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

FORM 10-Q

(Mark one)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended December 31, 2021

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: **1-9109**

RAYMOND JAMES FINANCIAL, INC.

(Exact name of registrant as specified in its charter)

Florida	**59-1517485**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

880 Carillon Parkway, St. Petersburg, Florida 33716

(Address of principal executive offices) (Zip Code)

(727) 567-1000

(Registrant's telephone number, including area code)

None

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Exchange Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $.01 par value	**RJF**	**New York Stock Exchange**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

207,602,043 shares of common stock as of February 3, 2022

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(Unaudited)

$ in millions, except per share amounts	**December 31, 2021**	September 30, 2021
Assets:		
Cash and cash equivalents	**$ 8,216**	$ 7,201
Assets segregated for regulatory purposes and restricted cash (**$9,599** and $2,100 at fair value)	**15,490**	11,348
Collateralized agreements	**347**	480
Financial instruments, at fair value:		
Trading assets (**$292** and $326 pledged as collateral)	**370**	610
Available-for-sale securities (**$19** and $20 pledged as collateral)	**8,547**	8,315
Derivative assets	**214**	255
Other investments (**$22** and $22 pledged as collateral)	**711**	357
Brokerage client receivables, net	**2,721**	2,831
Other receivables, net	**1,038**	999
Bank loans, net	**26,132**	24,994
Loans to financial advisors, net	**1,108**	1,057
Deferred income taxes, net	**305**	305
Goodwill and identifiable intangible assets, net	**874**	882
Other assets	**2,388**	2,257
Total assets	**$ 68,461**	$ 61,891
Liabilities and shareholders' equity:		
Bank deposits	**$ 34,092**	$ 32,495
Collateralized financings	**268**	277
Financial instrument liabilities, at fair value:		
Trading liabilities	**171**	176
Derivative liabilities	**232**	228
Brokerage client payables	**19,201**	13,991
Accrued compensation, commissions and benefits	**1,428**	1,825
Other payables	**1,524**	1,701
Other borrowings	**856**	858
Senior notes payable	**2,037**	2,037
Total liabilities	**59,809**	53,588
Commitments and contingencies (see Note 15)		
Shareholders' equity		
Preferred stock; $.10 par value; 10,000,000 shares authorized; -0- shares issued and outstanding	**—**	—
Common stock; $.01 par value; 350,000,000 shares authorized; **239,160,005** and 239,062,254 shares issued as of December 31, 2021 and September 30, 2021, respectively, and **207,465,632** and 205,738,821 shares outstanding as of December 31, 2021 and September 30, 2021, respectively	**2**	2
Additional paid-in capital	**2,055**	2,088
Retained earnings	**8,003**	7,633
Treasury stock, at cost; **31,694,373** and 33,323,433 common shares as of December 31, 2021 and September 30, 2021, respectively	**(1,373)**	(1,437)
Accumulated other comprehensive loss	**(87)**	(41)
Total equity attributable to Raymond James Financial, Inc.	**8,600**	8,245
Noncontrolling interests	**52**	58
Total shareholders' equity	**8,652**	8,303
Total liabilities and shareholders' equity	**$ 68,461**	$ 61,891

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited).

RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(Unaudited)

in millions, except per share amounts	Three months ended December 31, 2021	2020
Revenues:		
Asset management and related administrative fees	**$ 1,382**	$ 1,067
Brokerage revenues:		
Securities commissions	**425**	381
Principal transactions	**133**	147
Total brokerage revenues	**558**	528
Account and service fees	**177**	145
Investment banking	**425**	261
Interest income	**225**	203
Other	**51**	56
Total revenues	**2,818**	2,260
Interest expense	**(37)**	(38)
Net revenues	**2,781**	2,222
Non-interest expenses:		
Compensation, commissions and benefits	**1,884**	1,500
Non-compensation expenses:		
Communications and information processing	**112**	99
Occupancy and equipment	**59**	57
Business development	**35**	23
Investment sub-advisory fees	**38**	28
Professional fees	**26**	30
Bank loan provision/(benefit) for credit losses	**(11)**	14
Acquisition-related expenses	**6**	2
Other	**74**	70
Total non-compensation expenses	**339**	323
Total non-interest expenses	**2,223**	1,823
Pre-tax income	**558**	399
Provision for income taxes	**112**	87
Net income	**$ 446**	$ 312
Earnings per common share – basic	**$ 2.16**	$ 1.52
Earnings per common share – diluted	**$ 2.10**	$ 1.48
Weighted-average common shares outstanding – basic	**206.3**	205.2
Weighted-average common and common equivalent shares outstanding – diluted	**212.4**	209.6
Net income	**$ 446**	$ 312
Other comprehensive income/(loss), net of tax:		
Available-for-sale securities	**(55)**	(17)
Currency translations, net of the impact of net investment hedges	**—**	18
Cash flow hedges	**9**	5
Total other comprehensive income/(loss), net of tax	**(46)**	6
Total comprehensive income	**$ 400**	$ 318

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited).

RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)

	Three months ended December 31,	
$ in millions, except per share amounts	**2021**	2020
Common stock, par value $.01 per share:		
Balance beginning of period	**$ 2**	$ 2
Share issuances	**—**	—
Balance end of period	**2**	2
Additional paid-in capital:		
Balance beginning of period	**2,088**	2,007
Employee stock purchases	**8**	6
Vesting of restricted stock units and exercise of stock options, net of forfeitures	**(105)**	(59)
Restricted stock unit and stock option expense	**64**	42
Balance end of period	**2,055**	1,996
Retained earnings:		
Balance beginning of period	**7,633**	6,484
Cumulative adjustments for changes in accounting principles	**—**	(35)
Net income attributable to Raymond James Financial, Inc.	**446**	312
Cash dividends declared (see Note 21)	**(76)**	(59)
Balance end of period	**8,003**	6,702
Treasury stock:		
Balance beginning of period	**(1,437)**	(1,390)
Purchases/surrenders	**(10)**	(18)
Vesting of restricted stock units and exercise of stock options, net of forfeitures	**74**	54
Balance end of period	**(1,373)**	(1,354)
Accumulated other comprehensive income/(loss):		
Balance beginning of period	**(41)**	11
Other comprehensive income/(loss), net of tax	**(46)**	6
Balance end of period	**(87)**	17
Total equity attributable to Raymond James Financial, Inc.	**$ 8,600**	$ 7,363
Noncontrolling interests:		
Balance beginning of period	**$ 58**	$ 62
Net income attributable to noncontrolling interests	**2**	13
Other	**(8)**	—
Balance end of period	**52**	75
Total shareholders' equity	**$ 8,652**	$ 7,438

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited).

RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

$ in millions	Three months ended December 31, 2021	2020
Cash flows from operating activities:		
Net income	**$ 446**	$ 312
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**35**	32
Deferred income taxes	**14**	18
Premium and discount amortization on available-for-sale securities and net (gain)/loss on other investments	**14**	(1)
Provisions/(benefits) for credit losses and legal and regulatory proceedings	**(8)**	16
Share-based compensation expense	**65**	43
Unrealized gain on company-owned life insurance policies, net of expenses	**(38)**	(83)
Other	**(1)**	22
Net change in:		
Assets segregated for regulatory purposes excluding cash and cash equivalents	**(7,499)**	(2,749)
Collateralized agreements, net of collateralized financings	**125**	(62)
Loans provided to financial advisors, net of repayments	**(56)**	5
Brokerage client receivables and other receivables, net	**197**	254
Trading instruments, net	**209**	22
Derivative instruments, net	**58**	(9)
Other assets	**(431)**	(530)
Brokerage client payables and other payables	**5,021**	4,970
Accrued compensation, commissions and benefits	**(395)**	(253)
Purchases and originations of loans held for sale, net of proceeds from sales of securitizations and loans held for sale	**(43)**	(86)
Net cash provided by/(used in) operating activities	**(2,287)**	1,921
Cash flows from investing activities:		
Increase in bank loans, net	**(1,137)**	(704)
Proceeds from sales of loans held for investment	**75**	16
Purchases of available-for-sale securities	**(824)**	(1,243)
Available-for-sale securities maturations, repayments and redemptions	**501**	544
Proceeds from sales of available-for-sale securities	**—**	519
Business acquisitions, net of cash acquired	**—**	(218)
Additions to property and equipment	**(19)**	(25)
Investment in note receivable	**(125)**	—
Other investing activities, net	**(26)**	(12)
Net cash used in investing activities	**(1,555)**	(1,123)

RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three months ended December 31,	
$ in millions	**2021**	2020
Cash flows from financing activities:		
Increase in bank deposits	**1,597**	989
Repurchases of common stock and share-based awards withheld for payment of withholding tax requirements	**(51)**	(35)
Dividends on common stock	**(60)**	(55)
Exercise of stock options and employee stock purchases	**17**	18
Repayments of Federal Home Loan Bank advances and other borrowed funds	**(1)**	(26)
Other financing, net	**(5)**	—
Net cash provided by financing activities	**1,497**	891
Currency adjustment:		
Effect of exchange rate changes on cash	**3**	73
Net increase/(decrease) in cash and cash equivalents, including those segregated for regulatory purposes and restricted cash	**(2,342)**	1,762
Cash and cash equivalents, including those segregated for regulatory purposes and restricted cash at beginning of year	**16,449**	9,634
Cash and cash equivalents, including those segregated for regulatory purposes and restricted cash at end of period	**$ 14,107**	$ 11,396
Cash and cash equivalents	**$ 8,216**	$ 5,377
Cash and cash equivalents segregated for regulatory purposes and restricted cash	**5,891**	6,019
Total cash and cash equivalents, including those segregated for regulatory purposes and restricted cash at end of period	**$ 14,107**	$ 11,396
Supplemental disclosures of cash flow information:		
Cash paid for interest	**$ 41**	$ 35
Cash paid for income taxes, net	**$ 12**	$ 67
Cash outflows for lease liabilities	**$ 25**	$ 27
Non-cash right-of-use assets recorded for new and modified leases	**$ 16**	$ 50

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited).

NOTE 1 – ORGANIZATION AND BASIS OF PRESENTATION

Organization

Raymond James Financial, Inc. ("RJF" or the "firm") is a financial holding company which, together with its subsidiaries, is engaged in various financial services activities, including providing investment management services to retail and institutional clients, merger & acquisition and advisory services, the underwriting, distribution, trading and brokerage of equity and debt securities, and the sale of mutual funds and other investment products. The firm also provides corporate and retail banking services, and trust services. For further information about our business segments, see Note 22 of this Form 10-Q. As used herein, the terms "our," "we," or "us" refer to RJF and/or one or more of its subsidiaries.

Basis of presentation

The accompanying unaudited condensed consolidated financial statements include the accounts of RJF and its consolidated subsidiaries that are generally controlled through a majority voting interest. We consolidate all of our 100%-owned subsidiaries. In addition, we consolidate any variable interest entity ("VIE") in which we are the primary beneficiary. Additional information on these VIEs is provided in Note 2 of our Annual Report on Form 10-K ("2021 Form 10-K") for the year ended September 30, 2021, as filed with the United States ("U.S.") Securities and Exchange Commission ("SEC") and in Note 10 of this Form 10-Q. When we do not have a controlling interest in an entity, but we exert significant influence over the entity, we apply the equity method of accounting. All material intercompany balances and transactions have been eliminated in consolidation.

During our fiscal fourth quarter of 2021, our Board approved a three-for-two stock split, effected in the form of a 50% stock dividend, paid on September 21, 2021. All share and per share information has been retroactively adjusted to reflect this stock split.

Accounting estimates and assumptions

Certain financial information that is normally included in annual financial statements prepared in accordance with U.S. generally accepted accounting principles ("GAAP") but is not required for interim reporting purposes has been condensed or omitted. These unaudited condensed consolidated financial statements reflect, in the opinion of management, all adjustments necessary for a fair presentation of our consolidated financial position and results of operations for the periods presented.

The nature of our business is such that the results of any interim period are not necessarily indicative of results for a full year. These unaudited condensed consolidated financial statements should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and the Consolidated Financial Statements and Notes thereto included in our 2021 Form 10-K. To prepare condensed consolidated financial statements in accordance with GAAP, we must make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements, and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from those estimates and could have a material impact on the condensed consolidated financial statements.

Reclassifications

Certain prior-period amounts have been reclassified to conform to the current period's presentation.

NOTE 2 – UPDATE OF SIGNIFICANT ACCOUNTING POLICIES

A summary of our significant accounting policies is included in Note 2 of our 2021 Form 10-K. There have been no significant changes in our significant accounting policies since September 30, 2021.

NOTE 3 – ACQUISITIONS

Recent acquisition activities

Charles Stanley

On January 21, 2022, we completed our acquisition of all of the outstanding share capital of United Kingdom ("U.K.")-based Charles Stanley Group PLC ("Charles Stanley") at a price of £5.15 per share, or £274 million ($372 million as of January 21, 2022). As of December 31, 2021, we had segregated $385 million in cash to fund the acquisition on the closing date, which was included in "Assets segregated for regulatory purposes and restricted cash" on our Condensed Consolidated Statements of Financial Condition. The acquisition enables us to accelerate our financial planning, investment advisory and securities transaction services growth in the U.K. and, through Charles Stanley's multiple affiliation options, gives us the ability to offer wealth management affiliation choices to financial advisors in the U.K. consistent with our Private Client Group ("PCG") model in the U.S. and Canada. For purposes of certain acquisition-related financial reporting requirements, the Charles Stanley acquisition is not considered a material acquisition. Charles Stanley will be integrated into our PCG segment and its results of operations will be included in our results prospectively from the closing date of January 21, 2022.

TriState Capital

On October 20, 2021, we announced we had entered into a definitive agreement to acquire TriState Capital Holdings, Inc. ("TriState Capital") in a combination cash and stock transaction, valued at approximately $1.1 billion. Under the terms of the agreement, TriState Capital common stockholders will receive $6.00 cash and 0.25 RJF shares for each share of TriState Capital common stock, which represents per share consideration of $31.09 based on the closing price of RJF common stock on October 19, 2021. We have entered into an agreement with the sole holder of the TriState Capital Series C Perpetual Non-Cumulative Convertible Non-Voting Preferred Stock ("Series C Convertible Preferred Stock") pursuant to which the Series C Convertible Preferred Stock will be converted to common shares at the prescribed exchange ratio and cashed out at $30 per share. The TriState Capital Series A Non-Cumulative Perpetual Preferred Stock ("Series A Preferred Stock") and Series B Non-Cumulative Perpetual Preferred Stock ("Series B Preferred Stock") will remain outstanding and will be converted into equivalent preferred stock of RJF. The transaction, which is subject to customary closing conditions, including regulatory approvals and approval by TriState Capital shareholders, is expected to close later in fiscal 2022. We currently have the ability to utilize our cash on hand to fund the cash component of the acquisition. TriState Capital offers private banking, commercial banking, and investment management products and services. TriState Capital will continue to operate as a separately branded firm and as an independently-charted bank subsidiary upon closing of the acquisition.

On December 15, 2021, we loaned TriState Capital $125 million under an unsecured fixed-to-floating rate note (the "Note"). The Note matures on December 15, 2024 and bears interest at a fixed annual rate of 2.25% for the first year, and at a floating annual rate thereafter until maturity. The floating rate resets quarterly to a rate equal to the then current three-month Secured Overnight Financing Rate ("SOFR") plus 2.11%. The Note is not redeemable prior to December 15, 2022. On and after December 15, 2022, the Note is redeemable on any interest payment date at 100% of the principal amount thereof, plus accrued and unpaid interest to the redemption date. As of December 31, 2021, the outstanding Note balance of $125 million and the related accrued interest was included in "Other receivables, net" on our Condensed Consolidated Statements of Financial Condition.

Acquisition-related expenses

Certain acquisition and integration costs associated with these acquisitions and acquisitions completed in our prior fiscal year were included in "Acquisition-related expenses" on our Condensed Consolidated Statements of Income and Comprehensive Income. Such costs primarily included legal and other professional fees and amortization expense related to identifiable intangible assets with short useful lives associated with our fiscal 2021 acquisitions of Financo LLC ("Financo") and Cebile Capital ("Cebile"). The following table details our acquisition-related expenses.

	Three months ended December 31,	
$ in millions	2021	2020
Acquisition-related expenses:		
Legal fees	**$ 2**	$ 1
Identifiable intangible asset amortization	**4**	—
Other professional fees	**—**	1
Total Acquisition-related expenses	**$ 6**	$ 2

NOTE 4 – FAIR VALUE

Our "Financial instruments" and "Financial instrument liabilities" on our Condensed Consolidated Statements of Financial Condition are recorded at fair value. For further information about such instruments and our significant accounting policies related to fair value, see Notes 2 and 4 of our 2021 Form 10-K. The following tables present assets and liabilities measured at fair value on a recurring basis. Netting adjustments represent the impact of counterparty and collateral netting on our derivative balances included on our Condensed Consolidated Statements of Financial Condition. See Note 6 for additional information.

$ in millions	Level 1	Level 2	Level 3	Netting adjustments	Balance as of December 31, 2021
Assets at fair value on a recurring basis:					
Assets segregated for regulatory purposes (1)	$ 9,599	$ —	$ —	$ —	$ 9,599
Trading assets:					
Municipal and provincial obligations	—	91	—	—	91
Corporate obligations	11	40	—	—	51
Government and agency obligations	23	71	—	—	94
Agency mortgage-backed securities ("MBS"), collateralized mortgage obligations ("CMOs") and asset-backed securities ("ABS")	—	89	—	—	89
Non-agency CMOs and ABS	—	27	—	—	27
Total debt securities	34	318	—	—	352
Equity securities	10	1	—	—	11
Brokered certificates of deposit	—	5	—	—	5
Other	—	—	2	—	2
Total trading assets	44	324	2	—	370
Available-for-sale securities (2)	15	8,532	—	—	8,547
Derivative assets:					
Interest rate - matched book	—	171	—	—	171
Interest rate - other	3	111	—	(72)	42
Other	—	—	1	—	1
Total derivative assets	3	282	1	(72)	214
Other investments - private equity - not measured at net asset value ("NAV")	—	—	75	—	75
All other investments:					
Government and agency obligations (3)	436	—	—	—	436
Other	93	2	23	—	118
Total all other investments	529	2	23	—	554
Subtotal	10,190	9,140	101	(72)	19,359
Other investments - private equity - measured at NAV					82
Total assets at fair value on a recurring basis	$ 10,190	$ 9,140	$ 101	$ (72)	$ 19,441
Liabilities at fair value on a recurring basis:					
Trading liabilities:					
Corporate obligations	$ —	$ 11	$ —	$ —	$ 11
Government and agency obligations	128	—	—	—	128
Total debt securities	128	11	—	—	139
Equity securities	32	—	—	—	32
Total trading liabilities	160	11	—	—	171
Derivative liabilities:					
Interest rate - matched book	—	171	—	—	171
Interest rate - other	2	101	—	(74)	29
Foreign exchange	—	32	—	—	32
Total derivative liabilities	2	304	—	(74)	232
Total liabilities at fair value on a recurring basis	$ 162	$ 315	$ —	$ (74)	$ 403

$ in millions	Level 1	Level 2	Level 3	Netting adjustments	Balance as of September 30, 2021
Assets at fair value on a recurring basis:					
Assets segregated for regulatory purposes [1]	$ 2,100	$ —	$ —	$ —	$ 2,100
Trading assets:					
Municipal and provincial obligations	—	155	—	—	155
Corporate obligations	16	63	—	—	79
Government and agency obligations	15	94	—	—	109
Agency MBS, CMOs and ABS	—	211	—	—	211
Non-agency CMOs and ABS	—	14	—	—	14
Total debt securities	31	537	—	—	568
Equity securities	8	4	—	—	12
Brokered certificates of deposit	—	16	—	—	16
Other	—	—	14	—	14
Total trading assets	39	557	14	—	610
Available-for-sale securities [2]	15	8,300	—	—	8,315
Derivative assets:					
Interest rate - matched book	—	193	—	—	193
Interest rate - other	16	128	—	(87)	57
Foreign exchange	—	5	—	—	5
Total derivative assets	16	326	—	(87)	255
Other investments - private equity - not measured at NAV	—	—	75	—	75
All other investments:					
Government and agency obligations [3]	86	—	—	—	86
Other	77	2	23	—	102
Total all other investments	163	2	23	—	188
Subtotal	2,333	9,185	112	(87)	11,543
Other investments - private equity - measured at NAV					94
Total assets at fair value on a recurring basis	$ 2,333	$ 9,185	$ 112	$ (87)	$ 11,637
Liabilities at fair value on a recurring basis:					
Trading liabilities:					
Municipal and provincial obligations	$ 2	$ —	$ —	$ —	$ 2
Corporate obligations	—	6	—	—	6
Government and agency obligations	137	—	—	—	137
Total debt securities	139	6	—	—	145
Equity securities	28	3	—	—	31
Total trading liabilities	167	9	—	—	176
Derivative liabilities:					
Interest rate - matched book	—	193	—	—	193
Interest rate - other	16	106	—	(88)	34
Other	—	—	1	—	1
Total derivative liabilities	16	299	1	(88)	228
Total liabilities at fair value on a recurring basis	$ 183	$ 308	$ 1	$ (88)	$ 404

(1) These assets consist of U.S. Treasury securities (“U.S. Treasuries”) with maturities greater than 3 months as of our date of purchase.
(2) Substantially all of our available-for-sale securities consist of agency MBS and agency CMOs. See Note 5 for further information.
(3) These assets are comprised of U.S. Treasuries primarily purchased to meet certain deposit requirements with clearing organizations or to meet future broker-dealer customer reserve requirements.

Level 3 recurring fair value measurements

The following tables present the changes in fair value for Level 3 assets and liabilities measured at fair value on a recurring basis. The realized and unrealized gains and losses in the tables may include changes in fair value that were attributable to both observable and unobservable inputs. In the following tables, gains/(losses) on trading instruments are reported in "Principal transactions" and gains/(losses) on other investments are reported in "Other" revenues on our Condensed Consolidated Statements of Income and Comprehensive Income.

Three months ended December 31, 2021
Level 3 instruments at fair value

	Financial assets				Financial liabilities
	Trading assets	Derivative assets	Other investments		Derivative liabilities
$ in millions	Other	Other	Private equity investments	All other	Other
Fair value beginning of period	$ 14	$ —	$ 75	$ 23	$ (1)
Total gains included in earnings	2	1	—	—	1
Purchases and contributions	25	—	—	—	—
Sales and distributions	(39)	—	—	—	—
Transfers:					
Into Level 3	—	—	—	—	—
Out of Level 3	—	—	—	—	—
Fair value end of period	$ 2	$ 1	$ 75	$ 23	$ —
Unrealized gains/(losses) for the period included in earnings for instruments held at the end of the reporting period	$ (1)	$ 2	$ —	$ —	$ —

Three months ended December 31, 2020
Level 3 instruments at fair value

	Financial assets			Financial liabilities
	Trading assets	Other investments		Derivative liabilities
$ in millions	Other	Private equity investments	All other	Other
Fair value beginning of period	$ 12	$ 37	$ 22	$ (5)
Total gains/(losses) included in earnings	2	15	—	4
Purchases and contributions	6	—	—	—
Sales and distributions	(17)	—	—	—
Transfers:				
Into Level 3	—	—	—	—
Out of Level 3	—	—	—	—
Fair value end of period	$ 3	$ 52	$ 22	$ (1)
Unrealized gains/(losses) for the period included in earnings for instruments held at the end of the reporting period	$ 3	$ 15	$ —	$ 3

As of December 31, 2021, 28% of our assets and less than 1% of our liabilities were measured at fair value on a recurring basis. In comparison, as of September 30, 2021, 19% of our assets and less than 1% of our liabilities were measured at fair value on a recurring basis. The increase in assets measured at fair value on a recurring basis as a percentage of total assets was primarily due to a significant increase in assets segregated for regulatory purposes, driven by a significant increase in client cash balances. As of both December 31, 2021 and September 30, 2021, Level 3 assets represented less than 1% of our assets measured at fair value on a recurring basis.

Quantitative information about level 3 fair value measurements

The following table presents the valuation techniques and significant unobservable inputs used in the valuation of certain of our private equity investments classified as level 3. These inputs represent those that a market participant would take into account when pricing these instruments. Weighted averages are calculated by weighting each input by the relative fair value of the related financial instrument. Certain investments are valued initially at transaction price and updated as other investment-specific events take place which indicate that a change in the carrying values of these investments is appropriate. Other investment-specific events include such events as our periodic review, significant transactions occur or new developments become known.

Recurring measurements *$ in millions*	**Fair value at December 31, 2021**	**Valuation technique(s)**	**Unobservable input**	**Range (weighted-average)**
Other investments - private equity investments (not measured at NAV)	**$ 75**	Discounted cash flow, transaction price or other investment-specific events	Discount rate	**25%**
			Terminal earnings before interest, taxes, depreciation and amortization (“EBITDA”) multiple	**10.0x**
			Terminal year	**2023 - 2035 (2024)**
	Fair value at September 30, 2021			
Other investments - private equity investments (not measured at NAV)	$ 75	Discounted cash flow, transaction price or other investment-specific events	Discount rate	25%
			Terminal EBITDA multiple	10.0x
			Terminal year	2023 - 2035 (2024)

Qualitative information about unobservable inputs

The significant unobservable inputs used in the fair value measurement of private equity investments generally relate to the financial performance of the investment entity and the market’s required return on investments from entities in industries in which we hold investments. Increases in the discount rate would have resulted in a lower fair value measurement. Increases in the terminal EBITDA multiple would have resulted in a higher fair value measurement. Increases in the terminal year are dependent upon each investment’s strategy, but generally result in a lower fair value measurement.

Investments in private equity measured at net asset value per share

As more fully described in Note 2 of our 2021 Form 10-K, as a practical expedient, we utilize NAV or its equivalent to determine the recorded value of a portion of our private equity investments portfolio. We utilize NAV when the fund investment does not have a readily determinable fair value and the NAV of the fund is calculated in a manner consistent with the measurement principles of investment company accounting, including measurement of the investments at fair value.

Our private equity portfolio as of December 31, 2021 included various direct investments, as well as investments in third-party private equity funds. The portfolio is primarily invested in a broad range of strategies including leveraged buyouts, growth capital, distressed capital, venture capital and mezzanine capital. Due to the closed-end nature of certain of our fund investments, such investments cannot be redeemed directly with the funds. Our investment is monetized by distributions received through the liquidation of the underlying assets of those funds, the timing of which is uncertain.

The following table presents the recorded value and unfunded commitments related to our private equity investments portfolio.

$ in millions	Recorded value	Unfunded commitment
December 31, 2021		
Private equity investments measured at NAV	**$ 82**	**$ 8**
Private equity investments not measured at NAV	**75**	
Total private equity investments	**$ 157**	
September 30, 2021		
Private equity investments measured at NAV	$ 94	$ 8
Private equity investments not measured at NAV	75	
Total private equity investments	$ 169	

Of the total private equity investments, the portions we owned were $115 million and $120 million as of December 31, 2021 and September 30, 2021, respectively. The portions of the private equity investments we did not own were $42 million and $49 million as of December 31, 2021 and September 30, 2021, respectively, and were included as a component of noncontrolling interests on our Condensed Consolidated Statements of Financial Condition.

As a financial holding company, we are subject to holding period limitations for our merchant banking activities. Additionally, many of our private equity fund investments meet the definition of prohibited covered funds as defined by the Volcker Rule enacted pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act"). We have received approval from the Board of Governors of the Federal Reserve System ("the Fed") to continue to hold the majority of our covered fund investments until July 2022. As a result of our holding period limitations, we have continued to exit or restructure certain of our private equity investments and will continue to do so during the remainder of fiscal 2022 in accordance with our regulatory deadlines.

Financial instruments measured at fair value on a nonrecurring basis

The following table presents assets measured at fair value on a nonrecurring basis along with the valuation techniques and significant unobservable inputs used in the valuation of the assets classified as level 3. These inputs represent those that a market participant would take into account when pricing these instruments. Weighted averages are calculated by weighting each input by the relative fair value of the related financial instrument.

$ in millions	Level 2	Level 3	Total fair value	Valuation technique(s)	Unobservable input	Range (weighted-average)
December 31, 2021						
Bank loans:						
Residential mortgage loans	**$ 3**	**$ 10**	**$ 13**	Collateral or discounted cash flow (1)	Prepayment rate	**7 yrs. - 12 yrs. (10.5 yrs.)**
Corporate loans	**$ —**	**$ 41**	**$ 41**	Collateral or discounted cash flow (1)	Not meaningful (1)	**Not meaningful (1)**
Loans held for sale	**$ 161**	**$ —**	**$ 161**	N/A	N/A	**N/A**
September 30, 2021						
Bank loans:						
Residential mortgage loans	$ 3	$ 11	$ 14	Collateral or discounted cash flow (1)	Prepayment rate	7 yrs. - 12 yrs. (10.5 yrs.)
Corporate loans	$ —	$ 49	$ 49	Collateral or discounted cash flow (1)	Not meaningful (1)	Not meaningful (1)
Loans held for sale	$ 29	$ —	$ 29	N/A	N/A	N/A

(1) The valuation techniques used to estimate the fair values are based on collateral value less selling costs for the collateral-dependent loans and discounted cash flows for loans that are not collateral-dependent.

