

STIFEL FINANCIAL CORP  
Form 424B3  
July 19, 2018  
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**Filed Pursuant to Rule 424(b)(3)  
Registration No. 333-225729**

## **PROXY STATEMENT/PROSPECTUS**

### **MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT**

On May 10, 2018, Stifel Financial Corp. (which we refer to as *Stifel*) and Business Bancshares, Inc. (which we refer to as *BBI*) entered into an Agreement and Plan of Merger (which we refer to as the *merger agreement*) that provides for the acquisition of BBI by Stifel. Pursuant to the merger agreement, Stifel formed a Missouri corporation as a special-purpose, wholly owned subsidiary of Stifel (which we refer to as *Merger Sub*), which will merge with and into BBI, with BBI as the surviving corporation (which we refer to as the *surviving corporation*), in a transaction we refer to as the *merger*. As a result of the merger, BBI will be a wholly owned subsidiary of Stifel.

In the merger, each outstanding share of common stock of BBI (which we refer to as *BBI common stock*), including both the common stock, \$0.01 par value per share, of BBI (which we refer to as *BBI voting common stock*) and the non-voting common stock, \$0.01 par value per share, of BBI (which we refer to as *BBI non-voting common stock*), except for shares of BBI common stock held by BBI as treasury stock, certain shares held by Stifel, if any, and shares held by holders of BBI common stock (which we refer to as *BBI shareholders*) who properly exercise their rights under Missouri law to dissent from the merger, automatically will be converted into the right to receive 0.705 shares (which we refer to as the *exchange ratio*) of common stock, \$0.15 par value per share, of Stifel (which we refer to as *Stifel common stock*). Although the number of shares of Stifel common stock that each BBI shareholder will receive is fixed, the market value of those shares will fluctuate with the market price of Stifel common stock both prior to and after the time BBI shareholders vote on the merger. Stifel common stock is traded on the New York Stock Exchange (which we refer to as the *NYSE*) and the Chicago Stock Exchange under the symbol *SF*. Based on the closing price of Stifel common stock on the NYSE on May 9, 2018, the last trading day before the date of the public announcement of the merger, the exchange ratio represented approximately \$42.46 in value for each share of BBI common stock. Based on Stifel's closing price of \$51.66 on July 13, 2018, the last practicable trading day before the date of this proxy statement/prospectus, the exchange ratio represented approximately \$36.42 in value for each share of BBI common stock. Based on the exchange ratio and the number of shares of BBI common stock outstanding and reserved for issuance upon the exercise of outstanding options granted by BBI to purchase shares of BBI common stock under the BBI Incentive Stock Option Plan (as revised) as of July 13, 2018, the maximum number of shares of Stifel common stock issuable in the merger is 2,014,960. **We urge you to obtain current market quotations for Stifel common stock.**

BBI will hold a special meeting of its shareholders (which we refer to as the *special meeting*) in connection with the merger. Holders of BBI voting common stock will be asked to vote to adopt and approve the merger agreement, the

related plan of merger to be entered into by and between Merger Sub and BBI in the form attached as Exhibit B to the merger agreement (which we refer to as the plan of merger ) and the merger, as described in the attached proxy statement/prospectus. Adoption and approval of the merger agreement, the related plan of merger and the merger require the affirmative vote of the holders of two-thirds of the outstanding shares of BBI common stock entitled to vote.

The holders of outstanding shares of BBI non-voting common stock are not entitled or permitted to vote any shares of BBI non-voting common stock at the special meeting.

The special meeting will be held on August 21, 2018, at 8:00 a.m. local time, at BBI's corporate office at 8000 Maryland Ave., 14th Floor Boardroom, Clayton, Missouri 63105.

**BBI's board of directors unanimously recommends that holders of BBI voting common stock vote FOR the adoption and approval of the merger agreement, the related plan of merger and the merger and FOR the proposal to adjourn the special meeting to a later date or dates, if necessary or appropriate, including to permit further solicitation of proxies in favor of the merger proposal if there are not sufficient votes to approve it.**

The attached proxy statement/prospectus describes the special meeting, the merger, the documents related to the merger and other related matters. **Please carefully read the entire proxy statement/prospectus, including Risk Factors, beginning on page 24**, for a discussion of the risks relating to the proposed merger. You also can obtain information about Stifel from documents that it has filed with the Securities and Exchange Commission.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued in the merger or passed upon the adequacy or accuracy of this proxy statement/prospectus. Any representation to the contrary is a criminal offense.**

**The securities to be issued in the merger are not savings or deposit accounts or other obligations of any bank or savings association, and they are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.**

The date of this proxy statement/prospectus is July 18, 2018, and it is first being mailed or otherwise delivered to the shareholders of BBI on or about July 19, 2018.

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**BUSINESS BANCSHARES, INC.**

8000 Maryland Ave., Suite 100

Clayton, Missouri 63105

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON AUGUST 21, 2018**

NOTICE IS HEREBY GIVEN that Business Bancshares, Inc. (which we refer to as **BBI**) will hold a special meeting of its shareholders (which we refer to as the **special meeting**) on August 21, 2018, at 8:00 a.m. local time, at **BBI**'s corporate office at 8000 Maryland Ave., 14th Floor Boardroom, Clayton, Missouri 63105.

The special meeting is for the holders of the common stock, \$0.01 par value per share, of **BBI** (which we refer to as **BBI** voting common stock) to consider and vote upon the following matters:

1. a proposal (which we refer to as the **merger proposal**) to adopt and approve (i) the Agreement and Plan of Merger, dated as of May 10, 2018, by and between **BBI** and Stifel Financial Corp. (which we refer to as **Stifel**), a copy of which is attached as Annex A to this proxy statement/prospectus (which we refer to as the **merger agreement**), pursuant to which Stifel formed a Missouri corporation as a special-purpose, wholly owned subsidiary of Stifel (which we refer to as **Merger Sub**), which will merge with and into **BBI**, with **BBI** as the surviving corporation and becoming a wholly owned subsidiary of Stifel, in a transaction we refer to as the **merger**, (ii) the related plan of merger to be entered into by and between **Merger Sub** and **BBI** in the form attached as Exhibit B to the merger agreement (which we refer to as the **plan of merger**), and (iii) the merger, as more fully described in this proxy statement/prospectus; and
2. a proposal (which we refer to as the **adjournment proposal**) to adjourn the special meeting to a later date or dates, if necessary or appropriate, including to permit further solicitation of proxies in favor of the merger proposal if there are not sufficient votes to approve it.

Any action may be taken on the foregoing proposals at the special meeting on the date specified above or on any date or dates to which, by original or later adjournment or postponement, the special meeting may be adjourned.

We have fixed the close of business on July 11, 2018, as the record date for the special meeting. Only holders (which we refer to as **BBI** shareholders) of record of the common stock of **BBI** (which we refer to as **BBI** common stock), including both the **BBI** voting common stock and the non-voting common stock, \$0.01 par value per share, of **BBI**, at that time are entitled to notice of, and only holders of **BBI** voting common stock are entitled to vote at, the special meeting or any adjournment or postponement of the special meeting. Approval of the merger proposal requires the affirmative vote of holders of two-thirds of the outstanding shares of **BBI** common stock entitled to vote on the proposal. Approval of the adjournment proposal requires the affirmative vote of the holders of a majority of the outstanding shares of **BBI** common stock entitled to vote on the proposal and present at the special meeting, in person or by proxy.

**Your vote is very important.** We cannot complete the merger unless the holders of **BBI** voting common stock adopt and approve the merger proposal.

**Regardless of whether you plan to attend the special meeting, please vote as soon as possible. If you hold BBI voting common stock in your name as a shareholder of record of BBI, please complete, sign, date and return the accompanying proxy card in the enclosed postage-paid return envelope as soon as possible. The proxy card will not be used if you attend and vote at the special meeting in person. If you hold your BBI voting common stock in street name through a broker, bank or other nominee, please follow the directions on the voting instruction card furnished by the record holder in order to vote those shares.**

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This proxy statement/prospectus provides a detailed description of the special meeting, the merger, the documents related to the merger and other related matters. **We urge you to read this proxy statement/prospectus, including any documents incorporated into this proxy statement/prospectus by reference, and its annexes carefully and in their entirety.**

Date: July 18, 2018

Clayton, Missouri

**BY ORDER OF BBI S BOARD OF DIRECTORS,**

Edward G. Throop

Chairman of the Board

Business Bancshares, Inc.

**BBI S BOARD OF DIRECTORS UNANIMOUSLY APPROVED THE MERGER AGREEMENT, THE RELATED PLAN OF MERGER AND THE MERGER, DETERMINED THAT THE MERGER AGREEMENT, THE RELATED PLAN OF MERGER AND THE MERGER ARE IN THE BEST INTERESTS OF BBI AND ITS SHAREHOLDERS, DECLARED THE MERGER TO BE ADVISABLE AND UNANIMOUSLY RECOMMENDS THAT THE HOLDERS OF BBI VOTING COMMON STOCK VOTE FOR THE MERGER PROPOSAL AND FOR THE ADJOURNMENT PROPOSAL.**

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**REFERENCES TO ADDITIONAL INFORMATION**

This proxy statement/prospectus incorporates important business and financial information about Stifel from documents filed with the Securities and Exchange Commission (which we refer to as the SEC) that are not included in or delivered with this proxy statement/prospectus. You can obtain any of the documents filed with or furnished to the SEC by Stifel at no cost from the SEC's website at <http://www.sec.gov>. You may also request copies of these documents, including documents incorporated by reference into this proxy statement/prospectus, at no cost by contacting Stifel at the following address:

**Stifel Financial Corp.**

501 N. Broadway

St. Louis, Missouri 63102

Attention: Joel Jeffrey

(212) 271-3610

**You will not be charged for any of these documents that you request. To obtain timely delivery of these documents, you must request them no later than five business days before the date of the special meeting. This means that BBI shareholders requesting documents must do so by August 14, 2018, in order to receive them before the special meeting.**

You should rely only on the information contained in, or incorporated by reference into, this document. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this document. This document is dated July 18, 2018, and you should assume that the information in this document is accurate only as of such date. You should assume that the information incorporated by reference into this document is accurate as of the date of such document. Neither the mailing of this document to BBI shareholders nor the issuance by Stifel of shares of common stock of Stifel in connection with the merger will create any implication to the contrary.

**This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Except where the context otherwise indicates, information contained in this document regarding BBI has been provided by BBI, and information contained in this document regarding Stifel has been provided by Stifel.**

Please see "Where You Can Find More Information," beginning on page 98, for more details.

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**QUESTIONS AND ANSWERS**

The following are some questions that you may have about the merger and the special meeting, as well as brief answers to those questions. We urge you to read carefully the remainder of this proxy statement/prospectus because the information in this section does not provide all of the information that might be important to you with respect to the merger or the special meeting. Additional important information is also contained in the documents incorporated by reference into this proxy statement/prospectus. Please see **Where You Can Find More Information**, beginning on page 98.

Unless the context otherwise requires, references in this proxy statement/prospectus to **Stifel** refer to **Stifel Financial Corp.**, a Delaware corporation; references to **BBI** refer to **Business Bancshares, Inc.**, a Missouri corporation; references to **BBI Bank** refer to **The Business Bank of St. Louis**, a Missouri state-chartered bank and wholly owned subsidiary of BBI; and references to **we**, **our** or **us** refer to **Stifel and BBI**.

**Q: What is the merger?**

A: Stifel and BBI entered into an Agreement and Plan of Merger, dated as of May 10, 2018 (which we refer to as the merger agreement ). Stifel formed a Missouri corporation as a special-purpose, wholly owned subsidiary of Stifel (which we refer to as Merger Sub ), which will merge with and into BBI, with BBI as the surviving corporation (which we refer to as the surviving corporation ), pursuant to the merger agreement and a related plan of merger to be entered into by and between Merger Sub and BBI in the form attached as Exhibit B to the merger agreement (which we refer to as the plan of merger ), in a transaction we refer to as the merger. A copy of the merger agreement is attached as Annex A to this proxy statement/prospectus.

Upon completion of the merger, holders of common stock of BBI (which we refer to as BBI common stock ), including both the common stock, \$0.01 par value per share, of BBI (which we refer to as BBI voting common stock ) and the non-voting common stock, \$0.01 par value per share, of BBI (which we refer to as BBI non-voting common stock ), will receive 0.705 shares of common stock, \$0.15 par value per share, of Stifel (which we refer to as Stifel common stock ) for each share of BBI common stock they hold immediately prior to the merger, plus cash in lieu of fractional shares. Based on the number of shares of Stifel common stock and BBI common stock outstanding as of the date of the merger agreement, current holders of BBI common stock (which we refer to as BBI shareholders ) are expected to own up to approximately 3% of the outstanding Stifel common stock immediately following the merger (without giving effect to any shares of Stifel common stock held by BBI shareholders prior to the merger).

The merger cannot be completed unless, among other things, BBI shareholders approve the proposal (which we refer to as the merger proposal ) to adopt and approve the merger agreement, the related plan of merger and the merger.

**Q: Why am I receiving this proxy statement/prospectus?**

A: BBI has called a special meeting of its shareholders (which we refer to as the special meeting ). The special meeting is for the holders of BBI voting common stock to consider and vote upon the merger proposal and a proposal (which we refer to as the adjournment proposal ) to adjourn the special meeting to a later date or dates, if necessary or appropriate, including to permit further solicitation of proxies in favor of the merger proposal if

there are not sufficient votes to approve it. This document serves as the proxy statement being used by BBI's board of directors (which we refer to as the BBI board) to solicit proxies from the holders of BBI voting common stock in connection with the special meeting and describes the proposals to be presented at the special meeting. The holders of outstanding shares of BBI non-voting common stock are not entitled or permitted to vote any shares of BBI non-voting common stock at the special meeting.

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This document is also a prospectus that is being delivered to BBI shareholders by Stifel because Stifel is offering shares of Stifel common stock to BBI shareholders in exchange for their shares of BBI common stock.

This proxy statement/prospectus contains important information about the merger and important information to consider in connection with an investment in Stifel common stock. You should read it carefully and in its entirety. The enclosed materials allow you to have your shares of BBI voting common stock voted by proxy without attending the special meeting. Your vote is important, and we encourage you to submit your proxy as soon as possible.

**Q: What are holders of BBI voting common stock being asked to vote on at the special meeting?**

A: BBI is soliciting proxies from the holders of BBI voting common stock with respect to:

the merger proposal; and

the adjournment proposal.

**Q: What will BBI shareholders receive in the merger?**

A: Under the terms of the merger agreement, each outstanding share of BBI common stock (except for shares of BBI common stock held by BBI as treasury stock, certain shares held by Stifel, if any, and shares held by BBI shareholders who properly exercise their rights under Missouri law to dissent from the merger) will be converted into the right to receive 0.705 shares of Stifel common stock (which we refer to as the merger consideration). Stifel will not issue any fractional shares of Stifel common stock in the merger. Stifel will pay to each former BBI shareholder who otherwise would be entitled to receive a fractional share an amount in cash determined by multiplying the average of the closing sale prices of Stifel common stock on the New York Stock Exchange (which we refer to as the NYSE) for the five full trading days ending on the day preceding the closing date of the merger (which we refer to as the Stifel share closing price) by the fraction of a share (rounded to the nearest thousandth when expressed in decimal form) of Stifel common stock that such shareholder would otherwise be entitled to receive.

**Q: What will holders of Stifel common stock receive in the merger?**

A: If the merger is completed, holders of Stifel common stock will not receive any merger consideration and will continue to hold the shares of Stifel common stock that they currently hold. Following the merger, shares of Stifel common stock will continue to be traded on the NYSE and the Chicago Stock Exchange (which we refer to as the CHX) under the symbol SF.

**Q: How will the merger affect BBI equity-based awards?**

A: The BBI equity-based awards will be affected as follows:

*Stock Options:* At the effective time of the merger, each outstanding and unexercised option to purchase shares of BBI common stock (which we refer to as a BBI stock option ) will become fully vested and automatically will be converted into the right to receive an amount in cash equal to \$41.76 minus the exercise price per share of the option.

*Restricted Stock:* At the effective time of the merger, each outstanding award in respect of a share of BBI common stock that is subject to vesting, repurchase or other lapse restriction (which we refer to as BBI restricted stock ) will fully vest and be cancelled and converted automatically into the right to receive the merger consideration (together with any accrued but unpaid dividends corresponding to the award).

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**Q: Will the value of the merger consideration change between the date of this proxy statement/prospectus and the time the merger is completed?**

A: Yes. Although the number of shares of Stifel common stock that will be issued as merger consideration is fixed, the value of the merger consideration will fluctuate between the date of this proxy statement/prospectus and the completion of the merger based upon the market price of Stifel common stock. Any fluctuation in the market price of Stifel common stock after the date of this proxy statement/prospectus will change the value of the shares of Stifel common stock that BBI shareholders will receive.

**Q: How does the BBI board recommend that I vote at the special meeting?**

A: The BBI board unanimously recommends that you vote your shares of BBI voting common stock **FOR** the merger proposal and **FOR** the adjournment proposal.

**Q: When and where is the meeting?**

A: The special meeting will be held on August 21, 2018, at 8:00 a.m. local time, at BBI's corporate office at 8000 Maryland Ave., 14th Floor Boardroom, Clayton, Missouri 63105.

**Q: What do I need to do now?**

A: After you have carefully read this proxy statement/prospectus and have decided how you wish to vote your shares of BBI voting common stock, please vote your shares promptly so that your shares are represented and voted at the special meeting. If you hold your shares in your name as a shareholder of record, you must complete, sign, date, and mail your proxy card in the enclosed postage-paid return envelope as soon as possible. If you hold your shares in street name through a broker, bank or other nominee, you must instruct the broker, bank or other nominee how to vote in accordance with the directions you have received from the broker, bank or other nominee. Street name shareholders who wish to vote in person at the special meeting will need to obtain a legal proxy from the institution that holds their shares.

**Q: What constitutes a quorum for the special meeting?**

A: The presence at the special meeting, in person or by proxy, of holders of a majority of the outstanding shares of BBI common stock entitled to vote at the special meeting pursuant to the Articles of Incorporation of BBI, as amended (which we refer to as the BBI charter), will constitute a quorum for the transaction of business. Abstentions and broker non-votes that are otherwise properly represented at the special meeting will be included in determining the number of shares present at the special meeting for the purpose of determining the presence of a quorum.



**Q: What is the vote required to approve each proposal at the special meeting?**

A: *Merger proposal:*

Standard: Approval of the merger proposal requires the affirmative vote of the holders of at least two-thirds of the outstanding shares of BBI common stock entitled to vote on the proposal.

Effect of abstentions and broker non-votes: If you fail to vote, mark **ABSTAIN** on your proxy or fail to instruct your broker, bank or other nominee with respect to the merger proposal, it will have the same effect as a vote **AGAINST** the merger proposal.

*Adjournment proposal:*

Standard: Approval of the adjournment proposal requires the affirmative vote of the holders of a majority of the outstanding shares of BBI common stock entitled to vote on the proposal and present at the special meeting, in person or by proxy.

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Effect of abstentions and broker non-votes: If you mark **ABSTAIN** on your proxy card, it will have the same effect as a vote cast against the adjournment proposal. If you fail to submit a proxy card or vote in person at the special meeting or fail to instruct your broker, bank or other nominee how to vote with respect to the adjournment proposal, your shares will not be deemed to be present at the special meeting with respect to the adjournment proposal, and such failure will have no effect on the adjournment proposal.

**Q: Will holders of shares of BBI non-voting common stock be entitled to vote at the special meeting?**

A: No. Because the BBI non-voting common stock does not have voting rights with respect to the merger proposal or the adjournment proposal, the holders of outstanding shares of BBI non-voting common stock are not entitled or permitted to vote any shares of BBI non-voting common stock at the special meeting.

**Q: Why is my vote important?**

A: If you do not vote, it will be more difficult for BBI to obtain the necessary quorum to hold its special meeting and for the holders of BBI voting common stock to approve the merger proposal. In addition, your failure to submit a proxy or vote in person, failure to instruct your broker, bank or other nominee how to vote or abstention will have the same effect as a vote **AGAINST** approval of the merger proposal.

**Q: How many votes do I have, and how do I vote at the special meetings?**

A: You are entitled to one vote for each share of BBI voting common stock that you owned as of the close of business on July 11, 2018 (which we refer to as the record date for the special meeting). You may vote **FOR**, **AGAINST** or **ABSTAIN** with respect to each of the proposals presented at the special meeting. Whether or not you plan to attend the special meeting, we urge you to vote by proxy to ensure your vote is counted. If you hold your shares in certificate or registered book-entry form, you may still attend the special meeting and vote in person even if you have already voted by proxy.

To vote using the proxy card, simply complete, sign and date the enclosed proxy card and return it promptly in the postage-paid return envelope provided. If you return your signed proxy card before the special meeting, your shares will be voted as you direct.

If you hold your shares in certificate or registered book-entry form and wish to vote in person, simply attend the special meeting and you will be given a ballot when you arrive. If you hold your shares in street name, you will need to obtain a legal proxy from your broker, bank or other nominee to enable you to vote in person at the special meeting.

**Q: If my shares of BBI voting common stock are held in street name by my broker, bank or other nominee, will my broker, bank or other nominee automatically vote my shares for me?**

A: No. Your broker, bank or other nominee cannot vote your shares without instructions from you. If your shares are held in street name through a broker, bank or other holder of record, you will need to provide the record holder of your shares with instructions on how to vote those shares. Please follow the directions provided by the broker, bank or other nominee for submitting your voting instructions. You may not vote shares held in street name by returning a proxy card directly to BBI, or by voting in person at the special meeting, unless you provide a legal proxy, which you must obtain from your broker, bank or other nominee. Further, brokers, banks and other nominees who hold shares of BBI voting common stock on behalf of their customers may not give a proxy to BBI to vote those shares with respect to any of the proposals without specific instructions from their customers, as brokers, banks and other nominees do not have discretionary voting power on these matters. Your failure to instruct your broker, bank or other nominee how to vote will have the same effect as a vote AGAINST approval of the merger proposal.

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**Q: Can I attend the special meeting and vote my shares in person?**

A: Yes. All holders of BBI common stock, including shareholders of record and shareholders who hold their shares through brokers, banks or other nominees, are invited to attend the special meeting. Holders of record of BBI voting common stock can vote in person at the special meeting. If you are not a shareholder of record (that is, if your shares are held for you in street name), you must obtain a legal proxy, executed in your favor, from the record holder of your shares, such as a broker, bank or other nominee, to be able to vote in person at the special meeting.

If you plan to attend the special meeting, you must hold your shares in your own name or have proof of share ownership from the record holder of your shares, such as a recent brokerage statement or a letter confirming your ownership. In addition, you must bring a form of personal photo identification with you in order to be admitted to the special meeting. BBI reserves the right to refuse admittance to anyone without proper proof of share ownership or without proper photo identification. To ensure your representation at the special meeting, we urge you to complete, sign and date the enclosed proxy card and to return it promptly in the envelope provided whether or not you plan to attend the special meeting. Returning the proxy card will not affect your right to attend the special meeting and vote.

**Q: Can I change my vote?**

A: Yes. If you are a holder of record of BBI voting common stock, you may change your vote at any time before your shares of BBI voting common stock are voted at the special meeting by: (1) signing and returning a proxy card with a later date; (2) attending the special meeting in person, notifying David Gamache, BBI's executive vice president, general counsel and corporate secretary (whom we refer to as BBI's corporate secretary), and voting by ballot at the special meeting; or (3) delivering a written revocation letter to BBI's corporate secretary, at Business Bancshares, Inc., 8000 Maryland Ave., Suite 100, Clayton, Missouri 63105, Attention: Corporate Secretary. If you hold your shares in street name through a broker, bank or other nominee, you should contact your record holder to change your vote.

**Q: Will BBI be required to submit the merger proposal to its shareholders even if the BBI board has withdrawn, modified or qualified its recommendation?**

A: Yes. Unless the merger agreement is terminated before the special meeting, BBI is required to submit the merger proposal to the holders of BBI voting common stock even if the BBI board has withdrawn, modified or qualified its recommendation.

**Q: What are the U.S. federal income tax consequences of the merger to BBI shareholders?**

A: The merger is intended to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (which we refer to as the Code), and it is a condition to the respective obligations of Stifel and BBI to complete the merger that Stifel receives a legal opinion from Arnold & Porter Kaye Scholer LLP to that effect and that BBI receives a legal opinion from Lewis Rice

LLC to that effect. Assuming the merger qualifies as a reorganization, a U.S. holder (as defined in Proposal No. 1: The Merger Proposal Material U.S. Federal Income Tax Consequences of the Merger, beginning on page 62) of shares of BBI common stock generally will not recognize gain or loss for U.S. federal income tax purposes upon the exchange of their shares of BBI common stock for Stifel common stock. However, U.S. holders will recognize gain or loss attributable to cash received in lieu of a fractional share of Stifel common stock, as will U.S. holders who dissent and receive cash for their shares of BBI common stock. For further information, please refer to Proposal No. 1: The Merger Proposal Material U.S. Federal Income Tax Consequences of the Merger.

*The U.S. federal income tax consequences described above may not apply to all holders of BBI common stock. We strongly urge you to consult your independent tax advisor for a full understanding of the*

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*application of U.S. federal income tax laws to your particular situation as well as any tax consequences arising under the U.S. federal estate or gift tax rules, or under the laws of any state, local, foreign or other taxing jurisdiction or under any applicable treaty.*

**Q: Are BBI shareholders entitled to dissenters' rights if they do not vote in favor of the merger proposal?**

A: Yes. BBI shareholders may assert dissenters' rights in connection with the merger and, upon complying with the requirements of The General and Business Corporation Law of Missouri (which we refer to as the MGBCL), receive cash in the amount of the fair value of their shares instead of the merger consideration. For further information, please see Proposal No. 1: The Merger Proposal The Merger Dissenters' Rights, beginning on page 57.

**Q: If I am a BBI shareholder, should I send in my BBI stock certificate(s) now?**

A: No. Please do not send in your BBI stock certificates with your proxy. After the merger, an exchange agent will send you instructions for exchanging BBI stock certificates for the merger consideration. Please see Proposal No. 1: The Merger Proposal The Merger Agreement Conversion of Shares; Exchange of Certificates, beginning on page 67.

**Q: What should I do if I hold my shares of BBI common stock in book-entry form?**

A: You are not required to take any special additional actions if your shares of BBI common stock are held in book-entry form. After the completion of the merger, shares of BBI common stock held in book-entry form automatically will be exchanged for book-entry shares of Stifel common stock.

**Q: What should I do if I receive more than one set of voting materials?**

A: BBI shareholders may receive more than one set of voting materials, including multiple copies of this proxy statement/prospectus and multiple proxy cards or voting instruction cards. For example, if you hold shares of BBI voting common stock in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold such shares. If you are a holder of record of BBI voting common stock, and your shares are registered in more than one name, you will receive more than one proxy card. Please complete, sign, date and return each proxy card and voting instruction card that you receive or otherwise follow the directions set forth in this proxy statement/prospectus to ensure that you vote every share of BBI voting common stock that you own.

**Q: When do you expect to complete the merger?**

A: Stifel and BBI expect to complete the merger in the third or fourth quarter of 2018. However, neither Stifel nor BBI can assure you of when or if the merger will be completed. The holders of BBI voting common stock must approve the merger proposal at the special meeting, and both Stifel and BBI must satisfy certain other closing conditions.

**Q: What happens if the merger is not completed?**

A: If the merger is not completed, BBI shareholders will not receive any consideration for their shares of BBI common stock in connection with the merger. Instead, BBI will remain an independent, private company. In addition, if the merger agreement is terminated in certain circumstances, a termination fee may be required to be paid by BBI. Please see Proposal No. 1: The Merger Proposal The Merger Agreement Termination Fee on page 81 for a complete discussion of the circumstances under which a termination fee will be required to be paid.

