

Stifel Financial Investor Presentation

September 2012

STIFEL
FINANCIAL

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 (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.

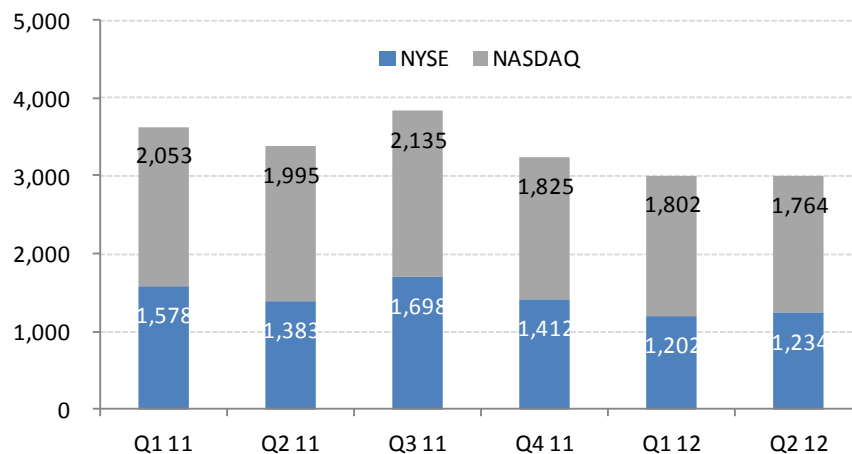
Note Regarding the Use of Non-GAAP Financial Measures

The Company utilized non-GAAP calculations of presented net revenues, compensation and benefits, non-compensation operating expenses, income before income taxes, provision for income taxes, net income, compensation and non-compensation operating expense ratios, pre-tax margin and diluted earnings per share as an additional measure to aid in understanding and analyzing the Company’s financial results. 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 periods 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 the overall understanding of the Company’s current financial performance.

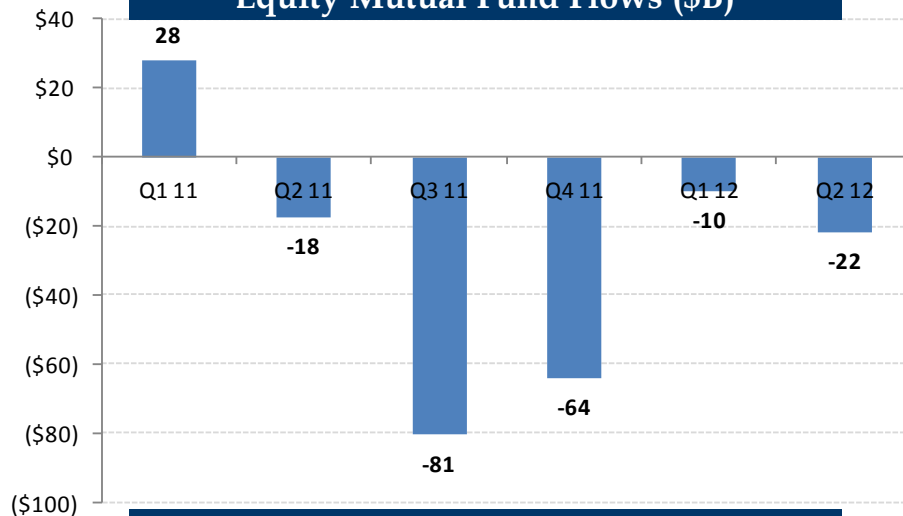
Market Overview

Market Overview

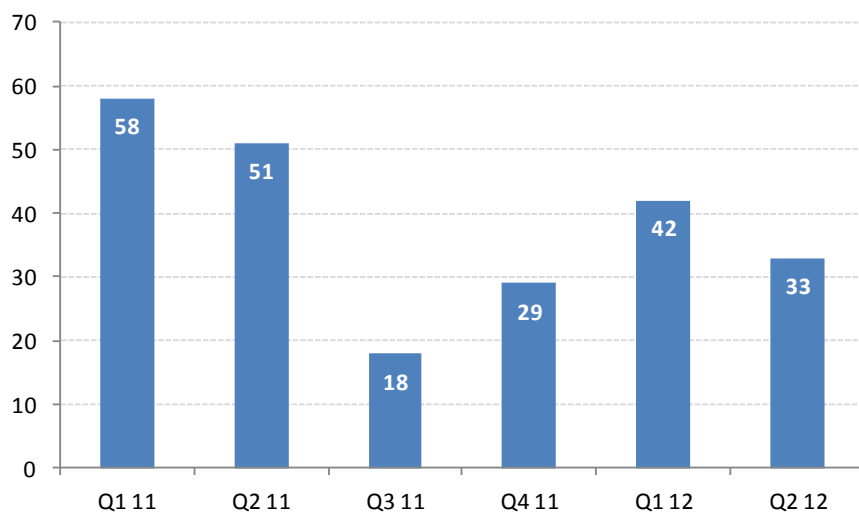
Average Daily Share Volume (\$M)



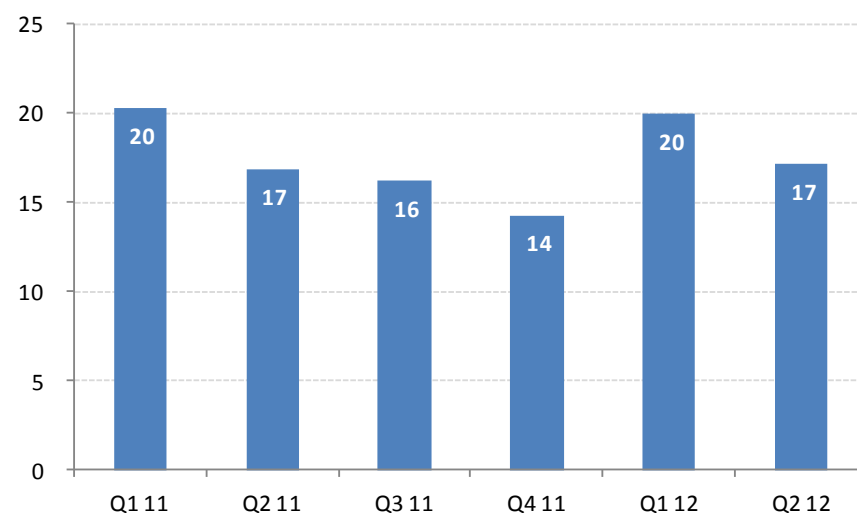
Equity Mutual Fund Flows (\$B)



U.S. IPOs

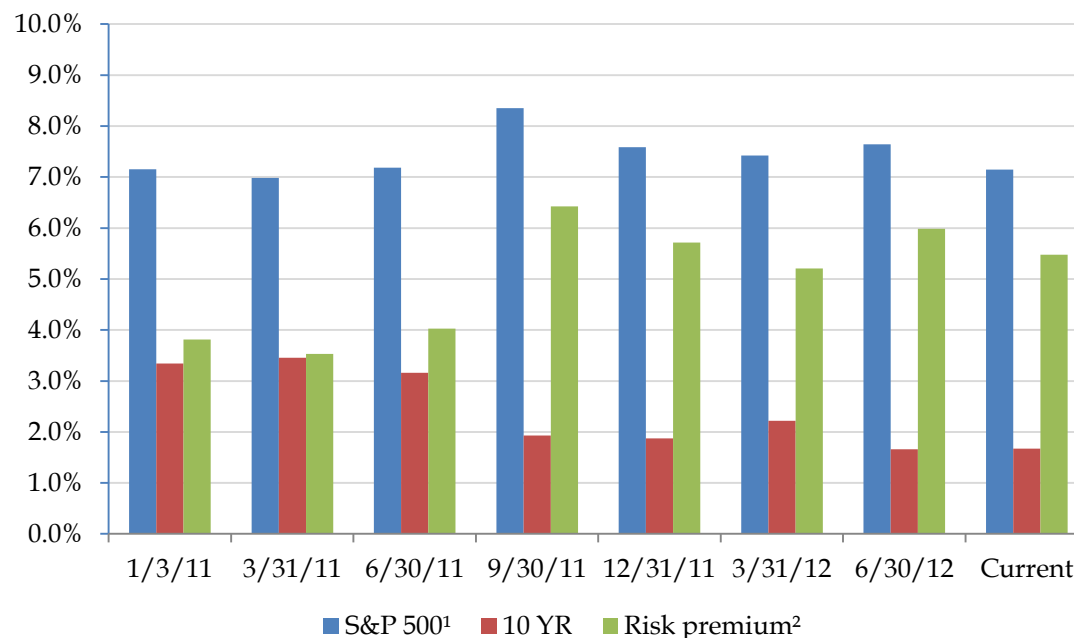


TRACE Avg. Volume (\$B)



Markets Going Forward

| Yield | 1/3/11 | 3/31/11 | 6/30/11 | 9/30/11 | 12/31/11 | 3/31/12 | 6/30/12 | Current |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| S&P 500 ¹ | 7.2% | 7.0% | 7.2% | 8.3% | 7.6% | 7.4% | 7.6% | 7.1% |
| 10 YR | 3.3% | 3.5% | 3.2% | 1.9% | 1.9% | 2.2% | 1.7% | 1.7% |
| Risk premium² | 3.8% | 3.5% | 4.0% | 6.4% | 5.7% | 5.2% | 6.0% | 5.5% |



Date range includes January 1, 2011 through September 7, 2012. Source: Factset.

