

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 2008 Fiscal Year
Earnings Conference Call**

August 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.



Quarter Business Highlights

- Net revenues of \$209.0 million, down slightly from the prior year second quarter and the first quarter of 2008.
- GAAP net income of \$12.3 million, or \$0.45 per diluted share, a 752% increase over the prior year second quarter and a 14% decrease from the first quarter 2008.
- Core net income of \$16.3 million, or \$0.60 per diluted share, an 13% decrease from the prior year second quarter and a 11% decrease from the first quarter 2008
- Commission and principal transactions revenue increased \$34.8 million, 31% over the previous year second quarter.
- Investment banking revenue declined 67% to \$20.9 million from prior year second quarter.
- Asset management and service fees revenue increased 17% to \$30.0 million as compared to the prior year second quarter.
- For the three months ended June 30, 2008, utilizing Core earnings, pretax margin was 13%.
- For the three months ended June 30, 2008, utilizing Core earnings, annualized return on average equity was 14%.
- The Fixed Income Capital Markets segment recorded net revenues of \$34.7 million a 231% increase over the second quarter 2007.
- We had a 3 for 2 stock split distributed on June 12, 2008 to shareholders of record May 29, 2008.



YTD Business Highlights

- Net revenues of \$420.4 million, a 14% increase for the six months as compared to 2007.
- GAAP net income of \$26.7 million, or \$0.99 per diluted share, a 160% increase for the six months as compared to 2007.
- Book value per common share increased to \$19.75 as of June 30, 2008, a 14% increase from December 31, 2007.
- Core net income of \$34.6 million, or \$1.29 per diluted share, an 8% increase for the year as compared to 2007.
- Our Private Client Group ("PCG") and Fixed Income Capital Markets ("FICM") net revenues increased 16% and 213%, respectively in the first six months as compared to 2007.
- Commissions and principal transactions revenue increased 49% to \$301.4 million from the prior year six months.
- Investment banking revenue declined 60% to \$42.8 million from the prior year six months.
- Prior year six months and second quarter results include the firm's largest investment banking transaction which contributed \$24.7 million in revenues.
- Asset management and service fees revenue increased 34% to \$60.2 million from the prior year six months.
- For the six months ended June 30, 2008, utilizing Core earnings, pretax margin was 14%.
- For the six months ended June 30, 2008, utilizing Core earnings, return on average equity was 16%.



Recent Growth

Business Units

#

Private Client Group

New Financial Advisors 89

New Offices Opened 16

Equity Capital Markets

Equity Sales & Trading Professionals 21

Investment Banking Professionals 18

Fixed Income Capital Markets

Fixed Income Sales & Trading Professionals 25

Public Finance Associates 20

Banking

Stifel Bank & Trust Associates 63



Stifel Income Statements

(\$ in thousands)	Quarters Ended			% Change		YTD		% Change
	6/30/08	3/31/08	6/30/07	3/31/08	6/30/07	6/30/08	6/30/07	
Core Net Revenues	\$208,951	\$ 211,477	\$ 211,248	-1%	-1%	\$ 420,428	\$ 368,209	14%
Compensation and Benefits	138,428	139,733	136,653	-1%	1%	278,161	241,325	15%
Non-Comp Operating Expenses	43,859	41,188	42,230	6%	4%	85,047	72,401	17%
Total non-interest expenses	182,287	180,921	178,883	1%	2%	363,208	313,726	16%
Income before income taxes	26,664	30,556	32,365	-13%	-18%	57,220	54,483	5%
Provision for income taxes	10,345	12,238	13,514	-15%	-23%	22,583	22,452	1%
Core Net Income	16,319	18,318	18,851	-11%	-13%	34,637	32,031	8%
Acquisition Related net of taxes	(3,987)	(3,971)	(17,403)	0%	-77%	(7,958)	(21,754)	-63%
GAAP Net Income	\$ 12,332	\$ 14,347	\$ 1,448	-14%	752%	\$ 26,679	\$ 10,277	160%
Core Diluted EPS	\$0.60	\$0.69	\$0.72	-13%	-17%	\$1.29	\$1.31	-2%
GAAP Diluted EPS	\$0.45	\$0.54	\$0.06	-17%	650%	\$0.99	\$0.42	136%
<i>Ratios to Net Revenues (Core)</i>								
Compensation & Benefits	66%	66%	65%			66%	66%	
Operating expenses	21%	19%	20%			20%	20%	
Income before income taxes	13%	14%	15%			14%	15%	

