

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 2009 Fiscal Year
Earnings Conference Call**

May 11, 2009

Forward-Looking Statements

This presentation may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 that involve significant risks, assumptions and uncertainties, including statements relating to the market opportunity and future business prospects of Stifel Financial Corp., as well as Stifel, Nicolaus and Company, Inc. and its other subsidiaries (collectively, “SF” or the “Company”). These statements can be identified by the use of the words “may,” “will,” “should,” “could,” “would,” “plan,” “potential,” “estimate,” “project,” “believe,” “intend,” “anticipate,” “expect” and similar expressions. In particular, these statements may refer to our goals, intentions and expectations, our business plans and growth strategies, our ability to integrate and manage our acquired businesses, estimates of our risks and future costs and benefits, and forecasted demographic and economic trends relating to our industry.

You should not place undue reliance on any forward-looking statements, which speak only as of the date they were made. We will not update these forward-looking statements, even though our situation may change in the future, unless we are obligated to do so under federal securities laws.

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 and include, among other things changes in general economic and business conditions, actions of competitors, regulatory actions, changes in legislation and technology changes.

To supplement our financial statements presented in accordance with GAAP, 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.



1st Quarter 2009 Highlights

- Net revenues of \$220.0 million, a 4% increase from the 1Q08.
 - The PCG segment recorded net revenues of \$110.5 million, a 4% decrease from the 1Q08.
 - The ECM segment recorded net revenues of \$47.1 million, a 4% decrease over the 1Q08.
 - The FICM segment recorded net revenues of \$58.4 million, a 33% increase from 1Q08.
- Net income of \$13.2 million, or \$0.44 per diluted share, an 8% decrease from 1Q08.
 - 1Q09 pre-tax margin was 10% compared to 11% from 1Q08.
 - 1Q09 annualized return on average equity was 9% compared to 14% from 1Q08.
- The number of Financial Advisors increased to 1,394 from 1,169 in 1Q08.
- **We announced an agreement to acquire from UBS Financial Services Inc. up to 55 branches from UBS Wealth Management Americas branch network.**



Chairman's Comments

Keys to the Quarter

- 1Q09 PCG and ECM results were negatively impacted by continuing difficult market conditions for investment banking and reduced valuations of customers' assets
- Excellent performance by our Fixed Income Capital Markets and Stifel Bank
- Overhead costs increased as we continued to make investments in all segments of the platform. Since 1/1/2008, we have:
 - Hired 361 FA's and opening 55 PCG branches
 - Added 134 revenue producing investment bankers, traders, institutional sales staff, and mortgage bankers
 - Added 299 branch and home office support staff



Summary Income Statements

(\$ in thousands)	Quarters Ended		% Change
	3/31/2009	3/31/2008	
Net revenues	\$ 219,981	\$ 211,477	4%
Compensation and benefits	147,840	139,733	6%
Non-compensation operating expenses	49,986	41,189	21%
Total non-interest expenses	197,826	180,921	9%
Income before income taxes	22,155	30,556	-27%
Provision for income taxes	8,978	12,238	-27%
Core net income *	13,177	18,318	-28%
Acquisition Related net of taxes (1)	-	(3,971)	-100%
GAAP net income	\$ 13,177	\$ 14,347	-8%
Core diluted EPS *	\$0.44	\$0.69	-36%
GAAP diluted EPS	\$0.44	\$0.54	-19%
<u>Ratios to Net Revenues (Core) *</u>			
Compensation and benefits	67.2%	66.1%	
Operating expenses	22.7%	19.5%	
Income before income taxes	10.1%	14.4%	

* Non-GAAP measures of financial performance (see "Forward-Looking Statement" slide).

(1) Legg Mason and Ryan Beck acquisition charges, primarily compensation and benefits.



