

RAYMOND JAMES

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FOR IMMEDIATE RELEASE

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RAYMOND JAMES FINANCIAL REPORTS SECOND QUARTER FISCAL 2018 RESULTS

- **Record quarterly net revenues of \$1.81 billion, up 16% over the prior year's fiscal second quarter and 5% over the preceding quarter**
- **Record quarterly net income of \$242.8 million, or \$1.63 per diluted share**
- **Quarter-end records for client assets under administration of \$729.5 billion and financial assets under management of \$132.3 billion despite the sequential decline in the S&P 500 Index**
- **Record number of Private Client Group financial advisors of 7,604 and record net loans at Raymond James Bank of \$18.2 billion**
- **Annualized return on equity for the quarter of 16.7%**

ST. PETERSBURG, Fla - Raymond James Financial, Inc. (NYSE: RJF) today reported record net revenues of \$1.81 billion and record net income of \$242.8 million, or \$1.63 per diluted share, for the fiscal second quarter ended March 31, 2018. The record results generated in the quarter were primarily attributable to growth of Private Client Group assets in fee-based accounts, financial assets under management and net loans at Raymond James Bank. Results in the quarter were also helped by strong investment banking revenues and the effects of higher short-term interest rates.

For the first six months of the fiscal year, record net revenues of \$3.54 billion increased 16%, record net income of \$361.7 million increased 39%, and adjusted net income of \$481.7 million⁽¹⁾ increased 32% compared to the first half of fiscal 2017.

"The record net revenues and net income generated in the quarter were the result of our consistent success retaining and recruiting financial advisors in the Private Client Group," said Chairman and CEO Paul Reilly. "Furthermore, our results for the balance of the fiscal year should continue to be aided by higher short-term interest rates and a lower corporate tax rate."

Segment Results

Private Client Group

- **Record quarterly net revenues of \$1.27 billion, up 17% over the prior year's fiscal second quarter and 3% over the preceding quarter**
- **Record quarterly pre-tax income of \$157.6 million, a substantial increase over the prior year's fiscal second quarter, which included a large legal charge, and 2% over the preceding quarter**
- **Private Client Group assets under administration of \$694.8 billion, growth of 14% over March 2017 and flat compared to December 2017**
- **Private Client Group assets in fee-based accounts of \$325.1 billion, an increase of 25% over March 2017 and 3% over December 2017**

Record quarterly results in the Private Client Group segment were largely driven by growth in Private Client Group assets in fee-based accounts and higher short-term interest rates, which lifted fees earned on balances in the Raymond James Bank Deposit Program. The number of financial advisors reached a record 7,604, reflecting net additions of 382 advisors over March 2017 and 67 over December 2017. At the end of the quarter, Private Client Group assets in fee-based accounts represented 47% of the segment's total assets under administration.

"Our client-focused culture, robust product offering, and extensive technology investments resonate with our existing and prospective financial advisors across all our affiliation options," said Reilly.

Please refer to the footnotes at the end of this press release for additional information.

Capital Markets

- **Quarterly net revenues of \$230.6 million, down 10% compared to the prior year's fiscal second quarter and up 6% compared to the preceding quarter**
- **Quarterly pre-tax income of \$16.2 million, down 61% compared to the prior year's fiscal second quarter and up 237% over the preceding quarter**
- **Investment banking revenues of \$105.8 million, up 3% over the prior year's fiscal second quarter and 63% over the preceding quarter**

Following a slow start, a rebound in M&A revenues in March led to growth in total investment banking revenues during the quarter. Meanwhile, the segment's results were negatively impacted by continued market-driven weakness in both institutional equity and fixed income commissions.

"The flattening yield curve and relatively low interest rate volatility were significant headwinds for the Fixed Income business," said Reilly. "However, the market environment remains conducive for the M&A business, and the pipelines for the public finance and tax credit funds businesses have started to recover following the passage of tax reform in December."

Asset Management

- **Record quarterly net revenues of \$163.2 million, up 40% over the prior year's fiscal second quarter and 8% over the preceding quarter**
- **Quarterly pre-tax income of \$55.9 million, an increase of 48% over the prior year's fiscal second quarter and down 3% compared to the preceding quarter**
- **Financial assets under management of \$132.3 billion, reflecting growth of 55% compared to March 2017 and 2% compared to December 2017**

Increased utilization of managed accounts in the Private Client Group segment contributed to sequential growth of financial assets under management. The year-over-year increase in financial assets under management was aided by the addition of \$27 billion of assets from the acquisition of Scout Investments and its Reams Asset Management division in November 2017.

Raymond James Bank

- **Record quarterly net revenues of \$178.7 million, up 26% over the prior year's fiscal second quarter and 8% over the preceding quarter**
- **Record quarterly pre-tax income of \$118.1 million, up 28% over the prior year's fiscal second quarter and 3% over the preceding quarter**
- **Record net loans at Raymond James Bank of \$18.2 billion, representing growth of 13% over March 2017 and 3% over December 2017**
- **The Bank's net interest margin increased to 3.21% for the quarter, up 13 basis points over both the prior year's fiscal second quarter and the preceding quarter**

The Bank's record results were lifted by broad-based loan growth and expansion of the Bank's net interest margin. The Bank's credit metrics continued to improve, with nonperforming assets declining to 0.17% of total assets and criticized loans declining to 1.30% of total loans. The bank loan loss provision of \$7.5 million for the quarter was largely the result of strong net loan growth and additional reserves related to rising short-term interest rates.

"We are pleased with the record results this quarter, particularly given the seasonal factors that typically create headwinds at the beginning of each calendar year," said Reilly.

