STIFEL

ANNUAL REPORT **2016**

ABOUT **STIFEL**

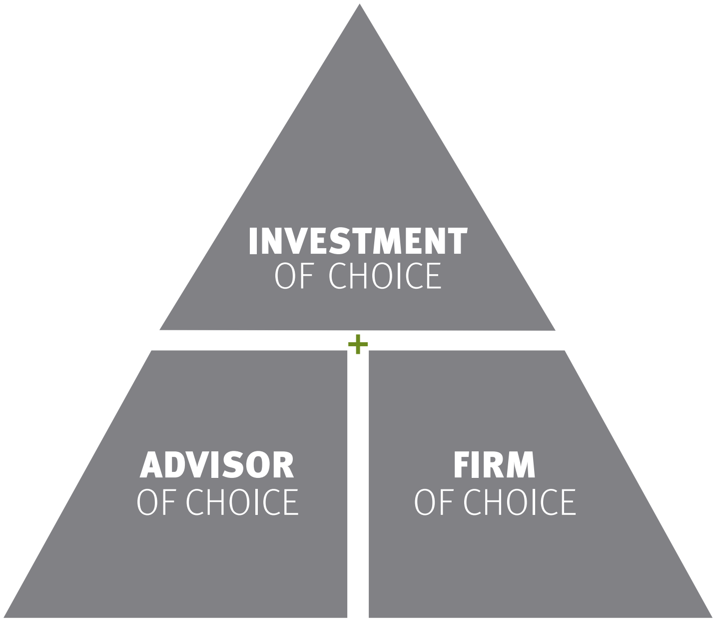
Stifel Financial Corp. is a financial services holding company headquartered in St. Louis, Missouri, that conducts its banking, securities, and financial services business through several wholly owned subsidiaries. Stifel's broker-dealer clients are served in the United States through Stifel, Nicolaus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

STATEMENT OF **COMMITMENT**

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

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

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



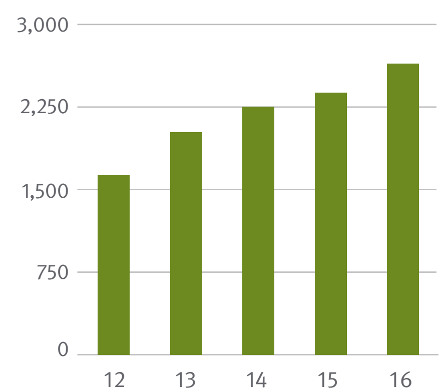
FINANCIAL **HIGHLIGHTS**

OPERATING RESULTS:[1] *in thousands, except per share amounts*	2012	2013	2014	2015	2016
Total Revenues	$1,627,483	$2,019,814	$2,249,685	$2,376,993	$2,642,370
Net Income Available to Common Shareholders	$145,296	$172,907	$179,130	$92,336	$77,614
Earnings Per Diluted Share	$2.31	$2.35	$2.35	$1.18	$1.00
Non-GAAP Net Income[2]	$145,296	$172,191	$205,579	$149,252	$185,706
Non-GAAP Earnings Per Diluted Share[2]	$2.31	$2.34	$2.69	$1.90	$2.39

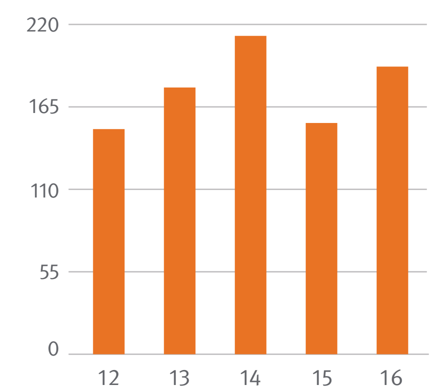
FINANCIAL POSITION: *in thousands, except per share amounts*	2012	2013	2014	2015	2016
Total Assets	$6,966,140	$9,008,870	$9,518,151	$13,326,051	$19,129,356
Shareholders' Equity	$1,494,661	$2,058,849	$2,322,038	$2,492,416	$2,738,408
Book Value Per Share	$27.24	$32.30	$35.00	$37.19	$38.84

[1] The operating results are from continuing operations. The results for SN Canada are classified as discontinued operations for all periods presented.
[2] Non-GAAP Net Income and Non-GAAP Earnings Per Diluted Share represent GAAP net income and GAAP diluted earnings per share adjusted for: (1) acquisition-related charges other than duplicative expenses; (2) litigation-related expenses; and (3) the U.S. tax benefit in 2013 arising out of the Company's investment in SN Canada. See Reconciliation of GAAP Net Income to Non-GAAP Net Income on page 16.

