

**STIFEL**

**FINANCIAL**

A large, light blue graphic of the Stifel Financial logo, which consists of a stylized 'S' shape formed by horizontal lines of varying lengths, creating a sense of motion and depth.

**2nd Quarter 2007 Fiscal Year  
Earnings Conference Call**

*August 10, 2007*

# Forward Statements

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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.



# 2nd Quarter Highlights

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- Record quarterly revenue of \$220.6 million, a 106% increase over the prior year second quarter.
- Our Private Client Group ("PCG"), and Equity Capital Markets ("ECM"), achieved record revenue and profits for the three-and six months ended June 30, 2007.
- Commission and principal transactions increased \$45.1 million, 66% over the previous year second quarter and increased 46% for the six months as compared to 2006.
- Investment banking revenue increased to \$63.9 million, 306% over the prior year second quarter and increased 240% for the six months as compared to 2006.
- Asset management and service fees increased to \$25.5 million, 79% over the prior year second quarter and increased to \$44.9 million, 62% for the six months ended June 30, 2007.



# 2nd Quarter Highlights

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- For the three and six months ended June 30, 2007, utilizing Core earnings, pretax margin was 15% for both periods and annualized return on average equity totaled 21% and 19% respectively.
- We closed on our previously announced acquisition of First Service Financial Company and its bank subsidiary First Service Bank on April 2, 2007. First Service Bank converted its charter from a Missouri bank to a Missouri trust company and changed its name to Stifel Bank and Trust.
- We completed an additional private placement of \$35.0 million of 6.78% Cumulative Trust Preferred Securities on June 29, 2007. The net proceeds were used to call the Company's \$34.5 million 9% Cumulative Trust Preferred Securities on July 13, 2007.
- The Company has successfully converted 33 of 37 Ryan Beck branch offices to date and expect to complete the conversion of all Ryan Beck offices in the third quarter.



# Ryan Beck Update



# 2nd Quarter GAAP to Core Earnings

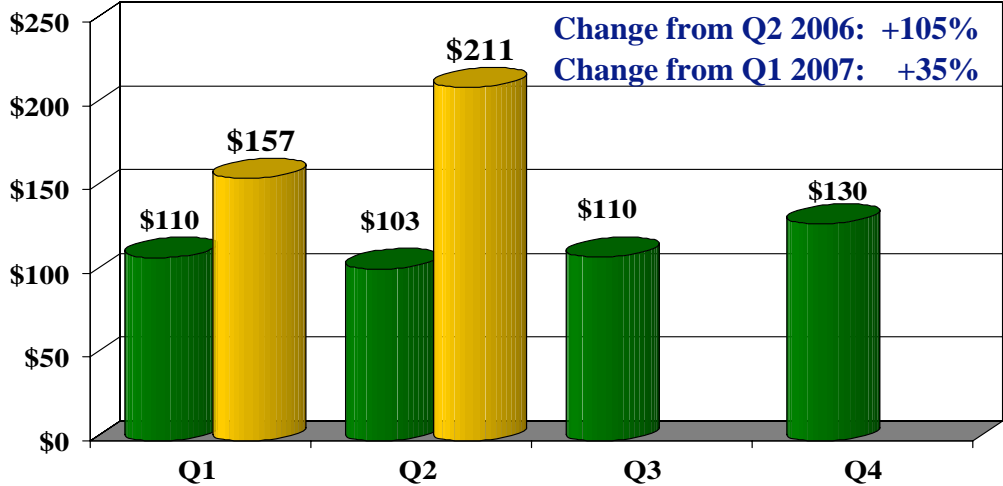
(\$ in thousands)	GAAP	Acquisition Related	Core Business	
	\$	\$	\$	% Net Rev
<b><u>Revenues</u></b>				
Net Revenues	\$ 210,935	\$ (313)	\$ 211,248	100%
<b><u>Non-Interest Expenses</u></b>				
Compensation and benefits	163,777	27,124	136,653	65%
Operating Expenses	44,494	2,264	42,230	20%
<b>Total non-interest expenses</b>	<b>208,271</b>	<b>29,388</b>	<b>178,883</b>	<b>85%</b>
<b>Income/(loss) before income taxes</b>	<b>2,664</b>	<b>(29,701)</b>	<b>32,365</b>	<b>15%</b>
Provision (benefit) for income taxes	1,216	(12,298)	13,514	6%
<b>Net Income/(Loss)</b>	<b>\$ 1,448</b>	<b>\$ (17,403)</b>	<b>\$ 18,851</b>	<b>9%</b>
<b>Earnings per Share:</b>				
<b>Basic</b>	<b>\$0.10</b>	<b>(\$1.17)</b>	<b>\$1.27</b>	
<b>Diluted</b>	<b>\$0.08</b>	<b>(\$1.01)</b>	<b>\$1.09</b>	
Pre-Tax Margin	1.26%		15.32%	



