

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 March 31, 2022

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:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
<b>Common Stock, \$.01 par value</b>	<b>RJF</b>	<b>New York Stock Exchange</b>

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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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.

208,249,432 shares of common stock as of May 5, 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)

<i>\$ in millions, except per share amounts</i>	<b>March 31, 2022</b>	September 30, 2021
<b>Assets:</b>		
Cash and cash equivalents	\$ 5,715	\$ 7,201
Assets segregated for regulatory purposes and restricted cash (\$10,394 and \$2,100 at fair value)	19,531	11,348
Collateralized agreements	571	480
Financial instruments, at fair value:		
Trading assets (\$225 and \$326 pledged as collateral)	475	610
Available-for-sale securities (\$28 and \$20 pledged as collateral)	8,815	8,315
Derivative assets	183	255
Other investments (\$22 and \$22 pledged as collateral)	407	357
Brokerage client receivables, net	3,169	2,831
Other receivables, net	1,373	999
Bank loans, net	27,883	24,994
Loans to financial advisors, net	1,124	1,057
Deferred income taxes, net	412	305
Goodwill and identifiable intangible assets, net	1,110	882
Other assets	2,333	2,257
<b>Total assets</b>	<b>\$ 73,101</b>	<b>\$ 61,891</b>
<b>Liabilities and shareholders' equity:</b>		
Bank deposits	\$ 34,685	\$ 32,495
Collateralized financings	425	277
Financial instrument liabilities, at fair value:		
Trading liabilities	186	176
Derivative liabilities	271	228
Brokerage client payables	22,697	13,991
Accrued compensation, commissions and benefits	1,573	1,825
Other payables	1,762	1,701
Other borrowings	856	858
Senior notes payable	2,037	2,037
<b>Total liabilities</b>	<b>64,492</b>	<b>53,588</b>
Commitments and contingencies (see Note 16)		
<b>Shareholders' equity</b>		
Preferred stock; \$.10 par value; 10,000,000 shares authorized; -0- shares issued and outstanding	—	—
Common stock; \$.01 par value; 650,000,000 shares authorized, 239,295,583 shares issued, and 207,897,379 shares outstanding as of March 31, 2022; 350,000,000 shares authorized, 239,062,254 shares issued, and 205,738,821 shares outstanding as of September 30, 2021	2	2
Additional paid-in capital	2,093	2,088
Retained earnings	8,256	7,633
Treasury stock, at cost; 31,398,204 and 33,323,433 common shares as of March 31, 2022 and September 30, 2021, respectively	(1,360)	(1,437)
Accumulated other comprehensive loss	(389)	(41)
<b>Total equity attributable to Raymond James Financial, Inc.</b>	<b>8,602</b>	<b>8,245</b>
Noncontrolling interests	7	58
<b>Total shareholders' equity</b>	<b>8,609</b>	<b>8,303</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 73,101</b>	<b>\$ 61,891</b>

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

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

<i>in millions, except per share amounts</i>	Three months ended March 31,		Six months ended March 31,	
	2022	2021	2022	2021
<b>Revenues:</b>				
Asset management and related administrative fees	\$ 1,464	\$ 1,173	\$ 2,846	\$ 2,240
Brokerage revenues:				
Securities commissions	422	443	847	824
Principal transactions	142	148	275	295
Total brokerage revenues	564	591	1,122	1,119
Account and service fees	179	159	356	304
Investment banking	235	242	660	503
Interest income	242	200	467	403
Other	27	44	78	100
<b>Total revenues</b>	<b>2,711</b>	<b>2,409</b>	<b>5,529</b>	<b>4,669</b>
Interest expense	(38)	(37)	(75)	(75)
<b>Net revenues</b>	<b>2,673</b>	<b>2,372</b>	<b>5,454</b>	<b>4,594</b>
<b>Non-interest expenses:</b>				
Compensation, commissions and benefits	1,852	1,648	3,736	3,148
Non-compensation expenses:				
Communications and information processing	127	107	239	206
Occupancy and equipment	62	57	121	114
Business development	34	21	69	44
Investment sub-advisory fees	40	31	78	59
Professional fees	22	24	48	54
Bank loan provision/(benefit) for credit losses	21	(32)	10	(18)
Acquisition-related expenses	11	—	17	2
Other	71	69	145	139
Total non-compensation expenses	388	277	727	600
<b>Total non-interest expenses</b>	<b>2,240</b>	<b>1,925</b>	<b>4,463</b>	<b>3,748</b>
<b>Pre-tax income</b>	<b>433</b>	<b>447</b>	<b>991</b>	<b>846</b>
Provision for income taxes	110	92	222	179
<b>Net income</b>	<b>\$ 323</b>	<b>\$ 355</b>	<b>\$ 769</b>	<b>\$ 667</b>
Earnings per common share – basic	\$ 1.56	\$ 1.72	\$ 3.71	\$ 3.23
Earnings per common share – diluted	\$ 1.52	\$ 1.68	\$ 3.61	\$ 3.16
Weighted-average common shares outstanding – basic	207.7	206.7	207.0	206.0
Weighted-average common and common equivalent shares outstanding – diluted	213.0	211.8	212.6	210.6
<b>Net income</b>	<b>\$ 323</b>	<b>\$ 355</b>	<b>\$ 769</b>	<b>\$ 667</b>
<b>Other comprehensive income/(loss), net of tax:</b>				
Available-for-sale securities	(320)	(76)	(375)	(93)
Currency translations, net of the impact of net investment hedges	(11)	2	(11)	20
Cash flow hedges	29	19	38	24
<b>Total other comprehensive loss, net of tax</b>	<b>(302)</b>	<b>(55)</b>	<b>(348)</b>	<b>(49)</b>
<b>Total comprehensive income</b>	<b>\$ 21</b>	<b>\$ 300</b>	<b>\$ 421</b>	<b>\$ 618</b>

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

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

<i>\$ in millions, except per share amounts</i>	Three months ended March 31,		Six months ended March 31,	
	2022	2021	2022	2021
<b>Common stock, par value \$.01 per share:</b>				
Balance beginning of period	\$ 2	\$ 2	\$ 2	\$ 2
Share issuances	—	—	—	—
Balance end of period	2	2	2	2
<b>Additional paid-in capital:</b>				
Balance beginning of period	2,055	1,996	2,088	2,007
Employee stock purchases	14	9	22	15
Distributions due to vesting of restricted stock units and exercise of stock options, net of forfeitures	(17)	(7)	(122)	(66)
Share-based compensation amortization	41	30	105	72
Balance end of period	2,093	2,028	2,093	2,028
<b>Retained earnings:</b>				
Balance beginning of period	8,003	6,702	7,633	6,484
Cumulative adjustments for changes in accounting principles	—	—	—	(35)
Net income attributable to Raymond James Financial, Inc.	323	355	769	667
Cash dividends declared (see Note 22)	(70)	(53)	(146)	(112)
Balance end of period	8,256	7,004	8,256	7,004
<b>Treasury stock:</b>				
Balance beginning of period	(1,373)	(1,354)	(1,437)	(1,390)
Purchases/surrenders	—	(61)	(10)	(79)
Reissuances due to vesting of restricted stock units and exercise of stock options	13	11	87	65
Balance end of period	(1,360)	(1,404)	(1,360)	(1,404)
<b>Accumulated other comprehensive income/(loss):</b>				
Balance beginning of period	(87)	17	(41)	11
Other comprehensive income/(loss), net of tax	(302)	(55)	(348)	(49)
Balance end of period	(389)	(38)	(389)	(38)
<b>Total equity attributable to Raymond James Financial, Inc.</b>	<b>\$ 8,602</b>	<b>\$ 7,592</b>	<b>\$ 8,602</b>	<b>\$ 7,592</b>
<b>Noncontrolling interests:</b>				
Balance beginning of period	\$ 52	\$ 75	\$ 58	\$ 62
Net income/(loss) attributable to noncontrolling interests	(2)	(1)	—	12
Deconsolidations and sales	(43)	(29)	(51)	(29)
Balance end of period	7	45	7	45
<b>Total shareholders' equity</b>	<b>\$ 8,609</b>	<b>\$ 7,637</b>	<b>\$ 8,609</b>	<b>\$ 7,637</b>

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

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

<i>\$ in millions</i>	Six months ended March 31,	
	2022	2021
<b>Cash flows from operating activities:</b>		
Net income	\$ 769	\$ 667
Adjustments to reconcile net income to net cash provided by/(used in) operating activities:		
Depreciation and amortization	69	64
Deferred income taxes, net	12	27
Premium and discount amortization on available-for-sale securities and net (gain)/loss on other investments	24	14
Provisions/(benefits) for credit losses and legal and regulatory proceedings	16	(14)
Share-based compensation expense	109	74
Unrealized (gain)/loss on company-owned life insurance policies, net of expenses	19	(117)
Other	10	31
Net change in:		
Assets segregated for regulatory purposes excluding cash and cash equivalents	(8,294)	(5,250)
Collateralized agreements, net of collateralized financings	59	1
Loans provided to financial advisors, net of repayments	(76)	(11)
Brokerage client receivables and other receivables, net	(299)	(123)
Trading instruments, net	160	(90)
Derivative instruments, net	166	91
Other assets	(39)	(23)
Brokerage client payables and other payables	6,556	5,491
Accrued compensation, commissions and benefits	(278)	(29)
Purchases and originations of loans held for sale, net of proceeds from sales of securitizations and loans held for sale	(153)	(67)
<b>Net cash provided by/(used in) operating activities</b>	<b>(1,170)</b>	<b>736</b>
<b>Cash flows from investing activities:</b>		
Increase in bank loans, net	(2,850)	(1,522)
Proceeds from sales of loans held for investment	134	90
Purchases of available-for-sale securities	(1,992)	(2,273)
Available-for-sale securities maturations, repayments and redemptions	952	1,067
Proceeds from sales of available-for-sale securities	—	519
Cash and cash equivalents acquired in business acquisitions, including those segregated for regulatory purposes, net of cash paid for acquisitions	1,671	(245)
Additions to property and equipment	(42)	(62)
Investment in note receivable	(125)	—
Purchases of other investments, net	(80)	(4)
Other investing activities, net	(71)	(7)
<b>Net cash used in investing activities</b>	<b>(2,403)</b>	<b>(2,437)</b>

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

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

<i>\$ in millions</i>	<b>Six months ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Cash flows from financing activities:</b>		
Increase in bank deposits	2,190	2,453
Repurchases of common stock and share-based awards withheld for payment of withholding tax requirements	(59)	(99)
Dividends on common stock	(131)	(109)
Exercise of stock options and employee stock purchases	32	32
Proceeds from Federal Home Loan Bank advances	850	—
Repayments of Federal Home Loan Bank advances and other borrowed funds	(852)	(28)
Other financing, net	(5)	—
<b>Net cash provided by financing activities</b>	<b>2,025</b>	<b>2,249</b>
<b>Currency adjustment:</b>		
Effect of exchange rate changes on cash	(49)	93
<b>Net increase/(decrease) in cash and cash equivalents, including those segregated for regulatory purposes and restricted cash</b>	<b>(1,597)</b>	<b>641</b>
Cash and cash equivalents, including those segregated for regulatory purposes and restricted cash at beginning of year	16,449	9,634
<b>Cash and cash equivalents, including those segregated for regulatory purposes and restricted cash at end of period</b>	<b>\$ 14,852</b>	<b>\$ 10,275</b>
Cash and cash equivalents	\$ 5,715	\$ 5,851
Cash and cash equivalents segregated for regulatory purposes and restricted cash	9,137	4,424
<b>Total cash and cash equivalents, including those segregated for regulatory purposes and restricted cash at end of period</b>	<b>\$ 14,852</b>	<b>\$ 10,275</b>
<b>Supplemental disclosures of cash flow information:</b>		
Cash paid for interest	\$ 76	\$ 76
Cash paid for income taxes, net	\$ 293	\$ 248
Cash outflows for lease liabilities	\$ 52	\$ 56
Non-cash right-of-use assets recorded for new and modified leases	\$ 26	\$ 81

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

**RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**(Unaudited)**  
**March 31, 2022**

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

During our fiscal second quarter of 2022, we amended our Restated Articles of Incorporation, as filed with the Secretary of State of Florida on November 25, 2008, to increase the number of authorized shares of capital stock from 360 million shares to 660 million shares, consisting of 650 million shares of common stock, par value of \$0.01 per share, and 10 million shares of preferred stock, par value of \$0.10 per share. The Amended and Restated Articles of Incorporation, which were filed with the Secretary of State of Florida on February 28, 2022, were approved by our Board of Directors and our shareholders on December 1, 2021 and February 24, 2022, respectively.

***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 Charles Stanley share outstanding, or £277 million (\$376 million as of January 21, 2022). 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 has been integrated into our PCG segment and its results of operations have been included in our results prospectively from the closing date of January 21, 2022.

Upon closing, the Charles Stanley acquisition resulted in the addition of £121 million of goodwill and £63 million of identifiable intangible assets, or \$164 million and \$85 million, respectively, as of January 21, 2022. The goodwill associated with this acquisition primarily represents synergies from combining Charles Stanley and our existing businesses. The identifiable intangible assets primarily relate to client relationships and a trade name and have a weighted-average useful life of 12 years. In the event that new information regarding facts and circumstances which existed at the acquisition date becomes available, we may have adjustments to the initially measured goodwill balance. On the closing date, the Charles Stanley acquisition also resulted in the addition of \$2.0 billion of cash and cash equivalents, of which \$1.9 billion was segregated for regulatory purposes and was offset by corresponding brokerage client payables.

*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 shares of preferred stock of RJF. As of April 30, 2022, we had received approval to complete the transaction from the Board of Governors of the Federal Reserve System, the Pennsylvania Department of Banking and Securities, and the Financial Industry Regulatory Authority (“FINRA”), and TriState Capital received approval to complete the transaction from its shareholders. Subject to additional applicable closing conditions, we currently expect the transaction to close in our fiscal third quarter of 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.

## RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES

### Notes to Condensed Consolidated Financial Statements (Unaudited)

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 March 31, 2022, the outstanding Note balance of \$125 million and the related accrued interest were included in “Other receivables, net” on our Condensed Consolidated Statements of Financial Condition.

#### SumRidge Partners

On March 28, 2022, we announced we had reached an agreement to acquire SumRidge Partners, LLC (“SumRidge Partners”), a technology-driven fixed income market maker specializing in investment-grade and high-yield corporate bonds, municipal bonds, and institutional preferred securities. The transaction, which is subject to certain regulatory and other closing conditions, is currently expected to close in our fiscal fourth quarter of 2022. The acquisition of SumRidge Partners will add an institutional market-making operation, as well as additional trading technologies and risk management tools to our existing fixed income operations. We currently have the ability to utilize our cash on hand to fund the acquisition. SumRidge Partners will operate within our Capital Markets segment upon completion of the acquisition.

#### Acquisition-related expenses

Certain acquisition and integration costs associated with the aforementioned acquisitions, as well as 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, amortization expense related to those identifiable intangible assets with short useful lives associated with our fiscal 2021 acquisitions of Financo LLC (“Financo”) and Cebile Capital (“Cebile”), and other costs incurred to effect our business combinations. The following table details our acquisition-related expenses.

<i>\$ in millions</i>	Three months ended March 31,		Six months ended March 31,	
	2022	2021	2022	2021
<b>Acquisition-related expenses:</b>				
Legal and other professional fees	\$ 5	\$ —	\$ 7	\$ 2
Identifiable intangible asset amortization	—	—	4	—
Other	6	—	6	—
<b>Total Acquisition-related expenses</b>	<b>\$ 11</b>	<b>\$ —</b>	<b>\$ 17</b>	<b>\$ 2</b>

**RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES**  
*Notes to Condensed Consolidated Financial Statements (Unaudited)*

**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.

<i>\$ in millions</i>	Level 1	Level 2	Level 3	Netting adjustments	Balance as of March 31, 2022
<b>Assets at fair value on a recurring basis:</b>					
Assets segregated for regulatory purposes <sup>(1)</sup>	\$ 10,394	\$ —	\$ —	\$ —	\$ 10,394
Trading assets:					
Municipal and provincial obligations	—	115	—	—	115
Corporate obligations	10	47	—	—	57
Government and agency obligations	20	74	—	—	94
Agency mortgage-backed securities (“MBS”), collateralized mortgage obligations (“CMOs”) and asset-backed securities (“ABS”)	—	118	—	—	118
Non-agency CMOs and ABS	—	23	—	—	23
Total debt securities	30	377	—	—	407
Equity securities	13	1	—	—	14
Brokered certificates of deposit	—	41	—	—	41
Other	—	—	13	—	13
Total trading assets	43	419	13	—	475
Available-for-sale securities <sup>(2)</sup>	213	8,602	—	—	8,815
Derivative assets:					
Interest rate - matched book	—	124	—	—	124
Interest rate - other	61	108	—	(110)	59
Total derivative assets	61	232	—	(110)	183
Other investments - private equity - not measured at net asset value (“NAV”)	—	—	23	—	23
All other investments:					
Government and agency obligations <sup>(3)</sup>	136	—	—	—	136
Other	121	2	30	—	153
Total all other investments	257	2	30	—	289
<b>Subtotal</b>	<b>10,968</b>	<b>9,255</b>	<b>66</b>	<b>(110)</b>	<b>20,179</b>
Other investments - private equity - measured at NAV					95
<b>Total assets at fair value on a recurring basis</b>	<b>\$ 10,968</b>	<b>\$ 9,255</b>	<b>\$ 66</b>	<b>\$ (110)</b>	<b>\$ 20,274</b>
<b>Liabilities at fair value on a recurring basis:</b>					
Trading liabilities:					
Municipal and provincial obligations	\$ 1	\$ —	\$ —	\$ —	\$ 1
Corporate obligations	—	3	—	—	3
Government and agency obligations	166	—	—	—	166
Total debt securities	167	3	—	—	170
Equity securities	15	—	—	—	15
Other	—	—	1	—	1
Total trading liabilities	182	3	1	—	186
Derivative liabilities:					
Interest rate - matched book	—	124	—	—	124
Interest rate - other	56	141	—	(63)	134
Foreign exchange	—	13	—	—	13
Total derivative liabilities	56	278	—	(63)	271
<b>Total liabilities at fair value on a recurring basis</b>	<b>\$ 238</b>	<b>\$ 281</b>	<b>\$ 1</b>	<b>\$ (63)</b>	<b>\$ 457</b>

**RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES**  
*Notes to Condensed Consolidated Financial Statements (Unaudited)*

<i>\$ in millions</i>	Level 1	Level 2	Level 3	Netting adjustments	Balance as of September 30, 2021
<b>Assets at fair value on a recurring basis:</b>					
Assets segregated for regulatory purposes <sup>(1)</sup>	\$ 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 <sup>(2)</sup>	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 <sup>(3)</sup>	86	—	—	—	86
Other	77	2	23	—	102
Total all other investments	163	2	23	—	188
<b>Subtotal</b>	<b>2,333</b>	<b>9,185</b>	<b>112</b>	<b>(87)</b>	<b>11,543</b>
Other investments - private equity - measured at NAV					94
<b>Total assets at fair value on a recurring basis</b>	<b>\$ 2,333</b>	<b>\$ 9,185</b>	<b>\$ 112</b>	<b>\$ (87)</b>	<b>\$ 11,637</b>
<b>Liabilities at fair value on a recurring basis:</b>					
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
<b>Total liabilities at fair value on a recurring basis</b>	<b>\$ 183</b>	<b>\$ 308</b>	<b>\$ 1</b>	<b>\$ (88)</b>	<b>\$ 404</b>

- (1) These assets consist of U.S. Treasury securities (“U.S. Treasuries”) with maturities greater than 3 months as of our date of purchase. These assets do not include U.S. Treasuries with maturities of less than 3 months as of our date of purchase with a fair value of \$650 million at March 31, 2022 and \$3.55 billion at September 30, 2021 which were considered cash equivalents. These assets are classified as Level 1.
- (2) Our available-for-sale securities primarily 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.

**RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES**
*Notes to Condensed Consolidated Financial Statements (Unaudited)*
**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 and derivative 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 March 31, 2022**  
**Level 3 instruments at fair value**

<i>\$ in millions</i>	Financial assets				Financial liabilities
	Trading assets	Derivative assets	Other investments		Trading liabilities
	Other	Other	Private equity investments	All other	Other
Fair value beginning of period	\$ 2	\$ 1	\$ 75	\$ 23	\$ —
Total gains/(losses) included in earnings	—	(1)	—	—	(1)
Purchases and contributions	29	—	—	7	—
Sales, distributions, and deconsolidations	(18)	—	(40)	—	—
Transfers:					
Into Level 3	—	—	—	—	—
Out of Level 3	—	—	(12)	—	—
Fair value end of period	<u>\$ 13</u>	<u>\$ —</u>	<u>\$ 23</u>	<u>\$ 30</u>	<u>\$ (1)</u>
Unrealized gains/(losses) for the period included in earnings for instruments held at the end of the reporting period	\$ (1)	\$ (1)	\$ —	\$ —	\$ (1)

**Six months ended March 31, 2022**  
**Level 3 instruments at fair value**

<i>\$ in millions</i>	Financial assets			Financial liabilities	
	Trading assets	Other investments		Trading liabilities	Derivative liabilities
	Other	Private equity investments	All other	Other	Other
Fair value beginning of period	\$ 14	\$ 75	\$ 23	\$ —	\$ (1)
Total gains/(losses) included in earnings	2	—	—	(1)	1
Purchases and contributions	54	—	7	—	—
Sales, distributions, and deconsolidations	(57)	(40)	—	—	—
Transfers:					
Into Level 3	—	—	—	—	—
Out of Level 3	—	(12)	—	—	—
Fair value end of period	<u>\$ 13</u>	<u>\$ 23</u>	<u>\$ 30</u>	<u>\$ (1)</u>	<u>\$ —</u>
Unrealized gains/(losses) for the period included in earnings for instruments held at the end of the reporting period	\$ (1)	\$ —	\$ —	\$ (1)	\$ —

**RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES**
*Notes to Condensed Consolidated Financial Statements (Unaudited)*
**Three months ended March 31, 2021  
Level 3 instruments at fair value**

<i>\$ in millions</i>	Financial assets			Financial liabilities	
	Trading assets	Other investments		Trading liabilities	Derivative liabilities
	Other	Private equity investments	All other	Other	Other
Fair value beginning of period	\$ 3	\$ 52	\$ 22	\$ —	\$ (1)
Total gains/(losses) included in earnings	(2)	—	1	(1)	(3)
Purchases and contributions	10	—	—	—	—
Sales and distributions	(6)	—	—	—	—
Transfers:					
Into Level 3	—	—	—	—	—
Out of Level 3	—	—	—	—	—
Fair value end of period	\$ 5	\$ 52	\$ 23	\$ (1)	\$ (4)
Unrealized gains/(losses) for the period included in earnings for instruments held at the end of the reporting period	\$ —	\$ —	\$ 1	\$ (1)	\$ (3)

**Six months ended March 31, 2021  
Level 3 instruments at fair value**

<i>\$ in millions</i>	Financial assets			Financial liabilities	
	Trading assets	Other investments		Trading liabilities	Derivative liabilities
	Other	Private equity investments	All other	Other	Other
Fair value beginning of period	\$ 12	\$ 37	\$ 22	\$ —	\$ (5)
Total gains/(losses) included in earnings	—	15	1	(1)	1
Purchases and contributions	16	—	—	—	—
Sales and distributions	(23)	—	—	—	—
Transfers:					
Into Level 3	—	—	—	—	—
Out of Level 3	—	—	—	—	—
Fair value end of period	\$ 5	\$ 52	\$ 23	\$ (1)	\$ (4)
Unrealized gains/(losses) for the period included in earnings for instruments held at the end of the reporting period	\$ —	\$ 15	\$ 1	\$ (1)	\$ 1

As of March 31, 2022, 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 March 31, 2022 and September 30, 2021, Level 3 assets represented less than 1% of our assets measured at fair value on a recurring basis.

**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 March 31, 2022 included investments in third-party funds, as well as various direct investments. Our third-party fund 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.

# RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES

## Notes to Condensed Consolidated Financial Statements (Unaudited)

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

<i>\$ in millions</i>	Recorded value	Unfunded commitment
<b>March 31, 2022</b>		
Private equity investments measured at NAV	\$ 95	\$ 27
Private equity investments not measured at NAV	23	
<b>Total private equity investments</b>	<b>\$ 118</b>	
<b>September 30, 2021</b>		
Private equity investments measured at NAV	\$ 94	\$ 8
Private equity investments not measured at NAV	75	
<b>Total private equity investments<sup>(1)</sup></b>	<b>\$ 169</b>	

- (1) Of the total private equity investments, the portion we owned was \$120 million, while the portion that we did not own was \$49 million and was 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. As a result of such holding limitations, we exited or restructured certain of our private equity investments during the first half of our fiscal 2022, which resulted in a decline in private equity investments not measured at NAV compared to September 30, 2021 and a decline in noncontrolling interests on our Condensed Consolidated Statements of Financial Condition related to the portion of such investments we did not own. 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, totaling \$4 million as of March 31, 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.

<i>\$ in millions</i>	Level 2	Level 3	Total fair value	Valuation technique(s)	Unobservable input	Range (weighted-average)
<b>March 31, 2022</b>						
Bank loans:						
Residential mortgage loans	\$ 3	\$ 10	\$ 13	Collateral or discounted cash flow <sup>(1)</sup>	Prepayment rate	7 yrs. - 12 yrs. (10.5 yrs.)
Corporate loans	\$ —	\$ 60	\$ 60	Collateral or discounted cash flow <sup>(1)</sup>	Not meaningful <sup>(1)</sup>	Not meaningful <sup>(1)</sup>
Loans held for sale	\$ 150	\$ —	\$ 150	N/A	N/A	N/A
<b>September 30, 2021</b>						
Bank loans:						
Residential mortgage loans	\$ 3	\$ 11	\$ 14	Collateral or discounted cash flow <sup>(1)</sup>	Prepayment rate	7 yrs. - 12 yrs. (10.5 yrs.)
Corporate loans	\$ —	\$ 49	\$ 49	Collateral or discounted cash flow <sup>(1)</sup>	Not meaningful <sup>(1)</sup>	Not meaningful <sup>(1)</sup>
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.

**RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES**  
*Notes to Condensed Consolidated Financial Statements (Unaudited)*

**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 March 31, 2022 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.

<i>\$ in millions</i>	Level 2	Level 3	Total estimated fair value	Carrying amount
<b>March 31, 2022</b>				
Financial assets:				
Bank loans, net	\$ 128	\$ 27,099	\$ 27,227	\$ 27,660
Financial liabilities:				
Bank deposits - certificates of deposit	\$ —	\$ 698	\$ 698	\$ 701
Senior notes payable	\$ 2,169	\$ —	\$ 2,169	\$ 2,037
<b>September 30, 2021</b>				
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.

<i>\$ in millions</i>	Cost basis	Gross unrealized gains	Gross unrealized losses	Fair value
<b>March 31, 2022</b>				
Agency residential MBS	\$ 5,629	\$ 4	\$ (276)	\$ 5,357
Agency commercial MBS	1,414	—	(114)	1,300
Agency CMOs	1,757	—	(119)	1,638
U.S. Treasuries	214	—	(1)	213
Other agency obligations	313	—	(6)	307
<b>Total available-for-sale securities</b>	<b>\$ 9,327</b>	<b>\$ 4</b>	<b>\$ (516)</b>	<b>\$ 8,815</b>
<b>September 30, 2021</b>				
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
U.S. Treasuries	15	—	—	15
<b>Total available-for-sale securities</b>	<b>\$ 8,322</b>	<b>\$ 62</b>	<b>\$ (69)</b>	<b>\$ 8,315</b>

The amortized costs and fair values in the preceding table exclude \$15 million and \$14 million of accrued interest on available-for-sale securities as of March 31, 2022 and September 30, 2021, respectively, 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.

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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 March 31, 2022, the weighted-average life of our available-for-sale securities portfolio was approximately four years.

<i>\$ in millions</i>	March 31, 2022					
	Within one year	After one but within five years	After five but within ten years	After ten years	Total	
<b>Agency residential MBS</b>						
Amortized cost	\$ —	\$ 130	\$ 2,746	\$ 2,753	\$ 5,629	
Carrying value	\$ —	\$ 130	\$ 2,628	\$ 2,599	\$ 5,357	
<b>Agency commercial MBS</b>						
Amortized cost	\$ 26	\$ 427	\$ 888	\$ 73	\$ 1,414	
Carrying value	\$ 26	\$ 406	\$ 800	\$ 68	\$ 1,300	
<b>Agency CMOs</b>						
Amortized cost	\$ —	\$ 7	\$ 39	\$ 1,711	\$ 1,757	
Carrying value	\$ —	\$ 7	\$ 38	\$ 1,593	\$ 1,638	
<b>U.S. Treasuries</b>						
Amortized cost	\$ —	\$ 211	\$ 3	\$ —	\$ 214	
Carrying value	\$ —	\$ 210	\$ 3	\$ —	\$ 213	
<b>Other agency obligations</b>						
Amortized cost	\$ —	\$ 313	\$ —	\$ —	\$ 313	
Carrying value	\$ —	\$ 307	\$ —	\$ —	\$ 307	
<b>Total available-for-sale securities</b>						
Amortized cost	\$ 26	\$ 1,088	\$ 3,676	\$ 4,537	\$ 9,327	
Carrying value	\$ 26	\$ 1,060	\$ 3,469	\$ 4,260	\$ 8,815	
Weighted-average yield	2.23 %	1.67 %	1.18 %	1.30 %	1.30 %	

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.

<i>\$ in millions</i>	Less than 12 months		12 months or more		Total	
	Estimated fair value	Unrealized losses	Estimated fair value	Unrealized losses	Estimated fair value	Unrealized losses
<b>March 31, 2022</b>						
Agency residential MBS	\$ 3,893	\$ (193)	\$ 1,117	\$ (83)	\$ 5,010	\$ (276)
Agency commercial MBS	650	(36)	635	(78)	1,285	(114)
Agency CMOs	1,172	(76)	443	(43)	1,615	(119)
U.S. Treasuries	168	(1)	—	—	168	(1)
Other agency obligations	307	(6)	—	—	307	(6)
<b>Total</b>	<b>\$ 6,190</b>	<b>\$ (312)</b>	<b>\$ 2,195</b>	<b>\$ (204)</b>	<b>\$ 8,385</b>	<b>\$ (516)</b>
<b>September 30, 2021</b>						
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)
U.S. Treasuries	3	—	—	—	3	—
<b>Total</b>	<b>\$ 4,721</b>	<b>\$ (50)</b>	<b>\$ 602</b>	<b>\$ (19)</b>	<b>\$ 5,323</b>	<b>\$ (69)</b>

The contractual cash flows of our available-for-sale securities are guaranteed by the U.S. government or its agencies. At March 31, 2022, of the 650 available-for-sale securities in an unrealized loss position, 517 were in a continuous unrealized loss position for less than 12 months and 133 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 March 31, 2022, based on our assessment of this portfolio, we did not recognize an allowance for credit losses on our available-for-sale securities. At March 31, 2022, debt securities we held in excess of ten percent of our equity included those issued by the Federal National

# RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES

## Notes to Condensed Consolidated Financial Statements (Unaudited)

Home Mortgage Association and Federal Home Loan Mortgage Corporation with amortized costs of \$5.54 billion and \$3.07 billion, respectively, and fair values of \$5.23 billion and \$2.88 billion, respectively.

There were no sales of available-for-sale securities during the three and six months ended March 31, 2022 and the three months ended March 31, 2021. During the six months ended March 31, 2021, we received proceeds of \$519 million, resulting in insignificant gains, from sales of agency MBS and agency CMO available-for-sale securities. The gains that resulted from the sales were 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.

<i>\$ in millions</i>	March 31, 2022			September 30, 2021		
	Derivative assets	Derivative liabilities	Notional amount	Derivative assets	Derivative liabilities	Notional amount
<b>Derivatives not designated as hedging instruments</b>						
Interest rate - matched book	\$ 124	\$ 124	\$ 1,498	\$ 193	\$ 193	\$ 1,736
Interest rate - other <sup>(1)</sup>	168	197	13,845	144	122	15,087
Foreign exchange	—	6	876	3	—	826
Other	—	—	570	—	1	551
Subtotal	292	327	16,789	340	316	18,200
<b>Derivatives designated as hedging instruments</b>						
Interest rate - other	1	—	850	—	—	850
Foreign exchange	—	7	1,049	2	—	939
Subtotal	1	7	1,899	2	—	1,789
<b>Total gross fair value/notional amount</b>	<b>293</b>	<b>334</b>	<b>\$ 18,688</b>	<b>342</b>	<b>316</b>	<b>\$ 19,989</b>
<b>Offset on the Condensed Consolidated Statements of Financial Condition</b>						
Counterparty netting	(51)	(51)		(46)	(46)	
Cash collateral netting	(59)	(12)		(41)	(42)	
<b>Total amounts offset</b>	<b>(110)</b>	<b>(63)</b>		<b>(87)</b>	<b>(88)</b>	
<b>Net amounts presented on the Condensed Consolidated Statements of Financial Condition</b>	<b>183</b>	<b>271</b>		<b>255</b>	<b>228</b>	
<b>Gross amounts not offset on the Condensed Consolidated Statements of Financial Condition</b>						
Financial instruments <sup>(2)</sup>	(128)	(124)		(205)	(193)	
<b>Total</b>	<b>\$ 55</b>	<b>\$ 147</b>		<b>\$ 50</b>	<b>\$ 35</b>	

(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.

## RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES

### Notes to Condensed Consolidated Financial Statements (Unaudited)

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 17 for additional information.

<i>\$ in millions</i>	Three months ended March 31,		Six months ended March 31,	
	2022	2021	2022	2021
Interest rate (cash flow hedges)	\$ 29	\$ 19	\$ 38	\$ 24
Foreign exchange (net investment hedges)	(9)	(10)	(10)	(39)
<b>Total gains/(losses) in AOCI, net of taxes</b>	<b>\$ 20</b>	<b>\$ 9</b>	<b>\$ 28</b>	<b>\$ (15)</b>

There were no components of derivative gains or losses excluded from the assessment of hedge effectiveness for each of the three and six months ended March 31, 2022 and 2021. We expect to reclassify \$1 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 six 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.

<i>\$ in millions</i>	Location of gain/(loss)	Three months ended March 31,		Six months ended March 31,	
		2022	2021	2022	2021
Interest rate	Principal transactions/other revenues	\$ 7	\$ 6	\$ 10	\$ 10
Foreign exchange	Other revenues	(2)	(4)	(3)	(30)
Other	Principal transactions	(2)	(2)	1	2

### Risks associated with our derivatives and related risk mitigation

#### Credit risk

We are exposed to credit losses primarily 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 March 31, 2022 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 \$11 million as of March 31, 2022 and was insignificant as of September 30, 2021.

**RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES**  
*Notes to Condensed Consolidated Financial Statements (Unaudited)*

**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.

<i>\$ in millions</i>	Collateralized agreements			Collateralized financings		
	Reverse repurchase agreements	Securities borrowed	Total	Repurchase agreements	Securities loaned	Total
<b><u>March 31, 2022</u></b>						
Gross amounts of recognized assets/liabilities	\$ 221	\$ 350	\$ 571	\$ 140	\$ 285	\$ 425
Gross amounts offset on the Condensed Consolidated Statements of Financial Condition	—	—	—	—	—	—
Net amounts presented on the Condensed Consolidated Statements of Financial Condition	221	350	571	140	285	425
Gross amounts not offset on the Condensed Consolidated Statements of Financial Condition	(221)	(337)	(558)	(140)	(260)	(400)
<b>Net amounts</b>	<b>\$ —</b>	<b>\$ 13</b>	<b>\$ 13</b>	<b>\$ —</b>	<b>\$ 25</b>	<b>\$ 25</b>
<b><u>September 30, 2021</u></b>						
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)
<b>Net amounts</b>	<b>\$ —</b>	<b>\$ 6</b>	<b>\$ 6</b>	<b>\$ —</b>	<b>\$ 4</b>	<b>\$ 4</b>

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.

## RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES

### Notes to Condensed Consolidated Financial Statements (Unaudited)

#### Repurchase agreements 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.

<i>\$ in millions</i>	Overnight and continuous	Up to 30 days	30-90 days	Greater than 90 days	Total
<b>March 31, 2022</b>					
<b>Repurchase agreements:</b>					
Government and agency obligations	\$ 71	\$ —	\$ —	\$ —	\$ 71
Agency MBS and agency CMOs	69	—	—	—	69
<b>Total repurchase agreements</b>	<b>140</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>140</b>
<b>Securities loaned:</b>					
Equity securities	285	—	—	—	285
<b>Total collateralized financings</b>	<b>\$ 425</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 425</b>
<b>September 30, 2021</b>					
<b>Repurchase agreements:</b>					
Government and agency obligations	\$ 122	\$ —	\$ —	\$ —	\$ 122
Agency MBS and agency CMOs	83	—	—	—	83
<b>Total repurchase agreements</b>	<b>205</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>205</b>
<b>Securities loaned:</b>					
Equity securities	72	—	—	—	72
<b>Total collateralized financings</b>	<b>\$ 277</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 277</b>

#### 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.

<i>\$ in millions</i>	March 31, 2022	September 30, 2021
Collateral we received that was available to be delivered or repledged	\$ 3,734	\$ 3,429
Collateral that we delivered or repledged	\$ 1,045	\$ 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.

<i>\$ in millions</i>	March 31, 2022	September 30, 2021
Had the right to deliver or repledge	\$ 275	\$ 368
Did not have the right to deliver or repledge	\$ 89	\$ 65
Bank loans, net pledged at the Federal Home Loan Bank ("FHLB") and the Federal Reserve Bank of Atlanta ("FRB")	\$ 6,033	\$ 5,716

**RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES**  
*Notes to Condensed Consolidated Financial Statements (Unaudited)*

**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.

<i>\$ in millions</i>	<b>March 31, 2022</b>		September 30, 2021	
	<b>Balance</b>	<b>%</b>	<b>Balance</b>	<b>%</b>
C&I loans	\$ 9,067	32 %	\$ 8,440	33 %
CRE loans	3,321	12 %	2,872	11 %
REIT loans	1,408	5 %	1,112	5 %
Tax-exempt loans	1,287	5 %	1,321	5 %
Residential mortgage loans	5,945	21 %	5,318	21 %
SBL and other	6,904	24 %	6,106	24 %
<b>Total loans held for investment</b>	<b>27,932</b>	<b>99 %</b>	<b>25,169</b>	<b>99 %</b>
Held for sale loans	279	1 %	145	1 %
<b>Total loans held for sale and investment</b>	<b>28,211</b>	<b>100 %</b>	<b>25,314</b>	<b>100 %</b>
Allowance for credit losses	(328)		(320)	
<b>Bank loans, net</b>	<b>\$ 27,883</b>		<b>\$ 24,994</b>	
Accrued interest receivable on bank loans	\$ 55		\$ 48	

The allowance for credit losses was 1.17% and 1.27% of the held for investment loan portfolio as of March 31, 2022 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 March 31, 2022, 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 \$999 million and \$1.97 billion of loans held for sale during the three and six months ended March 31, 2022, respectively, and \$528 million and \$1.11 billion during the three and six months ended March 31, 2021, 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 \$339 million and \$677 million during the three and six months ended March 31, 2022, respectively, and \$207 million and \$395 million during the three and six months ended March 31, 2021, respectively. Net gains resulting from such sales were insignificant in all periods during the three and six months ended March 31, 2022 and 2021.

**RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES**  
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**Purchases and sales of loans held for investment**

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

<i>\$ in millions</i>	C&I loans		Residential mortgage loans		Total
<b>Three months ended March 31, 2022</b>					
Purchases	\$	441	\$	223	\$ 664
Sales	\$	61	\$	—	\$ 61
<b>Six months ended March 31, 2022</b>					
Purchases	\$	780	\$	407	\$ 1,187
Sales	\$	112	\$	—	\$ 112
<b>Three months ended March 31, 2021</b>					
Purchases	\$	538	\$	114	\$ 652
Sales	\$	95	\$	—	\$ 95
<b>Six months ended March 31, 2021</b>					
Purchases	\$	660	\$	160	\$ 820
Sales	\$	100	\$	—	\$ 100

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.

<i>\$ in millions</i>	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
<b>March 31, 2022</b>							
C&I loans	\$ —	\$ —	\$ —	\$ 57	\$ —	\$ 9,010	\$ 9,067
CRE loans	—	—	—	12	19	3,290	3,321
REIT loans	—	—	—	—	—	1,408	1,408
Tax-exempt loans	—	—	—	—	—	1,287	1,287
Residential mortgage loans	1	—	1	1	15	5,928	5,945
SBL and other	—	—	—	—	—	6,904	6,904
<b>Total loans held for investment</b>	<b>\$ 1</b>	<b>\$ —</b>	<b>\$ 1</b>	<b>\$ 70</b>	<b>\$ 34</b>	<b>\$ 27,827</b>	<b>\$ 27,932</b>
<b>September 30, 2021</b>							
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
<b>Total loans held for investment</b>	<b>\$ 2</b>	<b>\$ —</b>	<b>\$ 2</b>	<b>\$ 41</b>	<b>\$ 33</b>	<b>\$ 25,093</b>	<b>\$ 25,169</b>

The preceding table includes \$92 million and \$61 million at March 31, 2022 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 both CRE loans and residential first mortgage loans at March 31, 2022, and \$12 million and \$13 million, respectively, at September 30, 2021.

Other real estate owned, included in “Other assets” on our Condensed Consolidated Statements of Financial Condition, was insignificant at both March 31, 2022 and September 30, 2021.

## RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES

### Notes to Condensed Consolidated Financial Statements (Unaudited)

#### 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. At March 31, 2022, we had \$31 million of collateral-dependent CRE loans which were fully collateralized by retail, industrial, and healthcare real estate. At September 30, 2021, we had \$20 million of collateral-dependent CRE loans which were fully collateralized by retail and industrial real estate. We had \$7 million and \$5 million of collateral-dependent residential loans at March 31, 2022 and September 30, 2021, respectively, which were fully collateralized by single family homes. The recorded investment in mortgage loans secured by one-to-four family residential properties for which formal foreclosure proceedings were in process was \$6 million and \$4 million at March 31, 2022 and September 30, 2021, respectively.

#### 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.

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The following tables present our held for investment bank loan portfolio by credit quality indicator. Loans classified as special mention, substandard or doubtful are all considered to be “criticized” loans.

<i>\$ in millions</i>	March 31, 2022							Revolving loans	Total
	Loans by origination fiscal year								
	2022	2021	2020	2019	2018	Prior			
<b>C&amp;I loans</b>									
<b>Risk rating:</b>									
Pass	\$ 415	\$ 1,173	\$ 1,326	\$ 1,159	\$ 1,391	\$ 2,317	\$ 1,050	\$ 8,831	
Special mention	—	—	30	39	—	69	7	145	
Substandard	—	—	3	24	41	—	—	68	
Doubtful	—	—	—	14	9	—	—	23	
<b>Total C&amp;I loans</b>	<b>\$ 415</b>	<b>\$ 1,173</b>	<b>\$ 1,359</b>	<b>\$ 1,236</b>	<b>\$ 1,441</b>	<b>\$ 2,386</b>	<b>\$ 1,057</b>	<b>\$ 9,067</b>	
<b>CRE loans</b>									
<b>Risk rating:</b>									
Pass	\$ 616	\$ 578	\$ 382	\$ 399	\$ 649	\$ 340	\$ 81	\$ 3,045	
Special mention	—	—	45	27	36	—	—	108	
Substandard	—	—	—	45	80	43	—	168	
Doubtful	—	—	—	—	—	—	—	—	
<b>Total CRE loans</b>	<b>\$ 616</b>	<b>\$ 578</b>	<b>\$ 427</b>	<b>\$ 471</b>	<b>\$ 765</b>	<b>\$ 383</b>	<b>\$ 81</b>	<b>\$ 3,321</b>	
<b>REIT loans</b>									
<b>Risk rating:</b>									
Pass	\$ 94	\$ 238	\$ 103	\$ 61	\$ 25	\$ 140	\$ 553	\$ 1,214	
Special mention	—	—	—	13	11	138	5	167	
Substandard	—	—	—	21	—	4	2	27	
Doubtful	—	—	—	—	—	—	—	—	
<b>Total REIT loans</b>	<b>\$ 94</b>	<b>\$ 238</b>	<b>\$ 103</b>	<b>\$ 95</b>	<b>\$ 36</b>	<b>\$ 282</b>	<b>\$ 560</b>	<b>\$ 1,408</b>	
<b>Tax-exempt loans</b>									
<b>Risk rating:</b>									
Pass	\$ —	\$ 170	\$ 58	\$ 117	\$ 197	\$ 745	\$ —	\$ 1,287	
Special mention	—	—	—	—	—	—	—	—	
Substandard	—	—	—	—	—	—	—	—	
Doubtful	—	—	—	—	—	—	—	—	
<b>Total tax-exempt loans</b>	<b>\$ —</b>	<b>\$ 170</b>	<b>\$ 58</b>	<b>\$ 117</b>	<b>\$ 197</b>	<b>\$ 745</b>	<b>\$ —</b>	<b>\$ 1,287</b>	
<b>Residential mortgage loans</b>									
<b>Risk rating:</b>									
Pass	\$ 1,250	\$ 1,766	\$ 1,105	\$ 516	\$ 321	\$ 939	\$ 19	\$ 5,916	
Special mention	—	1	—	2	—	4	—	7	
Substandard	—	—	—	—	1	21	—	22	
Doubtful	—	—	—	—	—	—	—	—	
<b>Total residential mortgage loans</b>	<b>\$ 1,250</b>	<b>\$ 1,767</b>	<b>\$ 1,105</b>	<b>\$ 518</b>	<b>\$ 322</b>	<b>\$ 964</b>	<b>\$ 19</b>	<b>\$ 5,945</b>	
<b>SBL and other</b>									
<b>Risk rating:</b>									
Pass	\$ 5	\$ 11	\$ 24	\$ 12	\$ —	\$ —	\$ 6,852	\$ 6,904	
Special mention	—	—	—	—	—	—	—	—	
Substandard	—	—	—	—	—	—	—	—	
Doubtful	—	—	—	—	—	—	—	—	
<b>Total SBL and other</b>	<b>\$ 5</b>	<b>\$ 11</b>	<b>\$ 24</b>	<b>\$ 12</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 6,852</b>	<b>\$ 6,904</b>	

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September 30, 2021

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

**RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES***Notes to Condensed Consolidated Financial Statements (Unaudited)*

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.

<i>\$ in millions</i>	<b>March 31, 2022</b>	September 30, 2021
<b>FICO score:</b>		
Below 600	\$ 67	\$ 67
600 - 699	445	416
700 - 799	4,298	3,772
800 +	1,129	1,058
FICO score not available	6	5
<b>Total</b>	<b>\$ 5,945</b>	<b>\$ 5,318</b>
<b>LTV ratio:</b>		
Below 80%	\$ 4,666	\$ 4,123
80%+	1,279	1,195
<b>Total</b>	<b>\$ 5,945</b>	<b>\$ 5,318</b>

**RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES**  
*Notes to Condensed Consolidated Financial Statements (Unaudited)*

**Allowance for credit losses**

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

<i>\$ in millions</i>	C&I loans	CRE loans	REIT loans	Tax-exempt loans	Residential mortgage loans	SBL and other	Total
<b>Three months ended March 31, 2022</b>							
Balance at beginning of period	\$ 179	\$ 72	\$ 22	\$ 2	\$ 30	\$ 3	\$ 308
Provision/(benefit) for credit losses	17	(1)	3	—	2	—	21
Net (charge-offs)/recoveries:							
Charge-offs	(1)	—	—	—	—	—	(1)
Recoveries	—	—	—	—	—	—	—
Net (charge-offs)/recoveries	(1)	—	—	—	—	—	(1)
Foreign exchange translation adjustment	—	—	—	—	—	—	—
Balance at end of period	<u>\$ 195</u>	<u>\$ 71</u>	<u>\$ 25</u>	<u>\$ 2</u>	<u>\$ 32</u>	<u>\$ 3</u>	<u>\$ 328</u>
<b>Six months ended March 31, 2022</b>							
Balance at beginning of period	\$ 191	\$ 66	\$ 22	\$ 2	\$ 35	\$ 4	\$ 320
Provision/(benefit) for credit losses	7	5	3	—	(4)	(1)	10
Net (charge-offs)/recoveries:							
Charge-offs	(3)	—	—	—	—	—	(3)
Recoveries	—	—	—	—	1	—	1
Net (charge-offs)/recoveries	(3)	—	—	—	1	—	(2)
Foreign exchange translation adjustment	—	—	—	—	—	—	—
Balance at end of period	<u>\$ 195</u>	<u>\$ 71</u>	<u>\$ 25</u>	<u>\$ 2</u>	<u>\$ 32</u>	<u>\$ 3</u>	<u>\$ 328</u>
<b>Three months ended March 31, 2021</b>							
Balance at beginning of period	\$ 198	\$ 112	\$ 30	\$ 2	\$ 33	\$ 3	\$ 378
Provision/(benefit) for credit losses	7	(39)	6	—	(7)	1	(32)
Net (charge-offs)/recoveries:							
Charge-offs	(2)	—	—	—	—	—	(2)
Recoveries	—	—	—	—	—	—	—
Net (charge-offs)/recoveries	(2)	—	—	—	—	—	(2)
Foreign exchange translation adjustment	—	1	—	—	—	—	1
Balance at end of period	<u>\$ 203</u>	<u>\$ 74</u>	<u>\$ 36</u>	<u>\$ 2</u>	<u>\$ 26</u>	<u>\$ 4</u>	<u>\$ 345</u>
<b>Six months ended March 31, 2021</b>							
Balance at beginning of period	\$ 200	\$ 81	\$ 36	\$ 14	\$ 18	\$ 5	\$ 354
Impact of CECL adoption	19	(11)	(9)	(12)	24	(2)	9
Provision/(benefit) for credit losses	(15)	3	9	—	(16)	1	(18)
Net (charge-offs)/recoveries:							
Charge-offs	(2)	—	—	—	—	—	(2)
Recoveries	—	—	—	—	—	—	—
Net (charge-offs)/recoveries	(2)	—	—	—	—	—	(2)
Foreign exchange translation adjustment	1	1	—	—	—	—	2
Balance at end of period	<u>\$ 203</u>	<u>\$ 74</u>	<u>\$ 36</u>	<u>\$ 2</u>	<u>\$ 26</u>	<u>\$ 4</u>	<u>\$ 345</u>

The allowance for credit losses on held for investment bank loans increased \$20 million and \$8 million during the three and six months ended March 31, 2022, respectively, primarily due 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 at both March 31, 2022 and December 31, 2021 and \$13 million at September 30, 2021.

**RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES**  
*Notes to Condensed Consolidated Financial Statements (Unaudited)*

**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.

<i>\$ in millions</i>	<b>March 31, 2022</b>	September 30, 2021
Currently affiliated with the firm <sup>(1)</sup>	\$ 1,144	\$ 1,074
No longer affiliated with the firm <sup>(2)</sup>	9	10
<b>Total loans to financial advisors</b>	<b>1,153</b>	1,084
Allowance for credit losses	(29)	(27)
<b>Loans to financial advisors, net</b>	<b>\$ 1,124</b>	<b>\$ 1,057</b>
Accrued interest receivable on loans to financial advisors	\$ 5	\$ 4
Allowance for credit losses as a percent of the loan portfolio	2.52 %	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.

<i>\$ in millions</i>	<b>Aggregate assets</b>	<b>Aggregate liabilities</b>
<b>March 31, 2022</b>		
LIHTC funds	\$ 129	\$ 39
Restricted Stock Trust Fund	25	25
<b>Total</b>	<b>\$ 154</b>	<b>\$ 64</b>
<b>September 30, 2021</b>		
Private Equity Interests	\$ 66	\$ 4
LIHTC funds	111	52
Restricted Stock Trust Fund	15	15
<b>Total</b>	<b>\$ 192</b>	<b>\$ 71</b>

During the six months ended March 31, 2022, due to regulatory holding period limitations we exited or restructured our Private Equity Interests which were previously consolidated. See Note 4 for further information.

## RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES

### Notes to Condensed Consolidated Financial Statements (Unaudited)

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.

<i>\$ in millions</i>	March 31, 2022	September 30, 2021
<b>Assets:</b>		
Cash and cash equivalents and assets segregated for regulatory purposes and restricted cash	\$ 6	\$ 10
Other investments	—	63
Other assets	125	105
<b>Total assets</b>	<b>\$ 131</b>	<b>\$ 178</b>
<b>Liabilities:</b>		
Other payables	\$ 27	\$ 45
Other borrowings	2	—
<b>Total liabilities</b>	<b>\$ 29</b>	<b>\$ 45</b>
<b>Noncontrolling interests</b>	<b>\$ 5</b>	<b>\$ 58</b>

### 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.

<i>\$ in millions</i>	March 31, 2022			September 30, 2021		
	Aggregate assets	Aggregate liabilities	Our risk of loss	Aggregate assets	Aggregate liabilities	Our risk of loss
Private Equity Interests	\$ 6,638	\$ 103	\$ 118	\$ 7,318	\$ 47	\$ 82
LIHTC funds	7,588	2,421	21	7,032	2,280	71
Other	159	122	3	519	155	10
<b>Total</b>	<b>\$ 14,385</b>	<b>\$ 2,646</b>	<b>\$ 142</b>	<b>\$ 14,869</b>	<b>\$ 2,482</b>	<b>\$ 163</b>

**NOTE 11 - GOODWILL AND IDENTIFIABLE INTANGIBLE ASSETS, NET**

Our goodwill and identifiable intangible assets result from various acquisitions. During the six months ended March 31, 2022, we acquired Charles Stanley, which resulted in goodwill and identifiable intangible assets. See Note 3 for additional information on this acquisition and the related goodwill and identifiable intangible assets. See Notes 2 and 11 of our 2021 Form 10-K for additional information about our goodwill and intangible assets, including the related accounting policies.

We perform goodwill and indefinite-lived intangible asset impairment testing on an annual basis or when an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value or indicate that the asset is impaired. We performed our latest annual impairment testing for our goodwill and indefinite-lived intangible assets as of our January 1, 2022 evaluation date, evaluating balances as of December 31, 2021. In that testing, we performed a qualitative impairment assessment for each of our reporting units that had goodwill, as well as for our indefinite-lived intangible assets. Based upon the outcome of our qualitative assessments, no impairment was identified.

Our qualitative assessments consider macroeconomic indicators, such as trends in equity and fixed income markets, gross domestic product, labor markets, interest rates, and housing markets. We also consider regulatory changes, reporting unit specific results, and changes in key personnel and strategy. Changes in these indicators, and our ability to respond to such changes, may trigger the need for impairment testing at a point other than our annual assessment date.

Subsequent to this annual impairment testing, and as a result of the recent market uncertainty due to the potential indirect effects of the Russian invasion of Ukraine (“the Ukraine conflict”), we performed an evaluation to determine whether the impacts resulting from the Ukraine conflict were indicators triggering additional impairment tests as of March 31, 2022. As a result of our assessments, we concluded that the fair value of our reporting units had not more likely than not been reduced below their respective carrying values and that the negative impact of the Ukraine conflict on our fiscal second quarter of 2022 was not a triggering event to perform a quantitative test.

**NOTE 12 - 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 policies related to certain of these components.

<i>\$ in millions</i>	<b>March 31, 2022</b>	September 30, 2021
Investments in company-owned life insurance policies	\$ 973	\$ 952
Property and equipment, net	493	499
Lease right-of-use (“ROU”) asset	441	446
Prepaid expenses	147	127
Investments in FHLB and FRB stock	72	72
All other	207	161
<b>Total other assets</b>	<b>\$ 2,333</b>	<b>\$ 2,257</b>

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

**RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES**  
*Notes to Condensed Consolidated Financial Statements (Unaudited)*

**NOTE 13 – 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.

<i>\$ in millions</i>	<b>March 31, 2022</b>	September 30, 2021
ROU assets (included in Other assets)	\$ 441	\$ 446
Lease liabilities (included in Other payables)	\$ 446	\$ 450

Lease liabilities as of March 31, 2022 excluded \$49 million of minimum lease payments related to lease arrangements that were signed but not yet commenced. These leases are estimated to commence between dates later in fiscal year 2022 and fiscal year 2025 with lease terms ranging from one 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.

<i>\$ in millions</i>	<b>Three months ended March 31,</b>		<b>Six months ended March 31,</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
Lease costs	\$ 29	27	\$ 57	54
Variable lease costs	\$ 8	7	\$ 15	13

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 14 – 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.

<i>\$ in millions</i>	<b>March 31, 2022</b>		September 30, 2021	
	<b>Balance</b>	<b>Weighted-average rate</b>	Balance	Weighted-average rate
Savings and money market accounts	\$ 33,574	0.01 %	\$ 31,415	0.01 %
Certificates of deposit	701	1.83 %	878	1.87 %
NOW accounts	371	1.00 %	164	1.84 %
Demand deposits (non-interest-bearing)	39	—	38	—
<b>Total bank deposits</b>	<b>\$ 34,685</b>	<b>0.06 %</b>	<b>\$ 32,495</b>	<b>0.07 %</b>

Total bank deposits in the preceding table exclude affiliate deposits of \$409 million and \$301 million at March 31, 2022 and September 30, 2021, respectively. As of March 31, 2022, these affiliate deposits included \$255 million, \$89 million, and \$65 million held in deposit accounts at Raymond James Bank on behalf of RJF, Raymond James Trust Company of New Hampshire, and Raymond James Capital Services, 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 March 31, 2022 was approximately \$43 million.

## RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES

### Notes to Condensed Consolidated Financial Statements (Unaudited)

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

<i>\$ in millions</i>	March 31, 2022		September 30, 2021	
	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	\$ 50	\$ 30	\$ 22	\$ 87
Over three through six months	20	27	21	76
Over six through twelve months	35	112	32	54
Over one through two years	69	172	93	170
Over two through three years	7	151	37	166
Over three through four years	8	5	6	99
Over four through five years	9	6	9	6
<b>Total certificates of deposit</b>	<b>\$ 198</b>	<b>\$ 503</b>	<b>\$ 220</b>	<b>\$ 658</b>

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

<i>\$ in millions</i>	Three months ended March 31,		Six months ended March 31,	
	2022	2021	2022	2021
Savings, money market, and NOW accounts	\$ 2	\$ 2	\$ 4	\$ 3
Certificates of deposit	3	4	7	9
<b>Total interest expense on deposits</b>	<b>\$ 5</b>	<b>\$ 6</b>	<b>\$ 11</b>	<b>\$ 12</b>

## NOTE 15 – 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 22.4% for the six months ended March 31, 2022 was higher than the 21.7% effective tax rate for our fiscal year 2021. The higher effective income tax rate for the six months ended March 31, 2022 primarily resulted from the negative impact of nondeductible valuation losses associated with our company-owned life insurance policies that were recognized during the current year-to-date period compared to fiscal year 2021 which had non-taxable gains, partially offset by the impact of a larger current year tax benefit related to share-based compensation that vested during the year.

### 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 \$13 million as a result of the expiration of statutes of limitations and the completion of tax authorities' examinations.

**NOTE 16 – 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 March 31, 2022, we had seven such open underwriting commitments, of which all but one were subsequently settled in open market transactions and none of which resulted in a significant loss.

***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.

<i>\$ in millions</i>	<b>March 31, 2022</b>	September 30, 2021
Open-end consumer lines of credit (primarily SBL)	\$ 20,686	\$ 17,515
Commercial lines of credit	\$ 2,259	\$ 2,075
Unfunded lending commitments	\$ 605	\$ 548
Standby letters of credit	\$ 38	\$ 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 \$30 million as of March 31, 2022.

***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

## **RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES**

### *Notes to Condensed Consolidated Financial Statements (Unaudited)*

commitments to such partnerships. As of March 31, 2022, RJAHI had committed approximately \$189 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.

For information regarding our acquisition commitments associated with our announced acquisitions of TriState Capital and SumRidge Partners see Note 3 of this Form 10-Q. For information regarding our lease commitments see Note 13 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 March 31, 2022, we estimated the upper end of the range of reasonably possible aggregate loss to be approximately \$85 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.

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**NOTE 17 – 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.

<i>\$ in millions</i>	Net investment hedges	Currency translations	Subtotal: net investment hedges and currency translations	Available-for-sale securities	Cash flow hedges	Total
<b>Three months ended March 31, 2022</b>						
AOCI as of beginning of period	\$ 80	\$ (89)	\$ (9)	\$ (60)	\$ (18)	\$ (87)
OCI:						
OCI before reclassifications and taxes	(12)	(2)	(14)	(433)	35	(412)
Amounts reclassified from AOCI, before tax	—	—	—	—	4	4
Pre-tax net OCI	(12)	(2)	(14)	(433)	39	(408)
Income tax effect	3	—	3	113	(10)	106
OCI for the period, net of tax	(9)	(2)	(11)	(320)	29	(302)
AOCI as of end of period	\$ 71	\$ (91)	\$ (20)	\$ (380)	\$ 11	\$ (389)
<b>Six months ended March 31, 2022</b>						
AOCI as of beginning of period	\$ 81	\$ (90)	\$ (9)	\$ (5)	\$ (27)	\$ (41)
OCI:						
OCI before reclassifications and taxes	(14)	(1)	(15)	(505)	43	(477)
Amounts reclassified from AOCI, before tax	—	—	—	—	8	8
Pre-tax net OCI	(14)	(1)	(15)	(505)	51	(469)
Income tax effect	4	—	4	130	(13)	121
OCI for the period, net of tax	(10)	(1)	(11)	(375)	38	(348)
AOCI as of end of period	\$ 71	\$ (91)	\$ (20)	\$ (380)	\$ 11	\$ (389)
<b>Three months ended March 31, 2021</b>						
AOCI as of beginning of period	\$ 86	\$ (93)	\$ (7)	\$ 72	\$ (48)	\$ 17
OCI:						
OCI before reclassifications and taxes	(13)	12	(1)	(102)	22	(81)
Amounts reclassified from AOCI, before tax	—	—	—	—	4	4
Pre-tax net OCI	(13)	12	(1)	(102)	26	(77)
Income tax effect	3	—	3	26	(7)	22
OCI for the period, net of tax	(10)	12	2	(76)	19	(55)
AOCI as of end of period	\$ 76	\$ (81)	\$ (5)	\$ (4)	\$ (29)	\$ (38)
<b>Six months ended March 31, 2021</b>						
AOCI as of beginning of period	\$ 115	\$ (140)	\$ (25)	\$ 89	\$ (53)	\$ 11
OCI:						
OCI before reclassifications and taxes	(51)	57	6	(120)	25	(89)
Amounts reclassified from AOCI, before tax	—	2	2	(5)	8	5
Pre-tax net OCI	(51)	59	8	(125)	33	(84)
Income tax effect	12	—	12	32	(9)	35
OCI for the period, net of tax	(39)	59	20	(93)	24	(49)
AOCI as of end of period	\$ 76	\$ (81)	\$ (5)	\$ (4)	\$ (29)	\$ (38)

Reclassifications from AOCI to net income, excluding taxes, for the three and six months ended March 31, 2022 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 and six months ended March 31, 2021 were primarily recorded in “Other” revenues 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.

**RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES**  
*Notes to Condensed Consolidated Financial Statements (Unaudited)*

**NOTE 18 – 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 23 of this Form 10-Q for additional information on our segment results.

<i>\$ in millions</i>	Three months ended March 31, 2022					
	Private Client Group	Capital Markets	Asset Management	Raymond James Bank	Other and intersegment eliminations	Total
<b>Revenues:</b>						
Asset management and related administrative fees	\$ 1,245	\$ 1	\$ 226	\$ —	\$ (8)	\$ 1,464
Brokerage revenues:						
Securities commissions:						
Mutual and other fund products	166	2	2	—	(1)	169
Insurance and annuity products	110	—	—	—	—	110
Equities, exchange-traded funds (“ETFs”) and fixed income products	105	38	—	—	—	143
Subtotal securities commissions	381	40	2	—	(1)	422
Principal transactions <sup>(1)</sup>	16	126	—	—	—	142
Total brokerage revenues	397	166	2	—	(1)	564
Account and service fees:						
Mutual fund and annuity service fees	109	—	—	—	—	109
RJBDP fees	69	—	—	—	(49)	20
Client account and other fees	53	2	6	—	(11)	50
Total account and service fees	231	2	6	—	(60)	179
Investment banking:						
Merger & acquisition and advisory	—	139	—	—	—	139
Equity underwriting	9	52	—	—	—	61
Debt underwriting	—	35	—	—	—	35
Total investment banking	9	226	—	—	—	235
Other:						
Tax credit fund revenues	—	15	—	—	—	15
All other <sup>(1)</sup>	6	1	—	8	(3)	12
Total other	6	16	—	8	(3)	27
<b>Total non-interest revenues</b>	<b>1,888</b>	<b>411</b>	<b>234</b>	<b>8</b>	<b>(72)</b>	<b>2,469</b>
Interest income <sup>(1)</sup>	37	5	—	199	1	242
<b>Total revenues</b>	<b>1,925</b>	<b>416</b>	<b>234</b>	<b>207</b>	<b>(71)</b>	<b>2,711</b>
Interest expense	(3)	(3)	—	(10)	(22)	(38)
<b>Net revenues</b>	<b>\$ 1,922</b>	<b>\$ 413</b>	<b>\$ 234</b>	<b>\$ 197</b>	<b>\$ (93)</b>	<b>\$ 2,673</b>

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

**RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES**  
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Three months ended March 31, 2021

<i>\$ in millions</i>	Private Client Group	Capital Markets	Asset Management	Raymond James Bank	Other and intersegment eliminations	Total
<b>Revenues:</b>						
Asset management and related administrative fees	\$ 979	\$ —	\$ 201	\$ —	\$ (7)	\$ 1,173
Brokerage revenues:						
Securities commissions:						
Mutual and other fund products	183	1	3	—	(1)	186
Insurance and annuity products	109	—	—	—	—	109
Equities, ETFs and fixed income products	108	40	—	—	—	148
Subtotal securities commissions	400	41	3	—	(1)	443
Principal transactions <sup>(1)</sup>	13	135	—	—	—	148
Total brokerage revenues	413	176	3	—	(1)	591
Account and service fees:						
Mutual fund and annuity service fees	99	—	—	—	—	99
RJBDP fees	63	1	—	—	(45)	19
Client account and other fees	42	2	5	—	(8)	41
Total account and service fees	204	3	5	—	(53)	159
Investment banking:						
Merger & acquisition and advisory	—	122	—	—	—	122
Equity underwriting	16	67	—	—	—	83
Debt underwriting	—	37	—	—	—	37
Total investment banking	16	226	—	—	—	242
Other:						
Tax credit fund revenues	—	24	—	—	—	24
All other <sup>(1)</sup>	8	1	—	5	6	20
Total other	8	25	—	5	6	44
<b>Total non-interest revenues</b>	<b>1,620</b>	<b>430</b>	<b>209</b>	<b>5</b>	<b>(55)</b>	<b>2,209</b>
Interest income <sup>(1)</sup>	30	5	—	165	—	200
<b>Total revenues</b>	<b>1,650</b>	<b>435</b>	<b>209</b>	<b>170</b>	<b>(55)</b>	<b>2,409</b>
Interest expense	(3)	(2)	—	(10)	(22)	(37)
<b>Net revenues</b>	<b>\$ 1,647</b>	<b>\$ 433</b>	<b>\$ 209</b>	<b>\$ 160</b>	<b>\$ (77)</b>	<b>\$ 2,372</b>

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

**RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES**  
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Six months ended March 31, 2022

<i>\$ in millions</i>	Private Client Group	Capital Markets	Asset Management	Raymond James Bank	Other and intersegment eliminations	Total
<b>Revenues:</b>						
Asset management and related administrative fees	\$ 2,407	\$ 2	\$ 453	\$ —	\$ (16)	\$ 2,846
Brokerage revenues:						
Securities commissions:						
Mutual and other fund products	337	4	4	—	(1)	344
Insurance and annuity products	221	—	—	—	—	221
Equities, ETFs and fixed income products	209	73	—	—	—	282
Subtotal securities commissions	767	77	4	—	(1)	847
Principal transactions <sup>(1)</sup>	27	248	—	—	—	275
Total brokerage revenues	794	325	4	—	(1)	1,122
Account and service fees:						
Mutual fund and annuity service fees	223	—	—	—	(1)	222
RJBDP fees	136	—	—	—	(99)	37
Client account and other fees	102	4	12	—	(21)	97
Total account and service fees	461	4	12	—	(121)	356
Investment banking:						
Merger & acquisition and advisory	—	410	—	—	—	410
Equity underwriting	22	149	—	—	—	171
Debt underwriting	—	79	—	—	—	79
Total investment banking	22	638	—	—	—	660
Other:						
Tax credit fund revenues	—	50	—	—	—	50
All other <sup>(1)</sup>	13	3	1	14	(3)	28
Total other	13	53	1	14	(3)	78
<b>Total non-interest revenues</b>	<b>3,697</b>	<b>1,022</b>	<b>470</b>	<b>14</b>	<b>(141)</b>	<b>5,062</b>
Interest income <sup>(1)</sup>	70	10	—	386	1	467
<b>Total revenues</b>	<b>3,767</b>	<b>1,032</b>	<b>470</b>	<b>400</b>	<b>(140)</b>	<b>5,529</b>
Interest expense	(6)	(5)	—	(20)	(44)	(75)
<b>Net revenues</b>	<b>\$ 3,761</b>	<b>\$ 1,027</b>	<b>\$ 470</b>	<b>\$ 380</b>	<b>\$ (184)</b>	<b>\$ 5,454</b>

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

**RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES**
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Six months ended March 31, 2021

<i>\$ in millions</i>	Private Client Group	Capital Markets	Asset Management	Raymond James Bank	Other and intersegment eliminations	Total
<b>Revenues:</b>						
Asset management and related administrative fees	\$ 1,864	\$ 2	\$ 389	\$ —	\$ (15)	\$ 2,240
Brokerage revenues:						
Securities commissions:						
Mutual and other fund products	331	3	5	—	(2)	337
Insurance and annuity products	207	—	—	—	—	207
Equities, ETFs and fixed income products	203	77	—	—	—	280
Subtotal securities commissions	741	80	5	—	(2)	824
Principal transactions <sup>(1)</sup>	25	269	—	1	—	295
Total brokerage revenues	766	349	5	1	(2)	1,119
Account and service fees:						
Mutual fund and annuity service fees	193	—	—	—	—	193
RJBDP fees	127	1	—	—	(88)	40
Client account and other fees	74	4	9	—	(16)	71
Total account and service fees	394	5	9	—	(104)	304
Investment banking:						
Merger & acquisition and advisory	—	271	—	—	—	271
Equity underwriting	22	127	—	—	—	149
Debt underwriting	—	83	—	—	—	83
Total investment banking	22	481	—	—	—	503
Other:						
Tax credit fund revenues	—	40	—	—	—	40
All other <sup>(1)</sup>	13	4	1	14	28	60
Total other	13	44	1	14	28	100
<b>Total non-interest revenues</b>	<b>3,059</b>	<b>881</b>	<b>404</b>	<b>15</b>	<b>(93)</b>	<b>4,266</b>
Interest income <sup>(1)</sup>	60	8	—	333	2	403
<b>Total revenues</b>	<b>3,119</b>	<b>889</b>	<b>404</b>	<b>348</b>	<b>(91)</b>	<b>4,669</b>
Interest expense	(5)	(4)	—	(21)	(45)	(75)
<b>Net revenues</b>	<b>\$ 3,114</b>	<b>\$ 885</b>	<b>\$ 404</b>	<b>\$ 327</b>	<b>\$ (136)</b>	<b>\$ 4,594</b>

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

At March 31, 2022 and September 30, 2021, net receivables related to contracts with customers were \$378 million and \$416 million, respectively.

**RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES**  
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**NOTE 19 – INTEREST INCOME AND INTEREST EXPENSE**

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

<i>\$ in millions</i>	<b>Three months ended March 31,</b>		<b>Six months ended March 31,</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Interest income:</b>				
Cash and cash equivalents	\$ 3	\$ 2	\$ 6	\$ 6
Assets segregated for regulatory purposes and restricted cash	7	5	11	8
Available-for-sale securities	25	21	47	44
Brokerage client receivables	21	19	42	37
Bank loans, net of unearned income and deferred expenses	171	142	335	287
All other	15	11	26	21
<b>Total interest income</b>	<b>\$ 242</b>	<b>\$ 200</b>	<b>\$ 467</b>	<b>\$ 403</b>
<b>Interest expense:</b>				
Bank deposits	\$ 5	\$ 6	\$ 11	\$ 12
Brokerage client payables	—	1	1	2
Other borrowings	4	5	9	10
Senior notes payable	23	24	46	48
All other	6	1	8	3
<b>Total interest expense</b>	<b>38</b>	<b>37</b>	<b>75</b>	<b>75</b>
<b>Net interest income</b>	<b>204</b>	<b>163</b>	<b>392</b>	<b>328</b>
Bank loan (provision)/benefit for credit losses	(21)	32	(10)	18
<b>Net interest income after bank loan (provision)/ benefit for credit losses</b>	<b>\$ 183</b>	<b>\$ 195</b>	<b>\$ 382</b>	<b>\$ 346</b>

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

**NOTE 20 – 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. The majority of our share-based compensation awards are issued during the 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 and six months ended March 31, 2022, we granted approximately 550 thousand and 2.9 million RSUs, respectively, with a weighted-average grant-date fair value of \$107.06 and \$98.86, respectively, compared with approximately 225 thousand and 2.3 million RSUs granted during the three and six months ended March 31, 2021 with a weighted-average grant-date fair value of \$77.82 and \$62.42, respectively (as adjusted for the September 21, 2021 three-for-two stock split described in Note 1 of this Form 10-Q). For the three and six months ended March 31, 2022, total share-based compensation amortization related to RSUs was \$41 million and \$105 million, respectively, compared with \$30 million and \$72 million for the three and six months ended March 31, 2021, respectively.

As of March 31, 2022, there were \$348 million of total pre-tax compensation costs not yet recognized (net of estimated forfeitures) related to RSUs, including those granted during the six months ended March 31, 2022. These costs are expected to be recognized over a weighted-average period of 3.2 years.

**NOTE 21 – 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 March 31, 2022, 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.

<i>\$ in millions</i>	Actual		Requirement for capital adequacy purposes		To be well-capitalized under regulatory provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
<b>RJF as of March 31, 2022:</b>						
CET1	\$ 7,921	23.9 %	\$ 1,492	4.5 %	\$ 2,155	6.5 %
Tier 1 capital	\$ 7,921	23.9 %	\$ 1,989	6.0 %	\$ 2,652	8.0 %
Total capital	\$ 8,297	25.0 %	\$ 2,652	8.0 %	\$ 3,315	10.0 %
Tier 1 leverage	\$ 7,921	11.1 %	\$ 2,854	4.0 %	\$ 3,567	5.0 %
<b>RJF as of September 30, 2021:</b>						
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 March 31, 2022, RJF’s regulatory capital increase compared to September 30, 2021 was driven by an increase in equity, due to positive earnings net of dividends, partially offset by an increase in goodwill and intangible assets arising from the Charles Stanley acquisition (See Note 3 for further information). RJF’s Tier 1 and Total capital ratios decreased compared to September 30, 2021, resulting from an increase in risk-weighted assets, partially offset by the increase in regulatory capital. The increase in risk-weighted assets was primarily driven by increases in our bank loan portfolio and an increase in assets segregated for regulatory purposes and restricted cash arising from the acquisition of Charles Stanley. RJF’s Tier 1 leverage ratio as of March 31, 2022 decreased compared to September 30, 2021 due to increased average assets, driven by the growth in assets segregated for regulatory purposes and restricted cash, bank loans, and available-for-sale securities. The increase in average assets was partially offset by the increase in regulatory capital.

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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.

<i>\$ in millions</i>	Actual		Requirement for capital adequacy purposes		To be well-capitalized under regulatory provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
<b>Raymond James Bank as of March 31, 2022:</b>						
CET1	\$ 2,752	12.6 %	\$ 981	4.5 %	\$ 1,417	6.5 %
Tier 1 capital	\$ 2,752	12.6 %	\$ 1,308	6.0 %	\$ 1,745	8.0 %
Total capital	\$ 3,025	13.9 %	\$ 1,745	8.0 %	\$ 2,181	10.0 %
Tier 1 leverage	\$ 2,752	7.2 %	\$ 1,524	4.0 %	\$ 1,905	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 March 31, 2022, Raymond James Bank’s regulatory capital increased compared to September 30, 2021, driven by an increase in equity due to positive earnings, offset by dividends paid to RJF. Raymond James Bank’s Tier 1 capital and Total capital ratios decreased compared to September 30, 2021, due to an increase in risk-weighted assets, primarily resulting from increases in our bank loan portfolio and available-for-sale securities, partially offset by the increase in regulatory capital. Raymond James Bank’s Tier 1 leverage ratio as of March 31, 2022 decreased compared to September 30, 2021, driven by growth in bank loans 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.

<i>\$ in millions</i>	March 31, 2022	September 30, 2021
<b>Raymond James &amp; Associates, Inc.:</b>		
(Alternative Method elected)		
Net capital as a percent of aggregate debit items	42.9 %	72.1 %
Net capital	\$ 1,271	\$ 2,035
Less: required net capital	(59)	(56)
<b>Excess net capital</b>	<b>\$ 1,212</b>	<b>\$ 1,979</b>

The decrease in RJ&A’s net capital and excess net capital as of March 31, 2022 as compared to September 30, 2021 reflected the impact of significant dividends from RJ&A to RJF during the six months ended March 31, 2022.

As of March 31, 2022, all of our other active regulated domestic and international subsidiaries were in compliance with and exceeded all applicable capital requirements.

**RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES**  
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**NOTE 22 – EARNINGS PER SHARE**

All share, earnings per share, and dividends per share information has been retroactively adjusted to reflect the September 21, 2021 three-for-two stock split described in Note 1 of this Form-Q.

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

<i>in millions, except per share amounts</i>	<b>Three months ended March 31,</b>		<b>Six months ended March 31,</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
<b>Income for basic earnings per common share:</b>				
Net income	\$ 323	\$ 355	\$ 769	\$ 667
Less allocation of earnings and dividends to participating securities	—	—	(1)	(1)
Net income attributable to RJF common shareholders	<u>\$ 323</u>	<u>\$ 355</u>	<u>\$ 768</u>	<u>\$ 666</u>
<b>Income for diluted earnings per common share:</b>				
Net income	\$ 323	\$ 355	\$ 769	\$ 667
Less allocation of earnings and dividends to participating securities	—	—	(1)	(1)
Net income attributable to RJF common shareholders	<u>\$ 323</u>	<u>\$ 355</u>	<u>\$ 768</u>	<u>\$ 666</u>
<b>Common shares:</b>				
Average common shares in basic computation	207.7	206.7	207.0	206.0
Dilutive effect of outstanding stock options and certain RSUs	5.3	5.1	5.6	4.6
Average common and common equivalent shares used in diluted computation	<u>213.0</u>	<u>211.8</u>	<u>212.6</u>	<u>210.6</u>
<b>Earnings per common share:</b>				
Basic	<u>\$ 1.56</u>	<u>\$ 1.72</u>	<u>\$ 3.71</u>	<u>\$ 3.23</u>
Diluted	<u>\$ 1.52</u>	<u>\$ 1.68</u>	<u>\$ 3.61</u>	<u>\$ 3.16</u>
Stock options and certain RSUs excluded from weighted-average diluted common shares because their effect would be antidilutive	—	0.2	0.5	0.3

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 and six months ended March 31, 2022 and 2021. 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.

	<b>Three months ended March 31,</b>		<b>Six months ended March 31,</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
Dividends per common share - declared	\$ 0.34	\$ 0.26	\$ 0.68	\$ 0.52
Dividends per common share - paid	\$ 0.34	\$ 0.26	\$ 0.60	\$ 0.51

**RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES**  
*Notes to Condensed Consolidated Financial Statements (Unaudited)*

**NOTE 23 – 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.

<i>\$ in millions</i>	<b>Three months ended March 31,</b>		<b>Six months ended March 31,</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
<b>Net revenues:</b>				
Private Client Group	\$ 1,922	\$ 1,647	\$ 3,761	\$ 3,114
Capital Markets	413	433	1,027	885
Asset Management	234	209	470	404
Raymond James Bank	197	160	380	327
Other	(18)	(12)	(33)	(8)
Intersegment eliminations	(75)	(65)	(151)	(128)
<b>Total net revenues</b>	<b>\$ 2,673</b>	<b>\$ 2,372</b>	<b>\$ 5,454</b>	<b>\$ 4,594</b>
<b>Pre-tax income/(loss):</b>				
Private Client Group	\$ 213	\$ 192	\$ 408	\$ 332
Capital Markets	87	105	288	234
Asset Management	103	87	210	170
Raymond James Bank	83	111	185	182
Other	(53)	(48)	(100)	(72)
<b>Total pre-tax income</b>	<b>\$ 433</b>	<b>\$ 447</b>	<b>\$ 991</b>	<b>\$ 846</b>

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.

<i>\$ in millions</i>	<b>Three months ended March 31,</b>		<b>Six months ended March 31,</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
<b>Net interest income/(expense):</b>				
Private Client Group	\$ 34	\$ 27	\$ 64	\$ 55
Capital Markets	2	3	5	4
Raymond James Bank	189	155	366	312
Other	(21)	(22)	(43)	(43)
<b>Net interest income</b>	<b>\$ 204</b>	<b>\$ 163</b>	<b>\$ 392</b>	<b>\$ 328</b>

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

<i>\$ in millions</i>	<b>March 31, 2022</b>	September 30, 2021
<b>Total assets:</b>		
Private Client Group <sup>(1)</sup>	\$ 29,718	\$ 20,270
Capital Markets	2,358	2,457
Asset Management	462	476
Raymond James Bank	38,167	36,154
Other	2,396	2,534
<b>Total</b>	<b>\$ 73,101</b>	<b>\$ 61,891</b>

(1) The March 31, 2022 balance reflects the assets of Charles Stanley which was acquired on January 21, 2022. See Note 3 of this Form 10-Q for further discussion.

**RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES**
*Notes to Condensed Consolidated Financial Statements (Unaudited)*

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

<i>\$ in millions</i>	<b>March 31, 2022</b>	September 30, 2021
<b>Goodwill:</b>		
Private Client Group <sup>(1)</sup>	\$ 575	\$ 417
Capital Markets	174	174
Asset Management	69	69
<b>Total</b>	<b>\$ 818</b>	<b>\$ 660</b>

(1) As of March 31, 2022, this balance includes £121 million, or \$159 million, of goodwill arising from our acquisition of Charles Stanley on January 21, 2022. See Note 3 of this Form 10-Q for further discussion.

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.

<i>\$ in millions</i>	<b>Three months ended March 31,</b>		<b>Six months ended March 31,</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
<b>Net revenues:</b>				
U.S.	\$ 2,430	\$ 2,194	\$ 5,019	\$ 4,273
Canada	129	130	266	235
Europe	114	48	169	86
<b>Total</b>	<b>\$ 2,673</b>	<b>\$ 2,372</b>	<b>\$ 5,454</b>	<b>\$ 4,594</b>
<b>Pre-tax income:</b>				
U.S.	\$ 406	\$ 415	\$ 937	\$ 812
Canada	14	25	32	26
Europe	13	7	22	8
<b>Total</b>	<b>\$ 433</b>	<b>\$ 447</b>	<b>\$ 991</b>	<b>\$ 846</b>

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

<i>\$ in millions</i>	<b>March 31, 2022</b>	September 30, 2021
<b>Total assets:</b>		
U.S.	\$ 65,777	\$ 57,952
Canada	4,059	3,724
Europe <sup>(1)</sup>	3,265	215
<b>Total</b>	<b>\$ 73,101</b>	<b>\$ 61,891</b>

(1) The March 31, 2022 balance reflects the assets of Charles Stanley which was acquired on January 21, 2022. See Note 3 of this Form 10-Q for further discussion.

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

<i>\$ in millions</i>	<b>March 31, 2022</b>	September 30, 2021
<b>Goodwill:</b>		
U.S.	\$ 619	\$ 619
Canada	25	25
Europe <sup>(1)</sup>	174	16
<b>Total</b>	<b>\$ 818</b>	<b>\$ 660</b>

(1) As of March 31, 2022, this balance includes £121 million, or \$159 million, of goodwill arising from our acquisition of Charles Stanley on January 21, 2022. See Note 3 of this Form 10-Q for further discussion.

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

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# RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES

## Management's Discussion and Analysis

### **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), industry or market conditions, demand for and pricing of our products, acquisitions (including our announced acquisitions of TriState Capital and SumRidge Partners), divestitures, anticipated results of litigation, regulatory developments, and general economic conditions. In addition, words such as "believes," "expects," "anticipates," "plans," "estimates," "projects," and future or conditional verbs such as "will," "may," "could," "should," and "would," as well as any other statement that necessarily depends on future events, are intended to identify forward-looking statements. Forward-looking statements are not guarantees, and they involve risks, uncertainties and assumptions. Although we make such statements based on assumptions that we believe to be reasonable, there can be no assurance that actual results will not differ materially from those expressed in the forward-looking statements. We caution investors not to rely unduly on any forward-looking statements and urge you to carefully consider the risks described in our filings with the SEC from time to time, including our most recent Annual Report on Form 10-K, subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, which are available at [www.raymondjames.com](http://www.raymondjames.com) and the SEC's website at [www.sec.gov](http://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**

#### **Quarter ended March 31, 2022 compared with the quarter ended March 31, 2021**

For our fiscal second quarter of 2022, we generated net revenues of \$2.67 billion, an increase of 13% compared with the prior-year quarter, while pre-tax income of \$433 million decreased 3%. The decrease in pre-tax income was primarily due to a provision for loan losses in the current-year quarter compared with a benefit in the prior-year quarter. Our net income of \$323 million decreased 9%, and our earnings per diluted share were \$1.52, reflecting a 10% decrease. Our annualized return on equity ("ROE") for the quarter was 15.0%, compared with 19.0% for the prior-year quarter, and our annualized return on tangible common equity ("ROTCE") was 16.8%<sup>(1)</sup>, compared with 21.2%<sup>(1)</sup> for the prior-year quarter.

Excluding acquisition-related expenses of \$11 million, our adjusted net income was \$331 million<sup>(1)</sup> and our adjusted earnings per diluted share were \$1.55<sup>(1)</sup>. Adjusted annualized ROE for the quarter was 15.4%<sup>(1)</sup> and adjusted annualized ROTCE was 17.2%<sup>(1)</sup>.

