



# FISCAL 3Q20 RESULTS

July 29, 2020

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**RAYMOND JAMES**

# FISCAL 3Q20 OVERVIEW

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Paul Reilly  
Chairman & CEO, Raymond James Financial

# FISCAL 3Q20 HIGHLIGHTS

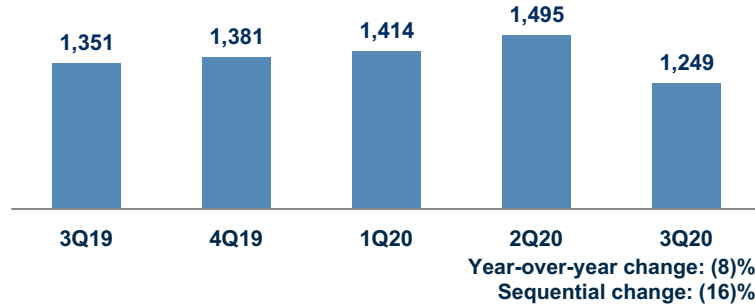
<i>\$ in millions, except per share amounts</i>	3Q20	vs. 3Q19	vs. 2Q20
Net revenues	\$ 1,834	(5)%	(11)%
Net income	\$ 172	(34)%	2%
Earnings per common share - diluted	\$ 1.23	(32)%	3%
		3Q19	2Q20
Return on equity	10.0%	16.1%	9.9%
Return on tangible common equity*	10.9%	17.8%	10.8%

# FISCAL 3Q20 KEY METRICS

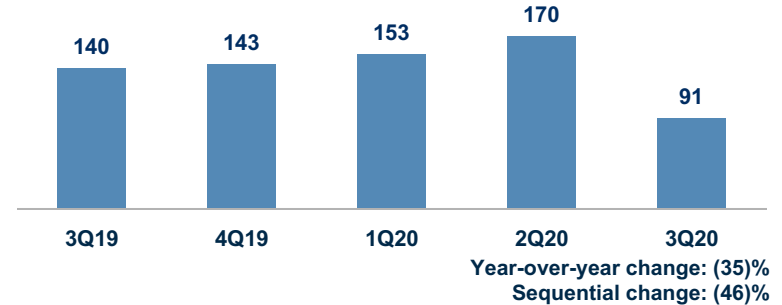
<i>\$ in billions</i>		3Q20	vs. 3Q19	vs. 2Q20
Client assets under administration		\$ 876.9	6%	13%
Private Client Group (PCG) assets under administration		\$ 833.1	6%	14%
PCG assets in fee-based accounts		\$ 443.0	11%	16%
Financial assets under management		\$ 145.4	2%	13%
Total clients' domestic cash sweep balances		\$ 51.9	36%	(2)%
PCG financial advisors	RECORD	8,155	3%	—%
Bank loans, net		\$ 21.2	3%	(3)%

