

The background of the slide features a large, detailed sculpture of two bears in a physical struggle, known as the 'FORCES' statue by Harry Weber. The sculpture is rendered in a light, textured material, possibly stone or concrete, and is set against a soft, overcast sky. The word 'STIFEL' is overlaid on the upper left portion of the image in a dark blue, serif font.

STIFEL

4th Quarter & Full Year 2016 Financial Results Presentation January 31, 2017

Stifel's **"FORCES"** statue by Harry Weber

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 certain non-GAAP calculations as additional measures to aid in understanding and analyzing the Company’s financial results for the three months ended December 31, 2016. 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 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 current financial performance. The non-GAAP financial information should be considered in addition to, not as a substitute for or as being superior to, operating income, cash flows, or other measures of financial performance prepared in accordance with GAAP. These non-GAAP measures primarily exclude expenses which management believes are, in some instances, non-recurring and not representative of ongoing business. Management has not included costs which they believe are duplicative in the analysis below, which is a change from prior periods.

A limitation of utilizing these non-GAAP measures is that the GAAP accounting effects of these charges do, in fact, reflect the underlying financial results of the Company’s business and these effects should not be ignored in evaluating and analyzing its financial results. Therefore, the Company believes that GAAP measures and the same respective non-GAAP measures of the Company’s financial performance should be considered together.

2016 Highlights

- **Operating Highlights:**
 - Record Net Revenue of \$2.6 billion
 - Record Net Revenue in our Institutional Segment of \$1 billion
 - Record Net Revenue for Global Wealth Management Segment of \$1.6 billion.
 - Record Pre-Tax Operating Income for Global Wealth Management of \$430 million
 - \$5.8 Billion in Asset Growth on Balance Sheet
- **Corporate Highlights:**
 - Issued \$150 million of Non-Cumulative Perpetual Preferred Stock;
 - Issued \$200 million of Senior Notes
 - Refinanced \$150 million of Existing Senior Notes.
 - Acquired City Securities;
 - Successfully Integrated ISM and Eaton Partners; and
 - Repurchased 3.4 million Shares at an Average Price of \$33.22

4th Quarter Results

Financial Highlights <i>(000s, except per share data)</i>	Three Months Ended			Non-GAAP
	4Q16	4Q15	3Q16	4Q16
U.S. GAAP				
Net revenues	\$661,391	\$581,286	\$641,986	\$661,392
Compensation ratio	63.6%	68.6%	67.6%	62.3%
Non-compensation ratio	28.1%	29.5%	28.0%	24.2%
Pre-tax operating margin	8.3%	1.9%	4.4%	13.5%
Net income	\$26,880	\$11,172	\$17,814	\$56,528
Preferred dividend	\$2,343		\$1,563	\$2,343
Net income available to common shareholders	\$24,537	\$11,172	\$16,251	\$54,185
Earnings per diluted share available to common shareholders	\$0.31	\$0.14	\$0.21	\$0.68

A large, light-colored sculpture of a bear and a bull, possibly made of stone or concrete, set against a backdrop of a cloudy sky. The bear is on the left, and the bull is on the right. The sculpture is partially obscured by a dark blue horizontal band containing the title text.