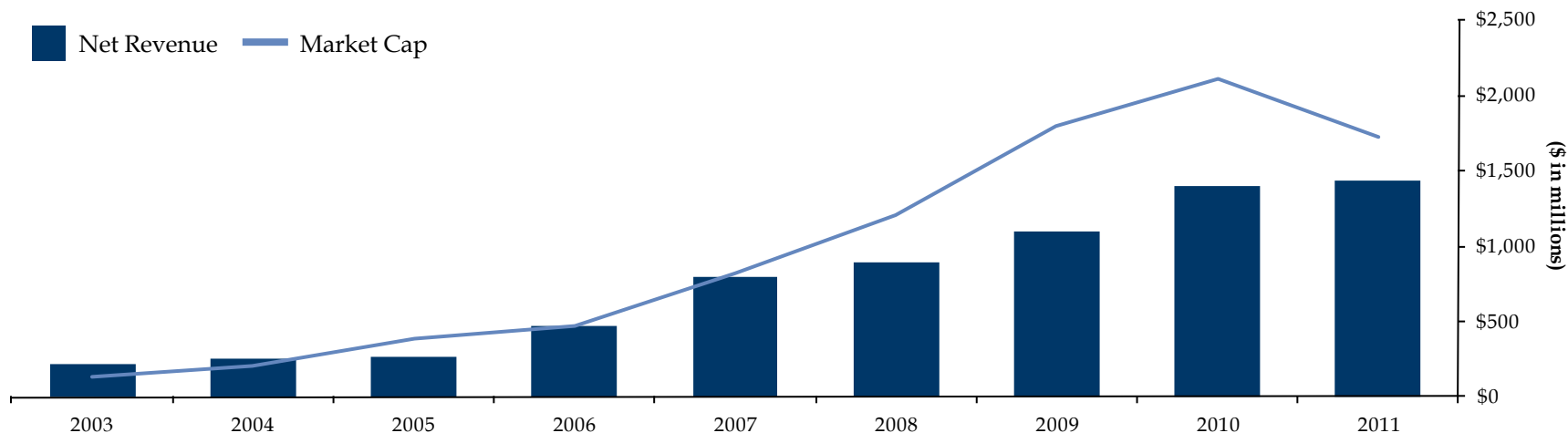
(1) S&P 500 yield represents 2011E and 2012E calendar EPS over the value of the S&P.

(2) Risk premium is calculated as the difference between the S&P 500 yield and the 10 year.

Strategy

Successful Growth Strategy

Net Revenues & Market Cap Growth

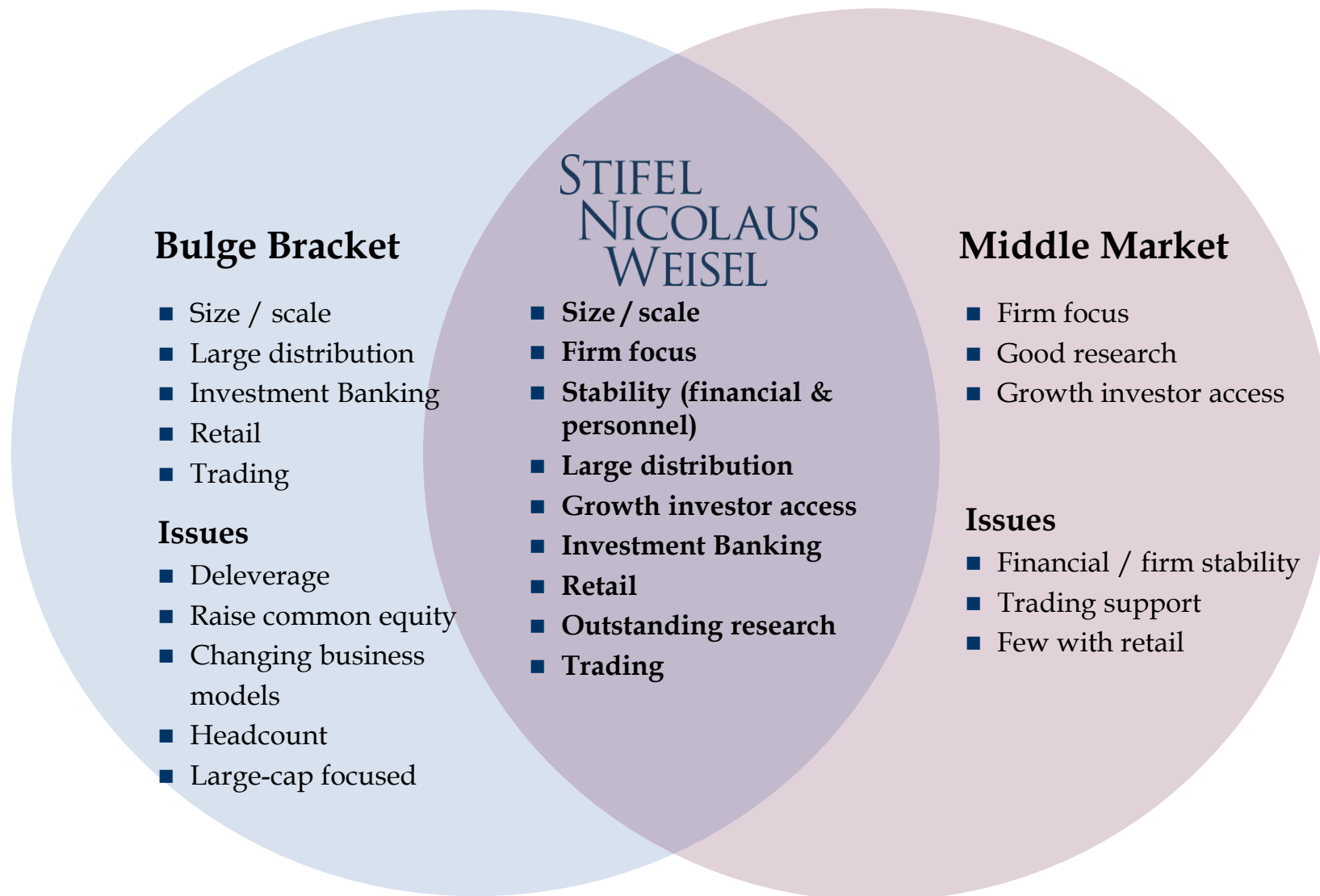


Strategy

Position the Company to take advantage of opportunities.

- Unburdened by capital constraints
- Low leverage business model and conservative risk management
- Built the Company through nine acquisitions since 2005; prudently evaluate all opportunities
- Capitalize on headwinds across the industry
- Select growth of high-quality talent
- Drive revenue synergies by leveraging the global wealth and institutional businesses

Stifel's Differentiated Value Proposition: Scale, Investor Clout, Focus



Execution of Strategy Impacts Margins

2012 Investments:

- Hired 103 financial advisors YTD
- Opened 12 private client offices YTD and 25 since 1/1/2011
- Building our fixed income sales and trading operations

Hired 52 professionals

- Selectively hired professionals in areas we see opportunity

Senior research analysts in Healthcare and Technology

Investment Banking Managing Directors focused in FIG, Gaming, Industrial Technologies, Maritime, and Technology

Legacy Business vs. Investments

(\$ in thousands, except per share amounts)

| | 6M 2012 | | |
|---|---------------------|------------------|----------------|
| | Legacy ¹ | Investments | Total |
| Net revenues | 760,512 | 14,228 | 774,740 |
| Compensation and benefits | 476,560 | 17,518 | 494,078 |
| Non-comp operating expenses | 166,658 | 10,875 | 177,534 |
| Total non-interest expenses | 643,219 | 28,393 | 671,612 |
| Income before income taxes | 117,293 | (14,165) | 103,128 |
| Provision for income taxes ² | 48,018 | (5,799) | 42,219 |
| Net income | 69,275 | (8,366) | 60,909 |
| Diluted earnings per share | \$ 1.10 | \$ (0.13) | \$ 0.97 |

Ratios to net revenues:

| | | |
|-----------------------------|-------|-------|
| Compensation and benefits | 62.7% | 63.8% |
| Non-comp operating expenses | 21.9% | 22.9% |
| Income before income taxes | 15.4% | 13.3% |

(1) Legacy revenues and expenses exclude new business and investments.

(2) For the six months ended June 30, 2012, legacy provision for income taxes is calculated using the tax rate for the six month period 2012 of 40.9%.

Stifel Financial Overview

Stifel Financial (NYSE: SF)

Financial services firm demonstrating *growth, scale and stability*

- \$1.9 billion market capitalization⁽¹⁾
- 2011 Represented our 16th year of consecutive record net revenues
- Balanced business model
- Top performing financial stock over the past ten years
- 38% Insider ownership⁽²⁾

Global Wealth Management (GWM)

- Private Client
- Stifel Bank & Trust
- Customer Financing
- Asset Management

- National presence with over 2,000 Financial Advisors
- \$138 billion in total client assets

Institutional Group (IG)

- Independent Research
- Institutional Equity & Fixed Income Brokerage
- Equity & Fixed Income Capital Raising
- M&A Advisory

- Third largest U.S. equity research platform
- Broad product portfolio & industry expertise

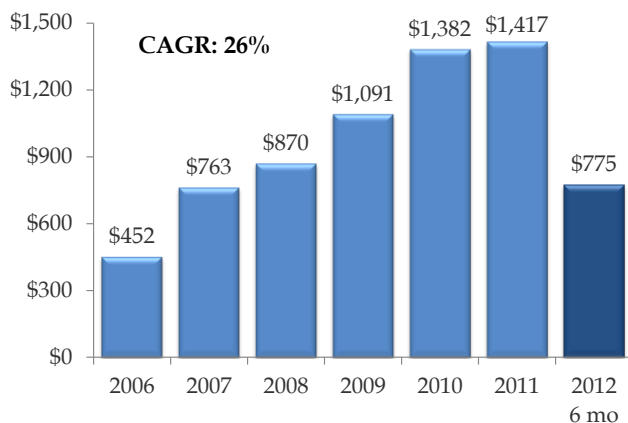
(1) As of 9/7/12. (2) Insider ownership percentage includes all fully diluted shares, units outstanding, options outstanding, as well as shares owned by Stifel's former Chairman as of 8/8/2012.

