



Quarterly Financial Supplement

Fiscal first quarter of 2024 results

RAYMOND JAMES

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RAYMOND JAMES FINANCIAL, INC.
Consolidated Statements of Income (Unaudited)

	Three months ended				December 31, 2023	% change from	
	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023		December 31, 2022	September 30, 2023
<i>\$ in millions, except per share amounts</i>							
Revenues:							
Asset management and related administrative fees	\$ 1,242	\$ 1,302	\$ 1,373	\$ 1,446	\$ 1,407	13 %	(3)%
Brokerage revenues:							
Securities commissions	352	369	356	382	383	9 %	— %
Principal transactions	132	127	105	98	139	5 %	42 %
Total brokerage revenues	484	496	461	480	522	8 %	9 %
Account and service fees	289	258	264	314	319	10 %	2 %
Investment banking	141	154	151	202	181	28 %	(10)%
Interest income	827	915	987	1,019	1,053	27 %	3 %
Other	44	32	57	54	38	(14)%	(30)%
Total revenues	3,027	3,157	3,293	3,515	3,520	16 %	— %
Interest expense	(241)	(284)	(386)	(462)	(507)	110 %	10 %
Net revenues	2,786	2,873	2,907	3,053	3,013	8 %	(1)%
Non-interest expenses:							
Compensation, commissions and benefits	1,736	1,820	1,851	1,892	1,921	11 %	2 %
Non-compensation expenses:							
Communications and information processing	139	153	149	158	150	8 %	(5)%
Occupancy and equipment	66	68	68	69	72	9 %	4 %
Business development	56	54	66	66	61	9 %	(8)%
Investment sub-advisory fees	34	36	40	41	40	18 %	(2)%
Professional fees	32	38	35	40	32	— %	(20)%
Bank loan provision for credit losses	14	28	54	36	12	(14)%	(67)%
Other ⁽¹⁾	57	119	158	166	95	67 %	(43)%
Total non-compensation expenses	398	496	570	576	462	16 %	(20)%
Total non-interest expenses	2,134	2,316	2,421	2,468	2,383	12 %	(3)%
Pre-tax income	652	557	486	585	630	(3)%	8 %
Provision for income taxes	143	130	117	151	132	(8)%	(13)%
Net income	509	427	369	434	498	(2)%	15 %
Preferred stock dividends	2	2	—	2	1	(50)%	(50)%
Net income available to common shareholders	\$ 507	\$ 425	\$ 369	\$ 432	\$ 497	(2)%	15 %
Earnings per common share – basic ⁽²⁾	\$ 2.36	\$ 1.97	\$ 1.75	\$ 2.07	\$ 2.38	1 %	15 %
Earnings per common share – diluted ⁽²⁾	\$ 2.30	\$ 1.93	\$ 1.71	\$ 2.02	\$ 2.32	1 %	15 %
Weighted-average common shares outstanding – basic	214.7	214.3	210.1	208.3	208.6	(3)%	— %
Weighted-average common and common equivalent shares outstanding – diluted	220.4	219.2	214.8	213.8	213.8	(3)%	— %

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

RAYMOND JAMES FINANCIAL, INC.
Consolidated Selected Key Metrics (Unaudited)

<i>\$ in millions, except per share amounts</i>	As of					% change from	
	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	December 31, 2022	September 30, 2023
Total assets	\$ 77,047	\$ 79,180	\$ 77,633	\$ 78,360	\$ 80,130	4 %	2 %
Total common equity attributable to Raymond James Financial, Inc.	\$ 9,736	\$ 9,875	\$ 9,870	\$ 10,135	\$ 10,711	10 %	6 %
Book value per share ⁽³⁾	\$ 45.28	\$ 46.67	\$ 47.34	\$ 48.54	\$ 51.32	13 %	6 %
Tangible book value per share ^{(3) (4)}	\$ 36.87	\$ 38.14	\$ 38.71	\$ 40.03	\$ 42.81	16 %	7 %

Capital ratios:

Tier 1 leverage	11.3 %	11.5 %	11.4 %	11.9 %	12.1 % ⁽⁵⁾
Tier 1 capital	20.3 %	20.1 %	20.6 %	21.4 %	21.6 % ⁽⁵⁾
Common equity tier 1	20.0 %	19.9 %	20.4 %	21.2 %	21.5 % ⁽⁵⁾
Total capital	21.6 %	21.4 %	22.0 %	22.8 %	23.0 % ⁽⁵⁾