Financial instruments not recorded at fair value

Many, but not all, of the financial instruments we hold were recorded at fair value on the Condensed Consolidated Statements of Financial Condition. The following table presents the estimated fair value and fair value hierarchy of financial assets and liabilities that are not recorded at fair value on the Condensed Consolidated Statements of Financial Condition at December 31, 2021 and September 30, 2021. This table excludes financial instruments that are carried at amounts which approximate fair value. Refer to Note 4 of our 2021 Form 10-K for a discussion of the fair value hierarchy classifications of our financial instruments that are not recorded at fair value.

$ in millions	Level 2	Level 3	Total estimated fair value	Carrying amount
December 31, 2021				
Financial assets:				
Bank loans, net	**$ 69**	**$ 25,840**	**$ 25,909**	**$ 25,917**
Financial liabilities:				
Bank deposits - certificates of deposit	**$ —**	**$ 802**	**$ 802**	**$ 789**
Senior notes payable	**$ 2,434**	**$ —**	**$ 2,434**	**$ 2,037**
September 30, 2021				
Financial assets:				
Bank loans, net	$ 116	$ 24,839	$ 24,955	$ 24,902
Financial liabilities:				
Bank deposits - certificates of deposit	$ —	$ 898	$ 898	$ 878
Senior notes payable	$ 2,459	$ —	$ 2,459	$ 2,037

NOTE 5 – AVAILABLE-FOR-SALE SECURITIES

Available-for-sale securities are primarily comprised of agency MBS and agency CMOs owned by Raymond James Bank. Refer to Note 2 of our 2021 Form 10-K for a discussion of our accounting policies applicable to our available-for-sale securities.

The following table details the amortized costs and fair values of our available-for-sale securities.

$ in millions	Cost basis	Gross unrealized gains	Gross unrealized losses	Fair value
December 31, 2021				
Agency residential MBS	**$ 5,537**	**$ 32**	**$ (49)**	**$ 5,520**
Agency commercial MBS	**1,324**	**4**	**(37)**	**1,291**
Agency CMOs	**1,750**	**4**	**(33)**	**1,721**
Other securities	**15**	**—**	**—**	**15**
Total available-for-sale securities	**$ 8,626**	**$ 40**	**$ (119)**	**$ 8,547**
September 30, 2021				
Agency residential MBS	$ 5,168	$ 46	$ (25)	$ 5,189
Agency commercial MBS	1,285	7	(28)	1,264
Agency CMOs	1,854	9	(16)	1,847
Other securities	15	—	—	15
Total available-for-sale securities	$ 8,322	$ 62	$ (69)	$ 8,315

The amortized costs and fair values in the preceding table exclude $14 million of accrued interest on available-for-sale securities as of both December 31, 2021 and September 30, 2021, which was included in “Other receivables, net” on our Condensed Consolidated Statements of Financial Condition.

See Note 4 for additional information regarding the fair value of available-for-sale securities.

The following table details the contractual maturities, amortized costs, carrying values and current yields for our available-for-sale securities. Since our MBS and CMO available-for-sale securities are backed by mortgages, actual maturities may differ from contractual maturities because borrowers may have the right to prepay obligations without prepayment penalties. As a result, as of December 31, 2021, the weighted-average life of our available-for-sale securities portfolio was approximately four years.

	December 31, 2021				
$ in millions	Within one year	After one but within five years	After five but within ten years	After ten years	Total
Agency residential MBS					
Amortized cost	$ —	$ 117	$ 2,764	$ 2,656	$ 5,537
Carrying value	$ —	$ 121	$ 2,761	$ 2,638	$ 5,520
Agency commercial MBS					
Amortized cost	$ 33	$ 315	$ 892	$ 84	$ 1,324
Carrying value	$ 33	$ 313	$ 862	$ 83	$ 1,291
Agency CMOs					
Amortized cost	$ —	$ 6	$ 23	$ 1,721	$ 1,750
Carrying value	$ —	$ 6	$ 23	$ 1,692	$ 1,721
Other securities					
Amortized cost	$ —	$ 10	$ 5	$ —	$ 15
Carrying value	$ —	$ 11	$ 4	$ —	$ 15
Total available-for-sale securities					
Amortized cost	$ 33	$ 448	$ 3,684	$ 4,461	$ 8,626
Carrying value	$ 33	$ 451	$ 3,650	$ 4,413	$ 8,547
Weighted-average yield	2.08 %	1.67 %	1.11 %	1.08 %	1.13 %

The following table details the gross unrealized losses and fair values of securities that were in a loss position at the reporting period end, aggregated by investment category and length of time the individual securities have been in a continuous unrealized loss position.

	Less than 12 months		12 months or more		Total	
$ in millions	Estimated fair value	Unrealized losses	Estimated fair value	Unrealized losses	Estimated fair value	Unrealized losses
December 31, 2021						
Agency residential MBS	$ 3,976	$ (40)	$ 367	$ (9)	$ 4,343	$ (49)
Agency commercial MBS	479	(11)	570	(26)	1,049	(37)
Agency CMOs	1,104	(22)	372	(11)	1,476	(33)
Other securities	4	—	—	—	4	—
Total	$ 5,563	$ (73)	$ 1,309	$ (46)	$ 6,872	$ (119)
September 30, 2021						
Agency residential MBS	$ 3,155	$ (25)	$ 18	$ —	$ 3,173	$ (25)
Agency commercial MBS	645	(13)	353	(15)	998	(28)
Agency CMOs	918	(12)	231	(4)	1,149	(16)
Other securities	3	—	—	—	3	—
Total	$ 4,721	$ (50)	$ 602	$ (19)	$ 5,323	$ (69)

The contractual cash flows of our available-for-sale securities are guaranteed by the U.S. government or its agencies. At December 31, 2021, of the 392 available-for-sale securities in an unrealized loss position, 315 were in a continuous unrealized loss position for less than 12 months and 77 securities were in a continuous unrealized loss position for greater than 12 months. We do not consider unrealized losses associated with these securities to be credit losses due to the guarantee of the full payment of principal and interest, and the fact that we have the ability and intent to hold these securities. In addition, unrealized losses related to these available-for-sale securities are generally due to changes in market interest rates. At December 31, 2021, based on our assessment of this portfolio, we did not recognize an allowance for credit losses on our available-for-sale securities. At December 31, 2021, debt securities we held in excess of ten percent of our equity included those issued by the Federal National Home Mortgage Association and Federal Home Loan Mortgage Corporation with amortized costs of $5.47 billion and $2.93 billion, respectively, which also approximated the fair values of the securities.

During the three months ended December 31, 2021, there were no sales of available-for-sale securities. During the three months ended December 31, 2020, we received proceeds of $519 million, resulting in an insignificant gain, from the sales of agency MBS and agency CMO available-for-sale securities. The gain that resulted from the sales was included in "Other" revenues on our Condensed Consolidated Statements of Income and Comprehensive Income.

NOTE 6 – DERIVATIVE ASSETS AND DERIVATIVE LIABILITIES

Our derivative assets and derivative liabilities are recorded at fair value and are included in "Derivative assets" and "Derivative liabilities" on our Condensed Consolidated Statements of Financial Condition. Cash flows related to our derivatives are included within operating activities on the Condensed Consolidated Statements of Cash Flows. The significant accounting policies governing our derivatives, including our methodologies for determining fair value, are described in Note 2 of our 2021 Form 10-K.

Derivative balances included on our financial statements

The following table presents the gross fair values and notional amounts of derivatives by product type, the amounts of counterparty and cash collateral netting on our Condensed Consolidated Statements of Financial Condition, as well as collateral posted and received under credit support agreements that do not meet the criteria for netting under GAAP.

	December 31, 2021			September 30, 2021		
$ in millions	**Derivative assets**	**Derivative liabilities**	**Notional amount**	Derivative assets	Derivative liabilities	Notional amount
Derivatives not designated as hedging instruments						
Interest rate - matched book	**$ 171**	**$ 171**	**$ 1,559**	$ 193	$ 193	$ 1,736
Interest rate - other (1)	**114**	**103**	**12,356**	144	122	15,087
Foreign exchange	**—**	**14**	**867**	3	—	826
Other	**1**	**—**	**570**	—	1	551
Subtotal	**286**	**288**	**15,352**	340	316	18,200
Derivatives designated as hedging instruments						
Interest rate	**—**	**—**	**850**	—	—	850
Foreign exchange	**—**	**18**	**936**	2	—	939
Subtotal	**—**	**18**	**1,786**	2	—	1,789
Total gross fair value/notional amount	**286**	**306**	**$ 17,138**	342	316	$ 19,989
Offset on the Condensed Consolidated Statements of Financial Condition						
Counterparty netting	**(38)**	**(38)**		(46)	(46)	
Cash collateral netting	**(34)**	**(36)**		(41)	(42)	
Total amounts offset	**(72)**	**(74)**		(87)	(88)	
Net amounts presented on the Condensed Consolidated Statements of Financial Condition	**214**	**232**		255	228	
Gross amounts not offset on the Condensed Consolidated Statements of Financial Condition						
Financial instruments (2)	**(181)**	**(171)**		(205)	(193)	
Total	**$ 33**	**$ 61**		$ 50	$ 35	

(1) Substantially all relates to interest rate derivatives entered into as part of our fixed income business operations, including to-be-announced security contracts ("TBAs") that are accounted for as derivatives.

(2) Although the matched book derivative arrangements do not meet the definition of a master netting arrangement as specified by GAAP, the agreement with the third-party intermediary includes terms that are similar to a master netting agreement. As a result, we present the matched book amounts net in the preceding table.

The following table details the gains/(losses) included in accumulated other comprehensive income/(loss) ("AOCI"), net of income taxes, on derivatives designated as hedging instruments. These gains/(losses) included any amounts reclassified from AOCI to net income during the period. See Note 16 for additional information.

	Three months ended December 31,	
$ in millions	**2021**	2020
Interest rate (cash flow hedges)	**$ 9**	$ 5
Foreign exchange (net investment hedges)	**(1)**	(29)
Total gains/(losses) in AOCI, net of taxes	**$ 8**	$ (24)

There were no components of derivative gains or losses excluded from the assessment of hedge effectiveness for each of the three months ended December 31, 2021 and 2020. We expect to reclassify $13 million of interest expense out of AOCI and into earnings within the next 12 months. The maximum length of time over which forecasted transactions are or will be hedged is 6 years.

The following table details the gains/(losses) on derivatives not designated as hedging instruments recognized on the Condensed Consolidated Statements of Income and Comprehensive Income.

		Three months ended December 31,	
$ in millions	**Location of gain/(loss)**	**2021**	2020
Interest rate	Principal transactions/other revenues	**$ 3**	$ 4
Foreign exchange	Other revenues	**$ (1)**	$ (26)
Other	Principal transactions	**$ 3**	$ 4

Risks associated with our derivatives and related risk mitigation

Credit risk

We are exposed to credit losses in the event of nonperformance by the counterparties to derivatives that are not cleared through a clearing organization. Where we are subject to credit exposure, we perform a credit evaluation of counterparties prior to entering into derivative transactions and we continue to monitor their credit standings on an ongoing basis. We may require initial margin or collateral from counterparties in the form of cash or other marketable securities to support certain of these obligations as established by the credit threshold specified by the agreement and/or as a result of monitoring the credit standing of the counterparties.

Our only exposure to credit risk on matched book derivatives is related to our uncollected derivative transaction fee revenues, which were insignificant as of both December 31, 2021 and September 30, 2021. We are not exposed to market risk on these derivatives due to the pass-through transaction structure described in Note 2 of our 2021 Form 10-K.

Interest rate and foreign exchange risk

We are exposed to interest rate risk related to certain of our interest rate derivatives. We are also exposed to foreign exchange risk related to our forward foreign exchange derivatives. On a daily basis, we monitor our risk exposure on our derivatives based on established limits with respect to a number of factors, including interest rate, foreign exchange spot and forward rates, spread, ratio, basis and volatility risks, both for the total portfolio and by maturity period.

Derivatives with credit-risk-related contingent features

Certain of our derivative contracts contain provisions that require our debt to maintain an investment-grade rating from one or more of the major credit rating agencies. If our debt were to fall below investment-grade, the counterparties to the derivative instruments could terminate the derivative and request immediate payment, or demand immediate and ongoing overnight collateralization on our derivative instruments in liability positions. The aggregate fair value of all derivative instruments with such credit-risk-related contingent features that were in a liability position was $14 million as of December 31, 2021 and was insignificant as of September 30, 2021.

NOTE 7 – COLLATERALIZED AGREEMENTS AND FINANCINGS

Collateralized agreements are comprised of securities purchased under agreements to resell ("reverse repurchase agreements") and securities borrowed. Collateralized financings are comprised of securities sold under agreements to repurchase ("repurchase agreements") and securities loaned. We enter into these transactions in order to facilitate client activities, acquire securities to cover short positions and finance certain firm activities. The significant accounting policies governing our collateralized agreements and financings are described in Note 2 of our 2021 Form 10-K.

Our reverse repurchase agreements, repurchase agreements, securities borrowing and securities lending transactions are governed by master agreements that are widely used by counterparties and that may allow for net settlements of payments in the normal course, as well as offsetting of all contracts with a given counterparty in the event of bankruptcy or default of one of the parties to the transaction. For financial statement purposes, we do not offset our reverse repurchase agreements, repurchase agreements, securities borrowed and securities loaned because the conditions for netting as specified by GAAP are not met. Although not offset on the Condensed Consolidated Statements of Financial Condition, these transactions are included in the following table.

	Collateralized agreements			Collateralized financings		
$ in millions	**Reverse repurchase agreements**	**Securities borrowed**	**Total**	**Repurchase agreements**	**Securities loaned**	**Total**
December 31, 2021						
Gross amounts of recognized assets/liabilities	**$ 204**	**$ 143**	**$ 347**	**$ 203**	**$ 65**	**$ 268**
Gross amounts offset on the Condensed Consolidated Statements of Financial Condition	**—**	**—**	**—**	**—**	**—**	**—**
Net amounts presented on the Condensed Consolidated Statements of Financial Condition	**204**	**143**	**347**	**203**	**65**	**268**
Gross amounts not offset on the Condensed Consolidated Statements of Financial Condition	**(204)**	**(139)**	**(343)**	**(203)**	**(62)**	**(265)**
Net amounts	**$ —**	**$ 4**	**$ 4**	**$ —**	**$ 3**	**$ 3**
September 30, 2021						
Gross amounts of recognized assets/liabilities	$ 279	$ 201	$ 480	$ 205	$ 72	$ 277
Gross amounts offset on the Condensed Consolidated Statements of Financial Condition	—	—	—	—	—	—
Net amounts presented on the Condensed Consolidated Statements of Financial Condition	279	201	480	205	72	277
Gross amounts not offset on the Condensed Consolidated Statements of Financial Condition	(279)	(195)	(474)	(205)	(68)	(273)
Net amounts	$ —	$ 6	$ 6	$ —	$ 4	$ 4

The total amount of collateral received under reverse repurchase agreements and the total amount of collateral posted under repurchase agreements exceeds the carrying value of these agreements on our Condensed Consolidated Statements of Financial Condition.

Collateral received and pledged

We receive cash and securities as collateral, primarily in connection with reverse repurchase agreements, securities borrowing agreements, derivative transactions and client margin loans. The collateral we receive reduces our credit exposure to individual counterparties.

In many cases, we are permitted to deliver or repledge financial instruments we have received as collateral to satisfy our collateral requirements under our repurchase agreements, securities lending agreements or other secured borrowings, to satisfy deposit requirements with clearing organizations, or to otherwise meet either our or our clients' settlement requirements.

The following table presents financial instruments at fair value that we received as collateral, were not included on our Condensed Consolidated Statements of Financial Condition, and that were available to be delivered or repledged, along with the balances of such instruments that were delivered or repledged, to satisfy one of our purposes previously described.

$ in millions	**December 31, 2021**	September 30, 2021
Collateral we received that was available to be delivered or repledged	**$ 3,548**	$ 3,429
Collateral that we delivered or repledged	**$ 821**	$ 830

Encumbered assets

We pledge certain of our assets to collateralize either repurchase agreements or other secured borrowings, maintain lines of credit, or to satisfy our collateral or settlement requirements with counterparties or clearing organizations who may or may not have the right to deliver or repledge such instruments. The following table presents information about our assets that have been pledged for one of the purposes previously described.

$ in millions	**December 31, 2021**	September 30, 2021
Had the right to deliver or repledge	**$ 333**	$ 368
Did not have the right to deliver or repledge	**$ 65**	$ 65
Bank loans, net pledged at the Federal Home Loan Bank ("FHLB") and the Federal Reserve Bank of Atlanta	**$ 5,747**	$ 5,716

Repurchase agreements, repurchase-to-maturity transactions and securities loaned accounted for as secured borrowings

The following table presents the remaining contractual maturity of repurchase agreements and securities lending transactions accounted for as secured borrowings.

$ in millions	**Overnight and continuous**	**Up to 30 days**	**30-90 days**	**Greater than 90 days**	**Total**
December 31, 2021					
Repurchase agreements:					
Government and agency obligations	**$ 102**	**$ —**	**$ —**	**$ —**	**$ 102**
Agency MBS and agency CMOs	**101**	**—**	**—**	**—**	**101**
Total repurchase agreements	**203**	**—**	**—**	**—**	**203**
Securities loaned:					
Equity securities	**65**	**—**	**—**	**—**	**65**
Total collateralized financings	**$ 268**	**$ —**	**$ —**	**$ —**	**$ 268**
September 30, 2021					
Repurchase agreements:					
Government and agency obligations	$ 122	$ —	$ —	$ —	$ 122
Agency MBS and agency CMOs	83	—	—	—	83
Total repurchase agreements	205	—	—	—	205
Securities loaned:					
Equity securities	72	—	—	—	72
Total collateralized financings	$ 277	$ —	$ —	$ —	$ 277

As of both December 31, 2021 and September 30, 2021, we did not have any "repurchase-to-maturity" agreements, which are repurchase agreements where a security is transferred under an agreement to repurchase and the maturity date of the repurchase agreement matches the maturity date of the underlying security.

NOTE 8 – BANK LOANS, NET

Bank client receivables are comprised of loans originated or purchased by Raymond James Bank and include commercial and industrial ("C&I") loans, real estate investment trust ("REIT") loans, tax-exempt loans, commercial and residential real estate loans, and securities-based loans ("SBL") and other loans. These receivables are collateralized by first and, to a lesser extent, second mortgages on residential or other real property, other assets of the borrower, a pledge of revenue, securities or are unsecured. We segregate our loan portfolio into six loan portfolio segments: C&I, commercial real estate ("CRE"), REIT, tax-exempt, residential mortgage, and SBL and other. See Note 2 of our 2021 Form 10-K for a discussion of our October 1, 2020 adoption of new accounting guidance related to the measurement of credit losses on financial instruments and our accounting policies related to bank loans and the allowance for credit losses.

Loan balances in the following tables are presented at amortized cost (outstanding principal balance net of unearned income and deferred expenses, which include purchase premiums, purchase discounts and net deferred origination fees and costs), except for certain held for sale loans recorded at fair value. Bank loans are presented on our Condensed Consolidated Statements of Financial Condition at amortized cost (or fair value where applicable) less the allowance for credit losses.

The following table presents the balances for both the held for sale and held for investment loan portfolios, as well as the associated percentage of each portfolio segment in Raymond James Bank's total loan portfolio.

	December 31, 2021		September 30, 2021	
$ in millions	**Balance**	**%**	Balance	%
C&I loans	**$ 8,608**	**33 %**	$ 8,440	33 %
CRE loans	**2,992**	**11 %**	2,872	11 %
REIT loans	**1,189**	**4 %**	1,112	5 %
Tax-exempt loans	**1,290**	**5 %**	1,321	5 %
Residential mortgage loans	**5,568**	**21 %**	5,318	21 %
SBL and other	**6,563**	**25 %**	6,106	24 %
Total loans held for investment	**26,210**	**99 %**	25,169	99 %
Held for sale loans	**230**	**1 %**	145	1 %
Total loans held for sale and investment	**26,440**	**100 %**	25,314	100 %
Allowance for credit losses	**(308)**		(320)	
Bank loans, net	**$ 26,132**		$ 24,994	
Accrued interest receivable on bank loans	**$ 51**		$ 48	

The allowance for credit losses was 1.18% and 1.27% of the held for investment loan portfolio as of December 31, 2021 and September 30, 2021, respectively. Accrued interest receivables presented in the preceding table are reported in "Other receivables, net" on our Condensed Consolidated Statements of Financial Condition.

At December 31, 2021, the FHLB had a blanket lien on Raymond James Bank's residential mortgage loan portfolio as security for the repayment of certain borrowings. See Note 16 of our 2021 Form 10-K for more information regarding borrowings from the FHLB.

Held for sale loans

Raymond James Bank originated or purchased $968 million and $582 million of loans held for sale during the three months ended December 31, 2021 and 2020, respectively. The majority of these loans were purchases of the guaranteed portions of Small Business Administration ("SBA") loans intended for resale in the secondary market as individual SBA loans or as securitized pools of SBA loans. Proceeds from the sales of these held for sale loans amounted to $338 million and $188 million during the three months ended December 31, 2021 and 2020, respectively. Net gains resulting from such sales were insignificant for each of the three months ended December 31, 2021 and 2020.

Purchases and sales of loans held for investment

The following table presents purchases and sales of loans held for investment by portfolio segment.

$ in millions	C&I loans	Residential mortgage loans	Total
Three months ended December 31, 2021			
Purchases	**$ 339**	**$ 184**	**$ 523**
Sales	**$ 51**	**$ —**	**$ 51**
Three months ended December 31, 2020			
Purchases	$ 122	$ 46	$ 168
Sales	$ 5	$ —	$ 5

Sales in the preceding table represent the recorded investment (i.e., net of charge-offs and discounts or premiums) of loans held for investment that were transferred to loans held for sale and subsequently sold to a third party during the respective period. As more fully described in Note 2 of our 2021 Form 10-K, corporate loan sales generally occur as part of our credit management activities.

Aging analysis of loans held for investment

The following table presents information on delinquency status of our loans held for investment.

$ in millions	30-89 days and accruing	90 days or more and accruing	Total past due and accruing	Nonaccrual with allowance	Nonaccrual with no allowance	Current and accruing	Total loans held for investment
December 31, 2021							
C&I loans	**$ —**	**$ —**	**$ —**	**$ 38**	**$ —**	**$ 8,570**	**$ 8,608**
CRE loans	**—**	**—**	**—**	**—**	**20**	**2,972**	**2,992**
REIT loans	**—**	**—**	**—**	**—**	**—**	**1,189**	**1,189**
Tax-exempt loans	**—**	**—**	**—**	**—**	**—**	**1,290**	**1,290**
Residential mortgage loans	**1**	**—**	**1**	**1**	**14**	**5,552**	**5,568**
SBL and other	**—**	**—**	**—**	**—**	**—**	**6,563**	**6,563**
Total loans held for investment	**$ 1**	**$ —**	**$ 1**	**$ 39**	**$ 34**	**$ 26,136**	**$ 26,210**
September 30, 2021							
C&I loans	$ —	$ —	$ —	$ 39	$ —	$ 8,401	$ 8,440
CRE loans	—	—	—	—	20	2,852	2,872
REIT loans	—	—	—	—	—	1,112	1,112
Tax-exempt loans	—	—	—	—	—	1,321	1,321
Residential mortgage loans	2	—	2	2	13	5,301	5,318
SBL and other	—	—	—	—	—	6,106	6,106
Total loans held for investment	$ 2	$ —	$ 2	$ 41	$ 33	$ 25,093	$ 25,169

The preceding table includes $59 million and $61 million at December 31, 2021 and September 30, 2021, respectively, of nonaccrual loans which were current pursuant to their contractual terms. The table also includes troubled debt restructurings ("TDRs") of $12 million for CRE loans and $13 million for residential first mortgage loans at both December 31, 2021 and September 30, 2021.

Other real estate owned, included in "Other assets" on our Condensed Consolidated Statements of Financial Condition, was insignificant at both December 31, 2021 and September 30, 2021.

Collateral-dependent loans

A loan is considered collateral-dependent when the borrower is experiencing financial difficulty and repayment is expected to be provided substantially through the sale of the underlying collateral. We had $20 million of collateral-dependent CRE loans at both December 31, 2021 and September 30, 2021, which were fully collateralized by retail and industrial real estate. We had $7 million and $5 million of collateral-dependent residential loans at December 31, 2021 and September 30, 2021, respectively, which were fully collateralized by single family homes. Collateral-dependent loans do not include loans to borrowers who have been granted forbearance as result of the COVID-19 pandemic or loans for which the borrower had requested a loan modification, where the request had been initiated but had not been approved or completed as of December 31, 2021. Such loans may be considered collateral-dependent after the forbearance period expires. The recorded investment in mortgage loans secured by one-to-four family residential properties for which formal foreclosure proceedings were in process was $4 million at both December 31, 2021 and September 30, 2021.

Credit quality indicators

The credit quality of our bank loan portfolio is summarized monthly by management using internal risk ratings, which align with the standard asset classification system utilized by bank regulators. These classifications are divided into three groups: Not Classified (Pass), Special Mention, and Classified or Adverse Rating (Substandard, Doubtful and Loss). These terms are defined as follows:

Pass – Loans which are well protected by the current net worth and paying capacity of the obligor (or guarantors, if any) or by the fair value, less costs to acquire and sell, of any underlying collateral in a timely manner.

Special Mention – Loans which have potential weaknesses that deserve management's close attention. These loans are not adversely classified and do not expose us to sufficient risk to warrant an adverse classification.

Substandard – Loans which are inadequately protected by the current sound worth and paying capacity of the obligor or by the collateral pledged, if any. Loans with this classification are characterized by the distinct possibility that we will sustain some loss if the deficiencies are not corrected.

Doubtful – Loans which have all the weaknesses inherent in loans classified as substandard with the added characteristic that the weaknesses make collection or liquidation in full highly questionable and improbable on the basis of currently-known facts, conditions and values.

Loss – Loans which are considered by management to be uncollectible and of such little value that their continuance on our books as an asset, without establishment of a specific valuation allowance or charge-off, is not warranted. We do not have any loan balances within this classification because, in accordance with our accounting policy, loans, or a portion thereof considered to be uncollectible are charged-off prior to the assignment of this classification.

The following tables present our held for investment bank loan portfolio by credit quality indicator.

	December 31, 2021							
	Loans by origination fiscal year							
$ in millions	2022	2021	2020	2019	2018	Prior	Revolving loans	Total
C&I loans								
Risk rating:								
Pass	$ 293	$ 1,042	$ 1,316	$ 1,108	$ 1,382	$ 2,260	$ 993	$ 8,394
Special mention	—	—	—	40	—	76	4	120
Substandard	—	—	—	24	39	17	—	80
Doubtful	—	—	—	14	—	—	—	14
Total C&I loans	$ 293	$ 1,042	$ 1,316	$ 1,186	$ 1,421	$ 2,353	$ 997	$ 8,608
CRE loans								
Risk rating:								
Pass	$ 154	$ 615	$ 397	$ 431	$ 642	$ 380	$ 76	$ 2,695
Special mention	—	—	45	43	36	—	—	124
Substandard	—	—	—	48	80	45	—	173
Doubtful	—	—	—	—	—	—	—	—
Total CRE loans	$ 154	$ 615	$ 442	$ 522	$ 758	$ 425	$ 76	$ 2,992
REIT loans								
Risk rating:								
Pass	$ —	$ 239	$ 96	$ 65	$ 25	$ 140	$ 429	$ 994
Special mention	—	—	—	13	11	138	6	168
Substandard	—	—	—	21	—	4	2	27
Doubtful	—	—	—	—	—	—	—	—
Total REIT loans	$ —	$ 239	$ 96	$ 99	$ 36	$ 282	$ 437	$ 1,189
Tax-exempt loans								
Risk rating:								
Pass	$ —	$ 158	$ 57	$ 118	$ 200	$ 757	$ —	$ 1,290
Special mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—
Total tax-exempt loans	$ —	$ 158	$ 57	$ 118	$ 200	$ 757	$ —	$ 1,290
Residential mortgage loans								
Risk rating:								
Pass	$ 562	$ 1,822	$ 1,182	$ 581	$ 349	$ 1,023	$ 20	$ 5,539
Special mention	—	—	—	2	—	5	—	7
Substandard	—	—	—	—	—	22	—	22
Doubtful	—	—	—	—	—	—	—	—
Total residential mortgage loans	$ 562	$ 1,822	$ 1,182	$ 583	$ 349	$ 1,050	$ 20	$ 5,568
SBL and other								
Risk rating:								
Pass	$ —	$ 6	$ 45	$ 12	$ —	$ —	$ 6,500	$ 6,563
Special mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—
Total SBL and other	$ —	$ 6	$ 45	$ 12	$ —	$ —	$ 6,500	$ 6,563

	September 30, 2021							
	Loans by origination fiscal year							
$ in millions	2021	2020	2019	2018	2017	Prior	Revolving loans	Total
C&I loans								
Risk rating:								
Pass	$ 999	$ 1,273	$ 1,180	$ 1,408	$ 935	$ 1,633	$ 739	$ 8,167
Special mention	—	—	41	—	26	54	1	122
Substandard	—	—	24	84	—	28	—	136
Doubtful	—	—	15	—	—	—	—	15
Total C&I loans	$ 999	$ 1,273	$ 1,260	$ 1,492	$ 961	$ 1,715	$ 740	$ 8,440
CRE loans								
Risk rating:								
Pass	$ 533	$ 459	$ 442	$ 652	$ 223	$ 174	$ 62	$ 2,545
Special mention	—	45	58	36	—	—	—	139
Substandard	—	—	32	98	8	50	—	188
Doubtful	—	—	—	—	—	—	—	—
Total CRE loans	$ 533	$ 504	$ 532	$ 786	$ 231	$ 224	$ 62	$ 2,872
REIT loans								
Risk rating:								
Pass	$ 235	$ 95	$ 75	$ 60	$ 46	$ 167	$ 237	$ 915
Special mention	—	—	13	11	33	106	6	169
Substandard	—	—	21	—	4	—	3	28
Doubtful	—	—	—	—	—	—	—	—
Total REIT loans	$ 235	$ 95	$ 109	$ 71	$ 83	$ 273	$ 246	$ 1,112
Tax-exempt loans								
Risk rating:								
Pass	$ 158	$ 57	$ 124	$ 204	$ 272	$ 506	$ —	$ 1,321
Special mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—
Total tax-exempt loans	$ 158	$ 57	$ 124	$ 204	$ 272	$ 506	$ —	$ 1,321
Residential mortgage loans								
Risk rating:								
Pass	$ 1,861	$ 1,266	$ 640	$ 386	$ 451	$ 666	$ 20	$ 5,290
Special mention	—	—	—	—	—	5	—	5
Substandard	—	—	—	1	2	20	—	23
Doubtful	—	—	—	—	—	—	—	—
Total residential mortgage loans	$ 1,861	$ 1,266	$ 640	$ 387	$ 453	$ 691	$ 20	$ 5,318
SBL and other								
Risk rating:								
Pass	$ 3	$ 45	$ 12	$ —	$ —	$ —	$ 6,046	$ 6,106
Special mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—
Total SBL and other	$ 3	$ 45	$ 12	$ —	$ —	$ —	$ 6,046	$ 6,106

Loans classified as special mention, substandard or doubtful are all considered to be "criticized" loans.