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



Source of Revenues

(\$ in thousands)

Revenues

	Three Months Ended								Six Months Ended				
	6/30/08	% of Net Revenues	3/31/08	% of Net Revenues	6/30/07	% of Net Revenues	3/31/08	6/30/07	6/30/08	% of Net Revenues	6/30/07	% of Net Revenues	Change
Commissions	\$ 83,063	39.8%	\$ 85,701	40.5%	\$ 80,637	38.2%	-3%	3%	\$ 168,764	40.1%	\$ 142,013	38.6%	19%
Principal transactions	65,674	31.4%	66,937	31.7%	33,301	15.8%	-2%	97%	132,611	31.6%	59,867	16.3%	122%
Investment banking	20,935	10.0%	21,844	10.3%	63,932	30.3%	-4%	-67%	42,779	10.2%	106,998	29.1%	-60%
Asset management and service fees	29,966	14.3%	30,278	14.3%	25,537	12.1%	-1%	17%	60,244	14.3%	44,910	12.2%	34%
Other	1,715	0.8%	(1,207)	-0.6%	525	0.3%	n/ε	227%	508	0.1%	1,942	0.5%	-74%
Total operating revenues	201,353	96.3%	203,553	96.2%	203,932	96.7%	-1%	-1%	404,906	96.3%	355,730	96.7%	14%
Interest revenue	12,667	6.1%	13,689	6.5%	16,699	7.9%	-7%	-24%	26,356	6.3%	27,399	7.4%	-4%
Total revenues	214,020	102.4%	217,242	102.7%	220,631	104.6%	-1%	-3%	431,262	102.6%	383,129	104.1%	13%
Less: Interest expense	5,069	2.4%	5,765	2.7%	9,696	4.6%	-12%	-48%	10,834	2.6%	15,233	4.1%	-29%
Net revenues	208,951	100.0%	211,477	100.0%	210,935	100.0%	-1%	-1%	420,428	100.0%	367,896	100.0%	14%



Segment Comparison Excluding Acquisitions

	Quarters Ended			% Change		YTD		% Change
	6/30/08	3/31/08	6/30/07	3/31/08	6/30/07	6/30/08	6/30/07	
Net Revenues								
Private Client	\$ 120,999	\$ 114,853	\$ 118,274	5%	2%	\$ 235,852	\$ 203,801	16%
Equity Capital Markets	48,011	48,228	78,410	0%	-39%	97,239	130,940	-26%
Fixed Income Capital Markets	34,709	44,002	10,496	-21%	231%	78,711	25,111	213%
Stifel Bank	3,237	2,082	1,090	55%	197%	5,319	1,090	388%
Other	1,995	1,312	2,978	52%	-33%	3,307	7,267	-54%
Total Net Revenues	\$ 208,951	\$ 211,477	\$ 211,248	-1%	-1%	\$ 420,428	\$ 368,209	14%
Operating Contribution								
Private Client	\$ 29,856	\$ 25,605	\$ 26,377	17%	13%	\$ 55,461	\$ 44,468	25%
Equity Capital Markets	3,584	6,927	20,528	-48%	-83%	10,511	33,946	-69%
Fixed Income Capital Markets	11,786	14,913	(614)	-21%	-2020%	26,699	1,273	1997%
Stifel Bank	422	309	274	37%	54%	731	274	167%
Other	(18,984)	(17,198)	(14,200)	10%	34%	(36,182)	(25,478)	42%
Total Operating Contribution	\$ 26,664	\$ 30,556	\$ 32,365	-13%	-18%	\$ 57,220	\$ 54,483	5%



