

For Immediate Release

**Stifel Financial Corp.
Reports Unaudited Third Quarter Results
Record Nine-Month Net Revenues**

St. Louis, Missouri, October 24, 2002 - Stifel Financial Corp. (NYSE: "SF") today reported an unaudited quarterly net loss of \$2.6 million, or \$0.38 per diluted share, on net revenues of \$45.0 million for the quarter ended September 30, 2002, compared to a net loss of \$1.5 million, or \$0.21 per diluted share, on net revenues of \$43.6 million for the comparable quarter of 2001. The current quarter net income was adversely impacted by \$3.5 million, net of tax, due principally to a previously announced arbitration decision. The prior year comparable quarter was adversely impacted by \$2.1 million, net of tax, due to legal related expenses incurred primarily in connection with historical litigation arising out of the Company's former Oklahoma operations. Excluding the legal charges from both periods, third quarter 2002 net earnings were \$955,000, or \$0.12 per diluted share, up 81% from \$529,000, or \$0.07 per diluted share, reported in the 2001 third quarter. Prior year third quarter results were negatively impacted by the tragic events of September 11 and the subsequent four-day closure of the major markets.

For the nine months ended September 30, 2002, net income increased 34% to \$1.1 million, or \$0.14 per diluted share, compared with \$840,000 or \$0.10 per diluted share for the same period one year earlier. The prior year nine-month period was adversely impacted by \$2.7 million, net of tax, due to the aforementioned historical litigation. Excluding both the current year arbitration charge and the prior year litigation charges, current year nine-month net earnings were \$4.7 million, or \$0.57 per diluted share, up 34% from \$3.5 million or \$0.44 per diluted share in 2001. Net revenues for the first nine months of 2002 were a record \$142.3 million, compared with \$132.7 million the previous year, an increase of 7%. At September 30, 2002, the Company's equity was \$79.0 million, resulting in book value per share of \$11.42. During the first nine months of 2002, the Company repurchased 401,888 shares, under existing Board authorization, at an average cost of \$12.08 per share.

Chairman and Chief Executive Officer, Ronald J. Kruszewski, commented, "While we are disappointed with the arbitration decision, our Company recorded favorable results from operations during the third quarter. According to the Securities Industry Association, net revenues for our industry have declined 40% comparing the third quarter of 2002 to the first quarter of 2000. In contrast, our Company achieved record nine-month net revenues and is on track for its seventh consecutive year of record net revenues. Furthermore, excluding legal charges, operating net income increased 34% during the first nine months of this year."

Third Quarter Discussion

Net revenues for the quarter increased 3% to \$45.0 million from \$43.6 million in the prior year third quarter, but decreased 9% from the second quarter of 2002. Commission and principal transaction revenues increased 8% to \$25.1 million from \$23.3 million in the same period last year but decreased 7% from the second quarter of 2002. Investment banking revenues increased 8% to \$11.8 million in the third quarter of 2002 from \$11.0 million in the prior year third quarter but decreased 14% from the second quarter of 2002. Other income decreased 9% to \$6.2 million from \$6.8 million in the third quarter of 2001 and decreased 10% from the preceding second quarter of 2002. Net interest declined 25% to \$1.9 million from \$2.5 million in the prior year third quarter and decreased 8% from the second quarter of 2002.

Total non-interest expenses in the 2002 third quarter were \$49.3 million, up 7% from \$46.1 million in the same period of 2001, and up 7% from the second quarter of 2002. Employee compensation and benefits increased 2% to \$30.6 million from \$30.1 million in the prior year third quarter but decreased 7% from the second quarter of 2002. As a percentage of net revenues, compensation totaled 68.1% in the third quarter of 2002, 69.0% in the 2001 comparable quarter, and 66.7% in the second quarter of 2002. A significant portion of the increase in compensation and benefits is due to transition amounts paid in connection with the Company's expansion efforts. Excluding these expenses, compensation as a percentage of net revenues totaled 63.4% in the third quarter of 2002, 63.2% in the 2001 comparable quarter, and 62.4% in the second quarter of 2002. Excluding compensation and benefits and both the current year arbitration charge and the prior year litigation charge, non-interest expenses decreased 4% from the prior year third quarter, and decreased 7% from the second quarter of 2002.

