

STIFEL FINANCIAL CORP
Form 424B3
July 11, 2016
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The information in this preliminary prospectus supplement and the accompanying prospectus is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JULY 11, 2016

PRELIMINARY PROSPECTUS SUPPLEMENT

(To prospectus dated January 8, 2015)

Depositary Shares

Each Representing a 1/1000th Interest in a Share of

% Non-Cumulative Preferred Stock, Series A

Stifel Financial Corp. is offering _____ depositary shares, each representing a 1/1000th interest in a share of perpetual % Non-Cumulative Preferred Stock, Series A, \$1.00 par value, with a liquidation preference of \$25,000 per share (equivalent to \$25 liquidation preference per depositary share) (the Series A Preferred Stock). Each depositary share, evidenced by a depositary receipt, entitles the holder, through the depositary, to a proportional fractional interest in all rights and preferences of the Series A Preferred Stock (including dividend, voting, redemption and liquidation rights).

We will pay cash dividends on the Series A Preferred Stock, only when, as, and if declared by our board of directors, or a duly authorized committee of the board, out of funds legally available to pay dividends, at an annual rate of % on the liquidation preference amount of \$25,000 per share of Series A Preferred Stock (equivalent to \$ _____ per depositary share per year), quarterly in arrears, on March 15, June 15, September 15 and December 15 of each year

(each, a dividend payment date), beginning on September 15, 2016. Dividends on the Series A Preferred Stock will not be cumulative and will not be mandatory. In the event dividends are not declared on the Series A Preferred Stock for payment on any dividend payment date, then those dividends will not be cumulative and will cease to accrue and be payable. If we have not declared a dividend before the dividend payment date for any dividend period, we will have no obligation to pay dividends accrued for that dividend period, whether or not dividends on the Series A Preferred Stock are declared for any future dividend period.

We may redeem the Series A Preferred Stock in whole or in part, from time to time, on or after July 15, 2021, at a cash redemption price equal to \$25,000 per share of Series A Preferred Stock (equivalent to \$25 per depositary share) plus any declared and unpaid dividends, and without accumulation of any undeclared dividends, to, but excluding, the redemption date. We may also redeem the Series A Preferred Stock upon certain events involving capital treatment as described in this prospectus supplement. If we redeem the Series A Preferred Stock, the depositary will redeem a proportionate number of depositary shares.

The Series A Preferred Stock will not have voting rights, except in the limited circumstances described in Description of the Preferred Stock Voting Rights beginning on page S-19 and as specifically required by Delaware law.

Application will be made to list the depositary shares representing interests in the Series A Preferred Stock on the New York Stock Exchange (NYSE) under the symbol SF PrA. If approved for listing, we expect the depositary shares will begin trading on the NYSE within 30 days after they are first issued.

We are concurrently offering 4.25% senior notes due 2024 by means of a separate prospectus supplement (the concurrent offering). The offering of the depositary shares is not contingent upon the completion of the concurrent offering, and the concurrent offering is not contingent upon the completion of the offering of the depositary shares. There can be no assurance that the concurrent offering will be completed.

Investing in the depositary shares and the Series A Preferred Stock involves a number of risks. The depositary shares and the Series A Preferred Stock are expected to be rated below investment grade and are subject to the risks associated with non-investment grade securities. See Risk Factors beginning on page S-9, where specific risks associated with the depositary shares and the Series A Preferred Stock are described, along with the other information in, or incorporated by reference in, this prospectus supplement and the accompanying prospectus before you make your investment decision.

Neither the depositary shares nor the Series A Preferred Stock are deposits or savings accounts. These securities are not insured by the Federal Deposit Insurance Corporation or by any other governmental agency, nor are they obligations of, or guaranteed by, a bank.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Depositary Share(1)	Total
Public offering price	\$	\$
Underwriting discount(2)	\$ (3)	\$
Proceeds, before expenses, to us(2)	\$ (3)	\$

(1) We have granted the underwriters an option to purchase up to an additional depositary shares within 30 days after the date of this prospectus supplement at the public offering price, less the underwriting discount. The per depositary share and total numbers in the table above do not reflect the exercise of the underwriters' option.

(2) See Underwriting (Conflicts of Interest) for a description of the compensation payable to the underwriters.

(3) Rounded to four decimal places. See Underwriting (Conflicts of Interest) for actual depositary share numbers. The underwriters expect to deliver the depositary shares in book-entry only form through the facilities of The Depository Trust Company on or about July , 2016.

Joint Book-running Managers

Keefe, Bruyette & Woods
A Stifel Company

BofA Merrill Lynch

Morgan Stanley

The date of this prospectus supplement is , 2016.

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ABOUT THIS PROSPECTUS SUPPLEMENT

You should rely only on the information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer and sale is not permitted. You should assume that the information appearing in this prospectus supplement and the accompanying prospectus is accurate only as of their respective dates. Our business, financial condition, results of

operations and prospects may have changed since those dates.

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of the Series A Preferred Stock and the related depositary shares, and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into the accompanying prospectus. The second part, the accompanying prospectus, provides more general information. Generally, when we refer to this prospectus, we are referring to both parts of this document combined. To the extent there is a conflict between the information contained in this prospectus supplement and the information contained in the accompanying prospectus or any document incorporated by reference therein filed prior to the date of this

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prospectus supplement, you should rely on the information in this prospectus supplement. If any statement in one of these documents is inconsistent with a statement in another document having a later date for example, a document incorporated by reference in the accompanying prospectus the statement in the document having the later date modifies or supersedes the earlier statement.

