

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (Unaudited – in 000s, except per share amounts)

	THREE MONTHS ENDED		12 MONTHS ENDED	
	SEPT. 30, 2008	SEPT. 30, 2007	SEPT. 30, 2008	SEPT. 30, 2007
Revenues:				
Securities Commissions and Fees	\$ 451,418	\$ 459,513	\$ 1,888,745	\$ 1,740,717
Investment Banking	36,739	60,432	124,062	192,114
Investment Advisory Fees	51,062	53,589	212,478	206,076
Interest	162,864	212,265	724,063	726,992
Net Trading Profits	(6,947)	42	(1,691)	16,476
Financial Service Fees	33,057	33,531	130,569	125,214
Other	31,666	19,554	126,706	101,990
Total Revenues	759,859	838,926	3,204,932	3,109,579
Interest Expense	66,694	147,290	392,229	499,664
Net Revenues	693,165	691,636	2,812,703	2,609,915
Non-Interest Expenses:				
Compensation, Commissions and Benefits	471,977	466,828	1,906,366	1,766,690
Communications and Information Processing	30,438	31,081	123,578	114,161
Occupancy and Equipment Costs	26,013	20,032	97,613	79,881
Clearance and Floor Brokerage	7,698	8,084	31,346	30,746
Business Development	25,620	21,815	95,750	88,067
Investment Advisory Fees	12,274	12,837	50,764	47,452
Other	37,186	39,735	124,738	100,421
Total Non-Interest Expenses	611,206	600,412	2,430,155	2,227,418
Minority Interest	(1,202)	(4,381)	(4,306)	(9,727)
Income Before Provision for Income Taxes	83,161	95,605	386,854	392,224
Provision for Income Taxes	34,053	32,638	\$ 151,776	\$ 141,794
Net Income	\$ 49,108	\$ 62,967	\$ 235,078	\$ 250,430
Net Income Per Share – Diluted	\$ 0.41	\$ 0.53	\$ 1.97	\$ 2.11
Weighted Average Common and Common Equivalent Shares Outstanding – Diluted	119,009	119,743	119,059	118,693

CONSOLIDATED RESULTS BY SEGMENT (in 000s)

Revenues:				
Private Client Group	\$ 461,421	\$ 516,330	\$ 1,950,292	\$ 1,938,154
Capital Markets	119,998	132,990	506,007	506,498
Asset Management	57,102	61,223	236,928	234,875
Raymond James Bank	101,359	93,572	405,304	279,572
Emerging Markets	8,284	15,957	41,269	59,083
Stock Loan/Borrow	7,828	19,401	36,843	68,685
Proprietary Capital	4,300	(3,637)	22,775	8,280
Other	(433)	3,090	5,514	14,432
Total	\$ 759,859	\$ 838,926	\$ 3,204,932	\$ 3,109,579
Income (Loss) Before Provision for Income Taxes:				
Private Client Group	\$ 34,218	\$ 58,337	\$ 177,696	\$ 219,864
Capital Markets	8,447	15,944	50,169	68,966
Asset Management	13,815	13,997	58,865	60,517
Raymond James Bank	33,660	2,043	112,282	27,005
Emerging Markets	(1,642)	1,966	(3,260)	3,640
Stock Loan/Borrow	2,207	2,008	7,034	5,003
Proprietary Capital	2,778	(1,040)	7,341	3,577
Other	(10,322)	2,350	(23,273)	3,652
Pre-Tax Income	\$ 83,161	\$ 95,605	\$ 386,854	\$ 392,224

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 a total of more than 5,000 financial advisors serving approximately 1.8 million accounts in 2,200 locations throughout the United States, Canada and overseas. In addition, total client assets are currently approximately \$197 billion, of which \$33 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 14,000 individual and institutional investors.

2008 FOURTH QUARTER REPORT

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
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RAYMOND JAMES®
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DEAR SHAREHOLDER,

As I read last year's fourth quarter report, I realized that the sub-prime crisis had begun to manifest itself in the summer of 2007. Little did we know that its impact would cause paralysis in the auction rate securities market, distortions in the valuations of all mortgage-backed securities, money market funds to break their nominal values, the failure of prestigious financial institutions, bailouts of Fannie Mae and Freddie Mac, massive injections of government capital into the financial markets to stabilize our banking system, and global financial and economic chaos. Although market volatility has been frighteningly violent and the equity market losses during our 2008 fiscal year were a dismal 23.6% in the S&P 500 Index, Raymond James is still here and profitable. Although our results were damaged by the widespread fallout, our conservative principles have served us well and our 2008 annual net income was only down 6% from last year's record.

In the fourth quarter, net revenues were flat with last year's comparable quarter and down 7% from the June quarter. As losses in the equity and bond markets reached material proportions, retail client activity declined, and commissions and fees fell 2% from last year's level, in spite of impressive levels of institutional commissions. Hence, net income dropped 22% to \$49 million. Diluted earnings per share were \$0.41 contrasted to \$0.53 last year. That decline reflected a higher-than-normal tax rate of 41%, resulting from the non-deductibility of certain losses in company-owned life insurance investments, most of which are related to compensation programs.

Needless to say, when the markets decline dramatically, almost all phases of the securities business are negatively affected. Investment banking revenues were off 39% as underwriting activity virtually stopped. When assets under management decline, investment advisory fees decline. Volatile trading markets engendered trading losses, even though our inventories were very low, as hedging techniques proved unreliable. Financing costs for financial services companies rose, if funds were available at all.

