

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 2008 Fiscal Year
Earnings Conference Call**

February 12, 2009

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.



Chairman's Comments

Chairman and Chief Executive Officer, Ronald J. Kruszewski, commented, "Simply put, 2008 was uniquely challenging for the financial services industry. Our Company has been fortunate to have sidestepped many of the issues which plagued a number of our brethren. While we are mindful of this environment, we consider this a time of unparalleled opportunity for our Company."

"Going forward, we will continue to focus on the long-term building of shareholder value, primarily through the addition of talented and entrepreneurial people." Mr. Kruszewski concluded, "I would like to congratulate and thank our hard-working associates for our record results in 2008 and also thank our clients for their continued confidence in Stifel Financial."



4Q08 Highlights

- Record net revenues of \$228.2 million, a 8% increase from 2007.
 - Balanced business model drives record revenues in uncertain markets.
- Core net income of \$21.7 million, or \$0.72 per diluted share, a 6% increase from the prior year fourth quarter.
 - Core earnings pre-tax margin was 16% compared to 16% from 4Q07
- GAAP net income of \$17.8 million, or \$0.59 per diluted share, a 28% increase over the prior year fourth quarter.
- Book value per common share increased to \$22.75 as of December 31, 2008, a 24% increase from December 31, 2007.
- Closed the acquisition of Butler Wick & Company, Inc.
 - 18 private client branch offices and 75 financial advisors
- Core earnings annualized return on average equity was 15%.



YTD Highlights

- Record net revenues of \$867.5 million, a 14% increase over 2007.
 - 13th consecutive annual increase in net revenue is driven by record revenues from FICM, PCG, and Stifel Bank.
- Core net income of \$73.1 million, or \$2.60 per diluted share, a 9% increase from the prior year core net income.
 - Core earnings pre-tax margin was 14% and average return on equity was 15%.
- Record GAAP net income of \$57.2 million, or \$2.04 per diluted share, a 78% increase for 2008 as compared to 2007.
- Book value per common share increased to \$22.75 as of December 31, 2008, a 24% increase from December 31, 2007.
 - A 3-for-2 stock split distributed on June 12, 2008 to shareholders of record May 29, 2008.



Summary Income Statements

(\$ in thousands)	Quarters Ended		% Change	YTD		% Change
	12/31/08	12/31/07		12/31/08	12/31/07	
Net Revenues	\$ 228,161	\$ 212,160	8%	\$ 867,516	\$ 763,369	14%
Compensation and Benefits	135,276	133,018	2%	557,179	493,908	13%
Non-Comp Operating Expenses	57,278	46,175	24%	189,909	158,841	20%
Total non-interest expenses	192,554	179,193	7%	747,088	652,749	14%
Income before income taxes	35,607	32,967	8%	120,428	110,620	9%
Provision for income taxes	13,869	12,476	11%	47,338	43,833	8%
Core Net Income	21,738	20,491	6%	73,090	66,787	9%
Acquisition Related net of taxes	(3,982)	(6,655)	-40%	(15,878)	(34,617)	-54%
GAAP Net Income	\$ 17,756	\$ 13,835	28%	\$ 57,212	\$ 32,170	78%
Core Diluted EPS	\$0.72	\$0.76	-5%	\$2.60	\$2.60	0%
GAAP Diluted EPS	\$0.59	\$0.51	16%	\$2.04	\$1.25	63%
<i>Ratios to Net Revenues (Core)</i>						
Compensation & Benefits	59.3%	62.7%		64.2%	64.7%	
Operating expenses	25.1%	21.8%		21.9%	20.8%	
Income before income taxes	15.6%	15.5%		13.9%	14.5%	

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



Source of Revenues

(\$ in thousands)	Quarters Ended		% Change	YTD		% Change
	12/31/08	12/31/07		12/31/08	12/31/07	
Revenues						
Commissions	\$ 83,599	\$ 90,584	-8%	\$ 341,090	\$ 315,514	8%
Principal Transactions	92,492	47,670	94%	293,285	139,248	111%
Investment Banking	15,775	31,449	-50%	83,710	169,413	-51%
Asset Management and Service Fees	29,346	29,592	-1%	119,926	101,610	18%
Other Revenues	(1,255)	4,127	-130%	(2,138)	8,234	-126%
Operating Revenues	219,957	203,422	8%	835,873	734,019	14%
Interest Income	10,973	15,700	-30%	50,148	59,071	-15%
Total Revenues	230,930	219,122	5%	886,021	793,090	12%
Interest Expense	2,770	6,936	-60%	18,510	30,025	-38%
Net Revenues	\$ 228,160	\$ 212,186	8%	\$ 867,511	\$ 763,065	14%



