

The background of the slide features a grayscale image of classical architectural columns, likely from a government building or institution, creating a sense of stability and tradition.

4th Quarter and Full-Year 2013 Financial Results Presentation

February 24, 2014

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.

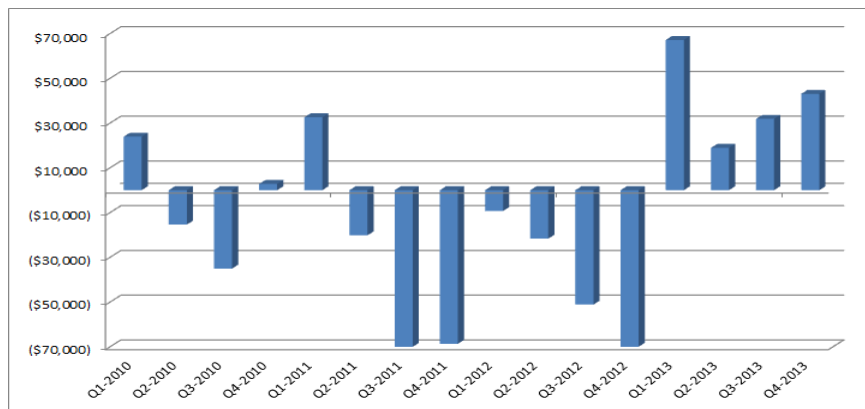
Chairman's Comments

“We are very pleased to post our 18th consecutive year of record net revenues. This speaks to the dedication of our over 5,800 professionals, as well as to our balanced business model. Non-GAAP net income from continuing operations for the year improved over the prior year as a result of both better market conditions and the benefits of our recent acquisitions. Looking forward, we will continue to take advantage of opportunities in the marketplace that add to shareholder value.”

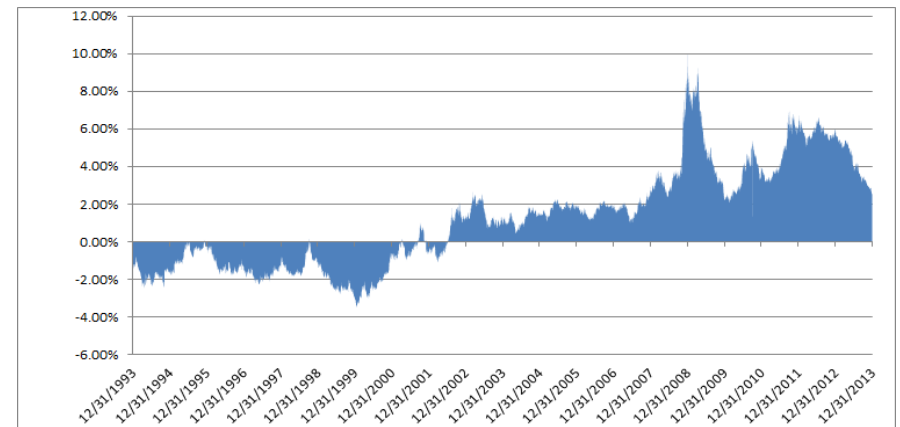
Market Overview

Activity Summary						Fourth Quarter Results	
Volumes are in million \$, except trading volumes which are in million shares. Data as of 12/31/2013.							
	2013 Q4	2013 Q3	2013 Q2	2013 Q1	2012 Q4	QoQ	YoY
S&P 500	1,848	1,682	1,606	1,569	1,426	10%	30%
U.S. Treasury 10yr Yield	3.03%	2.61%	2.49%	1.85%	1.76%	42 bps	127 bps
Equity ADV	6,015	5,771	6,600	6,375	6,090	4%	-1%
Corporate Bond ADV	17,917	17,192	20,285	20,736	16,347	4%	10%
U.S. ECM (\$)	87,290	56,156	70,296	66,196	57,479	55%	52%
U.S. ECM (#)	306	269	265	248	208	14%	47%
U.S. DCM (\$)	468,566	507,047	554,885	640,461	585,201	-8%	-20%
U.S. DCM (#)	1,479	1,672	2,297	2,431	2,236	-12%	-34%
Municipal Bond DCM (\$)	77,824	72,009	93,318	83,481	97,126	8%	-20%
U.S. Announced M&A (\$)	262,605	370,855	220,641	295,429	349,586	-29%	-25%
U.S. Announced M&A (#)	2,358	2,546	2,464	2,715	3,331	-7%	-29%
U.S. Completed M&A (\$)	295,061	234,895	220,195	245,267	324,953	26%	-9%
U.S. Completed M&A (#)	2,245	2,473	2,417	2,732	3,360	-9%	-33%

