

The background of the slide features a large, detailed sculpture of two bears in a physical struggle, known as the 'FORCES' statue by Harry Weber. The sculpture is rendered in a light, textured material, possibly stone or concrete, and 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 font.

# STIFEL

## 1<sup>st</sup> Quarter Financial Results Presentation April 30, 2018

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 March 31, 2018. 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.

# Highlights & First Quarter Results

- Non-GAAP Net Revenue of \$751 million, up 11% Y/Y.
- Record Asset Management Revenue of \$196 million, up 20% Y/Y.
- Record Net Interest Income of \$111 million, up 31% Y/Y.
- Advisory Revenue of \$98 million, up 85% Y/Y
- Equity Underwriting Revenue of \$53 million, up 47% Y/Y
- Non-GAAP Pre-tax Margin of 17.3%, up 240 bps Y/Y
- Non-GAAP EPS of \$1.15, up 55% Y/Y
- GAAP EPS of \$1.06, up 36% Y/Y
- Bank NIM of 2.89%, 23 bps Y/Y
- Record Client AUA of \$275 billion
- Record Fee-based Assets of \$89 billion

Financial Highlights <i>(000s, except per share data)</i>	Three Months Ended Non-GAAP					Three Months Ended U.S. GAAP		
	1Q18	1Q17	% Change	4Q17	% Change	1Q18	1Q17	4Q17
Net revenues	\$750,549	\$677,515	11%	\$804,085	-7%	\$750,358	\$675,531	\$804,085
Compensation ratio	60.5%	62.3%	-180 bps	60.0%	50 bps	61.0%	64.6%	77.1%
Non-compensation ratio	22.2%	22.8%	-60 bps	19.9%	230 bps	23.0%	23.7%	23.0%
Pre-tax operating margin	17.3%	14.9%	240 bps	20.1%	-280 bps	16.0%	11.7%	-0.1%
Effective Tax Rate	25.8%	38.6%	-1280 bps	23.9%	190 bps	25.8%	17.1%	-142.4%
Net income	\$96,147	\$61,806	56%	\$122,969	-22%	\$88,761	\$65,512	-\$1,988
Preferred dividend	\$2,344	\$2,344	0%	\$2,344	0%	\$2,344	\$2,344	\$2,344
Net income available to common shareholders	\$93,803	\$59,462	58%	\$120,625	-22%	\$86,417	\$63,168	-\$4,332
Earnings per diluted share available to common shareholders	\$1.15	\$0.74	55%	\$1.47	-22%	\$1.06	\$0.78	-\$0.06

# Brokerage Revenue & Asset Management & Service Fees

Brokerage Revenue (000s)	Three Months Ended				
	1Q18	1Q17	% Change	4Q17	% Change
Global Wealth Management brokerage revenue	\$162,734	\$171,494	-5%	\$163,421	0%
Institutional brokerage:					
Equity Capital Markets	48,085	53,820	-11%	49,628	-3%
Fixed Income Capital Markets	52,738	66,817	-21%	52,961	0%
Total Institutional brokerage	100,823	120,637	-16%	102,589	-2%
<b>Total Brokerage Revenue</b>	<b>\$263,557</b>	<b>\$292,131</b>	<b>-10%</b>	<b>\$266,010</b>	<b>-1%</b>

Asset Management & Service Fees: (000s)	Three Months Ended				
	1Q18	1Q17	% Change	4Q17	% Change
<b>Asset Management &amp; Service Fees</b>	<b>\$195,801</b>	<b>\$162,739</b>	<b>20%</b>	<b>\$186,563</b>	<b>5%</b>

(000s)	Three Months Ended				
	1Q18	1Q17	% Change	4Q17	% Change
<b>Global Wealth Management Revenue &amp; Fees*</b>	<b>\$358,535</b>	<b>\$334,233</b>	<b>7%</b>	<b>\$349,984</b>	<b>2%</b>

\* Sum of Global Wealth Management Brokerage Revenue and Asset Management & Service Fees

# Investment Banking Revenue

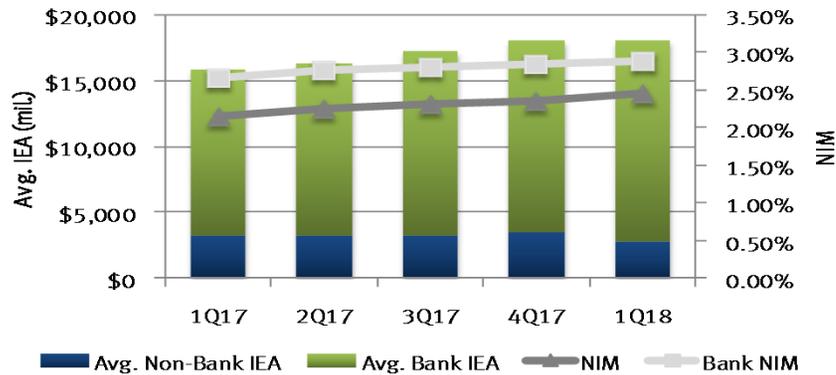
Investment banking: (000s)	Three Months Ended				
	1Q18	1Q17	% Change	4Q17	% Change
Capital raising:					
Global Wealth Management revenue	\$7,688	\$11,854	-35%	\$8,899	-14%
Equity Capital Markets	52,707	35,981	47%	57,800	-9%
Fixed Income Capital Markets	18,294	26,081	-30%	42,820	-57%
Total capital raising	78,689	73,916	6%	109,519	-28%
Advisory fees	97,673	52,936	85%	123,227	-21%
<b>Total investment banking revenue</b>	<b>\$176,362</b>	<b>\$126,852</b>	<b>39%</b>	<b>\$232,746</b>	<b>-24%</b>

# Net Interest Income

Net Interest Income Growth



Net Interest Income Drivers



Average Yields on Balance Sheet

	1Q18	1Q17	% Change	4Q17	% Change
<b>Assets:</b>					
Bank loans	3.50%	3.00%	50 bps	3.27%	23 bps
Commercial	4.30%	3.90%	40 bps	3.86%	44 bps
Securities based	3.41%	2.60%	81 bps	3.19%	22 bps
Mortgage	2.77%	2.59%	18 bps	2.73%	4 bps
Margin loans	3.43%	2.55%	88bps	3.26%	17 bps
Bank investments	2.91%	2.67%	24 bps	2.82%	9 bps
<b>Average Assets</b>	<b>3.00%</b>	<b>2.54%</b>	<b>46 bps</b>	<b>2.80%</b>	<b>20 bps</b>
<b>Liabilities:</b>					
Deposits	0.25%	0.06%	19 bps	0.13%	12 bps
Senior notes	4.38%	4.07%	13 bps	5.51%	-1.13 bps
Short-term borrowings	2.31%	1.75%	56 bps	2.14%	17 bps
<b>Average Liabilities</b>	<b>0.64%</b>	<b>0.44%</b>	<b>20 bps</b>	<b>0.50%</b>	<b>14 bps</b>
<b>Net interest margin</b>	<b>2.43%</b>	<b>2.14%</b>	<b>29 bps</b>	<b>2.36%</b>	<b>7 bps</b>

\*Yields for Average Assets & Liabilities include the impact of Financial Instruments Owned, Stock Loan, Stifel Capital Trusts, Cash and Other.

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

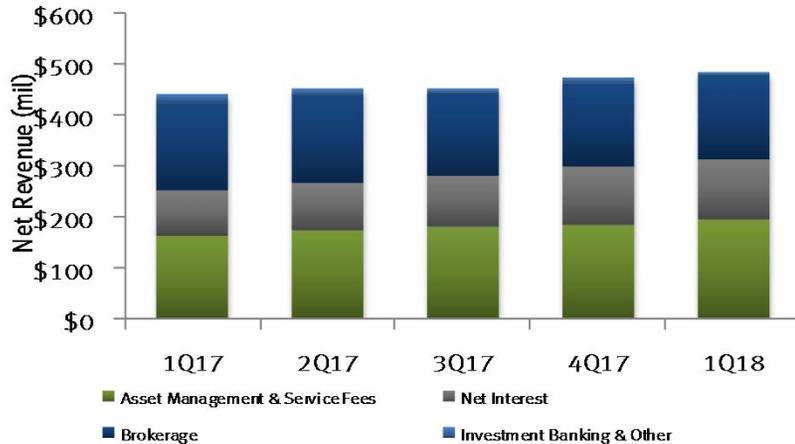


# Segment Results

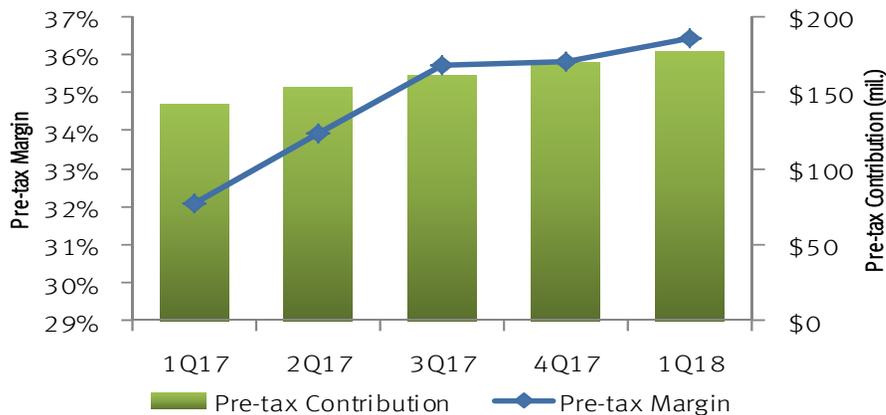
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# Global Wealth Management

GWM Net Revenue



GWM Pre-tax Margin & Contribution



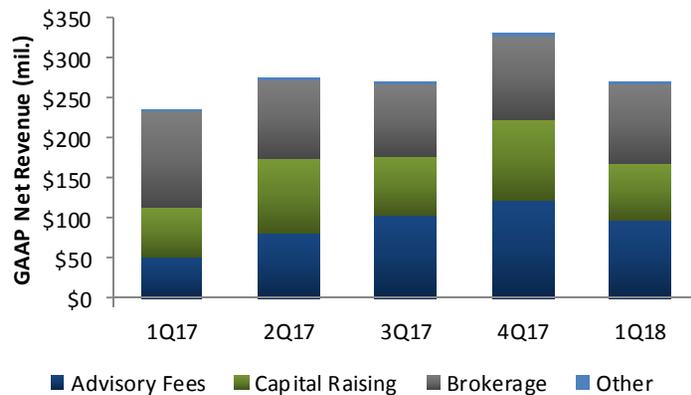
	1Q18	Y/Y Change	Sequential Change
<i>millions</i>			
<b>Global Wealth Management Revenue</b>			
Commissions	\$119	-1%	1%
Principal Transactions	\$44	-15%	-4%
Brokerage	\$163	-5%	0%
Asset Management & Service Fees	\$196	20%	5%
Net Interest	\$118	32%	6%
Investment Banking	\$8	-35%	-14%
Other	\$1	-87%	-70%
<b>Total Global Wealth Management Net Revenue</b>	<b>\$486</b>	<b>10%</b>	<b>3%</b>
Comp. Ratio	49.8%	-180 bps	90 bps
Non-Comp. Ratio	13.8%	-250 bps	-150 bps
Pre-tax Margin	36.4%	430 bps	60 bps
Financial Advisors	2,266	-1%	1%
Client AUA	\$274,651	9%	1%
Fee-based Client Assets	\$89,031	18%	2%
Private Client Fee-based Client Assets	\$66,255	22%	3%

# Stifel Bank & Trust

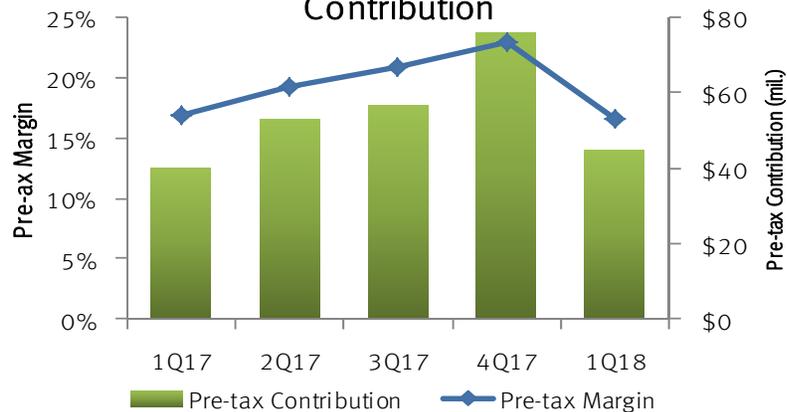
(mil. except for %'s)	1Q18	1Q17	% Change	4Q17	% Change
<b>Assets:</b>					
Investments	\$7,549	\$6,557	15%	\$7,461	1%
Mortgage Loans	2,634	2,214	19%	2,594	2%
Commercial Loans	2,554	1,831	39%	2,438	5%
Securities Based Loans	1,809	1,729	5%	1,819	-1%
Consumer	25	43	-42%	92	-73%
<b>Total Loans, net</b>	<b>\$7,076</b>	<b>\$5,865</b>	<b>21%</b>	<b>\$6,948</b>	<b>2%</b>
Loans Held for Sale	261	207	26%	226	15%
<b>Total Assets</b>	<b>\$15,155</b>	<b>\$13,233</b>	<b>15%</b>	<b>\$14,996</b>	<b>1%</b>
<b>Liabilities:</b>					
Deposits	\$13,330	\$11,701	14%	\$13,412	-1%
<b>Credit Metrics</b>					
Non-performing assets (\$s)	22	28	-21%	27	-19%
Non-performing assets (%s)	0.14%	0.21%	-7 bps	0.18%	-4 bps
Allowance as a percentage of loans	0.97%	0.87%	10 bps	0.96%	1 bps
Net Interest Margin	2.89%	2.66%	23 bps	2.85%	4 bps

# Institutional Group

## Institutional Group Net Revenue



## Institutional Group Pre-tax Margin & Contribution



	1Q18	Y/Y Change	Sequential Change
<i>millions</i>			
<b>Institutional Revenue</b>			
<b>Equity</b>			
Advisory	\$97	89%	-18%
Underwriting	\$53	47%	-9%
Brokerage	\$48	-11%	-3%
Total Equity Capital Markets Revenue	\$198	40%	-13%
<b>Fixed Income</b>			
Advisory	\$1	-46%	-82%
Underwriting	\$18	-30%	-57%
Brokerage	\$53	-21%	0%
Total Fixed Income Capital Markets Revenue	\$72	-25%	-32%
<b>Total Institutional Group Net Revenue</b>	<b>\$270</b>	<b>14%</b>	<b>-19%</b>
Comp. Ratio	59.0%	-150 bps	-70 bps
Non-Comp. Ratio	24.5%	180 bps	630 bps
Pre-tax Margin	16.5%	-30 bps	-560 bps

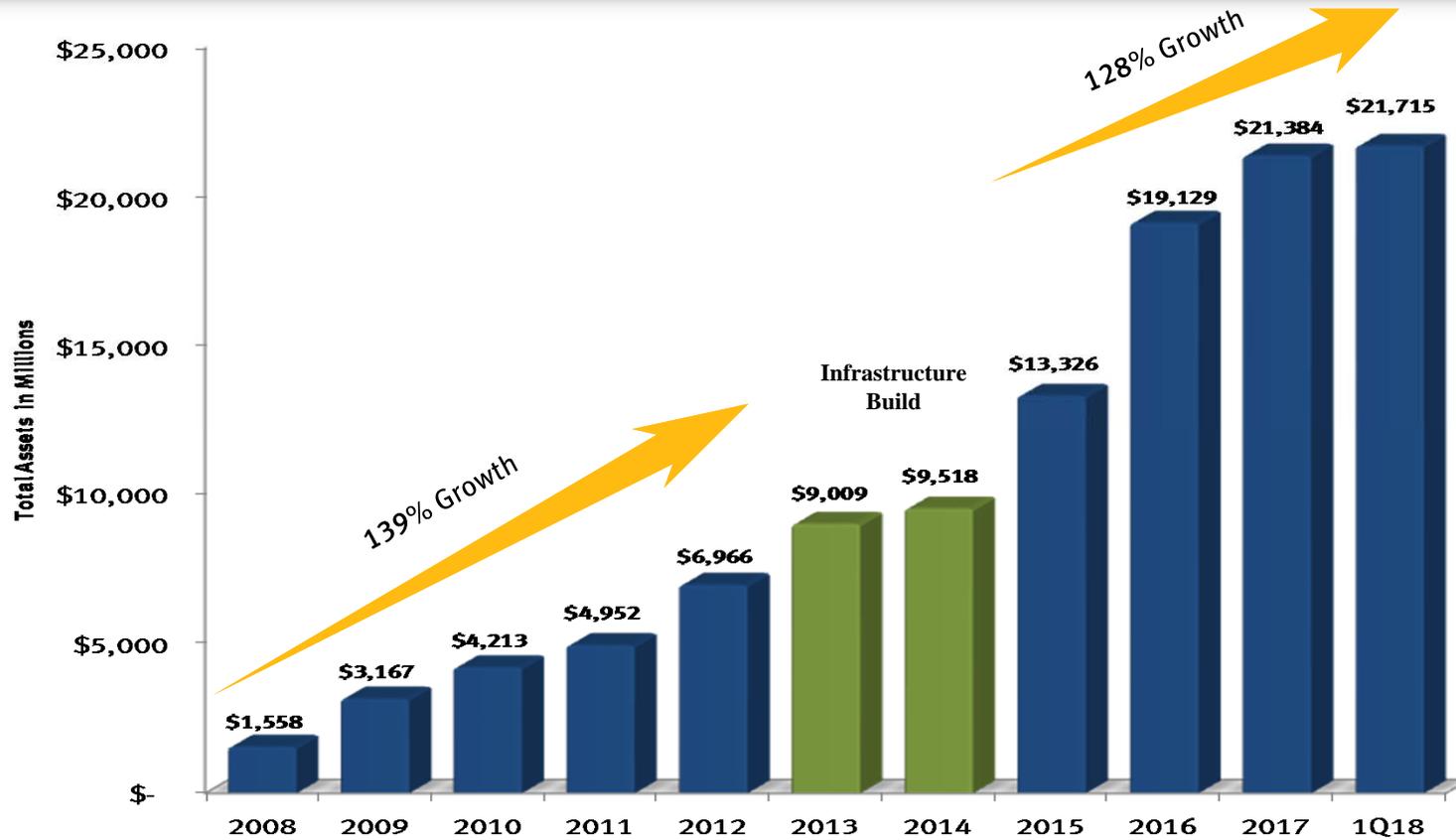
Impact of Accounting Change	1Q18 Adjusted	Y/Y Change	Sequential Change
Net Revenue (mil.)	\$261	10%	-22%
Comp. Ratio	61.0%	50 bps	130 bps
Non-Comp. Ratio	22.0%	-70 bps	380 bps
Pre-tax Margin	17.0%	20 bps	510 bps



# Balance Sheet

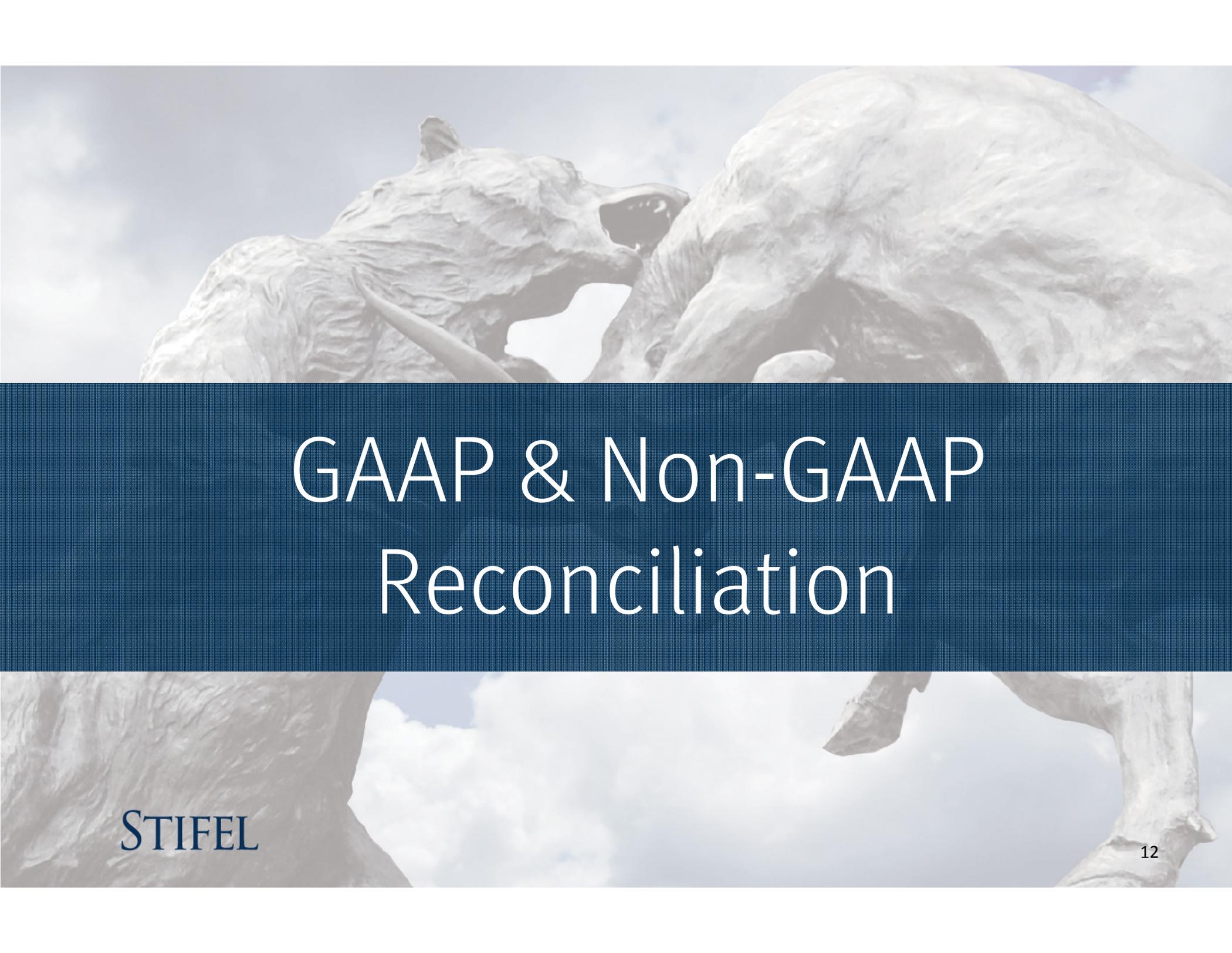
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# Balance Sheet



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	1Q18
Tier 1 Leverage	32.3%	30.5%	25.6%	21.4%	17.7%	15.4%	16.5%	16.6%	10.2%	9.5%	9.6%
Tier 1 Risk Based Capital	49.4%	40.5%	29.1%	27.4%	26.8%	26.7%	25.0%	26.3%	20.3%	19.0%	18.7%
Risk Weighting Assets Density	64.9%	56.2%	67.3%	62.7%	57.0%	50.7%	58.2%	46.6%	46.5%	46.9%	46.1%

\* 1Q18 Capital ratios are estimated



# GAAP & Non-GAAP Reconciliation

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# GAAP to Non-GAAP Reconciliation

Three months ended March 31, 2018

GAAP Results (000s)	Three months ended 03/31/18
Total GAAP Compensation & benefits expense	\$457,893
GAAP comp. ratio	61.0%
Total GAAP non-compensation expense	\$172,911
GAAP non-comp. ratio	23.0%
GAAP pre-tax margin	16.0%

GAAP to Non-GAAP Reconciliation for First Quarter 2018 (000s)	03/31/18
<b>GAAP Net Income</b>	<b>\$88,761</b>
Preferred Dividend	2,344
<b>Net Income available to common Shareholders</b>	<b>\$86,417</b>
<b>Non-GAAP After Tax Adjustments</b>	
Acquisition-Related	7,386
<b>Total Non-GAAP Adjustments</b>	<b>7,386</b>
<b>Non-GAAP Net Income Available to Common Shareholders</b>	<b>\$93,803</b>

Adjusted Non-GAAP Results (000s)	Three months ended 03/31/18
Total Adjusted Non-GAAP Compensation & benefits expense	\$454,154
Adjusted Non-GAAP comp. ratio	60.5%
Total adjusted Non-GAAP non-compensation expense	\$166,888
Adjusted Non-GAAP non-comp. ratio	22.2%
Adjusted Non-GAAP pre-tax margin	17.3%



# Q&A

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