1st Quarter Normalized Pro Forma

	Net Revenues	Pre-Tax Operating Contributions	% of Net Rev
As Reported	\$ 219,981	\$ 22,155	10.1%
Pro Forma Adjustments			
Private Client Group (PCG)			
PCG established business	16,444	8,439	
PCG new business	-	3,272	
Equity Capital Markets	10,000	5,000	
Fixed Income Capital Markets	(10,000)	(5,000)	
Bank excess liquidity	2,000	2,000	
Firm overhead	-	1,000	
Pro Forma	\$ 238,425	\$ 36,866	15.5%



Source of Revenues

	Quarters Ended				
	3/31/2009	% of Net Rev	3/31/2008	% of Net Rev	% Change
Revenues					
Commissions	\$ 74,610	33.9%	\$ 85,701	40.5%	-13%
Principal transactions	97,278	44.2%	66,937	31.7%	45%
Investment banking	15,504	7.0%	21,844	10.3%	-29%
Asset management and service fees	24,933	11.3%	30,278	14.3%	-18%
Other	115	0.1%	(1,207)	-0.6%	-110%
Total operating revenues	212,440	96.6%	203,553	96.3%	4%
Interest revenue	9,892	4.5%	13,689	6.5%	-28%
Total revenues	222,332	101.1%	217,242	102.7%	2%
Less: Interest expense	2,351	1.1%	5,765	2.7%	-59%
Net revenues	\$ 219,981	100.0%	\$ 211,477	100.0%	4%



Principal Transactions

(\$ in thousands)	Quarters Ended				
	<u>3/31/2009</u>	% of Total	<u>3/31/2008</u>	% of Total	% Change
<u>Principal transactions</u>					
Taxable debt	\$ 65,156	67.0%	\$ 48,512	72.5%	34%
Muni debt	16,455	16.9%	9,971	14.9%	65%
Equities	8,570	8.8%	4,251	6.4%	102%
Other	7,097	7.3%	4,203	6.3%	69%
Total principal transactions	\$ 97,278	100.0%	\$ 66,937	100.0%	45%



Segment Comparison

Excluding Acquisitions

- Total net revenues increased 4% despite difficult market conditions in 1Q09.
- Weakness in PCG & ECM were more than offset by FICM and Stifel Bank results

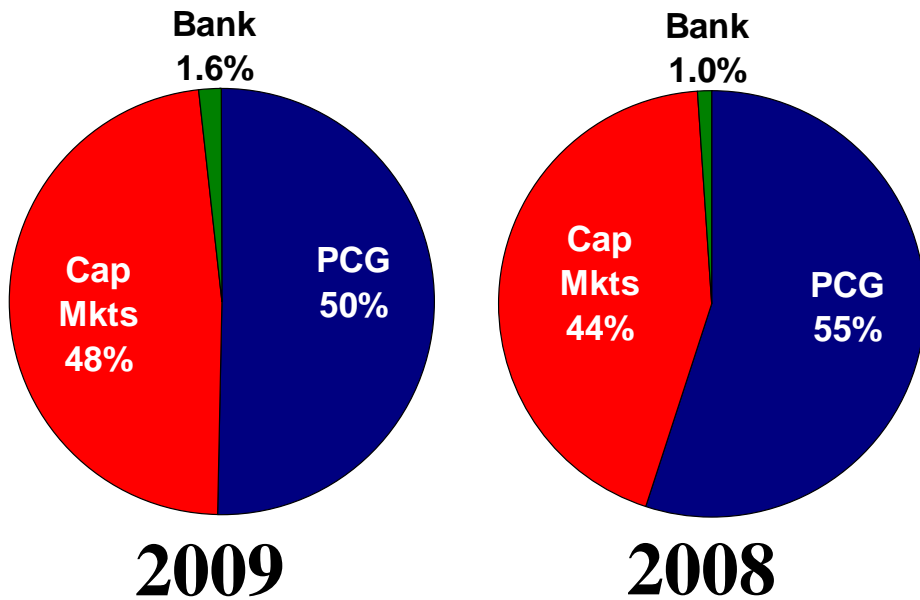
<u>Net Revenues</u>	<u>Quarters Ended</u>		<u>% Change</u>
	<u>3/31/09</u>	<u>3/31/08</u>	
Private Client	\$ 110,524	\$ 114,853	-4%
Equity Capital Markets	47,083	49,228	-4%
Fixed Income Capital Markets	58,389	44,002	33%
Banking	3,640	2,082	75%
Other	345	1,312	-74%
Total Net Revenues	\$ 219,981	\$ 211,477	4%
<u>Operating Contribution</u>	<u>Quarters Ended</u>		<u>% Change</u>
	<u>3/31/09</u>	<u>3/31/08</u>	
Private Client	\$ 15,460	\$ 25,605	-40%
Equity Capital Markets	5,725	6,927	-17%
Fixed Income Capital Markets	20,309	14,913	36%
Banking	1,774	309	474%
Other	(21,113)	(17,198)	23%
Total Operating Contribution	\$ 22,155	\$ 30,556	-27%



