



FISCAL 1Q20 RESULTS

January 22, 2020

RAYMOND JAMES

FISCAL 1Q20 OVERVIEW

Paul Reilly
Chairman & CEO, Raymond James Financial

FISCAL 1Q20 HIGHLIGHTS

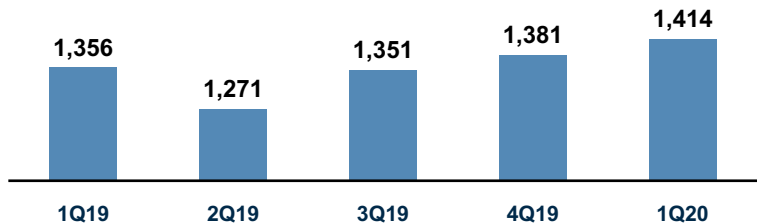
<i>\$ in millions, except per share amounts</i>	1Q20	Compared to GAAP Results		Compared to Adjusted* Results	
		vs. 1Q19	vs. 4Q19	vs. 1Q19	vs. 4Q19
Net revenues	\$ 2,009	4%	(1)%	NA	NA
Net income	RECORD \$ 268	8%	1%	2%	(6)%
Earnings per common share - diluted	RECORD \$ 1.89	12%	2%	6%	(6)%
		1Q19	4Q19	1Q19	4Q19
Return on equity	16.0%	15.9%	16.2%	16.9%	17.3%
Return on tangible common equity*	17.5%	17.6%	17.8%	18.7%	19.1%

FISCAL 1Q20 KEY METRICS

<i>\$ in billions</i>		1Q20	vs. 1Q19	vs. 4Q19
Client assets under administration	RECORD	\$ 896.0	24%	7%
Private Client Group (PCG) assets under administration	RECORD	\$ 855.2	24%	7%
PCG assets in fee-based accounts	RECORD	\$ 444.2	31%	9%
Financial assets under management	RECORD	\$ 151.7	20%	6%
Total clients' domestic cash sweep balances		\$ 39.5	(16)%	5%
PCG financial advisors	RECORD	8,060	3%	1%
Bank loans, net	RECORD	\$ 21.3	7%	2%

