

Stifel Financial Corp.
Reports First Quarter Earnings of \$1.6 Million
Diluted Earnings Per Share of \$0.20
Declares Regular Quarterly Dividend

St. Louis, Missouri, April 25, 2001 - Stifel Financial Corp. (NYSE: "SF") today reported quarterly net income of \$1,574,000, or \$0.20 per diluted share on revenues of \$48.5 million for the quarter ended March 31, 2001, compared to record net income of \$3,280,000, or \$0.44 per diluted share, for the comparable quarter of 2000 on record revenues of \$52.2 million. At March 31, 2001, the Company's equity was \$77.6 million, resulting in book value per share of \$10.82.

President and Chief Executive Officer, Ronald J. Kruszewski, commented, "As widely reported, the March quarter was a challenging period for the industry as a whole, especially when compared to the robust activity in the prior year's first quarter. However, the Company reported strong results in both its Equity and Fixed Income Capital Markets businesses. While our Private Client Group experienced declines consistent with the industry, we continue to focus on building our franchise in this area. Historically, we have found that difficult market conditions provide excellent opportunities to attract talented associates to our Company as their Firm of Choice."

Net revenues for the quarter decreased 6% to \$44.8 million from \$47.8 million in the prior year first quarter but increased 2% from the fourth quarter of 2000. Reflecting the slower market activities during the first quarter of 2001, commission and principal transaction revenues declined 21% to \$27.5 million from \$34.7 million in the same period last year but increased 8% from \$25.4 million in the fourth quarter of 2000. Investment banking revenues increased 265% to \$8.2 million in the first quarter of 2001 from \$2.3 million in the prior year first quarter and decreased 12% from \$9.3 million in the fourth quarter of 2000. Other income of \$6.4 million decreased 15% from the first quarter of 2000 from \$7.5 million but increased 10% from \$5.8 million in the preceding fourth quarter of 2000. The variance in other income is due principally to the fluctuations in the company's investment portfolio, which resulted in a \$0.03 per diluted share write down in the first quarter of 2001, compared to a \$0.03 per diluted share gain in the prior year first quarter and an \$0.08 per diluted share write down in the 2000 fourth quarter. Net interest declined 15% to \$2.8 from \$3.3 million in the prior year first quarter and decreased 20% from \$3.5 million reported in the fourth quarter of 2000, due to decreased customer borrowings and rates charged on those borrowings.

Total operating expenses in the 2001 first quarter were \$42.2 million, down 1% from \$42.8 million in the same period in 2000, and remaining relatively unchanged from the fourth quarter of 2000. Employee compensation and benefits decreased 5% to \$30.4 million from \$32.1 million in the prior year first quarter and increased 3% over the fourth quarter of 2000. Operating expenses, excluding compensation, increased 11% to \$11.8 million in the first quarter of 2001 from \$10.6 million in the prior year first quarter due to the company's continued expansion activities in the Private Client and Capital Markets segments and, reflecting a focus on costs, decreased 7% from the fourth quarter 2000.

First Quarter Business Segment Results:

- Private Client revenues for the first quarter of 2001 were \$38.3 million, a 13% decrease from the first quarter of 2000, but only 4% below the fourth quarter of 2000 at \$39.8 million, despite very difficult market conditions in February and March 2001. Despite the poor market conditions the company continued its expansion of its Private Client segment by recruiting 52 investment executives and independent contractors bringing the total to 565 and opening 2 offices for a total of 70.
- Equity Capital Markets was profitable with revenues of \$5.3 million, an increase of 33%, over the same quarter last year and up 8% from the fourth quarter of 2000. The company lead managed three equity offerings during the first quarter 2001 and completed four private placements.
- Fixed Income Capital Markets was profitable posting revenues of \$5.0 million, an increase of 127%, over the prior year first quarter and unchanged from the fourth quarter of 2000. Bond market activity improved coincidental to the addition of a new public finance office opened in Brookfield, Wisconsin, in mid-year 2000, along with the merger of Hanifen, Imhoff in January 2000.

In addition, the Board of Directors has declared the regular quarterly cash dividend of \$0.03 per share of its common stock. The dividend will be payable May 24, 2001, to common shareholders of record May 10, 2001.

Stifel Financial Corp. is a financial services holding company whose subsidiaries are engaged in general securities brokerage, investment banking, and money management with 75 locations in 16 states, primarily in the Midwest. To learn more about Stifel, please visit the Company's web site at www.stifel.com.

Statements in this news release contain forward-looking statements within the meaning of federal securities laws. Actual results are subject to risks and uncertainties, including both those specific to the Company and those specific to the industry, which could cause results to differ materially from those contemplated. The risks and uncertainties include, but are not limited to, general economic conditions, actions of competitors, regulatory actions, changes in legislation, and technology changes. Undue reliance should not be placed on the forward-looking statements, which speak only as of the date of this news release. The Company does not undertake any obligation to publicly update any forward-looking statements.

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Summary Of Results Of Operations (Unaudited)

(In Thousands, Except Per Share Amounts)

	Three Months Ended			Percent Change From	
	<u>3/31/2001</u>	<u>12/31/2000</u>	<u>3/31/2000</u>	#####	<u>3/31/2000</u>
<u>Revenues</u>					
Commissions	\$ 20,475	\$ 19,894	\$ 25,560	3%	-20%
Principal transactions	6,987	5,523	9,176	27%	-24%
Investment banking	8,216	9,291	2,254	-12%	265%
Other	6,361	5,799	7,521	10%	-15%
Total operating revenues	42,039	40,507	44,511	4%	-6%
Interest revenue	6,448	8,801	7,706	-27%	-16%
Total revenues	48,487	49,308	52,217	-2%	-7%
Interest expense	3,639	5,281	4,380	-31%	-17%
Net revenues	44,848	44,027	47,837	2%	-6%
<u>Expenses</u>					
Employee compensation and benefits	30,380	29,408	32,118	3%	-5%
Communication and office supplies	2,929	2,895	2,496	1%	17%
Occupancy and equipment rental	4,147	4,317	3,464	-4%	20%
Commissions and floor brokerage	954	786	995	21%	-4%
Other operating expenses	3,804	4,729	3,679	-20%	3%
Total operating expenses	42,214	42,135	42,752	0%	-1%
Income before income taxes	2,634	1,892	5,085	39%	-48%
Provision for income taxes	1,060	744	1,805	42%	-41%
Net income	\$ 1,574	\$ 1,148	\$ 3,280	37%	-52%

Per Share Information

	Three Months Ended			Percent Change From	
	<u>3/31/2001</u>	<u>12/31/2000</u>	<u>3/31/2000</u>	#####	<u>3/31/2000</u>
<i>Net Earnings Per Share:</i>					
Basic	\$ 0.22	\$ 0.16	\$ 0.47	38%	-53%
Diluted	\$ 0.20	\$ 0.15	\$ 0.44	33%	-55%
<i>Number of Shares for Earnings Per Share Computations:</i>					
Basic shares	7,155	7,030	6,938	2%	3%
Diluted shares	7,982	7,790	7,514	2%	6%