

STIFEL NICOLAUS

**4th Quarter 2006 Fiscal Year
Earnings Conference Call**

February 14, 2007

Forward Statements

This presentation may contain “forward-looking statements” that involve risks and uncertainties, including statements relating to the market opportunity and future business prospects of Stifel Financial Corp. and Stifel Nicolaus (“SF” or the “Company”).

Actual results may differ materially and reported results should not be considered as an indication of future performance. Factors that could cause actual results to differ are included in the Company’s Annual and Quarterly Reports and from time to time in other reports filed by the Company with the Securities and Exchange Commission.

To supplement our financial statements presented in accordance with GAAP, the management uses certain non-GAAP measures of financial performance and liquidity. These non-GAAP measures are in addition to results prepared by the Company in accordance with GAAP, and should only be considered together with the Company’s GAAP results.

Certain statements in the following presentation relate to future results that are forward- looking statements as defined in the Private Securities Litigation Reform Act of 1995.

4th Quarter Update 2006

4th Quarter Highlights

- Our PCG, ECM, and FICM achieved record revenue and profits for the twelve-months ended December 31, 2006.
- Record fourth quarter revenue of \$135.2 million, a 73% increase over the prior year fourth quarter.
- Record twelve month revenue of \$471.4 million, a 75% increase over the prior year.
- Investment banking revenue increased 114% to \$31.7 million over the prior year fourth quarter, and increased 48% for the twelve months as compared to 2005.
- Asset management and service fees increased 24% to \$15.4 million over the prior year fourth quarter, and increased 33% for the twelve months as compared to 2005.
- We closed on the acquisition of the private client business of Miller Johnson Steichen and Kinnard on December 5, 2006 which added 50 investment executives to our PCG, which brings our number of PCG investment executives we employ including independent contractors to 735.
- For the twelve months ended December 31, 2006, utilizing Core earnings, pretax margin was 15% and return on average equity totaled 20%.

4th Quarter GAAP to Core Earnings

	GAAP	Acquisition Related	Core Business	
	\$	\$	\$	% Net Rev
<u>Revenues</u>				
Net Revenues	\$129,793	(\$1)	\$129,794	100%
<u>Non-Interest Expenses</u>				
Compensation and benefits	\$91,158	\$7,439	\$83,719	64%
Operating Expenses	\$26,263	\$408	\$25,855	20%
Total non-interest expenses	\$117,421	\$7,847	\$109,574	84%
Income/(loss) before income taxes	\$12,372	(\$7,848)	\$20,220	16%
Provision (benefit) for income taxes	\$5,139	(\$3,214)	\$8,353	7%
Net Income/(Loss)	\$7,233	(\$4,634)	\$11,867	9%
Earnings per Share:				
Basic	\$0.63	(\$0.40)	\$1.03	
Diluted	\$0.51	(\$0.33)	\$0.84	

YTD GAAP to Core Earnings

	GAAP	Acquisition Related	Core Business	
	\$	\$	\$	% Net Rev
<u>Revenues</u>				
Net Revenues	\$451,807	(\$154)	\$451,961	100%
<u>Non-Interest Expenses</u>				
Compensation and benefits	\$329,703	\$39,760	\$289,943	64%
Operating Expenses	\$95,735	\$1,475	\$94,260	21%
Total non-interest expenses	\$425,438	\$41,235	\$384,203	85%
Income/(loss) before income taxes	\$26,369	(\$41,389)	\$67,758	15%
Provision (benefit) for income taxes	\$10,938	(\$17,230)	\$28,168	6%
Net Income/(Loss)	\$15,431	(\$24,159)	\$39,590	9%
Earnings per Share:				
Basic	\$1.34	(\$2.10)	\$3.44	
Diluted	\$1.11	(\$1.74)	\$2.85	