# PRIVATE CLIENT GROUP

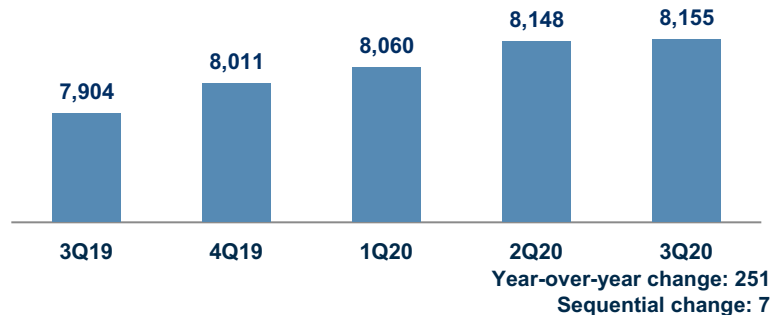
**Net Revenues**  
\$ in millions



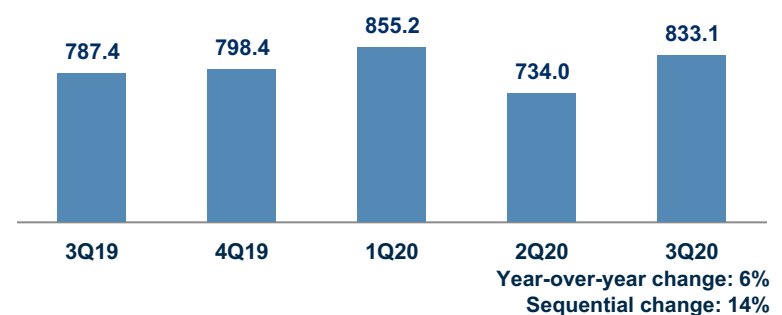
**Pre-Tax Income**  
\$ in millions



**Number of Financial Advisors**

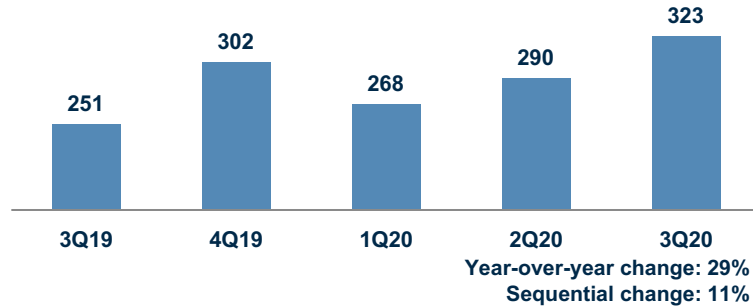


**PCG Assets Under Administration**  
\$ in billions

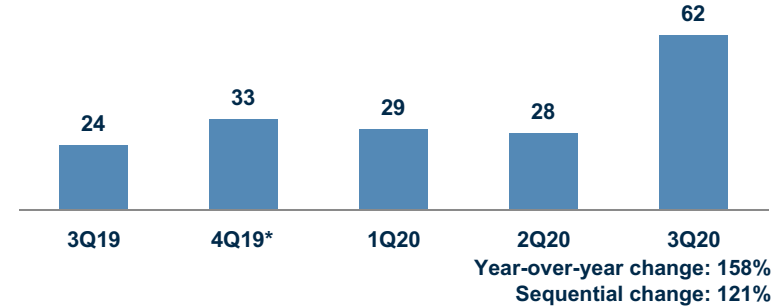


# CAPITAL MARKETS

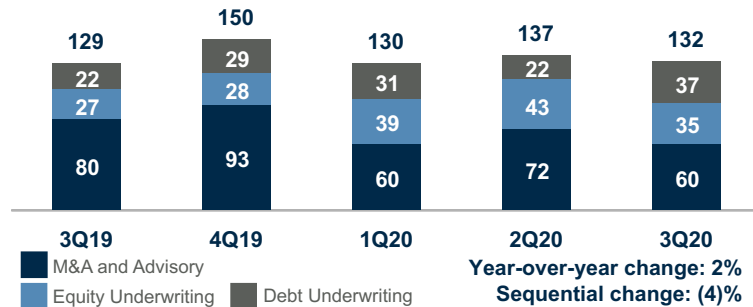
**Net Revenues**  
\$ in millions



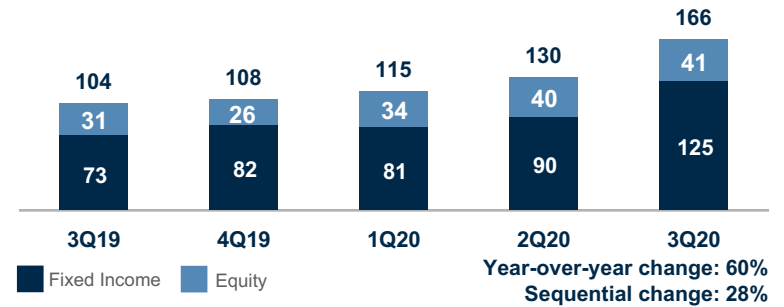
**Pre-Tax Income**  
\$ in millions



**Investment Banking Revenues**  
\$ in millions



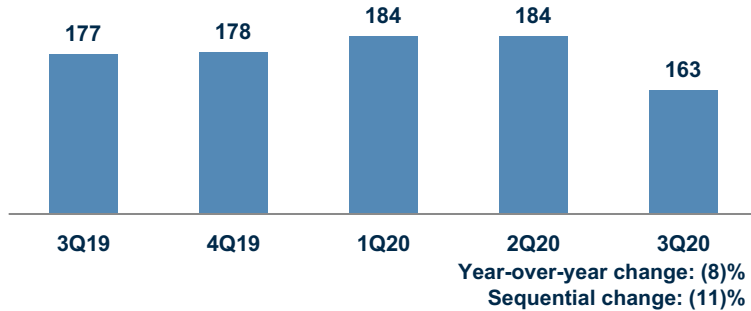
**Brokerage Revenues**  
\$ in millions



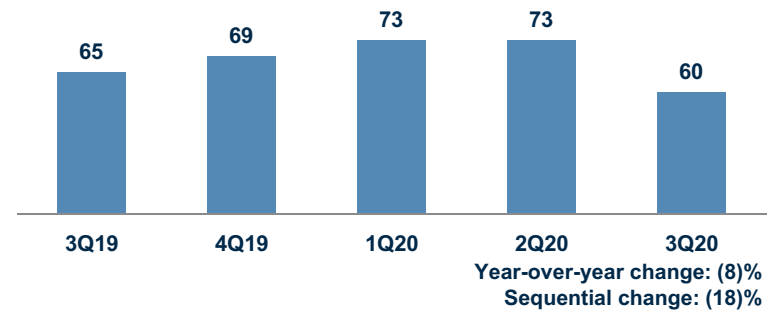
\* 4Q19 included a \$19 million goodwill impairment charge associated with our Canadian Capital Markets business.

