

RAYMOND JAMES FINANCIAL INC
Form 8-K
April 19, 2005

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 and 15(d) of the
Securities Exchange Act of 1934**

April 18, 2005

Date of report (date of earliest event reported)

Raymond James Financial, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Florida

(State or Other Jurisdiction of Incorporation)

1-9109

(Commission File Number)

59-1517485

(IRS Employer Identification No.)

880 Carillon Parkway St. Petersburg, FL 33702
(Address of Principal Executive Offices) (Zip Code)

(727) 567-1000

(Registrant's Telephone Number, Including Area Code)

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01 Regulation FD Disclosure

The following information was contained in a press release issued on April 18, 2005.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

RAYMOND JAMES FINANCIAL, INC.

Date: April 19, 2005

By: /s/ Thomas A. James
Thomas A. James,
Chairman and Chief Executive
Officer

By: /s/ Jeffrey P. Julien
Jeffrey P. Julien
Senior Vice President - Finance
and Chief Financial Officer

Release No. 0405-01 FOR IMMEDIATE RELEASE

April 18, 2005

RAYMOND JAMES FINANCIAL, INC.
REPORTS SECOND QUARTER RESULTS

ST. PETERSBURG, Fla. - Raymond James Financial, Inc. today reported a 19 percent decrease in unaudited net income to \$34,697,000, or \$0.46 per diluted share, for the second quarter ended March 24, 2005, on slightly higher net revenues of \$483,118,000, compared to net income of \$43,068,000, or \$0.58 per diluted share, for fiscal 2004's second quarter.

Unaudited net income for the first half of fiscal 2005 was reported at \$73,940,000, up from 2004's \$67,298,000, while net revenues for the period increased to \$982,103,000 from \$894,435,000 the previous year. Diluted earnings per share were \$0.98 versus \$0.91 for last year's comparable period.

"Although net income of \$34.7 million trailed last year's comparable quarter and the immediately preceding quarter by 19 percent and 12 percent respectively, the second quarter's results were good in light of the market's direction and activity levels," stated Chairman and CEO Thomas A. James.

"Last year's comparable quarter was 13 weeks in duration versus 12 this quarter, benefited from a \$3 million refund in state taxes and was our all-time record quarter in terms of net income based upon a 41 percent increase in revenues over its prior comparable quarter. This year's net revenues only exceeded last year's comparable quarter marginally. Moreover, total commissions were down 3 percent and Equity Capital Market revenues in this March quarter,

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albeit good, were down from the record levels last year. Thus, diluted earnings per share were \$0.46, down from \$0.58 last year.

“The immediately preceding December quarter was 14 weeks in duration and total net revenues were also 3 percent higher. Total commissions in the March 2005 quarter were off 4.5 percent from the prior quarter,” he added.

“Due to the excellent comparisons achieved in 2005’s first fiscal quarter, six-month gross revenues exceeded \$1 billion and net income of almost \$74 million was 10 percent higher than the same results last year. Diluted earnings per share for the six months were \$0.98 compared to \$0.91 last year.

“Results for the remainder of the year are highly dependent on the stock market. If corporate earnings rates remain favorable in spite of the increasing interest rates and somewhat higher inflation rates, the market tone should improve, which will improve future comparisons. On the other hand, lower corporate earnings would probably signal more downside risk. I expect continued volatility for the rest of the year,” James concluded.

The company will conduct its quarterly conference call April 19 at 4:15 p.m. EST. The telephone number is 800-773-5520. The call will also be available on demand on the company’s Web site, raymondjames.com, under “About Raymond James Financial,” “Financial Reports.”

Raymond James Financial (NYSE-RJF) is a Florida-based diversified holding company providing financial services to individuals, corporations and municipalities through its subsidiary companies. Its three wholly owned broker/dealers, Raymond James & Associates, Raymond James Financial Services and Raymond James Ltd. have more than 5,000 financial advisors

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serving 1.3 million accounts in 2,100 locations throughout the United States, Canada and overseas. In addition, total client assets are currently over \$136 billion, of which more than \$25 billion are managed by the firm's asset management subsidiaries.

To the extent that Raymond James makes or publishes forward-looking statements (regarding management expectations, strategic objectives, business prospects, anticipated expense savings, financial results, anticipated results of litigation and regulatory proceedings, and other similar matters), a variety of factors, many of which are beyond Raymond James' control, could cause actual results and experiences to differ materially from the expectations and objectives expressed in these statements. These factors are described in Raymond James' 2004 annual report on Form 10-K, which is available on raymondjames.com and sec.gov.