Acquisition Related Expenses

	Actual Q1 2006	Actual Q2 2006	Actual Q3 2006	Actual Q4 2006	Full Year 2006
<u>Revenues</u>					
Net Revenues	\$ -	\$ (152)	\$ (1)	\$ (1)	\$ (154)
<u>Expenses</u>					
Compensation charges	7,648	7,818	7,054	7,439	29,959
Private Placement FAS 123R Expense	9,800	-	-	-	9,800
Other Non Compensation	346	508	212	409	1,475
Total non-interest expenses	17,794	8,326	7,266	7,848	41,234
Pre Tax Acquisition Charges	\$ (17,794)	\$ (8,478)	\$ (7,267)	\$ (7,849)	\$ (41,389)
Diluted EPS Impact	(\$0.77)	(\$0.34)	(\$0.34)	(\$0.33)	(\$1.74)

**Acquisition related charges represent
the difference between GAAP and Core Earnings.**

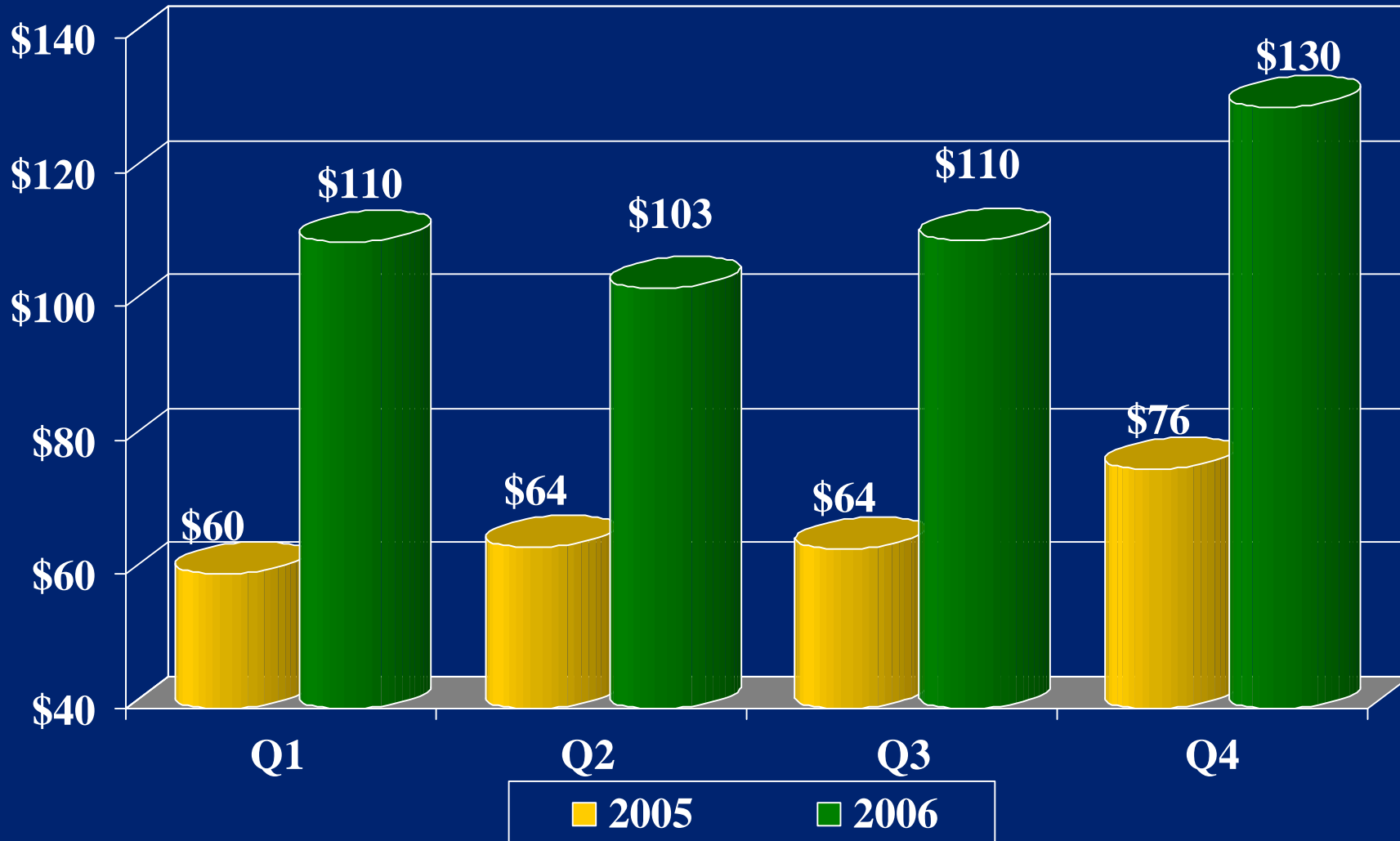
Annual Income Statement Impact

	FY 2006	FY 2007	FY 2008	FY 2009	Total
Compensation Charges	\$29,959	\$25,000	\$25,000	\$0	\$79,959
Private Placement FAS 123R Expense .	9,800	\$0	\$0	\$0	\$9,800
Other Non Compensation	1,630	\$0	\$0	\$0	\$1,630
Pre Tax Acquisition Charges	<u>\$41,389</u>	<u>\$25,000</u>	<u>\$25,000</u>	<u>\$0</u>	\$91,389
Diluted EPS Impact	(\$1.74)	(\$0.99)	(\$0.99)	\$0.00	

Acquisition related charges represent
the difference between GAAP and Core Earnings.

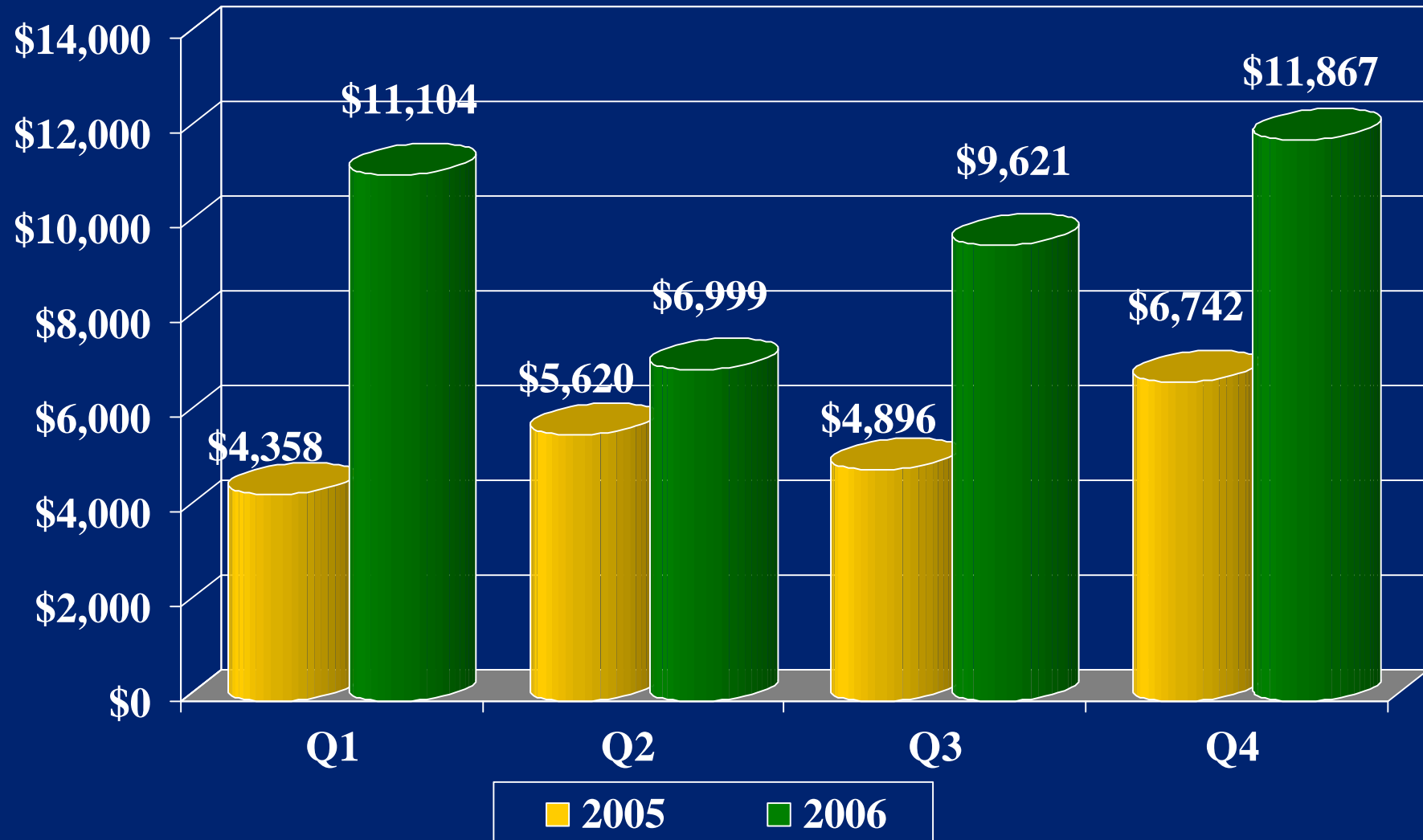
Stifel Financial Core Net Revenues by Quarter

