

STIFEL

ANNUAL REPORT 2018

ABOUT STIFEL

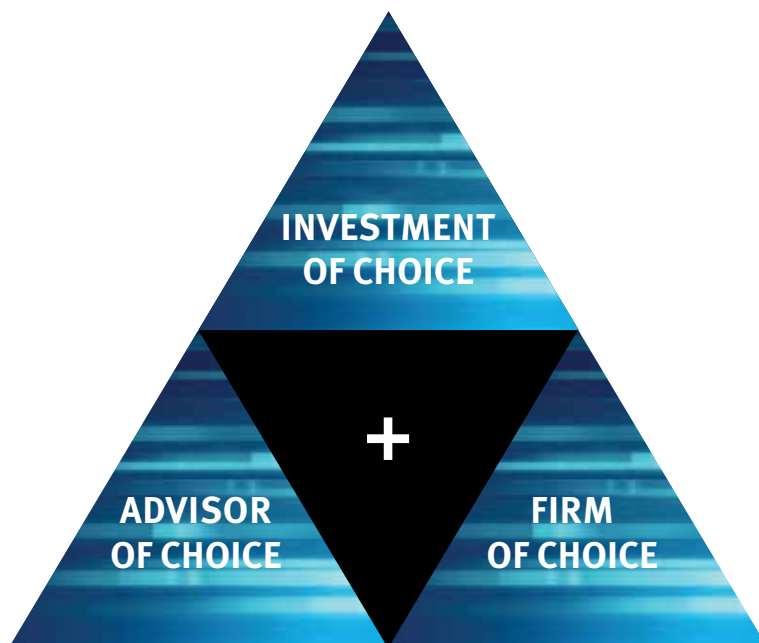
Stifel Financial Corp. is a financial services holding company headquartered in St. Louis, Missouri, that conducts its banking, securities, and financial services business through several wholly owned subsidiaries. Stifel's broker-dealer clients are served in the United States through Stifel, Nicolaus & Company, Incorporated, including its Eaton Partners business division; Keefe, Bruyette & Woods, Inc.; Miller Buckfire & Co., LLC; and Century Securities Associates, Inc.; 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 and Stifel Bank & Trust offer a full range of consumer and commercial banking and 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

	2014	2015	2016	2017	2018
Total Revenues	\$2,249,685	\$2,376,993	\$2,642,370	\$2,996,462	\$3,194,957
Net Income Available to Common Shareholders	\$176,067	\$92,336	\$77,614	\$173,496	\$384,593
Earnings Per Diluted Share	\$2.31	\$1.18	\$1.00	\$2.14	\$4.73
Non-GAAP Net Income ²	\$205,579	\$149,252	\$185,705	\$323,383	\$429,442
Non-GAAP Earnings Per Diluted Share ²	\$2.69	\$1.90	\$2.39	\$3.99	\$5.28

FINANCIAL POSITION:

in thousands, except per share amounts

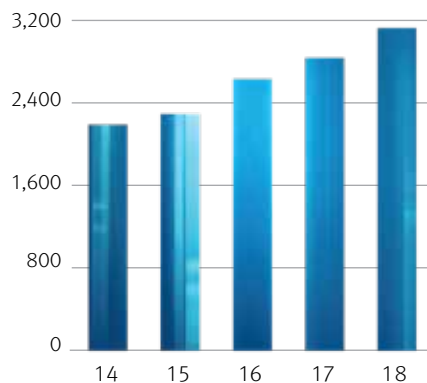
	2014	2015	2016	2017	2018
Total Assets	\$9,518,151	\$13,326,051	\$19,129,356	\$21,383,953	\$24,519,598
Shareholders' Equity	\$2,322,038	\$2,492,416	\$2,738,408	\$2,861,576	\$3,197,593
Book Value Per Share	\$35.00	\$37.19	\$38.84	\$38.26	\$43.04

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 common share represent GAAP net income and GAAP earnings per diluted common share adjusted for: (1) acquisition-related charges other than duplicative expenses; (2) litigation-related expenses; (3) actions taken by the Company in response to the tax legislation that was enacted in the fourth quarter of 2018 to maximize tax savings; (4) the favorable impact of the adoption of new accounting guidance during 2018 associated with stock-based compensation; (5) the revaluation of the Company's deferred tax assets as a result of the enacted tax legislation; and (6) 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.