(1) ROTCE, adjusted net income, adjusted earnings per diluted share, adjusted annualized ROE, and adjusted annualized ROTCE are non-GAAP financial measures. Please see the "Reconciliation of non-GAAP financial measures to GAAP financial measures" in this MD&A for a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measure, and for other important disclosures.

## RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES

### *Management's Discussion and Analysis*

The increase in net revenues compared with the prior-year quarter was driven by significantly higher asset management and related administrative fees, largely attributable to strong growth in PCG assets in fee-based accounts compared with the prior-year quarter and, to a lesser extent, incremental revenues resulting from our acquisition of Charles Stanley which was completed on January 21, 2022. Net interest income also increased, primarily due to strong asset growth and a higher net interest margin at Raymond James Bank.

Compensation, commissions and benefits expense increased 12%, primarily resulting from higher revenues compared with the prior-year quarter and, to a lesser extent, incremental compensation expense due to the Charles Stanley acquisition and an increase in compensation costs to support our growth. Our compensation ratio, or the ratio of compensation, commissions and benefits expense to net revenues, was 69.3%, compared with 69.5% for the prior-year quarter.

Non-compensation expenses increased 40%, primarily due to a \$53 million increase in the bank loan provision for credit losses, resulting from a provision of \$21 million for the current-year quarter compared with a benefit of \$32 million for the prior-year quarter. Communications and information processing expenses increased as a result of incremental expense of Charles Stanley, as well as continued investments in technology to support our growth. Business development expenses also increased from the very low prior-year quarter level, primarily due to an increase in travel and event-related expenses.

Our effective income tax rate was 25.4% for our fiscal second quarter of 2022, an increase compared with a 20.6% effective income tax rate for the prior-year quarter, primarily due to the unfavorable impact of nondeductible valuation losses associated with our corporate-owned life insurance portfolio during the current quarter compared with nontaxable valuation gains in the prior-year quarter.

As of March 31, 2022, our total capital ratio of 25.0% and tier 1 leverage ratio of 11.1% were both more than double the regulatory requirement to be considered well-capitalized. We also continue to have substantial liquidity with \$2.2 billion<sup>(1)</sup> of cash at the parent as of March 31, 2022, 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 completed on January 21, 2022, as well as our announced acquisitions of TriState Capital and SumRidge Partners, which we currently expect to close in our fiscal third and fourth quarters of 2022, respectively. Although our Board of Directors authorized share repurchases of up to \$1 billion in December 2021, we do not expect to repurchase our common shares until after the TriState Capital acquisition is completed. As a result, as of the date this report was filed, \$1 billion remained available under the share repurchase authorization.

We remain well-positioned entering our fiscal third quarter, with client assets under administration of \$1.26 trillion as of March 31, 2022, as well as strong financial advisor recruiting activity and solid retention of existing advisors. In addition, we expect our fiscal third quarter results to be positively impacted by a full quarter's impact of the 25-basis point increase in the Fed's short-term benchmark interest rate enacted in March 2022, as well as a partial quarter's impact of the 50-basis point increase enacted in May 2022. With clients' domestic cash sweep balances of \$76.5 billion as of March 31, 2022 and our high concentration of floating rate assets, we also believe we are well-positioned for further increases in short-term interest rates, which we expect to positively impact our net interest income and our RJBDF fees from third-party banks. However, we also expect to continue to face geopolitical and macroeconomic uncertainties which may continue to have a negative impact on equity and fixed income markets. As a result, we may experience volatility in asset management fees and brokerage revenues, as well as investment banking revenues, despite our robust investment banking pipelines. Our fiscal third quarter asset management and related administrative fee revenues will be negatively impacted by the decrease in fee-based asset balances (excluding the impact of Charles Stanley) and financial assets under management as of March 31, 2022. Net loan growth should result in additional provisions for credit losses in future periods and/or future market deterioration could result in increased bank loan 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 should 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.

## RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES

### *Management's Discussion and Analysis*

#### **Six months ended March 31, 2022 compared with the six months ended March 31, 2021**

For the six months ended March 31, 2022, we generated net revenues of \$5.45 billion, an increase of 19% compared with the prior-year period, and pre-tax income of \$991 million, an increase of 17%. Our net income of \$769 million was 15% higher than the prior-year period and our earnings per diluted share were \$3.61, reflecting a 14% increase. Our annualized ROE was 18.1%, unchanged from the prior-year period, and our annualized ROTCE was 20.2%<sup>(1)</sup>, compared with 20.1%<sup>(1)</sup> for the prior-year period.

Excluding acquisition-related expenses of \$17 million, our adjusted net income was \$782 million<sup>(1)</sup> and our adjusted earnings per diluted share were \$3.67<sup>(1)</sup>. Adjusted annualized ROE for the year-to-date period was 18.4%<sup>(1)</sup> and adjusted annualized ROTCE was 20.6%<sup>(1)</sup>.

The significant increase in net revenues compared with the prior-year period was primarily driven by higher asset management and related administrative fees, primarily attributable to higher PCG client assets in fee-based accounts and incremental revenues from our Charles Stanley acquisition which was completed in January 2022, as well as strong investment banking revenues, particularly in our fiscal first quarter.

Compensation, commissions and benefits expense increased 19%, primarily attributable to the growth in revenues and pre-tax income compared with the prior-year period. Our compensation ratio was 68.5%, unchanged from the prior-year period.

Non-compensation expenses increased 21%, primarily due to increases in communications and information processing and business development expenses, as well as higher investment sub-advisory fees. The bank loan provision for credit losses increased \$28 million to a provision of \$10 million for the current-year period, compared with a benefit of \$18 million for the prior-year period.

Our effective income tax rate was 22.4% for the six months ended March 31, 2022, an increase from 21.2% for the prior-year period. The increase in the effective tax rate from the prior-year period was primarily due to the negative impact of nondeductible valuation losses associated with our corporate-owned life insurance portfolio during the current-year period compared with nontaxable valuation gains for the prior-year period, partially offset by a larger tax benefit recognized during the current-year period related to share-based compensation that vested during the period.

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.

(1) ROTCE, adjusted net income, adjusted earnings per diluted share, adjusted annualized ROE, and adjusted annualized ROTCE are non-GAAP financial measures. Please see the "Reconciliation of non-GAAP financial measures to GAAP financial measures" in this MD&A for a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measure, and for other important disclosures.

# RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES

## Management's Discussion and Analysis

### RECONCILIATION OF NON-GAAP FINANCIAL MEASURES TO GAAP FINANCIAL MEASURES

We utilize certain non-GAAP financial measures as additional measures to aid in, and enhance, the understanding of our financial results and related measures. These non-GAAP financial measures include adjusted net income, adjusted earnings per diluted share, adjusted ROE, ROTCE, and adjusted ROTCE. We believe certain of these non-GAAP financial measures provide useful information to management and investors by excluding certain material items that may not be indicative of our core operating results. We utilize these non-GAAP financial measures in assessing the financial performance of the business, as they facilitate a meaningful comparison of current- and prior-period results. We believe that ROTCE is meaningful to investors as this measure facilitates comparison of our results to the results of other companies. In the following tables, the tax effect of non-GAAP adjustments reflects the statutory rate associated with each non-GAAP item. These non-GAAP financial measures should be considered in addition to, and not as a substitute for, measures of financial performance prepared in accordance with GAAP. In addition, our non-GAAP financial measures may not be comparable to similarly titled non-GAAP financial measures of other companies. The following tables provide a reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures for the periods indicated.

<i>\$ in millions, except per share amounts</i>	<b>Three months ended March 31,</b>		<b>Six months ended March 31,</b>			
	<b>2022</b>		<b>2022</b>	<b>2021</b>		
<b>Net income</b>	\$	<b>323</b>	\$	<b>769</b>	\$	667
<b>Non-GAAP adjustments:</b>						
Acquisition-related expenses		<b>11</b>		<b>17</b>		2
Pre-tax impact of non-GAAP adjustments		<b>11</b>		<b>17</b>		2
Tax effect of non-GAAP adjustments		<b>(3)</b>		<b>(4)</b>		—
Total non-GAAP adjustments, net of tax		<b>8</b>		<b>13</b>		2
<b>Adjusted net income</b>	\$	<b>331</b>	\$	<b>782</b>	\$	669
<b>Earnings per common share - diluted</b>						
<b>Earnings per common share - diluted</b>	\$	<b>1.52</b>	\$	<b>3.61</b>	\$	3.16
<b>Non-GAAP adjustments:</b>						
Acquisition-related expenses		<b>0.05</b>		<b>0.08</b>		0.01
Pre-tax impact of non-GAAP adjustments		<b>0.05</b>		<b>0.08</b>		0.01
Tax effect of non-GAAP adjustments		<b>(0.02)</b>		<b>(0.02)</b>		—
Total non-GAAP adjustments, net of tax		<b>0.03</b>		<b>0.06</b>		0.01
<b>Adjusted earnings per common share - diluted</b>	\$	<b>1.55</b>	\$	<b>3.67</b>	\$	3.17

**RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES**
*Management's Discussion and Analysis*

<i>\$ in millions</i>	Three months ended March 31,		Six months ended March 31,	
	2022	2021	2022	2021
<b>Annualized return on equity</b>				
<b>Average equity</b>	<b>\$ 8,601</b>	<b>\$ 7,478</b>	<b>\$ 8,482</b>	<b>\$ 7,356</b>
<u>Impact on average equity of non-GAAP adjustments:</u>				
Acquisition-related expenses	6	NA	8	1
Pre-tax impact of non-GAAP adjustments	6	NA	8	1
Tax effect of non-GAAP adjustments	(2)	NA	(2)	—
Total non-GAAP adjustments, net of tax	4	NA	6	1
<b>Adjusted average equity</b>	<b>\$ 8,605</b>	<b>NA</b>	<b>\$ 8,488</b>	<b>\$ 7,357</b>
<b>Average equity</b>	<b>\$ 8,601</b>	<b>\$ 7,478</b>	<b>\$ 8,482</b>	<b>\$ 7,356</b>
<u>Less:</u>				
Average goodwill and identifiable intangible assets, net	992	851	955	767
Average deferred tax liabilities, net	(77)	(56)	(72)	(49)
<b>Average tangible common equity</b>	<b>\$ 7,686</b>	<b>\$ 6,683</b>	<b>\$ 7,599</b>	<b>\$ 6,638</b>
<u>Impact on average tangible common equity of non-GAAP adjustments:</u>				
Acquisition-related expenses	6	NA	8	1
Pre-tax impact of non-GAAP adjustments	6	NA	8	1
Tax effect of non-GAAP adjustments	(2)	NA	(2)	—
Total non-GAAP adjustments, net of tax	4	NA	6	1
<b>Adjusted average tangible common equity</b>	<b>\$ 7,690</b>	<b>NA</b>	<b>\$ 7,605</b>	<b>\$ 6,639</b>
<b>Return on equity</b>	<b>15.0 %</b>	<b>19.0 %</b>	<b>18.1 %</b>	<b>18.1 %</b>
<b>Adjusted annualized return on equity</b>	<b>15.4 %</b>	<b>NA</b>	<b>18.4 %</b>	<b>18.2 %</b>
<b>Return on tangible common equity</b>	<b>16.8 %</b>	<b>21.2 %</b>	<b>20.2 %</b>	<b>20.1 %</b>
<b>Adjusted annualized return on tangible common equity</b>	<b>17.2 %</b>	<b>NA</b>	<b>20.6 %</b>	<b>20.2 %</b>

Average equity for the quarter-to-date period 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. Average equity for the year-to-date period is computed by adding the total equity attributable to RJF as of each quarter-end date during the indicated year-to-date period to the beginning of the year total, and dividing by three, or in the case of average tangible common equity, computed by adding tangible common equity as of each quarter-end date during the indicated year-to-date period to the beginning of the year total, and dividing by three. Adjusted average equity is computed by adjusting for the impact on average equity of the non-GAAP adjustments, as applicable for each respective period. Adjusted average tangible common equity is computed by adjusting for the impact on average tangible common equity of the non-GAAP adjustments, as applicable for each respective period.

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. Adjusted return on equity is computed by dividing annualized adjusted net income by adjusted average equity for each respective period, or in the case of adjusted return on tangible common equity, computed by dividing annualized adjusted net income by adjusted average tangible common equity for each respective period.

# RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES

## Management's Discussion and Analysis

### 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.

<i>\$ in millions</i>	Three months ended March 31,			Six months ended March 31,		
	2022	2021	% change	2022	2021	% change
<b>Total company</b>						
Net revenues	\$ 2,673	\$ 2,372	13 %	\$ 5,454	\$ 4,594	19 %
Pre-tax income	\$ 433	\$ 447	(3)%	\$ 991	\$ 846	17 %
<b>Private Client Group</b>						
Net revenues	\$ 1,922	\$ 1,647	17 %	\$ 3,761	\$ 3,114	21 %
Pre-tax income	\$ 213	\$ 192	11 %	\$ 408	\$ 332	23 %
<b>Capital Markets</b>						
Net revenues	\$ 413	\$ 433	(5)%	\$ 1,027	\$ 885	16 %
Pre-tax income	\$ 87	\$ 105	(17)%	\$ 288	\$ 234	23 %
<b>Asset Management</b>						
Net revenues	\$ 234	\$ 209	12 %	\$ 470	\$ 404	16 %
Pre-tax income	\$ 103	\$ 87	18 %	\$ 210	\$ 170	24 %
<b>Raymond James Bank</b>						
Net revenues	\$ 197	\$ 160	23 %	\$ 380	\$ 327	16 %
Pre-tax income	\$ 83	\$ 111	(25)%	\$ 185	\$ 182	2 %
<b>Other</b>						
Net revenues	\$ (18)	\$ (12)	(50)%	\$ (33)	\$ (8)	(313)%
Pre-tax loss	\$ (53)	\$ (48)	(10)%	\$ (100)	\$ (72)	(39)%
<b>Intersegment eliminations</b>						
Net revenues	\$ (75)	\$ (65)	(15)%	\$ (151)	\$ (128)	(18)%

**NET INTEREST ANALYSIS**

In March 2020, in response to macroeconomic concerns resulting from the COVID-19 pandemic, the Fed decreased its benchmark short-term interest rate to a range of 0-0.25%. These near-zero short-term interest rates negatively impacted our net interest income over the past two years, 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. In response to inflationary pressures and given the improved economic and employment conditions since the beginning of the COVID-19 pandemic, the Fed increased its benchmark short-term interest rate by 25 basis points in March 2022 and an additional 50 basis points in May 2022 and has indicated that it intends to further increase short-term interest rates through the remainder of our fiscal 2022.

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 additional increase in short-term rates that may arise.

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 March 31, 2022) that an instantaneous 100-basis point increase in short-term interest rates would result in incremental pre-tax income of nearly \$600 million annually, with approximately 65% reflected as net interest income and approximately 35% 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. Notably, of this 100-basis point instantaneous increase assumption, 75 basis points has already occurred with the recent interest rate actions by the Fed in March and May of 2022. These assumptions do not incorporate any impact from our announced acquisition of TriState Capital, currently anticipated to close by the end of our fiscal third quarter, which we would expect to further increase our incremental net interest income based on their relatively high concentration of floating-rate interest-earning assets.

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.

**RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES**
*Management's Discussion and Analysis*

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.

**Quarter ended March 31, 2022 compared with the quarter ended March 31, 2021**

<i>\$ in millions</i>	Three months ended March 31,					
	2022			2021		
	Average daily balance	Interest	Annualized average rate	Average daily balance	Interest	Annualized average rate
<b>Interest-earning assets:</b>						
Cash and cash equivalents	\$ 5,919	\$ 3	0.20 %	\$ 5,284	\$ 2	0.20 %
Assets segregated for regulatory purposes and restricted cash	19,522	7	0.15 %	10,087	5	0.18 %
Available-for-sale securities	8,869	25	1.16 %	7,997	21	1.08 %
Brokerage client receivables	2,558	21	3.29 %	2,222	19	3.36 %
Bank loans, net of unearned income and deferred expenses:						
Loans held for investment:						
C&I loans	8,783	54	2.49 %	7,540	48	2.56 %
CRE loans	3,150	20	2.56 %	2,665	17	2.54 %
REIT loans	1,324	9	2.48 %	1,309	8	2.50 %
Tax-exempt loans	1,289	9	3.18 %	1,227	8	3.35 %
Residential mortgage loans	5,770	38	2.69 %	5,005	34	2.72 %
SBL and other	6,753	39	2.31 %	4,638	26	2.23 %
Loans held for sale	268	2	2.94 %	177	1	1.89 %
Total bank loans, net	27,337	171	2.53 %	22,561	142	2.56 %
All other interest-earning assets	2,192	15	2.64 %	2,201	11	1.87 %
<b>Total interest-earning assets</b>	<b>\$ 66,397</b>	<b>\$ 242</b>	<b>1.48 %</b>	<b>\$ 50,352</b>	<b>\$ 200</b>	<b>1.61 %</b>
<b>Interest-bearing liabilities:</b>						
Bank deposits:						
Savings, money market and NOW accounts	\$ 33,097	\$ 2	0.02 %	\$ 27,662	\$ 2	0.02 %
Certificates of deposit	733	3	1.83 %	898	4	1.88 %
Total bank deposits	33,830	5	0.06 %	28,560	6	0.08 %
Brokerage client payables	21,405	—	0.01 %	11,485	1	0.02 %
Other borrowings	856	4	2.15 %	862	5	2.18 %
Senior notes payable	2,037	23	4.44 %	2,045	24	4.74 %
All other interest-bearing liabilities	707	6	1.93 %	600	1	0.88 %
<b>Total interest-bearing liabilities</b>	<b>\$ 58,835</b>	<b>\$ 38</b>	<b>0.26 %</b>	<b>\$ 43,552</b>	<b>\$ 37</b>	<b>0.34 %</b>
<b>Net interest income</b>		<b>\$ 204</b>			<b>\$ 163</b>	
<b>Firmwide net interest margin (net yield on interest-earning assets)</b>			<b>1.25 %</b>			1.32 %
<b>Raymond James Bank net interest margin</b>			<b>2.01 %</b>			1.94 %

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 March 31, 2022 and 2021.

**RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES**
*Management's Discussion and Analysis*

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.

<i>\$ in millions</i>	Three months ended March 31, 2022 compared to 2021		
	Increase/(decrease) due to		
	Volume	Rate	Total
<b>Interest income:</b>			
<b>Interest-earning assets:</b>			
Cash and cash equivalents	\$ 1	\$ —	\$ 1
Assets segregated for regulatory purposes and restricted cash	3	(1)	2
Available-for-sale securities	2	2	4
Brokerage client receivables	2	—	2
Bank loans, net of unearned income and deferred expenses:			
Loans held for investment:			
C&I loans	8	(2)	6
CRE loans	3	—	3
REIT loans	1	—	1
Tax-exempt loans	2	(1)	1
Residential mortgage loans	5	(1)	4
SBL and other	11	2	13
Loans held for sale	—	1	1
Total bank loans, net	30	(1)	29
All other interest-earning assets	(1)	5	4
<b>Total interest-earning assets</b>	<b>\$ 37</b>	<b>\$ 5</b>	<b>\$ 42</b>
<b>Interest expense:</b>			
<b>Interest-bearing liabilities:</b>			
Bank deposits:			
Savings, money market and NOW accounts	\$ —	\$ —	\$ —
Certificates of deposit	(1)	—	(1)
Total bank deposits	(1)	—	(1)
Brokerage client payables	—	(1)	(1)
Other borrowings	—	(1)	(1)
Senior notes payable	—	(1)	(1)
All other interest-bearing liabilities	1	4	5
<b>Total interest-bearing liabilities</b>	<b>\$ —</b>	<b>\$ 1</b>	<b>\$ 1</b>
<b>Change in net interest income</b>	<b>\$ 37</b>	<b>\$ 4</b>	<b>\$ 41</b>

**RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES**
*Management's Discussion and Analysis*
**Six months ended March 31, 2022 compared with the six months ended March 31, 2021**

<i>\$ in millions</i>	Six months ended March 31,					
	2022			2021		
	Average daily balance	Interest	Annualized average rate	Average daily balance	Interest	Annualized average rate
<b>Interest-earning assets:</b>						
Cash and cash equivalents	\$ 5,954	\$ 6	0.19 %	\$ 5,500	\$ 6	0.23 %
Assets segregated for regulatory purposes and restricted cash	15,844	11	0.14 %	7,954	8	0.19 %
Available-for-sale securities	8,688	47	1.09 %	7,735	44	1.14 %
Brokerage client receivables	2,521	42	3.32 %	2,152	37	3.42 %
Bank loans, net of unearned income and deferred expenses:						
Loans held for investment:						
C&I loans	8,681	109	2.49 %	7,537	99	2.60 %
CRE loans	3,044	40	2.61 %	2,623	34	2.56 %
REIT loans	1,227	16	2.51 %	1,272	16	2.47 %
Tax-exempt loans	1,293	17	3.19 %	1,232	16	3.35 %
Residential mortgage loans	5,609	75	2.68 %	5,003	69	2.75 %
SBL and other	6,519	74	2.26 %	4,460	51	2.26 %
Loans held for sale	254	4	2.94 %	159	2	2.36 %
Total bank loans, net	26,627	335	2.53 %	22,286	287	2.59 %
All other interest-earning assets	2,279	26	2.26 %	2,247	21	1.93 %
<b>Total interest-earning assets</b>	<b>\$ 61,913</b>	<b>\$ 467</b>	<b>1.51 %</b>	<b>\$ 47,874</b>	<b>\$ 403</b>	<b>1.69 %</b>
<b>Interest-bearing liabilities:</b>						
Bank deposits:						
Savings, money market and NOW accounts	\$ 32,489	\$ 4	0.02 %	\$ 27,144	\$ 3	0.02 %
Certificates of deposit	789	7	1.85 %	925	9	1.90 %
Total bank deposits	33,278	11	0.06 %	28,069	12	0.08 %
Brokerage client payables	17,275	1	0.01 %	9,403	2	0.04 %
Other borrowings	856	9	2.17 %	864	10	2.21 %
Senior notes payable	2,037	46	4.44 %	2,045	48	4.74 %
All other interest-bearing liabilities	680	8	1.65 %	587	3	1.01 %
<b>Total interest-bearing liabilities</b>	<b>\$ 54,126</b>	<b>\$ 75</b>	<b>0.28 %</b>	<b>\$ 40,968</b>	<b>\$ 75</b>	<b>0.36 %</b>
<b>Net interest income</b>		<b>\$ 392</b>			<b>\$ 328</b>	
<b>Firmwide net interest margin (net yield on interest-earning assets)</b>			<b>1.27 %</b>			<b>1.38 %</b>
<b>Raymond James Bank net interest margin</b>			<b>1.97 %</b>			<b>1.98 %</b>

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 tax-equivalent basis utilizing the applicable federal statutory rates for each of the six months ended March 31, 2022 and 2021.

**RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES**
*Management's Discussion and Analysis*

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.

<i>\$ in millions</i>	Six months ended March 31, 2022 compared to 2021		
	Increase/(decrease) due to		
	Volume	Rate	Total
<b>Interest income:</b>			
<b>Interest-earning assets:</b>			
Cash and cash equivalents	\$ 1	\$ (1)	\$ —
Assets segregated for regulatory purposes and restricted cash	7	(4)	3
Available-for-sale securities	5	(2)	3
Brokerage client receivables	6	(1)	5
Bank loans, net of unearned income and deferred expenses:			
Loans held for investment:			
C&I loans	15	(5)	10
CRE loans	5	1	6
REIT loans	—	—	—
Tax-exempt loans	2	(1)	1
Residential mortgage loans	8	(2)	6
SBL and other	23	—	23
Loans held for sale	1	1	2
Total bank loans, net	54	(6)	48
All other interest-earning assets	1	4	5
<b>Total interest-earning assets</b>	<b>\$ 74</b>	<b>\$ (10)</b>	<b>\$ 64</b>
<b>Interest expense:</b>			
<b>Interest-bearing liabilities:</b>			
Bank deposits:			
Savings, money market and NOW accounts	\$ 1	\$ —	\$ 1
Certificates of deposit	(2)	—	(2)
Total bank deposits	(1)	—	(1)
Brokerage client payables	1	(2)	(1)
Other borrowings	—	(1)	(1)
Senior notes payable	—	(2)	(2)
All other interest-bearing liabilities	1	4	5
<b>Total interest-bearing liabilities</b>	<b>\$ 1</b>	<b>\$ (1)</b>	<b>\$ —</b>
<b>Change in net interest income</b>	<b>\$ 73</b>	<b>\$ (9)</b>	<b>\$ 64</b>

**RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES**
*Management's Discussion and Analysis*
**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**

<i>\$ in millions</i>	Three months ended March 31,			Six months ended March 31,		
	2022	2021	% change	2022	2021	% change
<b>Revenues:</b>						
Asset management and related administrative fees	\$ 1,245	\$ 979	27 %	\$ 2,407	\$ 1,864	29 %
Brokerage revenues:						
Mutual and other fund products	166	183	(9)%	337	331	2 %
Insurance and annuity products	110	109	1 %	221	207	7 %
Equities, ETFs and fixed income products	121	121	— %	236	228	4 %
Total brokerage revenues	397	413	(4)%	794	766	4 %
Account and service fees:						
Mutual fund and annuity service fees	109	99	10 %	223	193	16 %
RJBDP fees:						
Third-party banks	20	19	5 %	37	40	(8)%
Raymond James Bank	49	44	11 %	99	87	14 %
Client account and other fees	53	42	26 %	102	74	38 %
Total account and service fees	231	204	13 %	461	394	17 %
Investment banking	9	16	(44)%	22	22	— %
Interest income	37	30	23 %	70	60	17 %
All other	6	8	(25)%	13	13	— %
<b>Total revenues</b>	<b>1,925</b>	<b>1,650</b>	<b>17 %</b>	<b>3,767</b>	<b>3,119</b>	<b>21 %</b>
Interest expense	(3)	(3)	— %	(6)	(5)	20 %
<b>Net revenues</b>	<b>1,922</b>	<b>1,647</b>	<b>17 %</b>	<b>3,761</b>	<b>3,114</b>	<b>21 %</b>
<b>Non-interest expenses:</b>						
Financial advisor compensation and benefits	1,231	1,040	18 %	2,418	1,971	23 %
Administrative compensation and benefits	289	260	11 %	572	509	12 %
Total compensation, commissions and benefits	1,520	1,300	17 %	2,990	2,480	21 %
Non-compensation expenses:						
Communications and information processing	84	69	22 %	155	131	18 %
Occupancy and equipment	50	45	11 %	96	88	9 %
Business development	25	15	67 %	52	31	68 %
Professional fees	13	10	30 %	22	23	(4)%
All other	17	16	6 %	38	29	31 %
Total non-compensation expenses	189	155	22 %	363	302	20 %
<b>Total non-interest expenses</b>	<b>1,709</b>	<b>1,455</b>	<b>17 %</b>	<b>3,353</b>	<b>2,782</b>	<b>21 %</b>
<b>Pre-tax income</b>	<b>\$ 213</b>	<b>\$ 192</b>	<b>11 %</b>	<b>\$ 408</b>	<b>\$ 332</b>	<b>23 %</b>

# RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES

## Management's Discussion and Analysis

### Selected key metrics

#### PCG client asset balances

<i>\$ in billions</i>	As of					
	March 31, 2022	December 31, 2021	September 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
Assets under administration ("AUA") <sup>(1)</sup>	\$ 1,198.3	\$ 1,199.8	\$ 1,115.4	\$ 1,028.1	\$ 974.2	\$ 883.3
Assets in fee-based accounts <sup>(1)(2)</sup>	\$ 678.0	\$ 677.8	\$ 627.1	\$ 567.6	\$ 532.7	\$ 475.3
Percent of AUA in fee-based accounts	56.6 %	56.5 %	56.2 %	55.2 %	54.7 %	53.8 %

- (1) These metrics include the impact from the acquisition of Charles Stanley, which was completed on January 21, 2022. As of March 31, 2022, the impact on AUA was \$33 billion and the impact on Assets in fee-based accounts was \$21 billion.
- (2) 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.

PCG AUA was essentially flat compared with December 31, 2021 as the positive impacts of strong net inflows of client assets during our fiscal second quarter and the Charles Stanley acquisition were offset by a decline in equity markets. Excluding the impact of the Charles Stanley acquisition, PCG AUA and assets in fee-based accounts each declined approximately 3% compared with December 31, 2021, which will negatively impact our asset management and related administrative fees for our fiscal third quarter of 2022. PCG assets in fee-based accounts continued to be a significant percentage of overall PCG AUA due to many clients' preference for fee-based alternatives versus transaction-based accounts and, as a result, a significant portion of our PCG revenues is more directly impacted by market movements.

#### Financial advisors

	March 31, 2022	December 31, 2021	September 30, 2021	March 31, 2021
Employees	3,601	3,447	3,461	3,375
Independent contractors	5,129	5,017	5,021	4,952
<b>Total advisors<sup>(1)</sup></b>	<b>8,730</b>	<b>8,464</b>	<b>8,482</b>	<b>8,327</b>

- (1) This metric includes the impact from the acquisition of Charles Stanley, which was completed on January 21, 2022. As of March 31, 2022, the impact on financial advisors was the addition of 200 advisors.

The number of financial advisors as of March 31, 2022 increased compared to December 31, 2021 and September 30, 2021, as a result of the Charles Stanley acquisition, strong recruiting and strong retention of existing advisors. The recruiting pipeline remains robust across our affiliation options despite a competitive recruiting environment. Advisors in our Registered Investment Advisor & Custody Services division are not included in our financial advisor metric although their client assets, which were \$99.2 billion as of March 31, 2022, are included in PCG AUA.

**RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES**
*Management's Discussion and Analysis*
**Clients' domestic cash sweep balances**

<i>\$ in millions</i>	As of			
	March 31, 2022	December 31, 2021	September 30, 2021	March 31, 2021
RJBDP:				
Raymond James Bank	\$ 33,570	\$ 33,097	\$ 31,410	\$ 28,174
Third-party banks	25,887	24,316	24,496	25,110
Subtotal RJBDP	59,457	57,413	55,906	53,284
Client Interest Program ("CIP")	17,013	16,065	10,762	9,517
<b>Total clients' domestic cash sweep balances</b>	<b>\$ 76,470</b>	<b>\$ 73,478</b>	<b>\$ 66,668</b>	<b>\$ 62,801</b>
	<b>Three months ended March 31,</b>		<b>Six months ended March 31,</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
Average yield on RJBDP - third-party banks	0.32 %	0.30 %	0.30 %	0.31 %

A significant portion of our domestic 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 increased only slightly from the prior-year quarter, as the 25-basis point increase in short-term interest rates in March 2022 occurred late in the current quarter. Although the Fed has indicated that it intends to continue to increase its benchmark short-term interest rate throughout the remainder of our fiscal 2022, as evidenced by the 50-basis point increase in May 2022, the amount of this increase that we will realize is impacted by other factors, including the timing and magnitude of the amount of such rate increases paid to clients as well as the demand for our deposit sweep balances from third-party banks that participate in the RJBDP. 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 our 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 March 31, 2022. The growing cash balances combined with limited capacity at third-party banks that participate in the RJBDP has resulted in a significant increase in cash balances held in our CIP, also resulting in a significant increase in our assets segregated for regulatory purposes balance presented on our Condensed Consolidated Statements of Financial Condition.

## RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES

### *Management's Discussion and Analysis*

#### **Quarter ended March 31, 2022 compared with the quarter ended March 31, 2021**

Net revenues of \$1.92 billion increased \$275 million, or 17%, and pre-tax income of \$213 million increased \$21 million, or 11%.

Asset management and related administrative fees increased \$266 million, or 27%, primarily due to higher assets in fee-based accounts at the beginning of the current quarter, as well as incremental revenues related to Charles Stanley since the January 2022 acquisition date.

Brokerage revenues decreased \$16 million, or 4%, due to a decline in trailing placement fees from mutual and other fund products.

Account and service fees increased \$27 million, or 13%, 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 Charles Stanley and higher RJBDP fees from Raymond James Bank due to an increase in the number of accounts swept to Raymond James Bank as part of the RJBDP.

Compensation-related expenses increased \$220 million, or 17%, primarily due to higher revenues, our acquisition of Charles Stanley, and an increase in compensation costs to support our growth.

Non-compensation expenses increased \$34 million, or 22%, due to incremental expenses resulting from the acquisition of Charles Stanley, higher communications and information processing expenses primarily due to ongoing enhancements of our technology platforms, and increases in travel and event-related expenses compared with the low levels incurred in the prior-year quarter.

#### **Six months ended March 31, 2022 compared with the six months ended March 31, 2021**

Net revenues of \$3.76 billion increased \$647 million, or 21%, and pre-tax income of \$408 million increased \$76 million, or 23%.

Asset management and related administrative fees increased \$543 million, or 29%, primarily due to higher assets in fee-based accounts at the beginning of each of the current-year quarterly billing periods compared with the prior-year quarterly billing periods and, to a lesser extent, the acquisition of Charles Stanley.

Brokerage revenues increased \$28 million, or 4%, primarily due to higher revenues from insurance and annuity products and mutual fund products, resulting from higher average asset values, as well as incremental revenues from the Charles Stanley acquisition.

Account and service fees increased \$67 million, or 17%, 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 acquisitions of NWPS Holdings, Inc. at the end of our fiscal first quarter of 2021 and Charles Stanley in our fiscal second quarter of 2022. RJBDP fees from Raymond James Bank also increased due to an increase in the number of accounts swept to Raymond James Bank as part of the RJBDP.

Compensation-related expenses increased \$510 million, or 21%, primarily due to higher revenues, incremental expenses resulting from our acquisition of Charles Stanley, and an increase in compensation costs to support our growth.

Non-compensation expenses increased \$61 million, or 20%, due to increases in travel and event-related expenses compared with the low levels incurred in the prior-year, higher communications and information processing expenses primarily due to ongoing enhancements of our technology platforms, and incremental expenses resulting from our acquisition of Charles Stanley.