(\$ Millions)



Stifel Financial Core Net Income by Quarter

(\$ Thousands)



Stifel Financial Core Diluted EPS by Quarter



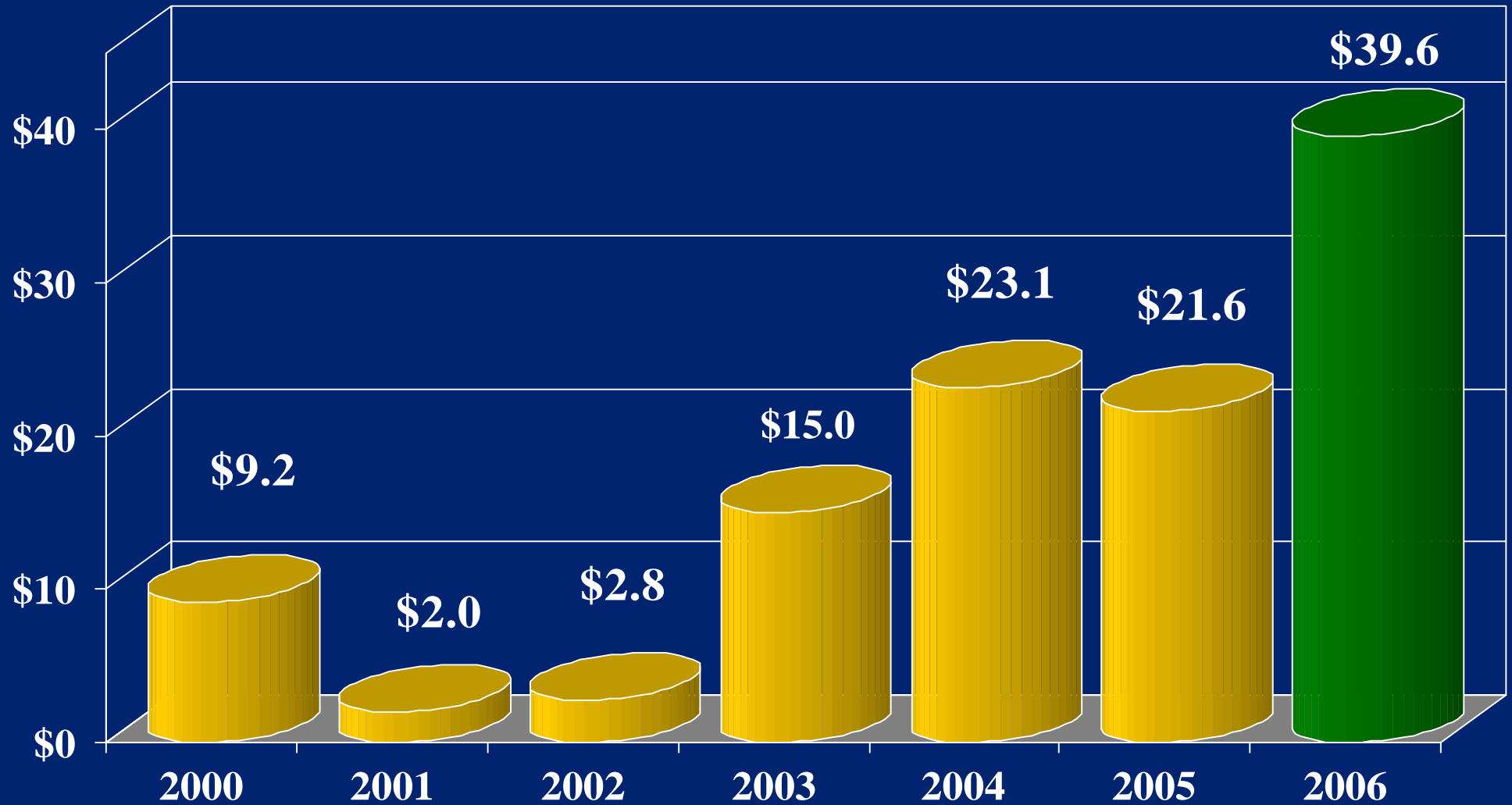
Stifel Financial Annual Net Revenues

(\$ in Millions)



Stifel Financial Core Net Income

(\$ in Thousands)