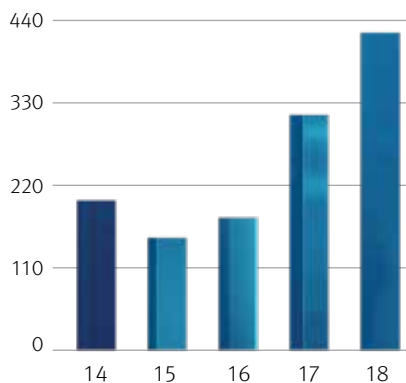
TOTAL REVENUES

(In millions)

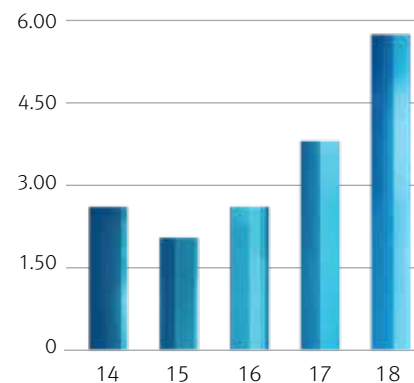


NON-GAAP NET INCOME²

(In millions)

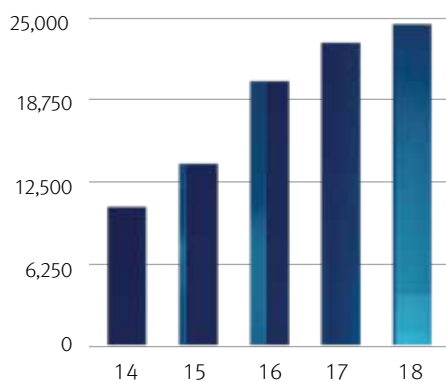


NON-GAAP EARNINGS PER DILUTED SHARE²



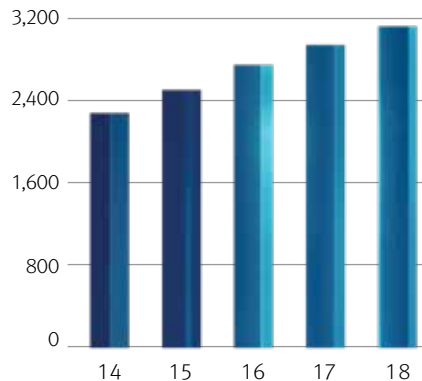
TOTAL ASSETS

(In millions)

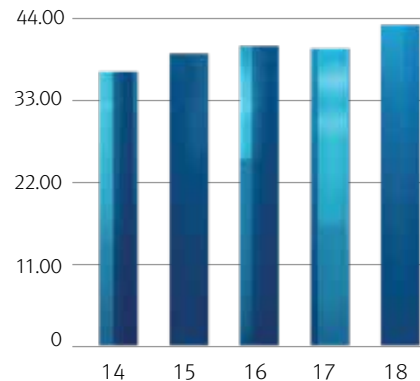


SHAREHOLDERS' EQUITY

(In millions)



BOOK VALUE PER SHARE



Dear Fellow Shareholders, Clients, and Associates

2018 was another record year for Stifel. We reported record revenue, net income, and earnings per share. Net revenue, which has increased for the last 23 years, totaled slightly more than \$3 billion. Net income under generally accepted accounting principles (“GAAP”) was \$385 million, or \$4.73 per diluted share. On a non-GAAP basis, our net income was \$429 million, or \$5.28 per diluted share.

Yet 2018 was the worst year for the S&P 500 since 2008 – and the worst for financials since 2011 – as investors acted on concerns about global growth, trade conflicts, and partisan tensions in Washington. While Stifel’s GAAP and non-GAAP earnings per share increased 121% and 32%, respectively, our share price declined 30%. In my 22-year tenure as CEO, I have never seen a greater divergence between our financial performance and our stock price. We viewed this as a significant undervaluation, and therefore as an opportunity to increase share repurchases, as is discussed further below. As of the writing of this letter, the markets have rebounded from their December 2018 lows and Stifel’s stock price has improved by approximately 44%.

We continuously strive to improve client service and invest in our future, and we are also focused on improving our operational efficiency. Two years ago, we articulated a strategy to identify cost efficiencies and further integrate our businesses. These steps have resulted in a meaningful improvement in our non-GAAP performance metrics as compared to 2016, as our:

- Compensation ratio improved to 58.0% vs. 62.8%;
- Non-compensation expense ratio improved to 22.4% vs. 24.1%;
- Pre-tax margin improved to 19.6% vs. 13.1%; and
- Return on tangible equity improved to 27% vs. 15%.

A clear benefit of our improved financial metrics is the generation of significant cash flow. We remain focused on maximizing risk-adjusted returns when deploying our capital, yet as a growth company, we believe that reinvesting in our business to enhance organic growth is essential. In 2018, these reinvestments included an increase in the assets on our balance sheet by \$3.1 billion and significant investments in people to further expand our revenue base. Furthermore, we continued to make essential investments in technology to improve the client experience as well as the efficiency of our associates.

We also deploy capital through an acquisition strategy that has served the company well over the last 15 years. Acquisitions have made Stifel more relevant to our clients and expanded our foundation for growth while increasing shareholder value. In 2018, we completed the acquisitions of Ziegler Wealth Management and Business Bancshares, Inc. and announced the acquisitions of First Empire Holding Corp. and MainFirst Holdings AG.