A conference call to discuss the results will take place tomorrow morning, Thursday, April 26th, at 8:15 a.m. ET. For a listen-only connection, please call: 877-666-1952 (conference code: 5981299), or visit www.raymondjames.com/investor-relations/earnings/earnings-conference-call for a live audio webcast. An audio replay of the call will be available until July 26, 2018, on the Investor Relations page of our website at www.raymondjames.com.

About Raymond James Financial, Inc.

Raymond James Financial, Inc. (NYSE: RJF) is a leading diversified financial services company providing private client group, capital markets, asset management, banking and other services to individuals, corporations and municipalities. The company has approximately 7,600 financial advisors in 3,000 locations throughout the United States, Canada and overseas. Total client assets are \$730 billion. Public since 1983, the firm is listed on the New York Stock Exchange under the symbol RJF. Additional information is available at www.raymondjames.com.

Forward Looking Statements

Certain statements made in this press release and the associated conference call may constitute "forward-looking statements" under the Private Securities Litigation Reform Act of 1995. Forward-looking statements include information concerning future strategic objectives, business prospects, anticipated savings, financial results (including expenses, earnings, liquidity, cash flow and capital expenditures), industry or market conditions, demand for and pricing of our products, acquisitions and divestitures, anticipated results of litigation and changes in tax rules and regulatory developments, or general economic conditions. In addition, words such as "believes," "expects," "anticipates," "intends," "plans," "estimates," "projects," "forecasts," and future or conditional verbs such as "will," "may," "could," "should," and "would," as well as any other statement that necessarily depends on future events, are intended to identify forward-looking statements. Forward-looking statements are not guarantees, and they involve risks, uncertainties and assumptions. Although we make such statements based on assumptions that we believe to be reasonable, there can be no assurance that actual results will not differ materially from those expressed in the forward-looking statements. We caution investors not to rely unduly on any forward-looking statements and urge you to carefully consider the risks described in our filings with the Securities and Exchange Commission (the "SEC") from time to time, including our most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q, which are available at www.raymondjames.com and the SEC's website at www.sec.gov. We expressly disclaim any obligation to update any forward-looking statement in the event it later turns out to be inaccurate, whether as a result of new information, future events, or otherwise.

Raymond James Financial, Inc.
Selected financial highlights
(Unaudited)

Summary results of operations

| <i>\$ in thousands, except per share amounts</i> | Three months ended | | | % change from | |
|---|--------------------|-------------------|----------------------|-------------------|----------------------|
| | March 31, 2018 | March 31, 2017 | December 31, 2017 | March 31, 2017 | December 31, 2017 |
| Net revenues | \$ 1,812,632 | \$ 1,563,637 | \$ 1,726,161 | 16% | 5% |
| Pre-tax income ⁽²⁾ | \$ 331,371 | \$ 165,513 | \$ 311,243 | 100% | 6% |
| Net income ⁽²⁾ | \$ 242,847 | \$ 112,755 | \$ 118,842 | 115% | 104% |
| <u>Earnings per common share:</u> | | | | | |
| Basic | \$ 1.67 | \$ 0.78 | \$ 0.82 | 114% | 104% |
| Diluted | \$ 1.63 | \$ 0.77 | \$ 0.80 | 112% | 104% |
| <u>Non-GAAP measures:</u> ⁽¹⁾ | | | | | |
| Adjusted pre-tax income ⁽²⁾ | ⁽¹⁾ | \$ 274,881 | \$ 315,170 | 21% | 5% |
| Adjusted net income ⁽²⁾ | ⁽¹⁾ | \$ 188,468 | \$ 238,838 | 29% | 2% |
| Adjusted basic earnings per common share | ⁽¹⁾ | \$ 1.31 | \$ 1.65 | 27% | 1% |
| Adjusted diluted earnings per common share | ⁽¹⁾ | \$ 1.28 | \$ 1.61 | 27% | 1% |

| <i>\$ in thousands, except per share amounts</i> | Six months ended | | |
|---|-------------------|-------------------|----------|
| | March 31, 2018 | March 31, 2017 | % change |
| Net revenues | \$ 3,538,793 | \$ 3,056,439 | 16% |
| Pre-tax income ⁽²⁾ | \$ 642,614 | \$ 371,892 | 73% |
| Net income ⁽²⁾ | \$ 361,689 | \$ 259,322 | 39% |
| <u>Earnings per common share:</u> | | | |
| Basic | \$ 2.49 | \$ 1.81 | 38% |
| Diluted | \$ 2.43 | \$ 1.77 | 37% |
| <u>Non-GAAP measures:</u> ⁽¹⁾ | | | |
| Adjusted pre-tax income ⁽²⁾ | \$ 646,541 | \$ 523,926 | 23% |
| Adjusted net income ⁽²⁾ | \$ 481,685 | \$ 365,336 | 32% |
| Adjusted basic earnings per common share | \$ 3.32 | \$ 2.55 | 30% |
| Adjusted diluted earnings per common share | \$ 3.24 | \$ 2.49 | 30% |

Please refer to the footnotes at the end of this press release for additional information.

Raymond James Financial, Inc.
Consolidated Statements of Income
(Unaudited)