Stifel Financial Diluted Core Earnings Per Share



Investment Banking

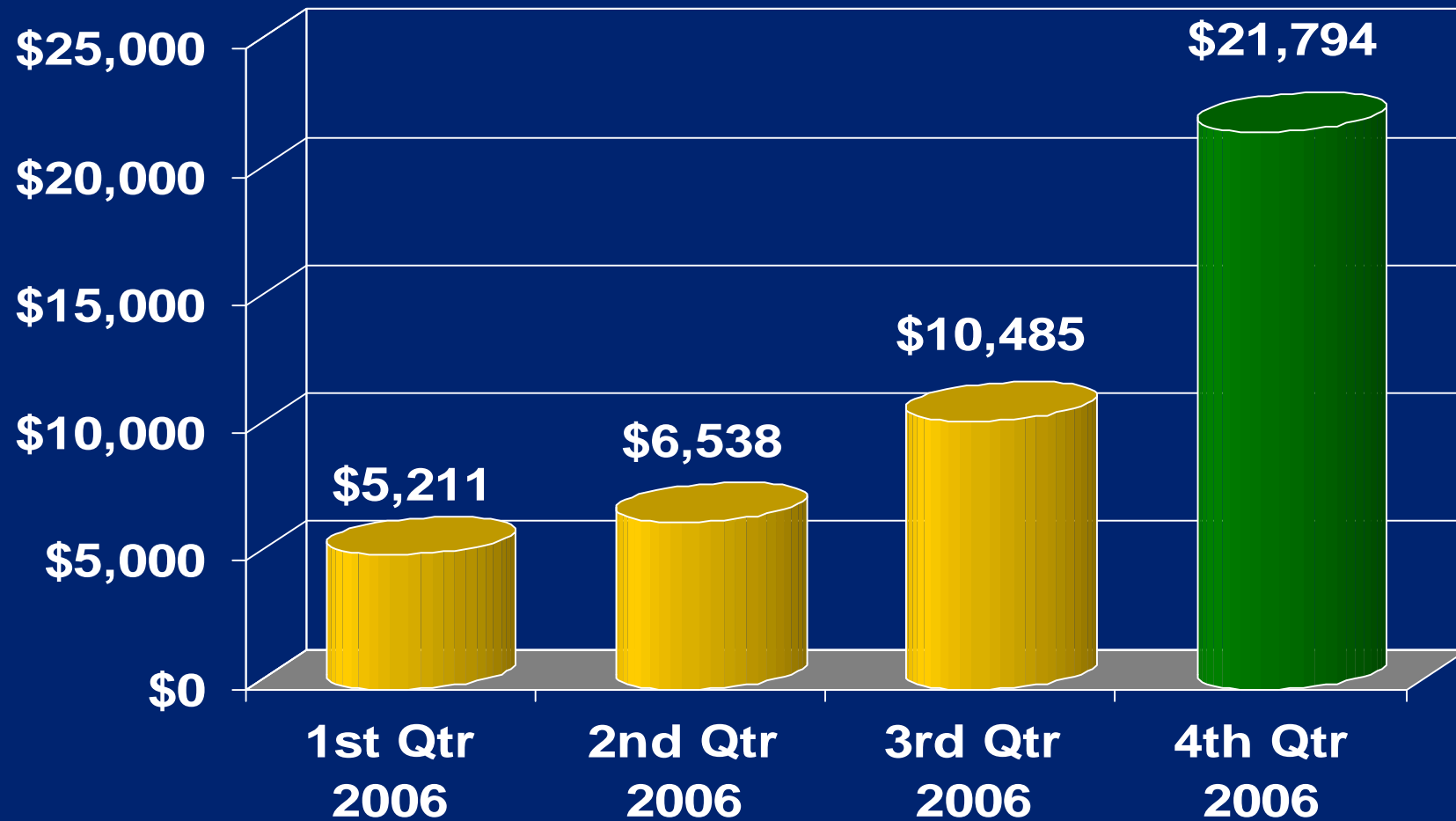
Quarterly

	<u>12/31/06</u>	<u>%</u>	<u>12/31/05</u>	<u>%</u>	% Change
Capital Raising	21,794	69%	6,752	46%	223%
Advisory Fees	9,885	31%	8,031	54%	23%
Total Investment Banking	<u>31,679</u>	100%	<u>14,783</u>	100%	114%

YTD

	<u>12/31/06</u>	<u>%</u>	<u>12/31/05</u>	<u>%</u>	% Change
Capital Raising	44,028	53%	42,303	76%	4%
Advisory Fees	38,827	47%	13,594	24%	186%
Total Investment Banking	<u>82,855</u>	100%	<u>55,897</u>	100%	48%

Investment Banking Capital Raising



4th Quarter Core Segment Comparison

	Three Months Ended			Percent Change From	
	12/31/2006	9/30/2006	12/31/2005	9/30/2006	12/31/2005
<u>Net Revenues</u>					
Private client	\$ 63,990	\$ 56,461	\$ 50,693	13%	26%
Equity capital markets	44,152	36,692	17,351	20%	154%
Fixed income capital markets	17,636	13,829	6,272	28%	181%
Other	4,016	2,835	1,402	42%	186%
Total net revenues	\$ 129,794	\$ 109,817	\$ 75,718	18%	71%