<i>\$ in millions</i>	Three months ended					% change from	
	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	December 31, 2022	September 30, 2023
Adjusted pre-tax income ⁽⁴⁾	\$ 649	\$ 585	\$ 526	\$ 619	\$ 653	1 %	5 %
Adjusted net income available to common shareholders ⁽⁴⁾	\$ 505	\$ 446	\$ 399	\$ 457	\$ 514	2 %	12 %
Adjusted earnings per common share – basic ^{(2) (4)}	\$ 2.35	\$ 2.07	\$ 1.89	\$ 2.19	\$ 2.46	5 %	12 %
Adjusted earnings per common share – diluted ^{(2) (4)}	\$ 2.29	\$ 2.03	\$ 1.85	\$ 2.13	\$ 2.40	5 %	13 %
Return on common equity ⁽⁶⁾	21.3 %	17.3 %	14.9 %	17.3 %	19.1 %		
Adjusted return on common equity ^{(4) (6)}	21.2 %	18.2 %	16.1 %	18.3 %	19.7 %		
Adjusted return on tangible common equity ^{(4) (6)}	26.1 %	22.3 %	19.7 %	22.2 %	23.8 %		
Pre-tax margin ⁽⁷⁾	23.4 %	19.4 %	16.7 %	19.2 %	20.9 %		
Adjusted pre-tax margin ^{(4) (7)}	23.3 %	20.4 %	18.1 %	20.3 %	21.7 %		
Total compensation ratio ⁽⁸⁾	62.3 %	63.3 %	63.7 %	62.0 %	63.8 %		
Adjusted total compensation ratio ^{(4) (8)}	61.7 %	62.8 %	62.7 %	61.4 %	63.4 %		
Effective tax rate	21.9 %	23.3 %	24.1 %	25.8 %	21.0 %		

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

RAYMOND JAMES FINANCIAL, INC.
Consolidated Selected Key Metrics (Unaudited)

	As of				December 31, 2023	% change from	
	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023		December 31, 2022	September 30, 2023
Client asset metrics (\$ in billions)							
Client assets under administration	\$ 1,169.7	\$ 1,224.4	\$ 1,280.9	\$ 1,256.5	\$ 1,370.6	17 %	9 %
Private Client Group assets under administration	\$ 1,114.3	\$ 1,171.1	\$ 1,227.0	\$ 1,201.2	\$ 1,310.5	18 %	9 %
Private Client Group assets in fee-based accounts	\$ 633.1	\$ 666.3	\$ 697.0	\$ 683.2	\$ 746.6	18 %	9 %
Financial assets under management	\$ 185.9	\$ 194.4	\$ 200.7	\$ 196.4	\$ 215.0	16 %	9 %

	Three months ended					December 31, 2023	% change from
	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	September 30, 2023		
Net new assets metrics ⁽⁹⁾ (\$ in millions)							
Domestic Private Client Group net new assets ⁽¹⁰⁾					\$ 14,386	\$ 14,169	\$ 21,575
Domestic Private Client Group net new assets growth — annualized ⁽¹⁰⁾		9.8 %	8.4 %	5.4 %		5.0 %	7.8 %

	As of				December 31, 2023	% change from	
	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023		December 31, 2022	September 30, 2023
Private Client Group financial advisors							
Employees	3,631	3,628	3,654	3,693	3,718	2 %	1 %
Independent contractors ⁽¹⁰⁾	5,068	5,098	5,050	5,019	4,992	(1)%	(1)%
Total advisors ⁽¹⁰⁾	8,699	8,726	8,704	8,712	8,710	— %	— %

	As of				December 31, 2023	% change from	
	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023		December 31, 2022	September 30, 2023
Clients' domestic cash sweep and Enhanced Savings Program balances (\$ in millions)							
Raymond James Bank Deposit Program ("RJBDP"): ⁽¹¹⁾							
Bank segment ⁽¹¹⁾	\$ 39,098	\$ 37,682	\$ 27,915	\$ 25,355	\$ 23,912	(39)%	(6)%
Third-party banks	18,231	9,408	16,923	15,858	17,820	(2)%	12 %
Subtotal RJBDP	57,329	47,090	44,838	41,213	41,732	(27)%	1 %
Client Interest Program	3,053	2,385	1,915	1,620	1,765	(42)%	9 %
Total clients' domestic cash sweep balances	60,382	49,475	46,753	42,833	43,497	(28)%	2 %
Enhanced Savings Program ⁽¹²⁾	—	2,746	11,225	13,592	14,476	NM	7 %
Total clients' domestic cash sweep and Enhanced Savings Program balances	\$ 60,382	\$ 52,221	\$ 57,978	\$ 56,425	\$ 57,973	(4)%	3 %

	Three months ended				December 31, 2023	% change from	
	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023		December 31, 2022	September 30, 2023
Net interest income and RJBDP fees (\$ in millions)							
Net interest income and RJBDP fees (third-party banks)	\$ 723	\$ 731	\$ 708	\$ 711	\$ 698	(3)%	(2)%
Average yield on RJBDP - third-party banks ⁽¹³⁾	2.72 %	3.25 %	3.37 %	3.60 %	3.66 %		