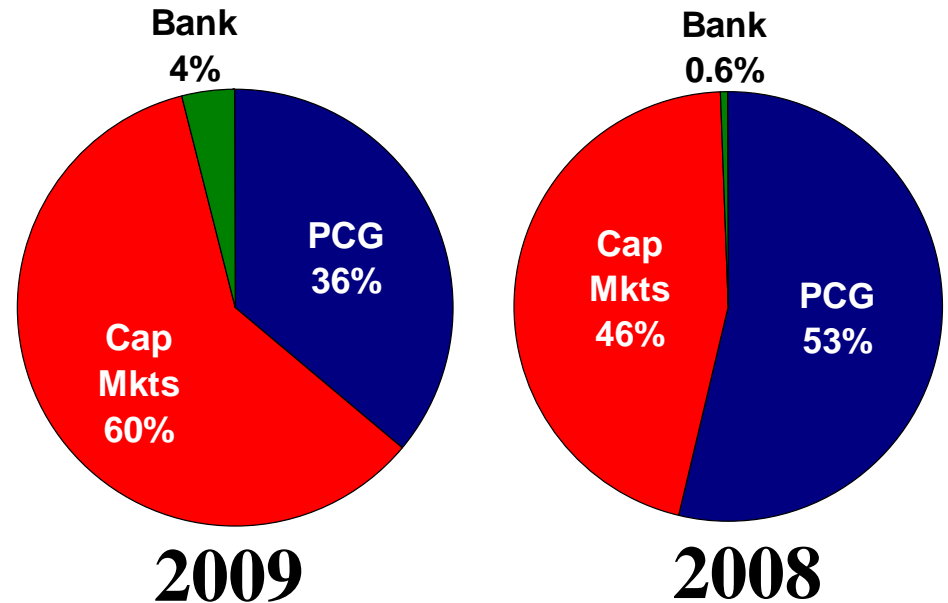
1st Quarter Segment Comparison (Excludes Acquisitions)

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

Revenue



Operating Profit



Private Client Group Income Statements

- Commission & fee growth impacted by market decline
- Margins were lower due to market conditions, decline of managed money balances, and the opening of new offices and hiring Financial Advisors.

(\$ in thousands)

	<u>Quarters Ended</u>		<u>% Change</u>
	<u>3/31/09</u>	<u>3/31/08</u>	
Commissions and principal transactions	\$ 81,653	\$ 77,952	5%
Investment banking	2,070	4,103	-50%
Asset management and service fees	24,831	30,147	-18%
Net interest and other	1,970	2,651	-26%
Net revenues	110,524	114,853	-4%
Compensation and benefits	72,218	72,845	-1%
Non-compensation operating expenses	22,846	16,403	39%
Total non-interest expenses	95,064	89,248	7%
Income before income taxes	\$ 15,460	\$ 25,605	-40%
<u>Ratios to Net Revenues</u>			
Compensation and benefits	65%	63%	
Operating expenses	21%	14%	
Income before income taxes	14%	22%	



Equity Capital Markets

Income Statements

- Commissions & principal transactions increased 6% during the quarter
- Industry wide slowdown in trading activity offset by market share gains
- Investment Banking weakness is driven by lack of public market activity
- Advisory business grew in the quarter

(\$ in thousands)

	Quarters Ended		% Change
	3/31/09	3/31/08	
Flow business	\$ 36,787	\$ 34,654	6%
Capital raising	693	6,758	-90%
Advisory fee	9,405	7,509	25%
Investment banking	10,098	14,267	-29%
Other revenue	198	307	-36%
Net revenues	47,083	49,228	-4%
Compensation and benefits	29,311	31,294	-6%
Non-compensation operating expenses	12,047	11,007	9%
Total non-interest expenses	41,358	42,301	-2%
Income before income taxes	\$ 5,725	\$ 6,927	-17%
<u>Ratios to Net Revenues</u>			
Compensation and benefits	62%	64%	
Operating expenses	26%	22%	
Income before income taxes	12%	14%	



Fixed Income Capital Markets

Income Statements

- Distribution model and scale drove revenue growth and margin expansion
- Fixed income markets remain favorable, in addition Stifel FICM continues to gain market share
- Continued strength in the flow business is driven by investments in Sales, Trading and Banking

