

corporate profile

Raymond James Financial is a diversified financial services holding company whose subsidiaries engage primarily in investment and financial planning, including securities and insurance brokerage, investment banking, asset management, banking and cash management, and trust services. Its three wholly owned broker/dealers (Raymond James & Associates, Raymond James Financial Services and Raymond James Ltd.) and Raymond James Investment Services Limited, a majority-owned independent contractor subsidiary in the United Kingdom, have more than 5,300 financial advisors serving approximately 1.9 million accounts in more than 2,300 locations throughout the United States, Canada and overseas. In addition, total client assets are currently approximately \$223 billion, of which about \$29 billion are managed by the firm's asset management subsidiaries. Established in 1962 and a public company since 1983, Raymond James Financial is listed on the New York Stock Exchange and its shares are currently owned by more than 18,000 individual and institutional investors.

Stock Traded
New York Stock Exchange
 Stock Symbol
RJF

RAYMOND JAMES®
 FINANCIAL, INC.

Individual solutions from independent advisors

International Headquarters:
 The Raymond James Financial Center
 880 Carillon Parkway | St. Petersburg, FL 33716
 raymondjames.com

fourth quarter

RAYMOND JAMES®
 FINANCIAL, INC.

Condensed Consolidated Statements of Income (Unaudited – in 000s, Except Per Share Amounts)

	Three Months Ended		Twelve Months Ended	
	Sept. 30, 2009	Sept. 30, 2008	Sept. 30, 2009	Sept. 30, 2008
Revenues:				
Securities Commissions and Fees	\$ 440,430	\$ 451,418	\$ 1,634,285	\$ 1,888,745
Investment Banking	35,804	36,739	95,124	124,062
Investment Advisory Fees	36,844	51,062	147,798	212,478
Interest	93,862	162,864	443,584	724,063
Net Trading Profits	12,791	(6,947)	48,004	(1,691)
Financial Service Fees	31,631	33,057	126,480	130,569
Other	26,661	31,666	107,244	126,706
Total Revenues	678,023	759,859	2,602,519	3,204,932
Interest Expense	10,865	66,694	56,953	392,229
Net Revenues	667,158	693,165	2,545,566	2,812,703
Non – Interest Expenses:				
Compensation, Commissions and Benefits	455,149	471,977	1,673,114	1,906,366
Communications and Information Processing	29,777	30,438	121,646	123,578
Occupancy and Equipment Costs	26,506	26,013	104,185	97,613
Clearance and Floor Brokerage	8,829	7,698	33,258	31,346
Business Development	16,434	25,620	78,627	95,750
Investment Advisory Fees	8,082	12,274	32,140	50,764
Bank Loan Loss Provision	39,702	18,450	169,341	54,749
Other	25,851	18,736	96,854	69,989
Total Non – Interest Expenses	610,330	611,206	2,309,165	2,430,155
Minority Interest	(5,055)	(1,202)	(12,373)	(4,306)
Income Before Provision for Income Taxes	61,883	83,161	248,774	386,854
Provision for Income Taxes	18,914	34,053	\$ 96,024	151,776
Net Income	\$ 42,969	\$ 49,108	\$ 152,750	\$ 235,078
Net Income per Share – Diluted	\$ 0.36	\$ 0.41	1.29	\$ 1.97
Weighted Average Common and Common Equivalent Shares Outstanding – Diluted	\$ 120,591	\$ 119,009	\$ 118,749	\$ 119,059

Consolidated Results by Segment (in 000s)

Revenues:				
Private Client Group	\$ 421,157	\$ 474,640	\$ 1,557,462	\$ 1,999,775
Capital Markets	142,011	120,012	533,254	506,158
Asset Management	44,489	58,907	177,359	243,609
Raymond James Bank	70,044	101,359	343,366	405,304
Emerging Markets	4,263	8,337	14,891	41,607
Stock Loan/Borrow	2,011	7,828	10,269	36,843
Proprietary Capital	2,962	4,309	12,742	22,869
Other	2,566	1,924	7,153	21,302
Intersegment Eliminations	(11,480)	(17,457)	(53,977)	(72,535)
Total	\$ 678,023	\$ 759,859	\$ 2,602,519	\$ 3,204,932
Pre-Tax Income:				
Private Client Group	\$ 22,286	\$ 33,919	\$ 84,873	\$ 178,146
Capital Markets	22,986	7,246	73,481	43,627
Asset Management	9,742	13,949	30,411	61,501
Raymond James Bank	10,395	33,660	80,011	112,282
Emerging Markets	(821)	(1,706)	(4,886)	(3,426)
Stock Loan/Borrow	696	2,207	3,651	7,034
Proprietary Capital	2,389	2,783	1,035	7,361
Other	(5,790)	(8,897)	(19,802)	(19,671)
Pre-Tax Income	\$ 61,883	\$ 83,161	\$ 248,774	\$ 386,854

Dear Shareholder,

The final quarter of our 2009 fiscal year ended on September 30 and extended the trends established in the June quarter. The stock and bond markets both continued to improve after the dismal first half. Net revenues of \$667 million in the fourth quarter were 4% less than the same quarter in 2008 but surpassed the immediately preceding June quarter by 7%. Although net income of \$43 million trailed last year's comparable quarter by 13%, it exceeded the preceding quarter by 1%. Remarkably, Raymond James negotiated the turbulent financial markets of the last 18 months without suffering a quarterly loss, unlike most other larger securities firms, some of which failed. That performance is a tribute to our risk-averse business plan, relatively low leverage, diversified business mix and capable management team.

