

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.

**1st Quarter 2008 Fiscal Year
Earnings Conference Call**

May 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.



Business Highlights

- Net revenue of \$211.5 million a 35% increase over the prior year first quarter and down slightly from the fourth quarter 2007.
- GAAP net income of \$14.3 million, or \$0.81 per diluted share, a 62% increase over the prior year first quarter and a 4% increase from the fourth quarter 2007.
- Core net income of \$18.3 million, or \$1.03 per diluted share, a 39% increase over the prior year first quarter and a 11% decrease from the fourth quarter 2007.
- Commission and principal transactions increased \$64.7 million, 74% over the previous year first quarter.
- Asset management and service fees increased 56% to \$30.3 million as compared to the prior year first quarter.
- For the three months ended March 31, 2008, utilizing Core earnings, pretax margin was 14%.
- For the three months ended March 31, 2008, utilizing Core earnings, annualized return on average equity was 17%.
- The number of Financial Advisors increased to 972 from 956.
- The Fixed Income Capital Markets recorded record net revenues of \$44.0 million and record income before income taxes of \$14.9 million.



Stifel Income Statements

Core Revenues

(\$ in thousands)

	Quarters Ended			% Change	
	3/31/08	12/31/07	3/31/07	12/31/07	3/31/07
Revenues					
Commissions	\$ 85,701	\$ 90,584	\$ 61,376	-5%	40%
Principal Transactions	66,937	47,638	26,566	41%	152%
Investment Banking	21,844	31,445	43,066	-31%	-49%
Asset Management and Svc Fees	30,278	29,588	19,373	2%	56%
Other Revenues	(1,207)	4,127	1,417	-129%	-185%
Operating Revenues	203,553	203,382	151,798	0%	34%
Interest Income	13,689	15,697	10,700	-13%	28%
Total Revenues	217,242	219,079	162,498	-1%	34%
Interest Expense	5,765	6,919	5,537	-17%	4%
Net Revenues	\$ 211,477	\$ 212,160	\$ 156,961	0%	35%



Stifel Income Statements

(\$ in thousands)	Quarters Ended			% Change	
	3/31/08	12/31/07	3/31/07	12/31/07	3/31/07
Net Revenues	\$ 211,477	\$ 212,160	\$ 156,961	0%	35%
Compensation and Benefits	139,732	133,018	104,672	5%	33%
Non-Comp Operating Expenses	41,189	46,175	30,172	-11%	37%
Total non-interest expenses	180,921	179,193	134,844	1%	34%
Income before income taxes	30,556	32,967	22,117	-7%	38%
Provision for income taxes	12,238	12,476	8,938	-2%	37%
Core Net Income	18,318	20,491	13,179	-11%	39%
Acquisition Related net of taxes	(3,971)	(6,656)	(4,350)	-40%	-9%
GAAP Net Income	\$ 14,347	\$ 13,835	\$ 8,829	4%	62%
Core Diluted EPS	\$1.03	\$1.14	\$0.86	-10%	20%
GAAP Diluted EPS	\$0.81	\$0.77	\$0.58	5%	40%
<i>Ratios to Net Revenues (Core)</i>					
Compensation & Benefits	66%	63%	67%		
Operating expenses	19%	22%	19%		
Income before income taxes	14%	16%	14%		

For a reconciliation from GAAP to Core Net Income see the company's press release.



Segment Comparison Excluding Acquisitions

(\$ in thousands)

<u>Net Revenues</u>	<u>Quarters Ended</u>			<u>% Change</u>	
	<u>3/31/08</u>	<u>12/31/07</u>	<u>3/31/07</u>	<u>12/31/07</u>	<u>3/31/07</u>
Private Client	\$ 114,853	\$ 119,260	\$ 85,527	-4%	34%
Equity Capital Markets	49,228	59,421	52,530	-17%	-6%
Fixed Income Capital Markets	44,002	23,794	14,615	85%	201%
Banking	2,082	1,871	-	11%	n/a
Other	1,312	7,814	4,289	-83%	-69%
Total Net Revenues	\$ 211,477	\$ 212,160	\$ 156,961	0%	35%
<u>Operating Contribution</u>					
Private Client	\$ 25,605	\$ 27,484	\$ 18,091	-7%	42%
Equity Capital Markets	6,927	10,213	13,418	-32%	-48%
Fixed Income Capital Markets	14,913	4,785	1,887	212%	690%
Banking	309	349	-	-11%	n/a
Other	(17,198)	(9,864)	(11,279)	74%	52%
Total Operating Contribution	\$ 30,556	\$ 32,967	\$ 22,117	-7%	38%