Principal Transactions

	Three Months Ended					Years Ended				
	12/31/08	% of Total	12/31/07	% of Total	% Change	12/31/08	% of Total	12/31/07	% of Total	% Change
<i>(\$ in thousands)</i>										
Principal transactions										
Taxable Debt	\$ 59,774	64.6%	\$ 27,120	56.9%	120%	\$ 184,471	62.9%	\$ 81,093	58.2%	127%
Muni Debt	15,273	16.5%	7,069	14.8%	116%	46,667	15.9%	23,176	16.6%	101%
Equities	9,002	9.7%	8,201	17.2%	10%	36,705	12.5%	23,663	17.0%	55%
Other	8,443	9.1%	5,280	11.1%	60%	25,442	8.7%	11,316	8.1%	125%
Total Principal Transactions	\$ 92,492	100.0%	\$ 47,670	100.0%	94%	\$ 293,285	100.0%	\$ 139,248	100.0%	111%



Unusual Items in the Fourth Quarter

	Quarters Ended	
	12/31/08	12/31/07
Core Diluted EPS	\$ 0.72	\$ 0.76
Diluted EPS effect:		
Gain on Extinguishment of Debt	(0.11)	(0.07)
Unrealized Loss on ARS	0.06	-
Unrealized Loss on Investments	0.04	-
Charitable Foundation	0.02	-
Net Diluted EPS Effect of Unusual Items	0.01	(0.07)
Adjusted Core Diluted EPS	\$ 0.73	\$ 0.69

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



ARS Redemption Overview

	Value of ARS in Client Account				TOTAL
	\$25,000	\$50,000	\$75,000	\$100,000+	
Number of Accounts	445	201	210	297	1,153
Beginning ARS Balance	11,125,000	10,050,000	15,750,000	146,275,000	183,200,000
ARS Redeemed	11,125,000	5,025,000	5,250,000	15,800,000	37,200,000
Remaining ARS	-	5,025,000	10,500,000	130,475,000	146,000,000
% of ARS redeemed	100%	50%	33%	11%	20%

Estimated Redemptions.



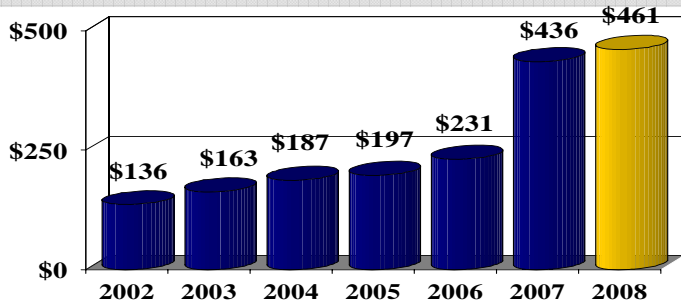
Stifel Outlook

- Unstable conditions in the Private Client market presents opportunity for Stifel to continue to grow organically and through M&A
 - The uncertainty surrounding the largest domestic and European private client platforms impacts thousands of US-based Financial Advisors.
- Balanced business mix facilitates growth during volatile markets
 - 54% of 2008 revenues generated by PCG and 45% by Capital Markets.
- Capital Markets turmoil creates a pool of very qualified candidates
 - All segments of Capital Markets continued to build out platform and hire in 4Q08.
- Well capitalized to fund expansion
 - Successful equity follow-on offering in 3Q08 raised \$64.4 million before expenses.
 - While eligible, Stifel Financial did not participate in the TARP program