| <i>\$ in thousands, except per share amounts</i> | Three months ended | | | % change from | |
|---|--------------------|-------------------|----------------------|-------------------|----------------------|
| | March 31, 2018 | March 31, 2017 | December 31, 2017 | March 31, 2017 | December 31, 2017 |
| Revenues: | | | | | |
| Securities commissions and fees | \$ 1,117,280 | \$ 992,112 | \$ 1,103,566 | 13% | 1% |
| Investment banking | 105,815 | 102,377 | 64,902 | 3% | 63% |
| Investment advisory and related administrative fees | 151,433 | 110,280 | 142,023 | 37% | 7% |
| Interest income | 248,846 | 192,544 | 231,729 | 29% | 7% |
| Account and service fees | 191,491 | 162,981 | 184,301 | 17% | 4% |
| Net trading profit | 14,037 | 15,811 | 19,870 | (11)% | (29)% |
| Other | 28,332 | 24,209 | 19,201 | 17% | 48% |
| Total revenues | <u>1,857,234</u> | <u>1,600,314</u> | <u>1,765,592</u> | 16% | 5% |
| Interest expense | (44,602) | (36,677) | (39,431) | 22% | 13% |
| Net revenues | <u>1,812,632</u> | <u>1,563,637</u> | <u>1,726,161</u> | 16% | 5% |
| Non-interest expenses: | | | | | |
| Compensation, commissions and benefits | 1,196,648 | 1,035,714 | 1,152,767 | 16% | 4% |
| Communications and information processing | 96,685 | 76,067 | 83,731 | 27% | 15% |
| Occupancy and equipment costs | 49,701 | 47,498 | 49,814 | 5% | — |
| Business development | 42,806 | 41,519 | 33,793 | 3% | 27% |
| Investment sub-advisory fees | 23,121 | 17,778 | 22,321 | 30% | 4% |
| Bank loan loss provision | 7,549 | 7,928 | 1,016 | (5)% | 643% |
| Acquisition-related expenses | — | 1,086 | 3,927 | (100)% | (100)% |
| Losses on extinguishment of debt | — | 8,282 | — | (100)% | — |
| Other | 65,033 | 166,462 | 67,108 | (61)% | (3)% |
| Total non-interest expenses | <u>1,481,543</u> | <u>1,402,334</u> | <u>1,414,477</u> | 6% | 5% |
| Income including noncontrolling interests and before provision for income taxes | 331,089 | 161,303 | 311,684 | 105% | 6% |
| Provision for income taxes | 88,524 | 52,758 | 192,401 | 68% | (54)% |
| Net income including noncontrolling interests | 242,565 | 108,545 | 119,283 | 123% | 103% |
| Net income/(loss) attributable to noncontrolling interests | (282) | (4,210) | 441 | 93% | NM |
| Net income attributable to Raymond James Financial, Inc. | <u>\$ 242,847</u> | <u>\$ 112,755</u> | <u>\$ 118,842</u> | 115% | 104% |
| Earnings per common share – basic | \$ 1.67 | \$ 0.78 | \$ 0.82 | 114% | 104% |
| Earnings per common share – diluted | \$ 1.63 | \$ 0.77 | \$ 0.80 | 112% | 104% |
| Weighted-average common shares outstanding – basic | <u>145,385</u> | <u>143,367</u> | <u>144,469</u> | 1% | 1% |
| Weighted-average common and common equivalent shares outstanding – diluted | <u>149,037</u> | <u>146,779</u> | <u>148,261</u> | 2% | 1% |

Please refer to the footnotes at the end of this press release for additional information.

Raymond James Financial, Inc.
Consolidated Statements of Income
(Unaudited)

| <i>\$ in thousands, except per share amounts</i> | Six months ended | | |
|---|-------------------|-------------------|------------|
| | March 31, 2018 | March 31, 2017 | % change |
| Revenues: | | | |
| Securities commissions and fees | \$ 2,220,846 | \$ 1,976,497 | 12% |
| Investment banking | 170,717 | 163,802 | 4% |
| Investment advisory and related administrative fees | 293,456 | 218,523 | 34% |
| Interest income | 480,575 | 375,326 | 28% |
| Account and service fees | 375,792 | 311,772 | 21% |
| Net trading profit | 33,907 | 36,366 | (7)% |
| Other | 47,533 | 46,796 | 2% |
| Total revenues | 3,622,826 | 3,129,082 | 16% |
| Interest expense | (84,033) | (72,643) | 16% |
| Net revenues | 3,538,793 | 3,056,439 | 16% |
| Non-interest expenses: | | | |
| Compensation, commissions and benefits | 2,349,415 | 2,042,181 | 15% |
| Communications and information processing | 180,416 | 148,228 | 22% |
| Occupancy and equipment costs | 99,515 | 93,550 | 6% |
| Business development | 76,599 | 76,881 | — |
| Investment sub-advisory fees | 45,442 | 37,073 | 23% |
| Bank loan loss provision | 8,565 | 6,888 | 24% |
| Acquisition-related expenses | 3,927 | 13,752 | (71)% |
| Losses on extinguishment of debt | — | 8,282 | (100)% |
| Other | 132,141 | 260,786 | (49)% |
| Total non-interest expenses | 2,896,020 | 2,687,621 | 8% |
| Income including noncontrolling interests and before provision for income taxes | 642,773 | 368,818 | 74% |
| Provision for income taxes | 280,925 | 112,570 | 150% |
| Net income including noncontrolling interests | 361,848 | 256,248 | 41% |
| Net income/(loss) attributable to noncontrolling interests | 159 | (3,074) | NM |
| Net income attributable to Raymond James Financial, Inc. | \$ 361,689 | \$ 259,322 | 39% |
| Earnings per common share – basic | \$ 2.49 | \$ 1.81 | 38% |
| Earnings per common share – diluted | \$ 2.43 | \$ 1.77 | 37% |
| Weighted-average common shares outstanding – basic | 144,920 | 142,732 | 2% |
| Weighted-average common and common equivalent shares outstanding – diluted | 148,530 | 146,119 | 2% |

Please refer to the footnotes at the end of this press release for additional information.

