STIFEL NICOLAUS

4th Quarter and Full Fiscal Year Ended 12/31/05 Earnings Conference Call

February 17, 2006

Forward Statements

his presentation contains certain statements that may be deemed to be forward-looking statements" within the meaning of Section 27A of the ecurities Act of 1933 and Section 21E of the Securities Exchange Act of 934. All statements in this presentation not dealing with historical results re forward-looking and are based on various assumptions. Stifel disclaims ny intent or obligation to update these forward-looking statements. For a iscussion of risks and uncertainties, please see the factors affecting the ompany and the financial services industry in the Company's Annual eport on Form 10K and management's discussion and analysis of results in he Company's quarterly reports on Form 10Q.

Fourth Quarter Update 2005

Fourth Quarter "Noise"

- Incurred approximately $3.1 million in integration expenses related to merger
- Merger announcement caused disruption for Stifel's legacy ECM business
- One month of combined firm's business

Fourth Quarter Highlights

	2005	2004	% Change
Net Revenue	$75,796	$64,267	17.94%
Net Income	**$4,769**	**$6,982**	**(31.7%)**
Diluted EPS	$0.38	$0.56	(32.1%)
Proforma (excluding integration items)			
Net Income	**$6,612**	**$6,982**	(5.3%)
Diluted EPS	$0.52	$0.56	(7.1%)

Note: For a reconciliation of GAAP to ProForma items see the Company's Press Release

2005 Fiscal Year Review

Full Year Highlights

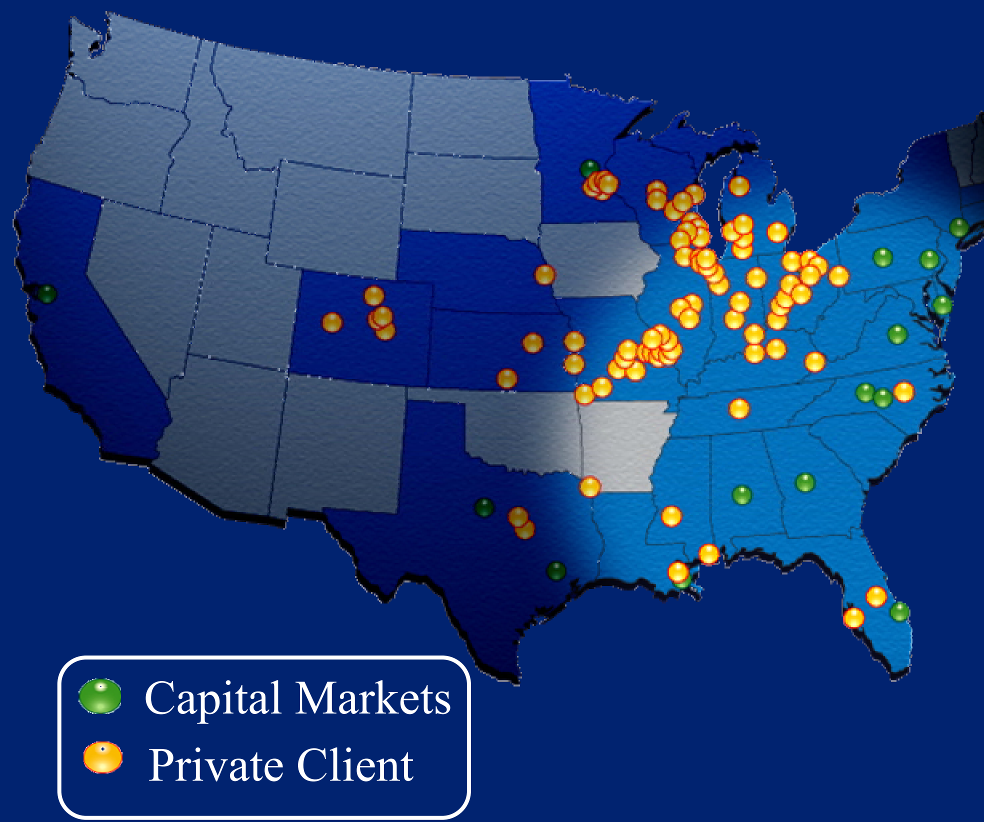
	2005	2004	% Change
Net Revenue	$263,735	$246,823	6.85%
Net Income	**$19,643**	**$23,147**	**(15.1%)**
Diluted EPS	$1.56	$1.88	(17.0%)
Proforma (excluding integration items)			
Net Income	**$21,500**	**$22,147**	(2.9%)
Diluted EPS	$1.71	$1.80	(5.0%)

Note: For a reconciliation of GAAP to ProForma items see the Company's Press Release

Merger Update

The "New Stifel"

- One of the largest domestic Equity Research franchises off Wall Street
- Approximately 1,800 employees in 113 offices in US and Europe
- Highly Regarded Private Client Group Manages $27 billion in Client Assets
- Broad Institutional Equity and Fixed Income origination and distribution capabilities
- Extensive Investment Banking expertise
- Market-recognized fixed income expertise



Let's Recap the Merger

Consideration to Seller

1) Purchased Net Trading Inventory at Fair Value (Approximately $46 million of marketable securities)
2) Purchased Net Assets valued at $12.2 million
3) Assumed certain liabilities including leases, contracts, and other items related to the continuing operation of the business.
4) Did not assume any liabilities incurred prior to closing.
5) Paid $7 million premium at closing to Seller with potential to pay an additional $30 million over the next 3 years based upon the performance of the combined capital markets business