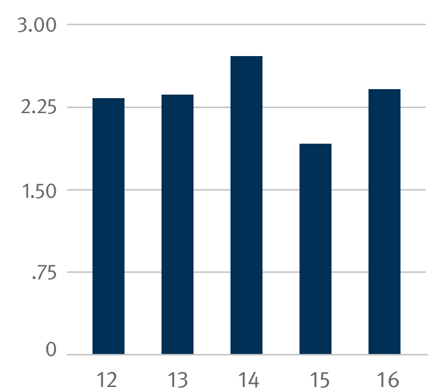
TOTAL REVENUES
(In millions)



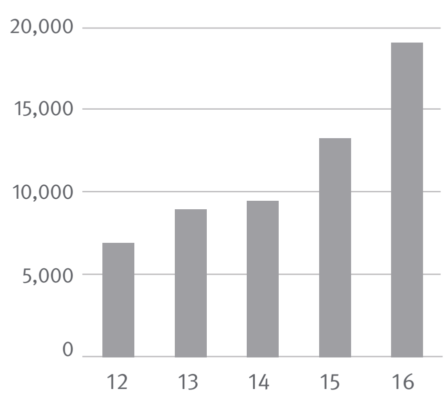
NON-GAAP NET INCOME[2]
(In millions)



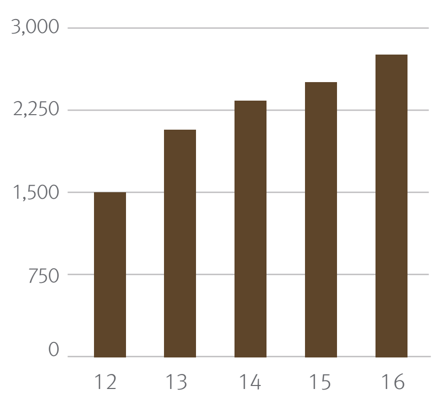
NON-GAAP EARNINGS PER DILUTED SHARE[2]



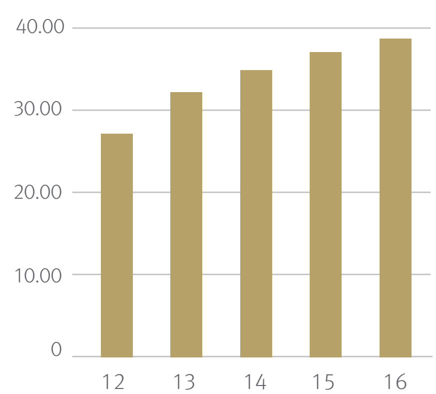
TOTAL ASSETS
(In millions)



SHAREHOLDERS' EQUITY
(In millions)



BOOK VALUE PER SHARE



RONALD J. KRUSZEWSKI
Chairman of the Board
Chief Executive Officer

CHAIRMAN'S **LETTER**

Dear Fellow Shareholders, Clients, and Associates

In last year's letter, I described Stifel's results against the backdrop of a year of duality. 2016 was much the same, but in reverse order. The year began with a sharp market correction and corresponding concern about global economic growth. While markets generally improved as the year progressed, two major events shocked the system. First, the United Kingdom's rejection of the European Union roiled financial markets while highlighting the vulnerability of democracies to non-traditional political movements. The U.S. presidential election was equally jolting – especially to pollsters – yet markets responded with exuberance. Both outcomes were unexpected and defied conventional wisdom, and they reminded us how quickly things can change, be it markets or politics.

Events like these have happened before and will happen again. As the saying goes, the only constant is change. Change is disruptive, yet presents unexpected opportunities as well. Our strategy has always been to position ourselves to take advantage of opportunity, and to embrace a long-term view.

Stifel's 2016 results reflect this long-term view as we recorded our 21st consecutive year of record net revenue. During 2016, Stifel continued significant investments in our infrastructure, accelerated the growth of our balance sheet while remaining cognizant of credit and interest rate risk, and improved our client service capabilities through organic hiring and integrating mergers. Accounting for all this, net income under generally accepted accounting principles ("GAAP") was $78 million, or $1.00 per diluted share.

We also provide our results on a non-GAAP basis, which excludes the impact of merger-related expenses. Our long-term approach to strategic mergers is to structure transactions in order to maximize both associate retention and tax efficiency. Excluding the impact of these merger-related expenses, non-GAAP net income was $186 million, or $2.39 per diluted share, for 2016. Our non-GAAP net income includes the impact of duplicative expenses, which was $0.23 per diluted share in 2016.

Global Wealth Management posted record revenue of $1.6 billion, an increase of 14% over 2015, and achieved record profitability. Stifel Bank ended the year with approximately $13 billion in assets while maintaining a conservative risk profile. Asset management and fees totaled $582 million, an increase of 18%. Strategically, we understand that as much as things change, one thing remains constant – the value and importance of the relationships between our advisors and their clients. We remain focused on the intersection of technology and personal advice. As such, we are committed to investing in systems to assist our advisors in helping their clients understand, organize, and plan their assets, liabilities, and wealth. Our focus on the advisor relationship and our investments has not gone unnoticed. We are pleased that J.D. Power ranked Stifel 6th in Investor Satisfaction with Full-Service Brokerage Firms.

2016 **RESULTS**

(in thousands)	**2016**	**%**
TOTAL FIRM		
Total Revenues	$2,642,370	11
Non-GAAP Net Income	185,706	24
Non-GAAP EPS	2.39	26
GLOBAL WEALTH MANAGEMENT		
Net Revenues	1,563,410	14
Contribution	430,318	13
AUM	236,942,000	8
INSTITUTIONAL		
Equity Net Revenues	582,083	2
Fixed Income Net Revenues	432,081	7
Net Revenues	1,014,164	4
Contribution	164,143	16
INSTITUTIONAL CLIENT SERVICES		
Equity	238,775	2
Fixed Income	296,008	18
Total	534,783	10
INVESTMENT BANKING		
Equity	344,171	(2)
Fixed Income	168,863	10
Total	513,034	2
Capital Raising	256,397	(17)
Advisory	256,637	31

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

Our Institutional Business comprises Institutional Client Services and Investment Banking. Our strategy is to provide our institutional clients value-added services, while addressing the structural changes occurring in this sector. This business is highly correlated to the growth in the U.S. economy, and we believe we are well positioned as economic conditions improve. For 2016, Institutional revenues were in excess of a record $1 billion with solid profitability.

Institutional Client Services (sales, trading, and research for debt and equity) recorded revenue of $535 million, an increase of 10%. We are pleased with the increase in our equity brokerage revenues, which totaled $239 million. Increased activity and volatility after Brexit and the U.S. presidential election offset otherwise tepid industry-wide volumes. Fixed income brokerage revenues, buoyed by our acquisition of Sterne Agee, were $296 million, up 18%. Our Stifel and KBW franchises combine to make us the largest provider of U.S. research. Together, we achieved the No. 1 ranking in the 2016 Thomson Reuters StarMine Analyst Awards. This marks our third No. 1 ranking since 2010 and tenth consecutive top 10 finish. In addition, Stifel Nicolaus Europe Limited won four StarMine awards for United Kingdom and Ireland, plus one award in its Europe rankings. With respect to Fixed Income, Greenwich Associates' U.S. Investment Grade Credit study ranked Stifel No. 1 in quality of service among its mid-tier, non-bulge-bracket peers.

Investment Banking revenues totaled $513 million, an increase of 2% from 2015. Banking revenues were equally divided between capital raising and advisory revenue. However, it was a difficult year for capital raising, especially in several of Stifel's strongest verticals, as these revenues declined 17%. Offsetting this decline was an exceptional year for advisory services, with advisory revenue of $257 million, up 31% from 2015.

Stifel's debt financing business is anchored by our public finance business, driven by both geographic and sector diversification. For the third consecutive year, Stifel led the nation in the number of municipal negotiated issues, serving as sole or senior manager for 801 transactions with a total par value of approximately $17 billion. In addition, Stifel ranked No. 1 nationally in underwriting bonds for primary education (K-12) with 409 issues totaling nearly $8 billion, issues supporting economic development and redevelopment with 118 issues raising $2.9 billion, and issues to finance the construction or renovation of affordable housing projects with 56 issues raising over $600 million across the country.

With respect to equity, we managed or co-managed more than 150 offerings, of which nearly 50% were book-run deals. Our strength across key sectors, including Financial Institutions, Healthcare, and Technology, continued with book-managed transactions for a number of clients, including Achoagen, TherapeuticsMD, Everspin Technologies, and Ichor Systems.

The power of our KBW franchise was highlighted by our leading position in raising equity after the 2016 U.S. presidential election. KBW raised over $1.0 billion of equity and book ran 14 transactions, four times more than any other firm in the 2016 post-election period, including transactions for Iberiabank Corporation, Renasant Corporation, and Valley National Bancorp.

In the United Kingdom, Stifel was the fourth leading capital raiser across all U.K. equity markets. The investment funds team had over 26% of market share in 2016, including banner transactions for Secure Income REIT plc and two follow-ons for Sequoia Economic Infrastructure Income Fund Limited.

On the advisory front, we were involved in several marquee transactions, including MicroSemi's $2.5 billion acquisition of PMC, Talmer Bancorp's $1.65 billion merger with Chemical Financial Corporation, and Aéropostale, Inc.'s unique restructuring and Section 363 sale.

As planned, 2016 represented a year of growth in company assets, primarily interest-earning assets in Stifel Bank. We grew our assets by 43%, ending the year with over $19 billion. In addition, we achieved our stated capital ratio goals, ending the year with a Tier 1 leverage ratio of 10.2% and risk-based capital ratio of 20.3%. Looking forward, our future organic asset growth will be funded primarily by retained earnings.