Brokerage & Investment Banking Revenue

STIFEL

Brokerage & Investment Banking Revenue

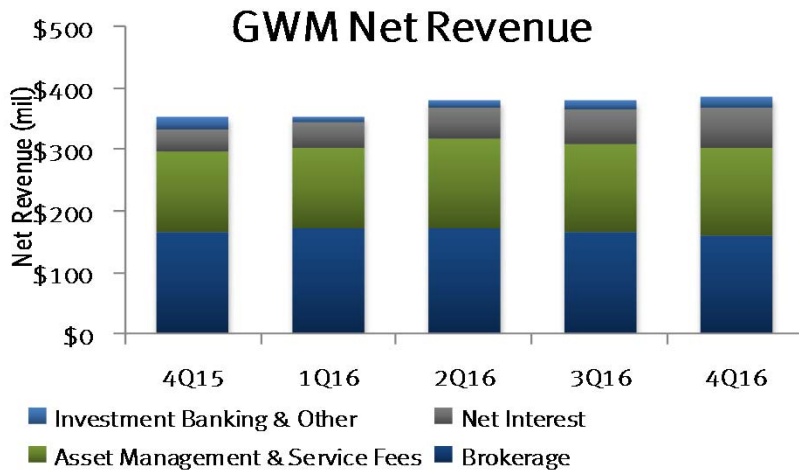
Brokerage: (000s)	Three Months Ended				
	4Q16	4Q15	% Change	3Q16	% Change
Global Wealth Management brokerage revenue	\$160,017	\$166,339	-3.8%	\$165,475	-3.3%
Institutional brokerage:					
Equity	64,007	54,837	16.7%	51,004	25.5%
Fixed income	65,712	73,574	-10.7%	71,794	-8.5%
Total institutional brokerage	129,718	128,411	1.0%	122,798	5.6%
Total brokerage revenue	\$289,735	\$294,750	-1.7%	\$288,273	0.5%
Investment banking: (000s)	Three Months Ended				
	4Q16	4Q15	% Change	3Q16	% Change
Investment banking:					
Capital raising:					
Equity	\$48,393	\$40,536	19.4%	\$32,546	48.7%
Fixed income	29,811	29,632	0.6%	25,931	15.0%
Total capital raising	78,204	70,168	11.5%	58,477	33.7%
Advisory fees:	56,248	32,643	72.3%	86,322	-34.8%
Total investment banking	\$134,452	\$102,811	30.8%	\$144,799	-7.1%



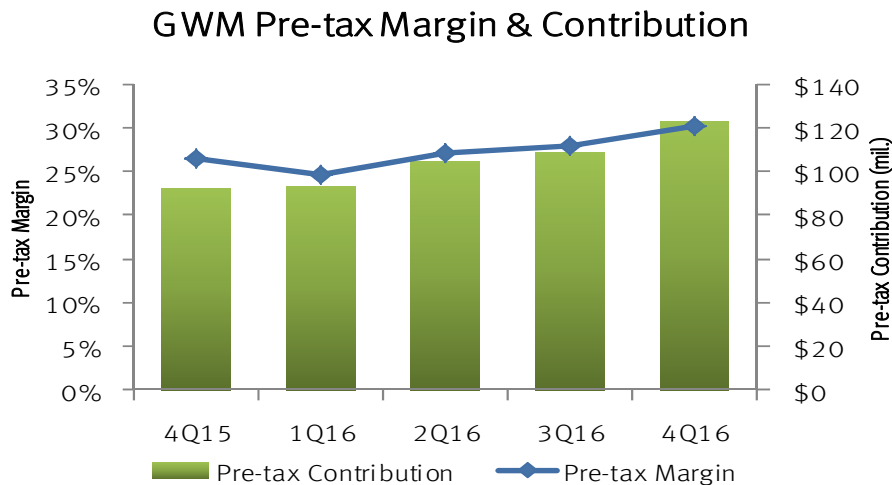
Segment Results

STIFEL

Global Wealth Management



- Net revenue in the GWM segment was \$408 mil., up 5% sequentially & 17% Y/Y
 - Brokerage revenue declined 3% sequentially & 4% Y/Y
 - Ex. Sterne IBC & Clearing, Brokerage revenue increased 6% Y/Y
 - Net interest income increased 23% sequentially & 87% Y/Y
 - 2,282 total FAs up sequentially from 2,280
 - \$236.9 billion. in client AUA, up 1% sequentially
- Compensation ratio was 52.9% down 230 bps sequentially & 420 bps Y/Y
- Non-comp. ratio was 17% up 10 bps sequentially & 60 bps Y/Y
- Pre-tax margin was 30% up 220 bps sequentially & 360Y/Y.