Stock based Incentives to LM Associates

On January 23, 2006 the Company completed its private placement of 1,052,220 shares of its common stock at $25.00 per share. The shares were purchased by key associates of the Legg Mason Capital Markets. The Company is required to charge to compensation the difference between the $25.00 per share and the fair value of $34.27 per share. As a result, the Company will incur a non-cash compensation charge of approximately $9.8 million pre–tax in the quarter ended March 31, 2006

Private Placement
1,052,220 Shares
Offered at $25

On January 2, 2006 the Company granted 1,807,610 restricted stock units to key associates of the Legg Mason Capital Markets, The units were granted with a measurement price of $37.59 per unit. The units vest ratably over a three year period and accordingly the Company will incur an annual non-cash compensation charge of approximately $23.0 million pre-tax.

Stock Units
1,807,610 Shares
Three year vesting

Private Placement Balance Sheet Impact

	Shares	Equity	Book Value
ecember 31, 2005	10,129	155,093	$15.3
hares Issued	1,052	36,052	
hares Repurchased, Net of Tax benefit	(109)	(2,470)	
fter Tax Charge to Earnings		(5,851)	
roforma, After Private Placement	11,072	182,824	$16.5

Stock Based Incentives
Income Statement Impact

Private Placement	**Total**	
1,052 Shares via PPM at $25	$26,300	
Fair Value pursuant to 123R	$36,052	
Premium treated as Compensation	$9,752	One Time Expense

Stock Units	**Total (1)**	**Annual Non Cash Charge (1)**
Approximately 1.807 million Stock Units to LM Professionals	$67,925	$22,642
		Three Year Annual Amortizat

2006 Quarterly
Income Statement Impact

	Q1 2006	Q2 2006	Q3 2006	Q4 200
Stock Unit Pre Tax Expense	$5,661	$5,661	$5,661	$5,661
Private Placement FAS 123R Expense .	9,752	$0	$0	$0
Pre Tax Stock Based Compensation ...	$15,413	$5,661	$5,661	$5,661
EPS Effect using 13.9 Million Shares (a) .	($0.67)	($0.25)	($0.25)	($0.25

Stock Based Compensation will represent the difference between GAAP and Core Earnings, which management believes represents the true earnings power of the Company

(a) Assumes 39.8% Tax Rate

Annual Income Statement Impact

	FY 2006	FY 2007	FY 2008	FY 2009	Total
tock Unit Pre Tax Expense	$22,642	$22,642	$22,642	$0	$67,926
rivate Placement FAS 123R Expense .	9,752	$0	$0	$0	$9,752
re Tax Stock Based Compensation ...	$32,394	$22,642	$22,642	$0	$77,678
PS Effect of Non Cash Expenses ssuming 13.9 Million Shares (a)	($1.40)	($0.98)	($0.98)	$0.00	
nit Conversion to Shares (net) (b)	392	392	392	-	1,175

Stock Based Compensation will represent the difference between GAAP and Core Earnings, which management believes represents the true earnings power of the Company

Assumes 39.8% Tax Rate

As Units become vested, Company will withhold shares for tax purposes and payout net shares

Equity Performance

Stifel Stock Performance

5 year			3 year			1 year		
king	Company	Return	Ranking	Company	Return	Ranking	Company	Retu
1	**Stifel Financial Corp.**	**340.62%**	1	**Stifel Financial Corp.**	**349.91%**	1	**Stifel Financial Corp.**	**79.4**
2	Sanders Morris Harris	285.65%	2	Legg Mason Inc.	269.87%	2	Legg Mason Inc.	63.
3	Legg Mason Inc.	229.42%	3	Lehman Brothers	140.51%	3	Lehman Brothers	46.
4	Jefferies Group Inc.	187.87%	4	Jefferies Group Inc.	114.34%	4	Goldman Sachs Group	22.
5	Bear Stearns Cos.	127.93%	5	Bear Stearns Cos.	94.49%	5	Raymond James	21.
6	Lehman Brothers	89.53%	6	Raymond James	91.02%	6	Merrill Lynch & Co. Inc.	13.
7	Raymond James	62.02%	7	Goldman Sachs Group	87.53%	7	Bear Stearns Cos.	12.
8	Friedman, Billings, Ramsey	50.86%	8	Sanders Morris Harris	87.53%	8	Jefferies Group Inc.	11.
9	Goldman Sachs Group	19.42%	9	Merrill Lynch & Co. Inc.	78.47%	9	A.G. Edwards Inc.	8.
10	First Albany Cos. Inc.	13.74%	10	SWS Group Inc.	54.42%	10	Morgan Stanley	2.
11	SWS Group Inc.	8.54%	11	A.G. Edwards Inc.	42.17%	11	SWS Group Inc.	(4.
12	Merrill Lynch & Co. Inc.	(0.67%)	12	Morgan Stanley	42.13%	12	Sanders Morris Harris	(7.
13	A.G. Edwards Inc.	(1.22%)	13	First Albany Cos. Inc.	8.92%	13	Piper Jaffray Cos.	(15.
14	Oppenheimer Holdings	(17.05%)	14	Friedman, Billings, Ramsey	5.77%	14	Oppenheimer Holdings	(21.
15	Morgan Stanley	(28.40%)	15	Oppenheimer Holdings	(20.83%)	15	First Albany Cos. Inc.	(28.

rce: FactSet

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Questions & Answers