Stifel has long approached mergers and acquisitions opportunistically and with patience. We are not motivated to achieve growth for growth's sake, and our philosophy is to wait for the right opportunities. Each opportunity that we consider must satisfy the following criteria: (1) the business needs to be a strategic fit, (2) the people need to be a cultural fit, and (3) the merger needs to be shareholder accretive in a reasonable period of time. The following depicts our key acquisitions since 2005:

2005
Legg Mason Capital Markets

2006
Miller Johnson Steichen Kinnard

2007
Ryan Beck & Co.
FirstService Bank

2008
Butler Wick

2009
56 UBS Branches

2010
Thomas Weisel Partners

2011
Stone & Youngberg

2012
Miller Buckfire

2013
Keefe, Bruyette & Woods
Knight
Acacia Federal Savings Bank
Ziegler Capital Management, LLC

2014
De La Rosa & Co.
Merchant Capital, L.L.C.
Oriel Securities
1919 Investment Counsel

2015
Sterne Agee
Barclays Wealth and Investment Management, Americas

2016
Eaton Partners
ISM Capital LLP

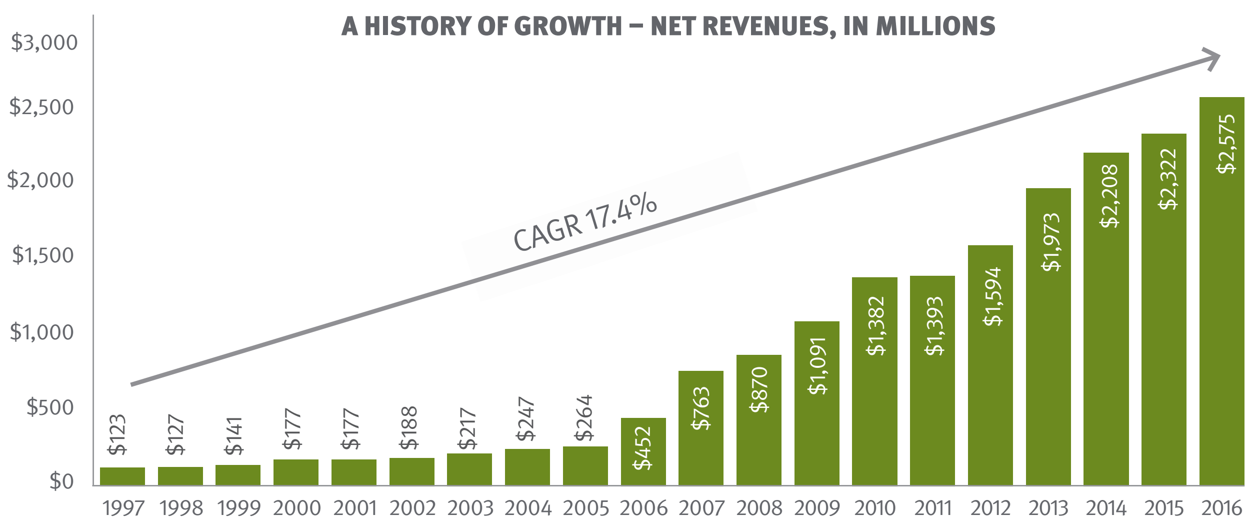
2017
City Securities Corporation

Since my letter to you last year, we met these criteria with the acquisition of City Securities. Through that acquisition and our other recent strategic investments, we have augmented our wealth management and public finance capabilities while enhancing our advisory platform. I am pleased to welcome these talented associates to Stifel.

Stifel's growth over the past 20 years would not have been possible without a strong and capable Board of Directors. Bruce Beda, who is retiring this year, exemplifies these characteristics, and I have been honored to work with him since I joined Stifel in 1997. In fact, I owe a debt of gratitude to Bruce, as he was the Director who first recruited me as CEO. Recently, Bruce has served as Audit Committee chair and provided leadership as Lead Director to Stifel's Board. Thank you, Bruce, for your service and friendship.

I am also pleased to welcome David Peacock, former President of Anheuser-Busch, to our Board. Dave will bring entrepreneurial, corporate, manufacturing, and marketing expertise to the Board of Directors. In addition, through his service as president of a global consumer brand, Dave will bring an in-depth knowledge and expertise in corporate governance, branding, marketing, and market presence.

The events of the past year are a reminder that the unexpected happens – consistently. Risk is everywhere and omnipresent. Global issues, including geopolitical risk, the sustainability of the Eurozone, populist backlash against globalization and free trade, and environmental concerns, pose significant challenges individually and collectively. In addition, our industry faces challenges, including the trend toward passive investing, global regulations regarding research payments (MiFID II), and the Department of Labor Fiduciary Rule. The market changes influenced by passive investment and regulations have caused many in our industry to exit sales and trading. However, we believe that the pendulum will swing back to active investment (I have stated I want to be the only active investor in a passive world), and we are committed to providing value to our clients.



Opportunities are myriad. At home, the possibility of tax reform and increased infrastructure spending, coupled with less burdensome regulations, provides a foundation for increased and sustained economic growth. If these events do indeed occur, Stifel will benefit along with the broader financial services industry. In the meantime, we will continue to focus on growing our business organically, controlling costs while preserving optionality for business improvement, and remaining diligent for opportunistic acquisitions.