**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**

<i>\$ in millions</i>	Three months ended March 31,			Six months ended March 31,		
	2022	2021	% change	2022	2021	% change
<b>Revenues:</b>						
Brokerage revenues:						
Fixed income	\$ 125	\$ 142	(12)%	\$ 245	\$ 273	(10)%
Equity	41	34	21 %	80	76	5 %
Total brokerage revenues	166	176	(6)%	325	349	(7)%
Investment banking:						
Merger & acquisition and advisory	139	122	14 %	410	271	51 %
Equity underwriting	52	67	(22)%	149	127	17 %
Debt underwriting	35	37	(5)%	79	83	(5)%
Total investment banking	226	226	— %	638	481	33 %
Interest income	5	5	— %	10	8	25 %
Tax credit fund revenues	15	24	(38)%	50	40	25 %
All other	4	4	— %	9	11	(18)%
<b>Total revenues</b>	<b>416</b>	<b>435</b>	<b>(4)%</b>	<b>1,032</b>	<b>889</b>	<b>16 %</b>
Interest expense	(3)	(2)	50 %	(5)	(4)	25 %
<b>Net revenues</b>	<b>413</b>	<b>433</b>	<b>(5)%</b>	<b>1,027</b>	<b>885</b>	<b>16 %</b>
<b>Non-interest expenses:</b>						
Compensation, commissions and benefits	253	259	(2)%	584	511	14 %
Non-compensation expenses:						
Communications and information processing	22	20	10 %	44	39	13 %
Occupancy and equipment	10	9	11 %	19	18	6 %
Business development	9	6	50 %	17	15	13 %
Professional fees	7	13	(46)%	21	26	(19)%
Acquisition-related expenses	—	—	— %	4	—	NM
All other	25	21	19 %	50	42	19 %
Total non-compensation expenses	73	69	6 %	155	140	11 %
<b>Total non-interest expenses</b>	<b>326</b>	<b>328</b>	<b>(1)%</b>	<b>739</b>	<b>651</b>	<b>14 %</b>
<b>Pre-tax income</b>	<b>\$ 87</b>	<b>\$ 105</b>	<b>(17)%</b>	<b>\$ 288</b>	<b>\$ 234</b>	<b>23 %</b>

**Quarter ended March 31, 2022 compared with the quarter ended March 31, 2021**

Net revenues of \$413 million decreased \$20 million, or 5%, and pre-tax income of \$87 million decreased \$18 million, or 17%.

Brokerage revenues decreased \$10 million, or 6%, due to a decrease in fixed income brokerage revenues resulting from a more challenging trading environment compared with a strong prior-year quarter. We expect fixed income brokerage revenues to be volatile over the next few quarters given high levels of interest rate uncertainty. However, we expect our fixed income brokerage revenues to benefit from our announced acquisition of SumRidge Partners, which we expect to close in the fiscal fourth quarter of 2022.

Investment banking revenues were flat compared with the prior-year quarter. Merger & acquisition and advisory revenues increased compared with the prior-year quarter. This increase was offset by a decrease in equity underwriting revenues, primarily due to a decline in market activity during the current quarter as a result of market uncertainty and geopolitical concerns. Our investment banking pipeline remains strong and, in part, reflects the investments we have made over the past several years, including our fiscal 2021 acquisitions of Financo and Cebile; however, continued market uncertainty could delay, or ultimately prevent, the closing of transactions, which could negatively impact our results for the remainder of fiscal 2022.

# RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES

## Management's Discussion and Analysis

Compensation-related expenses decreased \$6 million, or 2%, primarily due to the impact of lower revenues.

Non-compensation expenses increased \$4 million, or 6%, including an increase in business development expenses over relatively low prior-year levels.

### Six months ended March 31, 2022 compared with the six months ended March 31, 2021

Net revenues of \$1.03 billion increased \$142 million, or 16%, and pre-tax income of \$288 million increased \$54 million, or 23%.

Investment banking revenues increased \$157 million, or 33%, 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 higher levels of client activity, especially in the fiscal first quarter of 2022. The increase in equity underwriting was primarily due to higher revenues from private placements, partially offset by a decline in public offerings.

Brokerage revenues decreased \$24 million, or 7%, primarily due to a decrease in fixed income brokerage revenues, which remained solid but were lower than the prior-year period as a result of challenging trading conditions compared with a strong prior-year period, due to a more volatile interest rate environment in fiscal 2022.

Compensation-related expenses increased \$73 million, or 14%, primarily due to the increase in revenues, as well as an increase in compensation costs to support our growth.

Non-compensation expenses increased \$15 million, or 11%, 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

<i>\$ in millions</i>	Three months ended March 31,			Six months ended March 31,		
	2022	2021	% change	2022	2021	% change
<b>Revenues:</b>						
Asset management and related administrative fees:						
Managed programs	\$ 149	\$ 137	9 %	\$ 300	\$ 266	13 %
Administration and other	77	64	20 %	153	123	24 %
Total asset management and related administrative fees	226	201	12 %	453	389	16 %
Account and service fees	6	5	20 %	12	9	33 %
All other	2	3	(33)%	5	6	(17)%
<b>Net revenues</b>	<b>234</b>	<b>209</b>	<b>12 %</b>	<b>470</b>	<b>404</b>	<b>16 %</b>
<b>Non-interest expenses:</b>						
Compensation, commissions and benefits	47	50	(6)%	93	95	(2)%
Non-compensation expenses:						
Communications and information processing	14	12	17 %	26	23	13 %
Investment sub-advisory fees	39	30	30 %	76	58	31 %
All other	31	30	3 %	65	58	12 %
Total non-compensation expenses	84	72	17 %	167	139	20 %
<b>Total non-interest expenses</b>	<b>131</b>	<b>122</b>	<b>7 %</b>	<b>260</b>	<b>234</b>	<b>11 %</b>
<b>Pre-tax income</b>	<b>\$ 103</b>	<b>\$ 87</b>	<b>18 %</b>	<b>\$ 210</b>	<b>\$ 170</b>	<b>24 %</b>

# RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES

## Management's Discussion and Analysis

### 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 or not 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 70% 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 20% are based on average daily balances throughout the quarter.

#### Financial assets under management

<i>\$ in billions</i>	March 31, 2022	December 31, 2021	September 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
AMS <sup>(1)</sup>	\$ 140.1	\$ 145.0	\$ 134.4	\$ 121.2	\$ 113.9	\$ 102.2
Carillon Tower Advisers	64.0	68.9	67.8	66.6	64.9	59.5
<b>Subtotal financial assets under management</b>	<b>204.1</b>	<b>213.9</b>	<b>202.2</b>	<b>187.8</b>	<b>178.8</b>	<b>161.7</b>
Less: Assets managed for affiliated entities	(10.4)	(10.7)	(10.3)	(9.6)	(9.2)	(8.6)
<b>Total financial assets under management</b>	<b>\$ 193.7</b>	<b>\$ 203.2</b>	<b>\$ 191.9</b>	<b>\$ 178.2</b>	<b>\$ 169.6</b>	<b>\$ 153.1</b>

- (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)

<i>\$ in billions</i>	Three months ended March 31,		Six months ended March 31,	
	2022	2021	2022	2021
<b>Financial assets under management at beginning of period</b>	\$ 213.9	\$ 178.8	\$ 202.2	\$ 161.7
Carillon Tower Advisers - net inflows/(outflows)	(0.8)	1.4	(1.2)	1.1
AMS - net inflows	3.5	3.6	7.0	5.3
Net market appreciation/(depreciation) in asset values	(12.5)	4.0	(3.9)	19.7
<b>Financial assets under management at end of period</b>	<b>\$ 204.1</b>	<b>\$ 187.8</b>	<b>\$ 204.1</b>	<b>\$ 187.8</b>

#### 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.

# RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES

## Management's Discussion and Analysis

### 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.

<i>\$ in billions</i>	March 31, 2022	Average fee rate
Equity	\$ 27.1	0.56 %
Fixed income	29.2	0.18 %
Balanced	7.7	0.33 %
<b>Total financial assets under management</b>	<b>\$ 64.0</b>	<b>0.36 %</b>

### 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").

<i>\$ in billions</i>	March 31, 2022	December 31, 2021	September 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
Total assets	\$ 379.7	\$ 392.4	\$ 365.3	\$ 334.2	\$ 313.5	\$ 280.6

The decrease in assets as of March 31, 2022 compared to December 31, 2021 was largely due to a decline in equity markets during the quarter. 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).

<i>\$ in billions</i>	March 31, 2022	December 31, 2021	September 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
Total assets	\$ 8.4	\$ 8.8	\$ 8.1	\$ 7.8	\$ 7.6	\$ 7.1

### Quarter ended March 31, 2022 compared with the quarter ended March 31, 2021

Net revenues of \$234 million increased \$25 million, or 12%, and pre-tax income of \$103 million increased \$16 million, or 18%.

Asset management and related administrative fees increased \$25 million, or 12%, driven by higher average financial assets under management and a higher beginning balance of assets in non-discretionary asset-based programs. The increase in average financial assets under management resulted from both equity market appreciation since the prior-year quarter 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. We expect the declines in financial assets under management and assets in non-discretionary asset-based programs compared with December 31, 2021 to negatively affect our fiscal third quarter net revenues as the majority of our asset management and related administrative fees are billed based on balances as of the beginning of the quarter.

Compensation expenses decreased \$3 million, or 6%, and non-compensation expenses increased \$12 million, or 17%. The increase in non-compensation expenses was primarily due to higher investment sub-advisory fees, which resulted from the increase in AUM in sub-advised programs.

### Six months ended March 31, 2022 compared with the six months ended March 31, 2021

Net revenues of \$470 million increased \$66 million, or 16%, and pre-tax income of \$210 million increased \$40 million, or 24%.

Asset management and related administrative fees increased \$64 million, or 16%, driven by higher average financial assets under management and higher assets in non-discretionary asset-based programs at the beginning of each of the current-year quarterly billing periods compared with the prior-year quarterly billing periods.

# RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES

## Management's Discussion and Analysis

Compensation expenses decreased \$2 million, or 2%. Non-compensation expenses increased \$28 million, or 20%, largely due to higher investment sub-advisory fees, resulting from the increase in AUM in sub-advised programs.

### 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

<i>\$ in millions</i>	Three months ended March 31,			Six months ended March 31,		
	2022	2021	% change	2022	2021	% change
<b>Revenues:</b>						
Interest income	\$ 199	\$ 165	21 %	\$ 386	\$ 333	16 %
Interest expense	(10)	(10)	— %	(20)	(21)	(5)%
<b>Net interest income</b>	<b>189</b>	<b>155</b>	<b>22 %</b>	<b>366</b>	<b>312</b>	<b>17 %</b>
All other	8	5	60 %	14	15	(7)%
<b>Net revenues</b>	<b>197</b>	<b>160</b>	<b>23 %</b>	<b>380</b>	<b>327</b>	<b>16 %</b>
<b>Non-interest expenses:</b>						
Compensation and benefits	14	13	8 %	27	25	8 %
Non-compensation expenses:						
Bank loan provision/(benefit) for credit losses	21	(32)	NM	10	(18)	NM
RJBDP fees to PCG	49	44	11 %	99	87	14 %
All other	30	24	25 %	59	51	16 %
Total non-compensation expenses	100	36	178 %	168	120	40 %
<b>Total non-interest expenses</b>	<b>114</b>	<b>49</b>	<b>133 %</b>	<b>195</b>	<b>145</b>	<b>34 %</b>
<b>Pre-tax income</b>	<b>\$ 83</b>	<b>\$ 111</b>	<b>(25)%</b>	<b>\$ 185</b>	<b>\$ 182</b>	<b>2 %</b>

#### Quarter ended March 31, 2022 compared with the quarter ended March 31, 2021

Net revenues of \$197 million increased \$37 million, or 23%, while pre-tax income of \$83 million decreased \$28 million, or 25%.

Net interest income increased \$34 million, or 22%, largely due to higher average interest-earning assets. The increase in average interest-earning assets was primarily driven by growth in securities-based loans and residential mortgage loans to PCG clients, as well as increases in average corporate loans and available-for-sale securities. The net interest margin increased to 2.01% from 1.94% for the prior-year quarter, primarily due to growth in higher-yielding assets. We anticipate that the net interest margin for our fiscal third quarter of 2022 will be positively impacted by the Fed’s short-term interest rate increases enacted in both March and May of 2022. In addition, given that a significant portion of our interest-earning assets are sensitive to changes in market interest rates, we expect our net interest earnings to also be favorably impacted by any additional increases in short-term interest rates that may occur over the remainder of our fiscal 2022.

The bank loan provision for credit losses was \$21 million for the current quarter, compared with a benefit for credit losses of \$32 million for the prior-year quarter. The current quarter provision was largely attributable to loan growth. The prior-year quarter benefit primarily reflected favorable changes in macroeconomic inputs to our model during the quarter.

RJBDP fees to PCG increased \$5 million, or 11%, due to an increase in the number of accounts swept to Raymond James Bank as part of the RJBDP. These fees eliminate in consolidation.

# RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES

## Management's Discussion and Analysis

### Six months ended March 31, 2022 compared with the six months ended March 31, 2021

Net revenues of \$380 million increased \$53 million, or 16%, and pre-tax income of \$185 million increased \$3 million, or 2%.

Net interest income increased \$54 million, or 17%, 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 mortgage loans to PCG clients, as well as higher average corporate loans and available-for-sale securities. The net interest margin decreased to 1.97% from 1.98% for the prior-year period, primarily due to lower average 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.

The bank loan provision for credit losses was \$10 million for the current-year period, compared with a benefit for credit losses of \$18 million for the prior-year period. The current-year period provision primarily reflected the impact of loan growth. The prior year benefit was largely attributable to favorable changes in inputs to our model, reflecting improvements in certain forecasted macroeconomic inputs.

RJBDP fees to PCG increased \$12 million, or 14%, 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

\$ in millions	Three months ended March 31,			Six months ended March 31,		
	2022	2021	% change	2022	2021	% change
<b>Revenues:</b>						
Interest income	\$ 3	\$ 3	— %	\$ 4	\$ 6	(33)%
Gains/(losses) on private equity investments	(2)	8	NM	3	32	(91)%
All other	5	2	150 %	7	3	133 %
<b>Total revenues</b>	<b>6</b>	<b>13</b>	<b>(54)%</b>	<b>14</b>	<b>41</b>	<b>(66)%</b>
Interest expense	(24)	(25)	(4)%	(47)	(49)	(4)%
<b>Net revenues</b>	<b>(18)</b>	<b>(12)</b>	<b>(50)%</b>	<b>(33)</b>	<b>(8)</b>	<b>(313)%</b>
<b>Non-interest expenses:</b>						
Compensation and all other	24	36	(33)%	54	62	(13)%
Acquisition-related expenses	11	—	NM	13	2	550 %
<b>Total non-interest expenses</b>	<b>35</b>	<b>36</b>	<b>(3)%</b>	<b>67</b>	<b>64</b>	<b>5 %</b>
<b>Pre-tax loss</b>	<b>(53)</b>	<b>(48)</b>	<b>(10)%</b>	<b>(100)</b>	<b>(72)</b>	<b>(39)%</b>

### Quarter ended March 31, 2022 compared with the quarter ended March 31, 2021

The pre-tax loss of \$53 million was \$5 million larger than the loss in the prior-year quarter.

Net revenues decreased \$6 million, as the current quarter included a net \$2 million of losses related to our private equity investments compared with \$8 million of gains in the prior-year quarter.

Non-interest expenses decreased \$1 million, primarily due to a decrease in compensation expense and lower amounts attributable to noncontrolling interests due to private equity losses in the current quarter compared with gains in the prior-year quarter. Offsetting these declines were \$11 million of acquisition-related expenses in the current quarter, which primarily included professional expenses and other costs incurred to effect our acquisition of Charles Stanley, which was completed in January 2022, and our announced acquisitions of TriState Capital and SumRidge Partners.

## RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES

### Management's Discussion and Analysis

#### Six months ended March 31, 2022 compared with the six months ended March 31, 2021

The pre-tax loss of \$100 million was \$28 million larger than the loss in the prior-year period.

Net revenues decreased \$25 million, primarily due to lower private equity gains compared with the prior-year period. The current-year period included \$3 million of private equity valuation gains, of which an insignificant amount was attributable to noncontrolling interests, compared with \$32 million of private equity valuation gains for the prior-year period, of which \$10 million were attributable to noncontrolling interests and were offset within other expenses.

Non-interest expenses increased \$3 million, or 5%, primarily due to an increase in acquisition-related expenses, partially offset by lower private equity gains attributable to noncontrolling interests. The \$13 million of acquisition-related expenses in the current-year period primarily included the aforementioned expenses associated with our acquisition of Charles Stanley, as well as our announced acquisitions of TriState Capital and SumRidge Partners.

#### 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 March 31,		Six months ended March 31,	
	2022	2021	2022	2021
Return on assets	1.8%	2.6%	2.3%	2.5%
Return on equity	15.0%	19.0%	18.1%	18.1%
Average equity to average assets	12.2%	13.6%	12.5%	14.0%
Dividend payout ratio	22.4%	15.5%	18.8%	16.5%

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

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

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 \$73.10 billion as of March 31, 2022 were \$11.21 billion, or 18%, greater than our total assets as of September 30, 2021. The increase in assets was primarily due to an \$8.18 billion increase in assets segregated for regulatory purposes and restricted cash, primarily due to a significant increase in client cash balances and the addition of \$2.34 billion of segregated cash balances resulting from the Charles Stanley acquisition. The acquisition of Charles Stanley also contributed to the \$338 million increase in brokerage client receivables and drove the \$228 million increase in goodwill and identifiable intangible assets compared with September 30, 2021 (see Note 3 for further information). Bank loans, net increased by \$2.89 billion, primarily due to an increase in securities-based loans and residential mortgage loans to PCG clients, as well as an increase in corporate loans. Available-for-sale securities increased \$500 million. Partially offsetting these increases was a decrease in cash and cash equivalents of \$1.49 billion.

As of March 31, 2022, our total liabilities of \$64.49 billion were \$10.90 billion, or 20%, 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 March 31, 2022, which resulted in a \$8.71 billion increase in brokerage client payables, primarily due to an increase in client cash held in our CIP, and a \$2.19 billion increase in bank deposits resulting from higher RJBDP balances held at Raymond James Bank. The increase in brokerage client payables also reflected an incremental \$2.60 billion of client payables resulting from the Charles Stanley acquisition.

**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

## RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES

### Management's Discussion and Analysis

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) decreased \$1.49 billion to \$5.72 billion during the six months ended March 31, 2022, primarily due to the purchase of U.S. