

The background of the slide features a large, detailed bronze statue of two bears in a physical struggle, known as the 'FORCES' statue by Harry Weber. The statue is set against a backdrop of a cloudy sky. The word 'STIFEL' is overlaid on the upper left portion of the image in a dark blue, serif typeface.

STIFEL

3rd Quarter 2017 Financial Results Presentation October 30, 2017

Stifel's "**FORCES**" statue by Harry Weber

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 certain non-GAAP calculations as additional measures to aid in understanding and analyzing the Company’s financial results for the three months ended September 30, 2017. 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 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 current financial performance. The non-GAAP financial information should be considered in addition to, not as a substitute for or as being superior to, operating income, cash flows, or other measures of financial performance prepared in accordance with GAAP. These non-GAAP measures primarily exclude expenses which management believes are, in some instances, non-recurring and not representative of ongoing business. Management has not included costs which they believe are duplicative in the analysis below.

A limitation of utilizing these non-GAAP measures is that the GAAP accounting effects of these charges do, in fact, reflect the underlying financial results of the Company’s business and these effects should not be ignored in evaluating and analyzing its financial results. Therefore, the Company believes that GAAP measures and the same respective non-GAAP measures of the Company’s financial performance should be considered together.

3rd Quarter Highlights & Results

- Record Net Revenue for Global Wealth Management Segment of \$454 million.
- Record Pre-Tax Operating Income for Global Wealth Management of \$162 million
- Payment of Regular Quarterly Dividend of \$0.10 per common share
- Issuance of \$225 million of Senior Notes (settled in October 2017)
- Assets of \$20.48 billion
- Bank NIM of 2.80% up 3 bps from Prior Quarter
- Consolidated NIM 240 bps up 11 bps from Prior Quarter
- Acquisition of Ziegler Wealth Management

Financial Highlights (000s, except per share data)	Three Months Ended					Three Months Ended				
	Non-GAAP					U.S. GAAP				
	3Q17	3Q16	% Change	2Q17	% Change	3Q17	3Q16	% Change	2Q17	% Change
Net revenues	\$721,169	\$645,767	12%	\$725,647	-1%	\$721,169	\$641,986	12%	\$725,647	-1%
Compensation ratio	61.1%	62.5%	-140 bps	61.4%	-30 bps	62.2%	67.6%	-540 bps	62.5%	-30 bps
Non-compensation ratio	22.1%	23.5%	-130 bps	22.3%	-10 bps	22.8%	28.0%	-520 bps	26.0%	-320 bps
Pre-tax operating margin	16.8%	14.0%	280 bps	16.3%	50 bps	15.0%	4.4%	1,060 bps	11.5%	350 bps
Net income	\$73,979	\$54,719	35%	\$73,991	0%	\$66,536	\$17,814	274%	\$52,811	26%
Preferred dividend	\$2,343	\$1,563	50%	\$2,344	0%	\$2,343	\$1,563	50%	\$2,344	0%
Net income available to common shareholders	\$71,606	\$53,156	35%	\$71,647	0%	\$64,193	\$16,251	295%	\$50,467	27%
Earnings per diluted share available to common shareholders	\$0.89	\$0.69	29%	\$0.90	-1%	\$0.79	\$0.21	276%	\$0.63	25%

Net Revenue Summary

Net Revenue: (000s)	Three Months Ended				
	3Q17	3Q16	% Change	2Q17	% Change
Brokerage:					
Commissions	\$162,612	\$171,272	-5.1%	\$172,264	-5.6%
Principal transactions	87,010	117,002	-25.6%	95,703	-9.1%
Total Brokerage	249,622	288,274	-13.4%	267,967	-6.8%
Investment banking:					
Capital raising	79,922	58,477	36.7%	102,800	-22.3%
Advisory fees	101,982	86,322	18.1%	82,461	23.7%
Total investment banking	181,904	144,799	25.6%	185,261	-1.8%
Asset management & service fees	179,848	144,206	24.7%	172,914	4.0%
Net interest	100,237	55,498	80.6%	92,307	8.6%
Other income	9,558	9,209	3.8%	7,198	32.8%
Net revenue	\$721,169	\$641,986	12.3%	\$725,647	-0.6%

Investment Banking, Brokerage, & Asset Management & Service Fees

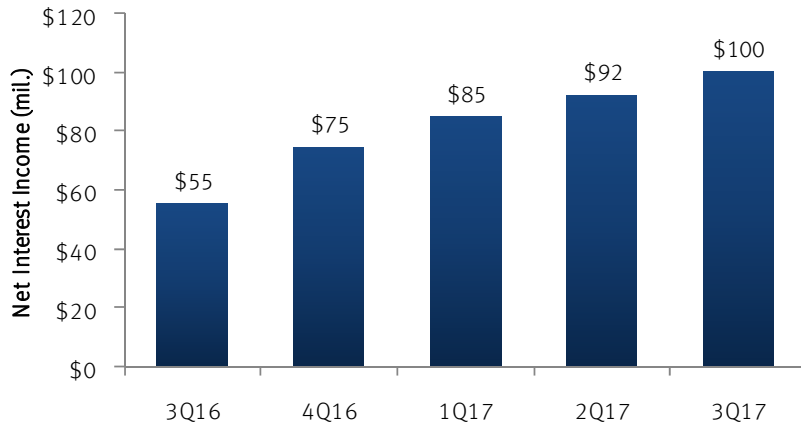
Investment banking: (000s)	Three Months Ended				
	3Q17	3Q16	% Change	2Q17	% Change
Capital raising:					
Global Wealth Management revenue	\$9,072	\$12,212	-26%	\$10,641	-15%
Equity	43,277	20,782	108%	45,664	-5%
Fixed income	27,573	25,483	8%	46,495	-41%
Total capital raising	79,922	58,477	37%	102,800	-22%
Advisory fees	101,982	86,322	18%	82,461	24%
Total investment banking revenue	\$181,904	\$144,799	26%	\$185,261	-2%

Brokerage: (000s)	Three Months Ended				
	3Q17	3Q16	% Change	2Q17	% Change
Global Wealth Management brokerage revenue	\$158,334	\$165,475	-4%	\$168,085	-6%
Institutional brokerage:					
Equity	45,209	51,005	-11%	50,869	-11%
Fixed income	46,079	71,794	-36%	49,013	-6%
Total institutional brokerage	91,288	122,799	-26%	99,882	-9%
Total brokerage revenue	\$249,621	\$288,274	-13%	\$267,967	-7%

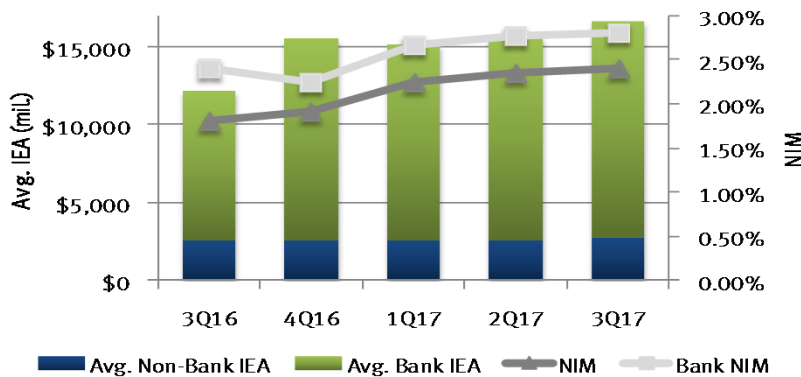
Asset management & service fees: (000s)	Three Months Ended				
	3Q17	3Q16	% Change	2Q17	% Change
Asset management & service fee revenue	\$179,830	\$144,206	25%	\$172,914	4%

Net Interest Income

Net Interest Income Growth



Net Interest Income Drivers



Average Yields on Balance Sheet

	3Q'17	3Q'16	% Change	2Q'17	% Change
Assets:					
Bank loans	3.27%	2.93%	34 bps	3.10%	17 bps
<i>Commercial</i>	3.96%	3.52%	44 bps	3.76%	20 bps
<i>Securities based</i>	3.09%	2.43%	66 bps	2.84%	25 bps
<i>Mortgage</i>	2.66%	2.76%	-10 bps	2.66%	0 bps
Margin loans	3.20%	2.41%	79 bps	2.91%	29 bps
Bank investments	2.75%	2.22%	53 bps	2.80%	-5 bps
Average Assets	2.82%	2.44%	38 bps	2.70%	12 bps
Liabilities:					
Deposits	0.15%	0.08%	7 bps	0.07%	8 bps
Senior notes	4.33%	6.13%	-180 bps	4.07%	26 bps
Short-term borrowings	2.12%	1.72%	40 bps	1.84%	28 bps
Average Liabilities	0.42%	0.63%	-21 bps	0.41%	1 bps
Net interest margin	2.40%	1.81%	59 bps	2.29%	11 bps

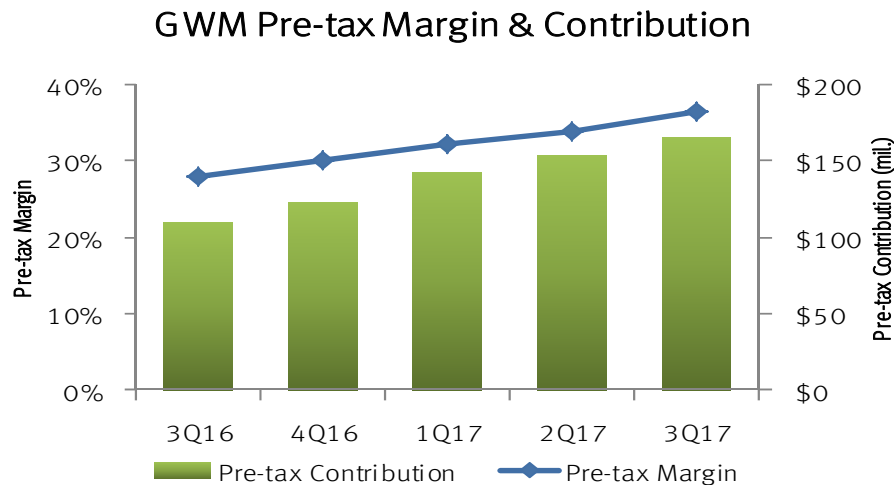
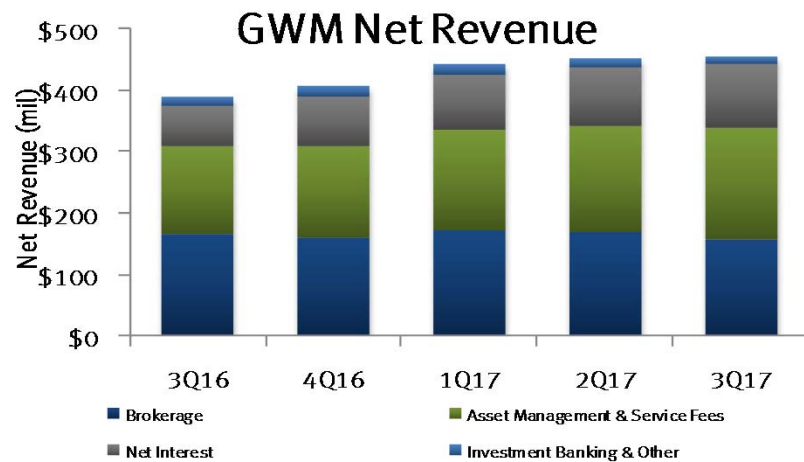
* Net interest margin in historical periods reflect impact of reverse repos



Segment Results

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Global Wealth Management



	3Q17	Y/Y Change	Sequential Change
Global Wealth Management Revenue			
Commissions	\$115	-2%	-4%
Principal Transactions	\$43	-10%	-10%
Brokerage	\$158	-4%	-6%
Asset Management & Service Fees	\$180	26%	4%
Net Interest	\$103	61%	8%
Investment Banking	\$9	-26%	-15%
Other	\$3	-33%	-25%
Total Global Wealth Management Net Revenue	\$454	16%	0%
Comp. Ratio	49.1%	-610 bps	-160 bps
Non-Comp. Ratio	15.2%	-170 bps	-20 bps
Pre-tax Margin	35.7%	780 bps	180 bps
Financial Advisors	2,252	-1%	-1%
Client AUA	\$265	13%	3%
Fee-based Client Assets	\$83	22%	5%

Stifel Bank & Trust

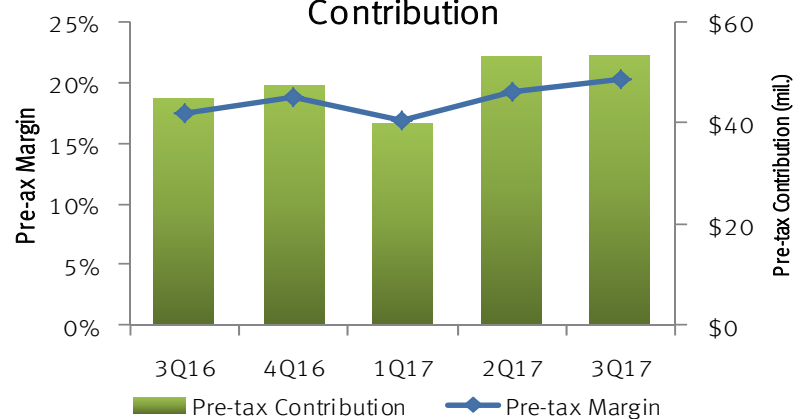
(mil. except for %'s)	3Q17	3Q16	% Change	2Q17	% Change
Assets:					
Investments	\$7,238	\$5,377	35%	\$6,753	7%
Mortgage Loans	2,518	1,804	40%	2,249	12%
Commercial Loans	2,380	1,558	53%	2,064	15%
Securities Based Loans	1,840	1,453	27%	1,756	5%
Total Loans, net	\$6,783	\$4,957	37%	\$6,160	10%
Loans Held for Sale	166	217	-24%	140	19%
Total Assets	\$14,539	\$11,019	32%	\$13,598	7%
Liabilities:					
Deposits	\$12,884	\$9,885	30%	\$12,050	7%
Credit Metrics					
Non-performing assets (\$s)	22	28	-21%	21	5%
Non-performing assets (%s)	0.15%	0.25%	-10 bps	0.15%	-1 bps
Allowance as a percentage of loans	0.92%	0.79%	13 bps	0.88%	4 bps
Net Interest Margin	2.80%	2.41%	39 bps	2.77%	3 bps

Institutional Group

Institutional Group Net Revenue



Institutional Group Pre-tax Margin & Contribution



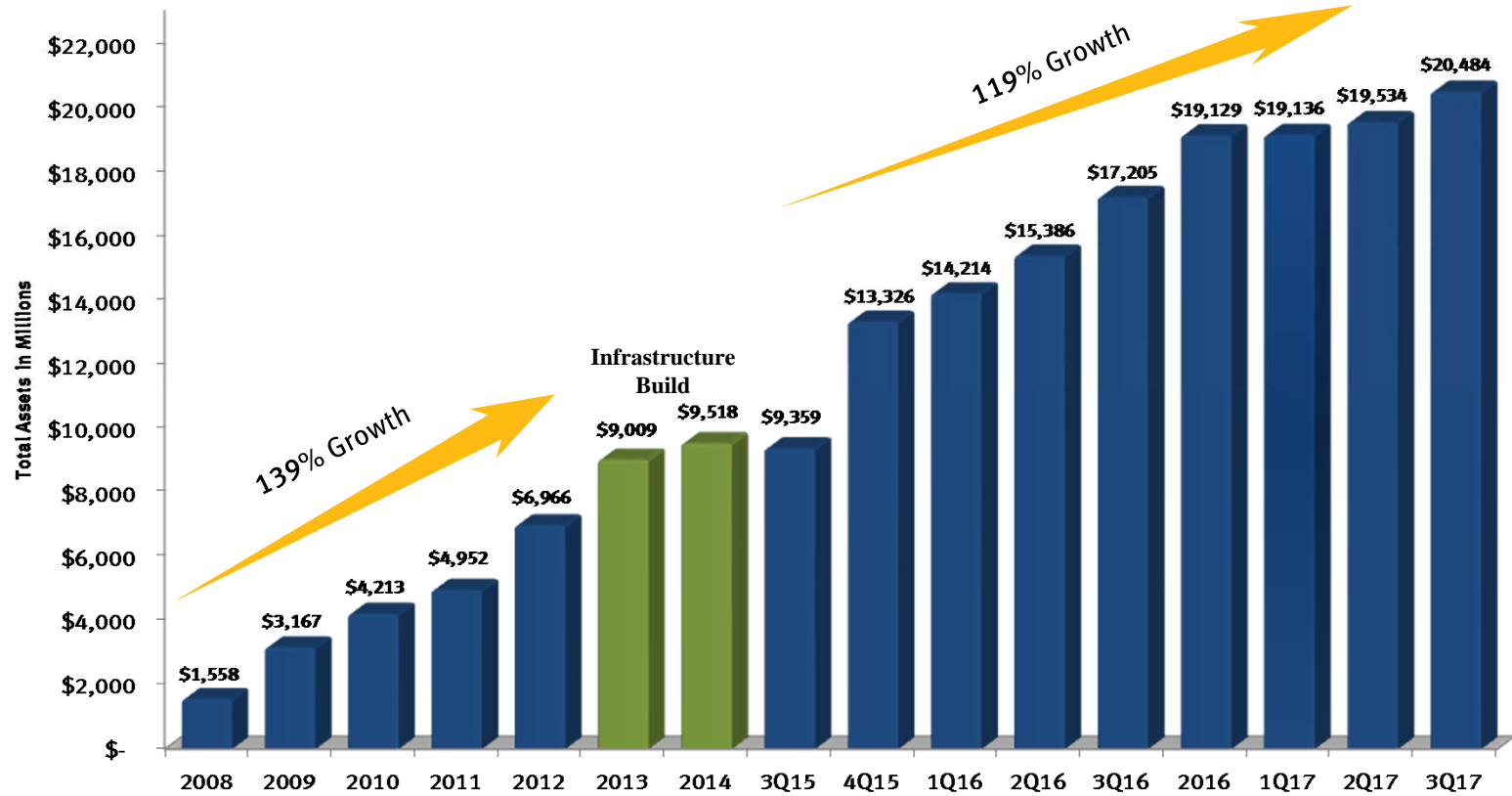
	3Q17	Y/Y Change	Sequential Change
<i>millions</i>			
Institutional Revenue			
Equity			
Advisory	\$95	13%	17%
Underwriting	\$43	108%	-5%
Brokerage	\$45	-11%	-11%
Total Equity Capital Markets Revenue	\$183	16%	3%
Fixed Income			
Advisory	\$7	228%	359%
Underwriting	\$28	8%	-41%
Brokerage	\$46	-36%	-6%
Total Fixed Income Capital Markets Revenue	\$82	-20%	-17%
Total Institutional Group Net Revenue	\$265	2%	-4%
Comp. Ratio	60.0%	-110 bps	40 bps
Non-Comp. Ratio	20.5%	-100 bps	-90 bps
Pre-tax Margin	19.5%	210 bps	30 bps

The background of the slide features a large, light-colored sculpture of a mammoth's head and tusks, set against a sky with soft, white clouds. The sculpture is positioned in the upper half of the frame, with its head facing right and its tusks extending downwards. A dark blue horizontal band with a fine grid pattern spans the middle of the slide, containing the title text.

Balance Sheet

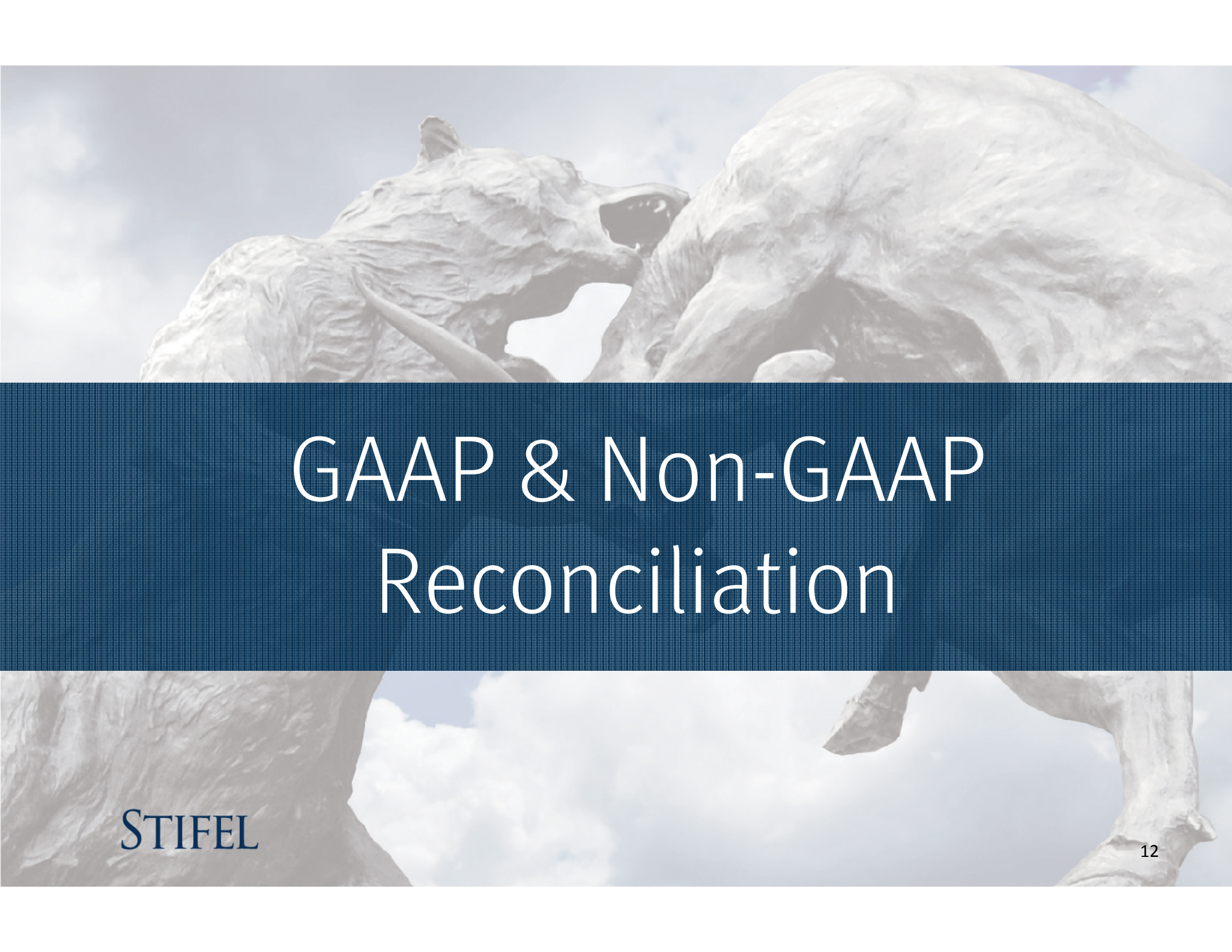
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Balance Sheet



Ratio	2008	2009	2010	2011	2012	2013	2014	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17
Tier 1 Leverage	32.3%	30.5%	25.6%	21.4%	17.7%	15.4%	16.5%	16.4%	16.6%	11.6%	11.5%	11.8%	10.2%	10.1%	10.3%	10.4%
Tier 1 Risk Based Capital	49.4%	40.5%	29.1%	27.4%	26.8%	26.7%	25.0%	29.4%	26.3%	21.3%	20.9%	22.0%	20.3%	20.8%	20.5%	20.5%
Risk Weighting Assets Density	64.9%	56.2%	67.3%	62.7%	57.0%	50.7%	58.2%	52.0%	46.6%	49.0%	49.1%	46.2%	46.5%	45.5%	47.2%	48.6%

* 3Q17 Capital ratios are estimated



GAAP & Non-GAAP Reconciliation

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GAAP to Non-GAAP Reconciliation

Three months ended September 30, 2017

GAAP Results (000s)	Three months ended 09/30/17
Total GAAP Compensation & benefits expense	\$448,410
GAAP comp. ratio	62.2%
Total GAAP non-compensation expense	\$164,620
GAAP non-comp. ratio	22.8%
GAAP pre-tax margin	15.0%

Adjusted Non-GAAP Results (000s)	Three months ended 09/30/17
Total Adjusted Non-GAAP Compensation & benefits expense	\$440,354
Adjusted Non-GAAP comp. ratio	61.1%
Total adjusted Non-GAAP non-compensation expense	\$159,895
Adjusted Non-GAAP non-comp. ratio	22.1%
Adjusted Non-GAAP pre-tax margin	16.8%

GAAP to Non-GAAP Reconciliation for Third Quarter 2017 (000s)	09/30/17
GAAP Net Income	\$66,536
Preferred Dividend	2,343
Net Income available to common Shareholders	\$64,193
Non-GAAP Adjustments	
Acquisition-Related	10,244
Severance	2,538
Provision for Income Taxes	(5,369)
Total Non-GAAP Adjustments	7,413
Non-GAAP Net Income Available to Common Shareholders	\$71,606


The background of the slide features a close-up, low-angle shot of two large mammoth skulls. The skulls are light-colored, possibly bleached or weathered, and are positioned against a bright, cloudy sky. The texture of the bone is clearly visible. A dark blue horizontal band with a fine grid pattern is superimposed over the middle of the image, containing the title text in white.

Regulatory, Interest Rate Sensitivity, & Progress Update

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Executing on Strategic Plans

<i>millions</i>	3Q17 Annualized	2015	Change
Income Statement			
Total net revenue	\$2,885	\$2,335	24%
Institutional net revenue	\$1,060	\$976	9%
Global Wealth Management net revenue	\$1,816	\$1,377	32%
Expense Ratios			
Total comp. ratio	61.1%	64.5%	-340 bps
Total non-comp. ratio	22.1%	25.5%	-340 bps
Pre-tax margin	16.8%	10.0%	680 bps
Institutional pre-tax margin	19.5%	14.5%	500 bps
Global Wealth Management pre-tax margin	35.7%	27.7%	800 bps
Non-GAAP EPS	\$3.56	\$1.90	87%
GAAP EPS	\$3.16	\$1.18	168%
Non-GAAP : GAAP EPS differential	\$0.40	\$0.72	-44%
Balance Sheet - Period End			
Total assets	\$20,484	\$13,326	54%
Bank assets	\$14,538	\$7,275	100%
Bank NIM	2.80%	2.48%	32 bps
ROCE - Non-GAAP	10.8%	6.2%	460 bps
ROCTE - Non-GAAP	17.8%	10.0%	780 bps

The background of the slide features a large, light-colored sculpture of a mammoth's head and tusks, set against a sky with soft clouds. The sculpture is positioned in the upper half of the frame, with its head facing right and its tusks extending downwards. A dark blue horizontal band with a fine grid pattern runs across the middle of the slide, containing the text 'Q&A'.

Q&A

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