Raymond James Financial, Inc.
Segment Results
(Unaudited)

| <i>\$ in thousands</i> | Three months ended | | | % change from | |
|--|---------------------|---------------------|----------------------|-------------------|----------------------|
| | March 31, 2018 | March 31, 2017 | December 31, 2017 | March 31, 2017 | December 31, 2017 |
| Net revenues: | | | | | |
| Private Client Group | \$ 1,271,815 | \$ 1,085,177 | \$ 1,233,051 | 17% | 3% |
| Capital Markets | 230,616 | 256,171 | 216,665 | (10)% | 6% |
| Asset Management | 163,185 | 116,480 | 150,600 | 40% | 8% |
| RJ Bank | 178,738 | 141,371 | 165,185 | 26% | 8% |
| Other ⁽³⁾ | 1,832 | (8,018) | (2,920) | NM | NM |
| Intersegment eliminations | (33,554) | (27,544) | (36,420) | | |
| Total net revenues | \$ 1,812,632 | \$ 1,563,637 | \$ 1,726,161 | 16% | 5% |
| Pre-tax income/(loss): ⁽²⁾ | | | | | |
| Private Client Group | \$ 157,586 | \$ 29,372 | \$ 155,063 | 437% | 2% |
| Capital Markets | 16,203 | 41,251 | 4,807 | (61)% | 237% |
| Asset Management | 55,866 | 37,797 | 57,399 | 48% | (3)% |
| RJ Bank | 118,086 | 91,911 | 114,155 | 28% | 3% |
| Other ⁽³⁾ | (16,370) | (34,818) | (20,181) | 53% | 19% |
| Pre-tax income | \$ 331,371 | \$ 165,513 | \$ 311,243 | 100% | 6% |

| <i>\$ in thousands</i> | Six months ended | | |
|--|---------------------|---------------------|----------|
| | March 31, 2018 | March 31, 2017 | % change |
| Net revenues: | | | |
| Private Client Group | \$ 2,504,866 | \$ 2,125,266 | 18% |
| Capital Markets | 447,281 | 489,187 | (9)% |
| Asset Management | 313,785 | 230,562 | 36% |
| RJ Bank | 343,923 | 279,386 | 23% |
| Other ⁽³⁾ | (1,088) | (17,661) | 94% |
| Intersegment eliminations | (69,974) | (50,301) | |
| Total net revenues | \$ 3,538,793 | \$ 3,056,439 | 16% |
| Pre-tax income/(loss): ⁽²⁾ | | | |
| Private Client Group | \$ 312,649 | \$ 102,730 | 204% |
| Capital Markets | 21,010 | 62,695 | (66)% |
| Asset Management | 113,265 | 79,706 | 42% |
| RJ Bank | 232,241 | 196,032 | 18% |
| Other ⁽³⁾ | (36,551) | (69,271) | 47% |
| Pre-tax income | \$ 642,614 | \$ 371,892 | 73% |

Please refer to the footnotes at the end of this press release for additional information.

Raymond James Financial, Inc.
Selected Operating Data
(Unaudited)

| <i>\$ in thousands</i> | Three months ended | | | % change from | |
|---|--------------------|-------------------|----------------------|-------------------|----------------------|
| | March 31, 2018 | March 31, 2017 | December 31, 2017 | March 31, 2017 | December 31, 2017 |
| <u>Securities commissions and fees by segment:</u> | | | | | |
| Private Client Group | \$ 1,022,209 | \$ 876,882 | \$ 991,054 | 17% | 3% |
| Capital Markets: | | | | | |
| Equity | 46,164 | 59,647 | 53,371 | (23)% | (14)% |
| Fixed Income | 54,197 | 64,660 | 65,201 | (16)% | (17)% |
| Intersegment eliminations | (5,289) | (9,077) | (6,060) | | |
| Total securities commissions and fees | \$ 1,117,281 | \$ 992,112 | \$ 1,103,566 | 13% | 1% |
| <u>Investment banking revenues:</u> | | | | | |
| Equity: | | | | | |
| Underwritings | \$ 12,811 | \$ 22,518 | \$ 8,955 | (43)% | 43% |
| Mergers & acquisitions and advisory fees | 72,474 | 53,762 | 42,998 | 35% | 69% |
| Fixed Income | 11,212 | 10,920 | 8,132 | 3% | 38% |
| Tax credit funds syndication fees | 9,318 | 15,177 | 4,817 | (39)% | 93% |
| Total investment banking revenues | \$ 105,815 | \$ 102,377 | \$ 64,902 | 3% | 63% |
| <u>Other revenues:</u> | | | | | |
| Realized/unrealized gains - private equity investments | \$ 10,641 | \$ 7,443 | \$ 6,940 | 43% | 53% |
| Other | 17,691 | 16,766 | 12,261 | 6% | 44% |
| Total other revenues | \$ 28,332 | \$ 24,209 | \$ 19,201 | 17% | 48% |
| <u>Net income/(loss) attributable to noncontrolling interests:</u> | | | | | |
| Private equity investments | \$ 657 | \$ 166 | \$ 279 | 296% | 135% |
| Low-income housing tax credit funds | (2,817) | (5,529) | (2,779) | 49% | (1)% |
| Other | 1,878 | 1,153 | 2,941 | 63% | (36)% |
| Total net income/(loss) attributable to noncontrolling interests | \$ (282) | \$ (4,210) | \$ 441 | 93% | NM |

Please refer to the footnotes at the end of this press release for additional information.

