b>	96,155	<b>15.7%</b>
<b>Total non-interest expenses</b>	<b>447,538</b>	(20,992)	<b>426,546</b>	330,533	<b>29.0%</b>	378,096	<b>12.8%</b>
<b>Income before income taxes</b>	<b>51,198</b>	22,728	<b>73,926</b>	43,874	<b>68.5%</b>	63,684	<b>16.1%</b>
Provision for income taxes	21,763	7,807	29,570	17,738	<b>66.7%</b>	23,808	<b>24.2%</b>
<b>Net income</b>	<b>\$ 29,435</b>	\$ 14,921	<b>\$ 44,356</b>	\$ 26,136	<b>69.7%</b>	\$ 39,876	<b>11.2%</b>
<b><u>Earnings per share:</u></b>							
Diluted	\$ 0.40		\$ 0.60	\$ 0.42	<b>42.9%</b>	\$ 0.58	<b>3.4%</b>
<b><u>Weighted average number of shares outstanding:</u></b>							
Diluted	74,090		74,090	62,678	<b>18.2%</b>	69,189	<b>7.1%</b>
<b><u>Ratios to net revenues :</u></b>							
Compensation and benefits	64.4%		63.0%	63.9%		63.8%	
Non-comp operating expenses	25.3%		22.2%	24.4%		21.8%	
Income before income taxes	10.3%		14.8%	11.7%		14.4%	

(1) Non-core adjustments consist of merger-related revenues and expenses associated with our acquisitions of KBW, the Knight Capital Fixed Income business and Miller Buckfire.

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# Non-Core Expense Projections

## Acquisition-Related Expenses

*(\$ in thousands)*

	Three Months Ended			
	6/30/13		9/30/13	12/31/13
	Estimate	Actual	Estimate	Estimate
<b>Operating expenses:</b>				
Compensation	\$ 6,200	\$ 6,000	\$ 2,500	\$ 400
Non-Compensation Operating Expenses	6,800	15,000	5,000	7,100
<b>Total estimated non-core operating expenses</b>	<b>13,000</b>	<b>21,000</b>	<b>7,500</b>	<b>7,500</b>
Retention - KFI	-	-	22,000	-
<b>Total estimated non-core operating expenses - Acquisition-related</b>	<b>\$ 13,000</b>	<b>\$ 21,000</b>	<b>\$ 29,500</b>	<b>\$ 7,500</b>



# Stifel Financial Corp. Results

## Six months ended June 30, 2013

	Six Months Ended June 30, 2013			Six Months Ended	
	GAAP	Non-Core <sup>(1)</sup>	Non-GAAP	6/30/12	% Change
<i>(\$ in thousands, except per share amounts)</i>					
<b>Total revenues</b>	\$ 964,661	\$ 1,744	\$ 966,405	\$ 793,607	<b>21.8%</b>
Interest expense	24,145	-	24,145	18,867	<b>28.0%</b>
<b>Net revenues</b>	<b>940,516</b>	1,744	<b>942,260</b>	774,740	<b>21.6%</b>
Compensation and benefits	637,058	(39,804)	597,254	494,078	<b>20.9%</b>
Non-comp operating expenses	228,914	(21,526)	207,388	177,534	<b>16.8%</b>
<b>Total non-interest expenses</b>	<b>865,972</b>	(61,330)	<b>804,642</b>	671,612	<b>19.8%</b>
<b>Income before income taxes</b>	<b>74,544</b>	63,074	<b>137,618</b>	103,128	<b>33.4%</b>
Provision for income taxes	30,490	22,888	53,378	42,219	<b>26.4%</b>
<b>Net income</b>	<b>\$ 44,054</b>	\$ 40,186	<b>\$ 84,240</b>	\$ 60,909	<b>38.3%</b>
<b><u>Earnings per share:</u></b>					
Diluted	\$ 0.62		\$ 1.18	\$ 0.97	<b>21.6%</b>
<b><u>Weighted average number of shares outstanding:</u></b>					
Diluted	71,627		71,627	62,700	<b>14.2%</b>
<b><u>Ratios to net revenues:</u></b>					
Compensation and benefits	67.7%		63.4%	63.8%	
Non-comp operating expenses	24.4%		22.0%	22.9%	
Income before income taxes	7.9%		14.6%	13.3%	

(1) Non-core adjustments consist of a charges related to expensing stock awards issued as retention in connection with the acquisition of KBW and other merger-related revenues and expenses associated with our acquisitions of KBW, the Knight Capital Fixed Income business and Miller Buckfire.