# ASSET MANAGEMENT

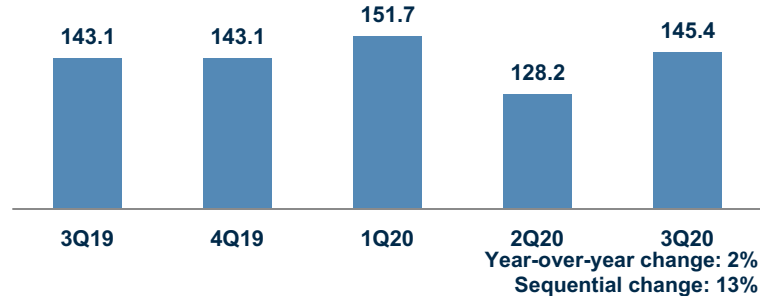
Net Revenues  
\$ in millions



Pre-Tax Income  
\$ in millions

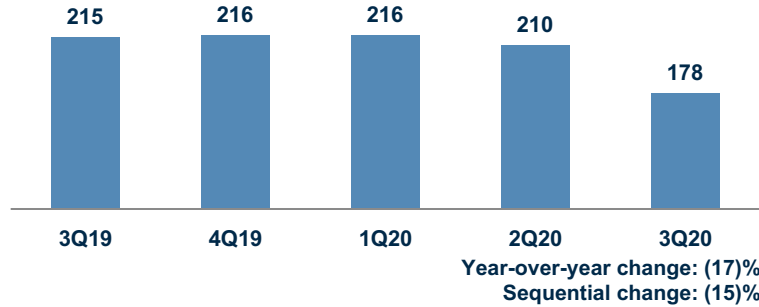


Financial Assets Under Management  
\$ in billions

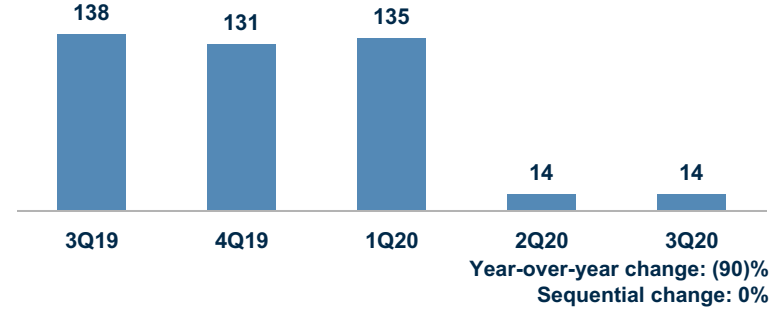


# RAYMOND JAMES BANK

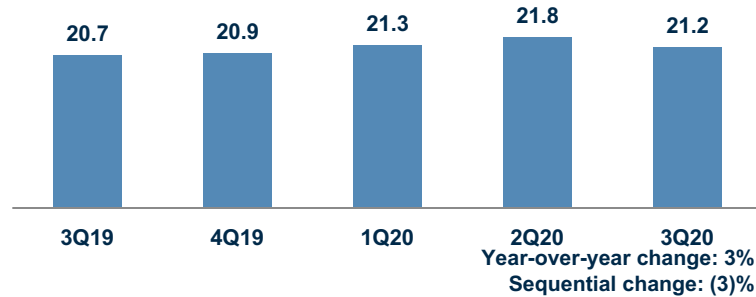
**Net Revenues**  
\$ in millions



**Pre-Tax Income**  
\$ in millions



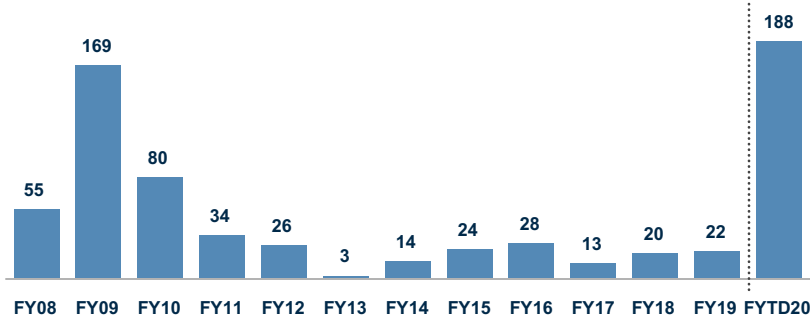
**Bank Loans, Net**  
\$ in billions



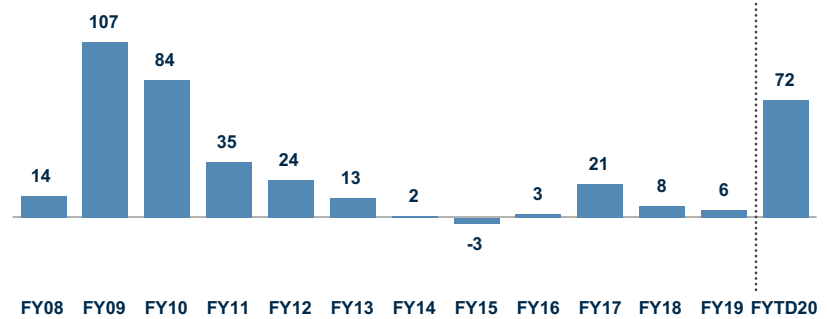


# RAYMOND JAMES BANK KEY CREDIT TRENDS

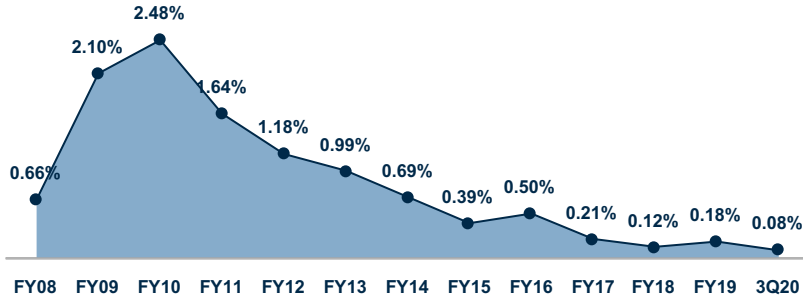
**Loan Loss Provision**  
\$ in millions



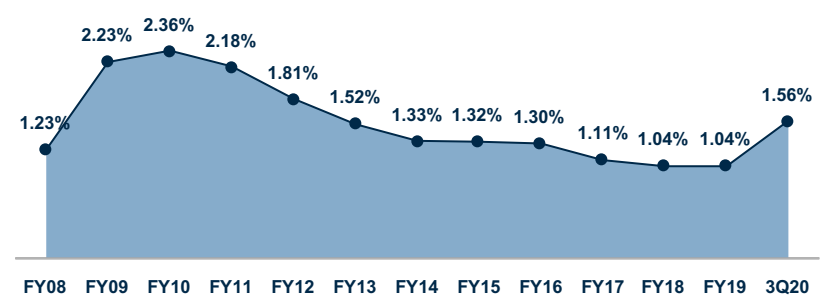
**Net Charge-Offs/(Recoveries)**  
\$ in millions



**Nonperforming Assets**  
as % of Total Assets



**Allowance for Loan Losses**  
as % of Loans



# FYTD 2020 HIGHLIGHTS

<i>\$ in millions, except per share amounts</i>	FYTD 2020 GAAP	Compared to GAAP Results	Compared to Adjusted* Results
		vs. FYTD 2019	vs. FYTD 2019
Net revenues	RECORD \$ 5,911	3%	NA
Net income	\$ 609	(21)%	(22)%
Earnings per common share - diluted	\$ 4.33	(18)%	(20)%
		FYTD 2019	FYTD 2019
Return on equity	11.9%	16.2%	16.4%
Return on tangible common equity*	13.1%	17.9%	18.2%

Note: FYTD 2020 is from the period October 1, 2019 to June 30, 2020; FYTD 2019 is from the period October 1, 2018 to June 30, 2019.

\* These are non-GAAP measures. 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.

# FINANCIAL REVIEW

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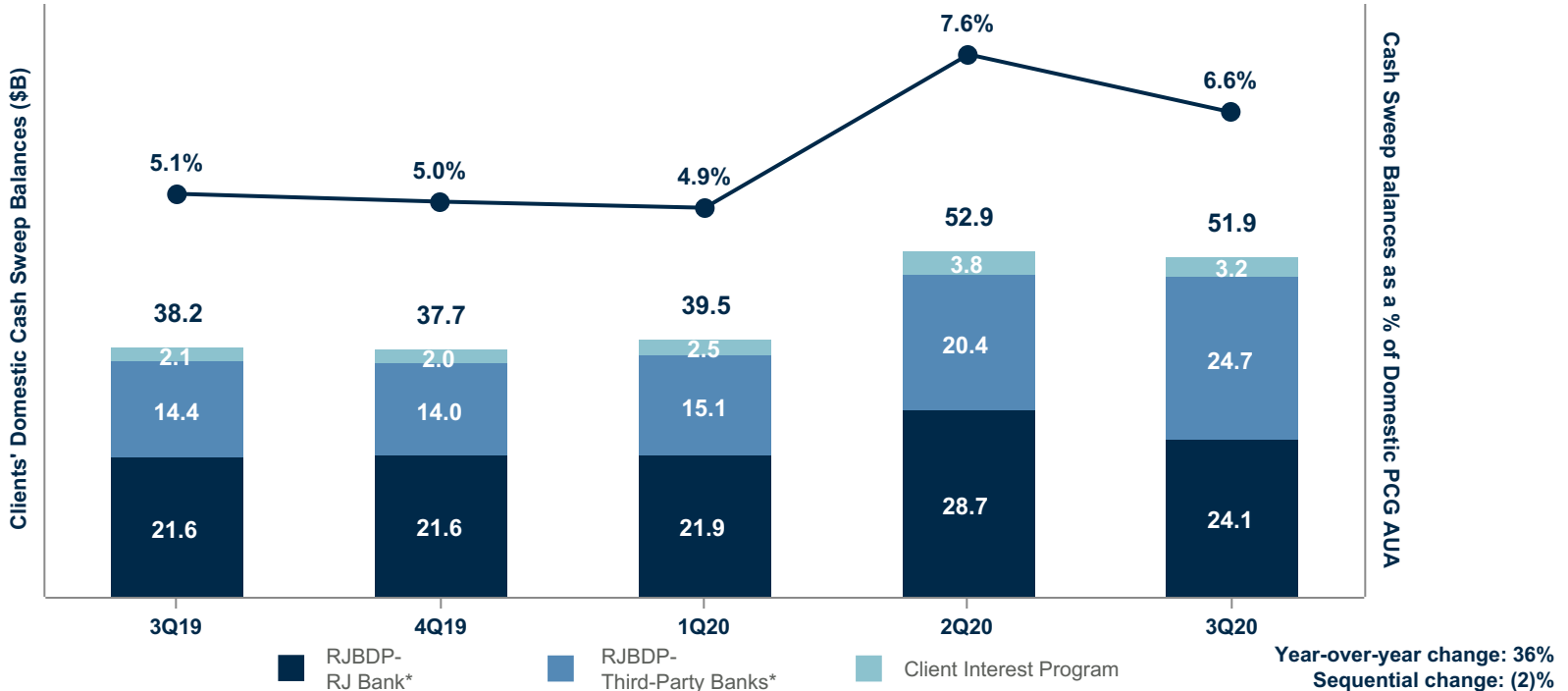
Paul Shoukry  
Chief Financial Officer, Raymond James Financial