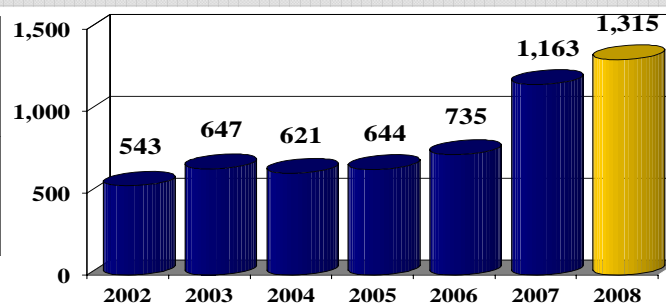


Market Turmoil = Opportunity

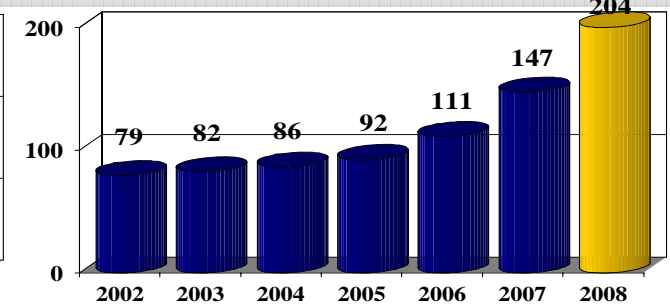
➤ Stifel has one of the fastest growing private wealth management businesses in the industry.



PCG Net Revenues



Financial Advisors*



PCG Branches

*Includes all retail Financial Advisors.

➤ Stifel Equity Research is 5th largest research department in the U.S. and the largest provider of small cap coverage. (1)

2008



#1

Stock Picking Award

2008



#1

Earning Accuracy Award

(1) Source: StarMine

Overall Region Coverage		Small Cap Region Coverage	
Competitor	Stocks	Competitor	Stocks
J.P. Morgan	1102	Stifel Nicolaus & Company, Inc.	460
Barclays Capital	906	J.P. Morgan	410
BAS-ML	852	Sidoti & Company LLC	408
UBS	841	Raymond James	399
Stifel Nicolaus & Company, Inc.	826	Oppenheimer & Co.	373
Goldman Sachs	803	RBC Capital Markets	338
Citigroup	755	Jefferies & Co.	303
Deutsche Bank Securities	739	Piper Jaffray	283
Credit Suisse	731	Wachovia Capital Markets, LLC	282
Raymond James	702	BAS-ML	281



2008 Growth

Business Units	2008 Additions	Total As of 12/31/2008
Private Client Group		
Financial Advisors*	269	1,315
Offices	52	204
Equity Capital Markets		
Equity Sales & Trading Professionals	23	115
Investment Banking Professionals	40	137
Fixed Income Capital Markets		
Fixed Income Sales & Trading Professionals	32	142
Public Finance Professionals	20	46
Banking		
Stifel Bank & Trust Associates	51	70

*Includes all retail Financial Advisors and the Financial Advisors who joined us through the acquisition of Butler Wick, which closed on December 31, 2008.



Segment Comparison

Excluding Acquisitions

- Total net revenues increased 8% despite rapidly deteriorating economic conditions in 4Q08.
- Weakness in PCG & ECM were more than offset by FICM results

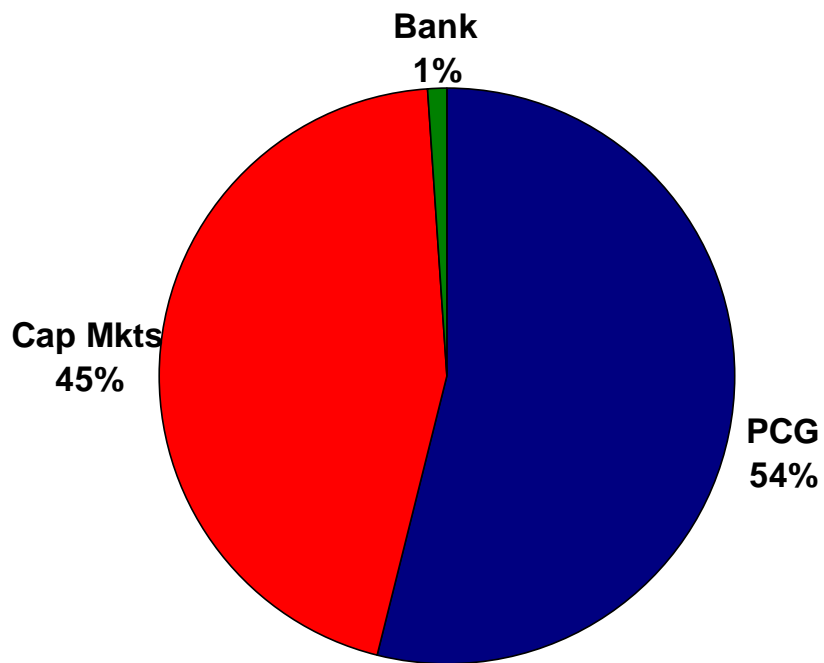
	Quarters Ended		% Change	YTD		% Change
	12/31/08	12/31/07		12/31/08	12/31/07	
<u>Net Revenues</u>						
Private Client	\$ 111,603	\$ 119,260	-6%	\$ 461,431	\$ 435,710	6%
Equity Capital Markets	54,902	59,421	-8%	215,546	238,064	-9%
Fixed Income Capital Markets	58,276	23,794	145%	175,180	64,867	170%
Banking	1,080	1,871	-42%	9,574	4,800	99%
Other	2,300	7,814	-71%	5,785	19,927	-71%
Total Net Revenues	\$ 228,161	\$ 212,160	8%	\$ 867,516	\$ 763,369	14%
<u>Operating Contribution</u>						
Private Client	\$ 19,216	\$ 27,485	-30%	\$ 97,478	\$ 95,353	2%
Equity Capital Markets	7,171	10,213	-30%	29,457	52,658	-44%
Fixed Income Capital Markets	23,722	4,785	396%	62,435	8,191	662%
Banking	(844)	347	-343%	619	990	-38%
Other	(13,658)	(9,863)	38%	(69,561)	(46,572)	49%
Total Operating Contribution	\$ 35,607	\$ 32,967	8%	\$ 120,428	\$ 110,620	9%



