

The background of the slide features a grayscale image of classical columns, likely from a government building or institution, creating a formal and professional atmosphere.

# **4<sup>th</sup> Quarter and Full-Year 2010 Financial Results Presentation**

**February 15, 2011**

**STIFEL  
FINANCIAL**

# 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.

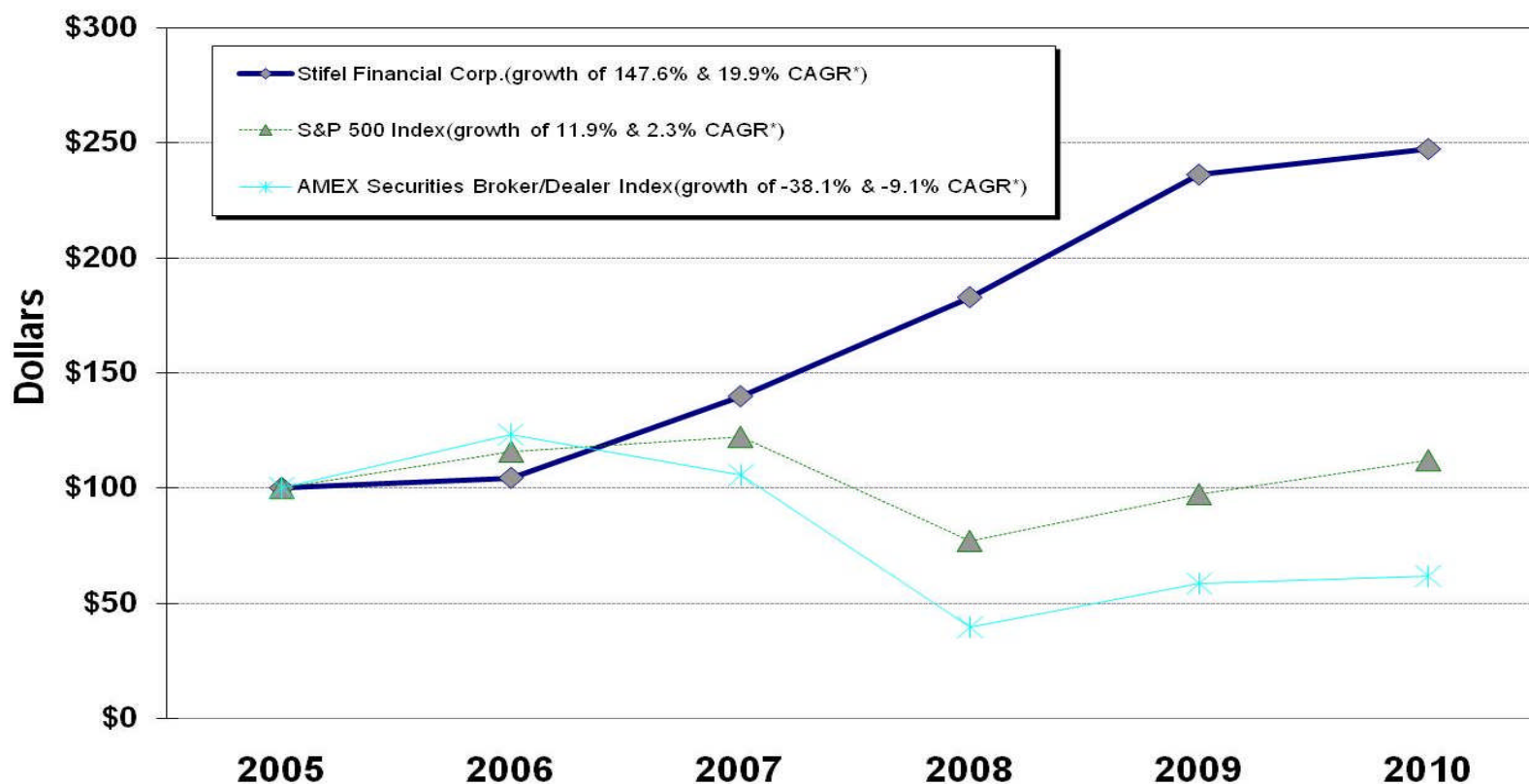
Actual results may differ materially and reported results should not be considered as an indication of future performance. Factors that could cause actual results to differ are included in the Company’s annual and quarterly reports and from time to time in other reports filed by the Company with the 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.

## Chairman's Comments

“We are very pleased to report our 15th consecutive year of record revenues and equally pleased with the success of our merger with Thomas Weisel Partners. Our record quarterly revenues and record quarterly investment banking revenues demonstrate the power of the franchise and underscore the success of the merger with TWPG. There are clear signs of the retail investor re-engaging, as well as increased activity in the capital markets, both of which contributed to our results. Looking forward, we are well positioned to continue to gain market share, which is accomplished through the addition of talented, entrepreneurial people who share our vision to build the premier middle-market investment banking firm,” commented Ronald J. Kruszewski, Chairman, President and Chief Executive Officer of Stifel Financial.