In addition to focusing on organic growth and acquisitions, we utilized the strength of our balance sheet to return \$232 million to shareholders through dividends, net settlement of restricted stock units, and share repurchases. Today, there exists a significant debate, primarily political in nature, about the appropriateness of share repurchases. Bottom line, we view share repurchases as an important capital tool, yet understand the importance of buying back stock at a reasonable price. Said another way, share repurchases should add value to remaining shareholders.

As I discussed earlier in this letter, we believe the significant decline in our share price did not reflect our financial performance or our outlook for the future. As such, during the fourth quarter, we repurchased 2.3 million shares of Stifel at what we believe were very compelling valuations, including some below book value. For the year, we repurchased and net settled nearly 3.7 million shares and increased our share repurchase authorization to 10 million shares. Finally, in January 2019, we announced a 25% increase to our dividend on common shares, our second such increase in the last two years.



RONALD J. KRUSZEWSKI | Chairman of the Board, Chief Executive Officer

Turning to the performance of our two main operating segments, let me begin with Global Wealth Management, as it represents approximately two-thirds of our overall revenue. This segment earned record revenue of \$2 billion, an increase of 9% over 2017, and achieved record profitability. Noteworthy is the level of recurring revenue, defined as asset management fees and net interest income, both of which posted record totals in 2018.

Our Private Client Group now consists of more than 2,300 financial advisors who serve clients from nearly 370 offices across the country. We had a strong year for financial advisor recruiting, opening 11 new Private Client Group offices and adding 143 financial advisors from a variety of firms. Our positive momentum has carried over into 2019, as our recruiting pipeline has remained strong and the quality of advisors visiting our home office has been truly impressive.

In addition to organic growth, our acquisition of Ziegler Wealth Management brought us 55 advisors with approximately \$5 billion in client assets.

As planned, 2018 represented a year of growth in company assets, primarily interest-earning assets in Stifel Bancorp. We grew our firm-wide assets by 15%, ending the year with \$24.5 billion. In addition, we ended the year with a Tier 1 leverage ratio of 9.3% and a risk-based capital ratio of 18.2%.

As I noted, Stifel Bancorp has been the primary driver of our balance sheet growth. It ended the year with \$17.8 billion in assets, an increase of 19%, while maintaining a conservative risk profile. In September, we completed the acquisition of Business Bancshares, Inc. and its wholly owned subsidiary, The Business Bank of St. Louis, a single-branch bank with approximately \$620 million in assets. This enabled us to increase our lending capabilities, expand our product offerings to include treasury services and payroll processing, and increase the FDIC coverage on deposits held at our affiliated banks. The Business Bank acquisition helped drive a 36% increase in commercial loans, and total bank loans increased 22% to roughly \$8.7 billion.

Overall, Stifel Bancorp's credit metrics remained solid with a non-performing asset ratio of 0.14%, an improvement of four basis points from 2017. Our asset quality metrics compare very favorably to the overall market and reflect our conservative approach.

Looking forward, and considering current market conditions, we anticipate that the growth rate of Stifel Bancorp's balance sheet will slow in 2019. Of course, market conditions may change, and we will adjust our strategy accordingly.

Over the year, we continued to invest in our technology platform, as we firmly believe in combining digital and mobile capabilities with trusted human advice. Recognizing the importance of the advisor-client relationship, we are working on advances aimed to help investors organize and manage their financial affairs while staying in constant contact with an advisor who is helping deliver a sound, goals-based investment strategy.

- eSignature – Integrated eSignature capabilities now enable our clients to securely initiate almost all common account actions. Going forward, we plan to build on this improvement to modernize and streamline the account opening process. Likewise, eSignature will allow clients to access investment capabilities, borrowing, banking, asset management, and other Stifel services.
- Mobile Technology – In 2018, we built and delivered the first of several targeted mobile technologies. We believe that mobile represents the most significant opportunity to connect clients and advisors in the future. As next-generation network capabilities come to market, this will only accelerate.
- Wealth Tracker – Our Wealth Tracker app launched in the year and now allows users to securely aggregate assets from multiple sources, examine them through custom visualization tools, sample our extensive research offerings, and track markets, budgets, spending, and more. This is a free app available to both existing Stifel clients and the general public – even to those without an existing Stifel account.
- Wealth Navigator – Stifel Wealth Navigator, our new and improved client portal, will launch later this year. Here again, we have made significant efforts to make sure that the mobile experience of Wealth Navigator delivers the clarity, ease, and convenience that clients have come to expect from the best apps in the mobile marketplace.
- Enhanced Client Reporting – In 2018, we began the difficult task of completely revising our client reporting capabilities. Through hard work and detailed focus, we were able to roll out the platform at the end of the year. When complete, this new suite of reporting tools will be available to every account relationship across the firm, not a limited subset. We are optimistic about the value that this cutting-edge technology will provide our clients.

With each advancement mentioned above, we aim to help our clients understand their individual situations and see the value of the trusted advice our advisors bring. We know that one-size-fits-all solutions do not best serve client interests. Technology is helping us do better.