# Source of Revenues

(\$ in thousands)	Three Months Ended					Six Months Ended		
	6/30/13	6/30/12	% Change	3/31/13	% Change	6/30/13	6/30/12	% Change
Commissions	\$ 157,168	\$ 127,427	23.3%	\$ 148,648	5.7%	\$ 305,816	\$ 250,730	22.0%
Principal transactions	111,448	91,564	21.7%	107,244	3.9%	218,692	207,797	5.2%
Brokerage revenues	268,616	218,991	22.7%	255,892	5.0%	524,508	458,527	14.4%
Capital raising	74,146	40,733	82.0%	51,199	44.8%	125,345	95,566	31.2%
Advisory	47,968	26,630	80.1%	27,180	76.5%	75,148	42,235	77.9%
Investment banking	122,114	67,363	81.3%	78,379	55.8%	200,493	137,801	45.5%
Asset mgt and service fees	76,088	65,311	16.5%	68,912	10.4%	145,000	126,129	15.0%
Other	11,670	5,418	115.4%	20,212	(42.3%)	31,882	18,712	70.4%
<b>Total operating revenues</b>	<b>478,488</b>	<b>357,083</b>	<b>34.0%</b>	<b>423,395</b>	<b>13.0%</b>	<b>901,883</b>	<b>741,169</b>	<b>21.7%</b>
Interest revenue	32,933	27,181	21.2%	29,845	10.3%	62,778	52,438	19.7%
<b>Total revenues</b>	<b>511,421</b>	<b>384,264</b>	<b>33.1%</b>	<b>453,240</b>	<b>12.8%</b>	<b>964,661</b>	<b>793,607</b>	<b>21.6%</b>
Interest expense	12,685	9,857	28.7%	11,460	10.7%	24,145	18,867	28.0%
<b>Net revenues</b>	<b>\$ 498,736</b>	<b>\$ 374,407</b>	<b>33.2%</b>	<b>\$ 441,780</b>	<b>12.9%</b>	<b>\$ 940,516</b>	<b>\$ 774,740</b>	<b>21.4%</b>

# Brokerage Revenues by Segment

	Three Months Ended					Six Months Ended		
	6/30/13	6/30/12	% Change	3/31/13	% Change	6/30/13	6/30/12	% Change
<i>(\$ in thousands)</i>								
Private client group	\$ 160,889	\$ 143,475	12.1%	\$ 158,392	1.6%	\$ 319,282	\$ 292,876	9.0%
Equity brokerage	66,788	38,466	73.6%	52,000	28.4%	118,788	82,638	43.7%
Fixed income brokerage	40,939	37,050	10.5%	45,500	(9.9%)	86,439	83,013	4.1%
Institutional brokerage	107,727	75,516	42.7%	97,500	10.5%	205,227	165,651	23.9%
<b>Total Brokerage Revenues</b>	<b>\$ 268,616</b>	<b>\$ 218,991</b>	<b>22.7%</b>	<b>\$ 255,892</b>	<b>5.0%</b>	<b>\$ 524,509</b>	<b>\$ 458,527</b>	<b>14.4%</b>

