

Stifel Investor Presentation

March 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 year ended December 31, 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.

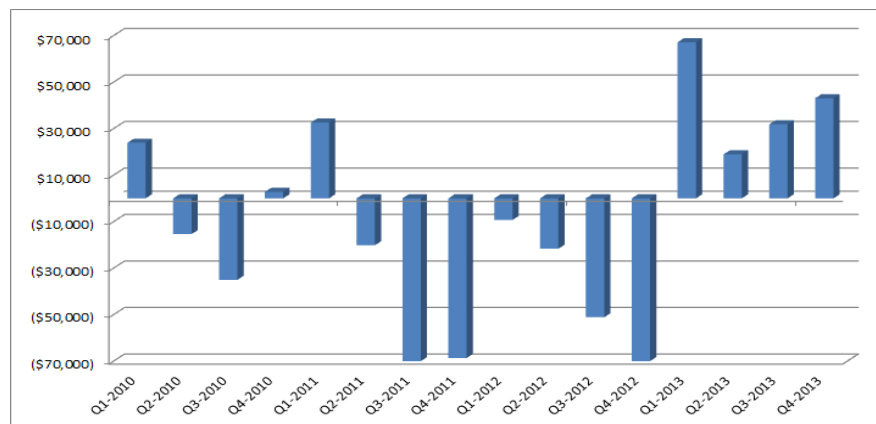
STIFEL

Market Overview

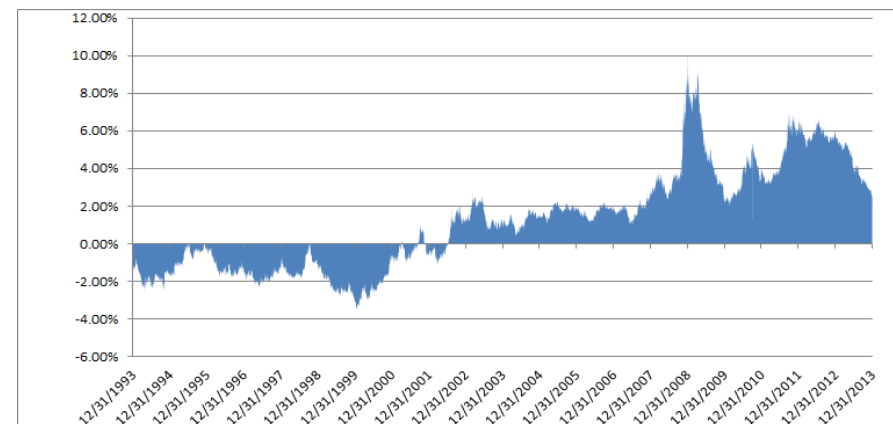
Market Overview

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⁾



Source: Investment Company Institute. (1) Based on the Daily Treasury Yield Curve Rates, 10 year.

STIFEL

Stifel Overview

Stifel Overview

Stifel Financial (NYSE: SF)

Financial services firm demonstrating *growth, scale and stability*

- \$3.1 billion market capitalization⁽¹⁾
- 2013 Represented Stifel's 18th year of consecutive record net revenues
- Balanced business model
- Top performing financial stock over the past ten years
- 34% Insider ownership⁽²⁾

Global Wealth Management

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

- National presence with over 2,000 Financial Advisors
- \$166 billion in total client assets

Institutional Group

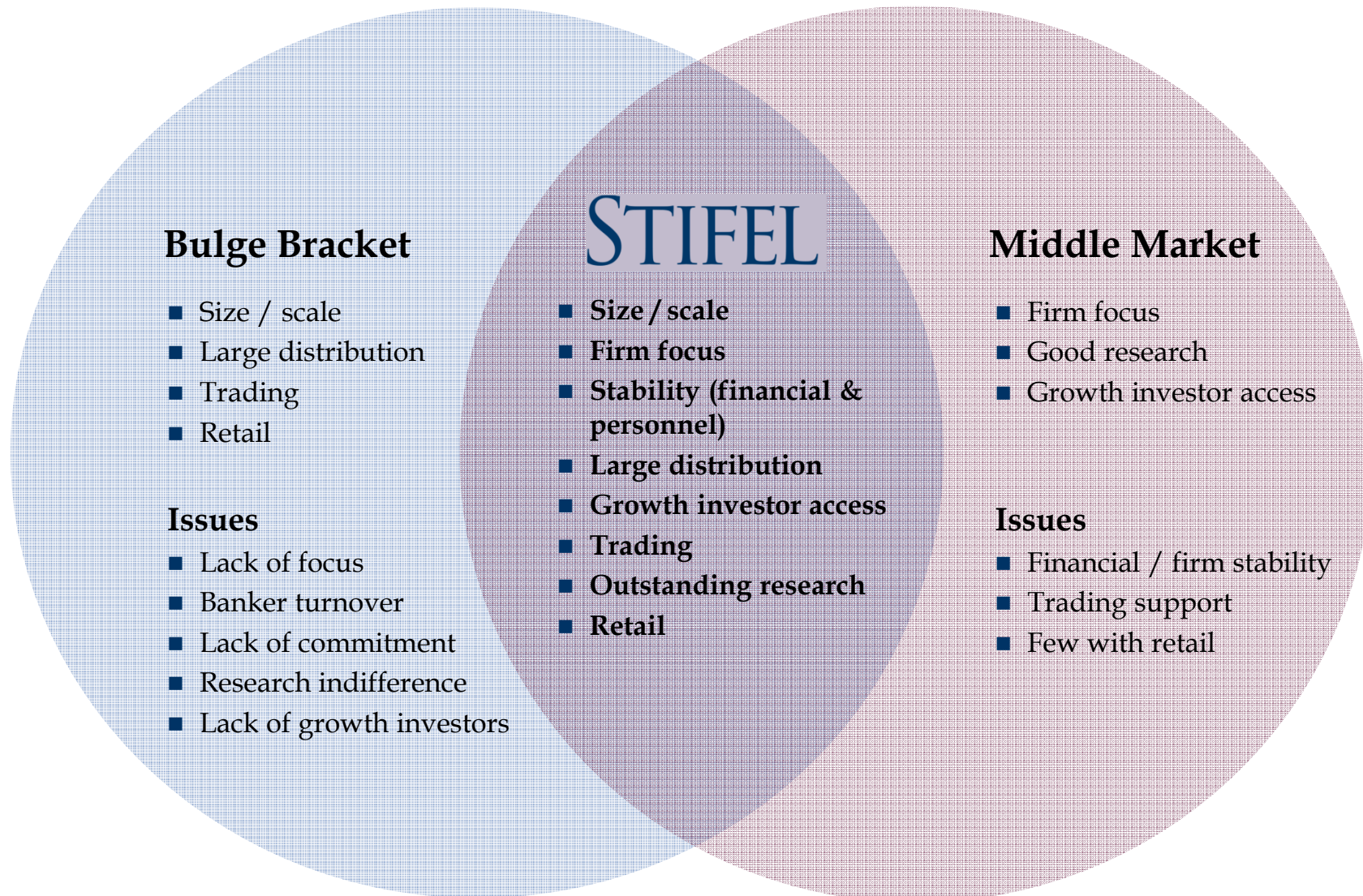
- Independent Research
- Institutional Equity & Fixed Income Brokerage
- Equity & Fixed Income Capital Raising
- M&A Advisory / Restructuring