Stifel Financial Overview

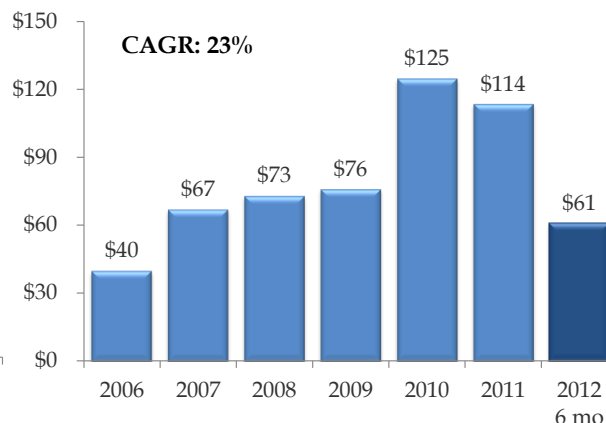
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A Growth Story...

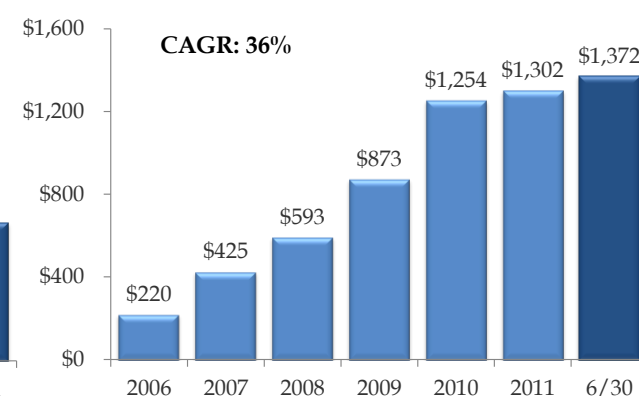
Net Revenues (\$MM)⁽¹⁾



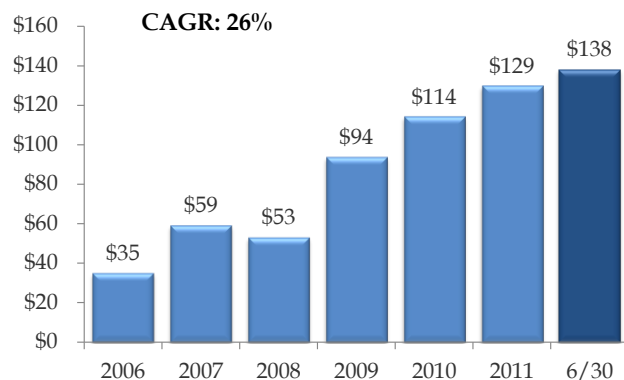
Core Net Income (\$MM)⁽¹⁾



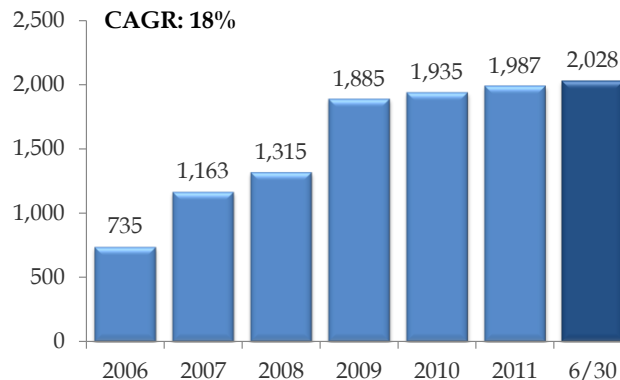
Total Equity (\$MM)⁽¹⁾



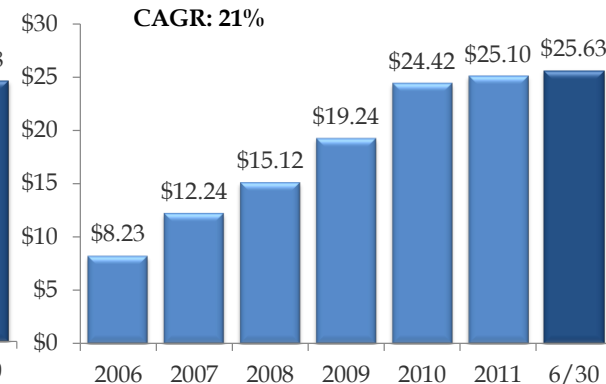
Total Client Assets (\$BN)⁽¹⁾⁽²⁾



Financial Advisors ⁽¹⁾⁽³⁾



Book Value Per Share⁽¹⁾⁽⁴⁾



(1) CAGR reflects years 2006 to 2011 for net revenues and core net income, and reflects years 2006 to 2012 assuming 6/30/12 as year-end 2012 for total equity, client assets, financial advisors and book value per share.

(2) Client assets - Includes FDIC-insured products as of 6/30/12 for years 2008-2012

(3) Includes Independent Contractors.

(4) Book Value Per Share adjusted for April 2011 three-for-two stock split (2006-2010).

Building Scale...

Strategic Growth Through Acquisitions



STONE &
YOUNGBERG

- Investment Banking
- Sales and Trading
- Private Client
- October 2011



Thomas Weisel Partners
Experts in Growth

- Investment Banking
- Sales and Trading
- Research
- July 2010



- Private Client
- October 2009



- Private Client
- Public Finance
- December 2008

RYAN BECK & CO.

- Private Client
- Capital Markets
- February 2007



- Capital Markets
- December 2005

Retail
Brokerage
Network

- Financial Advisors
- Private Client Branches

Equity
Research

- Senior Research Analysts
- Companies Under Coverage

Equity
Institutional
Brokerage

- Sales and Trading Professionals
- Institutional Clients

Fixed Income
Institutional
Brokerage

- Sales and Trading Professionals
- Institutional Clients

Investment
Banking

- Equity Professionals
- Fixed Income Professionals
- M&A Professionals
- Industry Groups

2005¹ 6/30/12

467 2,028
94 301

23 86
230 976

37 196
500 3,500

17 247
1,500 4,260

23 252
43 106
2 6
5 13

¹As of September 2005.

Stifel Financial Overview

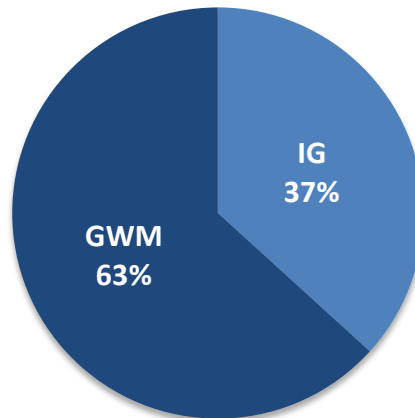
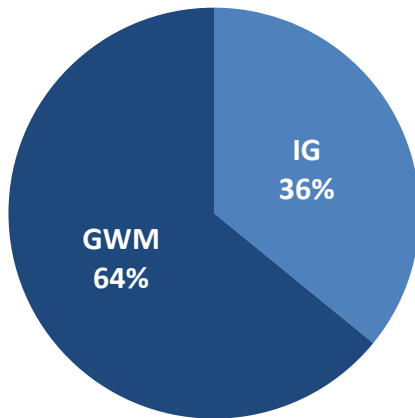
Stability Achieved Through A Balanced Business Model

- Balanced business model facilitates growth during volatile markets
- Stable GWM business is augmented by profitable and growing Institutional Group
- Proven ability to grow all businesses

Net Revenues

6 mo 2011

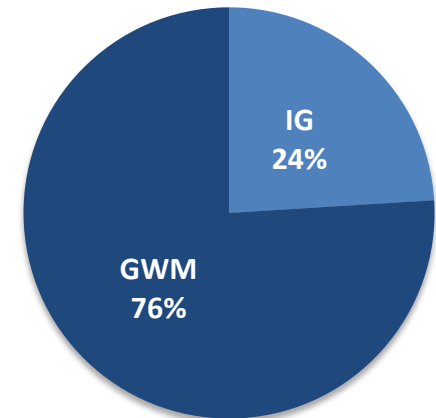
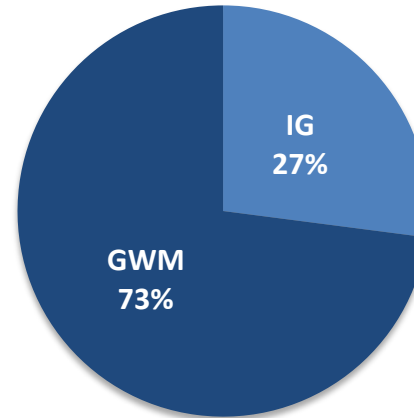
6 mo 2012



Operating Contribution

6 mo 2011

6 mo 2012



Stifel Financial Overview

Cumulative Price Appreciation As of August 31, 2012

| Since 12/31/11 | |
|-------------------------------|--------------|
| FBR & Co. | 47.80% |
| Edelman Financial | 34.25% |
| Piper Jaffray | 21.83% |
| Greenhill & Co. | 20.02% |
| Goldman Sachs Group | 16.91% |
| Raymond James Financial | 13.70% |
| S&P 500 Index | 11.85% |
| Lazard | 9.12% |
| Jefferies Group | 6.84% |
| Legg Mason | 2.20% |
| Stifel Financial Corp. | 1.97% |
| Cowen Group | 0.77% |
| KBW | 0.72% |
| Morgan Stanley | -0.86% |
| Evercore Partners | -7.21% |
| Oppenheimer | -7.33% |
| SWS Group | -13.10% |
| JMP Group | -24.62% |