<u>Operating Contribution</u>					
Private client	\$ 14,118	\$ 12,750	\$ 12,056	11%	17%
Equity capital markets	7,628	8,123	5,765	-6%	32%
Fixed income capital markets	4,745	3,127	1,052	52%	351%
Other / unallocated overhead	(6,271)	(7,492)	(7,559)	-16%	-17%
Income before income taxes	\$ 20,219	\$ 16,508	\$ 11,315	22%	79%

YTD Segment Core Comparison

	12 Months Ended		Increase/Decrease	
	12/31/2006	12/31/2005	\$	%
<u>Net Revenues</u>				
Private client	\$ 231,364	\$ 197,606	\$ 33,757	17%
Equity capital markets	150,038	43,811	106,227	242%
Fixed income capital markets	53,570	17,510	36,060	206%
Other	16,842	4,808	12,034	250%
Total net revenues	\$ 451,813	\$ 263,735	\$ 188,078	71%
<u>Operating Contribution</u>				
Private client	\$ 50,218	\$ 45,473	\$ 4,745	10%
Equity capital markets	31,959	15,636	16,323	104%
Fixed income capital markets	10,620	3,034	7,586	250%
Other / unallocated overhead	(25,039)	(28,111)	3,072	-11%
Income before income taxes	\$ 67,758	\$ 36,032	\$ 31,726	88%

