

INVESTMENT OF CHOICE

STIFEL FINANCIAL CORP. ~ 2004 ANNUAL REPORT

Company Description

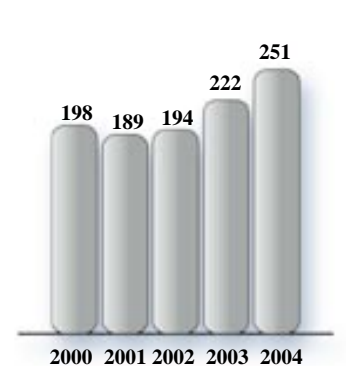
Stifel Financial Corp. is the holding company for Stifel, Nicolaus & Company, Incorporated, a full-service regional brokerage and investment banking firm established in 1890 and headquartered in St. Louis, Missouri. The Company provides securities brokerage, investment banking, trading, investment advisory, and related financial services through its wholly owned subsidiaries, primarily Stifel Nicolaus, to individual investors, professional money managers, businesses, and municipalities.

Stockholder Return Performance Graph

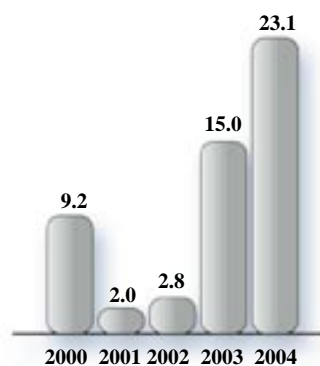
The cover chart compares the cumulative stockholder returns, including the reinvestment of dividends, of our common stock on an indexed basis with a Peer Group Index and the Standard & Poor's 500 ("S&P 500") Index for the period beginning December 31, 1999 and ending December 31, 2004. The Peer Group Index consists of six companies, including us, that serve the same markets as us and which compete with us in one or more markets.

This illustration assumes \$100 invested on December 31, 1999, in Stifel Financial Corp. common stock, Peer Group Index, and S&P 500 Index.

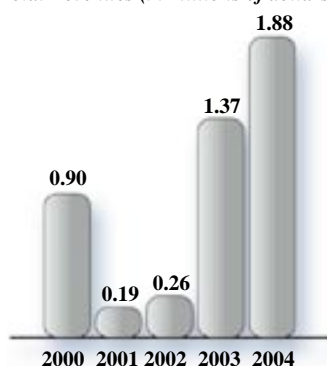
Financial Highlights



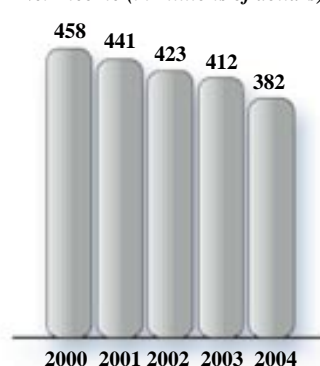
Total Revenues (in millions of dollars)



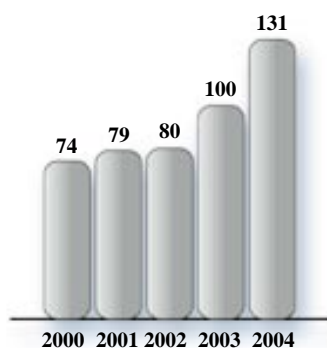
Net Income (in millions of dollars)



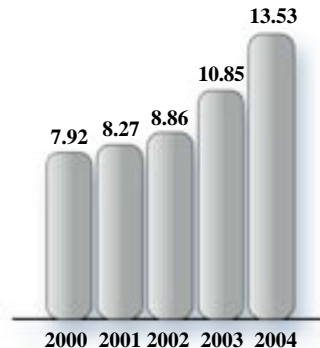
*Diluted EPS (in dollars)**



Total Assets (in millions of dollars)



Stockholders' Equity (in millions of dollars)



*Book Value Per Share (in dollars)**

(in thousands, except per share amounts)	2000	2001	2002	2003	2004
Operating Results					
Total Revenues	\$197,848	\$188,990	\$194,113	\$221,620	\$251,189
Net Income	\$9,203	\$2,010	\$2,780	\$15,007	\$23,148
Diluted Earnings Per Share*	\$0.90	\$0.19	\$0.26	\$1.37	\$1.88
Financial Position					
Total Assets	\$458,312	\$440,559	\$422,976	\$412,239	\$382,314
Stockholders' Equity	\$74,178	\$78,622	\$79,990	\$100,045	\$131,312
Book Value Per Share*	\$7.92	\$8.27	\$8.86	\$10.85	\$13.53

*All stock price amounts reflect the four-for-three stock split distributed in September 2004.

Statement of Commitment



To Our Associates — current and future, our commitment is to provide an entrepreneurial environment that encourages unconfined, long-term thinking. We seek to reward hard-working team players that devote their energy and attention to client needs. At work, at home, and in their communities, we seek to be their *Firm of Choice*.

To Our Clients — individual, institutional, corporate, and municipal, our commitment is to listen and consistently deliver innovative financial solutions. Putting the welfare of clients and community first, we strive to be the *Advisor of Choice* in the industry. Pursuit of excellence and a desire to exceed clients' expectations are the values that empower our Company to achieve this status.

To Our Shareholders — small and large, our commitment is to create value and maximize your return on investment through all market cycles. By achieving the status of *Firm of Choice* for our professionals and *Advisor of Choice* for our clients, we are able to deliver value to our shareholders as their *Investment of Choice*.

How Can a Good Company Become a Great Company?

This is a key question posed in a book, titled *Good to Great*, written by Jim Collins. At Stifel Financial Corp., we believe that companies shouldn't be content with being just good. Companies should strive to be great — and embark upon a process of continued improvement thereafter.

Going from Good to Great

Putting Clients First.

We truly believe that the success of our firm is dependent upon the success of our clients; therefore, we believe in offering only the most personalized, dedicated service and guidance that places the needs and goals of our clients first. By introducing an innovative “inverted” organization chart concept a few years ago, Stifel put clients, and the associates who most closely serve them, first.

