

For Immediate Release

**Stifel Financial Corp.
Reports Second Quarter Earnings
Declares Regular Quarterly Dividend**

St. Louis, Missouri, July 25, 2001 - Stifel Financial Corp. (NYSE: "SF") today reported quarterly net income of \$794,000, or \$0.10 per diluted share on net revenues of \$44.2 million for the quarter ended June 30, 2001, compared to net income of \$2,461,000, or \$0.32 per diluted share, for the comparable quarter of 2000 on net revenues of \$42.3 million. The current quarter was adversely impacted by \$0.08 per share due to legal related expenses incurred primarily in connection with historical litigation arising out of the Company's former Oklahoma operations. At June 30, 2001, the Company's equity was \$78.7 million, resulting in book value per share of \$10.97.

Chairman and Chief Executive Officer, Ronald J. Kruszewski, commented, "Our second quarter results reflect the impact of difficult market conditions on our industry, particularly in our Private Client Group. However, because of our recent expansion efforts, we were able to increase net revenues from the second quarter of last year. We believe our growth uniquely positions us to capitalize on improved market conditions as they occur. Furthermore, our Fixed Income Capital Markets Group, strengthened by the recent acquisition of Hanifen, Imhoff and the opening of the Wisconsin Public Finance Group, recorded excellent results with a 105% increase in net revenues and strong profitability."

For the six months ended June 30, 2001, net income was \$2,368,000 or \$0.30 per diluted share, compared with \$5,741,000 or \$0.76 per diluted share for the same period one year earlier. Net revenues for the first six months of 2001 were \$89.1 million, compared with \$90.1 million the previous year, a decrease of 1%.

Net revenues for the quarter increased 5% to \$44.2 million from \$42.3 million in the prior year second quarter and decreased 1% from the first quarter of 2001. Reflecting new revenues from expansion efforts, offset by slower market activities, commission and principal transaction revenues increased 5% to \$27.3 million from \$26.1 million in the same period last year and were essentially unchanged from the first quarter of 2001. Investment banking revenues increased 42% to \$7.7 million in the second quarter of 2001 from \$5.4 million in the prior year second quarter and decreased 7% from \$8.2 million in the first quarter of 2001. Other income of \$6.6 million decreased 8% from the second quarter of 2000, but increased 4% the preceding first quarter of 2001. The variance in other income is due principally to the fluctuations in the company's investment portfolio, which resulted in a \$0.03 per diluted share write down in the second quarter of 2001, compared to a \$0.02 per diluted share gain in the prior year second quarter and an \$0.03 per diluted share write down in the 2001 first quarter. Net interest declined 27% to \$2.6 from \$3.6 million in the prior year second quarter and decreased 7% from \$2.8 million reported in the first quarter of 2001, due primarily to decreased customer borrowings and rates charged on those borrowings.

Total operating expenses in the 2001 second quarter were \$42.9 million, up 12% from \$38.4 million in the same period in 2000, and increased 2% from the first quarter of 2001. Employee compensation and benefits increased 5% to \$29.4 million from \$27.9 million in the prior year second quarter and decreased 3% from the first quarter of 2001. As a percentage of net revenues, compensation totaled 66.5% in the second quarter of 2001, 65.9% in the 2000 comparable quarter, and 67.7% in the first quarter of 2001. Operating expenses, excluding compensation and the litigation and settlement expenses, increased 13%, as compared to the prior year second quarter, due to the company's continued expansion activities in the Private Client and Capital Markets segments, and were essentially unchanged from the first quarter of 2001.

Business Segment Results:

- Private Client net revenues for the second quarter of 2001 were \$31.9 million, relatively unchanged from the second quarter of 2000, and 2% below the first quarter of 2001 at \$32.4 million, reflecting the continued difficult conditions in 2001. Operating contribution totaled \$3.6 million, a 43% decline from the second quarter of 2000 and 9% below the 2001 first quarter.
- Equity Capital Markets recorded net revenues of \$5.3 million, an increase of 18%, over the same quarter last year and down 9% from the first quarter of 2001. Operating contribution totaled \$335,000, versus \$173,000 in the second quarter of 2000 and \$1.2 million in the 2001 first quarter. The company lead or co-managed five equity offerings during the second quarter 2001.
- Fixed Income Capital Markets posted net revenues of \$5.4 million, an increase of 105%, over the prior year second quarter and up 14% from the first quarter of 2001. Operating contribution totaled \$2.0 million, versus a breakeven in 2000 and \$1.4 million in the 2001 first quarter. Bond market activity improved over the prior year second quarter with the firm participating in 51 fixed income deals.

In addition, the Board of Directors has declared the regular quarterly cash dividend of \$0.03 per share of its common stock. The dividend will be payable August 23, 2001, to common shareholders of record August 9, 2001.

Stifel Financial Corp. is a financial services holding company whose subsidiaries are engaged in general securities brokerage, investment banking, and money management with 75 locations in 16 states, primarily in the Midwest. To learn more about Stifel, please visit the Company's web site at www.stifel.com.