Private Client Group Income Statements

(\$ in thousands)	Quarters Ended			% Change		YTD		% Change	
	6/30/08	3/31/08	6/30/07	3/31/08	6/30/07	6/30/08	6/30/07		
Revenues:									
Commissions and principal transactions	\$ 81,540	\$ 77,952	\$ 75,925	5%	7%	\$ 159,492	\$ 127,654	25%	
Investment banking	6,216	4,103	13,010	51%	-52%	10,319	25,298	-59%	
Asset management and service fees	29,941	30,147	25,490	-1%	17%	60,088	44,718	34%	
Net interest & other	3,302	2,651	3,849	25%	-14%	5,953	6,131	-3%	
Total Net Revenues	120,999	114,853	118,274	5%	2%	235,852	203,801	16%	
Non-interest expenses:									
Employee compensation & benefits	72,691	72,845	74,831	0%	-3%	145,536	129,787	12%	
Other non-interest expenses	18,452	16,403	17,066	12%	8%	34,855	29,546	18%	
Total non-interest expenses	91,143	89,248	91,897	2%	-1%	180,391	159,333	13%	
Income before income taxes	\$ 29,856	\$ 25,605	\$ 26,377	17%	13%	\$ 55,461	\$ 44,468	25%	
Ratios to Net Revenues									
Employee compensation & benefits	60%	63%	63%			62%	64%		
Other non-interest expenses	15%	14%	14%			15%	14%		
Net Margins	25%	22%	22%			24%	22%		



Equity Capital Markets

Income Statements

(\$ in thousands)

	Quarters Ended			% Change		YTD		% Change
	6/30/08	3/31/08	6/30/07	3/31/08	6/30/07	6/30/08	6/30/07	
Revenues:								
Commissions and principal transactions	\$ 35,880	\$ 34,654	\$ 29,463	4%	22%	\$ 70,534	\$ 54,085	30%
Capital raising	4,559	6,758	19,168	-33%	-76%	11,317	30,997	-63%
Advisory fees	7,309	7,509	29,446	-3%	-75%	14,818	45,098	-67%
Investment banking	11,868	14,267	48,614	-17%	-76%	26,135	76,095	-66%
Other	263	307	333	-14%	-21%	570	760	-25%
Total Net Revenues	48,011	49,228	78,410	-2%	-39%	97,239	130,940	-26%
Non-interest expenses:								
Employee compensation & benefits	32,950	31,294	46,495	5%	-29%	64,244	77,384	-17%
Other non-interest expenses	11,477	11,007	11,387	4%	1%	22,484	19,610	15%
Total non-interest expenses	44,427	42,301	57,882	5%	-23%	86,728	96,994	-11%
Income before income taxes	\$ 3,584	\$ 6,927	\$ 20,528	-48%	-83%	\$ 10,511	\$ 33,946	-69%
Ratios to Net Revenues								
Employee compensation & benefits	69%	64%	59%			66%	59%	
Other non-interest expenses	24%	22%	15%			23%	15%	
Net Margins	7%	14%	26%			11%	26%	



Fixed Income Capital Markets Income Statements

(\$ in thousands)

	Quarters Ended			% Change		YTD		% Change	
	6/30/08	3/31/08	6/30/07	3/31/08	6/30/07	6/30/08	6/30/07		
Revenues:									
Commissions & principal transactions	\$ 31,317	\$ 40,033	\$ 8,507	-22%	268%	\$ 71,349	\$ 20,098	255%	
Investment banking	2,851	3,474	2,539	-18%	12%	6,325	5,835	8%	
Other	541	495	(550)	9%	n/a	1,037	(822)	n/a	
Total Net Revenues	34,709	44,002	10,496	-21%	231%	78,711	25,111	213%	
Non-Interest Expenses:									
Employee compensation and benefits	19,665	25,936	7,893	-24%	149%	45,601	18,047	153%	
Operating expenses	3,258	3,153	3,217	3%	1%	6,411	5,791	11%	
Total non-interest expenses	22,923	29,089	11,110	-21%	106%	52,012	23,838	118%	
Income before income taxes	\$ 11,786	\$ 14,913	\$ (614)	-21%	n/a	\$ 26,699	\$ 1,273	1997%	
Ratios to Net Revenues									
Employee compensation & benefits	57%	59%	75%			58%	72%		
Other non-interest expenses	9%	7%	31%			8%	23%		