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

RAYMOND JAMES FINANCIAL, INC.
Segment Results - Private Client Group (Unaudited)

\$ in millions	Three months ended				December 31, 2023	% change from	
	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023		December 31, 2022	September 30, 2023
Revenues:							
Asset management and related administrative fees	\$ 1,053	\$ 1,102	\$ 1,164	\$ 1,226	\$ 1,191	13 %	(3)%
Brokerage revenues:							
Mutual and other fund products	128	135	135	142	136	6 %	(4)%
Insurance and annuity products	104	113	103	119	125	20 %	5 %
Equities, ETFs, and fixed income products	113	116	111	115	121	7 %	5 %
Total brokerage revenues	345	364	349	376	382	11 %	2 %
Account and service fees:							
Mutual fund and annuity service fees	98	105	103	109	106	8 %	(3)%
RJBDFP fees: ⁽¹¹⁾							
Bank segment ⁽¹¹⁾	268	311	277	237	223	(17)%	(6)%
Third-party banks	137	100	107	154	152	11 %	(1)%
Client account and other fees	60	56	59	56	65	8 %	16 %
Total account and service fees	563	572	546	556	546	(3)%	(2)%
Investment banking	9	9	9	8	11	22 %	38 %
Interest income	109	117	114	115	118	8 %	3 %
All other	6	9	25	8	4	(33)%	(50)%
Total revenues	<u>2,085</u>	<u>2,173</u>	<u>2,207</u>	<u>2,289</u>	<u>2,252</u>	8 %	(2)%
Interest expense	(22)	(29)	(25)	(24)	(26)	18 %	8 %
Net revenues	<u>2,063</u>	<u>2,144</u>	<u>2,182</u>	<u>2,265</u>	<u>2,226</u>	8 %	(2)%
Non-interest expenses:							
Financial advisor compensation and benefits	1,075	1,118	1,151	1,193	1,190	11 %	— %
Administrative compensation and benefits	342	345	355	348	379	11 %	9 %
Total compensation, commissions and benefits	1,417	1,463	1,506	1,541	1,569	11 %	2 %
Non-compensation expenses	212	240	265	247	218	3 %	(12)%
Total non-interest expenses	<u>1,629</u>	<u>1,703</u>	<u>1,771</u>	<u>1,788</u>	<u>1,787</u>	10 %	— %
Pre-tax income	<u>\$ 434</u>	<u>\$ 441</u>	<u>\$ 411</u>	<u>\$ 477</u>	<u>\$ 439</u>	1 %	(8)%

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

RAYMOND JAMES FINANCIAL, INC.
Segment Results - Capital Markets (Unaudited)

<i>\$ in millions</i>	Three months ended				December 31, 2023	% change from	
	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023		December 31, 2022	September 30, 2023
Revenues:							
Brokerage revenues:							
Fixed income	\$ 100	\$ 96	\$ 78	\$ 71	\$ 102	2 %	44 %
Equity	34	34	32	30	38	12 %	27 %
Total brokerage revenues	134	130	110	101	140	4 %	39 %
Investment banking:							
Merger & acquisition and advisory	102	87	88	141	118	16 %	(16)%
Equity underwriting	15	29	25	16	26	73 %	63 %
Debt underwriting	16	29	28	37	26	63 %	(30)%
Total investment banking	133	145	141	194	170	28 %	(12)%
Interest income	23	21	21	23	23	— %	— %
Affordable housing investments business revenues	24	23	21	41	23	(4)%	(44)%
All other	4	3	4	3	4	— %	33 %
Total revenues	318	322	297	362	360	13 %	(1)%
Interest expense	(23)	(20)	(21)	(21)	(22)	(4)%	5 %
Net revenues	295	302	276	341	338	15 %	(1)%
Non-interest expenses:							
Compensation, commissions and benefits	213	231	220	238	238	12 %	— %
Non-compensation expenses	98	105	90	110	97	(1)%	(12)%
Total non-interest expenses	311	336	310	348	335	8 %	(4)%
Pre-tax income/(loss)	\$ (16)	\$ (34)	\$ (34)	\$ (7)	\$ 3	NM	NM

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

RAYMOND JAMES FINANCIAL, INC.
Segment Results - Asset Management (Unaudited)

<i>\$ in millions</i>	Three months ended				December 31, 2023	% change from	
	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023		December 31, 2022	September 30, 2023
Revenues:							
Asset management and related administrative fees:							
Managed programs	\$ 134	\$ 140	\$ 146	\$ 153	\$ 150	12 %	(2)%
Administration and other	63	66	71	73	74	17 %	1 %
Total asset management and related administrative fees	197	206	217	226	224	14 %	(1)%
Account and service fees	5	6	5	5	6	20 %	20 %
All other	5	4	4	5	5	— %	— %
Net revenues	207	216	226	236	235	14 %	— %
Non-interest expenses:							
Compensation, commissions and benefits	47	52	51	48	53	13 %	10 %
Non-compensation expenses	80	82	86	88	89	11 %	1 %
Total non-interest expenses	127	134	137	136	142	12 %	4 %
Pre-tax income	\$ 80	\$ 82	\$ 89	\$ 100	\$ 93	16 %	(7)%