Unless we indicate otherwise, the words we, our, us and Company refer only to Stifel Financial Corp. (Stifel) not include its consolidated subsidiaries.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement and the information incorporated by reference in it contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act), that are based upon our current expectations and projections about future events. We intend for these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and we are including this statement for purposes of these safe harbor provisions. You can identify these statements from our use of the words may, will, should, could, would, plan, potential, estimate, intend, anticipate, expect and similar expressions. These forward-looking statements cover, among other things, statements made about general economic, political, regulatory, and market conditions, the investment banking and brokerage industries, our objectives and results, and also may include our belief regarding the effect of various legal proceedings, management expectations, our liquidity and funding sources, counterparty credit risk, or other similar matters. All statements in this prospectus and the information incorporated by reference in it not dealing with historical results are forward-looking and are based on various assumptions. The forward-looking statements in this prospectus and the information incorporated by reference in it are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by the statements. In addition, our past results of operations do not necessarily indicate our future results. Factors that may cause actual results to differ materially from those contemplated by such forward-looking statements include:

the ability to successfully integrate acquired companies or branch offices and financial advisors;

a material adverse change in our financial condition;

the risk of borrower, depositor and other customer attrition;

a change in general business and economic conditions;

changes in the interest rate environment, deposit flows, loan demand, real estate values and competition;

changes in accounting principles, policies or guidelines;

changes in legislation and regulation; other economic, competitive, governmental, regulatory, geopolitical and technological factors affecting our operations, pricing and services; and

the risks and other factors set forth in **Risk Factors** beginning on page S-9 of this prospectus supplement. Forward-looking statements speak only as to the date they are made. We do not undertake to update forward-looking statements to reflect circumstances or events that occur after the date the forward-looking statements are made. We disclaim any intent or obligation to update these forward-looking statements except as required by law. You should also carefully review the risk factors and cautionary statements described in the other documents we file from time to time with the Securities and Exchange Commission (the **SEC**), specifically our Annual Report on Form 10-K, as amended by our Annual Report on Form 10-K/A, our Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K.

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SUMMARY

The following information about Stifel Financial Corp. and its subsidiaries, the depositary shares and the Series A Preferred Stock summarizes, and should be read in conjunction with, the information contained in this prospectus supplement and in the accompanying prospectus, and the documents incorporated therein by reference.

ABOUT STIFEL FINANCIAL CORP.

Stifel Financial Corp. is a Delaware corporation and a financial holding company headquartered in St. Louis, Missouri. Our principal subsidiary is Stifel, Nicolaus & Company, Incorporated, a full-service retail and institutional wealth management and investment banking firm (Stifel Nicolaus). Our other subsidiaries include: Century Securities Associates, Inc., an independent contractor broker-dealer firm; Keefe, Bruyette & Woods, Inc. (KBW), Miller Buckfire & Co. LLC and Sterne Agee Group, Inc. (Sterne Agee Group), our broker-dealer firms; Stifel Nicolaus Europe Limited, our European subsidiary; Stifel Bank & Trust, our retail and commercial bank subsidiary (Stifel Bank); 1919 Investment Counsel & Trust Company, National Association and Stifel Trust Company Delaware, N.A., our trust companies; and 1919 Investment Counsel, LLC and Ziegler Capital Management, LLC, our asset management firms.

With a 125-year operating history, we have built a diversified business serving private clients, institutional investors, and investment banking clients located across the country. Our principal activities are:

Private client services, including securities transaction and financial planning services;

Institutional equity and fixed income sales, trading and research, and municipal finance;

Investment banking services, including mergers and acquisitions, public offerings, and private placements; and

Retail and commercial banking, including personal and commercial lending programs.

Our core philosophy is based upon a tradition of trust, understanding, and studied advice. We attract and retain experienced professionals by fostering a culture of entrepreneurial, long-term thinking. We provide our private, institutional, and corporate clients quality, personalized service, with the theory that if we place clients' needs first, both our clients and our company will prosper. Our unwavering client and employee focus have earned us a reputation as one of the nation's leading wealth management and investment banking firms.

We have grown our business both organically and through opportunistic acquisitions including our acquisition of the capital markets business of Legg Mason from Citigroup in 2005; our acquisitions of Ryan Beck & Co., Inc. in February 2007 and FirstService Bank in April 2007; our acquisition of ButlerWick & Co., Inc. in 2008; our acquisition of 56 branches from the UBS Wealth Management Americas branch network in 2009; our acquisition of Thomas Weisel Partners Group, Inc. in July 2010; our acquisition of Stone & Youngberg in October 2011; our

acquisition of Miller Buckfire & Co. LLC in December 2012; our acquisition of KBW in February 2013; our acquisition of the fixed income sales and trading business of Knight Capital Group, Inc. in July 2013; our acquisition of Acacia Federal Savings Bank in October 2013; our acquisition of Ziegler Lotsoff Capital Management, LLC in November 2013; and our acquisition of De La Rosa & Co. in April 2014; our acquisition of Oriel Securities in July 2014; our acquisition of 1919 Investment Counsel (formerly known as Legg Mason Investment Counsel & Trust Co., National Association) in November 2014; our acquisition of Merchant Capital, LLC in

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December 2014; our acquisition of Sterne Agee Group, Inc. in June 2015; our acquisition of the Barclays Wealth and Investment Management Americas franchise in December 2015; and our acquisition of Eaton Partners in January 2016. Throughout the course of the integration of these businesses, our highly variable cost structure has enabled us to achieve consistent core earnings profitability while growing net revenue for 20 consecutive years.

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THE OFFERING

Issuer

Stifel Financial Corp., a Delaware corporation.

Securities Offered

depository shares each representing a 1/1000th ownership interest in a share of perpetual % Non-Cumulative Preferred Stock, Series A, \$1.00 par value, with a liquidation preference of \$25,000 per share (equivalent to \$25 per depository share). Each holder of a depository share will be entitled, through the depository, in proportion to the applicable fraction of a share of Series A Preferred Stock represented by such depository share, to all the rights and preferences of the Series A Preferred Stock represented thereby (including dividend, voting, redemption and liquidation rights).

The underwriters have the option to purchase up to an additional depository shares within 30 days of the date of this prospectus supplement. In addition, we may elect from time to time to issue additional shares of Series A Preferred Stock and depository shares representing interests in such shares, without notice to, or consent from, the existing holders of Series A Preferred Stock or holders of the depository shares, and all those additional shares would be deemed to form a single series with the Series A Preferred Stock described by this prospectus supplement.

