

Stifel Investor Presentation

October 2013

STIFEL

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.

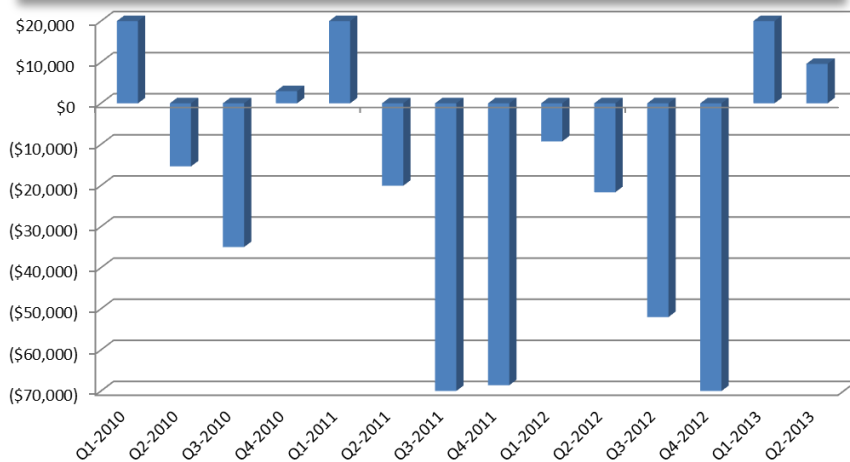
Note Regarding the Use of Non-GAAP Financial Measures

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. 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 the overall understanding of the Company’s current financial performance.

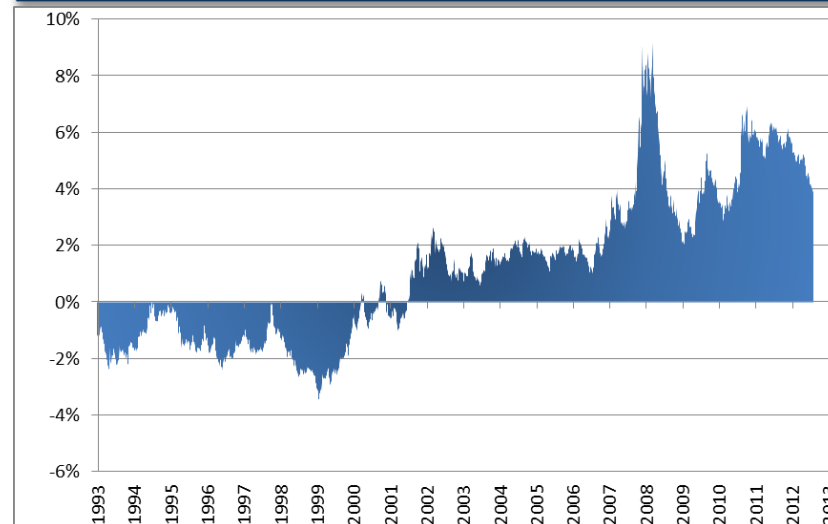
Market Overview

Activity Summary						Second Quarter	
Volumes are in million \$, except trading volumes which are in million shares. Data as of 6/30/2013.						Results	
	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



Equity Risk Premium



Stifel Overview

Stifel Financial (NYSE: SF)

Financial services firm demonstrating *growth, scale and stability*

- \$2.7 billion market capitalization⁽¹⁾
- 2012 Represented Stifel's 17th year of consecutive record net revenues
- Balanced business model
- Top performing financial stock over the past ten years
- 35% Insider ownership⁽²⁾

Global Wealth Management

- Private Client
- Stifel Bank & Trust
- Customer Financing
- Asset Management

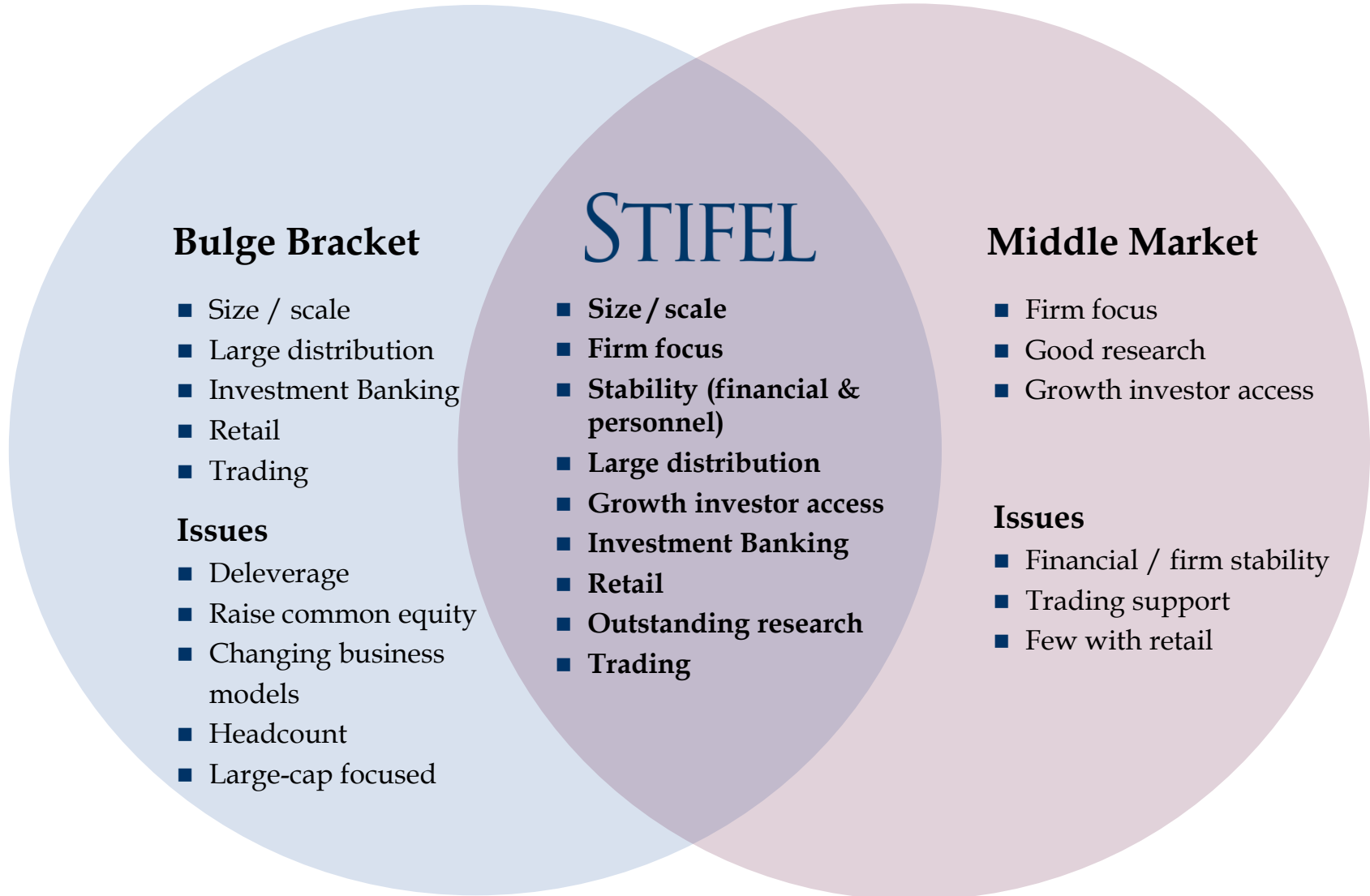
- National presence with over 2,000 Financial Advisors
- \$151 billion in total client assets