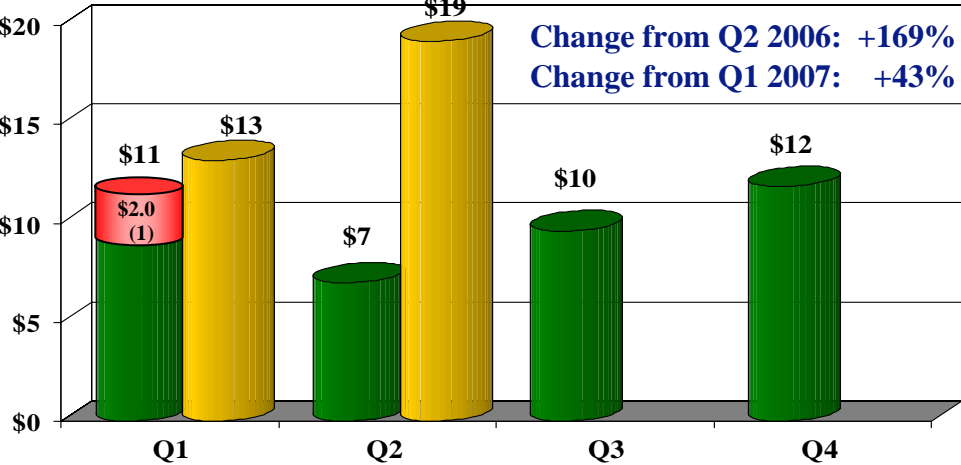
# Stifel Financial Quarterly Core Graphs



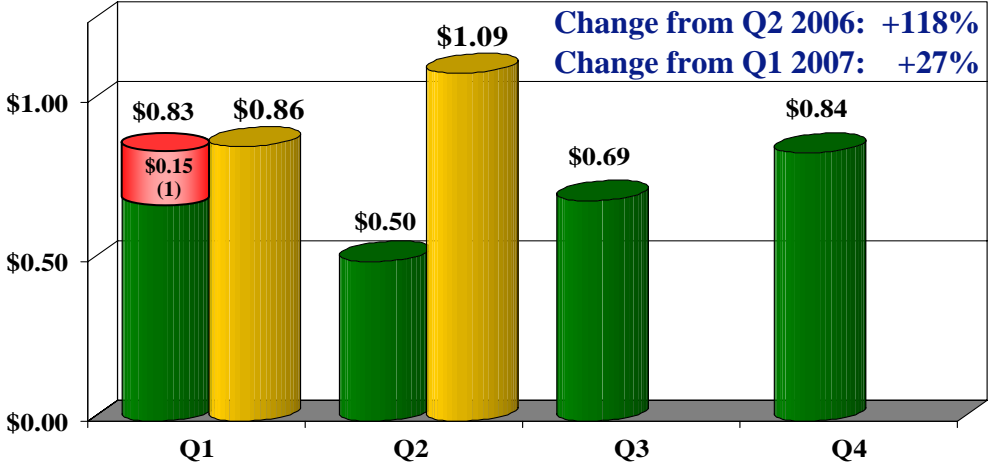
## Net Revenue (\$ millions)



## Net Income (\$ millions)



## Diluted EPS



(1) Included in 2006 Core earnings is \$2.0 million after tax or \$0.15 per diluted share for the gain on the Company's New York Stock Exchange membership seat.



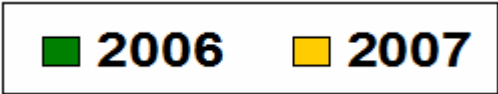
# YTD GAAP to Core Earnings

(\$ in thousands)	GAAP	Acquisition Related	Core Business	
	\$	\$	\$	% Net Rev
<b><u>Revenues</u></b>				
Net Revenues	\$367,896	(\$313)	\$368,209	100%
<b><u>Non-Interest Expenses</u></b>				
Compensation and benefits	\$274,611	\$33,286	\$241,325	65%
Operating Expenses	\$75,804	\$3,403	\$72,401	20%
<b>Total non-interest expenses</b>	<b>\$350,415</b>	<b>\$36,689</b>	<b>\$313,726</b>	<b>85%</b>
<b>Income/(loss) before income taxes</b>	<b>\$17,481</b>	<b>(\$37,002)</b>	<b>\$54,483</b>	<b>15%</b>
Provision (benefit) for income taxes	\$7,204	(\$15,248)	\$22,452	6%
<b>Net Income/(Loss)</b>	<b>\$10,277</b>	<b>(\$21,754)</b>	<b>\$32,031</b>	<b>9%</b>
<b>Earnings per Share:</b>				
<b>Basic</b>	<b>\$0.73</b>	<b>(\$1.56)</b>	<b>\$2.29</b>	
<b>Diluted</b>	<b>\$0.63</b>	<b>(\$1.33)</b>	<b>\$1.96</b>	
Pre-Tax Margin	4.75%		14.80%	