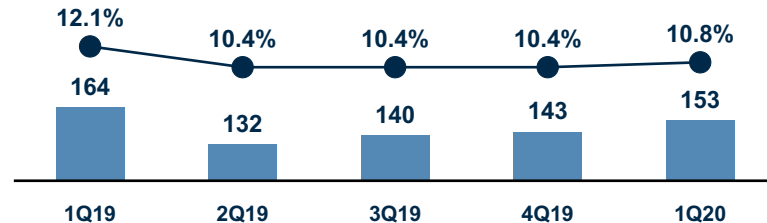
PRIVATE CLIENT GROUP

Net Revenues
\$ in millions



Year-over-year change: 4%
Sequential change: 2%

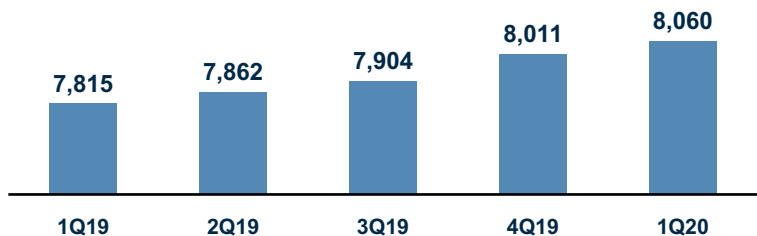
Pre-Tax Income
\$ in millions



Year-over-year change: (7)%
Sequential change: 7%

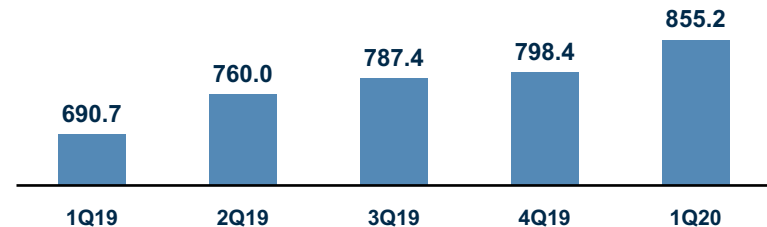
■ Pre-Tax Income ● Pre-Tax Margin

Number of Financial Advisors



Year-over-year change: 245
Sequential change: 49

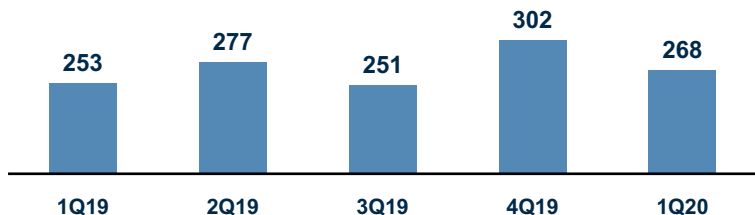
PCG Assets Under Administration
\$ in billions



Year-over-year change: 24%
Sequential change: 7%

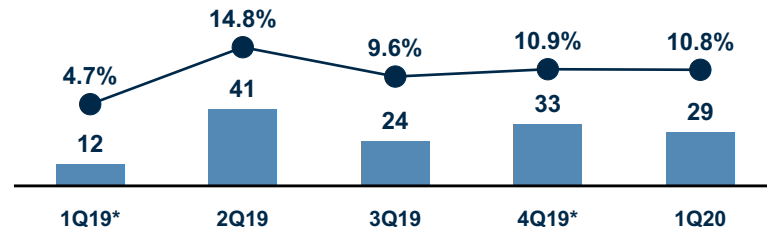
CAPITAL MARKETS

Net Revenues
\$ in millions



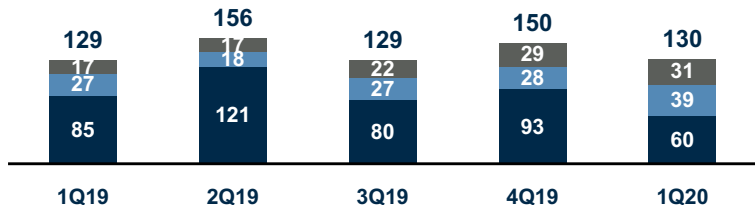
Year-over-year change: 6%
Sequential change: (11)%

Pre-Tax Income
\$ in millions



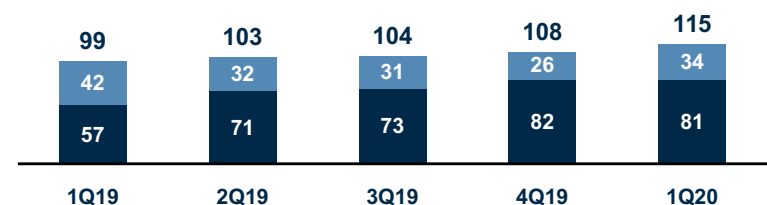
Year-over-year change: 142%
Sequential change: (12)%

Investment Banking Revenues
\$ in millions



Year-over-year change: 1%
Sequential change: (13)%

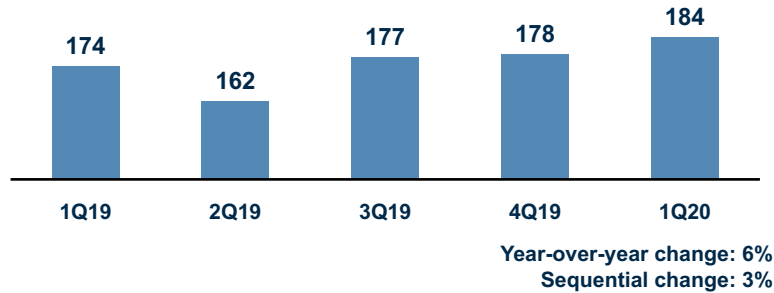
Brokerage Revenues
\$ in millions



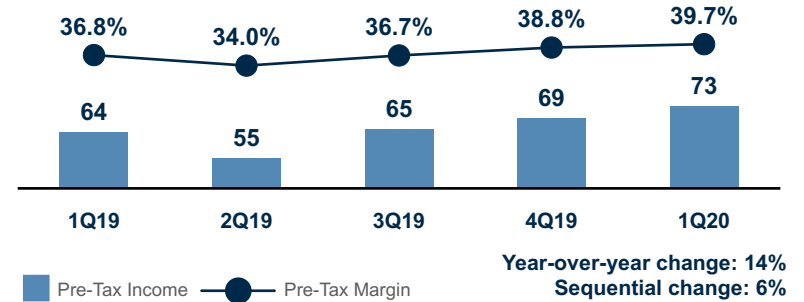
Year-over-year change: 16%
Sequential change: 6%