# CONSOLIDATED NET REVENUES

<i>\$ in millions</i>	3Q20	vs. 3Q19	vs. 2Q20
Asset management and related administrative fees	\$ 867	(1)%	(14)%
Brokerage revenues	486	8%	(6)%
Account and service fees	134	(27)%	(22)%
Investment banking	139	—%	(6)%
Interest income	217	(32)%	(24)%
Other	33	22%	NM
Total revenues	1,876	(6)%	(11)%
Interest expense	(42)	(42)%	(2)%
<b>Net revenues</b>	<b>\$ 1,834</b>	<b>(5)%</b>	<b>(11)%</b>

# DOMESTIC CASH SWEEP BALANCES

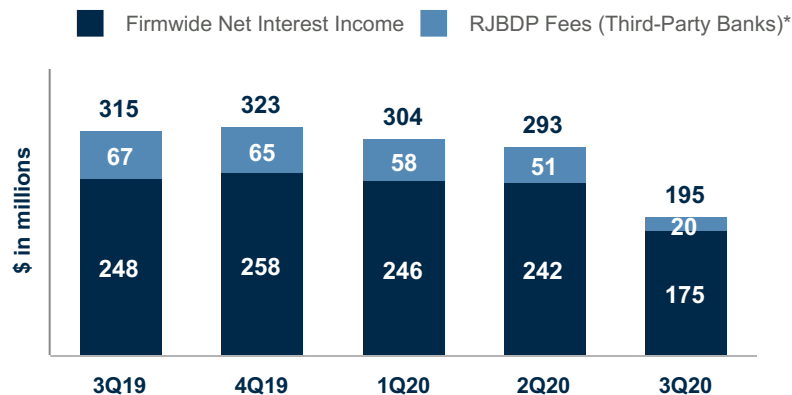
Clients' Domestic Cash Sweep Balances  
as a % of Domestic PCG Assets Under Administration (AUA)



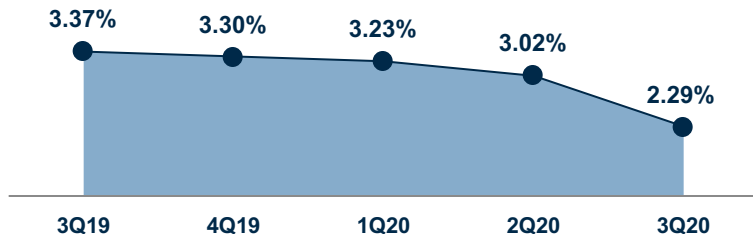
Note: May not total due to rounding.

\* 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.

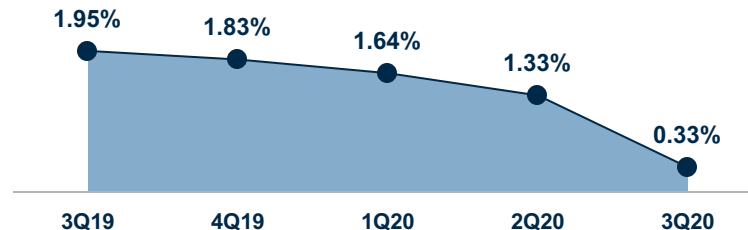
# NET INTEREST INCOME & RJB DP FEES (THIRD-PARTY BANKS)



Raymond James Bank  
Net Interest Margin\*\*



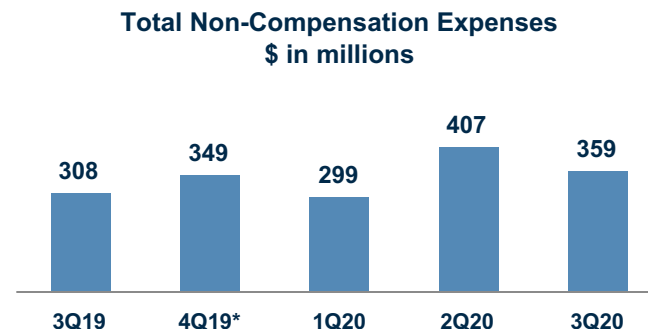
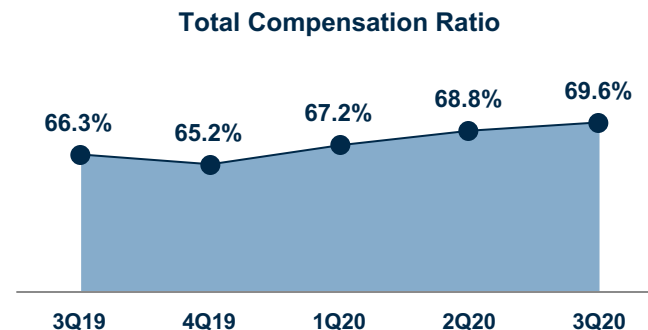
Average Yield on RJB DP  
(Third-Party Banks)\*\*\*