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**Q: Whom should I call with questions?**

A: If you are a BBI shareholder and have any questions concerning the merger or this proxy statement/prospectus, would like additional copies of this proxy statement/prospectus or need help voting your shares of BBI voting common stock, please contact BBI's corporate secretary, David Gamache, at (314) 721-8003.



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**SUMMARY**

**This summary highlights selected information from this proxy statement/prospectus. It may not contain all of the information that is important to you. We urge you to read carefully the entire proxy statement/prospectus, including the annexes, and the other documents to which we refer in order to fully understand the merger. Please see **Where You Can Find More Information**, beginning on page 98. Each item in this summary refers to the page of this proxy statement/prospectus on which the section discussing that subject in more detail begins.**

**The Merger** (page 36)

Stifel and BBI are proposing a transaction in which Stifel will acquire BBI such that BBI will become a wholly owned subsidiary of Stifel and will remain the direct holding company for BBI Bank. This transaction is governed by the merger agreement, a copy of which is attached as Annex A to this proxy statement/prospectus. All descriptions in this summary and elsewhere in this proxy statement/prospectus of the terms and conditions of the merger are qualified by reference to the merger agreement. Please read the merger agreement carefully for a more complete understanding of the merger.

**Information About Stifel** (page 84)

Stifel is a Delaware corporation and a financial holding company headquartered in St. Louis. Stifel was organized in 1983 and operates in the following segments: Global Wealth Management, Institutional Group and Other. Stifel's principal subsidiary is Stifel, Nicolaus & Company, Incorporated (which we refer to as Stifel Nicolaus), a full-service retail and institutional wealth management and investment banking firm. Stifel Nicolaus is the successor to a partnership founded in 1890. Stifel's other subsidiaries include Century Securities Associates, Inc., an independent contractor broker-dealer firm; Keefe, Bruyette & Woods, Inc. (which we refer to as KBW), Miller Buckfire & Co., LLC and Eaton Partners, LLC, broker-dealer firms; Stifel Nicolaus Europe Limited, Stifel's European subsidiary; Stifel Bank & Trust, a retail and commercial bank; Stifel Trust Company, National Association, and Stifel Trust Company Delaware, National Association, Stifel's trust company subsidiaries; and 1919 Investment Counsel, LLC and Ziegler Capital Management, LLC, asset management firms.

Stifel's principal executive offices are located at 501 North Broadway, St. Louis, Missouri 63102-2188, and its telephone number at that location is (314) 342-2000. Additional information about Stifel and its subsidiaries is included in documents incorporated by reference into this proxy statement/prospectus. Please see **Where You Can Find More Information**, beginning on page 98.

**Information About BBI** (page 84)

BBI is a Missouri corporation and registered bank holding company. BBI is engaged in the business of banking through its wholly owned subsidiary, BBI Bank, a Missouri state-chartered bank. BBI's principal business consists of providing small and medium-sized businesses and their owners with a full range of lending, deposit, mortgage and private banking services. BBI conducts its business through its single banking office located in Clayton, Missouri. As of March 31, 2018, BBI had total assets of approximately \$619.5 million, net loans of approximately \$508.5 million, total deposits of approximately \$535.6 million and total stockholders' equity of approximately \$70.4 million.

BBI's principal executive offices are located at 8000 Maryland Ave., Suite 100, Clayton, Missouri 63105, and its telephone number at that location is (314) 721-8003.

**Consideration to Be Paid to BBI Shareholders in the Merger** (page 66)

Under the terms of the merger agreement, each outstanding share of BBI common stock (except for shares of BBI common stock held by BBI as treasury stock, certain shares held by Stifel, if any, and shares held by BBI

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shareholders who properly exercise their rights under Missouri law to dissent from the merger) will be converted into the right to receive 0.705 shares of Stifel common stock. Stifel will not issue any fractional shares of Stifel common stock in the merger. Stifel will pay to each former BBI shareholder who would otherwise be entitled to receive a fractional share an amount in cash (rounded to the nearest cent) based on the Stifel share closing price.

As a result of the foregoing, based on the numbers of shares of Stifel common stock and BBI common stock outstanding as of the date of the merger agreement, current BBI shareholders are expected to own up to approximately 3% of the outstanding Stifel common stock immediately following the merger (without giving effect to any shares of Stifel common stock held by BBI shareholders prior to the merger).

Although the number of shares of Stifel common stock that each BBI shareholder will receive is fixed, the market value of the merger consideration will fluctuate with the market price of Stifel common stock both prior to and after the time holders of BBI voting common stock vote on the merger. Stifel common stock is listed on the NYSE and the CHX under the symbol SF. Based on the closing price of Stifel common stock on the NYSE on May 9, 2018, the last trading day before the date of the public announcement of the merger, the exchange ratio represented approximately \$42.46 in value for each share of BBI common stock. Based on Stifel's closing price of \$51.66 on July 13, 2018, the last practicable trading day before the date of this proxy statement/prospectus, the exchange ratio represented approximately \$36.42 in value for each share of BBI common stock. Based on the exchange ratio and the number of shares of BBI common stock outstanding and reserved for issuance upon the exercise of outstanding BBI stock options as of July 13, 2018, the maximum number of shares of Stifel common stock issuable in the merger is 2,014,960.

### **The BBI Board Unanimously Recommends that Holders of BBI Voting Common Stock Vote FOR the Merger Proposal and FOR the Adjournment Proposal (page 30)**

The BBI board unanimously approved the merger agreement, the related plan of merger and the merger, determined that the merger agreement, the related plan of merger and the merger are in the best interests of BBI and its shareholders and declared the merger to be advisable. The BBI board unanimously recommends that holders of BBI voting common stock vote **FOR** the merger proposal and **FOR** the adjournment proposal. For the factors considered by the BBI board in reaching its decision to approve the merger agreement, the related plan of merger and the merger, please see Proposal No. 1: The Merger Proposal The Merger BBI's Reasons for the Merger and Recommendation of the BBI Board, beginning on page 40.

### **Opinion of FIG Partners, LLC (page 42 and Annex B)**

In deciding to approve the merger agreement, the related plan of merger and the merger, the BBI board considered, among other things, the opinion of FIG Partners, LLC (which we sometimes refer to as FIG Partners) regarding the fairness, from a financial point of view, of the merger consideration to be received by BBI shareholders in the merger.

**The full text of FIG Partners' opinion is attached as Annex B to this proxy statement/prospectus. The opinion outlines the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by FIG Partners in rendering its opinion.**

**BBI shareholders are urged to read the entire opinion carefully in connection with their consideration of the proposed merger. FIG Partners' written opinion is addressed to the BBI board and does not constitute a recommendation as to how any holder of BBI voting common stock should vote with respect to the merger proposal.**

For further information, please see Proposal No. 1: The Merger Proposal The Merger Opinion of FIG Partners, LLC, beginning on page 42.

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**Treatment of BBI Equity-Based Awards** (page 67)

*Stock Options.* At the effective time of the merger, each outstanding and unexercised BBI stock option will become fully vested and automatically will be converted into the right to receive an amount in cash equal to \$41.76 minus the exercise price per share of the option. For further information, please see Proposal No. 1: The Merger Proposal The Merger Agreement Treatment of Stock Options, beginning on page 67.

*Restricted Stock.* At the effective time of the merger, each outstanding award in respect of a share of BBI restricted stock will fully vest and automatically will be converted into the right to receive the merger consideration in respect of each share of BBI common stock underlying the award. For further information, please see Proposal No. 1: The Merger Proposal The Merger Agreement Structure of the Merger Treatment of Restricted Stock, beginning on page 67.

**BBI Will Hold the Special Meeting on August 21, 2018** (page 30)

The special meeting will be held on August 21, 2018, at 8:00 a.m. local time, at BBI's corporate office at 8000 Maryland Ave., 14th Floor Boardroom, Clayton, Missouri 63105. At the special meeting, holders of BBI voting common stock will be asked to:

approve the merger proposal; and

approve the adjournment proposal.

Only holders of record of BBI voting common stock at the close of business on the record date for the special meeting will be entitled to vote at the special meeting. Each share of BBI voting common stock is entitled to one vote on the merger proposal. On the record date for the special meeting, there were 2,321,936 shares of BBI common stock entitled to vote at the special meeting. The directors and executive officers of BBI and their affiliates beneficially owned, and were entitled to vote, approximately 923,263 shares of BBI voting common stock, representing approximately 40% of the shares of BBI voting common stock outstanding, on the record date for the special meeting.

For further information, please see The Special Meeting Date, Time and Place of Meeting, beginning on page 30.

**Special Meeting Proposals: Votes Required; Treatment of Abstentions and Broker Non-Votes** (pages 31 and 32)

*Merger proposal:*

Standard: Approval of the merger proposal requires the affirmative vote of the holders of at least two-thirds of the outstanding shares of BBI common stock entitled to vote on the proposal.

Effect of abstentions and broker non-votes: If you mark ABSTAIN on your proxy or fail to vote or to instruct your broker, bank or other nominee with respect to the merger proposal, it will have the same effect as a vote AGAINST the merger proposal.

*Adjournment proposal:*

Standard: Approval of the adjournment proposal requires the affirmative vote of the holders of a majority of the outstanding shares of BBI common stock entitled to vote on the proposal and present at the special meeting, in person or by proxy.

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**Effect of abstentions and broker non-votes:** If you mark **ABSTAIN** on your proxy card, it will have the same effect as a vote cast against the adjournment proposal. If you fail to submit a proxy card or vote in person at the special meeting or fail to instruct your broker, bank or other nominee how to vote with respect to the adjournment proposal, your shares will not be deemed to be present at the special meeting with respect to the adjournment proposal, and such failure will have no effect on the adjournment proposal.

For further information, please see **The Special Meeting Votes Required; Treatment of Abstentions**, beginning on page 31, and **The Special Meeting Shares Held in Street Name; Treatment of Broker Non-Votes**, beginning on page 32.

**The Directors, Certain Executive Officers and a Certain Large Shareholder of BBI Entered into Voting Agreements** (page 82)

As of the record date for the special meeting, the members of the BBI board, BBI executive officers Larry Kirby (who is also a director of BBI), Stan Cornish, David Gamache and Brian Leeker (whom we refer to as **BBI's executive officers**) and Castle Creek Capital Partners V, LP (the largest BBI shareholder at the time the merger agreement was signed and which we refer to as **Castle Creek**) beneficially owned, in the aggregate, approximately 923,263 shares of BBI voting common stock (not including vested option shares), or approximately 40% of the outstanding BBI voting common stock. Pursuant to voting agreements more fully described under **Proposal No. 1: The Merger Proposal The Merger Agreement Director, Executive Officer and Large Shareholder Voting Agreements**, beginning on page 82, each of **BBI's** directors and executive officers and Castle Creek entered into separate written agreements in which they collectively agreed, among other things, to vote their shares of BBI voting common stock for the approval of the merger proposal. A copy of the form of voting agreement separately executed by each of **BBI's** directors and executive officers and Castle Creek is attached as Exhibit A to the merger agreement, a copy of which is attached as Annex A to this proxy statement/prospectus and is incorporated herein by reference.

**BBI's Directors and Executive Officers Have Financial Interests in the Merger that Differ from Your Interests** (page 51)

BBI shareholders should be aware that **BBI's** directors and executive officers have interests in the merger that are different from, or in addition to, interests of BBI shareholders generally. These interests include, among others, the treatment of outstanding BBI equity-based awards pursuant to the merger agreement, certain payments and benefits payable under compensation agreements entered into with executive officers and rights to ongoing indemnification and insurance coverage by Stifel and the surviving corporation for acts or omissions occurring prior to the merger. For example, Stifel entered into employment continuation agreements with Larry Kirby, Stanley Cornish, Brian Leeker, David Gamache and certain other officers of BBI or its subsidiaries. The continuation agreements entered into by **BBI's** executive officers set forth the terms and conditions of the respective individuals' employment relationship with BBI Bank and/or Stifel following the effective time of the merger and provide for, among other matters, the base salary and various bonuses for the respective officers and awards under the Stifel 2001 Incentive Stock Plan, as amended from time to time (which we refer to as the **Stifel 2001 Incentive Stock Plan**). In addition, at the effective time of the merger, each outstanding award in respect of a share of BBI restricted stock will fully vest. Furthermore, under the merger agreement, the balances accrued by participants in the nonelective deferred compensation plan previously adopted by BBI (which we refer to as the **BBI deferred compensation plan**) must be paid in full at or near the closing date of the merger. Please see **Proposal No. 1: The Merger Proposal The Merger Interests of Certain Persons in the Merger**, beginning on page 51, for a more detailed description of these interests.





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**The Merger Will Be Accounted for as a Purchase** (page 56)

For accounting and financial reporting purposes, the merger will be accounted for under the acquisition method of accounting for business combinations in accordance with generally accepted accounting principles.

**Stifel's and BBI Bank's Management and Operations after the Merger** (pages 56 and 57)

The directors and executive officers of Stifel immediately prior to the merger will continue to be the directors and executive officers of Stifel after the merger. As a material inducement and as additional consideration to Stifel to enter into the merger agreement, 21 officers and key business relationship employees of BBI Bank, including all of BBI Bank's executive officers, entered into agreements with Stifel setting forth the terms and conditions of each such individual's employment relationship with BBI Bank and/or Stifel following the merger. Stifel anticipates that BBI Bank will remain a separately chartered subsidiary of Stifel. Upon the closing of the merger or at a point in time thereafter, Stifel may cause BBI Bank to change its name.

**BBI Shareholders Will Have Dissenters' Rights in Connection with the Merger** (page 57)

BBI shareholders may assert dissenters' rights in connection with the merger and, upon complying with the requirements of the MGBCL, may receive cash in the amount of the fair value of their shares instead of the merger consideration.

Each BBI shareholder who wishes to dissent from the merger should read carefully both Proposal No. 1: The Merger Proposal The Merger Dissenters' Rights, beginning on page 57, and the full text of Section 351.455 of the MGBCL, a copy of which is attached as Annex C to this proxy statement/prospectus. The availability of dissenters' rights is conditioned upon strict compliance with the procedures set forth in Section 351.455 of the MGBCL. Failure to timely and properly comply with the procedures specified will result in the complete loss of dissenters' rights. Accordingly, if you wish to dissent from the merger and demand the fair value of your BBI common stock in cash, you should consult with your own legal counsel.

**Regulatory Approvals Required for the Merger** (page 59)

Stifel and BBI agreed to use their reasonable best efforts and cooperate to promptly prepare and file all necessary documentation, and to obtain as promptly as practicable all regulatory approvals necessary or advisable, to complete the transactions contemplated by the merger agreement and to comply with the terms and conditions of such approvals. Completion of the merger is subject to the receipt of (i) the approval of the Board of Governors of the Federal Reserve System (which we refer to as the Federal Reserve Board) for the merger of Merger Sub with and into BBI, (ii) an order of the director of the Missouri Division of Finance (which we refer to as the MDF) declaring Stifel's acquisition of BBI lawful under Missouri law, and (iii) any other regulatory approval the failure of which to obtain would reasonably be expected to have a material adverse effect on the surviving corporation (which Stifel and BBI expect to be none). Stifel has filed applications with the Federal Reserve Bank of St. Louis (under delegated authority from the Federal Reserve Board) and the MDF to obtain the necessary regulatory approvals. On or about June 6, 2018, the director of the MDF (whom we refer to as the Commissioner of Finance) delivered to the Federal Reserve Board a letter stating that the MDF had no objection to the merger under Section 3 of the Bank Holding Company Act of 1956, as amended (which we refer to as the BHC Act), or Section 362.910, *et seq.*, of the Missouri Revised Statutes (which we refer to as the Missouri bank holding company act), and the Commissioner of Finance issued an order declaring the merger not unlawful under the Missouri bank holding company act. On July 6, 2018, the Federal Reserve Bank of St. Louis approved Stifel's application pursuant to the BHC Act to merge Merger Sub with and into BBI.

After the merger, Stifel plans to undergo an internal reorganization that would cause Stifel's current bank subsidiary, Stifel Bank & Trust, to become a subsidiary of BBI. Stifel also intends to cause Stifel Trust Company, National Association, to seek prior approval from the Office of the Comptroller of the Currency

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(which we refer to as the OCC ) for Stifel Trust Company Delaware, National Association, to become a subsidiary of Stifel Trust Company, National Association, and for Stifel Trust Company, National Association (with Stifel Trust Company Delaware, National Association, as its subsidiary), to become a subsidiary of BBI as well.

**Material U.S. Federal Income Tax Consequences of the Merger** (page 62)

The merger is intended to qualify as a reorganization within the meaning of Section 368(a) of the Code, and it is a condition to completion of the merger that Stifel receives a legal opinion from Arnold & Porter Kaye Scholer LLP to that effect and that BBI receives a legal opinion from Lewis Rice LLC to that effect. The merger consideration that will be paid to the BBI shareholders pursuant to the merger will consist of shares of Stifel common stock and cash for any fractional shares. Assuming the merger qualifies as a reorganization, subject to the limitations and more detailed discussion set forth in Proposal No. 1: The Merger Proposal Material U.S. Federal Income Tax Consequences of the Merger, beginning on page 62, a BBI shareholder that is a U.S. holder generally will not recognize gain or loss on such exchange, other than with respect to cash received in lieu of a fractional share of Stifel common stock or cash received in connection with the exercise of dissenters' rights.

**Tax matters are complicated, and the tax consequences of the merger to any particular BBI shareholder will depend in part on that shareholder's individual circumstances. Accordingly, each BBI shareholder is urged to consult his or her own tax advisor for a full understanding of the tax consequences of the merger to that shareholder, including the applicability and effect of U.S. federal, state, local and foreign income and other tax laws.**

**Conditions that Must Be Satisfied or Waived for the Merger to Occur** (page 78)

Stifel's and BBI's respective obligations to complete the merger are subject to the satisfaction or waiver (to the extent permitted under applicable law) of certain conditions, including: (1) the adoption by the BBI shareholders of the merger proposal by the requisite shareholder vote; (2) authorization for listing on the NYSE of the shares of Stifel common stock to be issued pursuant to the merger agreement; (3) the receipt of all requisite regulatory approvals and expiration or termination of all statutory waiting periods in respect thereof; (4) the effectiveness of the registration statement on Form S-4, of which this proxy statement/prospectus is a part, that Stifel has filed with the Securities and Exchange Commission (which we refer to as the SEC ) with respect to the Stifel common stock to be issued upon consummation of the merger (which we refer to as the registration statement ); (5) the absence of any order, injunction, decree or other legal restraint or prohibition preventing the consummation of the merger and of any statute, rule, regulation, order, injunction or decree making the consummation of the merger illegal; (6) subject to the materiality standards provided in the merger agreement, the truth and correctness of the representations and warranties of each of Stifel and BBI; (7) performance in all material respects by each of Stifel and BBI of its obligations under the merger agreement; (8) the absence of a material adverse effect on Stifel or BBI since the date of the merger agreement; and (9) the receipt by each of Stifel and BBI of an opinion from its counsel to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code.

Stifel's obligations to complete the merger are subject to the satisfaction or waiver of a number of additional conditions, including:

Stifel shall have received continuation agreements, pursuant to which employees of BBI Bank shall have agreed to continue in their positions after the closing of the merger, from (i) eight of nine employees specified in the merger agreement (and all nine employees have entered into continuation agreements with

Stifel since the merger agreement was executed) and (ii) at least 75% of the members of a group of remaining employees specified in the merger agreement;

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BBI shall have non-maturity deposits equal to at least \$266,000,000, net loans equal to at least \$450,000,000, assets equal to at least \$550,000,000 and non-performing assets of no more than \$10,000,000, each as of a date prior to the closing of the merger as determined in accordance with the merger agreement; and

as of the closing date of the merger, tangible common equity of BBI and its subsidiaries shall be not less than \$72,500,000, subject to certain adjustments set forth in the merger agreement; and

BBI's existing credit facility with Associated Bank, N.A., shall have terminated at or prior to the effective time of the merger.

Neither BBI nor Stifel can be certain when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be completed. For more information, please see Proposal No. 1: The Merger Proposal The Merger Agreement Conditions to Complete the Merger, beginning on page 78.

**Termination of the Merger Agreement (page 79)**

The merger agreement may be terminated at any time prior to the effective time of the merger as follows:

by the mutual written consent of Stifel and BBI;

by either party, if any governmental approval required for the merger is denied by a final, non-appealable action or an application for such approval is withdrawn at the request of a governmental entity, or if any governmental entity of competent jurisdiction issues a final, non-appealable order permanently enjoining or otherwise prohibiting or making illegal the consummation of the merger;

by either party, if the merger has not been consummated by March 31, 2019, unless the failure of the closing to have occurred by such date was due to a material breach of any representation, warranty, covenant or agreement by the party seeking to terminate the merger agreement; or

subject to cure rights, by either party, if there has been a breach of any of the covenants or agreements or any of the representations or warranties set forth in the merger agreement on the part of the other party, which breach would constitute the failure of a closing condition.

In addition, the merger agreement may be terminated:

by Stifel prior to the time that the requisite BBI shareholder vote has been obtained, if the BBI board shall have made an adverse recommendation change, if BBI shall have approved, adopted or endorsed an alternative acquisition proposal or if BBI or the BBI board has breached its obligations with respect to the non-solicitation of offers or alternative acquisition proposals;

by BBI prior to the time that the requisite BBI shareholder vote has been obtained, if BBI concludes in good faith, after consultation with its advisors, that it must agree to endorse an alternative acquisition proposal that meets certain conditions and terminate the merger agreement in order to comply with its fiduciary duties, and BBI has entered into an acquisition agreement with respect to such alternative acquisition proposal; or

by BBI, upon written notice to Stifel, if both (i) the average closing price of Stifel common stock during a specified period before the effective time of the merger is less than \$47.02, and (ii) Stifel common stock underperforms the KBW NASDAQ Capital Markets Index by more than 20%. If BBI elects to exercise this termination right, Stifel has the option to avoid the termination by making a compensating adjustment to the exchange ratio.

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For more information, please see Proposal No. 1: The Merger Proposal The Merger Agreement Termination of the Merger Agreement, beginning on page 79.

### **Termination Fee (page 81)**

If the merger agreement is terminated under circumstances involving changes in the recommendation of the BBI board and alternative acquisition proposals, BBI may be required to pay to Stifel a termination fee in the amount of \$5.75 million. This termination fee might discourage a potential competing acquirer that might have an interest in acquiring all or a significant part of BBI from considering or proposing such an acquisition. For more information, please see Proposal No. 1: The Merger Proposal The Merger Agreement Termination Fee, beginning on page 81.

### **The Rights of BBI Shareholders Will Change as a Result of the Merger (page 89)**

Upon completion of the merger, holders of BBI common stock will become holders of Stifel common stock. The rights of BBI shareholders will change as a result of the merger due to differences in Stifel's and BBI's governing documents and the statutes governing each of them, as well as rules governing public companies such as Stifel. Stifel is incorporated in Delaware and is subject to the General Corporation Law of the State of Delaware (which we refer to as the DGCL), and BBI is incorporated in Missouri and is subject to the MGBCL. The rights of BBI shareholders who receive shares of Stifel common stock in exchange for their shares of BBI common stock will be governed by Stifel's charter and bylaws, as well as the rules and regulations applying to public companies. In particular, BBI directors are elected for one-year terms, whereas Stifel currently has a partially classified board of directors. Please see Comparison of Shareholder Rights, beginning on page 89, for more information and a description of the material differences in shareholder rights under each of Stifel's and BBI's governing documents.

### **Risk Factors (page 24)**

You should consider all the information contained in or incorporated by reference into this proxy statement/prospectus in deciding how to vote for the merger proposal and the adjournment proposal. In particular, you should consider the factors described under Risk Factors, beginning on page 24.

**Table of Contents****STIFEL SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA**

The following Stifel selected historical consolidated financial data is provided to aid your analysis of the financial aspects of the merger. The information set forth below is only a summary and is not necessarily indicative of Stifel's results of future operations. When you read this historical consolidated financial data, it is important that you also read Stifel's historical consolidated financial statements and related notes, as well as the section titled Management's Discussion and Analysis of Financial Condition and Results of Operations, each included in Stifel's Annual Report on Form 10-K for the year ended December 31, 2017, portions of which have been recast in Stifel's Current Report on Form 8-K filed on June 20, 2018, which documents are incorporated by reference into this proxy statement/prospectus. Please see Where You Can Find More Information, beginning on page 98.

The consolidated financial data of Stifel as of March 31, 2018, and for the three-month periods ended March 31, 2018 and 2017, have been derived from Stifel's historical unaudited interim consolidated financial statements contained in its Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2018, which is incorporated by reference into this proxy statement/prospectus. In the opinion of Stifel's management, the unaudited interim consolidated financial statements of Stifel have been prepared on the same basis as its audited consolidated financial statements and include all adjustments, consisting of normal recurring adjustments, necessary for a fair statement of the financial position of Stifel as of March 31, 2018, and its results of operations for the three-month periods ended March 31, 2018 and 2017. Results of interim periods are not necessarily indicative of the results expected for a full year or for future periods.

<i>(in 000s, except per share amounts)</i>	<b>Three Months Ended March 31,</b>		<b>Year Ended December 31,</b>				
	<b>2018</b>	<b>2017</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Revenues:</b>							
Commissions	\$ 165,775	\$ 175,274	\$ 678,904	\$ 729,989	\$ 749,536	\$ 674,418	\$ 640,287
Principal transactions	97,782	116,857	396,826	475,428	389,319	409,823	408,954
Investment banking	176,362	126,852	726,763	513,034	503,052	578,689	457,736
Asset management and service fees	195,801	162,739	702,064	582,789	493,761	386,001	305,639
Interest	137,734	100,953	454,381	294,332	179,101	185,969	142,539
Other income	3,357	8,752	37,524	46,798	62,224	14,785	64,659
Total revenues	776,811	691,427	2,996,462	2,642,370	2,376,993	2,249,685	2,019,814
Interest expense	26,453	15,896	70,030	66,874	45,399	41,261	46,368
Net revenues	750,358	675,531	2,926,432	2,575,496	2,331,594	2,208,424	1,973,446
<b>Non-interest expenses:</b>							
Compensation and benefits	457,893	436,387	1,958,929	1,726,016	1,568,862	1,403,932	1,311,386
Occupancy and equipment rental	57,595	52,545	222,708	231,324	207,465	169,040	158,268
	33,499	33,844	133,493	139,644	130,678	106,926	99,726



Communication and office supplies							
Commissions and floor brokerage	9,365	10,723	44,132	44,315	42,518	36,555	37,225
Other operating expenses	72,452	63,013	297,634	291,615	240,504	201,177	181,612
<b>Total non-interest expenses</b>	<b>630,804</b>	<b>596,512</b>	<b>2,656,896</b>	<b>2,432,914</b>	<b>2,190,027</b>	<b>1,917,630</b>	<b>1,788,217</b>
<b>Income from continuing operations before income taxes</b>	<b>119,554</b>	<b>79,019</b>	<b>269,536</b>	<b>142,582</b>	<b>141,567</b>	<b>290,794</b>	<b>185,229</b>
Provision for income taxes	30,793	13,507	86,665	61,062	49,231	111,664	12,322
<b>Income from continuing operations</b>	<b>88,761</b>	<b>65,512</b>	<b>182,871</b>	<b>81,520</b>	<b>92,336</b>	<b>179,130</b>	<b>172,907</b>
<b>Discontinued operations:</b>							
Loss from discontinued operations, net of tax						(3,063)	(10,894)
<b>Net income</b>	<b>88,761</b>	<b>65,512</b>	<b>182,871</b>	<b>81,520</b>	<b>92,336</b>	<b>176,067</b>	<b>162,013</b>
Preferred dividends	2,344	2,344	9,375	3,906			
<b>Net income available to common shareholders</b>	<b>\$ 86,417</b>	<b>\$ 63,168</b>	<b>\$ 173,496</b>	<b>\$ 77,614</b>	<b>\$ 92,336</b>	<b>\$ 176,067</b>	<b>\$ 162,013</b>

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<i>(in 000s, except per share amounts)</i>	<b>Three Months Ended March 31,</b>		<b>Year Ended December 31,</b>				
	<b>2018</b>	<b>2017</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Earnings per basic common share:</b>							
Income from continuing operations	\$ 1.20	\$ 0.92	\$ 2.53	\$ 1.16	\$ 1.35	\$ 2.69	\$ 2.72
Loss from discontinued operations						(0.04)	(0.17)
<b>Earnings per basic common share</b>	<b>\$ 1.20</b>	<b>\$ 0.92</b>	<b>\$ 2.53</b>	<b>\$ 1.16</b>	<b>\$ 1.35</b>	<b>\$ 2.65</b>	<b>\$ 2.55</b>
<b>Earnings per diluted common share:</b>							
Income from continuing operations	\$ 1.06	\$ 0.78	\$ 2.14	\$ 1.00	\$ 1.18	\$ 2.35	\$ 2.35
Income from continuing operations						(0.04)	(0.15)
<b>Earnings per diluted common share</b>	<b>\$ 1.06</b>	<b>\$ 0.78</b>	<b>\$ 2.14</b>	<b>\$ 1.00</b>	<b>\$ 1.18</b>	<b>\$ 2.31</b>	<b>\$ 2.20</b>
<b>Weighted average number of common shares outstanding:</b>							
Basic	71,999	68,386	68,562	66,871	68,543	66,472	63,568
Diluted	81,789	80,695	81,035	77,563	78,554	76,376	73,504
<b>Cash dividends declared per common share</b>							
	\$ 0.12	\$	\$ 0.20	\$	\$	\$	\$
<b>Financial condition:</b>							
Total assets	\$ 21,715,342	\$ 19,135,892	\$ 21,383,953	\$ 19,129,356	\$ 13,326,051	\$ 9,518,151	\$ 9,008,870
Long-term obligations <sup>(1)</sup>	\$ 1,092,500	\$ 867,500	\$ 1,092,500	\$ 867,500	\$ 832,500	\$ 707,500	\$ 410,631

Shareholders equity	\$ 2,917,540	\$ 2,777,903	\$ 2,861,576	\$ 2,738,408	\$ 2,492,416	\$ 2,322,038	\$ 2,058,849
Book value per common share							
(2)	\$ 38.49	\$ 38.40	\$ 38.26	\$ 38.84	\$ 37.19	\$ 35.00	\$ 32.30

(1) Includes senior notes excluding debt issuance costs (presented net on the consolidated statements of financial condition).