We also monitor the credit quality of the residential mortgage loan portfolio utilizing Fair Isaac Corporation ("FICO") scores and loan-to-value ("LTV") ratios. A FICO score measures a borrower's creditworthiness by considering factors such as payment and credit history. LTV measures the carrying value of the loan as a percentage of the value of the property securing the loan.

The following table presents the held for investment residential mortgage loan portfolio by FICO score and by LTV ratio at origination.

$ in millions	**December 31, 2021**	September 30, 2021
FICO score:		
Below 600	**$ 67**	$ 67
600 - 699	**431**	416
700 - 799	**3,982**	3,772
800 +	**1,082**	1,058
FICO score not available	**6**	5
Total	**$ 5,568**	$ 5,318
LTV ratio:		
Below 80%	**$ 4,348**	$ 4,123
80%+	**1,220**	1,195
Total	**$ 5,568**	$ 5,318

Allowance for credit losses

The following table presents changes in the allowance for credit losses on held for investment bank loans by portfolio segment.

$ in millions	**C&I loans**	**CRE loans**	**REIT loans**	**Tax-exempt loans**	**Residential mortgage loans**	**SBL and other**	**Total**
Three months ended December 31, 2021							
Balance at beginning of period	**$ 191**	**$ 66**	**$ 22**	**$ 2**	**$ 35**	**$ 4**	**$ 320**
Provision/(benefit) for credit losses	**(10)**	**6**	**—**	**—**	**(6)**	**(1)**	**(11)**
Net (charge-offs)/recoveries:							
Charge-offs	**(2)**	**—**	**—**	**—**	**—**	**—**	**(2)**
Recoveries	**—**	**—**	**—**	**—**	**1**	**—**	**1**
Net (charge-offs)/recoveries	**(2)**	**—**	**—**	**—**	**1**	**—**	**(1)**
Foreign exchange translation adjustment	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Balance at end of period	**$ 179**	**$ 72**	**$ 22**	**$ 2**	**$ 30**	**$ 3**	**$ 308**
Three months ended December 31, 2020							
Balance at beginning of period	$ 200	$ 81	$ 36	$ 14	$ 18	$ 5	$ 354
Impact of current expected credit loss (“CECL”) adoption	19	(11)	(9)	(12)	24	(2)	9
Provision/(benefit) for credit losses	(22)	42	3	—	(9)	—	14
Net (charge-offs)/recoveries:							
Charge-offs	—	—	—	—	—	—	—
Recoveries	—	—	—	—	—	—	—
Net (charge-offs)/recoveries	—	—	—	—	—	—	—
Foreign exchange translation adjustment	1	—	—	—	—	—	1
Balance at end of period	$ 198	$ 112	$ 30	$ 2	$ 33	$ 3	$ 378

The allowance for credit losses on held for investment bank loans decreased $12 million to $308 million during three months ended December 31, 2021, largely attributable to improvement in credit quality in the C&I bank loan portfolio and continued improvement in macroeconomic inputs to our CECL model, which positively impacted most loan portfolios, partially offset by provisions for credit losses related to loan growth.

The allowance for credit losses on unfunded lending commitments, which is included in “Other payables” on our Condensed Consolidated Statements of Financial Condition, was $12 million and $13 million at December 31, 2021 and September 30, 2021, respectively.

NOTE 9 – LOANS TO FINANCIAL ADVISORS, NET

Loans to financial advisors are primarily comprised of loans originated as a part of our recruiting activities. See Note 2 of our 2021 Form 10-K for a discussion of our accounting policies related to loans to financial advisors and the related allowance for credit losses. The following table presents the balances for our loans to financial advisors and the related accrued interest receivable.

$ in millions	**December 31, 2021**	September 30, 2021
Currently affiliated with the firm [1]	**$ 1,128**	$ 1,074
No longer affiliated with the firm [2]	**9**	10
Total loans to financial advisors	**1,137**	1,084
Allowance for credit losses	**(29)**	(27)
Loans to financial advisors, net	**$ 1,108**	$ 1,057
Accrued interest receivable on loans to financial advisors	**$ 4**	$ 4
Allowance for credit losses as a percent of the loan portfolio	**2.55 %**	2.49 %

(1) These loans were predominantly current.
(2) These loans were predominantly past due for a period of 180 days or more.

Accrued interest receivables presented in the preceding table are reported in "Other receivables, net" on the Condensed Consolidated Statements of Financial Condition.

NOTE 10 – VARIABLE INTEREST ENTITIES

A VIE requires consolidation by the entity's primary beneficiary. We evaluate all of the entities in which we are involved to determine if the entity is a VIE and if so, whether we hold a variable interest and are the primary beneficiary. Refer to Note 2 of our 2021 Form 10-K for a discussion of our principal involvement with VIEs and the accounting policies regarding determination of whether we are deemed to be the primary beneficiary of VIEs.

VIEs where we are the primary beneficiary

Of the VIEs in which we hold an interest, we have determined that certain limited partnerships which are part of our private equity portfolio ("Private Equity Interests"), certain Low-Income Housing Tax Credit ("LIHTC") funds and the trust we utilize in connection with restricted stock unit ("RSU") awards granted to certain employees of one of our Canadian subsidiaries (the "Restricted Stock Trust Fund") require consolidation in our financial statements, as we are deemed the primary beneficiary of such VIEs. The aggregate assets and liabilities of the VIEs we consolidate are provided in the following table. Aggregate assets and aggregate liabilities may differ from the consolidated carrying value of assets and liabilities due to the elimination of intercompany assets and liabilities held by the consolidated VIE.

$ in millions	**Aggregate assets**	**Aggregate liabilities**
December 31, 2021		
Private Equity Interests	**$ 48**	**$ 4**
LIHTC funds	**119**	**52**
Restricted Stock Trust Fund	**24**	**24**
Total	**$ 191**	**$ 80**
September 30, 2021		
Private Equity Interests	$ 66	$ 4
LIHTC funds	111	52
Restricted Stock Trust Fund	15	15
Total	$ 192	$ 71

The following table presents information about the carrying value of the assets and liabilities of the VIEs which we consolidate and which are included on our Condensed Consolidated Statements of Financial Condition. Intercompany balances are eliminated in consolidation and not reflected in the following table.

$ in millions	**December 31, 2021**	September 30, 2021
Assets:		
Cash and cash equivalents and assets segregated for regulatory purposes and restricted cash	**$ 7**	$ 10
Other investments	**47**	63
Other assets	**114**	105
Total assets	**$ 168**	$ 178
Liabilities:		
Other payables	**$ 44**	$ 45
Total liabilities	**$ 44**	$ 45
Noncontrolling interests	**$ 51**	$ 58

VIEs where we hold a variable interest but are not the primary beneficiary

As discussed in Note 2 of our 2021 Form 10-K, we have concluded that for certain VIEs we are not the primary beneficiary and therefore do not consolidate these VIEs. Such VIEs include certain Private Equity Interests, certain LIHTC funds, and other limited partnerships. Our risk of loss for these VIEs is limited to our investments in, advances to, and/or receivables due from these VIEs.

Aggregate assets, liabilities and risk of loss

The aggregate assets, liabilities, and our exposure to loss from those VIEs in which we hold a variable interest, but as to which we have concluded we are not the primary beneficiary, are provided in the following table.

	December 31, 2021			September 30, 2021		
$ in millions	**Aggregate assets**	**Aggregate liabilities**	**Our risk of loss**	Aggregate assets	Aggregate liabilities	Our risk of loss
Private Equity Interests	**$ 7,163**	**$ 88**	**$ 86**	$ 7,318	$ 47	$ 82
LIHTC funds	**7,374**	**2,465**	**14**	7,032	2,280	71
Other	**714**	**176**	**11**	519	155	10
Total	**$ 15,251**	**$ 2,729**	**$ 111**	$ 14,869	$ 2,482	$ 163

NOTE 11 - OTHER ASSETS

The following table details the components of other assets. See Note 2 of our 2021 Form 10-K for a discussion of the accounting polices related to certain of these components.

$ in millions	**December 31, 2021**	September 30, 2021
Investments in company-owned life insurance policies	**$ 1,013**	$ 952
Property and equipment, net	**491**	499
Lease right-of-use (“ROU”) asset	**439**	446
Prepaid expenses	**134**	127
Investments in FHLB and Federal Reserve Bank stock	**72**	72
All other	**239**	161
Total other assets	**$ 2,388**	$ 2,257

See Note 13 of our 2021 Form 10-K for further information regarding our property and equipment and Note 12 of this Form 10-Q and Note 14 of our 2021 Form 10-K for further information regarding our leases.

NOTE 12 – LEASES

The following table presents the balances related to our leases on our Condensed Consolidated Statements of Financial Condition. See Note 2 and 14 of our 2021 Form 10-K for additional information related to our leases, including a discussion of our accounting policies.

$ in millions	December 31, 2021	September 30, 2021
ROU assets (included in Other assets)	$ 439	$ 446
Lease liabilities (included in Other payables)	$ 445	$ 450

Lease liabilities as of December 31, 2021 excluded $34 million of minimum lease payments related to lease arrangements that were signed but not yet commenced. These leases are estimated to commence between fiscal year 2022 and 2023 with lease terms ranging from four to 11 years.

Lease expense

The following table details the components of lease expense, which is included in "Occupancy and equipment" expense on our Condensed Consolidated Statements of Income and Comprehensive Income.

	Three months ended December 31,	
$ in millions	2021	2020
Lease costs	$ 28	27
Variable lease costs	$ 7	6

Variable lease costs in the preceding table include payments required under lease arrangements for common area maintenance charges and other variable costs that are not reflected in the measurement of ROU assets and lease liabilities.

NOTE 13 – BANK DEPOSITS

Bank deposits include savings and money market accounts, certificates of deposit with Raymond James Bank, Negotiable Order of Withdrawal ("NOW") accounts and demand deposits. The following table presents a summary of bank deposits, as well as the weighted-average interest rates on such deposits. The calculation of the weighted-average rates were based on the actual deposit balances and rates at each respective period end.

	December 31, 2021		September 30, 2021	
$ in millions	Balance	Weighted-average rate	Balance	Weighted-average rate
Savings and money market accounts	$ 33,103	0.01 %	$ 31,415	0.01 %
Certificates of deposit	789	1.89 %	878	1.87 %
NOW accounts	164	1.84 %	164	1.84 %
Demand deposits (non-interest-bearing)	36	—	38	—
Total bank deposits	$ 34,092	0.06 %	$ 32,495	0.07 %

Total bank deposits in the preceding table exclude affiliate deposits of $302 million and $301 million at December 31, 2021 and September 30, 2021, respectively. As of December 31, 2021, these affiliate deposits included $229 million and $73 million held in deposit accounts at Raymond James Bank on behalf of RJF and Raymond James Trust Company of New Hampshire, respectively.

Savings and money market accounts in the preceding table consist primarily of deposits that are cash balances swept to Raymond James Bank from the client investment accounts maintained at Raymond James & Associates, Inc. ("RJ&A"). These balances are held in Federal Deposit Insurance Corporation ("FDIC")-insured bank accounts through the Raymond James Bank Deposit Program ("RJBDP"). The aggregate amount of individual time deposit account balances that exceeded the FDIC insurance limit at December 31, 2021 was approximately $43 million.

The following table sets forth the scheduled maturities of certificates of deposit.

	December 31, 2021		September 30, 2021	
$ in millions	Denominations greater than or equal to $100,000	Denominations less than $100,000	Denominations greater than or equal to $100,000	Denominations less than $100,000
Three months or less	$ 28	$ 78	$ 22	$ 87
Over three through six months	20	30	21	76
Over six through twelve months	36	112	32	54
Over one through two years	95	171	93	170
Over two through three years	18	160	37	166
Over three through four years	6	18	6	99
Over four through five years	10	7	9	6
Total certificates of deposit	$ 213	$ 576	$ 220	$ 658

Interest expense on deposits, excluding interest expense related to affiliate deposits, is summarized in the following table.

	Three months ended December 31,	
$ in millions	2021	2020
Savings, money market, and NOW accounts	$ 2	$ 1
Certificates of deposit	4	5
Total interest expense on deposits	$ 6	$ 6

NOTE 14 – INCOME TAXES

The income tax provision for interim periods is comprised of tax on ordinary income provided at the most recent estimated annual effective tax rate, adjusted for the tax effect of discrete items. We estimate the annual effective tax rate quarterly based on the forecasted pre-tax results of our U.S. and non-U.S. operations. Items unrelated to current year ordinary income are recognized entirely in the period identified as a discrete item of tax. These discrete items generally relate to changes in tax laws, adjustments to the actual liability determined upon filing tax returns, excess tax benefits related to share-based compensation and adjustments to previously recorded reserves for uncertain tax positions. For discussion of income tax accounting policies and other income tax related information, see Notes 2 and 18 of our 2021 Form 10-K.

Effective tax rate

Our effective income tax rate of 20.1% for the three months ended December 31, 2021 was lower than the 21.7% effective tax rate for fiscal 2021. The decrease in the effective income tax rate was primarily due to a large tax benefit recognized during the fiscal first quarter related to share-based compensation that vested during the period, partially offset by lower valuation gains associated with our company-owned life insurance policies which are not subject to tax.

Uncertain tax positions

Although management cannot predict with any degree of certainty the timing of ultimate resolution of matters under review by various taxing jurisdictions, it is reasonably possible that our uncertain tax position liability balance may decrease within the next 12 months by up to $12 million as a result of the expiration of statutes of limitations and the completion of tax authorities' examinations.

NOTE 15 – COMMITMENTS, CONTINGENCIES AND GUARANTEES

Commitments and contingencies

Underwriting commitments

In the normal course of business, we enter into commitments for debt and equity underwritings. As of December 31, 2021, we had no open underwriting commitments.

Lending commitments and other credit-related financial instruments

Raymond James Bank has outstanding, at any time, a significant number of commitments to extend credit and other credit-related off-balance-sheet financial instruments, such as standby letters of credit and loan purchases, which then extend over varying periods of time. These arrangements are subject to strict underwriting assessments and each customer's credit worthiness is evaluated on a case-by-case basis. Fixed-rate commitments are subject to market risk resulting from fluctuations in interest rates and our exposure is limited to the replacement value of those commitments.

The following table presents Raymond James Bank's commitments to extend credit and other credit-related off-balance sheet financial instruments outstanding.

$ in millions	**December 31, 2021**	September 30, 2021
Open-end consumer lines of credit (primarily SBL)	**$ 18,980**	$ 17,515
Commercial lines of credit	**$ 1,919**	$ 2,075
Unfunded lending commitments	**$ 513**	$ 548
Standby letters of credit	**$ 23**	$ 22

Open-end consumer lines of credit primarily represent the unfunded amounts of bank loans to consumers that are secured by marketable securities at advance rates consistent with industry standards. The proceeds from repayment or, if necessary, the liquidation of collateral, which is monitored daily, are expected to satisfy the amounts drawn against these existing lines of credit. These lines of credit are primarily uncommitted, as we reserve the right to not make any advances or may terminate these lines at any time.

Because many of Raymond James Bank's lending commitments expire without being funded in whole or in part, the contractual amounts are not estimates of our actual future credit exposure or future liquidity requirements. The allowance for credit losses calculated under CECL provides for potential losses related to the unfunded lending commitments. See Note 2 of our 2021 Form 10-K and Note 8 of this Form 10-Q for further discussion of this allowance for credit losses related to unfunded lending commitments.

RJ&A enters into margin lending arrangements which allow customers to borrow against the value of qualifying securities. Margin loans are collateralized by the securities held in the customer's account at RJ&A. Collateral levels and established credit terms are monitored daily and we require customers to deposit additional collateral or reduce balances as necessary.

We offer loans to prospective financial advisors for recruiting and retention purposes (see Note 2 of our 2021 Form 10-K and Note 9 of this Form 10-Q for further discussion of our loans to financial advisors). These offers are contingent upon certain events occurring, including the individuals joining us and meeting certain other conditions outlined in their offer.

Investment commitments

We had unfunded commitments to various investments, including private equity investments and certain Raymond James Bank investments, of $25 million as of December 31, 2021.

Other commitments

Raymond James Affordable Housing Investments, Inc. ("RJAHI"), formerly known as Raymond James Tax Credit Funds, Inc., sells investments in project partnerships to various LIHTC funds, which have third-party investors, and for which RJAHI serves as the managing member or general partner. RJAHI typically sells investments in project partnerships to LIHTC funds within 90 days of their acquisition. Until such investments are sold to LIHTC funds, RJAHI is responsible for funding investment commitments to such partnerships. As of December 31, 2021, RJAHI had committed approximately $97 million to project partnerships that had not yet been sold to LIHTC funds. Because we expect to sell these project partnerships to LIHTC funds and the equity funding events arise over future periods, the contractual commitments are not expected to materially impact our future liquidity requirements. RJAHI may also make short-term loans or advances to project partnerships and LIHTC funds.

As a part of our fixed income public finance operations, we enter into forward commitments to purchase agency MBS. At December 31, 2021, we had $140 million of principal amount of outstanding forward MBS purchase commitments, which were expected to be purchased within 90 days following commitment. In order to hedge the market interest rate risk to which we would otherwise be exposed between the date of the commitment and the date of sale of the MBS, we enter into TBAs with investors for generic MBS at specific rates and prices to be delivered on settlement dates in the future. We may be subject to loss if the timing of, or the actual amount of, the MBS differs significantly from the term and notional amount of the TBAs to which we entered. These TBAs and related purchase commitments are accounted for at fair value. As of December 31, 2021, the fair value of the TBAs and the estimated fair value of the purchase commitments were insignificant.

For information regarding our acquisition commitments associated with our recent purchase of Charles Stanley and intended acquisition of TriState Capital, see Note 3 of this Form 10-Q. For information regarding our lease commitments, see Note 12 of this Form 10-Q and for information on the maturities of our lease liabilities, see Note 14 of our 2021 Form 10-K.

Guarantees

Our U.S. broker-dealer subsidiaries are required by federal law to be members of the Securities Investors Protection Corporation ("SIPC"). The SIPC fund provides protection up to $500 thousand per client for securities and cash held in client accounts, including a limitation of $250 thousand on claims for cash balances. We have purchased excess SIPC coverage through various syndicates of Lloyd's of London. For RJ&A, our clearing broker-dealer, the additional protection currently provided has an aggregate firm limit of $750 million for cash and securities, including a sub-limit of $1.9 million per client for cash above basic SIPC. Account protection applies when a SIPC member fails financially and is unable to meet its obligations to clients. This coverage does not protect against market fluctuations. RJF has provided an indemnity to Lloyd's of London against any and all losses they may incur associated with the excess SIPC policies.

Legal and regulatory matter contingencies

In the normal course of our business, we have been named, from time to time, as a defendant in various legal actions, including arbitrations, class actions and other litigation, arising in connection with our activities as a diversified financial services institution.

RJF and certain of its subsidiaries are subject to regular reviews and inspections by regulatory authorities and self-regulatory organizations. Reviews can result in the imposition of sanctions for regulatory violations, ranging from non-monetary censures to fines and, in serious cases, temporary or permanent suspension from conducting business, or limitations on certain business activities. In addition, regulatory agencies and self-regulatory organizations institute investigations from time to time, among other things, into industry practices, which can also result in the imposition of such sanctions.

We may contest liability and/or the amount of damages, as appropriate, in each pending matter. The level of litigation and investigatory activity (both formal and informal) by government and self-regulatory agencies in the financial services industry continues to be significant. There can be no assurance that material losses will not be incurred from claims that have not yet been asserted or are not yet determined to be material.

For many legal and regulatory matters, we are unable to estimate a range of reasonably possible loss as we cannot predict if, how or when such proceedings or investigations will be resolved or what the eventual settlement, fine, penalty or other relief, if any, may be. A large number of factors may contribute to this inherent unpredictability: the proceeding is in its early stages; the damages sought are unspecified, unsupported or uncertain; it is unclear whether a case brought as a class action will be allowed to proceed on that basis; the other party is seeking relief other than or in addition to compensatory damages (including, in the case of regulatory and governmental proceedings, potential fines and penalties); the matters present significant legal uncertainties; we have not engaged in settlement discussions; discovery is not complete; there are significant facts in dispute; and numerous parties are named as defendants (including where it is uncertain how liability might be shared among defendants). Subject to the foregoing, after consultation with counsel, we believe that the outcome of such litigation and regulatory proceedings will not have a material adverse effect on our consolidated financial condition. However, the outcome of such litigation and regulatory proceedings could be material to our operating results and cash flows for a particular future period, depending on, among other things, our revenues or income for such period.

There are certain matters for which we are unable to estimate the upper end of the range of reasonably possible loss. With respect to legal and regulatory matters for which management has been able to estimate a range of reasonably possible loss as of December 31, 2021, we estimated the upper end of the range of reasonably possible aggregate loss to be approximately $90 million in excess of the aggregate accruals for such matters. Refer to Note 2 of our 2021 Form 10-K for a discussion of our criteria for recognizing liabilities for contingencies.

NOTE 16 – ACCUMULATED OTHER COMPREHENSIVE INCOME/(LOSS)

All of the components of other comprehensive income/(loss) ("OCI"), net of tax, were attributable to RJF. The following table presents the net change in AOCI as well as the changes, and the related tax effects, of each component of AOCI.

$ in millions	Net investment hedges	Currency translations	Subtotal: net investment hedges and currency translations	Available-for-sale securities	Cash flow hedges	Total
Three months ended December 31, 2021						
AOCI as of beginning of period	**$ 81**	**$ (90)**	**$ (9)**	**$ (5)**	**$ (27)**	**$ (41)**
OCI:						
OCI before reclassifications and taxes	**(2)**	**1**	**(1)**	**(72)**	**8**	**(65)**
Amounts reclassified from AOCI, before tax	**—**	**—**	**—**	**—**	**4**	**4**
Pre-tax net OCI	**(2)**	**1**	**(1)**	**(72)**	**12**	**(61)**
Income tax effect	**1**	**—**	**1**	**17**	**(3)**	**15**
OCI for the period, net of tax	**(1)**	**1**	**—**	**(55)**	**9**	**(46)**
AOCI as of end of period	**$ 80**	**$ (89)**	**$ (9)**	**$ (60)**	**$ (18)**	**$ (87)**
Three months ended December 31, 2020						
AOCI as of beginning of period	$ 115	$ (140)	$ (25)	$ 89	$ (53)	$ 11
OCI:						
OCI before reclassifications and taxes	(38)	45	7	(18)	3	(8)
Amounts reclassified from AOCI, before tax	—	2	2	(5)	4	1
Pre-tax net OCI	(38)	47	9	(23)	7	(7)
Income tax effect	9	—	9	6	(2)	13
OCI for the period, net of tax	(29)	47	18	(17)	5	6
AOCI as of end of period	$ 86	$ (93)	$ (7)	$ 72	$ (48)	$ 17

Reclassifications from AOCI to net income, excluding taxes, for the three months ended December 31, 2021 were recorded in "Interest expense" on the Condensed Consolidated Statements of Income and Comprehensive Income. Reclassifications from AOCI to net income, excluding taxes, for the three months ended December 31, 2020 were primarily recorded in "Other" revenue and "Interest expense" on the Condensed Consolidated Statements of Income and Comprehensive Income.

Our net investment hedges and cash flow hedges relate to our derivatives associated with Raymond James Bank's business operations. For further information about our significant accounting policies related to derivatives, see Note 2 of our 2021 Form 10-K. In addition, see Note 6 of this Form 10-Q for additional information on these derivatives.

NOTE 17 – REVENUES

The following tables present our sources of revenues by segment. For further information about our significant accounting policies related to revenue recognition, see Note 2 of our 2021 Form 10-K. See Note 22 of this Form 10-Q for additional information on our segment results.

	Three months ended December 31, 2021					
$ in millions	**Private Client Group**	**Capital Markets**	**Asset Management**	**Raymond James Bank**	**Other and intersegment eliminations**	**Total**
Revenues:						
Asset management and related administrative fees	$ 1,162	$ 1	$ 227	$ —	$ (8)	$ 1,382
Brokerage revenues:						
Securities commissions:						
Mutual and other fund products	171	2	2	—	—	175
Insurance and annuity products	111	—	—	—	—	111
Equities, exchange-traded funds ("ETFs") and fixed income products	104	35	—	—	—	139
Subtotal securities commissions	386	37	2	—	—	425
Principal transactions (1)	11	122	—	—	—	133
Total brokerage revenues	397	159	2	—	—	558
Account and service fees:						
Mutual fund and annuity service fees	114	—	—	—	(1)	113
RJBDP fees	67	—	—	—	(50)	17
Client account and other fees	49	2	6	—	(10)	47
Total account and service fees	230	2	6	—	(61)	177
Investment banking:						
Merger & acquisition and advisory	—	271	—	—	—	271
Equity underwriting	13	97	—	—	—	110
Debt underwriting	—	44	—	—	—	44
Total investment banking	13	412	—	—	—	425
Other:						
Tax credit fund revenues	—	35	—	—	—	35
All other (1)	7	2	1	6	—	16
Total other	7	37	1	6	—	51
Total non-interest revenues	1,809	611	236	6	(69)	2,593
Interest income (1)	33	5	—	187	—	225
Total revenues	1,842	616	236	193	(69)	2,818
Interest expense	(3)	(2)	—	(10)	(22)	(37)
Net revenues	$ 1,839	$ 614	$ 236	$ 183	$ (91)	$ 2,781

(1) These revenues are generally not in scope of the accounting guidance for revenue from contracts with customers.

	Three months ended December 31, 2020					
$ in millions	Private Client Group	Capital Markets	Asset Management	Raymond James Bank	Other and intersegment eliminations	Total
Revenues:						
Asset management and related administrative fees	$ 885	$ 2	$ 188	$ —	$ (8)	$ 1,067
Brokerage revenues:						
Securities commissions:						
Mutual and other fund products	148	2	2	—	(1)	151
Insurance and annuity products	98	—	—	—	—	98
Equities, ETFs and fixed income products	95	37	—	—	—	132
Subtotal securities commissions	341	39	2	—	(1)	381
Principal transactions (1)	12	134	—	1	—	147
Total brokerage revenues	353	173	2	1	(1)	528
Account and service fees:						
Mutual fund and annuity service fees	94	—	—	—	—	94
RJBDP fees	64	—	—	—	(43)	21
Client account and other fees	32	2	4	—	(8)	30
Total account and service fees	190	2	4	—	(51)	145
Investment banking:						
Merger & acquisition and advisory	—	149	—	—	—	149
Equity underwriting	6	60	—	—	—	66
Debt underwriting	—	46	—	—	—	46
Total investment banking	6	255	—	—	—	261
Other:						
Tax credit fund revenues	—	16	—	—	—	16
All other (1)	5	3	1	9	22	40
Total other	5	19	1	9	22	56
Total non-interest revenues	1,439	451	195	10	(38)	2,057
Interest income (1)	30	3	—	168	2	203
Total revenues	1,469	454	195	178	(36)	2,260
Interest expense	(2)	(2)	—	(11)	(23)	(38)
Net revenues	$ 1,467	$ 452	$ 195	$ 167	$ (59)	$ 2,222

(1) These revenues are generally not in scope of the accounting guidance for revenue from contracts with customers.

At December 31, 2021 and September 30, 2021, net receivables related to contracts with customers were $343 million and $416 million, respectively.

NOTE 18 – INTEREST INCOME AND INTEREST EXPENSE

The following table details the components of interest income and interest expense.