# Stifel Financial Stock Performance

Assumes \$100 invested on December 31, 2005





# **Financial Results**



# Stifel Financial Corp. Results

## Three months ended December 31, 2010

### Three Months Ended December 31, 2010

*(\$ in thousands, except per share amounts)*

	GAAP	Merger-Related Charges <sup>(1)</sup>	Non-GAAP	Quarter Ended 12/31/09 (GAAP)	% Change <sup>(2)</sup>	Quarter Ended 9/30/10 (Non-GAAP)	% Change <sup>(2)</sup>
<b>Net revenues</b>	<b>\$ 401,599</b>	<b>\$ 1,188</b>	<b>\$ 402,787</b>	<b>\$ 319,467</b>	<b>26.1%</b>	<b>\$ 341,327</b>	<b>18.0%</b>
Compensation and benefits	237,117	242	237,359	201,263	17.9%	212,760	11.6%
Non-comp operating expenses	97,665	(8,616)	89,049	76,890	15.8%	78,513	13.4%
<b>Total non-interest expenses</b>	<b>334,782</b>	<b>(8,374)</b>	<b>326,408</b>	<b>278,153</b>	<b>17.3%</b>	<b>291,273</b>	<b>12.1%</b>
<b>Income before income taxes</b>	<b>66,817</b>	<b>9,562</b>	<b>76,379</b>	<b>41,314</b>	<b>84.9%</b>	<b>50,054</b>	<b>52.6%</b>
Provision for income taxes	25,423	3,638	29,061	16,646	74.6%	20,415	42.4%
<b>Net income</b>	<b>\$ 41,394</b>	<b>\$ 5,924</b>	<b>\$ 47,318</b>	<b>\$ 24,668</b>	<b>91.8%</b>	<b>\$ 29,639</b>	<b>59.6%</b>
<b><i>Earnings per share :</i></b>							
Basic	\$ 1.21		\$ 1.38	\$ 0.82	68.3%	\$ 0.87	58.6%
Diluted	\$ 0.97		\$ 1.11	\$ 0.71	56.3%	\$ 0.72	54.2%
<b><i>Ratios to net revenues :</i></b>							
Compensation and benefits	59.0%		58.9%	63.0%		62.3%	
Non-comp operating expenses	24.4%		22.1%	24.1%		23.0%	
Income before income taxes	16.6%		19.0%	12.9%		14.7%	

<sup>(1)</sup> Merger-related charges consist primarily of: amortization of backlog intangible, cease-use accrual and operating expenses related to legacy TWPG issues (primarily market data service fees, professional fees and litigation costs).

<sup>(2)</sup> Quarterly results compare non-GAAP results for the quarter ended December 31, 2010 to non-GAAP results for the quarter ended September 30, 2010 and to GAAP results for the year-ago period.

# Source of Revenues

	Quarter Ended					Year Ended		
	12/31/10	12/31/09	% Change	9/30/10	% Change	12/31/10	12/31/09	% Change
(\$ in thousands)								
<b>Revenues</b>								
Principal transactions	\$ 89,996	\$ 116,410	(22.7%)	\$ 123,194	(26.9%)	\$ 453,533	\$ 458,188	(1.0%)
Commissions	139,605	99,285	40.6%	96,986	43.9%	445,260	345,520	28.9%
Investment banking	90,975	50,545	80.0%	51,656	76.1%	218,104	125,807	73.4%
Asset mgt and service fees	57,042	39,091	45.9%	50,876	12.1%	193,159	117,357	64.6%
Other	10,497	2,990	251.1%	3,656	187.1%	19,855	9,138	117.3%
<b>Total operating revenues</b>	<b>388,115</b>	<b>308,321</b>	<b>25.9%</b>	<b>326,368</b>	<b>18.9%</b>	<b>1,329,911</b>	<b>1,056,010</b>	<b>25.9%</b>
Interest revenue	18,307	15,078	21.4%	17,718	3.3%	65,326	46,860	39.4%
<b>Total revenues</b>	<b>406,422</b>	<b>323,399</b>	<b>25.7%</b>	<b>344,086</b>	<b>18.1%</b>	<b>1,395,237</b>	<b>1,102,870</b>	<b>26.5%</b>
Interest expense	4,823	3,932	22.7%	3,698	30.4%	13,211	12,234	8.0%
<b>Net revenues</b>	<b>\$ 401,599</b>	<b>\$ 319,467</b>	<b>25.7%</b>	<b>\$ 340,388</b>	<b>18.0%</b>	<b>\$ 1,382,026</b>	<b>\$ 1,090,636</b>	<b>26.7%</b>

