

FOR IMMEDIATE RELEASE

STIFEL FINANCIAL RESPONDS TO SEC SETTLEMENT WITH ROYAL BANK OF CANADA

ST. LOUIS, September 27, 2011 – Stifel Financial Corp. (NYSE: SF) released the following statement today in response to the SEC's settlement with Royal Bank of Canada (RY) in the Wisconsin school districts case:

Stifel is gratified that the SEC determined that RBC failed to adequately disclose the risks associated with the CDO investments which it manufactured. Importantly, the SEC found not only that RBC was aware of those risks, but that RBC disguised the risks in marketing materials provided to the School Districts and Stifel. We continue to believe that if RBC's product was as represented, it would have been suitable for the Districts. The SEC findings confirm that RBC's actions deprived both the Districts and Stifel the opportunity to fairly assess the suitability of the investments. We also believe the SEC findings are consistent with Stifel's belief that:

- RBC misrepresented to both the Districts and Stifel the profits it earned on the sale of its products
- RBC misrepresented to both the Districts and Stifel the default risks associated with the investments
- RBC selected credits in the reference portfolios of its products to maximize its profits
- RBC's credit selection process increased the risks of the CDO investments – risks that were not disclosed
- There were material undisclosed conflicts inherent with the CDO investments

These misrepresentations were made both in face-to-face meetings with the Districts and Stifel, as well as in written materials presented to both Stifel and the Districts.

We believe RBC's statements in the press regarding Stifel are misleading. RBC agreed to the settlement without denying the charges, and yet is, in effect, denying them by shifting the blame to Stifel. The investments which failed were CDOs manufactured by RBC – not Stifel. The SEC found that RBC failed to disclose risks created by the manner in which credits were selected by RBC – not Stifel. The profits created by the credit selection process were made by RBC – not Stifel. RBC's characterization of Stifel's role in the transactions is a transparent effort to divert attention from the SEC's determination that RBC failed to adequately disclose the risk inherent in its product.

Company Information

Stifel Financial Corp. (NYSE: SF) is a financial services holding company headquartered in St. Louis, Missouri that conducts its banking, securities, and financial services business through several wholly owned subsidiaries. Stifel clients are primarily served in the U.S. through 312 offices in 44 states and the District of Columbia through Stifel, Nicolaus & Company, Incorporated and Thomas Weisel Partners LLC, and in Canada through Stifel Nicolaus Canada Inc. Clients in the United Kingdom and Europe are served through offices of Stifel Nicolaus Limited and Stifel Nicolaus Europe Limited (formerly Thomas Weisel Partners International Limited). Each of the broker-dealer affiliates provides securities brokerage, investment banking, trading, investment advisory, and related financial services to individual investors, professional money managers, businesses, and municipalities. Stifel Bank & Trust offers a full range of consumer and commercial lending solutions. To learn more about Stifel, please visit the company's web site at www.stifel.com.

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