Institutional Group

- Independent Research
- Institutional Equity & Fixed Income Brokerage
- Equity & Fixed Income Capital Raising
- M&A Advisory / Restructuring

- Largest U.S. equity research platform
- Broad product portfolio & industry expertise

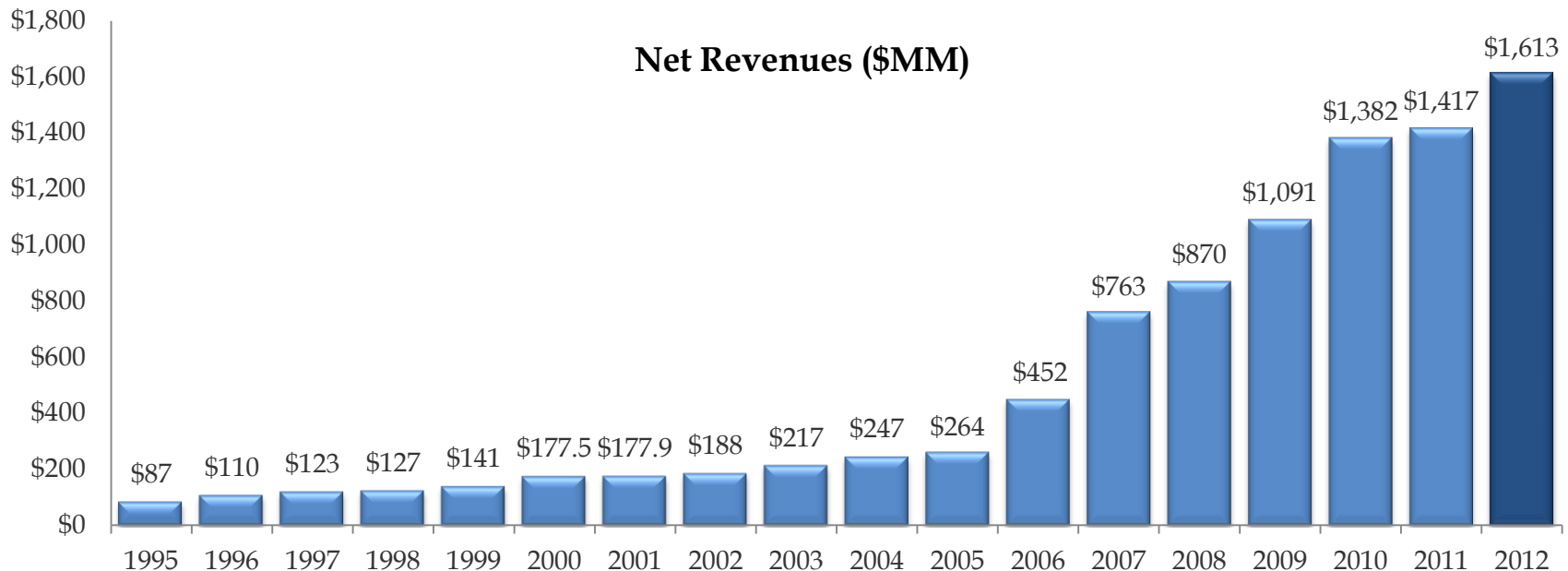
Stifel's Differentiated Value Proposition: Growth, Scale, and Stability



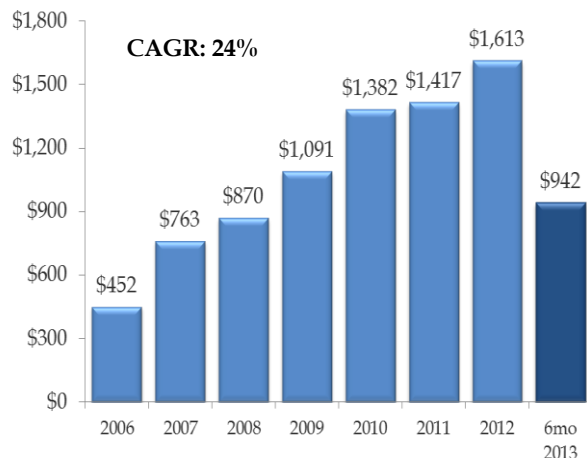
Position Stifel to Take Advantage of Opportunities

- Unburdened by capital constraints
- Low leverage business model and conservative risk management
- Built the Company through 11 acquisitions since 2005; prudently evaluate all opportunities
- Capitalize on headwinds across the industry
- Select growth of high-quality talent
- Drive revenue synergies by leveraging the global wealth and institutional businesses

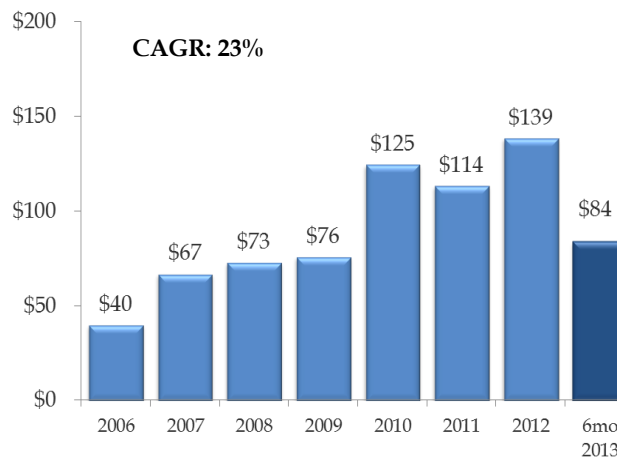
17th Consecutive Year of Record Net Revenues



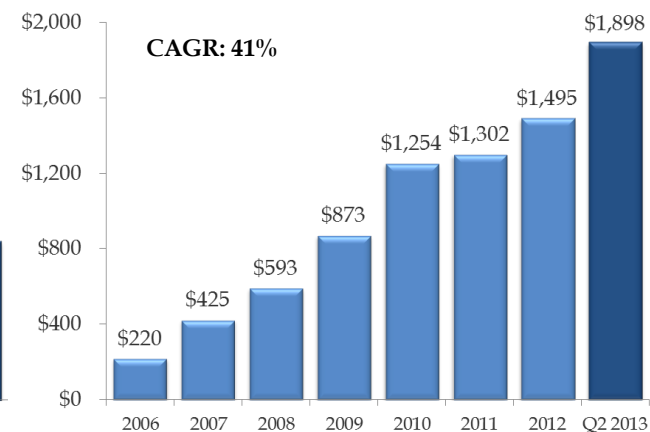
Net Revenues (\$MM)⁽¹⁾



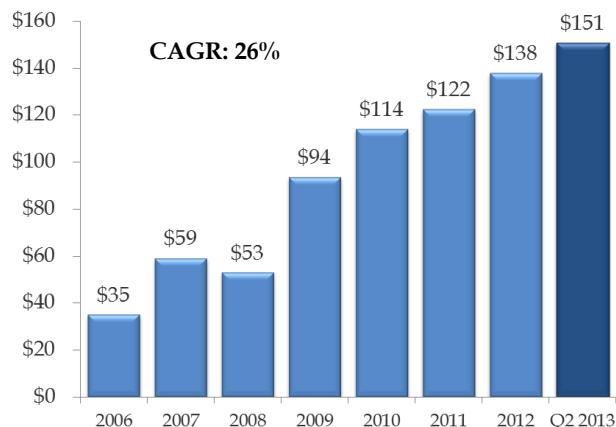
Core Net Income (\$MM)⁽¹⁾



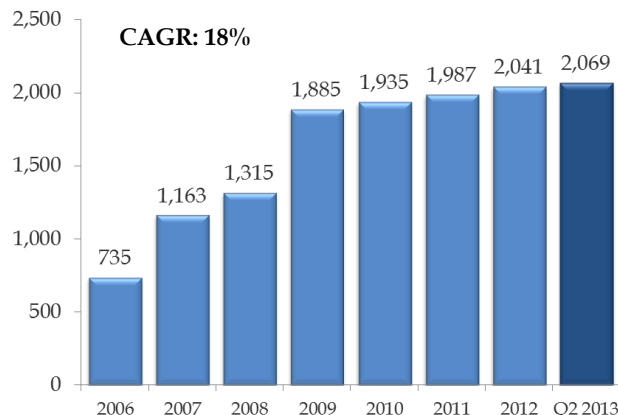
Total Equity (\$MM)