ASSET MANAGEMENT

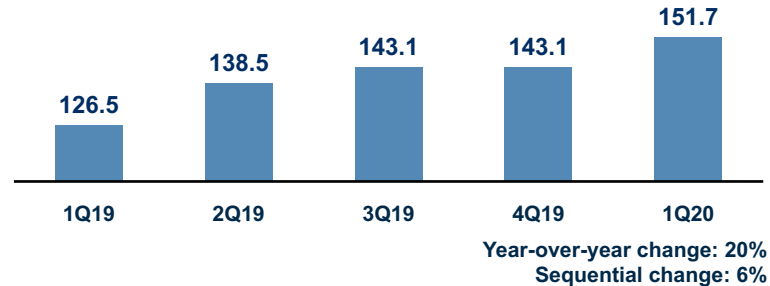
Net Revenues
\$ in millions



Pre-Tax Income
\$ in millions

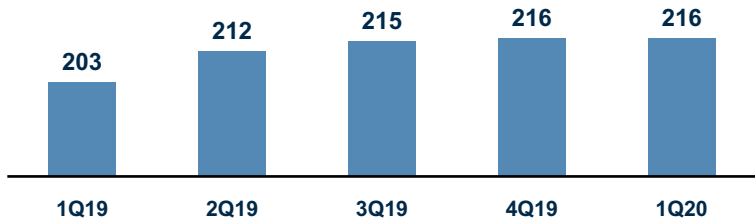


Financial Assets Under Management
\$ in billions



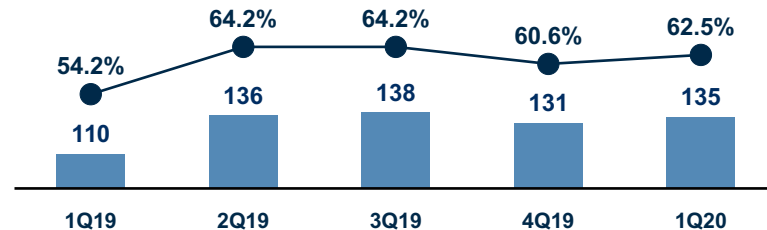
RAYMOND JAMES BANK

Net Revenues
\$ in millions



Year-over-year change: 6%
Sequential change: 0%

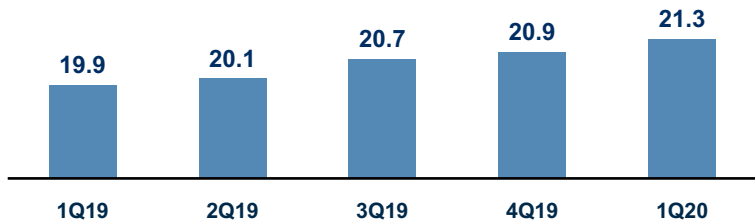
Pre-Tax Income
\$ in millions



Year-over-year change: 23%
Sequential change: 3%

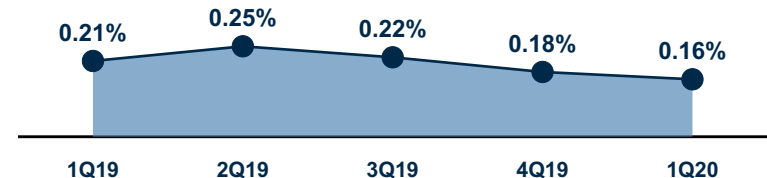
■ Pre-Tax Income ● Pre-Tax Margin

Bank Loans, Net
\$ in billions



Year-over-year change: 7%
Sequential change: 2%

Nonperforming Assets
as % of Total Assets