Domestic Equity Flows



Equity Risk Premium (1)



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Source: Investment Company Institute

(1) Based on the Daily Treasury Yield Curve Rates (10 year)

2013: A Year in Review

Stifel's 18th Consecutive Year of Record Net Revenues

- Successfully completed the merger and integration with KBW.
- Acquired and integrated the fixed income business of Knight Capital Group in July of 2013, adding to Stifel's already impressive fixed income capabilities.
- The Institutional Group achieved record flow levels and record investment banking revenues. Continued to gain market share in the year and completed a number of unique and high profile financings for clients.
- Assets at Stifel Bank reached \$5.1 billion, while the risk profile remained conservative.
- Welcomed Ziegler Lotsoff Capital Management to the firm's asset management efforts.
- Welcomed 138 new Financial Advisors to the Private Client Group and opened 11 new offices in 2013.
- Strong stock performance, which ended the year at \$47.92 up 49% from the start of the year. In the last fifteen years SF is up over 1,340%.



Stifel's Stock Performance

Top Performing Stock

Cumulative Price Appreciation as of December 31, 2013

1 Year Since 12/31/12		5 Years Since 12/31/08		6 Years Since 12/31/07		13 Years Since 12/31/00	
Morgan Stanley	64.02%	Raymond James Financial	204.70%	Stifel Financial Corp.	105.10%	Stifel Financial Corp.	1163.82%
Stifel Financial Corp.	49.89%	Goldman Sachs Group	110.00%	Raymond James Financial	59.80%	Raymond James Financial	236.71%
Oppenheimer	43.49%	S&P 500 Index	104.63%	S&P 500 Index	25.88%	Goldman Sachs Group	65.76%
Goldman Sachs Group	38.96%	Morgan Stanley	95.51%	JMP Group	-12.74%	S&P 500 Index	40.00%
Raymond James Financial	35.45%	Oppenheimer	92.39%	Piper Jaffray	-14.62%	Oppenheimer	2.82%
S&P 500 Index	29.60%	JMP Group	33.33%	Goldman Sachs Group	-17.57%	Morgan Stanley	-60.43%
Piper Jaffray	23.09%	Stifel Financial Corp.	4.51%	Morgan Stanley	-40.95%	SWS Group	-61.23%
JMP Group	21.91%	Piper Jaffray	-0.53%	Oppenheimer	-41.49%	JMP Group	NM
SWS Group	14.93%	SWS Group	-67.92%	SWS Group	-52.01%	Piper Jaffray	NM

	5 years	2008	6 years
Stifel Financial Corp.	4.51%	30.83%	105.10%
Raymond James Financial	204.70%	-47.55%	59.80%
S&P 500 Index	104.63%	-38.49%	25.88%
JMP Group	33.33%	-34.55%	-12.74%
Piper Jaffray	-0.53%	-14.16%	-14.62%
Goldman Sachs Group	110.00%	-60.76%	-17.57%
Morgan Stanley	95.51%	-69.80%	-40.95%
Oppenheimer	92.39%	-69.59%	-41.49%
SWS Group	-67.92%	49.57%	-52.01%

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Financial Results

Stifel Financial Corp. Results

Three months ended December 31, 2013

(\$ in thousands, except per share amounts)

	Three Months Ended December 31, 2013			Three Months Ended			
	Non-GAAP	Non-Core ⁽¹⁾	GAAP	12/31/12 ⁽²⁾	% Change	9/30/13 ⁽²⁾	% Change
Total revenues	\$ 576,236	\$ (2,080)	\$ 574,156	\$ 419,885	37.2%	\$ 491,169	17.3%
Interest expense	11,555	75	11,630	8,602	34.3%	11,535	0.2%
Net revenues	564,681	(2,155)	562,526	411,283	37.3%	\$ 479,634	17.7%
Compensation and benefits	347,263	5,944	353,207	258,148	34.5%	297,374	16.8%
Non-comp operating expenses	126,990	4,340	131,330	92,784	36.9%	116,817	8.7%
Total non-interest expenses	474,253	10,284	484,537	350,932	35.1%	414,191	14.5%
Income from continuing operations before income taxes	90,428	(12,439)	77,989	60,351	49.8%	65,443	38.2%
Provision for income taxes	30,609	(4,746)	25,863	17,067	79.3%	25,795	18.7%
Net income from continuing operations	\$ 59,819	\$ (7,693)	\$ 52,126	\$ 43,284	38.2%	\$ 39,648	50.9%
Discontinued operations:							
Loss from discontinued operations, net	-	(3,857)	(3,857)	(3,330)	<i>nm</i>	-	-
Net income	\$ 59,819	\$ (11,550)	\$ 48,269	\$ 39,954	49.7%	\$ 39,648	50.9%
<u>Earnings per diluted common share:</u>							
Income from continuing operations	\$ 0.79	\$ (0.10)	\$ 0.69	\$ 0.80	(1.3%)	\$ 0.53	49.1%
Loss from discontinued operations	-	(0.05)	(0.05)	(0.06)		-	
Earnings per diluted common share	\$ 0.79	\$ (0.15)	\$ 0.64	\$ 0.74	6.8%	\$ 0.53	49.1%
<u>Weighted average number of shares outstanding:</u>							
Diluted	75,495		75,495	63,301	19.3%	75,191	0.4%
<u>Ratios to net revenues:</u>							
Compensation and benefits	61.5%		62.8%	62.7%		62.0%	
Non-comp operating expenses	22.5%		23.3%	22.6%		24.4%	
Income from continuing operations before income taxes	16.0%		13.9%	14.7%		13.6%	

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- (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 and discontinued operations of SN Canada.
- (2) Core (non-GAAP) results for the three months ended December 31, 2012 are the same as GAAP results. Results for the three months ended September 30, 2013 are Core (non-GAAP).

Stifel Financial Corp. Results

Year ended December 31, 2013

(\$ in thousands, except per share amounts)

	Year Ended December 31, 2013			Year Ended	
	Non-GAAP	Non-Core	GAAP	12/31/12	% Change
Total revenues	\$ 2,024,538	\$ (4,724)	\$ 2,019,814	\$ 1,627,483	24.4%
Interest expense	46,198	170	46,368	33,370	38.4%
Net revenues	1,978,340	(4,894)	1,973,446	1,594,113	24.1%
Compensation and benefits	1,236,991	74,395	1,311,386	1,010,140	22.5%
Non-comp operating expenses	446,265	30,566	476,831	354,226	26.0%
Total non-interest expenses	1,683,256	104,961	1,788,217	1,364,366	23.4%
Income from continuing operations before income taxes	295,084	(109,855)	185,229	229,747	28.4%
Provision for income taxes	110,426	(98,104)	12,322	84,451	30.8%
Net income from continuing operations	\$ 184,658	\$ (11,751)	\$ 172,907	\$ 145,296	27.1%
Discontinued operations:					
Loss from discontinued operations, net	-	(10,894)	(10,894)	(6,723)	(100.0%)
Net income	\$ 184,658	\$ (22,645)	\$ 162,013	\$ 138,573	33.3%
<u>Earnings per diluted common share:</u>					
Income from continuing operations	\$ 2.51	\$ (0.16)	\$ 2.35	\$ 2.31	8.7%
Loss from discontinued operations, net	-	(0.15)	(0.15)	(0.11)	(100.0%)
Earnings per diluted common share	\$ 2.51	\$ (0.31)	\$ 2.20	\$ 2.20	14.1%
<u>Weighted average number of shares outstanding:</u>					
Diluted	73,504		73,504	62,937	16.8%
<u>Ratios to net revenues:</u>					
Compensation and benefits	62.5%		66.5%	63.4%	
Non-comp operating expenses	22.6%		24.1%	22.2%	
Income from continuing operations before income taxes	14.9%		9.4%	14.4%	

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- (1) Non-core adjustments consist of charges related to expensing stock awards issued as retention in connection with the acquisitions of KBW and the Knight Capital Fixed Income business and other merger-related revenues and expenses associated with our acquisitions of KBW, the Knight Capital Fixed Income business, Miller Buckfire and a U.S. tax benefit in connection with discontinuing operations of SN Canada.
- (2) Core (non-GAAP) results for the year ended December 31, 2012 are the same as GAAP results.