Dividends

We will pay cash dividends on the Series A Preferred Stock, only when, as, and if declared by our board of directors, or a duly authorized committee of the board of directors, out of funds legally available to pay dividends, at an annual rate of % on the liquidation preference amount of \$25,000 per share of Series A Preferred Stock (equivalent to \$ per depository share per year), quarterly in arrears, on March 15, June 15, September 15 and December 15 of each year, beginning on September 15, 2016.

Dividends on the Series A Preferred Stock will not be cumulative and will not be mandatory. If a dividend is not declared on the Series A Preferred Stock for any dividend period prior to the related dividend payment date, then no dividend will accrue or accumulate for such dividend period, and we will have no obligation to pay a dividend for that dividend period on the related dividend payment date or at any time in the future, whether or not dividends are declared for any future dividend period. A dividend period means the period from, and including, each dividend payment

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date to, but excluding, the next succeeding dividend payment date, except for the initial dividend period, which will be the period from, and including, the date of issuance of the Series A Preferred Stock to, but excluding, the first dividend payment date.

If a dividend on the Series A Preferred Stock is declared for any dividend period, such dividend will be calculated on the basis of a 360-day year consisting of twelve 30-day months. In the event that any dividend payment date is not a business day (as defined in Description of the Preferred Stock Dividends beginning on page S-15), then the dividend with respect to that dividend payment date will be paid on the next succeeding business day, without interest or other payment in respect of such delayed payment. For the avoidance of doubt, the succeeding dividend period will be from, and including, the previous dividend payment date (that was not a business day) to, but excluding, the next succeeding dividend period's dividend payment date.

So long as any share of Series A Preferred Stock remains outstanding, no dividend shall be paid or declared on our common stock or any other shares of our junior stock (as defined below) (other than a dividend payable solely in junior stock), and no common stock or other junior stock shall be purchased, redeemed or otherwise acquired for consideration by us, directly or indirectly (other than as a result of a reclassification of junior stock for or into other junior stock, or the exchange or conversion of one share of junior stock for or into another share of junior stock and other than through the use of the proceeds of a substantially contemporaneous sale of junior stock), during a dividend period, unless the full dividends for the latest completed dividend period on all outstanding shares of Series A Preferred Stock have been declared and paid (or declared and a sum sufficient for the payment thereof has been set aside). However, the foregoing provision

shall not restrict the ability of Stifel or any of our affiliates to engage in any market-making transactions in our junior stock in the ordinary course of business.

We will not be able to declare, pay, or set aside payment for dividends if we fail to comply, or if and to the extent such act would cause us to fail to comply, with certain covenants in our credit agreement. For more information, see Risk Factors.

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Redemption

The Series A Preferred Stock is perpetual and has no maturity date. We may, at our option, redeem the shares of Series A Preferred Stock (i) in whole or in part, from time to time, on or after July 15, 2021 (or, if not a business day, the next succeeding business day), or (ii) in whole but not in part, at any time within 90 days following a Regulatory Capital Event (as defined on page S-18), in each case, at a redemption price equal to \$25,000 per share (equivalent to \$25 per depositary share), plus accrued and unpaid dividends for the then-current dividend period to, but excluding, the redemption date, whether or not declared. If we redeem the Series A Preferred Stock, the depositary will redeem a proportionate number of depositary shares.

Redemption of Series A Preferred Stock is subject to certain legal, regulatory and other restrictions described under [Description of the Preferred Stock](#) [Redemption](#).

Neither holders of Series A Preferred Stock nor holders of depositary shares will have the right to require the redemption or repurchase of the Series A Preferred Stock.

Liquidation Rights

Upon the voluntary or involuntary liquidation, dissolution or winding up of Stifel, the holders of the Series A Preferred Stock are entitled to receive out of funds legally available for distribution to stockholders, before any distribution of assets is made to holders of Stifel common stock or any other shares of stock ranking junior to the Series A Preferred Stock as to such distributions upon the liquidation, dissolution or winding up, a liquidating distribution of \$25,000 per share of Series A Preferred Stock (equivalent to \$25 per depositary share), plus any dividends thereon from the last dividend payment date to, but excluding, the date of the liquidation, dissolution or winding up, but only if and to the extent declared. Distributions will be made only to the extent of assets remaining available after satisfaction of all liabilities to creditors, subject to the

Voting Rights

rights of holders of any securities ranking senior to the Series A Preferred Stock, and pro rata as to the Series A Preferred Stock and any other shares of Stifel stock ranking equally as to such distribution.

The holders of the Series A Preferred Stock do not have voting rights, except (i) as specifically required by Delaware law, (ii) in the case of

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certain dividend non-payments, (iii) with respect to the issuance of senior capital stock of Stifel, and (iv) with respect to changes to our organizational documents that would adversely affect the voting powers, preferences or special rights of the Series A Preferred Stock. Holders of depositary shares must act through the depositary to exercise any voting rights. For more information about voting rights, see [Description of the Preferred Stock Voting Rights](#) and [Description of the Depositary Shares Voting the Preferred Stock](#).

Ranking

The Series A Preferred Stock will rank senior to our common stock, and any of our other stock that is expressly made junior to the Series A Preferred Stock, as to payment of dividends and/or distribution of assets upon our liquidation, dissolution or winding up. We may, from time to time, create and issue additional shares of preferred stock and shares of preference stock ranking equally with the Series A Preferred Stock as to dividends and/or distribution of assets upon our liquidation, dissolution or winding up. We may also create and issue shares of preferred stock and preference stock ranking senior to the Series A Preferred Stock as to dividends and/or distribution of assets upon our liquidation, dissolution or winding up with the requisite consent of the holders of the Series A Preferred Stock and any parity stock entitled to vote thereon. In addition, we may, from time to time, issue additional shares of preferred stock that rank junior to the Series A Preferred Stock.

Maturity

The Series A Preferred Stock does not have any maturity date, and we are not required to redeem the Series A Preferred Stock. Accordingly, the Series A Preferred Stock will remain outstanding indefinitely, unless and until we decide to redeem it.

Preemptive and Conversion Rights

The holders of the depositary shares and the Series A Preferred Stock do not have any preemptive or conversion rights.

Listing

We intend to apply for listing of the depositary shares on the NYSE under the symbol SF PrA. If approved for listing, we expect trading of the depositary shares on the NYSE to commence within 30 days after we issue the depositary shares. We do not expect that there will be

any separate trading market for the shares of the Series A Preferred Stock except as represented by the depositary shares.

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Certain U.S. Federal Income Tax Considerations

Dividends paid to individual U.S. holders generally will be taxable at the preferential rates applicable to long-term capital gains subject to certain conditions and limitations. Dividends paid to corporate U.S. holders generally will be eligible for the dividends received deduction, subject to certain conditions and limitations. Dividends paid to non-U.S. holders generally will be subject to withholding of U.S. federal income tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. For more information, see Certain U.S. Federal Income Tax Considerations beginning on page S-27.

Use of Proceeds

We intend to use the net proceeds from the sale of the depositary shares representing interests in the Series A Preferred Stock for general corporate purposes.

Depositary, Transfer Agent and Registrar

Computershare will serve as depositary, transfer agent and registrar for the Series A Preferred Stock and as transfer agent and registrar for the depositary shares.

Conflicts of Interest

KBW, our broker-dealer subsidiary, is a member of the Financial Industry Regulatory Authority (FINRA) and will participate in the distribution of the depositary shares. Since we own more than 10% of the common equity of KBW, a conflict of interest exists for KBW within the meaning of FINRA Rule 5121(f)(5)(B). Additionally, KBW and one or more of its affiliates, as defined in FINRA Rule 5121, will have a conflict of interest as defined in Rule 5121(f)(5)(C)(ii) due to the receipt of more than 5% of the net offering proceeds. Accordingly, this offering will be conducted pursuant to Rule 5121. To comply with Rule 5121, KBW will not confirm sales of the securities to any account over which KBW exercises discretionary authority without the prior written approval of the customer. In addition, pursuant to Rule 5121, a qualified independent underwriter (as defined in Rule 5121) must participate in the preparation of this prospectus supplement and exercise the usual standards of due diligence with respect thereto. Merrill Lynch, Pierce, Fenner & Smith Incorporated (BAML) has agreed to act as a qualified independent underwriter for the offering and to perform a due diligence investigation and review and participate in the preparation of the prospectus supplement. BAML will not receive any additional fees for

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acting as a qualified independent underwriter. We have agreed to indemnify BAML against liabilities incurred in connection with acting as a qualified independent underwriter, including liabilities under the Securities Act. See Underwriting (Conflicts of Interest) Conflicts of Interest.

Risk Factors

See Risk Factors beginning on page S-9 of this prospectus supplement for a discussion of risks you should carefully consider before deciding to invest in our Series A Preferred Stock and our depositary shares.

Concurrent Offering

We are concurrently offering 4.25% senior notes due 2024 by means of a separate prospectus supplement. We intend to use the proceeds from the concurrent offering to repay our outstanding 5.375% Senior Notes due 2022 and for other general corporate purposes, which may include the repayment of additional indebtedness. The offering of the depositary shares is not contingent upon the completion of the concurrent offering, and the concurrent offering is not contingent upon the completion of the offering of the depositary shares. There can be no assurance that the concurrent offering will be completed.

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RISK FACTORS

An investment in our Series A Preferred Stock and our depositary shares involves significant risks, including the risks described below. You should carefully consider the following information about these risks, together with the other information contained in the accompanying prospectus and the information incorporated by reference, including risk factors contained in Part I, Item 1A of our Annual Report on Form 10-K, as amended by our Annual Report on Form 10-K/A, for the year ended December 31, 2015, before purchasing depositary shares. The risks that we have highlighted here are not the only ones that we face. For example, additional risks presently unknown to us or that we currently consider immaterial or unlikely to occur could also impair our operations. If any of the risks actually occurs, our business, financial condition or results of operations could be negatively affected.

You are making an investment decision with regard to the depositary shares as well as the Series A Preferred Stock.

As described in this prospectus supplement, we are issuing fractional interests in shares of Series A Preferred Stock in the form of depositary shares. Accordingly, the depositary will rely on the payments it receives on the Series A Preferred Stock to fund all payments on the depositary shares. You should carefully review the information in this prospectus supplement and in the accompanying prospectus regarding both of these securities.

The Series A Preferred Stock is expected to be rated below investment grade.

Although it has not yet been rated, we have sought to obtain a rating for the Series A Preferred Stock. We currently expect the rating of the Series A Preferred Stock, if obtained, to be below investment grade, which could adversely impact the market price of the Series A Preferred Stock. Below investment-grade securities are subject to a higher risk of price volatility than similar, higher-rated securities. Furthermore, increases in leverage or deteriorating outlooks for an issuer, or volatile markets, could lead to continued significant deterioration in market prices of below-investment grade rated securities.

Ratings only reflect the views of the issuing rating agency or agencies and such ratings could at any time be revised downward or withdrawn entirely at the discretion of the issuing rating agency. Further, a rating is not a recommendation to purchase, sell or hold any particular security, including the Series A Preferred Stock. In addition, ratings do not reflect market prices or suitability of a security for a particular investor and any rating of the Series A Preferred Stock may not reflect all risks related to us and our business, or the structure or market value of the Series A Preferred Stock.

The shares of Series A Preferred Stock are equity and are subordinate to our existing and future indebtedness.