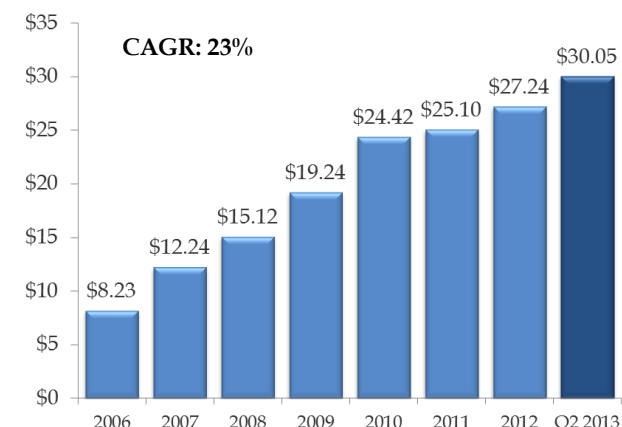
Total Client Assets (\$BN)⁽²⁾



Financial Advisors⁽³⁾



Book Value Per Share⁽⁴⁾



(1) CAGR reflects years 2006 to 2012.

(2) Client assets - Includes FDIC-insured products as of 6/30 for years 2008-2013

(3) Includes Independent Contractors.

(4) Book Value Per Share adjusted for April 2011 three-for-two stock split (2006-2010).

Each merger has been accretive to Stifel Retention remains high

Knight Fixed Income

- Fixed Income Sales and Trading – U.S. & Europe
- Fixed Income Research
- July 2013

56 UBS Branches

- Private Client
- **Revenue production has exceeded expectations**
- October 2009



- FIG Investment Banking
- FIG Sales and Trading
- FIG Research
- February 2013



- Private Client
- Public Finance
- **Seamless & efficient integration**
- December 2008



- Restructuring advisory
- December 2012



- Bank holding company
- Financial holding company
- **Grown assets from ~ \$100M to \$3.2B**
- April 2007



- Fixed Income IB
- Fixed Income Sales and Trading
- Private Client
- **Seamless & efficient integration**
- October 2011

RYAN BECK & CO.

- Private Client
- Capital Markets
- **Achieved cost savings objectives**
- February 2007



- Growth Focused
- Investment Banking
- Research, Sales and Trading
- **Achieved cost efficiencies**
- July 2010



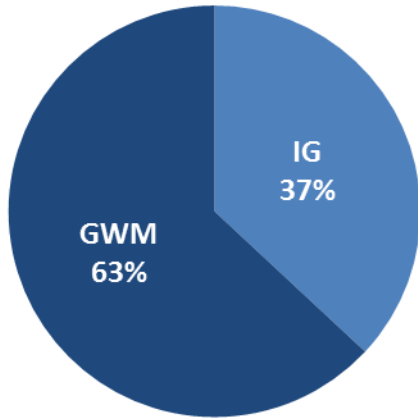
- **Significant enhancement to our Capital Markets business**
- Achieved cost savings objectives
- December 2005

Stability Achieved Through A Balanced Business Model

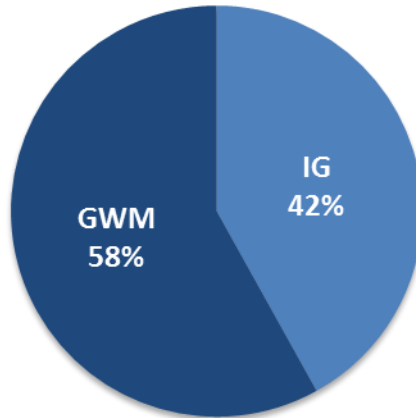
- Balanced business model facilitates growth during volatile markets
- Stable GWM business is augmented by profitable and growing Institutional Group
- Proven ability to grow all businesses