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Raymond James Financial, Inc.
Unaudited Report
For the second quarter ended March 24, 2005
(all data in thousands, except per share earnings)

| | Second Quarter | | | Six Months | | |
|--------------------------------------|----------------|-----------|----------------|-------------|-----------|----------------|
| | 2005 | 2004 | Percent Change | 2005 | 2004 | Percent Change |
| Revenues | \$512,327 | \$491,373 | 4% | \$1,036,704 | \$916,033 | 13% |
| Net Revenues | 483,118 | 480,448 | 1% | 982,103 | 894,435 | 10% |
| Net Income | 34,697 | 43,068 | -19% | 73,940 | 67,298 | 10% |
| Earnings Per Share - Diluted | 0.46 | 0.58 | -21% | 0.98 | 0.91 | 8% |
| Average Shares Outstanding - Diluted | 76,305 | 74,395 | | 75,622 | 74,254 | |

Balance Sheet Data

| | March 2005 | Dec. 2004 | Sept. 2004 | March 2004 |
|----------------------|--------------|--------------|--------------|--------------|
| Total Assets | \$8.0 bil. | \$ 7.9 bil. | \$ 7.6 bil. | \$7.4 bil. |
| Shareholders' Equity | \$1,160 mil. | \$1,120 mil. | \$1,065 mil. | \$1,003 mil. |
| Book Value Per Share | \$15.44 | \$15.01 | \$14.42 | \$13.64 |

Management Data

| | March 2005 | Dec. 2004 | Sept. 2004 | March 2004 |
|---|-------------|--------------|--------------|-------------|
| Total Private Client Group Financial Advisors: | | | | |
| United States | 4,806 | 4,801 | 4,856 | 4,824 |
| Canada | 279 | 277 | 274 | 243 |
| # Lead Managed/Co-Managed Public Offerings in United States | 20 | 26 | 25 | 26 |
| Financial Assets Under Management | \$25.4 bil. | \$ 25.1 bil. | \$ 22.3 bil. | \$21.8 bil. |

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| | March 2005 | Dec. 2004 | Sept. 2004 | March 2004 |
|------------------------|---------------|--------------|---------------|---------------|
| Client Assets | \$ 136 bil. | \$ 136 bil. | \$ 124 bil. | \$107 bil. |
| Client Margin Balances | \$1,190 mil. | \$1,199 mil. | \$1,173 mil. | \$1,074 mil. |
| Client Trade Volume | 1,993,000 | 2,079,000 | 1,680,000 | 1,995,000 |
| # of Client Accounts | 1,347,000 | 1,326,000 | 1,321,000 | 1,314,000 |

| | Three Months Ended | | Six Months Ended | |
|----------------------|--------------------|-------------------|-------------------|-------------------|
| | March 24, 2005 | March 26, 2004 | March 24, 2005 | March 26, 2004 |
| Revenues: | | | | |
| Private Client Group | \$ 337,477 | \$327,416 | \$ 677,919 | \$614,219 |
| Capital Markets | 103,664 | 113,246 | 220,683 | 204,853 |
| Asset Management | 42,701 | 38,270 | 82,522 | 72,181 |
| RJBank | 9,820 | 6,897 | 18,803 | 13,455 |
| Other | 18,665 | 5,544 | 36,777 | 11,325 |
| Total | \$ 512,327 | \$491,373 | \$1,036,704 | \$916,033 |

| Pre-tax Income: | | | | |
|------------------------|-----------|-----------|-----------|-----------|
| | | | | |
| Private Client Group | \$ 30,768 | \$ 35,028 | \$ 63,755 | \$ 62,287 |
| Capital Markets | 12,923 | 21,610 | 30,253 | 27,625 |
| Asset Management | 10,432 | 8,978 | 18,815 | 13,900 |
| RJBank | 2,826 | 2,366 | 6,078 | 4,263 |
| Other | 1,179 | (1,075) | 4,032 | (2,213) |
| Total | \$ 58,128 | \$ 66,907 | \$122,933 | \$105,862 |

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RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS

(UNAUDITED)

Quarter-to-Date

(in thousands, except per share amounts)