Diluted earnings per share for the September quarter were \$0.36, down from \$0.41 in last year's comparable quarter and matched the results of the preceding June quarter. On September 30, 2009, shareholders' equity was \$2.03 billion, or \$17.10 per share. Total client assets under administration were \$223 billion, approximately matching the prior quarterly record in spite of the market decline.

For the 2009 fiscal year ended September 30, net revenues were \$2.5 billion, down 9% from last year. Net income of \$153 million was down 35%. Diluted earnings per share were \$1.29 as contrasted to \$1.97 in 2008, which was our second best year in history. The after-tax margin on net revenues was 6% and the rate of return on average equity was 7.9%, both of which were sub-standard. Needless to say, the results fall far short of our objectives. However, in light of the failure of a number of firms in the last 15 months, a profitable year deserves a badge of merit.

During the fourth quarter, the Private Client Group, Asset Management and Raymond James Bank segments all produced substantial pre-tax income, albeit at levels lower than in 2008. The Capital Markets segment generated an increase of over 215% in pre-tax income, all of which was produced in the Fixed Income area. The breadth of good results reflected the

return of an advancing stock and bond market and more stability in the financial markets. Earnings benefitted from a low quarterly tax rate of 31% in the quarter but the annual rate was a more normal 38.6%.

It was a busy quarter. In August, much to our surprise, Raymond James was able to complete a \$300 million unsecured senior 8.6% 10-year note offering, enabling us to secure additional capital to provide more liquidity in the event economic conditions deteriorate again and/or to capitalize on opportunities occasioned by market chaos. During that same month, Raymond James Financial Services' Financial Institutions Division added Bremer Bank to its growing list of banks for which it acts as the provider of investment services.

Barron's August "Top 100 Independent Financial Advisors" list included five Raymond James Financial Services advisors: Randy Carver, Gerry Klingman, Mal Makin, Jeff Sella and Van Pearcy. *Registered Rep.* magazine's "America's Top 100 Independent Advisors" list included 28 RJFS advisors. To highlight the importance of sales support personnel in the financial advisory process, we also are pleased to recognize Robin McNally, a Raymond James & Associates service associate in our Jacksonville branch, who was named "2009 Outstanding Sales Assistant" by *Registered Rep.* in its October edition.

In September, Raymond James launched a multi-bank waterfall program to provide up to \$2.5 million in FDIC insurance coverage for individuals, while also currently providing higher interest rates to our clients than our former bank sweep program.

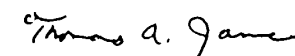
Although surviving the financial hurricane of the last 15 months is a great achievement, Raymond James capitalized on the problems experienced by a number of our national competitors and added 400 net new financial advisors during fiscal 2009. Similarly, Capital Markets added institutional salespeople, investment bankers and traders to reinforce our already strong institutional platform. In short, while we increased current and future expenses, we invested in the future through increasing our revenue-producing capacity.

Illiquid Auction Rate Securities balances held by our clients are now below \$750 million as issuers continue to refinance. Nuveen, which sponsors about 65% of our clients' remaining balances, has launched a refinancing program that is being well-received. There is a good probability that most of these securities will be refinanced in 2010.

Although it is unlikely that the economy and financial markets will continue to experience vibrant, straight-up recoveries, it is likely that we have seen the bottom and that a slow, bumpy recovery is underway. Raymond James securities operations are beginning to see improved revenues. We injected \$50 million into Raymond James Bank, bringing its risk-weighted assets ratio to 12.7%. It is now beginning to add to its loan portfolio, consistent with our objective of growing the bank in proportion to its retained earnings growth. Furthermore, our Asset Management Group is increasing its assets under management as a result of market

appreciation and net sales resulting from excellent asset management results. Equity Capital Markets is benefitting from increased underwriting activity as corporations reinforce their balance sheets. While Fixed Income may slow, we still expect excellent results as more retail and institutional clients have gained a renewed appreciation for more balance in their portfolios. Indeed, the future looks much brighter than it did one year ago from the abyss.

Sincerely,



Thomas A. James
Chairman and CEO
November 18, 2009

Condensed Consolidated Balance Sheet (Unaudited – in 000s)

	Sept. 30, 2009	Sept. 30, 2008
Assets:		
Cash and Cash Equivalents	\$ 2,306,085	\$ 3,207,493
Assets Segregated Pursuant to Federal Regulations	2,310,261	4,311,933
Securities Purchased under Agreements to Resell	2,306,186	950,546
Financial Instruments	1,231,907	1,101,856
Receivables	9,052,718	10,152,206
Property and Equipment, Net	186,232	192,450
Other Assets	833,339	793,132
	\$ 18,226,728	\$ 20,709,616
Liabilities and Shareholders' Equity:		
Loans Payable	\$ 1,428,278	\$ 2,314,788
Payables	14,038,298	15,681,335
Trading Securities Sold But Not Yet Purchased	93,376	123,756
Securities Sold under Agreements to Repurchase	102,758	122,728
Other Liabilities	330,879	345,782
Total Liabilities	15,993,589	18,588,389
Minority Interest	200,676	237,322
Shareholders' Equity	2,032,463	1,883,905
	\$ 18,226,728	\$ 20,709,616