Net Revenues

6 mo 2012

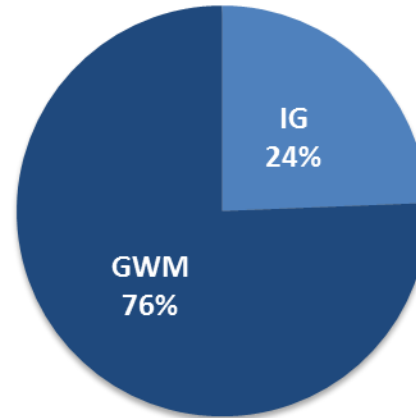


6 mo 2013

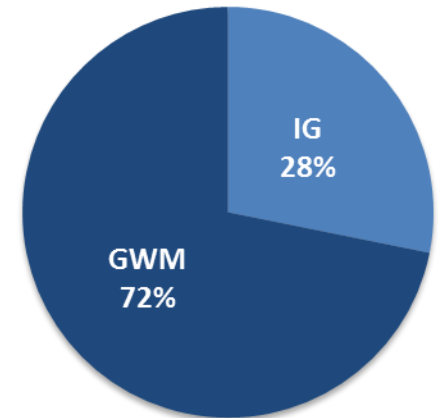


Operating Contribution

6 mo 2012



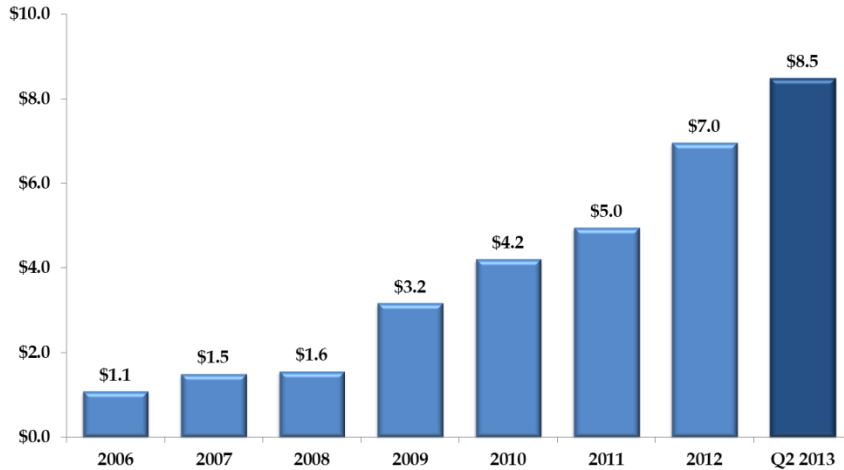
6 mo 2013



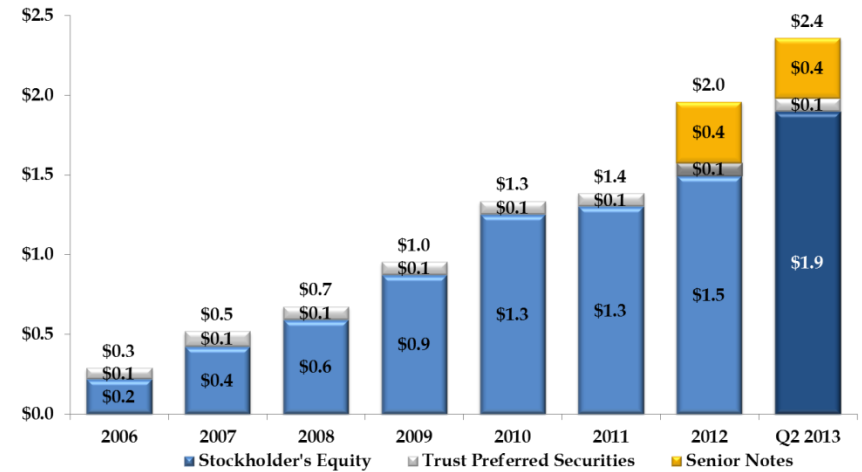
Strong Balance Sheet Facilitates Growth

As June 30, 2013

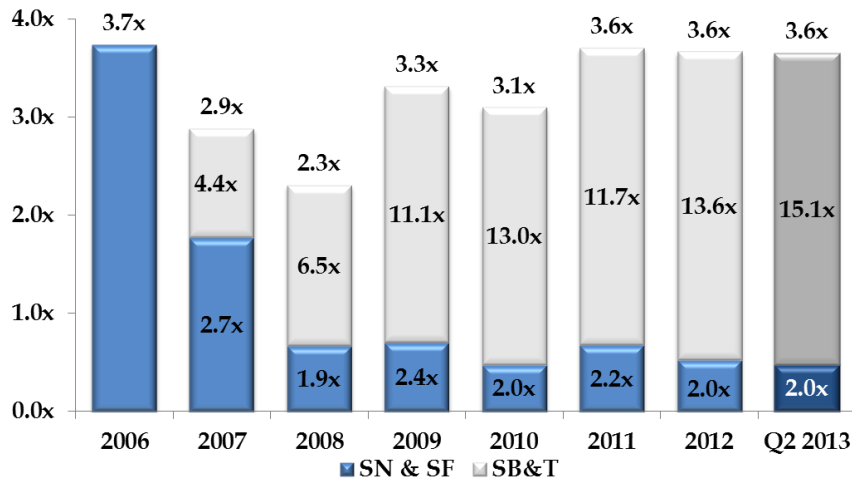
Total Assets (\$ in Billions)



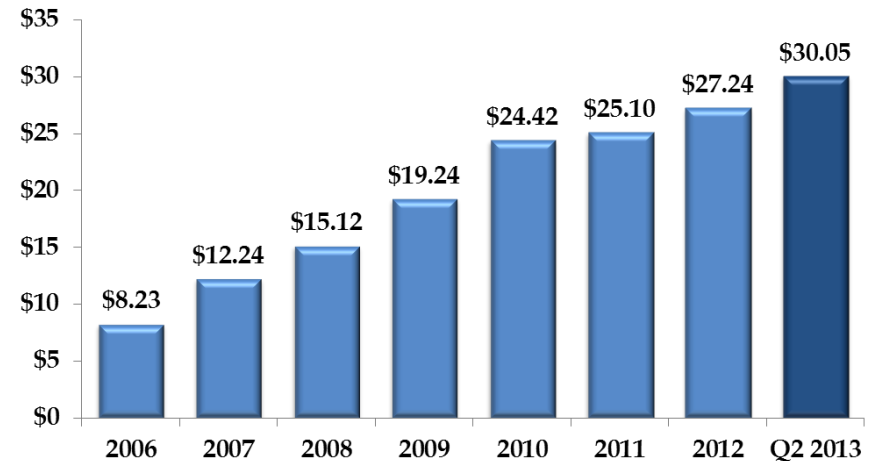
Total Capitalization (\$ in Billions)



Leverage Ratio



Book Value Per Share⁽¹⁾



⁽¹⁾Per share information adjusted for April 2011 three-for-two stock split

Top Performing Stock

Cumulative Price Appreciation As of September 27, 2013

Since 12/31/12		Since 12/31/07		Since 12/31/00	
Cowen Group	41.63%	Stifel Financial Corp.	78.65%	Stifel Financial Corp.	1000.83%
Morgan Stanley	41.63%	Raymond James Financial	28.48%	Raymond James Financial	170.71%
Stifel Financial Corp.	30.56%	S&P 500 Index	15.21%	Goldman Sachs Group	49.48%
Goldman Sachs Group	25.31%	Piper Jaffray	-25.37%	S&P 500 Index	28.14%
S&P 500 Index	18.62%	Goldman Sachs Group	-25.67%	Oppenheimer	-24.61%
Raymond James Financial	8.90%	JMP Group	-26.65%	SWS Group	-64.54%
Piper Jaffray	7.59%	Morgan Stanley	-49.01%	Morgan Stanley	-65.83%
Oppenheimer	5.21%	SWS Group	-56.12%	Cowen Group	NM
SWS Group	5.10%	Oppenheimer	-57.10%	JMP Group	NM
JMP Group	2.47%	Cowen Group	NM	Piper Jaffray	NM

Initiatives

- Attract and retain high-quality talent
- Continue to expand our private client footprint in the U.S.
- Continue to expand fixed income businesses
- Continue to expand investment banking capabilities
- Focus on quality asset generation within Stifel Bank
- Expand traditional asset management capabilities
- Approach acquisition opportunities with discipline

Merger With KBW & Knight

Non-Core Expense Projections

Acquisition-Related Expenses

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

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

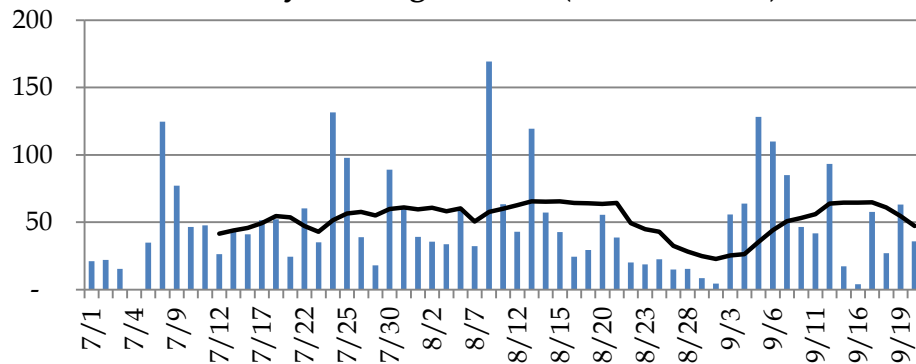
Knight: US and Europe Highlights

Successful Acquisition/Integration:

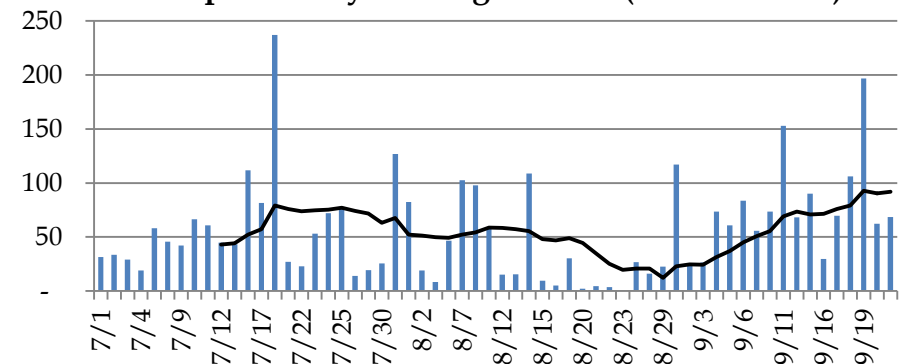
- Integration of US and UK sales and trading teams (85 personnel - 51 US and 34 UK)
- Conducted numerous meetings (educational / client targeting) across the firm to market our increased distribution capabilities and improve deal flow (Miller Buckfire / Stifel bankers)
- Increased cross product trading activity between groups (AFCS, Bank Loan, Europe, ABS/MBS, Municipals, Equity, High Yield, and Investment Grade Corporates)
- Added new product in HMBS (Reverse Mortgage-Backed Securities) and originated several new issue HREMIC deals
- Looking to expand into new product areas (such as Credit Default Swaps and trade claims)

Business Line (\$s in millions)	Actual 2012 ⁽¹⁾	Estimated Annual	
		Low	High
US Credit:	21.7		
ABS/MBS:	15.8		
Emerging Markets	3.1		
European Credit	59.8		
Total Secondary Revenue	\$ 100.4	\$70.0	\$100.0

U.S. Daily Trading Volume (\$s in millions)



European Daily Trading Volume (\$s in millions)



(1) 2012 Revenues only includes business lines that joined Stifel.

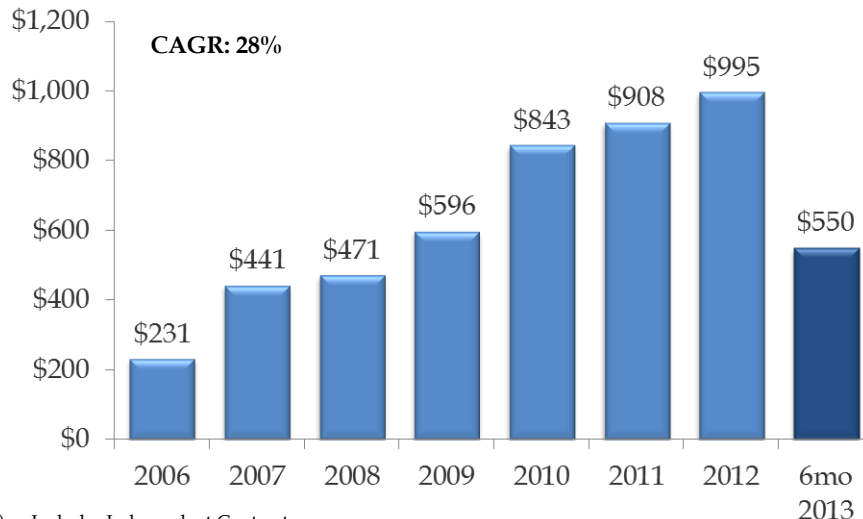
Global Wealth Management

Provides Securities Brokerage Services and Stifel Bank Products

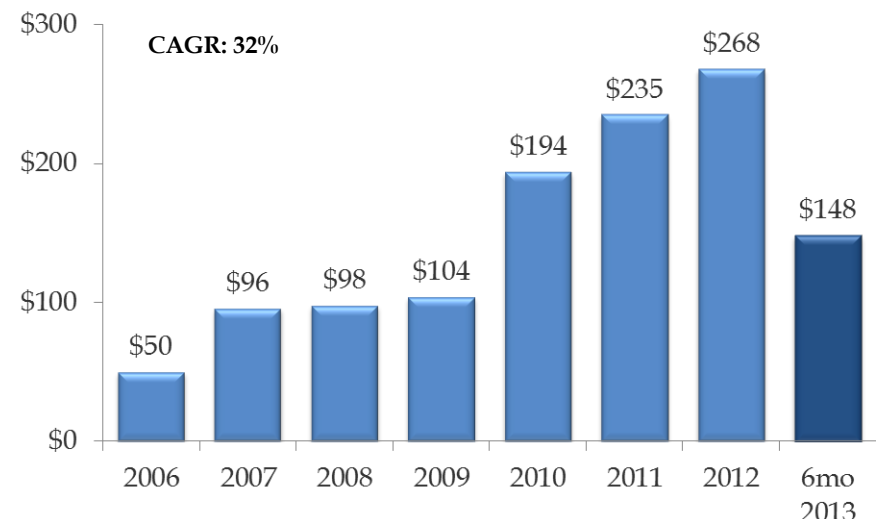
Overview

- Grown from 600+ financial advisors in 2005 to over 2,000⁽¹⁾ financial advisors currently
- Proven organic growth and acquirer of private client business (56 UBS branches, Butler Wick, Ryan Beck)
- Retail investors are generally mid- to long-term buyers
- Goal of providing price stability and support to the institutional order book
- Strategy of recruiting experienced advisors with established client relationships
- Expanding U.S. footprint

Net Revenues (\$MM) ⁽²⁾



Operating Contribution (\$MM) ⁽²⁾

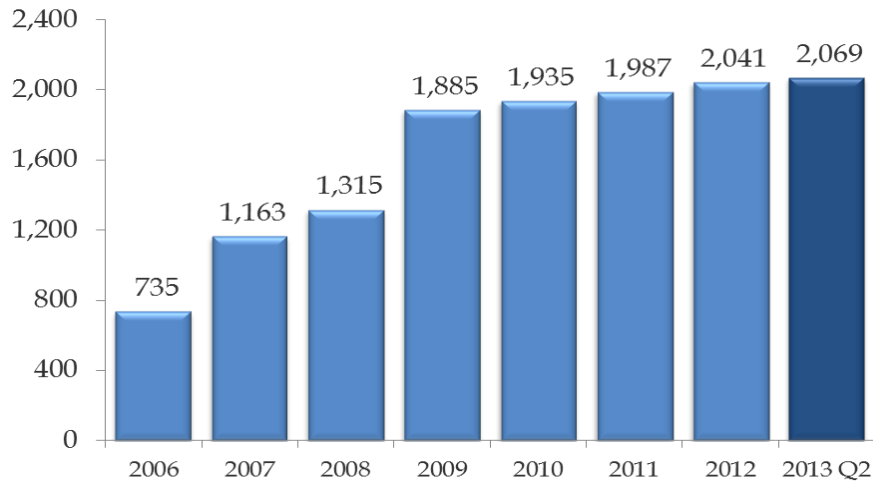


(1) Includes Independent Contractors.