(\$ in thousands)

Flow business & trading

Capital raising

Advisory fee

Investment banking

Other revenue

Net revenues

Compensation and benefits

Non-compensation operating expenses

Total non-interest expenses

Income before income taxes

Ratios to Net Revenues

Compensation and benefits

Operating expenses

Income before income taxes

	<u>Quarters Ended</u>		<u>% Change</u>
	<u>3/31/09</u>	<u>3/31/08</u>	
\$ 53,448	\$ 40,032	34%	
2,736	2,170	26%	
601	1,304	-54%	
3,337	3,474	-4%	
1,604	496	223%	
58,389	44,002	33%	
33,207	25,936	28%	
4,873	3,153	55%	
38,080	29,089	31%	
\$ 20,309	\$ 14,913	36%	

57%

59%

8%

7%

35%

34%



Stifel Bank & Trust

Income Statements

(\$ in thousands)

Revenues

	<u>Quarters Ended</u>		
	<u>3/31/09</u>	<u>3/31/08</u>	<u>% Change</u>
Interest	3,656	3,551	3%
Other revenues	670	247	171%
Total revenues	4,326	3,798	14%
Less: interest expense	686	1,716	-60%
Total net revenues	3,640	2,082	75%
Compensation and benefits	411	759	-46%
Non-compensation operating expenses	1,455	1,014	43%
Total non-interest expenses	1,866	1,773	5%
Income before income taxes	\$ 1,774	\$ 309	474%

Ratios to Net Revenues

Compensation and benefits	11%	36%
Operating expenses	40%	49%
Income before income taxes	49%	15%

Total assets	\$529,953	\$248,982	113%
Total retained loans, net	\$182,841	\$129,206	42%
Loans held for sale, net	\$31,108	\$3,433	806%
Total deposits	\$459,305	\$192,487	139%
Allowance for loan losses and a % of loans	1.47%	1.32%	
Total non-performing loans as a % of loans	1.37%	1.51%	



Stifel Bank & Trust

Asset Growth

- Total assets increased \$187 million, or 54%, from 12/31/2008
- Cash and cash equivalents increased \$199 million from 12/31/2008 to \$226 million, resulting in significant on-balance sheet liquidity
- Retained loan portfolio declined \$10 million, or 5%, from 12/31/2008

Credit Quality

- Allowance as a percentage of gross loans was 1.47%, which represented a 24 basis point increase from 12/31/2008
- Net charge offs were \$271,000 for the 1st quarter of 2009
- Annualized losses as a percentage of average loans was 0.49%
- Less than \$100,000 in loans past due more than 90 days
- Other Real Estate Owned (OREO) increased \$2.1 million from \$2.3 million as of 12/31/2008 to total \$4.4 million
 - \$2.2 million of the increase represented one commercial real estate property which was sold in April for no additional loss; The balance of OREO as of April 30, 2009 totaled \$1.9 million

Mortgage Banking

- Over \$240 million in loans sold into the secondary market in 1Q09, compared to \$330 million for all of 2008
- Gross mortgage revenues totaled \$3.9 million in 1Q09, compared to \$4.4 million for all of fiscal 2008
- Only \$3 million in retained mortgage loan originations in 1Q09 with a weighted average loan to value of 47% and weighted average FICO credit score of 789



Stifel Bank & Trust

Significant Excess Liquidity

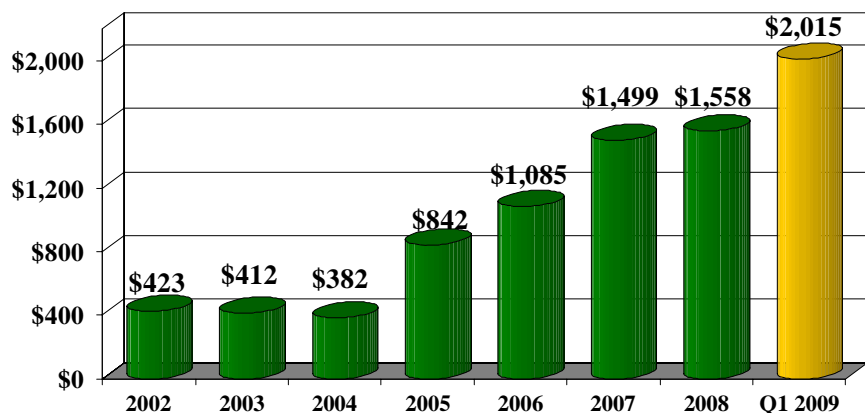
- \$226 million in on-balance sheet excess liquidity held in cash and cash equivalents
- The UBS transaction is expected to provide an additional \$800 million in deposits available to the Bank
- Loan to Deposit Ratio of 47%