Statements in this news release contain forward-looking statements within the meaning of federal securities laws. Actual results are subject to risks and uncertainties, including both those specific to the Company and those specific to the industry, which could cause results to differ materially from those contemplated. The risks and uncertainties include, but are not limited to, general economic conditions, actions of competitors, regulatory actions, changes in legislation, and technology changes. Undue reliance should not be placed on the forward-looking statements, which speak only as of the date of this news release. The Company does not undertake any obligation to publicly update any forward-looking statements.

Stifel Financial Corp., Consolidated

Summary Of Results Of Operations (Unaudited)

(In Thousands, Except Per Share Amounts)

	Three Months Ended			Percent Change From		Six Months Ended		Percent Change
	6/30/2001	3/31/2001	6/30/2000	3/31/2001	6/30/2000	6/30/2001	6/30/2000	6/30/2000
Revenues								
Commissions	\$ 18,498	\$ 20,475	\$ 19,815	-10%	-7%	\$ 38,973	\$ 45,375	-14%
Principal transactions	8,825	6,987	6,314	26%	40%	15,812	15,490	2%
Investment banking	7,667	8,216	5,381	-7%	42%	15,883	7,635	108%
Other	6,597	6,361	7,168	4%	-8%	12,958	14,688	-12%
Total operating revenues	41,587	42,039	38,678	-1%	8%	83,626	83,188	1%
Interest revenue	6,062	6,448	9,264	-6%	-35%	12,510	16,971	-26%
Total revenues	47,649	48,487	47,942	-2%	-1%	96,136	100,159	-4%
Interest expense	3,445	3,639	5,655	-5%	-39%	7,084	10,035	-29%
Net revenues	44,204	44,848	42,287	-1%	5%	89,052	90,124	-1%
Expenses								
Employee compensation and benefits	29,392	30,380	27,880	-3%	5%	59,772	59,997	0%
Occupancy and equipment rental	4,379	4,147	3,558	6%	23%	8,526	7,022	21%
Communication and office supplies	2,751	2,929	2,744	-6%	0%	5,680	5,240	8%
Commissions and floor brokerage	829	954	751	-13%	10%	1,784	1,746	2%
Other operating expenses	5,578	3,804	3,494	47%	60%	9,381	7,173	31%
Total operating expenses	42,929	42,214	38,427	2%	12%	85,143	81,178	5%
Income before income taxes	1,275	2,634	3,860	-52%	-67%	3,909	8,946	-56%
Provision for income taxes	481	1,060	1,399	-55%	-66%	1,541	3,205	-52%
Net income	\$ 794	\$ 1,574	\$ 2,461	-50%	-68%	\$ 2,368	\$ 5,741	-59%

Per Share Information

	Three Months Ended			Percent Change From		Six Months Ended		Percent Change
	6/30/2001	3/31/2001	6/30/2000	3/31/2001	6/30/2000	6/30/2001	6/30/2000	6/30/2000
<i>Net Earnings Per Share:</i>								
Basic	\$ 0.11	\$ 0.22	\$ 0.35	-50%	-69%	\$ 0.33	\$ 0.82	-60%
Diluted	\$ 0.10	\$ 0.20	\$ 0.32	-50%	-69%	\$ 0.30	\$ 0.76	-61%
<i>Number of Shares for Earnings Per Share Computations:</i>								
Basic shares	7,176	7,155	7,015	0%	2%	7,165	6,974	3%
Diluted shares	8,034	7,982	7,610	1%	6%	8,012	7,563	6%

Preliminary Segment Data

	Three Months Ended			Percent Change From		Six Months Ended		Percent Change
	6/30/2001	3/31/2001	6/30/2000	3/31/2001	6/30/2000	6/30/2001	6/30/2000	6/30/2000
Net Revenues								
Private client	\$ 31,879	\$ 32,368	\$ 31,961	-2%	0%	\$ 64,247	\$ 70,198	-8%
Equity capital markets	5,290	5,798	4,492	-9%	18%	11,088	8,374	32%
Fixed income capital markets	5,351	4,700	2,610	14%	105%	10,051	4,427	127%
Other	1,684	1,982	3,224	-15%	-48%	3,666	7,125	-49%
Total net revenues	\$ 44,204	\$ 44,848	\$ 42,287	-1%	5%	\$ 89,052	\$ 90,124	-1%
Operating Contributions								
Private client	\$ 3,634	\$ 3,973	\$ 6,368	-9%	-43%	\$ 7,457	\$ 14,374	-48%
Equity capital markets	335	1,237	173	-73%	94%	1,572	175	798%
Fixed income capital markets	1,972	1,413	8	40%	24550%	3,385	(185)	n/a
Other	(1,002)	(679)	(367)	n/a	n/a	(1,681)	361	n/a
Total operating contributions	4,939	5,944	6,182	-17%	-20%	10,733	14,725	-27%
Unallocated overhead	(3,664)	(3,310)	(2,322)	n/a	n/a	(6,824)	(5,779)	n/a
Income before income taxes	\$ 1,275	\$ 2,634	\$ 3,860	-52%	-67%	\$ 3,909	\$ 8,946	-56%

Note: Certain prior period amounts have been restated to conform to the current period presentation.