# Principal Transactions Revenues

	Quarter Ended					Year Ended		
	12/31/10	12/31/09	% Change	9/30/10	% Change	12/31/10	12/31/09	% Change
<i>(\$ in thousands)</i>								
Taxable debt	\$ 46,924	\$ 66,210	(29.1%)	\$ 60,208	(22.1%)	\$ 231,930	\$ 292,400	(20.7%)
Municipal debt	18,520	16,102	15.0%	20,091	(7.8%)	75,484	65,962	14.4%
Equities	11,396	21,113	(46.0%)	27,429	(58.5%)	90,739	60,313	50.4%
Other	13,156	12,985	1.3%	15,466	(14.9%)	55,380	39,513	40.2%
	<u>\$ 89,996</u>	<u>\$ 116,410</u>	<u>(22.7%)</u>	<u>\$ 123,194</u>	<u>(26.9%)</u>	<u>\$ 453,533</u>	<u>\$ 458,188</u>	<u>(1.0%)</u>



# Investment Banking Revenues

	Quarter Ended					Year Ended				
	12/31/10	12/31/09	% Change	9/30/10	% Change	12/31/10	12/31/09	% Change	12/31/08	% Change
<i>(\$ in thousands)</i>										
Capital raising	<b>\$ 50,404</b>	\$ 34,498	<b>46.1%</b>	\$ 28,593	<b>76.3%</b>	<b>\$ 135,898</b>	\$ 76,563	<b>77.5%</b>	\$ 45,205	<b>69.4%</b>
Advisory	<b>40,571</b>	16,047	<b>152.8%</b>	23,063	<b>75.9%</b>	<b>82,206</b>	49,244	<b>66.9%</b>	38,505	<b>27.9%</b>
	<b>\$ 90,975</b>	\$ 50,545	<b>80.0%</b>	\$ 51,656	<b>76.1%</b>	<b>\$ 218,104</b>	\$ 125,807	<b>73.4%</b>	\$ 83,710	<b>50.3%</b>

# Non-Interest Expenses

## Three months ended December 31, 2010

	Quarter Ended					% of Net revenues		
	Non-GAAP 12/31/10	GAAP 12/31/09	% Change	Non-GAAP 9/30/10	% Change	12/31/10	12/31/09	9/30/10
<i>(\$ in thousands)</i>								
<b>Net revenues</b>	<b>\$ 402,787</b>	<b>\$ 319,467</b>	<b>26.1%</b>	<b>\$ 341,327</b>	<b>18.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Compensation and benefits	237,359	201,263	17.9%	212,760	11.6%	58.9%	63.0%	62.3%
Occupancy and equipment rental	30,436	26,430	15.2%	28,559	6.6%	7.5%	8.3%	8.4%
Communication and office supplies	18,313	15,342	19.4%	17,606	4.0%	4.5%	4.8%	5.1%
Commissions and floor brokerage	7,124	6,249	14.0%	6,772	5.2%	1.8%	2.0%	2.0%
Other operating expenses	33,176	28,869	14.9%	25,576	29.7%	8.3%	9.1%	7.5%
<b>Total non-comp operating expenses</b>	<b>89,049</b>	<b>76,890</b>	<b>15.8%</b>	<b>78,513</b>	<b>13.4%</b>	<b>22.1%</b>	<b>24.2%</b>	<b>23.0%</b>
<b>Total non-interest expense</b>	<b>326,408</b>	<b>278,153</b>	<b>17.3%</b>	<b>291,273</b>	<b>12.1%</b>	<b>81.0%</b>	<b>87.1%</b>	<b>85.3%</b>
<b>Income before income taxes</b>	<b>76,379</b>	<b>41,314</b>	<b>84.9%</b>	<b>50,054</b>	<b>52.6%</b>	<b>19.0%</b>	<b>12.9%</b>	<b>14.7%</b>
Provision for income taxes	29,061	16,646	74.6%	20,416	42.3%	7.2%	5.2%	6.0%
<b>Non-GAAP net income</b>	<b>\$ 47,318</b>	<b>\$ 24,668</b>	<b>91.8%</b>	<b>\$ 29,638</b>	<b>59.7%</b>	<b>11.7%</b>	<b>7.7%</b>	<b>8.7%</b>
Merger-related expenses (after-tax) <sup>(1)</sup>	(5,924)	-		(113,974)				
<b>GAAP net income/(loss)</b>	<b>\$ 41,394</b>	<b>\$ 24,668</b>		<b>\$ (84,336)</b>				

<sup>(1)</sup> A description of merger-related expenses can be found on page 10.

# TWPG Merger-Related Expenses

	Quarter Ended						
	6/30/10		9/30/10		12/31/10		3/31/11
	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate
<i>(\$ in thousands)</i>							
<b>Operating expenses:</b>							
Compensation and benefits	\$ 3,100	\$ 3,100	\$ 177,050	\$ 183,176 <sup>(1)</sup>	\$ 700	\$ (242)	-
Non-comp operating expenses	1,900	1,900	12,800	8,495	10,000	8,616 <sup>(2)</sup>	5,000 <sup>(3)</sup>
<b>Total operating expenses</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>	<b>\$ 189,850</b>	<b>\$ 191,671</b>	<b>\$ 10,700</b>	<b>\$ 8,374</b>	<b>\$ 5,000</b>
<b>After-tax impact</b>	<b>\$ 3,000</b>	<b>\$ 3,000</b>	<b>\$ 113,910</b>	<b>\$ 113,975</b>	<b>\$ 6,420</b>	<b>\$ 5,924</b>	<b>\$ 3,000</b>
<b>Impact to diluted EPS (net of tax)</b>	<b>\$ (0.09)</b>	<b>\$ (0.09)</b>	<b>\$ (2.68) <sup>(2)</sup></b>	<b>\$ (2.77)</b>	<b>\$ (0.15) <sup>(2)</sup></b>	<b>\$ (0.14)</b>	<b>\$ (0.07) <sup>(4)</sup></b>