# Core Non-Interest Expenses

## Three months ended June 30, 2013

(\$ in thousands)	Three Months Ended					% of Net revenues		
	6/30/13 <sup>(1)</sup>	6/30/12	% Change	3/31/13	% Change	6/30/13 <sup>(1)</sup>	6/30/12	3/31/13
<b>Net revenues</b>	<b>\$ 500,472</b>	\$ 374,407	<b>33.7%</b>	\$ 441,788	<b>13.3%</b>	<b>100.0%</b>	100.0%	100.0%
Compensation and benefits	294,446	219,004	34.4%	259,135	13.6%	58.8%	58.5%	58.7%
Transitional pay <sup>(2)</sup>	20,867	20,370	2.4%	22,806	(8.5%)	4.2%	5.4%	5.2%
<b>Total compensation and benefits</b>	<b>315,313</b>	239,374	<b>31.7%</b>	281,941	<b>11.8%</b>	<b>63.0%</b>	63.9%	63.8%
Occupancy and equipment rental	38,306	32,320	18.5%	31,501	21.6%	7.7%	8.6%	7.1%
Communication and office supplies	24,604	20,797	18.3%	21,858	12.6%	4.9%	5.6%	4.9%
Commissions and floor brokerage	9,616	7,747	24.1%	8,669	10.9%	1.9%	2.1%	2.0%
Other operating expenses	38,707	30,295	27.8%	34,127	13.4%	7.7%	8.1%	7.6%
<b>Total non-comp operating expenses</b>	<b>111,233</b>	91,159	<b>22.0%</b>	96,155	<b>15.7%</b>	<b>22.2%</b>	24.3%	21.8%
<b>Total non-interest expense</b>	<b>426,546</b>	330,533	<b>29.0%</b>	378,096	<b>12.8%</b>	<b>85.2%</b>	88.3%	85.6%
<b>Income before income taxes</b>	<b>73,926</b>	43,874	<b>68.5%</b>	63,692	<b>16.1%</b>	<b>14.8%</b>	11.7%	14.4%
Provision for income taxes	29,570	17,738	66.7%	23,808	24.2%	5.9%	4.6%	5.4%
<b>Non-GAAP net income</b>	<b>\$ 44,356</b>	\$ 26,136	<b>69.7%</b>	\$ 39,884	<b>11.2%</b>	<b>8.9%</b>	7.0%	9.0%
Non-core expenses (after-tax)	(14,921)	-		(25,265)				
<b>GAAP net income</b>	<b>\$ 29,435</b>	\$ 26,136		\$ 14,619				

(1) Excludes non-core adjustments consisting of merger-related revenues and expenses associated with our acquisitions of KBW, the Knight Capital Fixed Income business and Miller Buckfire.

(2) Transition pay includes amortization of upfront notes, signing bonuses and retention awards.

# Core Non-Interest Expenses

## Six months ended June 30, 2013

(\$ in thousands)	Six Months Ended			% of Net revenues	
	(1) <u>6/30/13</u>	(1) <u>6/30/12</u>	<u>% Change</u>	(1) <u>6/30/13</u>	(1) <u>6/30/12</u>
<b>Net revenues</b>	<b>\$ 942,260</b>	<b>\$ 774,740</b>	<b>21.6%</b>	<b>100.0%</b>	<b>100.0%</b>
Compensation and benefits	555,424	455,336	22.0%	58.9%	58.8%
Transitional pay <sup>(2)</sup>	41,830	38,742	8.0%	4.4%	5.0%
<b>Total compensation and benefits</b>	<b>597,254</b>	<b>494,078</b>	<b>20.9%</b>	<b>63.4%</b>	<b>63.8%</b>
Occupancy and equipment rental	69,808	63,111	10.6%	7.4%	8.1%
Communication and office supplies	46,462	41,170	12.9%	4.9%	5.3%
Commissions and floor brokerage	18,285	15,359	19.1%	1.9%	2.0%
Other operating expenses	72,833	57,894	25.8%	7.7%	7.5%
<b>Total non-comp operating expenses</b>	<b>207,388</b>	<b>177,534</b>	<b>16.8%</b>	<b>22.0%</b>	<b>22.9%</b>
<b>Total non-interest expense</b>	<b>804,642</b>	<b>671,612</b>	<b>19.8%</b>	<b>85.4%</b>	<b>86.7%</b>
<b>Income before income taxes</b>	<b>137,618</b>	<b>103,128</b>	<b>33.4%</b>	<b>14.6%</b>	<b>13.3%</b>
Provision for income taxes	53,378	42,219	26.4%	5.7%	5.3%
<b>Non-GAAP net income</b>	<b>\$ 84,240</b>	<b>\$ 60,909</b>	<b>38.3%</b>	<b>8.9%</b>	<b>7.9%</b>
Non-core expenses (after-tax)	(40,186)	-			
<b>GAAP net income</b>	<b>\$ 44,054</b>	<b>\$ 60,909</b>			

(1) Excludes non-core adjustments consisting of a charge related to expensing stock awards issued as retention in connection with the acquisition of KBW and other merger-related revenues and expenses associated with our acquisitions of KBW, the Knight Capital Fixed Income business and Miller Buckfire.

