

The logo for Stifel Financial News features a stylized blue 'SF' monogram on the left, followed by the words 'Stifel Financial' in a bold, blue, sans-serif font, and 'News' in a larger, blue, serif font on the right. A horizontal blue line runs beneath the text.

Stifel Financial News

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For Immediate Release

**Stifel Financial Corp.
Reports Unaudited Fourth Quarter Results
Diluted EPS of \$0.21
Record Annual Net Revenues**

St. Louis, Missouri, February 7, 2003 - Stifel Financial Corp. (NYSE: "SF") today reported an unaudited quarterly net income of \$1.7 million, or \$0.21 per diluted share, on net revenues of \$45.4 million for the quarter ended December 31, 2002, compared to a net income of \$1.2 million, or \$0.15 per diluted share, on net revenues of \$45.0 million for the comparable quarter of 2001. For the year ended December 31, 2002, net income increased 38% to \$2.8 million, or \$0.34 per diluted share, on net revenues of \$187.8 million compared with \$2.0 million, or \$0.25 per diluted share, on net revenues of \$177.3 million for 2001. At December 31, 2002, the Company's equity was \$80.0 million, resulting in book value per share of \$11.81. During 2002, the Company repurchased 569,462 shares, under existing Board authorization, at an average cost of \$12.05 per share.

The current year net income was adversely impacted by \$3.5 million, net of tax, due principally to a previously announced arbitration decision. The prior year was adversely impacted by \$2.7 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, 2002 net earnings were \$6.3 million, or \$0.77 per diluted share, up 32% from \$4.7 million, or \$0.59 per diluted share, reported in the 2001.

Chairman and Chief Executive Officer, Ronald J. Kruszewski, commented, " We are pleased to report our seventh consecutive year of record net revenues, especially considering the difficult market environment during 2002. The economic uncertainty coupled with corporate governance scandals and geopolitical concerns have severely shaken investor confidence. Against this backdrop, Private Client Group revenues increased 5% from 2001 and Equity Capital Market Group revenues increased 29% to record levels, including 44 equity or trust preferred offerings completed during the year. Fixed Income Capital Markets posted impressive results although revenues declined 7% from record revenues in the prior year. Our results are due primarily to the dedication of our associates in serving the needs of our clients. Looking forward, while cautious about the near-term prospects for our industry, we believe our Company is well positioned to continue our growth strategy across all our business segments."

Fourth Quarter Discussion

Net revenues for the quarter were \$45.4 million compared to \$45.0 million in the prior year fourth quarter, and \$45.0 million in the third quarter of 2002. Commission and principal transaction revenues increased 4% to \$27.8 million from \$26.8 million in the same period last year and increased 10% from the third quarter of 2002. Investment banking revenues decreased 7% to \$9.5 million in the fourth quarter of 2002 from \$10.2 million in the prior year fourth quarter and decreased 20% from the third quarter of 2002. Other revenues increased 9% to \$6.3 million from \$5.8 million in the fourth quarter of 2001 and increased 2% from the preceding third quarter of 2002. Net interest declined 14% to \$1.9 million from \$2.2 million in the prior year fourth quarter and increased 2% from the third quarter of 2002.

Total non-interest expenses in the 2002 fourth quarter were \$42.6 million, down 1% from \$43.0 million in the same period of 2001, and down 14% from the third quarter of 2002. Employee compensation and benefits decreased 4% to \$29.9 million from \$31.0 million in the prior year fourth quarter and decreased 2% from the third quarter of 2002. As a percentage of net revenues, compensation totaled 65.8% in the fourth quarter of 2002, 69.0% in the 2001 comparable quarter, and 68.1% in the third quarter of 2002. A significant portion of the 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 61.3% in the fourth quarter of 2002, 63.4% in the 2001 comparable quarter, and 63.4% in the third quarter of 2002. Excluding compensation and benefits, non-interest expenses increased 6% from the prior year fourth quarter.

Year Discussion

Net revenues for 2002 increased 6% to \$187.8 million from \$177.3 million in 2001. Commission and principal transaction revenues increased 3% to \$107.8 million from \$104.5 million. Investment banking revenues increased 24% to \$45.9 million from \$37.1 million in the prior year. Other revenues increased 1% to \$25.9 million from \$25.5 million. Net interest declined 19% to \$8.2 million from \$10.1 million in the prior year.

Total non-interest expenses were \$183.0 million, up 5% from \$173.9 million in 2001. Employee compensation and benefits increased 5% to \$126.7 million from \$120.9 million. As a percentage of net revenues, compensation totaled 67.5% in 2002, compared to 68.2% the previous year. Excluding transition pay, compensation as a percentage of net revenues totaled 62.8%, unchanged from the previous year. Non-interest expenses excluding compensation and benefits and the current year arbitration charge and prior year litigation charges, decreased 6% from the prior year.