<sup>(1)</sup> Includes non-cash compensation expense related to the modification of our deferred compensation plan of \$179.5 million (\$167.7 million of unit expense and \$11.8 million of optional investment awards) and other merger-related expenses.

<sup>(2)</sup> Includes non-compensation expense related to a cease-use accrual and operating expenses related to legacy TWPG issues (primarily market data service fees, professional fees and litigation costs).

<sup>(3)</sup> Estimated non-comp operating expenses for the quarter ended March 31, 2011 is a revised estimate compared to the \$2.0 million previously disclosed in our November 11, 2010 presentation and is the result of unplanned merger-related expenses that will carry over into the first quarter of 2011. In addition to the above estimate, we may incur an additional \$8.0 to \$10.0 million in occupancy costs related to abandonment of certain leased property as a result of our continued integration efforts.

<sup>(4)</sup> Calculated using an effective tax rate of 40% and fully-diluted shares outstanding of 42.5 million.

# Stifel Financial Corp. Results

## Year ended December 31, 2010

### Year Ended December 31, 2010

(\$ in thousands, except per share amounts)

	GAAP	Merger-Related Charges <sup>(1)</sup>	Non-GAAP	Year Ended 12/31/09	% Change <sup>(2)</sup>
<b>Net revenues</b>	<b>\$1,382,026</b>	\$ 2,126	<b>\$ 1,384,152</b>	\$ 1,090,636	<b>26.9%</b>
Compensation and benefits	1,056,202	(186,053)	870,149	718,115	21.2%
Non-comp operating expenses	326,053	(19,021)	307,032	252,107	21.8%
<b>Total non-interest expenses</b>	<b>1,382,255</b>	<b>(205,074)</b>	<b>1,177,181</b>	970,222	<b>21.3%</b>
<b>Income/(loss) before income taxes/(benefit)</b>	<b>(229)</b>	207,200	<b>206,971</b>	120,414	<b>71.9%</b>
Provision for income taxes/(benefit)	(2,136)	84,347	82,211	44,616	84.3%
<b>Net income</b>	<b>\$ 1,907</b>	\$ 122,853	<b>\$ 124,760</b>	\$ 75,798	<b>64.6%</b>
<b><u>Earnings per share :</u></b>					
Basic	\$ 0.06		\$ 3.80	\$ 2.68	41.8%
Diluted	\$ 0.05		\$ 3.21	\$ 2.35	36.6%
<b><u>Ratios to net revenues :</u></b>					
Compensation and benefits	76.4%		62.9%	65.8%	
Non-comp operating expenses	23.6%		22.1%	23.2%	
Income/(loss) before income taxes/(benefit)	0.0%		15.0%	11.0%	

<sup>(1)</sup> Merger-related charges consist primarily of: amortization of backlog intangible, non-cash deferred compensation expense recorded in the third quarter, cease-use accrual and operating expenses related to legacy TWPG issues.

<sup>(2)</sup> Results compare non-GAAP results for the year ended December 31, 2010 to GAAP results for the year-ago period.

# Non-Interest Expenses

## Year ended December 31, 2010

	Year Ended			% of Net revenues	
	Non-GAAP 12/31/10	12/31/09	% Change	12/31/10	12/31/09
<i>(\$ in thousands)</i>					
<b>Net revenues</b>	<b>\$ 1,384,152</b>	<b>\$ 1,090,636</b>	<b>26.9%</b>	<b>100.0%</b>	<b>100.0%</b>
Compensation and benefits	<b>870,149</b>	718,115	<b>21.2%</b>	<b>62.9%</b>	65.8%
Occupancy and equipment rental	<b>110,446</b>	89,741	<b>23.1%</b>	<b>8.0%</b>	8.2%
Communication and office supplies	<b>66,261</b>	54,745	<b>21.0%</b>	<b>4.8%</b>	5.0%
Commissions and floor brokerage	<b>24,912</b>	23,416	<b>6.4%</b>	<b>1.8%</b>	2.1%
Other operating expenses	<b>105,413</b>	84,205	<b>25.2%</b>	<b>7.5%</b>	7.9%
<b>Total non-comp operating expenses</b>	<b>307,032</b>	252,107	<b>21.8%</b>	<b>22.1%</b>	23.2%
<b>Total non-interest expense</b>	<b>1,177,181</b>	970,222	<b>21.3%</b>	<b>85.0%</b>	89.0%
<b>Income before income taxes</b>	<b>206,971</b>	120,414	<b>71.9%</b>	<b>15.0%</b>	11.0%
Provision for income taxes	<b>82,211</b>	44,616	<b>84.3%</b>	<b>5.9%</b>	4.1%
<b>Non-GAAP net income</b>	<b>\$ 124,760</b>	<b>\$ 75,798</b>	<b>64.6%</b>	<b>9.0%</b>	6.9%
Merger-related expenses (after-tax) <sup>(1)</sup>	<b>(122,853)</b>	-			
<b>GAAP net income</b>	<b>\$ 1,907</b>	<b>\$ 75,798</b>			

<sup>(1)</sup> A description of merger-related expenses can be found on page 10.

