

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.

**4th Quarter 2007 Fiscal Year
Earnings Conference Call**

February 12, 2008

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.



Annual Highlights

- Record net revenue of \$763.1 million, a 69% increase for 2007 as compared to 2006, making 2007 the twelfth consecutive year of record net revenues.
- Record GAAP net income of \$32.2 million, or \$1.88 per diluted share, a 108% increase for 2007 as compared to 2006.
- Book value per common share increased 49% to \$27.54 in 2007.
- Record Core net income of \$66.8 million, or \$3.90 per diluted share, a 69% increase for the year as compared to 2006.
- Our Private Client Group ("PCG"), and Equity Capital Markets ("ECM"), achieved record revenue and profits for the year ended December 31, 2007.
- Our Fixed Income Capital Markets achieved record revenues in 2007, increasing 21%.
- Investment banking revenue increased 104% to \$169.4 million.
- Asset management and service fees increased 76% to \$101.6 million.
- For the year ended December 31, 2007, utilizing Core earnings, pretax margin was 14%.
- For the year ended December 31, 2007, utilizing Core earnings, return on average equity was 18%.



4th Quarter Highlights

- Record net revenue of \$212.2 million a 63% increase over the prior year fourth quarter and 16% from the third quarter.
- Record GAAP net income of \$13.8 million, or \$0.77 per diluted share, a 91% increase over the prior year fourth quarter and 72% from the third quarter.
- Record Core net income of \$20.5 million, or \$1.14 per diluted share, a 73% over the prior year fourth quarter and 44% increase from the third quarter.
- Commission and principal transactions increased \$61.5 million, 80% over the previous year fourth quarter.
- Asset management and service fees increased 92% to \$29.6 million as compared to the prior year fourth quarter.
- For the three months ended December 31, 2007, utilizing Core earnings, pretax margin was 16%.
- For the three months ended December 31, 2007, utilizing Core earnings, annualized return on average equity was 20%.



Stifel Income Statements

Core Revenues

(\$ in thousands)

	Quarters Ended			% Change		YTD		% Change
	12/31/07	09/30/07	12/31/06	09/30/07	12/31/06	12/31/07	12/31/06	
Revenues								
Commissions & Principal Trans	\$ 138,222	\$ 114,628	\$ 76,761	21%	80%	\$ 454,730	\$ 285,421	59%
Investment Banking	31,445	30,983	31,682	1%	-1%	169,741	83,010	104%
Asset Management and Svc Fees	29,588	27,108	15,416	9%	92%	101,606	57,713	76%
Other Revenues	4,127	2,165	1,287	91%	221%	8,232	9,594	-14%
Operating Revenues	203,382	174,884	125,146	16%	63%	734,309	435,738	69%
Interest Income	15,697	15,972	10,060	-2%	56%	59,068	35,804	65%
Total Revenues	219,079	190,856	135,206	15%	62%	793,377	471,542	68%
Interest Expense	6,919	7,856	5,412	-12%	28%	30,008	19,581	53%
Net Revenues	\$ 212,160	\$ 183,000	\$ 129,794	16%	63%	\$ 763,369	\$ 451,961	69%



Stifel Income Statements

	Quarters Ended			% Change		YTD		% Change
	12/31/07	09/30/07	12/31/06	09/30/07	12/31/06	12/31/07	12/31/06	
<i>(\$ in thousands)</i>								
Net Revenues	\$ 212,160	\$ 183,000	\$ 129,794	16%	63%	\$ 763,369	\$ 451,961	69%
Compensation and Benefits	133,018	119,566	83,719	11%	59%	493,908	289,943	70%
Non-Comp Operating Expenses	46,175	40,263	25,873	15%	78%	158,840	94,260	69%
Total non-interest expenses	179,193	159,829	109,592	12%	64%	652,748	384,203	70%
Income before income taxes	32,967	23,171	20,202	42%	63%	110,621	67,758	63%
Provision for income taxes	12,476	8,904	8,353	40%	49%	43,833	28,168	56%
Core Net Income	20,491	14,267	11,849	44%	73%	66,788	39,590	69%
Acquisition related, net of taxes	(6,656)	(6,209)	(4,616)	7%	44%	(34,618)	(24,159)	43%
GAAP Net Income	\$ 13,835	\$ 8,058	\$ 7,233	72%	91%	\$ 32,170	\$ 15,431	108%
Core Diluted EPS	\$1.14	\$0.80	\$0.84	43%	36%	\$3.90	\$2.85	37%
GAAP Diluted EPS	\$0.77	\$0.45	\$0.51	71%	51%	\$1.88	\$1.11	69%
<i>Ratios to Net Revenues (Core)</i>								
Compensation & Benefits	62.7%	65.3%	64.5%			64.7%	64.2%	
Operating expenses	21.8%	22.0%	19.9%			20.8%	20.9%	
Income before income taxes	15.5%	12.7%	15.6%			14.5%	15.0%	