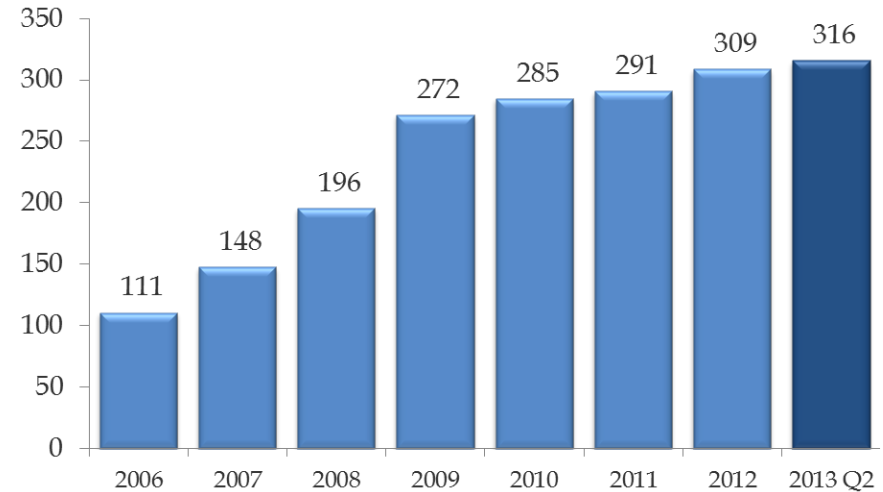
(2) CAGR reflects years 2006 to 2012.

Opportunity Through Growth

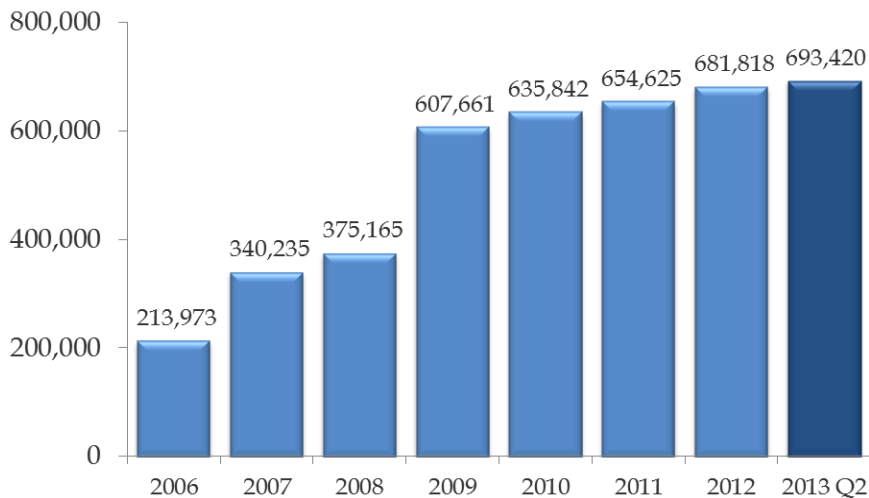
GWM Broker Growth⁽¹⁾



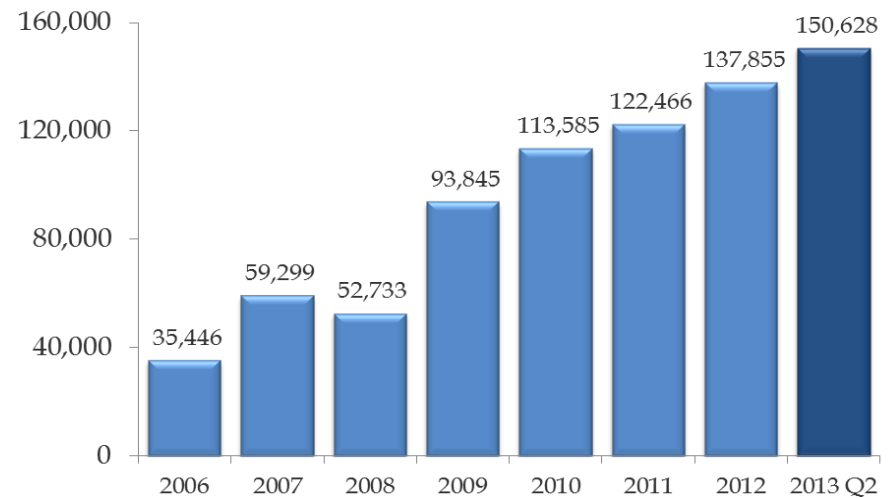
GWM Branch Growth



GWM Account Growth



GWM Assets Under Management Growth (\$MM)⁽²⁾



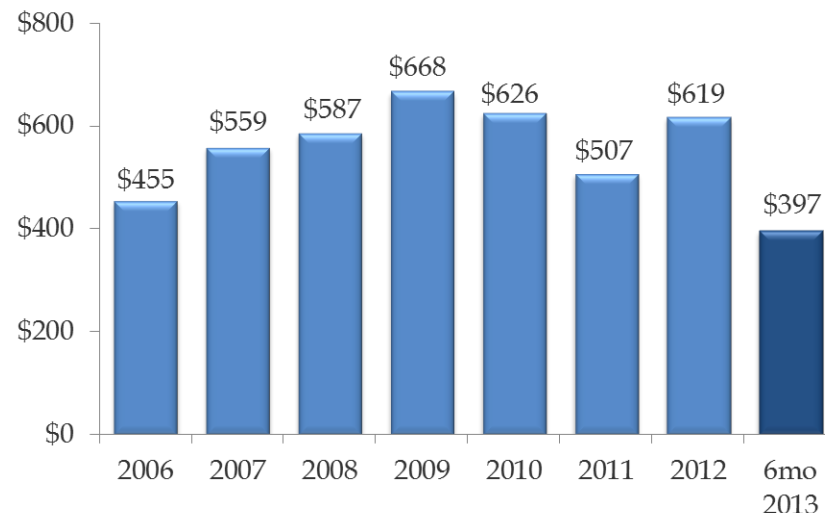
(1) Includes Independent Contractors. (2) Client assets include FDIC-insured products as of 6/30/13 for years 2008-2013.

Institutional Group

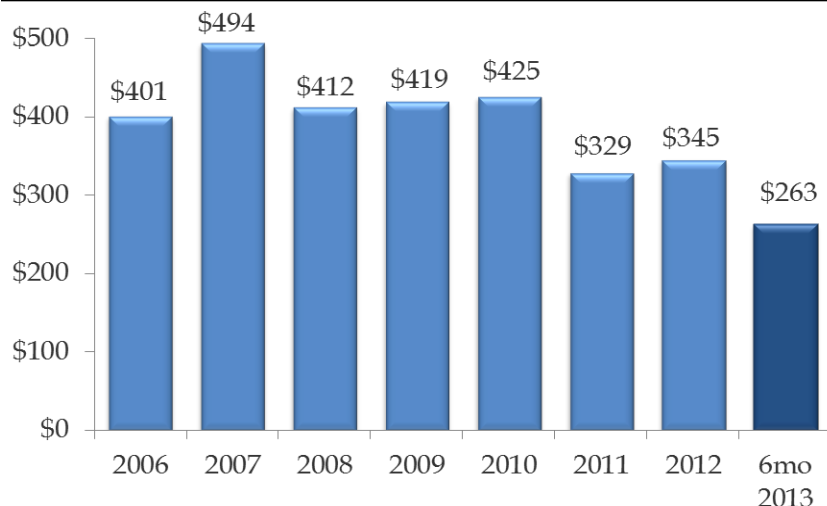
Overview

- Provides securities brokerage, trading, research, underwriting and corporate advisory services
- Largest providers of U.S. Equity Research
- 2nd largest Equity trading platform in the U.S. outside of the Bulge Bracket⁽¹⁾
- Full Service Investment Bank
- Comprehensive Fixed Income platform