(2) Excludes preferred stock.

Stifel's Canadian subsidiary, Stifel Nicolaus Canada, Inc. ( SN Canada ), ceased business operations as of September 30, 2013. The results of SN Canada, previously reported in the Institutional Group segment, are classified as discontinued operations for all periods presented.

The following items should be considered when comparing the data from year to year: (i) the merger with KBW on February 15, 2013; (ii) the acquisitions of the U.S. institutional fixed income sales and trading business and the hiring of the European institutional fixed income sales and trading team from Knight Capital Group in July 2013; (iii) the expensing of stock awards issued as retention as part of the acquisitions of KBW and the Knight Capital fixed income business during 2013; (iv) the recognition of a U.S. tax benefit in connection with discontinuing the business operations of SN Canada in 2013; (v) the acquisitions of De La Rosa, & Co., Oriel Securities (which we refer to as Oriel ) and 1919 Investment Counsel and the expensing of stock awards issued as retention as part of the Oriel and 1919 Investment Counsel acquisitions during 2014; (vi) the acquisitions of Sterne Agee Group, Inc. and Barclays Wealth and Investment Management (which we refer to as Barclays ) during 2015; (vii) the acquisitions of Eaton Partners, LLC and ISM Capital LLP and the expensing of stock awards issued as retention as part of the Barclays acquisition during 2016; (viii) the acquisition of City Securities Corporation; (ix) the actions taken by Stifel and its subsidiaries in response to the Tax Cuts and Jobs Act (which we refer to as tax legislation ) to maximize tax savings; (x) merger-related charges; (xi) litigation-related expenses associated with previously disclosed legal matters; (xii) the revaluation of the Stifel and its subsidiaries' deferred tax assets as a result of the enacted tax legislation; and (xiii) the favorable impact of the adoption of new accounting guidance associated with stock-based compensation during 2017. See the section titled Management's Discussion and Analysis of Financial Condition and Results of Operations in Stifel's Current Report on Form 8-K filed on June 20, 2018, which is incorporated by reference into this proxy statement/prospectus, for a discussion of these items and other items that may affect the comparability of data from year to year. Please see Where You Can Find More Information, beginning on page 98.

**Table of Contents****BBI SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA**

The following table presents selected historical consolidated financial information and other financial data for BBI. The data for the three months ended March 31, 2018 and 2017, are derived from unaudited financial data of BBI. The consolidated financial data (except per share data) for the fiscal years ended, and as of, December 31, 2017, 2016, 2015, 2014 and 2013, are derived from audited consolidated financial statements of BBI. Operating results for prior periods are not necessarily indicative of the results that might be expected for 2018 or any future period, and results for the three-month periods ended March 31, 2018 and 2017, may not be indicative of the results that may be expected for the full fiscal year or future periods.

<i>(in 000s, except per share amounts)</i>	<b>Three Months Ended March 31,</b>		<b>Year Ended December 31,</b>				
	<b>2018</b>	<b>2017</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Earnings summary:</b>							
Interest income	\$ 6,140	\$ 5,443	\$ 23,528	\$ 21,539	\$ 19,125	\$ 18,561	\$ 19,123
Interest expense	1,195	946	4,030	3,176	2,908	3,043	3,510
Net interest income	4,945	4,497	19,498	18,363	16,217	15,518	15,613
Provision (provision reversal) for portfolio loan losses			(500)	(500)	(1,150)	(760)	(1,664)
Non-interest income	1,353	930	3,917	4,920	3,525	2,926	3,070
Non-interest expense	3,891	3,761	15,146	14,808	13,514	13,033	14,105
Income before income taxes	2,407	1,666	8,769	8,975	7,378	6,171	6,242
Income tax expense	594	591	4,325	3,019	2,541	2,268	2,398
<b>Net income</b>	<b>\$ 1,813</b>	<b>\$ 1,075</b>	<b>\$ 4,444</b>	<b>\$ 5,956</b>	<b>\$ 4,837</b>	<b>\$ 3,903</b>	<b>\$ 3,844</b>
<b>Per share data: <sup>(1)</sup></b>							
Basic earnings per common share	\$ 0.64	\$ 0.38	\$ 1.57	\$ 2.11	\$ 1.71	\$ 1.41	\$ 1.65
Diluted earnings per common share	\$ 0.64	\$ 0.38	\$ 1.57	\$ 2.11	\$ 1.71	\$ 1.41	\$ 1.65
Cash dividends paid on common shares	\$ 0.40	\$ 0.35	\$ 0.35	\$ 0.30	\$ 0.25	\$ 0.00	\$ 0.00
Book value per common share	\$ 24.90	\$ 23.64	\$ 24.78	\$ 23.55	\$ 21.74	\$ 20.60	\$ 19.06
<b>Weighted average number of common shares outstanding:</b>							
Basic	2,824	2,822	2,822	2,822	2,818	2,761	2,259
Diluted	2,829	2,827	2,827	2,826	2,821	2,763	2,260
<b>Balance sheet data:</b>							
Cash and due from banks	\$ 5,235	\$ 8,254	\$ 9,236	\$ 9,120	\$ 6,051	\$ 6,079	\$ 8,227
Interest-earning deposits in other financial institutions	19,647	14,202	24,903	14,591	26,384	36,252	26,435
	54,184	54,330	54,719	54,204	75,040	81,005	53,774

Investments in  
available-for-sale debt  
securities, at fair value

Loans held for sale	387	507	1,119	1,948	3,006	3,025	2,890
Loans, net deferred loan costs	515,358	492,593	514,691	493,284	457,756	418,670	409,417
Allowance for loan losses	7,262	7,322	7,248	7,830	8,569	9,316	9,371
Loans, net	508,096	485,271	507,443	485,454	449,187	409,354	400,046
Premises and equipment, net	975	923	858	931	1,106	1,136	1,394
Other real estate owned	6,125	7,237	6,125	7,803	3,752	3,752	5,427
Other assets	24,853	24,219	25,213	25,791	25,017	22,821	21,214
<b>Total assets</b>	<b>\$ 619,502</b>	<b>\$ 594,943</b>	<b>\$ 629,616</b>	<b>\$ 599,842</b>	<b>\$ 589,543</b>	<b>\$ 563,424</b>	<b>\$ 519,407</b>
Deposits	\$ 535,629	\$ 509,135	\$ 546,698	\$ 512,354	\$ 507,558	\$ 485,520	\$ 439,557
Subordinated debentures	\$ 5,000	\$ 5,000	\$ 5,000	\$ 8,914	\$ 8,909	\$ 8,904	\$ 10,549
Other borrowings	\$ 150	\$ 7,500	\$ 150	\$ 5,160	\$ 5,150	\$ 6,150	\$ 12,600
Shareholders' equity	\$ 70,446	\$ 66,710	\$ 69,934	\$ 66,467	\$ 61,373	\$ 57,018	\$ 52,597
Common stock (voting and non-voting)	\$ 28	\$ 28	\$ 28	\$ 28	\$ 28	\$ 28	\$ 28

(1) Per share data for the year ended December 31, 2013, includes the effect of a \$125 dividend paid on then-outstanding preferred stock.

**Table of Contents****COMPARATIVE HISTORICAL AND UNAUDITED PRO FORMA PER SHARE DATA**

The following table sets forth, for the year ended December 31, 2017, and for the three months ended March 31, 2018, selected per share information for Stifel common stock on a historical and pro forma combined basis and for BBI common stock on a historical and pro forma equivalent basis. Except for the historical information as of and for the year ended December 31, 2017, the information provided in the table below is unaudited.

The pro forma information provided in the table below is for illustrative purposes only and is not necessarily an indication of the results that would have been achieved had the transaction been completed as of the dates indicated or that may be achieved in the future. The pro forma information also does not consider any integration expenses, expense efficiencies or other potential effects of the merger. The pro forma calculations reflect the issuance of 1,994,376 shares of Stifel common stock in the merger based upon 2,828,902 shares of BBI common stock outstanding as of the date of the merger agreement. The pro forma combined equivalent per share amounts are calculated by multiplying each pro forma combined per share amount by the exchange ratio.

You should read the data provided below with the historical consolidated financial statements and related notes of Stifel for the year ended December 31, 2017, contained in its Current Report on Form 8-K filed on June 20, 2018, and its Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, which are incorporated by reference into this proxy statement/prospectus. Please see [Where You Can Find More Information](#), beginning on page 98.

	<b>Three Months Ended March 31, 2018</b>	<b>Year Ended December 31, 2017</b>
<b>Stifel historical data:</b>		
Net income per basic common share	\$ 1.20	\$ 2.53
Net income per diluted common share	\$ 1.06	\$ 2.14
Cash dividends declared per common share	\$ 0.12	\$ 0.20
Net book value per common share	\$ 38.49	\$ 38.26
<b>BBI historical data:</b>		
Net income per basic common share	\$ 0.64	\$ 1.57
Net income per diluted common share	\$ 0.64	\$ 1.57
Cash dividends declared per common share	\$ 0.40	\$ 0.35
Net book value per common share	\$ 24.90	\$ 24.78
<b>Pro forma combined data:</b>		
Net income per basic common share	\$ 1.18	\$ 2.49
Net income per diluted common share	\$ 1.04	\$ 2.12
Cash dividends declared per common share	\$ 0.52	\$ 0.55
Net book value per common share	\$ 37.97	\$ 37.75
<b>Pro forma combined equivalent data:</b>		
Net income per basic common share	\$ 0.83	\$ 1.76
Net income per diluted common share	\$ 0.73	\$ 1.49
Cash dividends declared per common share	\$ 0.37	\$ 0.39
Net book value per common share	\$ 26.77	\$ 26.61

**Table of Contents****COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION****Comparative Price Information**

Stifel common stock trades on the NYSE and the CHX under the symbol SF.

The following table sets forth the high, low and closing prices for Stifel common stock as reported on the NYSE on May 9, 2018, the last trading day before the date of the public announcement of the merger, and July 13, 2018, the last practicable trading day before the date of this proxy statement/prospectus. The table also includes the market value of BBI common stock on an equivalent price per share basis, as determined by reference to the value of the merger consideration to be received in respect of each share of BBI common stock in the merger. These equivalent prices per share reflect the fluctuating value of the Stifel common stock that BBI shareholders would receive as the stock consideration for each share of BBI common stock if the merger was completed on either of these dates. Historical market value information regarding BBI common stock is not provided because there is no active trading market for BBI common stock.

	Stifel Common Stock			Equivalent Price Per Share of BBI Common Stock		
	High	Low	Close	High	Low	Close
May 9, 2018 <sup>(1)</sup>	\$ 60.80	\$ 59.91	\$ 60.23	\$ 42.86	\$ 42.24	\$ 42.46
July 13, 2018 <sup>(2)</sup>	\$ 52.34	\$ 51.33	\$ 51.66	\$ 36.90	\$ 36.19	\$ 36.42

(1) The equivalent price per share of BBI common stock is calculated as the applicable (high, low or closing) price per share of Stifel common stock on May 9, 2018, multiplied by 0.705 (the exchange ratio).

(2) The equivalent price per share of BBI common stock is calculated as the applicable (high, low or closing) price per share of Stifel common stock on July 13, 2018, multiplied by 0.705 (the exchange ratio).

The above table shows only historical comparisons. These comparisons may not provide meaningful information to BBI shareholders in determining whether to approve the merger proposal. BBI shareholders are urged to obtain current market quotations for Stifel common stock and to review carefully the other information contained in this proxy statement/prospectus or incorporated by reference into this proxy statement/prospectus, when considering whether to approve the merger proposal. Please see [Where You Can Find More Information](#), beginning on page 98.

**Stifel Market Price and Dividend Information**

The following table shows, for the calendar quarters indicated, the high and low sale prices per share of Stifel common stock as reported on the NYSE and the cash dividends declared per share of Stifel common stock.

	High	Low	Dividends
<b>Calendar quarters:</b>			
<b>2016</b>			
First quarter	\$ 41.67	\$ 25.00	\$

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Second quarter	\$ 38.52	\$ 27.33	\$
Third quarter	\$ 39.96	\$ 28.49	\$
Fourth quarter	\$ 52.88	\$ 36.71	\$
<b>2017</b>			
First quarter	\$ 56.62	\$ 46.14	\$
Second quarter	\$ 51.07	\$ 41.93	\$
Third quarter	\$ 54.07	\$ 44.44	\$ 0.10
Fourth quarter	\$ 61.47	\$ 50.94	\$ 0.10
<b>2018</b>			
First quarter	\$ 68.76	\$ 56.36	\$ 0.12
Second quarter	\$ 61.93	\$ 52.21	\$ 0.12



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Stifel did not pay cash dividends during 2016. During the third quarter of 2017, Stifel announced that its board of directors had authorized a dividend program under which Stifel intends to pay a regular quarterly cash dividend to holders of Stifel common stock. However, Stifel's board of directors may change its dividend policy at any time, and no assurances can be given that dividends will continue to be paid by Stifel or the surviving corporation or that dividends, if paid, will not be reduced or eliminated in future periods. The payment of dividends on Stifel common stock is subject to several factors, including the determination and discretion of Stifel's board of directors, operating results, financial requirements of Stifel and the availability of funds from its subsidiaries. See Note 19 of the Notes to Consolidated Financial Statements for the year ended December 31, 2017, included in Stifel's Current Report on Form 8-K filed on June 20, 2018, for more information on the capital distribution restrictions placed on Stifel's broker-dealer subsidiaries and Stifel Bank & Trust.

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**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

Certain statements contained or incorporated by reference into this proxy statement/prospectus may be deemed to be forward-looking statements, within the meaning of Section 27A of the Securities Act of 1933, as amended (which we refer to as the Securities Act ), and Section 21E of the Securities Exchange Act of 1934, as amended (which we refer to as the Exchange Act ), giving Stifel s or BBI s expectations or predictions of future financial or business performance or conditions. Forward-looking statements are typically identified by words such as believe, expect, anticipate, intend, target, estimate, continue, positions, projections, prospects or potential, by future conditional verbs such as would, should, could or may or by variations of such words or by similar expressions. Such forward-looking statements include, but are not limited to, statements about the benefits of the merger, including future financial and operating results of Stifel, BBI or the surviving corporation following the merger, Stifel s and the surviving corporation s plans, objectives, expectations and intentions, the expected timing of the completion of the merger, financing plans and the availability of capital, the likelihood of success and impact of litigation and other statements that are not historical facts. These statements are only predictions based on Stifel s and BBI s current expectations and projections about future events. Annualized, pro forma, projected and estimated numbers are used for illustrative purposes only, are not forecasts and may not reflect actual results.

Forward-looking statements involve inherent risks and uncertainties, and important factors could cause actual results to differ materially from those anticipated, including those factors discussed below under Risk Factors, beginning on page 24. In addition to factors previously disclosed in Stifel s reports filed with the SEC, the following factors, among others, could cause actual results to differ materially from forward-looking statements:

inability to close the merger in a timely manner;

failure to complete the merger due to the failure of holders of BBI voting common stock to approve the merger proposal;

costs or effects of acquisitions or dispositions Stifel or BBI may make, including the merger;

whether Stifel or BBI is able to obtain any required governmental approvals in connection with the merger and/or any other acquisitions or dispositions and/or the acquiring company s ability to realize the contemplated financial or business benefits associated with any such acquisitions or dispositions;

failure of BBI to satisfy the requirements regarding non-maturity deposits, net loans, non-performing loans and tangible common equity that are conditions to Stifel s obligations to complete the merger;

failure to meet other closing conditions to the merger on the expected terms and schedule;

the potential impact of announcement or consummation of the proposed merger with BBI on relationships with third parties, including customers, employees and competitors;

ability to successfully integrate BBI and/or other acquired companies or branch offices and financial advisors or fully realize cost savings and other benefits;

Stifel's potential exposure to unknown or contingent liabilities of BBI;

challenges of integrating, retaining and hiring key personnel;

failure to attract new customers and retain existing customers in the manner anticipated;

outcomes of pending or threatened litigation, or of matters before regulatory agencies, whether currently existing or commencing in the future;

changes in Stifel's stock price before closing, including as a result of the financial performance of BBI prior to closing;

a material adverse change in financial condition;

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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 Stifel's or BBI's operations, pricing and services; and

other risk factors referred to from time to time in filings made by Stifel with the SEC.

In addition, the timing and occurrence or non-occurrence of events may be subject to circumstances beyond Stifel's or BBI's control.

For any forward-looking statements made in this proxy statement/prospectus or in any documents incorporated by reference into this proxy statement/prospectus, Stifel and BBI claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on these statements, which speak only as of the date of this proxy statement/prospectus or the date of the applicable document incorporated by reference into this proxy statement/prospectus. Except to the extent required by applicable law, Stifel and BBI do not undertake to update forward-looking statements to reflect facts, circumstances, assumptions or events that occur after the date the forward-looking statements are made. All written and oral forward-looking statements concerning the merger or other matters addressed in this proxy statement/prospectus and attributable to Stifel, BBI or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this proxy statement/prospectus.

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**RISK FACTORS**

*In addition to general investment risks and the other information contained in or incorporated by reference into this proxy statement/prospectus, including the matters addressed under the section **Cautionary Statement Regarding Forward-Looking Statements**, beginning on page 22, you should carefully consider the following risk factors in deciding how to vote for the proposals presented in this proxy statement/prospectus. You should also consider the other information in this proxy statement/prospectus and the other documents incorporated by reference into this proxy statement/prospectus. Please see **Where You Can Find More Information**, beginning on page 98.*

**Risks Related to the Merger and Stifel's Business Upon Completion of the Merger**

*Because the market price of Stifel common stock will fluctuate, BBI shareholders cannot be certain of the market value of the merger consideration they will receive.*

Upon completion of the merger, each share of BBI common stock issued and outstanding immediately prior to the effective time of the merger (except for shares held by BBI as treasury stock or by Stifel other than in a fiduciary or agency capacity or as a result of debts previously contracted, if any, and shares held by BBI shareholders who properly exercise their rights to dissent from the merger) will be converted into the right to receive 0.705 shares of Stifel common stock. The market value of the Stifel common stock to be received by BBI shareholders in the merger will vary from the closing price of Stifel common stock on the date Stifel and BBI announced the merger, on the date that this proxy statement/prospectus is mailed to BBI shareholders, on the date of the special meeting and on the date the merger is completed. Any change in the market price of Stifel common stock prior to the completion of the merger will affect the market value of the merger consideration that BBI shareholders will receive upon completion of the merger.

The market price of Stifel common stock could be subject to significant fluctuations due to changes in sentiment in the market regarding Stifel's operations or business prospects, including market sentiment regarding Stifel's entry into the merger agreement. Changes in the market price of Stifel common stock may also result from a variety of other factors, including the following, many of which are outside Stifel's control:

operating results that vary from the expectations of Stifel's management or of securities analysts and investors;

developments in Stifel's business or in the financial services sector generally;

regulatory or legislative changes affecting Stifel's industry generally or its business and operations;

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

changes in estimates or recommendations by securities analysts or rating agencies;

announcements of strategic developments, acquisitions, dispositions, financings and other material events by Stifel or its competitors; and

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

Therefore, at the time of the special meeting, you will not know the precise market value of the consideration you will receive at the effective time of the merger. You should obtain current market quotations for shares of Stifel common stock before voting your shares at the special meeting.

In addition, BBI will not have the right to terminate the merger agreement due to a decline in the market price of Stifel common stock unless (i) both (a) the average closing price of Stifel common stock during a specified period before the effective time of the merger is less than \$47.02, and (b) Stifel common stock

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underperforms the KBW NASDAQ Capital Market Index by more than 20%, and (ii) Stifel declines to make a compensating adjustment to the exchange ratio. Even if the conditions relating to Stifel common stock described in clause (i) of the preceding sentence exist, there can be no assurance that BBI will exercise BBI's right to terminate the merger agreement, and BBI shareholders will have no right to vote on BBI's decision whether to exercise that right. If BBI does exercise such right, there can be no assurance as to whether Stifel will decide to make a compensating adjustment to the exchange ratio.

***The market price of Stifel common stock after the merger may be affected by factors different from those affecting the shares of BBI or Stifel currently.***

Upon completion of the merger, holders of BBI common stock will become holders of Stifel common stock. Stifel's business differs in important respects from that of BBI, and, accordingly, the results of operations of Stifel and the market price of Stifel common stock after the completion of the merger may be affected by factors different from those currently affecting the independent results of operations of each of Stifel and BBI. For a discussion of the business of Stifel and of certain factors to consider in connection with the business of Stifel, see the documents incorporated by reference into this proxy statement/prospectus and referred to under "Where You Can Find More Information," beginning on page 98, including, in particular, the section titled "Risk Factors" in Stifel's Annual Report on Form 10-K for the year ended December 31, 2017. For a discussion of the business of BBI, please see "Proposal No. 1: The Merger Proposal Information About BBI" on page 84.

***The fairness opinion delivered to the BBI board by FIG Partners prior to the signing of the merger agreement does not reflect any changes in circumstances that occur after the date of the opinion.***

The opinion of FIG Partners as to the fairness from a financial point of view of the aggregate merger consideration to be received by the BBI shareholders in the merger was delivered orally to the BBI board on May 9, 2018, before the BBI board approved the merger, and was subsequently confirmed in writing on May 10, 2018. The opinion speaks as of the time the opinion was rendered and does not speak as of the time the merger will be completed or as of any date other than the date of such opinion. Because BBI does not currently anticipate asking FIG Partners to update its opinion, the opinion will not address the fairness of the merger consideration from a financial point of view at the time the merger is completed. Accordingly, the opinion does not reflect any changes in circumstances that may occur after the date of the opinion. Changes in the operations and prospects of BBI or Stifel, general market and economic conditions and other factors that may be beyond the control of BBI and Stifel may alter the value of BBI or Stifel or the price of shares of Stifel common stock by the time the merger is completed. For a description of the opinion of FIG Partners, please refer to "Proposal No. 1: The Merger Proposal The Merger Opinion of FIG Partners, LLC," beginning on page 42. For a description of the other factors considered by the BBI board and Stifel's board of directors in deciding to approve the merger agreement, the related plan of merger and the merger, please refer to "Proposal No. 1: The Merger Proposal The Merger Stifel's Reasons for the Merger," beginning on page 49, and "Proposal No. 1: The Merger Proposal The Merger BBI's Reasons for the Merger and Recommendation of the BBI Board," beginning on page 40.

***Integrating Stifel and BBI may be more difficult, costly or time consuming than expected, and the anticipated benefits and cost savings of the merger may not be realized.***

Stifel and BBI have operated, and, until the completion of the merger, will continue to operate, independently. The success of the merger, including anticipated benefits and cost savings, will depend, in part, on Stifel's ability to successfully integrate the businesses of Stifel and BBI in a manner that permits growth opportunities and does not materially disrupt BBI's existing customer and employee relationships nor result in decreased revenues due to loss of customers. It is possible that the integration process could result in the loss of key employees, the disruption of either

company's ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect Stifel's and the surviving corporation's ability to maintain relationships with clients, customers, depositors and employees or to achieve the anticipated benefits and cost



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savings of the merger. The loss of key employees could adversely affect Stifel's ability to successfully conduct its business, which could have an adverse effect on Stifel's financial results and the value of Stifel common stock.

In addition, the integration of core systems and processes for acquisitions in which Stifel engages, including acquisitions of depository institutions such as Stifel's pending acquisition of BBI, often occurs well after the closing, which may create elevated risk of cyber incidents. Stifel may be subject to the data risks and cybersecurity vulnerabilities of BBI until Stifel has sufficient time to fully integrate BBI's customers and operations. Although Stifel conducted comprehensive due diligence of cybersecurity policies, procedures and controls of BBI, and Stifel maintains adequate cybersecurity policies, procedures, controls and information security protocols to facilitate a successful integration, there can be no assurance that such policies, procedures, controls and protocols will be sufficient to withstand a cyber-attack or other security breach with respect to BBI, particularly during the period of time between closing and final integration.

If Stifel experiences difficulties with the integration process, the anticipated benefits of the merger may not be realized fully or at all or may take longer to realize than expected. As with any merger of financial institutions, there also may be business disruptions that cause Stifel and/or BBI to lose customers or cause customers to remove their accounts from Stifel and/or BBI and move their business to competing financial institutions. Integration efforts between the two companies will also divert management attention and resources. These integration matters could have an adverse effect on each of BBI and Stifel during this transition period and for an undetermined period after completion of the merger on Stifel and/or the surviving corporation. In addition, the actual cost savings of the merger could be less than anticipated.

***Stifel and/or the surviving corporation may be unable to retain Stifel and/or BBI personnel successfully after the merger is completed.***

The success of the merger will depend in part on Stifel's and the surviving corporation's ability to retain the talents and dedication of key employees currently employed by Stifel and BBI. It is possible that these employees may decide not to remain with Stifel or BBI, as applicable, while the merger is pending or with Stifel or the surviving corporation after the merger is consummated. If key employees terminate their employment, or if an insufficient number of employees is retained to maintain effective operations, Stifel's or the surviving corporation's business activities may be adversely affected, and management's attention may be diverted from successfully integrating BBI to hiring suitable replacements, all of which may cause Stifel's and the surviving corporation's business to suffer. In addition, Stifel and BBI may not be able to locate suitable replacements for any key employees who leave either company or to offer employment to potential replacements on reasonable terms.