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

(1) As of 3/10/14. (2) Insider ownership percentage includes all fully diluted shares, units outstanding, options outstanding, as well as shares owned by Stifel's former Chairman as of 3/7/14.

Stifel's Market Opportunity

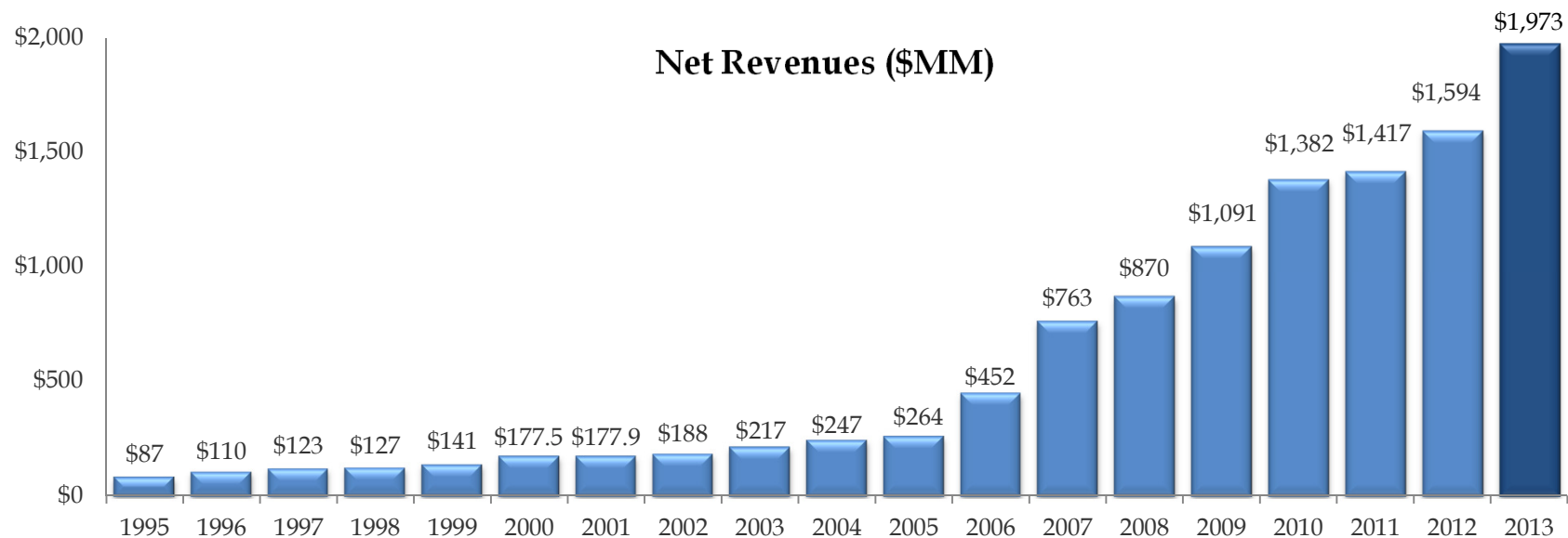
Stifel's Differentiated Value Proposition: Growth, Scale, and Stability



Positioned to Take Advantage of Opportunities

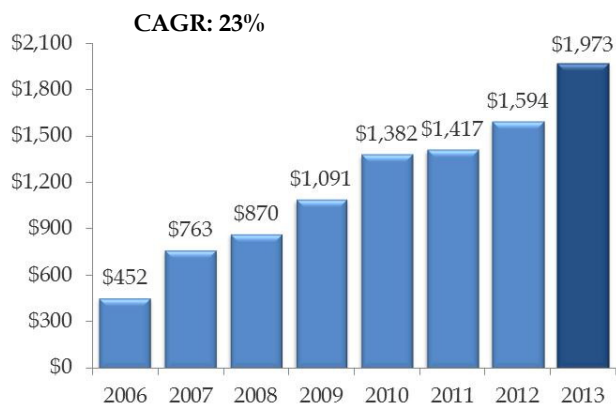
- Unburdened by capital constraints
- Low leverage business model and conservative risk management
- Built the Company through 13 acquisitions since 2005; prudently evaluate all opportunities
- Select growth of high-quality talent
- Drive revenue synergies by leveraging the global wealth and institutional businesses

18th Consecutive Year of Record Net Revenues



A Growth Story...