(2) Transition pay includes amortization of upfront notes, signing bonuses and retention awards.

# Segment Comparison - Core

	Three Months Ended					Six Months Ended		
	<u>6/30/13</u> <sup>(1)</sup>	<u>6/30/12</u>	<u>% Change</u>	<u>3/31/13</u>	<u>% Change</u>	<u>6/30/13</u> <sup>(1)</sup>	<u>6/30/12</u>	<u>% Change</u>
<i>(\$ in thousands)</i>								
<b>Net revenues:</b>								
Global Wealth Management	\$ 282,717	\$ 239,300	18.1%	\$ 266,957	5.9%	\$ 549,674	\$ 486,908	12.9%
Institutional Group	220,476	136,026	62.1%	176,437	25.0%	396,913	285,270	39.1%
Other	(2,721)	(919)	196.1%	(1,606)	69.4%	(4,327)	2,562	(268.9%)
	<u>\$ 500,472</u>	<u>\$ 374,407</u>	<u>33.7%</u>	<u>\$ 441,788</u>	<u>13.3%</u>	<u>\$ 942,260</u>	<u>\$ 774,740</u>	<u>21.6%</u>
<b>Operating contribution:</b>								
Global Wealth Management	\$ 78,924	\$ 61,036	29.3%	\$ 69,499	13.6%	\$ 148,423	\$ 129,914	14.2%
Institutional Group	30,059	17,863	68.3%	28,137	6.8%	58,196	41,867	39.0%
Other	(35,057)	(35,025)	0.2%	(33,944)	3.4%	(69,001)	(68,653)	0.6%
	<u>\$ 73,926</u>	<u>\$ 43,874</u>	<u>68.5%</u>	<u>\$ 63,692</u>	<u>16.2%</u>	<u>\$ 137,618</u>	<u>\$ 103,128</u>	<u>33.4%</u>

(1) Core (non-GAAP) results for the three and six months ended June 30, 2012 are the same as GAAP results.

# Global Wealth Management

(\$ in thousands)	Three Months Ended					Six Months Ended		
	6/30/13	6/30/12	% Change	3/31/13	% Change	6/30/13	6/30/12	% Change
Commissions	\$ 104,576	\$ 88,417	18.3%	\$ 102,086	2.4%	\$ 206,662	\$ 179,437	15.2%
Principal transactions	56,313	55,058	2.3%	56,307	0.0%	112,620	113,439	(0.7%)
Asset management & service fees	75,976	65,169	16.6%	68,934	10.2%	144,910	125,755	15.2%
Net interest	24,505	18,227	34.5%	21,486	14.1%	45,991	35,869	28.2%
Investment banking	15,334	8,384	82.9%	11,103	38.1%	26,437	20,786	27.2%
Other income	6,013	4,045	48.7%	7,041	(14.6%)	13,054	11,622	12.3%
<b>Net revenues</b>	<b>282,717</b>	<b>239,300</b>	<b>18.1%</b>	<b>266,957</b>	<b>5.9%</b>	<b>549,674</b>	<b>486,908</b>	<b>12.9%</b>
Compensation and benefits	163,156	140,629	16.0%	157,596	3.5%	320,752	283,980	12.9%
Non-comp operating expenses	40,637	37,635	8.0%	39,862	1.9%	80,499	73,014	10.3%
<b>Total non-interest expenses</b>	<b>203,793</b>	<b>178,264</b>	<b>14.3%</b>	<b>197,458</b>	<b>3.2%</b>	<b>401,251</b>	<b>356,994</b>	<b>12.4%</b>
<b>Income before income taxes</b>	<b>\$ 78,924</b>	<b>\$ 61,036</b>	<b>29.3%</b>	<b>\$ 69,499</b>	<b>13.6%</b>	<b>\$ 148,423</b>	<b>\$ 129,914</b>	<b>14.2%</b>
<b><i>Ratios to net revenues :</i></b>								
Compensation and benefits	57.7%	58.8%		59.0%		58.4%	58.3%	
Non-comp operating expenses	14.4%	15.7%		15.0%		14.6%	15.0%	
Income before income taxes	27.9%	25.5%		26.0%		27.0%	26.7%	