The shares of Series A Preferred Stock are equity interests in Stifel and do not constitute indebtedness. As such, the shares of Series A Preferred Stock will rank junior to all indebtedness and other non-equity claims on Stifel with respect to assets available to satisfy claims on Stifel, including in a liquidation of Stifel. Additionally, unlike indebtedness, where principal and interest would customarily be payable on specified due dates, in the case of preferred stock like the Series A Preferred Stock (i) dividends are payable only if declared by our board of directors (or a duly authorized committee of the board), (ii) as a corporation, we are subject to restrictions on payments of dividends and redemption price out of lawfully available funds and (iii) as a bank holding company, our ability to declare and pay dividends is subject to the oversight of the Board of Governors of the Federal Reserve System (the Federal Reserve Board).

The Series A Preferred Stock does not restrict our ability to incur indebtedness.

The Series A Preferred Stock places no restrictions on our business or operations or on our ability to incur indebtedness or engage in any transactions, subject only to the limited voting rights referred to below under Holders of Series A Preferred Stock will have limited voting rights.

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Dividends on the Series A Preferred Stock are discretionary and non-cumulative.

Dividends on the Series A Preferred Stock are discretionary and non-cumulative. Consequently, if our board of directors (or a duly authorized committee of the board) does not authorize and declare a dividend for any dividend period, holders of Series A Preferred Stock will not be entitled to receive any such dividend, and such unpaid dividend will cease to accrue and be payable. We will have no obligation to pay dividends accrued for a dividend period after the dividend payment date for such period if our board of directors (or a duly authorized committee of the board) has not declared such dividend before the related dividend payment date, whether or not dividends are declared for any subsequent dividend period with respect to the Series A Preferred Stock or any other preferred stock we may issue.

In addition, if we fail to comply, or if and to the extent such act would cause us to fail to comply, with applicable laws and regulations (including applicable capital adequacy guidelines and compliance with the capital conservation buffer), we may not declare, pay or set aside for payment dividends on Series A Preferred Stock. In addition, under the Federal Reserve Board's risk-based capital rules related to additional tier 1 capital instruments, dividends on the Preferred Stock may only be paid out of our net income, retained earnings, or surplus related to other additional tier 1 capital instruments. If payment of dividends on Series A Preferred Stock for any dividend period would cause us to fail to comply with any applicable law or regulation, we will not declare or pay a dividend for such dividend period. If no dividend on the Series A Preferred Stock is declared or paid for a dividend period, holders of the depositary shares will not be entitled to receive any dividend for that dividend period, and the unpaid dividend will cease to accrue and be payable.

Our credit agreement contains restrictive financial covenants that could limit our ability to pay dividends on the Series A Preferred Stock.

Our credit agreement with U.S. Bank National Association provides for revolving loans up to an aggregate of \$100.0 million. Our credit agreement contains certain covenants that, among other things, restrict our ability to pay dividends, including dividends on preferred stock, even if we believe them to be in our best interests. While we amended our credit agreement earlier this year to allow for dividend payments through December 2016, there can be no assurance that we will remain in compliance with the amended covenants through December 2016 or that we will be able to pay dividends after December 2016 without terminating the facility. If we terminate the facility, there is no assurance we can replace it on comparable terms or at all.

Our ability to pay dividends depends upon the results of operations of our subsidiaries.

We are a holding company and conduct substantially all of our operations through subsidiaries. Our ability to declare and pay dividends is primarily dependent on the receipt of dividends and other distributions from our subsidiaries. Various legal limitations restrict the extent to which our subsidiaries may pay dividends or other funds or otherwise engage in transactions with us or some of our other subsidiaries. Also, our right to participate in any distribution of assets of any of our subsidiaries upon such subsidiary's liquidation or otherwise, and thus your ability as a holder of the depositary shares to benefit indirectly from such distribution, will be subject to the prior claims of creditors of that subsidiary, except to the extent that any of our claims as a creditor of such subsidiary may be recognized. As a result, the depositary shares effectively will be subordinated to all existing and future liabilities and obligations of our subsidiaries.

Our ability to pay dividends on the Series A Preferred Stock, and therefore your ability to receive distributions on the depositary shares, may be limited by federal regulatory considerations and the results of operations of our subsidiaries.

Federal banking laws regulate the amount of dividends that may be paid by our banking subsidiary without prior regulatory approval. The amount of dividends available to us from our banking subsidiary after meeting the regulatory capital requirements for well-capitalized banks was approximately \$170.0 million at March 31, 2016. The above or any future rules, regulations or capital distribution constraints could adversely affect the

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ability of our banking subsidiary to pay dividends to us, our ability to pay dividends on the Series A Preferred Stock and your ability to receive distributions on the depositary shares.

In addition to the foregoing limitations, payments to us by our subsidiaries also will be contingent upon those subsidiaries' earnings and business considerations. Furthermore, our right to receive any assets of any of our subsidiaries upon their liquidation, reorganization or otherwise, and thus your ability as a holder of depositary shares to benefit indirectly from such distributions, will be subject to the prior claims of the subsidiaries' creditors. As of March 31, 2016, our total long-term debt was \$832.5 million, we had \$269.4 million of consolidated secured, short-term indebtedness, which is held by Stifel Nicolaus, \$500.0 million of borrowings from the Federal Home Loan Bank, which is held by Stifel Bank, and \$58.2 million of term loans, which is held by Sterne Agee Group. In the event of any distribution of assets of Stifel Bank, the claims of depositors and other general or subordinated creditors would be entitled to priority over the claims of holders of the notes. Even if we were a creditor of any of our subsidiaries, our rights as a creditor would be subordinate to any security interest in the assets of those subsidiaries and any indebtedness of those subsidiaries senior to that held by us.

The Series A Preferred Stock may be junior in rights and preferences to future preferred stock.

The Series A Preferred Stock may be junior to preferred stock we issue in the future which by its terms is expressly senior to the Series A Preferred Stock. The terms of any of our future preferred stock expressly senior to the Series A Preferred Stock may restrict dividend payments on the Series A Preferred Stock. In this case, unless full dividends for any outstanding preferred stock senior to the Series A Preferred Stock have been declared and paid or set aside for payment, no dividends will be declared or paid and no distribution will be made on any shares of the Series A Preferred Stock, and no shares of the Series A Preferred Stock may be repurchased, redeemed, or otherwise acquired by us, directly or indirectly, for consideration. This could result in dividends on the Series A Preferred Stock not being paid or the Series A Preferred Stock not being redeemed.

