



STIFEL

ANNUAL REPORT

2017

STATEMENT OF COMMITMENT

TO OUR ASSOCIATES: current and future, our commitment is to provide an entrepreneurial environment that encourages unconfined, long-term thinking. We seek to reward hard-working team players that devote their energy and attention to client needs. At work, at home, and in their communities, we seek to be their Firm of Choice.

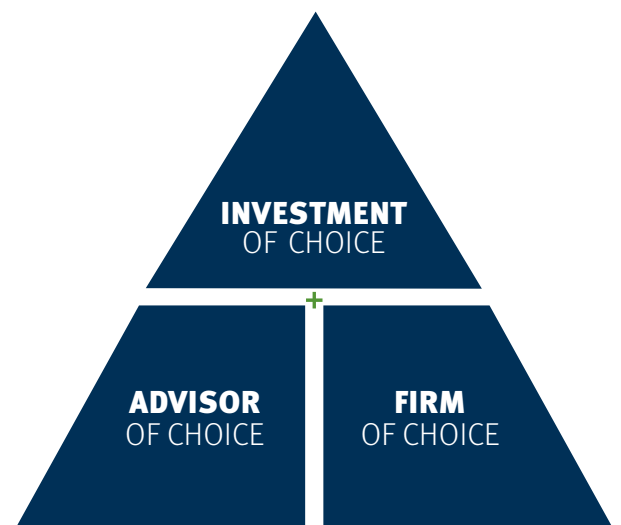
TO OUR CLIENTS: individual, institutional, corporate, and municipal, our commitment is to listen and consistently deliver innovative financial solutions. Putting the welfare of clients and community first, we strive to be the Advisor of Choice in the industry. Pursuit of excellence and a desire to exceed clients' expectations are the values that empower our Company to achieve this status.

TO OUR SHAREHOLDERS: small and large, our commitment is to create value and maximize your return on investment through all market cycles. By achieving the status of Firm of Choice for our professionals and Advisor of Choice for our clients, we are able to deliver value to our shareholders as their Investment of Choice.



ABOUT STIFEL

Stifel Financial Corp. is a financial services holding company headquartered in St. Louis, Missouri, that conducts its banking, securities, and financial services business through several wholly owned subsidiaries. Stifel's broker-dealer clients are served in the United States through Stifel, Nicolaus & Company, Incorporated; Keefe, Bruyette & Woods, Inc.; Miller Buckfire & Co., LLC; Century Securities Associates, Inc.; and Eaton Partners, LLC and in the United Kingdom and Europe through Stifel Nicolaus Europe Limited. The Company's broker-dealer affiliates provide securities brokerage, investment banking, trading, investment advisory, and related financial services to individual investors, professional money managers, businesses, and municipalities. Stifel Bank & Trust offers a full range of consumer and commercial lending solutions. Stifel Trust Company, N.A. and Stifel Trust Company Delaware, N.A. offer trust and related services.



FINANCIAL HIGHLIGHTS

OPERATING RESULTS:¹

in thousands, except per share amounts

| | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|-------------|-------------|-------------|-------------|-------------|
| Total Revenues | \$2,019,814 | \$2,249,685 | \$2,376,993 | \$2,642,370 | \$2,996,462 |
| Net Income Available to Common Shareholders | \$172,907 | \$179,130 | \$92,336 | \$77,614 | \$173,496 |
| Earnings Per Diluted Common Share | \$2.35 | \$2.35 | \$1.18 | \$1.00 | \$2.14 |
| Non-GAAP Net Income ² | \$172,191 | \$205,579 | \$149,252 | \$185,705 | \$323,383 |
| Non-GAAP Earnings Per Diluted Common Share ² | \$2.34 | \$2.69 | \$1.90 | \$2.39 | \$3.99 |

FINANCIAL POSITION:

in thousands, except per share amounts

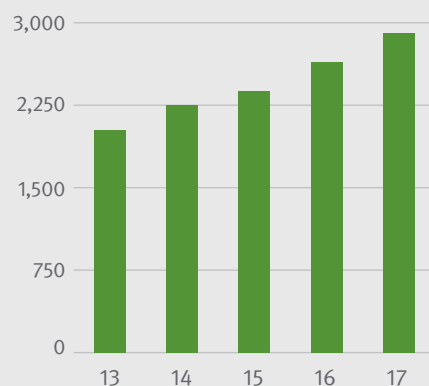
| | 2013 | 2014 | 2015 | 2016 | 2017 |
|-----------------------------|-------------|-------------|--------------|--------------|--------------|
| Total Assets | \$9,008,870 | \$9,518,151 | \$13,326,051 | \$19,129,356 | \$21,383,953 |
| Shareholders' Equity | \$2,058,849 | \$2,322,038 | \$2,492,416 | \$2,738,408 | \$2,861,576 |
| Book Value Per Common Share | \$32.30 | \$35.00 | \$37.19 | \$38.84 | \$38.26 |

¹ The operating results are from continuing operations. The results for SN Canada are classified as discontinued operations for all periods presented.

² Non-GAAP net income and non-GAAP earnings per diluted common share represent GAAP net income and GAAP earnings per diluted common share adjusted for: (1) acquisition-related charges other than duplicative expenses; (2) litigation-related expenses; (3) actions taken by the Company in response to the tax legislation that was enacted in the fourth quarter of 2017 to maximize tax savings; (4) the favorable impact of the adoption of new accounting guidance during 2017 associated with stock-based compensation; (5) the revaluation of the Company's deferred tax assets as a result of the enacted tax legislation; and (6) the U.S. tax benefit in 2013 arising out of the Company's investment in SN Canada. See Reconciliation of GAAP net income to non-GAAP net income on page 18.

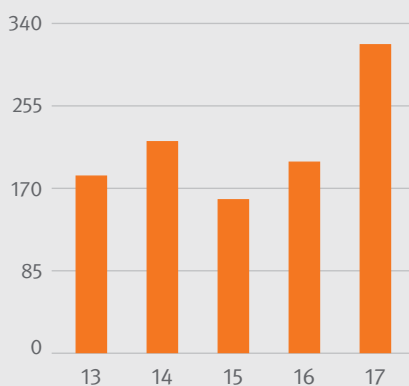
TOTAL REVENUES

(In millions)

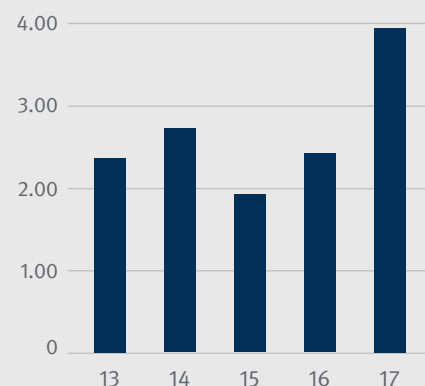


NON-GAAP NET INCOME²

(In millions)

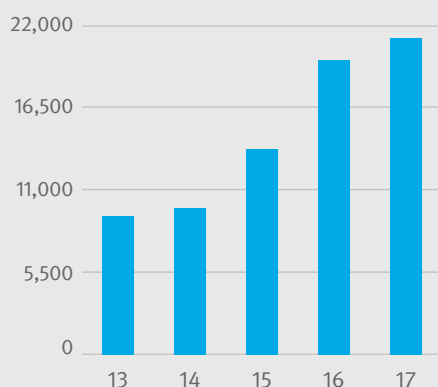


NON-GAAP EARNINGS PER DILUTED COMMON SHARE²



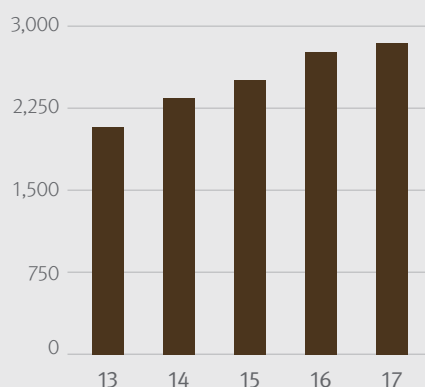
TOTAL ASSETS

(In millions)

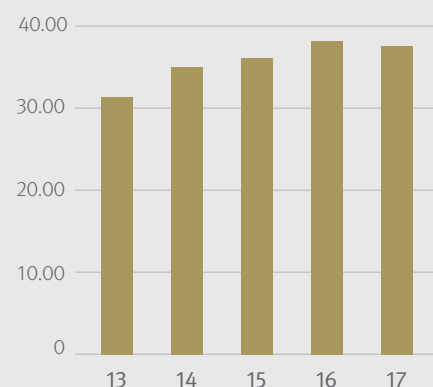


SHAREHOLDERS' EQUITY

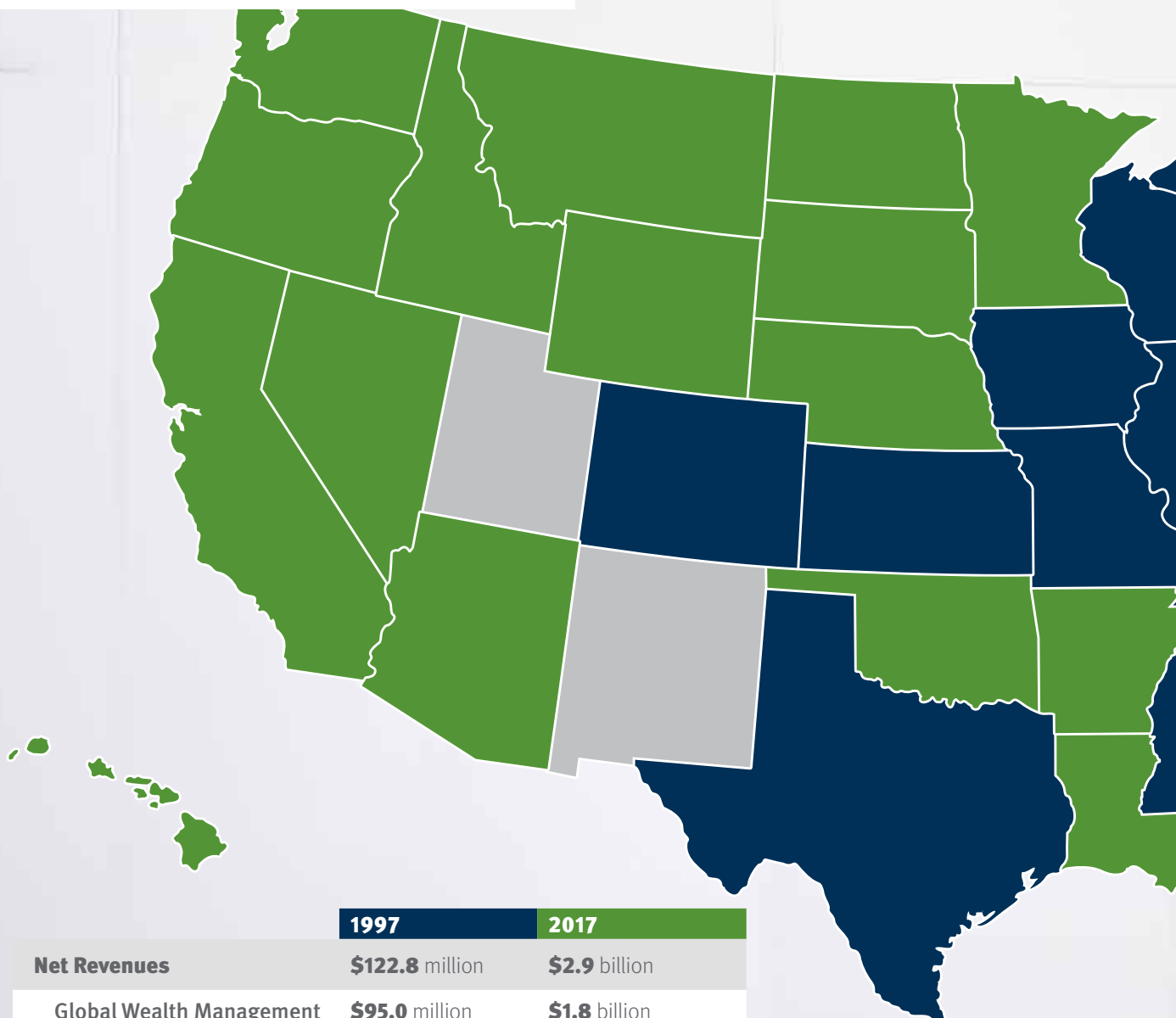
(In millions)



BOOK VALUE PER COMMON SHARE



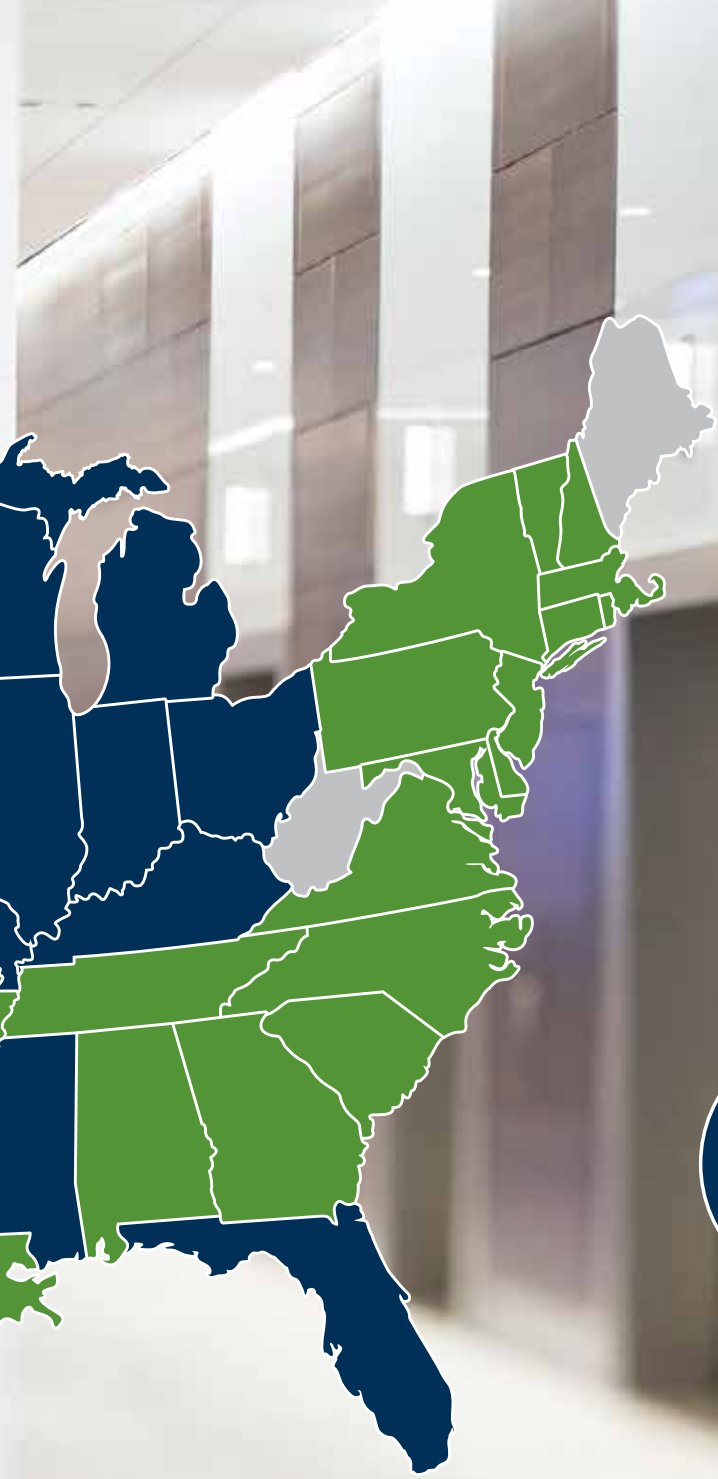
20 YEARS OF GROWTH



| | 1997 | 2017 |
|--------------------------------|---------------------------|----------------------------|
| Net Revenues | \$122.8 million | \$2.9 billion |
| Global Wealth Management | \$95.0 million | \$1.8 billion |
| Institutional Group | \$24.0 million | \$1.1 billion |
| Net Income | \$5.7 million | \$173.5 million |
| Total Assets | \$315.5 million | \$21.4 billion |
| Assets Under Management | \$3.4 million | \$273 billion |
| Share Price | \$5.11¹ | \$59.56² |
| Market Cap | \$27.7 million | \$4.2 billion |
| Stockholders' Equity | \$50.1 million | \$2.9 billion |
| Book Value Per Share | \$7.60 | \$38.26 |

¹ On December 31, 1997

² On December 29, 2017



FOOTPRINT



FINANCIAL ADVISORS



ASSOCIATES



OFFICES



CHAIRMAN'S LETTER



RONALD J. KRUSZEWSKI
Chairman of the Board
Chief Executive Officer

Dear Fellow Shareholders, Clients, and Associates,

Reflection. Typically, my shareholder letter reflects back over the past year. And while this letter will certainly detail our outstanding performance in 2017, I feel that a one-year snapshot could not sufficiently illustrate just how far we've come as a firm. Therefore, I'd like to reflect not just on the past year, but on my 20 years as CEO as well.

The only constant is change, and unquestionably, the world in 1997 was vastly different than the one in which we currently live. For example, in 1997:

- People explored the World Wide Web using search engines like Alta Vista, Excite, and Lycos. Google would launch a year later.
- A three-year-old online bookseller called Amazon had its initial public offering.
- A 13-year old named Mark Zuckerberg was seven years away from creating Facebook. Twitter would come along two years later.
- Steve Jobs' Apple was on the verge of bankruptcy before Bill Gates stepped in and made a \$150 million investment in the company.
- A company called Netflix started renting DVDs through the mail.
- Citicorp and Travelers Group merged, creating Citigroup, which ultimately resulted in the repeal of the Glass-Steagall Act.
- A list of leading firms in our industry would include several that no longer exist today.

As for Stifel, we've grown exponentially over the last 20 years. Consider the following:

- In 1997, Stifel generated \$123 million in net revenues. Today, we're approaching nearly \$3 billion in annual revenue, a compound annual growth rate of 17%.
- Our market cap 20 years ago totaled \$28 million. Today, it's \$4.2 billion.
- In 1997, we had 855 associates. Today, more than 7,100 client-focused men and women call Stifel their Firm of Choice.
- From the beginning of 1997 through the end of 2017, Stifel's stock price outperformed the S&P 500 nearly ten-fold, increasing 2,529% as compared to 263% for the S&P 500.

As I reflect on the past two decades, it is clear that as much as things have changed, the foundation upon which we have built Stifel remains consistent: our commitment to our values. Our company embraces an entrepreneurial spirit and a culture of meritocracy, while adhering to the Golden Rule of treating others as one would wish to be treated. Equally consistent has been our strategy to position ourselves to take advantage of opportunity, and to embrace a long-term view.

Stifel's 2017 results reflect this long-term view as we recorded our 22nd consecutive year of record net revenues, increasing our revenue 13.5% to over \$2.9 billion. Net income under generally accepted accounting principles ("GAAP") was \$173 million, or \$2.14 per diluted share. On a non-GAAP basis, our net income was \$323 million, or \$3.99 per diluted share.

These non-GAAP results exclude the impact of: 1) expenses associated with the actions taken by Stifel to maximize tax savings in response to the Tax Cuts and Jobs Act ("Tax Legislation"), which was enacted in the fourth quarter of 2017; 2) merger-related expenses; 3) litigation-related expenses associated with previously disclosed legal matters; 4) the favorable impact to our results in the first quarter of 2017 resulting from new accounting guidance associated with stock-based compensation adopted by our company during 2017; and 5) the revaluation of our deferred tax assets as a result of the enacted Tax Legislation.

Since 1997, we have made more than 25 acquisitions that helped to drive our substantial top- and bottom-line growth. In turn, Stifel has emerged as a leading investment bank and wealth management firm that is capable of providing a wide array of products to both our institutional and private clients. Having established a larger platform, we spent the last two years focused on improving our operational efficiency through cost reductions and further integration of our businesses. These steps, combined with our growth in revenue, have resulted in a meaningful improvement in our non-GAAP performance metrics. In just the past two years, our:

- Compensation ratio improved to 61.2% vs. 64.5%;
- Non-compensation expense ratio improved to 21.7% vs. 25.5%;
- Pre-tax margin improved to 17.1% vs. 10%; and
- Return on tangible equity improved to 20.1% vs. 10%.

The 2017 market environment was shaped by accommodative Federal Reserve monetary policy, which supported higher asset values, tighter credit spreads, and historically low levels of volatility. This environment, in turn, was positive for our Wealth Management and Investment Banking businesses yet served as a significant headwind for our Equity and Fixed Income Institutional Trading businesses.

Accordingly, Global Wealth Management posted record revenue of \$1.8 billion, an increase of 17% over 2016, and achieved record profitability. Noteworthy is the level of recurring revenue, defined as asset management fees and net interest income, which totaled \$1.1 billion or 61% of this segment's net revenue. Ten years ago, this ratio was 26%. Stifel Bank ended the year with approximately \$15 billion in assets while maintaining a conservative risk profile. In addition, we announced the acquisition of Ziegler Wealth Management, which brought us 55 financial advisors with approximately \$5 billion in client assets. I am pleased to welcome these talented associates to Stifel.

We are pleased to report that Stifel ranked 3rd in the J.D. Power 2018 U.S. Full Service Investor Satisfaction Study. The Study, now in its 16th year, measures overall investor satisfaction across eight factors (in order of importance): financial advisor, account information, investment performance, firm interaction, product offerings, commissions and fees, information resources, and problem resolution.

Looking forward, we believe there exists opportunity, and it is critically important, to combine digital and mobile technologies with great relationships and human, goals-based advice. Attracting millennial investors, who will inherit the majority of the estimated \$30 trillion in generational wealth transfer, will require the seamless integration of human advice and technology. Stifel has long fostered a culture that emphasizes the importance of the advisor-client relationship. We believe that a compelling digital and mobile experience that helps investors organize and manage their financial affairs will be enhanced by frequent communication with an advisor in the context of a goals-based investment strategy.

Against this backdrop, we are enhancing the client experience by investing in state-of-art technology, including;

- **Integrated eSignature Capabilities** – Through this digital effort, we are redefining client interaction at Stifel and leaving the industry's antiquated account-based service model. This enhancement will secure and speed common client requests and make account opening streamlined and efficient. Our Financial Advisors, in turn, will have more time for advising clients.
- **Mobile Technology** – By embracing the ease and convenience of mobile technology, we are bringing more of Stifel's broad capabilities directly to clients. Through a single mobile interface, clients can closely track and understand their investments, easily connect with their Advisors, accomplish important financial tasks, and even access the convenience of Stifel Bank.
- **inTYCESM** – inTYCESM allows users to securely aggregate assets from multiple sources, examine them through custom visualization tools, review research, and track markets, budgets, spending, and more. What's more, inTYCESM offers a seamless way for advisors to better understand individual goals and circumstances and enables them to deliver better customized advice.
- **Enhanced Client Reporting** – We are developing a new suite of client reporting capabilities that will dramatically enhance how we present our clients' financial pictures and advise on their individual situations. The technology behind this enhancement is cutting edge and offers tremendous flexibility and display capability.

We look forward to delivering all of these innovations, as we believe each will help our clients understand and see the value of the trusted advice we precisely tailor and bring to their individual or family situations – rather than a one-size-fits-all solution.

2017 RESULTS

| (in thousands) | 2017 | % |
|--------------------------------------|-------------|------|
| TOTAL FIRM | | |
| Total Revenues | \$2,996,462 | 14 |
| Non-GAAP Net Income | 323,383 | 74 |
| Non-GAAP EPS | 3.99 | 67 |
| GLOBAL WEALTH MANAGEMENT | | |
| Net Revenues | 1,822,218 | 17 |
| Contribution | 626,906 | 46 |
| AUM | 272,591,000 | 15 |
| INSTITUTIONAL | | |
| Equity Net Revenues | 728,921 | 25 |
| Fixed Income Net Revenues | 381,847 | (12) |
| Net Revenues | 1,110,768 | 10 |
| Contribution | 217,981 | 33 |
| INSTITUTIONAL CLIENT SERVICES | | |
| Equity | 199,526 | (14) |
| Fixed Income | 214,870 | (29) |
| Total | 414,396 | (23) |
| INVESTMENT BANKING | | |
| Equity | 513,893 | 43 |
| Fixed Income | 212,870 | 38 |
| Total | 726,763 | 42 |
| Capital Raising | 366,147 | 43 |
| Advisory | 360,616 | 41 |

Percent represents the increase/(decrease) over prior year results.

Turning to our Institutional Group, which comprises Institutional Client Services and Investment Banking, revenues for 2017 were a record \$1.1 billion with record profitability.

Market conditions were favorable for our Wealth Management and Investment Banking businesses (which I will discuss in detail later); however, several factors, both secular and cyclical, negatively impacted our trading revenues. Institutional trading for debt and equity recorded revenue of \$414 million, down 23%. Equity brokerage revenues totaled \$200 million, a decline of 14%, while fixed income brokerage revenues were \$215 million, down 29%. The factors impacting these results included:

- Increased asset flows to passive strategies and away from active strategies;
- Increased use of electronic execution platforms vs. high-touch trading platforms;
- Increased regulations, primarily MIFID II;
- Historically low volatility levels;
- A flattening yield curve; and
- Lower overall trading volumes.

These market conditions not only impacted institutional brokers but also weighed on our institutional clients (asset managers), resulting in further declines in trading revenues across the brokerage industry and for Stifel in 2017. Although the operating environment remains challenging entering 2018, we will continue to adapt our business model, as we have in the past, in order to provide highly valued research and trading strategies to our clients while maintaining our expense discipline.

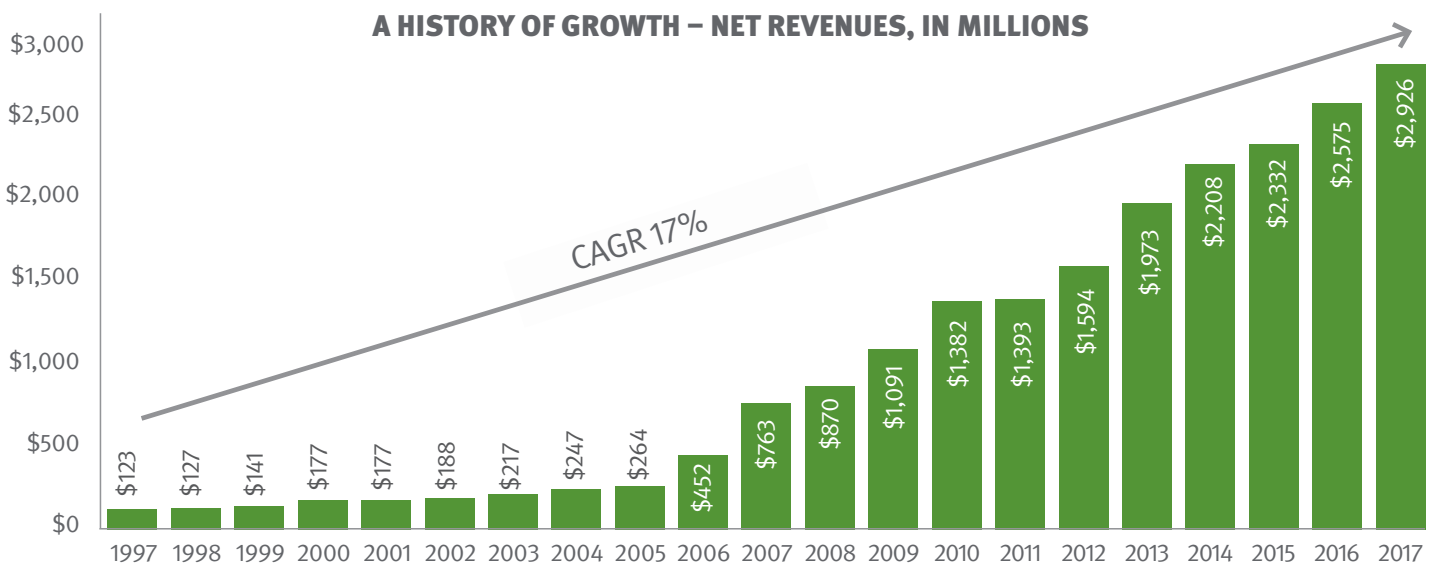
Additionally, we continue to invest in research. Our Stifel and Keefe, Bruyette & Woods (KBW) franchises combine to make us the largest provider of U.S. research. Together, we achieved the No. 1 ranking in the Thomson Reuters Analyst Awards for the second straight year. This marks our fourth No. 1 ranking since 2010 and eleventh consecutive top 10 finish. In addition, Stifel and KBW each won one award in the Thomson Reuters Analyst Awards in the United Kingdom/Ireland, and KBW won one award in Canada.

Although Institutional brokerage revenues have been pressured, our investments in Investment Banking and the integration of it with our brokerage business have more than offset those declines. Investment Banking revenues increased to a record \$727 million in 2017, an increase of 42% from 2016. Banking revenues were equally divided between capital-raising and advisory revenue. Capital-raising revenues increased 43% to \$366 million in 2017. Advisory revenue was \$361 million, up 41% from 2016.