Creating an Atmosphere of Entrepreneurial Spirit and Meritocracy.

We're passionate about our business and about the services we provide. Our Investment Executives are encouraged to conduct their business in a fashion that is natural for them and beneficial to their clients. Investment Executives are not forced to promote specific or proprietary products. Instead, they promote the products that they feel will best help their clients in reaching long-term goals. Our associates understand the importance of meritocracy in a corporate environment and have embraced the strategic initiatives the firm has set forth, which has been key to our organization's growth and development.

Understanding Trends.

Having a solid understanding of what the economy is doing now and where future trends may take us is a key component to becoming a great company. At Stifel, we understand the consumption patterns of the aging baby boomer generation and the impact those patterns will have on our economy. Due to the increased amount of wealth transfer in the years to come, investment firms who make a commitment to their clients today will be in a better position to succeed tomorrow.

Having Discipline.

Becoming a great company doesn't happen without discipline. Our discipline shows through in our associates, who are continuing to learn, on a daily basis, the information needed to help meet the goals of today's investor. That discipline shows through even further in the associates who are keeping the lines of communication open with existing clients and committing themselves to bringing in new clients and business through consistent, proactive measures.

Not Settling for “Good.”

At Stifel, we don't settle for mediocrity. We don't believe in doing “just enough” to satisfy our clients, shareholders, or associates. We realize that the investment industry is constantly changing, and companies that become complacent and fail to explore new opportunities, innovations, and technology will be surpassed by the companies that stay a step ahead of their competition. Stifel's entrepreneurial spirit encourages associates to strive for the best for clients and themselves.

Putting clients first. An entrepreneurial spirit and meritocracy. Understanding trends. Discipline. And not settling for “good.” That's what will set Stifel apart from our competition and makes us not just a good company, but a great company.



Dear Fellow Shareholders, Clients, and Associates:

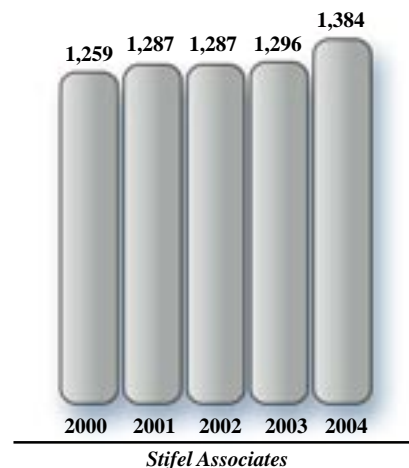
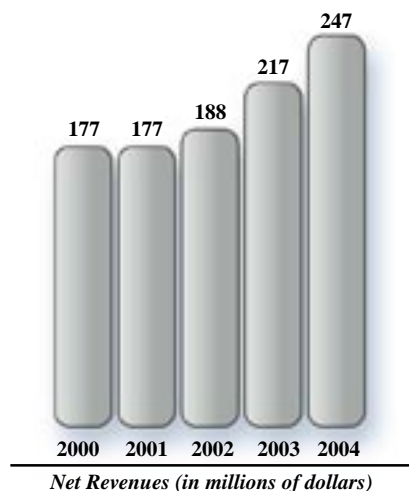
In 1997, we developed a platform for future growth that communicated our “*Of Choice*” philosophy and set forth strategic initiatives for our Company. This strategy focused our Company on the goal of becoming the *Advisor of Choice* to our clients. We recognized that, in order to achieve this objective, we had to become the *Firm of Choice* that attracts and retains experienced, entrepreneurial, and talented associates. We emphasized the importance of first achieving *Advisor* and *Firm of Choice* in order to attain the third goal of delivering superior returns to our shareholders as *Investment of Choice*.

In short, 2004 was a great year, confirming our *Of Choice* strategy. Our Company’s record annual net revenues, achieved for a ninth consecutive year, are reflective of our ongoing success in being selected as *Advisor of Choice* to individuals, institutions, corporations, and municipalities alike. This growth has been fueled by the net addition of over 525 talented associates who have made Stifel their *Firm of Choice* since 1997. As a result, and as reflected on the chart displayed on the cover of this Annual Report, your Company has

outperformed both its peer group and the S&P 500 Index over the past one-, three-, and five-year time frames, thereby delivering as *Investment of Choice*.

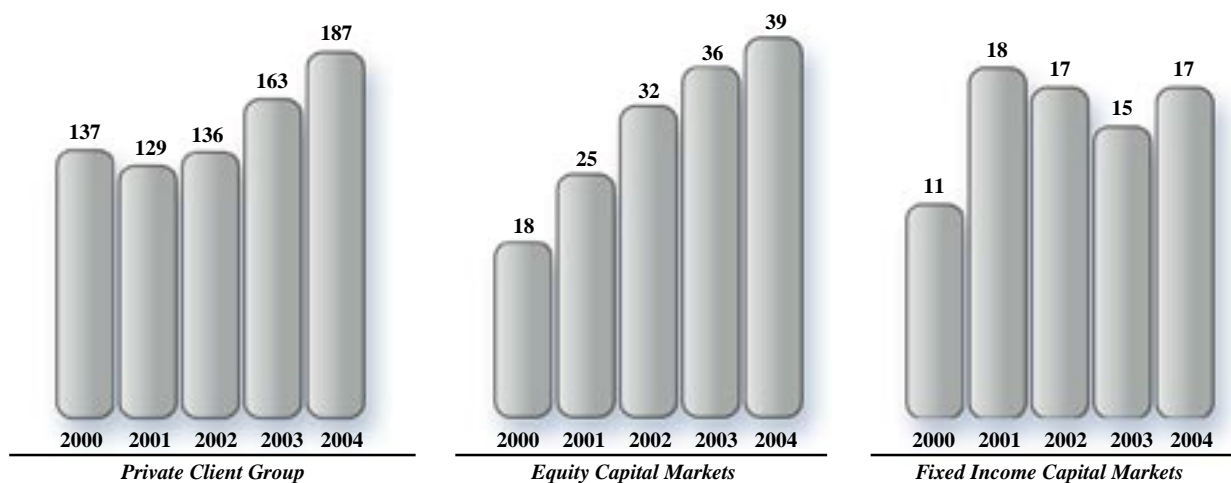
While we measure success over the long term, our Company experienced a number of noteworthy accomplishments during 2004:

- Record net revenues of \$246.8 million, up 14% from 2003. 2004 marked the ninth consecutive year of record net revenues, an impressive achievement considering the difficult market conditions during 2001 and 2002.
- Record annual net income of \$23.1 million, up 54% over 2003. Diluted earnings per share of \$1.88 also set a new record.
- Return on average equity totaled 20%, and pre-tax margins were 15%, both measures which are near the top of industry peer results.
- Equity capital totaled \$131.3 million at year-end, resulting in book value per share of \$13.53. The Company repurchased 472,872 shares, under existing Board authorization, at an average cost of \$19.38.