For a reconciliation from GAAP to Core Net Income see company's earnings Press Release.



Segment Comparison Excluding Acquisitions

	Quarters Ended			% Change		YTD		% Change
	12/31/07	09/30/07	12/31/06	09/30/07	12/31/06	12/31/07	12/31/06	
<u>Net Revenues</u>								
Private Client	\$ 119,260	\$ 112,650	\$ 63,990	6%	86%	\$ 435,711	\$ 231,364	88%
Equity Capital Markets	59,421	47,703	44,152	25%	35%	238,064	150,038	59%
Fixed Income Capital Markets	23,794	15,962	17,636	49%	35%	64,867	53,570	21%
Banking	1,871	1,839	-	2%	n/a	4,800	-	n/a
Other	7,814	4,846	4,016	61%	95%	19,927	16,989	17%
Total Net Revenues	212,160	183,000	129,794	16%	63%	763,369	451,960	69%
<u>Operating Contribution</u>								
Private Client	27,484	23,401	14,118	17%	95%	95,353	50,218	90%
Equity Capital Markets	10,213	8,499	7,628	20%	34%	52,658	31,959	65%
Fixed Income Capital Markets	4,785	2,133	4,745	124%	1%	8,191	10,620	-23%
Banking	347	369	-	-6%	n/a	990	-	n/a
Other	(9,862)	(11,231)	(6,288)	-12%	57%	(46,571)	(25,058)	86%
Total Operating Contribution	\$ 32,967	\$ 23,171	\$ 20,202	42%	63%	\$ 110,621	\$ 67,739	63%



Private Client Group Income Statements

(\$ in thousands)	Quarters Ended			% Change		YTD		% Change	
	12/31/07	09/30/07	12/31/06	09/30/07	12/31/06	12/31/07	12/31/06		
Revenues:									
Commissions and principal transactions	\$ 81,929	\$ 71,766	\$ 40,873	16%	104%	\$ 281,350	\$ 152,059	86%	
Investment banking	4,705	10,068	5,815	-66%	-41%	40,071	13,294	192%	
Asset management and service fees	29,578	26,833	15,407	10%	92%	101,128	57,657	75%	
Net Interest & other	3,048	3,983	1,895	-23%	61%	13,162	8,354	58%	
Total Net Revenue	119,260	112,650	63,990			435,711	231,364		
Non-interest expenses:									
Employee compensation & benefits	72,151	72,177	39,993	0%	80%	274,115	144,390	90%	
Other non-interest expenses	19,625	17,072	9,879	15%	99%	66,243	36,756	80%	
Total non-interest expenses	91,776	89,249	49,872	3%	84%	340,358	181,146	88%	
Income before income taxes	\$ 27,484	\$ 23,401	\$ 14,118	17%	95%	\$ 95,353	\$ 50,218	90%	
Ratios to Net Revenues									
Employee compensation & benefits	61%	64%	63%			63%	62%		
Other non-interest expenses	17%	15%	15%			15%	16%		
Net Margins	23%	21%	22%			22%	22%		