Looking forward, we are reminded of the value of our long-term strategy, which since 1997, has grown the firm from 700 associates to over 7,000; from $110 million in revenue to over $2.6 billion; from $40 million in market capitalization to over $3 billion. By remaining true to our values and traditions, which have guided us for over 125 years, we believe we are well-positioned to meet challenges while remaining poised to seize the opportunities borne of change.

As always, we sincerely thank our shareholders and clients for their support, as well as our more than 7,000 associates for their commitment to excellence.

RONALD J. KRUSZEWSKI
Chairman of the Board and Chief Executive Officer

WEALTH **MANAGEMENT**

PRIVATE CLIENT GROUP

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

Through a combination of strategic acquisitions and organic growth, Stifel has grown to become one of the nation's largest full-service investment firms, ranking No. 7 in terms of financial advisors, and J.D. Power ranked Stifel 6th in Investor Satisfaction with Full-Service Brokerage Firms.

Our impressive standing is no accident. It's a reflection of the highly appealing culture we've built here at Stifel. We value our advisors and the client relationships they've worked so hard to build. As such, we seek to provide our advisors with the tools they need to strengthen those relationships as we continually work to eliminate bureaucracy and other impediments to success.

We know that by offering an environment in which advisors are empowered to do what's best for their clients, we will continue to attract creative, entrepreneurial professionals who share our commitment to client service.

2016

140 Financial Advisors joined Stifel

360 Private Client Group branches

$237 billion in Assets Under Management

J.D. Power ranked Stifel
6th
in Investor Satisfaction with Full-Service Brokerage Firms

ASSET MANAGEMENT

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

Stifel Asset Management Affiliates

Ziegler Capital Management, LLC

Washington Crossing Advisors

1919 Investment Counsel

EquityCompass Strategies

RANK	FIRM	ADVISORS
1	Bank of America Merrill Lynch	16,069
2	Morgan Stanley Wealth Management	15,856
3	Wells Fargo Securities	15,086
4	Raymond James	7,146
5	UBS	7,087
6	JPMorgan	2,560
7	**Stifel**	**2,282**
8	RBC Capital Markets	2,000
9	Oppenheimer & Co.	1,177

Source: SIFMA and publicly available information for U.S. brokerage networks.
Includes full-service firms only.

7th
largest full-service investment firm in the nation in number of financial advisors

STIFEL BANK

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

$13 billion **in assets**

STIFEL TRUST | Offering trust and fiduciary services to clients

INVESTMENT **BANKING**

Stifel is the industry's preeminent middle-market investment bank.

Our industry-focused investment banking groups provide the breadth of services typically offered by much larger firms.

Today, our 400 investment banking professionals deliver the full resources of our institutional capital markets platform and retail brokerage network.

In the middle market, Stifel Investment Banking is ...

No.1 in Total Number of Managed Equity Deals Under $1 Billion[1]

No.2 in Total Number of Bookrun Equity Deals Under $1 Billion[1]

No.1 in Total Number of Preferred & Baby Bonds Under $200 Million

No.1 in Total Number of M&A Deals Under $1 Billion

... since 2010

Source: Dealogic. Includes firms acquired by Stifel.
[1] Rank-eligible SEC-registered IPOs and follow-on offerings since 2010

Keefe, Bruyette & Woods (KBW)

The premier advisor on financial services industry transactions

No. 1 M&A Advisor:
Most completed M&A transactions since 2000[1]

No. 1 Capital Markets Team:
Most IPOs and follow-on offerings since 2000[2]

No. 1 Sales Force:
Largest financial services specialist sales force

No. 1
Institutional Investor:
Best Salesforce
Financials Category[3]

[1] Source: SNL Financial. Data includes Banking, Insurance, Securities & Investments, and Specialty Finance sectors; excludes government-assisted transactions.
[2] Source: Dealogic. Based on SEC-registered underwritten IPOs and follow-on offerings since 2000 for financial services companies in the U.S., Puerto Rico, Bermuda, and Cayman Islands.
[3] Source: Institutional Investor Buy-Side Survey

Miller Buckfire

A leader in restructuring and recapitalization

The M&A Advisor

Restructuring Deal of the Year ($250 million+) – Aéropostale
Section 363 Sale of the Year ($250 million+) – Aéropostale
Materials Deal of the Year ($250 million+) – Molycorp

Turnaround Atlas Awards

Turnaround of the Year – Aéropostale
Private Equity Turnaround of the Year – Molycorp

Eaton Partners

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

Placed or arranged more than **$60 billion** of commitments since 2004

Received **1,100** commitments for **70** alternative investment funds since 2004

INSTITUTIONAL **SERVICES**

EQUITY RESEARCH

Solid, studied investment advice has been a hallmark of Stifel's approach since our founding in 1890, but our 2005 acquisition of Legg Mason Capital Markets transformed us into an industry leader.