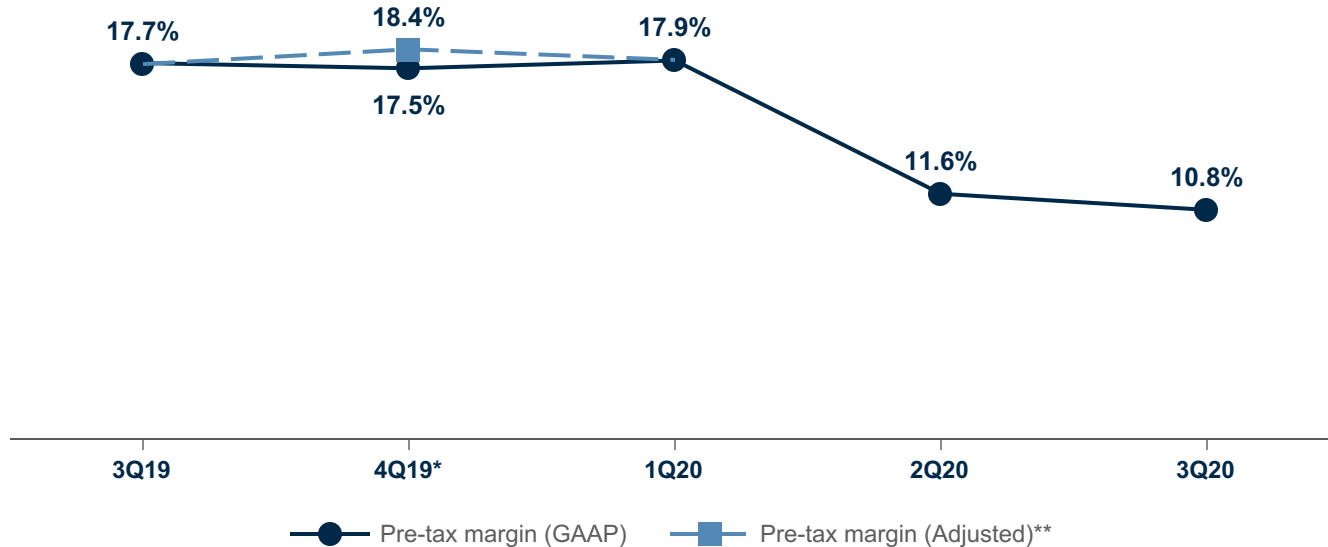
\* As reported in Account and Service Fees in the PCG segment. \*\* Raymond James Bank represents a significant portion, but not all, of the firmwide Net Interest Income. Raymond James Bank Net Interest Margin represents the net yield on interest-earning banking assets. \*\*\* Computed by dividing annualized 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>	3Q20	vs. 3Q19	vs. 2Q20
<b>Compensation, commissions and benefits</b>	<b>\$ 1,277</b>	—%	(10)%
Non-compensation expenses:			
Communications and information processing	100	9%	1%
Occupancy and equipment	55	—%	(2)%
Business development	21	(63)%	(49)%
Investment sub-advisory fees	23	(4)%	(12)%
Professional fees	24	9%	4%
Bank loan loss provision/(benefit)	81	NM	(26)%
Other	55	(13)%	4%
<b>Total non-compensation expenses</b>	<b>359</b>	<b>17%</b>	<b>(12)%</b>
<b>Total non-interest expenses</b>	<b>\$ 1,636</b>	<b>3%</b>	<b>(11)%</b>



# CONSOLIDATED PRE-TAX MARGIN



\* 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.



# OTHER FINANCIAL INFORMATION

<i>\$ in millions, except per share amounts</i>	3Q20	vs. 3Q19	vs. 2Q20
Total assets	\$ 44,682	16%	(10)%
RJF corporate cash*	\$ 2,119	73%	10%
Total equity attributable to RJF	\$ 6,965	7%	2%
Book value per share	\$ 50.84	9%	2%
Tangible book value per share**	\$ 46.69	11%	3%
Weighted-average common and common equivalent shares outstanding – diluted	139.4	(3)%	(1)%
		3Q19	2Q20
Tier 1 capital ratio	24.8%	24.2%	24.1%
Total capital ratio	26.0%	25.2%	25.3%
Tier 1 leverage ratio	14.5%	15.7%	14.2%
Effective tax rate	13.1%	24.4%	29.3%

\* This amount includes cash on hand at the parent, as well as parent cash loaned to Raymond James & Associates ("RJ&A"), which RJ&A has invested on behalf of RJF in cash and cash equivalents or otherwise deployed in its normal business activities.