	Three months ended December 31,	
$ in millions	**2021**	2020
Interest income:		
Cash and cash equivalents	**$ 3**	$ 4
Assets segregated for regulatory purposes and restricted cash	**4**	3
Available-for-sale securities	**22**	23
Brokerage client receivables	**21**	18
Bank loans, net of unearned income and deferred expenses	**164**	145
All other	**11**	10
Total interest income	**$ 225**	$ 203
Interest expense:		
Bank deposits	**$ 6**	$ 6
Brokerage client payables	**1**	1
Other borrowings	**5**	5
Senior notes payable	**23**	24
All other	**2**	2
Total interest expense	**37**	38
Net interest income	**188**	165
Bank loan (provision)/benefit for credit losses	**11**	(14)
Net interest income after bank loan (provision)/benefit for credit losses	**$ 199**	$ 151

Interest expense related to bank deposits in the preceding table excludes interest expense associated with affiliate deposits, which has been eliminated in consolidation.

NOTE 19 – SHARE-BASED COMPENSATION

We have one share-based compensation plan, The Amended and Restated 2012 Stock Incentive Plan ("the Plan"), for our employees, Board of Directors and independent contractor financial advisors. Generally, we reissue our treasury shares under the Plan; however, we are also permitted to issue new shares. Annual share-based compensation awards are primarily issued during our fiscal first quarter of each year. Our share-based compensation accounting policies are described in Note 2 of our 2021 Form 10-K. Other information related to our share-based awards is presented in Note 23 of our 2021 Form 10-K.

During the three months ended December 31, 2021, we granted approximately 2.3 million RSUs with a weighted-average grant-date fair value of $96.99, compared with approximately 2.0 million RSUs granted during the three months ended December 31, 2020 with a weighted-average grant-date fair value of $60.85 (as adjusted for the September 21, 2021 three-for-two stock split). For the three months ended December 31, 2021, total compensation expense related to RSUs was $63 million, compared with $41 million for the three months ended December 31, 2020.

As of December 31, 2021, there were $336 million of total pre-tax compensation costs not yet recognized (net of estimated forfeitures) related to RSUs, including those granted during the three months ended December 31, 2021. These costs are expected to be recognized over a weighted-average period of 3.2 years.

NOTE 20 – REGULATORY CAPITAL REQUIREMENTS

RJF, as a bank holding company and financial holding company, Raymond James Bank, our broker-dealer subsidiaries and our trust subsidiaries are subject to capital requirements by various regulatory authorities. Capital levels of each entity are monitored to ensure compliance with our various regulatory capital requirements. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions, by regulators that, if undertaken, could have a direct material effect on our financial results.

As a bank holding company under the Bank Holding Company Act of 1956, as amended (the "BHC Act") that has made an election to be a financial holding company, RJF is subject to supervision, examination and regulation by the Fed. We are subject to the Fed's capital rules which establish an integrated regulatory capital framework and implement, in the U.S., the Basel III regulatory capital reforms from the Basel Committee on Banking Supervision and certain changes required by the Dodd-Frank Act. We apply the standardized approach for calculating risk-weighted assets and are also subject to the market risk provisions of the Fed's capital rules ("market risk rule").

Under these rules, minimum requirements are established for both the quantity and quality of capital held by banking organizations. RJF and Raymond James Bank are required to maintain minimum ratios of common equity tier 1 ("CET1"), tier 1 capital and total capital to risk-weighted assets, as well as minimum leverage ratios (defined as tier 1 capital divided by adjusted average assets). These capital ratios incorporate quantitative measures of our assets, liabilities, and certain off-balance sheet items as calculated under the regulatory capital rules and are subject to qualitative judgments by the regulators about components, risk-weightings, and other factors. RJF and Raymond James Bank each calculate these ratios in order to assess compliance with both regulatory requirements and their internal capital policies. In order to maintain our ability to take certain capital actions, including dividends and common equity repurchases, and to make bonus payments, we must hold a capital conservation buffer above our minimum risk-based capital requirements. As of December 31, 2021, both RJF's and Raymond James Bank's capital levels exceeded the capital conservation buffer requirement and were each categorized as "well-capitalized."

For further discussion of regulatory capital requirements applicable to certain of our businesses and subsidiaries, see Note 24 of our 2021 Form 10-K.

To meet requirements for capital adequacy or to be categorized as "well-capitalized," RJF must maintain minimum CET1, Tier 1 capital, Total capital and Tier 1 leverage amounts and ratios as set forth in the following table.

	Actual		Requirement for capital adequacy purposes		To be well-capitalized under regulatory provisions	
$ in millions	Amount	Ratio	Amount	Ratio	Amount	Ratio
RJF as of December 31, 2021:						
CET1	**$ 7,842**	**25.9 %**	**$ 1,365**	**4.5 %**	**$ 1,972**	**6.5 %**
Tier 1 capital	**$ 7,842**	**25.9 %**	**$ 1,820**	**6.0 %**	**$ 2,427**	**8.0 %**
Total capital	**$ 8,197**	**27.0 %**	**$ 2,427**	**8.0 %**	**$ 3,034**	**10.0 %**
Tier 1 leverage	**$ 7,842**	**12.1 %**	**$ 2,593**	**4.0 %**	**$ 3,242**	**5.0 %**
RJF as of September 30, 2021:						
CET1	$ 7,428	25.0 %	$ 1,337	4.5 %	$ 1,932	6.5 %
Tier 1 capital	$ 7,428	25.0 %	$ 1,783	6.0 %	$ 2,377	8.0 %
Total capital	$ 7,780	26.2 %	$ 2,377	8.0 %	$ 2,972	10.0 %
Tier 1 leverage	$ 7,428	12.6 %	$ 2,363	4.0 %	$ 2,954	5.0 %

As of December 31, 2021, RJF's regulatory capital increase compared to September 30, 2021 was driven by positive earnings, net of dividends paid during our fiscal first quarter. RJF's Tier 1 and Total capital ratios increased compared to September 30, 2021, resulting from the increase in regulatory capital, partially offset by an increase in risk-weighted assets driven by increases in our loan portfolio and cash and cash equivalents. RJF's Tier 1 leverage ratio at December 31, 2021 decreased compared to September 30, 2021 due to increased average assets, driven by higher assets segregated for regulatory purposes and cash and cash equivalents, primarily resulting from an increase in client cash in the Client Interest Program ("CIP"), as well as growth in available-for-sale securities and loans. The increase in average assets was partially offset by the increase in regulatory capital.

To meet the requirements for capital adequacy or to be categorized as "well-capitalized," Raymond James Bank must maintain CET1, Tier 1 capital, Total capital and Tier 1 leverage amounts and ratios as set forth in the following table.

	Actual		Requirement for capital adequacy purposes		To be well-capitalized under regulatory provisions	
$ in millions	Amount	Ratio	Amount	Ratio	Amount	Ratio
Raymond James Bank as of December 31, 2021:						
CET1	**$ 2,675**	**13.3 %**	**$ 905**	**4.5 %**	**$ 1,307**	**6.5 %**
Tier 1 capital	**$ 2,675**	**13.3 %**	**$ 1,206**	**6.0 %**	**$ 1,608**	**8.0 %**
Total capital	**$ 2,927**	**14.6 %**	**$ 1,608**	**8.0 %**	**$ 2,010**	**10.0 %**
Tier 1 leverage	**$ 2,675**	**7.2 %**	**$ 1,477**	**4.0 %**	**$ 1,846**	**5.0 %**
Raymond James Bank as of September 30, 2021:						
CET1	$ 2,626	13.4 %	$ 883	4.5 %	$ 1,275	6.5 %
Tier 1 capital	$ 2,626	13.4 %	$ 1,177	6.0 %	$ 1,569	8.0 %
Total capital	$ 2,873	14.6 %	$ 1,569	8.0 %	$ 1,962	10.0 %
Tier 1 leverage	$ 2,626	7.4 %	$ 1,411	4.0 %	$ 1,763	5.0 %

As of December 31, 2021, Raymond James Bank's Tier 1 capital and Total capital ratios decreased compared to September 30, 2021, due to higher risk-weighted assets, primarily due to increased loans and available-for-sale securities, which were funded by increased client cash balances in the RJBDP swept to Raymond James Bank. The increase in risk-weighted assets was partially offset by higher regulatory capital. Raymond James Bank's Tier 1 leverage ratio at December 31, 2021 decreased compared to September 30, 2021, due to increased average assets, driven by growth in loans, cash and available-for-sale securities.

Certain of our broker-dealer subsidiaries are subject to the requirements of the Uniform Net Capital Rule (Rule 15c3-1) under the Securities Exchange Act of 1934. The following table presents the net capital position of RJ&A.

$ in millions	December 31, 2021	September 30, 2021
Raymond James & Associates, Inc.:		
(Alternative Method elected)		
Net capital as a percent of aggregate debit items	**65.5 %**	72.1 %
Net capital	**$ 1,928**	$ 2,035
Less: required net capital	**(59)**	(56)
Excess net capital	**$ 1,869**	$ 1,979

As of December 31, 2021, all of our other active regulated domestic and international subsidiaries were in compliance with and exceeded all applicable capital requirements.

NOTE 21 – EARNINGS PER SHARE

During our fiscal fourth quarter of 2021 the Board of Directors approved a three-for-two stock split, effected in the form of a 50% stock dividend, paid on September 21, 2021. All share and per share information has been retroactively adjusted to reflect this stock split.

The following table presents the computation of basic and diluted earnings per common share.

	Three months ended December 31,	
in millions, except per share amounts	**2021**	2020
Income for basic earnings per common share:		
Net income	**$ 446**	$ 312
Less allocation of earnings and dividends to participating securities	**(1)**	(1)
Net income attributable to RJF common shareholders	**$ 445**	$ 311
Income for diluted earnings per common share:		
Net income	**$ 446**	$ 312
Less allocation of earnings and dividends to participating securities	**(1)**	(1)
Net income attributable to RJF common shareholders	**$ 445**	$ 311
Common shares:		
Average common shares in basic computation	**206.3**	205.2
Dilutive effect of outstanding stock options and certain RSUs	**6.1**	4.4
Average common and common equivalent shares used in diluted computation	**212.4**	209.6
Earnings per common share:		
Basic	**$ 2.16**	$ 1.52
Diluted	**$ 2.10**	$ 1.48
Stock options and certain RSUs excluded from weighted-average diluted common shares because their effect would be antidilutive	**—**	2.1

The allocation of earnings and dividends to participating securities in the preceding table represents dividends paid during the period to participating securities, consisting of certain RSUs, plus an allocation of undistributed earnings to such participating securities. Participating securities and related dividends paid on these participating securities were insignificant for each of the three months ended December 31, 2021 and 2020. Undistributed earnings are allocated to participating securities based upon their right to share in earnings if all earnings for the period had been distributed.

Dividends per common share declared and paid are detailed in the following table for each respective period.

	Three months ended December 31,	
	2021	2020
Dividends per common share - declared	**$ 0.34**	$ 0.26
Dividends per common share - paid	**$ 0.26**	$ 0.25

NOTE 22 – SEGMENT INFORMATION

We currently operate through the following five segments: PCG; Capital Markets; Asset Management; Raymond James Bank; and Other.

The segments are determined based upon factors such as the services provided and the distribution channels served and are consistent with how we assess performance and determine how to allocate our resources. For a further discussion of our segments, see Note 26 of our 2021 Form 10-K.

The following table presents information concerning operations in these segments.

	Three months ended December 31,	
$ in millions	**2021**	2020
Net revenues:		
Private Client Group	**$ 1,839**	$ 1,467
Capital Markets	**614**	452
Asset Management	**236**	195
Raymond James Bank	**183**	167
Other	**(15)**	4
Intersegment eliminations	**(76)**	(63)
Total net revenues	**$ 2,781**	$ 2,222
Pre-tax income/(loss):		
Private Client Group	**$ 195**	$ 140
Capital Markets	**201**	129
Asset Management	**107**	83
Raymond James Bank	**102**	71
Other	**(47)**	(24)
Total pre-tax income	**$ 558**	$ 399

No individual client accounted for more than ten percent of revenues in any of the periods presented.

The following table presents our net interest income on a segment basis.

	Three months ended December 31,	
$ in millions	**2021**	2020
Net interest income/(expense):		
Private Client Group	**$ 30**	$ 28
Capital Markets	**3**	1
Raymond James Bank	**177**	157
Other	**(22)**	(21)
Net interest income	**$ 188**	$ 165

The following table presents our total assets on a segment basis.

$ in millions	**December 31, 2021**	September 30, 2021
Total assets:		
Private Client Group	**$ 25,431**	$ 20,270
Capital Markets	**2,027**	2,457
Asset Management	**482**	476
Raymond James Bank	**37,789**	36,154
Other	**2,732**	2,534
Total	**$ 68,461**	$ 61,891

The following table presents goodwill, which was included in our total assets, on a segment basis.

$ in millions	**December 31, 2021**	September 30, 2021
Goodwill:		
Private Client Group	**$ 417**	$ 417
Capital Markets	**174**	174
Asset Management	**69**	69
Total	**$ 660**	$ 660

We have operations in the U.S., Canada and Europe. Substantially all long-lived assets are located in the U.S. The following table presents our net revenues and pre-tax income classified by major geographic area in which they were earned.

	Three months ended December 31,	
$ in millions	**2021**	2020
Net revenues:		
U.S.	**$ 2,589**	$ 2,079
Canada	**137**	105
Europe	**55**	38
Total	**$ 2,781**	$ 2,222
Pre-tax income:		
U.S.	**$ 531**	$ 396
Canada	**17**	1
Europe	**10**	2
Total	**$ 558**	$ 399

The following table presents our total assets by major geographic area in which they were held.

$ in millions	**December 31, 2021**	September 30, 2021
Total assets:		
U.S.	**$ 64,589**	$ 57,952
Canada	**3,670**	3,724
Europe	**202**	215
Total	**$ 68,461**	$ 61,891

The following table presents goodwill, which was included in our total assets, classified by major geographic area in which it was held.

$ in millions	**December 31, 2021**	September 30, 2021
Goodwill:		
U.S.	**$ 619**	$ 619
Canada	**25**	25
Europe	**16**	16
Total	**$ 660**	$ 660

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

INDEX

FACTORS AFFECTING "FORWARD-LOOKING STATEMENTS"

Certain statements made in this Quarterly Report on Form 10-Q 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), anticipated timing and benefits of our acquisitions (including our acquisition of Charles Stanley completed on January 21, 2022, as well as our proposed acquisition of TriState Capital), and our level of success in integrating acquired businesses, anticipated results of litigation, regulatory developments, impacts of the COVID-19 pandemic, effects of accounting pronouncements, and 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, is 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 SEC from time to time, including our most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, 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.

INTRODUCTION

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to help the reader understand the results of our operations and financial condition. This MD&A is provided as a supplement to, and should be read in conjunction with, our condensed consolidated financial statements and accompanying notes to condensed consolidated financial statements. Where "NM" is used in various percentage change computations, the computed percentage change has been determined to be not meaningful.

We operate as a financial holding company and bank holding company. Results in the businesses in which we operate are highly correlated to general economic conditions and, more specifically, to the direction of the U.S. equity and fixed income markets, changes in interest rates, market volatility, corporate and mortgage lending markets and commercial and residential credit trends. Overall market conditions, economic, political and regulatory trends, and industry competition are among the factors which could affect us and which are unpredictable and beyond our control. These factors affect the financial decisions made by market participants, including investors, borrowers, and competitors, impacting their level of participation in the financial markets. These factors also impact the level of investment banking activity and asset valuations, which ultimately affect our business results.

EXECUTIVE OVERVIEW

Three months ended December 31, 2021 compared with the three months ended December 31, 2020

For our fiscal first quarter of 2022, we generated net revenues of $2.78 billion, an increase of 25% compared with the prior-year quarter, and pre-tax income of $558 million, an increase of 40%. Our net income of $446 million was 43% higher than the prior-year quarter and our earnings per diluted share were $2.10, reflecting a 42% increase. Our annualized return on equity ("ROE") was 21.2%, compared with 17.2% for the prior-year quarter, and annualized return on tangible common equity ("ROTCE") was 23.4%(1), compared with 19.0%(1) for the prior-year quarter.

The significant increase in net revenues compared with the prior-year quarter was primarily driven by higher asset management and related administrative fees, primarily attributable to higher PCG client assets in fee-based accounts, and strong investment banking revenues, which also increased compared with the prior-year quarter.

(1) ROTCE is a non-GAAP financial measure. Please see the "Reconciliation of non-GAAP financial measures to GAAP financial measures" in this MD&A for a reconciliation of this non-GAAP financial measure to the most directly comparable GAAP measure, and for other important disclosures.

Compensation, commissions and benefits expense increased $384 million, or 26%, primarily attributable to the growth in revenues and pre-tax income compared with the prior-year quarter. Our compensation ratio, or the ratio of compensation, commissions and benefits expense to net revenues, was 67.7%, compared with 67.5% for the prior-year quarter.

Non-compensation expenses increased $16 million, or 5%, primarily due to increases in communications and information processing and business development expenses, as well as higher investment sub-advisory fees. Partially offsetting these increases was a $25 million decrease in the bank loan provision for credit losses, which was a benefit of $11 million in the current quarter compared with a provision of $14 million in the prior-year quarter.

Our effective income tax rate was 20.1% for our fiscal first quarter of 2022, a decrease from 21.8% for the prior-year quarter. The decrease in the effective tax rate from the prior-year quarter was primarily due to a larger tax benefit recognized during the current quarter related to share-based compensation that vested during the period, partially offset by lower valuation gains on our corporate-owned life insurance portfolio compared with the prior-year quarter.

As of December 31, 2021, our total capital ratio of 27.0% and tier 1 leverage ratio of 12.1% were each more than double the regulatory requirement to be considered well-capitalized. We also continue to have substantial liquidity, with $1.4 billion(1) of cash at the parent company, which includes cash loaned to RJ&A. We expect to continue to be opportunistic in deploying our capital in fiscal 2022, through a combination of organic growth and acquisitions, as evidenced by our acquisition of Charles Stanley, which we completed on January 21, 2022, as well as our proposed acquisition of TriState Capital, which we expect to close later in fiscal 2022. In December 2021, our Board of Directors increased the quarterly dividend 31% to $0.34 per share and authorized share repurchases of up to $1 billion, which replaced the previous authorization. Due to regulatory restrictions following the announcement of our pending acquisition of TriState Capital, we do not expect to repurchase common shares until after closing; however, the increase in the authorization reflects our current intention to repurchase shares after closing. As of February 4, 2022, $1 billion remained available under the share repurchase authorization.

We remain well-positioned entering our fiscal second quarter, with $1.26 trillion of client assets under administration as of December 2021 as well as strong financial advisor recruiting activity and a robust investment banking pipeline. With clients' domestic cash sweep balances of $73.5 billion as of December 2021, we believe we are also well-positioned for anticipated increases in short-term interest rates given the exposure to short-term interest rates for both our RJBDP balances with third-party banks and a significant portion of our assets at Raymond James Bank. However, we also expect to continue to face economic uncertainty, including that arising from inflation, supply chain complications, labor shortages, and uncertainty around U.S. economic policy. In addition, although the economy has continued to improve since the beginning of the COVID-19 pandemic, the pace of recovery in the future is uncertain due to concerns related to the pandemic, including the spread of variants. As a result, we may experience volatility in asset management fees, brokerage revenues and investment banking revenues. Although our results during the quarter were positively impacted by a benefit for credit losses related to our bank loan portfolio, net loan growth should result in additional provisions for bank loan losses in future periods and/or future market deterioration could result in increased provisions in future periods. In addition, although we have been focused on the management of expenses, we expect that expenses will continue to increase in fiscal 2022, as business and event-related travel continue to increase and as we continue to make investments in our people and technology to support our growth.

(1) For additional information, please see the "Liquidity and capital resources - Sources of liquidity" section in this MD&A.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES TO GAAP FINANCIAL MEASURES

We utilize certain non-GAAP financial measures, including ROTCE, as additional measures to aid in, and enhance, the understanding of our financial results and related measures. We believe that ROTCE is meaningful to investors as this measure facilitates comparison of our results to the results of other companies. 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 financial measures for the periods indicated.

	Three months ended December 31,	
$ in millions	**2021**	2020
Average equity	**$ 8,423**	$ 7,239
Less:		
Average goodwill and identifiable intangible assets, net	**878**	717
Average deferred tax liabilities, net	**(64)**	(45)
Average tangible common equity	**$ 7,609**	$ 6,567
Return on equity	**21.2 %**	17.2 %
Return on tangible common equity	**23.4 %**	19.0 %

Average equity is computed by adding the total equity attributable to RJF 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. Tangible common equity is computed by subtracting goodwill and identifiable intangible assets, net, along with the associated deferred tax liabilities, from total equity attributable to RJF.

ROE is computed by dividing annualized net income for the period indicated by average equity for each respective period or, in the case of ROTCE, computed by dividing annualized net income by average tangible common equity for each respective period.

SEGMENTS

We currently operate through the following five segments: PCG; Capital Markets; Asset Management; Raymond James Bank; and Other.

The following table presents our consolidated and segment net revenues and pre-tax income/(loss) for the periods indicated.

	Three months ended December 31,		
$ in millions	**2021**	2020	% change
Total company			
Net revenues	**$ 2,781**	$ 2,222	25 %
Pre-tax income	**$ 558**	$ 399	40 %
Private Client Group			
Net revenues	**$ 1,839**	$ 1,467	25 %
Pre-tax income	**$ 195**	$ 140	39 %
Capital Markets			
Net revenues	**$ 614**	$ 452	36 %
Pre-tax income	**$ 201**	$ 129	56 %
Asset Management			
Net revenues	**$ 236**	$ 195	21 %
Pre-tax income	**$ 107**	$ 83	29 %
Raymond James Bank			
Net revenues	**$ 183**	$ 167	10 %
Pre-tax income	**$ 102**	$ 71	44 %
Other			
Net revenues	**$ (15)**	$ 4	NM
Pre-tax loss	**$ (47)**	$ (24)	(96)%
Intersegment eliminations			
Net revenues	**$ (76)**	$ (63)	(21)%

NET INTEREST ANALYSIS

In response to macroeconomic concerns resulting from the COVID-19 pandemic, the Federal Reserve decreased its benchmark short-term interest rate in March 2020 to a range of 0-0.25%. These near-zero short-term interest rates have negatively impacted our net interest income, as well as the fee income we earn from third-party banks on client cash balances swept to such banks as part of the RJBDP (included in account and service fees) which are also sensitive to changes in interest rates. The Federal Reserve has recently indicated that it intends to increase its short-term interest rates some time during our fiscal 2022 in response to inflationary pressures and given the improving economic and employment conditions since the beginning of the COVID-19 pandemic.

Given the relationship between our interest-sensitive assets and liabilities (primarily held in our PCG, Raymond James Bank and Other segments) and the nature of fees we earn from third-party banks on the RJBDP, increases in short-term interest rates generally result in an increase in our net earnings, although the magnitude of the impact to our net interest margin depends on the yields on interest-earning assets relative to the cost of interest-bearing liabilities, including deposit rates paid to clients on their cash balances. As a result, we believe we are well-positioned for our net interest earnings to be favorably impacted by any increase in short-term rates that may arise. Conversely, any decreases in short-term interest rates and/or increases in the deposit rates paid to clients would generally have a negative impact on our earnings.

Based on our high concentration of floating-rate assets that are funded from clients' domestic cash sweep balances, we estimate (based on static balances as of December 31, 2021) that an instantaneous 100 basis point increase in short-term interest rates would result in incremental pre-tax income of approximately $570 million annually, with approximately 65% reflected as net interest income and 35% reflected as account and service fees. The realization of such amounts is dependent upon a number of key assumptions and actual results may differ materially from our estimates.

Refer to the discussion of our net interest income within the "Management's Discussion and Analysis - Results of Operations" of our PCG, Raymond James Bank, and Other segments, where applicable. Also refer to "Management's Discussion and Analysis - Results of Operations - Private Client Group - Clients' domestic cash sweep balances" for further information on the RJBDP.

The following table presents our consolidated average interest-earning asset and interest-bearing liability balances, interest income and expense and the related yields and rates.

Three months ended December 31, 2021 compared with the three months ended December 31, 2020

	Three months ended December 31,					
	2021			2020		
$ in millions	Average daily balance	Interest	Annualized average rate	Average daily balance	Interest	Annualized average rate
Interest-earning assets:						
Cash and cash equivalents	**$ 6,076**	**$ 3**	**0.18 %**	$ 5,712	$ 4	0.25 %
Assets segregated for regulatory purposes and restricted cash	**13,011**	**4**	**0.12 %**	5,816	3	0.21 %
Available-for-sale securities	**8,511**	**22**	**1.02 %**	7,478	23	1.21 %
Brokerage client receivables	**2,484**	**21**	**3.35 %**	2,082	18	3.48 %
Bank loans, net of unearned income and deferred expenses:						
Loans held for investment:						
C&I loans	**8,581**	**55**	**2.49 %**	7,535	51	2.63 %
CRE loans	**2,941**	**20**	**2.67 %**	2,582	17	2.59 %
REIT loans	**1,133**	**7**	**2.56 %**	1,235	8	2.43 %
Tax-exempt loans	**1,297**	**8**	**3.19 %**	1,237	8	3.35 %
Residential mortgage loans	**5,451**	**37**	**2.68 %**	5,001	35	2.77 %
SBL and other	**6,289**	**35**	**2.20 %**	4,286	25	2.29 %
Loans held for sale	**239**	**2**	**2.94 %**	141	1	2.94 %
Total bank loans, net	**25,931**	**164**	**2.52 %**	22,017	145	2.62 %
All other interest-earning assets	**2,376**	**11**	**1.91 %**	2,288	10	2.00 %
Total interest-earning assets	**$ 58,389**	**$ 225**	**1.53 %**	$ 45,393	$ 203	1.78 %
Interest-bearing liabilities:						
Bank deposits:						
Savings, money market and NOW accounts	**$ 31,894**	**$ 2**	**0.02 %**	$ 26,637	$ 1	0.02 %
Certificates of deposit	**843**	**4**	**1.87 %**	952	5	1.93 %
Total bank deposits	**32,737**	**6**	**0.07 %**	27,589	6	0.09 %
Brokerage client payables	**14,300**	**1**	**0.03 %**	7,324	1	0.06 %
Other borrowings	**857**	**5**	**2.20 %**	866	5	2.19 %
Senior notes payable	**2,037**	**23**	**4.44 %**	2,045	24	4.70 %
All other interest-bearing liabilities	**650**	**2**	**1.16 %**	574	2	1.14 %
Total interest-bearing liabilities	**$ 50,581**	**$ 37**	**0.28 %**	$ 38,398	$ 38	0.39 %
Net interest income		**$ 188**			$ 165	
Firmwide net interest margin (net yield on interest-earning assets)			**1.29 %**			1.45 %
Raymond James Bank net interest margin			**1.92 %**			2.02 %

Nonaccrual loans are included in the average loan balances in the preceding table. Any payments received for corporate nonaccrual loans are applied entirely to principal. Interest income on residential mortgage nonaccrual loans is recognized on a cash basis.

The yield on tax-exempt loans in the preceding table is presented on a taxable-equivalent basis utilizing the applicable federal statutory rates for each of the three months ended December 31, 2021 and 2020.

Net interest income increased $23 million, or 14%, compared with the prior-year quarter, as significant growth in average interest-earning assets outweighed the year-over-year decrease in net interest margin.

Increases and decreases in interest income and interest expense result from changes in average balances (volume) of interest-earning assets and interest-bearing liabilities, as well as changes in average interest rates. The following table shows the effect that these factors had on the interest earned on our interest-earning assets and the interest incurred on our interest-bearing liabilities. The effect of changes in volume is determined by multiplying the change in volume by the previous period's average yield/cost. Similarly, the effect of rate changes is calculated by multiplying the change in average yield/cost by the previous period's volume. Changes attributable to both volume and rate have been allocated proportionately.

	Three months ended December 31, 2021 compared to 2021		
	Increase/(decrease) due to		
$ in millions	Volume	Rate	Total
Interest income:			
Interest-earning assets:			
Cash and cash equivalents	$ —	$ (1)	$ (1)
Assets segregated for regulatory purposes and restricted cash	4	(3)	1
Available-for-sale securities	3	(4)	(1)
Brokerage client receivables	4	(1)	3
Bank loans, net of unearned income and deferred expenses:			
Loans held for investment:			
C&I loans	7	(3)	4
CRE loans	2	1	3
REIT loans	(1)	—	(1)
Tax-exempt loans	—	—	—
Residential mortgage loans	3	(1)	2
SBL and other	12	(2)	10
Loans held for sale	1	—	1
Total bank loans, net	24	(5)	19
All other interest-earning assets	2	(1)	1
Total interest-earning assets	$ 37	$ (15)	$ 22
Interest expense:			
Interest-bearing liabilities:			
Bank deposits:			
Savings, money market and NOW accounts	$ 1	$ —	$ 1
Certificates of deposit	(1)	—	(1)
Total bank deposits	—	—	—
Brokerage client payables	1	(1)	—
Other borrowings	—	—	—
Senior notes payable	—	(1)	(1)
All other interest-bearing liabilities	—	—	—
Total interest-bearing liabilities	$ 1	$ (2)	$ (1)
Change in net interest income	$ 36	$ (13)	$ 23

RESULTS OF OPERATIONS – PRIVATE CLIENT GROUP

For an overview of our PCG segment operations, as well as a description of the key factors impacting our PCG results of operations, refer to the information presented in "Item 1 - Business" and "Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations" of our 2021 Form 10-K.