Source of Revenues

(\$ in thousands)	Three Months Ended					Year Ended		
	12/31/13	12/31/12	% Change	9/30/13	% Change	12/31/13	12/31/12	% Change
Commissions	\$ 152,451	\$ 131,327	16.1%	\$ 145,837	4.5%	\$ 598,949	\$ 501,434	19.4%
Principal transactions	118,815	97,515	21.8%	122,583	(3.1%)	459,968	408,935	12.5%
Brokerage revenues	271,266	228,842	18.5%	268,420	1.1%	1,058,917	910,369	16.3%
Capital raising	71,379	46,320	54.1%	53,665	33.0%	246,631	185,761	32.8%
Advisory	87,481	26,618	228.7%	39,186	123.2%	201,429	95,519	110.9%
Investment banking	158,860	72,938	117.8%	92,851	71.1%	448,060	281,280	59.3%
Asset mgt and service fees	83,928	68,971	21.7%	76,710	9.4%	305,639	257,981	18.5%
Other	19,391	19,157	1.2%	13,063	48.4%	64,659	69,148	(6.5%)
Total operating revenues	533,445	389,908	36.8%	451,044	18.3%	1,877,275	1,518,778	23.6%
Interest revenue	40,711	29,977	35.8%	39,130	4.0%	142,539	108,705	31.1%
Total revenues	574,156	419,885	36.7%	490,174	17.1%	2,019,814	1,627,483	24.1%
Interest expense	11,630	8,602	35.2%	11,535	0.8%	46,368	33,370	39.0%
Net revenues	\$ 562,526	\$ 411,283	36.8%	\$ 478,639	17.5%	\$ 1,973,446	\$ 1,594,113	23.8%

Brokerage Revenues by Segment

	Three Months Ended					Year Ended		
	12/31/13	12/31/12	% Change	9/30/13	% Change	12/31/13	12/31/12	% Change
<i>(\$ in thousands)</i>								
Private client group	\$ 159,958	\$ 146,585	9.1%	\$ 158,085	1.2%	\$ 637,325	\$ 586,878	8.6%
Equity brokerage	60,204	38,659	55.7%	58,677	2.6%	232,392	151,308	53.6%
Fixed income brokerage	51,103	43,598	17.2%	51,658	(1.1%)	189,200	172,183	9.9%
Institutional brokerage	111,307	82,257	35.3%	110,335	0.9%	421,592	323,491	30.3%
Total Brokerage Revenues	\$ 271,265	\$ 228,842	18.5%	\$ 268,420	1.1%	\$ 1,058,917	\$ 910,369	16.3%

Core Non-Interest Expenses

Three months ended December 31, 2013

(\$ in thousands)	Three Months Ended					% of Net revenues		
	12/31/13 ⁽¹⁾	12/31/12	% Change	9/30/13	% Change	12/31/13 ⁽¹⁾	12/31/12	9/30/13
Net revenues	\$ 564,681	\$ 411,283	37.3%	\$ 479,634	17.7%	100.0%	100.0%	100.0%
Compensation and benefits	324,569	237,465	36.7%	275,503	17.8%	57.5%	57.7%	57.4%
Transitional pay ⁽²⁾	22,694	20,683	9.7%	21,871	3.8%	4.0%	5.0%	4.6%
Total compensation and benefits	347,263	258,148	34.5%	297,374	16.8%	61.5%	62.8%	62.0%
Occupancy and equipment rental	40,892	33,589	21.7%	39,856	2.6%	7.2%	8.2%	8.3%
Communication and office supplies	24,974	19,291	29.5%	25,105	(0.5%)	4.4%	4.7%	5.2%
Commissions and floor brokerage	8,213	7,271	13.0%	9,775	(16.0%)	1.5%	1.8%	2.0%
Other operating expenses	52,911	32,633	62.1%	42,080	25.7%	9.3%	7.9%	8.7%
Total non-comp operating expenses	126,990	92,784	36.9%	116,816	8.7%	22.4%	22.6%	24.4%
Total non-interest expense	474,253	350,932	35.1%	414,190	14.5%	84.0%	85.3%	86.4%
Income from continuing operations before income taxes	90,428	60,351	49.8%	65,444	38.2%	16.0%	14.7%	13.6%
Provision for income taxes	30,609	17,067	79.3%	25,795	18.7%	5.4%	4.0%	5.4%
Non-GAAP net income from continuing operations	\$ 59,819	\$ 43,284	38.2%	\$ 39,649	50.9%	10.6%	10.5%	8.3%
Non-core expenses (after-tax)	(7,693)	-		35,280				
GAAP net income from continuing operations	\$ 52,126	\$ 43,284		\$ 74,929				

(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 retention awards, signing bonuses, and upfront notes.