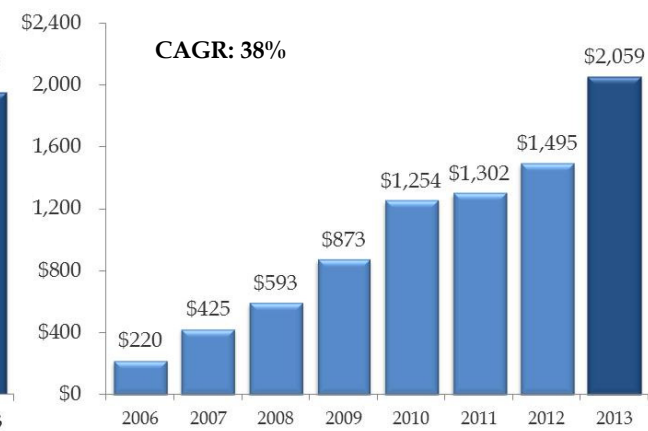
Net Revenues (\$MM)



Core Net Income (\$MM)⁽¹⁾



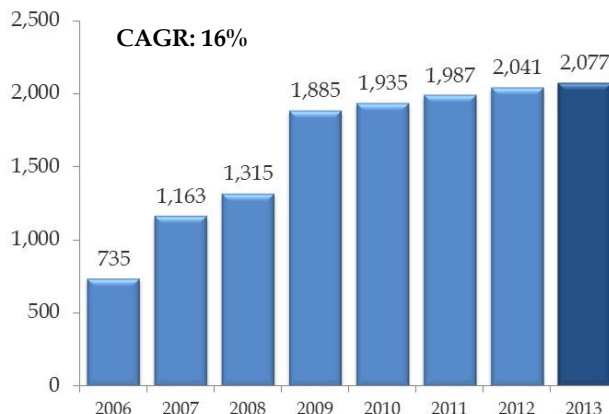
Total Equity (\$MM)



Total Client Assets (\$BN)⁽²⁾



Financial Advisors⁽³⁾



Book Value Per Share⁽⁴⁾



CAGR reflects years 2006 to 2013.

(1) Years 2012 and 2013 represents non-GAAP net income from continuing operations.

(2) Client assets - Includes FDIC-insured products as of 12/31/13 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



- Asset Management
- November 2013



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



- Clean portfolio of 1-4 family residential mortgages
- October 2013

56 UBS Branches

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

Knight
Fixed Income

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



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



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



- Bank holding company
- Financial holding company
- **Grown assets from ~ \$100M to \$5.0B**
- April 2007



- Restructuring advisory
- December 2012

RYAN BECK & CO.

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



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



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



- 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.

IFR Recognizes Stifel's Leadership Position As The Premier Middle Market Investment Bank



THE WINNERS

AMERICAS REVIEW OF THE YEAR 2013

TOP AWARDS	Americas Issuer	Blackstone
	Americas Financing Package	Verizon
	US Debt House	Bank of America Merrill Lynch
	US Equity House	Goldman Sachs
US AWARDS	Investment-Grade Bond House	Morgan Stanley
	Investment-Grade Bond	Verizon's US\$49bn eight-tranche bond
	High-Yield Bond House	Bank of America Merrill Lynch
	High-Yield Bond	Neiman Marcus's US\$600m PIK toggle bond
	Financial Bond House	Citigroup
	Loan House	Bank of America Merrill Lynch
	Loan	Verizon's US\$61bn bridge loan
	Leveraged Loan	Dell's US\$9.1bn LBO
	Equity Issue	Crown Castle's US\$4bn equity and mandatory convertible bond
	IPO	Twitter's US\$2.093bn IPO
	Mid-market Equity House	Stifel
	Structured Finance House	Credit Suisse
	Structured Finance Issue	Blackstone - Invitation Homes 2013-SFR1
	Structured Equity House	Goldman Sachs
	Structured Equity Issue	Liberty Media's US\$1bn convertible bond
CANADA AWARDS	Capital Markets Issue	Hudson's Bay Company's acquisition financing
LATIN AMERICA AWARDS	Bond House	Citigroup
	Bond	America Movil's US\$2.8bn-equivalent three-tranche bond
	Domestic Currency Bond	America Movil's P\$15bn 10-year bond
	Loan	Minera Frisco's US\$1.1bn acquisition loan
	Equity House	BTG Pactual
	Equity Issue	BB Seguridade's US\$5.73bn IPO



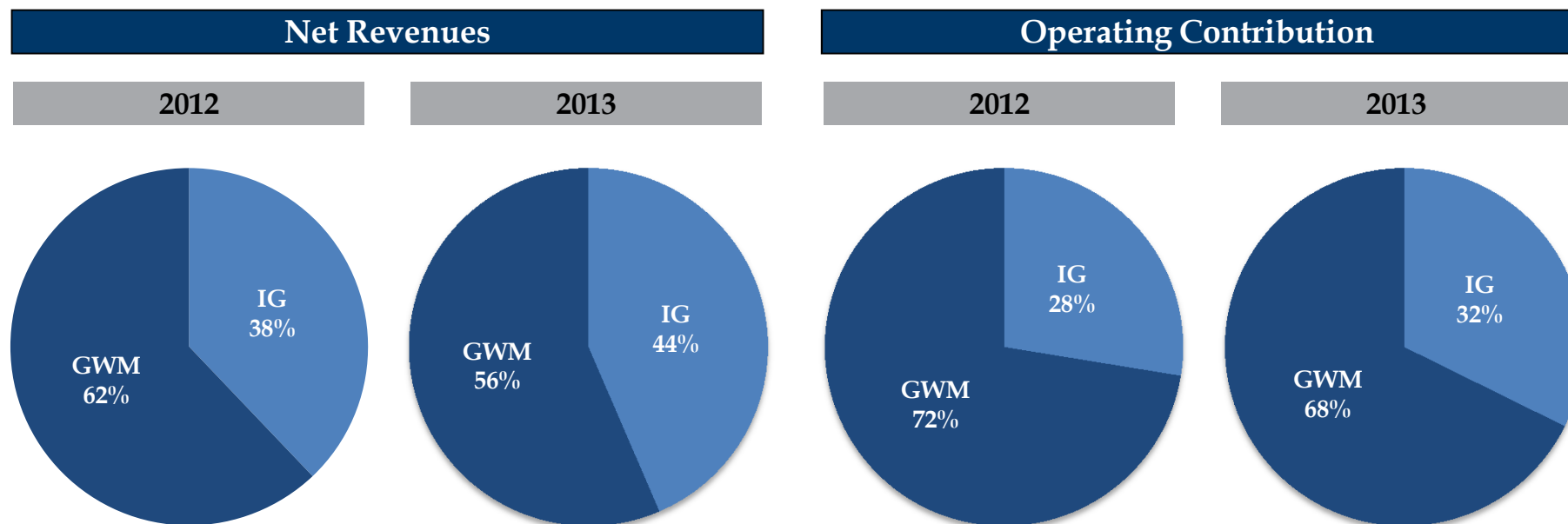
6 International Financing Review Americas Review of the Year 2013