FINANCIAL REVIEW

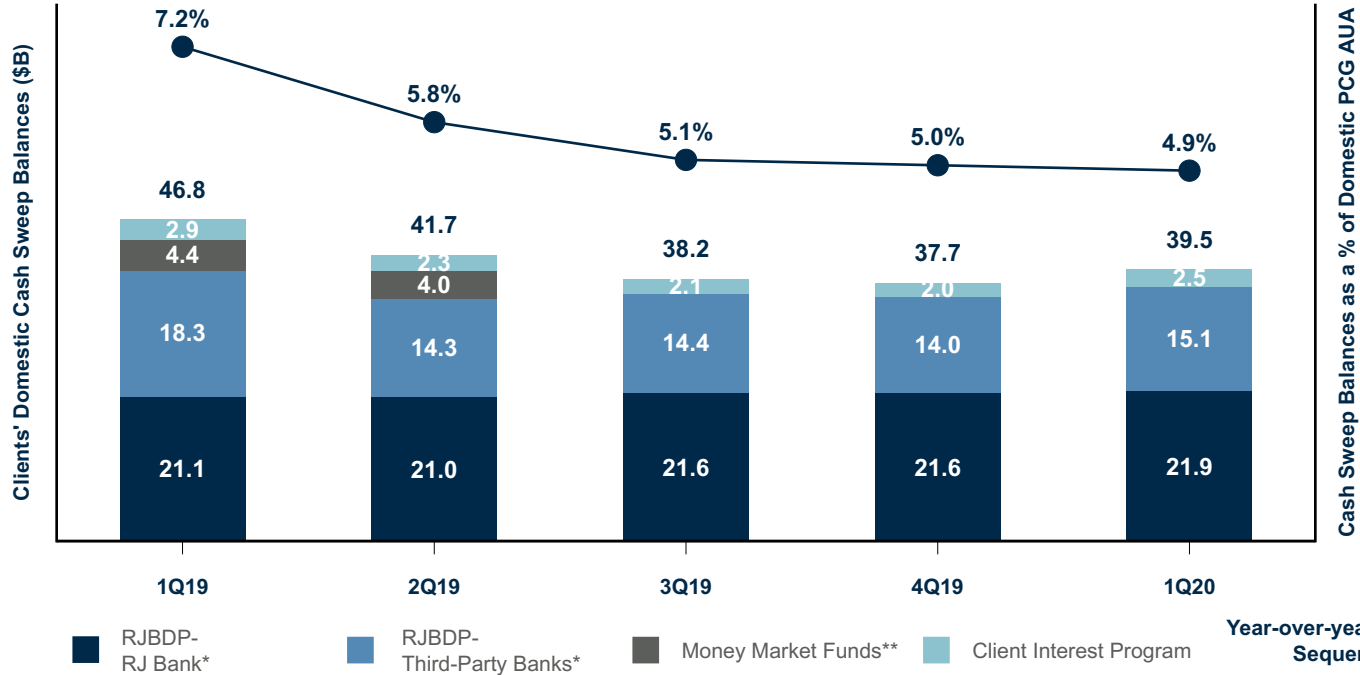
Paul Shoukry
Chief Financial Officer, Raymond James Financial

CONSOLIDATED NET REVENUES

<i>\$ in millions</i>	1Q20	vs. 1Q19	vs. 4Q19
Asset management and related administrative fees	\$ 955	10%	3%
Brokerage revenues	460	(1)%	2%
Account and service fees	178	(4)%	(1)%
Investment banking	141	3%	(10)%
Interest income	297	(6)%	(7)%
Other	29	(22)%	(47)%
Total revenues	2,060	3%	(1)%
Interest expense	(51)	(30)%	(18)%
Net revenues	\$ 2,009	4%	(1)%

DOMESTIC CASH SWEEP BALANCES

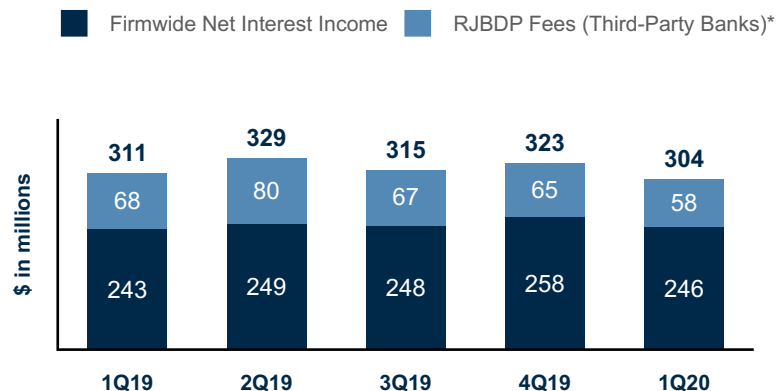
Clients' Domestic Cash Sweep Balances
as a % of Domestic PCG Assets Under Administration (AUA)