Core Non-Interest Expenses

Year ended December 31, 2013

(\$ in thousands)	Year Ended			% of Net revenues	
	12/31/13 ⁽¹⁾	12/31/12	% Change	12/31/13 ⁽¹⁾	12/31/12
Net revenues	\$ 1,978,340	\$ 1,594,113	24.1%	100.0%	100.0%
Compensation and benefits	1,150,883	937,066	22.8%	58.2%	58.8%
Transitional pay	86,108	73,074	17.8%	4.4%	4.6%
Total compensation and benefits	1,236,991	1,010,140	22.5%	62.5%	63.4%
Occupancy and equipment rental	149,488	128,365	16.5%	7.6%	8.1%
Communication and office supplies	95,539	79,406	20.3%	4.8%	5.0%
Commissions and floor brokerage	35,812	29,610	20.9%	1.8%	1.9%
Other operating expenses	165,426	116,845	41.6%	8.4%	7.3%
Total non-comp operating expenses	446,265	354,226	26.0%	22.6%	22.2%
Total non-interest expense	1,683,256	1,364,366	23.4%	85.1%	85.6%
Income from continuing operations before income taxes	295,084	229,747	28.4%	14.9%	14.4%
Provision for income taxes	110,426	84,451	30.8%	5.6%	5.2%
Non-GAAP net income from continuing operations	\$ 184,658	\$ 145,296	27.1%	9.3%	9.1%
Non-core expenses (after-tax)	(11,751)	-			
GAAP net income from continuing operations	\$ 172,907	\$ 145,296			

(1) Excludes non-core adjustments consisting of charges related to expensing stock awards issued as retention in connection with the acquisitions of KBW and the Knight Capital Fixed Income business and other merger-related revenues and expenses associated with our acquisitions of KBW, the Knight Capital Fixed Income business, Miller Buckfire and a U.S. tax benefit in connection with discontinuing operations of SN Canada.

Segment Comparison - Core

(\$ in thousands)	Three Months Ended					Year Ended		
	12/31/13	12/31/12 ⁽¹⁾	% Change	9/30/13	% Change	12/31/13	12/31/12 ⁽¹⁾	% Change
Net revenues:								
Global Wealth Management	\$ 292,836	\$ 253,775	15.4%	\$ 274,669	6.6%	\$ 1,117,179	\$ 991,597	12.7%
Institutional Group	267,282	160,693	66.3%	205,132	30.3%	861,158	604,654	42.4%
Other	4,563	(3,185)	(243.3%)	(167)	nm	3	(2,138)	(100.1%)
	<u>\$ 564,681</u>	<u>\$ 411,283</u>	<u>37.3%</u>	<u>\$ 479,634</u>	<u>17.7%</u>	<u>\$ 1,978,340</u>	<u>\$ 1,594,113</u>	<u>24.1%</u>
Operating contribution:								
Global Wealth Management	\$ 79,022	\$ 68,737	15.0%	\$ 72,128	9.6%	\$ 299,572	\$ 266,669	12.3%
Institutional Group	48,590	21,678	124.1%	34,986	38.9%	142,889	101,487	40.8%
Other	(37,184)	(30,064)	23.7%	(41,671)	(10.8%)	(147,377)	(138,409)	6.5%
	<u>\$ 90,428</u>	<u>\$ 60,351</u>	<u>49.8%</u>	<u>\$ 65,443</u>	<u>38.2%</u>	<u>\$ 295,084</u>	<u>\$ 229,747</u>	<u>28.4%</u>
As a percentage of net revenues:								
Operating contribution ⁽²⁾								
Global Wealth Management	27.0	27.1		26.3		26.8	26.9	
Institutional Group	18.2	13.5		17.1		16.6	16.8	
Other	(6.6)	(7.3)		(8.7)		(7.4)	(8.7)	
	<u>16.0</u>	<u>14.7</u>		<u>13.6</u>		<u>14.9</u>	<u>14.4</u>	

(1) Core (non-GAAP) results for the three and twelve months ended December 31, 2012 are the same as GAAP results.

(2) Contribution margin for the other segment is divided by consolidated net revenues.