Earnings Growth Opportunities Through Deploying Excess Liquidity

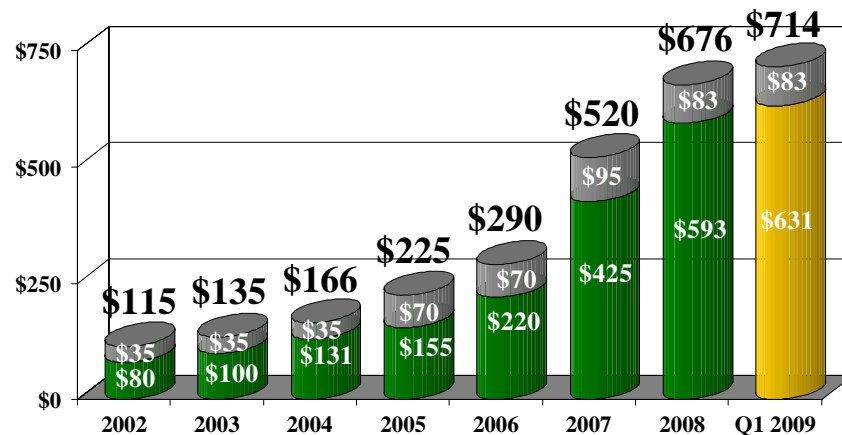
- Stock Secured (Reg. U) loans from the UBS transaction of approximately \$190 million
- Conservative diversified bond portfolio strategy, primarily consisting of AAA rated bonds
 - ❖ Deploying excess cash into Reg. U loans and a conservative bond portfolio could raise spreads in excess of 300 to 400 basis points over current yields earned on the excess cash position



Stifel Financial Balance Sheet Graphs

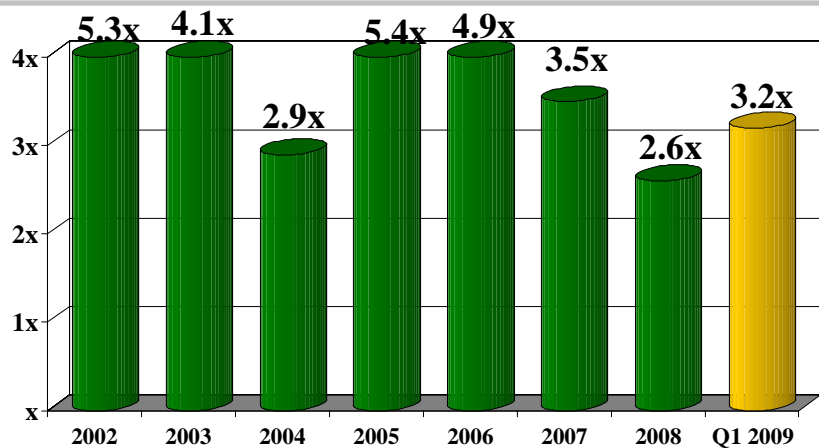


Total Assets (\$ millions)



Total Capitalization (\$ millions)

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



Leverage Ratio



Book Value Per Share



Capital Structure

(\$ in thousands)

	<u>3/31/2009</u>	<u>3/31/2008</u>
Total Assets	\$ 2,014,698	\$ 1,613,215
Stockholders' Equity	\$ 630,802	\$ 437,038
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	\$ 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	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	25,000
Total Debentures <i>(average 6.64% per annum)</i>	\$ 82,500	\$ 95,000
Total Capitalization	\$ 713,302	\$ 532,038
Capital ratios:		
Common tangible equity to assets	24.1%	17.3%
Tier 1 capital to risk-based assets ratio	51.3%	49.4%
Leverage ratios:		
Equity leverage (assets / equity)	3.2x	3.7x
Capitalization leverage (assets / capitalization)	2.8x	3.0x