2018 RESULTS		
<i>(in thousands)</i>	2018	%
TOTAL FIRM		
Total Revenues	\$3,194,957	7
Non-GAAP Net Income	429,442	33
Non-GAAP EPS	5.28	32
GLOBAL WEALTH MANAGEMENT		
Net Revenues	1,990,319	9
Contribution	737,003	18
AUM	269,862,000	(1)
INSTITUTIONAL		
Equity Net Revenues	758,630	4
Fixed Income Net Revenues	296,865	(22)
Net Revenues	1,055,495	(5)
Contribution	157,051	(28)
INSTITUTIONAL CLIENT SERVICES		
Equity	185,960	(7)
Fixed Income	184,977	(14)
Total	370,937	(10)
INVESTMENT BANKING		
Equity	511,140	(1)
Fixed Income	196,530	(8)
Total	707,670	(3)
Capital Raising	336,188	(8)
Advisory	371,482	3

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

Turning to our Institutional Group, which comprises Institutional Client Services and Investment Banking, revenues for 2018 were \$1 billion.

Market conditions were favorable for our Investment Banking business; however, several factors, both secular and cyclical, negatively impacted our trading revenues. Institutional trading for debt and equity recorded revenue of \$371 million, down 10%. Equity brokerage revenues totaled \$186 million, a decline of 7%, while fixed income brokerage revenues were \$185 million, down 14%.

Recognizing that the operating environment remains challenging, we will continue to adapt our business model in order to provide highly valued research and trading strategies to our clients while maintaining our expense discipline. In addition, we have implemented an approach to more tightly align and integrate our sales, trading, and research coverage with our investment banking effort and across our debt and equity businesses. This has allowed us to successfully introduce new product capabilities, such as 144A equity offerings and leveraged finance debt offerings, which allow our professionals to provide ever more differentiated advice to our clients.

This integration and alignment was evidenced by our acquisition of First Empire Holding Corp., announced in October and closed in early 2019. First Empire provides a full range of fixed income products and services to a unique set of clients, primarily credit unions, supplementing Stifel's focus on regional banks, insurance companies, pensions, and municipalities. The integration of First Empire's product and advisory expertise to credit unions with Stifel's expertise to depository institutions will enhance the strategies we can offer and implement. In turn, this will help optimize the performance of our clients' loan portfolios and mitigate risks to their balance sheets.

Additionally, we continue to selectively invest in equity research, adding senior-level analysts in the applied technology and communications infrastructure, biopharma, and energy sectors. Our Stifel and Keefe, Bruyette & Woods (KBW) franchises combine to make us the largest provider of U.S. research. Together, we ranked No. 3 out of 152 firms in the Thomson Reuters Analyst Awards, our twelfth consecutive top 10 finish. Stifel Nicolaus Europe Limited added to our total, winning five awards in the Thomson Reuters Analyst Awards in Europe and the United Kingdom/Ireland. Our focus remains on adding value to our clients through high-quality research that is primarily focused on small and mid cap stocks, as more than two-thirds of our research coverage encompasses companies that have less than \$5 billion in market capitalization. These companies typically have less liquidity and fewer sell-side analysts than large cap stocks. Given the implementation of MiFID II, which both altered the way commissions are paid by international money managers and reduced the overall revenue pool paid to the sell side, we believe that our focus on helping clients trade in smaller, less liquid stocks will counter some of the impact of these market changes.

Investment Banking revenues totaled \$708 million in 2018 and were nearly equally divided between capital-raising and advisory revenues. Capital-raising revenue totaled \$336 million in 2018, while advisory revenue was \$372 million, up 3% from 2017.

On the advisory front, we completed 125 M&A strategic advisory assignments. A noteworthy assignment highlighting how our acquisitions have made Stifel more relevant to our clients was our work with Caesars Entertainment. We advised Caesars in its successful emergence from bankruptcy, achieved through a unique spin-off of the company's assets into a newly formed REIT named VICI, a subsequent acquisition for VICI, and VICI's \$1.4 billion IPO in January 2018.

I would be remiss if I did not highlight KBW, which posted another exceptional year. In 2018, KBW advised on 11 of the top 20 bank mergers, was the No. 1 bank IPO lead bookrunner, and advised on the largest mutual to mutual insurance company merger in the past decade. KBW's specialized focus on the financial sector and long-standing client relationships helped fuel the second best year for M&A advisory in its illustrious history.

With respect to equity capital raising, we completed 17 book-run IPOs and 46 book-run follow-ons in 2018. Our strength across key sectors, including healthcare, technology, financials, and energy continued with book-managed transactions for a number of clients, including nLight, Zogenix, Intricon, First Western Financial, and Northern Oil & Gas.

Record revenue, record net income, record earnings per share. In the accompanying shareholder letter, Ron highlights Stifel's financial accomplishments. But more importantly, he highlights our progress in providing our associates the tools to craft solutions to fit the needs of each client – whether they be an individual, corporation, or institutional investor. This client-centric approach permeates the entire Stifel organization, which as Co-Presidents we have the privilege of guiding and leading every day.