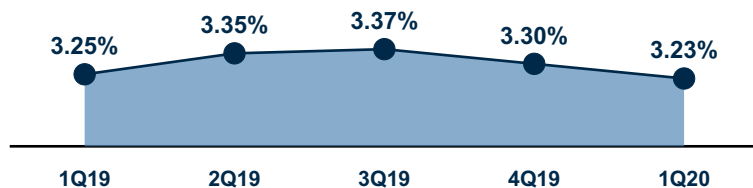
* Raymond James Bank Deposit Program (RJB DP) is a multi-bank sweep program in which clients' cash deposits in their brokerage accounts are swept into interest-bearing deposit accounts at Raymond James Bank and various third-party banks.

** Money market funds were discontinued as a sweep option during the third fiscal quarter of 2019. Balances in those funds were converted to RJB DP or reinvested by the client.

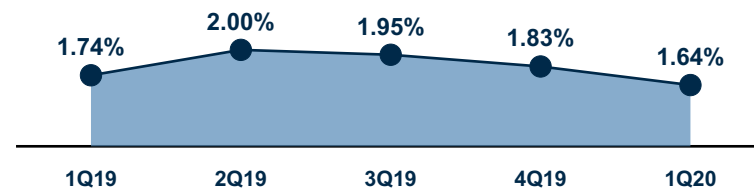
NET INTEREST INCOME & RJB DP FEES (THIRD-PARTY BANKS)



**Raymond James Bank
Net Interest Margin****



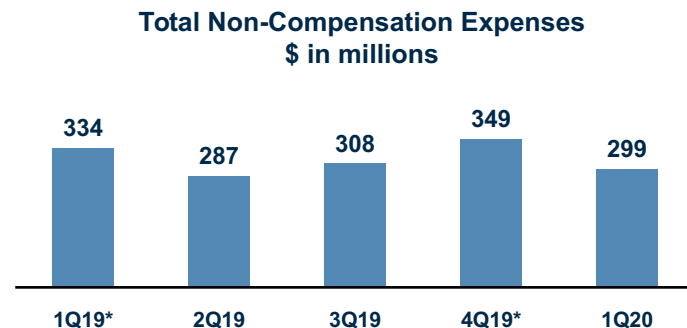
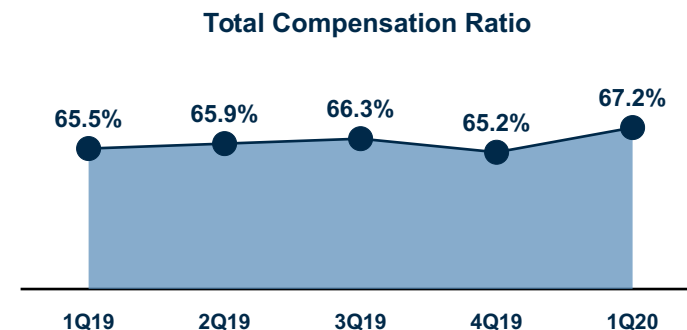
**Average Yield on RJB DP
(Third-Party Banks)*****