***Certain of BBI's directors and executive officers have interests in the merger that may differ from the interests of BBI shareholders.***

BBI shareholders should be aware that some of BBI's directors and executive officers have interests in the merger and have arrangements that are different from, or in addition to, those of BBI shareholders generally. These interests include, among others, the treatment of outstanding BBI equity-based awards pursuant to the merger agreement, certain payments and benefits payable under compensation agreements entered into with executive officers, including new employment continuation agreements entered into between Stifel and each BBI executive officer providing for continuing employment with BBI Bank following completion of the merger, and rights to ongoing indemnification and insurance coverage by Stifel and the surviving corporation for acts or omissions occurring prior to the merger. The BBI board was aware of these interests and considered these interests, among other matters, when making its decision to approve the merger agreement, the related plan of merger and the merger and in recommending that BBI shareholders vote in favor of approving the merger proposal.



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For a more complete description of these interests, please see Proposal No. 1: The Merger Proposal The Merger Interests of Certain Persons in the Merger, beginning on page 51.

***The merger is subject to certain closing conditions that, if not satisfied or waived, may result in the merger agreement being terminated, which could negatively impact BBI or Stifel.***

The merger is subject to customary conditions that must be satisfied (or waived, to the extent permitted by law) in order for the merger to be completed, including the receipt of the requisite approval of the merger proposal by the BBI shareholders, the receipt of the requisite regulatory approvals and expiration or termination of all statutory waiting periods in respect thereof, the receipt of continuation agreements from the requisite number of BBI Bank employees, BBI's satisfaction of certain financial conditions with respect to loans, deposits, non-performing assets and tangible common equity and the termination of BBI's existing credit facility with Associated Bank, N.A. Please see Proposal No. 1: The Merger Proposal The Merger Agreement Conditions to Complete the Merger, beginning on page 78, for a more complete discussion of the conditions to completion of the merger.

Various factors could cause BBI to fail to satisfy one or more of the conditions to Stifel's obligations to complete the merger described above, and, accordingly, the merger may not be completed. For example, BBI may fail to retain a sufficient number of the employees that it is required to retain pursuant to continuation agreements due to factors such as competition for bank executive talent, uncertainty regarding employees' roles in the surviving corporation and personal and family motivations. In addition, BBI may fail to meet the financial conditions set forth in the merger agreement due to factors such as reputational damage, adverse economic conditions, liquidity and capital risks, credit rating downgrades, retention of qualified personnel, market risk, counterparty and borrower credit risks, changes in interest rates, competition, legal, regulatory, operational and compliance risks, dependence on technology, security risks, shortcomings in financial controls and risk management, along with various other factors that may result in BBI having slower growth, more non-performing assets or weaker results of operation than it currently anticipates.

The merger agreement may be terminated by either party under certain circumstances, including if the merger is not consummated by March 31, 2019, and the parties can mutually decide to terminate the merger agreement, at any time prior to the effective time of the merger, even if the merger proposal has already been approved by the BBI shareholders. Please see Proposal No. 1: The Merger Proposal The Merger Agreement Termination of the Merger Agreement, beginning on page 79, for a more complete discussion of the circumstances in which the merger agreement may be terminated.

If the merger agreement is terminated, there may be various consequences. For example, BBI's or Stifel's businesses may be impacted adversely by the failure to pursue other beneficial opportunities due to the focus of management on the merger, without realizing any of the anticipated benefits of completing the merger, or the price of Stifel common stock could decline to the extent that the current price reflects a market assumption that the merger will be completed. If the merger agreement is terminated and the BBI board seeks another merger or business combination, BBI shareholders cannot be certain that BBI will be able to find a party willing to pay equivalent or greater consideration than that which Stifel has agreed to pay in the merger. If the merger agreement is terminated under certain circumstances, BBI may be required to pay to Stifel a termination fee of \$5.75 million. For a more complete description of this termination fee, please see Proposal No. 1: The Merger Proposal The Merger Agreement Termination Fee, beginning on page 81.

***BBI will be subject to business uncertainties and contractual restrictions while the merger is pending.***

Uncertainty about the effect of the merger on employees and customers may have an adverse effect on BBI. These uncertainties may impair BBI's ability to attract, retain and motivate key personnel until the merger is completed and

could cause customers and others that deal with BBI to seek to change existing business relationships with BBI. Retention of certain employees by BBI may be challenging while the merger is pending,

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as certain employees may experience uncertainty about their future roles with Stifel or the surviving corporation. If key employees depart because of issues relating to the uncertainty and difficulty of integration, or a desire not to remain with BBI, BBI's business could be harmed. In addition, subject to certain exceptions, BBI has agreed in the merger agreement to operate its business in the ordinary course prior to closing and to not take certain specified actions without Stifel's consent. These restrictions may prevent BBI from pursuing attractive business opportunities that may arise prior to the completion of the merger. Please see Proposal No. 1: The Merger Proposal The Merger Agreement Covenants and Agreements Conduct of Businesses Prior to the Closing of the Merger, beginning on page 70, for a description of the restrictive covenants applicable to BBI.

***If the merger is not completed, Stifel and BBI will have incurred substantial expenses without realizing the expected benefits of the merger and may experience negative reactions to the termination of the merger from third parties.***

Each of Stifel and BBI has incurred and will incur substantial expenses in connection with the negotiation and completion of the transactions contemplated by the merger agreement, as well as the costs and expenses of filing, printing and mailing this proxy statement/prospectus, and all filing and other fees paid to the SEC in connection with the merger. If the merger is not completed, Stifel and BBI will have to recognize these expenses without realizing the expected benefits of the merger. In addition, if the merger is not completed, Stifel and/or BBI may experience negative reactions to the termination of the merger from customers, depositors, investors, vendors and others.

***The merger agreement limits BBI's ability to pursue acquisition proposals and requires BBI to pay a termination fee of \$5.75 million under certain circumstances, including circumstances involving alternative acquisition proposals. In addition, certain provisions of the Stifel and BBI charters and bylaws may deter potential acquirers.***

The merger agreement contains non-solicitation provisions that, subject to limited exceptions, prohibit BBI and its representatives from initiating, soliciting, knowingly inducing or encouraging or knowingly facilitating the making of any offers with respect to, and from engaging or participating in negotiations with any person concerning, any competing acquisition proposals. Please see Proposal No. 1: The Merger Proposal The Merger Agreement Agreement Not to Solicit Other Offers, beginning on page 76, for further information. The merger agreement also provides that BBI will be required to pay a termination fee in the amount of \$5.75 million in the event that the merger agreement is terminated under certain circumstances, including circumstances involving a competing acquisition proposal. Please see Proposal No. 1: The Merger Proposal The Merger Agreement Termination Fee, beginning on page 81. These provisions might discourage a potential competing acquirer that might have an interest in acquiring all or a significant part of BBI from considering or proposing such an acquisition.

Under the DGCL, certain business combinations involving affiliates or interested stockholders of Stifel require the approval of Stifel's board of directors and disinterested shareholders holding two-thirds of the outstanding shares of Stifel common stock unless certain other requirements are met. Please see Comparison of Shareholder Rights Restrictions on Business Combinations on page 96. These provisions and other provisions of the BBI and Stifel charters and bylaws, including provisions regarding Stifel's partially classified board of directors, described under Comparison of Shareholder Rights Number of Directors; Classification, or of the DGCL or the MGBCL could make it more difficult for a third party to acquire control of BBI or Stifel and may discourage a potential competing acquirer.

***The shares of Stifel common stock to be received by BBI shareholders as a result of the merger will have different rights from shares of BBI common stock.***

Upon completion of the merger, BBI shareholders will become holders of Stifel common stock, and their rights as holders of Stifel common stock will be governed by the DGCL and the Stifel charter and bylaws. The rights

associated with BBI common stock are different from the rights associated with Stifel common stock.

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Please see Comparison of Shareholder Rights, beginning on page 89, for a discussion of the different rights associated with Stifel common stock.

***BBI shareholders will have a reduced ownership and voting interest after the merger and will exercise less influence over management.***

Holders of BBI voting common stock currently have the right to vote in the election of the BBI board and on other matters requiring shareholder approval under the MGBCL and BBI's charter and bylaws. Upon completion of the merger, each BBI shareholder who receives shares of Stifel common stock will become a shareholder of Stifel, with a percentage ownership of Stifel that is much smaller than the shareholder's percentage ownership of BBI. BBI shareholders collectively will receive up to approximately 2.0 million shares of Stifel common stock in the merger. Based on the number of shares of Stifel common stock and BBI common stock outstanding as of the date of the merger agreement, current BBI shareholders are expected to own up to approximately 3% of the outstanding Stifel common stock immediately following the merger (without giving effect to any shares of Stifel common stock held by BBI shareholders prior to the merger). Because of this, BBI shareholders will have less influence on the management and policies of Stifel than they now have on the management and policies of BBI.

***If the merger does not constitute a reorganization under Section 368(a) of the Code, then each holder of BBI common stock may be responsible for payment of U.S. federal income taxes related to the merger.***

If BBI shareholders elect to exercise dissenters' rights with respect to a material number of shares of BBI common stock, we may not be able to receive the requisite tax opinions to the effect that the merger qualifies as a reorganization within the meaning of Section 368(a) of the Code, and the merger may not be completed due to the failure of a required closing condition or may need to be restructured. For purposes of rendering the tax opinions, a material number of shares may be 20% of the outstanding shares of BBI common stock or fewer depending on the amount of cash that BBI shareholders otherwise receive in connection with the merger. Moreover, if total cash consideration paid to BBI shareholders in connection with the merger, including cash paid in lieu of fractional shares of Stifel common stock and cash paid to BBI shareholders that exercise dissenters' rights, exceeds 60% of the value of the total consideration paid to BBI shareholders in connection with the merger, then the merger may not qualify as a reorganization within the meaning of Section 368(a) of the Code. The tax opinions are not binding on the Internal Revenue Service (which we refer to as the IRS) or on any court. Whether or not tax opinions are received, if the merger is completed but fails to qualify as a reorganization under Section 368(a) of the Code, then each holder of shares of BBI common stock would recognize a gain or loss equal to the difference between (i) the sum of the fair market value of the Stifel common stock and cash, if any, received by the holder in the merger, and (ii) the holder's adjusted tax basis in the shares of BBI common stock exchanged therefor. The likely U.S. federal income tax liability in such event will not be known until the effective time of the merger, as the aggregate value of the Stifel common stock to be received by each holder of BBI common stock will fluctuate with the market price of Stifel common stock.

**Risks Relating to Stifel's Business**

You should read and consider risk factors specific to Stifel's business that will also affect Stifel and the surviving corporation after the merger. These risks are described in the sections titled Risk Factors in Stifel's Annual Report on Form 10-K for the year ended December 31, 2017, and in other documents incorporated by reference into this proxy statement/prospectus. Please see Where You Can Find More Information, beginning on page 98, for the location of information incorporated by reference into this proxy statement/prospectus.





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**THE SPECIAL MEETING**

**General**

This proxy statement/prospectus is being provided to BBI shareholders as part of a solicitation of proxies by the BBI board for use at the special meeting and at any adjournments or postponements of such meeting. The date of this proxy statement/prospectus is July 18, 2018, and it is first being mailed or otherwise delivered to BBI shareholders on or about July 19, 2018. This proxy statement/prospectus provides BBI shareholders with important information about the special meeting and should be read carefully and in its entirety.

**Date, Time and Place of Meeting**

The special meeting is scheduled to be held as follows:

Date: August 21, 2018

Time: 8:00 a.m. local time

Place: BBI's corporate office at 8000 Maryland Ave., 14th Floor Boardroom, Clayton, Missouri 63105

**Purposes of the Special Meeting**

The special meeting is for the holders of BBI voting common stock to consider and vote on the following proposals:

**Merger proposal.** To adopt and approve (i) the merger agreement, (ii) the related plan of merger, and (iii) the merger, as more fully described in this proxy statement/prospectus; and

**Adjournment proposal.** To adjourn the special meeting to a later date or dates, if necessary or appropriate, including to permit further solicitation of proxies in favor of the merger proposal if there are not sufficient votes to approve it or for any other legally permissible purpose.

**Recommendation of the BBI Board**

The BBI board unanimously recommends that holders of BBI voting common stock vote:

**FOR** the approval of the merger proposal; and

**FOR** the approval of the adjournment proposal.

**The BBI board unanimously approved the merger agreement, the related plan of merger and the merger. Please see Proposal No. 1: The Merger Proposal The Merger BBI's Reasons for the Merger and Recommendation of the BBI Board, beginning on page 40.**

In considering the recommendation of the BBI board with respect to the merger, BBI shareholders should be aware that some of the BBI directors and executive officers may have interests that are different from, or in addition to, the interests of BBI shareholders generally. Please see Proposal No. 1: The Merger Proposal The Merger Interests of Certain Persons in the Merger, beginning on page 51.

**Record Date for the Special Meeting; Stock Entitled to Vote**

Only holders of record of BBI voting common stock at the close of business on July 11, 2018, which is the record date for the special meeting, are entitled to receive notice of and to vote at the special meeting. On the record date, 2,321,936 shares of BBI voting common stock were issued, outstanding and eligible to vote at the special meeting. Each holder of record of BBI voting common stock is entitled to cast one vote for each share held in that holder's name on BBI's books as of the record date for the special meeting on each matter being submitted for approval by the holders of BBI voting common stock at the special meeting.

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### **Quorum**

The presence at the special meeting, in person or by proxy, of holders of a majority of the outstanding shares of BBI common stock entitled to vote at the special meeting pursuant to the BBI charter will constitute a quorum for the transaction of business. Abstentions and broker non-votes that are otherwise properly represented at the special meeting will be included in determining the number of shares present at the special meeting for the purpose of determining the presence of a quorum. If there is no quorum at the special meeting, the affirmative vote of the holders of a majority of the outstanding shares of BBI common stock entitled to vote at the special meeting and present at the special meeting, in person or by proxy, may adjourn the special meeting to a later date or dates.

### **Votes Required; Treatment of Abstentions**

The votes required for each proposal are as follows:

1. **Merger proposal.** The affirmative vote of the holders of at least two-thirds of the outstanding shares of BBI common stock entitled to vote on this proposal is required to approve this proposal.
2. **Adjournment proposal.** The affirmative vote of the holders of a majority of the outstanding shares of BBI common stock entitled to vote on this proposal and present at the special meeting, in person or by proxy, is required to approve this proposal.

An abstention occurs when a holder of BBI voting common stock attends the special meeting in person but abstains from voting or returns a signed proxy card with the **ABSTAIN** box marked. For the merger proposal and the adjournment proposal, an abstention will have the same effect as a vote cast **AGAINST** the proposal.

### **Voting Your Shares**

#### *General Directions*

You may vote **FOR**, **AGAINST** or **ABSTAIN** with respect to each of the proposals presented at the special meeting. To ensure your representation at the special meeting, we urge you to complete, sign and date the enclosed proxy card and to return it promptly in the postage-paid return envelope provided, whether or not you plan to attend the special meeting. Returning the proxy card will not affect your right to attend the special meeting and vote.

If you hold your shares in certificate or registered book-entry form and wish to vote in person, simply attend the special meeting (even if you have already voted by proxy), and you will be given a ballot when you arrive. See **Shares Held in Street Name; Treatment of Broker Non-Votes** below for information regarding voting and attendance at the special meeting specific to BBI shareholders who hold their shares of BBI voting common stock in **street name** (that is, through a broker, bank or other nominee).

#### *Submitting Proxies*

To vote using the proxy card included with this proxy statement/prospectus, simply complete, sign and date the proxy card and return it promptly in the postage-paid return envelope provided, in accordance with the instructions on the proxy card. If you properly fill in your proxy card and send it to us in time, your **proxies** (the individuals named on your proxy card) will vote your shares as you have directed. If you sign the proxy card but do not make specific

choices, your proxies will vote your shares as recommended by the BBI board as follows:

**FOR** the approval of the merger proposal; and

**FOR** the approval of the adjournment proposal.

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If any other matter is properly presented, your proxies will use their own judgment to determine how to vote. We are not aware of any other such matter to be acted on at the special meeting.

### *Revoking Proxies*

Holders of BBI voting common stock who hold their shares in certificate or registered book-entry form may revoke their proxies or change their vote at any time before the time their proxies are voted at the special meeting by: (i) signing and returning a proxy card with a later date; (ii) attending the special meeting in person, notifying BBI's corporate secretary and voting by ballot at the special meeting; or (iii) delivering a written revocation letter to BBI's corporate secretary. Attendance at the special meeting will not, in and of itself, constitute a revocation of a proxy. Subject to such revocation, shares represented by a properly executed proxy received in time for the special meeting will be voted by the proxy holder thereof in accordance with the instructions on the proxy.

Written notices of proxy revocations must be sent so that they will be received before the taking of the vote at the special meeting and should be addressed to:

Business Bancshares, Inc.

David Gamache, Corporate Secretary

8000 Maryland Ave, Suite 100

Clayton, Missouri 63105

If you hold your shares in street name and have instructed your broker, bank or other nominee to vote your shares, you must follow directions received from the broker, bank or other nominee in order to revoke or change those instructions.

### **Shares Held in Street Name; Treatment of Broker Non-Votes**

If you hold your shares of BBI voting common stock in street name, you must vote your shares through your broker, bank or other nominee. You should receive a form from your broker, bank or other nominee asking how you want to vote your shares. Follow the directions on that form to give voting instructions to your broker, bank or other nominee. Under the rules that govern brokers, banks and other nominees who are voting with respect to shares held in street name, brokers, banks and other nominees have the discretion to vote such shares on routine matters but not on non-routine matters without specific instructions from the beneficial owner. At the special meeting, none of the matters is a routine matter. **Therefore, if you fail to instruct your broker, bank or other nominee as to how to vote your shares of BBI voting common stock, your broker, bank or other nominee may not vote your shares on either of the proposals set forth in this proxy statement/prospectus, including the merger proposal.**

If you plan to attend the special meeting, you will need to have proof of share ownership from the record holder of your shares, such as a recent brokerage statement or a letter confirming your ownership. You will also need to obtain a legal proxy, executed in your favor, from your broker, bank or other nominee to enable you to vote in person at the special meeting.

A broker non-vote occurs when a broker, bank or other nominee does not vote on a particular proposal because the broker does not receive instructions from the beneficial owner and does not have discretionary authority. A broker non-vote with respect to the merger proposal will have the same effect as a vote **AGAINST** the proposal. A broker

non-vote with respect to the adjournment proposal will not be included in determining the number of shares present at the special meeting with respect to the adjournment proposal and, therefore, will have no effect on the vote on the adjournment proposal. It is **VERY IMPORTANT** that you return the instructions to your broker, bank or other nominee. **If you wish to be represented, you must vote by completing and sending in or otherwise transmitting the information that is sent to you by your broker, bank or other nominee.**

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### **Dissenters' Rights**

Holders of BBI common stock are entitled to assert dissenters' rights with respect to the merger proposal. These dissenters' rights are conditioned on strict compliance with the requirements of Section 351.455 of the MGBCL. Please see Proposal No. 1: The Merger Proposal The Merger Dissenters' Rights, beginning on page 57, and the full text of Section 351.455 of the MGBCL, which is reproduced in full in Annex C to this proxy statement/prospectus, for additional information.

### **Solicitation of Proxies**

The BBI board is soliciting the proxies for the special meeting. Under the terms of the merger agreement, the costs and expenses of printing and mailing this proxy statement/prospectus will be borne equally by Stifel and BBI, and all filing and other fees paid to the SEC in connection with the merger will be borne by Stifel, with all other costs and expenses incurred in connection with the merger agreement and the transactions contemplated by the merger agreement paid by the party incurring the expense. In addition to solicitation by mail, BBI's directors, officers and employees may also solicit proxies from shareholders personally and by telephone. BBI will not pay any additional or special compensation to these directors, officers or employees for these activities but may reimburse them for reasonable out-of-pocket expenses.

If BBI's management deems it advisable, the services of individuals or companies that are not regularly employed by BBI may be used in connection with the solicitation of proxies. BBI does not presently intend to utilize the services of a proxy solicitation firm to assist in the solicitation of proxies for the special meeting but may decide to do so in the interests of time if circumstances warrant.

### **Delivery of Proxy Materials to BBI Shareholders Sharing an Address**

Only one copy of this proxy statement/prospectus is being delivered to multiple BBI shareholders sharing an address, unless BBI has previously received contrary instructions from one or more of such shareholders. This is referred to as householding. BBI shareholders who hold their shares in street name can request further information on householding through their brokers, banks or other nominees. BBI shareholders may request that a separate copy of this proxy statement/prospectus be sent to a shared address to which a single copy of the document has been delivered by contacting Business Bancshares, Inc., David Gamache, Corporate Secretary, 8000 Maryland Ave., Suite 100, Clayton, Missouri 63105, or contacting Mr. Gamache by telephone, at (314) 721-8003.

### **Assistance**

If you are a BBI shareholder and have any questions concerning the merger or this proxy statement/prospectus, would like additional copies of this proxy statement/prospectus or need help voting your shares of BBI voting common stock, please contact BBI's corporate secretary, David Gamache, at (314) 721-8003.

### **Shares of BBI Voting Common Stock Held By Directors and Executive Officers and Certain Other Beneficial Owners; Voting Agreements**

The following table sets forth, as of the record date for the special meeting, the beneficial ownership of BBI voting common stock by each of BBI's directors and executive officers, by BBI's directors and executive officers as a group and by each person or entity known by BBI to beneficially own more than 5% of the outstanding BBI voting common stock. Unless otherwise specified, the address of each listed BBI shareholder is c/o Business Bancshares, Inc., 8000 Maryland Avenue, Suite 100, Clayton, Missouri 63105.

Beneficial ownership in the following table is determined in accordance with the rules of the SEC, which generally attribute beneficial ownership of securities to persons who possess sole or shared voting or investment



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power with respect to those securities, as well as shares issuable in connection with options exercisable within 60 days of the record date for the special meeting. Unless otherwise indicated, and subject to the voting agreements entered into with Stifel in connection with entering into the merger agreement, to BBI's knowledge, the persons or entities identified in the table below have sole voting and investment power with respect to all shares shown as beneficially owned by them.

<b>Holder</b>	<b>Title</b>	<b>Number of Shares <sup>(1)</sup></b>	<b>Percent <sup>(6)</sup></b>
<b>Directors</b>			
Andrew J. Brown	Director	70,445	3.0%
Cottrell Fox	Director	39,530	1.7%
Daniel T. Guirl	Director	23,653	1.0%
Eugene Harris	Director	39,068	1.7%
Thomas W. McCarthy, III	Director	28,730	1.2%
Mark Merlo <sup>(2)</sup>	Director	229,197	9.9%
Stephen J. Randazzo	Director	21,390	*
H. Meade Summers, III	Director	136,210	5.9%
Charles J. Thal	Director, Vice-Chairman	56,051	2.4%
Edward Gates Throop	Director, Chairman	61,542	2.7%
Helmut Weber	Director	124,322	5.4%
<b>Executive Officers <sup>(3)(4)</sup></b>			
Larry M. Kirby	President and Chief Executive Officer, Director	31,000	1.3%
Stan Cornish	Chief Operating Officer	34,545	1.5%
David Gamache	Executive Vice President, General Counsel, Secretary	21,500	*
Brian Leeker	Chief Financial Officer	16,080	*
<b>All Directors and Executive Officers as a Group</b>		<b>933,263</b>	<b>40.0%</b>
<b>5% Holders</b>			
Castle Creek Capital Partners V, LP <sup>(5)</sup>		229,197	9.9%
c/o Mark Merlo 6051 El Tordo/1329 Rancho Santa Fe, California 92067			
David J. Mishler		180,669	7.8%

\* Less than 1%

(1) Beneficial ownership of BBI voting common stock by BBI's directors and executive officers includes stock held jointly with spouses and stock owned of record by spouses or other family members sharing the same household (and not held jointly), as well as shares beneficially owned by any limited partnership or other entity controlled by a director or executive officer.

(2) Comprised solely of shares held of record by Castle Creek.

- (3) Includes 17,500 shares for Mr. Kirby and 12,500 shares for each of Messrs. Cornish, Gamache and Leeker awarded under BBI's Executive Officer Restricted Stock Plan (which we refer to as the BBI stock plan). See Proposal No. 1: The Merger Proposal The Merger Interests of Certain Persons in the Merger Restricted Stock for details regarding the BBI stock plan.
- (4) Includes shares of BBI common stock issuable upon exercise of BBI stock options corresponding to 8,000 shares of BBI voting common stock for Mr. Gamache and 2,000 shares of BBI voting common stock for Mr. Leeker, and an aggregate of 10,000 shares for all directors and executive officers as a group.
- (5) Castle Creek is also the holder of record for 506,966 shares of BBI non-voting common stock.

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- (6) Based on the 2,321,936 shares of BBI voting common stock that were issued and outstanding as of the record date for the special meeting plus that portion of the 10,000 shares of BBI voting common stock issuable upon exercise of BBI stock options held by all directors and executive officers as a group which such person or group of persons has the right to acquire within 60 days after the record date for the special meeting.

Pursuant to voting agreements more fully described under Proposal No. 1: The Merger Proposal The Merger Agreement Director, Executive Officer and Large Shareholder Voting Agreements, beginning on page 82, each of BBI's directors and executive officers and Castle Creek entered into separate written agreements in which they collectively agreed, among other things, to vote their shares of BBI voting common stock for the approval of the merger proposal. A copy of the form of voting agreement separately executed by each of BBI's directors and executive officers and Castle Creek is attached as Exhibit A to the merger agreement, a copy of which is attached as Annex A to this proxy statement/prospectus and is incorporated herein by reference. As of the record date for the special meeting, the members of the BBI board, BBI's executive officers and Castle Creek beneficially owned, in the aggregate, approximately 923,263 shares of BBI voting common stock (not including vested option shares), or approximately 40% of the outstanding BBI voting common stock.

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**PROPOSAL NO. 1**

**THE MERGER PROPOSAL**

**THE MERGER**

*The following discussion contains certain information about the merger. The discussion is subject, and qualified in its entirety by reference, to the merger agreement attached as Annex A to this proxy statement/prospectus and incorporated herein by reference. We urge you to read carefully this entire proxy statement/prospectus, including*

*The Merger Agreement, beginning on page 66, for additional and more detailed information regarding the legal documents that govern the merger, including information about conditions to the completion of the merger and provisions for terminating or amending the merger agreement, and the merger agreement attached as Annex A for a more complete understanding of the merger.*

**General**

Stifel and BBI are proposing a transaction in which Stifel will acquire BBI such that BBI will become a wholly owned subsidiary of Stifel and will remain the direct holding company for BBI Bank. This transaction is governed by the merger agreement, a copy of which is attached as Annex A to this proxy statement/prospectus. The merger agreement was unanimously approved by both Stifel's board of directors and the BBI board. Stifel and BBI expect to complete the merger in the third or fourth quarter of 2018. However, neither Stifel nor BBI can assure you of when or if the merger will be completed. The holders of BBI voting common stock must approve the merger proposal at the special meeting, and both Stifel and BBI must satisfy certain other closing conditions.

**Terms of the Merger**

The merger agreement provides that Merger Sub will merge with and into BBI, with BBI as the surviving corporation and becoming a wholly owned subsidiary of Stifel. BBI's wholly owned bank subsidiary, BBI Bank, will be a wholly owned subsidiary of BBI and an indirect wholly owned subsidiary of Stifel.

In the merger, each share of BBI common stock issued and outstanding immediately prior to the completion of the merger, except for shares of BBI common stock held by BBI as treasury stock, certain shares held by Stifel, if any, and shares held by BBI shareholders who properly exercise their rights to dissent from the merger, will be converted into the right to receive 0.705 shares of Stifel common stock. No fractional shares of Stifel common stock will be issued in connection with the merger. Instead, holders of BBI common stock that would otherwise be entitled to receive a fractional share of Stifel common stock will receive cash in lieu thereof.