Raymond James Financial, Inc.
Selected Operating Data
(Unaudited)

| <i>\$ in thousands</i> | Six months ended | | |
|---|-------------------|-------------------|----------|
| | March 31, 2018 | March 31, 2017 | % change |
| <u>Securities commissions and fees by segment:</u> | | | |
| Private Client Group | \$ 2,013,263 | \$ 1,730,101 | 16% |
| Capital Markets: | | | |
| Equity | 99,535 | 123,966 | (20)% |
| Fixed Income | 119,398 | 140,034 | (15)% |
| Intersegment eliminations | (11,349) | (17,604) | |
| Total securities commissions and fees | \$ 2,220,847 | \$ 1,976,497 | 12% |
| <u>Investment banking revenues:</u> | | | |
| Equity: | | | |
| Underwritings | \$ 21,766 | \$ 37,165 | (41)% |
| Mergers & acquisitions and advisory fees | 115,472 | 80,936 | 43% |
| Fixed Income | 19,344 | 19,398 | — |
| Tax credit funds syndication fees | 14,135 | 26,303 | (46)% |
| Total investment banking revenues | \$ 170,717 | \$ 163,802 | 4% |
| <u>Other revenues:</u> | | | |
| Realized/unrealized gains - private equity investments | \$ 17,581 | \$ 18,087 | (3)% |
| Other | 29,952 | 28,709 | 4% |
| Total other revenues | \$ 47,533 | \$ 46,796 | 2% |
| <u>Net income/(loss) attributable to noncontrolling interests:</u> | | | |
| Private equity investments | \$ 936 | \$ 2,201 | (57)% |
| Low-income housing tax credit funds | (5,596) | (7,542) | 26% |
| Other | 4,819 | 2,267 | 113% |
| Total net loss attributable to noncontrolling interests | \$ 159 | \$ (3,074) | NM |

Please refer to the footnotes at the end of this press release for additional information.

Raymond James Financial, Inc.
Selected Key Metrics
(Unaudited)

| Total company | For the period ended | | |
|--|-----------------------------|---------------------------|------------------------------|
| | March 31, 2018 | March 31, 2017 | December 31, 2017 |
| Total assets | \$ 36.0 bil. ⁽⁴⁾ | \$ 32.9 bil. | \$ 36.1 bil. |
| Total equity ⁽²⁾ | \$ 5.9 bil. | \$ 5.2 bil. | \$ 5.7 bil. |
| Book value per share ⁽⁵⁾ | \$ 40.82 | \$ 36.28 | \$ 39.25 |
| Tangible book value per share ⁽¹⁾⁽⁵⁾ | \$ 36.58 | \$ 33.04 | \$ 34.94 |
| Return on equity - quarter ⁽⁶⁾ | 16.7 % | 8.8 % | 8.4 % |
| Adjusted return on equity - quarter ⁽¹⁾⁽⁶⁾ | NA | 14.4 % | 16.8 % |
| Return on equity - year to date ⁽⁶⁾ | 12.6 % | 10.2 % | 8.4 % |
| Adjusted return on equity - year to date ⁽¹⁾⁽⁶⁾ | 16.6 % | 14.2 % | 16.8 % |
| Total compensation ratio - quarter ⁽⁷⁾ | 66.0 % | 66.2 % | 66.8 % |
| Total compensation ratio - year to date ⁽⁷⁾ | 66.4 % | 66.8 % | 66.8 % |
| Pre-tax margin on net revenues - quarter ⁽⁸⁾ | 18.3 % | 10.6 % | 18.0 % |
| Adjusted pre-tax margin on net revenues - quarter ⁽¹⁾⁽⁸⁾ | NA | 17.6 % | 18.3 % |
| Pre-tax margin on net revenues - year to date ⁽⁸⁾ | 18.2 % | 12.2 % | 18.0 % |
| Adjusted pre-tax margin on net revenues - year to date ⁽¹⁾⁽⁸⁾ | 18.3 % | 17.1 % | 18.3 % |
| Effective tax rate - quarter | 26.7 % | 31.9 % | 61.7 % ⁽⁹⁾ |
| Adjusted effective tax rate - quarter ⁽¹⁾ | NA | NA | 24.1 % |

Total company capital ratios:

| | | | |
|-----------------------|-----------------------|--------|--------|
| Tier 1 capital ratio | 23.2 % ⁽⁴⁾ | 21.8 % | 22.3 % |
| Total capital ratio | 24.1 % ⁽⁴⁾ | 22.7 % | 23.3 % |
| Tier 1 leverage ratio | 15.0 % ⁽⁴⁾ | 14.5 % | 14.4 % |

Client asset metrics (\$ in billions)

| | As of | | | % change from | |
|---|---------------------------|---------------------------|------------------------------|---------------------------|------------------------------|
| | March 31, 2018 | March 31, 2017 | December 31, 2017 | March 31, 2017 | December 31, 2017 |
| Client assets under administration | \$ 729.5 | \$ 642.7 | \$ 727.2 | 14% | — |
| Private Client Group assets under administration | \$ 694.8 | \$ 611.0 | \$ 692.1 | 14% | — |
| Private Client Group assets in fee-based accounts | \$ 325.1 | \$ 260.5 | \$ 316.7 | 25% | 3% |
| Financial assets under management | \$ 132.3 | \$ 85.6 | \$ 130.3 | 55% | 2% |

Private Client Group financial advisors

| | As of | | |
|-------------------------|---------------------------|---------------------------|------------------------------|
| | March 31, 2018 | March 31, 2017 | December 31, 2017 |
| Employees | 3,053 | 3,001 | 3,038 |
| Independent contractors | 4,551 | 4,221 | 4,499 |
| Total advisors | 7,604 | 7,222 | 7,537 |

(continued on next page)

Please refer to the footnotes at the end of this press release for additional information.

