

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

### Part I Reporting Issuer

<b>1</b> Issuer's name		<b>2</b> Issuer's employer identification number (EIN)	
Stifel Financial Corp.		43-1273600	
<b>3</b> Name of contact for additional information	<b>4</b> Telephone No. of contact	<b>5</b> Email address of contact	
Stifel Investor Relations	314-342-2000	investorrelations@stifel.com	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact		<b>7</b> City, town, or post office, state, and Zip code of contact	
501 North Broadway		Saint Louis, MO 63102	
<b>8</b> Date of action		<b>9</b> Classification and description	
January 3, 2017		Common Stock	
<b>10</b> CUSIP number	<b>11</b> Serial number(s)	<b>12</b> Ticker symbol	<b>13</b> Account number(s)
860630102		SF	

### Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

**14** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶

On January 3, 2017, Stifel Financial Corp. ("Stifel") completed a merger with City Financial Corporation ("CFC"). Pursuant to the terms and conditions of the Agreement and Plan of Merger dated as of September 12, 2016, as amended as of December 30, 2016, (the "Merger Agreement") among Stifel, Spruance Merger Subsidiary, Inc. ("Merger Sub"), Spruance Successor Subsidiary, LLC ("Successor Sub"), CFC, and R. Mark Lubbers, as the Representative, Merger Sub was merged into CFC with CFC surviving (the "Merger"). Immediately after the Merger, CFC was merged into Successor Sub with Successor Sub surviving as an entity disregarded from Stifel (the "Second Step Merger"). In the Merger, each share of CFC common stock was converted into consideration in the amount of \$2.96, to be adjusted post-closing to account for final valuations, indemnification claims, and potential earnout payments. Each former CFC stockholder received this consideration in the form of cash and/or shares of Stifel common stock, with the ratio received based upon the election made by such stockholder. For purposes of determining the number of shares a former CFC stockholder would receive in the Merger, the value of the Stifel common stock was determined as of January 3, 2017 (the day of the Merger).

**15** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶

The aggregate tax basis of the Stifel common stock a former CFC stockholder received in the Merger (including any fractional share deemed received in exchange for cash) is generally the same as the former CFC stockholder's aggregate adjusted basis in the CFC stock surrendered, reduced by the amount of cash that the former CFC stockholder receives in exchange for its CFC stock (excluding any cash received in lieu of a fractional share of Stifel common stock) and increased by the amount of gain, if any, the former CFC stockholder recognized in the Merger (excluding any gain resulting from the deemed receipt and redemption of a fractional share of Stifel common stock). The actual tax basis will differ with respect to each former CFC stockholder and therefore, each such stockholder is urged to contact their own tax advisor with respect to the manner in which basis is determined and allocated among the Stifel common stock received in the Merger.

**16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶

See Questions 14 and 15 above.

**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ \_\_\_\_\_

The Merger, together with the Second Step Merger, qualified as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"). In general, the U.S. federal income tax consequences to the former CFC stockholders are determined under Code Sections 354, 356, 358 and the U.S. Treasury Regulations promulgated thereunder.

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18 Can any resulting loss be recognized? ▶ \_\_\_\_\_

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19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ \_\_\_\_\_

The Merger and the Second Step Merger were effective on January 3, 2017 and, therefore, the reportable tax year is 2017.  
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Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**

Signature ▶ Thomas K Goedeke Date ▶ 2/16/2017

Print your name ▶ Thomas Goedeke Title ▶ Director, Tax Compliance & Reporting

**Paid Preparer Use Only**

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	