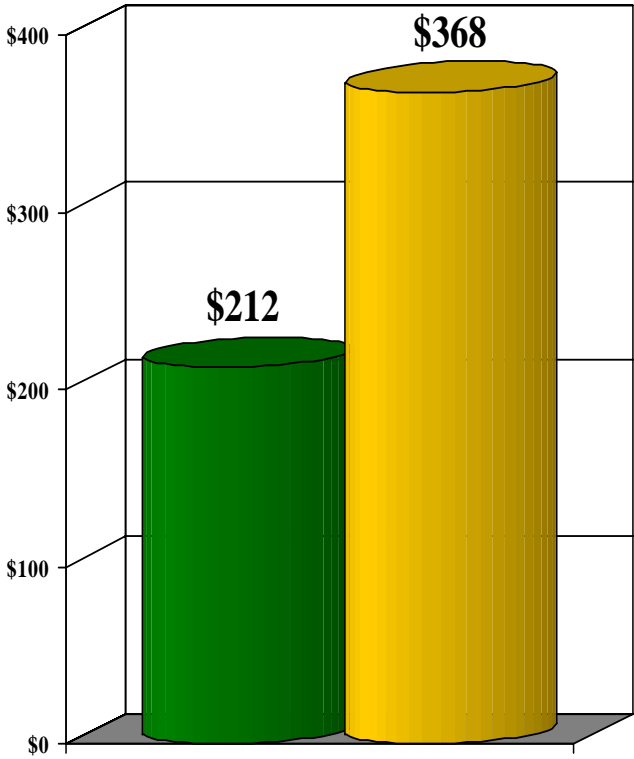
# Stifel Financial YTD Core Graphs



## Net Revenue

(\$ millions)

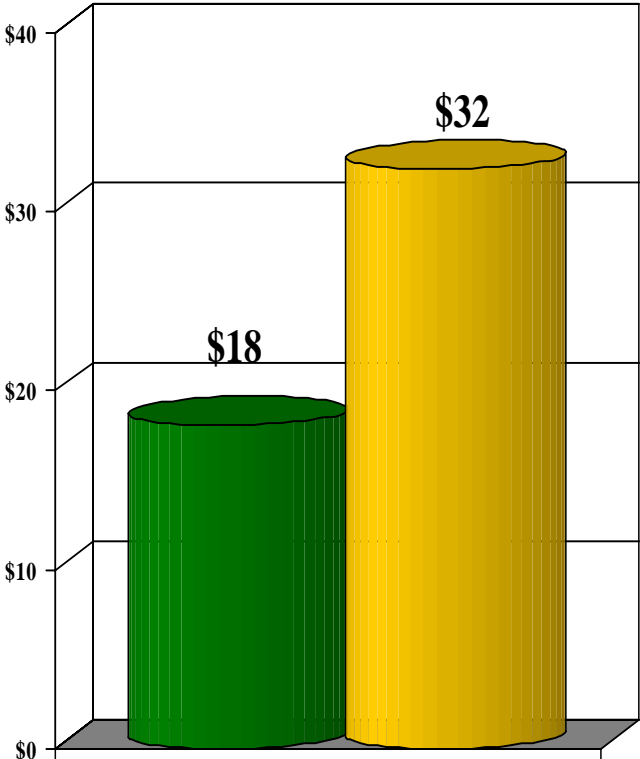
Change from 2006: +73%



## Net Income

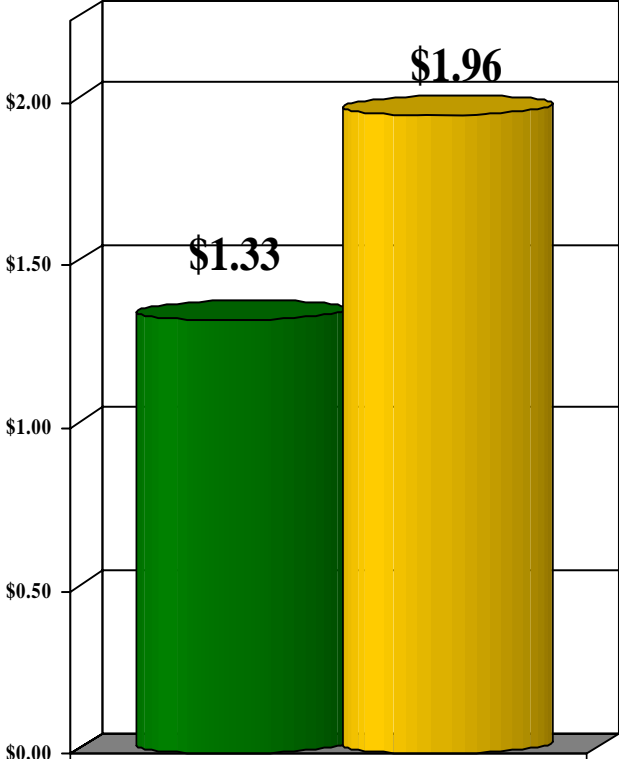
(\$ millions)

Change from 2006: +77%



## Diluted EPS

Change from 2006: +50%



# Second Quarter Segment Comparison

## Excludes Acquisitions

### Net Revenues

	<u>6/30/2007</u>	<u>3/31/2007</u>	<u>6/30/2006</u>	<u>3/31/2007</u>	<u>6/30/2006</u>
Private client	\$ 118,274	\$ 85,527	\$ 54,942	38%	115%
Equity capital markets	78,410	52,530	35,311	49%	122%
Fixed income capital markets	10,496	14,615	10,636	-28%	-1%
Banking	1,090	0	0	na	na
Other	2,978	4,289	1,930	-31%	54%
<b>Total net revenues</b>	<b>\$ 211,248</b>	<b>\$ 156,961</b>	<b>\$ 102,819</b>	<b>35%</b>	<b>105%</b>