Private Client Group Segment Income Statements

	Quarters Ended			% Change	
	3/31/08	12/31/07	3/31/07	12/31/07	3/31/07
<i>(\$ in thousands)</i>					
Commissions and principal transactions	\$ 77,952	\$ 81,929	\$ 51,730	-5%	51%
Investment banking	4,103	4,705	12,288	-13%	-67%
Asset management and service fees	30,147	29,578	19,227	2%	57%
Net interest & other	2,651	3,048	2,282	-13%	16%
Net Revenues	114,853	119,260	85,527	-4%	34%
Compensation and Benefits	72,845	72,151	54,956	1%	33%
Non-Comp Operating Expenses	16,403	19,625	12,480	-16%	31%
Total non-interest expenses	89,248	91,776	67,436	-3%	32%
Income before income taxes	\$ 25,605	\$ 27,484	\$ 18,091	-7%	42%
<u>Ratios to Net Revenues</u>					
Compensation & Benefits	63%	60%	64%		
Operating expenses	15%	17%	15%		
Income before income taxes	22%	23%	21%		



Equity Capital Markets Segment

Income Statements

(\$ in thousands)

	Quarters Ended			% Change	
	3/31/2008	12/31/2007	3/31/2007	12/31/2007	3/31/2007
Commissions and principal transactions	\$34,654	\$35,100	\$24,621	-1%	41%
Capital raising	6,758	7,850	11,828	-14%	-43%
Advisory fees	7,509	16,322	15,654	-54%	-52%
Investment banking	14,267	24,172	27,482	-41%	-48%
Other	307	149	427	106%	-28%
Net Revenues	49,228	59,421	52,530	-17%	-6%
Compensation and Benefits	31,294	38,098	30,889	-18%	1%
Non-Comp Operating Expenses	11,007	11,109	8,223	-1%	34%
Total non-interest expenses	42,301	49,207	39,112	-14%	8%
Income before income taxes	\$ 6,927	\$ 10,214	\$ 13,418	-32%	-48%

Ratios to Net Revenues

Compensation & Benefits	64%	64%	59%
Operating expenses	22%	19%	15%
Income before income taxes	14%	17%	26%



Fixed Income Capital Markets Segment

Income Statements

(\$ in thousands)

	Quarters Ended			% Change	
	3/31/08	12/31/07	3/31/07	12/31/07	3/31/07
Commissions and principal transactions	\$40,033	\$21,225	\$11,592	89%	245%
Investment banking	3,474	2,571	3,296	35%	5%
Other	495	(2)	(273)	n/a	n/a
Net Revenues	44,002	23,794	14,615	85%	201%
Compensation and Benefits	25,936	15,805	10,154	64%	155%
Non-Comp Operating Expenses	3,153	3,204	2,574	-2%	22%
Total non-interest expenses	29,089	19,009	12,728	53%	129%
Income before income taxes	\$ 14,913	\$ 4,785	\$ 1,887	212%	690%

Ratios to Net Revenues

Compensation & Benefits	59%	66%	69%
Operating expenses	7%	14%	18%
Income before income taxes	34%	20%	13%



Stifel Bank Segment Income Statements

(\$ in thousands)

	Quarters Ended		% Change
	3/31/08	12/31/07	
Revenues			
Interest	\$ 3,551	\$ 3,625	-2%
Other	247	238	4%
Total Revenues	3,798	3,863	-2%
Less: Interest expense	1,716	1,992	-14%
Net Revenues	2,082	1,871	11%
Compensation and Benefits	759	749	1%
Non-Comp Operating Expenses	1,014	773	31%
Total non-interest expenses	1,773	1,522	16%
Income before income taxes	\$ 309	\$ 349	-11%

	As of		% Change
	3/31/08	12/31/07	
Total Assets	\$ 287,993	\$ 248,982	16%
Total Loans, net	\$ 150,106	\$ 129,206	16%
Total Deposits	\$ 229,660	\$ 192,487	19%
Total Capital	\$ 56,134	\$ 55,773	1%
Allowance for Loan Losses as a % of Loans	1.15%	1.32%	
Total Non-Performing Loans as a % of Loans	1.42%	1.51%	

Prior year quarter results are not presented as the results of operations related to Stifel Bank & Trust, acquired on April 2, 2007, are included from the date of acquisition.