- “For its leadership among mid-market firms and strong momentum in securing bookrunner roles, Stifel is IFR’s US Mid-Market Equity House of the Year”
- “Stifel has been able to steer clear of the client conflicts that have muddied perceptions of the bulge brackets and in some cases act as a check on bulge bracket execution”
- “Winning mandates against bulge brackets with large balance sheets at their disposal means a heavier relative investment in research, seen in the firm’s coverage of 1,300 stocks, up from 537 in 2005”
- “Stifel is the largest US equity research provider bar none, at a time when many bulge brackets have downgraded their research capabilities amid regulatory restrictions”

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

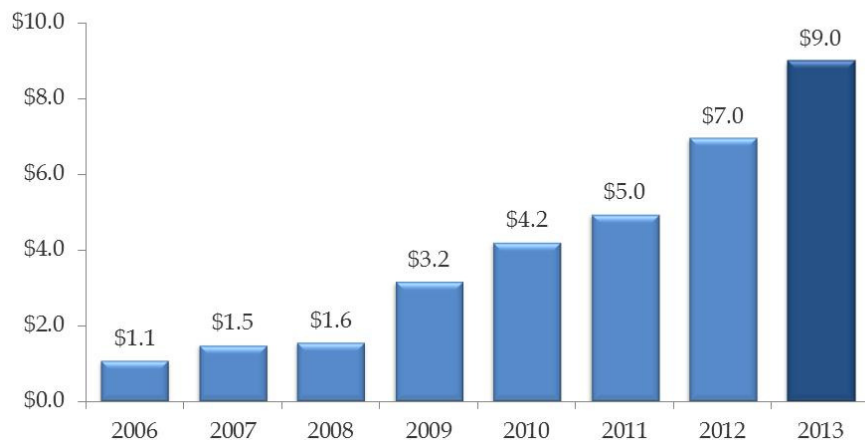


Note: Net revenues and operating contribution excludes the Other segment.

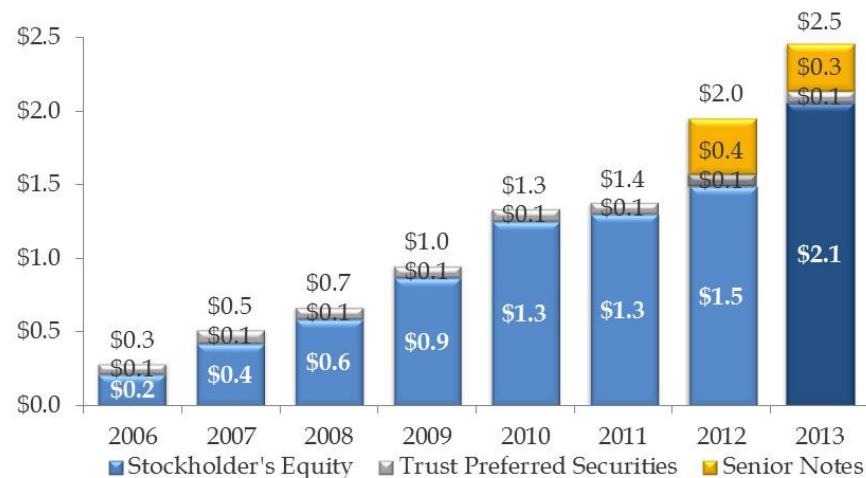
Strong Balance Sheet Facilitates Growth

As December 31, 2013

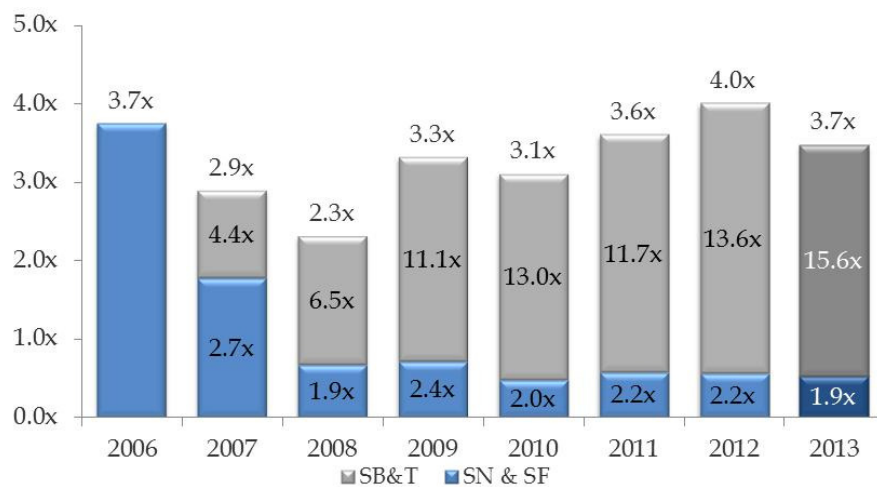
Total Assets (\$ in Billions)



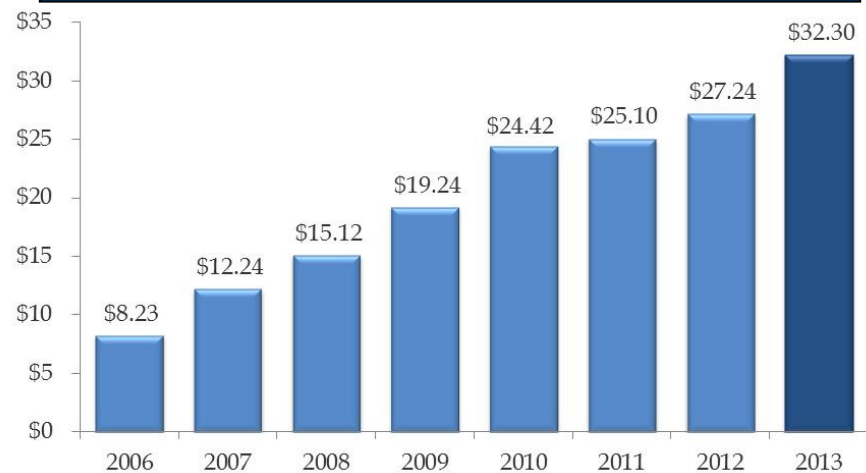
Total Capitalization (\$ in Billions)