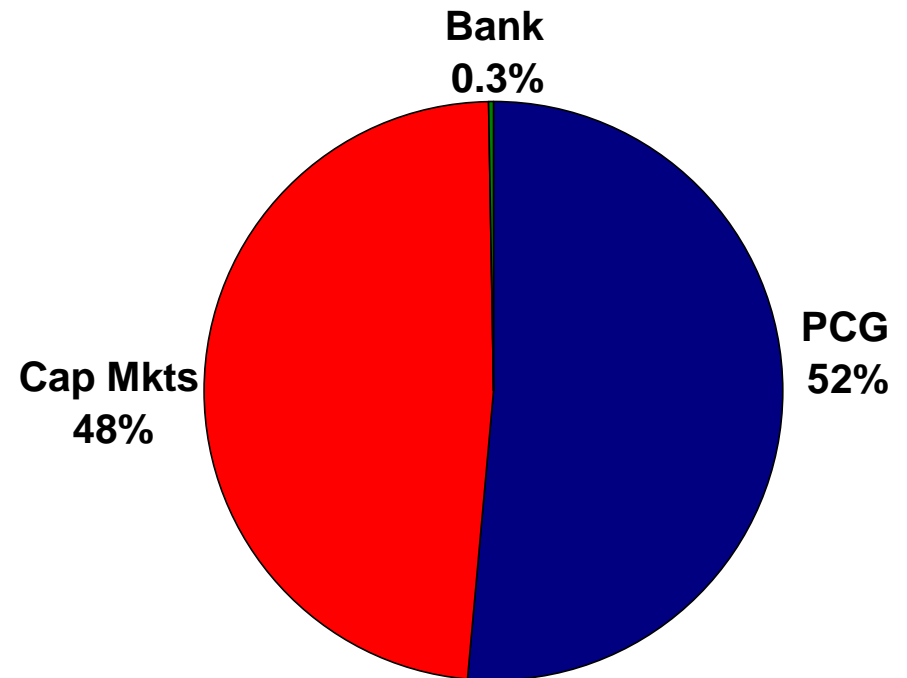
YTD 2008 Segment Comparison (Ex Acquisitions)

- Balanced business model facilitates growth during volatile markets
 - Stable PCG business is augmented by profitable and growing Capital Markets.

% of Revenues



% of Op Profit



Private Client Group

Income Statements

- Commission & fee growth impacted by 4Q08 market uncertainty
 - Margins were modestly lower due to the opening of 52 new offices and 269 FA's in 2008, including the 18 offices and 75 FA's from Butler Wick which joined us on 12/31/08.