### Operating Contribution

Private client	\$ 26,377	\$ 18,091	\$ 11,690	46%	126%
Equity capital markets	20,528	13,418	7,932	53%	159%
Fixed income capital markets	(614)	1,887	1,028	-133%	-160%
Banking	274	0	0	na	na
Other / unallocated overhead	(14,199)	(11,279)	(8,198)	26%	73%
<b>Income before income taxes</b>	<b>\$ 32,365</b>	<b>\$ 22,117</b>	<b>\$ 12,451</b>	<b>46%</b>	<b>160%</b>



# Private Client Group Quarterly Income Statements

	Quarters Ended						Increase/Decrease	
		% of		% of		% of		
<i>(\$ in thousands)</i>	<u>06/30/07</u>	Net Rev	<u>03/31/07</u>	Net Rev	<u>06/30/06</u>	Net Rev	<u>03/31/07</u>	<u>06/30/06</u>
<b>Revenues</b>								
Total Revenues	\$ 122,481	104%	\$ 89,005	104%	\$ 58,340	106%	38%	110%
Interest Expense	4,207	4%	3,478	4%	3,398	6%	21%	24%
<b>Net Revenues</b>	<b>118,274</b>	100%	<b>85,527</b>	100%	<b>54,942</b>	100%	38%	115%
<b>Non-Interest Expenses</b>								
Compensation and Benefits	74,831	63%	54,956	64%	34,880	63%	36%	115%
Operating Expense	17,066	14%	12,480	15%	8,372	15%	37%	104%
<b>Total non-interest expenses</b>	<b>91,897</b>	78%	<b>67,436</b>	79%	<b>43,252</b>	79%	36%	112%
<b>Income before income taxes</b>	<b>\$ 26,377</b>	22%	<b>\$ 18,091</b>	21%	<b>\$ 11,690</b>	21%	46%	126%



# Equity Capital Markets Quarterly Income Statements

	Quarters Ended						Increase/Decrease	
		% of		% of		% of		
	<u>06/30/07</u>	Net Rev	<u>03/31/07</u>	Net Rev	<u>06/30/06</u>	Net Rev	<u>03/31/07</u>	<u>06/30/06</u>
<i>(\$ in thousands)</i>								
<b>Revenues</b>								
Total Revenues	\$ 78,626	100%	\$ 52,644	100%	\$ 35,386	100%	49%	122%
Interest Expense	216	0%	114	0%	75	0%	89%	187%
Net Revenues	<u>78,410</u>	100%	<u>52,530</u>	100%	<u>35,311</u>	100%	49%	122%
<b>Non-Interest Expenses</b>								
Compensation and Benefits	46,495	59%	30,889	59%	19,267	55%	51%	141%
Non-Comp Operating Expenses	11,387	15%	8,223	16%	8,112	23%	38%	40%
Total non-interest expenses	<u>57,882</u>	74%	<u>39,112</u>	74%	<u>27,379</u>	78%	48%	111%
Income before income taxes	<u>\$ 20,528</u>	26%	<u>\$ 13,418</u>	26%	<u>\$ 7,932</u>	22%	53%	159%



# Investment Banking

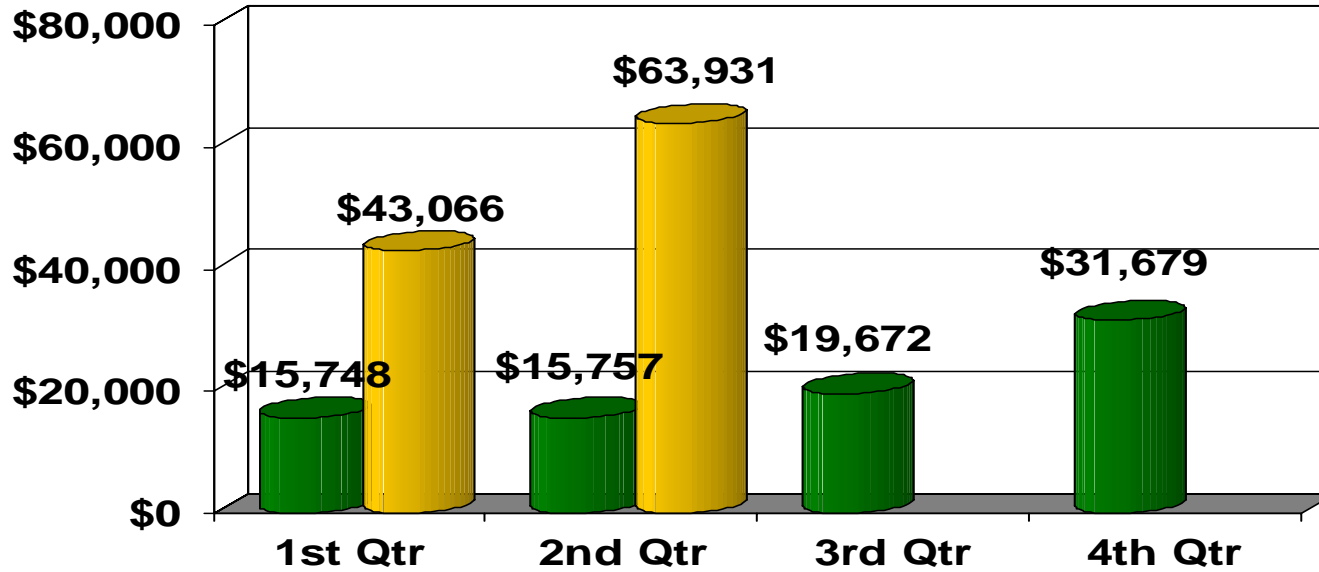
(\$ in thousands)	Quarters Ended						Increase/Decrease	
	06/30/07	% of Net Rev	03/31/07	% of Net Rev	06/30/06	% of Net Rev	03/31/07	06/30/06
	Capital Raising	\$ 34,089	53%	\$ 27,263	63%	\$ 6,538	41%	25%
Advisory Fees	29,842	47%	15,803	37%	9,218	59%	89%	224%
<b>Total Investment Banking</b>	<b>63,931</b>	100%	<b>43,066</b>	100%	<b>15,757</b>	100%	48%	306%