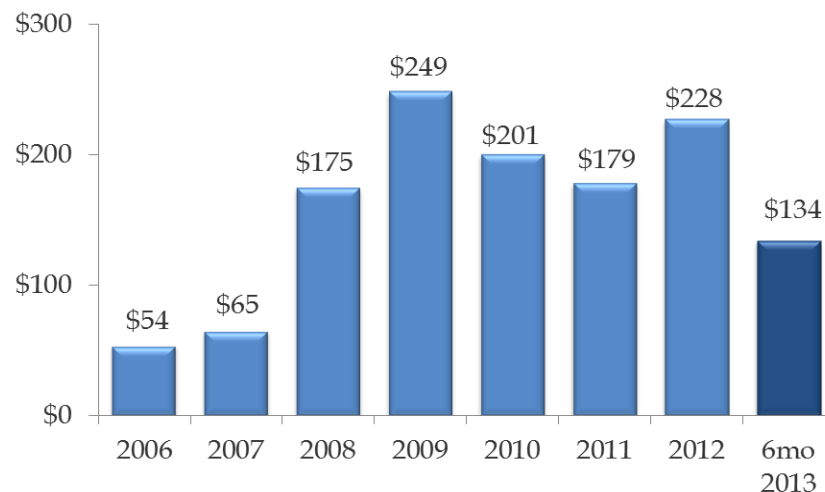
Net Revenues (\$MM)⁽²⁾⁽³⁾



Equity Brokerage + Investment Banking⁽²⁾



Fixed Income Brokerage + Investment Banking



(1) Based on 2012 U.S. trading volume per Bloomberg. (2) Includes TWPG historical investment banking and brokerage revenues for years 2006 through June 30, 2010.

(3) 2012 includes realized and unrealized gains on the Company's investment in Knight Capital Group, Inc. of \$39.0 million.

Institutional Group – Research

Largest U.S. Equity Research Platform

U.S. Equity Research Coverage ⁽¹⁾

Rank	Firm	Companies Under Coverage	
		Overall	Small Cap ⁽²⁾
1	Stifel/ Keefe, Bruyette & Woods	1,321	444
2	Bank of America Merrill Lynch	1,114	159
3	JPMorgan	1,097	166
4	Raymond James	994	318
5	Goldman Sachs	983	89
6	Barclays	969	92
7	Wells Fargo Securities	964	163
8	Citi	903	106
9	Deutsche Bank	870	123
10	Credit Suisse	861	139
11	Morgan Stanley	823	94
12	Jefferies LLC	820	177
13	RBC Capital Markets	788	125
14	UBS	753	83
15	Morningstar, Inc.	704	28
16	Sidoti & Company LLC	689	465
17	Robert W Baird & Co	661	170
18	BMO Capital Markets	584	97
19	Cowen & Co LLC	552	154
20	William Blair & Co LLC	546	155
21	Piper Jaffray & Co	543	193
22	Keybank Capital Markets	510	128
23	Macquarie Group	496	57
24	Oppenheimer & Co Inc	482	113
25	Sterne, Agee & Leach	452	N/A

(1) Source: StarMine rankings as of 9/4/13. Does not include Closed End Funds.

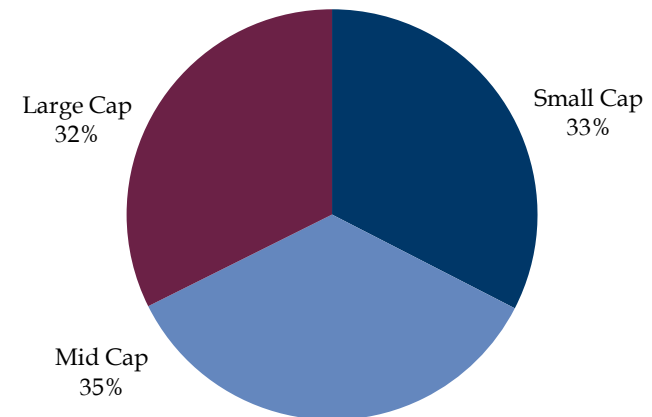
(2) Small Cap includes market caps less than \$1 billion; Mid Cap includes market caps less than \$5 billion.

Note: Bold font indicates middle-market firms. Research coverage distribution as of 9/18/13.

Stifel Research Highlights

- Largest provider of U.S. equity research
- 2nd largest provider of U.S. small cap equity coverage
- Largest provider of Financial Services coverage
- Deep expertise across 12 major sectors
- Ranked #2 in the FT/StarMine 2013 Survey

Coverage Balanced Across All Market Caps ⁽²⁾



Institutional Group – Equity Sales and Trading

Powerful Platform Spanning North America and Europe

Institutional Equity Sales

- 110 person sales force, commission based
- Experts in small and mid cap growth and value
- Team based sales model with 2-4 sales people per account
- Team leaders have an average of 15 years experience
- Offices in all major institutional markets in North America & Europe
- Accounts range from large mutual funds to small industry focused investors
- Managed over 741 non-deal roadshow days in 2012
- Extensive experience with traditional and overnight corporate finance transactions

Equity Trading

- 53 sales traders located in
 - Baltimore, New York, Boston, Dallas, San Francisco, Cleveland and London
- 24 position traders covering each major industry
- 8 specialized traders focused on: Option Trading, Convertible and ETF Trading
- Agency model – no proprietary trading or prime brokerage
- Profitable model with advantages of scale

Extensive Distribution Network

- Agency model – no proprietary trading or prime brokerage
- Major liquidity provider to largest equity money management complexes
- Multi-execution venues: high-touch, algorithms, program trading and direct market access
- Dedicated convertible sales, trading and research desk

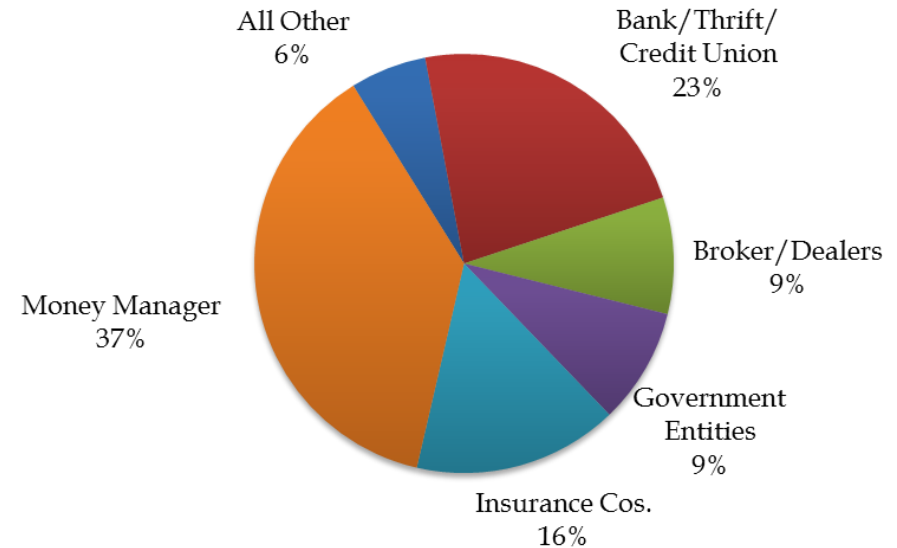
Institutional Group – Fixed Income

Strong Fixed Income Capital Markets Capabilities

Overview

- Comprehensive platform
 - 69 traders with annual client trade volume approaching \$400 billion
 - 33-person Fixed Income Research and Strategy Group
- Widespread distribution
 - More than 180 Institutional sales professionals covering over 4,400 accounts
 - 33 institutional fixed income offices nationwide
 - European offices in London and Zurich

Client Distribution (1)(2)



Platform & Products

- | | | |
|---|---------------------------------------|--|
| ■ Focus on long-only money managers and income funds versus hedge funds | ■ Agency/Gov't Securities | ■ Whole Loans |
| ■ Consistency of execution | ■ Money Markets | ■ Municipals |
| ■ Identification of relative value through security selection | ■ Mortgages & MBS | ■ Emerging Markets |
| | ■ Reverse MBS | ■ Structured Products |
| | ■ Asset-Backed Securities | ■ Stifel Capital Advisors |
| | ■ Investment Grade Credit | ■ Hybrid Securities |
| | ■ High Yield & Distressed | ■ Dedicated Loan Trading Group |
| | ■ Aircraft Finance & Credit Solutions | ■ Capable UK Sales & Trading platform (former Knight team) |

(1) Client Distribution is for 1/1/12 – 7/31/13.