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 December 31, 2013

1 Year		5 Years		6 Years		13 Years	
Since 12/31/12		Since 12/31/08		Since 12/31/07		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%

Initiatives

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

STIFEL

Global Wealth Management

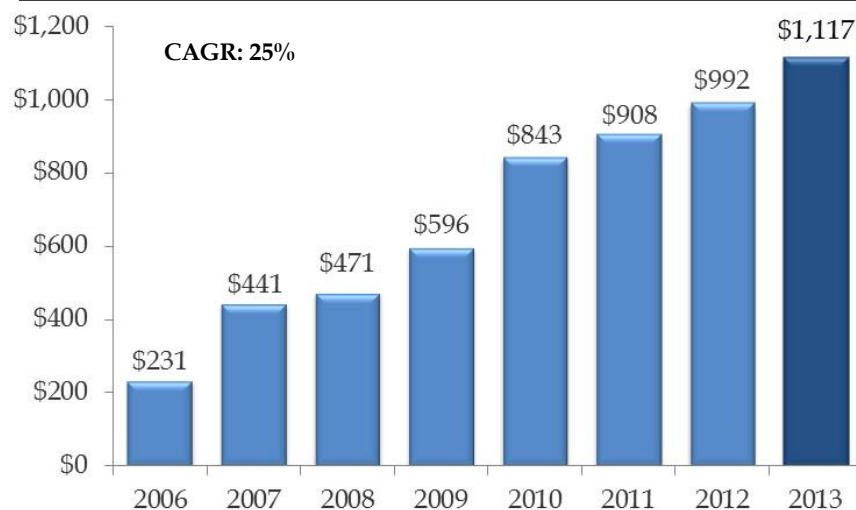
Global Wealth Management

Provides Securities Brokerage Services and Stifel Bank Products

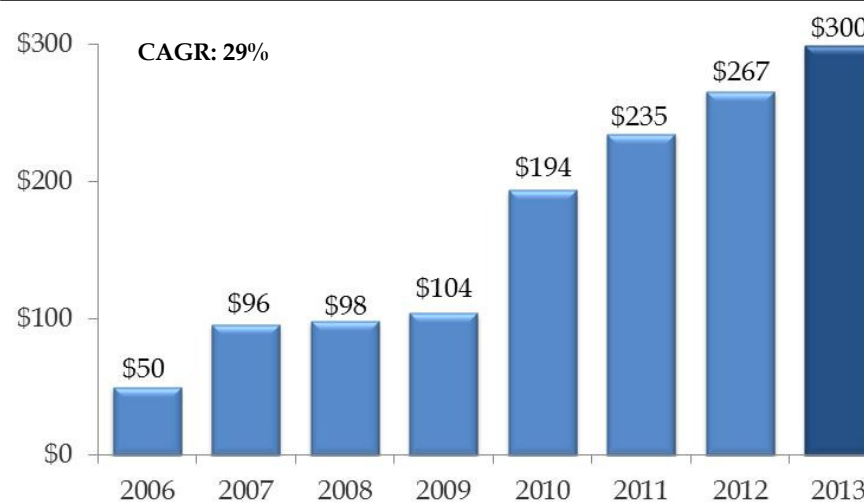
Overview

- 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⁾



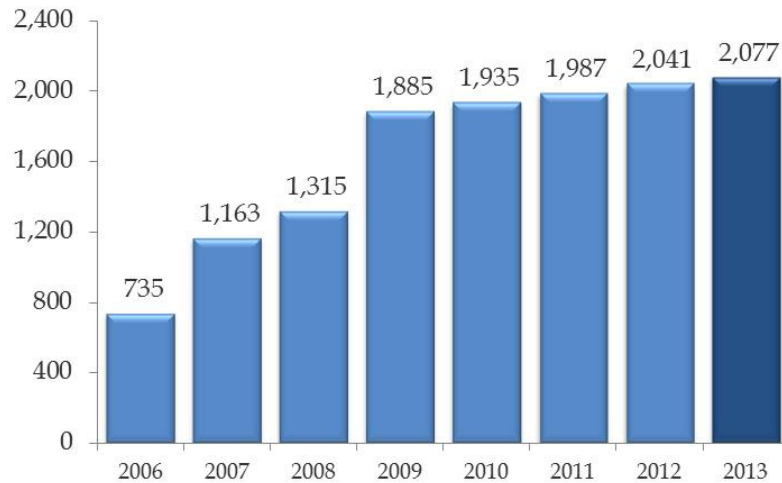
(1) Includes Independent Contractors.

(2) CAGR reflects years 2006 to 2013.