# Global Wealth Management

	Quarter Ended					Year Ended		
	12/31/10	12/31/09	% Change	9/30/10	% Change	12/31/10	12/31/09	% Change
<i>(\$ in thousands)</i>								
Commissions	\$ 92,558	\$ 75,584	22.5%	\$ 69,875	32.5%	\$ 321,541	\$ 234,052	37.4%
Principal transactions	58,520	54,136	8.1%	62,785	(6.8%)	239,851	194,384	23.4%
Asset management & service fees	56,953	38,836	46.7%	50,449	12.9%	192,073	116,818	64.4%
Net interest	10,277	9,065	13.4%	12,017	(14.5%)	44,834	27,188	64.9%
Investment banking	5,015	5,730	(12.5%)	6,957	(27.9%)	22,768	14,906	52.7%
Other income	13,101	2,712	383.1%	5,401	142.6%	22,202	8,626	157.4%
<b>Net revenues</b>	<b>236,424</b>	<b>186,063</b>	<b>27.1%</b>	<b>207,484</b>	<b>13.9%</b>	<b>843,269</b>	<b>595,974</b>	<b>41.5%</b>
Compensation and benefits	136,009	116,988	16.3%	119,100	14.2%	503,456	370,157	36.0%
Non-comp operating expenses	37,698	34,749	8.5%	36,677	2.8%	145,790	121,118	20.4%
<b>Total non-interest expenses</b>	<b>173,707</b>	<b>151,737</b>	<b>14.5%</b>	<b>155,777</b>	<b>11.5%</b>	<b>649,246</b>	<b>491,275</b>	<b>32.2%</b>
<b>Income before income taxes</b>	<b>\$ 62,717</b>	<b>\$ 34,326</b>	<b>82.7%</b>	<b>\$ 51,707</b>	<b>21.3%</b>	<b>\$ 194,023</b>	<b>\$ 104,699</b>	<b>85.3%</b>
<b><u>Ratios to net revenues :</u></b>								
Compensation and benefits	57.5%	62.9%		57.4%		59.7%	62.1%	
Non-comp operating expenses	16.0%	18.7%		17.7%		17.3%	20.3%	
Income before income taxes	26.5%	18.4%		24.9%		23.0%	17.6%	



# Stifel Bank & Trust

(an operating unit of GWM)

(\$ in thousands)	Quarter Ended					Year Ended		
	12/31/10	12/31/09	% Change	9/30/10	% Change	12/31/10	12/31/09	% Change
<b>Net revenues:</b>								
Interest	9,287	7,888	17.7%	9,601	(3.3%)	35,146	20,283	73.3%
Other income	3,553	1,828	94.4%	1,924	84.7%	8,652	4,736	82.7%
Total revenues	12,840	9,716	32.2%	11,525	11.4%	43,798	25,019	75.1%
Interest expense	3,076	2,044	50.5%	1,378	123.2%	5,188	4,649	11.6%
<b>Total net revenues</b>	<b>9,764</b>	<b>7,672</b>	<b>27.3%</b>	<b>10,147</b>	<b>(3.8%)</b>	<b>38,610</b>	<b>20,370</b>	<b>89.5%</b>
Compensation and benefits	1,447	964	50.1%	739	95.8%	4,251	2,866	48.3%
Non-comp operating expenses	2,493	1,171	112.9%	3,280	(24.0%)	13,853	6,353	118.1%
<b>Total non-interest expenses</b>	<b>3,940</b>	<b>2,135</b>	<b>84.5%</b>	<b>4,019</b>	<b>(2.0%)</b>	<b>18,104</b>	<b>9,219</b>	<b>96.4%</b>
<b>Income before income taxes</b>	<b>\$ 5,824</b>	<b>\$ 5,537</b>	<b>5.2%</b>	<b>\$ 6,128</b>	<b>(5.0%)</b>	<b>\$ 20,506</b>	<b>\$ 11,151</b>	<b>83.9%</b>
<b><u>Ratios to net revenues:</u></b>								
Compensation and benefits	14.8%	12.6%		7.3%		11.0%	14.1%	
Non-comp operating expenses	25.5%	15.3%		32.3%		35.9%	31.2%	
Efficiency ratio <sup>(1)</sup>	37.9%	38.1%		40.1%		45.7%	42.3%	
Income before income taxes	59.6%	72.1%		60.4%		53.1%	54.7%	

<sup>(1)</sup> Non-interest expenses less the provision for loan losses as a percentage of net revenues.