Equity Capital Markets Income Statements

(\$ in thousands)	Quarters Ended			% Change		YTD		% Change	
	12/31/07	09/30/07	12/31/06	09/30/07	12/31/06	12/31/07	12/31/06		
Revenues:									
Commissions and principal transactions	\$ 35,100	\$ 31,020	\$ 24,237	14%	46%	\$ 120,204	\$ 91,547	32%	
<i>Capital raising</i>	7,850	7,641	12,342	-1%	-39%	45,371	20,105	124%	
<i>Advisory fees</i>	16,322	9,017	7,305	81%	124%	71,555	37,128	93%	
Investment banking	24,172	16,658	19,647	43%	21%	116,926	57,233	104%	
Other	149	25	268	496%	-44%	934	1,258	-26%	
Total Net Revenue	59,421	47,703	44,152			238,064	150,038		
Non-interest expenses:									
Employee compensation & benefits	38,099	28,235	27,750	35%	37%	143,718	87,840	64%	
Other non-interest expenses	11,109	10,969	8,774	1%	27%	41,688	30,239	38%	
Total non-interest expenses	49,208	39,204	36,524	26%	35%	185,406	118,079	57%	
Income before income taxes	\$ 10,213	\$ 8,499	\$ 7,628	20%	34%	\$ 52,658	\$ 31,959	65%	
Ratios to Net Revenues									
Employee compensation & benefits	64%	59%	63%			60%	59%		
Other non-interest expenses	19%	23%	20%			18%	20%		
Net Margins	17%	18%	17%			22%	21%		



Fixed Income Capital Markets Income Statements

(\$ in thousands)	Quarters Ended			% Change		YTD		% Change	
	12/31/07	09/30/07	12/31/06	09/30/07	12/31/06	12/31/07	12/31/06		
Revenues:									
Commissions and principal transactions	\$ 21,225	\$ 11,840	\$ 11,652	81%	84%	\$ 56,164	\$ 41,816	28%	
Investment banking	2,571	4,241	6,220	-45%	-63%	12,647	12,330	0%	
Other	(2)	(119)	(236)	N/A	N/A	(944)	(576)	N/A	
Total Net Revenue	23,794	15,962	17,636	49%	35%	67,867	53,570		
Non-interest expenses:									
Employee compensation & benefits	15,804	10,576	10,638	49%	49%	44,427	33,163	34%	
Other non-interest expenses	3,205	3,253	2,253	-1%	42%	12,249	9,787	25%	
Total non-interest expenses	19,009	13,829	12,891	37%	47%	56,676	42,950	32%	
Income before income taxes	\$ 4,785	\$ 2,133	\$ 4,745	124%	1%	\$ 8,191	\$ 10,620	-23%	
Ratios to Net Revenues									
Employee compensation & benefits	66%	66%	60%			69%	62%		
Other non-interest expenses	13%	20%	13%			19%	18%		
Net Margins	20%	13%	27%			13%	20%		



Reconciliation of GAAP to Core Earnings



GAAP to Core Earnings

(\$ in thousands)

Revenues

Net Revenues

Non-Interest Expenses

Compensation and benefits

Operating Expenses

Total non-interest expenses

Income/(loss) before income taxes

Provision (benefit) for income taxes

Net Income/(Loss)

Earnings per Share:

Diluted

	Quarter Ended 12/31/07			Year Ended 12/31/07		
	GAAP	Acquisition Related	Core Business	GAAP	Acquisition Related	Core Business
Net Revenues	\$ 212,186	\$ 26	\$ 212,160	\$ 763,065	\$ (304)	\$ 763,369
Compensation and benefits	141,758	8,740	133,018	543,021	49,113	493,908
Operating Expenses	47,335	1,160	46,175	166,198	7,358	158,840
Total non-interest expenses	189,093	9,900	179,193	709,219	56,471	652,748
Income/(loss) before income taxes	23,093	(9,874)	32,967	53,846	(56,775)	110,621
Provision (benefit) for income taxes	9,258	(3,218)	12,476	21,676	(22,157)	43,833
Net Income/(Loss)	\$ 13,835	\$ (6,656)	\$ 20,491	\$ 32,170	\$ (34,618)	\$ 66,788
Diluted	\$0.77	(\$0.37)	\$1.14	\$1.88	(\$2.02)	\$3.90

See Press Release for Non-GAAP Financial Measure discussion and reconciliation.