We may be able to redeem the Series A Preferred Stock prior to July 15, 2021.

By its terms, the Series A Preferred Stock may be redeemed by us prior to July 15, 2021 upon the occurrence of certain events involving the capital treatment of the Series A Preferred Stock. In particular, upon our determination in good faith that an event has occurred that would constitute a Regulatory Capital Event, we may, at our option, redeem in whole, but not in part, the shares of Series A Preferred Stock, subject to the approval of the Federal Reserve Board or other appropriate federal banking agency. See Description of the Preferred Stock Redemption.

It is possible that the Series A Preferred Stock may not satisfy the criteria for additional Tier 1 capital instruments consistent with Basel III as set forth in a joint final rulemaking issued in July 2013 by the Federal Reserve Board, the Federal Deposit Insurance Corporation (FDIC) and the Office of the Comptroller of the Currency, as a result of official administrative or judicial decisions, actions or pronouncements interpreting those rules and announced after the issuance of the Series A Preferred Stock, or as a result of future changes in law or regulation. As a result, a Regulatory Capital Event could occur whereby we would have the right, subject to prior approval of the Federal Reserve Board or other appropriate federal banking agency, to redeem the Series A Preferred Stock in accordance with its terms prior to July 15, 2021 at a redemption price equal to \$25,000 per share (equivalent to \$25 per depositary share), plus accrued and unpaid dividends for the then-current dividend period to but excluding the redemption date, whether or not declared.

We describe our redemption right under Description of the Preferred Stock Redemption below. If the Series A Preferred Stock is redeemed, the corresponding redemption of the depositary shares would generally be a taxable event to United States holders. In addition, United States holders might not be able to reinvest the money they receive

upon redemption of the depositary shares in a similar security.

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Investors should not expect us to redeem the Series A Preferred Stock on the date it becomes redeemable or on any particular date after it becomes redeemable.

The Series A Preferred Stock will be a perpetual equity security. This means that it will have no maturity or mandatory redemption date and will not be redeemable at the option of the holders. The Series A Preferred Stock may be redeemed by us at our option (i) in whole or in part, from time to time, on or after July 15, 2021 (or, if not a business day, on the next succeeding business day), or (ii) in whole but not in part, at any time within 90 days following a Regulatory Capital Event. Any decision we may make at any time to propose a redemption of the Series A Preferred Stock will depend upon, among other things, our evaluation of our capital position, the composition of our stockholders' equity and general market conditions at that time. In addition, we may be prohibited from redeeming the Series A Preferred Stock. See Our right to redeem the Series A Preferred Stock is subject to certain limitations, including the prior approval of the Federal Reserve Board.

Our right to redeem the Series A Preferred Stock is subject to certain limitations, including the prior approval of the Federal Reserve Board.

Our right to redeem the Series A Preferred Stock is subject to any limitations established by the Federal Reserve Board. Under the Federal Reserve Board's current risk-based capital rules applicable to bank holding companies, any redemption of the Series A Preferred Stock is subject to prior approval of the Federal Reserve Board. The Federal Reserve Board may not approve any redemption of the Series A Preferred Stock that we may propose. We understand that the factors the Federal Reserve Board will consider in evaluating a proposed redemption include, among other things, the capital plans and stress tests submitted by the bank holding company, the bank holding company's ability to meet and exceed minimum regulatory capital ratios under stressed scenarios, its expected sources and uses of capital over the planning horizon (generally a period of two years) under baseline and stressed scenarios, and any potential impact of changes to its business plan and activities on its capital adequacy and liquidity, although the Federal Reserve Board may change these factors at any time.

Holders of Series A Preferred Stock will have limited voting rights.

Holders of Series A Preferred Stock have no voting rights with respect to matters that generally require the approval of voting stockholders. Holders of the Series A Preferred Stock will have voting rights only as specifically required by Delaware law and as described under Description of the Preferred Stock Voting Rights. In addition, if dividends on the Series A Preferred Stock have not been declared or paid for the equivalent of six dividend payments, whether or not for consecutive dividend periods, holders of the outstanding shares of Series A Preferred Stock, together with holders of any other series of our preferred stock ranking equal with the Series A Preferred Stock with similar voting right, will be entitled to vote for the election of two additional directors. Holders of depositary shares must act through the depositary to exercise any voting rights of the Series A Preferred Stock.

Holders of the Series A Preferred Stock have no voting rights with respect to matters that generally require the approval of voting common stockholders. Holders of the Series A Preferred Stock will have voting rights only (i) as specifically required by Delaware law, (ii) in the case of certain dividend non-payments, (iii) with respect to the issuance of senior capital stock of Stifel, and (iv) with respect to changes to our organizational documents that would materially adversely affect the voting powers, preferences, economic rights or special rights of the Series A Preferred Stock.

Moreover, holders of depositary shares must act through the depositary to exercise any voting rights of the Series A Preferred Stock. Although each depositary share is entitled to 1/1000th of a vote, the depositary can only vote whole shares of the Series A Preferred Stock. While the depositary will vote the maximum number of whole shares of the

Series A Preferred Stock in accordance with the instructions it receives, any remaining votes of holders of the depositary shares will not be voted. For more information about voting rights, see [Description of the Preferred Stock Voting Rights](#) and [Description of the Depositary Shares Voting the Preferred Stock](#).

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The Series A Preferred Stock and depositary shares may not have an active trading market.

The Series A Preferred Stock and the related depositary shares are new issues of securities with no established trading market. Although we plan to apply to have the depositary shares listed on the NYSE, we may be unable to list the depositary shares. Even if the depositary shares are listed, there may be little or no secondary market for the depositary shares. Even if a secondary market for the depositary shares develops, it may not provide significant liquidity and transaction costs in any secondary market could be high. We do not expect that there will be any separate public trading market for the shares of Series A Preferred Stock except as represented by the depositary shares. Because the Series A Preferred Stock does not have a stated maturity date, investors seeking liquidity in the depositary shares will be limited to selling their depositary shares in the secondary market.