# Stifel Bank & Trust

(an operating unit of GWM)

	As of			As of	
	6/30/13	6/30/12	% Change	3/31/13	% Change
Assets	\$ 4,306,447	\$ 3,052,867	41.1	\$ 3,872,677	11.2
Investment securities	2,956,073	1,844,875	60.2	2,440,146	21.1
Retained loans, net	983,788	709,079	38.7	886,597	11.0
Loans held for sale	152,246	117,166	29.9	165,698	(8.1)
Deposits	4,007,050	2,776,684	44.3	3,556,568	12.7
Allowance for loan losses	\$ 10,919	\$ 5,781	88.9	\$ 9,406	16.1
Allowance as a percentage of loans	1.10 %	0.88 %		1.01 %	
Non-performing loans	\$ 1,042	\$ 1,872	(44.3)	\$ 1,063	(2.0)
Other non-performing assets	173	634	(72.7)	373	(53.6)
Non-performing assets	\$ 1,215	\$ 2,506	(51.5)	\$ 1,436	(15.4)
Non-performing assets as a percentage of total assets	0.03 %	0.08 %		0.04 %	



# Institutional Group

	Three Months Ended					Six Months Ended		
	6/30/13	6/30/12	% Change	3/31/13	% Change	6/30/13	6/30/12	% Change
<i>(\$ in thousands)</i>								
<b>Net revenues</b>	<b>\$ 220,476</b>	\$ 136,026	<b>62.1%</b>	\$ 176,437	<b>25.0%</b>	<b>\$ 396,913</b>	\$ 285,270	<b>39.1%</b>
Compensation and benefits	<b>136,481</b>	85,109	<b>60.4%</b>	107,636	<b>26.8%</b>	<b>244,117</b>	179,539	<b>36.0%</b>
Non-comp operating expenses	<b>53,936</b>	33,054	<b>63.2%</b>	40,664	<b>32.6%</b>	<b>94,600</b>	63,864	<b>48.1%</b>
<b>Total non-interest expenses</b>	<b>190,417</b>	118,163	<b>61.1%</b>	148,300	<b>28.4%</b>	<b>338,717</b>	243,403	<b>39.2%</b>
<b>Income before income taxes</b>	<b>\$ 30,059</b>	\$ 17,863	<b>68.3%</b>	\$ 28,137	<b>6.8%</b>	<b>\$ 58,196</b>	\$ 41,867	<b>39.0%</b>
<b><i>Ratios to net revenues :</i></b>								
Compensation and benefits	<b>61.9%</b>	62.6%		61.0%		<b>61.5%</b>	62.9%	
Non-comp operating expenses	<b>24.5%</b>	24.3%		23.1%		<b>23.8%</b>	22.4%	
Income before income taxes	<b>13.6%</b>	13.1%		15.9%		<b>14.7%</b>	14.7%	

