

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

### Part I Reporting Issuer

1 Issuer's name <b>Stifel Financial Corporation</b>		2 Issuer's employer identification number (EIN) <b>43-1273600</b>	
3 Name of contact for additional information <b>Stifel Investor Relations</b>	4 Telephone No. of contact <b>314-342-2000</b>	5 Email address of contact <b>investorrelations@stifel.com</b>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact <b>501 North Broadway</b>		7 City, town, or post office, state, and Zip code of contact <b>Saint Louis, MO 63102</b>	
8 Date of action <b>2/15/2013</b>		9 Classification and description <b>Common Stock</b>	
10 CUSIP number <b>86063102</b>	11 Serial number(s)	12 Ticker symbol <b>SF</b>	13 Account number(s)

### 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 February 15, 2013, Stifel Financial Corporation ("Stifel") completed a merger with KBW, Inc. ("KBW"). Pursuant to the terms and conditions of the Agreement and Plan of Merger (the "Agreement"), dated as of November 5, 2012, between Stifel, KBW, SFKBW One, Inc., SFKBW Two, LLC, SFKBW One, Inc. was merged into KBW with KBW surviving (the "Merger") and, immediately after the effectiveness of the Merger, KBW was merged into SFKBW Two, LLC with SFKBW Two, LLC surviving (the "Second Step Merger"). In the Merger, each share of KBW common stock was converted into a combination of: (1) cash consideration of \$8.00 (\$10.00 less the \$2.00 per share extraordinary dividend); and (2) stock consideration based on exchange ratio of .2143 shares of Stifel common stock which is calculated based on a pricing period that commenced on February 1, 2013 and concluded on February 14, 2013. Upon the closing of the Merger, KBW common stock, which previously traded under the symbol "KBW", ceased trading on, and was delisted from, the New York Stock Exchange. KBW's employment identification number was 13-4055775 and its CUSIP number was 482423100.

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 KBW stockholder received in the Merger is generally the same as the former KBW stockholder's basis in the KBW common stock surrendered in the Merger. However, such basis is decreased by the amount of cash that the former KBW stockholder is treated as receiving in exchange for the KBW common stock (excluding any cash received in lieu of fractional share of Stifel common stock) and increased by the amount of gain, if any, the former KBW stockholder recognized in the Merger (excluding any cash received in lieu of a fractional share of Stifel common stock). The actual tax basis will differ with respect to each former KBW stockholder and therefore, each such holder is urged to consult 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 Question 15 above. Pursuant to the Agreement, the amount of Stifel stock consideration was based on an exchange ratio of .2143 which was calculated based on a pricing period that commenced on February 1, 2013 and concluded on February 14, 2013. On February 14, 2013, the closing price/fair value of KBW common stock was \$16.40. The Merger was effective at 9:01 EST (prior to the commencement of trading on the NYSE) on February 15, 2013. On February 14, 2013, the closing price of Stifel common stock was \$39.25 (or \$8.41 for .2143 shares (the exchange ratio)).

**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 KBW stockholders are determined under Code Sections 354, 356, 358 and the U.S. Treasury Regulations promulgated thereunder.

18 Can any resulting loss be recognized? ► No.

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 February 15, 2013 and, therefore, the reportable tax year is 2013.

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 ► Bernard N. Burkemper Date ► 3/21/13

Print your name ► Bernard N. Burkemper Title ► SVP & Treasurer

**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.	