(\$ in thousands)	Quarters Ended		% Change	YTD		% Change
	12/31/08	12/31/07		12/31/08	12/31/07	
Revenues:						
Commissions and principal transactions	\$ 78,597	\$ 81,929	-4%	\$ 316,120	\$ 281,350	12%
Investment banking	1,825	4,705	-61%	15,515	40,071	-61%
Asset management and service fees	28,848	29,578	-2%	119,047	101,128	18%
Net interest & other	2,333	3,048	-23%	10,749	13,162	-18%
Total Net Revenues	111,603	119,260	-6%	461,431	435,711	6%
Non-interest expenses:						
Employee compensation & benefits	69,762	72,151	-3%	285,641	274,115	4%
Other non-interest expenses	22,625	19,625	15%	78,312	66,243	18%
Total non-interest expenses	92,387	91,776	1%	363,953	340,358	7%
Income before income taxes	\$ 19,216	\$ 27,484	-30%	\$ 97,478	\$ 95,353	2%
Ratios to Net Revenues						
Compensation & Benefits	63%	60%		62%	63%	
Operating expenses	20%	16%		17%	15%	
Income before income taxes	17%	23%		21%	22%	



Equity Capital Markets

Income Statements

- Commissions & principal transactions increased 26% during the quarter
- Continued weakness in capital raising

	Quarters Ended		% Change	YTD		% Change
	12/31/08	12/31/07		12/31/08	12/31/07	
<i>(\$ in thousands)</i>						
Revenues:						
Commissions and principal transactions	\$ 44,268	\$ 35,100	26%	\$ 159,629	\$ 120,204	33%
Capital raising	5,142	7,850	-34%	21,867	45,371	-52%
Advisory fees	5,026	16,322	-69%	32,671	71,555	-54%
Investment banking	10,168	24,172	-58%	54,538	116,926	-53%
Other	466	149	213%	1,379	934	48%
Total Net Revenues	54,902	59,421	-8%	215,546	238,064	-9%
Compensation and Benefits	32,137	38,099	-16%	135,520	143,718	-6%
Non-Comp Operating Expenses	15,594	11,109	40%	50,569	41,688	21%
Total non-interest expenses	47,731	49,208	-3%	186,089	185,406	0%
Income before income taxes	\$ 7,171	\$ 10,213	-30%	\$ 29,457	\$ 52,658	-44%
Ratios to Net Revenues						
Compensation & Benefits	59%	64%		63%	60%	
Operating expenses	28%	19%		23%	18%	
Income before income taxes	13%	17%		14%	22%	



Fixed Income Capital Markets

Income Statements

- Distribution model and scale drove revenue growth and margin expansion
 - Opened more than 450 new institutional accounts in 2008

	Quarters Ended		% Change	YTD		% Change
	12/31/08	12/31/07		12/31/08	12/31/07	
<i>(\$ in thousands)</i>						
Revenues						
Commissions & Principal Transactions	\$ 53,226	\$ 21,225	151%	\$ 158,625	\$ 53,164	198%
Investment Banking	3,783	2,571	47%	13,658	12,647	8%
Other Revenues	1,267	(2)	n/a	2,897	(944)	n/a
Net Revenues	58,276	23,794	145%	175,180	64,867	170%
Compensation and Benefits	29,667	15,804	88%	98,159	44,427	121%
Non-Comp Operating Expenses	4,887	3,205	52%	14,586	12,249	19%
Total non-interest expenses	34,554	19,009	82%	112,745	56,676	99%
Income before income taxes	\$ 23,722	\$ 4,785	396%	\$ 62,435	\$ 8,191	662%
Ratios to Net Revenues						
Compensation & Benefits	51%	66%		56%	68%	
Operating expenses	8%	13%		8%	19%	
Income before income taxes	41%	20%		36%	13%	



Stifel Bank & Trust

Income Statements

➤ Continued build-out to serve Stifel Nicolaus clients and potential clients.