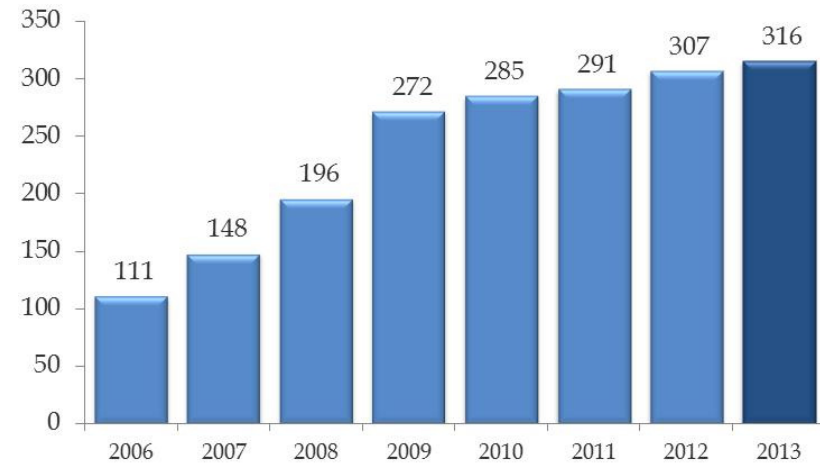
Global Wealth Management

Opportunity Through Growth

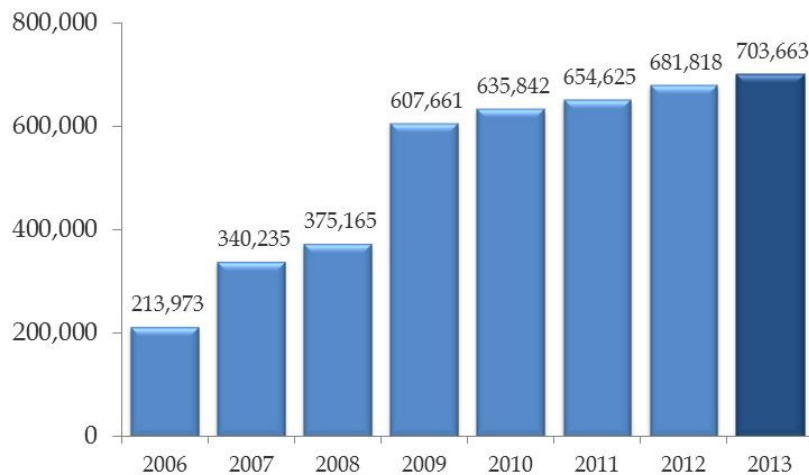
GWM Broker Growth⁽¹⁾



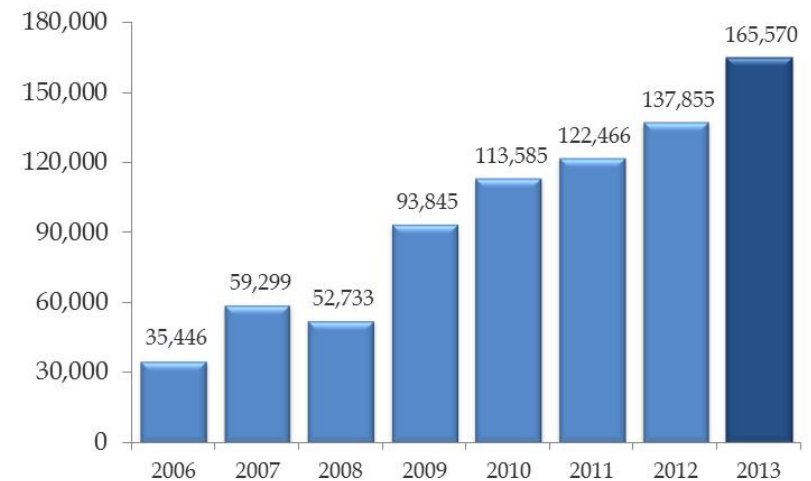
GWM Branch Growth



GWM Account Growth



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



(1) Includes Independent Contractors. (2) Client assets include FDIC-insured products as of 12/31/13 for years 2008-2013.

Global Wealth Management – Stifel Bank & Trust

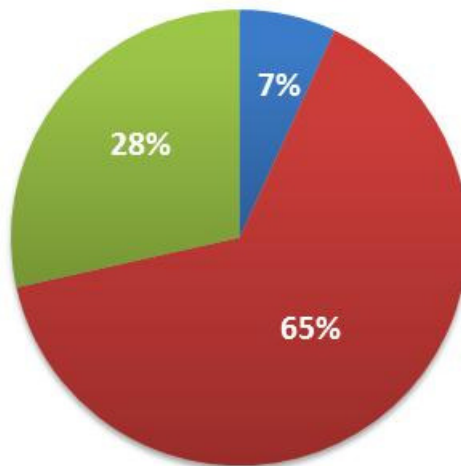
Overview

- Acquired FirstService Bank, a St. Louis-based, Missouri-chartered commercial bank, in April 2007
- Stifel Financial became a bank holding company and financial services holding company
- Balance sheet growth with low-risk assets
- Funded by Stifel Nicolaus client deposits
- Maintain high levels of liquidity

Strength of Brokerage Position

- Offers banking products (securities based loans and mortgage loans) within the GWM client base, including establishing trust services
 - Built-in source of business
 - High net worth clients
- Highly efficient due to lack of “brick and mortar” deposit focused facilities

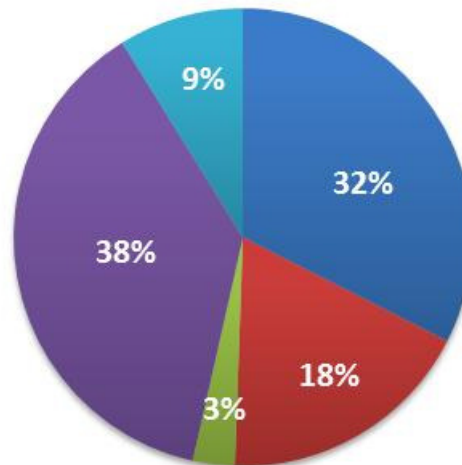
Interest Earnings Assets⁽¹⁾



■ Cash ■ Investment Securities
■ Loans Receivable

Total: \$4.2 Billion

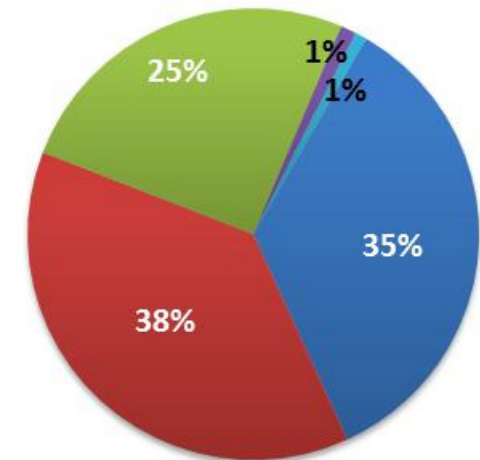
Investment Portfolio



■ ABS ■ Corporates ■ Munis
■ Agency MBS ■ CMBS

Total: \$3.1 Billion⁽²⁾

Loan Portfolio (Gross)



■ Securities-based lending ■ Commercial and industrial
■ Residential real estate ■ Home equity lines of credit
■ Commercial real estate

Total: \$1.5 Billion⁽³⁾

Data as of 12/31/13. (1) Average interest earning assets as of 12/31/13. (2) MBS makes up less than 1% of Investment Portfolio. (3) Construction and Land & Commercial Real Estate make up less than 1% of the loan portfolio.