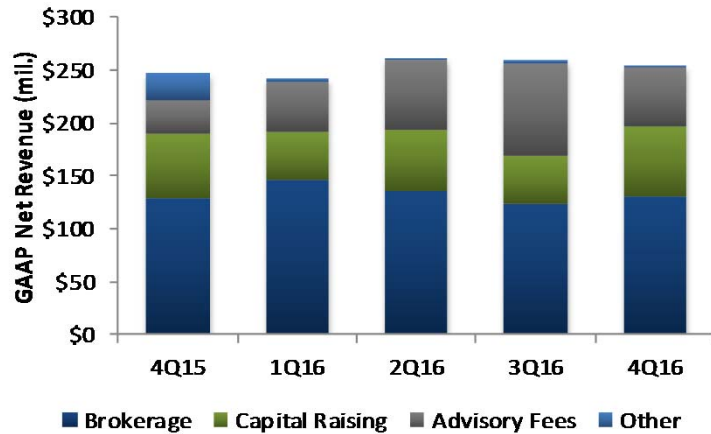


Stifel Bank & Trust

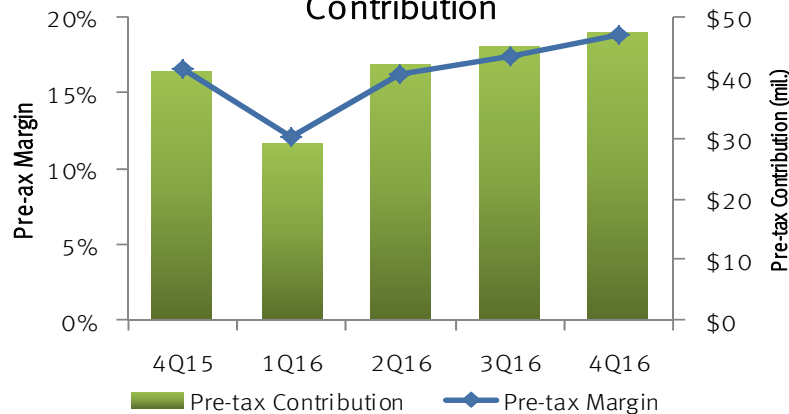
Stifel Bank (mil. except for %'s)	4Q16	4Q15	% Change	3Q16	% Change
Assets:					
Investments	\$6,209	\$3,479	79%	\$5,377	15%
Mortgage Loans	2,161	429	404%	1,804	20%
Commercial Loans	1,710	1,217	41%	1,558	10%
Securities Based Loans	1,614	1,389	16%	1,453	11%
Total Loans, net	\$5,591	\$3,144	78%	\$4,957	13%
Loans Held for Sale	229	190	20%	217	5%
Total Assets	\$12,798	\$7,158	79%	\$11,019	16%
Liabilities:					
Deposits	\$11,527	\$6,638	74%	\$9,885	17%
Credit Metrics					
Non-performing assets (\$)	27	1	2600%	28	-4%
Non-performing assets (%s)	0.21%	0.01%	200 bps	0.25%	-40 bps
Allowance as a percentage of loans	0.80%	0.95%	-140 bps	0.79%	20 bps
Net Interest Margin	2.24%	2.45%	-210 bps	2.40%	-160 bps