- Our Company's Private Client Group posted record net revenue of \$186.8 million, up 15% from 2003, and a record operating contribution of \$47.1 million, a 32% increase from 2003.
- We opened six new offices in Cape Girardeau, Missouri; Sarasota, Florida; Lake Forest, Illinois; Raleigh, North Carolina; Nashville, Tennessee; and Upper Arlington, Ohio.
- Our Equity Capital Markets Group posted record net revenues of \$38.9 million, an increase of 9% over 2003, and a record operating contribution of \$12.7 million, a 17% increase from 2003. Stifel served as lead or co-manager in 87 equity, debt, or trust preferred offerings, compared to 69 in 2003, helping issuing clients raise over \$18.4 billion. Importantly, these transactions performed well for our investing clients, returning 5.1% on average from the offering date through the end of 2004.
- Research performance was strong, with an overall gain, based on absolute returns, of 12.4% for the research universe, consisting of 302 companies.
- Our Fixed Income Capital Markets Group posted net revenues of \$16.6 million and an operating contribution of \$3.0 million, both up 8% from 2003. During the past year, our Company was involved as sole manager, senior manager, or co-manager on 143 offerings totaling \$4.8 billion.
- In June, Stifel Financial Corp. was added to the Russell 2000 Index. We believe that the inclusion in the Russell 2000 Index is a reflection of our past performance and future development as a leading regional brokerage and investment banking firm.
- In September, Stifel offered shareholders a four-for-three stock split to add liquidity and a broader investor base, which we believe will enhance long-term shareholder value. In December, Stifel stock hit a high of \$24.68 (\$32.91 on a pre-split basis), which was up 213% and 210% over the past three and five years, respectively.
- In just two short years, *Digital Dashboard* has become an integral resource to the Private Client Group and continues to be a valuable recruiting tool. Designed and continually refined with input from our Investment Executives, this desktop technology provides our Investment Executives with the competitive edge they need to manage their business.

Net Revenues (in millions of dollars)



- This past year, Stifel implemented an entirely new technology platform throughout the firm. New desktop computers, enhanced client web tools and capabilities, and redesigned market data were made available to our associates. In addition, improved account access and a new trading system were introduced for clients in *Stifel @ccess*, our state-of-the-art, web-based platform.
- In response to new industry regulations, several key processes of our Operations group have been upgraded and improved. Improvements included new supervisor controls, account opening procedures, and mutual fund processing functions. Fortunately, our Operations area is comprised of professionals who understand the importance of these new controls and procedures and take a leadership role in responding to industry change.

The introduction to this Annual Report addressed the question, “How does a company go from good to great?” There are many firms in the investment industry, and many of them are good ones. At Stifel, however, we are not content with good. We’re determined to be a great firm for our clients, associates, and shareholders alike.

A great firm is ...

- Dedicated to providing clients with the highest quality products, services, and ethics. Stifel Nicolaus has been doing this since 1890 and will continue to excel in this endeavor in the years to come, remaining the *Advisor of Choice* for our clients.
- Committed to empowering its associates with the latest technology available and the resources they need to succeed. Stifel will continue to reward our associates for their dedication and entrepreneurial spirit and will continue to be the *Firm of Choice* for investment professionals.
- Judicious to its shareholders. By continuing to provide top-notch advice to our clients, while attracting quality associates and encouraging them to have a personal stake in the firm, and by being diligent on costs, Stifel will maintain its status as the *Investment of Choice* for our shareholders.

As we look forward in 2005, we realize that our outlook is the same as it has been for the past several years — cautious about the short-term and very optimistic about our long-term prospects. We believe a great company should always be cautious about the short term, exercising discipline and restraint, while optimistic about the long term. In other words, decisions should not be based on reacting to short-term market advances or declines but rather with a vision toward the long-term enhancement of shareholder value.

Curtis Carlson, a successful business person, once said, “I consider a goal as a journey rather than a destination.” At Stifel, we believe that being a great firm is a constant journey and a continuous process, not a destination. We are continually looking for enhancements to our firm, our associates, our services, and our technology.

In closing, we offer our sincere thanks for your support in helping Stifel realize its goal to be a great company for clients, shareholders, and associates.



Ronald J. Kruszewski
Chairman, President, and Chief Executive Officer
March 17, 2005

Questions and Answers

In today's complex business environment, there are a number of issues that must be addressed not only by the investment industry, but also by corporate America in general. In a recent interview with *The Wall Street Transcript*, Ronald J. Kruszewski, Chairman, President, and CEO of Stifel Financial Corp., addressed some of the issues facing investment firms today, as well as Stifel's own goals for the future.

Q:
A:

Please tell us about Stifel Financial and its structure.

First of all, I'm pleased to have the opportunity to speak with you today about our firm. Before we get started, I would like to mention that what we cover here is subject to forward-looking statement disclosures, which can be found in our Form 10-K, which follows. Also, Stifel Financial is the publicly traded holding company, whereas Stifel Nicolaus is the operating company. Therefore, for the rest of this interview, I'll refer to Stifel Nicolaus.