On the advisory front, we completed 105 M&A strategic advisory assignments, including Dassault Systems' \$402 million acquisition of Exa, Pinnacle Financial Partners' \$1.9 billion acquisition of BNC Bancorp, and Hennessy Capital's \$702 million merger with Daseke. Stifel and our Miller Buckfire affiliate also assisted Caesars Entertainment Operating Company in its successful emergence from bankruptcy through a unique spin-off of the company's assets into a newly formed REIT, VICI, a subsequent acquisition for VICI, and VICI's \$1.4 billion IPO in January 2018.

I would be remiss if I did not highlight the outstanding year for KBW, which posted its strongest annual results since we acquired it in 2013, as a focus on deregulation in Washington benefitted financial companies and helped to drive a surge in bank mergers. In 2017, KBW advised on 10 of the 12 largest, and 25 of the top 50, bank mergers. KBW's specialized focus on the financial sector and long-standing client relationships resulted in a surge in advisory assignments that was a key factor to our record advisory revenue in 2017.

With respect to equity capital raising, we managed or co-managed 277 offerings, of which 148 were book-run deals. Our strength across key sectors, including financial institutions, healthcare, and technology, continued with book-managed transactions for a number of clients, including Bluegreen Vacations, Hurricane Energy, Luther Burbank, and Zogenix.



In the United Kingdom, Stifel leads the market in fund-raising in investment funds, oil & gas, and real estate. Our ability to offer both debt and equity advice tailored to the specific needs of our clients is a key differentiator. Stifel represented Hurricane Energy in a \$530 million book-run equity and convertible note offering, which was the largest oil & gas raise on AIM ever and the largest raise for a pre-production oil & gas company in London in the last five years.

Stifel's debt capital raising is anchored by our Public Finance business, which is driven by both geographic and sector diversification. For the fourth consecutive year, Stifel led the nation in the number of municipal negotiated issues, serving as sole or senior manager for 781 transactions with a total par value of approximately \$18 billion. In addition, Stifel ranked No. 1 nationally in underwriting bonds for primary education (K-12) with 391 issues totaling more than \$8 billion, issues supporting economic development and redevelopment with 114 issues raising \$3.7 billion, and issues to finance the construction or renovation of multi-family housing projects with 68 issues raising over \$1 billion across the country.

Our Institutional businesses have been recognized for excellence as well. For the third time in five years, Stifel was named Mid-Market Equity House of the Year by Thomson Reuters' International Financing Review.

As planned, 2017 represented a year of growth in company assets, primarily interest-earning assets in Stifel Bank. We grew our assets by 12%, ending the year with over \$21 billion. In addition, we ended the year with a Tier 1 leverage ratio of 9.5% and risk-based capital ratio of 19.0%. Looking forward, our future organic asset growth will be funded primarily by retained earnings.

As we contemplate the year ahead, we believe the U.S. and global growth outlook is strong. In early 2018, the International Monetary Fund (IMF) increased its forecast for global growth by 0.2 percentage points to 3.9% for both 2018 and 2019, compared with growth of 3.7% in 2017, citing broad-based growth in the U.S., Europe, and Asia. In April, the IMF followed that announcement with a further 0.2 percentage point increase in its U.S. growth estimate to 2.9% in 2018 and 2.7% in 2019, driven by a more positive capital spending outlook associated with the \$1.5 trillion Tax Legislation. We also believe deregulation has had a positive impact on business sentiment, further supporting investment, hiring, and growth.

The stock market historically anticipates the future, and equity prices began to sharply increase in the third quarter of 2017 in advance of economic growth and U.S. tax legislation. By the end of January 2018, investors had begun to assess the positive impact of these changes on employment, consumption, and inflation, growing wary of the potential for higher interest rates in a market for which the price-to-earnings measure of valuation was already elevated. After peaking in late January 2018, stock market indices weakened in the first quarter. Looking out for the balance of 2018, we anticipate measured Federal Reserve interest rate increases, strong corporate earnings, and only moderate inflation, which collectively should support stock prices over the course of the year.

As I mentioned earlier, these last two decades of growth have brought many changes to our firm. But amid these changes, our core values have remained the same, and they always will. Safeguarding the money of others as if it were our own. Providing an entrepreneurial, client-focused culture and enduring client focus. Seizing opportunities as they present themselves. These principles form the foundation on which we've made Stifel one of the nation's leading full-service wealth management and investment banking firms, and they will help drive our long-term strategy in the years to come.

As always, we sincerely thank our shareholders and clients for their support, as well as our more than 7,100 associates for their commitment to excellence.



RONALD J. KRUSZEWSKI

Chairman of the Board and Chief Executive Officer



VICTOR J. NESI
Co-President and
Director,
Institutional Group

JAMES M. ZEMYLAK
Co-President and
Chief Financial Officer

In the accompanying Chairman's Letter, Ron reflects on the past 20 years of his leadership of Stifel. He also discusses his vision for Stifel's future, one driven by human advice and interaction, enhanced by technology. As Co-Presidents, we fully embrace this vision and are, through action and words, driving that vision throughout the Stifel organization.

Stifel is not a monolithic organization; we are a collection of talented, client-focused individuals. We are committed to fostering an environment that recognizes their importance and unique strengths. We have shown over the years the benefits of combining diversity and entrepreneurialism with a collaborative approach to achieve outstanding results for our clients and a rewarding workplace for our associates.

As Ron highlights, Stifel has expanded tremendously over the last 20 years, but no matter how far we have come, there is always more to do. Creating a culture and a workplace environment that is conducive to teamwork and cross-disciplinary cooperation is a constantly evolving opportunity. Whether through increased gender diversity encouraged by our recently launched firm-wide Women's Initiative Network, or our investments in new relationship management technology, the ultimate goal is the same – providing our professionals with the best opportunity to advance and achieve their own goals and those of our clients. In turn, that success will accrue to benefit the entire organization, and you, our shareholders.

WEALTH MANAGEMENT

PRIVATE CLIENT GROUP

An industry leader with a client-first, advisor-centric culture

Stifel has grown to become one of the nation's largest wealth management firms, ranking No. 7 in terms of number of financial advisors.

At the heart of our success is a culture built on respect. Respect for our clients and the financial advisors who serve them. To that end, we foster an entrepreneurial environment for our advisors, empowering them to do what's best for their clients. We also provide our advisors with the tools and support to deliver outstanding service and address even the most complex client needs.

Our client-first approach continues to pay off, as evidenced by our No. 3 ranking in the 2018 J.D. Power Full Service Investor Satisfaction Study.

J.D. Power ranked Stifel

3rd

in its 2018 U.S.

Full Service Investor
Satisfaction Study

122

FINANCIAL ADVISORS
JOINED STIFEL

355

PRIVATE CLIENT GROUP
BRANCHES

**\$273
BILLION**

IN ASSETS UNDER
MANAGEMENT

ASSET MANAGEMENT

Providing investment management and services to individuals and institutions and over a breadth of asset classes

Stifel Asset Management Affiliates

Ziegler
CAPITAL MANAGEMENT, LLC

WASHINGTON
CROSSING
ADVISORS

19/19 INVESTMENT
COUNSEL

EQUITYCOMPASS
STRATEGIES



STIFEL BANK

Delivering a full range of lending services, including mortgages and securities-based lending

\$15 billion in assets

STIFEL TRUST

Offering trust and fiduciary services to clients

\$4.3 billion in assets under administration

7th
LARGEST
 FULL-SERVICE
 INVESTMENT FIRM
 IN THE NATION IN
 NUMBER OF
 FINANCIAL
 ADVISORS

| RANK | FIRM | ADVISORS |
|----------|----------------------------------|--------------|
| 1 | Bank of America Merrill Lynch | 17,221 |
| 2 | Morgan Stanley Wealth Management | 15,759 |
| 3 | Wells Fargo Advisors | 14,564 |
| 4 | Raymond James | 7,346 |
| 5 | UBS | 6,861 |
| 6 | JPMorgan | 2,581 |
| 7 | Stifel | 2,252 |
| 8 | RBC Capital Markets | 2,028 |
| 9 | Oppenheimer & Co. | 1,117 |

Source: SIFMA and publicly available information for U.S. brokerage networks as of 9/30/17. Includes full-service firms only.