Operating results

	Three months ended December 31,		
$ in millions	**2021**	2020	**% change**
Revenues:			
Asset management and related administrative fees	**$ 1,162**	$ 885	31 %
Brokerage revenues:			
Mutual and other fund products	**171**	148	16 %
Insurance and annuity products	**111**	98	13 %
Equities, ETFs and fixed income products	**115**	107	7 %
Total brokerage revenues	**397**	353	12 %
Account and service fees:			
Mutual fund and annuity service fees	**114**	94	21 %
RJBDP fees:			
Third-party banks	**17**	21	(19)%
Raymond James Bank	**50**	43	16 %
Client account and other fees	**49**	32	53 %
Total account and service fees	**230**	190	21 %
Investment banking	**13**	6	117 %
Interest income	**33**	30	10 %
All other	**7**	5	40 %
Total revenues	**1,842**	1,469	25 %
Interest expense	**(3)**	(2)	50 %
Net revenues	**1,839**	1,467	25 %
Non-interest expenses:			
Financial advisor compensation and benefits	**1,187**	931	27 %
Administrative compensation and benefits	**283**	249	14 %
Total compensation, commissions and benefits	**1,470**	1,180	25 %
Non-compensation expenses:			
Communications and information processing	**71**	62	15 %
Occupancy and equipment	**46**	43	7 %
Business development	**27**	16	69 %
Professional fees	**9**	13	(31)%
All other	**21**	13	62 %
Total non-compensation expenses	**174**	147	18 %
Total non-interest expenses	**1,644**	1,327	24 %
Pre-tax income	**$ 195**	$ 140	39 %

Selected key metrics

PCG client asset balances

	As of			
$ in billions	**December 31, 2021**	September 30, 2021	December 31, 2020	September 30, 2020
Assets under administration ("AUA")	**$ 1,199.8**	$ 1,115.4	$ 974.2	$ 883.3
Assets in fee-based accounts (1)	**$ 677.8**	$ 627.1	$ 532.7	$ 475.3
Percent of AUA in fee-based accounts	**56.5 %**	56.2 %	54.7 %	53.8 %

(1) A portion of our "Assets in fee-based accounts" is invested in "managed programs" overseen by our Asset Management segment, specifically our Asset Management Services division of RJ&A ("AMS"). These assets are included in our Financial assets under management as disclosed in the "Selected key metrics" section of our "Management's Discussion and Analysis - Results of Operations - Asset Management."

Fee-based accounts within our PCG segment are comprised of a wide array of products and programs that we offer our clients. The majority of assets in fee-based accounts within our PCG segment are invested in programs for which our financial advisors provide investment advisory services, either on a discretionary or non-discretionary basis. Administrative services for such accounts (e.g., record-keeping) are generally performed by our Asset Management segment and, as a result, a portion of the related revenue is shared with the Asset Management segment.

We also offer our clients fee-based accounts that are invested in "managed programs" overseen by AMS, which is part of our Asset Management segment. Fee-billable assets invested in managed programs are included in both "Assets in fee-based accounts" in the preceding table and "Financial assets under management" in the Asset Management segment. Revenues related to managed programs are shared by our PCG and Asset Management segments. The Asset Management segment receives a higher portion of the revenues related to accounts invested in managed programs, as compared to the portion received for non-managed programs, as it is performing portfolio management services in addition to administrative services.

The vast majority of the revenues we earn from fee-based accounts is recorded in "Asset management and related administrative fees" on our Condensed Consolidated Statements of Income and Comprehensive Income. Fees received from such accounts are based on the value of client assets in fee-based accounts and vary based on the specific account types in which the client invests and the level of assets in the client relationship. As fees for substantially all of such accounts are billed based on balances as of the beginning of the quarter, revenues from fee-based accounts may not be immediately affected by changes in asset values, but rather the impacts are seen in the following quarter. Assets in fee-based accounts in this segment increased 8% as of December 31, 2021 compared with September 30, 2021, which we expect will have a favorable impact on our related revenues in our fiscal second quarter of 2022, even after the offsetting effect of fewer days in the second quarter compared to the first quarter.

PCG AUA increased during the three months ended December 31, 2021, primarily due to equity market appreciation as well as strong retention and recruiting of financial advisors. In addition, PCG assets in fee-based accounts continued to increase as a percentage of overall PCG AUA due to clients' increased preference for fee-based alternatives versus transaction-based accounts. As a result of the continued increase in fee-based accounts as a percentage of total PCG AUA, a significant portion of our PCG revenues is more directly impacted by market movements.

Financial advisors

	December 31, 2021	September 30, 2021	December 31, 2020	September 30, 2020
Employees	**3,447**	3,461	3,387	3,404
Independent contractors	**5,017**	5,021	4,846	4,835
Total advisors	**8,464**	8,482	8,233	8,239

The number of financial advisors as of December 31, 2021 decreased slightly compared to September 30, 2021 as new recruits and trainees that were moved into production roles were outpaced by the number of financial advisors who left the firm, including planned retirements, where assets are generally retained at the firm pursuant to advisor succession plans. Advisor departures due to retirements or advisors choosing to leave the business are typically elevated during the December quarter compared to other quarters. The number of financial advisors included in our financial advisor metric has been negatively impacted over the past several quarters by the transfer of advisors who were previously affiliated with the firm as independent contractors or employees to our Registered Investment Advisor & Custody Services ("RCS") division. Advisors in RCS are not included in our financial advisor metric although their client assets, which were $101.6 billion as of December 31, 2021, are included in PCG AUA. The recruiting pipeline remains robust across our affiliation options despite a competitive recruiting environment.

Clients' domestic cash sweep balances

	As of			
$ in millions	**December 31, 2021**	September 30, 2021	December 31, 2020	September 30, 2020
RJBDP:				
Raymond James Bank	**$ 33,097**	$ 31,410	$ 26,697	$ 25,599
Third-party banks	**24,316**	24,496	26,142	25,998
Subtotal RJBDP	**57,413**	55,906	52,839	51,597
CIP	**16,065**	10,762	8,769	3,999
Total clients' domestic cash sweep balances	**$ 73,478**	$ 66,668	$ 61,608	$ 55,596

	Three months ended December 31,	
	2021	2020
Average yield on RJBDP - third-party banks	**0.28 %**	0.31 %

A significant portion of our clients' cash is included in the RJBDP, a multi-bank sweep program in which clients' cash deposits in their accounts are swept into interest-bearing deposit accounts at Raymond James Bank and various third-party banks. We earn servicing fees for the administrative services we provide related to our clients' deposits that are swept to such banks as part of the RJBDP. The amounts from third-party banks are variable in nature and fluctuate based on client cash balances in the program, as well as the level of short-term interest rates and the interest paid to clients by the third-party banks on balances in the RJBDP. The "Average yield on RJBDP - third party banks" in the preceding table is computed by dividing annualized RJBDP fees from third-party banks, which are net of the interest expense paid to clients by the third-party banks, by the average daily RJBDP balance at third-party banks. The average yield on RJBDP - third-party banks decreased slightly from the prior-year quarter, reflecting the impact of near-zero short-term interest rates and limited demand for deposits at third-party banks. If demand from third-party banks does not improve from current levels and short-term interest rates do not increase, we could continue to experience downward pressure on this yield or, in the case of an increase in short-term interest rates, may not experience a commensurate increase in this yield. The PCG segment also earns RJBDP servicing fees from the Raymond James Bank segment, which are based on the number of accounts that are swept to Raymond James Bank. The fees from the Raymond James Bank segment are eliminated in consolidation.

PCG segment results can be impacted by changes in the allocation of client cash balances between RJBDP balances with Raymond James Bank, RJBDP balances with third-party banks, and CIP, as the PCG segment typically earns different amounts from each of the three client cash destinations, depending on multiple factors.

Client cash balances continued to increase as of December 31, 2021. The growing cash balances combined with reduced capacity at third-party banks that participate in the RJBDP, resulted in a significant increase in cash balances held in CIP, also resulting in a significant increase in our assets segregated for regulatory purposes balance presented on our Condensed Consolidated Statements of Financial Condition.

Three months ended December 31, 2021 compared with the three months ended December 31, 2020

Net revenues of $1.84 billion increased $372 million, or 25%, and pre-tax income of $195 million increased $55 million, or 39%.

Asset management and related administrative fees increased $277 million, or 31%, primarily due to higher assets in fee-based accounts at the beginning of the current-year quarter.

Brokerage revenues increased $44 million, or 12%, primarily due to higher trailing revenues from mutual and other fund products and annuity products, resulting from higher average asset values, as well as higher transactional revenues due to increased client activity.

Account and service fees increased $40 million, or 21%, primarily due to an increase in mutual fund service fees resulting from higher average mutual fund assets, as well as incremental client account and other fees resulting from our acquisition of NWPS Holdings, Inc. at the end of our fiscal first quarter of 2021.

Compensation-related expenses increased $290 million, or 25%, primarily due to higher revenues and continued improvement in financial performance, as well as an increase in compensation costs to support our growth.

Non-compensation expenses increased $27 million, or 18%, largely due to increases in travel and event-related expenses compared with the low levels incurred in the prior-year quarter, as well as higher communications and information processing expenses primarily due to ongoing enhancements of our technology platforms.

RESULTS OF OPERATIONS – CAPITAL MARKETS

For an overview of our Capital Markets segment operations, as well as a description of the key factors impacting our Capital Markets results of operations, refer to the information presented in "Item 1 - Business" and "Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations" of our 2021 Form 10-K.

Operating results

	Three months ended December 31,		
$ in millions	**2021**	2020	**% change**
Revenues:			
Brokerage revenues:			
Fixed income	**$ 120**	$ 131	(8)%
Equity	**39**	42	(7)%
Total brokerage revenues	**159**	173	(8)%
Investment banking:			
Merger & acquisition and advisory	**271**	149	82 %
Equity underwriting	**97**	60	62 %
Debt underwriting	**44**	46	(4)%
Total investment banking	**412**	255	62 %
Interest income	**5**	3	67 %
Tax credit fund revenues	**35**	16	119 %
All other	**5**	7	(29)%
Total revenues	**616**	454	36 %
Interest expense	**(2)**	(2)	— %
Net revenues	**614**	452	36 %
Non-interest expenses:			
Compensation, commissions and benefits	**331**	252	31 %
Non-compensation expenses:			
Communications and information processing	**22**	19	16 %
Occupancy and equipment	**9**	9	— %
Business development	**8**	9	(11)%
Professional fees	**14**	13	8 %
Acquisition-related expenses	**4**	—	NM
All other	**25**	21	19 %
Total non-compensation expenses	**82**	71	15 %
Total non-interest expenses	**413**	323	28 %
Pre-tax income	**$ 201**	$ 129	56 %

Three months ended December 31, 2021 compared with the three months ended December 31, 2020

Net revenues of $614 million increased $162 million, or 36%, and pre-tax income of $201 million increased $72 million, or 56%.

Investment banking revenues increased $157 million, or 62%, due to a significant increase in merger & acquisition and advisory revenues and, to a lesser extent, equity underwriting revenues. The significant increase in merger & acquisition and advisory revenues reflected an increase in the number of transactions due to continued high levels of client activity, as well as an increase in the average fee per transaction. The increase in equity underwriting was primarily due to higher revenues from private placements. In addition to our strong results during the quarter, our investment banking pipeline remains strong going into our fiscal second quarter and, in part, reflect the investments we have made over the past several years, including our fiscal 2021 acquisitions of Financo and Cebile.

Brokerage revenues decreased $14 million, or 8%, primarily due to a decrease in fixed income brokerage revenues, which remained solid but were lower than the prior-year quarter as a result of a decline in client activity levels compared with a strong prior-year quarter. While inherently difficult to predict, we expect fixed income brokerage revenues to remain solid in our fiscal second quarter driven in large part by expected continued demand from depository clients.

Compensation-related expenses increased $79 million, or 31%, primarily due to the increase in revenues.

Non-compensation expenses increased $11 million, or 15%, and included $4 million of acquisition-related expenses, comprised of the amortization of intangible assets with short useful lives which arose from the Financo and Cebile acquisitions.

RESULTS OF OPERATIONS – ASSET MANAGEMENT

For an overview of our Asset Management segment operations as well as a description of the key factors impacting our Asset Management results of operations, refer to the information presented in "Item 1 - Business" and "Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations" of our 2021 Form 10-K.

Operating results

	Three months ended December 31,		
$ in millions	**2021**	2020	**% change**
Revenues:			
Asset management and related administrative fees:			
Managed programs	**$ 151**	$ 129	17 %
Administration and other	**76**	59	29 %
Total asset management and related administrative fees	**227**	188	21 %
Account and service fees	**6**	4	50 %
All other	**3**	3	— %
Net revenues	**236**	195	21 %
Non-interest expenses:			
Compensation, commissions and benefits	**46**	45	2 %
Non-compensation expenses:			
Communications and information processing	**12**	11	9 %
Investment sub-advisory fees	**37**	28	32 %
All other	**34**	28	21 %
Total non-compensation expenses	**83**	67	24 %
Total non-interest expenses	**129**	112	15 %
Pre-tax income	**$ 107**	$ 83	29 %

Selected key metrics

Managed programs

Management fees recorded in our Asset Management segment are generally calculated as a percentage of the value of our fee-billable financial assets under management ("AUM"). These AUM include the portion of fee-based AUA in our PCG segment that is invested in programs overseen by our Asset Management segment (included in the "AMS" line of the following table), as well as retail accounts managed on behalf of third-party institutions, institutional accounts and proprietary mutual funds that we manage (collectively included in the "Carillon Tower Advisers" line of the following table).

Revenues related to fee-based AUA in our PCG segment are shared by the PCG and Asset Management segments, the amount of which depends on whether clients are invested in assets that are in managed programs overseen by our Asset Management segment and the administrative services provided (see our "Management's Discussion and Analysis - Results of Operations - Private Client Group" for more information). Our AUM in AMS are impacted by market fluctuations and net inflows or outflows of assets, including transfers between fee-based accounts and transaction-based accounts within our PCG segment.

Revenues earned by Carillon Tower Advisers for retail accounts managed on behalf of third-party institutions, institutional accounts and our proprietary mutual funds are recorded entirely in the Asset Management segment. Our AUM in Carillon Tower Advisers are impacted by market and investment performance and net inflows or outflows of assets.

Fees for our managed programs are generally collected quarterly. Approximately 65% of these fees are based on balances as of the beginning of the quarter, approximately 10% are based on balances as of the end of the quarter, and approximately 25% are based on average daily balances throughout the quarter.

Financial assets under management

$ in billions	**December 31, 2021**	September 30, 2021	December 31, 2020	September 30, 2020
AMS [1]	**$ 145.0**	$ 134.4	$ 113.9	$ 102.2
Carillon Tower Advisers	**68.9**	67.8	64.9	59.5
Subtotal financial assets under management	**213.9**	202.2	178.8	161.7
Less: Assets managed for affiliated entities	**(10.7)**	(10.3)	(9.2)	(8.6)
Total financial assets under management	**$ 203.2**	$ 191.9	$ 169.6	$ 153.1

(1) Represents the portion of our PCG segment fee-based AUA (as disclosed in "Assets in fee-based accounts" in the "Selected key metrics - PCG client asset balances" section of our "Management's Discussion and Analysis - Results of Operations - Private Client Group") that is invested in managed programs overseen by the Asset Management segment.

Activity (including activity in assets managed for affiliated entities)

	Three months ended December 31,	
$ in billions	**2021**	2020
Financial assets under management at beginning of period	**$ 202.2**	$ 161.7
Carillon Tower Advisers - net outflows	**(0.4)**	(0.3)
AMS - net inflows	**3.5**	1.7
Net market appreciation in asset values	**8.6**	15.7
Financial assets under management at end of period	**$ 213.9**	$ 178.8

AMS

See "Management's Discussion and Analysis - Results of Operations - Private Client Group" for further information about our retail client assets, including those fee-based assets invested in programs managed by AMS.

Carillon Tower Advisers

Assets managed by Carillon Tower Advisers include assets managed by its subsidiaries and affiliates: Eagle Asset Management, Scout Investments, Reams Asset Management (a division of Scout Investments), ClariVest Asset Management and Cougar Global Investments. The following table presents Carillon Tower Advisers' AUM by objective, excluding assets for which it does not exercise discretion, as well as the approximate average client fee rate earned on such assets.

$ in billions	**December 31, 2021**	**Average fee rate**
Equity	**$ 30.3**	**0.52 %**
Fixed income	**30.9**	**0.18 %**
Balanced	**7.7**	**0.35 %**
Total financial assets under management	**$ 68.9**	**0.35 %**

Non-discretionary asset-based programs

The following table includes assets held in certain non-discretionary asset-based programs for which the Asset Management segment does not exercise discretion but provides administrative support (including for affiliated entities). The vast majority of these assets are also included in our PCG segment fee-based AUA (as disclosed in "Assets in fee-based accounts" in the "Selected key metrics - PCG client asset balances" section of our "Management's Discussion and Analysis - Results of Operations - Private Client Group").

$ in billions	**December 31, 2021**	September 30, 2021	December 31, 2020	September 30, 2020
Total assets	**$ 392.4**	$ 365.3	$ 313.5	$ 280.6

The increase in assets as of December 31, 2021 compared to September 30, 2021 was primarily due to equity market appreciation and continued growth in the PCG segment. Administrative fees associated with these programs are predominantly based on balances at the beginning of the quarter.

RJ Trust

The following table includes assets held in asset-based programs in RJ Trust (including those managed for affiliated entities).

$ in billions	**December 31, 2021**	September 30, 2021	December 31, 2020	September 30, 2020
Total assets	**$ 8.8**	$ 8.1	$ 7.6	$ 7.1

Three months ended December 31, 2021 compared with the three months ended December 31, 2020

Net revenues of $236 million increased $41 million, or 21%, and pre-tax income of $107 million increased $24 million, or 29%.

Asset management and related administrative fees increased $39 million, or 21%, driven by higher AUM and higher assets in non-discretionary asset-based programs. The increase in AUM resulted from both equity market appreciation and net inflows at AMS, partially offset by net outflows at Carillon Tower Advisers, which continued to be negatively impacted by the industry shift from actively managed investment strategies to passive investment strategies. Beginning October 1, 2021, AMS has received a lower portion of the client fee on certain managed fee-based products offered to PCG clients through AMS. These changes resulted in a $9 million reduction in asset management and related administrative fees in the Asset Management segment and an approximately $7 million reduction in firmwide pre-tax income during the quarter.

Compensation expenses increased $1 million, or 2%, and included the impact of higher net revenues. Non-compensation expenses increased $16 million, or 24%, largely due to higher investment sub-advisory fees, which resulted from the increase in AUM in sub-advised programs, and an increase in platform fees.

RESULTS OF OPERATIONS – RAYMOND JAMES BANK

For an overview of our Raymond James Bank segment operations, as well as a description of the key factors impacting our Raymond James Bank segment results of operations, refer to the information presented in "Item 1 - Business" and "Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations" of our 2021 Form 10-K.

Operating results

	Three months ended December 31,		
$ in millions	**2021**	2020	**% change**
Revenues:			
Interest income	**$ 187**	$ 168	11 %
Interest expense	**(10)**	(11)	(9)%
Net interest income	**177**	157	13 %
All other	**6**	10	(40)%
Net revenues	**183**	167	10 %
Non-interest expenses:			
Compensation and benefits	**13**	12	8 %
Non-compensation expenses:			
Bank loan provision/(benefit) for credit losses	**(11)**	14	NM
RJBDP fees to PCG	**50**	43	16 %
All other	**29**	27	7 %
Total non-compensation expenses	**68**	84	(19)%
Total non-interest expenses	**81**	96	(16)%
Pre-tax income	**$ 102**	$ 71	44 %

Three months ended December 31, 2021 compared with the three months ended December 31, 2020

Net revenues of $183 million increased $16 million, or 10%, and pre-tax income of $102 million increased $31 million, or 44%.

Net interest income increased $20 million, or 13%, due to higher average interest-earning assets. The increase in average interest-earning assets was primarily driven by significant growth in securities-based loans and residential mortgages to PCG clients, as well as increases in average corporate loans and available-for-sale securities. The net interest margin decreased to 1.92% from 2.02% for the prior-year quarter, primarily due to lower short-term interest rates, as well as higher balances of agency-backed available-for-sale securities, which on average have a lower yield than loans. Absent any changes in short-term interest rates during the period, we expect the net interest margin for our fiscal second quarter of 2022 to remain relatively flat to the fiscal first quarter; however we expect net interest income to be positively impacted by the growth in loans. Given that a significant portion of our interest-earning assets are sensitive to changes in market interest rates, our net interest earnings should be favorably impacted by any increase in short-term interest rates.

The bank loan benefit for credit losses was $11 million for the current quarter, compared with a provision for credit losses of $14 million for the prior-year quarter. The current quarter benefit was largely attributable to improvement in credit quality in the C&I bank loan portfolio and continued improvement in macroeconomic inputs to our CECL model, which positively impacted most loan portfolios, partially offset by provisions for credit losses related to loan growth.

RJBDP fees to PCG increased $7 million, or 16%, due to an increase in the number of accounts swept to Raymond James Bank as part of the RJBDP. These fees are eliminated in consolidation.

RESULTS OF OPERATIONS – OTHER

This segment includes our private equity investments, interest income on certain corporate cash balances, certain acquisition-related expenses, and certain corporate overhead costs of RJF that are not allocated to other segments, including the interest costs on our public debt. For an overview of our Other segment operations, refer to the information presented in "Item 1 - Business" and "Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations" of our 2021 Form 10-K.

Operating results

	Three months ended December 31,		
$ in millions	**2021**	2020	**% change**
Revenues:			
Interest income	**$ 1**	$ 3	(67)%
Gains on private equity investments	**5**	24	(79)%
All other	**2**	1	100 %
Total revenues	**8**	28	(71)%
Interest expense	**(23)**	(24)	(4)%
Net revenues	**(15)**	4	NM
Non-interest expenses:			
Compensation and all other	**30**	26	15 %
Acquisition-related expenses	**2**	2	— %
Total non-interest expenses	**32**	28	14 %
Pre-tax loss	**$ (47)**	$ (24)	(96)%

Three months ended December 31, 2021 compared with the three months ended December 31, 2020

The pre-tax loss of $47 million was $23 million larger than the loss in the prior-year quarter.

Net revenues decreased $19 million, primarily due to a decrease in private equity valuation gains compared with the prior-year quarter. The current quarter included $5 million of private equity valuation gains, of which $1 million was attributable to noncontrolling interests and was offset within other expenses. The prior-year quarter included $24 million of private equity valuation gains, of which $10 million were attributable to noncontrolling interests and were offset within other expenses.

Non-interest expenses increased $4 million, or 14%, primarily due to increases in compensation and benefit expenses, primarily resulting from the continued improvement in the financial performance of our businesses, partially offset by the aforementioned decrease in private equity gains attributable to noncontrolling interests. The $2 million of acquisition-related expenses in the current quarter primarily included professional fees associated with our acquisition of Charles Stanley and our announced acquisition of TriState Capital.

CERTAIN STATISTICAL DISCLOSURES BY BANK HOLDING COMPANIES

We are required to provide certain statistical disclosures as a bank holding company under the SEC's Industry Guide 3. The following table provides certain of those disclosures.

	Three months ended December 31,	
	2021	2020
Return on assets	**2.7%**	2.5%
Return on equity	**21.2%**	17.2%
Average equity to average assets	**12.9%**	14.3%
Dividend payout ratio	**16.2%**	17.5%

Return on assets is computed by dividing annualized net income for the period indicated by average assets for each respective period. Average assets is computed by adding total assets as of the date indicated to the prior quarter-end total and dividing by two.

Return on equity is computed by dividing annualized net income for the period indicated by average equity for each respective period. Average equity is computed by adding total equity attributable to RJF as of the date indicated to the prior quarter-end total and dividing by two.

Average equity to average assets is computed by dividing average equity by average assets, as calculated in accordance with the previous explanations.

Dividend payout ratio is computed by dividing dividends declared per common share during the period by earnings per diluted common share for the period.

Refer to the "Net interest analysis" and "Risk management - Credit risk" sections of this MD&A and to the Notes to Condensed Consolidated Financial Statements of this Form 10-Q for the other required disclosures.

STATEMENT OF FINANCIAL CONDITION ANALYSIS

The assets on our Condensed Consolidated Statements of Financial Condition consisted primarily of cash and cash equivalents, assets segregated for regulatory purposes and restricted cash (primarily segregated for the benefit of clients), receivables including bank loans, financial instruments held either for trading purposes or as investments, and other assets. A significant portion of our assets were liquid in nature, providing us with flexibility in financing our business.

Total assets of $68.46 billion as of December 31, 2021 were $6.57 billion, or 11%, greater than our total assets as of September 30, 2021. The increase in assets was primarily due to a $4.14 billion increase in assets segregated for regulatory purposes and restricted cash, primarily due to a significant increase in client cash balances. Bank loans, net increased by $1.14 billion, primarily due to an increase in securities-based loans and residential mortgages to PCG clients, as well as an increase in corporate loans. In addition, cash and cash equivalents increased $1.02 billion and other investments increased $354 million, primarily due to the purchase of U.S. Treasuries to meet future broker-dealer customer reserve requirements.

As of December 31, 2021, our total liabilities of $59.81 billion were $6.22 billion, or 12%, greater than our total liabilities as of September 30, 2021. The increase in total liabilities was primarily related to the significant increase in client cash balances as of December 31, 2021, which resulted in a $5.21 billion increase in brokerage client payables, primarily due to an increase in client cash held in our CIP, and a $1.60 billion increase in bank deposits, resulting from a higher RJBDP balance held at Raymond James Bank. Partially offsetting these increases was a decrease in accrued compensation, commissions and benefits of $397 million, primarily due to the seasonal payment of annual bonuses and the funding of profit-sharing and employee stock ownership benefit plans which occurred during the three months ended December 31, 2021.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity and capital are essential to our business. The primary goal of our liquidity management activities is to ensure adequate funding to conduct our business over a range of economic and market environments. We seek to manage capital levels to support execution of our business strategy, provide financial strength to our subsidiaries, and maintain sustained access to the capital markets, while at the same time meeting our regulatory capital requirements and conservative internal management targets.

Liquidity and capital resources are provided primarily through our business operations and financing activities. Financing activities could include bank borrowings, collateralized financing arrangements or additional capital raising activities under our "universal" shelf registration statement. We believe our existing assets, most of which are liquid in nature, together with funds generated from operations and available from committed and uncommitted financing facilities, provide adequate funds for continuing operations at current levels of activity in the short-term. We also believe that we will be able to continue to meet our long-term cash requirements due to our strong financial position and ability to access capital from financial markets.

Liquidity and capital management

Senior management establishes our liquidity and capital management frameworks. Our liquidity and capital management frameworks are overseen by the RJF Asset and Liability Committee, a senior management committee that develops and executes strategies and policies to manage our liquidity risk and interest rate risk, as well as provides oversight over the firm's investments. The liquidity management framework includes senior management's review of short- and long-term cash flow forecasts, review of capital expenditures, monitoring of the availability of alternative sources of financing, and daily monitoring of liquidity in our significant subsidiaries. Our decisions on the allocation of resources to our business units consider, among other factors, projected profitability, cash flow, risk, and future liquidity needs. Our treasury department assists in evaluating, monitoring and controlling the impact that our business activities have on our financial condition and liquidity, and also maintains our relationships with various lenders. The objective of our liquidity management framework is to support the successful execution of our business strategies while ensuring ongoing and sufficient liquidity.

Our capital planning and capital risk management processes are governed by the Capital Planning Committee ("CPC"), a senior management committee that provides oversight on our capital planning and ensures that our strategic planning and risk management processes are integrated into the capital planning process. The CPC meets at least quarterly to review key metrics related to the firm's capital, such as debt structure and capital ratios; to analyze potential and emerging risks to capital; to oversee our annual firmwide capital stress test; and to propose capital actions to the Board of Directors, such as declaring dividends, repurchasing securities, and raising capital. To ensure that we have sufficient capital to absorb unanticipated losses, the firm adheres to capital risk appetite statements and tolerances set in excess of regulatory minimums, which are established by the CPC and approved by the Board of Directors. We conduct enterprise-wide capital stress testing to ensure that we maintain adequate capital to adhere to our established tolerances under multiple scenarios, including stressed scenarios.

Cash flows

Cash and cash equivalents (excluding amounts segregated for regulatory purposes and restricted cash) increased $1.02 billion to $8.22 billion during the three months ended December 31, 2021, primarily due to a significant increase in client cash balances and positive net income during the quarter. During the three months ended December 31, 2021, we had a significant increase in client cash balances which increased our brokerage client payables and bank deposits. This cash was largely used to purchase U.S. Treasuries in our brokerage operations, which were segregated for regulatory purposes or held in anticipation of future broker-dealer customer reserve requirements as of December 31, 2021, and to increase our bank loan portfolio and available-for-sale securities as part of our banking operations. Due to the timing of the increase in client cash balances, on January 3, 2022, $685 million of the $1.02 billion increase in cash and cash equivalents was segregated for regulatory purposes in order to comply with broker-dealer customer reserve requirements.