# Stifel Bank & Trust

(an operating unit of GWM)

## Low Risk Asset Growth

- Assets of \$1.8 billion, an increase of 55% from \$1.1 billion as of December 31, 2009.
- Investment portfolio of \$1.0 billion, an increase of 75% from \$578.4 million as of December 31, 2009.
- Loan portfolio of \$485.2 million, an increase of 21% from \$401.0 million as of December 31, 2009.
- Deposits of \$1.6 billion, an increase of 55% from \$1.0 billion as of December 31, 2009.

## Strategy & Opportunity

- Maintain solid asset quality:
  - Non-performing loans to gross loans of 0.38%
  - Non-performing assets to total assets of 0.18%
  - \$0.2 million LTM net recoveries
- Offer banking products (securities based loans and mortgage loans) within the GWM client base, including establishing trust services
- Maintain high levels of liquidity to capitalize on opportunities

## Interest Earning Assets

(\$ in thousands)	As of			Percent of total		
	12/31/10	9/30/10	12/31/09	12/31/10	9/30/10	12/31/09
Agency investments	\$ 722,193	\$ 645,316	\$ 434,031	48.2%	49.5%	44.3%
Consumer	266,244	245,239	226,648	17.8%	18.8%	23.1%
Non-agency investments	290,521	184,811	144,457	19.4%	14.2%	14.7%
Mortgage	166,860	191,716	143,443	11.1%	14.7%	14.6%
Commercial	53,836	37,004	30,993	3.6%	2.9%	3.1%
	<u>\$ 1,499,654</u>	<u>\$ 1,304,086</u>	<u>\$ 979,572</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

# Institutional Group

	Quarter Ended					Year Ended		
	12/31/10	12/31/09	% Change	9/30/10	% Change	12/31/10	12/31/09	% Change
<i>(\$ in thousands)</i>								
Principal transactions	\$ 35,564	\$ 62,275	(42.9%)	\$ 60,408	(41.1%)	\$ 217,770	\$ 263,804	(17.5%)
Commissions	47,047	23,701	98.5%	27,111	73.5%	123,719	111,469	11.0%
Investment banking	81,583	44,815	82.0%	45,638	78.8%	191,898	110,901	73.0%
Other income <sup>(1)</sup>	1,708	2,514	(32.1%)	4,886	(65.0%)	8,452	7,918	6.7%
<b>Net revenues</b>	<b>165,902</b>	<b>133,305</b>	<b>24.5%</b>	<b>138,043</b>	<b>20.2%</b>	<b>541,839</b>	<b>494,092</b>	<b>9.8%</b>
Compensation and benefits	94,300	73,584	28.2%	82,147	14.8%	315,329	287,835	9.6%
Non-comp operating expenses	27,946	21,905	27.6%	28,242	(1.0%)	96,975	77,124	25.7%
<b>Total non-interest expenses</b>	<b>122,246</b>	<b>95,489</b>	<b>28.0%</b>	<b>110,389</b>	<b>10.7%</b>	<b>412,304</b>	<b>364,959</b>	<b>13.0%</b>
<b>Income before income taxes</b>	<b>\$ 43,656</b>	<b>\$ 37,816</b>	<b>15.4%</b>	<b>\$ 27,654</b>	<b>57.9%</b>	<b>\$ 129,535</b>	<b>\$ 129,133</b>	<b>0.3%</b>
<b><u>Ratios to net revenues :</u></b>								
Compensation and benefits	56.8%	55.2%		59.5%		58.2%	58.3%	
Non-comp operating expenses	16.9%	16.4%		20.5%		17.9%	15.6%	
Income before income taxes	26.3%	28.4%		20.0%		23.9%	26.1%	

<sup>(1)</sup> Includes net interest and other income.

# Institutional Group Revenues

	Quarter Ended					Year Ended		
	12/31/10	12/31/09	% Change	9/30/10	% Change	12/31/10	12/31/09	% Change
<i>(\$ in thousands)</i>								
<b>Sales and trading:</b>								
Equity	\$ 46,521	\$ 38,669	20.3%	\$ 43,711	6.4%	\$ 172,983	\$ 153,267	12.9%
Fixed income	36,090	47,307	(23.7%)	43,808	(17.6%)	168,506	222,006	(24.1%)
	82,611	85,976	(3.9%)	87,519	(5.6%)	341,489	375,273	(9.0%)
<b>Investment Banking:</b>								
Capital raising	40,674	28,768	41.4%	22,575	80.2%	108,473	61,657	75.9%
Advisory fees	40,909	16,047	154.9%	23,063	77.4%	83,425	49,244	69.4%
	81,583	44,815	82.0%	45,638	78.8%	191,898	110,901	73.0%
Other revenue <sup>(1)</sup>	1,708	2,514	(32.1%)	4,886	(65.0%)	8,452	7,918	6.7%
<b>Total net revenue</b>	<b>\$ 165,902</b>	<b>\$ 133,305</b>	<b>24.5%</b>	<b>\$ 138,043</b>	<b>20.2%</b>	<b>\$ 541,839</b>	<b>\$ 494,092</b>	<b>9.8%</b>
<b><i>Ratios to net revenues:</i></b>								
Sales and trading	49.8%	64.5%		63.4%		63.0%	76.0%	
Investment banking	49.2%	33.6%		33.1%		35.4%	22.4%	
Other	1.0%	1.9%		3.5%		1.6%	1.6%	
	100.0%	100.0%		100.0%		100.0%	100.0%	

<sup>(1)</sup> Other income includes net interest and other income.