	Quarters Ended		% Change	YTD		% Change
	12/31/08	12/31/07		12/31/08	12/31/07	
<i>(\$ in thousands)</i>						
Revenues						
Interest	\$ 3,763	\$ 3,645	3%	\$ 15,253	\$ 9,542	60%
Other Revenues	(1,961)	218	n/a	(358)	704	n/a
Total Revenues	1,802	3,863	-53%	14,895	10,246	45%
Less: Interest Expense	722	1,992	-64%	5,321	5,446	-2%
Total Net Revenues	1,080	1,871	-42%	9,574	4,800	99%
Compensation and Benefits	784	749	5%	3,566	1,613	121%
Non-Comp Operating Expenses	1,140	775	47%	5,389	2,197	145%
Total non-interest expenses	1,924	1,524	26%	8,955	3,810	135%
Income before income taxes	\$ (844)	\$ 347	n/a	\$ 619	\$ 990	-37%
Ratios to Net Revenues						
Compensation & Benefits	72.6%	40.0%		37.2%	33.6%	
Operating expenses	105.6%	41.4%		56.3%	45.8%	
Income before income taxes	-78.1%	18.5%		6.5%	20.6%	
Total Assets	\$343,417	\$148,982	131%			
Total retained loans, net	\$192,819	\$129,206	49%			
Loans held for sale, net	\$37,348	\$3,433	988%			
Total deposits	\$284,798	\$192,487	48%			
Allowance for loan losses and a % of loans	1.23%	1.32%				
Total Non-Performing Loans as a % of loans	0.30%	1.51%				



Reconciliation of GAAP to Core Earnings



GAAP to Core Earnings

	Quarters Ended		% Change	YTD		% Change
	12/31/08	12/31/07		12/31/08	12/31/07	
<i>(\$ in thousands)</i>						
Core Net Income	\$ 21,738	\$ 20,491	6%	\$ 73,090	\$ 66,787	9%
Acquisition Related Expenses-net of tax	(3,982)	(6,656)	-40%	(15,878)	(34,617)	-54%
GAAP Net Income	\$ 17,756	\$ 13,835	28%	\$ 57,212	\$ 32,170	78%
Core Diluted EPS	\$0.72	\$0.76	-5%	\$2.60	\$2.60	0%
Non-Core Diluted EPS	(\$0.13)	(\$0.25)	-48%	(\$0.56)	(\$1.35)	-59%
GAAP Diluted EPS	\$0.59	\$0.51	16%	\$2.04	\$1.25	63%

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

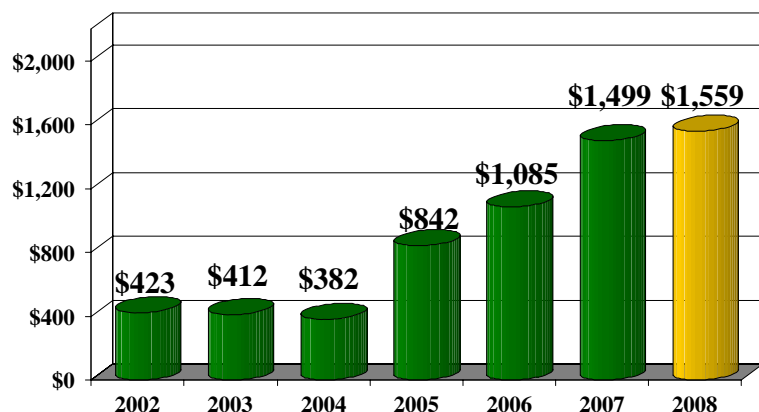


Annual Income Statement Impact

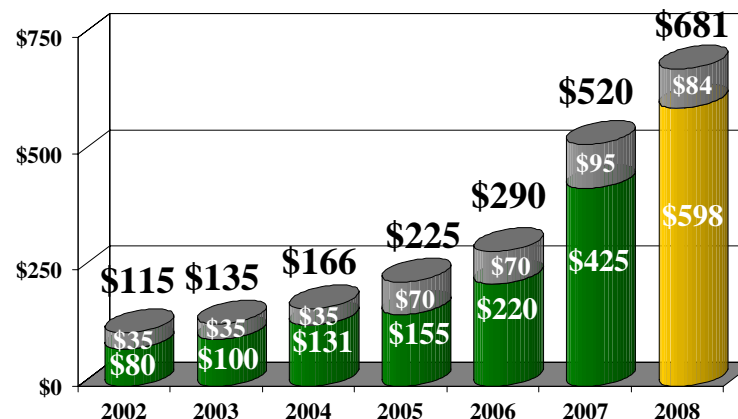
	FY 2006A	FY 2007A	FY 2008A	FY 2009E	Total
<u>Acquisition Related Expenses</u>					
<i>(\$ in thousands)</i>					
Legg Mason Acquisition Charges	\$ 41,371	\$ 25,082	\$ 25,650	\$ -	\$ 92,103
Ryan Beck Acquisition Charges	-	31,692	504	-	32,196
Pre Tax Acquisition Charges	<u>41,389</u>	<u>56,774</u>	<u>26,154</u>	<u>-</u>	<u>124,317</u>
After Tax Impact	<u>\$ (24,159)</u>	<u>\$ (34,617)</u>	<u>\$ (15,877)</u>	<u>\$ -</u>	<u>\$ (74,653)</u>
Diluted EPS Impact	\$ (1.16)	\$ (1.35)	\$ (0.56)	\$ -	\$ (3.07)