Sources of liquidity

Approximately $1.40 billion of our total December 31, 2021 cash and cash equivalents included cash held at the parent company, which included cash loaned to RJ&A. This parent cash balance does not include $385 million of cash set aside by the parent in a restricted account as of December 31, 2021 to be used to fund the acquisition of Charles Stanley. As of December 31, 2021, this restricted cash was included in "Assets segregated for regulatory purposes and restricted cash" on our Condensed Consolidated Statements of Financial Condition and is not included in the amounts presented in the following table. On January 21, 2022, we completed the acquisition of Charles Stanley, utilizing $372 million of this restricted cash to complete the acquisition. As of December 31, 2021, RJF had loaned $875 million to RJ&A (such amount is included in the RJ&A cash balance in the following table), which RJ&A has invested on behalf of RJF in cash and cash equivalents or otherwise deployed in its normal business activities.

The following table presents our holdings of cash and cash equivalents.

$ in millions	December 31, 2021
RJF	$ 553
RJ&A	3,470
Raymond James Bank	2,646
Raymond James Ltd. ("RJ Ltd.")	882
Raymond James Financial Services, Inc.	129
Carillon Tower Advisers	95
Other subsidiaries	441
Total cash and cash equivalents	**$ 8,216**

RJF maintained depository accounts at Raymond James Bank with a balance of $229 million as of December 31, 2021. The portion of this total that was available on demand without restrictions, which amounted to $152 million as of December 31, 2021, is reflected in the RJF cash balance and excluded from the Raymond James Bank cash balance in the preceding table.

On January 3, 2022, RJ&A segregated an additional $1.04 billion, comprised of $685 million of cash and $350 million of U.S. Treasuries, to meet its December 31, 2021 broker-dealer customer reserve requirement, resulting in a decrease in "Cash and cash equivalents" and "Other investments" on our statement of financial condition and an increase in "Assets segregated for regulatory purposes and restricted cash."

A large portion of the RJ Ltd. cash and cash equivalents balance as of December 31, 2021 was held to meet regulatory requirements and was not available for use by the parent.

In addition to the cash balances described, we have various other potential sources of cash available to the parent from subsidiaries, as described in the following section.

Liquidity available from subsidiaries

Liquidity is principally available to RJF, the parent company, from RJ&A and Raymond James Bank.

Certain of our broker-dealer subsidiaries are subject to the requirements of the Uniform Net Capital Rule (Rule 15c3-1) under the Securities and Exchange Act of 1934. As a member firm of the Financial Industry Regulatory Authority ("FINRA"), RJ&A is subject to FINRA's capital requirements, which are substantially the same as Rule 15c3-1. Rule 15c3-1 provides for an "alternative net capital requirement," which RJ&A has elected. Regulations require that minimum net capital, as defined, be equal to the greater of $1.5 million or 2% of aggregate debit items arising from client balances. In addition, covenants in RJ&A's committed financing facilities require its net capital to be a minimum of 10% of aggregate debit items. At December 31, 2021, RJ&A significantly exceeded the minimum regulatory requirements, the covenants in its financing arrangements pertaining to net capital, as well as its internally-targeted net capital tolerances and intends to use a portion of its excess net capital to remit dividends to RJF, in conformity with all required regulatory rules or approvals. FINRA may impose certain restrictions, such as restricting withdrawals of equity capital, if a member firm were to fall below a certain threshold or fail to meet minimum net capital requirements which may result in RJ&A limiting dividends it would otherwise remit to RJF. We evaluate regulatory requirements, loan covenants and certain internal tolerances when determining the amount of liquidity available to RJF from RJ&A.

Raymond James Bank may pay dividends to RJF without prior approval of its regulator as long as the dividends do not exceed the sum of Raymond James Bank's current calendar year and the previous two calendar years' retained net income, and Raymond James Bank maintains its targeted regulatory capital ratios. Dividends from Raymond James Bank may be limited to the extent that capital is needed to support its balance sheet growth.

Although we have liquidity available to us from our other subsidiaries, the available amounts are not as significant as those previously described and, in certain instances, may be subject to regulatory requirements.

Borrowings and financing arrangements

Committed financing arrangements

Our ability to borrow is dependent upon compliance with the conditions in our various loan agreements and, in the case of secured borrowings, collateral eligibility requirements. Our committed financing arrangements consist of a tri-party repurchase agreement (i.e., securities sold under agreements to repurchase) and, in the case of our $500 million revolving credit facility agreement (the "Credit Facility"), an unsecured line of credit. The required market value of the collateral associated with the tri-party repurchase agreement ranges from 105% to 125% of the amount financed.

The following table presents our committed financing arrangements with third-party lenders, which we generally utilize to finance a portion of our fixed income trading instruments, and the outstanding balances related thereto.

	December 31, 2021			
$ in millions	**RJ&A**	**RJF**	**Total**	**Total number of arrangements**
Financing arrangement:				
Committed secured	$ 100	$ —	$ 100	1
Committed unsecured	200	300	500	1
Total committed financing arrangements	**$ 300**	**$ 300**	**$ 600**	**2**
Outstanding borrowing amount:				
Committed secured	$ —	$ —	$ —	
Committed unsecured	—	—	—	
Total outstanding borrowing amount	**$ —**	**$ —**	**$ —**	

Our committed unsecured financing arrangement in the preceding table represents our Credit Facility, which provides for maximum borrowings of up to $500 million, with a sublimit of $300 million for RJF. RJ&A may borrow up to $500 million under the Credit Facility, depending on the amount of outstanding borrowings by RJF. For additional details on our committed unsecured financing arrangement, see our discussion of the Credit Facility in Note 16 of the Notes to Consolidated Financial Statements of our 2021 Form 10-K.

Uncommitted financing arrangements

Our uncommitted financing arrangements are in the form of secured lines of credit, secured bilateral or tri-party repurchase agreements, or unsecured lines of credit. Our arrangements with third-party lenders are generally utilized to finance a portion of our fixed income securities or for cash management purposes. Our uncommitted secured financing arrangements generally require us to post collateral in excess of the amount borrowed and are generally collateralized by RJ&A-owned securities or by securities that we have received as collateral under reverse repurchase agreements (i.e., securities purchased under agreements to resell). As of December 31, 2021, we had outstanding borrowings under two uncommitted secured borrowing arrangements out of a total of 11 uncommitted financing arrangements (seven uncommitted secured and four uncommitted unsecured). However, lenders are under no contractual obligation to lend to us under uncommitted credit facilities.

The following table presents our borrowings on uncommitted financing arrangements, all of which were in the form of repurchase agreements in RJ&A and were included in "Collateralized financings" on our Condensed Consolidated Statements of Financial Condition.

$ in millions	December 31, 2021
Outstanding borrowing amount:	
Uncommitted secured	$ 203
Uncommitted unsecured	—
Total outstanding borrowing amount	**$ 203**

The average daily balance outstanding during the five most recent quarters, the maximum month-end balance outstanding during the quarter and the period-end balances for repurchase agreements and reverse repurchase agreements are detailed in the following table.

	Repurchase transactions			Reverse repurchase transactions		
For the quarter ended: *($ in millions)*	**Average daily balance outstanding**	**Maximum month-end balance outstanding during the quarter**	**End of period balance outstanding**	**Average daily balance outstanding**	**Maximum month-end balance outstanding during the quarter**	**End of period balance outstanding**
December 31, 2021	**$ 247**	**$ 258**	**$ 203**	**$ 306**	**$ 305**	**$ 204**
September 30, 2021	$ 220	$ 234	$ 205	$ 269	$ 286	$ 279
June 30, 2021	$ 194	$ 185	$ 185	$ 283	$ 339	$ 289
March 31, 2021	$ 226	$ 260	$ 222	$ 242	$ 280	$ 224
December 31, 2020	$ 211	$ 236	$ 233	$ 204	$ 259	$ 162

Other borrowings and collateralized financings

We had $850 million in FHLB borrowings outstanding at December 31, 2021, comprised of floating-rate advances which mature in December 2023. The interest rates on the floating-rate advances reset quarterly and transitioned to a Secured Overnight Financing Rate ("SOFR")-based rate in December 2021. We use interest rate swaps to manage the risk of increases in interest rates associated with these floating-rate advances by converting the balances subject to variable interest rates to a fixed interest rate. These FHLB borrowings were secured by a blanket lien on Raymond James Bank's residential mortgage loan portfolio. Raymond James Bank had an additional $3.33 billion in immediate credit available from the FHLB as of December 31, 2021 and, with the pledge of additional eligible collateral to the FHLB, total available credit of 30% of total assets. See Note 16 of the Notes to Consolidated Financial Statements of our 2021 Form 10-K for additional information regarding these borrowings.

Raymond James Bank is eligible to participate in the Federal Reserve's discount window program; however, we do not view borrowings from the Federal Reserve as a primary source of funding. The credit available in this program is subject to periodic review, may be terminated or reduced at the discretion of the Federal Reserve, and is secured by pledged C&I loans.

We act as an intermediary between broker-dealers and other financial institutions whereby we borrow securities from one broker-dealer and then lend them to another. Where permitted, we have also loaned, to broker-dealers and other financial institutions, securities owned by clients or the firm. We account for each of these types of transactions as collateralized agreements and financings, with the outstanding balance of $65 million as of December 31, 2021 related to the securities loaned included in "Collateralized financings" on our Condensed Consolidated Statements of Financial Condition of this Form 10-Q. See Note 7 of the Notes to Condensed Consolidated Financial Statements of this Form 10-Q for more information on our collateralized agreements and financings.

Senior notes payable

At December 31, 2021, we had aggregate outstanding senior notes payable of $2.04 billion, which, exclusive of any unaccreted premiums or discounts and debt issuance costs, was comprised of $500 million par 4.65% senior notes due 2030, $800 million par 4.95% senior notes due 2046, and $750 million par 3.75% senior notes due 2051. See Note 17 of the Notes to the Consolidated Financial Statements of our 2021 Form 10-K for additional information.

Credit ratings

Our issuer and senior long-term debt ratings as of the most current report are detailed in the following table.

Rating Agency	Rating	Outlook
Fitch Ratings, Inc.	A-	Stable
Moody's Investors Services[(1)]	Baa1	Review for Upgrade
Standard & Poor's Ratings Services	BBB+	Stable

(1) In November 2021, Moody's Investor Services placed our senior debt and issuer rating on review for upgrade.

Our current long-term debt ratings depend upon a number of factors, including industry dynamics, operating and economic environment, operating results, operating margins, earnings trends and volatility, balance sheet composition, liquidity and liquidity management, capital structure, overall risk management, business diversification and market share, and competitive position in the markets in which we operate. Deterioration in any of these factors could impact our credit ratings. Any rating downgrades could increase our costs in the event we were to obtain additional financing.

Should our credit rating be downgraded prior to a public debt offering, it is probable that we would have to offer a higher rate of interest to bond holders. A downgrade to below investment grade may make a public debt offering difficult to execute on terms we would consider to be favorable. A downgrade below investment grade could result in the termination of certain derivative contracts and the counterparties to the derivative instruments could request immediate payment or demand immediate and ongoing overnight collateralization on our derivative instruments in liability positions. A credit downgrade could damage our reputation and result in certain counterparties limiting their business with us, result in negative comments by analysts, potentially negatively impact investors' and/or clients' perception of us, and cause a decline in our stock price. None of our borrowing arrangements contains a condition or event of default related to our credit ratings. However, a credit downgrade would result in the firm incurring a higher facility fee on the Credit Facility, in addition to triggering a higher interest rate applicable to any borrowings outstanding on that line as of and subsequent to such downgrade. Conversely, an improvement in RJF's current credit rating could have a favorable impact on the facility fee, as well as the interest rate applicable to any borrowings on such line.

Other sources and uses of liquidity

We have company-owned life insurance policies which are utilized to fund certain non-qualified deferred compensation plans and other employee benefit plans. Certain of our non-qualified deferred compensation plans and other employee benefit plans are employee-directed while others are company-directed. Of the company-owned life insurance policies which fund these plans, certain policies could be used as a source of liquidity for the firm. Those policies against which we could readily borrow had a cash surrender value of $896 million as of December 31, 2021, comprised of $553 million related to employee-directed plans and $343 million related to company-directed plans, and we were able to borrow up to 90%, or $807 million, of the December 31, 2021 total without restriction. To effect any such borrowing, the underlying investments would be converted to money market investments, therefore requiring us to take market risk related to the employee-directed plans. There were no borrowings outstanding against any of these policies as of December 31, 2021.

On May 12, 2021, we filed a "universal" shelf registration statement with the SEC pursuant to which we can issue debt, equity and other capital instruments if and when necessary or perceived by us to be opportune. Subject to certain conditions, this registration statement will be effective through May 12, 2024.

On January 21, 2022, we completed our acquisition of all of the outstanding share capital of U.K.-based Charles Stanley at a price of £5.15 per share, or approximately £274 million ($372 million as of January 21, 2022). As of December 31, 2021, we had segregated $385 million in cash to fund the acquisition on the closing date, which was included in "Assets segregated for regulatory purposes and restricted cash" on our Condensed Consolidated Statements of Financial Condition. See Note 3 of the Notes to Condensed Consolidated Financial Statements of this Form 10-Q for additional information.

On October 20, 2021, we announced we had entered into a definitive agreement to acquire TriState Capital in a combination cash and stock transaction, valued at approximately $1.1 billion. Under the terms of the agreement, TriState Capital common stockholders will receive $6.00 cash and 0.25 RJF shares for each share of TriState Capital common stock, which represents per share consideration of $31.09 based on the closing price of RJF common stock on October 19, 2021. We have entered into an agreement with the sole holder of the TriState Capital Series C Convertible Preferred Stock pursuant to which the Series C Convertible Preferred Stock will be converted to common shares at the prescribed exchange ratio and cashed out at $30 per share. The TriState Capital Series A Preferred Stock and Series B Preferred Stock will remain outstanding and will be converted into equivalent preferred stock of RJF. The transaction, which is subject to customary closing conditions, including regulatory approvals and approval by TriState Capital shareholders, is expected to close later in fiscal 2022. We currently have the ability to utilize our cash on hand to fund the cash component of the acquisition. See Note 3 of the Notes to Condensed Consolidated Financial Statements of this Form 10-Q for additional information.

As part of our ongoing operations, we also enter into contractual arrangements that may require future cash payments, including certificates of deposit, lease obligations and other contractual arrangements, such as for software and various services. See Notes 12 and 13 of the Notes to Condensed Consolidated Financial Statements of this Form 10-Q for information regarding our lease obligations and certificates of deposit, respectively. We have entered into investment commitments, lending commitments and other commitments to extend credit for which we are unable to reasonably predict the timing of future payments. See Note 15 of the Notes to Condensed Consolidated Financial Statements of this Form 10-Q for further information.

REGULATORY

Refer to the discussion of the regulatory environment in which we operate and the impact on our operations of certain rules and regulations in "Item 1 - Business - Regulation" and "Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations - Regulatory" of our 2021 Form 10-K.

RJF and many of its subsidiaries are each subject to various regulatory capital requirements. As of December 31, 2021, all of our active regulated domestic and international subsidiaries had net capital in excess of minimum requirements. In addition, RJF and Raymond James Bank were categorized as "well-capitalized" as of December 31, 2021. The maintenance of certain risk-based and other regulatory capital levels could influence various capital allocation decisions impacting one or more of our businesses. However, due to the current capital position of RJF and its regulated subsidiaries, we do not anticipate these capital requirements will have a negative impact on our future business activities. See Note 20 of the Notes to Condensed Consolidated Financial Statements of this Form 10-Q for further information on regulatory capital requirements.

Alternative reference rate transition

Central banks and regulators in the U.S. and other jurisdictions are working to implement the transition to suitable replacements for the London Interbank Offered Rate ("LIBOR"). In December 2021, our FHLB borrowings and SBL converted from LIBOR-based interest rates to SOFR-based interest rates, resulting in an insignificant impact on interest income, interest expense, and cash flows. We continue to evaluate the effect of the alternative reference rate transition and at this time, given current economic conditions, we expect minimal financial impact. Refer to "Item 1 - Business - Regulation" of our 2021 Form 10-K for additional information regarding the alternative reference rate transition and our planned response.

CRITICAL ACCOUNTING ESTIMATES

The condensed consolidated financial statements are prepared in accordance with GAAP, which require us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during any reporting period in our condensed consolidated financial statements. Management has established detailed policies and control procedures intended to ensure the appropriateness of such estimates and assumptions and their consistent application from period to period. For a description of our significant accounting policies, see Note 2 of the Notes to Consolidated Financial Statements of our 2021 Form 10-K.

Due to their nature, estimates involve judgment based upon available information. Actual results or amounts could differ from estimates and the difference could have a material impact on the consolidated financial statements. Therefore, understanding these critical accounting estimates is important in understanding our reported results of operations and financial position. We believe that of our accounting estimates and assumptions, those described in the following sections involve a high degree of judgment and complexity.

Valuation of financial instruments

The use of fair value to measure financial instruments, with related gains or losses recognized on our Condensed Consolidated Statements of Income and Comprehensive Income, is fundamental to our financial statements and our risk management processes. See Note 2 of the Notes to Consolidated Financial Statements of our 2021 Form 10-K for a discussion of our fair value accounting policies regarding financial instruments and financial instrument liabilities. See Note 4 of the Notes to Condensed Consolidated Financial Statements of this Form 10-Q for additional information on our financial instruments at fair value.

Loss provisions

Loss provisions for legal and regulatory matters

The recorded amount of liabilities related to legal and regulatory matters is subject to significant management judgment. For a description of the significant estimates and judgments associated with establishing such accruals, see the "Contingent liabilities" section of Note 2 of the Notes to Consolidated Financial Statements of our 2021 Form 10-K. In addition, refer to Note 15 of the Notes to Condensed Consolidated Financial Statements of this Form 10-Q for information regarding legal and regulatory matter contingencies as of December 31, 2021.

Allowance for credit losses

We evaluate certain of our financial assets, including bank loans, to estimate an allowance for credit losses based on expected credit losses over a financial asset's lifetime. Our estimates are based on ongoing evaluations of our financial assets, the related credit risk characteristics, and the overall economic and environmental conditions affecting the financial assets. Our process for determining the allowance for credit losses includes a complex analysis of several quantitative and qualitative factors requiring significant management judgment due to matters that are inherently uncertain. This uncertainty can produce volatility in our allowance for credit losses. In addition, the allowance for credit losses could be insufficient to cover actual losses. In such an event, any losses in excess of our allowance would result in a decrease in our net income, as well as a decrease in the level of regulatory capital. See Note 2 of the Notes to Consolidated Financial Statements of our 2021 Form 10-K for information regarding our methodologies and assumptions used in estimating the allowance for credit losses. See Note 8 of the Notes to Condensed Consolidated Financial Statements of this Form 10-Q for information regarding our allowance for credit losses related to bank loans as of December 31, 2021.

RECENT ACCOUNTING DEVELOPMENTS

The FASB has issued certain accounting updates which were assessed and either determined to be not applicable or are not expected to have a significant impact on our financial statements.

RISK MANAGEMENT

Risks are an inherent part of our business and activities. Management of risk is critical to our fiscal soundness and profitability. Our risk management processes are multi-faceted and require communication, judgment and knowledge of financial products and markets. We have a formal Enterprise Risk Management ("ERM") program to assess and review aggregate risks across the firm. Our management takes an active role in the ERM process, which requires specific administrative and business functions to participate in the identification, assessment, monitoring and control of various risks.

The principal risks related to our business activities are market, credit, liquidity, operational, model, and compliance.

Governance

Our Board of Directors, including its Audit and Risk Committee, oversees the firm's management and mitigation of risk, reinforcing a culture that encourages ethical conduct and risk management throughout the firm. Senior management communicates and reinforces this culture through three lines of risk management and a number of senior-level management committees. Our first line of risk management, which includes all of our businesses, owns its risks and is responsible for identifying, mitigating, and escalating risks arising from its day-to-day activities. The second line of risk management, which includes Compliance and Risk Management, advises our client-facing businesses and other first-line functions in identifying, assessing and mitigating risk. The second line of risk management tests and monitors the effectiveness of controls, as deemed necessary, and escalates risks when appropriate to senior management and the Board of Directors. The third line of risk management, Internal Audit, independently reviews activities conducted by the previous lines of risk management to assess their management and mitigation of risk, providing additional assurance to the Board of Directors and senior management, with a view toward enhancing our oversight, management, and mitigation of risk.

Market risk

Market risk is our risk of loss resulting from the impact of changes in market prices on our trading inventory, derivatives and investment positions. We have exposure to market risk primarily through our broker-dealer trading operations and our banking operations. Our broker-dealer subsidiaries, primarily RJ&A, act as market makers and trade debt obligations and equity securities and maintain inventories to ensure availability of securities and to facilitate client transactions. Inventory levels may fluctuate daily as a result of client demand. We also hold investments in agency-backed MBS and agency-backed CMOs within Raymond James Bank's available-for-sale securities portfolio, and from time-to-time may hold SBA loan securitizations not yet transferred. Our primary market risks relate to interest rates, equity prices, and foreign exchange rates. Interest rate risk results from changes in levels of interest rates, the volatility of interest rates, mortgage prepayment speeds and credit spreads. Equity risk results from changes in prices of equity securities. Foreign exchange risk results from changes in spot prices, forward prices and volatility of foreign exchange rates.

See Note 2 of the Notes to Consolidated Financial Statements of our 2021 Form 10-K and Notes 4, 5 and 6 of the Notes to Condensed Consolidated Financial Statements of this Form 10-Q for fair value and other information regarding our trading inventories, available-for-sale securities and derivative instruments.

We regularly enter into underwriting commitments and, as a result, we may be subject to market risk on any unsold shares issued in the offerings to which we are committed. Risk exposure is controlled by limiting our participation, the transaction size or through the syndication process.

The Market Risk Management department is responsible for measuring, monitoring, and reporting market risks associated with the firm's trading and derivative portfolios. While Market Risk Management maintains ongoing communication with the revenue-generating business units, it is independent of such units.

Interest rate risk

<u>Trading activities</u>

We are exposed to interest rate risk as a result of our trading inventory (primarily comprised of fixed income instruments) in our Capital Markets segment. Changes in value of our trading inventory may result from fluctuations in interest rates, credit spreads, equity prices, macroeconomic factors, investor expectations or risk appetites, liquidity, as well as dynamic relationships among these factors. We actively manage interest rate risk arising from our fixed income trading securities through the use of hedging strategies utilizing U.S. Treasuries, futures contracts, liquid spread products and derivatives.

Our primary method for controlling risks within trading inventories is through the use of dollar-based and exposure-based limits. A hierarchy of limits exists at multiple levels, including firm, business unit, desk (e.g., for equities, corporate bonds, municipal bonds), product sub-type (e.g., below-investment-grade positions) and, at times, at the individual position. For derivative positions, which are primarily comprised of interest rate swaps, we have established limits based on a number of factors, including interest rate, foreign exchange spot and forward rates, spread, ratio, basis, and volatility risk. Derivative exposures are also monitored both for the total portfolio and by maturity periods. Trading positions and derivatives are monitored against these limits through daily reports that are distributed to senior management. During volatile markets, we may temporarily reduce limits and/or choose to pare our trading inventories to reduce risk.

We monitor Value-at-Risk ("VaR") for all of our trading portfolios on a daily basis for risk management purposes and as a result of applying the Fed's Market Risk Rule ("MRR") for the purpose of calculating our capital ratios. The MRR, also known as the "Risk-Based Capital Guidelines: Market Risk" rule released by the Fed, the Office of the Comptroller of the Currency and the FDIC, requires us to calculate VaR for all of our trading portfolios, including fixed income, equity, derivatives, and foreign exchange instruments. VaR is an appropriate statistical technique for estimating potential losses in trading portfolios due to typical adverse market movements over a specified time horizon with a suitable confidence level. However, there are inherent limitations of utilizing VaR including: historical movements in markets may not accurately predict future market movements; VaR does not take into account the liquidity of individual positions; VaR does not estimate losses over longer time horizons; and extended periods of one-directional markets potentially distort risks within the portfolio. In addition, should markets become more volatile, actual trading losses may exceed VaR results presented on a single day and might accumulate over a longer time horizon. As a result, management complements VaR with sensitivity analysis and stress testing and employs additional controls such as a daily review of trading results, review of aged inventory, independent review of pricing, monitoring of concentrations and review of issuer ratings.

To calculate VaR, we use models which incorporate historical simulation. This approach assumes that historical changes in market conditions, such as in interest rates and equity prices, are representative of future changes. Simulation is based on daily market data for the previous twelve months. VaR is reported at a 99% confidence level for a one-day time horizon. Assuming that future market conditions change as they have in the past twelve months, we would expect to incur losses greater than those predicted by our one-day VaR estimates about once every 100 trading days, or about three times per year on average. For regulatory capital calculation purposes, we also report VaR and Stressed VaR numbers for a ten-day time horizon. The VaR model is independently reviewed by our Model Risk Management function. See "Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations - Risk management - Model risk" of our 2021 Form 10-K for further information.

The modeling of the risk characteristics of trading positions involves a number of assumptions and approximations that management believes to be reasonable. However, there is no uniform industry methodology for estimating VaR, and different assumptions or approximations could produce materially different VaR estimates. As a result, VaR results are more reliable when used as indicators of risk levels and trends within a firm than as a basis for inferring differences in risk-taking across firms.

The following table sets forth the high, low, period-end and average daily one-day VaR for all of our trading portfolios, including fixed income and equity instruments, and for our derivatives for the periods and dates indicated.

	Three months ended December 31, 2021		**Period-end VaR**			**Three months ended December 31,**	
$ in millions	**High**	**Low**	**December 31, 2021**	September 30, 2021	*$ in millions*	**2021**	2020
Daily VaR	**$ 2**	**$ 1**	**$ 1**	$ 1	Average daily VaR	**$ 1**	$ 6

Average daily VaR was lower during the current-year period compared with the prior-year period due to the impact of scenarios of elevated volatility as a result of the COVID-19 pandemic (which commenced in March 2020) on our VaR model during the prior-year quarter.

The Fed's MRR requires us to perform daily back-testing procedures for our VaR model, whereby we compare each day's projected VaR to its regulatory-defined daily trading losses, which exclude fees, commissions, reserves, net interest income and intraday trading. Regulatory-defined daily trading losses are used to evaluate the performance of our VaR model and are not comparable to our actual daily net revenues. Based on these daily "ex ante" versus "ex post" comparisons, we determine whether the number of times that regulatory-defined daily trading losses exceed VaR is consistent with our expectations at a 99% confidence level. During the three months ended December 31, 2021, our regulatory-defined daily losses in our trading portfolios did not exceed our predicted VaR.

Separately, RJF provides additional market risk disclosures to comply with the MRR, including 10-day VaR and 10-day Stressed VaR, which are available on our website at https://www.raymondjames.com/investor-relations/financial-information/filings-and-reports within "Other Reports and Information."

Banking operations

Raymond James Bank maintains an interest-earning asset portfolio that is comprised of cash, C&I loans, commercial and residential real estate loans, REIT loans, tax-exempt loans and SBL and other loans, as well as agency-backed MBS and agency-backed CMOs (held in the available-for-sale securities portfolio), and SBA loan securitizations. These interest-earning assets are primarily funded by client deposits. Based on its current asset portfolio, Raymond James Bank is subject to interest rate risk. Raymond James Bank analyzes interest rate risk based on forecasted net interest income, which is the net amount of interest received and interest paid, and the net portfolio valuation, both across a range of interest rate scenarios.

One of the objectives of Raymond James Bank's Asset and Liability Committee is to manage the sensitivity of net interest income to changes in market interest rates. This committee uses several measures to monitor and limit Raymond James Bank's interest rate risk, including scenario analysis and economic value of equity. The methods used to measure this sensitivity are described in "Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations - Risk management - Market risk" of our 2021 Form 10-K. We utilize a hedging strategy using interest rate swaps as a result of Raymond James Bank's asset and liability management process. For further information regarding this hedging strategy, see Note 2 of the Notes to Consolidated Financial Statements of our 2021 Form 10-K.

To ensure that Raymond James Bank remains within its tolerances established for net interest income, a sensitivity analysis of net interest income to interest rate conditions is estimated under a variety of scenarios. We use simulation models and estimation techniques to assess the sensitivity of net interest income to movements in interest rates. The model estimates the sensitivity by calculating interest income and interest expense in a dynamic balance sheet environment using current repricing, prepayment, and reinvestment of cash flow assumptions over a 12-month time horizon. Assumptions used in the model include interest rate movement, the slope of the yield curve, and balance sheet composition and growth. The model also considers interest rate-related risks such as pricing spreads, pricing of client cash accounts, and prepayments. Various interest rate scenarios are modeled in order to determine the effect those scenarios may have on net interest income.

The following table is an analysis of Raymond James Bank's estimated net interest income over a 12-month period based on instantaneous shifts in interest rates (expressed in basis points) using our previously described asset/liability model, which assumes a dynamic balance sheet and that interest rates do not decline below zero. While not presented, additional rate scenarios are performed, including interest rate ramps and yield curve shifts that may more realistically mimic the speed of potential interest rate movements. We also perform simulations on time horizons of up to five years to assess longer-term impacts to various interest rate scenarios. On a quarterly basis, we test expected model results to actual performance. Additionally, any changes made to key assumptions in the model are documented and approved by Raymond James Bank's Asset and Liability Committee.