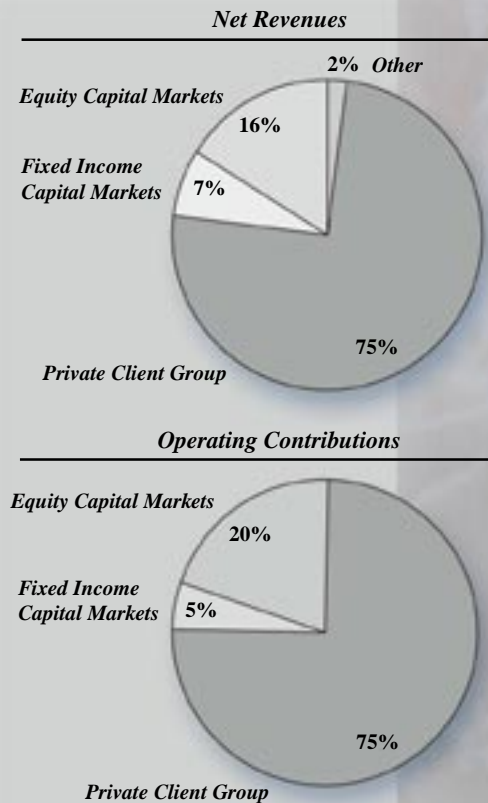
Stifel Nicolaus is a full-service, regional brokerage and investment banking firm, founded in 1890 and headquartered in St. Louis, Missouri. In fact, somewhat noteworthy, Stifel Nicolaus has been based on the same street in downtown St. Louis, Missouri for almost 115 years. The firm operates in three basic businesses: private client services, which is the majority of the firm's net revenue, approximately 75%; and then equity capital markets (about 16%); and fixed income capital markets (about 7%). Stifel operates 88 offices in 17 states, primarily in the Midwest — west to east from Colorado to the Carolinas, and north to south from Minnesota to Texas. We have approximately 1,400 associates, of whom approximately 600 are Investment Executives.

Q:
A:

Let's first talk a little bit about what you see as some of the issues and trends that broker-dealers are facing today and how those issues may impact your own goals and strategies inside the company.

The securities business is but a thin slice of the financial services segment of business. As it relates to this thin slice of financial services, we believe that the biggest issue impacting the traditional brokerage firm, whether it is national or regional, is the consolidation that's occurring in the industry. The banks, including the large consolidated financial service providers such as Citigroup, certainly have been acquiring brokerage firms. These large banks have had a major impact on the traditional securities industry. So today, banks like J.P. Morgan and Citigroup are formidable competitors, primarily due to their ability and willingness to use their balance sheets. As it relates to regional brokerage firms, the regional firms have substantially all been acquired by banks, and so, from a competitive landscape, that's the biggest thing that I think has been occurring within the brokerage industry.

As it relates to Stifel Nicolaus, while there are numerous challenges, the primary challenges are twofold. First is managing or understanding investor expectations. Over the past several years, investors have developed high expectations with respect to market returns — higher than probably what can be expected. The second challenge is the regulatory framework that the industry is working under, which is very difficult.



Questions and Answers

Q:

What do you feel is the economic backdrop that would be most advantageous to your company at this point, or what might be some of the risks in the economy that you would have to perhaps attend to more than others?

A:

In the short run, it's very difficult to anticipate what's going to happen, say, next year. The securities industry is very cyclical, in many ways a leading indicator type of industry in terms of economic activity. Therefore, I make it a practice to never try to predict any market moves one way or another or short-term moves in the economy. Stifel Nicolaus will, and the industry will, perform well in a good economy and not so well in a down economy, which generally relates to a good market or a bad market. However, if you lengthen your perspective out over the next couple of years, the long-term prospects for our industry are excellent. Simply, we believe the demographics are very positive.

We've all read about the baby boomers and the consumption by baby boomers of homes and automobiles and other durable goods. We believe the baby boomers' next big impact is going to be on the amount of savings or, in other words, the baby boomers' need to plan and save for retirement. The first of the baby boomer generation turned 58 in 2004. So that entire group, as potential clients of a financial services firm such as ours, bodes very well for the overall prospects for this business over the next several years. Furthermore, the barriers of entry into our business are very high. So we are in a growth market with high barriers of entry. While the competition is certainly intense, it's very difficult to start a brokerage firm and get it up to any kind of scale. Consequently, while I will not venture a guess about our business prospects over the next year, I am confident that over the long term, it's going to be a great next ten years overall.

Q:

What do you have to do as far as capital resources, personnel resources, and areas of expertise in order to meet that growth opportunity or at least address the market opportunity?

A:

The firm is very well capitalized. Stifel Financial has approximately \$166 million of capital, including our trust preferred, which supports an asset base of around \$400 million. As such, we are not an overly leveraged firm, and we have sufficient capital to finance our growth initiatives. However, taking advantage of the market opportunity requires an ability to attract and retain qualified people. We believe that our target market is best served not by technology or web pages alone, but instead through trusted relationships. We are not looking at capturing the "do it yourself" segment of the market, i.e., the people who use the discounters or the online brokers. We are in the business of providing service to people who want comprehensive financial advice, and we deliver this service through our Investment Executives. Therefore, our ability to take advantage of the positive demographic trends over the next decade will be dependent on our ability to attract and retain quality Investment Executives. We have been successful at this in the past, and we remain confident about our ability to do so in the future.

<i>(\$ in thousands, except per share amounts)</i>	<i>1997</i>	<i>2004</i>	<i>% Growth</i>
Net Revenues	\$122,828	\$246,823	101%
Net Income	\$5,671	\$23,148	308%
Stockholders' Equity	\$50,081	\$131,312	162%
Book Value	\$5.70	\$13.53	137%
Associates	856	1,384	62%
Private Client Group Branches	39	86	121%
Investment Executives	262	439	68%
Capital Markets Net Revenues	\$21,800	\$55,486	155%

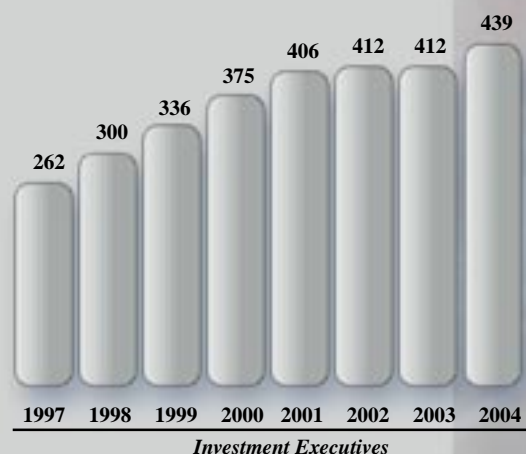
Questions and Answers

Q:

What are the priorities for the next 12 to 24 months? What has to occur in order for that time frame to be a success?