**Background of the Merger**

From time to time, the BBI board, BBI Bank's board of directors and the BBI executive management team assess the economic, regulatory and competitive conditions in which BBI operates, as well as its long-term business strategy and objectives. The BBI board and BBI executive management team have periodically explored and discussed strategic options available to BBI for maintaining its competitiveness and increasing shareholder value. Among other things, these discussions have included the possibility of continuing to operate as an independent bank holding company, as well as potential strategic alternatives available to BBI, including acquisitions or business combinations involving other financial institutions.

In connection with BBI's regular and ongoing evaluation of strategic alternatives, members of BBI management and of the BBI board have had discussions, from time to time, with representatives of other financial institutions about possible transactions and have regularly updated the BBI board regarding such discussions. In late 2017, BBI decided to consult with investment banking firms to discuss the banking industry in general and potential strategic alternatives that might be considered by BBI, including the potential sale of

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BBI. The BBI board invited two investment banking firms that were highly experienced in the commercial banking industry, one of which was KBW, a subsidiary of Stifel, to meet with the BBI board. At a meeting of the BBI board on December 19, 2017, KBW, among other things, discussed its credentials advising banks on strategic transactions such as mergers and acquisitions and provided preliminary feedback regarding BBI's evaluation of potential strategic alternatives. The other investment banking firm discussed similar matters with the BBI board on December 18, 2017. On December 19, 2017, the BBI board decided to engage KBW as its financial advisor, and BBI management subsequently interviewed a number of law firms to represent BBI in any business combination transaction, ultimately recommending the retention of Lewis Rice LLC (which we sometimes refer to as Lewis Rice). In early February 2018, BBI and KBW executed an engagement letter regarding KBW's role as a financial advisor to BBI in connection with a sale of BBI.

In consultation with BBI management, the KBW representatives working on the BBI engagement (which we sometimes refer to collectively as the BBI KBW team) compiled a list of 22 prospective acquirers, including Stifel, KBW's parent company. That list was provided to BBI management on February 14, 2018, and the BBI KBW team reviewed the list of 22 prospective acquirers with the BBI board at a board meeting held the same day. The BBI board instructed the BBI KBW team to contact all of the companies on the list to solicit interest in a potential acquisition of BBI.

Also during February 2018, a confidential information memorandum containing initial, summary information about BBI and its business (which we refer to as the confidential information memorandum) was jointly compiled by the BBI KBW team and BBI management. In late February and early March 2018, in accordance with the directives of the BBI board, the BBI KBW team began reaching out to prospective acquirers regarding their willingness to enter into non-disclosure agreements to evaluate a potential acquisition candidate. Stifel entered into a non-disclosure agreement with BBI on February 21, 2018, and the BBI KBW team sent a copy of the confidential information memorandum to Christopher Reichert, the chief executive officer of Stifel Bank & Trust, Stifel's bank subsidiary, on March 1, 2018. Six prospective acquirers, including Stifel, ultimately entered into non-disclosure agreements with BBI and received copies of the confidential information memorandum. Beginning on March 1, 2018, Stifel and five other prospective acquirers received access to an online data room to facilitate the prospective acquirers' due diligence investigations of BBI. Preliminary meetings between BBI management and four of the prospective acquirers subsequently took place, including a meeting on March 6, 2018, between Larry Kirby, the chief executive officer of BBI, and other executive officers of BBI and Mr. Reichert and other Stifel representatives.

After this preliminary meeting between BBI management and Stifel, as it became apparent that Stifel was among the most interested prospective acquirers, and after BBI consulted with Lewis Rice, BBI and KBW agreed to modify the engagement letter between BBI and KBW to address conflicts of interest that could arise in connection with KBW's role as financial advisor to BBI if KBW's parent company, Stifel, became a bidder. On March 14, 2018, BBI and KBW entered into an amended engagement letter. Under the amended engagement letter, BBI and KBW agreed that KBW would continue to act as BBI's financial advisor, including in connection with a potential sale of BBI to Stifel, but would not be requested or required to provide a fairness opinion in connection with any transaction between BBI and Stifel. KBW agreed to establish internal information barriers between the BBI KBW team and all other Stifel personnel who were working on behalf of Stifel in connection with its potential acquisition of BBI, including any personnel of KBW working on behalf of Stifel in connection with the potential acquisition (which we sometimes refer to as the Stifel KBW team), in order to manage and coordinate the sharing and use of information obtained from BBI or Stifel. BBI agreed to waive any actual or potential conflicts of interest that might arise or result or might have arisen or resulted from KBW's provision of investment banking and financial advisory services to BBI in connection with a transaction with Stifel and also agreed to waive any claims against KBW relating to such conflicts. The amendment also provided that nothing in the amendment limited or reduced the obligation of the BBI KBW team to perform in good faith the investment banking and financial advisory services provided for in the engagement letter.

The amendment also provided that BBI, in its sole discretion, could retain other advisors in connection with any transaction with Stifel and that the fees payable to KBW under the engagement letter would be reduced up to \$250,000 by any fees and expenses

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BBI incurred in engaging another financial advisor and in obtaining a fairness opinion. In connection with this amendment to KBW's engagement letter, KBW established an electronic data wall whereby access to the BBI KBW team's electronic files related to the BBI engagement was limited to the members of the BBI KBW team, and no other Stifel personnel (whether on the Stifel KBW team or otherwise) were permitted to access those electronic files. KBW also communicated to Mr. Reichert and other Stifel representatives, including the Stifel KBW team, compliance guidance that included a requirement that Mr. Kirby or his designee be involved in any direct communications between the BBI KBW team and Stifel regarding the proposed merger and a requirement that the respective members of the BBI KBW and Stifel KBW teams not share with each other any information regarding the potential acquisition unless explicitly authorized by their respective clients.

On March 21, 2018, at the direction of BBI, the BBI KBW team communicated bidding instructions to the prospective acquirers, including Stifel. BBI set April 2, 2018, as the deadline for initial, non-binding interest letters or offers to be received by Mr. Kirby. Two prospective acquirers submitted indications of interest: Stifel and Company A.

On April 4, 2018, the BBI board held a special meeting, with members of the BBI KBW team present, to review the proposal from each bidder. Stifel's proposed price per share of BBI common stock was greater than the high end of Company A's proposed price range per share. In addition, the proposed merger consideration in Stifel's proposal consisted entirely of Stifel common stock, while Company A's proposal contemplated merger consideration that consisted of both Company A common stock and cash. The BBI board discussed each of the proposals, including the financial and tax consequences associated with each proposal, the respective financial performance and condition of each of Stifel and Company A, the strategic and cultural fit of BBI with each of Stifel and Company A and the execution risk of a merger with each of Stifel and Company A. The BBI board determined that the transaction proposed by Stifel represented an overall better strategic and cultural fit than Company A's proposal, with lower execution risk, but that an increase in the merger consideration to be provided by Stifel should be proposed by BBI. The BBI board instructed the BBI KBW team to respond to Stifel with a counterproposal seeking a fixed exchange ratio of the number of shares of Stifel common stock for which each share of BBI common stock would be exchanged, subject to renegotiation if the price per share of Stifel common stock was outside a specified range prior to the execution of the merger agreement as a means of ensuring that the implied value of BBI common stock in the merger would be commensurate with the overall financial market at signing.

Following the BBI board's special meeting, the BBI KBW team, together with other representatives of BBI, contacted representatives of Stifel and communicated the BBI counterproposal. A series of discussions and negotiations involving Mr. Kirby and other representatives of BBI, including the BBI KBW team, and Mr. Reichert and other representatives of Stifel ensued in which the parties discussed BBI's preference for a fixed, higher exchange ratio and Stifel's preference for a period of exclusivity for Stifel to continue its due diligence investigation and negotiate a possible acquisition of BBI. In addition, as authorized by the BBI board at its April 4, 2018, meeting, the BBI KBW team attempted to contact Company A on April 5, 2018, to give Company A an opportunity to improve its proposal. On April 6, 2018, prior to a meeting of the BBI board, the BBI KBW team spoke with Company A and informed Company A that its proposal was lower than that of another bidder that BBI believed was, overall, a stronger cultural and strategic fit. Company A was informed that, unless it intended to improve its proposal, BBI believed it would reach acceptable terms with the other bidder. During that conversation, Company A orally revised its proposal to increase the low end of its proposed price range but did not increase the high end of its range. On April 6, 2018, Stifel submitted a revised proposal to BBI with a fixed exchange ratio.

On April 6, 2018, the BBI board held a special meeting, with the BBI KBW team and representatives of Lewis Rice in attendance, to review Stifel's revised proposal and to receive an update from the BBI KBW team regarding the latest discussions with Company A, including the revised price range of Company A's proposal. The BBI board noted that the revised proposal from Stifel reflected the financial terms sought by the BBI board and discussions between Stifel



and BBI following the April 4, 2018, BBI board meeting. Stifel's revised proposal

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provided for a fixed exchange ratio of shares of Stifel common stock for shares of BBI common stock. Stifel also requested a 30-day exclusivity period to complete its due diligence and reach a definitive agreement with BBI. The BBI board further considered Stifel's historical financial performance, the liquidity and average trading volume of Stifel common stock, Stifel's capitalization, history of dividends and other public information about Stifel. The BBI board also noted that Stifel's business plan was to provide additional capital and funding of BBI Bank to allow it to expand and grow its operations, keeping most of the senior management of BBI Bank. The revised proposal also included, among other things, a requirement that certain key management personnel agree to continue employment with BBI Bank for an agreed term. By resolutions adopted on April 6, 2018, the BBI board accepted the terms of the revised indication of interest from Stifel. Later that day, Mr. Kirby and the BBI KBW team communicated the BBI board's acceptance to Stifel.

Mr. Reichert submitted a due diligence request list to Mr. Kirby and other members of BBI management on April 9, 2018. Beginning in mid-April 2018, BBI commenced uploading additional materials to the online data room in response to Stifel's request. On April 10, 2018, an expanded team from Stifel began an on-site due diligence review of BBI and its subsidiaries, including BBI Bank; off-site due diligence, primarily through the online data room, was undertaken by other local Stifel personnel and by Stifel's outside counsel at Arnold & Porter Kaye Scholer LLP (which we sometimes refer to as "Arnold & Porter").

On April 11, 2018, the BBI board engaged FIG Partners to act as financial advisor to the BBI board in connection with BBI's consideration of a possible business combination. The engagement contemplated that FIG Partners would provide an independent analysis of the proposed transaction and an opinion to the BBI board as to the fairness, from a financial point of view, to the BBI shareholders of the consideration to be received in the proposed transaction.

Beginning on April 17, 2018, Mr. Kirby and Mr. Reichert discussed possible terms for agreements between Stifel and key BBI Bank management employees regarding the continued employment by BBI Bank of those employees after the merger. Over the next several days, Mr. Reichert interviewed Stanley Cornish, David Gamache, Brian Leeker and other members of BBI Bank senior management. On April 26, 2018, Stifel provided to BBI proposed continuation agreements for these BBI Bank management employees. Discussions with respect to the proposed terms and conditions of these agreements were conducted between Mr. Kirby and Mr. Reichert and continued into early May 2018.

On April 18, 2018, Arnold & Porter circulated to Lewis Rice and BBI a draft of the merger agreement. Stifel conditioned the signing of a final merger agreement upon several related matters, including a unanimous vote of the BBI board, the execution by each of BBI's directors and executive officers and Castle Creek, each in the capacity of a BBI shareholder, of a voting agreement requiring that such person vote his or her shares of BBI voting common stock for the approval of the merger proposal at any meeting of the BBI shareholders held to consider and vote on the merger and the signing of continuation agreements by 21 officers and key business relationship employees of BBI Bank, including all of BBI Bank's executive officers. Negotiation of the merger agreement and the related transaction documents, and discussions regarding the merger agreement among BBI and its legal and financial advisors, continued throughout late April and the first part of May 2018.

During a call on April 25, 2018, Mr. Reichert and other representatives of Stifel and the Stifel KBW team communicated to Mr. Kirby and the BBI KBW team Stifel's proposal to adjust the agreed fixed exchange ratio downward to reflect Stifel's preliminary diligence conclusions as to the projected earnings of BBI. The BBI board held a special meeting on April 27, 2018, to consider Stifel's proposed change to the exchange ratio. At the time of that BBI board meeting, the price per share of BBI common stock implied by Stifel's proposed adjusted exchange ratio was still greater than the high end of Company A's proposed price range from early April 2018. The BBI board decided to defer taking any action on Stifel's proposed pricing adjustment until all other terms of the merger could be reviewed as

part of the overall merger agreement. On April 27, 2018, Arnold & Porter provided to Lewis Rice a proposed draft of the voting agreement for BBI's directors and executive officers and Castle Creek and a revised draft of the merger agreement. On April 28, 2018, Mr. Reichert and Mr. Kirby

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discussed the terms of the revised merger agreement and BBI's expectation that, in the context of the proposed adjustment, the merger agreement would be drafted to be fair to both sides. On May 1, 2018, Lewis Rice delivered to Arnold & Porter a revised draft of the merger agreement that reflected a few open, substantive business issues.

The BBI board held a special meeting on May 4, 2018. Present at the meeting were members of the BBI KBW team and attorneys from Lewis Rice. A representative of FIG Partners participated via telephone. At the meeting, the FIG Partners representative discussed the transaction proposed by Stifel, focusing on its financial terms, and informally advised the board as to the fairness, from a financial point of view, of the proposed Stifel transaction to the BBI shareholders. Representatives from Lewis Rice participated in the meeting and discussed with the BBI board the terms and conditions of the merger agreement. The consensus of the BBI board, particularly in light of Stifel's strong financial condition and prospects, the fact that the decreased exchange ratio proposed by Stifel on April 25, 2018, still represented a higher price per share of BBI common stock than the price contemplated by Company A's proposal and the view that finalization of a definitive merger agreement with Stifel appeared likely, was to accept the decreased exchange ratio proposed by Stifel on April 25, 2018.

Beginning in early May 2018, BBI conducted a reverse due diligence investigation of Stifel. On May 7, 2018, the BBI board was provided with a package of documents containing financial and other public information about Stifel. On that same day, BBI management conducted a conference call with Stifel representatives, including senior executives of Stifel, to discuss business, financial, operational, legal and other due diligence matters concerning Stifel. A representative of the BBI KBW team participated on the conference call to assist with facilitating the discussions between BBI management and the Stifel representatives. Members of the Stifel KBW team also joined the conference call.

On May 9, 2018, the BBI board held a special meeting. Representatives from Lewis Rice participated in the meeting. At this meeting, FIG Partners delivered to the BBI board its oral opinion, which was subsequently confirmed in writing on May 10, 2018, to the effect that, as of such date, the exchange ratio was fair to the BBI shareholders from a financial point of view. For a description of FIG Partners' opinion, please refer to "Opinion of FIG Partners, LLC" below. At the meeting, the BBI board reviewed in detail the final merger agreement, ancillary agreements, including the voting agreements and continuation agreements, and related summaries and supplemental materials, together with the final fairness opinion of FIG Partners. At the meeting, the BBI board unanimously approved the merger agreement and ancillary agreements, subject to the required approval of the BBI shareholders and applicable regulatory authorities. After the meeting, the members of the BBI board, BBI's executive officers and Castle Creek signed their respective voting agreements. Additionally, the requisite 21 officers and key business relationship employees of BBI Bank signed continuation agreements.

On May 10, 2018, BBI and Stifel executed the merger agreement. Shortly thereafter, Stifel issued a press release publicly announcing the transaction.

**BBI's Reasons for the Merger and Recommendation of the BBI Board**

At a special meeting held on May 9, 2018, the BBI board unanimously approved the merger agreement, the related plan of merger and the merger, determined that the merger agreement, the related plan of merger and the merger are in the best interests of BBI and its shareholders and declared the merger to be advisable.

In reaching its decision to approve the merger agreement, the plan of merger and the merger and to unanimously recommend that holders of BBI voting common stock approve the merger proposal and the adjournment proposal, the BBI board evaluated the merger in consultation with BBI management, as well as BBI's financial and legal advisors, and considered a number of factors, including the following material factors:

the perceived risks and uncertainties attendant to BBI s operation as an independent banking organization, including the risks and uncertainties related to competition in BBI s market area, increased operating and regulatory costs and potentially increased capital requirements;

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information with respect to the businesses, earnings, operations, financial condition, prospects, capital levels and asset quality of BBI and Stifel, both individually and after giving effect to the merger;

the value to be received by BBI shareholders in the merger as compared to shareholder value projected for BBI as a standalone entity over the next several years;

the liquidity of the consideration to be received by the BBI shareholders in the merger, particularly in view of Stifel's status as a NYSE- and CHX-listed company;

the market value of Stifel common stock prior to the execution of the merger agreement and the prospects for future appreciation of Stifel common stock;

the opinion, dated May 10, 2018, of FIG Partners, LLC to the BBI board (which was initially delivered orally to the BBI board at meetings on May 4, 2018, and May 9, 2018) as to the fairness, from a financial point of view and as of the date of the opinion, to the holders of BBI common stock of the merger consideration in the merger, subject to procedures followed, assumptions made, matters considered and qualifications and limitations described in FIG Partners' opinion, as more fully described under "Opinion of FIG Partners, LLC" below;

the projected impact of the proposed transaction on certain financial metrics of Stifel, including Stifel's projected earnings per share;

the expectation of management that Stifel would maintain its strong capital ratios upon completion of the merger;

the BBI board's belief that being acquired by a larger financial institution would benefit shareholders and customers in that Stifel and the surviving corporation would be better equipped to respond to economic and industry developments and to develop and build on their positions in existing markets;

management's due diligence review of Stifel and its subsidiaries, including Stifel Bank & Trust;

the expected social and economic impact of the merger on the constituencies served by BBI, including its borrowers, customers, depositors, employees and communities;

the entry by all of BBI Bank's executive officers into agreements with Stifel to continue their employment in leadership positions with BBI Bank and/or Stifel following the closing of the proposed merger;

the effects of the merger on BBI's and BBI Bank's employees, including the retention of substantially all of BBI's and BBI Bank's employees following the merger and the ability of those employees to participate in Stifel's benefit plans;

the fact that holders of BBI voting common stock would have an opportunity to approve the merger;

the terms of the merger agreement, including its deal protection and termination fee provisions, which BBI reviewed with its outside legal counsel;

the fact that, concurrently with the execution of the merger agreement, BBI's directors and executive officers and Castle Creek, who, as of May 10, 2018, beneficially owned, in the aggregate, approximately 40% of the outstanding BBI voting common stock, were entering into separate written agreements with Stifel pursuant to which they would collectively agree, among other things, to vote their shares of BBI voting common stock for the approval of the merger proposal;

the BBI board's understanding that the merger would qualify as a reorganization under Section 368(a) of the Code, providing favorable tax consequences to the BBI shareholders in the merger;

the potential impact of foreign and domestic governmental changes in trade and finance policies on the global financial markets and the market for mergers and acquisitions; and

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the regulatory and other approvals required in connection with the transactions and the expected likelihood that such regulatory approvals would be received in a reasonably timely manner and without the imposition of unacceptable conditions.

The BBI board also considered a number of uncertainties and risks in its deliberations concerning the transactions contemplated by the merger agreement, including the following:

the merger consideration would be paid through the issuance of a fixed number of shares of Stifel common stock, and any decrease in the market price of Stifel common stock after the date of the merger agreement would result in a reduction of the aggregate merger consideration to be received by BBI shareholders upon completion of the merger;

at the time of voting their shares, holders of BBI voting common stock would not know the precise market value of the consideration they will receive at the effective time of the merger; and

the possible disruption to BBI's business that could result from the announcement of the merger and the resulting distraction of management's attention from the day-to-day operations of BBI's business.

The BBI board believes that the merger agreement, the related plan of merger and the merger are advisable and in the best interests of BBI and its shareholders and recommends that the holders of BBI voting common stock vote **FOR** the merger proposal and **FOR** the adjournment proposal.

The above discussion of the information and factors considered by the BBI board is not intended to be exhaustive but includes a description of all material factors considered by the BBI board. The BBI board further considered various risks and uncertainties related to each of these factors and the ability to complete the merger. In view of the wide variety of factors considered by the BBI board in connection with its evaluation of the merger, the BBI board did not consider it practical to, nor did it attempt to, quantify, rank or otherwise assign relative weights to the specific factors that it considered. In considering the factors described above, individual directors may have given differing weights to different factors. The BBI board collectively made its determination with respect to the merger based on the conclusion reached by its members, based on the factors that each of them considered appropriate, that the merger agreement, the related plan of merger and the merger are in the best interests of BBI and its shareholders and that the benefits expected to be achieved from the merger outweigh the potential risks and vulnerabilities.

It should be noted that the explanation of the BBI board's reasoning, and much of the other information, presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed under the heading **Cautionary Statement Regarding Forward-Looking Statements**, beginning on page 22.

## **Opinion of FIG Partners, LLC**

On April 11, 2018, the BBI board retained FIG Partners to act as financial advisor to the BBI board in connection with BBI's consideration of a possible business combination. FIG Partners is a nationally recognized investment banking firm and, as part of its investment banking business, values financial institutions in connection with mergers and acquisitions, private placements and for other purposes. As a specialist in securities of financial institutions, FIG Partners has experience in, and knowledge of, banks, thrifts and bank and thrift holding companies. The BBI board selected FIG Partners to act as its financial advisor in connection with the merger on the basis of the firm's reputation and expertise in transactions such as the merger.



FIG Partners acted as financial advisor in connection with the proposed transaction and provided a fairness opinion to the BBI board. At the May 9, 2018, meeting at which the BBI board considered and discussed the terms of the merger agreement and the merger, FIG Partners delivered to the BBI board its oral opinion, which was subsequently confirmed in writing on May 10, 2018, to the effect that, as of such date, the exchange ratio

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was fair to the BBI shareholders from a financial point of view. **The full text of FIG Partners' opinion is attached as Annex B to this proxy statement/prospectus. The opinion outlines the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by FIG Partners in rendering its opinion. The description of the opinion set forth below is qualified in its entirety by reference to the full text of the opinion. BBI shareholders are urged to read the entire opinion carefully in connection with their consideration of the proposed merger.**

**FIG Partners' opinion speaks only as of the date of the opinion. The opinion was directed to the BBI board in connection with its consideration of the merger and is directed only to the fairness, from a financial point of view, of the merger consideration to the BBI shareholders. FIG Partners' opinion does not constitute a recommendation to any holder of BBI voting common stock as to how such holder should vote at any meeting of shareholders called to consider and vote upon the merger or any other matter. It does not address the underlying business decision of BBI to engage in the merger, the relative merits of the merger as compared to any other alternative business strategies that might exist for BBI or the effect of any other transaction in which BBI might engage.** FIG Partners did not express any opinion as to the fairness of the amount or nature of the compensation to be received in the merger by any of BBI's officers, directors or employees, or class of such persons, if any, relative to the compensation to be received in the merger by any other shareholder, including the merger consideration to be received by BBI shareholders in the merger. FIG Partners' opinion was reviewed by FIG Partners compliance officer consistent with internal policy.

In connection with rendering its opinion, FIG Partners, among other things:

- (i) reviewed the merger agreement;
- (ii) reviewed certain historical, publicly available business and financial information concerning BBI and Stifel including, among other things, quarterly and annual reports filed by the parties with the Federal Deposit Insurance Corporation;
- (iii) held discussions with members or representatives of the senior management of BBI and representatives of Stifel for the purpose of reviewing future prospects of the potential pro forma institution related to the respective businesses, earnings, assets, liabilities and the amount of and timing of cost savings expected to be achieved as a result of the merger;
- (iv) reviewed the terms of recent merger and acquisition transactions, to the extent publicly available, involving banks, thrifts and bank and thrift holding companies that FIG Partners considered relevant;
- (v) analyzed the value of Stifel common stock to be received as an acquisition currency in relation to Stifel's peers and broader market indices; and
- (vi) performed such other analyses and considered such other factors as FIG Partners deemed appropriate.

FIG Partners also discussed with certain representatives and members of senior management of BBI the business, financial condition, results of operations and prospects of BBI.

In performing its review, FIG Partners relied upon the accuracy and completeness of all of the financial and other information that was available to it from public sources, that was provided to it by BBI and Stifel, or their respective representatives, or that was otherwise reviewed by it, and FIG Partners assumed such accuracy and completeness for purposes of preparing its opinion. FIG Partners further relied on the assurances of the management of BBI and Stifel that they were not aware of any facts or circumstances that would make any of such information inaccurate or misleading. FIG Partners was not asked to and did not undertake an independent verification of any such information and FIG Partners did not assume any responsibility or liability for the accuracy or completeness thereof. FIG Partners did not make an independent evaluation or appraisal of the specific assets, the collateral securing assets or the liabilities (contingent or otherwise) of BBI or Stifel, or any of their respective subsidiaries, nor were they furnished with any such evaluations or appraisals. FIG Partners rendered no opinion or evaluation on the collectability of any assets or the future performance of any loans of

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BBI or Stifel. FIG Partners did not make an independent evaluation of the adequacy of the allowance for loan losses of BBI, Stifel or the combined entity after the merger and FIG Partners did not review any individual credit files relating to BBI or Stifel. FIG Partners assumed, with BBI's consent, that the respective allowances for loan losses for both BBI and Stifel were adequate to cover such losses and would be adequate on a pro forma basis for the combined entity.

In preparing its analyses, FIG Partners used earnings estimates and guidance provided by representatives and management of BBI. In addition, FIG Partners used publicly available consensus mean analyst earnings per share estimates for Stifel for the years ending December 31, 2018 and 2019, as well as an estimated long-term earnings per share growth rate for the years thereafter, determined by analyzing historical performance and 2018 and 2019 consensus mean estimated earnings. FIG Partners also used in its pro forma analyses certain assumptions relating to transaction costs, purchase accounting adjustments, expected cost savings and a core deposit intangible asset, among other assumptions, as provided by representatives of BBI. With respect to the foregoing information, the respective representatives of BBI senior management and of Stifel confirmed to FIG Partners that those estimates and judgments reflected the best currently available estimates and judgments of those respective representatives of the future financial performance of BBI and Stifel, respectively, and FIG Partners assumed that such performance would be achieved. FIG Partners expressed no opinion as to such information or the assumptions on which such information was based. FIG Partners assumed that there had been no material change in the respective assets, financial condition, results of operations, business or prospects of BBI or Stifel since the date of the most recent financial data made available to FIG Partners. FIG Partners also assumed in all respects material to its analysis that BBI and Stifel would remain as going concerns for all periods relevant to its analyses.

FIG Partners also assumed that (i) each of the parties to the merger agreement would comply in all material respects with all material terms of the merger agreement and all related agreements, that all of the representations and warranties contained in such agreements were true and correct in all material respects, that each of the parties to such agreements would perform in all material respects all of the covenants required to be performed by such party under the agreements and that the conditions precedent in such agreements were not and would not be waived, (ii) in the course of obtaining the necessary regulatory or third party approvals, consents and releases with respect to the merger, no delay, limitation, restriction or condition would be imposed that would have an adverse effect on BBI, Stifel or the merger or any related transaction, (iii) the merger would be consummated without BBI's walkaway rights under the merger agreement having been triggered, and (iv) the merger and any related transaction would be consummated in accordance with the terms of the merger agreement without any waiver, modification or amendment of any material term, condition or agreement thereof and in compliance with all applicable laws and other requirements. Finally, with BBI's consent, FIG Partners relied upon the advice that BBI received from its legal, accounting and tax advisors as to all legal, accounting and tax matters relating to the merger and the other transactions contemplated by the merger agreement.