Raymond James Financial, Inc.
Selected Key Metrics
(Unaudited)

(continued from previous page)

| Clients' domestic cash balances (\$ in millions) ⁽¹⁰⁾ | As of | | |
|---|-----------------------|------------------|-------------------|
| | March 31, 2018 | March 31, 2017 | December 31, 2017 |
| Raymond James Bank Deposit Program ("RJBDP") | | | |
| RJ Bank | \$ 18,305 | \$ 16,002 | \$ 18,374 |
| Third-party banks | 19,696 | 24,222 | 20,836 |
| Sub-total RJBDP | 38,001 | 40,224 | 39,210 |
| Money Market | 2,004 | 1,874 | 1,710 |
| Client Interest Program | 3,367 | 3,743 | 3,334 |
| Total | \$ 43,372 | \$ 45,841 | \$ 44,254 |

| Raymond James Bank (\$ in thousands) | As of | | |
|---|-----------------------|----------------|-------------------|
| | March 31, 2018 | March 31, 2017 | December 31, 2017 |
| Total assets ⁽¹¹⁾ | \$ 21,939,760 | \$ 19,178,772 | \$ 21,866,592 |
| Total equity | \$ 1,910,859 | \$ 1,732,882 | \$ 1,821,615 |
| Bank loans, net | \$ 18,150,913 | \$ 15,994,689 | \$ 17,697,298 |
| Allowance for loan losses | \$ 194,852 | \$ 186,234 | \$ 191,269 |
| Allowance for loan losses (as % of loans) | 1.07% | 1.17% | 1.08% |
| Total nonperforming assets | \$ 38,316 | \$ 51,128 | \$ 41,632 |
| Nonperforming assets (as % of total assets) | 0.17% | 0.27% | 0.19% |
| Total criticized loans ⁽¹²⁾ | \$ 237,845 | \$ 215,104 | \$ 235,809 |
| Criticized loans (as % of loans) | 1.30% | 1.33% | 1.32% |

| <i>(\$ in thousands)</i> | Three months ended | | | % change from | | Six months ended | | |
|--------------------------|---------------------------|----------------|-------------------|----------------------|-------------------|-------------------------|----------------|-----------------|
| | March 31, 2018 | March 31, 2017 | December 31, 2017 | March 31, 2017 | December 31, 2017 | March 31, 2018 | March 31, 2017 | % change |
| Bank loan loss provision | \$ 7,549 | \$ 7,928 | \$ 1,016 | (5)% | 643% | \$ 8,565 | \$ 6,888 | 24 % |
| Net charge-offs | \$ 3,621 | \$ 19,487 | \$ 94 | (81)% | NM | \$ 3,715 | \$ 17,885 | (79)% |

| Raymond James Bank (\$ in thousands) | As of | | |
|---|-----------------------|----------------|-------------------|
| | March 31, 2018 | March 31, 2017 | December 31, 2017 |
| RJ Bank capital ratios: | | | |
| Tier 1 capital ratio | 12.5% ⁽⁴⁾ | 12.4% | 12.2% |
| Total capital ratio | 13.8% ⁽⁴⁾ | 13.7% | 13.4% |
| Tier 1 leverage ratio | 8.8% ⁽⁴⁾ | 9.3% | 8.6% |

Please refer to the footnotes at the end of this press release for additional information.

**Raymond James Bank
Net Interest Analysis
(Unaudited)**

| \$ in thousands | Three months ended | | | | | | | | |
|---|--------------------|-----------------------|---------------------------|--------------------|-----------------------|---------------------------|--------------------|-----------------------|---------------------------|
| | March 31, 2018 | | | March 31, 2017 | | | December 31, 2017 | | |
| | Average balance | Interest inc./exp. | Average yield/ cost | Average balance | Interest inc./exp. | Average yield/ cost | Average balance | Interest inc./exp. | Average yield/ cost |
| Interest-earning banking assets: | | | | | | | | | |
| Cash | \$ 1,104,647 | \$ 4,155 | 1.53% | \$ 963,676 | \$ 1,885 | 0.79% | \$ 1,354,464 | \$ 4,432 | 1.30% |
| Available-for-sale securities | 2,374,621 | 11,815 | 1.99% | 1,216,339 | 5,231 | 1.72% | 2,168,610 | 10,143 | 1.87% |
| Bank loans, net of unearned income: | | | | | | | | | |
| Loans held for investment: | | | | | | | | | |
| Commercial and industrial ("C&I") loans | 7,553,398 | 78,171 | 4.14% | 7,364,683 | 68,956 | 3.75% | 7,413,409 | 73,792 | 3.89% |
| Commercial real estate ("CRE") construction loans | 176,430 | 2,207 | 5.00% | 140,960 | 1,522 | 4.32% | 140,472 | 1,723 | 4.80% |
| CRE loans | 3,186,221 | 32,249 | 4.05% | 2,790,332 | 23,691 | 3.40% | 3,036,603 | 28,759 | 3.71% |
| Tax-exempt loans ⁽¹³⁾ | 1,148,144 | 7,355 | 3.39% | 855,636 | 5,494 | 3.95% | 1,039,814 | 6,706 | 3.42% |
| Residential mortgage loans | 3,329,165 | 25,743 | 3.09% | 2,738,798 | 20,412 | 2.98% | 3,245,333 | 24,790 | 3.06% |
| Securities-based loans | 2,572,407 | 25,452 | 3.96% | 2,033,862 | 16,550 | 3.25% | 2,471,054 | 23,240 | 3.68% |
| Loans held for sale | 145,247 | 1,347 | 3.75% | 137,523 | 1,161 | 3.47% | 115,882 | 1,010 | 3.46% |
| Total loans, net | 18,111,012 | 172,524 | 3.86% | 16,061,794 | 137,786 | 3.51% | 17,462,567 | 160,020 | 3.65% |
| Federal Home Loan Bank stock ("FHLB"), Federal Reserve Bank of Atlanta ("FRB") stock and other | 146,257 | 1,321 | 3.66% | 131,517 | 935 | 2.88% | 130,817 | 1,400 | 4.25% |
| Total interest-earning banking assets | 21,736,537 | 189,815 | 3.54% | 18,373,326 | 145,837 | 3.24% | 21,116,458 | 175,995 | 3.32% |
| Total interest-bearing banking liabilities | 19,896,933 | 17,692 | 0.36% | 16,698,339 | 7,326 | 0.18% | 19,377,759 | 12,956 | 0.26% |
| Excess of interest-earning banking assets over interest-bearing banking liabilities/net interest income | \$ 1,839,604 | \$ 172,123 | | \$ 1,674,987 | \$ 138,511 | | \$ 1,738,699 | \$ 163,039 | |
| Net interest margin (net yield on interest-earning banking assets) | | | 3.21% | | | 3.08% | | | 3.08% |