Other Segment Analysis

(\$ in thousands)

Net Revenues

Acquisition Related Other

Other

Total net revenues

3 Months Ended

<u>3/31/2008</u>	<u>3/31/2007</u>
\$ -	\$ -
1,312	4,289
<u>\$ 1,312</u>	<u>\$ 4,289</u>
\$ (6,631)	\$ (7,300)
(17,198)	(11,279)
<u>\$ (23,829)</u>	<u>\$ (18,579)</u>

Operating Contribution



Reconciliation of GAAP to Core Earnings



GAAP to Core Earnings

(\$ in thousands)

Revenues

Net Revenues

Non-Interest Expenses

Compensation and benefits

Operating Expenses

Total non-interest expenses

Income/(loss) before income taxes

Provision (benefit) for income taxes

Net Income/(Loss)

Earnings per Share:

Diluted

	Quarter Ended 3/31/08			Quarter Ended 3/31/07		
	Core Business	Acquisition Related	GAAP	Core Business	Acquisition Related	GAAP
Net Revenues	\$ 211,477	\$ -	\$ 211,477	\$ 156,961	\$ -	\$ 156,961
Compensation and benefits	139,732	6,298	146,030	104,672	6,162	110,834
Operating Expenses	41,189	333	41,522	30,172	1,138	31,310
Total non-interest expenses	180,921	6,631	187,552	134,844	7,300	142,144
Income/(loss) before income taxes	30,556	(6,631)	23,925	22,117	(7,300)	14,817
Provision (benefit) for income taxes	12,238	(2,660)	9,578	8,938	(2,950)	5,988
Net Income/(Loss)	\$ 18,318	\$ (3,971)	\$ 14,347	\$ 13,179	\$ (4,350)	\$ 8,829
Earnings per Share:						
Diluted	\$1.03	(\$0.22)	\$0.81	\$0.86	(\$0.28)	\$0.58

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



Annual Income Statement Impact

	FY 2006A	FY 2007A	FY 2008E	FY 2009E	Total
<u>Acquisition Related Expenses</u>					
<i>(\$ in thousands)</i>					
Legg Mason Acquisition Charges	\$ 41,371	\$ 25,082	\$ 25,056	\$ -	\$ 91,508
Ryan Beck Acquisition Charges	-	31,693	1,000	-	32,693
Pre Tax Acquisition Charges	<u>41,389</u>	<u>56,775</u>	<u>26,056</u>	<u>-</u>	<u>124,220</u>
After Tax Impact	<u>\$ (24,159)</u>	<u>\$ (34,065)</u>	<u>\$ (15,602)</u>	<u>\$ -</u>	<u>\$ (73,826)</u>
Diluted EPS Impact	\$ (1.74)	\$ (2.02)	\$ (0.88)	\$ -	\$ (4.38)