And while our coverage growth has been nothing short of extraordinary, it's the quality of our research that truly sets us apart from our peers.

At the heart of our research success is our analysts, many of whom have hands-on experience in the industries they cover. We stress stability, working to internally develop, train, and retain talent. Our high retention rate drives continuity and experience, leading to better research and better results for our clients and advisors.

No. 1
out of 167 firms in the 2016 Thomson Reuters StarMine Analyst Awards

- **113 analysts across 12 sectors**
- **Top 10 provider of U.S. equity coverage in:**
  – Diversified Industrials
  – Financial Services
  – Healthcare
  – Internet & Media
  – Real Estate
  – Technology
  – Transportation

- **1,612 global stocks under coverage**
- **Largest U.S. Equity Research platform**
- **Second largest provider of global small-cap coverage**
- **Largest global provider of financials**
- **14th largest provider of global coverage**

Stifel's consistent performance has produced ten consecutive top ten finishes in the Thomson Reuters StarMine Analyst Awards, with No. 1 rankings in 2012 and 2016.

Includes firms acquired by Stifel. See www.stifel.com/research for more information on the Thomson Reuters StarMine Analyst Awards.

FIXED INCOME

- 95 traders with annual client trade volume approaching $500 billion
- 50-person Fixed Income Research and Strategy Group
- More than 220 fixed income institutional sales professionals covering more than 8,500 accounts
- International offices in London, Zurich, and Madrid
- 40 institutional fixed income offices nationwide

EQUITIES

- Second largest equity trading platform in the U.S. outside of the bulge bracket
- Relationships with more than 3,500 institutional accounts globally
- Active daily market maker in more than 3,700 stocks
- Major liquidity provider to largest equity money management complexes
- Dedicated convertible sales, trading, and research desk

No.1 Ranking in Greenwich Associates' U.S. Investment Grade Credit Study for quality of service[1]

[1]Amongst our peers

>7.4 billion

Shares traded in 2016

PUBLIC **FINANCE**

Negotiated New Issues	**1st** Ranked by number of issues	**7th** Ranked by par amount
K-12 Bonds	**1st** Ranked by number of issues	**1st** Ranked by par amount
Tax Increment Bonds	**1st** Ranked by number of issues	**1st** Ranked by par amount
Development District Bonds	**1st** Ranked by number of issues	**1st** Ranked by par amount
Issues Below $25 Million	**1st** Ranked by number of issues	**1st** Ranked by par amount
Taxable New Issues	**1st** Ranked by number of issues	**5th** Ranked by par amount

RANK	FIRM	PAR AMOUNT (BILLIONS)	# OF ISSUES	MARKET SHARE
1	**Stifel**	**$16.9**	**801**	**10.5%**
2	RBC	22.6	650	8.5
3	Piper Jaffray	14.2	519	6.8
4	Raymond James	13.7	449	5.9
5	D.A. Davidson	4.4	406	5.3
6	BofA Merrill Lynch	44.7	337	4.4
7	Robert W. Baird	3.2	307	4.1
8	Citi	35.2	288	3.8
9	JPMorgan	29.8	243	3.2
10	Morgan Stanley	25.1	228	3.0

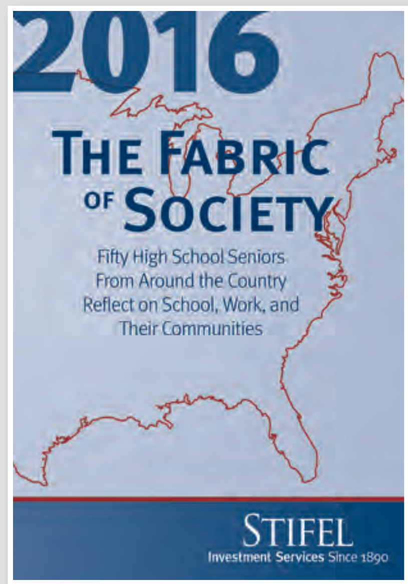
Source: Thomson Reuters SDC as of 3/1/2017.
Rankings measured by number of issues allocated to book runner.

TOP-RANKED PUBLIC FINANCE PLATFORM

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

BROAD GEOGRAPHIC AND SECTOR COVERAGE

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



Stifel's national scholarship competition awards $2,000 to 50 high school seniors who compose essays reflecting on challenges and accomplishments.

STIFEL **EUROPE**

Stifel's footprint continues to expand not just throughout the U.S., but **globally** as well.

In 2014, Stifel acquired **Oriel Securities**, a London-based stockbroking and investment banking firm, enabling us to build out our international platform across all of our institutional businesses.

In 2016, Stifel acquired **ISM Capital LLP**, an independent investment bank focused on debt capital markets.

Since 2008, Stifel in Europe has been involved in more than 180 transactions, including 22 IPOs.

