

STIFEL FINANCIAL CORP
Form 10-Q
August 10, 2009

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended June 30, 2009

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File No. 1-9305

STIFEL FINANCIAL CORP.

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of incorporation or organization)

43-1273600

(IRS Employer Identification No.)

501North Broadway

St. Louis, Missouri

(Address of principal executive offices)

63102

(Zip Code)

(314) 342-2000

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer: Accelerated filer: Non-accelerated filer: Smaller reporting company:
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2). Yes No

The number of shares outstanding of the registrant's common stock as of July 31, 2009 was 28,472,666.

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	June 30, 2009		December 31, 2008
	(Unaudited)		
<i>(in thousands)</i>			
Assets			
Cash and cash equivalents	\$ 184,282	\$	239,725
Cash segregated under federal and other regulations	40		40
Receivables:			
Customers	338,570		280,143
Broker, dealers and clearing organizations	411,341		111,575
Securities purchased under agreements to resell	98,144		17,723
Trading securities owned, at fair value (includes assets pledged of \$221,825 and \$0, respectively)	290,045		122,576
Available-for-sale securities, at fair value	133,238		50,397
Held-to-maturity securities, at amortized cost	7,574		7,574
Mortgages held for sale	43,320		31,246
Bank loans, net of allowance for loan losses of \$3,060 and \$2,448, respectively	172,561		181,269
Bank foreclosed assets held for sale, net of estimated cost to sell	1,889		2,326
Investments	102,241		75,407
Fixed assets, at cost, net of accumulated depreciation and amortization of \$61,812 and \$54,075, respectively	50,559		47,765
Goodwill	132,507		128,278
Intangible assets, net of accumulated amortization of \$9,689 and \$8,290, respectively	16,261		15,984
Loans and advances to financial advisors and other employees, net	146,638		105,767
Deferred tax assets, net	47,329		47,337
Other assets	111,453		93,013
Total assets	\$ 2,287,992	\$	1,558,145

See accompanying Notes to Condensed Consolidated Financial Statements.

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	June 30, 2009	December 31, 2008
	(Unaudited)	
<i>(in thousands, except share amounts)</i>		
Liabilities and stockholders' equity		
Short-term borrowings from banks	\$ 212,300	\$ -
Payables:		
Customers	193,194	156,495
Brokers, dealers and clearing organizations	159,942	29,691
Drafts	37,929	49,401
Securities sold under agreements to repurchase	54,881	2,216
Bank deposits	470,430	284,798
Federal Home Loan Bank advances and other secured financing	2,000	6,000
Trading securities sold, but not yet purchased, at fair value	189,119	98,934
Accrued compensation	104,999	130,037
Accounts payable and accrued expenses	63,715	100,528
Debenture to Stifel Financial Capital Trust II	35,000	35,000
Debenture to Stifel Financial Capital Trust III	35,000	35,000
Debenture to Stifel Financial Capital Trust IV	12,500	12,500
Other	9,398	19,998
	1,580,407	960,598
Liabilities subordinated to claims of general creditors	4,883	4,362
Stockholders' equity:		
Preferred stock - \$1 par value; authorized 3,000,000 shares; none issued	-	-
Common stock - \$0.15 par value; authorized 97,000,000 shares; issued 28,396,540 and 26,300,135 shares, respectively	4,259	3,945
Additional paid-in-capital	505,195	427,480
Retained earnings	198,265	168,993
Accumulated other comprehensive loss	(4,183)	(6,295)
		594,123
	703,536	(938)
Unearned employee stock ownership plan shares, at cost, 130,153 and 146,421 shares, respectively	(834)	(938)
	702,702	593,185
Total liabilities and stockholders' equity	\$ 2,287,992	\$ 1,558,145

See accompanying Notes to Condensed Consolidated Financial Statements.

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STIFEL FINANCIAL CORP.

Condensed Consolidated Statements of Operations

(Unaudited)

<i>(in thousands, except per share amounts)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Revenues:				
Commissions	\$ 80,721	\$ 83,063	\$ 155,331	\$ 168,764
Principal transactions	121,261	65,674	218,539	132,611
Investment banking	24,702	20,935	40,206	42,779
Asset management and service fees	24,543	29,966	49,476	60,244
Interest	10,584	12,667	20,476	26,356