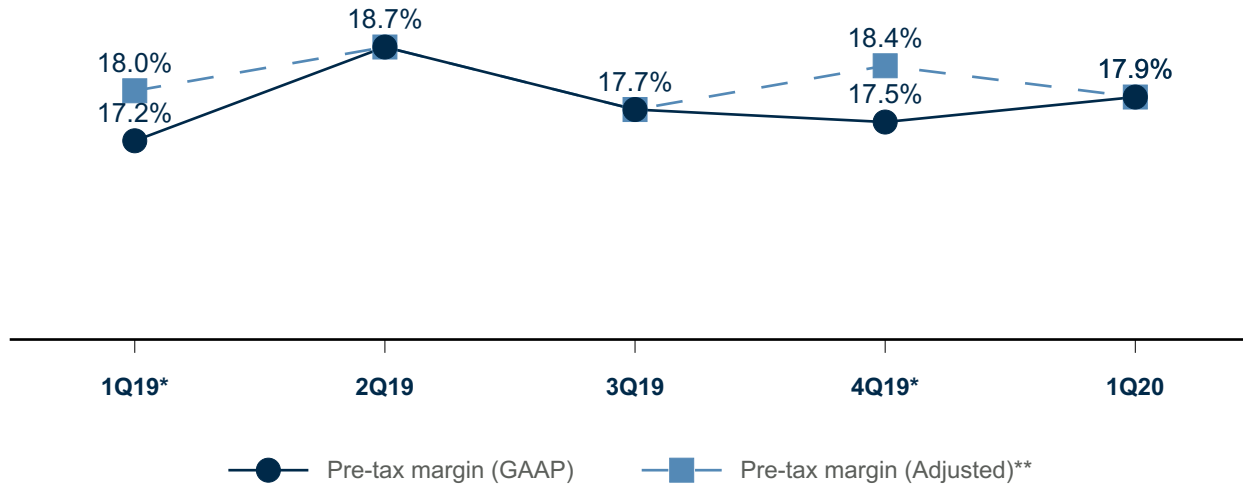
12 * As reported in Account and Service Fees in the PCG segment. ** Raymond James Bank represents a significant portion, but not all, of the firmwide Net Interest Income. RJ Bank Net Interest Margin represents the net yield on interest-earning banking assets. *** Computed by dividing RJB DP fees - third-party banks, which are net of the interest expense paid to clients by the third-party banks, by the average daily RJB DP balance at third-party banks.

CONSOLIDATED EXPENSES

<i>\$ in millions</i>	1Q20	vs. 1Q19	vs. 4Q19
Compensation, commissions and benefits	\$ 1,351	7%	2%
Non-compensation expenses:			
Communications and information processing	94	2%	(1)%
Occupancy and equipment	57	12%	(3)%
Business development	44	2%	(17)%
Investment sub-advisory fees	26	8%	8%
Professional fees	21	(5)%	(13)%
Bank loan loss provision/(benefit)	(2)	NM	NM
Other	59	(17)%*	(33)%*
Total non-compensation expenses	299	(10)%	(14)%
Total non-interest expenses	\$ 1,650	3%	(1)%



CONSOLIDATED PRE-TAX MARGIN



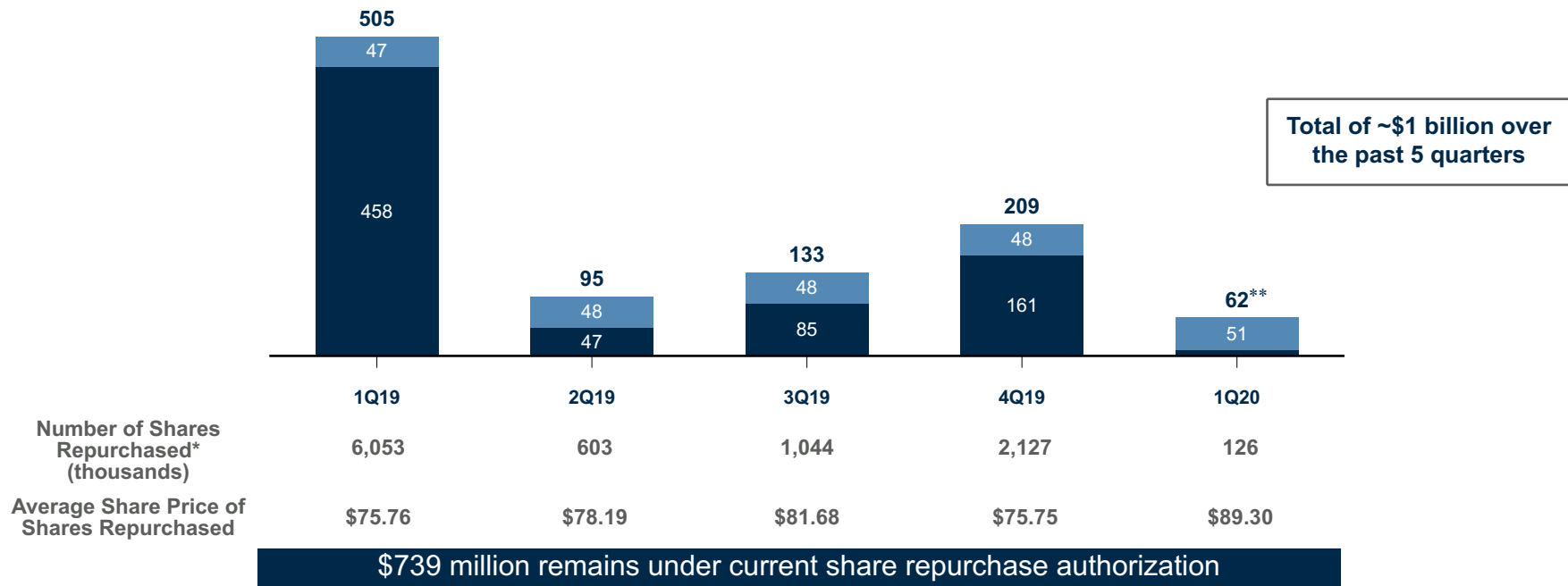
* 1Q19 included a \$15 million loss in our Capital Markets segment on the sale of our operations related to research, sales and trading of European equities. 4Q19 included a \$19 million goodwill impairment charge associated with our Canadian Capital Markets business.