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

RAYMOND JAMES FINANCIAL, INC.
Segment Results - Bank (Unaudited)

<i>\$ in millions</i>	Three months ended				December 31, 2023	% change from	
	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023		December 31, 2022	September 30, 2023
Revenues:							
Interest income	\$ 676	\$ 749	\$ 826	\$ 847	\$ 872	29 %	3 %
Interest expense	(185)	(219)	(329)	(408)	(446)	141 %	9 %
Net interest income	491	530	497	439	426	(13)%	(3)%
All other	17	10	17	12	15	(12)%	25 %
Net revenues	508	540	514	451	441	(13)%	(2)%
Non-interest expenses:							
Compensation and benefits	40	48	48	41	43	8 %	5 %
Non-compensation expenses:							
Bank loan provision for credit losses	14	28	54	36	12	(14)%	(67)%
RJBDP fees to Private Client Group ⁽¹¹⁾	268	311	277	237	223	(17)%	(6)%
All other	50	62	69	59	71	42 %	20 %
Total non-compensation expenses	332	401	400	332	306	(8)%	(8)%
Total non-interest expenses	372	449	448	373	349	(6)%	(6)%
Pre-tax income	\$ 136	\$ 91	\$ 66	\$ 78	\$ 92	(32)%	18 %

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

RAYMOND JAMES FINANCIAL, INC.
Segment Results - Other⁽¹⁴⁾ (Unaudited)

<i>\$ in millions</i>	Three months ended				December 31, 2023	% change from	
	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023		December 31, 2022	September 30, 2023
Revenues:							
Interest income	\$ 30	\$ 36	\$ 37	\$ 44	\$ 49	63 %	11 %
All other	3	1	2	3	2	(33)%	(33)%
Total revenues	<u>33</u>	<u>37</u>	<u>39</u>	<u>47</u>	<u>51</u>	55 %	9 %
Interest expense	<u>(24)</u>	<u>(27)</u>	<u>(24)</u>	<u>(22)</u>	<u>(25)</u>	4 %	14 %
Net revenues	<u>9</u>	<u>10</u>	<u>15</u>	<u>25</u>	<u>26</u>	189 %	4 %
Non-interest expenses:							
Compensation and benefits	18	26	27	24	17	(6)%	(29)%
Insurance settlement received ⁽¹⁾	(32)	—	—	—	—	100 %	— %
All other	5	7	34	64	6	20 %	(91)%
Total non-interest expenses	<u>(9)</u>	<u>33</u>	<u>61</u>	<u>88</u>	<u>23</u>	NM	(74)%
Pre-tax income/(loss)	<u>\$ 18</u>	<u>\$ (23)</u>	<u>\$ (46)</u>	<u>\$ (63)</u>	<u>\$ 3</u>	(83)%	NM

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

RAYMOND JAMES FINANCIAL, INC.
Bank Segment Selected Key Metrics (Unaudited)

Our Bank segment includes Raymond James Bank and TriState Capital Bank.

Bank Segment

\$ in millions	As of					% change from	
	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	December 31, 2022	September 30, 2023
Total assets	\$ 57,623	\$ 60,400	\$ 59,506	\$ 60,041	\$ 61,517	7 %	2 %
Bank loans, net:							
Raymond James Bank	\$ 31,690	\$ 31,425	\$ 30,834	\$ 30,906	\$ 31,092	(2)%	1 %
TriState Capital Bank	12,376	12,258	12,511	12,869	13,090	6 %	2 %
Total bank loans, net	\$ 44,066	\$ 43,683	\$ 43,345	\$ 43,775	\$ 44,182	— %	1 %
Bank loan allowance for credit losses	\$ 408	\$ 415	\$ 456	\$ 474	\$ 479	17 %	1 %
Bank loan allowance for credit losses as a % of total loans held for investment	0.92 %	0.94 %	1.04 %	1.07 %	1.08 %		
Bank loan allowance for credit losses on corporate loans as a % of corporate loans held for investment ⁽¹⁵⁾	1.64 %	1.67 %	1.90 %	2.03 %	2.06 %		
Total nonperforming assets	\$ 61	\$ 99	\$ 127	\$ 128	\$ 164	169 %	28 %
Nonperforming assets as a % of total assets	0.11 %	0.16 %	0.21 %	0.21 %	0.27 %		
Total criticized loans	\$ 447	\$ 403	\$ 411	\$ 518	\$ 485	9 %	(6)%
Criticized loans as a % of loans held for investment	1.01 %	0.92 %	0.94 %	1.17 %	1.09 %		
Total bank deposits	\$ 51,979	\$ 54,229	\$ 53,768	\$ 54,199	\$ 55,393	7 %	2 %