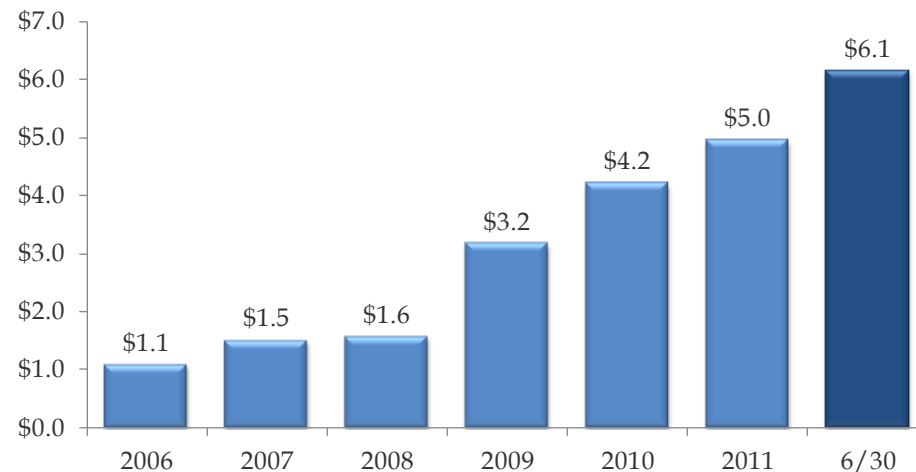
| Since 12/31/07 | |
|-------------------------------|---------------|
| Stifel Financial Corp. | 39.87% |
| Evercore Partners | 14.62% |
| Raymond James Financial | 7.78% |
| S&P 500 Index | -4.21% |
| Edelman Financial | -13.95% |
| Lazard | -29.97% |
| Greenhill & Co. | -34.34% |
| Jefferies Group | -36.27% |
| JMP Group | -36.44% |
| KBW | -40.25% |
| Piper Jaffray | -46.87% |
| Goldman Sachs Group | -50.84% |
| SWS Group | -52.88% |
| Oppenheimer | -64.77% |
| Legg Mason | -66.40% |
| FBR & Co. | -68.37% |
| Morgan Stanley | -71.76% |
| Cowen Group | NM |

| Since 12/31/02 | |
|-------------------------------|----------------|
| Stifel Financial Corp. | 780.07% |
| Raymond James Financial | 167.75% |
| S&P 500 Index | 59.87% |
| Goldman Sachs Group | 55.24% |
| Jefferies Group | 40.00% |
| Edelman Financial | 0.92% |
| Legg Mason | -24.04% |
| SWS Group | -33.96% |
| Oppenheimer | -40.91% |
| Morgan Stanley | -62.42% |
| Cowen Group | NM |
| Evercore Partners | NM |
| FBR & Co. | NM |
| Greenhill & Co. | NM |
| JMP Group | NM |
| KBW | NM |
| Lazard | NM |
| Piper Jaffray | NM |

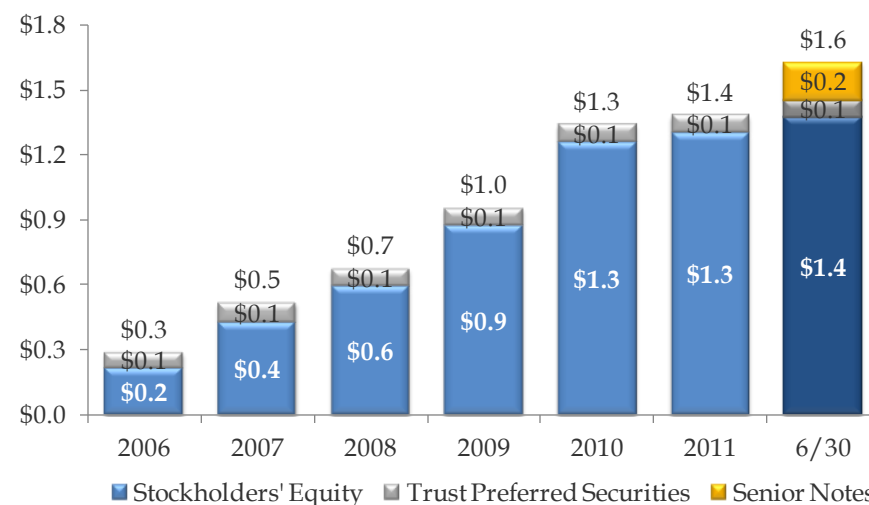
Statement of Financial Condition

As June 30, 2012

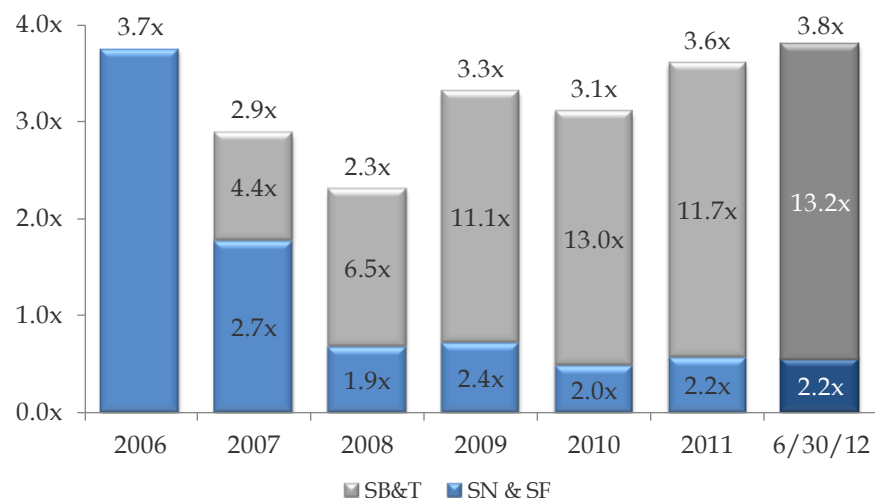
Total Assets (\$ in Billions)



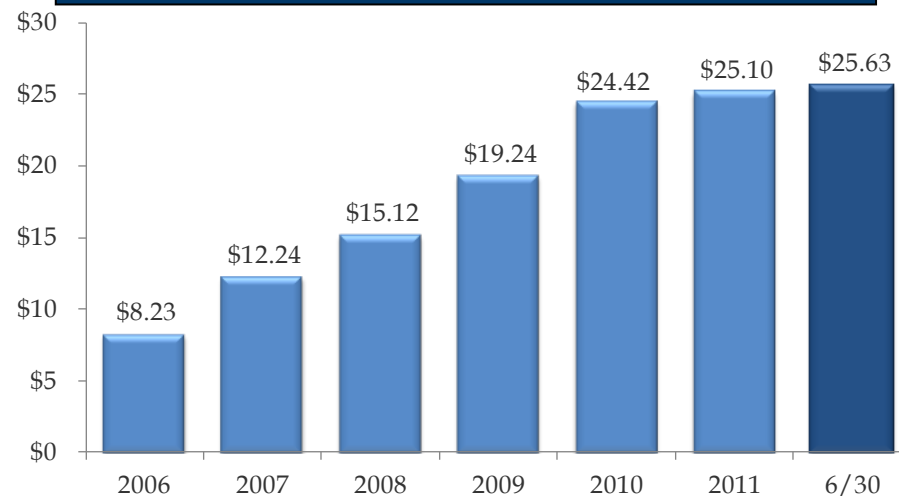
Total Capitalization (\$ in Billions)