FIG Partners' analyses and the views expressed in its opinion were necessarily based on financial, economic, regulatory, market and other conditions as in effect on, and the information made available to FIG Partners as of, the date of its opinion. Events occurring after that date could materially affect FIG Partners' views and FIG Partners did not undertake to update, revise, reaffirm or withdraw its opinion or otherwise comment upon events occurring after the date of its opinion. FIG Partners expressed no opinion as to the trading values of BBI common stock or Stifel common stock at any time or what the value of Stifel common stock would be once it is actually received by the BBI shareholders.

In rendering its opinion, FIG Partners performed a variety of financial analyses. The summary below is not a complete description of the analyses underlying FIG Partners' opinion or the presentation made by FIG Partners to the BBI board, but is a summary of all material analyses performed and presented by FIG Partners. The summary includes

information presented in tabular format. **In order to fully understand the financial analyses, these tables must be read together with the accompanying text. The tables alone do not constitute a complete description of the financial analyses.** The preparation of a fairness opinion is a complex process

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involving subjective judgments as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. The process, therefore, is not necessarily susceptible to a partial analysis or summary description. FIG Partners believes that its analyses must be considered as a whole and that selecting portions of the factors and analyses to be considered without considering all factors and analyses, or attempting to ascribe relative weights to some or all such factors and analyses, could create an incomplete view of the evaluation process underlying its opinion. Also, no company included in FIG Partners' comparative analyses described below is identical to BBI or Stifel, and no transaction is identical to the merger. Accordingly, an analysis of comparable companies or transactions involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies and other factors that could affect the public trading values or merger transaction values, as the case may be, of BBI and Stifel and the companies to which they are being compared. In arriving at its opinion, FIG Partners did not attribute any particular weight to any analysis or factor that it considered. Rather, FIG Partners made qualitative judgments as to the significance and relevance of each analysis and factor. FIG Partners did not form an opinion as to whether any individual analysis or factor (positive or negative) considered in isolation supported or failed to support its opinion; rather, FIG Partners made its determination as to the fairness of the merger consideration on the basis of its experience and professional judgment after considering the results of all its analyses taken as a whole.

In performing its analyses, FIG Partners also made numerous assumptions with respect to industry performance, business and economic conditions and various other matters, many of which cannot be predicted and are beyond the control of BBI, Stifel and FIG Partners. The analyses performed by FIG Partners are not necessarily indicative of actual values or future results, both of which may be significantly more or less favorable than suggested by such analyses. FIG Partners prepared its analyses solely for purposes of rendering its opinion and provided such analyses to the BBI board at the BBI board's May 9, 2018, meeting. Estimates on the values of companies do not purport to be appraisals or necessarily reflect the prices at which companies or their securities may actually be sold. Such estimates are inherently subject to uncertainty and actual values may be materially different. Accordingly, FIG Partners' analyses do not necessarily reflect the value of BBI common stock or the prices at which BBI common stock or Stifel common stock may be sold at any time. The analyses of FIG Partners and its opinion were among a number of factors taken into consideration by the BBI board in making its determination to approve the merger agreement, and the analyses described below should not be viewed as determinative of the decision of the BBI board or BBI's management with respect to the fairness of the merger.

*Summary of Proposed Merger Consideration and Implied Transaction Metrics*

FIG Partners reviewed the financial terms of the proposed transaction. Using the May 7, 2018 five-day average closing stock price of Stifel common stock of \$58.29, and based upon 2,828,902 shares of BBI common stock outstanding, FIG Partners calculated an aggregate implied transaction value of approximately \$116.9 million, or a transaction price per share of BBI common stock of \$41.09. Based upon financial information for BBI as of or for the last twelve months (LTM) ended December 31, 2017, unless otherwise noted, FIG Partners calculated the following implied transaction metrics:

Transaction Price / LTM Net Income:	20.8X
Transaction Price / 2018 Estimated Earnings Per Share:	15.5X
Transaction Price / Tangible Book Value Per Share:	166.7%
Tangible Book Premium/Core Deposits <sup>(1)</sup> :	9.6%
Transaction Price / Total Assets:	18.6%

- (1) Tangible book premium to core deposits calculated as  $(\text{deal value} - \text{tangible equity}) / (\text{Core Deposits})$ ; Core Deposits defined as total deposits less jumbo time deposits.

**Table of Contents***Comparable Company Analysis*

FIG Partners used publicly available information to perform a peer comparison analysis for Stifel and a group of financial institutions as selected by FIG Partners for the Stifel Peer Group. The Stifel Peer Group consisted of holding companies, banks and thrifts whose securities are traded on the NYSE or NASDAQ which were defined in Stifel's proxy statement for its 2017 annual meeting of shareholders. The Stifel Peer Group consisted of the following companies:

T. Rowe Price Group Inc.	Evercore Inc.
Raymond James Financial Inc.	Legg Mason Inc.
Affiliated Managers Group Inc.	Piper Jaffray Companies
Eaton Vance Corp.	Greenhill & Co. Inc.
Lazard Limited	Oppenheimer Holdings Inc.
LPL Financial Holdings Inc.	

The analysis compared financial information for Stifel with the corresponding publicly available data for the Stifel Peer Group as of or for the twelve months ended March 31, 2018 (unless otherwise noted), with pricing data as of May 7, 2018. The table below sets forth the data for Stifel and the high, low, median and mean data for the Stifel Peer Group.

	Stifel	Stifel Peer Group Median	Stifel Peer Group Mean	Stifel Peer Group High	Stifel Peer Group Low
Market Capitalization (\$M)	\$ 4,252	\$ 5,890	\$ 7,112	\$ 27,475	\$ 379
Price/Tangible Book Value	256.1%	226.1%	271.3%	527.2%	106.1%
Price/EPS	24.5x	18.3x	19.2x	34.2x	10.3x
Dividend Yield	0.8%	1.5%	1.8%	3.1%	0.7%
Weekly Volume	3.0%	3.2%	4.3%	12.4%	2.0%
Short Interest	3.4%	2.7%	4.1%	19.2%	0.8%
Insider Ownership	4.2%	4.0%	7.2%	27.6%	1.2%
Institutional Ownership	90.3%	81.1%	83.5%	108.9%	50.5%
Last Twelve Months Return	24.1%	30.9%	32.9%	73.5%	5.5%

Note: Financial data for the institutions in the Stifel Peer Group is not pro forma for any publicly announced and pending transactions.



**Table of Contents***Analysis of Selected Merger Transactions: National*

FIG Partners reviewed a group of selected merger and acquisition transactions for the National Transactions Group. The National Transactions Group consisted of nationwide holding company, bank and thrift transactions with disclosed deal value and target total assets between \$500 million and \$750 million, non-performing assets to assets less than 2.0% and last twelve months return on average assets greater than 0.0% announced between January 1, 2017, and May 8, 2018, excluding mergers of equals transactions and transactions where less than 100% of the target company's stock was acquired. The National Transactions Group was composed of the following transactions:

<b>Buyer</b>	<b>Target</b>
National Commerce Corp.	Landmark Bancshares Inc.
QCR Holdings Inc.	Springfield Bancshares Inc.
HarborOne Bancorp Inc. (MHC)	Coastway Bancorp Inc.
Civista Bancshares Inc.	United Community Bancorp
Mechanics Bank	Learner Financial Corp.
Mid Penn Bancorp Inc.	First Priority Financial Corp.
First Foundation Inc.	PBB Bancorp
FCB Financial Holdings Inc.	Floridian Community Holdings Inc.
Home Bancorp Inc.	Saint Martin Bancshares Inc.
United Community Banks Inc.	Four Oaks Fincorp Inc.
SmartFinancial Inc.	Capstone Bancshares Inc.
First Busey Corp.	Mid Illinois Bancorp Inc.

Using the latest publicly available information prior to the announcement of the relevant transaction, FIG Partners reviewed the following transaction metrics: transaction price to last-twelve-months earnings per share, transaction price to total assets, transaction price to tangible book value per share and tangible book premium to core deposits. FIG Partners also reviewed the following target financials: total assets, non-performing assets to assets, tangible common equity to tangible assets and last-twelve-months return on average assets. FIG Partners compared the indicated transaction multiples and target financials for the merger to the high, low, mean and median multiples of the National Transactions Group.

	<b>BBI / Stifel</b>	<b>National Transactions Median</b>	<b>National Transactions Mean</b>	<b>National Transactions High</b>	<b>National Transactions Low</b>
Deal Value (\$M)	\$ 116.9	\$ 110.6	\$ 106.0	\$ 133.4	\$ 75.0
Transaction price/Tangible book value per share:	166.7%	181.3%	185.9%	227.0%	161.5%
Transaction price/Earnings per share	20.8x	17.4x	17.3x	23.0x	9.6x
Transaction price/Total assets	18.6%	17.0%	17.2%	21.7%	13.0%
Core deposit premium	9.6%	12.2%	13.0%	17.7%	9.3%
Target Total Assets (\$M)	\$ 629.8	\$ 595.9	\$ 615.7	\$ 738.9	\$ 510.8
Target NPAs/Assets	1.01%	0.72%	0.86%	1.94%	0.00%

Target TCE/TA	11.10%	9.55%	9.71%	12.75%	7.25%
Target LTM ROAA	0.91%	0.90%	0.97%	2.10%	0.39%

*Analysis of Selected Merger Transactions: Regional*

FIG Partners reviewed a group of selected merger and acquisition transactions for the Regional Transactions Group. The Regional Transactions Group consisted of holding company, bank and thrift transactions with disclosed deal value in which the target company was headquartered in Arkansas, Illinois, Iowa, Kansas, Kentucky, Missouri, Nebraska or Tennessee, had total assets between \$400 million and \$1.0 billion and non-performing assets to assets of less than 2.0% and was located in a defined metropolitan statistical area and

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that were announced between January 1, 2017, and May 8, 2018, excluding mergers of equals transactions and transactions in which less than 100% of the target company's stock was acquired. The Regional Transactions Group was composed of the following transactions:

<b>Buyer</b>	<b>Target</b>
QCR Holdings Inc.	Springfield Bancshares Inc.
First Mid-Illinois Bancshares	First BancTrust Corp.
Reliant Bancorp Inc.	Community First Inc.
First Busey Corp.	Mid Illinois Bancorp Inc.
Midland States Bancorp Inc.	Centrue Financial Corporation

Using the latest publicly available information prior to the announcement of the relevant transaction, FIG Partners reviewed the following transaction metrics: transaction price to last-twelve-months earnings per share, transaction price to total assets, transaction price to tangible book value per share and tangible book premium to core deposits. FIG Partners also reviewed the following target financials: total assets, non-performing assets to assets, tangible common equity to tangible assets and last-twelve-months return on average assets. FIG Partners compared the indicated transaction multiples and target financials for the merger to the high, low, mean and median multiples of the Regional Transactions Group.

	<b>BBI / Stifel</b>	<b>Regional Transactions Median</b>	<b>Regional Transactions Mean</b>	<b>Regional Transactions High</b>	<b>Regional Transactions Low</b>
Deal Value (\$M)	\$ 116.9	\$ 84.3	\$ 104.7	\$ 173.0	\$ 59.0
Transaction price/Tangible book value per share	166.7%	167.0%	166.7%	185.0%	139.2%
Transaction price/Earnings per share	20.8x	19.6x	20.8x	28.9x	15.7x
Transaction price/Total assets	18.6%	15.9%	16.2%	20.1%	12.3%
Core deposit premium	9.6%	9.8%	9.9%	13.6%	7.0%
Target Total Assets (\$M)	\$ 629.8	\$ 563.2	\$ 630.2	\$ 977.8	\$ 465.6
Target NPAs/Assets	1.01%	0.87%	0.97%	1.85%	0.18%
Target TCE/TA	11.10%	9.90%	9.96%	12.71%	6.66%
Target LTM ROAA	0.91%	0.80%	0.95%	1.56%	0.64%

*Net Present Value Analyses*

FIG Partners performed an analysis that estimated the net present value per share of BBI common stock assuming BBI performed in accordance with earnings and performance assumptions, based on historical performance and discussions with representatives and management of BBI. To approximate the terminal value of a share of BBI common stock at December 31, 2022, FIG Partners applied price to 2022 estimated earnings multiples ranging from 19.0x to 23.0x and multiples of December 31, 2022, tangible book value ranging from 160% to 200%. The terminal values were then discounted to present values using different discount rates ranging from 12.0% to 14.0%, which were chosen to reflect different assumptions regarding required rates of return of holders or prospective buyers of BBI common stock. As illustrated in the following tables, the analysis indicated an imputed range of values per share of BBI common stock of \$34.02 to \$44.99 when applying multiples of earnings and \$33.42 to \$45.64 when applying multiples of tangible book value.

## Earnings Per Share Multiples

<b>Discount Rate</b>	<b>19.0x</b>	<b>20.0x</b>	<b>21.0x</b>	<b>22.0x</b>	<b>23.0x</b>
12.0%	\$ 37.17	\$ 39.13	\$ 41.08	\$ 43.04	\$ 44.99
12.5%	\$ 36.35	\$ 38.26	\$ 40.18	\$ 42.09	\$ 44.00
13.0%	\$ 35.55	\$ 37.42	\$ 39.30	\$ 41.17	\$ 43.04
13.5%	\$ 34.78	\$ 36.61	\$ 38.44	\$ 40.27	\$ 42.10
14.0%	\$ 34.02	\$ 35.81	\$ 37.60	\$ 39.39	\$ 41.18

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## Tangible Book Value Multiples

<b>Discount Rate</b>	<b>160%</b>	<b>170%</b>	<b>180%</b>	<b>190%</b>	<b>200%</b>
12.0%	\$ 36.51	\$ 38.79	\$ 41.07	\$ 43.36	\$ 45.64
12.5%	\$ 35.71	\$ 37.94	\$ 40.17	\$ 42.40	\$ 44.63
13.0%	\$ 34.92	\$ 37.11	\$ 39.29	\$ 41.47	\$ 43.65
13.5%	\$ 34.16	\$ 36.30	\$ 38.43	\$ 40.57	\$ 42.70
14.0%	\$ 33.42	\$ 35.51	\$ 37.60	\$ 39.68	\$ 41.77

In connection with its analyses, FIG Partners considered and discussed with the BBI board how the present value analyses would be affected by changes in the underlying assumptions. FIG Partners noted that the net present value analysis is a widely used valuation methodology, but the results of such methodology are highly dependent upon the numerous assumptions that must be made, and the results thereof are not necessarily indicative of actual values or future results.

*Pro Forma Merger Analysis*

FIG Partners analyzed certain potential pro forma effects of the merger, assuming the merger closes at the end of the last calendar quarter of 2018, and all outstanding shares of BBI common stock are converted into Stifel common stock at the exchange ratio. In performing this analysis, FIG Partners utilized the following information: (i) earnings estimates and guidance provided by representatives and management of BBI as well as historical performance-based assumptions for BBI's earnings estimates in the years 2019–2021; (ii) publicly available consensus mean analyst earnings per share estimates for Stifel for the years ending December 31, 2018 and 2019, as well as an estimated long-term earnings per share growth rate for the years thereafter, determined by analyzing historical performance and 2018 and 2019 estimated earnings; and (iii) certain assumptions relating to transaction costs, purchase accounting adjustments and expected cost savings, as provided by representatives of the senior management of BBI. The analysis indicated that the merger could be minimally dilutive to Stifel's earnings per share in 2019 (0.2%) and immediately accretive to Stifel's estimated tangible book value per share at the closing of the merger, with an immediate tangible book value payback period based upon the crossover method of payback period calculation.

In connection with this analysis, FIG Partners considered and discussed with the BBI board how the analysis would be affected by changes in the underlying assumptions, including the impact of final purchase accounting adjustments determined at the closing of the transaction, and noted that the actual results achieved by the combined company may vary from projected results and the variations may be material.

*FIG Partners' Relationship*

FIG Partners has acted as financial advisor to BBI in connection with the merger and received a \$80,000 fee upon rendering its fairness opinion to the BBI board. BBI has also agreed to indemnify FIG Partners and its affiliates and their respective partners, directors, officers, employees and agents against certain expenses and liabilities, including liabilities under applicable federal or state law.

In the two years preceding the date of FIG Partners' opinion, FIG Partners has not received compensation from BBI for its investment banking services.

**Stifel's Reasons for the Merger**

Stifel's board of directors believes that the merger is in the best interests of Stifel and its shareholders. In deciding to approve the merger agreement, the related plan of merger and the merger, including the issuance of Stifel common stock in connection with the merger, Stifel's board of directors, after consulting with its

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management as well as its legal advisors, considered a number of factors, including the following, which are not presented in order of priority:

management's knowledge of Stifel's and BBI's business, operations, financial condition, earnings and prospects, taking into account the results of Stifel's comprehensive due diligence review of BBI;

the opportunity for Stifel to expand its private banking and deposit product capabilities throughout the St. Louis, Missouri, region;

management's view that BBI's business and operations complement Stifel's existing bank franchise and long-term banking strategy;

management's intention to operate BBI Bank as a sister bank to Stifel Bank & Trust and expectation that consummation of the transaction will enable Stifel to efficiently broaden the array of products and services available to BBI's and Stifel's clients, including clients of Stifel's global wealth management and institutional groups;

the quality of BBI's management and employees and BBI's strong existing commercial customer base and reputation for providing quality customer service;

BBI's financial performance and strong asset quality;

management's expectations regarding the post-acquisition operation of BBI, including balance sheet growth and cost savings, and the potential return on invested capital that might be generated from BBI in future periods based on these expectations;

the financial and other terms of the merger agreement, which Stifel's board of directors reviewed with its legal advisors;

the potential risks associated with successfully integrating BBI's business, operations and workforce with those of Stifel;

the potential risk of diverting management attention and resources from the operation of Stifel's business and towards the completion of the merger;

the regulatory and other approvals required in connection with the merger and the expectation that such regulatory approvals will be received in a timely manner and without the imposition of unacceptable conditions; and

Stifel's management's prior record of integrating acquired financial institutions.

Stifel's board of directors approved the merger agreement after Stifel's senior management discussed with the board of directors a number of factors, including those described above, and the business, assets, liabilities, results of operations, financial performance, strategic direction and prospects of BBI. The above discussion of the information and factors considered by Stifel's board of directors is not intended to be exhaustive but includes a description of material factors considered by Stifel's board of directors. Given the wide variety of factors and the amount of information considered in evaluating the merger, Stifel's board of directors did not consider it practicable, and did not attempt, to quantify or otherwise assign relative weights to the specific factors it considered in reaching its determination. Stifel's board of directors viewed its position as being based on all of the information and the factors presented to and considered by it. In addition, individual directors may have given different weights to different information and factors. Stifel's board of directors collectively made its determination with respect to the merger based on the conclusion reached by its members based on the factors that each of them considered appropriate.

**It should be noted that the explanation of the reasoning of Stifel's board of directors presented in this section contains information that is forward-looking in nature, and therefore should be read in light of the factors discussed under the heading **Cautionary Statement Regarding Forward-Looking Statements**, beginning on page 22.**



**Table of Contents****Interests of Certain Persons in the Merger**

In the merger, the directors and executive officers of BBI will receive the same consideration for their shares of BBI common stock as the other BBI shareholders. In considering the recommendation of the BBI board that you vote to approve the merger proposal, you should be aware that some of BBI's executive officers and directors may have interests in the merger, and may have arrangements, each as described below, which may be considered to be different from, or in addition to, those of the BBI shareholders generally. The BBI board was aware of these interests and considered them, among other matters, in reaching its decisions to approve the merger agreement, the plan of merger and the merger and to recommend that you vote in favor of approving the merger proposal.

*Restricted Stock*

Four executive officers of BBI hold restricted stock awards totaling 55,000 shares of BBI restricted stock that were awarded under BBI's Executive Officer Restricted Stock Plan (which we refer to as the BBI stock plan). The restricted stock awards consist of 17,500 shares awarded to Larry Kirby and 12,500 shares for each of Stanley Cornish, Brian Leeker and David Gamache. The BBI stock plan generally provides that in the event of a change in control (as defined in the BBI stock plan) resulting in an exchange of shares of BBI common stock at a cash or equivalent value of at least \$40.00 per share, all BBI restricted stock awarded under the BBI stock plan will be deemed to be fully vested. In connection with its approval of the merger agreement, the related plan of merger and the merger, the BBI board determined that the \$40.00 per share measure would be deemed satisfied in connection with a change of control effected with Stifel pursuant to the merger agreement.

*Stock Options*

Under the terms of the merger agreement, outstanding options to purchase BBI common stock, whether vested or unvested, that have not been exercised or canceled prior to such time will, at the effective time of the merger, become fully vested and be canceled. On the effective date of the merger, each holder of BBI stock options will receive, in exchange for the cancellation of each BBI stock option, a lump-sum cash amount equal to \$41.76 minus the exercise price per share of such BBI stock option. Under the merger agreement, each holder of BBI stock options will be required to execute an acknowledgment and waiver agreement prior to receiving payment from BBI in connection with the cancellation of such holder's BBI stock options.

The below chart lists the number of shares subject to BBI stock options held by BBI's executive officers and by all other option holders as a group:

<b>Option Holder</b>	<b>Number of Shares Subject to BBI Stock Options</b>	<b>Aggregate Option Cancellation Payment</b>
David Gamache	8,000	\$ 184,080
Brian Leeker	2,000	35,520
All other option holders as a group (10 persons)	19,197	417,727
<b>Total (all option holders)</b>	<b>29,197</b>	<b>\$ 637,327</b>

*Severance and Other Payments to Certain Persons*

BBI Bank previously entered into substantially identical Change in Control Agreements (which we refer to as the change in control agreements ) with each of Messrs. Kirby, Cornish, Leeker and Gamache, and a certain other officer of BBI Bank, each of which provides for payments of severance benefits that may be triggered on termination of employment in connection with the merger. Each of the named executive officers, except for Mr. Cornish, executed a Waiver of Change in Control Agreement (which we refer to collectively as the waiver of change in control agreements ) in connection with his continuation agreement. See Continuation

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Agreements Stanley Cornish below. The waiver of change in control agreements provide that such officers waive, as of the effective time of the merger, any and all rights they may have under the change in control agreements and that the change in control agreements will terminate at the same time.

*Continuation Agreements*

As a material inducement and as additional consideration to Stifel to enter into the merger agreement, Stifel entered into employment continuation agreements with Larry Kirby, Stanley Cornish, Brian Leeker, David Gamache and certain other officers of BBI or its subsidiaries. As described below, these agreements set forth the terms and conditions of each such individual's employment relationship with BBI Bank and/or Stifel following the effective time of the merger and will be effective upon and subject to the completion of the merger.

*Larry Kirby.* Mr. Kirby's continuation agreement replaces and supersedes his existing employment arrangements with BBI and BBI Bank and will automatically terminate if the merger agreement terminates. Mr. Kirby will continue to be employed as chief executive officer of BBI Bank. During his employment, Mr. Kirby will receive a base salary at an annual rate of \$275,000. Mr. Kirby will also receive a lump sum prorated bonus (calculated with reference to the bonus he would have received under BBI Bank's bonus plan for the prorated period and as provided in BBI Bank's bonus plan), payable by the last day of the month following the closing date of the merger, and a year-end bonus payable in March 2019 (calculated with reference to the bonus he would have received under BBI Bank's bonus plan for 2018, reduced by the amount of the prorated bonus previously paid) if he is in active working status (as defined in his waiver of change in control agreement). The aggregate amount of the prorated bonus and the year-end bonus is expected to be substantially the same as the amount of the bonus Mr. Kirby would have received for 2018 in the absence of the merger. Because Mr. Kirby executed his waiver of change in control agreement, and if his continuation agreement has not been terminated, Mr. Kirby will receive (i) a bonus of \$150,000, payable in January 2020 if he is in active working status through December 31, 2019, or, if his employment is terminated by Stifel without cause before that date, the bonus will be paid within 30 days after his employment terminates, and (ii) at or shortly following the closing date of the merger, a grant of restricted stock units (which we refer to as RSUs) under the Stifel 2001 Incentive Stock Plan. Each RSU entitles Mr. Kirby to a payment equal to the fair market value of one share of Stifel common stock. The value of the RSUs on the date of grant will be \$300,000. The RSUs will vest and be distributed in January 2020 or, if his employment is terminated by Stifel without cause prior to that date and he executes a release of claims, Mr. Kirby will be entitled to a separation payment equal to the value of the RSUs. In addition, Mr. Kirby is eligible for a minimum discretionary bonus of \$250,000 payable in March 2020 if he is in active working status with Stifel on the date of payment. Mr. Kirby's continuation agreement provides that all previous BBI Bank plans and agreements relating to his employment will terminate as of the closing date of the merger and will not be continued. Should he choose to enroll, Mr. Kirby will be eligible to participate in Stifel's benefits programs currently in effect. The continuation agreement also prohibits Mr. Kirby from soliciting customers or employees of BBI or Stifel, or a Stifel affiliate, for a period of 24 months following termination of his employment.

*Stanley Cornish.* Mr. Cornish's continuation agreement replaces and supersedes his existing employment arrangements with BBI and BBI Bank, other than rights under his change in control agreement, and will automatically terminate if the merger agreement terminates. Mr. Cornish will continue to be employed as chief operating officer of BBI Bank. During his employment, Mr. Cornish will receive a base salary at an annual rate of \$200,000. Mr. Cornish will also receive a lump sum prorated bonus (calculated with reference to the bonus he would have received under BBI Bank's bonus plan for the prorated period and as provided in BBI Bank's bonus plan), payable by the last day of the month following the closing date of the merger, and a 2018 year-end bonus payable on or before March 15, 2019, or earlier upon involuntary termination of employment. Mr. Cornish will also receive a prorated bonus for the number of days worked in 2019 unless his employment is terminated for cause. All previous BBI Bank plans and agreements relating to Mr. Cornish's employment will terminate as of the closing date of the merger and will not be continued. Should he

choose to enroll, Mr. Cornish will be eligible to participate in Stifel's benefits programs currently in effect. The continuation agreement also prohibits

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Mr. Cornish from competing with BBI, Stifel, or a Stifel affiliate within the St. Louis County, Missouri area for a period of 12 months immediately following termination of Mr. Cornish's employment, and from soliciting customers or employees of BBI or Stifel, or a Stifel affiliate, for a period of 24 months following termination of his employment. Pursuant to his change in control agreement, Mr. Cornish is entitled to receive a payment equal to 100% of his then-current base salary plus the average annual incentive bonus compensation for the three most recent years preceding the year that the change in control payment becomes due, upon his termination of employment for any reason other than cause (defined therein) within 12 months following a change in control (defined therein), which, at the closing date of the merger, would have an approximate value of \$280,910. BBI Bank agreed in Mr. Cornish's continuation agreement to waive the 12-month termination of employment condition contained in his change in control agreement and to pay the change in control payment within 30 days of his termination date.