Stifel associates inhabit a workplace that is constantly evolving. That evolution is not driven from the top down, but rather through their efforts to inform the organization of the needs of their clients and to suggest approaches to satiate those needs. We are committed to building our capabilities so we can provide differentiated solutions to address our clients' challenges and then leverage that organically through the organization, allowing Stifel to become more relevant to the entire universe of our client base.

How do we enable our associates to devise that differentiated approach? As Ron states ... "by building a culture that rewards collaboration, hard work, and empathy." This collaborative and accepting environment, which we believe makes Stifel unique among our industry peers, has allowed us to more effectively integrate and align our efforts across the organization, transforming our business. It is, and will continue to be, Stifel's hallmark – the firm "Of Choice" for our associates, clients, and of course, our shareholders.



VICTOR J. NESI
Co-President

JAMES M. ZEMLYAK
Co-President

Stifel Europe continued its outstanding success, ranking No. 4 by volume of transactions in 2018, up from No. 7 in 2017, and No. 4 by value of transactions, up from No. 13 in 2017. Critical to this growth has been our ability to operate as a sole bookrunner, such as in the Secure Income REIT raise of £315 million in March 2018. Additionally, we continue to work across borders and products to craft tailored solutions for clients, as we did in our £250 million raise for Diversified Gas & Oil. In November, we announced our agreement to combine with MainFirst Holdings AG, an independent European investment bank serving institutional and corporate clients in European markets. Although currently a contrarian view, we see Europe as a growth opportunity for our Institutional Group. MainFirst is widely recognized for excellence in equity research, ranking as the No. 1 provider of country research in both Germany and Switzerland, according to the 2018 Extel Survey. Coupled with our existing strength in the U.K. market, this merger creates a pan-European platform with deep local expertise throughout the continent's major markets. In addition, MainFirst carries a full German banking license, which will enable us to continue offering corporate advisory, brokerage, and investment banking services and clear and settle secondary equity and fixed income trades post-Brexit.

Stifel's debt capital raising is anchored by our Public Finance business, which is driven by both geographic and sector diversification. For the fifth consecutive year, Stifel led the nation in the number of municipal negotiated issues, serving as sole or senior manager for 536 transactions with a total par value of nearly \$10.2 billion. In addition, Stifel ranked No. 1 nationally in several categories, including K-12 school districts, affordable housing, and tax increment financing. In 2018, more than one in every 10 negotiated transactions were priced on a Stifel desk.

As we look to grow our investment banking business, we believe that Stifel is uniquely positioned among investment banks to execute our strategy of delivering a full-service offering to our target client base. To that end, we have introduced a wide range of solutions over the past three years to further assist our clients, including special purpose acquisition company (SPAC) advisory and capital raising, 144A capital raising, and leveraged finance capabilities. While each initiative is relatively new, these new capabilities have already had notable success, generating approximately \$40 million in revenue. We completed SPACs for Hennessy Capital Acquisition Corp., M-III Partners LP, Industrea Acquisition Corp., and Legacy Acquisition Corp. In addition, we completed 144A offerings for Energy Capital Partners, Roundpoint Mortgage, and CuriosityStream. Lastly, our launch of leveraged finance in 2018 has yielded early successes, including our first committed and distributed transaction. The success of these products across a number of industry sectors, including financial institutions, industrials, and technology, is a realization of our strategy to combine broad product capabilities with the strength and breadth of our industry vertical expertise. We believe our investments in these products will further diversify our investment banking revenue and provide increased growth potential for the Institutional Group.

“OUR BALANCED BUSINESS MODEL AND CONSERVATIVE RISK PROFILE, CATALYZED BY THE TALENT AND DEDICATION OF OUR PEOPLE, WILL ALLOW US TO RESPOND TO THE EVER-CHANGING BUSINESS ENVIRONMENT.”

As I reflect on 2018, I am resolute in my belief that continuous improvement in our financial performance will create additional shareholder value. Over the past two decades, we have driven those improvements by building a culture that rewards collaboration, hard work, and empathy. Our company, a meritocracy that embraces entrepreneurship, adheres to the Golden Rule of treating others as one would wish to be treated. Stifel associates, in turn, provide creative solutions for our clients. This is the core principle of Stifel's "Of Choice" strategy, which we implemented in 1997 and continue to adhere to today. It is noteworthy that, since the beginning of 1997, our revenue has multiplied almost 30 times, driven by the growth in our associates from approximately 800 to more than 7,500 today.