The only bright light in the quarter was Raymond James Bank. Although there has been an understandable increase in delinquent retail mortgage loans, our selective underwriting practices and relatively small development loan portfolio have limited actual charge-offs to low levels thus far. As a result, Raymond James

Bank increased its pre-tax contribution to net income from \$2 million last year to \$34 million this year, approximately offsetting the declines in the securities-related segments.

Even though results for the 2008 fiscal year were beset with the same factors, net revenues grew 8% to \$2.8 billion and net income of \$235 million only trailed last year's record net income by 6%. Diluted earnings per share were \$1.97, down from \$2.11 last year. The after-tax margin on net revenues was a healthy 8.4%. Accordingly, book value per share rose to \$16.18 at year-end. The rate of return on average equity was 13%. Although under our objective of 15% to 20%, in light of the turmoil and comparable performance of other financial services companies, I'm pleased with the financial results.

More important, the underlying fundamental elements of future growth are still in place. The chaos in the financial markets has led to unprecedented recruiting activity of financial advisors, institutional sales people, public finance bankers and investment bankers. Over the year, our global total of financial advisors grew from 4,758 to 5,045. Although the costs of the additional advisors and related new offices reduces current margins, we should earn good long-term returns once more favorable conditions return to the market.

There were a number of significant events in the quarter. Beginning with those on the negative side of the ledger, we continue to struggle with the auction rate securities issue as issuers have been frustrated by the fragile conditions in the credit markets and their refinancing efforts, with a few exceptions, have been stalled. Although investors as a group have received more than half of their original investments, we empathize with those that have had their funds frozen and have maintained our efforts with other firms, industry trade organizations and government agencies to identify a method of expediting recovery. At the same time, we have been in conversations with regulators to reach a solution.

Our majority-owned Turkish subsidiary has been shut down pending the imminent court decision on our tax liability. As we have reported, we don't plan to re-establish operations unless we receive a favorable decision. We took appropriate reserves some time ago.

On a more positive note, in addition to Raymond James' recent ranking as "Highest in Investor Satisfaction with Full Service Brokerage Firms," according to J.D. Power and Associates,

Raymond James & Associates has been recognized by J.D. Power as "Highest in Employee Advisor Satisfaction among Financial Investment Firms" in a tie with Edward Jones.

In August, six Raymond James Financial Services financial advisors – Gerry Klingman, Mal Makin, Van Pearcy, Randy Carver, Mark Smith and Jack Harmon – were recognized in *Barron's* list of "America's Top 100 Independent Advisors," which is based on assets under management, contribution to the firm's revenues and profits, and indications of service quality. In addition, 27 advisors affiliated with RJFS were named to *Registered Rep's* list of "Top 100 Independent Financial Advisors," published August 1.

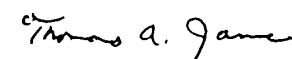
Raymond James received a perfect 100% score in the 2009 Human Rights Campaign Corporate Equality Index. This index, which is created by the Nation's largest human rights foundation, ranks hundreds of corporations based on their diversity policies.

Our Equity Research Department's *Focus List* was recently recognized in *Barron's* ranking of brokers' stock recommendations as the only one to show a positive return during the recent six-month period from December 31, 2007, to June 30,

2008. Furthermore, Raymond James' research was rated first for the 12-month period ended June 30.

While I appreciate the recognition, I'd trade it all for some stability and a return to normality in the economy and financial markets. Since the global economy has only recently begun to reflect the financial crisis, we expect corporate earnings to decline, unemployment to increase and the market to continue to be volatile for six to 12 more months. Consequently, it is likely that fiscal 2009 will be challenging for Raymond James Financial and the rest of the financial services industry. We expect bank growth to offset some of the anticipated weakness in securities activities. In addition, the tumultuous conditions will create some attractive opportunities, of which we plan to take advantage. In the meantime, we will continue to operate with conservative business practices to avoid as much of the collateral damage as possible.

Sincerely,



Thomas A. James
Chairman and CEO
November 5, 2008

CONDENSED CONSOLIDATED BALANCE SHEET (Unaudited – in 000s)

	SEPTEMBER 30, 2008	SEPTEMBER 30, 2007
Assets:		
Cash and Cash Equivalents	\$ 3,207,493	\$ 644,943
Assets Segregated Pursuant to Regulations	4,311,933	4,127,667
Securities Purchased Under Agreements to Resell	950,546	1,295,004
Financial Instruments	960,312	1,128,350
Receivables	10,175,272	8,204,866
Property and Equipment, Net	192,450	166,963
Other Assets	949,005	686,375
	\$ 20,747,011	\$ 16,254,168
Liabilities and Shareholders' Equity:		
Loans Payable	\$ 2,314,788	\$ 239,119
Payables	15,679,836	13,120,172
Trading Securities Sold But Not Yet Purchased	162,650	149,729
Securities Sold Under Agreements to Repurchase	122,728	393,282
Other Liabilities	345,782	364,382
Total Liabilities	18,625,784	14,266,684
Minority Interest	237,322	229,670
Shareholders' Equity	1,883,905	1,757,814
	\$ 20,747,011	\$ 16,254,168