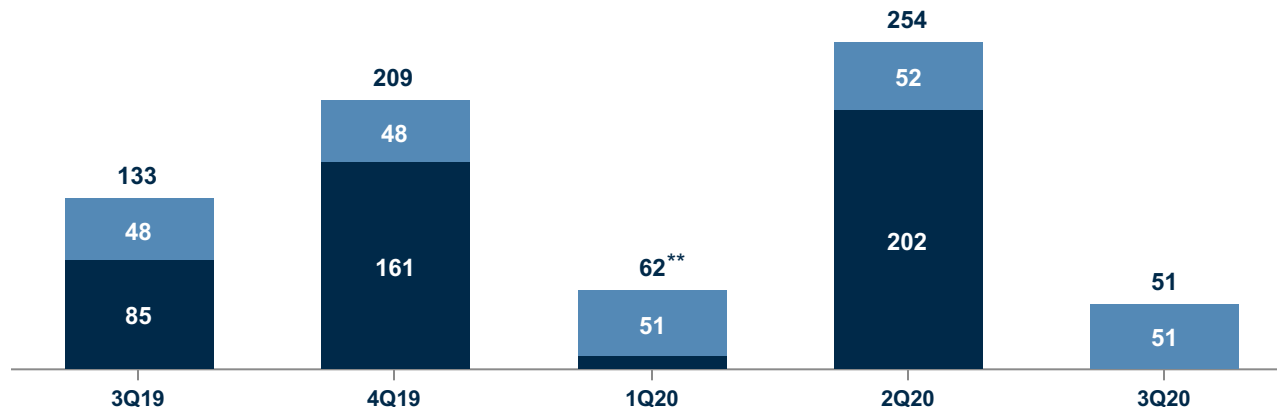
\*\* This is a non-GAAP measure. See the schedule in the Appendix of this presentation for a reconciliation of our non-GAAP measures to the most directly comparable GAAP measures and for more information on these measures.

# CAPITAL MANAGEMENT

## Dividends Paid and Share Repurchases\* \$ in millions

■ Share Repurchases\*   ■ Dividends Paid

Total of ~\$709 million  
over the past 5 quarters



Number of Shares  
Repurchased\*  
(thousands)

3Q19                      4Q19                      1Q20                      2Q20                      3Q20

1,044                      2,127                      126                      2,546                      —

Average Share Price of  
Shares Repurchased

\$81.68                      \$75.75                      \$89.30                      \$79.27                      —

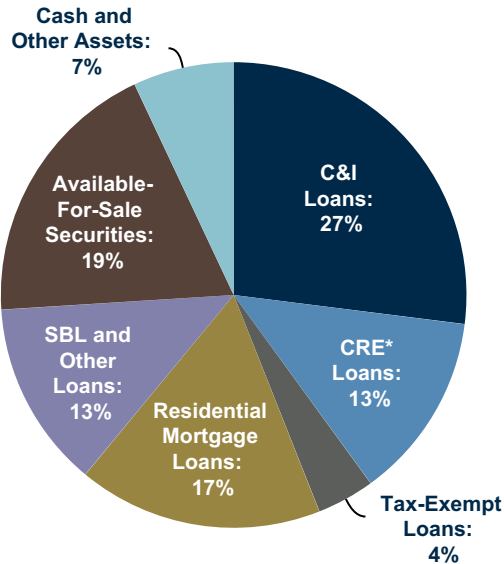
**\$537 million remains under current share repurchase authorization**

\* Under the Board of Directors' share repurchase authorization.

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

# RAYMOND JAMES BANK ASSET COMPOSITION

**Asset Mix  
as of June 30, 2020**



**Total assets: \$29.1 billion**  
**Total loans, net: \$21.2 billion**

## Commercial & Industrial Portfolio (C&I)

- All senior positions; no mezzanine lending
- Highly diversified with no industry category representing more than 3.9% of total loans (e.g. Energy ~1.6%, Airlines ~1.4%, Restaurants ~1.0%, Gaming ~0.7%, and Entertainment/Leisure ~0.6%)
- Typically loans to larger companies with EBITDA >\$100 million and track record of access to other capital sources; 70% of commitments are to public companies

## Commercial Real Estate Portfolio (CRE)

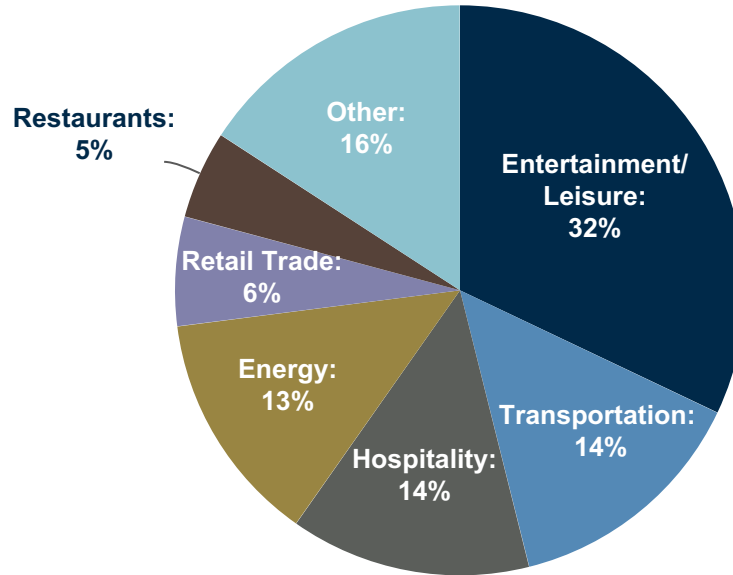
- Almost 50% to REITs that are typically more diversified, have a track record of access to other capital sources, and have at or near investment grade ratings
- Majority of project loans are to fully stabilized properties with average loan-to-value of 65%; construction loans represent ~1% of total loans

## Residential Mortgage Portfolio

- Majority of mortgages to Private Client Group clients, diversified across the country
- Average loan-to-value of 64%
- Average FICO score of 762
- Almost entire portfolio are first mortgages; no Alt. A / subprime / negative amortizing mortgages

# RAYMOND JAMES BANK LOAN SALES

Loan Sales by Industry  
for Quarter Ended June 30, 2020



Total Loan Sales: \$355.0 million

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# OUTLOOK

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# APPENDIX

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

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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 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.