Private Client Group Quarterly Income Statements

	Quarters Ended						Increase/Decrease	
	12/31/06		09/30/06		12/31/05		09/30/06	12/31/05
		% of Net Rev		% of Net Rev		% of Net Rev		
Revenues								
Total Revenues	67,434	105%	59,277	105%	53,222	105%	14%	27%
Interest Expense	3,444	5%	2,816	5%	2,529	5%	22%	36%
Net Revenues	63,990	100%	56,461	100%	50,693	100%	13%	26%
Non-Interest Expenses								
Compensation and Benefits	39,993	62%	34,704	61%	30,288	60%	15%	32%
Operating Expense	9,879	6%	9,007	6%	8,349	6%	10%	18%
Total non-interest expenses	49,872	78%	43,711	77%	38,637	76%	14%	29%
Income before income taxes	14,118	22%	12,750	23%	12,056	24%	11%	17%

Private Client Group YTD Income Statements

	12 Month(s) Ended				Increase / (Decrease)	
	% of		% of		Amount	Percent
	12/31/06	Net Rev	12/31/05	Net Rev		
Revenues						
Total Revenues	244,007	105%	205,409	104%	38,598	19%
Interest Expense	12,643	5%	7,803	4%	4,840	62%
Net Revenues	231,364	100%	197,606	100%	33,758	17%
Non-Interest Expenses						
Compensation and Benefits	144,390	62%	120,070	61%	24,320	20%
Non-Comp Operating Expenses	36,756	16%	32,063	16%	4,693	15%
Total non-interest expenses	181,146	78%	152,133	77%	29,013	19%
Income before income taxes	50,218	22%	45,473	23%	4,745	10%

Equity Capital Markets Quarterly Income Statements

	Quarters Ended						Increase/Decrease	
	% of		% of		% of		09/30/06	12/31/05
	12/31/06	Net Rev	09/30/06	Net Rev	12/31/05	Net Rev		
Revenues								
Total Revenues	44,220	100%	36,727	100%	17,403	100%	20%	154%
Interest Expense	68	0%	35	0%	52	0%	94%	31%
Net Revenues	44,152	100%	36,692	100%	17,351	100%	20%	154%
Non-Interest Expenses								
Compensation and Benefits	27,750	63%	20,898	57%	8,627	50%	33%	222%
Non-Comp Operating Expenses	8,774	20%	7,671	21%	2,959	17%	14%	197%
Total non-interest expenses	36,524	83%	28,569	78%	11,586	67%	28%	215%
Income before income taxes	7,628	17%	8,123	22%	5,765	33%	-6%	32%

Equity Capital Markets YTD Income Statements

	12 Month(s) Ended				Increase / (Decrease)	
	% of		% of		Amount	Percent
	12/31/06	Net Rev	12/31/05	Net Rev		
<u>Revenues</u>						
Total Revenues	150,242	100%	44,042	101%	106,200	241%
Interest Expense	204	0%	231	1%	(27)	-12%
Net Revenues	150,038	100%	43,811	100%	106,227	242%
<u>Non-Interest Expenses</u>						
Compensation and Benefits	87,840	56%	21,970	50%	65,870	300%
Non-Comp Operating Expenses	30,239	21%	6,205	16%	24,034	387%
Total non-interest expenses	118,079	78%	28,175	66%	89,904	319%
Income before income taxes	31,959	22%	15,636	34%	16,323	104%

Fixed Income Capital Markets Quarterly Income Statements

	Quarters Ended						Increase/Decrease	
	12/31/06		09/30/06		12/31/05		09/30/06	12/31/05
		% of Net Rev		% of Net Rev		% of Net Rev		
Revenues								
Total Revenues	24,194	137%	19,980	144%	6,910	110%	21%	250%
Interest Expense	6,558	37%	6,151	44%	638	10%	7%	928%
Net Revenues	17,636	100%	13,829	100%	6,272	100%	28%	181%
Non-Interest Expenses								
Compensation and Benefits	10,638	60%	8,320	60%	4,007	64%	28%	165%
Non-Comp Operating Expenses	2,253	13%	2,382	17%	1,213	19%	-5%	86%
Total non-interest expenses	12,891	73%	10,702	77%	5,220	83%	20%	147%
Income before income taxes	4,745	27%	3,127	23%	1,052	17%	52%	351%