Level 3 Assets

	3/31/2009		3/31/2008
	Cost	Carrying Value	Carrying Value
<i>(\$ in thousands)</i>			
Auction Rate Securities	\$ 22,325	\$ 20,038	\$ -
Stifel Bank & Trust Investments	9,097	8,335	19,014
Trading Securities	5,649	4,362	15,080
Other Investments	6,006	5,031	5,185
	<u>\$ 43,077</u>	<u>\$ 37,766</u>	<u>\$ 39,279</u>
<i>Percentage of assets</i>		6%	13%



Other Financial Data

Other Data	Quarterly Data			% Change	
	3/31/2009	12/31/2008	3/31/2008	vs Q4 2008	vs Q1 2008
Bank assets (000's)	\$ 529,953	\$ 343,417	\$ 248,982	54%	113%
Stifel Nicolaus & Stifel Financial assets (000's)	1,484,745	1,214,728	1,364,233	22%	9%
Total assets (000's)	\$ 2,014,698	\$ 1,558,145	\$ 1,613,215	29%	25%
Stockholders equity (000's)	\$ 630,802	\$ 593,185	\$ 437,038	6%	44%
Book value per share	\$ 23.19	\$ 22.75	\$ 18.71	2%	24%
Financial Advisors*	1,394	1,315	1,169	6%	19%
Full time employees	3,560	3,371	2,994	6%	19%
Locations	230	225	179	2%	28%
Total client assets (000's)	\$ 54,854,000	\$ 51,828,000	\$ 57,283,000	6%	-4%

*Includes all retail Financial Advisors.



UBS Transaction Update

- **Stifel announced today that it anticipates its principal operating subsidiary, Stifel, Nicolaus & Company, Incorporated, will acquire 55 branches from UBS Financial Services Inc. pursuant to its previously announced agreement to acquire certain UBS Wealth Management Americas branches.**
- **In connection with this transaction, approximately 320 of the 340 UBS Financial Advisors based at these locations have signed written commitments to join Stifel Nicolaus, representing approximately 97% of the 2008 compensable Financial Advisor revenue within these 55 branches.**
- **55 branch offices that Stifel Nicolaus expects to acquire are located in 24 states throughout the country.**
- **These branch offices have approximately \$15 billion in assets under management, including \$213 million in Reg. U and Reg. T loans and \$1.8 billion in money market and FDIC insured balances.**
- **In 2008, these branches generated estimated total revenue of approximately \$120 million, including approximately \$102 million in compensable Financial Advisor revenue.**