Global Wealth Management

(\$ in thousands)	Three Months Ended					Year Ended		
	12/31/13	12/31/12	% Change	9/30/13	% Change	12/31/13	12/31/12	% Change
Commissions	\$ 104,149	\$ 93,043	11.9%	\$ 99,427	4.7%	\$ 410,238	\$ 361,871	13.4%
Principal transactions	55,809	53,542	4.2%	58,658	(4.9%)	227,087	225,007	0.9%
Asset management & service fees	82,964	68,631	20.9%	76,667	8.2%	304,541	257,257	18.4%
Net interest	31,092	21,182	46.8%	27,665	12.4%	104,748	79,328	32.0%
Investment banking	9,568	10,818	(11.6%)	9,394	1.8%	45,400	44,919	1.1%
Other income	9,254	6,559	41.1%	2,858	223.9%	25,165	23,215	8.4%
Net revenues	292,836	253,775	15.4%	274,669	6.6%	1,117,179	991,597	12.7%
Compensation and benefits	167,980	146,311	14.8%	159,949	5.0%	648,681	576,744	12.5%
Non-comp operating expenses	45,834	38,727	18.4%	42,592	7.6%	168,926	148,184	14.0%
Total non-interest expenses	213,814	185,038	15.6%	202,541	5.6%	817,607	724,928	12.8%
Income before income taxes	\$ 79,022	\$ 68,737	15.0%	\$ 72,128	9.6%	\$ 299,572	\$ 266,669	12.3%
<i>Ratios to net revenues :</i>								
Compensation and benefits	57.4%	57.7%		58.2%		58.1%	58.2%	
Non-comp operating expenses	15.6%	15.2%		15.5%		15.1%	14.9%	
Income before income taxes	27.0%	27.1%		26.3%		26.8%	26.9%	

Stifel Bank & Trust

(an operating unit of GWM)

	As of			As of	
	12/31/13	12/31/12	% Change	9/30/13	% Change
Assets	\$ 5,027,023	\$ 3,650,235	37.7	\$ 4,547,071	10.6
Investment securities	3,062,549	2,327,316	31.6	2,949,080	3.8
Retained loans, net	1,412,136	822,711	71.6	1,061,313	33.1
Loans held for sale	109,110	214,531	(49.1)	75,440	44.6
Deposits	4,663,323	3,346,133	39.4	4,228,405	10.3
Allowance for loan losses	\$ 12,668	\$ 8,145	55.5	\$ 13,233	(4.3)
Allowance as a percentage of loans	0.89 %	0.99 %		1.23 %	
Non-performing loans	\$ 1,504	\$ 1,808	(16.8)	\$ 14,759	(89.8)
Other non-performing assets	131	373	(64.9)	-	100.0
Non-performing assets	\$ 1,635	\$ 2,181	(25.0)	\$ 14,759	(88.9)
Non-performing assets as a percentage of total assets	0.03 %	0.06 %		0.32 %	

Institutional Group

(\$ in thousands)	Three Months Ended					Year Ended		
	12/31/13	12/31/12	% Change	9/30/13	% Change	12/31/13	12/31/12	% Change
Net revenues	\$ 267,282	\$ 160,693	66.3%	\$ 205,132	30.3%	\$ 861,158	\$ 604,654	42.4%
Compensation and benefits	165,779	105,025	57.8%	119,874	38.3%	524,870	380,185	38.1%
Non-comp operating expenses	52,913	33,990	55.7%	50,272	5.3%	193,399	122,982	57.3%
Total non-interest expenses	218,692	139,015	57.3%	170,146	28.5%	718,269	503,167	42.7%
Income before income taxes	\$ 48,590	\$ 21,678	124.1%	\$ 34,986	38.9%	\$ 142,889	\$ 101,487	40.8%
<i>Ratios to net revenues :</i>								
Compensation and benefits	62.0%	65.4%		58.4%		60.9%	62.9%	
Non-comp operating expenses	19.8%	21.1%		24.5%		22.5%	20.3%	
Income before income taxes	18.2%	13.5%		17.1%		16.6%	16.8%	