Leverage Ratio



Book Value Per Share⁽¹⁾



⁽¹⁾Per share information adjusted for April 2011 three-for-two stock split

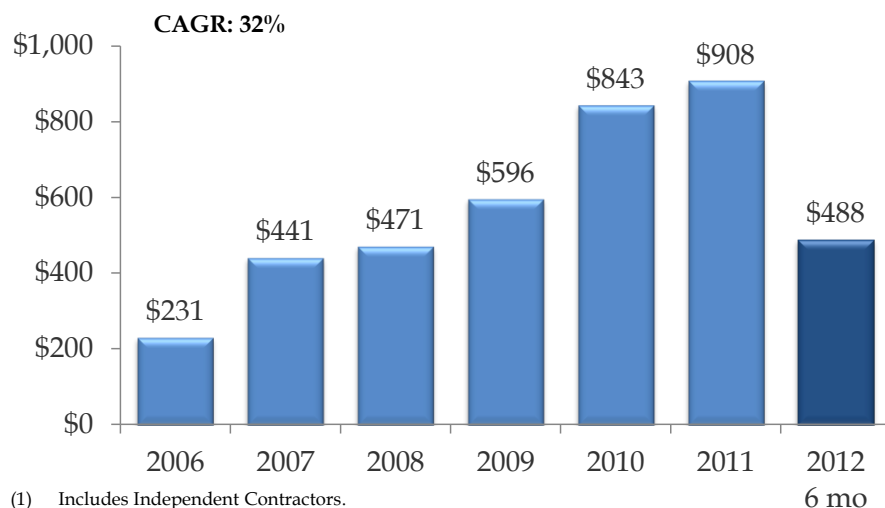
Global Wealth Management

Provides Securities Brokerage Services and Stifel Bank Products

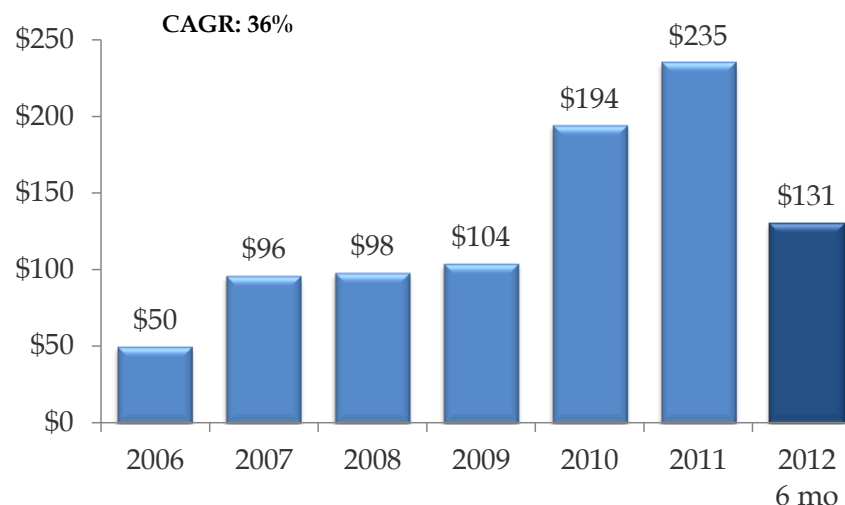
Overview

- Grown from 600+ financial advisors in 2005 to over 2,000⁽¹⁾ financial advisors currently
- Proven organic growth and acquirer of private client business (56 UBS branches, Butler Wick, Ryan Beck)
- Retail investors are generally mid- to long-term buyers
- Goal of providing price stability and support to the institutional order book
- Strategy of recruiting experienced advisors with established client relationships
- Expanding U.S. footprint

Net Revenues (\$MM) ⁽²⁾



Operating Contribution (\$MM) ⁽²⁾



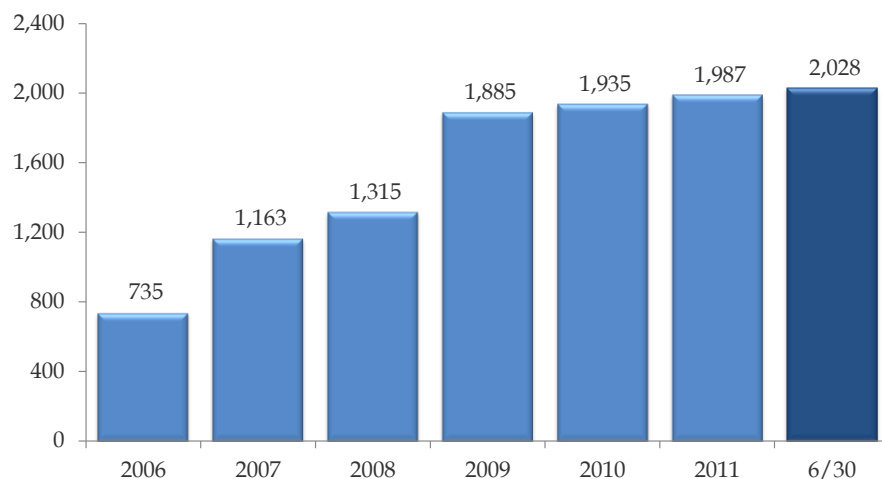
(1) Includes Independent Contractors.

(2) CAGR reflects years 2006 to 2011.

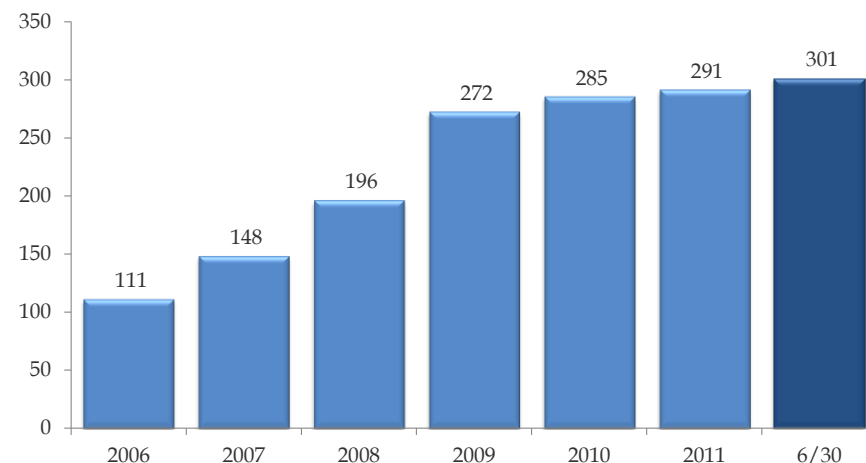
Global Wealth Management

Opportunity Through Growth

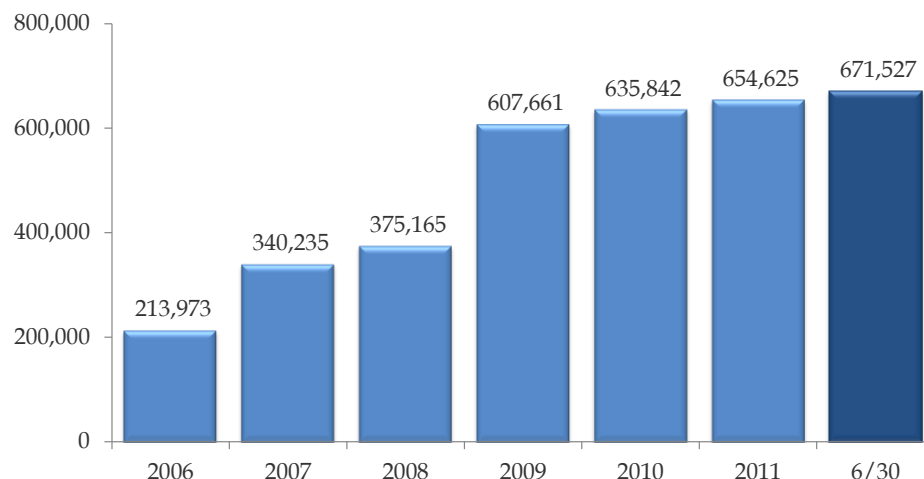
GWM Broker Growth ⁽¹⁾



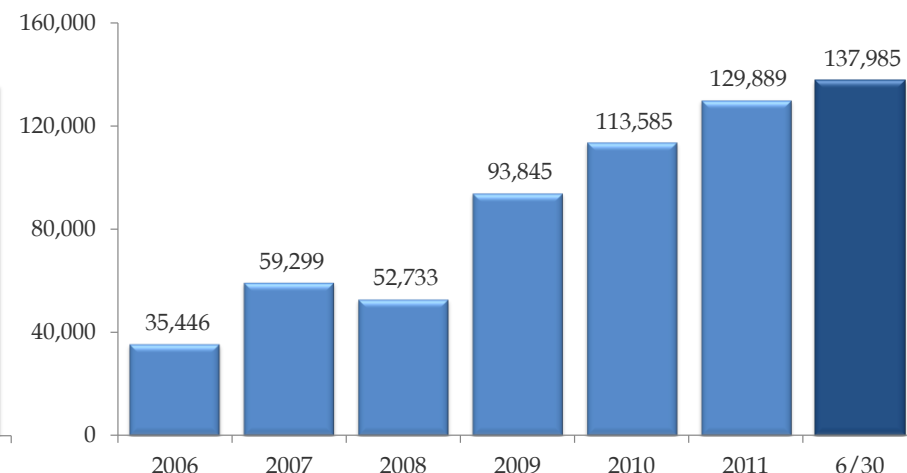
GWM Branch Growth



GWM Account Growth



GWM Assets Under Management Growth (\$MM) ⁽²⁾



(1) Includes Independent Contractors. (2) Client assets - Includes FDIC-insured products as of 6/30/12 for years 2008-2012.

Global Wealth Management – Stifel Bank & Trust

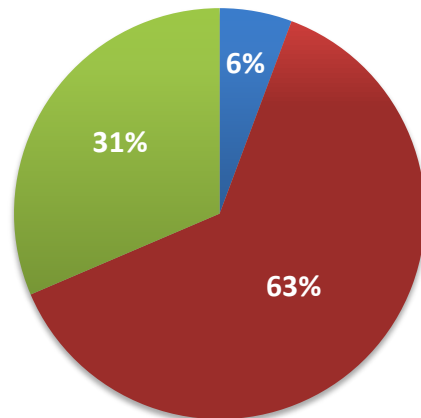
Overview

- Acquired FirstService Bank, a St. Louis-based, Missouri-chartered commercial bank, in April 2007
- Stifel Financial became a bank holding company and financial services holding company
- Balance sheet growth with low-risk assets
- Funded by Stifel Nicolaus client deposits
- Maintain high levels of liquidity

Strength of Brokerage Position

- Offers banking products (securities based loans and mortgage loans) within the GWM client base, including establishing trust services
 - Built-in source of business
 - High net worth clients
- Highly efficient due to lack of “brick and mortar” deposit focused facilities

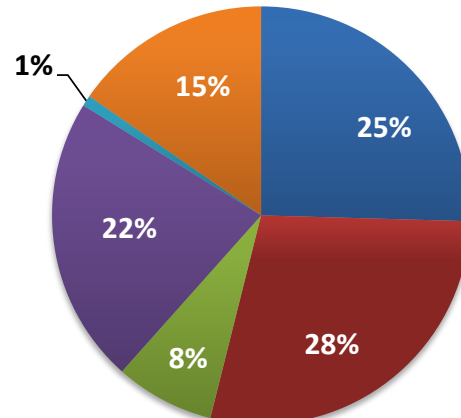
Interest Earnings Assets ⁽¹⁾



■ Cash ■ Investment Securities ■ Loans Receivable

Total: \$2.5 Billion

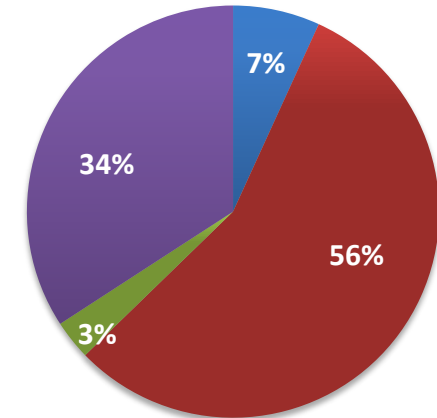
Investment Portfolio



■ ABS ■ Munis ■ MBS
■ Corporates ■ Agency MBS ■ CMBS

Total: \$1.8 Billion

Loan Portfolio (Gross)



■ Residential Real Estate ■ Securities-Based Lending
■ HELOC ■ Commercial & Industrial

Total: \$716 Million⁽²⁾

Note: Data as of 6/30/12.