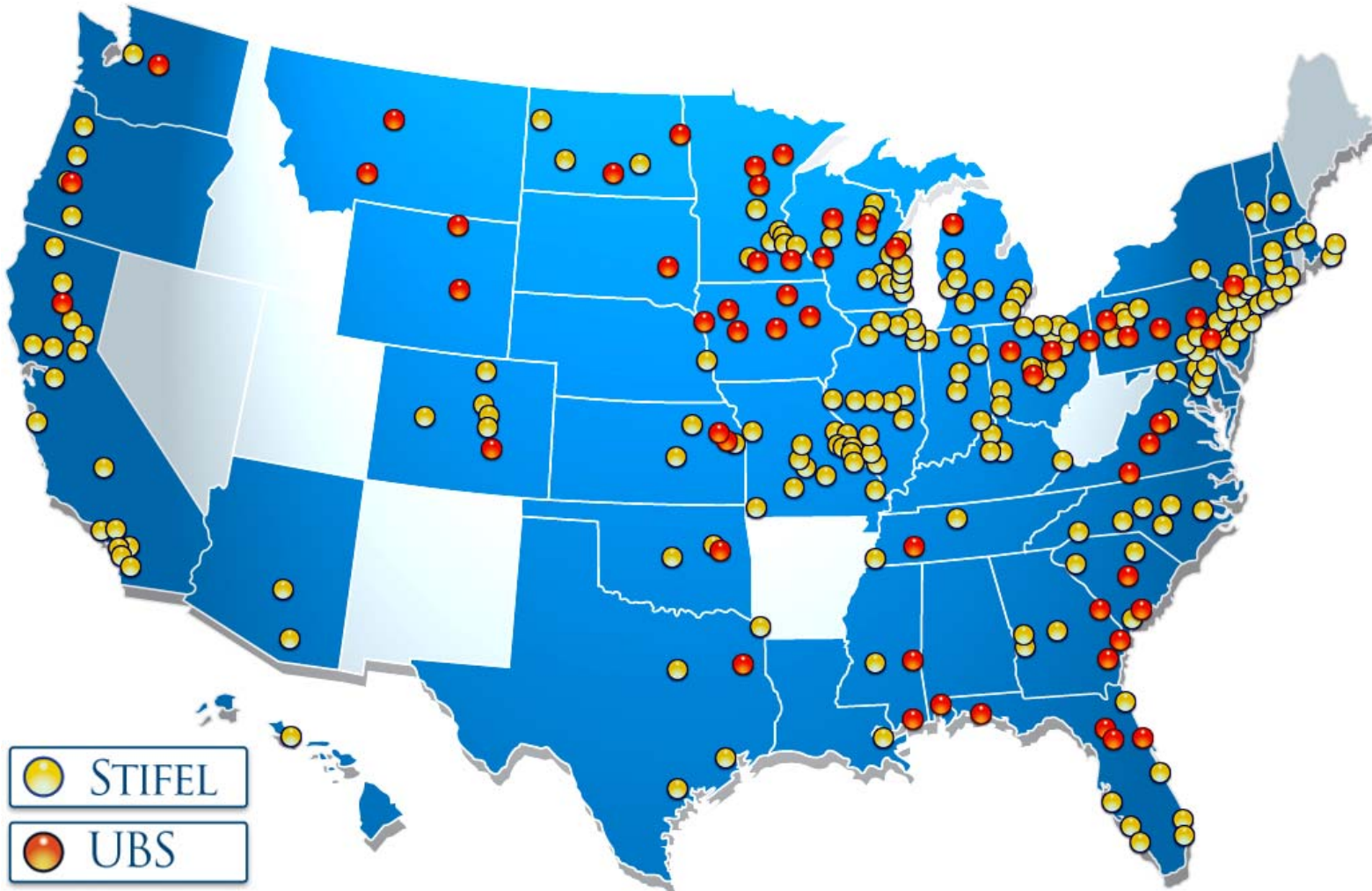


UBS Transaction Furthers our Goals

- **Extends our geographic presence**
- **Strengthens our brokerage position**
- **Enhances and accelerates Stifel Bank and Trust strategy**
- **Expected to be accretive in first year**



Extends our Geographic Presence



Strengthens our Brokerage Position

Rank	Company	Headquarters	RRs
1.	Citigroup / Smith Barney	New York, NY	19,296
2.	Wells Fargo Securities	St. Louis, MO	16,678
3.	Merrill Lynch & Co.	New York, NY	15,880
4.	Edward D. Jones	St. Louis, MO	10,532
5.	UBS Financial Services Inc.	Weehawken, NJ	8,182
6.	RBC Dain Rauscher	Minneapolis, MN	2,157
7.	Stifel Nicolaus Pro forma (a)	St. Louis, MO	1,727
8.	Oppenheimer	New York, NY	1,395
9.	Raymond James Financial	New York, NY	1,218
10.	Morgan Keegan & Co.	Memphis, TN	1,075
11.	Janney Montgomery	Philadelphia, PA	857
12.	Robert Baird	Milwaukee, WI	591
13.	Hilliard Lyons	Louisville, KY	410

*SIFMA 2008 Year Book Retail RRs

(a) Stifel Nicolaus prior to UBS acquisition is 1,394



Private Client Metrics

	Stifel	UBS Branches	Combined
2008 Gross revenue (millions)	\$473	\$120	\$593
Branch contribution margin	31%	35%	32%
Financial Advisors - current	1,394	332	1,726
Assets under management (billions)	\$50	\$15	\$65
Revenues per broker (thousands)	\$428 ⁽¹⁾	\$426 ⁽²⁾	\$428

(1) Excludes Century Securities Associates independent contractors and Butler Wick financial advisors acquired on December 31, 2008

(2) Excludes new trainees



What are we paying?

The UBS transaction is structured as an asset purchase for cash at a premium over certain balance sheet items, subject to adjustments. The payments to UBS include:

- An upfront cash payment of up to approximately \$29 million based on the actual number of branches and Financial Advisors acquired by Stifel Nicolaus;
- Annual earn-out payments for the two-year period following the closing of the transaction principally based on the performance of the UBS Financial Advisors who become Stifel Nicolaus employees; and
- Aggregate payments of approximately \$21.1 million for net fixed assets and employee forgivable loans.