Six months ended March 31,

| \$ in thousands | 2018 | | | 2017 | | |
|---|--------------------|-----------------------|---------------------------|--------------------|-----------------------|---------------------------|
| | Average balance | Interest inc./exp. | Average yield/ cost | Average balance | Interest inc./exp. | Average yield/ cost |
| Interest-earning banking assets: | | | | | | |
| Cash | \$ 1,230,928 | \$ 8,587 | 1.40% | \$ 934,459 | \$ 3,129 | 0.67% |
| Available-for-sale securities | 2,270,483 | 21,958 | 1.93% | 1,042,712 | 8,308 | 1.59% |
| Bank loans, net of unearned income | | | | | | |
| Loans held for investment: | | | | | | |
| C&I loans | 7,482,634 | 151,963 | 4.02% | 7,421,700 | 140,262 | 3.75% |
| CRE construction loans | 158,254 | 3,930 | 4.91% | 136,687 | 3,027 | 4.38% |
| CRE loans | 3,110,590 | 61,008 | 3.88% | 2,668,802 | 45,945 | 3.41% |
| Tax-exempt loans ⁽¹³⁾ | 1,093,384 | 14,061 | 3.41% | 831,637 | 10,740 | 3.97% |
| Residential mortgage loans | 3,286,788 | 50,533 | 3.08% | 2,647,948 | 38,976 | 2.91% |
| Securities-based loans | 2,521,174 | 48,692 | 3.82% | 1,992,301 | 31,939 | 3.17% |
| Loans held for sale | 130,403 | 2,357 | 3.62% | 159,021 | 2,422 | 3.08% |
| Total loans, net | 17,783,227 | 332,544 | 3.76% | 15,858,096 | 273,311 | 3.49% |
| FHLB stock, FRB stock and other | 138,452 | 2,721 | 3.94% | 151,889 | 1,863 | 2.46% |
| Total interest-earning banking assets | 21,423,090 | 365,810 | 3.43% | 17,987,156 | 286,611 | 3.22% |
| Total interest-bearing banking liabilities | 19,634,493 | 30,648 | 0.31% | 16,339,357 | 13,828 | 0.17% |
| Excess of interest-earning banking assets over interest-bearing banking liabilities/net interest income | \$ 1,788,597 | \$ 335,162 | | \$ 1,647,799 | \$ 272,783 | |
| Net interest margin (net yield on interest-earning banking assets) | | | 3.15% | | | 3.07% |

Please refer to the footnotes at the end of this press release for additional information.

Raymond James Financial, Inc.
Reconciliation of GAAP measures to non-GAAP measures
(Unaudited)

We utilize certain non-GAAP calculations as additional measures to aid in, and enhance, the understanding of our financial results and related measures. We believe that the non-GAAP measures provide useful information by excluding certain material items that may not be indicative of our core operating results. We believe that these non-GAAP measures will allow for better evaluation of the operating performance of the business and facilitate a meaningful comparison of our results in the current period to those in prior and future periods. In the case of tangible book value per share, we believe that this measure is meaningful as it is a measure we and investors use to assess capital strength. The non-GAAP financial information should be considered in addition to, not as a substitute for, measures of financial performance prepared in accordance with GAAP. In addition, our non-GAAP measures may not be comparable to similarly titled non-GAAP measures of other companies. The following table provides a reconciliation of GAAP measures to non-GAAP measures for the periods which include non-GAAP adjustments.

| <i>\$ in thousands, except per share amounts</i> | Three months ended | | Six months ended | |
|--|--------------------|----------------------|-------------------|-------------------|
| | March 31, 2017 | December 31, 2017 | March 31, 2018 | March 31, 2017 |
| Net income ⁽²⁾ | \$ 112,755 | \$ 118,842 | \$ 361,689 | \$ 259,322 |
| Non-GAAP adjustments: | | | | |
| Acquisition-related expenses ⁽¹⁴⁾ | 1,086 | 3,927 | 3,927 | 13,752 |
| Losses on extinguishment of debt ⁽¹⁵⁾ | 8,282 | — | — | 8,282 |
| Jay Peak settlement ⁽¹⁶⁾ | 100,000 | — | — | 130,000 |
| Sub-total pre-tax non-GAAP adjustments | 109,368 | 3,927 | 3,927 | 152,034 |
| Tax effect on non-GAAP adjustments above | (33,655) | (1,100) | (1,100) | (46,020) |
| Discrete impact of the Tax Act ⁽⁹⁾ | — | 117,169 | 117,169 | — |
| Total non-GAAP adjustments, net of tax | 75,713 | 119,996 | 119,996 | 106,014 |
| Adjusted net income | \$ 188,468 | \$ 238,838 | \$ 481,685 | \$ 365,336 |
| Pre-tax income ⁽²⁾ | \$ 165,513 | \$ 311,243 | \$ 642,614 | \$ 371,892 |
| Pre-tax non-GAAP adjustments (as detailed above) | 109,368 | 3,927 | 3,927 | 152,034 |
| Adjusted pre-tax income | \$ 274,881 | \$ 315,170 | \$ 646,541 | \$ 523,926 |
| Pre-tax margin on net revenues ⁽⁸⁾ | 10.6% | 18.0% | 18.2% | 12.2% |
| Adjusted pre-tax margin on net revenues ⁽⁸⁾ | 17.6% | 18.3% | 18.3% | 17.1% |
| Earnings per common share: | | | | |
| Basic | \$ 0.78 | \$ 0.82 | \$ 2.49 | \$ 1.81 |
| Diluted | \$ 0.77 | \$ 0.80 | \$ 2.43 | \$ 1.77 |
| Adjusted earnings per common share: | | | | |
| Adjusted basic | \$ 1.31 | \$ 1.65 | \$ 3.32 | \$ 2.55 |
| Adjusted diluted | \$ 1.28 | \$ 1.61 | \$ 3.24 | \$ 2.49 |
| Average equity ⁽¹⁷⁾ | \$ 5,144,313 | \$ 5,639,231 | \$ 5,739,816 | \$ 5,068,391 |
| Adjusted average equity ⁽¹⁷⁾ | \$ 5,252,609 | \$ 5,699,299 | \$ 5,819,814 | \$ 5,153,967 |
| Return on equity ⁽⁶⁾ | 8.8% | 8.4% | 12.6% | 10.2% |
| Adjusted return on equity ⁽⁶⁾ | 14.4% | 16.8% | 16.6% | 14.2% |