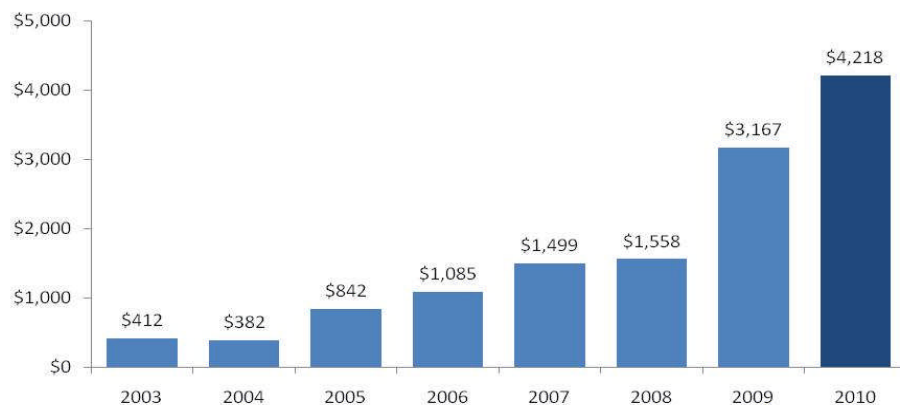


# **Financial Condition**

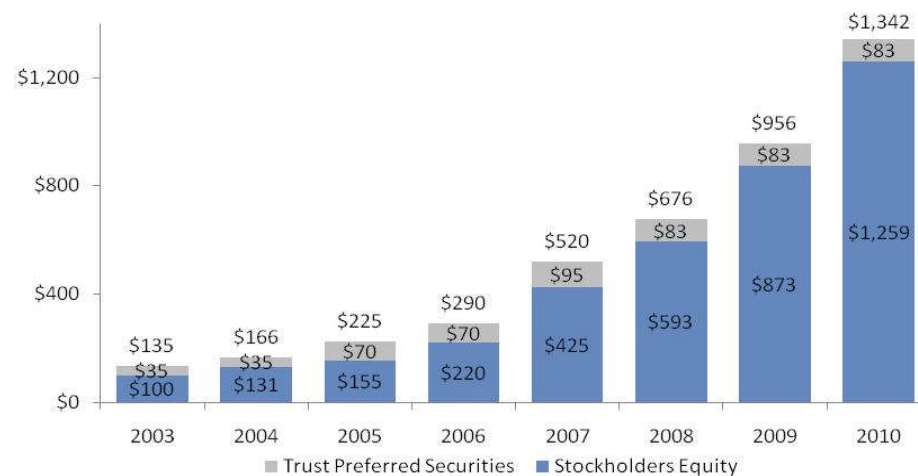


# Statement of Financial Condition

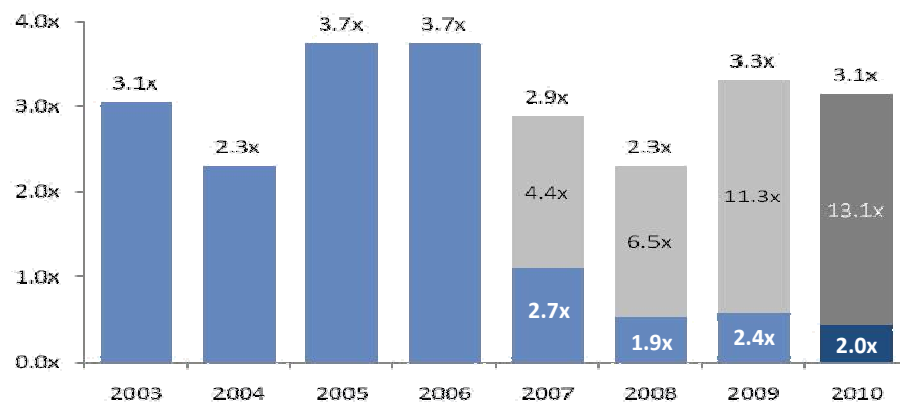
As of December 31, 2010



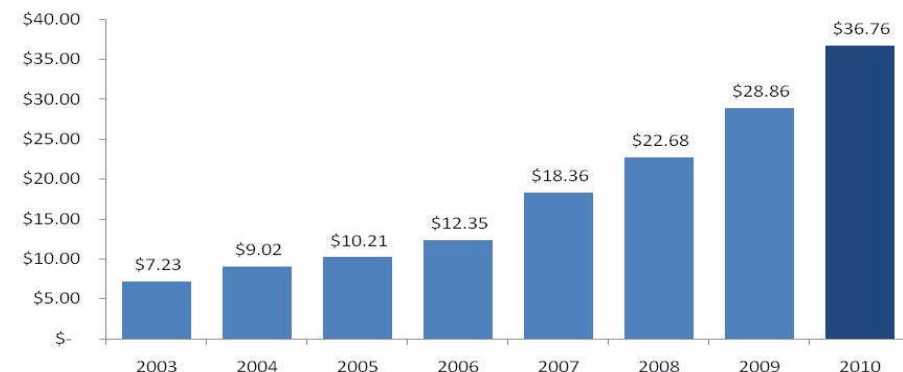
**Total Assets (in millions)**



**Total Capitalization (in millions)**



**Leverage Ratio**



**Book Value Per Share**



## Capital Structure

### As of December 31, 2010

*(\$ in thousands)*

Total Assets	\$ 4,218,030
Stockholders' Equity	\$ 1,258,798
Debentures to:	
Stifel Financial Capital Trust II - LIBOR plus 1.70%, due 9/30/35	\$ 35,000
Stifel Financial Capital Trust III - LIBOR plus 1.85% (fixed at 6.79% until 6/6/12), due 6/6/37	\$ 35,000
Stifel Financial Capital Trust IV - LIBOR plus 1.85% (fixed at 6.78% until 9/6/12), due 9/6/37	\$ 12,500
<i>Total Debentures (average 6.64% per annum)</i>	<i>\$ 82,500</i>
Total Capitalization	\$ 1,341,298

#### Ratios:

Equity to Assets	29.8%
Capitalization to Assets	31.8%
Debentures to Equity	6.6%
Leverage Ratio	3.1x
Equity Capitalization	3.4x

# Level 3 Assets

(\$ in thousands)	Carrying Value	
	12/31/10	12/31/09
Auction Rate Securities (ARS)	\$ 94,795 <sup>(1)</sup>	\$ 56,003
Stifel Bank & Trust Investments	-	2,693
Trading Securities	40,243 <sup>(2)</sup>	1,243
Other Investments	38,502 <sup>(3)</sup>	5,426
Level 3 assets (excluding ARS)	78,745	9,362
<b>Total Level 3 assets</b>	<b>\$ 173,540</b>	<b>\$ 65,365</b>
 <i>Percentage of Equity</i>	 13.8%	 7.5%
<i>Percentage of Equity (excluding ARS)</i>	6.3%	1.1%