Stifel Bank

(\$ in thousands)

Revenues:

	<u>Quarters Ended</u>			<u>% Change</u>		<u>YTD</u>		<u>% Change</u>
	<u>6/30/08</u>	<u>3/31/08</u>	<u>6/30/07</u>	<u>3/31/08</u>	<u>6/30/07</u>	<u>6/30/08</u>	<u>6/30/07</u>	
Interest	\$ 3,811	\$ 3,551	\$ 2,592	7%	47%	\$ 7,362	\$ 2,592	184%
Other	862	247	136	249%	535%	1,109	136	715%
Total Revenues	4,673	3,798	2,728	23%	71%	8,471	2,728	211%
Less: Interest expense	1,436	1,716	1,638	-16%	-12%	3,152	1,638	92%
Total Net Revenues	3,237	2,082	1,090	55%	197%	5,319	1,090	388%
<u>Non-interest expenses:</u>								
Employee compensation and benefits	978	759	348	29%	181%	1,737	348	399%
Provision for loan loss	935	135	15	593%	6133%	1,070	15	7033%
Other non-interest expenses	902	879	453	3%	98%	1,781	453	293%
Total non-interest expenses	2,815	1,773	816	59%	245%	4,588	816	462%
Income before income taxes	\$ 422	\$ 309	\$ 274	37%	54%	\$ 731	\$ 274	167%

As Of

	<u>6/30/08</u>	<u>3/31/08</u>	<u>6/30/07</u>
Total assets	\$ 301,511	\$ 287,993	\$ 201,412
Total retained loans, net	\$ 168,904	\$ 150,106	\$ 95,309
Total loans held for sale, net	\$ 17,301	\$ 20,323	\$ -
Total deposits	\$ 222,249	\$ 229,660	\$ 140,561
Total capital	\$ 55,144	\$ 56,134	\$ 55,746
Allowance for loan losses as a % of loans	1.18%	1.15%	1.18%
Total Non-Performing Loans as a % of Loans	0.73%	1.42%	0.00%



Other Segment Analysis

(\$ in thousands)

	Quarters Ended			% Change		YTD		% Change	
	6/30/08	3/31/08	6/30/07	3/31/08	6/30/07	6/30/08	6/30/07		
<u>Net Revenues</u>									
Acquisition Related Other	\$ -	\$ -	\$ (313)	n/a	n/a	\$ -	\$ (313)	n/a	
Other	1,995	1,312	2,978	52.1%	-33.0%	3,307	7,267	-54.5%	
Total Net Revenues	1,995	1,312	2,665	52.1%	-25.1%	3,307	6,954	-52.4%	
<u>Operating Contribution</u>									
Acquisition Related Other	(6,515)	(6,631)	(29,701)	-1.7%	-78.1%	(13,146)	(37,002)	-64.5%	
Other	(18,983)	(17,198)	(14,200)	10.4%	33.7%	(36,181)	(25,478)	42.0%	
Total Operating Contribution	\$ (25,498)	\$ (23,829)	\$ (43,901)	7.0%	-41.9%	\$ (49,327)	\$ (62,480)	-21.1%	



Reconciliation of GAAP to Core Earnings



GAAP to Core Earnings

	Quarters Ended			% Change		YTD		% Change
	6/30/08	3/31/08	6/30/07	3/31/08	6/30/07	6/30/08	6/30/07	
<i>(\$ in thousands)</i>								
Core Net Income	\$ 16,319	\$ 18,318	\$ 18,851	-11%	-13%	\$ 34,637	\$ 32,031	8%
Acquisition Related Expenses-net of tax								
LM Capital Markets Acquisition	(3,905)	(3,776)	(3,248)	3%	20%	(7,681)	(6,906)	11%
Ryan Beck Acquisition	(82)	(195)	(14,155)	-58%	-99%	(277)	(14,848)	-98%
	(3,987)	(3,971)	(17,403)			(7,958)	(21,754)	
GAAP Net Income	\$ 8,345	\$ 10,376	\$ (15,955)	-20%	-152%	\$ 18,721	\$ (11,477)	-263%
Core Diluted EPS	\$0.60	\$0.69	\$0.72	-13%	-17%	\$1.29	\$1.31	-2%
Non-Core Diluted EPS	(\$0.15)	(\$0.15)	(\$0.66)	0%	-77%	(\$0.30)	(\$0.89)	-66%
GAAP Diluted EPS	\$0.45	\$0.54	\$0.06	-17%	650%	\$0.99	\$0.42	136%

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



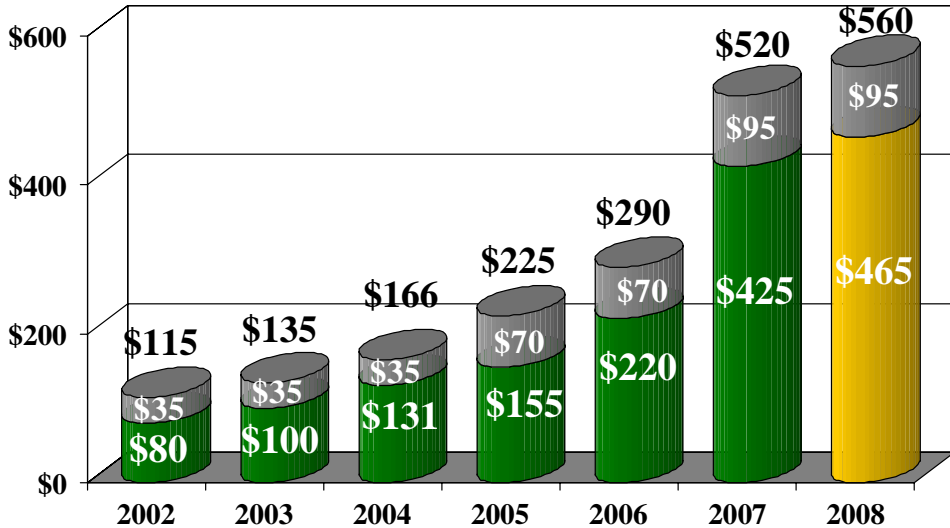
Income Statement Impact

	Actual Q1 2008	Actual Q2 2008	Estimated Q3 2008	Estimated Q4 2008	Estimated Full Year 2008	2009
<u>Acquisition Related Expenses</u>						
<i>(\$ in thousands)</i>						
LM Capital Markets Acquisition	\$ 6,306	\$ 6,380	\$ 6,250	\$ 6,250	\$ 25,186	\$ -
Ryan Beck Acquisition	325	134	250	250	959	-
Pre Tax Acquisition Charges	<u>6,631</u>	<u>6,514</u>	<u>6,500</u>	<u>6,500</u>	<u>26,145</u>	<u>-</u>
After Tax Impact	<u>\$ (3,971)</u>	<u>\$ (3,987)</u>	<u>\$ (3,932)</u>	<u>\$ (3,932)</u>	<u>\$ (15,822)</u>	<u>\$ -</u>
Diluted EPS Impact	(\$0.15)	(\$0.15)	(\$0.14)	(\$0.14)	(\$0.57)	\$0.00