Nine-Month Discussion

Year-to-date net revenues increased 7% to a record \$142.4 million from \$132.7 million in the prior year. Commission and principal transaction revenues increased 2% to \$80.0 million from \$78.1 million. Investment banking revenues increased 35% to \$36.4 million from \$26.9 million in the prior year. Other income decreased 1% to \$19.6 million from \$19.8 million. Net interest declined 20% to \$6.3 million from \$7.9 million in the prior year.

Total non-interest expenses were \$140.4 million, up 7% from \$131.3 million in the same period of 2001. Employee compensation and benefits increased 8% to \$96.8 million from \$89.8 million. As a percentage of net revenues, compensation totaled 68.0% in 2002, compared to 67.7% in the same period one year earlier. A significant portion of the increase in compensation and benefits is due to transition amounts paid in connection with the Company's expansion efforts. Excluding these expenses, compensation as a percentage of net revenues totaled 63.3%, compared to 62.4% in the previous year. Excluding compensation and benefits and the current year arbitration charge and prior year litigation charges, non-interest expenses increased 1% from the prior year.

Business Segment Results for the Three Months Ended September 30, 2002:

- Private Client Group ("PCG") net revenues for the third quarter of 2002 were \$31.6 million, an increase of 3% from the third quarter of 2001, but 9% below the second quarter of 2002. PCG recorded an operating loss of \$1.8 million, a \$5.1 million decrease from the third quarter of 2001 and a \$6.7 million decrease from the 2002 second quarter, primarily attributed to the current year third quarter charge for an arbitration verdict. Excluding the current year arbitration charge, operating contribution increased 43% over the prior year third quarter, but decreased 5% from the second quarter of 2002.
- Equity Capital Markets ("ECM") recorded net revenues of \$7.3 million, unchanged from the same quarter last year and down 18% from the second quarter of 2002. ECM operating contribution totaled \$1.5 million, a 22% increase from the third quarter of 2001 but a 35% decrease from the 2002 second quarter. The Company lead or co-managed 7 equity or trust preferred offerings during the third quarter 2002, compared to 6 in the same period one year earlier and 15 during the second quarter of 2002.
- Fixed Income Capital Markets ("FICM") posted net revenues of \$5.3 million, an increase of 37% from the prior year third quarter and up 10% from the previous quarter of 2002. During the 2002 third quarter, FICM recorded an operating contribution of \$1.5 million, a 126% increase compared to the third quarter of 2001, and a 9% increase from the 2002 second quarter. The FICM senior or co-managed 37 offerings during the third quarter 2002, compared to 37 offerings in the same period one year earlier and 37 during the second quarter of 2002.

Business Segment Results for the Nine Months Ended September 30, 2002:

- PCG net revenues for the first nine months of 2002 were \$101.3 million, an increase of 7% from the same period of 2001. PCG operating contribution totaled \$8.3 million, a 25% decrease from the same period one year earlier principally due to the current year aforementioned third quarter charge. Excluding the current year arbitration charge, operating contribution increased 33% over the first nine months of 2001.
- ECM recorded net revenues of \$25.1 million, an increase of 37% over the same period last year. ECM operating contribution totaled \$6.3 million, a 137% increase from the first nine months of 2001. During the first nine months of 2002 ECM lead or co-managed 32 equity or trust preferred offerings, compared to 14 in the first nine months of 2001.
- FICM posted net revenues of \$12.4 million, a decrease of 8% from the prior year's first nine months. FICM recorded an operating contribution of 2.7 million, a 28% decrease from the same period one year earlier. During the first nine months of 2002, FICM senior or co-managed 101 offerings, down from the prior year first nine months of 125 offerings.