A:

I think it is instructive to understand our firm in that we do not set our goals only in quantitative measures. For example, if we would set a goal to hire 100 Investment Executives, we would do that. Or, if we've said we were going to do 100 investment banking deals, we could accomplish that. Quantitative goals, believe it or not, are relatively easy to achieve in this business. Quantitative goals are easy to measure, somewhat easy to attain, and are easy to mention in an interview like this. However, the true test is quality, not quantity. Therefore, we set goals qualitatively. We want to hire as many quality people and do as many quality transactions as we can, but to give you something that you could measure that on is very difficult to do. So, to not completely duck your question, we will continue to do what we have done in the past, which is grow and add as many quality people as we can. And in the past, we have grown from 262 investment executives to 439. In addition, we have another 182 independent contractors, so we've grown significantly the last few years, and we believe we'll continue to do so.



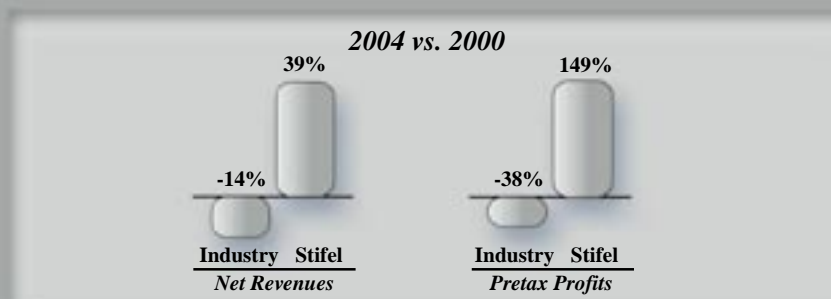
The real question, I think, is how are we able to grow and why. The answer to this question is that traditional brokerage firms like Stifel Nicolaus are few and far between. Most of our brethren have been acquired. There are few traditional firms like Stifel Nicolaus that have the culture we do and where people want to work. Simply, there are very few firms like ours left, and so we have a tremendous backlog of people who we are talking to who want to join our firm.

Q:

How strong financially are you? As you look at the top line and bottom line, what are the priorities there as far as items for improvement?

A:

Again, everything is relative. I have just given an internal talk to our associates, where I illustrated that, when comparing the industry performance for 2004 as compared to 2000, the industry's net revenues were down 14%. However, at Stifel Nicolaus, net revenues over that same time frame were up 39%. Pretax profits for the industry over that same time frame were down 38%, while our profitability increased 149%. Again, on a relative basis, we've performed very well as compared to the industry. Consequently, from a financial perspective, we've done quite well. Our return on average equity over the last 12 months is approximately 20%, which compares very favorably even to the largest firms in our industry. Our margins are also very acceptable, with pretax margins of about 15%. So our financial performance has been very good, about any way you want to look at it.



Questions and Answers

Q:
A:

Introduce us to your top-level management team, two or three of the key individuals.

The President of Stifel Nicolaus is a gentleman by the name of Scott McCuaig. Scott has more than 25 years of experience in the securities industry. He was a broker and branch manager, so he understands this business at its core level. He has been in the management side for probably 20 years. Scott runs our Private Client Group and is a very experienced and dedicated, hardworking individual.



Scott McCuaig

Jim Zemlyak

He is also Co-Chief Operating Officer with Jim Zemlyak, who, in addition to being Co-Chief Operating Officer, serves as Stifel's Chief Financial Officer. Jim has been in the securities business for approximately 20 years. So at the top level of the administrative side, we have very strong people. But the strength of the firm is how we view our functional organization chart. Clients, and the associates who serve our clients, are at the top of our organizational chart. Because we serve our clients through our brokers, not around them, the broker is essentially the primary client of Stifel. This is probably the most significant differentiating feature of our firm. We also have a very experienced group of brokers. We do not have, nor do we want, a tremendous amount of bureaucracy between the brokers and the top management of the firm, and that's also true on the capital markets side.

Q:
A:

What historically has been the shareholder base? Has that base undergone any changes or transition?

It has. I joined the firm in 1997, and the company has been public since the early 1980s. In 1997, the associates of the firm owned about 20% of the firm. Today, the associates own 55% of the firm. So the most significant change has been the increased ownership of the firm by the insiders. At over 50%, this ownership stake is significant. The reasons we encourage a significant ownership by associates of the firm is because we believe that if you are going to be an outside investor in a securities firm, you want to invest alongside the insiders. You don't want a situation where the insiders don't own any equity and the outside shareholders supply the risk capital, because there's a natural conflict that occurs — risk versus compensation. In our case, a sizable portion of the net worth of the key people in this firm is invested in the common equity of Stifel Nicolaus. We believe this makes for a better run securities firm.



Questions and Answers

Q:

What, if any, misperceptions do you encounter as you speak with the investment community?

A:

We don't speak much with the investment community. We don't have any analysts who follow our stock. Furthermore, we do not give earnings guidance. So maybe any misperceptions are caused, in part, by our lack of analyst coverage. That said, for the past several years, the biggest misperception was that people didn't understand the value in our stock. Instead, they looked at it as being not liquid. By the way, our stock is not very liquid. During 2004, our stock traded an average of approximately 14,000 shares a day. This lack of liquidity causes many people to miss the fundamental value of our firm. However, our lack of liquidity, caused in large part by the large insider ownership, provides the foundation for an excellent long-term investment. At least, I certainly hope so. We are not a stock you can trade in and out of very easily. However, in the past year, investors have begun to recognize the value inherent in our stock. At the beginning of 2004, our stock was approximately \$14 per share. During 2004 our stock traded as high as \$24.68. So that misperception in terms of valuation, I think, has been corrected somewhat. However, being a small-cap financial services firm, we do not receive the market multiples afforded our peers, unjustifiably so, in my opinion. That all said, we believe if we execute our business plan, the stock price will take care of itself.