(1) Average interest earning assets for the three months ended June 30, 2012.

(2) Construction and Land and Commercial Real Estate make up less than 1% of the loan portfolio

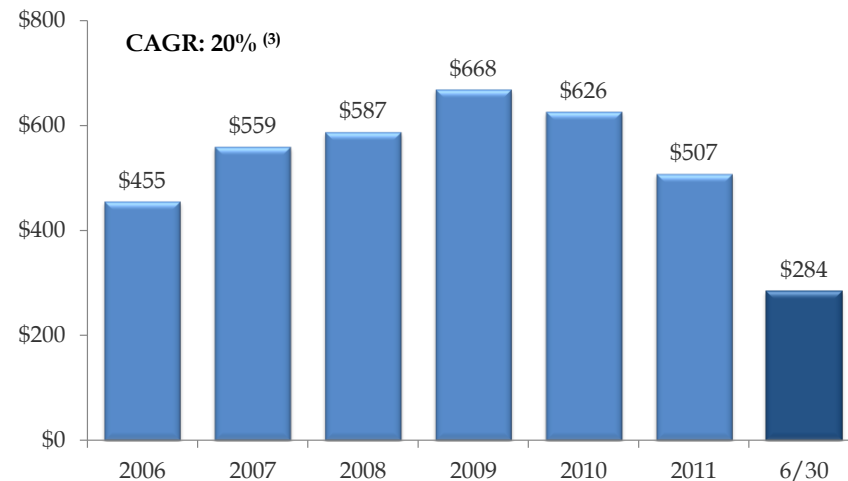
Institutional Group

Institutional Group

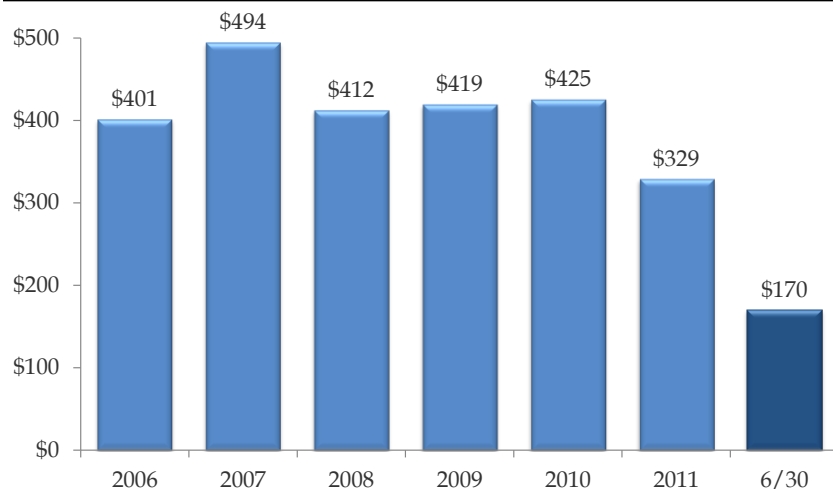
Overview

- Provides securities brokerage, trading, research, underwriting and corporate advisory services
- One of the largest providers of U.S. Equity Research
- 2nd largest Equity trading platform in the U.S. outside of the Bulge Bracket⁽¹⁾
- Full Service Middle-Market Investment Bank
- Comprehensive Fixed Income platform

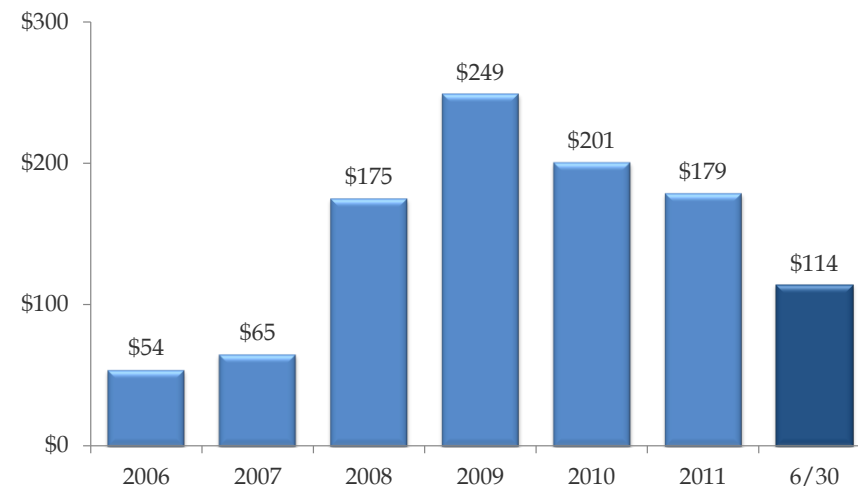
Net Revenues (\$MM)⁽²⁾



Equity Brokerage + Investment Banking⁽²⁾



Fixed Income Brokerage + Investment Banking



(1) Based on 2011 U.S. trading volume per Bloomberg.

(2) Includes TWPG historical investment banking and brokerage revenues for years 2006 through June 30, 2010.

(3) CAGR reflects years 2006 to 2011.

Institutional Group – Research

Third Largest U.S. Equity Research Platform

U.S. Equity Research Coverage ⁽¹⁾

| Rank | Firm | Companies Under Coverage | |
|-----------|----------------------------------|--------------------------|--------------------------|
| | | Overall | Small Cap ⁽²⁾ |
| 1 | JPMorgan | 1,070 | 198 |
| 2 | Bank of America Merrill Lynch | 1,027 | 182 |
| 3 | Stifel Nicolaus | 1,025 | 364 |
| 4 | Barclays Capital | 955 | 130 |
| 5 | Raymond James | 947 | 357 |
| 6 | Citi | 882 | 140 |
| 7 | Sidoti & Company LLC | 859 | 684 |
| 8 | Goldman Sachs | 851 | 100 |
| 9 | Wells Fargo Securities | 846 | 180 |
| 10 | Credit Suisse | 822 | 161 |
| 10 | Morgan Stanley | 822 | 113 |
| 12 | Deutsche Bank | 800 | 153 |
| 13 | UBS | 799 | 100 |
| 14 | RBC Capital Markets | 792 | 166 |
| 15 | Morningstar, Inc. | 789 | 77 |
| 16 | Jefferies & Co. | 737 | 198 |
| 17 | Robert W. Baird & Co. | 640 | 207 |
| 18 | BMO Capital Markets | 530 | 117 |
| 19 | Keybank Capital Markets | 527 | 165 |
| 20 | William Blair | 506 | 170 |

(1) Source: StarMine rankings as of 8/31/12. Does not include Closed End Funds.

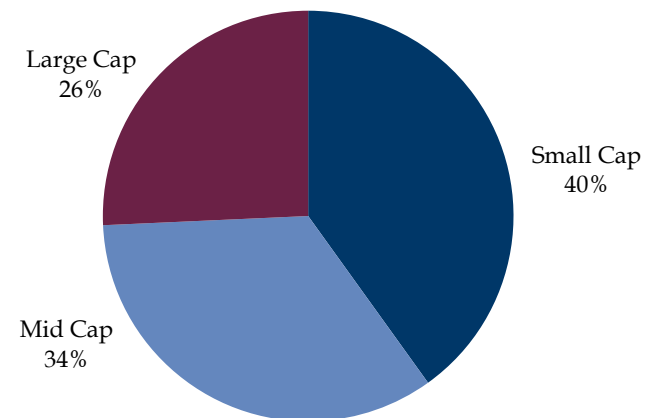
(2) Small Cap includes market caps less than \$1 billion; Mid Cap includes market caps less than \$5 billion.

Note: Bold font indicates middle-market firms. Research coverage distribution as of 8/31/12.