| <i>\$ in thousands, except per share amounts</i> | As of | | |
|--|--|-----------------------------------|---------------------------|
| | March 31, 2018 | March 31, 2017 | December 31, 2017 |
| Total equity ⁽²⁾ | \$ 5,940,987 | \$ 5,207,748 | \$ 5,696,748 |
| Non-GAAP adjustments: | | | |
| Goodwill and identifiable intangible assets, net of related deferred taxes | 616,922 | 464,680 | 624,655 |
| Tangible total equity | \$ 5,324,065 | \$ 4,743,068 | \$ 5,072,093 |
| Common shares outstanding | 145,552 | 143,543 | 145,154 |
| Book value per share ⁽⁵⁾ | \$ 40.82 | \$ 36.28 | \$ 39.25 |
| Tangible book value per share ⁽⁵⁾ | \$ 36.58 | \$ 33.04 | \$ 34.94 |
| For the three months ended December 31, 2017 | | | |
| <i>(\$ in thousands)</i> | Pre-tax income including noncontrolling interests | Provision for income taxes | Effective tax rate |
| Less: discrete impact of the Tax Act ⁽⁹⁾ | \$ 311,684 | \$ 192,401 | 61.7% |
| As adjusted for discrete impact of the Tax Act | | 117,169 | |
| | | \$ 75,232 | 24.1% |

Please refer to the footnotes at the end of this press release for additional information.

Footnotes

1. These are non-GAAP measures. See the schedule on the previous page of this release for a reconciliation of our non-GAAP measures to the most directly comparable GAAP measures and for more information on these measures. There are no non-GAAP adjustments for the three months ended March 31, 2018, therefore percent changes for the quarter are calculated based on GAAP results.
2. Excludes noncontrolling interests.
3. The Other segment includes the results of our private equity activities, as well as certain corporate overhead costs of Raymond James Financial, Inc., including the interest costs on our public debt, losses on extinguishment of debt and the acquisition and integration costs associated with certain acquisitions.
4. Estimated.
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, computed by dividing tangible total equity by the number of common shares outstanding at the end of each respective period. Tangible total 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 dividing annualized net income attributable to Raymond James Financial, Inc. by average equity for each respective period or, in the case of adjusted return on equity, computed by dividing annualized adjusted net income attributable to Raymond James Financial, Inc. by adjusted average equity for each respective period.
7. Computed by dividing compensation, commissions and benefits expense by net revenues for each respective period.
8. Computed by dividing pre-tax income attributable to Raymond James Financial, Inc. by net revenues for each respective period or, in the case of adjusted pre-tax margin on net revenues, computed by dividing adjusted pre-tax income attributable to Raymond James Financial, Inc. by net revenues for each respective period.
9. The discrete impact of the Tax Act includes the estimated remeasurement of U.S. deferred tax assets at the lower enacted corporate tax rate and, to a lesser extent, a one-time transition tax on deemed repatriated earnings of foreign subsidiaries. Our U.S. federal statutory tax rate will be 24.5% for the fiscal year ended September 30, 2018, which reflects a blended federal statutory rate of 35% for the fiscal first quarter and 21% for the remaining three fiscal quarters. The effective tax rate for the three months ended December 31, 2017 was 61.7% and reflected the \$117 million estimated discrete impact of the Tax Act.
10. Clients' domestic cash balances are deposited or invested in the RJB DP, Client Interest Program and/or Money Markets, as a part of our sweep program, depending on clients' elections.
11. Includes affiliate deposits.
12. Represents the loan balance for all loans within the held for investment loan portfolio in the Special Mention, Substandard, Doubtful and Loss classifications as utilized by the banking regulators. In accordance with its accounting policy, RJ Bank does not have any loan balances within the Loss classification as loans or any portion thereof, which are considered to be uncollectible, are charged-off prior to assignment to this classification.
13. The average yield is presented on a tax-equivalent basis for each respective period.
14. Represents acquisition-related expenses associated with our current year acquisition of Scout Investments and its Reams Asset Management division as well as our 2016 acquisitions of the U.S. Private Client Services unit of Deutsche Bank Wealth Management and MacDougall, MacDougall & MacTier, Inc.
15. Losses on extinguishment of debt include the acceleration of unamortized debt issuance costs associated with the early extinguishment of our 6.90% Senior Notes due 2042.
16. Other expenses include legal expenses associated with Jay Peak settlement. For further information see our Annual Report on Form 10-K for the year ended September 30, 2017 (available at www.sec.gov).
17. 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. For the year-to-date period, computed by adding the total equity attributable to Raymond James Financial, Inc. as of each quarter-end date during the indicated year-to-date period to the beginning of the year total and dividing by three. Adjusted average equity is computed by adjusting for the impact on average equity of the non-GAAP adjustments, as applicable for each respective period.