We're committed to building a more diverse workforce, and nowhere is that more evident than in the growth of our Women's Initiative Network – or WIN. WIN was born organically when a small group of Stifel's top female advisors began working together to address the unique challenges that they and other women in our industry face by sharing best practices and encouraging success. It now includes every woman at Stifel – not just advisors. By providing networking and mentoring opportunities for women at every stage of their careers at the firm, WIN empowers our female associates, encouraging them and the wider organization to recognize their value and reach their potential. Our commitment to recruiting and retaining strong female talent is particularly evident in our Private Client Group, where in 2018 we recruited a record number of female advisors and promoted more than 160 female assistants within our branch system. And, we were pleased that, for the fourth year in a row, KBW was recognized by *Institutional Investor* for having the most gender diversity among its senior publishing equity analysts. Under the leadership of Crystal Schlegl and Carol DeNatale, WIN is making tremendous strides. More broadly, it provides a framework for future initiatives to increase diversity at Stifel by enabling everyone in the company to thrive as an entrepreneur.

As I look forward to the next quarter, next year, and next decade for Stifel, I acknowledge that it is difficult to forecast the economic and market forces we will face. We will surely navigate political and regulatory developments along the way. Nevertheless, our balanced business model and conservative risk profile, catalyzed by the talent and dedication of our people, will allow us to respond to the ever-changing business environment. I'm highly optimistic that we will continue to grow and create value for our clients and shareholders in the future.

As always, we sincerely thank our shareholders and clients for their support, as well as our more than 7,500 associates for their commitment to excellence.



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

PRIVATE CLIENT GROUP

AN INDUSTRY LEADER WITH
A CLIENT-FIRST,
ADVISOR-CENTRIC CULTURE

Stifel has grown to become one of the nation's largest wealth management firms, ranking No. 7 in terms of number of financial advisors.

At the heart of our success is a culture built on respect. Respect for our clients and the financial advisors who serve them. To that end, we foster an entrepreneurial environment for our advisors, empowering them to do what's best for their clients. We also provide our advisors with the tools and support to deliver outstanding service and address even the most complex client needs.

198

Financial Advisors
Joined Stifel
in 2018

369

Private Client
Group Branches

\$270

Billion
in Assets Under
Management



RANK	FIRM	ADVISORS
1	Bank of America Merrill Lynch	16,737
2	Morgan Stanley Wealth Management	15,694
3	Wells Fargo Advisors	13,968
4	Raymond James	7,815
5	UBS	6,850
6	JPMorgan	2,865
7	Stifel	2,301
8	Oppenheimer & Co.	1,073

STIFEL BANK

\$17.8 Billion

in Assets

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

STIFEL TRUST

\$3.6 Billion

in Assets Under Administration

Integrated trust services, including charitable and special needs trusts, corporate successor trustee appointments, and Delaware trust services

ASSET MANAGEMENT

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

STIFEL ASSET MANAGEMENT AFFILIATES



TOTAL ASSETS UNDER MANAGEMENT*

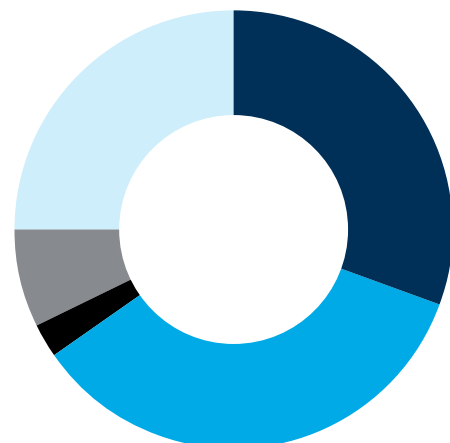
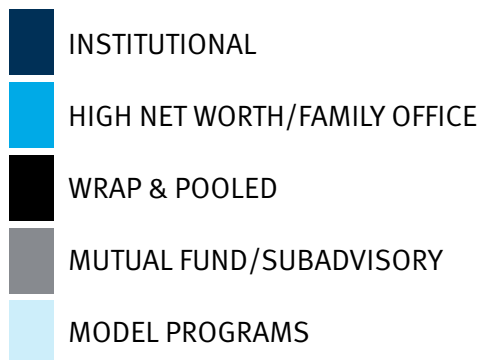
\$22.6 Billion

in Assets Under Management

\$7.6 Billion

in Assets Under Advisement

CLIENT BASE**



* Total assets under management, excluding private equity funds, discussed herein that are direct or indirect subsidiaries of Stifel.

** As a percentage of assets under management and assets under advisement.

SINCE 2010, IN THE MIDDLE MARKET, STIFEL INVESTMENT BANKING IS ...

No.1

in Total Number of Managed Equity Deals Under \$1 Billion¹

No.2

in Total Number of Bookrun Equity Deals Under \$1 Billion¹

No.1

in Total Number of Preferred & Baby Bonds Under \$200 Million²

No.1

in Total Number of M&A Deals Under \$1 Billion³

Stifel is the industry's preeminent middle-market investment bank. Stifel advises on mergers and acquisitions and raising public and private debt and equity through our corporate clients as well as through our dedicated financial sponsors and venture capital effort, maintaining regular dialogue and transaction flow with corporations and private equity firms focused on Stifel's core industry groups.