*continued on next slide*

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

<i>\$ in millions, except per share amounts</i>	<u>Three months ended</u>	<u>Nine months ended</u>
	September 30, 2019	June 30, 2019
<b>Net income</b>	\$ 265	\$ 769
<b>Non-GAAP adjustments:</b>		
Acquisition and disposition-related expenses <sup>(1)</sup>	—	15
Goodwill impairment <sup>(2)</sup>	19	—
Pre-tax impact of non-GAAP adjustments	19	15
Tax effect of non-GAAP adjustments	—	—
Total non-GAAP adjustments, net of tax	19	15
<b>Adjusted net income</b>	<u>\$ 284</u>	<u>\$ 784</u>
<b>Pre-tax income</b>	\$ 354	\$ 1,021
Pre-tax impact of non-GAAP adjustments (as detailed above)	19	15
<b>Adjusted pre-tax income</b>	<u>\$ 373</u>	<u>\$ 1,036</u>
<b>Pre-tax margin <sup>(3)</sup></b>	17.5 %	17.9 %
<b>Adjusted pre-tax margin <sup>(3)</sup></b>	18.4 %	18.1 %
<b>Earnings per common share <sup>(4)</sup></b>		
Basic	\$ 1.90	\$ 5.42
Adjusted basic	\$ 2.04	\$ 5.52
Diluted	\$ 1.86	\$ 5.30
Adjusted diluted	\$ 2.00	\$ 5.41

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

## Book value per share

	As of		
	June 30, 2019	March 31, 2020	June 30, 2020
<i>\$ in millions, except per share amounts</i>			
<b>Total equity attributable to Raymond James Financial, Inc.</b>	\$ 6,502	\$ 6,798	\$ 6,965
<u>Less non-GAAP adjustments:</u>			
Goodwill and identifiable intangible assets, net	635	603	602
Deferred tax liabilities, net	(26)	(30)	(33)
<b>Tangible common equity attributable to Raymond James Financial, Inc.</b>	<u>5,893</u>	<u>6,225</u>	<u>6,396</u>
Common shares outstanding	139.7	136.8	137.0
<b>Book value per share <sup>(5)</sup></b>	<u>\$ 46.54</u>	<u>\$ 49.69</u>	<u>\$ 50.84</u>
<b>Tangible book value per share <sup>(5)</sup></b>	<u>\$ 42.18</u>	<u>\$ 45.50</u>	<u>\$ 46.69</u>

*continued on next slide*

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

Return on equity	Three months ended			Nine months ended	
	June 30, 2019	March 31, 2020	June 30, 2020	June 30, 2019	June 30, 2020
<i>\$ in millions</i>					
<b>Average equity</b> <sup>(6)</sup>	\$ 6,434	\$ 6,820	\$ 6,882	\$ 6,345	\$ 6,797
<u>Impact on average equity of non-GAAP adjustments:</u>					
Acquisition and disposition-related expenses <sup>(1)</sup>	NA	NA	NA	11	NA
Goodwill impairment <sup>(2)</sup>	NA	NA	NA	—	NA
<b>Adjusted average equity</b> <sup>(6)</sup>	NA	NA	NA	\$ 6,356	NA
<b>Average equity</b> <sup>(6)</sup>	\$ 6,434	\$ 6,820	\$ 6,882	\$ 6,345	\$ 6,797
<u>Less:</u>					
Average goodwill and identifiable intangible assets, net	633	606	603	634	606
Average deferred tax liabilities, net	(31)	(31)	(32)	(32)	(30)
<b>Average tangible common equity</b> <sup>(6)</sup>	\$ 5,832	\$ 6,245	\$ 6,311	\$ 5,743	\$ 6,221
<u>Impact on average equity of non-GAAP adjustments:</u>					
Acquisition and disposition-related expenses <sup>(1)</sup>	NA	NA	NA	11	NA
Goodwill impairment <sup>(2)</sup>	NA	NA	NA	—	NA
<b>Adjusted average tangible common equity</b> <sup>(6)</sup>	NA	NA	NA	\$ 5,754	NA
Return on equity <sup>(7)</sup>	16.1 %	9.9 %	10.0 %	16.2 %	11.9 %
Adjusted return on equity <sup>(7)</sup>	NA	NA	NA	16.4 %	NA
Return on tangible common equity <sup>(7)</sup>	17.8 %	10.8 %	10.9 %	17.9 %	13.1 %
Adjusted return on tangible common equity <sup>(7)</sup>	NA	NA	NA	18.2 %	NA

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# FOOTNOTES

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1. The nine months ended June 30, 2019 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.
2. The three months ended September 30, 2019 included a \$19 million goodwill impairment charge associated with our Canadian Capital Markets business.
3. Pre-tax margin is 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. Earnings per common share is 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. Book value per share is 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. Average equity is 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. 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 year total, and dividing by three, or in the case of average tangible common equity, computed by adding tangible common equity as of each quarter-end date during the indicated year-to-date period to the beginning of 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. 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. Return on equity is 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.