\$ in millions	As of					% change from	
	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	December 31, 2022	September 30, 2023
Securities-based loans ⁽¹⁶⁾	\$ 14,885	\$ 14,227	\$ 14,227	\$ 14,606	\$ 14,647	(2)%	— %
Commercial and industrial loans	11,405	11,259	10,663	10,406	10,503	(8)%	1 %
Commercial real estate loans	6,929	7,054	7,091	7,221	7,331	6 %	2 %
Real estate investment trust loans	1,680	1,717	1,715	1,668	1,697	1 %	2 %
Residential mortgage loans	7,818	8,079	8,422	8,662	8,861	13 %	2 %
Tax-exempt loans	1,667	1,643	1,548	1,541	1,411	(15)%	(8)%
Total loans held for investment	44,384	43,979	43,666	44,104	44,450	— %	1 %
Held for sale loans	90	119	135	145	211	134 %	46 %
Total loans held for sale and investment	44,474	44,098	43,801	44,249	44,661	— %	1 %
Allowance for credit losses	(408)	(415)	(456)	(474)	(479)	17 %	1 %
Bank loans, net	\$ 44,066	\$ 43,683	\$ 43,345	\$ 43,775	\$ 44,182	— %	1 %

\$ in millions	Three months ended					% change from	
	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	December 31, 2022	September 30, 2023
Net interest margin (net yield on interest-earning assets)	3.36 %	3.63 %	3.26 %	2.87 %	2.74 %		
Bank loan provision for credit losses	\$ 14	\$ 28	\$ 54	\$ 36	\$ 12	(14)%	(67)%
Net charge-offs	\$ 2	\$ 20	\$ 15	\$ 17	\$ 8	300 %	(53)%

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

RAYMOND JAMES FINANCIAL, INC.

Reconciliation of non-GAAP financial measures to 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 a certain of these non-GAAP financial measures provide 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 tables, 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 tables provide a reconciliation of non-GAAP financial measures to the most directly comparable GAAP measures for those periods which include non-GAAP adjustments.

<i>\$ in millions</i>	Three months ended				
	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023
Net income available to common shareholders	\$ 507	\$ 425	\$ 369	\$ 432	\$ 497
Non-GAAP adjustments:					
Expenses related to acquisitions:					
Compensation, commissions and benefits:					
Acquisition-related retention ⁽¹⁷⁾	18	17	18	17	11
Other acquisition-related compensation	—	—	10	—	—
Total “Compensation, commissions and benefits” expense	18	17	28	17	11
Communication and information processing	—	—	—	2	—
Professional fees	—	—	1	3	1
Other — Amortization of identifiable intangible assets ⁽¹⁸⁾	11	11	11	12	11
Total expenses related to acquisitions	29	28	40	34	23
Other — Insurance settlement received ⁽¹⁾	(32)	—	—	—	—
Pre-tax impact of non-GAAP adjustments	(3)	28	40	34	23
Tax effect of non-GAAP adjustments	1	(7)	(10)	(9)	(6)
Total non-GAAP adjustments, net of tax	(2)	21	30	25	17
Adjusted net income available to common shareholders ⁽⁴⁾	\$ 505	\$ 446	\$ 399	\$ 457	\$ 514
Pre-tax income	\$ 652	\$ 557	\$ 486	\$ 585	\$ 630
Pre-tax impact of non-GAAP adjustments (as detailed above)	(3)	28	40	34	23
Adjusted pre-tax income ⁽⁴⁾	\$ 649	\$ 585	\$ 526	\$ 619	\$ 653
Compensation, commissions and benefits expense	\$ 1,736	\$ 1,820	\$ 1,851	\$ 1,892	\$ 1,921
Less: Total compensation-related acquisition expenses (as detailed above)	18	17	28	17	11
Adjusted “Compensation, commissions and benefits” expense ⁽⁴⁾	\$ 1,718	\$ 1,803	\$ 1,823	\$ 1,875	\$ 1,910

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

Reconciliation of non-GAAP financial measures to GAAP financial measures (Unaudited)

(Continued from previous page)