Stifel Financial Corp. is a financial services holding company whose subsidiaries are engaged in general securities brokerage, investment banking, and money management with 77 locations in 15 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 | | Nine Months Ended | | Percent Change |
|--|--------------------|-----------------|-------------------|---------------------|------------|-------------------|----------------|----------------|
| | 9/30/2002 | 6/30/2002 | 9/30/2001 | 6/30/2002 | 9/30/2001 | 9/30/2002 | 9/30/2001 | |
| Revenues | | | | | | | | |
| Commissions | \$ 17,102 | \$ 18,601 | \$ 16,441 | -8% | 4% | \$ 55,141 | \$ 55,415 | 0% |
| Principal transactions | 8,039 | 8,317 | 6,884 | -3% | 17% | 24,877 | 22,695 | 10% |
| Investment banking | 11,830 | 13,749 | 10,995 | -14% | 8% | 36,421 | 26,879 | 35% |
| Other | 6,154 | 6,843 | 6,795 | -10% | -9% | 19,599 | 19,752 | -1% |
| Total operating revenues | 43,125 | 47,510 | 41,115 | -9% | 5% | 136,038 | 124,741 | 9% |
| Interest revenue | 3,676 | 3,842 | 5,442 | -4% | -32% | 11,202 | 17,952 | -38% |
| Total revenues | 46,801 | 51,352 | 46,557 | -9% | 1% | 147,240 | 142,693 | 3% |
| Less: Interest expense | 1,801 | 1,804 | 2,947 | 0% | -39% | 4,889 | 10,031 | -51% |
| Net revenues | 45,000 | 49,548 | 43,610 | -9% | 3% | 142,351 | 132,662 | 7% |
| Non-Interest Expenses | | | | | | | | |
| Employee compensation and benefits | 30,646 | 33,057 | 30,077 | -7% | 2% | 96,813 | 89,849 | 8% |
| Occupancy and equipment rental | 4,654 | 4,657 | 4,531 | 0% | 3% | 13,826 | 13,058 | 6% |
| Communication and office supplies | 2,604 | 2,836 | 2,585 | -8% | 1% | 8,010 | 8,265 | -3% |
| Commissions and floor brokerage | 873 | 807 | 994 | 8% | -12% | 2,551 | 2,778 | -8% |
| Other operating expenses | 10,519 | 4,773 | 7,946 | 120% | 32% | 19,182 | 17,326 | 11% |
| Total non-interest expenses | 49,296 | 46,130 | 46,133 | 7% | 7% | 140,382 | 131,276 | 7% |
| Income (loss) before income taxes | (4,296) | 3,418 | (2,523) | n/a | n/a | 1,969 | 1,386 | 42% |
| Provision (benefit) for income taxes | (1,672) | 1,373 | (995) | n/a | n/a | 847 | 547 | 55% |
| Net income (loss) | \$ (2,624) | \$ 2,045 | \$ (1,528) | n/a | n/a | \$ 1,122 | \$ 839 | 34% |

Per Share Information

| | Three Months Ended | | | Percent Change From | | Nine Months Ended | | Percent Change |
|--|--------------------|-----------|-----------|---------------------|-----------|-------------------|-----------|----------------|
| | 9/30/2002 | 6/30/2002 | 9/30/2001 | 6/30/2002 | 9/30/2001 | 9/30/2002 | 9/30/2001 | |
| <i>Net Earnings (Loss) Per Share:</i> | | | | | | | | |
| Basic | \$ (0.38) | \$ 0.29 | \$ (0.21) | n/a | n/a | \$ 0.16 | \$ 0.12 | 33% |
| Diluted | \$ (0.38) | \$ 0.25 | \$ (0.21) | n/a | n/a | \$ 0.14 | \$ 0.10 | 40% |
| <i>Number of Shares for Earnings Per Share Computations:</i> | | | | | | | | |
| Basic shares | 6,960 | 7,123 | 7,175 | -2% | -3% | 7,103 | 7,168 | -1% |
| Diluted shares | 6,960 | 8,308 | 7,175 | -16% | -3% | 8,230 | 8,032 | 2% |

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

Stifel Financial Corp., Consolidated
 Summary Of Segment Data & Statistical Information (Unaudited)
 (In Thousands, Except Per Share Amounts)