Institutional Group Revenues

(\$ in thousands)	Three Months Ended					Year Ended		
	12/31/13	12/31/12	% Change	9/30/13	% Change	12/31/13	12/31/12	% Change
Institutional brokerage:								
Equity	\$ 60,204	\$ 38,659	55.7%	\$ 58,677	2.6%	\$ 232,392	\$ 151,308	53.6%
Fixed income	51,103	43,598	17.2%	51,658	(1.1%)	189,200	172,183	9.9%
	111,307	82,257	35.3%	110,335	0.9%	421,592	323,491	30.3%
Investment Banking:								
Capital raising								
Equity	46,634	16,947	175.2%	30,739	51.7%	142,636	81,818	74.3%
Fixed income	14,677	18,555	(20.9%)	13,531	8.5%	58,096	59,024	(1.6%)
	61,311	35,502	72.7%	44,270	38.5%	200,732	140,842	42.5%
Advisory fees	87,981	26,618	230.5%	39,186	124.5%	201,928	95,519	111.4%
Investment banking	149,292	62,120	140.3%	83,456	78.9%	402,660	236,361	70.4%
Other ⁽¹⁾	6,683	16,316	(59.0%)	11,341	(41.1%)	36,906	44,802	(17.6%)
Total net revenue	\$ 267,282	\$ 160,693	66.3%	\$ 205,132	30.3%	\$ 861,158	\$ 604,654	42.4%

(1) Includes net interest and other income.

Historical Investment Banking Revenues

	<u>Year Ended</u>				
<i>(\$ in thousands)</i>	<u>12/31/13</u>	<u>12/31/12</u>	<u>12/31/11</u>	<u>12/31/10</u>	<u>12/31/09</u>
Investment banking	448,060	281,280	199,584	218,104	125,807

Note: Reflects total investment banking historical revenues.



Financial Condition

Capital Structure

As of December 31, 2013

(in thousands, except ratios)

(\$ in thousands)

Total Assets	\$ 9,016,987
Stockholders' Equity	\$ 2,058,849
6.70% senior notes, due 2022	\$ 175,000
5.375% senior notes, due 2022	150,000
Debentures to Stifel Financial Capital Trusts II, III, & IV	82,500
Total Capitalization	\$ 2,466,349

Ratios:

Debt to Equity ⁽¹⁾	12.5%
Tier 1 Leverage Ratio	15.4%
Tier 1 Risk-Based Capital Ratio	26.7%

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

Other Financial Data

	As of			As of	
	12/31/13	12/31/12	% Change	9/30/13	% Change
Total assets (000s):					
Stifel Nicolaus & Stifel Financial	\$ 3,986,845	\$ 3,313,507	20.3%	\$ 4,162,388	(4.2%)
Stifel Bank	5,030,142	3,652,633	37.7%	4,547,071	10.6%
Total assets	\$ 9,016,987	\$ 6,966,140	29.4%	\$ 8,709,459	3.5%
Total stockholders' equity (000s):					
Stifel Nicolaus & Stifel Financial	\$ 1,736,272	\$ 1,226,824	41.5%	\$ 1,701,158	2.1%
Stifel Bank	322,577	267,837	20.4%	293,331	10.0%
Total stockholders' equity	\$ 2,058,849	\$ 1,494,661	37.7%	\$ 1,994,489	3.2%
Leverage ratio:					
Stifel Nicolaus & Stifel Financial	1.9	2.2	(16.7%)	1.9	(4.4%)
Stifel Bank	15.6	13.6	14.2%	15.5	0.6%
Total leverage ratio	3.7	4.0	(8.0%)	3.6	2.2%
Book value per common share	\$ 32.30	\$ 27.24	18.6%	\$ 31.46	2.7%
Financial advisors ⁽¹⁾	2,077	2,041	1.8%	2,075	0.1%
Full-time associates	5,862	5,343	9.7%	5,780	1.4%
Locations	357	340	5.0%	355	0.6%
Total client assets (000s) ⁽²⁾	\$ 165,570,000	\$ 137,855,000	20.1%	\$ 153,901,000	7.6%

(1) Includes 143, 151 and 145 independent contractors as of December 31, 2013, December 31, 2012 and September 30, 2013, respectively.

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



Recent Merger Updates

Recent Merger Updates



- Announced the acquisition of De La Rosa on January 30, 2014 and is expected to close in the first quarter. Plan to integrate under Stifel brand immediately.
- Investment bank and bond underwriter with a 25-year operating history.
- Stifel will become #1 underwriter in California negotiated underwriting in par value and number of issues.
- Stifel will become #1 underwriter in California in the following categories:
 - K-12
 - COP & Lease Revenue Bonds
 - Tax Increment
 - Economical Development
 - Water & Sewer.
- Substantially all of the senior leadership has executed continuation agreements with Stifel.



Q & A