Q:

How might mergers and acquisitions impact your own abilities to grow as you look perhaps to find acquisitions, and where does that situate your company as far as its being attractive as an acquisition? There seems to be a trend toward bigger is better.

A:

First of all, we're a publicly traded company. Our stock trades on the New York Stock Exchange, and as a publicly traded company, we always will strive to maximize shareholder value. Of course, when, how, and what is truly maximizing shareholder value is always up for debate. But our goal is to maximize shareholder value. As I said, since the associates own the majority of the company, we all share that common goal.

As it relates to acquisitions, we do not believe that bigger is better. If that were true, then economies of scale, which one would believe are driving the consolidation trend, should be a competitive advantage for the acquiring firms. You should have firms with much better financial performance. Yet I would argue that our financial metrics, such as return on equity, are as good as any of the consolidated firms, and the reason for that is that economies of scale do not exist in our primary product. Our primary product, or our primary asset, is the client relationship. We service clients, not with computers, not with a web page, but by personal touch. It's almost the antithesis to the belief that you can improve a client relationship through economies of scale. In fact, we steadfastly believe that you cannot. If you try, you will diminish service, and you will diminish the value that the client perceives, almost by definition.

So the long-winded answer to your question is that we believe that we are ideally situated to continue to grow and outgrow the market by adding people who want to be part of this environment. We do not see a need to combine for economies of scale. However, if the right opportunity came along that would maximize shareholder value, we would certainly look at it. Also, we are always looking to acquire or merge with firms that share our culture and outlook.

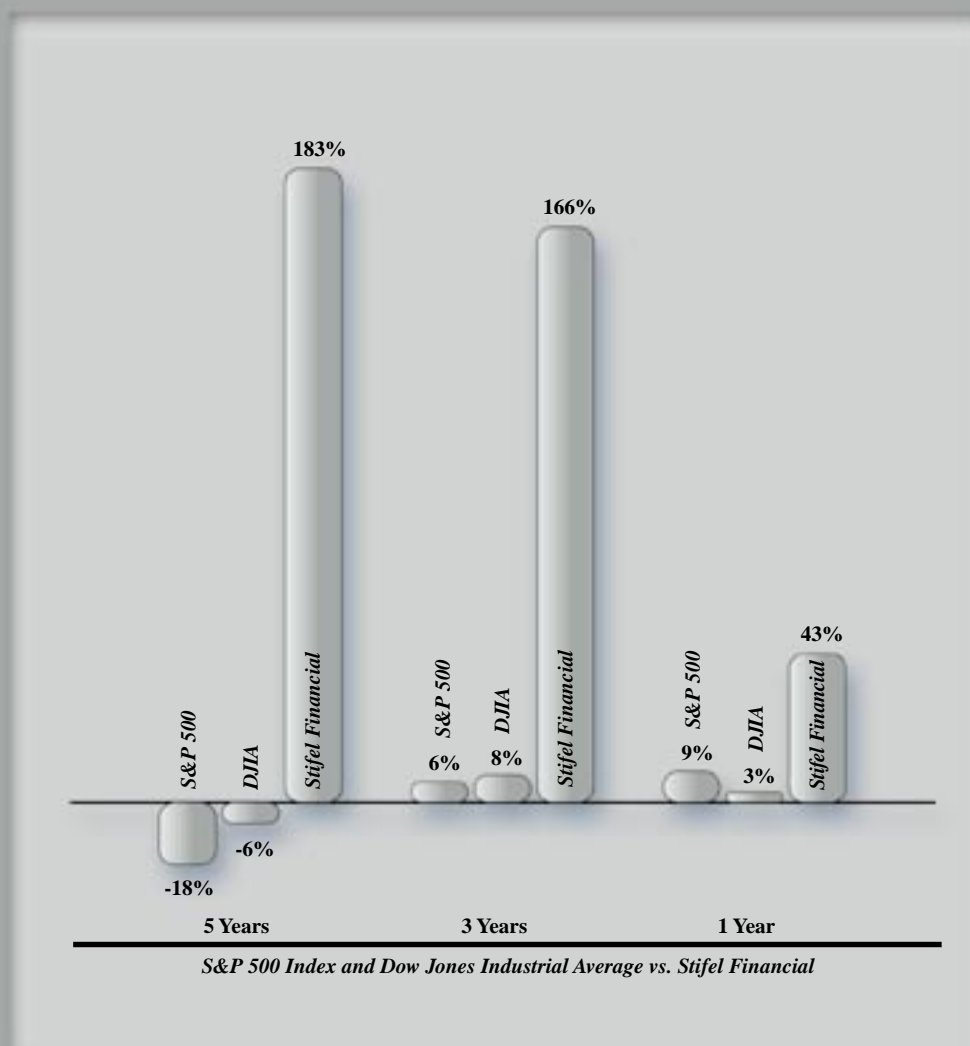
Questions and Answers

Q:

What would compel investors to review Stifel, its performance to date, the opportunities ahead, but then include it in their longer-term investment strategies?

A:

If you were to pull a five-, three- and one-year chart on our stock, I think it would speak for itself. In terms of the reasons that you would own a company like ours, first is that we are a small-cap company. When you consider our fully diluted shares of approximately 12 million against our growth prospects and our ability to significantly grow faster than the industry, this alone makes Stifel a compelling investment opportunity. And the premise that the securities industry will grow faster than the economy as a whole because of the long-term demographics (i.e., the baby boomers becoming more focused on savings) bodes extremely well for our firm. Because of our unique position, being one of the few remaining independent regional firms, we believe we can outgrow the industry. And, if you put that all in a bowl and mix in some good luck and some market cooperation, investors can make their own determination. But I certainly believe that is the mix for an excellent investment.