The above payments are variable based upon the number of Financial Advisors and branches acquired by Stifel Nicolaus.



Key Takeaways

- ❖ Adds significant capability and an attractive geographic complement to Stifel's Private Client Business
- ❖ Solid Financial terms
- ❖ Extends our geographic presence
- ❖ Strengthens our brokerage position
- ❖ Enhances and accelerates Stifel Bank and Trust strategy
- ❖ Expected to be accretive in first year



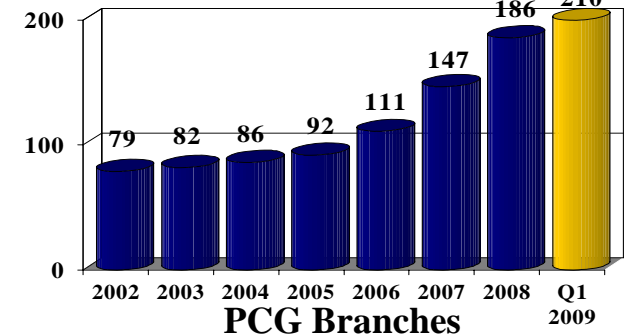
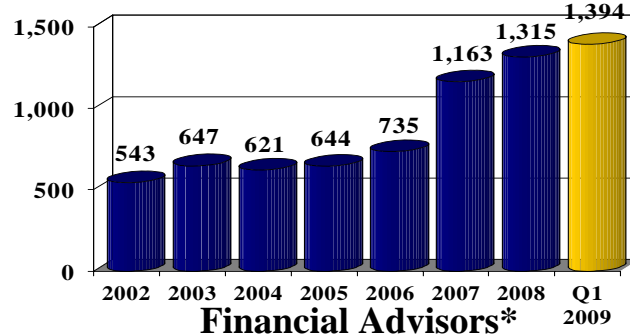
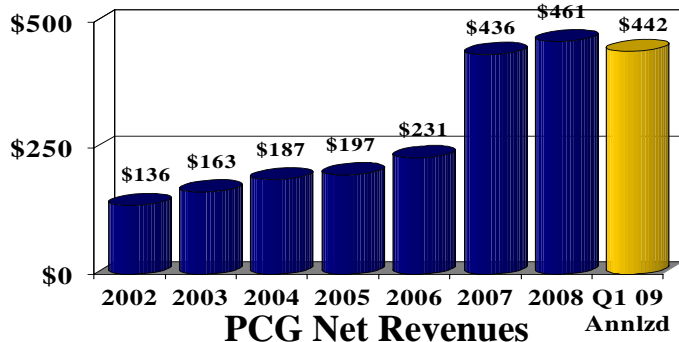
Stifel Outlook

- 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.
 - Success with UBS signings is testament to the PCG platform
- Balanced business mix facilitates growth during volatile markets
 - 50% of 2009 revenues generated by PCG and 48% 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 2009.
 - Added Convertible capability to the ECM platform in 1Q09



Market Turmoil = Opportunity

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



*Includes all retail Financial Advisors.

➤ Stifel Equity Research is 3rd largest research department in the U.S. and the largest provider of small cap coverage. (1)



(1) Source: StarMine

Overall Region Coverage		Small Cap Region Coverage	
Competitor	Stocks	Competitor	Stocks
J.P. Morgan	1034	Stifel Nicolaus & Company, Inc.	427
Barclays Capital	896	Sidoti & Company LLC	381
Stifel Nicolaus & Company, Inc.	833	Raymond James	352
BAS-ML	796	Oppenheimer & Co.	328
Citigroup	784	J.P. Morgan	312
Goldman Sachs	761	RBC Capital Markets	301
UBS	747	Jefferies & Co.	269
Credit Suisse	731	Piper Jaffray	251
Raymond James	699	Keefe, Bruyette & Woods	239
Deutsche Bank Securities	654	Barclays Capital	234



Growth

Business Units	Additions		Total
	2008	Q1 2009	As of 3/31/2009
Private Client Group			
Financial Advisors*	269	94	1,394
Offices	52	9	204
Equity Capital Markets			
Equity Sales & Trading Professionals	23	6	123
Investment Banking Professionals	40	4	140
Fixed Income Capital Markets			
Fixed Income Sales & Trading Professionals	32	3	142
Public Finance Professionals	20	5	44
Banking			
Stifel Bank & Trust Associates	51	2	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.



Q & A