Fixed Income Capital Markets YTD Income Statements

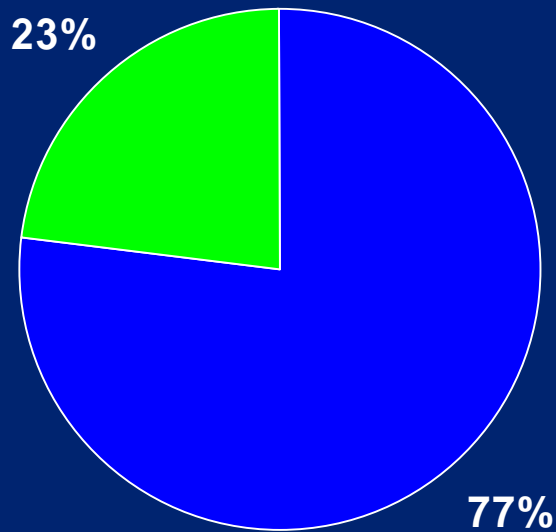
	12 Month(s) Ended				Increase / (Decrease)	
	% of		% of		Amount	Percent
	12/31/06	Net Rev	12/31/05	Net Rev		
<u>Revenues</u>						
Total Revenues	73,381	137%	18,353	105%	55,028	300%
Interest Expense	19,811	37%	843	5%	18,968	2250%
Net Revenues	53,570	100%	17,510	100%	36,060	206%
<u>Non-Interest Expenses</u>						
Compensation and Benefits	33,163	62%	10,695	61%	22,468	210%
Non-Comp Operating Expenses	9,787	18%	3,781	22%	6,006	159%
Total non-interest expenses	42,950	80%	14,476	83%	28,474	197%
Income before income taxes	10,620	20%	3,034	17%	7,586	250%

Other Financial Data

Other Data	Quarterly Data			% Change	
	12/31/2006	9/30/2006	12/31/2005	VS	VS
				Q3 2006	Q4 2005
Total Assets	1,080,723	1,134,194	842,001	-5%	28%
Stockholders Equity	220,264	210,694	155,093	5%	42%
Book value Per Share	\$18.53	\$18.39	\$15.31	1%	21%
Investment Executives	556	500	467	11%	19%
Full Time Employees	1,801	1,694	1,620	6%	11%
Locations	135	124	94	9%	44%
Total Client Assets (000's)	\$35,446,000	\$29,580,000	\$26,735,000	20%	33%

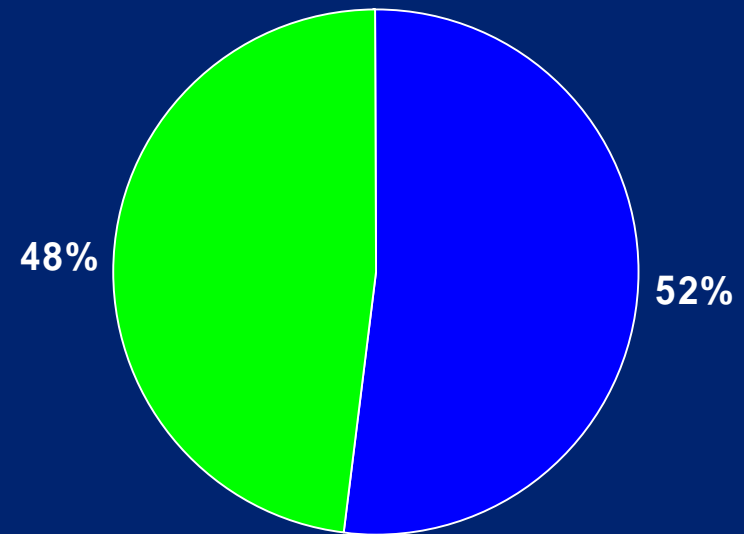
Business Mix

2005 YTD Mix



■ PCG ■ Capital Markets

2006 YTD Mix



■ PCG ■ Capital Markets

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Questions & Answers