Stifel Financial Corp. — Board of Directors and Officers

Ronald J. Kruszewski*

*Chairman of the Board, President,
and Chief Executive Officer*

Richard F. Ford*

*General Partner
Gateway Associates*

James M. Oates*

*Chairman
Hudson Castle Group, Inc.*

Robert J. Baer*

*President Emeritus
UniGroup, Inc.*

Frederick O. Hanser*

*Vice Chairman
St. Louis Cardinals, LLC
President
SLC Holdings, LLC*

James M. Zemlyak*

*Senior Vice President, Treasurer,
and Chief Financial Officer*

Bruce A. Beda*

*Chief Executive Officer
Orion Partners, LLC*

Walter F. Imhoff*

Managing Director

David M. Minnick

*Senior Vice President
and General Counsel*

Charles A. Dill*

*General Partner
Two Rivers Advisors*

Robert E. Lefton*

*President and Chief Executive Officer
Psychological Associates, Inc.*

David D. Sliney

Senior Vice President

John P. Dubinsky*

*President and Chief Executive Officer
Westmoreland Associates, LLC*

Scott B. McCuaig*

*Senior Vice President
President, Stifel Nicolaus*

Marcia J. Kellams

Corporate Secretary

**Director*

Stifel, Nicolaus & Company, Incorporated — Board of Directors

Ronald J. Kruszewski

*Chairman of the Board and
Chief Executive Officer*

Michael F. Imhoff

*Senior Vice President
Director, Institutional Fixed Income
Underwriting and Trading*

Scott B. McCuaig

*President
Co-Chief Operating Officer*

Thomas R. Kendrick IV

*Senior Vice President
Director, Syndicate*

James M. Zemlyak

*Senior Vice President
Chief Financial Officer and
Co-Chief Operating Officer*

J. Joseph Schlafly III

*Senior Vice President
Director, St. Louis Public Finance*

Steven H. Bell

*Senior Vice President
Director, Denver Public Finance*

David D. Sliney

*Senior Vice President
Director, Strategic Planning, Technology,
and Operations*

J. Jeffery Fowlds

*Senior Vice President
Director, Research and Institutional Equity Sales*

Annual Meeting

The 2005 annual meeting of stockholders will be held at Stifel's headquarters, One Financial Plaza, 501 North Broadway, 2nd Floor, St. Louis, Missouri, on Wednesday, May 11, 2005, at 11:00 a.m.

Stock Listings

The common stock of Stifel Financial Corp. is traded on the New York Stock Exchange and Chicago Stock Exchange under the symbol "SF." The high/low sales prices for Stifel Financial Corp. common stock for each full quarterly period for the calendar years are as follows:

	<i>Stock Price*</i> <i>High - Low</i>
<i>Year 2004 By Quarter</i>	
First	\$22.31 - 13.74
Second	21.15 - 16.20
Third	21.30 - 17.48
Fourth	24.68 - 19.04
<i>Year 2003 By Quarter</i>	
First	\$ 9.17 - 8.21
Second	9.77 - 8.55
Third	10.39 - 8.93
Fourth	14.84 - 9.96

**All stock price amounts reflect the four-for-three stock split distributed in September 2004.*

Transfer Agent

The transfer agent and registrar for Stifel Financial Corp. is UMB Bank, n.a., Kansas City, Missouri.

Number of Stockholders

The approximate number of stockholders of record on March 1, 2005, was 4,300.

Dividends

On May 9, 2002, the Company announced the elimination of future dividends on common stock.

On August 23, 2004, the Company announced a four-for-three stock split in the form of a stock dividend. The additional shares were distributed on September 15, 2004, to shareholders on record as of September 1, 2004.

Memberships

Stifel, Nicolaus & Company, Incorporated, one of Stifel Financial Corp.'s subsidiaries, is a member of:

New York Stock Exchange, Inc.
American Stock Exchange, Inc.
Chicago Stock Exchange, Inc.
Philadelphia Stock Exchange, Inc.
Chicago Board Options Exchange, Inc.
National Association of Securities Dealers, Inc.
Securities Investor Protection Corporation

Principal Subsidiaries

Stifel, Nicolaus & Company, Incorporated
Stifel Venture Corp.
Century Securities Associates, Inc.
Stifel CAPCO, LLC
Stifel CAPCO II, LLC
Stifel Financial Capital Trust I

Stifel Nicolaus Private Client Group Locations

Alton, Illinois
322 State Street, Suite 100
(618) 463-4697

Belleville, Illinois
One Bronze Pointe
(618) 233-5685

Beloit, Wisconsin
400 East Grand Avenue
(608) 363-8402

Brookfield, Wisconsin
18000 West Sarah Lane
Suite 180
(262) 794-1000

Camdenton, Missouri
155 East Highway 54
(573) 346-4242

Cape Girardeau, Missouri
2849 Independence Street
(573) 335-8454

Champaign, Illinois
Galleria Office Park
2502 Galen Drive, Suite 102
(217) 359-4686

Chesterfield, Missouri
500 Chesterfield Center
Suite 250
(636) 530-6600

Chicago, Illinois
227 West Monroe
Suite 1850
(312) 454-3800

Cincinnati, Ohio
Towers of Kenwood
8044 Montgomery, Suite 436
(513) 794-0030

Clayton, Missouri
8182 Maryland Avenue
(314) 862-8800

Colorado Springs, Colorado
1365 Garden of the Gods Road
Suite 100
(719) 442-2646

Columbia, Missouri
501 Cherry Street, Suite 101
(573) 874-2199

Columbus, Ohio
21 East State Street, Suite 200
(614) 463-9360

Dallas, Texas
5956 Sherry Lane, Suite 875
(214) 706-9450

Dayton, Ohio
7777 Washington Village Drive
Suite 280
(937) 312-0610

Decatur, Illinois
445 North Franklin
(217) 429-4290

Denver, Colorado
1125 17th Street, Suite 1500
(303) 534-1180

Dublin, Ohio
655 Metro Place South
Suite 200
(614) 789-9354

Eau Claire, Wisconsin
3603 North Hastings Way
Suite 200
(715) 552-8003

Edina, Minnesota
Centennial Lakes
7701 France Avenue South
Suite 475
(952) 831-0160

