

Stifel Financial Announces Voluntary Auction Rate Securities Partial Repurchase Plan

ST. LOUIS, February 11, 2009 -- Stifel Financial Corp. (NYSE: SF) announced today that its subsidiary, Stifel, Nicolaus & Company, Incorporated (“Stifel”), intends to offer to repurchase a portion of retail clients’ auction rate securities (“ARS”) acquired by those investors at Stifel prior to the collapse of the ARS market in February of 2008.

Since the collapse of the ARS market on February 13, 2008, Stifel has been engaged in ongoing efforts to address the liquidity needs of its clients. Those efforts have been undertaken because of Stifel’s commitment to assist its clients in dealing with these extraordinary circumstances. The voluntary plan announced today reflects Stifel’s ongoing efforts to help its clients address the results of the collapse of a market that functioned effectively for more than 20 years.

Under the voluntary plan, and subject to applicable regulatory limitations, Stifel will offer to repurchase, at par, the greater of 10% or \$25,000 of ARS held by all retail clients who purchased them at Stifel prior to the ARS market collapse and who continue to hold them in Stifel accounts. In exchange, Stifel will take an assignment of clients’ actionable legal claims against the major ARS market participants for the amounts repurchased.

In explaining the company’s decision to take this voluntary action, Stifel Chairman and CEO Ronald J. Kruszewski, said: “Stifel is announcing a partial repurchase of ARS in order to assist our clients. Neither Stifel nor its clients had access to the information available to the major market participants regarding the impending collapse of the ARS market. Had the major market participants disclosed to the entire marketplace the material facts known by them, the simple fact is that Stifel would not have sold ARS to its clients. While several larger firms have announced more complete repurchase plans, Stifel’s lack of knowledge of the impending market collapse is the critical difference that serves as the foundation of Stifel’s position, and one that forms the basis of the repurchase plan.”

Mr. Kruszewski continued: “Since the collapse of the ARS market, redemptions and restructurings have resulted in liquidity for many clients, and have reduced Stifel’s overall ARS client holdings by more than 50%. Unfortunately, some clients have had little or no relief. Therefore, we thought the time was right to do something that would benefit all of our ARS clients. That said, our plan balances the respective interests of our clients and shareholders. Approximately 1,200 retail client accounts, or less than one-half of 1% of all Stifel retail client accounts, currently hold ARS. It is important to note that under our plan, approximately 40% of these accounts will receive 100% liquidity.”

About Stifel Financial

Stifel Financial Corp. operates 203 offices in 36 states and the District of Columbia through its principal subsidiary, Stifel, Nicolaus & Company, Incorporated, and 3 European offices through Stifel Nicolaus Limited. Stifel Nicolaus provides securities brokerage, investment banking, trading, investment advisory, and related financial services, primarily, to individual investors, professional money managers, businesses, and municipalities. Stifel Financial Corp. is listed on the New York Stock Exchange under the symbol “SF.” To learn more about Stifel, please visit the Company’s web site at www.stifel.com.

Forward-Looking Statements

This press release contains certain statements that may be deemed to be “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements in this press release not dealing with historical results are forward-looking and are based on various assumptions. The forward-looking statements in this press release are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by the statements. Forward-looking statements speak only as to the date they are made. Stifel does not undertake to update forward-looking statements to reflect circumstances or events that occur after the date the forward-looking statements are made. Stifel disclaims any intent or obligation to update these forward-looking statements.

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