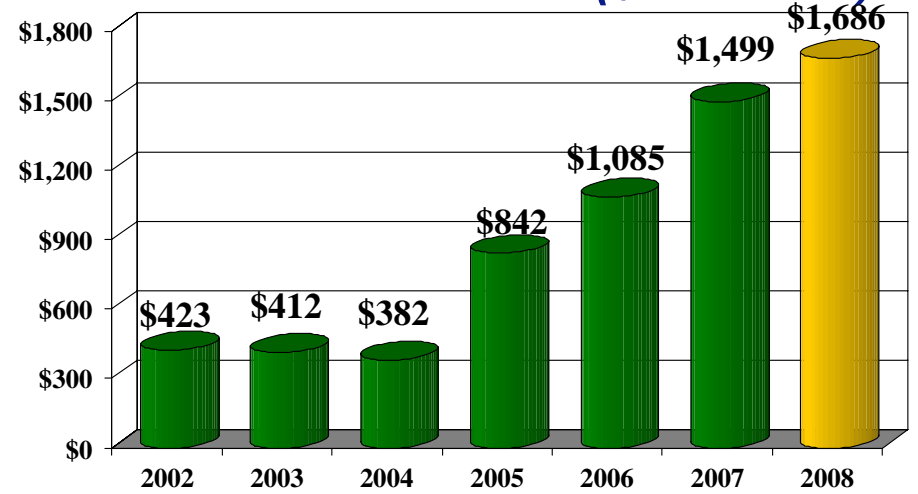
Stifel Financial Balance Sheet Graphs

Total Capitalization (\$ millions) ⁽¹⁾

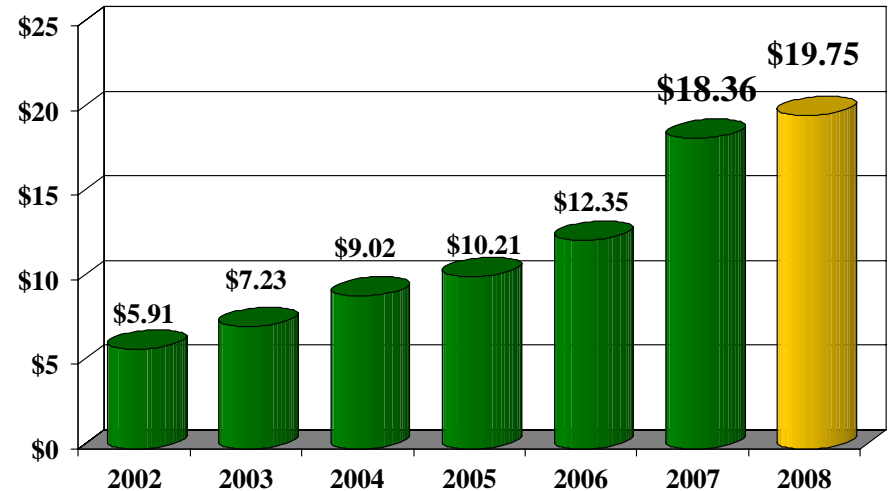


⁽¹⁾ Defined as stockholder's equity plus the trust preferred securities.

Total Assets (\$ millions)



Book Value Per Share



Level 3 Assets

Assets (in \$000s)	Significant Unobservable Inputs (Level 3)
Trading Securities	
State and Municipal Bonds	\$8,255
Corporate Stocks	7,851
Total Trading Stocks	16,106
Available for Sale Securities	
State and political subdivisions	11,020
Investments	17,038
Total assets measured at fair value on a recurring basis	\$44,164

Note: At June 30, 2008, Stifel's Level 3 assets were less than 1% of equity.



Capital Structure

(\$ in thousands)

Total Assets	\$1,685,837
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Stockholders' Equity	\$465,071
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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
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Stifel Financial Capital Trust III - LIBOR plus 1.85% (fixed at 6.79% until 6/6/12), due 6/6/37	\$35,000
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Stifel Financial Capital Trust IV - LIBOR plus 1.85% (fixed at 6.78% until 9/6/12), due 9/6/37	\$25,000
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<i>Total Debentures (average 6.64% per annum)</i>	\$95,000
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Total Capitalization	\$560,071
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Ratios:

Equity to Assets	28%
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Capitalization to Assets	33%
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Debentures to Equity	20%
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Other Financial Data

Other Data	Quarterly Data			% Change	
	6/30/2008	3/31/2008	6/30/2007	vs Q1 2008	vs Q2 2007
Bank Assets	\$301,511	\$287,993	\$201,412	5%	50%
SN & SF Assets	\$1,384,326	\$1,325,222	\$1,432,344	4%	-3%
Total Assets (000's)	\$1,685,837	\$1,613,215	\$1,633,756	5%	3%
Stockholders Equity (000's)	\$465,071	\$437,039	\$388,241	6%	20%
Book value Per Share	\$19.75	\$18.72	\$17.36	6%	14%
Financial Advisors	986	972	956	1%	3%
Full Time Employees	2,922	2,882	2,722	1%	7%
Locations	185	179	177	3%	5%



Q & A