Institutional Group

Institutional Group Net Revenue



Institutional Group Pre-tax Margin & Contribution



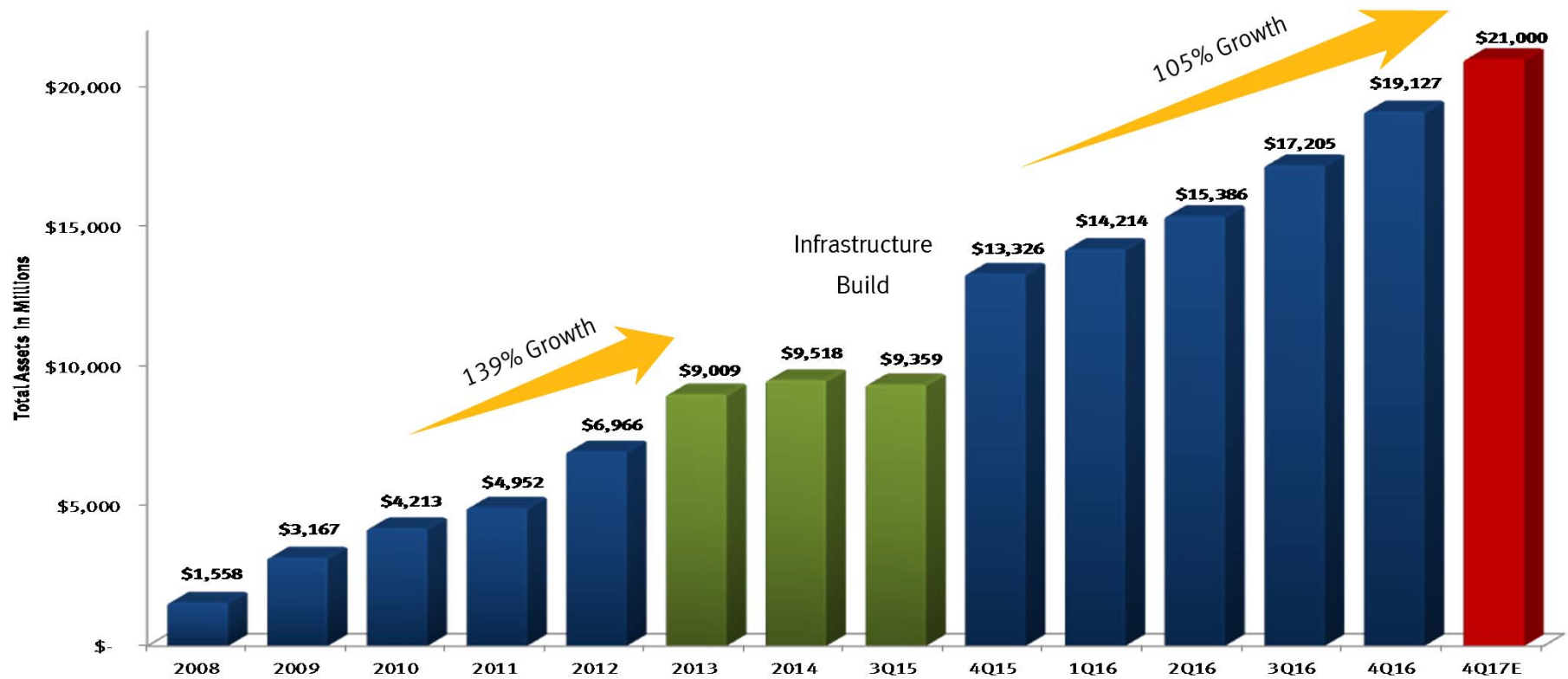
- Total net revenue of \$253 mil. decreased 2% sequentially but increased 3% Y/Y
 - Investment banking revenue of \$122 mil. decreased 8% sequentially but increased 32% Y/Y
 - Equity underwriting of \$40 mil. increased 88% sequentially & 2% Y/Y
 - Debt underwriting of \$28mil. increased 9% sequentially & 19% Y/Y
 - Advisory revenue of \$56 mil. decreased 36% sequentially but increased 80% Y/Y
 - Brokerage revenue of \$130 mil. increased 6% sequentially & 1% Y/Y
 - Equity brokerage revenue of \$64 mil. was up 26% sequentially & 17% Y/Y
 - Fixed income brokerage revenue of \$66 mil. was down 9% sequentially & 11% Y/Y
- Pre-tax margin was 18.8 % up 140 bps sequentially & 220 bps Y/Y.
- Pre-tax Contribution increased by 6% sequentially and 16% Y/Y