Instantaneous changes in rate	Net interest income (*$ in millions*)	Projected change in net interest income
+200	$1,033	33%
+100	$980	26%
0	$778	—%
-25	$751	(3)%

Refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations - Net interest analysis" of this Form 10-Q for a discussion of the impact changes in short-term interest rates could have on the consolidated firm's operations.

The following table shows the contractual maturities of our bank loan portfolio at December 31, 2021, including contractual principal repayments. This table does not include any estimates of prepayments, which could shorten the average loan lives and cause the actual timing of the loan repayments to differ significantly from those shown in the table.

	Due in			
$ in millions	One year or less	> One year – five years	> Five years	Total
C&I loans	$ 447	$ 4,988	$ 3,173	$ 8,608
CRE loans	707	1,966	319	2,992
REIT loans	75	1,085	29	1,189
Tax-exempt loans	4	130	1,156	1,290
Residential mortgage loans	—	7	5,561	5,568
SBL and other	6,521	42	—	6,563
Total loans held for investment	7,754	8,218	10,238	26,210
Held for sale loans	—	21	209	230
Total loans	$ 7,754	$ 8,239	$ 10,447	$ 26,440

The following table shows the distribution of the recorded investment of those bank loans that mature in more than one year between fixed and adjustable interest rate loans at December 31, 2021.

	Interest rate type		
$ in millions	Fixed	Adjustable	Total
C&I loans	$ 352	$ 7,809	$ 8,161
CRE loans	90	2,195	2,285
REIT loans	—	1,114	1,114
Tax-exempt loans	1,286	—	1,286
Residential mortgage loans	202	5,366	5,568
SBL and other	—	42	42
Total loans held for investment	1,930	16,526	18,456
Held for sale loans	1	229	230
Total loans	$ 1,931	$ 16,755	$ 18,686

Contractual loan terms for C&I, CRE, REIT and residential mortgage loans may include an interest rate floor, cap and/or fixed interest rates for a certain period of time, which would impact the timing of the interest rate reset for the respective loan. See the discussion within the "Management's Discussion and Analysis of Financial Condition and Results of Operations - Risk management - Credit risk - Risk monitoring process" section of this Form 10-Q for additional information regarding Raymond James Bank's interest-only residential mortgage loan portfolio.

In our available-for-sale securities portfolio, we hold primarily fixed-rate agency-backed MBS and agency-backed CMOs which are carried at fair value on our Condensed Consolidated Statements of Financial Condition, with changes in the fair value of the portfolio recorded through OCI on our Condensed Consolidated Statements of Income and Comprehensive Income. At December 31, 2021, our available-for-sale securities portfolio had a fair value of $8.55 billion with a weighted-average yield of 1.13% and a weighted-average life of approximately four years. See Note 5 of the Notes to Condensed Consolidated Financial Statements of this Form 10-Q for additional information.

Equity price risk

We are exposed to equity price risk as a result of our capital markets activities. Our broker-dealer activities are generally client-driven, and we carry equity securities as part of our trading inventory to facilitate such activities, although the amounts are not as significant as our fixed income trading inventory. We attempt to reduce the risk of loss inherent in our inventory of equity securities by monitoring those security positions each day and establishing position limits. Equity securities held in our trading inventory are generally included in VaR.

In addition, we have a private equity portfolio, included in "Other investments" on our Condensed Consolidated Statements of Financial Condition, which is comprised of various direct investments, as well as investments in third-party private equity funds. Of the total private equity investments at December 31, 2021 of $157 million, the portion we owned was $115 million. See Note 4 of the Notes to Condensed Consolidated Financial Statements of this Form 10-Q for additional information on this portfolio.

Foreign exchange risk

We are subject to foreign exchange risk due to our investments in foreign subsidiaries as well as transactions and resulting balances denominated in a currency other than the U.S. dollar. For example, our bank loan portfolio includes loans which are denominated in Canadian dollars, totaling $1.26 billion and $1.29 billion at December 31, 2021 and September 30, 2021, respectively, when converted to the U.S. dollar. A majority of such loans are held by Raymond James Bank's Canadian subsidiary, which is discussed in the following sections.

<u>Investments in foreign subsidiaries</u>

Raymond James Bank has an investment in a Canadian subsidiary, resulting in foreign exchange risk. To mitigate its foreign exchange risk, Raymond James Bank utilizes short-term, forward foreign exchange contracts. These derivatives are primarily accounted for as net investment hedges in the condensed consolidated financial statements. See Note 2 of the Notes to Consolidated Financial Statements of our 2021 Form 10-K and Note 6 of the Notes to Condensed Consolidated Financial Statements of this Form 10-Q for further information regarding these derivatives.

We had foreign exchange risk in our investment in RJ Ltd. of CAD 360 million at December 31, 2021, which was not hedged. Foreign exchange gains/losses related to this investment are primarily reflected in OCI on our Condensed Consolidated Statements of Income and Comprehensive Income. See Note 16 of the Notes to Condensed Consolidated Financial Statements of this Form 10-Q for further information regarding our components of OCI.

We also have foreign exchange risk associated with our investments in subsidiaries located in Europe. These investments are not hedged and we do not believe we had material foreign exchange risk either individually, or in the aggregate, pertaining to these subsidiaries as of December 31, 2021. On January 21, 2022, we completed our acquisition of all the outstanding share capital of U.K.-based Charles Stanley at a price of £5.15 per share, or approximately £274 million ($372 million as of January 21, 2022). This transaction increased our foreign exchange exposure associated with investments in subsidiaries located in Europe.

Transactions and resulting balances denominated in a currency other than the U.S. dollar

We are subject to foreign exchange risk due to our holdings of cash and certain other assets and liabilities resulting from transactions denominated in a currency other than the U.S. dollar. Any currency-related gains/losses arising from these foreign currency denominated balances are reflected in "Other" revenues in our Condensed Consolidated Statements of Income and Comprehensive Income. The foreign exchange risk associated with a portion of such transactions and balances denominated in foreign currency are mitigated utilizing short-term, forward foreign exchange contracts. Such derivatives are not designated hedges and therefore, the related gains/losses are included in "Other" revenues in our Condensed Consolidated Statements of Income and Comprehensive Income. See Note 6 of the Notes to Condensed Consolidated Financial Statements of this Form 10-Q for information regarding our derivatives.

Credit risk

Credit risk is the risk of loss due to adverse changes in a borrower's, issuer's or counterparty's ability to meet its financial obligations under contractual or agreed-upon terms. The nature and amount of credit risk depends on the type of transaction, the structure and duration of that transaction, and the parties involved. Credit risk is an integral component of the profit assessment of lending and other financing activities. See further discussion of our credit risk, including how we manage such risk, in "Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations - Risk management - Credit risk" of our 2021 Form 10-K.

Brokerage activities

We are engaged in various trading and brokerage activities in which our counterparties primarily include broker-dealers, banks and other financial institutions. We are exposed to risk that these counterparties may not fulfill their obligations. In addition, certain commitments, including underwritings, may create exposure to individual issuers and businesses. The risk of default depends on the creditworthiness of the counterparty and/or the issuer of the instrument. In addition, we may be subject to concentration risk if we hold large positions in or have large commitments to a single counterparty, borrower, or group of similar counterparties or borrowers (e.g., in the same industry). We seek to mitigate these risks by imposing and monitoring individual and aggregate position limits within each business segment for each counterparty, conducting regular credit reviews of financial counterparties, reviewing security and loan concentrations, holding and calculating the fair value of collateral on certain transactions and conducting business through clearing organizations, which may guarantee performance. See Note 2 of the Notes to Consolidated Financial Statements of our 2021 Form 10-K and Notes 6 and 7 of the Notes to Condensed Consolidated Financial Statements of this Form 10-Q for further information about our credit risk mitigation related to derivatives and collateralized agreements.

Our client activities involve the execution, settlement, and financing of various transactions on behalf of our clients. Client activities are transacted on either a cash or margin basis. Credit exposure results from client margin loans, which are monitored daily and are collateralized by the securities in the clients' accounts. We monitor exposure to industry sectors and individual securities and perform analysis on a daily basis in connection with our margin lending activities. We adjust our margin requirements if we believe our risk exposure is not appropriate based on market conditions. In addition, when clients execute a purchase, we are at some risk that the client will default on their financial obligation associated with the trade. If this occurs, we may have to liquidate the position at a loss. Further information about our determination of the allowance for credit losses associated with certain of our brokerage lending activities is described in Note 2 of the Notes to the Consolidated Financial Statements of our 2021 Form 10-K.

We offer loans to financial advisors for recruiting and retention purposes. We have credit risk and may incur a loss primarily in the event that such borrower is no longer affiliated with us. See Note 2 of the Notes to the Consolidated Financial Statements of our 2021 Form 10-K and Note 9 of the Notes to Condensed Consolidated Financial Statements of this Form 10-Q for further information about our loans to financial advisors.

Banking activities

Raymond James Bank has a substantial loan portfolio. Our strategy for credit risk management related to bank loans includes well-defined credit policies, uniform underwriting criteria, and ongoing risk monitoring and review processes for all corporate, tax-exempt, residential, SBL and other credit exposures. The strategy also includes diversification on a geographic, industry and client level, regular credit examinations and management reviews of all corporate and tax-exempt loans as well as individual delinquent residential loans. The credit risk management process also includes an annual independent review of the credit risk monitoring process that performs assessments of compliance with credit policies, risk ratings, and other critical credit information. We seek to identify potential problem loans early, record any necessary risk rating changes and charge-offs promptly, and maintain appropriate reserve levels for expected losses. We utilize a comprehensive credit risk rating system to measure the credit quality of individual corporate and tax-exempt loans and related unfunded lending commitments, including the probability of default and/or loss given default of each corporate and tax-exempt loan and commitment outstanding. For our SBL and residential mortgage loans, we utilize the credit risk rating system used by bank regulators in measuring the credit quality of each homogeneous class of loans. In evaluating credit risk, we consider trends in loan performance, the level of allowance coverage relative to similar banking institutions, industry or client concentrations, the loan portfolio composition and macroeconomic factors (both current and forecasted). These factors have a potentially negative impact on loan performance and net charge-offs.

While our bank loan portfolio is diversified, a significant downturn in the overall economy, deterioration in real estate values or a significant issue within any sector or sectors where we have a concentration will generally result in large provisions for credit losses and/or charge-offs. Conversely, should the economy continue to recover at a faster pace than forecasted, we may experience an additional benefit for credit losses and/or recovery of amounts previously charged off, the timing and magnitude of which can be uncertain. We determine the allowance required for specific loan grades based on relative risk characteristics of the loan portfolio. On an ongoing basis, we evaluate our methods for determining the allowance for each class of loans and make enhancements we consider appropriate. Our allowance for credit losses methodology is described in Note 2 of the Notes to the Consolidated Financial Statements of our 2021 Form 10-K. As our bank loan portfolio is segregated into six portfolio segments, likewise, the allowance for credit losses is segregated by these same segments. See "Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations - Risk management - Credit risk" of our 2021 Form 10-K for further information about the risk characteristics relevant to each portfolio segment.

Our allowance for credit losses as a percentage of total bank loans held for investment was 1.18% and 1.27% at December 31, 2021 and September 30, 2021, respectively. The bank loan benefit for credit losses for the three months ended December 31, 2021 was $11 million compared to a provision for credit losses of $14 million for the prior-year quarter. See further explanation of the credit loss provision decrease in "Management's Discussion and Analysis - Results of Operations - Raymond James Bank" of this Form 10-Q and Note 8 in the Notes to Condensed Consolidated Financial Statements of this Form 10-Q for further information about our allowance for credit losses.

The level of charge-off activity is a factor that is considered in evaluating the potential severity of future credit losses. The following table presents net loan (charge-offs)/recoveries and the percentage of net loan (charge-offs)/recoveries to the average outstanding loan balances by loan portfolio segment.

	Three Months Ended December 31,			
	2021		2020	
$ in millions	**Net loan (charge-off)/ recovery amount**	**% of avg. outstanding loans**	Net loan (charge-off)/ recovery amount	% of avg. outstanding loans
C&I loans	**$ (2)**	**0.09 %**	$ —	— %
Residential mortgage loans	**1**	**0.07 %**	—	— %
Total	**$ (1)**	**0.02 %**	$ —	— %

The level of nonperforming loans is another indicator of potential future credit losses. The following table presents the nonperforming loans balance and total allowance for credit losses for the periods presented.

	December 31, 2021		September 30, 2021	
$ in millions	**Nonperforming loan balance**	**Allowance for credit losses balance**	Nonperforming loan balance	Allowance for credit losses balance
C&I loans	**$ 38**	**$ 179**	$ 39	$ 191
CRE loans	**20**	**72**	20	66
REIT loans	**—**	**22**	—	22
Tax-exempt loans	**—**	**2**	—	2
Residential mortgage loans	**15**	**30**	15	35
SBL and other	**—**	**3**	—	4
Total nonperforming loans held for investment [(1)]	**$ 73**	**$ 308**	$ 74	$ 320
Total nonperforming loans as a % of total bank loans	**0.28 %**		0.29 %	

(1) Total nonperforming loans held for investment at December 31, 2021 and September 30, 2021 included $59 million and $61 million of nonperforming loans, respectively, which were current pursuant to their contractual terms.

The nonperforming loan balances in the preceding table exclude $8 million as of December 31, 2021 and September 30, 2021, respectively, of residential TDRs which were returned to accrual status in accordance with our policy.

The following table presents total nonperforming assets, including the nonperforming loans in the preceding table and other real estate acquired in the settlement of residential mortgages, as a percentage of Raymond James Bank's total assets.

$ in millions	**December 31, 2021**	September 30, 2021
Total nonperforming assets	**$ 74**	$ 74
Total nonperforming assets as a % of Raymond James Bank's total assets	**0.19 %**	0.20 %

Although our nonperforming assets as a percentage of Raymond James Bank's assets remained low as of December 31, 2021, any prolonged market deterioration could result in an increase in our nonperforming assets, an increase in our allowance for credit losses and/or an increase in net charge-offs in future periods, although the extent will depend on future developments that are highly uncertain.

We have received requests from certain borrowers for forbearance, which is generally a short-term deferral of their loan payments, or modification of certain covenant terms, driven or exacerbated by the economic impacts of the COVID-19 pandemic. Based on the amortized costs, only $2 million of our residential loans remained in active forbearance as of December 31, 2021. As certain borrowers have exited forbearance we have received requests for loan modifications, including repayment plans. In accordance with the Coronavirus Aid, Relief, and Economic Security Act and the Consolidated Appropriations Act, 2021, we did not apply TDR classification to any COVID-19 related loan modifications performed from March 1, 2020 through December 31, 2021 to borrowers who were current as of December 31, 2019. As of December 31, 2021, we had residential loans of $5 million for which the borrower had requested a loan modification, where the request had been initiated but not completed or approved. As the delinquency status is not affected for loans that are in active forbearance or for loan modifications that have not yet been approved, the recognition of charge-offs, delinquencies, and nonaccrual status could be delayed for those borrowers who would have otherwise moved into past due or nonaccrual status.

Loan underwriting policies

Our underwriting policies for the major types of bank loans are described in "Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations - Risk management - Credit risk" of our 2021 Form 10-K. There were no significant changes in our bank loan underwriting policies during the three months ended December 31, 2021.

Risk monitoring process

Another component of credit risk strategy for our bank loan portfolio is the ongoing risk monitoring and review processes, including our internal loan review process, for all residential, SBL, corporate and tax-exempt credit exposures, as well as our rigorous processes to manage and limit credit losses arising from loan delinquencies. There are various other factors included in these processes, depending on the loan portfolio. There were no significant changes to those processes during the three months ended December 31, 2021.

Residential mortgage and SBL and other loan portfolios

The collateral securing our SBL and other portfolio is monitored on a recurring basis, with marketable collateral monitored on a daily basis. Collateral adjustments, as triggered by our monitoring procedures, are made by the borrower as necessary to ensure our loans are adequately secured, resulting in minimizing our credit risk. Collateral calls have been minimal relative to our SBL and other portfolio with no losses incurred to date.

We track and review many factors to monitor credit risk in our residential mortgage loan portfolio. The factors include, but are not limited to: loan performance trends, loan product parameters and qualification requirements, borrower credit scores, level of documentation, loan purpose, geographic concentrations, average loan size, risk rating and LTV ratios. See Note 8 in the Notes to the Condensed Consolidated Financial Statements of this Form 10-Q for additional information about our residential mortgage loan portfolio.

The following table presents a summary of delinquent residential mortgage loans, the vast majority of which are first mortgage loans, which are comprised of loans which are two or more payments past due as well as loans in the process of foreclosure. Amounts in the following table do not include residential loans to borrowers who were granted forbearance as a result of the COVID-19 pandemic and whose loans were not considered delinquent prior to the forbearance. Such loans may be considered delinquent after the forbearance period or completion of loss mitigation efforts, depending on their payment status. As a result, the amount of residential loans considered delinquent may increase in the future.

	Amount of delinquent residential loans			Delinquent residential loans as a percentage of outstanding residential mortgage loan balances		
$ in millions	30-89 days	90 days or more	Total	30-89 days	90 days or more	Total
December 31, 2021	**$ 4**	**$ 7**	**$ 11**	**0.07 %**	**0.13 %**	**0.20 %**
September 30, 2021	$ 4	$ 6	$ 10	0.08 %	0.11 %	0.19 %

Our December 31, 2021 percentage compares favorably to the national average for over 30 day delinquencies of 2.55%, as most recently reported by the Fed.

Credit risk is also managed by diversifying the residential mortgage portfolio. Most of the loans in our residential loan portfolio are to PCG clients across the U.S. The following table details the geographic concentrations (top five states) of our one-to-four family residential mortgage loans.

	December 31, 2021	
	Loans outstanding as a % of total residential mortgage loans	Loans outstanding as a % of total bank loans
CA	**25.9%**	**5.5%**
FL	**17.2%**	**3.6%**
TX	**8.6%**	**1.8%**
NY	**8.2%**	**1.7%**
CO	**3.8%**	**0.8%**

Loans where borrowers may be subject to payment increases include adjustable-rate mortgage loans with terms that initially require payment of interest only. Payments may increase significantly when the interest-only period ends and the loan principal begins to amortize. At December 31, 2021 and September 30, 2021, these loans totaled $2.10 billion and $1.97 billion, respectively, or approximately 38% and 37% of the residential mortgage portfolio, respectively. The weighted-average number of years before the remainder of the loans, which were still in their interest-only period at December 31, 2021, begins amortizing is 7 years.

Corporate and tax-exempt loans

Credit risk in our corporate and tax-exempt bank loan portfolios is monitored on an individual loan basis. The majority of our tax-exempt bank loan portfolio is comprised of loans to investment-grade borrowers. Credit risk is managed by diversifying the corporate bank loan portfolio. Our corporate bank loan portfolio does not contain a significant concentration in any single industry. The following table details the industry concentrations (top five categories) of our corporate bank loans.

	December 31, 2021	
	Loans outstanding as a % of total corporate bank loans	**Loans outstanding as a % of total bank loans**
Office real estate	**7.1%**	**3.4%**
Multi-family	**6.6%**	**3.2%**
Automotive/transportation	**6.6%**	**3.2%**
Consumer products and services	**6.5%**	**3.1%**
Business systems and services	**5.3%**	**2.6%**

Since the beginning of the COVID-19 pandemic, our credit risk efforts were focused on reducing our exposure and revising our credit limits related to sectors that we believed were the most vulnerable to the COVID-19 pandemic, such as the energy, airlines, entertainment and leisure, restaurant and gaming sectors. Although economic conditions have continued to improve since the beginning of the COVID-19 pandemic, we may experience further losses on our loans to borrowers in these sectors, particularly if economic conditions do not continue to improve in the future. We continue to monitor our exposure to office real estate, where trends have changed as a result of the COVID-19 pandemic, and may experience losses on loans in this sector in the future. We may also experience further losses on corporate loans in other industries as a direct or indirect result of the pandemic, including on our CRE loans secured by retail and hospitality properties.

Liquidity risk

See the section "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and capital resources" of this Form 10-Q for information regarding our liquidity and how we manage liquidity risk.

Operational risk

Operational risk generally refers to the risk of loss resulting from our operations, including, but not limited to, business disruptions, improper or unauthorized execution and processing of transactions, deficiencies in our technology or financial operating systems and inadequacies or breaches in our control processes, including cybersecurity incidents. See "Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations - Risk management - Operational risk" of our 2021 Form 10-K for a discussion of our operational risk and certain of our risk mitigation processes.

In response to the COVID-19 pandemic, we activated and successfully executed on our business continuity protocols and continue to monitor the COVID-19 pandemic under such protocols. We have endeavored to protect the health and well-being of our associates and our clients while ensuring the continuity of business operations for our clients. As a result, a substantial portion of our associates continue to work remotely. We continue to monitor conditions and have reopened our offices in a limited capacity, complying with all applicable laws, regulations, and Centers for Disease Control and Prevention guidelines and operating under strict public health and safety protocols in such locations. We are planning for a full return to office in the second quarter of our fiscal 2022, which will include more work location flexibility for our associates; however, disruptions caused by variants may impact the timing of the implementation of these plans.

Periods of severe market volatility, such as those that arose most notably in fiscal 2020 at the onset of the COVID-19 pandemic, can result in a significantly higher level of transactions on specific days and other activity which may present operational challenges from time to time that may result in losses. These losses can result from, but are not limited to, trade errors, failed transaction settlements, late collateral calls to borrowers and counterparties, or interruptions to our system processing. We did not incur any significant losses related to such operational challenges during the three months ended December 31, 2021.

As more fully described in the discussion of our business technology risks included in various risk factors presented in "Item 1A - Risk Factors" of our 2021 Form 10-K, despite our implementation of protective measures and endeavoring to modify them as circumstances warrant, our computer systems, software and networks may be vulnerable to human error, natural disasters, power loss, cyber-attacks and other information security breaches, and other events that could have an impact on the security and stability of our operations.

Model risk

Model risk refers to the possibility of unintended business outcomes arising from the design, implementation or use of models. See "Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations - Risk management - Model risk" of our 2021 Form 10-K for information regarding how we utilize models throughout the firm and how we manage model risk.

Compliance risk

Compliance risk is the risk of legal or regulatory sanctions, financial loss, or reputational damage that the firm may suffer from a failure to comply with applicable laws, external standards, or internal requirements. See "Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations - Risk management - Compliance risk" of our 2021 Form 10-K for information on our compliance risks, including how we manage such risks.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

See "Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations - Risk management" of this Form 10-Q for our quantitative and qualitative disclosures about market risk.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Disclosure controls are procedures designed to ensure that information required to be disclosed in our reports filed under the Securities Exchange Act of 1934, such as this report, are recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. Disclosure controls are also designed to ensure that such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute, assurance of achieving the desired control objectives, as ours are designed to do, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures pursuant to Securities Exchange Act of 1934 Rule 13a-15(b) as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures are effective.

Changes in Internal Control over Financial Reporting

There were no changes during the three months ended December 31, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 1A. RISK FACTORS

Not applicable.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

We did not have any sales of unregistered securities for the three months ended December 31, 2021.

We purchase our own stock from time to time in conjunction with a number of activities, each of which is described in the following paragraphs. The following table presents information on our purchases of our own stock, on a monthly basis, for the three months ended December 31, 2021.

	Total number of shares purchased	Average price per share	Number of shares purchased as part of publicly announced plans or programs	Approximate dollar value (in millions) at each month-end of securities that may yet be purchased under the plans or programs
October 1, 2021 – October 31, 2021	**1,305**	**$ 94.47**	**—**	**$632**
November 1, 2021 – November 30, 2021	**94,824**	**$ 98.82**	**—**	**$632**
December 1, 2021 – December 31, 2021	**145**	**$ 98.90**	**—**	**$1,000**
First quarter	**96,274**	**$ 98.76**	**—**	

In December 2021, the Board of Directors authorized repurchase of our common stock in an aggregate amount of up to $1 billion, which replaced the previous authorization.

In the preceding table, the total number of shares purchased includes shares purchased pursuant to the Restricted Stock Trust Fund, which was established to acquire our common stock in the open market and used to settle RSUs granted as a retention vehicle for certain employees of our wholly-owned Canadian subsidiaries. For more information on this trust fund, see Note 2 of the Notes to Consolidated Financial Statements of our 2021 Form 10-K and Note 10 of the Notes to Condensed Consolidated Financial Statements of this Form 10-Q. These activities do not utilize the repurchase authorization presented in the preceding table.

The total number of shares purchased also includes shares repurchased as a result of employees surrendering shares as payment for option exercises or withholding taxes. These activities do not utilize the repurchase authorization presented in the preceding table.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit Number	Description
2.1	Agreement and Plan of Merger, dated October 20, 2021, among Raymond James Financial, Inc., Macaroon One LLC, Macaroon Two LLC and TriState Capital Holdings, Inc., incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on October 26, 2021.
3.1	Restated Articles of Incorporation of Raymond James Financial, Inc. as filed with the Secretary of State of Florida on November 25, 2008, incorporated by reference to Exhibit 3(i).1 to the Company's Annual Report on Form 10-K, filed with the Securities and Exchange Commission on November 28, 2008.
3.2	Amended and Restated By-Laws of Raymond James Financial, Inc., reflecting amendments adopted by the Board of Directors on December 2, 2020, incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on December 8, 2020.
10.1	Support Agreement, dated October 20, 2021, by and among James F. Getz, Brian S. Fetterolf, Raymond James Financial, Inc., Macaroon One LLC and, solely for purposes of the last sentence of Section 9 thereof, TriState Capital Holdings, Inc., incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on October 26, 2021.
10.2	Support Agreement, dated October 20, 2021, by and among T-VIII PubOpps LP, Raymond James Financial, Inc., Macaroon One LLC and, solely for purposes of the last sentence of Section 9 and Section 10(c) thereof, TriState Capital Holdings, Inc., incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on October 26, 2021.
10.3	Form of Restricted Stock Unit Award Notice and Agreement for Stock Bonus Award (performance-based vesting with rTSR) under the Amended and Restated 2012 Stock Incentive Plan.
31.1	Certification of Paul C. Reilly pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Paul M. Shoukry pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certification of Paul C. Reilly and Paul M. Shoukry pursuant to Rule 13a-14(b) and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

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 thereunto duly authorized.

RAYMOND JAMES FINANCIAL, INC.
(Registrant)

Date: February 8, 2022

/s/ Paul C. Reilly
Paul C. Reilly
Chairman and Chief Executive Officer

Date: February 8, 2022

/s/ Paul M. Shoukry
Paul M. Shoukry
Chief Financial Officer and Treasurer

[FORM OF RSU AWARD NOTICE AND AGREEMENT - STOCK BONUS PERFORMANCE-BASED VESTING WITH $_R$TSR]

RAYMOND JAMES FINANCIAL, INC.

AMENDED AND RESTATED 2012 STOCK INCENTIVE PLAN

NOTICE OF PERFORMANCE BASED RESTRICTED STOCK UNIT AWARD

Grantee's Name and Address: ______________________________

____

____

You (the "Grantee" or "you") have been granted an award of Restricted Stock Units (the "Award"), subject to the terms and conditions of this Notice of Performance Based Restricted Stock Unit Award (the "Notice"), the Raymond James Financial, Inc. Amended and Restated 2012 Stock Incentive Plan, as amended from time to time (the "Plan") and the Restricted Stock Unit Agreement (the "Agreement") attached hereto, as follows. Unless otherwise provided herein, the terms in this Notice shall have the same meaning as those defined in the Plan.

Date of Award ______________________________

Total Number of Restricted Stock Units Awarded (the "Units") ______________________________

Restricted Period:

Provided that the Grantee does not incur a Separation from Service and subject to the other limitations set forth in this Notice, the Agreement and the Plan, the Units will vest in accordance with the following schedule (the "Restricted Period"):

1. Units shall vest only if the Company's three-year average after-tax return on equity (determined on the basis of generally accepted accounting principles) for fiscal years 20xx, 20xx and 20xx (such period, the "Measurement Period" and the last day of fiscal year 20[_], the "Determination Date") (the "Average After-Tax ROE") is at least equal to seven percent (7%). If that minimum Average After-Tax ROE is achieved, the number of Units eligible to vest (the "Eligible Units") shall be based on Average After-Tax ROE, as modified to reflect the Company's relative total shareholder return ("rTSR") for the Measurement Period.

The determination of Eligible Units shall be as follows.

The Preliminary Percentage of Units Eligible to Vest shall first be determined based on Average After-Tax ROE, as indicated in the following table:

Average After-Tax ROE Achieved	Preliminary Percentage of the Units Eligible to Vest
Less than 7%	0%
9%	50%
11%	75%
13%	100%
15%	125%
17% or more	150%

If the Average After-Tax ROE is between two percentages set forth above, then the Preliminary Percentage of Units Eligible to Vest shall be determined by linear interpolation, rounded to the nearest whole percentage

The Percentage of Units Eligible to Vest shall then be determined by multiplying the Preliminary Percentage of Units Eligible to Vest by a modifier based on the Company's rTSR Percentile for the Measurement Period.

The applicable modifiers are as follows:

rTSR Percentile	Modifier
≥ 75	120%
50	100%
≤ 25	80%

If the rTSR Percentile falls between two values set forth above, then the modifier shall be determined by linear interpolation, rounded to the nearest whole percentage.

For example:

If Average After-Tax ROE is 15%, and the Company's rTSR Percentile is 50, then the Preliminary Percentage of Units eligible to vest is 125%, and the Percentage of Units Eligible to Vest is also 125% (125% x 100%).