Business Segment Results for the Three Months Ended December 31, 2002:

- Private Client Group ("PCG") net revenues for the fourth quarter of 2002 increased 1% to \$33.0 million, from \$32.7 million in the fourth quarter of 2001, and increased 4% from the third quarter of 2002. PCG operating contribution was \$4.8 million, a slight increase from the fourth quarter of 2001. Excluding the arbitration award from the previous quarter, PCG fourth quarter operating contribution was essentially unchanged from the third quarter of 2002.
- Equity Capital Markets ("ECM") recorded net revenues of \$6.9 million, an increase of 6% from the fourth quarter of 2001 but down 6% from the third quarter of 2002. ECM operating contribution

totaled \$1.5 million, a 54% increase from the fourth quarter of 2001 but a 2% decrease from the 2002 third quarter. The Company led or co-managed 9 equity or trust preferred offerings during the fourth quarter 2002, compared to 6 in the same period one year earlier and 9 during the third quarter of 2002.

- Fixed Income Capital Markets ("FICM") posted net revenues of \$4.3 million, a decrease of 6% from the prior year fourth quarter and down 18% from the previous quarter of 2002. During the 2002 fourth quarter, FICM recorded an operating contribution of \$729,000, a 28% increase compared to the fourth quarter of 2001, but a 52% decrease from the 2002 third quarter. The FICM senior or co-managed 39 offerings during the fourth quarter 2002, compared to 55 offerings in the same period one year earlier and 42 during the third quarter of 2002.

Business Segment Results for the Year Ended December 31, 2002:

- PCG net revenues for the year of 2002 were \$134.3 million, an increase of 5% from the year ended 2001. PCG operating contribution totaled \$13.1 million, a 16% decrease from the same period one year earlier principally due to the current year aforementioned third quarter charge. Excluding the aforementioned arbitration charge in 2002, PCG operating contribution increased 29%.
- ECM recorded net revenues of \$32.0 million, an increase of 29% over the year ended 2001. ECM operating contribution totaled \$7.8 million, a 116% increase from 2001. During 2002, ECM led or co-managed 44 equity or trust preferred offerings, compared to 20 in the twelve months of 2001.
- FICM posted net revenues of \$16.8 million, a decrease of 7% from the prior year. FICM recorded an operating contribution of \$3.4 million, a 21% decrease from the year earlier. During the twelve months of 2002, FICM senior or co-managed 147 offerings, down from the prior year twelve months of 177 offerings.

Stifel Financial Corp. is a financial services holding company whose subsidiaries are engaged in general securities brokerage, investment banking, and money management with 80 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 Segment Data & Statistical Information (Unaudited)
 (In Thousands, Except Per Share Amounts)

Preliminary Segment Data

	Three Months Ended			Percent Change From		Twelve Months Ended		Percent Change
	12/31/2002	9/30/2002	12/31/2001	9/30/2002	12/31/2001	12/31/2002	12/31/2001	
Net Revenues								
Private client	\$ 33,048	\$ 31,644	\$ 32,668	4%	1%	\$ 134,326	\$ 127,352	5%
Equity capital markets	6,865	7,319	6,492	-6%	6%	32,011	24,874	29%
Fixed income capital markets	4,324	5,254	4,597	-18%	-6%	16,750	18,091	-7%
Other	1,207	783	1,226	54%	-2%	4,707	6,951	-32%
Total net revenues	\$ 45,444	\$ 45,000	\$ 44,983	1%	1%	\$ 187,794	\$ 177,268	6%
Operating Contribution (Loss)								
Private client	\$ 4,781	\$ (1,753)	\$ 4,523	n/a	6%	\$ 13,096	\$ 15,627	-16%
Equity capital markets	1,453	1,476	943	-2%	54%	7,789	3,612	116%
Fixed income capital markets	729	1,520	570	-52%	28%	3,444	4,363	-21%
Other / unallocated overhead	(4,137)	(5,539)	(4,035)	n/a	n/a	(19,535)	(20,215)	n/a
Income (loss) before income taxes	\$ 2,826	\$ (4,296)	\$ 2,001	n/a	41%	\$ 4,794	\$ 3,387	42%