<sup>(1)</sup> Includes \$11.4 million of ARS held at Stifel Bank & Trust.

<sup>(2)</sup> Approximately \$39.1 million were sold during 2011.

<sup>(3)</sup> Includes \$31.3 million of investments held by TWPG subsidiaries.

# Other Financial Data

	As of			As of	
	12/31/10	12/31/09	% Change	9/30/10	% Change
<b>Total assets (000s):</b>					
Stifel Nicolaus & Stifel Financial	\$ 2,444,310	\$ 2,025,348	20.7%	\$ 2,614,225	(6.5%)
Stifel Bank	1,773,720	1,142,008	55.3%	1,516,489	17.0%
<b>Total assets</b>	<b>\$ 4,218,030</b>	<b>\$ 3,167,356</b>	<b>33.2%</b>	<b>\$ 4,130,714</b>	<b>2.1%</b>
<b>Total shareholders' equity (000s):</b>					
Stifel Nicolaus & Stifel Financial	\$ 1,122,144	\$ 770,499	45.6%	\$ 1,093,193	2.6%
Stifel Bank	136,654	102,947	32.7%	119,321	14.5%
<b>Total shareholders' equity</b>	<b>\$ 1,258,798</b>	<b>\$ 873,446</b>	<b>44.1%</b>	<b>\$ 1,212,514</b>	<b>3.8%</b>
<b>Leverage ratio:</b>					
Stifel Nicolaus & Stifel Financial	2.0	2.4	(14.5%)	2.2	(8.7%)
Stifel Bank	13.0	11.1	17.0%	12.7	2.1%
<b>Total leverage ratio</b>	<b>3.1</b>	<b>3.3</b>	<b>(5.1%)</b>	<b>3.2</b>	<b>(1.4%)</b>
Book value per share	\$ 36.76	\$ 28.86	27.4%	\$ 35.52	3.5%
Financial advisors <sup>(1)</sup>	1,935	1,885	2.7%	1,920	0.8%
Full-time associates	4,906	4,434	10.6%	4,868	0.8%
Locations	312	294	6.1%	311	0.3%
Total client assets (000's)	\$ 110,593,000	\$ 91,342,000	21.1%	\$ 100,289,000	10.3%

<sup>(1)</sup> Includes all retail Financial Advisors.

# Business Outlook

➤ **Global Wealth Management**

➤ **Institutional Group**

➤ **Regulatory Environment**