If the Average After-Tax ROE is 9%, and the rTSR Percentile is 75, then the Preliminary Percentage of Units Eligible to Vest is 50%, and the Percentage of Units Eligible to Vest is 60% (50% x 120%).

The number of Eligible Units shall then be determined by multiplying the Percentage of Units Eligible to Vest by the Total Number of Units Awarded. If the number of Eligible Units includes a fractional Unit, the number shall be rounded up to the next whole Unit.

The rTSR Percentile shall be determined using the calculation principles found on Exhibit A.

A number of Units equal to (x) the Total Number of Units Awarded minus (y) the number of Eligible Units shall be forfeited and deemed reconveyed to the Company upon that determination by the Company, and the Company shall thereafter be the legal and beneficial owner of such reconveyed Units and shall have all rights and interest in or related thereto without further action by the Grantee.

Notwithstanding the Plan definition of "Separation from Service," the Grantee will also be deemed to incur a Separation from Service, and the then unvested Units shall be immediately forfeited, upon the Grantee's change in status from Employee to Independent Contractor, or vice versa, for any reason prior to the Grantee's attaining eligibility for Retirement.

2. The number of Eligible Units, if any, shall vest following the Determination Date upon the determination by the Company of the Average After-Tax ROE and rTSR Percentile, provided that the settlement of the Award shall occur between January 1, 20xx and March 15, 20xx.

3. In the event of a Corporate Transaction or Change in Control prior to the Determination Date, the Units will convert to time based vesting using the rTSR Percentile determined as of the effective date of the Corporate Transaction or Change in Control multiplied by the Total Number of Restricted Stock Units Awarded. In that event, the number of Units so determined will vest on the third anniversary of the Date of Award and the settlement of the Award shall occur between January 1, 20xx and March 15, 20xx.

4. Notwithstanding the foregoing, the Award shall be subject to the following additional vesting provisions:

- In the event of the Grantee's death or Disability, or in the event the Grantee involuntarily incurs a Separation from Service other than for Cause, a number of Eligible Units, if any, shall vest and the Award shall be settled upon the determination by the Company, as provided in paragraph 2 above. Notwithstanding the immediately preceding sentence, in the event of a Change in Control or Corporate Transaction prior to the Determination Date, a number of Units shall vest and the Award shall be settled, as provided in paragraph 3 above.

- In the event of the Grantee's Retirement, a number of Eligible Units, if any, shall vest and the Award shall be settled upon the determination by the Company, as provided in paragraph 2 above, provided that (i) during the period following the date of the Grantee's Retirement until the earlier of (a) two years from the date of Retirement, and (b) the date on which the Award is settled (such period, the "Restrictive Covenant Period"), the Grantee shall have satisfied the Covenant Conditions (defined below), and (ii) if the Grantee violates the Restrictive Covenants prior to the expiration of the Restrictive Covenant Period, any Shares that have not become issuable before expiration of such Restrictive Covenant Period, together with all other unissued Shares subject to the Award, shall be immediately forfeited. Notwithstanding the immediately preceding sentence, in the event of a Change in Control or Corporate Transaction prior to the Determination Date, and provided that the Grantee has not violated the Restrictive Covenants set forth below during the Restrictive Covenant Period, a number of Units shall vest and the Award shall be settled, as provided in paragraph 3 above.

For purposes of this Award, "Retirement" means the Grantee's voluntary Separation from Service or involuntary Separation from Service other than for Cause from the Company or any Related Entity after attainment of age 65 or after attainment of age 55 after ten (10) years of service with the Company or a Related Entity either as an Employee or Independent Contractor.

In the event of the Grantee's Retirement, it shall be a condition to the issuance of Shares with respect to outstanding Units (the "Covenant Conditions") that the Grantee shall have complied in full with each of the following covenants (collectively, the "Restrictive Covenants") during the Restrictive Covenant Period preceding any issuance:

- *Non-competition* - You shall not, directly or indirectly, individually or in concert with any other person or entity, compete with the Company in the United States and in each state of the United States, whether as an employee, consultant or contractor, or as an owner, member or joint venturer in, or agent of, any business that competes with the Company.

- *Non-recruitment* - You shall not, directly or indirectly, individually or in concert with any other person or entity (i) recruit, induce or attempt to recruit or induce any employee of the Company with whom you worked or otherwise had Material Contact (as defined below) during your employment to leave the employ of the Company or otherwise lessen that party's affiliation with the Company. For purposes of this provision, you had "Material Contact" with an employee if (i) you had a supervisory relationship with the employee or (ii) you worked or communicated with the employee as part of your job duties.

- *Non-solicitation* - You shall not, directly or indirectly, individually or in concert with any other person or entity, solicit, divert, take away or attempt to solicit, divert or take away any then-current or proposed client or customer of the Company with whom you had Material Contact during your employment. For purposes of this provision, you had "Material Contact" with a current or proposed client or customer if (i) you had business dealings with the current or proposed client or customer on behalf of the Company or (ii) you supervised or coordinated the dealings between the Company and the current or proposed client or customer.

- *Confidentiality* - You shall not, directly or indirectly, use for yourself or any other business, or disclose to any person, any Confidential Information (as defined below), without the prior written consent of the Company, during the period that it remains confidential and nonpublic or a trade secret under applicable law (the "Confidentiality Covenant"). "Confidential Information" means all non-public information (whether a trade secret or not and whether proprietary or not) relating to the Company's business and its customers, that the Company either treats as confidential or that is of value to the Company or important to the Company's business and operations, including but not limited to the following specific items: trade secrets (as defined by applicable law); actual or prospective customers and customer lists; marketing strategies; sales; actual and prospective pricing and fees; products; know-how; research and development; intellectual property; information systems and software; business plans and projections; negotiations and contracts; financial or cost data; employment, compensation and personnel information; procedures and processes; and any other non-public business information regarding the Company. In addition, trade secrets will be entitled to all of the protections and benefits available under applicable law. For the avoidance of doubt, you acknowledge and agree that this Confidentiality Covenant shall in no event be interpreted to limit your general obligations of confidentiality to an employer or former employer under the Company's Code of Business Conduct and Ethics, the common law, or pursuant to any agreement that you may otherwise enter into with the Company, all of which obligations shall remain in full force and effect.

For purposes of the Restrictive Covenants, references to the "Company" shall include the Company's Affiliates and Related Entities.

- In the event of a Corporate Transaction or Change in Control the Units will further be subject to the terms and conditions of Section 11 of the Plan. For purposes of Section 11 of the Plan, this Award was granted in lieu of a cash payment for all or a portion of the Grantee's annual bonus.

For purposes of this Notice and the Agreement, the term "vest" shall mean, with respect to any Units, that the Restricted Period with respect to such Units shall expire, and that such Units shall no longer be subject to forfeiture to the Company.

In the event of the Grantee's change in status from Employee or Independent Contractor to Director, Employee or Independent Contractor, as applicable, the determination of whether such change in status results in a Separation from Service will be determined in accordance with Section 409A.

During any authorized leave of absence, the vesting of the Units as provided in the schedule set forth above shall be suspended (to the extent permitted under Section 409A) and the duration of such suspension will parallel the duration of the leave of absence under the Company's then effective leave of absence policy. The Restricted Period applicable to the Units shall be extended by the length of the suspension. Vesting of the Units shall resume upon the Grantee's termination of the leave of absence and return to service to the Company or a Related Entity; provided, however, that if the leave of absence exceeds six (6) months, and a return to service upon expiration of such leave is not guaranteed by statute or contract, then (a) the Grantee shall be deemed to have incurred a Separation from Service on the first date following such six-month period and (b) the Grantee will forfeit the Units that are unvested on the date of such separation. An authorized leave of absence shall include sick leave, military leave, or other bona fide leave of absence (such as temporary employment by the government). Notwithstanding the foregoing, with respect to a leave of absence due to any medically determinable physical or mental impairment of the Grantee that can be expected to result in death or can be expected to last for a continuous period of not less than six (6) months, where such impairment causes the Grantee to be unable to perform the duties of the Grantee's position of employment or substantially similar position of employment, a twenty-nine (29) month period of absence shall be substituted for such six (6) month period above.

Except as otherwise provided above or in Section 11 of the Plan, vesting shall cease upon the date the Grantee incurs a Separation from Service for any reason, any unvested Units held by the Grantee (and any dividend equivalents credited in respect of such Units) immediately upon such Separation from Service shall be forfeited and deemed reconveyed to the Company and the Company shall thereafter be the legal and beneficial owner of such reconveyed Units and shall have all rights and interest in or related thereto without further action by the Grantee.

IN WITNESS WHEREOF, the Company and the Grantee have executed this Notice and agree that the Award is to be governed by the terms and conditions of this Notice, the Plan, and the Agreement.

RAYMOND JAMES FINANCIAL, INC.

By: ______________________________________

Its: ______________________________________

THE GRANTEE ACKNOWLEDGES AND AGREES THAT THE UNITS SHALL VEST, IF AT ALL, ONLY DURING THE PERIOD THAT THE GRANTEE IS PROVIDING SERVICES TO THE COMPANY OR A RELATED ENTITY AND HAS NOT OTHERWISE INCURRED A SEPARATION FROM SERVICE OR AS OTHERWISE SPECIFICALLY PROVIDED HEREIN (NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS AWARD OR ACQUIRING SHARES HEREUNDER). THE GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT NOTHING IN THIS NOTICE, THE AGREEMENT, NOR IN THE PLAN, SHALL CONFER UPON THE GRANTEE ANY RIGHT WITH RESPECT TO CONTINUATION OF THE GRANTEE'S SERVICE, NOR SHALL IT INTERFERE IN ANY WAY WITH THE GRANTEE'S RIGHT TO TERMINATE THE GRANTEE'S EMPLOYMENT OR SERVICE, OR THE COMPANY'S RIGHT TO TERMINATE THE GRANTEE'S EMPLOYMENT OR SERVICE AT ANY TIME, WITH OR WITHOUT CAUSE, AND WITH OR WITHOUT NOTICE. THE GRANTEE FURTHER ACKNOWLEDGES THAT UNLESS THE GRANTEE HAS A WRITTEN EMPLOYMENT AGREEMENT WITH THE COMPANY TO THE CONTRARY, THE GRANTEE'S EMPLOYMENT STATUS IS "AT WILL."

<u>Grantee Acknowledges and Agrees</u>:

The Grantee acknowledges receipt of a copy of the Plan and the Agreement and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts the Award subject to all of the terms and provisions hereof and thereof. The Grantee has reviewed this Notice, the Agreement and the Plan in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Notice and fully understands all provisions of this Notice, the Agreement and the Plan. The Grantee further agrees and acknowledges that this Award is a non-elective arrangement pursuant to Section 409A.

The Grantee further acknowledges that, from time to time, the Company may be in a "blackout period" and/or subject to applicable federal securities laws that could subject the Grantee to liability for engaging in any transaction involving the sale of the Company's Shares. The Grantee further acknowledges and agrees that, prior to the sale of any Shares acquired under this Award, it is the Grantee's responsibility to determine whether or not such sale of Shares will comply with the Company's Insider Trading Policy and/or subject the Grantee to liability under insider trading rules or other applicable federal securities laws.

The Grantee understands that the Award is subject to the Grantee's consent to access this Notice, the Agreement, the Plan and the Plan prospectus (collectively, the "Plan Documents") in electronic form on the Company's intranet or such other website designated by the Company and communicated to the Grantee. By signing below and accepting the grant of the Award, the Grantee: (i) consents to access electronic copies (instead of receiving paper copies) of the Plan Documents via the Company's intranet or such other website designated by the Company and communicated to the Grantee if and when the Company begins providing the Plan Documents electronically; (ii) represents that the Grantee has access to paper copies of the Plan Documents; and (iii) acknowledges that the Grantee is familiar with and accepts the Award subject to the terms and provisions of the Plan Documents.

The Grantee agrees that this Notice is entered into and is reasonably necessary to protect the Company's investment in Grantee's advancement opportunity, training and development and to protect the goodwill and other legitimate business interests of the Company. Grantee also agrees that, in consideration of the confidential information, trade secrets and training and development provided to Grantee, Grantee will abide by the restrictions set forth in this Notice, and Grantee further agrees and acknowledges that the restrictions set forth in this Notice are reasonably necessary to protect the confidential and trade secret information provided to Grantee.

The Grantee acknowledges that Grantee's agreement to comply with the Restrictive Covenants is a material inducement to the Company to enter into the Notice and to grant the Units referenced herein. The Grantee further acknowledges that the term and scope (including the geographic scope) of the Restrictive Covenants set forth herein are fair and reasonable, and are reasonably required for the protection of the interests of the Company. The Grantee further agrees that Grantee will not, in any proceeding, assert the unreasonableness of the premises, consideration or scope of the Restrictive Covenants set forth herein. The Grantee and the Company agree that if any portion of the foregoing covenants is deemed to be unenforceable because any of the restrictions contained in this Notice are deemed too broad, the court or arbitration panel shall be authorized to provide partial enforcement of such covenants, substitute an enforceable term or otherwise modify the Notice in a manner that will enable the enforcement of the covenants to the maximum extent possible under applicable law.

The Company may, in its sole discretion, decide to deliver any Plan Documents by electronic means or request the Grantee's consent to participate in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system if and when such system is established and maintained by the Company or a third party designated by the Company.

The Grantee hereby agrees that all questions of interpretation and administration relating to this Notice, the Plan and the Agreement shall be resolved by the Committee in accordance with Section 10 of the Agreement. The Grantee further agrees that, in accordance with Section 11 of the Agreement, any claim, suit, action, or proceeding arising out of or relating to the Notice, the Plan or this Agreement shall be governed by and subject to the terms and conditions of the Arbitration Agreement entered into by and between the Grantee and the Company. The Grantee further agrees to notify the Company upon any change in his or her residence address indicated in this Notice.

Date: ______________________________

____
Grantee's Signature

Grant Date: ______________________________

____
Grantee's Printed Name

____
Address

____
City, State & Zip

[FORM OF RSU AWARD NOTICE AND AGREEMENT - STOCK BONUS PERFORMANCE-BASED VESTING WITH $_R$TSR]

RAYMOND JAMES FINANCIAL, INC.

AMENDED AND RESTATED 2012 STOCK INCENTIVE PLAN

RESTRICTED STOCK UNIT AGREEMENT

1. Issuance of Units. Raymond James Financial, Inc., a Florida corporation (the "Company"), hereby issues to the Grantee (the "Grantee") named in the Notice of Performance Based Restricted Stock Unit Award (the "Notice") an award (the "Award") of the Total Number of Restricted Stock Units Awarded set forth in the Notice (the "Units"), subject to the Notice, this Restricted Stock Unit Agreement (the "Agreement") and the terms and provisions of the Raymond James Financial, Inc. Amended and Restated 2012 Stock Incentive Plan, as amended from time to time (the "Plan"), which is incorporated herein by reference. Unless otherwise provided herein, the terms in this Agreement shall have the same meaning as those defined in the Plan.

2. Transfer Restrictions. The Units (and any dividend equivalents credited in respect of such Units) may not be transferred in any manner other than by will or by the laws of descent and distribution.

3. Conversion of Units and Issuance of Shares.

(a) General. Subject to Sections 3(b) and 3(c), one share of Common Stock shall be issuable for each Unit subject to the Award (the "Shares") upon vesting or as otherwise provided in the applicable vesting provisions. Immediately thereafter, or as soon as administratively feasible, the Company will transfer the appropriate number of Shares to the Grantee after satisfaction of any required tax or other withholding obligations. Any fractional Unit remaining after the Award is fully vested shall be discarded and shall not be converted into a fractional Share. Notwithstanding the foregoing, if the Award is subject to Section 409A, the relevant number of Shares shall be issued in accordance with Treasury Regulation Section 1.409A-3(d), as may be amended from time to time.

(b) Delay of Conversion. The conversion of the Units into the Shares under Section 3(a) above, shall be delayed in the event the Company reasonably anticipates that the issuance of the Shares would constitute a violation of federal securities laws or other Applicable Law. If the conversion of the Units into the Shares is delayed by the provisions of this Section 3(b), the conversion of the Units into the Shares shall occur at the earliest date at which the Company reasonably anticipates issuing the Shares will not cause a violation of federal securities laws or other Applicable Law. For purposes of this Section 3(b), the issuance of Shares that would cause inclusion in gross income or the application of any penalty provision or other provision of the Code is not considered a violation of Applicable Law.

(c) Delay of Issuance of Shares. To the extent necessary to comply with Section 409A(a)(2)(B)(i) of the Code (relating to payments made to certain "specified employees" of certain publicly traded companies), any Shares to which the Grantee would otherwise be entitled during the six (6) month period following the date of the Grantee's Separation from Service will be issuable on the first business day following the expiration of such six (6) month period, unless the Grantee dies during such six (6) month period, in which case, the Shares will be issued to the Grantee's estate as soon as practicable following his or her death. For purposes of clarity, this Section 3(c) shall not otherwise supersede the Retirement provision set forth in the Notice and, to the extent the Retirement provision applies, any Shares to which the Grantee is entitled following the expiration of the six (6) month period in the foregoing sentence will be settled in accordance therewith, provided that during the period following the date of the Grantee's Retirement until the date of such settlement or, if earlier, the two-year anniversary of the date of the Grantee's Retirement, the Grantee has satisfied the Restrictive Covenants set forth in the Notice.

4. Dividend Equivalents. In the event the Company declares a cash or stock dividend on its Common Stock prior to the earlier of the date the Award is settled in full or terminates, dividend equivalents will be credited in respect of any outstanding Units. Such dividend equivalents may be paid in cash or converted as of the date the Award is settled (the "Conversion Date") into Shares, the number of which shall be determined as follows: (1) if the Company declares and pays a cash dividend, the number of additional Shares that will be issuable upon the Conversion Date shall be equal to the quotient obtained by dividing (i) the aggregate amount or value of the dividends paid with respect to that number of Shares equal to the number of Units subject to the Award as of the date or dates the dividends were paid by the Company to the Company's shareholders by (ii) the Fair Market Value per Share on the Conversion Date, rounded down to the nearest whole Share; or (2) if the Company declares and

pays a stock dividend, the number of additional Shares that will be issuable upon the Conversion Date shall be equal to the number of Shares distributed with respect to the Shares underlying the Units as of the date or dates the dividends were paid by the Company to the Company's shareholders, rounded down to the nearest whole Share. The dividend equivalents will be subject to all of the terms and conditions of the Award, including that the dividend equivalents will vest and become payable upon the same terms and at the same time as the Units to which they relate.

5. Right to Shares. Except as provided in Section 4, the Grantee shall not have any right in, to or with respect to any of the Shares (including any voting rights) issuable under the Award until the Award is settled by the issuance of such Shares to the Grantee.

6. Recoupment Policy. Without limiting the generality of any other provision herein regarding the Grantee's understanding of and agreement to the terms and conditions of the Notice, the Agreement and the Plan, by signing the Notice, the Grantee specifically acknowledges that he or she has read and understands the Raymond James Financial, Inc. Compensation Recoupment Policy, as may be amended from time to time (the "Policy"), and agrees to the terms and conditions of the Policy, including but not limited to the forfeiture and recoupment provisions of Sections 2 and 3 of the Policy.

7. Taxes.

(a) Tax Liability. The Grantee is ultimately liable and responsible for all taxes owed by the Grantee in connection with the Award, regardless of any action the Company or any Related Entity takes with respect to any tax withholding obligations that arise in connection with the Award. Neither the Company nor any Related Entity makes any representation or undertaking regarding the treatment of any tax withholding in connection with any aspect of the Award, including the grant, vesting, assignment, release or cancellation of the Units, the delivery of Shares, the subsequent sale of any Shares acquired upon vesting and the receipt of any dividends or dividend equivalents. The Company does not commit and is under no obligation to structure the Award to reduce or eliminate the Grantee's tax liability.

(b) Payment of Withholding Taxes. Prior to any event in connection with the Award (e.g., vesting) that the Company determines may result in any tax withholding obligation, whether United States federal, state, local or non-U.S., including any social insurance, employment tax, payment on account or other tax-related obligation (the "Tax Withholding Obligation"), the Grantee must arrange for the satisfaction of the minimum amount of such Tax Withholding Obligation through:

(i) *Share Withholding*. If permissible under Applicable Law, the Company will, at the Grantee's election, withhold from those Shares otherwise issuable to the Grantee the whole number of Shares sufficient to satisfy the minimum applicable Tax Withholding Obligation. The Grantee acknowledges that the withheld Shares may not be sufficient to satisfy the Grantee's minimum Tax Withholding Obligation. Accordingly, the Grantee agrees that, prior to any event in connection with the Award that the Company determines may result in any Tax Withholding Obligation, the Grantee must arrange for the satisfaction of any amount of the Tax Withholding Obligation that is not satisfied by the withholding of Shares described above through his or her Raymond James brokerage account. Said brokerage account shall contain sufficient funds or margin availability to satisfy the portion of the Grantee's Tax Withholding Obligation that is not satisfied by the withholding of Shares, and the Grantee hereby authorizes and directs the Company or any Related Entity to debit his or her Raymond James brokerage account by such amount.

(ii) *By Other Means*. If the Grantee does not elect to satisfy the Tax Withholding Obligation pursuant to Section 7(b)(i) above or Share withholding is not permissible under Applicable Law, the Grantee will arrange for the satisfaction of the Tax Withholding Obligation through his or her Raymond James brokerage account. Said brokerage account shall contain sufficient funds or margin availability to satisfy the Grantee's Tax Withholding Obligation, and the Grantee hereby authorizes and directs the Company or any Related Entity to debit his or her Raymond James brokerage account by such amount.

8. Entire Agreement; Governing Law. The Notice, the Plan and this Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Grantee with respect to the subject matter hereof, and, subject to Section 16, may not be modified adversely to the Grantee's interest except by means of a writing signed by the Company and the Grantee. These agreements are to be construed in accordance with and governed by the internal laws of the State of Florida without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of Florida to the rights and duties of the parties. Should any provision of the Notice or this Agreement be determined to be illegal or unenforceable, the other provisions shall nevertheless remain effective and shall remain enforceable.

9. Construction. The captions used in the Notice and this Agreement are inserted for convenience and shall not be deemed a part of the Award for construction or interpretation. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

10. Administration and Interpretation. Any question or dispute regarding the administration or interpretation of the Notice, the Plan or this Agreement shall be submitted by the Grantee or by the Company to the Committee. The resolution of such question or dispute by the Committee shall be final and binding on all persons.

11. Arbitration Agreement. The Company, the Grantee, and the Grantee's assignees pursuant to Section 2 (the "parties") agree that any claim, suit, action, or proceeding arising out of or relating to the Notice, the Plan or this Agreement shall be governed by and subject to the terms and conditions of the Arbitration Agreement entered into by and between the Grantee and the Company.

12. Notices. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery, upon deposit for delivery by an internationally recognized express mail courier service or upon deposit in the United States mail by certified mail (if the parties are within the United States), with postage and fees prepaid, addressed to the other party at its address as shown in these instruments, or to such other address as such party may designate in writing from time to time to the other party.

13. Nature of Award. In accepting the Award, the Grantee acknowledges and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature, and it may be modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan and this Agreement;

(b) the Award is voluntary and occasional and does not create any contractual or other right to receive future awards of Units, or benefits in lieu of Units, even if Units have been awarded repeatedly in the past;

(c) all decisions with respect to future awards, if any, will be at the sole discretion of the Company;

(d) the Grantee's participation in the Plan shall not create a right to any employment with the Grantee's employer and shall not interfere with the ability of the Company or the employer to terminate the Grantee's employment relationship, if any, at any time;

(e) in the event that the Grantee is not an employee of the Company or any Related Entity, the Award and the Grantee's participation in the Plan will not be interpreted to form an employment or service contract or relationship with the Company or any Related Entity;

(f) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(g) in consideration of the Award, no claim or entitlement to compensation or damages shall arise from termination of the Award or diminution in value of the Award or Shares acquired upon vesting of the Award, resulting from the Grantee's termination by the Company or any Related Entity (for any reason whatsoever and whether or not in breach of local labor laws) and in consideration of the grant of the Award, the Grantee irrevocably releases the Company and any Related Entity from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by signing the Notice, the Grantee shall be deemed irrevocably to have waived his or her right to pursue or seek remedy for any such claim or entitlement;

(h) in the event of the Grantee's Separation from Service (whether or not in breach of local labor laws), the Grantee's right to receive Awards under the Plan and to vest in such Awards, if any, will terminate effective as of the date that the Grantee is no longer providing services and will not be extended by any notice period mandated under local law (*e.g.*, providing services would not include a period of "garden leave" or similar period pursuant to local law); furthermore, in the event of the Grantee's Separation from Service (whether or not in breach of local labor laws), the Committee shall have the exclusive discretion to determine when the Grantee is no longer providing services for purposes of this Award;

(i) the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Grantee's participation in the Plan or the Grantee's acquisition or sale of the underlying Shares; and

(j) the Grantee is hereby advised to consult with the Grantee's own personal tax, legal and financial advisers regarding the Grantee's participation in the Plan before taking any action related to the Plan.

14. Data Privacy.

(a) *The Grantee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee's personal data as described in the Notice and this Agreement by and among, as applicable, the Grantee's employer, the Company and any Related Entity for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan.*

(b) *The Grantee understands that the Company and the Grantee's employer may hold certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, date of birth, social insurance or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Units or any other entitlement to Shares awarded, canceled, vested, unvested or outstanding in the Grantee's favor, for the exclusive purpose of implementing, administering and managing the Plan ("Data").*

(c) *The Grantee understands that Data will be transferred to any third party assisting the Company with the implementation, administration and management of the Plan. The Grantee understands that the recipients of the Data may be located in the Grantee's country, or elsewhere, and that the recipients' country may have different data privacy laws and protections than the Grantee's country. The Grantee understands that the Grantee may request a list with the names and addresses of any potential recipients of the Data by contacting the Grantee's local human resources representative. The Grantee authorizes the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Grantee's participation in the Plan. The Grantee understands that Data will be held only as long as is necessary to implement, administer and manage the Grantee's participation in the Plan. The Grantee understands that the Grantee may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Grantee's local human resources representative. The Grantee understands, however, that refusal or withdrawal of consent may affect the Grantee's ability to participate in the Plan. For more information on the consequences of the Grantee's refusal to consent or withdrawal of consent, the Grantee understands that the Grantee may contact the Grantee's local human resources representative.*

15. Language. If the Grantee has received this Agreement or any other document related to the Plan translated into a language other than English and if the translated version is different than the English version, the English version will control, unless otherwise prescribed by Applicable Law.

16. Amendment and Delay to Meet the Requirements of Section 409A. The Grantee acknowledges that the Company, in the exercise of its sole discretion and without the consent of the Grantee, may amend or modify this Agreement in any manner and delay the issuance of any Shares issuable pursuant to this Agreement to the minimum extent necessary to meet the requirements of Section 409A as the Company deems appropriate or advisable. In addition, the Company makes no representation that the Award will comply with Section 409A and makes no undertaking to prevent Section 409A from applying to the Award or to mitigate its effects on any deferrals or payments made in respect of the Units. The Grantee is encouraged to consult a tax adviser regarding the potential impact of Section 409A.

END OF AGREEMENT

EXHIBIT A

rTSR CALCULATION PRINCIPLES

- rTSR Percentile shall be determined by comparing the Company's rTSR with that of the Company's compensation peer companies established for the compensation benchmarking purposes: [Insert peer list.]

- The value of a Company share and the value of a share of each peer company shall be measured at the beginning and the end of the Measurement Period based on the twenty (20) trading day average ending on the first day of the Measurement Period and the Determination Date, respectively.

- Cash dividends paid on a Company share or a peer company share during the Measurement Period will be deemed reinvested in the applicable share on the applicable ex-dividend date. The value of a share at the Determination Date determined under the immediately preceding bullet will be multiplied by the number of shares resulting from any such deemed reinvestment.

- If a peer company ceases to exist as an independent publicly traded company, then the Company's Percentile rank shall be determined based on the group without such former peer.

- Peer companies that file for bankruptcy, liquidation or similar reorganization during the Measurement Period will remain peer companies positioned below the lowest performing non-bankrupt peer company.

- Equitable adjustments will be made for stock splits and similar transactions occurring during the Measurement Period.

- If a Corporate Transaction or Change in Control prior to the Determination Date results in a conversion of the Award to time-based vesting, the Company's TSR for purposes of the Percentile rank shall be determined using the value of the consideration payable in the transaction for a Company share (if available). Otherwise, the twenty (20) trading day average ending immediately prior to the effective date of the transaction shall be used.

* * * * *

EXHIBIT 31.1

CERTIFICATIONS

I, Paul C. Reilly, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Raymond James Financial, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's Board of Directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 8, 2022

/s/ PAUL C. REILLY
Paul C. Reilly
Chairman and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATIONS

I, Paul M. Shoukry, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Raymond James Financial, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's Board of Directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 8, 2022

/s/ PAUL M. SHOUKRY

Paul M. Shoukry

Chief Financial Officer and Treasurer

EXHIBIT 32

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Raymond James Financial, Inc. (the "Company") on Form 10-Q for the quarter ended December 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to our knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ PAUL C. REILLY

Paul C. Reilly

Chairman and Chief Executive Officer

February 8, 2022

/s/ PAUL M. SHOUKRY

Paul M. Shoukry

Chief Financial Officer and Treasurer

February 8, 2022