Current economic trends and pressure in the financial services industry could cause significant fluctuations in our results of operations and stock price.

The stock prices and results of operations of financial services firms, including us, have recently experienced significant price and volume fluctuations and downward pressure as a result of volatile market conditions and may continue to experience such pressures in the future. Our results of operations and the market price of our equity securities have been negatively impacted, and are likely to continue to be subject to fluctuations which may further negatively impact our operating performance or prospects. Factors that could significantly impact our results of operations and the prices of our equity securities or preferred stock include:

changes in global financial markets and global economies and general market conditions, such as interest or foreign exchange rates, stock, commodity or asset valuations, or volatility;

political, constitutional and economic uncertainty arising from the participation of countries in supranational bodies such as the European Union;

developments in our business or in the financial sector generally;

regulatory changes affecting our operations;

the operating and securities price performance of companies that investors consider to be comparable to us; and

announcements of strategic developments, acquisitions, and other material events by us or our competitors. Significant declines in results of operations or the market prices of our equity securities and preferred stock or failure of any of these items to increase could also harm our ability to recruit and retain key employees, including our executives and financial advisors and other key professional employees and those who have joined us from companies we have acquired, reduce our access to debt or equity capital, and otherwise harm our business or financial condition. In addition, we may not be able to use our equity securities or preferred stock effectively as consideration in connection with future acquisitions.

General market conditions and unpredictable factors could adversely affect market prices for the depositary shares representing interests in the Series A Preferred Stock.

There can be no assurance about the market prices for the depositary shares representing interests in the Series A Preferred Stock. Several factors, many of which are beyond our control, will influence the market value of the depositary shares. Factors that might influence the market value of the depositary shares include:

whether we skip or are likely to skip dividends on the Series A Preferred Stock from time to time;

our creditworthiness, regulatory capital levels, operating performance, financial condition and prospects;

the ratings of our securities provided by credit ratings agencies, including ratings on the Series A Preferred Stock and related depositary shares;

our issuance of additional preferred equity;

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interest rates, generally, and expectations regarding changes in rates;

developments in the credit, mortgage and housing markets, the markets for securities relating to mortgages or housing, and developments with respect to financial institutions generally;

the market for similar bank holding company securities; and

economic, financial, geopolitical, regulatory or judicial events that affect us or the financial markets generally. Accordingly, the depositary shares that an investor purchases, whether in the offering or in the secondary market, may trade at a discount to their cost, and their value will fluctuate.

There may be future issuances or sales of Series A Preferred Stock or depositary shares, which may adversely affect the market price of the depositary shares.

We are not restricted from issuing additional Series A Preferred Stock or depositary shares or securities similar to the Series A Preferred Stock or depositary shares, including any securities that are convertible into or exchangeable for, or that represent the right to receive, Series A Preferred Stock or depositary shares. Holders of Series A Preferred Stock or depositary shares have no preemptive rights that entitle holders to purchase their pro rata share of any offering of shares of any class or series. The market price of the depositary shares could decline as a result of sales of shares of Series A Preferred Stock or depositary shares made after this offering or the perception that such sales could occur. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, holders of the depositary shares bear the risk of our future offerings reducing the market price of the depositary shares and diluting their holdings in the depositary shares.

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DESCRIPTION OF THE PREFERRED STOCK

This prospectus supplement summarizes specific terms and provisions of the Series A Preferred Stock. The following summary of the terms and provisions of the Series A Preferred Stock does not purport to be complete and is qualified in its entirety by reference to the pertinent sections of our restated certificate of incorporation and the certificate of designations creating the Series A Preferred Stock, which will be included as an exhibit to a Current Report on Form 8-K filed with the SEC.

General

Our authorized capital stock includes 3,000,000 shares of preferred stock, par value \$1.00 per share, none of which are issued and outstanding prior to this offering. The Series A Preferred Stock is part of a single series of authorized preferred stock consisting of shares.

We are offering depositary shares, representing shares of Series A Preferred Stock (, if the underwriters exercise their option to purchase additional depositary shares in full). As described in the accompanying prospectus, we may from time to time, without notice to or the consent of holders of Series A Preferred Stock, issue additional shares of Series A Preferred Stock or other series of preferred stock. Any additional shares of Series A Preferred Stock would be deemed to form a single series with the Series A Preferred Stock offered by this prospectus supplement.

The depositary will be the sole holder of the Series A Preferred Stock, as described under Description of the Depositary Shares, and all references in this prospectus supplement to the holders of the Series A Preferred Stock shall mean the depositary. However, the holders of depositary shares will be entitled, through the depositary, to exercise the rights and preferences of the holders of Series A Preferred Stock, as described under Description of the Depositary Shares.

Shares of the Series A Preferred Stock will rank senior to our common stock, and at least equally with each other series of our preferred stock we may issue (except for any senior series that may be issued with the requisite consent of the holders of Series A Preferred Stock), with respect to the payment of dividends and distributions of assets upon liquidation, dissolution or winding-up. The Series A Preferred Stock will be fully paid and nonassessable when issued, which means that its holders will have paid their purchase price in full and that we may not ask them to surrender additional funds. Holders of Series A Preferred Stock will not have preemptive or subscription rights to acquire more stock of Stifel.

The Series A Preferred Stock will not be convertible into, or exchangeable for, shares of any other class or series of stock or other securities of Stifel. The Series A Preferred Stock has no stated maturity and will not be subject to any sinking fund or other obligation of Stifel to redeem or repurchase the Series A Preferred Stock. The Series A Preferred Stock represents non-withdrawable capital, is not a bank deposit and is not insured by the FDIC or any other governmental agency, nor is it the obligation of, or guaranteed by, a bank.