Stifel Financial Balance Sheet Graphs

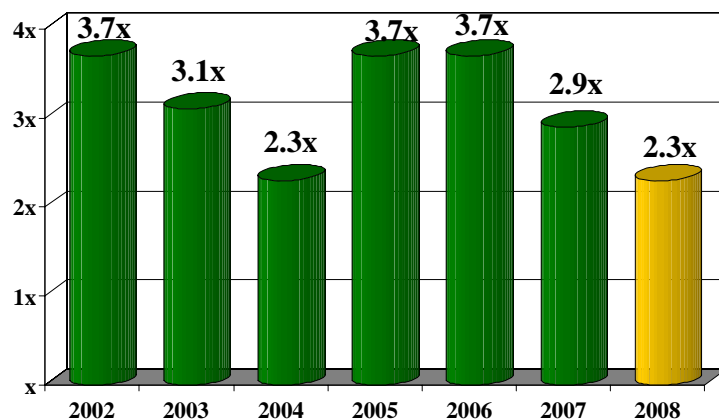


Total Assets (\$ millions)

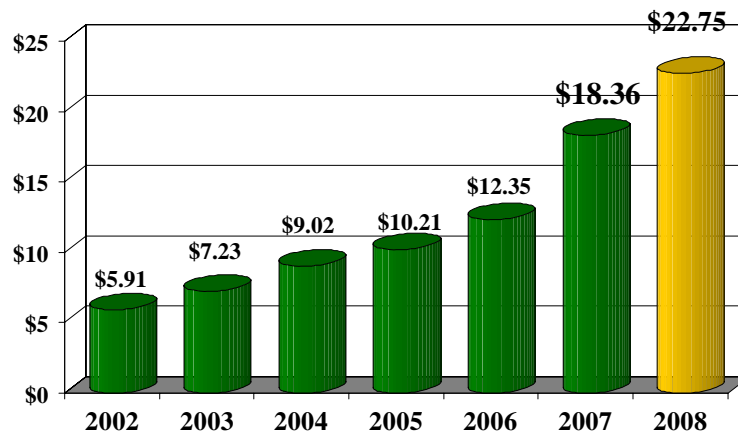


Total Capitalization (\$ millions)

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



Leverage Ratio



Book Value Per Share



Capital Structure

(\$ in thousands)

Total Assets	\$ 1,561,599
Stockholders' Equity	\$ 594,895
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	12,500
<i>Total Debentures (average 6.64% per annum)</i>	82,500
Total Capitalization	\$ 677,395

Ratios:

Equity to Assets	38%
Capitalization to Assets	43%
Debentures to Equity	14%



Level 3 Assets

	December 31, 2008	
	Cost	Carrying Value
<i>(\$ in thousands)</i>		
Auction Rate Securities	\$ 20,625	\$ 18,508
Stifel Bank & Trust Investments	14,121	10,423
Trading Securities	4,472	4,161
Other Investments	5,926	5,170
	\$ 45,144	\$ 38,262
<i>Percentage of Equity</i>		<i>6%</i>



Other Financial Data

Other Data	Quarterly Data			% Change	
	12/31/2008	9/30/2008	12/31/2007	vs Q3 2008	vs Q4 2007
Bank Assets (000's)	\$ 343,417	\$ 327,279	\$ 248,982	5%	38%
SN & SF Assets (000's)	\$ 1,215,999	\$ 1,714,146	\$ 1,250,459	-29%	-3%
Total Assets (000's)	\$ 1,559,416	\$ 2,041,425	\$ 1,499,441	-24%	4%
Stockholders Equity (000's)	\$ 565,387	\$ 565,387	\$ 424,638	0%	33%
Book value Per Share	\$22.75	\$22.21	\$18.36	2%	24%
Financial Advisors*	1,315	1,235	1,163	6%	13%
Full Time Employees	3,371	3,038	2,834	11%	19%
Locations	225	194	175	16%	29%

*Includes all retail Financial Advisors.



Q & A