Fastest growing bookrunning manager

Bookrunning Managers on all U.K. Markets in 2016 by Volume (minimum three deals)

RANK 2015	RANK 2016	BANKS	VOLUME 2016	VALUE (£M) 2016	CHANGE IN MARKET SHARE
2	1	Numis Securities	32	£2,611	▲ 2.94%
1	2	J.P. Morgan Cazenove	23	£3,012	▼ -7.20%
6	3	Liberum Capital	19	£983	▲ 2.28%
14	**4**	**Stifel Nicolaus Europe**	**18**	**£1,219**	▲ **4.84%**
4	5	Peel Hunt	15	£672	▼ -0.60%

Fastest growing financial advisor

Financial Advisors on all U.K. Markets in 2016 by Volume (minimum two deals)

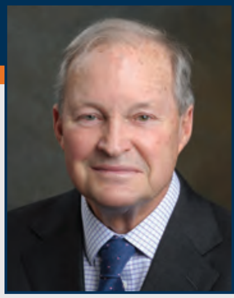
RANK 2015	RANK 2016	FINANCIAL ADVISORS	VOLUME 2016	VALUE (£M) 2016	CHANGE IN MARKET SHARE
1	1	N M Rothschild & Sons	12	£2,244	▲ 2.07%
1	2	Numis Securities	6	£504	▼ -1.09%
20	**3**	**Stifel Nicolaus Europe**	**5**	**£450**	▲ **2.25%**
4	3	Investec	5	£376	▲ 0.31%
3	5	Lazard	3	£1,854	▼ -1.12%

Source: ECMi 2016 Report, Perfect Information Ltd., member of Mergermarket Ltd.

BOARD OF **DIRECTORS**

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

Thomas W. Weisel
Co-Chairman of the Board



Bruce A. Beda
Chief Executive Officer
Kilbourn Capital Management, LLC

Kathleen Brown
Partner
Manatt, Phelps & Phillips, LLP

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

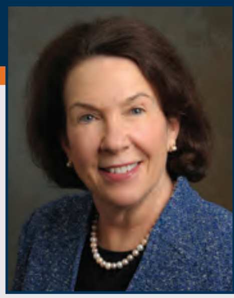
John P. Dubinsky
President and Chief Executive Officer
Westmoreland Associates, LLC

Robert E. Grady
Partner and Managing Director
Cheyenne Capital Fund

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

Richard J. Himelfarb
Vice Chairman of the Board
Chairman, Investment Banking

BOARD OF **DIRECTORS**



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

Thomas B. Michaud
President and Chief Executive Officer
Keefe, Bruyette & Woods

Thomas P. Mulroy
Co-President
Co-Director, Institutional Group

Victor Nesi
Co-President
Co-Director, Institutional Group

James M. Oates
Chairman
Hudson Castle Group, Inc.

Ben A. Plotkin
Vice Chairman of the Board

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

James M. Zemlyak
Co-President
and Chief Financial Officer

Michael J. Zimmerman
Vice Chairman
Continental Grain Company

SHAREHOLDER **INFORMATION**

ANNUAL MEETING

The 2017 annual meeting of shareholders will be held at Stifel's headquarters, One Financial Plaza, 501 North Broadway, 2nd Floor, St. Louis, Missouri, on Tuesday, June 6, 2017, at 9:30 a.m.

TRANSFER AGENT

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

STOCK LISTINGS

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

SALES PRICE

	2016		2015	
	High	Low	High	Low
First Quarter	$ 41.67	$ 25.00	$ 57.75	$ 45.96
Second Quarter	38.52	27.33	59.93	51.98
Third Quarter	39.96	28.49	58.71	41.53
Fourth Quarter	52.88	36.71	47.17	40.52

RECONCILIATION OF GAAP NET INCOME TO NON-GAAP NET INCOME

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

	2012	2013	2014	2015	2016
GAAP net income	$145,296	$172,907	$179,130	$92,336	$81,520
Preferred dividends	—	—	—	—	3,906
GAAP net income available to common shareholders	145,296	172,907	179,130	92,336	77,614
Acquisition revenues, net of tax	—	3,095	3,513	2,367	2,681
Acquisition charges, net of tax	—	—	—	—	—
Compensation	—	44,193	16,111	38,356	63,718
Other non-compensation	—	12,149	6,825	16,193	41,693
U.S. tax benefit [1]	—	(60,153)	—	—	—
Non-GAAP Net Income	$145,296	$172,191	$205,579	$149,252	$185,706
GAAP earnings per diluted share	$2.31	$2.35	$2.35	$1.18	$1.00
Adjustments	—	(0.01)	0.34	0.72	1.39
Non-GAAP Earnings Per Diluted Share	$2.31	$2.34	$2.69	$1.90	$2.39

(in thousands, except per share amounts)

[1] U.S. tax benefit in connection with discontinuing the operations of Stifel Nicolaus Canada, Inc. in 2013.