*Brian Leeker.* Mr. Leeker's continuation agreement replaces and supersedes his existing employment arrangements with BBI and BBI Bank and will automatically terminate if the merger agreement terminates. Mr. Leeker will continue to be employed as chief financial officer of BBI Bank following the merger. During his employment, Mr. Leeker will receive a base salary at an annual rate of \$180,000. Mr. Leeker will also receive a lump sum prorated bonus (calculated with reference to the bonus he would have received under BBI Bank's bonus plan for the prorated period and as provided in BBI Bank's bonus plan), payable by the last day of the month following the closing date of the merger, and a year-end bonus, payable in March 2019 (calculated with reference to the bonus he would have received under BBI Bank's bonus plan for 2018, reduced by the amount of the prorated bonus previously paid) if he is in active working status (as defined in his waiver of change in control agreement). The aggregate amount of the prorated bonus and the year-end bonus is expected to be substantially the same as the amount of the bonus Mr. Leeker would have received for 2018 in the absence of the merger. Because Mr. Leeker executed his waiver of change in control agreement, and if his continuation agreement has not been terminated, Mr. Leeker will receive (i) a bonus of \$75,000, payable in January 2020 if he is in active working status through December 31, 2019, or, if his employment is terminated by Stifel without cause before that date, the bonus will be paid within 30 days after his employment terminates, and (ii) at or shortly following the closing date of the merger, a grant of RSUs under the Stifel 2001 Incentive Stock Plan. Each RSU entitles Mr. Leeker to a payment equal to the fair market value of one share of Stifel common stock. The value of the RSUs on the date of grant will be \$180,000. The RSUs will vest and be distributed in January 2020 or, if his employment is terminated by Stifel without cause prior to that date and he executes a release of claims, Mr. Leeker will be entitled to a separation payment equal to the value of the RSUs. Additionally, Mr. Leeker is eligible for a minimum discretionary bonus of \$150,000 payable in March 2020 if he is in active working status with Stifel on the date of payment. All previous BBI Bank plans and agreements relating to Mr. Leeker's employment will terminate as of the closing date of the merger and will not be continued. Should he choose to enroll, Mr. Leeker will be eligible to participate in Stifel's benefits programs currently in effect. Mr. Leeker's continuation agreement also prohibits him from competing with BBI, Stifel or a Stifel affiliate within the St. Louis County, Missouri, area for a period of 12 months immediately following termination of Mr. Leeker's employment, and from soliciting customers or employees of BBI or Stifel, or a Stifel affiliate, for a period of 24 months following termination of his employment.

*David Gamache.* Mr. Gamache's continuation agreement replaces and supersedes his existing employment arrangements with BBI and BBI Bank and will automatically terminate if the merger agreement terminates. Mr. Gamache will continue to be employed as General Counsel of BBI Bank following the merger. During his employment, Mr. Gamache will receive a base salary at an annual rate of \$200,000. Mr. Gamache will also receive a lump sum prorated bonus (calculated with reference to the bonus he would have received under BBI Bank's bonus plan for the prorated period and as provided in BBI Bank's bonus plan), payable by the last day of the month following the closing date of the merger, and a year-end bonus, payable in March 2019 (calculated with reference to the bonus he would have received under BBI Bank's bonus plan for 2018, reduced by the amount of the prorated bonus previously paid) if he is in active working status (as defined in his waiver of change in control agreement). The aggregate amount of the prorated bonus and the year-end bonus is expected to be substantially the same as the amount of the bonus Mr.

Gamache would have received for 2018 in the absence

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of the merger. Because Mr. Gamache executed his waiver of change in control agreement, and if his continuation agreement has not been terminated, Mr. Gamache will receive (i) a bonus of \$75,000, payable in January 2020 if he is in active working status through December 31, 2019, or, if his employment is terminated by Stifel without cause before that date, the bonus will be paid within 30 days after his employment terminates, and (ii) at or shortly following the closing date of the merger, a grant of RSUs under the Stifel 2001 Incentive Stock Plan. Each RSU entitles Mr. Gamache to a value equal to the fair market value of one share of Stifel common stock. The value of the RSUs on the date of grant will be \$210,000. The RSUs will vest and be distributed in January 2020 or, if his employment is terminated by Stifel without cause prior to that date and he executes a release of claims, Mr. Gamache will be entitled to a separation payment equal to the value of the RSUs. Additionally, Mr. Gamache is eligible for a minimum discretionary bonus of \$150,000 payable in March 2020 if he is in active working status with Stifel on the date of payment. All previous BBI Bank plans and agreements relating to Mr. Gamache's employment will terminate as of the closing date of the merger and will not be continued. Should he choose to enroll, Mr. Gamache will be eligible to participate in Stifel's benefits programs currently in effect. The continuation agreement also prohibits Mr. Gamache from soliciting customers or employees of BBI or Stifel, or a Stifel affiliate, for a period of 24 months following termination of his employment.

Each of these named executive officers' continuation agreements provides that, in the event that any payment under the applicable executive's agreement would trigger an excise tax under Section 4999 of the Code, the amount of such payment will be reduced to the extent necessary to avoid the imposition of the excise tax.

*Indemnification and Insurance*

The merger agreement provides that, following completion of the merger, each of Stifel and the surviving corporation will indemnify and hold harmless, to the fullest extent permitted by applicable law, each current or former director or officer of BBI and its subsidiaries as of the date of the merger agreement or at any time from the date of the merger to its effective time (in each case when acting in such capacity) against expenses, judgments, fines, losses or liabilities actually and reasonably incurred in connection with any action, suit or proceeding, whether arising before or after the effective time of the merger, arising out of the fact that such person is or was a director or officer of BBI or any of its subsidiaries or is or was serving at the request of BBI or any of its subsidiaries as a director or officer of another person, and pertaining to matters, acts or omissions existing or occurring at or prior to the effective time of the merger, and will also advance expenses as incurred by such persons, in each case to the same extent as such persons have the right to indemnity or expense advancement pursuant to BBI's or its applicable subsidiary's articles of incorporation and bylaws, or comparable governing documents, in effect as of the date of the merger agreement. Any person to whom expenses are advanced must provide an undertaking to repay such advances unless it is ultimately determined that such person is entitled to indemnification. BBI, as the surviving corporation, also agreed to maintain in effect, for a period of five years following the effective time of the merger, insurance coverage that will contain at least the same coverage and amounts, and terms and conditions no less advantageous than, the current policy of directors' and officers' liability insurance maintained by BBI for actions taken prior to the effective time of the merger. The cost of such insurance coverage may not exceed 200% of the premiums BBI paid for its current policy term. In lieu of the foregoing, BBI, in consultation with Stifel, may obtain and fully pay for a six-year tail policy with respect to such claims.

*Non-Elective Deferred Compensation Plan*

BBI previously adopted the BBI deferred compensation plan. The BBI deferred compensation plan provides the opportunity to certain members of senior management and employees of BBI that participate in the BBI deferred compensation plan to receive certain bonus compensation, subject to the terms and conditions of such plan. Pursuant to the terms of the BBI deferred compensation plan, all participants in such plan become 100% vested in the amounts

credited to their accounts under such plan upon a Change-in-Control (as defined in such plan), and completion of the merger will constitute such a Change-in-Control. It is anticipated that, at or near the closing date of the merger, the BBI deferred compensation plan will be paid out in full to its participants.



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The anticipated balance in the BBI deferred compensation plan as of March 31, 2018, is \$3,883,053; as of that date, the amount payable to each of Messrs. Kirby, Cornish, Leeker and Gamache was \$412,362. In addition, each of Messrs. Kirby, Cornish and Leeker will be fully vested in the unvested portion of his account. Based on account balances as of March 31, 2018, the unvested amount of each such account that will vest on the closing date of the merger is \$86,974 for Messrs. Kirby, Cornish and Leeker.

*Merger-Related Compensation For Named Executive Officers upon Termination*

The following table illustrates the payments described above, assuming the merger is consummated on September 30, 2018, that the price per share of Stifel common stock is \$60.23 (based on the closing price of Stifel common stock on the NYSE on May 9, 2018, the last trading day before the date of the public announcement of the merger) and that the named executive officers of BBI are terminated without cause immediately following the merger:

<b>BBI Executive Officer</b>	<b>Cash Payments</b>	<b>Equity</b>	<b>Pension/NQDC</b>	<b>Total</b>
Larry Kirby				
Chief Executive Officer	\$ 607,875 <sup>(1)</sup>	\$ 743,087 <sup>(5)</sup>	\$ 412,362 <sup>(9)</sup>	\$ 1,763,324
Stanley Cornish				
Chief Operating Officer	\$ 386,160 <sup>(2)</sup>	\$ 530,776 <sup>(6)</sup>	\$ 412,362 <sup>(9)</sup>	\$ 1,329,298
Brian Leeker				
Chief Financial Officer	\$ 333,938 <sup>(3)</sup>	\$ 530,776 <sup>(7)</sup>	\$ 412,362 <sup>(9)</sup>	\$ 1,277,076
David Gamache				
General Counsel	\$ 363,938 <sup>(4)</sup>	\$ 530,776 <sup>(8)</sup>	\$ 412,362 <sup>(9)</sup>	\$ 1,307,076

- (1) Represents (i) a lump sum prorated bonus of \$157,875, which is BBI Bank's estimate of the prorated bonus through the closing date of the merger, payable by the last day of the month following such closing date, which is single-trigger, (ii) a bonus of \$150,000 payable in 2020 or earlier qualifying termination of employment, and (iii) a grant of RSUs with a value of \$300,000. The amounts in (ii) and (iii) are payable after the change of control either if his employment is terminated by Stifel without cause before January 2020, or in January 2020. The payments in (ii) and (iii) are double-trigger in the event of a qualifying termination following the change of control.
- (2) Represents (i) a lump sum prorated bonus of \$78,938, which is BBI Bank's estimate of the prorated bonus through the closing date of the merger, payable by the last day of the month following such closing date, which is single-trigger, (ii) severance pay of \$280,910, one year's pay plus average annual incentive bonus compensation which will be made on his termination of employment for any reason other than cause after the change of control, and (iii) \$26,313, which is the estimate of the 2018 year-end bonus payable on or before March 15, 2019, or earlier upon involuntary termination of employment after the change of control. The payments in (ii) and (iii) are double-trigger in the event of a qualifying termination following the change of control.
- (3) Represents (i) a lump sum prorated bonus of \$78,938, which is BBI Bank's estimate of the prorated bonus through the closing date of the merger, payable by the last day of the month following such closing date, which is single-trigger, (ii) a bonus of \$75,000, and (iii) a grant of RSUs with a value of \$180,000. The amounts in (ii) and (iii) are payable after the change of control either if his employment is terminated by Stifel without cause before

- January 2020, or in January 2020. The payments in (ii) and (iii) are double-trigger in the event of a qualifying termination following the change of control.
- (4) Represents (i) a lump sum prorated bonus of \$78,938, which is BBI Bank's estimate of the prorated bonus through the closing date of the merger, payable by the last day of the month following such closing date, which is single-trigger, (ii) a bonus of \$75,000, and (iii) a grant of RSUs with a value of \$210,000. The amounts in (ii) and (iii) are payable after the change of control either if his employment is terminated by Stifel without cause before January 2020, or in January 2020. The payments in (ii) and (iii) are double-trigger in the event of a qualifying termination.
- (5) Represents payment for 17,500 shares of BBI restricted stock, which is payable on the closing date of the merger without regard to termination of employment and so is single-trigger.

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- (6) Represents payment for 12,500 shares of BBI restricted stock, which is payable on the closing date of the merger without regard to termination of employment and so is single-trigger.
- (7) Represents payment for 12,500 shares of BBI restricted stock, which is payable on the closing date of the merger without regard to termination of employment and so is single-trigger. This does not include the value of any payment for BBI stock options (see *Stock Options*) that were vested before the change of control.
- (8) Represents payment for 12,500 shares of BBI restricted stock, which is payable on the closing date of the merger without regard to termination of employment and so is single-trigger. This does not include the value of any payment for BBI stock options (see *Stock Options*) that were vested before the change of control.
- (9) Represents payment of deferred compensation to each executive in the amount of \$412,362 payable on the change of control, which is a single-trigger payment. Of this payment, based on account balances as of March 31, 2018, the following amounts will become vested on the change of control: \$86,974 for Messrs. Kirby, Cornish and Leeker. See the description of these payments in *Non-Elective Deferred Compensation Plan* above.

*Board of Directors of Stifel Bank & Trust Following the Merger*

Following the merger, one or more of Dan Guirl, Larry Kirby and Meade Summers, each of whom is currently a member of the BBI board and BBI Bank's board of directors, may be added to Stifel Bank & Trust's board of directors.

## **Accounting Treatment**

For accounting and financial reporting purposes, the merger will be accounted for under the acquisition method of accounting for business combinations in accordance with generally accepted accounting principles. Under the acquisition method of accounting, the assets (including identifiable intangible assets) and liabilities (including executory contracts and other commitments) of BBI as of the effective time of the merger will be recorded at their respective fair values and added to those of Stifel. Any excess of purchase price over the fair values of net assets acquired will be recorded as goodwill. Consolidated financial statements of Stifel issued after the merger will reflect these fair values and BBI's results of operations from the effective time of the merger and will not be restated retroactively to reflect the historical consolidated financial position or results of operations of BBI.

## **Management of the Surviving Corporation and Other Entities Following the Merger**

The officers and directors of Merger Sub immediately prior to the effective time of the merger will be the initial officers and directors of the surviving corporation following the merger and will hold office until their respective successors are duly elected or appointed, or their earlier death, resignation or removal. Immediately following the merger:

the executive officers of BBI will be Christopher K. Reichert President and Chief Executive Officer, John Barringer Treasurer and Chief Financial Officer and Zachary A. Abeles Secretary, all of whom are currently serving as officers of Stifel and/or Stifel Bank & Trust; and

the directors of BBI may include members of the post-merger boards of directors of BBI Bank and Stifel Bank & Trust, as well as one or more current officers of Stifel.

BBI's subsidiary bank, BBI Bank, will, as a result of the merger, become an indirect, wholly owned subsidiary of Stifel. Immediately following the Merger, the executive management of BBI Bank and Stifel Bank & Trust will be the same as the executive management of each prior to the merger. Immediately following the merger, BBI Bank's board of directors will include three of its current members (Dan Guirl, Larry Kirby and Meade Summers), *plus* up to eight

members of the current board of directors of Stifel Bank & Trust. Immediately

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following the merger, the board of directors of Stifel Bank & Trust will be the same as its current board of directors, except that one or more of Messrs. Guirl, Kirby and Summers may be added to such board of directors at some point following the merger.

The directors and officers of Stifel immediately following the merger will be the same as Stifel's directors and officers immediately prior to the merger. For information as to the identities, backgrounds, compensation and certain other matters regarding Stifel's directors and executive officers, please refer to Stifel's proxy statement for its 2018 annual meeting of shareholders and the section titled "Business Executive Officers" in Stifel's Annual Report on Form 10-K for the year ended December 31, 2017, which are incorporated by reference into this proxy statement/prospectus. Please see "Where You Can Find More Information," beginning on page 98.

**Operations Following the Merger**

At the effective time of the merger, Merger Sub will merge with and into BBI. As a result, Merger Sub will cease to exist as a separate entity, and BBI will become a wholly owned subsidiary of Stifel. BBI, as the surviving corporation in the merger, will operate under the name Stifel Bancorp, Inc. BBI Bank will continue to operate as a wholly owned subsidiary of BBI and will become an indirect subsidiary of Stifel. Stifel anticipates that BBI Bank will remain a separately chartered subsidiary of Stifel. Upon the closing of the merger or at a point in time thereafter, Stifel, in its discretion and subject to any requisite regulatory approvals, intends to (a) cause BBI to convert from a Missouri corporation to a Delaware corporation, (b) cause BBI Bank to change its name, (c) cause Stifel Bank & Trust to become a subsidiary of BBI, (d) cause Stifel Trust Company Delaware, National Association, to become a subsidiary of Stifel Trust Company, National Association, and (e) cause Stifel Trust Company, National Association (with Stifel Trust Company Delaware, National Association, as its subsidiary), to become a subsidiary of BBI as well.

**BBI Shareholder Approval**

The affirmative vote of the holders of at least two-thirds of the shares of BBI common stock outstanding as of July 11, 2018, the record date for the special meeting, and entitled to vote on the merger proposal is required to approve the merger proposal. As of the record date for the special meeting, there were 2,321,936 shares of BBI voting common stock outstanding. Therefore, at least 1,547,958 shares of BBI voting common stock must be affirmatively voted in favor of the merger proposal in order for the BBI shareholders to approve the merger proposal. Each of BBI's directors and executive officers and Castle Creek entered into voting agreements with Stifel pursuant to which they collectively agreed to vote shares totaling, as of the record date for the special meeting, in the aggregate, approximately 923,263 shares of BBI voting common stock, or approximately 40% of the outstanding BBI voting common stock, in favor of the merger proposal. Please see "The Merger Agreement Director, Executive Officer and Large Shareholder Voting Agreements," beginning on page 82.

**Dissenters' Rights**

BBI shareholders are entitled, under Section 351.455 of the MGBCL, to dissent from the merger and, if the merger is consummated, to receive payment of the fair value of their shares of BBI common stock in cash rather than receiving shares of Stifel common stock as described above. This right to dissent is subject to a number of restrictions and procedural requirements, which are summarized below. If you have a beneficial interest in shares of BBI common stock that are held of record in the name of another person, such as a broker, bank or other nominee, you must submit to BBI the record shareholder's written consent to the dissent not later than the time you assert dissenters' rights.

Each BBI shareholder who wishes to dissent from the merger should read carefully both the summary below and the full text of Section 351.455 of the MGBCL, which is reproduced in full in Annex C to this proxy

statement/prospectus. The availability of dissenters' rights is conditioned upon strict compliance with the procedures set forth in Section 351.455 of the MGBCL. Failure to timely and properly comply with the

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procedures specified will result in the complete loss of dissenters' rights. Accordingly, if you wish to dissent from the merger and demand the fair value of your BBI common stock in cash, you should consult with your own legal counsel.

Any BBI shareholder who wishes to dissent from the merger should not send in a signed proxy unless such shareholder marks his, her or its proxy to vote against, or to abstain from the vote on, the merger, or such shareholder will lose the right to dissent. Any BBI shareholder who returns a signed proxy but fails to provide instructions as to the manner in which such shares are to be voted will be deemed to have voted in favor of approving the merger proposal and will not be entitled to assert dissenters' rights.

If a dissenting BBI shareholder's written objection is not timely received by BBI prior to or at the special meeting, then such shareholder will not be entitled to exercise his, her or its dissenters' rights. BBI shareholders bear the risk of non-delivery and of untimely delivery. A dissenting BBI shareholder may call BBI's general counsel, at (314) 721-8003, to confirm whether such shareholder's written objection has been received prior to the special meeting.

*Procedure for the Exercise of Dissenters' Rights*

To exercise dissenters' rights under Section 351.455 of the MGBCL and be entitled to appraisal and payment of the fair value of your shares of BBI common stock in cash, you must:

own BBI common stock as of the record date for the special meeting;

file with BBI, prior to or at the special meeting, a written objection to the plan of merger. This written objection must be made in addition to and separate from any proxy or other vote cast against the approval of the merger proposal. Neither a vote against, a failure to vote for, or an abstention from voting will satisfy the requirement that a written objection be delivered to BBI before the vote is taken;

not vote your shares of BBI common stock in favor of the merger proposal at the special meeting (if you own BBI voting common stock). An abstention or failure to vote will satisfy this requirement, but a vote in favor of the merger proposal, by proxy or in person, will constitute a waiver of your dissenters' rights in respect of the shares so voted and will nullify any previously filed written objection; and

within 20 days after the merger is completed, make a written demand on the surviving corporation in the merger for payment of the fair value of your shares of BBI common stock as of the day prior to the special meeting. **Neither a vote cast against the approval of the merger proposal nor the written objection referred to above will satisfy the written demand requirement referred to in this paragraph.**

Any written objection to the plan of merger should be sent to: Business Bancshares, Inc., 8000 Maryland Ave, Suite 100, Clayton, Missouri 63105, Attention: David Gamache, General Counsel. Any written demand on the surviving corporation should be sent to: c/o Stifel Financial Corp., 501 North Broadway, St. Louis, Missouri 63102, Attention: Zachary A. Abeles, Senior Vice President & Deputy General Counsel. A vote cast against the merger proposal alone will not satisfy the requirements for compliance with Section 351.455 of the MGBCL. A BBI shareholder who wishes to dissent from the merger must comply with all of the conditions listed in Section 351.455 of the MGBCL.

Any BBI shareholder who (i) fails to file a written objection with BBI prior to or at the special meeting; (ii) votes in favor of the merger proposal; or (iii) fails to make a written demand on the surviving corporation within the 20-day period after the effective date of the merger will be conclusively presumed to have consented to the merger proposal and will be bound by the terms of the merger agreement and the related plan of merger, will not be deemed to be a dissenting shareholder, and will receive the merger consideration provided for in the merger agreement.



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### *Procedure for Payment or Offer of Payment*

If, within 30 days after the effective date of the merger, the value of the dissenting shareholder's shares of BBI common stock is agreed upon between the dissenting shareholder and the surviving corporation, then payment for such shares must be made by the surviving corporation within 90 days after the effective date of the merger, upon the surrender of the dissenting shareholder's certificates representing such shares. Upon payment of the agreed value, the dissenting shareholder will cease to have any interest in such shares or in the surviving corporation.

### *Judicial Appraisal of Shares*

If, within 30 days after the effective date of the merger, there is no agreement between the dissenting BBI shareholder and the surviving corporation as to the fair value of the dissenting shareholder's shares of BBI common stock, then the dissenting shareholder may, within 60 days after the expiration of the 30-day period, file a petition in any court of competent jurisdiction within the county in which the registered office of the surviving corporation is situated, asking for a finding and determination of the fair value of such shareholder's shares. The dissenting shareholder will be entitled to judgment against the surviving corporation for an amount equal to the fair value of such shareholder's shares measured as of the day prior to the special meeting, together with interest thereon to the date of the judgment. Investment banker opinions as to fairness from a financial point of view of the consideration payable in a transaction are not opinions as to, and do not address, fair value under the MGBCL. The fair value determined by the court may be more or less than the amount offered to BBI shareholders under the merger agreement.

The judgment will only be payable upon and simultaneously with the surrender to the surviving corporation of the certificate or certificates representing the shares of BBI common stock owned by the dissenting BBI shareholder. Upon payment of the judgment, such shareholder will cease to have any interest in the shares or in the surviving corporation. Further, unless the dissenting shareholder files the petition with the court within the 60-day period described above, the dissenting shareholder and all persons claiming under such shareholder shall be conclusively presumed to have approved and ratified the merger and shall be bound its terms, and will receive the merger consideration as described above in exchange for such shareholder's shares of BBI common stock.

The right of a dissenting shareholder to be paid the fair value of such shareholder's shares as provided above will cease if the merger agreement is terminated.

The above summary does not purport to be a complete statement of the provisions of the MGBCL relating to dissenters' rights and is qualified in its entirety by reference to Section 351.455 of the MGBCL, which is reproduced in full in Annex C to this proxy statement/prospectus and is incorporated herein by reference.

**If any BBI shareholder intends to dissent, or if such shareholder believes that dissenting might be in his, her or its best interests, such shareholder should read Annex C carefully.**

### **Regulatory Approvals Required for the Merger**

Completion of the merger is subject to the receipt of (i) the approval of the Federal Reserve Board for the merger of Merger Sub with and into BBI, (ii) an order of the Commissioner of Finance declaring Stifel's acquisition of BBI lawful under Missouri law, and (iii) any other regulatory approval the failure of which to obtain would reasonably be expected to have a material adverse effect on the surviving corporation (which Stifel and BBI expect to be none). Subject to the terms of the merger agreement, Stifel and BBI agreed to use their reasonable best efforts and cooperate to promptly prepare and file all necessary documentation, to obtain as promptly as practicable all regulatory approvals necessary or advisable to complete the transactions contemplated by the merger agreement and to comply with the

terms and conditions of such approvals.

Completion of the merger is also subject to the expiration of any applicable statutory waiting periods, in each case, without the imposition of any condition, prohibition, limitation or other requirement that would, as

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determined by Stifel's board of directors in its reasonable discretion, (i) prohibit or materially limit the ownership or operation by BBI or any of its subsidiaries, or by Stifel or any of its subsidiaries, of all or any material portion of the business or assets of BBI or any of its subsidiaries or Stifel or its subsidiaries, (ii) compel Stifel or any of its subsidiaries to pay any amounts that would be material as compared to the value of the merger (other than customary filing fees and fees of professional advisors customary to effect transactions comparable in nature and size to the merger), (iii) compel Stifel or any of its subsidiaries to divest any banking office or otherwise dispose of all or any material portion of the business or assets of BBI or any of its subsidiaries or Stifel or any of its subsidiaries, (iv) continue any portion of any material agreement between BBI and a governmental entity against Stifel or any of its subsidiaries after the merger, (v) increase the capital requirements of Stifel or any of its subsidiaries, (vi) restrict or materially limit the ability of Stifel or its subsidiaries to expand its or their business, or (vii) otherwise be reasonably likely to have a material and adverse effect on Stifel and its subsidiaries, taken as a whole and giving effect to the merger (each of which we refer to as a "burdensome condition").

*Federal Reserve Board*

Stifel filed an application with the Federal Reserve Bank of St. Louis (under delegated authority from the Federal Reserve Board), pursuant to Section 3(a)(3) of the BHC Act, for prior approval to merge Merger Sub with and into BBI, with BBI as the surviving corporation, and such application was approved on July 6, 2018. No other federal bank regulatory approval is required to complete the merger.

The parties generally must wait at least 30 days to complete the transaction after receipt of Federal Reserve Board approval, during which time the U.S. Department of Justice (which we refer to as the "DOJ") may bring a court action challenging the transaction on antitrust grounds. With the approval of the Federal Reserve Board and the concurrence of the DOJ, the waiting period may be reduced to no less than 15 days. Pursuant to the approval letter from the Federal Reserve Bank of St. Louis, the waiting period before Stifel may consummate the transaction expires on July 20, 2018. The commencement of an antitrust action would stay the effectiveness of such an approval unless a court specifically ordered otherwise. In reviewing the antitrust aspects of the transaction, the DOJ generally analyzes the competitive effects of the transaction differently than the Federal Reserve Board, and thus it is possible that the DOJ could reach a different conclusion than the Federal Reserve Board does regarding the merger's effects on competition. A determination by the DOJ not to object to the merger may not prevent the filing of antitrust actions by private persons or state attorneys general.

After the merger, Stifel plans to undergo an internal reorganization pursuant to which it would transfer the shares of its current bank subsidiary, Stifel Bank & Trust, to BBI, which would cause Stifel Bank & Trust to become a direct subsidiary bank of BBI. Stifel also intends to cause Stifel Trust Company, National Association, to seek prior approval from the OCC for Stifel Trust Company Delaware, National Association, to become a subsidiary of Stifel Trust Company, National Association, and for Stifel Trust Company, National Association (with Stifel Trust Company Delaware, National Association, as its subsidiary), to become a subsidiary of BBI as well. Stifel has included its internal reorganization plans in its application to the Federal Reserve Board for the merger; however, the internal reorganization is not part of the merger agreement or the merger, and Stifel is not required to seek prior approval from the Federal Reserve Board for the internal reorganization.

*MDF*

Under the Missouri bank holding company act, before Stifel may acquire BBI, the Commissioner of Finance must issue an order declaring Stifel's acquisition of BBI lawful under the Missouri bank holding company act. The Commissioner of Finance is required to deem unlawful any acquisition that would result in a banking organization being in control of more than 13% of the total deposits in all depository financial institutions in the State of Missouri.

On or about June 6, 2018, the Commissioner of Finance delivered to the Federal Reserve Board a letter stating that the MDF had no objection to the merger under Section 3 of the BHC Act or the Missouri bank holding company act, and the Commissioner of Finance issued an order declaring the merger not unlawful under the Missouri bank holding company act.

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**NYSE Listing**

Stifel has agreed in the merger agreement to use its commercially reasonable efforts to list the shares to be issued in the merger on the NYSE prior to the effective time of the merger.

**Resale of Stifel Common Stock**

Stifel has registered its common stock to be issued in the merger with the SEC under the Securities Act. No restrictions on the sale or other transfer of Stifel common stock issued in the merger will be imposed solely as a result of the merger, except for restrictions on the transfer of Stifel common stock issued to any BBI shareholder who may become an affiliate of Stifel for purposes of Rule 144 under the Securities Act. The term affiliate is defined in Rule 144 under the Securities Act and generally includes executive officers, directors and shareholders beneficially owning 10% or more of the outstanding Stifel common stock.