Edwardsville, Illinois
110 Rottingham Court, Suite A
(618) 659-3780

Fort Collins, Colorado
Preston Center
2809 East Harmony Road
Suite 330
(970) 267-9666

Fort Wayne, Indiana
7221 Engle Road, Suite 115
(260) 459-3989

Fremont, Michigan
25 West Main
(231) 924-0250

Geneva, Illinois
7 West State Street, Suite E
(630) 845-7900

Glenwood Springs, Colorado
302 Eighth Street, Suite 325
(970) 945-5275

Grand Haven, Michigan
One South Harbor Avenue
(616) 846-3620

Grand Rapids, Michigan
2100 Raybrook, S.E.
Suite 200
(616) 942-1717

Green Bay, Wisconsin
River Walk Plaza
200 South Washington Street
Suite 400
(920) 437-2555

Greenwood Village, Colorado
MCI Plaza
6312 South Fiddlers Green
Circle, Suite 320N
(303) 290-1040

Gulfport, Mississippi
2304 14th Street
(228) 864-4460

Indianapolis, Indiana
8888 Keystone Crossing
Suite 825
(317) 706-1420

Jackson, Mississippi
LeFleurs Bluff Tower
4780 I-55 North, Suite 125
(601) 366-7890

Jefferson City, Missouri
222 Madison Street
(573) 635-7997

Joplin, Missouri
401 Main Street
(417) 781-6161

Kansas City, Missouri
Plaza Center Building
800 West 47th Street, Suite 600
(816) 531-7777

Kimberly, Wisconsin
Fox Cities Location
740 Ford Street, Suite B
(920) 991-1415

Kirkwood, Missouri
1001 South Kirkwood Road
Suite 130
(314) 909-0238

Lake Forest, Illinois
100 North Field Drive
Suite 340
(847) 615-0677

Louisville, Kentucky
4969 U.S. Highway 42
Suite 1000
(502) 425-1230

Madison, Wisconsin
525 Junction Road
Suite 2900
(608) 664-5890

Madison, Wisconsin (East)
10 Terrace Court, Suite 100
(608) 241-9516

Manhattan, Kansas
323 Poyntz Avenue
(785) 776-1066

Mansfield, Ohio
156 Sherman Avenue
(419) 524-4009

Mattoon, Illinois
1601 Lafayette
(217) 235-0353

Merrill, Wisconsin
910 East Main Street
(715) 536-0073

Milwaukee, Wisconsin
330 East Kilbourn Avenue
Suite 250
(414) 276-5014

Minnetonka, Minnesota
11100 Wayzata Boulevard
Suite 230
(763) 732-1300

Mound City, Kansas
14 N.W. Sugar Lake
Drive West
(913) 795-3159

Nashville, Tennessee
3322 West End Avenue
9th Floor
(615) 277-7000

New Albany, Indiana
3122 Blackiston Mill Road
(812) 945-8598

New Orleans, Louisiana
1010 Common Street
Suite 1900
(504) 525-7711

Olympia Fields, Illinois
20000 Governors Drive
Suite 101
(708) 748-4500

Omaha, Nebraska
One Pacific Place
1125 South 103rd Street
Suite 300
(402) 955-1033

Oshkosh, Wisconsin
1819 Witzel Avenue
(920) 303-1686

Overland Park, Kansas
9393 West 110th Street
Suite 450
Corporate Woods
Building 51
(913) 345-4200

Pikeville, Kentucky
209 Second Street, Suite 300
(606) 432-5520

Quincy, Illinois
3800 East Lake Centre Drive
Suite 200
(217) 228-9488

Racine, Wisconsin
5439 Durand Avenue
Suite 240
(262) 554-4660

Raleigh, North Carolina
3605 Glenwood Avenue
Suite 310
(919) 645-5900

Rochester, Minnesota
305 Alliance Place, N.E.
(507) 292-9760

Rockford, Illinois
4343 East State Street
Suite 3
(815) 229-2699

Rolla, Missouri
100 South Bishop, Suite A
(573) 364-8930

Sandusky, Ohio
205 West Water Street
(419) 625-5432

Sarasota, Florida
235 North Orange Avenue
Suite 201
(941) 366-5443

Shelbyville, Kentucky
500 Main Street
(502) 633-7170

South Bend, Indiana
Key Bank Tower Building
202 South Michigan Street
Suite 1150
(574) 288-3040

Southlake, Texas
180 State Street, Suite 225
(817) 912-3310

Springfield, Missouri
1935 East Battlefield Road
Suite C
(417) 886-2855

St. Louis, Missouri
One Financial Plaza
501 North Broadway
(314) 342-2000

St. Paul, Minnesota
332 Minnesota Street
Suite N-201
(651) 291-8552

St. Peters, Missouri
114 Piper Hill Drive, Suite 201
(636) 939-2676

Stevens Point, Wisconsin
601 Main Street, Suite 202
(715) 343-5688

Texarkana, Texas
2010 Moores Lane, Suite 120
(903) 792-3305

Traverse City, Michigan
603 Bay Street
(231) 946-4975

Upper Arlington, Ohio
5025 Arlington Centre Boulevard
Suite 240
(614) 459-1438

Waterloo, Illinois
300 North Market Street
(618) 939-9400

Wayzata, Minnesota
315 East Lake Street, Suite 200
(952) 473-6010

West Bend, Wisconsin
1702 West Washington
(262) 338-8880

Westlake, Ohio
1650-F Crossings Parkway
(440) 835-4170

Wichita, Kansas
301 North Main, Suite 1800
(316) 264-6321

Wilmette, Illinois
1100 Central
(847) 920-2000

Woodbury, Minnesota
Woodhill Office Park
2155 Woodlane Drive
Suite 101
(651) 735-0900

Youngstown, Ohio
970 Windham Court, Suite 9
(330) 965-6929





Stifel Financial Corp.

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