# Institutional Group Revenues

(\$ in thousands)	Three Months Ended					Six Months Ended		
	6/30/13	6/30/12	% Change	3/31/13	% Change	6/30/13	6/30/12	% Change
<b>Institutional brokerage:</b>								
Equity	\$ 66,788	\$ 38,466	73.6%	\$ 52,000	28.4%	\$ 118,788	\$ 82,638	43.7%
Fixed income	40,939	37,050	10.5%	45,500	(9.9%)	86,439	83,013	4.1%
	<b>107,727</b>	75,516	<b>42.7%</b>	97,500	<b>10.5%</b>	<b>205,227</b>	165,651	<b>23.9%</b>
<b>Investment Banking:</b>								
Capital raising								
Equity	44,640	17,651	152.9%	24,380	83.1%	69,020	49,201	40.3%
Fixed income	14,173	14,698	(3.6%)	15,715	(9.8%)	29,888	25,579	16.8%
	<b>58,813</b>	32,349	<b>81.8%</b>	40,095	<b>46.7%</b>	<b>98,908</b>	74,780	<b>32.3%</b>
Advisory fees	47,967	26,630	80.1%	27,180	76.5%	75,147	42,235	77.9%
<b>Investment banking</b>	<b>106,780</b>	58,979	<b>81.0%</b>	67,275	<b>58.7%</b>	<b>174,055</b>	117,015	<b>48.7%</b>
Other <sup>(1)</sup>	5,969	1,531	289.9%	11,662	(48.8%)	17,631	2,604	577.0%
<b>Total net revenue</b>	<b>\$ 220,476</b>	\$ 136,026	<b>62.1%</b>	\$ 176,437	<b>25.0%</b>	<b>\$ 396,913</b>	\$ 285,270	<b>39.1%</b>

(1) Includes net interest and other income.



# **Financial Condition**

# Capital Structure

As of June 30, 2013

(in thousands, except ratios)

*(\$ in thousands)*

Total Assets	\$ 8,493,191
Stockholders' Equity	\$ 1,897,990
6.70% senior notes, due 2022	\$ 175,000
5.375% senior notes, due 2022	150,000
Non-recourse debt, 6.75%, due 2016	53,024
Debentures to Stifel Financial Capital Trusts II, III, & IV	82,500
Total Capitalization	\$ 2,358,514

## Ratios:

Debt to Equity <sup>(1)</sup>	13.6%
Leverage Ratio <sup>(2)</sup>	3.6x
Equity Capitalization <sup>(3)</sup>	4.5x

(1) Debt to equity ratio includes the debentures to Stifel Financial Capital Trusts (\$82.5m), non-recourse debt (\$55.9m), and Senior Notes (\$325.0m) divided by stockholders' equity.

(2) Leverage ratio = total assets divided by total capitalization.

(3) Equity capitalization = total assets divided by stockholders' equity.

# Other Financial Data

	As of			As of	
	6/30/13	6/30/12	% Change	3/31/13	% Change
<b>Total assets (000s):</b>					
Stifel Nicolaus & Stifel Financial	\$ 4,186,744	\$ 3,085,668	35.7%	\$ 4,261,078	(1.7%)
Stifel Bank	4,306,447	3,052,867	41.1%	3,872,677	11.2%
<b>Total assets</b>	<b>\$ 8,493,191</b>	<b>\$ 6,138,535</b>	<b>38.4%</b>	<b>\$ 8,133,755</b>	<b>4.4%</b>
<b>Total shareholders' equity (000s):</b>					
Stifel Nicolaus & Stifel Financial	\$ 1,613,003	\$ 1,140,188	41.5%	\$ 1,613,398	(0.0%)
Stifel Bank	284,987	231,657	23.0%	290,268	(1.8%)
<b>Total shareholders' equity</b>	<b>\$ 1,897,990</b>	<b>\$ 1,371,845</b>	<b>38.4%</b>	<b>\$ 1,903,666</b>	<b>(0.3%)</b>
<b>Leverage ratio:</b>					
Stifel Nicolaus & Stifel Financial	2.0	2.2	(8.5%)	2.1	(1.6%)
Stifel Bank	15.1	13.2	14.6%	13.3	13.3%
<b>Total leverage ratio</b>	<b>3.6</b>	<b>3.8</b>	<b>(4.5%)</b>	<b>3.4</b>	<b>4.8%</b>
Financial advisors <sup>(1)</sup>	2,069	2,028	2.0%	2,063	0.3%
Full-time associates	5,759	5,196	10.8%	5,680	1.4%
Locations	357	332	7.5%	357	0.0%
Total client assets (000s) <sup>(2)</sup>	\$ 150,628,000	\$ 131,026,000	15.0%	\$ 147,119,000	2.4%

(1) Includes 145, 156 and 148 independent contractors as of June 30, 2013, June 30, 2012 and March 31, 2013.

(2) Includes money-market and FDIC-insured balances. Prior period amounts have been adjusted to conform to the current period presentation.



**Q & A**