Annual Income Statement Impact

	FY 2006A	FY 2007A	FY 2008E	FY 2009E	Total
<u>Acquisition Related Expenses</u>					
<i>(\$ in thousands)</i>					
Legg Mason Acquisition Charges	\$ 41,371	\$ 25,082	\$ 25,000	\$ -	\$ 91,452
Ryan Beck Acquisition Charges	-	31,693	-	-	31,693
Pre Tax Acquisition Charges	<u>41,389</u>	<u>56,775</u>	<u>25,000</u>	<u>-</u>	<u>123,164</u>
Net Loss	<u>\$ (24,159)</u>	<u>\$ (34,618)</u>	<u>\$ (15,000)</u>	<u>\$ -</u>	<u>\$ (73,777)</u>
Diluted EPS Impact	\$ (1.74)	\$ (2.02)	\$ (0.88)	\$ -	\$ (4.35)



Quarterly Income Statement Impact

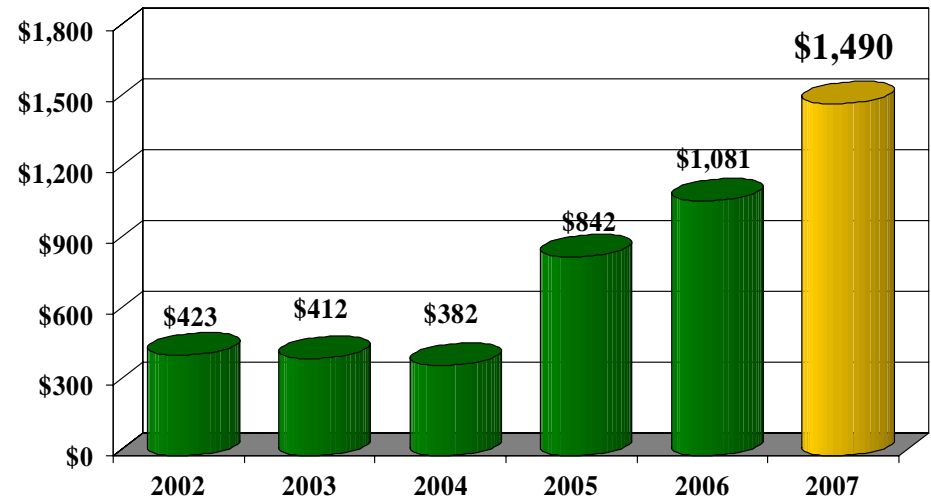
	Actual Q1 2007	Actual Q2 2007	Actual Q3 2007	Actual Q4 2007	Full Year 2007
Acquisition Related Expenses					
<i>(\$ in thousands)</i>					
LM Capital Markets Acquisition	\$ 6,202	\$ 5,544	\$ 6,653	\$ 6,683	\$ 25,082
Ryan Beck Acquisition	1,097	24,159 ⁽¹⁾	3,246	3,191	31,693
Total non-interest expenses	7,299	29,703	9,899	9,874	56,775
Taxes	(2,950)	(12,299)	(3,690)	(3,218)	(22,157)
Net Acquisition Charges	\$ 4,349	\$ 17,404	\$ 6,209	\$ 6,656	\$ 34,618
Diluted EPS Impact	(\$0.28)	(\$1.01)	(\$0.35)	(\$0.37)	(\$2.02)

⁽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 10-Q for period ending 6/30/07.