We provide strategic advisory services to clients in the United States through Stifel, Nicolaus & Company, Incorporated and its Eaton Partners division; Keefe, Bruyette & Woods, Inc.; and Miller Buckfire & Co., LLC; and in the United Kingdom and Europe through Stifel Nicolaus Europe Limited.

The combination of a full-service product offering and the deep domain expertise of our more than 400 bankers empowers us to provide solutions for our clients' evolving needs.

OUR CAPABILITIES INCLUDE:

ADVISORY

M&A
Activism
Restructuring

EQUITY CAPITAL MARKETS

Initial Public Offerings
Follow-Ons/Blocks/Buybacks
144A/Private Placements
Convertible Notes/Preferreds
SPACs

DEBT CAPITAL MARKETS

Investment Grade
Leveraged Finance
Private Placements

DEEP DOMAIN EXPERTISE

Consumer & Retail
Diversified Industrials
Diversified Services

Energy & Natural Resources
Financial Institutions
Gaming, Lodging & Leisure

Healthcare
Real Estate
Technology

Source: Dealogic

¹ Rank-eligible SEC-registered IPOs and follow-on offerings

² Excludes closed-end funds and trust preferreds

³ M&A Analytics

KEEFE, BRUYETTE & WOODS (KBW)

A full-service boutique investment bank and broker-dealer specializing in the financial services sector

Advised on

11 of the Top 20

bank mergers in 2018¹

Ranked

No. 1

bank IPO lead bookrunner²

Advised on the

largest

mutual to mutual insurance company
merger in the past decade³

Achieved

second best

total M&A revenues
in its 56-year history

MILLER BUCKFIRE

A leading investment bank specializing in corporate restructuring and recapitalization

TURNAROUND ATLAS AWARDS OF THE YEAR

- Shipping & Services
Restructuring
Ultrapetrol
- Chapter 11
Restructuring
Optima Specialty Steel

THE M&A ADVISOR DEALS OF THE YEAR

- Chapter 11
Reorganization
Caesars Entertainment (\$5b+)
- Restructuring
Aéropostale (\$250m+)
- Restructuring
Adeptus Health
(\$100m-\$500m)

EATON PARTNERS

One of the world's largest fund placement agents and advisory providers

Placed or arranged more than

\$100 Billion
of commitments

since 1983

Received

1,600
commitments

for 80 alternative investment
funds since 2008

Named Placement Agent and Secondaries

Advisor of the Year

in Asia by Private Equity International

¹ Source: S&P Global Market Intelligence

² Source: Dealogic

³ Source: S&P Global Market Intelligence

EQUITY RESEARCH

Stifel's breadth and quality of equity research are unparalleled. We lead the industry with the largest equity research platform in the U.S. and have the twelfth largest global platform. The quality of our research has been consistently recognized, with 12 consecutive top 10 finishes in the Thomson Reuters Analyst Awards, including No. 1 rankings in 2016 and 2017.

Our unwavering focus is to help our clients make the best investment decisions possible. At the heart of our research is our analysts, who average more than two decades of experience – many of whom have hands-on experience in the industries they cover. This continuity and experience enable proprietary and differentiated insights that drive better research and better results for our clients and advisors.

Largest

U.S. equity
research platform

103

analysts across
12 sectors

Top 10

provider of
U.S. equity coverage in:

- Consumer & Retail
- Diversified Industrials
- Financial Services
- Real Estate
- Technology
- Transportation

STIFEL'S CONSISTENT PERFORMANCE HAS PRODUCED

TWELVE CONSECUTIVE TOP TEN FINISHES

IN THE
THOMSON REUTERS
ANALYST AWARDS, WITH

No. 1 RANKINGS IN 2016 AND 2017 AND

Top 3

RANKINGS IN
2010, 2011, 2012,
2013, 2014, AND 2018

No. 3

out of 152 firms in the
2018 Thomson Reuters
Analyst Awards

-
- 1,620 global stocks under coverage
 - Third largest provider of global small cap coverage
 - Largest global provider of financials coverage
 - 12th largest provider of global coverage



INSTITUTIONAL SALES AND TRADING

EQUITIES

- Third largest equity trading platform in the U.S. outside of the bulge bracket
- Traded more than 7.3 billion shares in 2018 (Stifel and KBW combined)
- Relationships with more than 3,500 institutional accounts globally
- Active daily market-maker in more than 4,000 stocks
- 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

FIXED INCOME

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

GREENWICH ASSOCIATES 2018 FIXED INCOME STUDY RESULTS

MOST HELPFUL ANALYSTS IN INVESTMENT-GRADE CREDIT

Second consecutive year as the only mid-tier firm listed among the bulge brackets

INVESTMENT GRADE

- No. 1 in its peer group for Trading
- No. 1 in its peer group for Quality of Service and Forward Momentum

HIGH-YIELD SALES, TRADING, AND RESEARCH

- No. 1 among its peers year over year in Market Share, Relationship Quality, and Forward Momentum
- Ranked a top-3 research provider among its peers

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

- 139 bankers located in 24 offices in 19 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 scholarships to 50 high school seniors who compose essays reflecting on their challenges and accomplishments.