(2) Other category includes: Corporation, Hedge Fund, Pension Fund, Trust Company, Foundation, Endowment, University & Non-Profit.

Accomplished U.S. Equity Underwriting Franchise – All Equity Transactions

All Managed Equity Deals Since 2010

(\$ in billions)		# of	\$
Rank	Firm	Deals	Volume
1	Bank of America Merrill Lynch	755	\$461.5
2	JPMorgan	743	\$446.9
3	Citi	707	\$444.9
4	Morgan Stanley	665	\$428.9
5	Barclays	610	\$364.7
6	Wells Fargo Securities	602	\$330.1
7	Deutsche Bank	598	\$375.3
8	Credit Suisse	597	\$369.8
9	Stifel / Keefe, Bruyette & Woods	575	\$219.1
10	RBC Capital Markets	550	\$259.8
11	Goldman Sachs	522	\$370.7
12	UBS	506	\$289.8
13	Raymond James	411	\$205.9
14	Robert W Baird & Co	300	\$75.8
15	Piper Jaffray & Co	285	\$139.1
16	Jefferies LLC	270	\$56.0
17	Oppenheimer & Co Inc	255	\$65.5
18	JMP Securities LLC	247	\$49.0
19	William Blair & Co LLC	199	\$57.9
20	Cowen & Co LLC	195	\$49.4

Bookrun Equity Deals Since 2010

(\$ in billions)		# of	\$
Rank	Firm	Deals	Volume
1	Bank of America Merrill Lynch	686	\$84.4
2	JPMorgan	644	\$86.5
3	Citi	611	\$80.0
4	Morgan Stanley	604	\$97.5
5	Barclays	494	\$72.9
6	Credit Suisse	473	\$61.2
7	Goldman Sachs	460	\$80.2
8	Deutsche Bank	450	\$52.4
9	Wells Fargo Securities	418	\$33.2
10	UBS	339	\$35.9
11	Jefferies LLC	215	\$12.5
12	RBC Capital Markets	182	\$13.9
13	Stifel / Keefe, Bruyette & Woods	178	\$9.1
14	Raymond James	114	\$6.4
15	Piper Jaffray & Co	96	\$4.3
16	Roth Capital Partners	78	\$1.5
17	Cowen & Co LLC	72	\$2.2
18	Robert W Baird & Co	68	\$3.1
19	Lazard Capital Markets	59	\$1.7
20	Leerink Swann LLC	54	\$1.9

Source: Dealogic. Rank eligible SEC registered IPOs and Follow-On offerings since 2010. Includes demutualizations. As of 8/31/13. Overlapping deals between Stifel and its acquired firms have been removed. Note: \$ Volume represents full credit to underwriter for All Managed Equity Deals and apportioned credit to bookrunner for Bookrun Equity Deals. Bold font indicates middle-market firms.

Financial Results

Stifel Financial Results

STIFEL

Three months ended June 30, 2013

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

Six months ended June 30, 2013

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

Sources of Revenues

STIFEL

(\$ 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%
Total operating revenues	478,488	357,083	34.0%	423,395	13.0%	901,883	741,169	21.7%
Interest revenue	32,933	27,181	21.2%	29,845	10.3%	62,778	52,438	19.7%
Total revenues	511,421	384,264	33.1%	453,240	12.8%	964,661	793,607	21.6%
Interest expense	12,685	9,857	28.7%	11,460	10.7%	24,145	18,867	28.0%
Net revenues	\$ 498,736	\$ 374,407	33.2%	\$ 441,780	12.9%	\$ 940,516	\$ 774,740	21.4%

(1) Results for the three months ended March 31, 2013 and December 31, 2012 included realized and unrealized gains on the Company's investment in Knight Capital Group, Inc. of \$2.2 million and \$13.4 million, respectively.

Core Non-Interest Expenses

STIFEL

Three months ended June 30, 2013

(\$ in thousands)	Three Months Ended					% of Net revenues		
	6/30/13 ⁽¹⁾	6/30/12	% Change	3/31/13	% Change	6/30/13 ⁽¹⁾	6/30/12	3/31/13
Net revenues	\$ 500,472	\$ 374,407	33.7%	\$ 441,788	13.3%	100.0%	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 ⁽²⁾	20,867	20,370	2.4%	22,806	(8.5%)	4.2%	5.4%	5.2%
Total compensation and benefits	315,313	239,374	31.7%	281,941	11.8%	63.0%	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%
Total non-comp operating expenses	111,233	91,159	22.0%	96,155	15.7%	22.2%	24.3%	21.8%
Total non-interest expense	426,546	330,533	29.0%	378,096	12.8%	85.2%	88.3%	85.6%
Income before income taxes	73,926	43,874	68.5%	63,692	16.1%	14.8%	11.7%	14.4%
Provision for income taxes	29,570	17,738	66.7%	23,808	24.2%	5.9%	4.6%	5.4%
Non-GAAP net income	\$ 44,356	\$ 26,136	69.7%	\$ 39,884	11.2%	8.9%	7.0%	9.0%
Non-core expenses (after-tax)	(14,921)	-		(25,265)				
GAAP net income	\$ 29,435	\$ 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

STIFEL

Six months ended June 30, 2013

(\$ in thousands)	Six Months Ended			% of Net revenues	
	6/30/13 ⁽¹⁾	6/30/12	% Change	6/30/13 ⁽¹⁾	6/30/12
Net revenues	\$ 942,260	\$ 774,740	21.6%	100.0%	100.0%
Compensation and benefits	555,424	455,336	22.0%	58.9%	58.8%
Transitional pay ⁽²⁾	41,830	38,742	8.0%	4.4%	5.0%
Total compensation and benefits	597,254	494,078	20.9%	63.4%	63.8%
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%
Total non-comp operating expenses	207,388	177,534	16.8%	22.0%	22.9%
Total non-interest expense	804,642	671,612	19.8%	85.4%	86.7%
Income before income taxes	137,618	103,128	33.4%	14.6%	13.3%
Provision for income taxes	53,378	42,219	26.4%	5.7%	5.3%
Non-GAAP net income	\$ 84,240	\$ 60,909	38.3%	8.9%	7.9%
Non-core expenses (after-tax)	(40,186)	-			
GAAP net income	\$ 44,054	\$ 60,909			

(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

STIFEL

	Three Months Ended					Six Months Ended		
	6/30/13 ⁽¹⁾	6/30/12	% Change	3/31/13	% Change	6/30/13 ⁽¹⁾	6/30/12	% Change
<i>(\$ in thousands)</i>								
Net revenues:								
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>
Operating contribution:								
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, 2013 are the same as GAAP results.