Preliminary Segment Data

| | Three Months Ended | | | Percent Change From | | Nine Months Ended | | Percent Change |
|--|--------------------|------------------|-------------------|---------------------|------------|-------------------|-------------------|----------------|
| | 9/30/2002 | 6/30/2002 | 9/30/2001 | 6/30/2002 | 9/30/2001 | 9/30/2002 | 9/30/2001 | |
| Net Revenues | | | | | | | | |
| Private client | \$ 31,643 | \$ 34,663 | \$ 30,818 | -9% | 3% | \$ 101,278 | \$ 95,061 | 7% |
| Equity capital markets | 7,321 | 8,930 | 7,294 | -18% | 0% | 25,146 | 18,382 | 37% |
| Fixed income capital markets | 5,253 | 4,771 | 3,836 | 10% | 37% | 12,427 | 13,494 | -8% |
| Other | 783 | 1,184 | 1,662 | -34% | -53% | 3,500 | 5,725 | -39% |
| Total net revenues | \$ 45,000 | \$ 49,548 | \$ 43,610 | -9% | 3% | \$ 142,351 | \$ 132,662 | 7% |
| Operating Contribution (Loss) | | | | | | | | |
| Private client | \$ (1,753) | \$ 4,975 | \$ 3,325 | n/a | n/a | \$ 8,316 | \$ 11,104 | -25% |
| Equity capital markets | 1,477 | 2,260 | 1,211 | -35% | 22% | 6,335 | 2,670 | 137% |
| Fixed income capital markets | 1,520 | 1,391 | 674 | 9% | 126% | 2,715 | 3,793 | -28% |
| Other / unallocated overhead | (5,540) | (5,208) | (7,733) | n/a | n/a | (15,397) | (16,181) | n/a |
| Income (loss) before income taxes | \$ (4,296) | \$ 3,418 | \$ (2,523) | n/a | n/a | \$ 1,969 | \$ 1,386 | 42% |

Statistical Information

| | Three Months Ended | | | Percent Change From | | Nine Months Ended | | Percent Change |
|--|--------------------|-----------------|-------------------|---------------------|------------|-------------------|---------------|----------------|
| | 9/30/2002 | 6/30/2002 | 9/30/2001 | 6/30/2002 | 9/30/2001 | 9/30/2002 | 9/30/2001 | |
| Total Operating Revenues | \$ 43,125 | \$ 47,510 | \$ 41,115 | -9% | 5% | \$ 136,038 | \$ 124,741 | 9% |
| Net Operating Interest | 2,651 | 2,709 | 2,732 | -2% | -3% | 7,896 | 8,630 | -9% |
| Non-Interest Expenses | 46,415 | 43,550 | 43,422 | 7% | 7% | 131,843 | 123,152 | 7% |
| EBITDA * | (639) | 6,669 | 425 | n/a | n/a | 12,091 | 10,219 | 18% |
| <i>* Earnings (loss) Before Interest, Taxes, Depreciation, and Amortization of intangibles and employment incentives</i> | | | | | | | | |
| Amortization and Depreciation | 2,881 | 2,580 | 2,711 | 12% | 6% | 8,539 | 8,124 | 5% |
| Interest on Long-Term Debt ⁽¹⁾ | 776 | 671 | 237 | 16% | 227% | 1,583 | 709 | 123% |
| Income (loss) before income taxes | (4,296) | 3,418 | (2,523) | n/a | n/a | 1,969 | 1,386 | 42% |
| Provision (benefit) for income taxes | (1,672) | 1,373 | (995) | n/a | n/a | 847 | 547 | 55% |
| Net income (loss) | \$ (2,624) | \$ 2,045 | \$ (1,528) | n/a | n/a | \$ 1,122 | \$ 839 | 34% |
| <i>Net Earnings (Loss) Per Share:</i> | | | | | | | | |
| Diluted | \$ (0.38) | \$ 0.25 | \$ (0.21) | n/a | n/a | \$ 0.14 | \$ 0.10 | 40% |
| Stockholders' Equity | \$ 79,044 | \$ 82,393 | \$ 77,243 | -4% | 2% | | | |
| Book Value Per Share | \$ 11.42 | \$ 11.67 | \$ 10.81 | -2% | 6% | | | |
| Total Assets | \$ 421,170 | \$ 476,583 | \$ 443,166 | -12% | -5% | | | |
| Investment Executives | 439 | 435 | 423 | 1% | 4% | | | |
| Full-Time Employees | 1,137 | 1,137 | 1,112 | 0% | 2% | | | |
| Locations | 77 | 78 | 75 | -1% | 3% | | | |
| Total Client Assets | \$ 15,579,000 | \$ 16,826,000 | \$ 16,002,000 | -7% | -3% | | | |

⁽¹⁾ Long-term debt composed of: 9% \$34.5 million Trust Preferred at 9/30/02 and 6/30/02 and 8% \$10 million note to Western & Southern Life Insurance Company at 9/30/01.

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