INVESTMENT BANKING

Stifel is the industry's preeminent middle-market investment bank. In addition to advising on mergers and acquisitions and raising public and private debt and equity, we have a dedicated financial sponsors and venture capital effort, maintaining regular dialogue and transaction flow with private equity firms focused on Stifel's core industry groups.

We provide strategic advisory services to clients in the United States through Stifel, Nicolaus & Company, Incorporated; Keefe, Bruyette & Woods, Inc.; Miller Buckfire & Co., LLC; and Eaton Partners, LLC, and in the United Kingdom and Europe through Stifel Nicolaus Europe Limited.

The combination of a full-service product offering and more than 400 bankers' deep domain and product expertise empower us to provide solutions for our clients' evolving needs.

For the *third* time in *five* years
**Stifel was named
Mid-Market Equity
House of the Year**



by Thomson Reuters'
International Financing Review

SINCE 2010, IN THE MIDDLE MARKET, STIFEL INVESTMENT BANKING IS ...

No. 1

IN TOTAL NUMBER
OF MANAGED
EQUITY DEALS
UNDER \$1 BILLION
IN MARKET CAP¹

No. 2

IN TOTAL NUMBER
OF BOOKRUN
EQUITY DEALS
UNDER \$1 BILLION
IN MARKET CAP¹

No. 1

IN TOTAL NUMBER
OF PREFERRED & BABY
BONDS UNDER
\$200 MILLION²

No. 1

IN TOTAL NUMBER OF
M&A DEALS UNDER
\$1 BILLION³

Our Capabilities Include:

- M&A/Strategic Advisory Services
- Debt and Equity Financings
- Shareholder Activism Defense
- 144As
- Leveraged Finance
- Restructuring

Deep Domain Expertise:

- Consumer & Retail
- Diversified Services
- Industrials & Natural Resources
- Financial Institutions
- Gaming, Lodging & Leisure
- Healthcare
- Real Estate
- Technology

Source: Dealogic

¹ Rank-eligible SEC-registered IPOs and follow-on offerings

² Excludes closed-end funds and trust preferreds

³ M&A Analytics

NOTABLE TRANSACTIONS

\$530,000,000



Hurricane
Equity & Convertible
Note Offering
Joint Bookrunning
Manager
June 2017

\$778,400,000



Has Been Acquired by



Advisor to Seller
September 2017

\$1,325,000,000



Has Acquired
TRONOX
Alkali Business

Advisor to Buyer
September 2017

\$288,937,500



Follow-on Offering
Joint Bookrunning
Manager
October 2017

\$18,400,000,000



Chapter 11
Restructuring
Advisor to the
Ad Hoc First Lien
Noteholders of CEOC
October 2017

\$105,000,000



Initial Public Offering
Left Bookrunning
Manager
November 2017

KEEFE, BRUYETTE & WOODS (KBW)

The premier advisor on financial services industry transactions

No. 1

**INSTITUTIONAL
INVESTOR:
BEST SALESFORCE
FINANCIALS CATEGORY¹**

No. 1

**M&A ADVISOR:
MOST COMPLETED
M&A TRANSACTIONS
SINCE 2000²**

No. 1

**CAPITAL
MARKETS TEAM:
MOST IPOs AND FOLLOW-ON
OFFERINGS SINCE 2000³**

No. 1

**SALES FORCE:
LARGEST FINANCIAL
SERVICES SPECIALIST
SALES FORCE**

MILLER BUCKFIRE

A leader in restructuring and recapitalization



**THE M&A ADVISOR
\$250 MILLION+
DEALS OF THE YEAR**

- **MATERIALS** – Molycorp
- **RESTRUCTURING** – Aéropostale
- **INDUSTRIALS** – Ultrapetrol



**TURNAROUND
ATLAS AWARDS
OF THE YEAR**

- **TURNAROUND** – City of Detroit
- **PRIVATE EQUITY TURNAROUND** – Molycorp

EATON PARTNERS

One of the world's largest fund placement and advisory firms

- **PLACED OR ARRANGED MORE THAN \$75 BILLION** OF COMMITMENTS SINCE 2004
- **RECEIVED 1,100** COMMITMENTS FOR **80** ALTERNATIVE INVESTMENT FUNDS SINCE 2004

- **NAMED** **PLACEMENT AGENT OF THE YEAR** IN NORTH AMERICA AND ASIA BY PRIVATE EQUITY INTERNATIONAL
- **50% OF CLIENTS** COME BACK TO RAISE SUBSEQUENT FUNDS WITH EATON

¹Source: Institutional Investor Buy-Side Survey

²Source: SNL Financial. Data includes Banking, Insurance, Securities & Investments, and Specialty Finance sectors; excludes government-assisted transactions.

³Source: Dealogic. Based on SEC-registered underwritten IPOs and follow-on offerings since 2000 for financial services companies in the U.S., Puerto Rico, Bermuda, and Cayman Islands.

INSTITUTIONAL SERVICES

EQUITY RESEARCH

Solid, studied investment advice has been a hallmark of Stifel's approach since our founding in 1890.

Through continuous investment in our research platform, we now rank as the industry's largest provider of U.S. equity research and maintain leading positions among our peers in a number of categories. And while our coverage growth has been nothing short of extraordinary, it's the quality of our research that sets us apart from our peers.

Our talented analysts, many of whom have hands-on experience in the industries they cover, are committed to delivering new investment ideas and better results for our advisors and their clients.



**101 analysts
across 12 sectors**

**Top 10 provider of
U.S. equity coverage in:**

- Consumer & Retail
- Diversified Industrials
- Financial Services
- Real Estate
- Technology
- Transportation



- **1,558 global stocks under coverage**
- **Third largest provider of global small-cap coverage**
- **Largest global provider of financials**
- **14th largest provider of global coverage**



**STIFEL'S
CONSISTENT
PERFORMANCE
HAS PRODUCED**

**ELEVEN
CONSECUTIVE
TOP TEN
FINISHES**

**IN THE
THOMSON REUTERS
ANALYST AWARDS, WITH**

**No. 1
RANKINGS IN
2012, 2016, AND 2017**





**8.4
BILLION**

SHARES TRADED
IN 2017

**\$500
BILLION**

FIXED INCOME VOLUME
IN 2017

**WORLDWIDE
PRESENCE**

LONDON, GENEVA,
ZURICH, AND MADRID

INSTITUTIONAL SALES AND TRADING

FIXED INCOME

NEARLY **200** FIXED
INCOME INSTITUTIONAL
SALES PROFESSIONALS
COVERING MORE THAN
8,500
ACCOUNTS

85 TRADERS
WITH ANNUAL CLIENT
TRADE VOLUME OF
\$500 BILLION

- 45-person Fixed Income Research and Strategy Group
- 40+ institutional Fixed Income offices worldwide