\*\* During the quarter, the Company completed a significant corporate investment banking transaction for \$24.3 million.

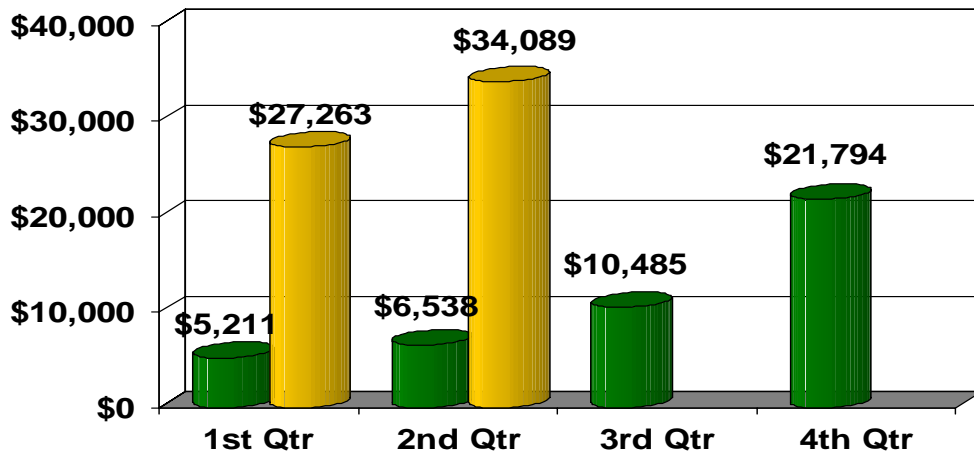


■ 2006 ■ 2007

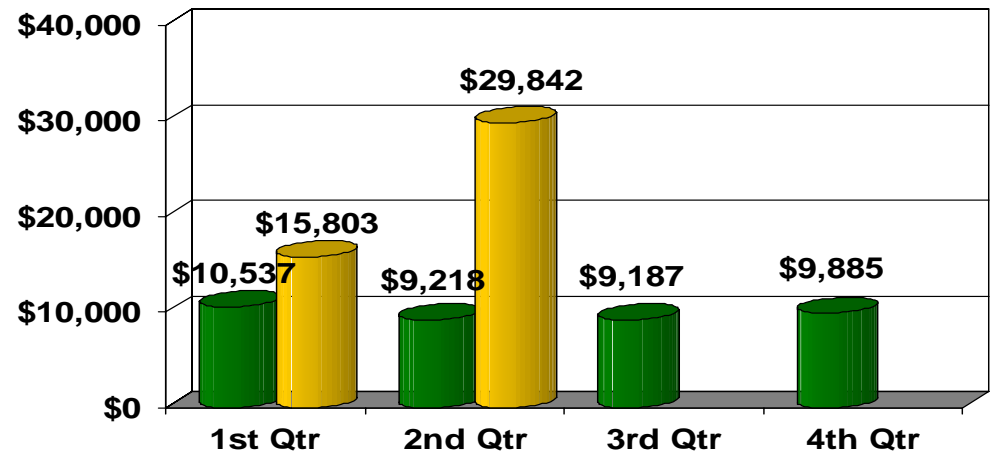
# Investment Banking



## Capital Raising

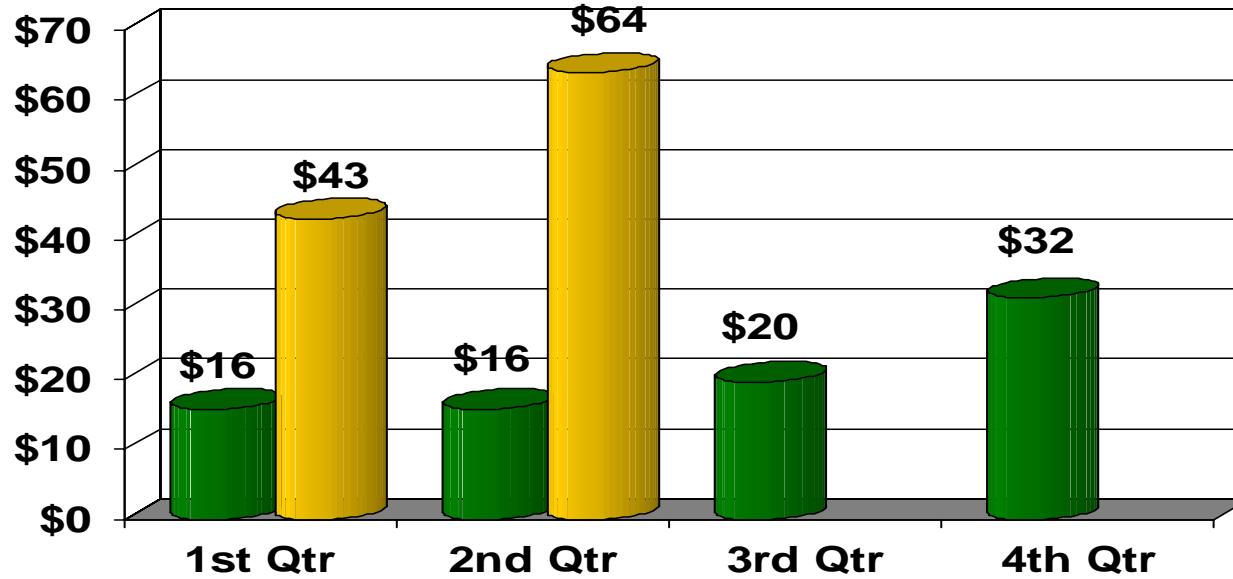


## Advisory Fees

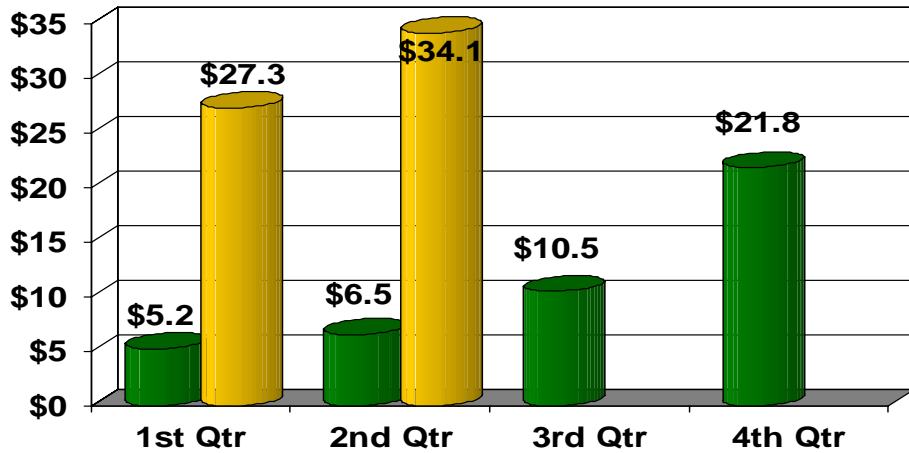


■ 2006 ■ 2007

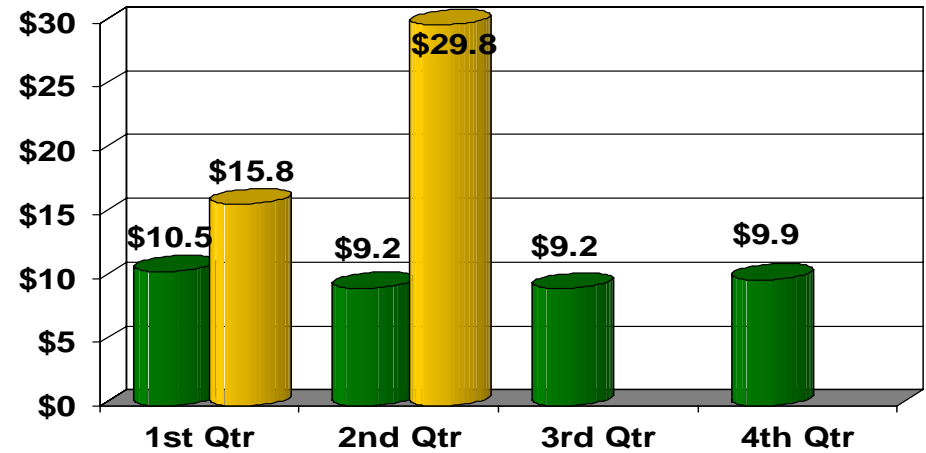
# Investment Banking *(\$ millions)*



# Capital Raising *(\$ millions)*



# Advisory Fees *(\$ millions)*



# Fixed Income Capital Markets Quarterly Income Statements

	Quarters Ended						Increase/Decrease	
	06/30/07		03/31/07		06/30/06		03/31/07	06/30/06
		% of Net Rev		% of Net Rev		% of Net Rev		
<i>(\$ in thousands)</i>								
<b>Revenues</b>								
Total Revenues	\$ 18,901	180%	\$ 21,245	145%	\$ 15,444	145%	-11%	22%
Interest Expense	8,405	80%	6,630	45%	4,808	45%	27%	75%
<b>Net Revenues</b>	<b>10,496</b>	100%	<b>14,615</b>	100%	<b>10,636</b>	100%	-28%	-1%
<b>Non-Interest Expenses</b>								
Compensation and Benefits	7,893	75%	10,154	69%	7,006	66%	-22%	13%
Non-Comp Operating Expenses	3,217	31%	2,574	18%	2,602	24%	25%	24%
<b>Total non-interest expenses</b>	<b>11,110</b>	106%	<b>12,728</b>	87%	<b>9,608</b>	90%	-13%	16%
<b>Income before income taxes</b>	<b>\$ (614)</b>	-6%	<b>\$ 1,887</b>	13%	<b>\$ 1,028</b>	10%	na	na