Balance Sheet & Net Interest Income

STIFEL

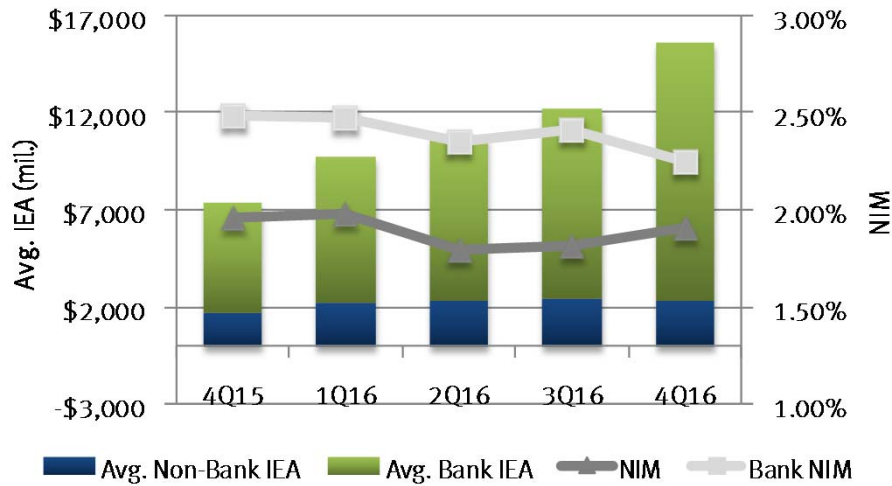
Balance Sheet Growth



Ratio	2008	2009	2010	2011	2012	2013	2014	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	4Q17E
Tier 1 Leverage	32.3%	30.5%	25.6%	21.4%	17.7%	15.4%	16.5%	16.4%	16.6%	11.6%	11.5%	11.8%	10.2%	10.0%
Tier 1 Risk Based Capital	49.4%	40.5%	29.1%	27.4%	26.8%	26.7%	25.0%	29.4%	26.3%	21.3%	20.9%	22.0%	20.3%	20.0%
Risk Weighting Assets Density	64.9%	56.2%	67.3%	62.7%	57.0%	50.7%	58.2%	52.0%	46.6%	49.0%	49.1%	46.2%	46.5%	46.5%