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**MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER**

The following general discussion sets forth the anticipated material U.S. federal income tax consequences of the merger to U.S. holders (as defined below) of BBI common stock that exchange their shares of BBI common stock for shares of Stifel common stock and cash in the merger. This discussion does not address any tax consequences arising under the laws of any state, local or foreign jurisdiction, or under any U.S. federal laws other than those pertaining to income tax. This discussion is based upon the Code, the regulations promulgated thereunder by the U.S. Department of the Treasury (which we refer to as the Treasury Regulations ) and court and administrative rulings and decisions, all as in effect on the date of this proxy statement/prospectus. These laws may change, possibly retroactively, and any change could affect the accuracy of the statements and conclusions set forth in this discussion.

This discussion applies only to those holders of BBI common stock that hold their shares of BBI common stock as a capital asset within the meaning of Section 1221 of the Code (generally, property held for investment). Further, this discussion does not address all aspects of U.S. federal income taxation that may be relevant to a holder in light of the holder's particular circumstances or that may be applicable to a holder if the holder is subject to special treatment under the U.S. federal income tax laws, including if the holder is:

a financial institution;

a tax-exempt organization;

an S corporation or other pass-through entity (or an investor in an S corporation or other pass-through entity);

an insurance company;

a mutual fund;

a dealer or broker in stocks and securities, or currencies;

a trader in securities that elects mark-to-market treatment;

a BBI shareholder subject to the alternative minimum tax provisions of the Code;

a BBI shareholder that received BBI common stock through the exercise of an employee stock option, through a tax qualified retirement plan or otherwise as compensation;

a person that is not a U.S. holder (as defined below);

a person that has a functional currency other than the U.S. dollar;

a BBI shareholder that holds BBI common stock as part of a hedge, straddle, constructive sale, conversion or other integrated transaction; or

a U.S. expatriate.

For purposes of this discussion, the term U.S. holder means a beneficial owner of BBI common stock that is for U.S. federal income tax purposes (i) an individual citizen or resident of the United States, (ii) a corporation, or entity treated as a corporation, organized in or under the laws of the United States or any state thereof or the District of Columbia, (iii) a trust if (a) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (b) such trust has made a valid election to be treated as a U.S. person for U.S. federal income tax purposes, or (iv) an estate, the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source.

The U.S. federal income tax consequences to a partner in an entity or arrangement that is treated as a partnership for U.S. federal income tax purposes and that holds BBI common stock generally will depend on the status of the partner and the activities of the partnership. Partners in a partnership holding BBI common stock should consult their own tax advisors.

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**Table of Contents****U.S. Federal Income Tax Consequences of the Merger Generally**

Subject to the limitations and qualifications described herein and in representation letters provided by Stifel and BBI, and based on customary factual assumptions, Arnold & Porter Kaye Scholer LLP, counsel to Stifel, and Lewis Rice LLC, counsel to BBI, are of the opinion that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code for U.S. federal income tax purposes. It is a condition to Stifel's obligation to complete the merger that Stifel receive an opinion from Arnold & Porter Kaye Scholer LLP, dated the closing date of the merger, to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. It is a condition to BBI's obligation to complete the merger that BBI receive an opinion from Lewis Rice LLC, dated the closing date of the merger, to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. These opinions will be based on representation letters provided by Stifel and BBI and on customary factual assumptions. If BBI shareholders elect to exercise dissenters' rights with respect to a material number of shares of BBI common stock, we may not be able to receive the requisite tax opinions to the effect that the merger qualifies as a reorganization within the meaning of Section 368(a) of the Code, and the merger may not be completed due to the failure of a required closing condition or may need to be restructured. For purposes of rendering the tax opinions, a material number of shares may be 20% of the outstanding shares of BBI common stock or fewer depending on the amount of cash that BBI shareholders otherwise receive in connection with the merger. Moreover, if total cash consideration paid to BBI shareholders in connection with the merger, including cash paid in lieu of fractional shares of Stifel common stock and cash paid to BBI shareholders that exercise dissenters' rights, exceeds 60% of the value of the total consideration paid to BBI shareholders in connection with the merger, then the merger may not qualify as a reorganization within the meaning of Section 368(a) of the Code.

None of the opinions described above will be binding on the IRS or on any court. Stifel and BBI have not sought and will not seek any ruling from the IRS regarding any matters relating to the merger, and as a result, there can be no assurance that the IRS will not assert, or that a court would not sustain, a position contrary to any of the conclusions set forth below. In addition, if any of the representations or assumptions on which the opinions described above are based are inconsistent with the actual facts, or if any condition contained in the merger agreement and affecting these opinions is breached or is waived by any party, the U.S. federal income tax consequences of the merger could be adversely affected. If the merger is completed but fails to qualify as a reorganization within the meaning of Section 368(a) of the Code, then each holder of shares of BBI common stock would recognize a gain or loss equal to the difference between (i) the sum of the fair market value of the Stifel common stock and cash, if any, received by the holder in the merger, and (ii) the holder's adjusted tax basis in the shares of BBI common stock exchanged therefor.

Accordingly, and on the basis of the foregoing opinions, as a result of the merger qualifying as a reorganization within the meaning of Section 368(a) of the Code, ignoring cash received in lieu of fractional shares, a U.S. holder that exchanges all of its shares of BBI common stock for shares of Stifel common stock pursuant to the merger will not recognize gain or loss in connection with such exchange.

A U.S. holder's aggregate tax basis in the Stifel common stock received in the merger, including any fractional shares deemed received by the U.S. holder under the treatment discussed below under Cash in Lieu of Fractional Shares, will equal such U.S. holder's aggregate tax basis in the BBI common stock surrendered by such U.S. holder in the merger. The holding period for the shares of Stifel common stock received by such U.S. holder in the merger, including any fractional shares deemed received by the U.S. holder under the treatment discussed below under Cash in Lieu of Fractional Shares, will include the holding period for the shares of BBI common stock exchanged therefor. In the case of any U.S. holder who acquired different blocks of BBI common stock at different times or at different prices, the tax basis and holding period will be determined separately for each identifiable block of shares exchanged in the merger.





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**Table of Contents****Cash in Lieu of Fractional Shares**

If a U.S. holder receives cash in lieu of a fractional share of Stifel common stock, the holder will be treated as having received the fractional share of Stifel common stock pursuant to the merger and then as having exchanged that fractional share for cash in redemption by Stifel. As a result, the holder generally will recognize gain or loss equal to the difference between the amount of cash received and the basis allocable to the holder's fractional share of Stifel common stock. This gain or loss generally will be capital gain or loss and will be long-term capital gain or loss if, as of the effective date of the merger, the holding period for the shares (including the holding period of BBI common stock surrendered therefor) is greater than one year. The deductibility of capital losses is subject to limitations. Capital gains recognized by individuals, trusts and estates also may be subject to a 3.8% Medicare contribution tax on net investment income as provided in Section 1411 of the Code.

Notwithstanding the previous paragraph, if the receipt of the cash is deemed to be essentially equivalent to the distribution of a dividend to the U.S. holder, the cash would be treated as dividend income. While a dividend from Stifel would generally be treated as a qualified dividend and taxed at the same rates applicable to long-term capital gains, a U.S. holder would not be able to apply any portion of its basis to reduce the amount of such dividend and such basis would instead be reallocated to such U.S. holder's other Stifel shares. Because the possibility of dividend treatment depends primarily upon each U.S. holder's particular circumstances, including the application of various constructive ownership rules, U.S. holders should consult their tax advisors regarding the application of the foregoing rules to their particular circumstances.

**Cash Received on Exercise of Dissenters' Rights**

If you perfect your dissenters' rights with respect to your shares of BBI common stock, you will generally recognize capital gain or loss equal to the difference between your tax basis in those shares and the amount of cash received in exchange for those shares. The tax consequences of cash received may vary depending upon your individual circumstances. Each holder of BBI common stock who contemplates exercising statutory dissenters' rights should consult its tax advisor as to the possibility that all or a portion of the payment received pursuant to the exercise of such rights will be treated as dividend income.

**Backup Withholding**

Cash payments received in the merger by a U.S. holder may, under certain circumstances, be subject to information reporting and backup withholding at a current rate of 24% of the cash payable to the U.S. holder, unless the U.S. holder provides proof of an applicable exemption, furnishes its taxpayer identification number (in the case of individuals, their social security number) and otherwise complies with all applicable requirements of the backup withholding rules. Any amounts withheld from payments to a U.S. holder under the backup withholding rules are not additional tax and will be allowed as a refund or credit against the U.S. holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

**Reporting Requirements**

If a U.S. holder of BBI common stock who receives Stifel common stock in the merger is considered a significant holder, such holder will be required (1) to file a statement with the holder's U.S. federal income tax return providing certain facts pertinent to the merger, including the tax basis in the BBI common stock surrendered and the fair market value of the Stifel common stock received in the merger, and (2) to retain permanent records of these facts relating to the merger. A significant holder for this purpose generally is any U.S. holder of BBI common stock who, immediately before the merger, (i) owns at least 1% (by vote or value) of the total outstanding BBI common stock or (ii) owns BBI

securities with a tax basis of \$1 million or more. Each holder of BBI common stock should consult its tax advisor as to whether such holder may be treated as a significant holder.

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**This summary of certain material U.S. federal income tax consequences is for general information only and is not tax advice. Tax matters are very complicated, and the tax consequences of the merger to you will depend on the facts of your particular situation. You are urged to consult your tax advisor with respect to the application of U.S. federal income tax laws to your particular situation as well as any tax consequences arising under the U.S. federal estate or gift tax rules, or under the laws of any state, local, foreign or other taxing jurisdiction.**

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**THE MERGER AGREEMENT**

*The following describes certain aspects of the merger, including certain material provisions of the merger agreement. The following description of the merger agreement is subject to, and is qualified in its entirety by reference to, the merger agreement, a copy of which is attached as Annex A to this proxy statement/prospectus and is incorporated by reference into this proxy statement/prospectus. We urge you to read the merger agreement carefully and in its entirety, as it is the legal document governing the merger.*

**Structure of the Merger**

The merger agreement provides for the merger of Merger Sub with and into BBI, with BBI as the surviving corporation. As a result of the merger, BBI will be a wholly owned subsidiary of Stifel. BBI's wholly owned bank subsidiary, BBI Bank, will be a wholly owned subsidiary of BBI and an indirect wholly owned subsidiary of Stifel.

*Merger Consideration*

At the effective time of the merger, each share of BBI common stock issued and outstanding immediately prior to the effective time will be converted into the right to receive 0.705 shares of Stifel common stock, except for shares held by BBI as treasury stock or by Stifel other than in a fiduciary or agency capacity or as a result of debts previously contracted, if any, and except for shares held by BBI shareholders who properly exercise their rights under Missouri law to dissent from the merger.

If the number of outstanding shares of Stifel common stock or BBI common stock is increased, decreased, changed into or exchanged for a different number or kind of shares or securities as a result of a reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other similar change in capitalization, or if there is any extraordinary dividend or distribution, an appropriate and proportionate adjustment will be made to the exchange ratio.

*Fractional Shares*

Stifel will not issue any fractional shares of Stifel common stock in the merger. Instead, Stifel will pay to each BBI shareholder who otherwise would have received a fraction of a share of Stifel common stock an amount in cash (without interest and rounded to the nearest cent) determined by multiplying (i) the Stifel share closing price by (ii) the fraction of a share (rounded to the nearest thousandth when expressed in decimal form) of Stifel common stock which the holder would otherwise be entitled to receive.

*Governing Documents; Directors and Officers*

At the effective time of the merger, the charter and bylaws of BBI will be amended in their entirety to conform to the articles of incorporation and the bylaws of Merger Sub in effect immediately prior to the effective time and will become the articles of incorporation and bylaws of the surviving corporation until amended in accordance with applicable law.

The directors and officers of Merger Sub immediately prior to the effective time of the merger will be the initial directors and officers of the surviving corporation and will hold office until their respective successors are duly elected or appointed, or their earlier death, resignation or removal.

*Stifel Common Stock and Merger Sub Common Stock*

At and after the effective time of the merger, each share of Stifel common stock issued and outstanding immediately prior to the effective time will remain issued and outstanding and will not be affected by the merger.

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At and after the effective time of the merger, each share of common stock of Merger Sub issued and outstanding immediately prior to the effective time will be converted into one share of common stock of the surviving corporation.

### *Treatment of Stock Options*

At the effective time of the merger, each outstanding and unexercised BBI stock option will become fully vested and automatically will be converted into the right to receive an amount in cash equal to \$41.76 minus the exercise price per share of the option.

BBI has agreed to use commercially reasonable efforts to obtain, prior to the completion of the merger, a written acknowledgement from each holder of BBI stock options (i) confirming the number of options held, (ii) confirming that the treatment of such options and the amounts to be paid have been correctly calculated in accordance with the merger agreement, and (iii) acknowledging that in consideration for the cancellation of such options, the holder agrees to accept the cash payment described above. If any holder of BBI stock options does not execute and deliver such acknowledgment, then any shares of BBI common stock that would otherwise be issuable upon the exercise of such options automatically will be converted into the right to receive the merger consideration, and no BBI common stock will be issued upon the exercise of such options.

### *Treatment of Restricted Stock*

At the effective time of the merger, each outstanding award in respect of a share of BBI restricted stock will fully vest and automatically will be converted into the right to receive the merger consideration in respect of each share of BBI common stock underlying the award.

## **Closing and Effective Time of the Merger**

The merger will be completed only if all conditions to the merger discussed in this proxy statement/prospectus and set forth in the merger agreement are either satisfied or waived. Please see **Conditions to Complete the Merger**, beginning on page 78.

The effective time of the merger will be the date and time when the merger becomes effective as set forth in the summary articles of merger that will be filed with the Missouri Secretary of State on the closing date of the merger. The closing of the merger will take place at 10:00 a.m. New York City time on the date that is five business days after the satisfaction or waiver of the last to occur of the conditions set forth in the merger agreement, unless extended by the mutual agreement of the parties. It currently is anticipated that the completion of the merger will occur in the third or fourth quarter of 2018, subject to the receipt of BBI shareholder approval and the satisfaction or waiver of other customary closing conditions, but neither Stifel nor BBI can guarantee when or if the merger will be completed.

## **Conversion of Shares; Exchange of Certificates**

The conversion of BBI common stock into the right to receive the merger consideration will occur automatically at the effective time of the merger. After completion of the merger, an exchange agent will exchange certificates representing shares of BBI common stock for the merger consideration to be received pursuant to the terms of the merger agreement. The parties agreed that Stifel will designate an exchange agent, reasonably acceptable to BBI, to facilitate the exchange.

### *Letter of Transmittal*

As promptly as practicable after the effective time of the merger, and in any event within five days thereafter, the exchange agent will mail to each holder of record of BBI common stock immediately prior to the effective time of the merger a letter of transmittal and instructions on how to surrender shares of BBI common stock in exchange for the merger consideration the holder is entitled to receive under the merger agreement.



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If any certificate representing BBI common stock has been lost, stolen or destroyed, the exchange agent will issue the merger consideration in exchange for such certificate upon receipt of (i) an affidavit of that fact by the claimant and (ii) if required by Stifel, the posting of a bond in an amount as Stifel may determine is reasonably necessary as indemnity against any claim that may be made against it with respect to such certificate.

After completion of the merger, there will be no further transfers on the stock transfer books of BBI of shares of BBI common stock that were issued and outstanding immediately prior to the effective time of the merger.

### *Withholding*

Stifel and the exchange agent will be entitled to deduct and withhold from any cash in lieu of fractional shares, dividends or distributions payable, or any other consideration payable, under the merger agreement to any BBI shareholder the amounts they are required to deduct and withhold under the Code or any state, local or foreign tax law. If any such amounts are withheld and paid over to the appropriate governmental authority, these amounts will be treated for all purposes of the merger as having been paid to the shareholders from whom they were withheld.

### *Dividends and Distributions*

No dividends or other distributions declared with respect to Stifel common stock after the effective time of the merger will be paid to the holder of any un-surrendered certificates of BBI common stock until the holder surrenders such certificate in accordance with the merger agreement. After the surrender of a certificate in accordance with the merger agreement, the record holder thereof will be entitled to receive any such dividends or other distributions, without any interest, which had previously become payable with respect to the whole shares of Stifel common stock that the shares of BBI common stock represented by such certificate have been converted into the right to receive under the merger agreement.

## **Representations and Warranties**

The representations, warranties, and covenants described below and included in the merger agreement were made only for purposes of the merger agreement and as of specific dates, are solely for the benefit of Stifel and BBI and may be subject to limitations, qualifications or exceptions agreed upon by the parties, including those included in confidential disclosures made for the purposes of, among other things, allocating contractual risk between Stifel and BBI rather than establishing matters as facts and may be subject to standards of materiality that differ from those standards relevant to investors. You should not rely on the representations, warranties, covenants or any description thereof as characterizations of the actual state of facts or condition of Stifel, BBI or any of their respective subsidiaries or affiliates. Moreover, information concerning the subject matter of the representations, warranties and covenants may change after the date of the merger agreement, which subsequent information may or may not be fully reflected in public disclosures by Stifel. The representations and warranties and other provisions of the merger agreement and any description of these provisions should not be read alone but, instead, should be read only in conjunction with the information provided elsewhere in this proxy statement/prospectus and in the documents incorporated by reference into this proxy statement/prospectus. Please see *Where You Can Find More Information*, beginning on page 98.

The merger agreement contains customary representations and warranties of each of Stifel and BBI relating to their respective businesses. The representations and warranties in the merger agreement do not survive the effective time of the merger.

The representations and warranties made by each of Stifel and BBI relate to a number of matters, including the following:

corporate matters, including due organization, good standing and qualification;

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capitalization;

corporate power and authority to execute and deliver the merger agreement and to consummate the transactions contemplated by the merger agreement;

the enforceability of the merger agreement;

required governmental and other regulatory filings and consents and approvals in connection with the merger;

the absence of conflicts with, or violations of, organizational documents, other contracts and applicable laws as a result of the merger;

the timely filing and accuracy of periodic reports and other filings with the SEC and reports to regulatory authorities;

financial statements, internal controls, books and records and absence of undisclosed liabilities;

the absence of certain changes or events;

legal proceedings;

compliance with applicable laws;

broker's fees payable in connection with the merger; and

the absence of actions that would prevent the merger from qualifying as a reorganization under Section 368(a) of the Code.

In addition, the merger agreement contains representations and warranties regarding a number of matters that are made only by BBI, including the following:

corporate matters with respect to its subsidiaries;

certain material contracts;

absence of agreements with regulatory authorities;

employees, employee benefit plans and labor matters;

intellectual property;

real property assets;

environmental matters;

tax matters;

opinion of financial advisor;

derivative transactions;

investment securities and commodities;

loan matters;

transactions with affiliates;

insurance;

deposits; and

the non-applicability of antitakeover statutes to the merger.

The merger agreement also contains a representation and warranty by Stifel regarding the reservation of sufficient shares of Stifel common stock to be issued, and the availability of cash to be paid, to BBI shareholders upon consummation of the merger.

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Many of BBI's and Stifel's representations and warranties are qualified as to materiality or by a material adverse effect standard (that is, they will not be deemed to be untrue or incorrect unless their failure to be true or correct is material or would result in a material adverse effect on the party making such representation or warranty). In addition, certain of the representations and warranties in the merger agreement are subject to knowledge qualifications, which means that those representations and warranties would not be deemed untrue, inaccurate or incorrect as a result of matters of which certain officers of the party making the representation did not have actual knowledge. For purposes of the merger agreement, a material adverse effect, when used in reference to either Stifel, BBI or the surviving corporation, means an effect which (1) is material and adverse to the business, assets, financial condition or results of operations of such party and its subsidiaries on a consolidated basis, or (2) materially impairs the ability of such party and its subsidiaries to consummate the transactions contemplated by the merger agreement on a timely basis, all subject to certain specified exceptions.

## **Covenants and Agreements**

### *Conduct of Businesses Prior to the Closing of the Merger*

BBI has agreed that, prior to the effective time of the merger, subject to specified exceptions, it will, and it will cause each of its subsidiaries to, (a) conduct its business in the ordinary course of business, consistent with past practice and in compliance in all material respects with all applicable laws, (b) use its commercially reasonable efforts to maintain and preserve intact its business organization, employees and advantageous business relationships and (c) take no action that would reasonably be expected to adversely affect or materially delay its ability to perform its covenants and agreements under the merger agreement, to consummate the merger on a timely basis or to obtain the necessary regulatory or government approvals required for the transactions contemplated by the merger agreement.

BBI has also agreed that, prior to the effective time of the merger, subject to specified exceptions, it will not, and will not permit any of its subsidiaries to, without the prior written consent of Stifel (which consent will not be unreasonably withheld):

issue, sell, grant, pledge, deliver, dispose of, encumber or otherwise permit to become outstanding any additional shares of its capital stock or any securities convertible into or exercisable or exchangeable for any shares of its capital stock, or any options, warrants or rights of any kind to acquire any shares of capital stock or any equity-based awards or interests, except for shares of BBI common stock to be issued pursuant to the exercise of outstanding BBI stock options;

directly or indirectly change, adjust, split, combine, redeem, reclassify, exchange, purchase or otherwise acquire any shares of its capital stock, any other securities convertible into or exchangeable for any shares of its capital stock or any options, warrants or other rights of any kind to acquire any shares of its capital stock;

make, declare, pay or set aside for payment any dividend or distribution on any shares of its capital stock, except for dividends or distributions from any subsidiary of BBI to BBI or any of its wholly owned subsidiaries, except that, if the effective time of the merger does not occur prior to December 31, 2018, BBI may declare an annual dividend of up to \$0.40 per share of BBI common stock consistent with past practice;

except as required by the terms of any existing employee benefit plan or contractual obligation or by applicable law, (i) increase the compensation or benefits payable or to become payable to any current or former employee, officer, director or consultant of BBI, other than increases in base salary in the ordinary course of business consistent with past practice, (ii) establish, adopt, enter into or amend any employee benefit plan, (iii) increase the compensation or benefits payable under any existing severance, termination, change in control or retention pay policy or employment or other agreement or employee benefit plan, (iv) accelerate the vesting or time of payment of any equity or equity-based compensation or other compensation, (v) grant any awards under any bonus, incentive, performance or

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other compensation plan or arrangement or employee benefit plan, (vi) take any action to fund any trust or similar funding vehicle in advance of the payment of compensation or benefits under any employee benefit plan, or (vii) make any loan or cash advance to any current or former director, officer, employee or independent contractor;

terminate any executive officer or specified key employee other than for cause, or hire any employee, except for at-will employees with an annual salary less than \$200,000 or to fill a vacancy that arises in the ordinary course of business at an annual salary commensurate with the employee being replaced;

pay, loan or advance any amount to, or sell, transfer or lease any assets to, or buy, acquire or lease any assets from, or enter into any agreement or arrangement with, any of its officers or directors or any of their immediate family members or any of their affiliates or associates, other than compensation or business expense advancements or reimbursements in the ordinary course of business and other than other than part of the terms of such persons employment or service as a director of BBI or its subsidiaries, and other than deposits held by BBI Bank in the ordinary course of business;

sell, license, lease, transfer, assign, mortgage, pledge, encumber or otherwise dispose of or discontinue any of its rights, assets, deposits, business or properties or cancel or release any indebtedness owed to BBI or any of its subsidiaries, except in the ordinary course of business consistent with past practice;

acquire (other than by way of foreclosures or acquisitions of control in a bona fide fiduciary capacity or in satisfaction of debts previously contracted, in each case in the ordinary course of business consistent with past practice) any business or any corporation, partnership, association or other business organization or otherwise acquire or agree to acquire all or any portion of the assets, debt, business, deposits or properties of any other entity;

make or commit to make any capital expenditures in excess of \$100,000 individually or \$250,000 in the aggregate, except as required by any material contract or lease;

amend BBI's articles of incorporation or bylaws or any equivalent organizational documents of BBI's subsidiaries;

change its accounting principles, practices or methods, except as required by GAAP or applicable regulatory accounting requirements;

except in the ordinary course of business consistent with past practice, (i) amend, modify, terminate, renew or waive any material provision of any material contract, lease or insurance policy, or make any change in any instrument or agreement governing the terms of any of its securities, other than renewals or amendments that do not result in material adverse changes of terms to BBI or its subsidiaries, or (ii) enter into any material contract;

other than settlement of foreclosure actions or deficiency judgment settlements in the ordinary course of business consistent with past practice, (i) settle any action, suit, proceeding, order or investigation to which BBI or its subsidiaries is a party if such settlement would (A) involve a payment by BBI or its subsidiaries of an amount in excess of \$100,000 individually, or \$250,000 in the aggregate, and/or (B) would impose any material restriction the business of BBI or its subsidiaries, or (ii) waive or release any material rights or claims, or agree or consent to the issuance of any injunction, decree, order or judgment materially restricting or otherwise affecting the business or operations of BBI and its subsidiaries;

enter into any new line of business, introduce any material new products or services or incentive programs or arrangements or make any material changes in its lending, investment, underwriting, risk and asset liability management and other banking and operating policies, except as required by applicable law;

make any material changes in its policies and practices with respect to underwriting, pricing, originating, acquiring, selling, servicing or buying or selling rights to service loans, or its hedging practices and policies, in each case except as required by applicable law;



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materially restructure or materially change its investment securities or derivatives portfolio or its interest rate exposure, through purchases, sales or otherwise, or the manner in which the portfolio is classified or reported, or purchase any equity security or any security rated below investment grade, in each case except in the ordinary course of business consistent with past practice;

enter into any derivative transaction;

(i) incur, assume, modify, extend or renegotiate any indebtedness, other than BBI's current credit and/or borrowing arrangements with Associated Bank, N.A., and the Federal Home Loan Bank of Des Moines and any extensions or renewals in the ordinary course of business consistent with past practice, (ii) assume, guarantee, endorse or otherwise become responsible for the obligations of any other person or (iii) prepay or voluntarily repay any subordinated indebtedness;

make any loan or extension of credit, other than loans and extensions of credit that are made in the ordinary course of business consistent with past practice, consistent with BBI's existing written lending guidelines and, in the case of new loans, that have a principal balance (including one or more loans to the same customer) that does not exceed \$8,000,000 in the aggregate;

commit any act or omission that constitutes a breach or default by BBI or any of its subsidiaries under an agreement with a governmental entity or under any material contract and that would reasonably be expected to result in one of the conditions precedent to the closing of the merger not being satisfied on the closing date of the merger;

except for loans or extensions of credit made in compliance with the merger agreement or as required by any existing material contract or lease, make any investment or commitment to invest in real estate or in any real estate development project other than by way of foreclosure or make any investment or commitment to develop any real estate owned by BBI or its subsidiaries;

unless required by applicable law, make, change or rescind any material tax election, change an annual tax accounting period, adopt or change any material tax accounting method, file any amended tax return, enter into any closing agreement with respect to taxes or settle or compromise any material tax claim, audit, assessment or dispute, agree to any adjustment of any tax attribute, consent to any extension or waiver of the limitation period applicable to any tax claim or assessment or surrender any material right to claim a refund of taxes;

foreclose on or take a deed or title to any real estate that will become classified as other real estate owned (other than single-family or multi-family residential properties) without first conducting a Phase I environmental site assessment, or foreclose on or take a deed or title to any such real estate if such environmental assessment indicates the presence or likely presence of any hazardous substances under conditions that indicate an existing release, a past release or a material threat of a release of any hazardous substances into structures on the property or into the ground, ground water or surface water of the property;

take, or knowingly fail to take, any action that is intended or is reasonably likely to prevent, delay or impair BBI's ability to consummate the merger or prevent BBI from consummating any of the other transactions contemplated by the merger agreement, including by adversely affecting the ability of the parties to obtain any required regulatory approval without the imposition of a burdensome condition;

take, or knowingly fail to take, any action that would reasonably be expected to prevent the merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code;