	Three months ended				
	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023
Pre-tax margin ⁽⁷⁾	23.4 %	19.4 %	16.7 %	19.2 %	20.9 %
<u>Impact of non-GAAP adjustments on pre-tax margin:</u>					
Expenses related to acquisitions:					
<u>Compensation, commissions and benefits:</u>					
Acquisition-related retention ⁽¹⁷⁾	0.6 %	0.5 %	0.7 %	0.6 %	0.4 %
Other acquisition-related compensation	— %	— %	0.3 %	— %	— %
Total “Compensation, commissions and benefits” expense	0.6 %	0.5 %	1.0 %	0.6 %	0.4 %
Communications and information processing	— %	— %	— %	— %	— %
Professional fees	— %	— %	— %	0.1 %	— %
Other — Amortization of identifiable intangible assets ⁽¹⁸⁾	0.4 %	0.5 %	0.4 %	0.4 %	0.4 %
Total expenses related to acquisitions	1.0 %	1.0 %	1.4 %	1.1 %	0.8 %
Other — Insurance settlement received ⁽¹⁾	(1.1)%	— %	— %	— %	— %
Total non-GAAP adjustments	(0.1)%	1.0 %	1.4 %	1.1 %	0.8 %
Adjusted pre-tax margin ^{(4) (7)}	23.3 %	20.4 %	18.1 %	20.3 %	21.7 %
Total compensation ratio ⁽⁸⁾	62.3 %	63.3 %	63.7 %	62.0 %	63.8 %
<u>Less the impact of non-GAAP adjustments on compensation ratio:</u>					
Acquisition-related retention ⁽¹⁷⁾	0.6 %	0.5 %	0.7 %	0.6 %	0.4 %
Other acquisition-related compensation	— %	— %	0.3 %	— %	— %
Total “Compensation, commissions and benefits” expenses related to acquisitions	0.6 %	0.5 %	1.0 %	0.6 %	0.4 %
Adjusted total compensation ratio ^{(4) (8)}	61.7 %	62.8 %	62.7 %	61.4 %	63.4 %

RAYMOND JAMES FINANCIAL, INC.

Reconciliation of non-GAAP financial measures to GAAP financial measures (Unaudited) (Continued from previous page)

Earnings per common share ⁽²⁾	Three months ended				
	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023
Basic	\$ 2.36	\$ 1.97	\$ 1.75	\$ 2.07	\$ 2.38
<u>Impact of non-GAAP adjustments on basic earnings per common share:</u>					
Expenses related to acquisitions:					
Compensation, commissions and benefits:					
Acquisition-related retention ⁽¹⁷⁾	0.08	0.08	0.09	0.08	0.05
Other acquisition-related compensation	—	—	0.05	—	—
Total “Compensation, commissions and benefits” expense	0.08	0.08	0.14	0.08	0.05
Communication and information processing	—	—	—	0.01	—
Professional fees	—	—	—	0.01	0.01
Other — Amortization of identifiable intangible assets ⁽¹⁸⁾	0.06	0.05	0.05	0.06	0.05
Total expenses related to acquisitions	0.14	0.13	0.19	0.16	0.11
Other — Insurance settlement received ⁽¹⁾	(0.15)	—	—	—	—
Tax effect of non-GAAP adjustments	—	(0.03)	(0.05)	(0.04)	(0.03)
Total non-GAAP adjustments, net of tax	(0.01)	0.10	0.14	0.12	0.08
Adjusted basic ⁽⁴⁾	\$ 2.35	\$ 2.07	\$ 1.89	\$ 2.19	\$ 2.46

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

RAYMOND JAMES FINANCIAL, INC.

Reconciliation of non-GAAP financial measures to GAAP financial measures (Unaudited)

(Continued from previous page)

	Three months ended				
	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023
Earnings per common share ⁽²⁾					
Diluted	\$ 2.30	\$ 1.93	\$ 1.71	\$ 2.02	\$ 2.32
<u>Impact of non-GAAP adjustments on diluted earnings per common share:</u>					
Expenses related to acquisitions:					
Compensation, commissions and benefits:					
Acquisition-related retention ⁽¹⁷⁾	0.08	0.08	0.09	0.08	0.05
Other acquisition-related compensation	—	—	0.05	—	—
Total “Compensation, commissions and benefits” expense	0.08	0.08	0.14	0.08	0.05
Communications and information processing	—	—	—	0.01	—
Professional fees	—	—	—	0.01	0.01
Other — Amortization of identifiable intangible assets ⁽¹⁸⁾	0.06	0.05	0.05	0.05	0.05
Total expenses related to acquisitions	0.14	0.13	0.19	0.15	0.11
Other — Insurance settlement received ⁽¹⁾	(0.15)	—	—	—	—
Tax effect of non-GAAP adjustments	—	(0.03)	(0.05)	(0.04)	(0.03)
Total non-GAAP adjustments, net of tax	(0.01)	0.10	0.14	0.11	0.08
Adjusted diluted ⁽⁴⁾	\$ 2.29	\$ 2.03	\$ 1.85	\$ 2.13	\$ 2.40
Book value per share					
	As of				
<i>\$ in millions, except per share amounts</i>	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023
Total common equity attributable to Raymond James Financial, Inc.	\$ 9,736	\$ 9,875	\$ 9,870	\$ 10,135	\$ 10,711
<u>Less non-GAAP adjustments:</u>					
Goodwill and identifiable intangible assets, net	1,938	1,932	1,928	1,907	1,908
Deferred tax liabilities related to goodwill and identifiable intangible assets, net	(129)	(128)	(129)	(131)	(132)
Tangible common equity attributable to Raymond James Financial, Inc. ⁽⁴⁾	\$ 7,927	\$ 8,071	\$ 8,071	\$ 8,359	\$ 8,935
Common shares outstanding	215.0	211.6	208.5	208.8	208.7
Book value per share ⁽³⁾	\$ 45.28	\$ 46.67	\$ 47.34	\$ 48.54	\$ 51.32
Tangible book value per share ^{(3) (4)}	\$ 36.87	\$ 38.14	\$ 38.71	\$ 40.03	\$ 42.81