Statistical Information

	Three Months Ended			Percent Change From		Twelve Months Ended		Percent Change
	12/31/2002	9/30/2002	12/31/2001	9/30/2002	12/31/2001	12/31/2002	12/31/2001	
Total Operating Revenue:	\$ 43,532	\$ 43,125	\$ 42,759	1%	2%	\$ 179,569	\$ 167,124	7%
Net Operating Interest	2,688	2,651	2,459	1%	9%	10,648	10,944	-3%
Non-Interest Expenses ⁽¹⁾	40,911	46,415	40,208	-12%	2%	172,771	162,328	6%
EBITDA *	5,309	(639)	5,010	n/a	6%	17,446	15,740	11%
<i>* Earnings (loss) Before Interest, Taxes, Depreciation, and Amortization of intangibles and employment incentives</i>								
Amortization and Depreciation	1,707	2,881	2,774	-41%	-38%	10,229	11,553	-11%
Interest on Long-Term Debt ⁽²⁾	776	776	235	0%	230%	2,423	800	203%
Income (loss) before income taxes	2,826	(4,296)	2,001	n/a	41%	4,794	3,387	42%
Provision (benefit) for income taxes:	1,168	(1,672)	830	n/a	41%	2,014	1,377	46%
Net income (loss)	\$ 1,658	\$ (2,624)	\$ 1,171	n/a	42%	\$ 2,780	\$ 2,010	38%
<i>Net Earnings (Loss) Per Share:</i>								
Diluted	\$ 0.21	\$ (0.38)	\$ 0.15	n/a	40%	\$ 0.34	\$ 0.25	36%
Stockholders' Equity	\$ 79,990	\$ 79,044	\$ 78,622	1%	2%			
Book Value Per Share	\$ 11.81	\$ 11.42	\$ 11.03	3%	7%			
Total Assets	\$ 424,809	\$ 421,170	\$ 440,559	1%	-4%			
Investment Executive	412	416	406	-1%	1%			
Full-Time Employee:	1,123	1,137	1,108	-1%	1%			
Locations	80	77	76	4%	5%			
Total Client Assets	\$ 16,174,000	\$ 15,579,000	\$ 17,196,000	4%	-6%			

⁽¹⁾ Non-interest expenses exclude amortization and depreciation.

⁽²⁾ Long-term debt composed of: 9% \$34.5 million Trust Preferred at 12/31/02 and 9/30/02 and 8% \$10 million note to Western & Southern Life Insurance Company at 12/31/01.

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

Stifel Financial Corp., Consolidated

Summary Of Results Of Operations (Unaudited)

(In Thousands, Except Per Share Amounts)

	Three Months Ended			Percent Change From		Twelve Months Ended		Percent Change
	12/31/2002	9/30/2002	12/31/2001	9/30/2002	12/31/2001	12/31/2002	12/31/2001	
Revenues								
Commissions	\$ 17,241	\$ 16,836	\$ 18,478	2%	-7%	\$ 71,520	\$ 73,517	-3%
Principal transactions	10,512	8,305	8,315	27%	26%	36,251	31,009	17%
Investment banking	9,498	11,830	10,188	-20%	-7%	45,918	37,068	24%
Other	6,281	6,154	5,778	2%	9%	25,880	25,530	1%
Total operating revenues	43,532	43,125	42,759	1%	2%	179,569	167,124	7%
Interest revenue	3,342	3,676	3,915	-9%	-15%	14,544	21,866	-33%
Total revenues	46,874	46,801	46,674	0%	0%	194,113	188,990	3%
Less: Interest expense	1,430	1,801	1,691	-21%	-15%	6,319	11,722	-46%
Net revenues	45,444	45,000	44,983	1%	1%	187,794	177,268	6%
Non-Interest Expenses								
Employee compensation and benefits	29,913	30,646	31,040	-2%	-4%	126,726	120,889	5%
Occupancy and equipment rental	4,805	4,654	4,615	3%	4%	18,631	17,673	5%
Communication and office supplies	2,726	2,604	2,534	5%	8%	10,737	10,799	-1%
Commissions and floor brokerage	823	873	868	-6%	-5%	3,373	3,269	3%
Other operating expenses	4,351	10,519	3,925	-59%	11%	23,533	21,251	11%
Total non-interest expenses	42,618	49,296	42,982	-14%	-1%	183,000	173,881	5%
Income (loss) before income taxes	2,826	(4,296)	2,001	n/a	41%	4,794	3,387	42%
Provision (benefit) for income taxes	1,168	(1,672)	830	n/a	41%	2,014	1,377	46%
Net income (loss)	\$ 1,658	\$ (2,624)	\$ 1,171	n/a	42%	\$ 2,780	\$ 2,010	38%

Per Share Information

	Three Months Ended			Percent Change From		Twelve Months Ended		Percent Change
	12/31/2002	9/30/2002	12/31/2001	9/30/2002	12/31/2001	12/31/2002	12/31/2001	
<i>Net Earnings (Loss) Per Share:</i>								
Basic	\$ 0.24	\$ (0.38)	\$ 0.16	n/a	50%	\$ 0.40	\$ 0.28	43%
Diluted	\$ 0.21	\$ (0.38)	\$ 0.15	n/a	40%	\$ 0.34	\$ 0.25	36%
<i>Number of Shares for Earnings Per Share Computations:</i>								
Basic shares	6,825	6,960	7,142	-2%	-4%	7,033	7,162	-2%
Diluted shares	7,979	6,960	7,933	15%	1%	8,169	7,990	2%

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