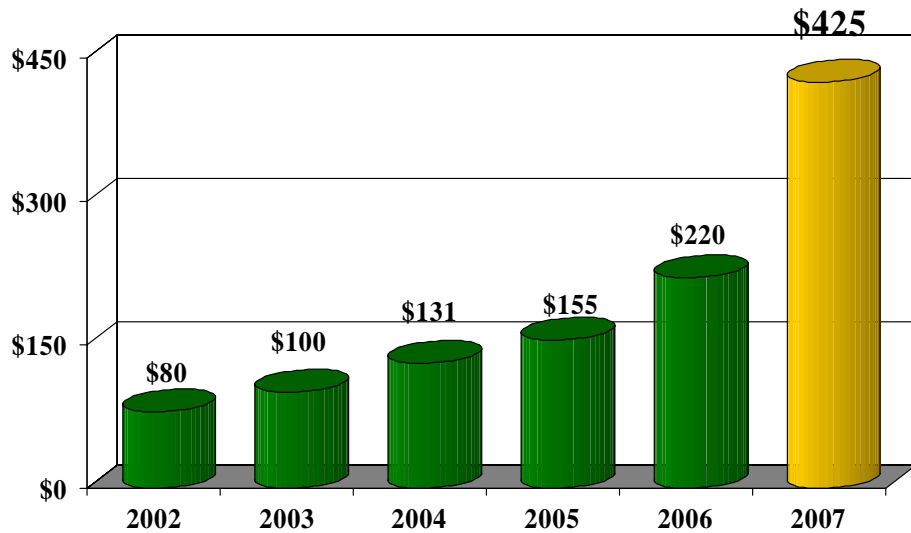


Stifel Financial Balance Sheet Graphs

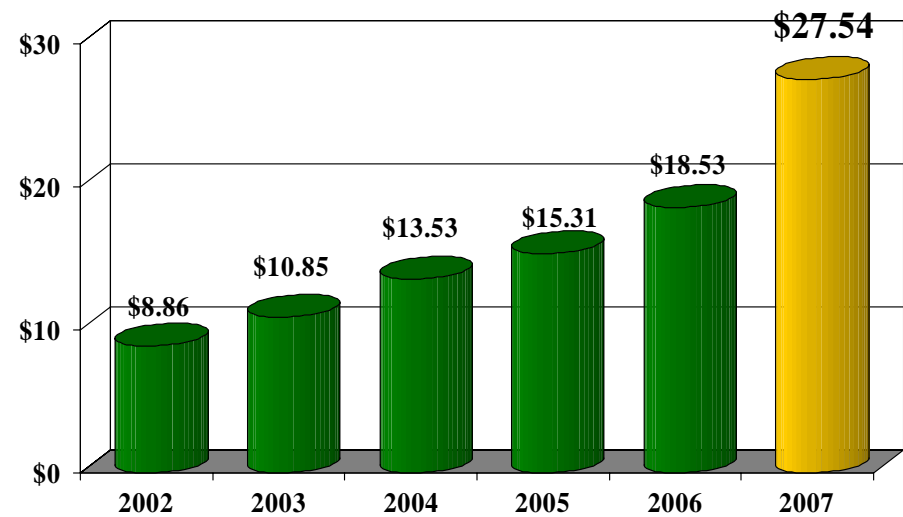
Total Assets (\$ millions)



Total Shareholder's Equity (\$ millions)



Book Value Per Share



Capital Structure

(\$ in thousands)

Total Assets	\$1,489,534
Stockholders' Equity	\$424,637
Debentures to:	
Stifel Financial Capital Trust II - LIBOR plus 1.70% (fixed at 6.38% until 9/30/10), due 9/30/35	\$35,000
Stifel Financial Capital Trust III - LIBOR plus 1.85% (fixed at 6.79% until 6/6/12), due 6/6/37	\$35,000
Stifel Financial Capital Trust IV - LIBOR plus 1.85% (fixed at 6.78% until 9/6/12), due 9/6/37	\$25,000
<i>Total Debentures (average 6.65% per annum)</i>	\$95,000
Total Capitalization	\$519,637

Ratios:

Equity to Assets	29%
Capitalization to Assets	35%
Debentures to Equity	22%



Other Financial Data

Other Data	Quarterly Data			% Change	
	12/31/2007	9/30/2007	12/31/2006	vs Q3 2007	vs Q4 2006
Total Assets (000's)	\$ 1,489,534	\$ 1,517,826	\$ 1,084,774	-2%	37%
Stockholders Equity (000's)	\$ 424,637	\$ 406,646	\$ 220,265	4%	93%
Book value Per Share	\$ 27.54	\$ 27.12	\$ 18.53	2%	49%
Financial Advisors	966	959	556	1%	74%
Full Time Employees	2,834	2,721	1,801	4%	57%
Locations	175	174	135	1%	30%
Total Client Assets (000's)	\$59,299,000	\$61,120,000	\$35,446,000	-3%	67%



Q & A