EQUITIES

**2ND
LARGEST**
EQUITY TRADING
PLATFORM
IN THE U.S. OUTSIDE OF
THE BULGE BRACKET

ACTIVE DAILY MARKET
MAKER IN MORE THAN
3,700
STOCKS

- Relationships with more than 3,500 institutional accounts globally
- Major liquidity provider to the largest equity money management complexes worldwide
- Dedicated convertible sales, trading, and research desk

PUBLIC FINANCE

TOP-RANKED PUBLIC FINANCE PLATFORM

- No. 1 ranked senior manager of negotiated municipal bond issues
- Funding capital projects and supporting governmental and not-for-profit clients

BROAD GEOGRAPHIC AND SECTOR COVERAGE

- 162 bankers located in 30 offices in 22 states
- Broad diversity of experiences and depth of resources to best serve our clients
- Dedicated quantitative resources and sector groups

| | | |
|------------------------------|---------------------------------------|---------------------------------|
| Negotiated New Issues | 1st Ranked by number of issues | 7th Ranked by par amount |
| K-12 Bonds | 1st Ranked by number of issues | 1st Ranked by par amount |
| Tax Increment Bonds | 1st Ranked by number of issues | 1st Ranked by par amount |
| Development District Bonds | 1st Ranked by number of issues | 1st Ranked by par amount |
| Multi-Family Housing | 1st Ranked by number of issues | 2nd Ranked by par amount |
| Taxable New Issues | 1st Ranked by number of issues | 8th Ranked by par amount |

| RANK | FIRM | # OF ISSUES | PAR AMOUNT (MILLIONS) | MARKET SHARE |
|------|---------------------|-------------|-----------------------|--------------|
| 1 | Stifel | 781 | \$18,068.8 | 11.9% |
| 2 | RBC | 526 | 24,298.0 | 8.0 |
| 3 | Raymond James | 407 | 11,886.6 | 6.2 |
| 4 | Piper Jaffray & Co. | 397 | 12,653.3 | 6.0 |
| 5 | D.A. Davidson | 352 | 4,575.6 | 5.4 |
| 6 | Citi | 350 | 35,767.2 | 5.3 |
| 7 | BofA Merrill Lynch | 322 | 41,520.2 | 4.9 |
| 8 | Robert W. Baird | 275 | 3,023.8 | 4.2 |
| 9 | JPMorgan | 246 | 28,632.6 | 3.7 |
| 10 | Morgan Stanley | 205 | 21,209.1 | 3.1 |

Source: Thomson Reuters SDC (True Economics to Book) senior managed negotiated transactions ranked by number of transactions.

2017
THE FABRIC OF SOCIETY
 Fifty High School Seniors From Around the Country Reflect on School, Work, and Their Communities

STIFEL
 Investment Services Since 1890

STIFEL'S NATIONAL SCHOLARSHIP COMPETITION AWARDS
\$2,000 TO 50 HIGH SCHOOL SENIORS WHO COMPOSE ESSAYS REFLECTING ON THEIR CHALLENGES AND ACCOMPLISHMENTS.

STIFEL EUROPE

STIFEL EUROPE HAS RAISED \$12 BILLION FOR CLIENTS ACROSS 150 TRANSACTIONS SINCE 2014

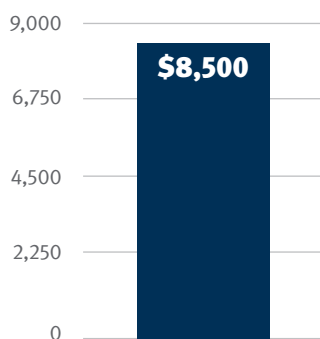
- Stifel has built a full-service investment bank in Europe, focusing on the mid-market and based in London
- Our operations are organized along sector lines and offer debt and equity advice to both companies and institutional clients
- The success of this strategy can be seen from Stifel Europe's more than **79 transactions** in our core sectors of investment funds, oil & gas, and real estate, which have raised **\$10.5 billion** for our clients since 2014



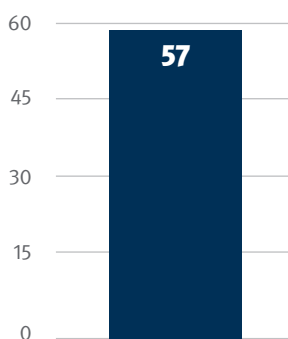
INVESTMENT FUNDS/REAL ESTATE

FUNDS RAISED

(In millions)



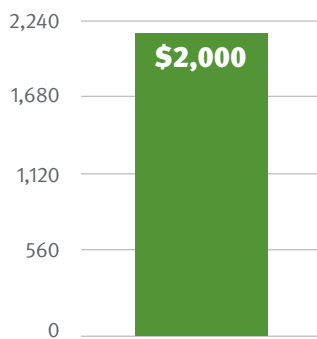
NUMBER OF SECONDARY ISSUES



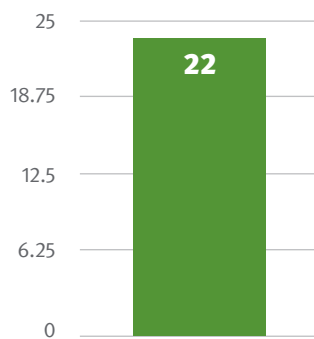
OIL & GAS

FUNDS RAISED

(In millions)



NUMBER OF SECONDARY ISSUES



Figures represent since 2014

BOARD OF DIRECTORS



Ronald J. Kruszewski
Chairman of the Board
and Chief Executive Officer



Thomas W. Weisel
Co-Chairman of the Board



Kathleen Brown
Partner
Manatt, Phelps & Phillips, LLP



Michael W. Brown
Former Vice President and
Chief Financial Officer
Microsoft Corporation



John P. Dubinsky
President and Chief Executive Officer
Westmoreland Associates, LLC



Robert E. Grady
Partner
Gryphon Investors



Frederick O. Hanser
Board of Managers
Retired Vice Chairman
St. Louis Cardinals, LLC



Maura Markus
Former President and
Chief Operating Officer
Bank of the West



James M. Oates
Chairman
Hudson Castle Group, Inc.



David A. Peacock
President and Chief Operating Officer
Schnuck Markets, Inc.



Kelvin R. Westbrook
President and Chief Executive Officer
KRW Advisors, LLC



Michael J. Zimmerman
Vice Chairman
Continental Grain Company

SHAREHOLDER INFORMATION

ANNUAL MEETING

The 2018 annual meeting of shareholders will be held at Stifel's headquarters, One Financial Plaza, 501 North Broadway, 2nd Floor, St. Louis, Missouri, on Wednesday, June 6, 2018, at 9:30 a.m.

TRANSFER AGENT

The transfer agent and registrar for Stifel Financial Corp. is Computershare Trust Company, N.A., Canton, Massachusetts.

STOCK LISTINGS

The common stock of Stifel Financial Corp. is traded on the New York Stock Exchange and Chicago Stock Exchange under the symbol "SF." The high/low sales prices for Stifel Financial Corp. common stock for each full quarterly period for the calendar years are as follows:

| | SALES PRICE | | | | CASH DIVIDENDS |
|----------------|-------------|----------|----------|----------|----------------|
| | 2016 | | 2017 | | 2017 |
| | High | Low | High | Low | |
| First Quarter | \$ 41.67 | \$ 25.00 | \$ 56.62 | \$ 46.14 | \$ — |
| Second Quarter | 38.52 | 27.33 | 51.07 | 41.93 | — |
| Third Quarter | 39.96 | 28.49 | 54.07 | 44.44 | 0.10 |
| Fourth Quarter | 52.88 | 36.71 | 61.47 | 50.94 | 0.10 |

RECONCILIATION OF GAAP NET INCOME TO NON-GAAP NET INCOME

A reconciliation of GAAP Net Income to Non-GAAP Net Income and GAAP Net Income Per Diluted Common Share, the most directly comparable measure under GAAP, to Non-GAAP Earnings Per Diluted Common Share is included in the table below.