Dividends

Dividends on shares of the Series A Preferred Stock will not be mandatory or cumulative. In addition, under the Federal Reserve Board's risk-based capital rules related to additional tier 1 capital instruments, dividends on the Preferred Stock may only be paid out of our net income, retained earnings, or surplus related to other additional tier 1 capital instruments. Holders of Series A Preferred Stock will be entitled to receive, when, as and if declared by our board of directors (or a duly authorized committee of the board), out of funds legally available for the payment of

dividends, non-cumulative cash dividends from the original issue date, quarterly in arrears on the 15th day of March, June, September and December of each year (each, a dividend payment date), commencing on September 15, 2016. These dividends will accrue, with respect to each dividend period, on the liquidation preference amount of \$25,000 per share (equivalent to \$25 per depository share) at a rate per annum

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equal to % (equivalent to \$ per depositary share per annum). Dollar amounts resulting from that calculation will be rounded to the nearest cent, with one-half cent being rounded upward. In the event that we issue additional shares of Series A Preferred Stock after the original issue date, dividends on such shares may accrue from the original issue date or any other date we specify at the time such additional shares are issued. Payment dates are subject to adjustment for business days.

Dividends will be payable to holders of record of Series A Preferred Stock as they appear on the stock register on the applicable record date, which shall be the 15th calendar day before that dividend payment date or such other record date fixed by our board of directors (or a duly authorized committee of the board) that is not more than 60 days nor less than 10 days prior to such dividend payment date (each, a dividend record date). These dividend record dates will apply regardless of whether a particular dividend record date is a business day. The corresponding record dates for the depositary shares will be the same as the record dates for the Series A Preferred Stock.

A dividend period is the period from and including a dividend payment date to but excluding the next dividend payment date, except that the initial dividend period will commence on and include the original issue date of the Series A Preferred Stock and will end on and exclude the September 15, 2016 dividend payment date. Dividends payable on the Series A Preferred Stock will be calculated on the basis of a 360-day year consisting of twelve 30-day months. If any date on which dividends would otherwise be payable is not a business day, then the dividend with respect to that dividend payment date will be paid on the next succeeding business day, without interest or other payment in respect of such delayed payment. For the avoidance of doubt, the succeeding dividend period will be from, and including, the previous dividend payment date (that was not a business day) to, but excluding the next succeeding dividend period's dividend payment date. Business day means any weekday that is not a day on which banking institutions in New York City are generally authorized or obligated by law or executive order to close.

Dividends on shares of Series A Preferred Stock will not be cumulative. Accordingly, if our board of directors (or a duly authorized committee of the board) does not declare a dividend on the Series A Preferred Stock payable in respect of any dividend period before the related dividend payment date, such dividend will not accrue and we will have no obligation to pay a dividend for that dividend period on the dividend payment date or at any future time, whether or not dividends on the Series A Preferred Stock are declared for any future dividend period.

So long as any share of Series A Preferred Stock remains outstanding, no dividend shall be paid or declared on our common stock or any other shares of our junior stock (as defined below) (other than a dividend payable solely in junior stock), and no common stock or other junior stock shall be purchased, redeemed or otherwise acquired for consideration by us, directly or indirectly (other than as a result of a reclassification of junior stock for or into other junior stock, or the exchange or conversion of one share of junior stock for or into another share of junior stock and other than through the use of the proceeds of a substantially contemporaneous sale of junior stock), during a dividend period, unless the full dividends for the latest completed dividend period on all outstanding shares of Series A Preferred Stock have been declared and paid (or declared and a sum sufficient for the payment thereof has been set aside). However, the foregoing provision shall not restrict the ability of Stifel, or any of our other affiliates, to engage in any market-making transactions in our junior stock in the ordinary course of business.

As used in this prospectus supplement, junior stock means any class or series of stock of Stifel that ranks junior to the Series A Preferred Stock either as to the payment of dividends or as to the distribution of assets upon any liquidation, dissolution or winding-up of Stifel. Junior stock includes our common stock.

When dividends are not paid (or declared and a sum sufficient for payment thereof set aside) on any dividend payment date (or, in the case of parity stock, as defined below, having dividend payment dates different from the dividend payment dates pertaining to the Series A Preferred Stock, on a dividend payment date falling

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within the related dividend period for the Series A Preferred Stock) in full on the Series A Preferred Stock and any shares of parity stock, all dividends declared on the Series A Preferred Stock and all such equally ranking securities payable on such dividend payment date (or, in the case of parity stock having dividend payment dates different from the dividend payment dates pertaining to the Series A Preferred Stock, on a dividend payment date falling within the related dividend period for the Series A Preferred Stock) shall be declared pro rata so that the respective amounts of such dividends shall bear the same ratio to each other as all accrued but unpaid dividends per share on the Series A Preferred Stock and all parity stock payable on such dividend payment date (or, in the case of parity stock having dividend payment dates different from the dividend payment dates pertaining to the Series A Preferred Stock, on a dividend payment date falling within the related dividend period for the Series A Preferred Stock) bear to each other.

As used in this prospectus supplement, parity stock means any other class or series of stock of Stifel that ranks equally with the Series A Preferred Stock in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding-up of Stifel. As of the date of this prospectus supplement, Stifel has no parity stock issued or outstanding.

Subject to the foregoing, such dividends (payable in cash, securities or other property) as may be determined by our board of directors (or a duly authorized committee of the board) may be declared and paid on our common stock and any other stock ranking equally with or junior to the Series A Preferred Stock from time to time out of any funds legally available for such payment, and the shares of the Series A Preferred Stock shall not be entitled to participate in any such dividend.

We will not be able to declare, pay, or set aside payment for dividends if we fail to comply, or if and to the extent such act would cause us to fail to comply, with applicable laws, rules and regulations. The certificate of designations creating the Series A Preferred Stock provides that dividends on the Series A Preferred Stock may not be declared or set aside for payment if and to the extent such dividends would cause us to fail to comply with