** This is a non-GAAP measure. See the schedule in the Appendix of this presentation for a reconciliation of our non-GAAP measures to the most directly comparable GAAP measures and for more information on these measures.

CAPITAL MANAGEMENT

Dividends Paid and Share Repurchases* \$ in millions

■ Share Repurchases* ■ Dividends Paid



* Under the Board of Directors' share repurchase authorization.

** Share repurchases in 1Q20 totaled \$11 million.

OUTLOOK



APPENDIX

RECONCILIATION OF GAAP MEASURES TO NON-GAAP FINANCIAL MEASURES (UNAUDITED)

We utilize certain non-GAAP financial measures as additional measures to aid in, and enhance, the understanding of our financial results and related measures. These non-GAAP financial measures have been separately identified in this document. We believe certain of these non-GAAP financial measures provides useful information to management and investors by excluding certain material items that may not be indicative of our core operating results. We utilize these non-GAAP financial measures in assessing the financial performance of the business, as they facilitate a more meaningful comparison of current- and prior-period results. We believe that return on tangible common equity and tangible book value per share are meaningful to investors as they facilitate comparisons of our results to the results of other companies. In the following table, the tax effect of non-GAAP adjustments reflects the statutory rate associated with each non-GAAP item. These non-GAAP financial measures should be considered in addition to, and not as a substitute for, measures of financial performance prepared in accordance with GAAP. In addition, our non-GAAP financial measures may not be comparable to similarly titled non-GAAP financial measures of other companies. The following table provides a reconciliation of GAAP measures to non-GAAP financial measures for those periods which include non-GAAP adjustments.

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RECONCILIATION OF GAAP MEASURES TO NON-GAAP FINANCIAL MEASURES (UNAUDITED)

<i>\$ in millions, except per share amounts</i>	Three months ended	
	December 31, 2018	September 30, 2019
Net income	\$ 249	\$ 265
Non-GAAP adjustments:		
Acquisition and disposition-related expenses ⁽¹⁾	15	—
Goodwill impairment ⁽²⁾	—	19
Pre-tax impact of non-GAAP adjustments	15	19
Tax effect of non-GAAP adjustments	—	—
Total non-GAAP adjustments, net of tax	15	19
Adjusted net income	\$ 264	\$ 284
Pre-tax income	\$ 332	\$ 354
Pre-tax impact of non-GAAP adjustments (as detailed above)	15	19
Adjusted pre-tax income	\$ 347	\$ 373
Pre-tax margin ⁽³⁾	17.2%	17.5%
Adjusted pre-tax margin ⁽³⁾	18.0%	18.4%
Earnings per common share ⁽⁴⁾		
Basic	\$ 1.73	\$ 1.90
Adjusted basic	\$ 1.83	\$ 2.04
Diluted	\$ 1.69	\$ 1.86
Adjusted diluted	\$ 1.79	\$ 2.00

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RECONCILIATION OF GAAP MEASURES TO NON-GAAP FINANCIAL MEASURES (UNAUDITED)

Book value per share

\$ in millions, except per share amounts

	As of		
	December 31, 2018	September 30, 2019	December 31, 2019
Total equity attributable to Raymond James Financial, Inc.	\$ 6,143	\$ 6,581	\$ 6,842
<u>Less non-GAAP adjustments:</u>			
Goodwill and identifiable intangible assets, net	633	611	609
Deferred tax liabilities, net	(34)	(28)	(31)
Tangible common equity attributable to Raymond James Financial, Inc.	<u>\$ 5,544</u>	<u>\$ 5,998</u>	<u>\$ 6,264</u>
Common shares outstanding	140.6	137.8	138.9
Book value per share ⁽⁵⁾	<u>\$ 43.69</u>	<u>\$ 47.76</u>	<u>\$ 49.26</u>
Tangible book value per share ⁽⁵⁾	<u>\$ 39.43</u>	<u>\$ 43.53</u>	<u>\$ 45.10</u>

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RECONCILIATION OF GAAP MEASURES TO NON-GAAP FINANCIAL MEASURES (UNAUDITED)

Return on equity \$ in millions	Three months ended		
	December 31, 2018	September 30, 2019	December 31, 2019
Average equity ⁽⁶⁾	\$ 6,256	\$ 6,542	\$ 6,712
<u>Impact on average equity of non-GAAP adjustments:</u>			
Acquisition and disposition-related expenses ⁽¹⁾	7	—	NA
Goodwill impairment ⁽²⁾	—	9	NA
Adjusted average equity ⁽⁶⁾	\$ 6,263	\$ 6,551	NA
 Average equity ⁽⁶⁾	 \$ 6,256	 \$ 6,542	 \$ 6,712
<u>Less:</u>			
Average goodwill and identifiable intangible assets, net	636	623	610
Average deferred tax liabilities, net	(33)	(27)	(30)
Average tangible common equity ⁽⁶⁾	\$ 5,653	\$ 5,946	\$ 6,132
<u>Impact on average equity of non-GAAP adjustments:</u>			
Acquisition and disposition-related expenses ⁽¹⁾	7	—	NA
Goodwill impairment ⁽²⁾	—	9	NA
Adjusted average tangible common equity ⁽⁶⁾	\$ 5,660	\$ 5,955	NA
 Return on equity ⁽⁷⁾	 15.9%	 16.2%	 16.0%
Adjusted return on equity ⁽⁷⁾	16.9%	17.3%	NA
Return on tangible common equity ⁽⁷⁾	17.6%	17.8%	17.5%
Adjusted return on tangible common equity ⁽⁷⁾	18.7%	19.1%	NA

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FOOTNOTES

1. The three months ended December 31, 2018 included a loss in our Capital Markets segment on the sale of our operations related to research, sales and trading of European equities.
2. The three months ended September 30, 2019 included a \$19 million goodwill impairment charge associated with our Canadian Capital Markets business.
3. Computed by dividing pre-tax income by net revenues for each respective period or, in the case of adjusted pre-tax margin, computed by dividing adjusted pre-tax income by net revenues for each respective period.
4. Computed by dividing net income (less allocation of earnings and dividends to participating securities) by weighted-average common shares outstanding (basic or diluted as applicable) for each respective period or, in the case of adjusted earnings per share, computed by dividing adjusted net income (less allocation of earnings and dividends to participating securities) by weighted-average common shares outstanding (basic or diluted as applicable) for each respective period.
5. Computed by dividing total equity attributable to Raymond James Financial, Inc. by the number of common shares outstanding at the end of each respective period or, in the case of tangible book value per share, computed by dividing tangible common equity by the number of common shares outstanding at the end of each respective period. Tangible common equity is defined as total equity attributable to Raymond James Financial, Inc. less goodwill and intangible assets, net of related deferred taxes.
6. Computed by adding the total equity attributable to Raymond James Financial, Inc. as of the date indicated to the prior quarter-end total, and dividing by two, or in the case of average tangible common equity, computed by adding tangible common equity as of the date indicated to the prior quarter-end total, and dividing by two. Adjusted average equity is computed by adjusting for the impact on average equity of the non-GAAP adjustments, as applicable for each respective period. Adjusted average tangible common equity is computed by adjusting for the impact on average tangible common equity of the non-GAAP adjustments, as applicable for each respective period.
7. Computed by dividing annualized net income by average equity for each respective period or, in the case of return on tangible common equity, computed by dividing annualized net income by average tangible common equity for each respective period. Adjusted return on equity is computed by dividing annualized adjusted net income by adjusted average equity for each respective period, or in the case of adjusted return on tangible common equity, computed by dividing annualized adjusted net income by adjusted average tangible common equity for each respective period.