Negotiated New Issues	1st	Ranked by number of issues	9th	Ranked by par amount
K-12 Education	1st	Ranked by number of issues	3rd	Ranked by par amount
Tax Increment Financing	1st	Ranked by number of issues	1st	Ranked by par amount
Development Districts	1st	Ranked by number of issues	1st	Ranked by par amount
Multi-Family Housing	1st	Ranked by number of issues	1st	Ranked by par amount
Taxable New Issues	1st	Ranked by number of issues	8th	Ranked by par amount
Land Secured	1st	Ranked by number of issues	1st	Ranked by par amount

RANK	FIRM	# OF ISSUES	PAR AMOUNT (MILLIONS)	MARKET SHARE
1	Stifel	536	\$10,197.0	11.1%
2	RBC	404	19,745.7	8.4
3	Piper Jaffray & Co.	298	10,326.1	6.2
4	Raymond James	294	10,135.8	6.1
5	Bank of America Merrill Lynch	291	31,652.2	6.0
6	D.A. Davidson	284	3,544.7	5.9
7	Citi	239	28,710.7	5.0
8	JPMorgan	200	24,824.2	4.1
9	Robert W. Baird	197	2,834.5	4.1
10	Wells Fargo & Co.	181	10,978.9	3.8

STIFEL EUROPE

Stifel has built a full-service investment bank in Europe, focusing on the mid-market and based in London with offices in Geneva, Madrid, and Zurich. With more than 300 professionals, Stifel Europe is organized along sector lines and offers M&A, equity, and debt advice to both corporate and institutional clients.

Since 2014, Stifel Europe has raised more than \$16 billion for clients across 190+ transactions.

In 2018, Stifel Europe was ranked by ECMi in the London markets No. 1 in Financial Advisers by volume, No. 3 in Banks by value in the Alternative Investment Market (AIM), and No. 4 in Banks by volume and value.



STIFEL EUROPE 150 CHEAPSIDE LOCATION



BOARD OF DIRECTORS



Ronald J. Kruszewski

*Chairman of the Board
and Chief Executive Officer*



Thomas W. Weisel

Co-Chairman of the Board



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
Gryphon Investors*



Maura A. Markus

*Former President and
Chief Operating Officer
Bank of the West*



James M. Oates

*Chairman
Hudson Castle Group, Inc.*



David A. Peacock

*President and Chief Operating Officer
Schnuck Markets, Inc.*



Michael J. Zimmerman

*Vice Chairman
Continental Grain Company*

SHAREHOLDER INFORMATION

ANNUAL MEETING

The 2019 annual meeting of shareholders will be held at Stifel's headquarters, One Financial Plaza, 501 North Broadway, 2nd Floor, St. Louis, Missouri, on Wednesday, June 5, 2019, 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				CASH DIVIDENDS	
	2017		2018		2017	2018
	High	Low	High	Low		
First Quarter	\$ 56.62	\$ 46.14	\$ 68.76	\$ 56.36	\$ —	\$ 0.12
Second Quarter	51.07	41.93	61.93	52.21	—	0.12
Third Quarter	54.07	44.44	57.14	51.01	0.10	0.12
Fourth Quarter	61.47	50.94	53.23	38.39	0.10	0.12

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 Common Share, the most directly comparable measure under GAAP, to Non-GAAP Earnings Per Diluted Common Share is included in the table below.

	2014	2015	2016	2017	2018
GAAP net income	\$179,130	\$92,336	\$81,520	\$182,871	\$393,968
Preferred dividends	—	—	3,906	9,375	9,375
GAAP net income available to common shareholders	179,130	92,336	77,614	173,496	384,593
Tax reform, net of tax	—	—	—	85,426	—
Litigation charges, net of tax	—	—	—	22,667	5,251
Acquisition revenues, net of tax	3,513	2,367	2,681	1,251	19
Acquisition charges, net of tax					
Compensation	16,111	38,356	63,718	21,766	13,400
Other non-compensation	6,825	16,193	41,692	14,930	26,179
U.S. tax benefit ¹	—	—	—	3,847	—
Non-GAAP net income	\$205,579	\$149,252	\$185,705	\$323,383	\$429,442
GAAP earnings per diluted common share	\$2.35	\$1.18	\$1.00	\$2.14	\$4.73
Adjustments	0.34	0.72	1.39	1.85	0.55
Non-GAAP earnings per diluted common share	\$2.69	\$1.90	\$2.39	\$3.99	\$5.28

(in thousands, except per share amounts)

¹ U.S. tax benefit in connection with the favorable impact of the adoption of new accounting guidance associated with stock-based compensation and the revaluation of the Company's deferred tax assets as a result of the enacted Tax Legislation in 2017.

STIFEL LOCATIONS



- ★ Public Finance
- Private Client Group
- Investment Banking
- ◆ Institutional Sales Offices (Equity & Fixed Income)

STIFEL

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