# Banking Segment Quarterly Income Statements

	Quarters Ended						Increase/Decrease	
	% of		% of		% of			
	<u>06/30/07</u>	<u>Net Rev</u>	<u>03/31/07</u>	<u>Net Rev</u>	<u>06/30/06</u>	<u>Net Rev</u>	<u>03/31/07</u>	<u>06/30/06</u>
<i>(\$ in thousands)</i>								
<b>Revenues</b>								
Total Revenues	\$ 2,728	250%	\$ -	na	\$ -	na	na	na
Interest Expense	1,638	150%	-	na	-	na	na	na
<b>Net Revenues</b>	<b>1,090</b>	<b>100%</b>	<b>-</b>	<b>na</b>	<b>-</b>	<b>na</b>	<b>na</b>	<b>na</b>
<b>Non-Interest Expenses</b>								
Compensation and Benefits	348	32%	-	na	-	na	na	na
Non-Comp Operating Expenses	468	43%	-	na	-	na	na	na
<b>Total non-interest expenses</b>	<b>816</b>	<b>75%</b>	<b>-</b>	<b>na</b>	<b>-</b>	<b>na</b>	<b>na</b>	<b>na</b>
<b>Income before income taxes</b>	<b>\$ 274</b>	<b>25%</b>	<b>\$ -</b>	<b>na</b>	<b>\$ -</b>	<b>na</b>	<b>na</b>	<b>na</b>



# Other Segment Analysis

	3 Months Ended		6 Months Ended	
	6/30/2007	6/30/2006	6/30/2007	6/30/2006
<b><u>Net Revenues</u></b>				
Acquisition Related Other	(313)	(152)	(313)	(152)
Other	2,978	1,930	7,267	10,139
Total net revenues	\$ 2,665	\$ 1,778	\$ 6,954	\$ 9,987

## **Operating Contribution**

Acquisition Related Other	(29,701)	(8,479)	(37,003)	(26,273)
Other	(14,199)	(8,198)	(25,477)	(11,278)
Total Operating Contribution	\$ (43,901)	\$ (16,677)	\$ (62,480)	\$ (37,551)



# Quarterly Income Statement Impact

	Actual Q1 2007	Actual Q2 2007	Estimated Q3 2007	Estimated Q4 2007	Full Year 2007
<b><u>Acquisition Related Expenses</u></b> <i>(\$ in thousands)</i>					
LM Capital Markets Acquisition	\$ 6,162	\$ 5,544	\$ 6,250	\$ 6,250	\$ 24,206
Ryan Beck Acquisition	<u>1,138</u>	<u>24,158</u> (1)	<u>2,000</u>	<u>1,000</u>	<u>28,296</u>
<b>Total non-interest expenses</b>	<u>\$ 7,300</u>	<u>\$ 29,701</u>	<u>\$ 8,250</u>	<u>\$ 7,250</u>	<u>\$ 52,501</u>
<b>Diluted EPS Impact (2)</b>	(\$0.29)	(\$1.01)	(\$0.29)	(\$0.25)	(\$1.82)

1. Charge resulting from conforming Ryan Beck deferred compensation plans to Stifel Nicolaus Wealth Accumulation Plan (SWAP), amending service requirements and distribution requirements of vested balances. See Form 10Q for period ending 3/31/07.

2. Estimated Diluted EPS for 3rd and 4th Quarter are based on the Diluted Shares on 6/30/07.



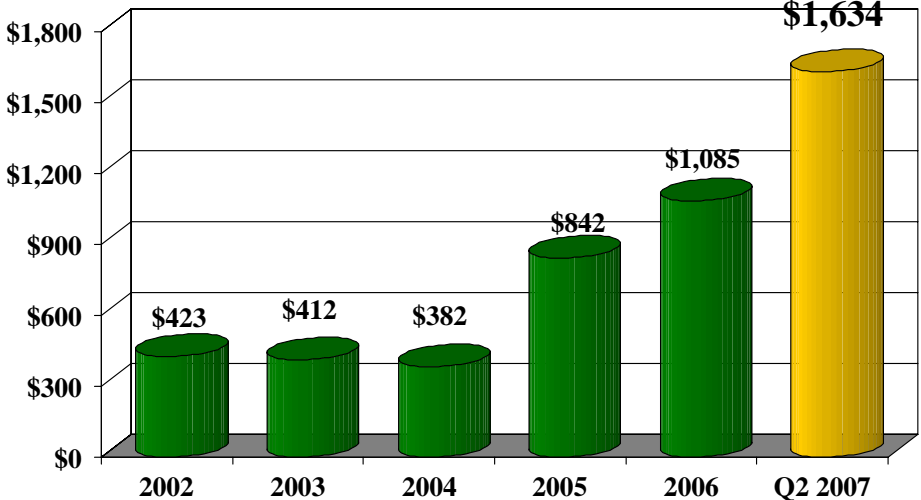
# Annual Income Statement Impact

	FY 2006A	FY 2007E	FY 2008E	FY 2009E	Total
<i>(\$ in thousands)</i>					
Legg Mason Acquisition Charges .....	\$ 41,389	\$ 24,206	\$ 25,000	\$ -	\$ 90,595
Ryan Beck Acquisition Charges .....	-	28,296	-	-	28,296
Pre Tax Acquisition Charges .....	<u>\$ 41,389</u>	<u>\$ 52,501</u>	<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ 118,890</u>
Diluted EPS Impact .....	(\$1.74)	(\$1.82)	(\$0.87)	\$0.00	(\$4.11)