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

RAYMOND JAMES FINANCIAL, INC.

Reconciliation of non-GAAP financial measures to GAAP financial measures (Unaudited) (Continued from previous page)

Return on common equity	Three months ended				
	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023
<i>\$ in millions</i>					
Average common equity ⁽¹⁹⁾	\$ 9,537	\$ 9,806	\$ 9,873	\$ 10,003	\$ 10,423
Impact of non-GAAP adjustments on average common equity:					
Expenses related to acquisitions:					
Compensation, commissions and benefits:					
Acquisition-related retention ⁽¹⁷⁾	9	9	9	9	6
Other acquisition-related compensation	—	—	4	—	—
Total "Compensation, commissions and benefits" expense	9	9	13	9	6
Communications and information processing	—	—	—	1	—
Professional fees	—	—	1	2	—
Other — Amortization of identifiable intangible assets ⁽¹⁸⁾	5	6	6	6	6
Total expenses related to acquisitions	14	15	20	18	12
Other — Insurance settlement received ⁽¹⁾	(16)	—	—	—	—
Tax effect of non-GAAP adjustments	1	(4)	(5)	(5)	(3)
Total non-GAAP adjustments, net of tax	(1)	11	15	13	9
Adjusted average common equity ^{(4) (19)}	\$ 9,536	\$ 9,817	\$ 9,888	\$ 10,016	\$ 10,432

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

RAYMOND JAMES FINANCIAL, INC.

Reconciliation of non-GAAP financial measures to GAAP financial measures (Unaudited)

(Continued from previous page)

Return on tangible common equity	Three months ended				
	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023
<i>\$ in millions</i>					
Average common equity ⁽¹⁹⁾	\$ 9,537	\$ 9,806	\$ 9,873	\$ 10,003	\$ 10,423
Less:					
Average goodwill and identifiable intangible assets, net	1,935	1,936	1,930	1,918	1,908
Average deferred tax liabilities related to goodwill and identifiable intangible assets, net	(128)	(129)	(128)	(130)	(132)
Average tangible common equity ^{(4) (19)}	<u>\$ 7,730</u>	<u>\$ 7,999</u>	<u>\$ 8,071</u>	<u>\$ 8,215</u>	<u>\$ 8,647</u>
Impact of non-GAAP adjustments on average tangible common equity:					
Expenses related to acquisitions:					
<u>Compensation, commissions and benefits:</u>					
Acquisition-related retention ⁽¹⁷⁾	9	9	9	9	6
Other acquisition-related compensation	—	—	4	—	—
Total “Compensation, commissions and benefits” expense	<u>9</u>	<u>9</u>	<u>13</u>	<u>9</u>	<u>6</u>
Communications and information processing	<u>—</u>	<u>—</u>	<u>—</u>	<u>1</u>	<u>—</u>
Professional fees	<u>—</u>	<u>—</u>	<u>1</u>	<u>2</u>	<u>—</u>
Other — Amortization of identifiable intangible assets ⁽¹⁸⁾	<u>5</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>
Total expenses related to acquisitions	<u>14</u>	<u>15</u>	<u>20</u>	<u>18</u>	<u>12</u>
Other — Insurance settlement received ⁽¹⁾	<u>(16)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Tax effect of non-GAAP adjustments	<u>1</u>	<u>(4)</u>	<u>(5)</u>	<u>(5)</u>	<u>(3)</u>
Total non-GAAP adjustments, net of tax	<u>(1)</u>	<u>11</u>	<u>15</u>	<u>13</u>	<u>9</u>
Adjusted average tangible common equity ^{(4) (19)}	<u>\$ 7,729</u>	<u>\$ 8,010</u>	<u>\$ 8,086</u>	<u>\$ 8,228</u>	<u>\$ 8,656</u>
Return on common equity ⁽⁶⁾	21.3 %	17.3 %	14.9 %	17.3 %	19.1 %
Adjusted return on common equity ^{(4) (6)}	21.2 %	18.2 %	16.1 %	18.3 %	19.7 %
Return on tangible common equity ^{(4) (6)}	26.2 %	21.3 %	18.3 %	21.0 %	23.0 %
Adjusted return on tangible common equity ^{(4) (6)}	26.1 %	22.3 %	19.7 %	22.2 %	23.8 %