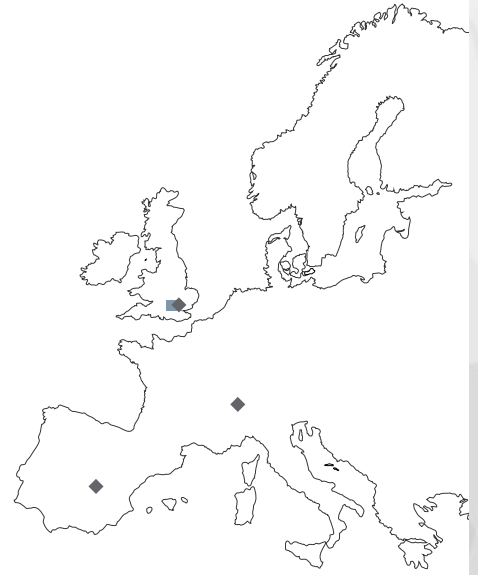
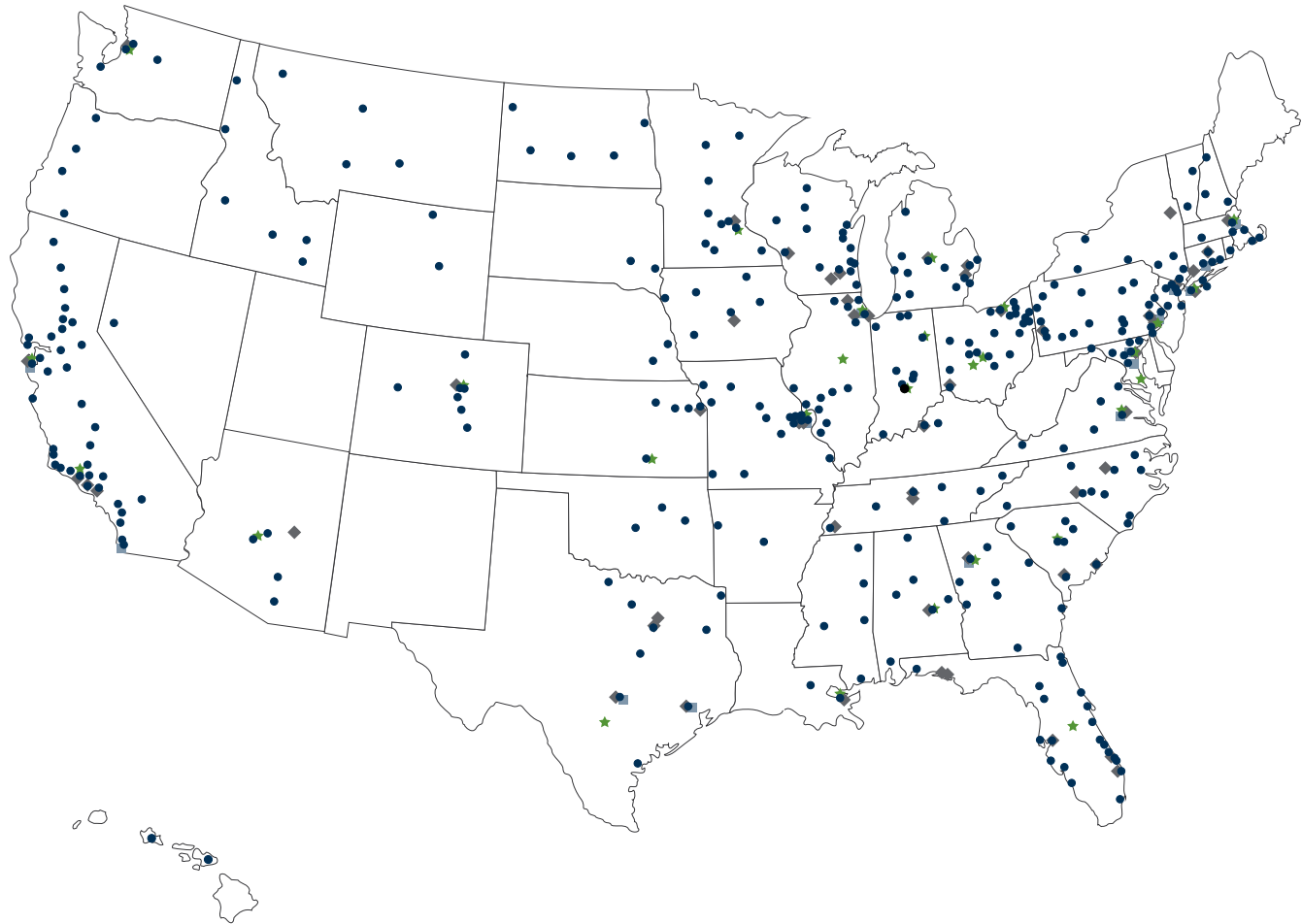
| | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|-----------|-----------|-----------|-----------|-----------|
| GAAP net income | \$172,907 | \$179,130 | \$92,336 | \$81,520 | \$182,871 |
| Preferred dividends | — | — | — | 3,906 | 9,375 |
| GAAP net income available to common shareholders | 172,907 | 179,130 | 92,336 | 77,614 | 173,496 |
| Tax reform, net of tax | — | — | — | — | 85,426 |
| Litigation charges, net of tax | — | — | — | — | 22,667 |
| Acquisition revenues, net of tax | 3,095 | 3,513 | 2,367 | 2,681 | 1,251 |
| Acquisition charges, net of tax | | | | | |
| Compensation | 44,193 | 16,111 | 38,356 | 63,718 | 14,879 |
| Other non-compensation | 12,149 | 6,825 | 16,193 | 41,692 | 14,930 |
| Severance, net of tax | — | — | — | — | 6,887 |
| U.S. tax benefit ¹ | (60,153) | — | — | — | 3,847 |
| Non-GAAP net income | \$172,191 | \$205,579 | \$149,252 | \$185,705 | \$323,383 |
| GAAP earnings per diluted common share | \$2.35 | \$2.35 | \$1.18 | \$1.00 | \$2.14 |
| Adjustments | (0.01) | 0.34 | 0.72 | 1.39 | 1.85 |
| Non-GAAP earnings per diluted common share | \$2.34 | \$2.69 | \$1.90 | \$2.39 | \$3.99 |

(in thousands, except per share amounts)

¹ U.S. tax benefit in connection with discontinuing the operations of Stifel Nicolaus Canada, Inc. in 2013 and the favorable impact of the adoption of new accounting guidance associated with stock-based compensation and the revaluation of the Company's deferred tax assets as a result of the enacted Tax Legislation in 2017.

STIFEL LOCATIONS

- ★ Public Finance
- Private Client Group
- Investment Banking
- ◆ Institutional Equity & Fixed Income





STIFEL

Stifel Financial Corp. | www.stifel.com
One Financial Plaza | 501 North Broadway | St. Louis, Missouri 63102