

RAYMOND JAMES®

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FOR IMMEDIATE RELEASE
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RAYMOND JAMES FINANCIAL REPORTS 2ND QUARTER FISCAL 2017 RESULTS

- Record quarterly net revenues of \$1.56 billion, up 19 percent over the prior year's fiscal second quarter and 5 percent over the preceding quarter
- Quarterly net income of \$112.8 million, or \$0.77 per diluted share, and adjusted quarterly net income of \$188.5 million, or \$1.28 per diluted share⁽¹⁾
- Record client assets under administration of \$642.7 billion, record financial assets under management of \$85.6 billion, and record net loans at RJ Bank of \$16.0 billion

ST. PETERSBURG, Fla - Raymond James Financial, Inc. (NYSE: RJF) today reported net revenues of \$1.56 billion and net income of \$112.8 million, or \$0.77 per diluted share, for the fiscal second quarter ended March 31, 2017. Record revenues during the quarter were largely driven by continued growth in the Private Client Group segment as well as a very strong quarter for investment banking. Earnings during the quarter were negatively impacted by the previously announced legal settlement, acquisition-related expenses, and the acceleration of unamortized expenses due to the extinguishment of senior notes. Adjusting for those aforementioned charges, which totaled \$109 million on a pre-tax basis during the quarter, non-GAAP net income was \$188.5 million, or \$1.28 per diluted share⁽¹⁾.

For the first six months of the fiscal year, net revenues of \$3.06 billion increased 18 percent, net income of \$259.3 million increased 12 percent, and adjusted net income of \$365.3 million⁽¹⁾ increased 54 percent compared to the first six months of fiscal 2016.

"We are pleased that both the revenues and earnings we generated during the first six months of fiscal 2017 represented a record start to a fiscal year," said Chairman and CEO Paul Reilly. "The records we achieved for client assets under administration, financial assets under management and loan balances at RJ Bank should position us well for the second half of the fiscal year."

Segment Results

Private Client Group

- Record quarterly net revenues of \$1.09 billion, up 23 percent over the prior year's fiscal second quarter and 4 percent over the preceding quarter
- Quarterly pre-tax income of \$29.4 million negatively impacted by the previously announced legal settlement
- Record Private Client Group assets under administration of \$611.0 billion, rising 26 percent over March 2016 and 4 percent over December 2016
- Private Client Group assets in fee-based accounts of \$260.5 billion, representing significant growth of 33 percent over March 2016 and 8 percent over December 2016

Record quarterly net revenues in the Private Client Group segment were attributable to continued growth of client assets, higher new issue sales credits and the benefit from higher short-term interest rates. Pre-tax income in the segment was negatively impacted by \$100 million of legal reserves during the quarter for the previously announced \$150 million settlement associated with the Jay Peak EB-5 matter.

"Our success recruiting and retaining financial advisors has enabled us to achieve new records for client assets under administration and the number of Private Client Group advisors," said Reilly. "During the quarter, we were excited to announce our Connected Advisor

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digital advice platform to help our advisors develop even stronger relationships with their clients.”

Capital Markets

- Quarterly net revenues of \$256.2 million, up 8 percent over the prior year’s fiscal second quarter and 10 percent over the preceding quarter
- Quarterly pre-tax income of \$41.3 million, substantial increases of 47 percent compared to the prior year’s fiscal second quarter and 92 percent over the preceding quarter
- Total investment banking revenues of \$102.4 million, growth of 49 percent over the prior year’s fiscal second quarter and 67 percent over the preceding quarter

Growth in the Capital Market segment’s revenues and pre-tax income during the quarter was primarily attributable to very strong M&A and equity underwriting results. Partially offsetting the strength in investment banking, commissions in the segment were challenged by lower client trading volumes in the Fixed Income division during the quarter.

“The broad-based improvement in investment banking revenues during the quarter is a testament to our robust platform and solid client relationships,” Reilly said. “We are optimistic about the activity levels for investment banking for the second half of the fiscal year if the market environment remains conducive, although we are somewhat cautious about the outlook for the Fixed Income division due to the flattening yield curve.”

Asset Management

- Record quarterly net revenues of \$116.5 million, up 20 percent compared to the prior year’s fiscal second quarter and 2 percent compared to the preceding quarter
- Quarterly pre-tax income of \$37.8 million, an increase of 21 percent compared to the prior year’s fiscal second quarter but down 10 percent compared to the preceding quarter
- Record financial assets under management of \$85.6 billion, up 24 percent compared to March 2016 and 7 percent compared to December 2016

Record quarterly revenues and client assets in the Asset Management segment were lifted by market appreciation and increased utilization of fee-based accounts in the Private Client Group segment, which has accelerated in anticipation of the DOL Fiduciary Rule.

“We are excited about welcoming Scout Investments and Reams Asset Management to the Raymond James family, which will broaden Carillon Tower Advisers’ offerings to clients with complementary and high-quality investment solutions upon closing,” said Reilly.

Raymond James Bank

- Record quarterly net revenues of \$141.4 million, up 13 percent over the prior year’s fiscal second quarter and 2 percent over the preceding quarter
- Quarterly pre-tax income of \$91.9 million, up 8 percent over the prior year’s fiscal second quarter but down 12 percent compared to the record set in the preceding quarter
- Record net loans at Raymond James Bank of \$16.0 billion, representing growth of 11 percent over March 2016 and 1 percent over December 2016

The Bank’s record quarterly revenues were attributable to loan growth and the expansion of the securities portfolio. Growth of the Bank’s loan portfolio decelerated during the quarter as elevated payoffs resulted in a decline in commercial and industrial loans, which largely offset the solid growth in the other loan categories. Available for sale securities at the Bank increased substantially during the quarter to \$1.6 billion, as the Bank continued increasing its portfolio of agency-backed securities.

Other

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Total quarterly revenues in the Other segment were \$16.0 million, which increased 62 percent over the prior year's fiscal second quarter and 4 percent over the preceding quarter. The Other segment also included \$1.1 million of acquisition-related expenses and \$8.3 million of expenses associated with the extinguishment of \$350 million of senior notes payable during the quarter.

The effective tax rate for the quarter was 31.9 percent, which benefited from non-taxable gains in our corporate-owned life insurance portfolio during the quarter.

(1) "Adjusted net income" and "adjusted net income per diluted share" are each non-GAAP financial measures. Please see the schedule on page 12 of this release for a reconciliation of our non-GAAP measures to the most directly comparable GAAP measures, and for other important disclosures.

A conference call to discuss the results will take place tomorrow morning, Thursday, April 27th, at 8:15 a.m. ET. For a listen only connection, please call: 877-666-1952 (conference code: 8953566), or visit raymondjames.com/investor-relations/earnings/earnings-conference-call for a live audio webcast. An audio replay of the call will be available until 5:00 p.m. ET on October 26, 2017, on the Investor Relations page of our website at www.raymondjames.com.

[Click here to view full earnings results.](#)

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 7,200 financial advisors serving approximately 3 million client accounts in more than 2,900 locations throughout the United States, Canada and overseas. Total client assets are \$643 billion. Public since 1983, the firm has been listed on the New York Stock Exchange since 1986 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 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.