Three Months Ended

| | March 24 | March | % | Dec. 31, | % |
|---|------------------|------------------|---------------|------------------|---------------|
| | 2005 | 26, | Change | 2004 | Change |
| | | 2004 | | | |
| Revenues: | | | | | |
| Securities commissions and fees | \$341,373 | \$ 352,039 | -3% | \$357,469 | -5% |
| Investment banking | 27,994 | 32,065 | -13% | 28,505 | -2% |
| Investment advisory fees | 39,106 | 34,460 | 14% | 37,452 | 4% |
| Interest | 57,392 | 31,575 | 82% | 54,416 | 6% |
| Net trading profits | 7,838 | 4,512 | 74% | 9,752 | -20% |
| Financial service fees | 21,748 | 21,571 | 1% | 22,410 | -3% |
| Other | 16,876 | 15,151 | 11% | 14,373 | 17% |
| TOTAL REVENUES | 512,327 | 491,373 | 4% | 524,377 | -2% |
| Interest Expense | 29,209 | 10,925 | 167% | 25,392 | 15% |
| NET REVENUES | 483,118 | 480,448 | 1% | 498,985 | -3% |
| Non-Interest Expenses | | | | | |
| Compensation, commissions and benefits | 342,492 | 341,370 | 0% | 348,909 | -2% |
| Communications and information processing | 22,059 | 21,354 | 3% | 21,199 | 4% |
| Occupancy and equipment costs | 15,822 | 15,229 | 4% | 16,053 | -1% |
| Clearance and floor brokerage | 5,779 | 5,320 | 9% | 5,466 | 6% |
| Business development | 15,501 | 13,854 | 12% | 14,744 | 5% |
| Other | 23,336 | 16,414 | 42% | 27,809 | -16% |
| TOTAL NON-INTEREST EXPENSES | 424,989 | 413,541 | 3% | 434,180 | -2% |
| Income before provision for income taxes | 58,129 | 66,907 | -13% | 64,805 | -10% |
| Provision for income taxes | 23,432 | 23,839 | -2% | 25,562 | -8% |
| Net Income | \$ 34,697 | \$ 43,068 | -19% | \$ 39,243 | -12% |
| Net Income per share basic | \$ 0.47 | \$ 0.59 | -20% | \$ 0.53 | -11% |
| Net Income per share diluted | \$ 0.46 | \$ 0.58 | -21% | \$ 0.52 | -12% |
| Weighted average common shares outstanding-basic | 74,874 | 73,352 | | 74,002 | |
| Weighted average common and common equivalent shares outstanding-diluted | 76,305 | 74,395 | | 75,334 | |

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RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS
(UNAUDITED)

Year-to-Date

(in thousands, except per share amounts)

Six Months Ended

| | March 24, 2005 | March 26, 2004 | % Change |
|---|---------------------------|---------------------------|---------------------|
| Revenues: | | | |
| Securities commissions and fees | \$ 698,842 | \$ 655,330 | 7% |
| Investment banking | 56,499 | 51,791 | 9% |
| Investment advisory fees | 76,558 | 66,418 | 15% |
| Interest | 111,808 | 62,731 | 78% |
| Net trading profits | 17,590 | 11,291 | 56% |
| Financial service fees | 44,158 | 40,273 | 10% |
| Other | 31,249 | 28,199 | 11% |
| TOTAL REVENUES | 1,036,704 | 916,033 | 13% |
| Interest Expense | 54,601 | 21,598 | 153% |
| NET REVENUES | 982,103 | 894,435 | 10% |
| Non-Interest Expenses | | | |
| Compensation, commissions and benefits | 691,401 | 642,030 | 8% |
| Communications and information processing | 43,258 | 40,550 | 7% |
| Occupancy and equipment costs | 31,875 | 30,522 | 4% |
| Clearance and floor brokerage | 11,245 | 10,372 | 8% |
| Business development | 30,245 | 26,797 | 13% |
| Other | 51,145 | 38,302 | 34% |
| TOTAL NON-INTEREST EXPENSES | 859,169 | 788,573 | 9% |
| Income before provision for income taxes | 122,934 | 105,862 | 16% |
| Provision for income taxes | 48,994 | 38,564 | 27% |
| Net Income | \$ 73,940 | \$ 67,298 | 10% |
| Net Income per share basic | \$ 1.00 | \$ 0.92 | 9% |
| Net Income per share diluted | \$ 0.98 | \$ 0.91 | 8% |
| Weighted average common shares outstanding-basic | 74,239 | 73,117 | |
| Weighted average common and common equivalent shares outstanding-diluted | 75,622 | 74,254 | |

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For additional information, contact Tracey Bustamante at 727-567-2824.

Please visit the Raymond James Press Center at raymondjames.com/media.htm.