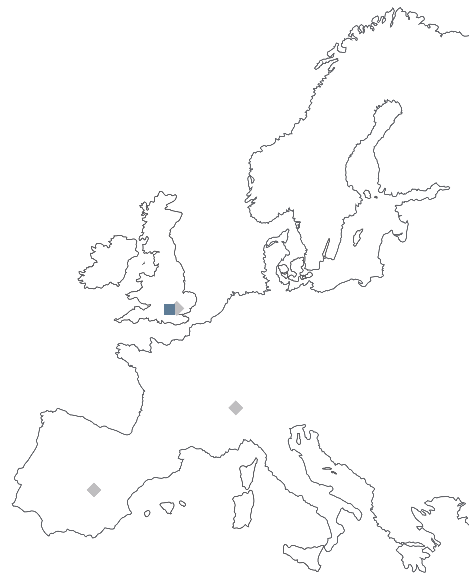
STIFEL **LOCATIONS**

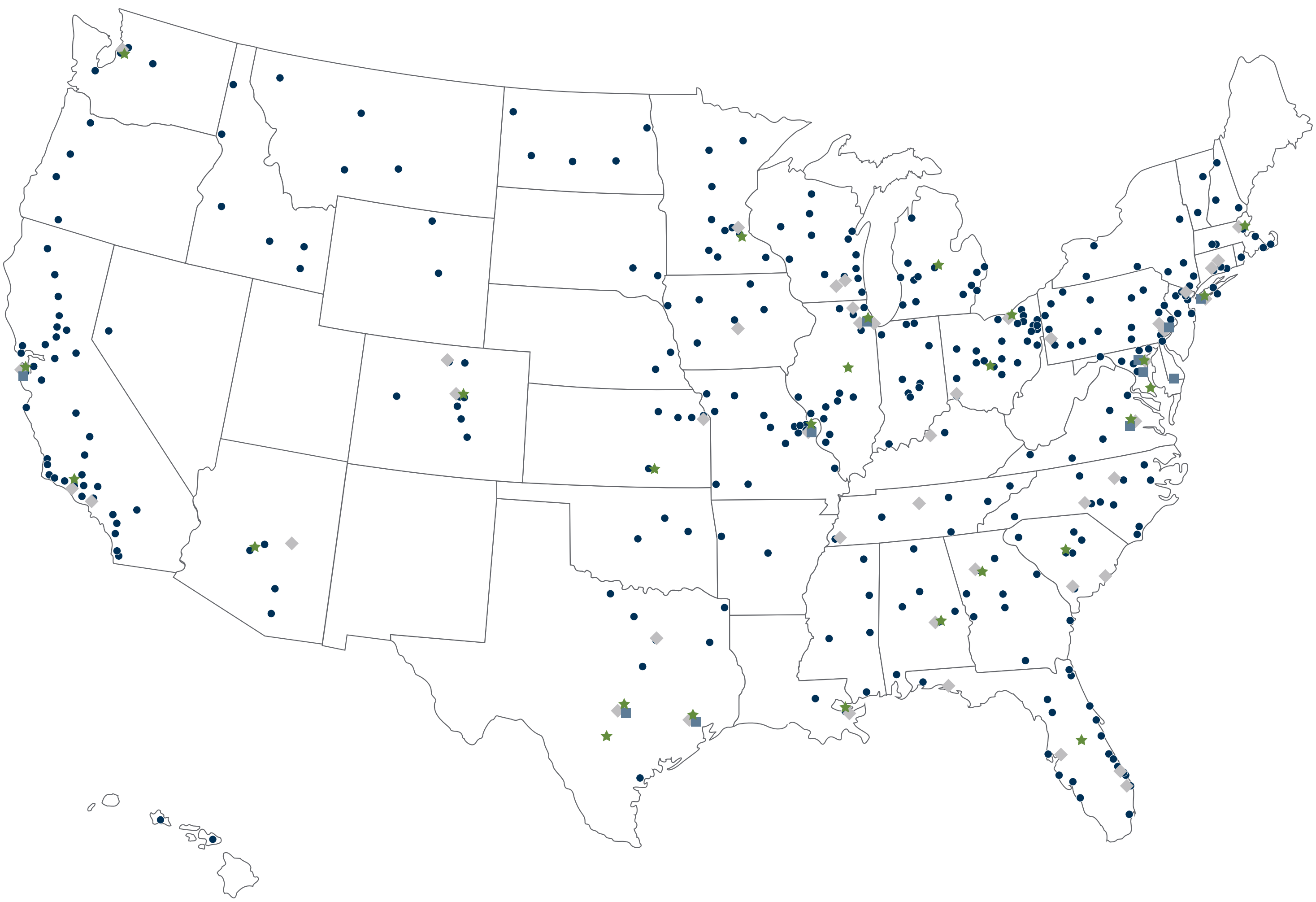
★ Public Finance

● Private Client Group

■ Investment Banking

◆ Institutional Equity & Fixed Income





STIFEL

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