Stifel Research Highlights

- 3rd largest provider of U.S. equity research
- 2nd largest provider of US small cap equity coverage
- Largest provider of U.S. equity coverage in:
 - Technology
 - Real Estate
 - Internet, Media & Telecom
- Second largest provider of Transportation
- Third largest provider of:
 - Financial Institutions
 - Consumer & Retail

Coverage Balanced Across All Market Caps ⁽²⁾



Institutional Group – Research

Proven, Consistent - Qualitative Research

Research Model

- >50% of analysts worked in the field they cover
- ~35% of analysts initially joined as associates
- Average Stifel analyst has 10 years of experience
- More than 1/3 of analysts have the CFA designation
- Solid retention drives continuity, experience and better research

Award Highlights

- #3 (tied) in 2012 FT/StarMine Survey
- Most #1 awards in 2011 FT/StarMine Survey
- Most top 10 rankings in 2012 FT/StarMine Earnings Estimates
- Ranked 5th overall in total FT/StarMine awards since 2004
- #5 (tied) in WSJ Best on the Street Survey 2012
- #1 in WSJ Best on the Street Survey 2010
- Only firm ranked in the top 12 each year for the last 8 years in the WSJ Best on the Street Survey and StarMine Awards

Institutional Group – Equity Sales and Trading

Powerful Platform Spanning North America and Europe

Institutional Equity Sales

- 96 person sales force, commission based
- Experts in small and mid cap growth and value
- Team based sales model with 2-4 coverage sales people per account
- Team leaders have an average of 15 years experience
- Offices in all major institutional markets in North America & Europe
- Accounts range from large mutual funds to small industry focused investors
- Managed over 675 non-deal roadshow days in 2011
- Extensive experience with traditional and overnight corporate finance transactions

Equity Trading

- 34 coverage traders located in
 - Baltimore, New York, Boston, Dallas, San Francisco, Cleveland, London, and Canada
- 20 position traders covering each major industry
- 25 specialized traders focused on: Program & Option Trading, NY Stock Exchange Trading, Retail Block Trading, and Convertible Trading
- Agency model – no proprietary trading or prime brokerage
- Profitable model with advantages of scale

Distribution Network: Over 200 Professionals Globally

- Agency model – no proprietary trading or prime brokerage
- Major liquidity provider to largest equity money management complexes
- Multi-execution venues: high-touch, algorithms, program trading and direct market access
- Dedicated convertible sales, trading and research desk

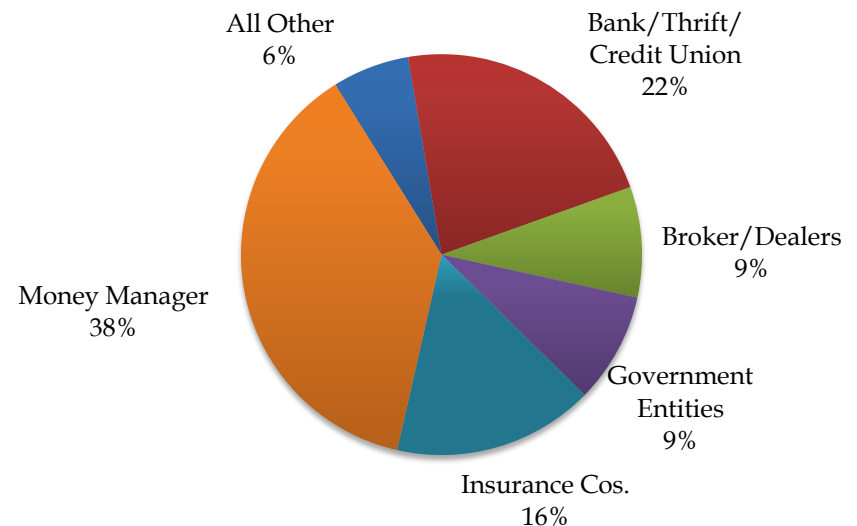
Institutional Group – Fixed Income

Strong Fixed Income Capital Markets Capabilities

Overview

- Comprehensive platform
 - 86 traders with annual client trade volume approaching \$275 billion
 - 17 dedicated fixed income strategists
- *Institutional Investor All-Star* nominated team
- Widespread distribution
 - 143 fixed income sales professionals covering over 4,200 accounts
 - 36 institutional fixed income offices nationwide

Client Distribution (1)(2)



Platform & Products

- | | | |
|---|---------------------------------------|---------------------------|
| ■ Focus on long-only money managers and income funds versus hedge funds | ■ Agency/Gov't Securities | ■ Whole Loans |
| ■ Consistency of execution | ■ Money Markets | ■ Municipals |
| ■ Identification of relative value through security selection | ■ Mortgages | ■ Emerging Markets |
| | ■ Asset-Backed Securities | ■ Structured Products |
| | ■ Investment Grade Credit | ■ Stifel Capital Advisors |
| | ■ High Yield Credit | |
| | ■ Aircraft Finance & Credit Solutions | |

(1) Client Distribution is for 1/1/12 – 6/30/12.

(2) Other category includes: Corporation, Hedge Fund, Pension Fund, Trust Company, Foundation, Endowment, University & Non-Profit.

Institutional Group – Investment Banking

Accomplished U.S. Equity Underwriting Franchise – All Equity Transactions

All Managed Equity Deals Since 2005

| (\$ in billions) | | # of | \$ |
|------------------|-----------------------------------|------------|----------------|
| Rank | Firm | Deals | Volume |
| 1 | Bank of America Merrill Lynch | 1,442 | \$901.4 |
| 2 | JPMorgan | 1,363 | \$823.6 |
| 3 | Citi | 1,137 | \$690.3 |
| 4 | UBS | 1,050 | \$601.3 |
| 5 | Morgan Stanley | 1,044 | \$701.4 |
| 6 | Wells Fargo Securities | 1,031 | \$548.3 |
| 7 | Barclays | 951 | \$580.8 |
| 8 | Credit Suisse | 918 | \$617.0 |
| 9 | Deutsche Bank | 871 | \$518.6 |
| 10 | Goldman Sachs | 842 | \$606.6 |
| 11 | RBC Capital Markets | 826 | \$356.5 |
| 12 | Stifel Nicolaus Weisel | 751 | \$205.9 |
| 13 | Raymond James | 734 | \$297.6 |
| 14 | Oppenheimer & Co Inc | 518 | \$116.2 |
| 15 | Piper Jaffray & Co | 483 | \$162.6 |
| 16 | Jefferies & Company | 458 | \$116.5 |
| 17 | Robert W Baird & Co | 339 | \$93.9 |
| 18 | Keefe Bruyette & Woods | 320 | \$134.7 |
| 19 | BMO Capital Markets | 294 | \$119.5 |
| 20 | JMP Securities LLC | 292 | \$59.7 |

Bookrun Equity Deals Since 2005

| (\$ in billions) | | # of | % | \$ |
|------------------|---------------------------------------|------------|------------|---------------|
| Rank | Firm | Deals | Bookrun | Volume |
| 1 | Bank of America Merrill Lynch | 1,139 | 79% | \$205.7 |
| 2 | JPMorgan | 977 | 72% | \$190.4 |
| 3 | Morgan Stanley | 856 | 82% | \$177.1 |
| 4 | Citi | 853 | 75% | \$155.6 |
| 5 | Goldman Sachs | 685 | 81% | \$176.2 |
| 6 | Barclays | 681 | 72% | \$111.0 |
| 7 | UBS | 638 | 61% | \$86.6 |
| 8 | Credit Suisse | 623 | 68% | \$98.6 |
| 9 | Deutsche Bank | 527 | 61% | \$66.7 |
| 10 | Wells Fargo Securities | 483 | 47% | \$55.1 |
| 11 | Jefferies & Company | 239 | 52% | \$15.8 |
| 12 | RBC Capital Markets | 204 | 25% | \$18.3 |
| 13 | Stifel Nicolaus Weisel | 149 | 20% | \$8.2 |
| 13 | Raymond James | 149 | 20% | \$10.2 |
| 15 | Piper Jaffray & Co | 136 | 28% | \$6.8 |
| 16 | Keefe Bruyette & Woods | 115 | 36% | \$9.0 |
| 17 | Oppenheimer & Co Inc | 101 | 19% | \$4.3 |
| 18 | Roth Capital Partners | 91 | 56% | \$2.5 |
| 19 | Sandler O'Neill & Partners | 84 | 42% | \$7.0 |
| 20 | Cowen & Co LLC | 71 | 26% | \$2.9 |

Source: Dealogic. Rank eligible SEC registered IPOs and Follow-On offerings since 2005. Includes demutualizations. As of 8/31/12.

Note: \$ Volume represents full credit to underwriter for All Managed Equity Deals and apportioned credit to bookrunner for Bookrun Equity Deals.

Bold font indicates middle-market firms.

Stifel results based on pro forma figures for both Stifel and TWP.

Financial Results

Stifel Financial Corp. Results

Three months ended June 30, 2012

| | Three Months Ended | | | | |
|--|--------------------|------------------------|---------------|-------------------|----------------|
| | 6/30/12 | 6/30/11 ⁽¹⁾ | % Change | 3/31/12 | % Change |
| (\$ in thousands, except per share amounts) | | | | | |
| Net revenues | \$ 374,407 | \$ 358,857 | 4.3% | \$ 400,333 | (6.5%) |
| Compensation and benefits | 239,374 | 229,939 | 4.1% | 254,704 | (6.0%) |
| Non-comp operating expenses | 91,159 | 125,043 | (27.1%) | 86,375 | 5.5% |
| Total non-interest expenses | 330,533 | 354,982 | (6.9%) | 341,079 | (3.1%) |
| Income before income taxes | 43,874 | 3,875 | * | 59,254 | (26.0%) |
| Provision for income taxes | 17,738 | 459 | * | 24,481 | (27.5%) |
| Net income | \$ 26,136 | \$ 3,416 | * | \$ 34,773 | (24.8%) |
| <u>Earnings per share:</u> | | | | | |
| Diluted | \$ 0.42 | \$ 0.05 | 740.0% | \$ 0.55 | (23.6%) |
| <u>Weighted average number of shares outstanding:</u> | | | | | |
| Diluted | 62,678 | 63,245 | (0.9%) | 62,669 | 0.0% |
| <u>Ratios to net revenues :</u> | | | | | |
| Compensation and benefits | 63.9% | 64.1% | | 63.6% | |
| Non-comp operating expenses | 24.4% | 34.8% | | 21.6% | |
| Income before income taxes | 11.7% | 1.1% | | 14.8% | |

* Percentage is not meaningful.