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

- (1) The three months ended December 31, 2022 included the favorable impact of a \$32 million insurance settlement received during the period related to a previously settled legal matter. This item has been reflected as an offset to Other expenses within our Other segment. In the computation of our non-GAAP financial measures, we have reversed the favorable impact of this item on adjusted pre-tax income and adjusted net income available to common shareholders. See the schedules on the previous pages for a reconciliation of non-GAAP financial measures to the most directly comparable GAAP measures and for more information on these measures.
- (2) Earnings per common share is computed by dividing net income available to common shareholders (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 common share, computed by dividing adjusted net income available to common shareholders (less allocation of earnings and dividends to participating securities) by weighted-average common shares outstanding (basic or diluted as applicable) for each respective period. The allocations of earnings and dividends to participating securities were \$1 million for each of the three months ended December 31, 2022, June 30, 2023, September 30, 2023, and December 31, 2023, and \$2 million for the three months ended March 31, 2023.
- (3) Book value per share is computed by dividing total common 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.
- (4) These are non-GAAP financial measures. See the schedules on the previous pages for a reconciliation of non-GAAP financial measures to the most directly comparable GAAP measures and for more information on these measures.
- (5) Estimated.
- (6) Return on common equity is computed by dividing annualized net income available to common shareholders by average common equity for each respective period or, in the case of return on tangible common equity, computed by dividing annualized net income available to common shareholders by average tangible common equity for each respective period. Adjusted return on common equity is computed by dividing annualized adjusted net income available to common shareholders by adjusted average common equity for each respective period, or in the case of adjusted return on tangible common equity, computed by dividing annualized adjusted net income available to common shareholders by adjusted average tangible common equity for each respective period. Tangible common equity is defined as total common equity attributable to Raymond James Financial, Inc. less goodwill and intangible assets, net of related deferred taxes.
- (7) 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.
- (8) Total compensation ratio is computed by dividing compensation, commissions and benefits expense by net revenues for each respective period or, in the case of adjusted total compensation ratio, computed by dividing adjusted compensation, commissions and benefits expense by net revenues for each respective period.
- (9) Domestic Private Client Group net new assets represents domestic Private Client Group client inflows, including dividends and interest, less domestic Private Client Group client outflows, including commissions, advisory fees, and other fees. The Domestic Private Client Group net new asset growth — annualized percentage is based on the beginning Domestic Private Client Group assets under administration balance for the indicated period.
- (10) These metrics include the impact of the departure of approximately 60 financial advisors and approximately \$5 billion of assets under administration, representing the portion of advisors previously associated through a single relationship in the firm's independent contractors division whose affiliation with the firm ended in the fiscal third quarter of 2023.
- (11) We earn fees from RJBDP, 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 TriState Capital Bank, which are included in our Bank segment, as well as various third-party banks. RJBDP balances swept to our Bank segment are reflected in Bank deposits on our Consolidated Statement of Financial Condition. Fees earned by the Private Client Group segment on deposits held by our Bank segment are eliminated in consolidation.
- (12) In March 2023, we launched our Enhanced Savings Program, in which Private Client Group clients may deposit cash in a high-yield Raymond James Bank account. These balances are reflected in Bank deposits on our Consolidated Statement of Financial Condition.
- (13) Average yield on RJBDP - third-party banks is computed by dividing annualized RJBDP fees - third-party banks, which are net of the interest expense paid to clients by the third-party banks, by the average daily RJBDP balances at third-party banks.
- (14) The Other segment includes interest income on certain corporate cash balances, the results of our private equity investments, which predominantly consist of investments in third-party funds, certain other corporate investing activity, and certain corporate overhead costs of RJF that are not allocated to other segments including the interest costs on our public debt, certain provisions for legal and regulatory matters, and certain acquisition-related expenses.
- (15) Corporate loans included commercial and industrial loans, commercial real estate loans, and real estate investment trust loans.
- (16) Securities-based loans included loans collateralized by the borrower's marketable securities at advance rates consistent with industry standards and, to a lesser extent, the cash surrender value of life insurance policies. An insignificant portion of our securities-based loans portfolio is collateralized by private securities or other financial instruments with a limited trading market.
- (17) Includes acquisition-related compensation expenses primarily arising from equity and cash-based retention awards issued in conjunction with acquisitions in prior years. Such retention awards are generally contingent upon the post-closing continuation of service of certain associates who joined the firm as part of such acquisitions and are expensed over the requisite service period.
- (18) Amortization of identifiable intangible assets, which was included in "Other" expense, includes amortization of identifiable intangible assets arising from our acquisitions.
- (19) Average common equity is computed by adding the total common 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 common equity is computed by adjusting for the impact on average common 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.