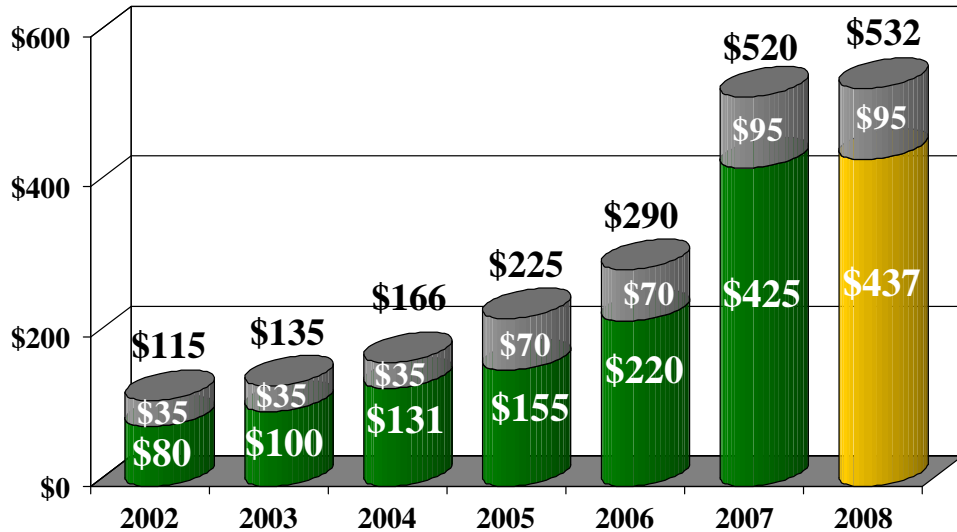
Quarterly Income Statement Impact

	Actual Q1 2008	Estimated Q2 2008	Estimated Q3 2008	Estimated Q4 2008	Full Year 2008
<u>Acquisition Related Expenses</u>					
<i>(\$ in thousands)</i>					
LM Capital Markets Acquisition	\$ 6,306	\$ 6,250	\$ 6,250	\$ 6,250	\$ 25,056
Ryan Beck Acquisition	325	225	225	225	1,000
Total non-interest expenses	<u>\$ 6,631</u>	<u>\$ 6,475</u>	<u>\$ 6,475</u>	<u>\$ 6,475</u>	<u>\$ 26,056</u>
Pre Tax Acquisition Charges	\$ (6,631)	\$ (6,475)	\$ (6,475)	\$ (6,475)	\$ (26,056)
Diluted EPS Impact	(\$0.22)	(\$0.22)	(\$0.22)	(\$0.22)	(\$0.88)



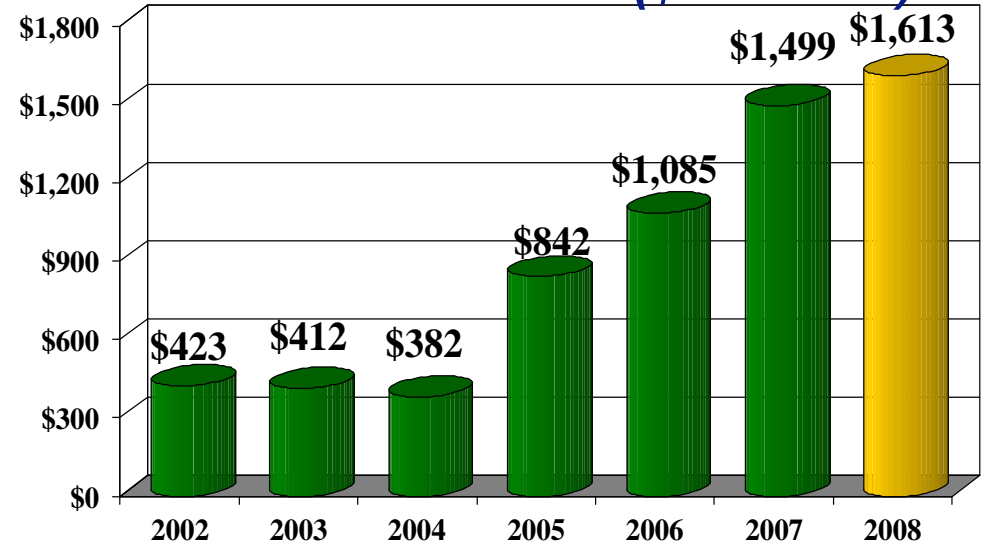
Stifel Financial Balance Sheet Graphs

Total Capitalization (\$ millions) ⁽¹⁾



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

Total Assets (\$ millions)



Book Value Per Share



Capital Structure

(\$ in thousands)

3/31/2008

Total Assets	\$ 1,613,215
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Stockholders' Equity	\$ 437,038
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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	\$ 532,038
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Ratios:

Equity to Assets	27%
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Capitalization to Assets	33%
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Debentures to Equity	22%
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Other Financial Data

Other Data	Quarterly Data			% Change	
	3/31/2008	12/31/2007	3/31/2007	VS 12/31/2007	VS 3/31/2007
Total Assets (000's)	\$ 1,613,215	\$ 1,499,440	\$ 1,427,407	8%	13%
Stockholders Equity (000's)	\$ 437,038	\$ 424,637	\$ 342,641	3%	28%
Book value Per Share	\$28.07	\$27.54	\$23.16	2%	21%
Financial Advisors	972	966	956	1%	2%
Employees	2,882	2,834	2,766	2%	4%
Locations	179	175	178	2%	1%
Total Client Assets (000's)	\$57,283,000	\$59,299,000	\$36,464,000	-3%	57%



Q & A