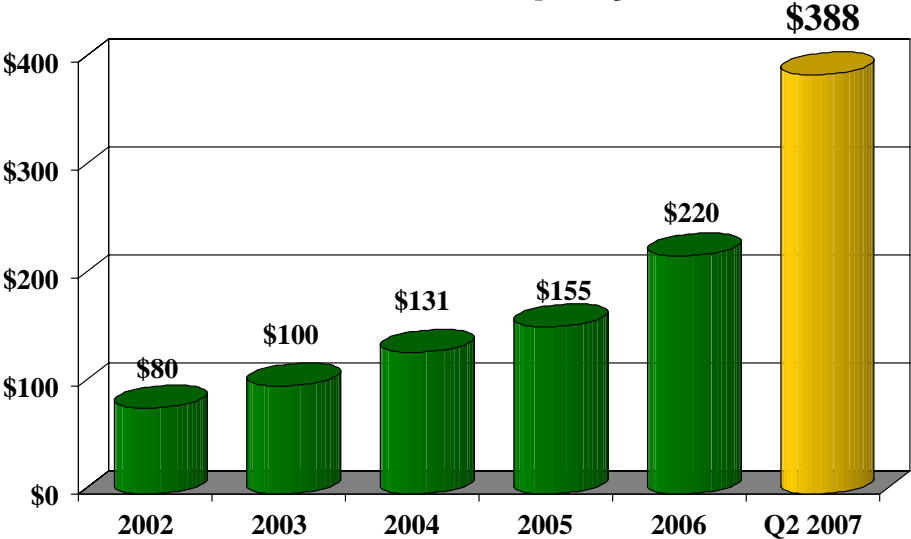


# Stifel Financial Balance Sheet Graphs

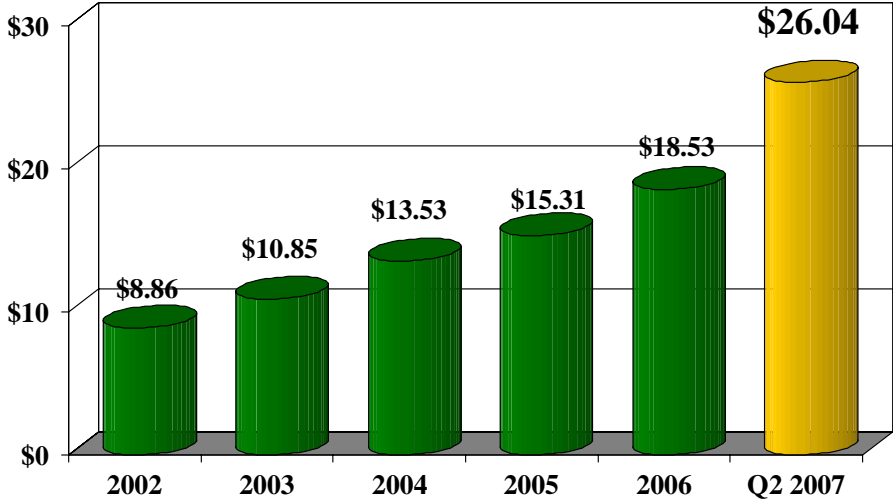
**Total Assets (\$ millions)**



**Total Shareholder's Equity (\$ millions)**



**Book Value Per Share**



# Equity Roll Forward

*(\$ in thousands)*

Beginning Equity 12/31/06	\$220,265
Earnings	10,277
<hr/>	
Subtotal	230,542
<hr/>	
Stock Based Compensation	22,811
Ryan Beck Deferred Units	16,405
Ryan Beck	119,424
Treasury Buy Back	(941)
<hr/>	
Ending Equity 6/30/07	\$388,241
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# Other Financial Data

Other Data	Quarterly Data			% Change	
	6/30/2007	3/31/2007	6/30/2006	VS Q1 2007	VS Q2 2006
Total Assets (000's)	\$ 1,633,756	\$ 1,427,407	\$ 1,060,953	14%	54%
Stockholders Equity (000's)	\$ 388,241	\$ 342,641	\$ 205,440	13%	89%
Book value Per Share	\$26.04	\$23.16	\$17.57	12%	48%
Financial Advisors	956	951	485	1%	97%
Full Time Employees	2,722	1,837	1,662	48%	64%
Locations	177	178	121	-1%	46%
Total Client Assets (000's)	\$58,036,000	\$36,464,000	\$29,462,000	59%	97%



# Q & A