Balance Sheet & Net Interest Margin

Net Interest Income Drivers

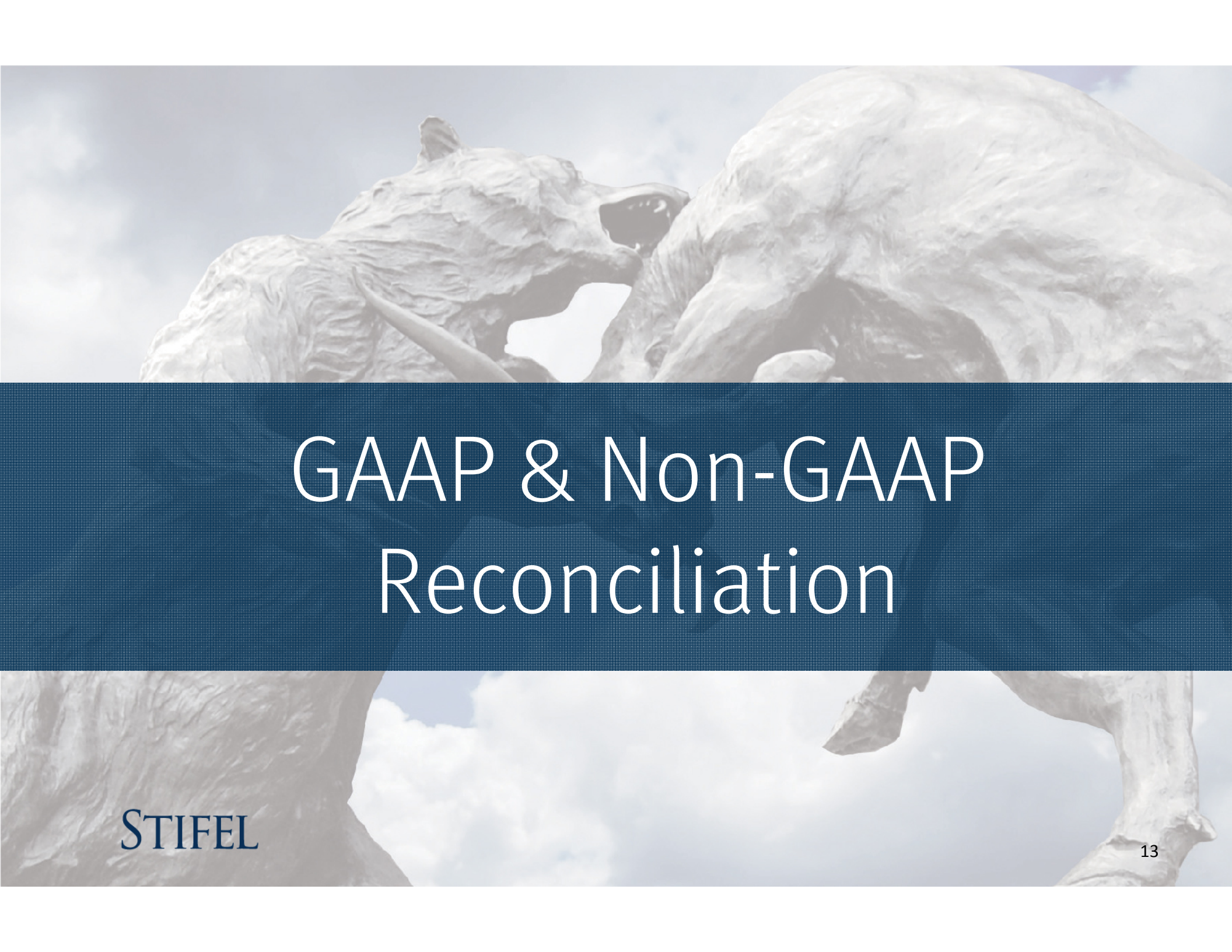


Net Interest Income Drivers:

- Total assets increased to \$19.1 billion. up 11% sequentially & 44% Y/Y
- Average interest earning assets increased to \$15.6 billion. up 27% sequentially & 111% Y/Y
- NIM increased to 191 bps, up 10 bps sequentially but down 5 bps Y/Y.
- NIM at Stifel Bank of 225 bps decreased 15bps sequentially & 20 bps Y/Y
 - NIM at Stifel Bank in December was 252 bps
- Firm-wide NII of \$74.7 mil. increased 35% sequentially and 106% Y/Y.
- Book value per share was \$41.09

Capital Structure

(in millions, except ratios)	4Q15	1Q16	2Q16	3Q16	4Q16
Total Assets	\$13,326	\$14,214	\$15,386	\$17,205	\$19,127
Total Equity	\$2,492	\$2,417	\$2,491	\$2,692	\$2,738
Tier 1 Leverage Ratio	16.6%	11.6%	11.5%	11.8%	10.2%
Tier 1 Risk Based Capital Ratio	26.3%	21.3%	20.9%	22.0%	20.3%



GAAP & Non-GAAP Reconciliation

STIFEL

GAAP to Non-GAAP Reconciliation

Three months ended December 31, 2016

GAAP Results (000s)	Three months ended 12/31/16
Total GAAP Compensation & benefits expense	\$420,664
GAAP comp. ratio	63.6%
Total GAAP non-compensation expense	\$185,853
GAAP non-comp. ratio	28.1%
GAAP pre-tax margin	8.3%

Adjusted Non-GAAP Results (000s)	Three months ended 12/31/16
Total Adjusted Non-GAAP Compensation & benefits expense	\$412,374
Adjusted Non-GAAP comp. ratio	62.3%
Total adjusted Non-GAAP non-compensation expense	\$159,899
Adjusted Non-GAAP non-comp. ratio	24.2%
Adjusted Non-GAAP pre-tax margin	13.5%

GAAP to Non-GAAP Reconciliation for Fourth Quarter 2016 (000s)	12/31/16
GAAP Net Income	\$26,880
Preferred Dividend	2,343
Net Income available to common Shareholders	\$24,537
Non-GAAP Adjustments	
Acquisition-Related	14,226
Litigation-Related	20,000
Non-Deductible Settlement Tax Impact	8,880
Provision for Income Taxes	(13,458)
Total Non-GAAP Adjustments	29,648
Non-GAAP Net Income Available to Common Shareholders	\$54,185



Department of Labor Fiduciary Rule & Interest Rate Sensitivity Update

STIFEL



Outlook for 2017

STIFEL



Q&A

STIFEL