STIFEL

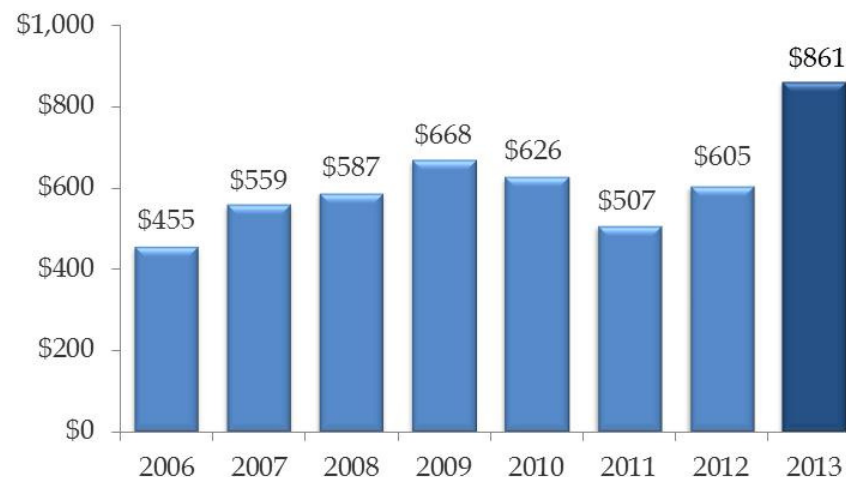
Institutional Group

Institutional Group

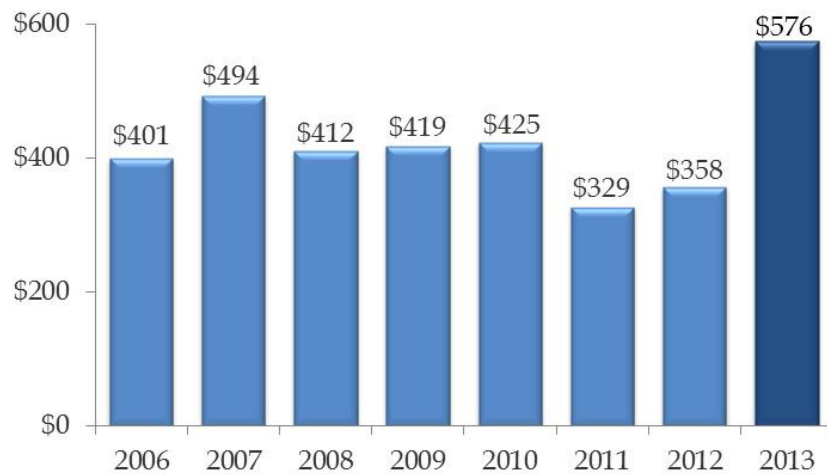
Overview

- 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

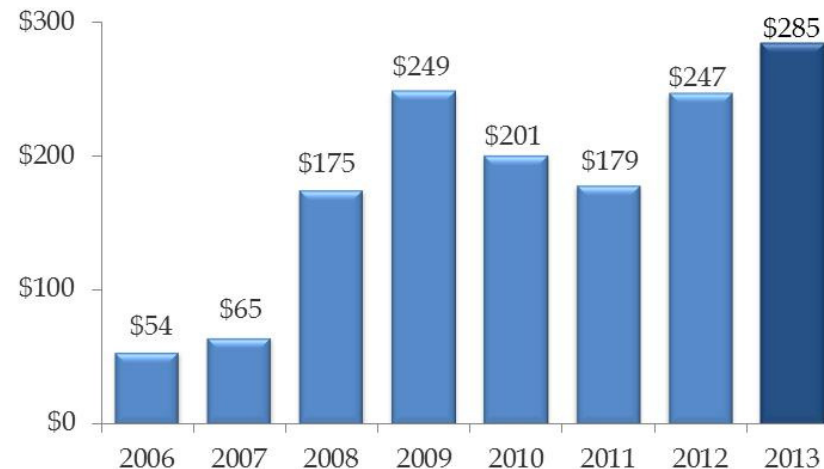
Net Revenues (\$MM)⁽²⁾⁽³⁾



Equity Brokerage + Investment Banking^{(2) (3)}



Fixed Income Brokerage + Investment Banking



(1) Based on 2013 U.S. trading volume per Bloomberg. (2) Includes TWPG historical investment banking and brokerage revenues for years 2006 through September 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

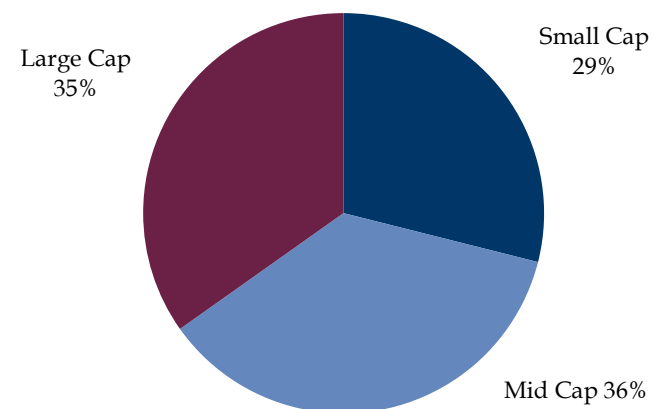
U.S. Equity Research Coverage ⁽¹⁾

Rank	Firm	Companies Under Coverage	
		Overall	Small Cap ⁽²⁾
1	Stifel / Keefe, Bruyette & Woods	1,376	426
2	Bank of America Merrill Lynch	1,178	148
3	JPMorgan	1,105	140
4	Goldman Sachs	1,059	76
5	Wells Fargo Securities	1,020	152
6	Raymond James	989	285
7	Credit Suisse	976	146
8	Barclays	966	96
9	Citi	934	96
10	Deutsche Bank	906	118
11	Jefferies LLC	892	166
12	Morgan Stanley	867	84
13	RBC Capital Markets	856	104
14	UBS	766	60
15	Robert W Baird & Co	690	154
16	Sidoti & Company LLC	665	432
17	Morningstar, Inc.	658	N/A
18	Cowen & Co LLC	581	149
19	William Blair & Co LLC	572	150
20	BMO Capital Markets	555	91
21	Piper Jaffray & Co	538	176
22	Keybank Capital Markets	535	114
23	Oppenheimer & Co Inc	532	108
24	Sterne, Agee & Leach	487	96
25	Macquarie Group	469	N/A

Stifel Research Highlights

- Largest provider of U.S. equity research
- 113 analyst across 12 sectors
- Largest provider of Financial Services coverage
- Ranked #2 in the FT/Starmine 2013 Survey
- Stifel analysts ranked #1 & #2 in Earnings Estimators among 4,000 analysts

Coverage Balanced Across All Market Caps ⁽²⁾



(1) Source: StarMine rankings as of 3/4/14. 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 3/4/14.