⁽¹⁾ Results for the three months ended June 30, 2011 include litigation-related charges and merger-related expenses of \$27.9 million after-tax.

Stifel Financial Corp. Results

Six months ended June 30, 2012

| | Six Months Ended | | |
|--|-------------------|------------------------|----------------|
| | 6/30/12 | 6/30/11 ⁽¹⁾ | % Change |
| <i>(\$ in thousands, except per share amounts)</i> | | | |
| Net revenues | \$ 774,740 | \$ 725,470 | 6.8% |
| Compensation and benefits | 494,078 | 461,105 | 7.2% |
| Non-comp operating expenses | 177,534 | 209,806 | (15.4%) |
| Total non-interest expenses | 671,612 | 670,911 | 0.1% |
| Income before income taxes | 103,128 | 54,559 | 89.0% |
| Provision for income taxes | 42,219 | 19,745 | 113.8% |
| Net income | \$ 60,909 | \$ 34,814 | 75.0% |
| <u>Earnings per share :</u> | | | |
| Diluted | \$ 0.97 | \$ 0.55 | 76.4% |
| <u>Weighted average number of shares outstanding:</u> | | | |
| Diluted | 62,700 | 63,239 | (0.9%) |
| <u>Ratios to net revenues :</u> | | | |
| Compensation and benefits | 63.8% | 63.6% | |
| Non-comp operating expenses | 22.9% | 28.9% | |
| Income before income taxes | 13.3% | 7.5% | |

⁽¹⁾ Results for the six months ended June 30, 2011 include litigation-related charges and merger-related expenses of \$29.4 million after-tax.

Sources of Revenues

| (\$ in thousands) | Quarter Ended | | | | | Six Months Ended | | |
|---------------------------------|-------------------|-------------------|-------------|-------------------|---------------|-------------------|-------------------|-------------|
| | 6/30/12 | 6/30/11 | % Change | 3/31/12 | % Change | 6/30/12 | 6/30/11 | % Change |
| Commissions | \$ 127,427 | \$ 138,315 | (7.9%) | \$ 123,303 | 3.3% | \$ 250,730 | \$ 294,101 | (14.7%) |
| Principal transactions | 91,564 | 79,741 | 14.8% | 116,233 | (21.2%) | 207,797 | 172,600 | 20.4% |
| Capital raising | 40,733 | 39,689 | 2.6% | 54,833 | (25.7%) | 95,566 | 72,047 | 32.6% |
| Advisory | 26,630 | 24,729 | 7.7% | 15,605 | 70.7% | 42,235 | 33,789 | 25.0% |
| Investment banking | 67,363 | 64,418 | 4.6% | 70,438 | (4.4%) | 137,801 | 105,836 | 30.2% |
| Asset mgt and service fees | 65,311 | 56,981 | 14.6% | 60,818 | 7.4% | 126,129 | 114,661 | 10.0% |
| Other | 5,418 | 4,556 | 18.9% | 13,294 | (59.2%) | 18,712 | 10,812 | 73.1% |
| Total operating revenues | 357,083 | 344,011 | 3.8% | 384,086 | (7.0%) | 741,169 | 698,010 | 6.2% |
| Interest revenue | 27,181 | 21,229 | 28.0% | 25,257 | 7.6% | 52,438 | 40,085 | 30.8% |
| Total revenues | 384,264 | 365,240 | 5.2% | 409,343 | (6.1%) | 793,607 | 738,095 | 7.5% |
| Interest expense | 9,857 | 6,383 | 54.4% | 9,010 | 9.4% | 18,867 | 12,625 | 49.4% |
| Net revenues | \$ 374,407 | \$ 358,857 | 4.3% | \$ 400,333 | (6.5%) | \$ 774,740 | \$ 725,470 | 6.8% |

Brokerage Revenues

| | Quarter Ended | | | | | Six Months Ended | | |
|-------------------------------------|-------------------|-------------------|---------------|-------------------|----------------|-------------------|-------------------|----------------|
| | 6/30/12 | 6/30/11 | % Change | 3/31/12 | % Change | 6/30/12 | 6/30/11 | % Change |
| (\$ in thousands) | | | | | | | | |
| Principal transactions: | | | | | | | | |
| Taxable debt | \$ 47,831 | \$ 43,020 | 11.2% | \$ 61,433 | (22.1%) | \$ 109,264 | \$ 94,439 | 15.7% |
| Municipal debt | 23,851 | 18,850 | 26.5% | 21,826 | 9.3% | 45,677 | 38,388 | 19.0% |
| Equities | 8,463 | 8,896 | (4.9%) | 21,108 | (59.9%) | 29,571 | 20,519 | 44.1% |
| Other | 11,419 | 8,975 | 27.2% | 11,866 | (3.8%) | 23,285 | 19,254 | 20.9% |
| Total principal transactions | \$ 91,564 | \$ 79,741 | 14.8% | \$ 116,233 | (21.2%) | \$ 207,797 | \$ 172,600 | 20.4% |
| Commissions | 127,427 | 138,315 | (7.9%) | 123,303 | 3.3% | 250,730 | 294,101 | (14.7%) |
| Total brokerage revenues | \$ 218,991 | \$ 218,056 | 0.4% | \$ 239,536 | (8.6%) | \$ 458,527 | \$ 466,701 | (1.8%) |

Non-Interest Expenses

Six months ended June 30, 2012

| | Six Months Ended | | | % of Net revenues | |
|--|------------------|------------------------|----------|-------------------|---------|
| | 6/30/12 | 6/30/11 ⁽¹⁾ | % Change | 6/30/12 | 6/30/11 |
| (\$ in thousands) | | | | | |
| Compensation and benefits | 455,336 | 424,738 | 7.2% | 58.8% | 58.6% |
| Transitional pay ⁽²⁾ | 38,742 | 36,367 | 6.5% | 5.0% | 5.0% |
| Total compensation and benefits | 494,078 | 461,105 | 7.2% | 63.8% | 63.6% |
| Occupancy and equipment rental | 63,111 | 59,048 | 6.9% | 8.1% | 8.1% |
| Communication and office supplies | 41,170 | 37,360 | 10.2% | 5.3% | 5.1% |
| Commissions and floor brokerage | 15,359 | 13,543 | 13.4% | 2.0% | 1.9% |
| Other operating expenses | 57,894 | 99,855 | (42.0%) | 7.5% | 13.8% |
| Total non-comp operating expenses | 177,534 | 209,806 | (15.4%) | 22.9% | 28.9% |
| Total non-interest expense | 671,612 | 670,911 | 0.1% | 86.7% | 92.5% |

⁽¹⁾ Results for the six months ended June 30, 2011 include litigation-related charges and merger-related expenses of \$29.4 million after-tax.

⁽²⁾ Transition pay includes amortization of upfront notes, signing bonuses and retention awards.

Segment Comparison

| | Quarter Ended | | | | | Six Months Ended | | |
|--------------------------------|-------------------|-------------------|-------------|-------------------|----------------|-------------------|-------------------|--------------|
| | 6/30/12 | 6/30/11 | % Change | 3/31/12 | % Change | 6/30/12 | 6/30/11 | % Change |
| <i>(\$ in thousands)</i> | | | | | | | | |
| Net revenues: | | | | | | | | |
| Global Wealth Management | \$ 240,029 | \$ 225,645 | 6.4% | \$ 248,348 | (3.3%) | \$ 488,377 | \$ 464,091 | 5.2% |
| Institutional Group | 135,297 | 132,915 | 1.8% | 148,504 | (8.9%) | 283,801 | 259,909 | 9.2% |
| Other | (919) | 297 | * | 3,481 | (126.4%) | 2,562 | 1,470 | 74.3% |
| | <u>\$ 374,407</u> | <u>\$ 358,857</u> | <u>4.3%</u> | <u>\$ 400,333</u> | <u>(6.5%)</u> | <u>\$ 774,740</u> | <u>\$ 725,470</u> | <u>6.8%</u> |
| Operating contribution: | | | | | | | | |
| Global Wealth Management | \$ 61,353 | \$ 55,426 | 10.7% | \$ 69,178 | (11.3%) | \$ 130,531 | \$ 116,898 | 11.7% |
| Institutional Group | 17,546 | 21,951 | (20.1%) | 23,704 | (26.0%) | 41,250 | 43,344 | (4.8%) |
| Other ⁽¹⁾ | (35,025) | (73,502) | (52.3%) | (33,628) | 4.2% | (68,653) | (105,683) | (35.0%) |
| | <u>\$ 43,874</u> | <u>\$ 3,875</u> | <u>*</u> | <u>\$ 59,254</u> | <u>(26.0%)</u> | <u>\$ 103,128</u> | <u>\$ 54,559</u> | <u>89.0%</u> |

* Percentage is not meaningful.

⁽¹⁾ Results for the three and six months ended June 30, 2011 include litigation-related charges and merger-related expenses of \$45.1 million pre-tax and \$47.5 million pre-tax, respectively.

Conclusion

Opportunities Drive our Growth

Stifel is Well-Positioned to Take Advantage of Opportunities

Strategic Initiatives

- Attract and retain high-quality talent
- Continue building client facing, agency-only businesses
- Continue to expand private client footprint in the U.S.
- Continue to expand fixed income businesses
- Continue to expand investment banking capabilities
- Focus on quality asset generation within Stifel Bank
- Expand traditional asset management capabilities
- Approach acquisition opportunities with discipline

Strong Balance Sheet Facilitates Growth