Institutional Group – Equity Sales and Trading

Powerful Platform Spanning North America and Europe

Institutional Equity Sales

- 100 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 780 non-deal roadshow days in 2013
- Extensive experience with traditional and overnight corporate finance transactions

Equity Trading

- 53 sales traders located in
 - Baltimore, New York, Boston, Dallas, San Francisco, and London
- 24 position traders covering each major industry
- 8 specialized traders focused on: Option Trading, Convertible and ETF Trading
- Profitable model with advantages of scale

Extensive Distribution Network

- Relationships with over 3,500 institutional accounts globally
- Active daily market maker in over 3,700 stocks
- Traded over 11.7 billion shares in 2013
- Complete coverage of North America and Europe for North American listed equities
- 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

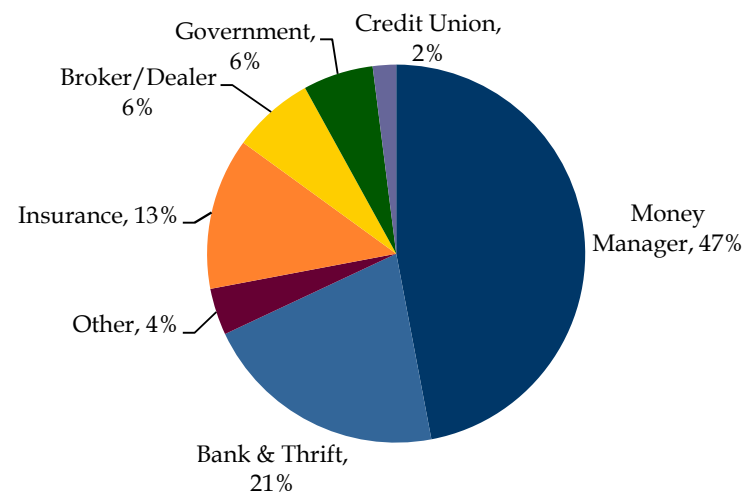
Institutional Group – Fixed Income

Strong Fixed Income Capital Markets Capabilities

Overview

- Comprehensive platform
 - 90 traders with annual client trade volume approaching \$400 billion
 - 28-person Fixed Income Research and Strategy Group
 - 9 person US Debt Capital Markets Group
- Widespread distribution
 - Nearly 200 Institutional sales professionals covering over 6,200 accounts
 - 36 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 - 10/31/13.

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

Investment Banking

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	893	\$524.7
2	JPMorgan	883	\$510.4
3	Citi	833	\$505.4
4	Morgan Stanley	789	\$487.1
5	Barclays	732	\$423.8
6	Deutsche Bank	715	\$424.1
6	Wells Fargo Securities	715	\$373.2
8	Credit Suisse	710	\$420.0
9	Stifel / Keefe, Bruyette & Woods	695	\$246.4
10	RBC Capital Markets	642	\$304.2
11	Goldman Sachs	631	\$425.8
12	UBS	570	\$320.3
13	Raymond James	469	\$226.9
14	Piper Jaffray & Co	347	\$158.0
15	Robert W Baird & Co	343	\$92.5
16	Jefferies LLC	336	\$70.6
17	Oppenheimer & Co Inc	310	\$77.1
18	JMP Securities LLC	306	\$57.5
19	William Blair & Co LLC	246	\$67.5
19	Cowen & Co LLC	246	\$54.8

Bookrun Equity Deals Since 2010

(\$ in billions)		# of	\$
Rank	Firm	Deals	Volume
1	Bank of America Merrill Lynch	813	\$97.5
2	JPMorgan	777	\$100.7
3	Citi	724	\$93.0
4	Morgan Stanley	722	\$110.5
5	Barclays	601	\$85.4
6	Credit Suisse	568	\$71.6
7	Goldman Sachs	563	\$95.6
8	Deutsche Bank	556	\$61.7
9	Wells Fargo Securities	500	\$39.4
10	UBS	391	\$39.3
11	Jefferies LLC	271	\$15.9
12	RBC Capital Markets	245	\$18.9
13	Stifel / Keefe, Bruyette & Woods	223	\$10.6
14	Raymond James	138	\$7.3
15	Piper Jaffray & Co	119	\$5.3
16	Cowen & Co LLC	97	\$3.1
17	Roth Capital Partners	86	\$1.7
18	Robert W Baird & Co	79	\$3.6
19	Leerink Partners LLC	75	\$2.9
20	Lazard Capital Markets	62	\$1.8

Source: Dealogic. Rank eligible SEC registered IPOs and Follow-On offerings since 2010. Includes demutualizations. As of 2/28/14. 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

Three months ended December 31, 2013

	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
<i>(\$ in thousands, except per share amounts)</i>							
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%	

(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 Results

Year ended December 31, 2013

(\$ in thousands, except per share amounts)

	Year Ended December 31, 2013			Year Ended	
	Non-GAAP	Non-Core ⁽¹⁾	GAAP	12/31/12 ⁽²⁾	% 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%	

(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.

Sources of Revenues

	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>								
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%

Core Non-Interest Expenses

Three months ended December 31, 2013

(\$ in thousands)	Three Months Ended					% of Net revenues		
	⁽¹⁾					⁽¹⁾		
	12/31/13	12/31/12	% Change	9/30/13	% Change	12/31/13	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.

	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>								
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%	

	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 %	

	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>								
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

	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>								
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.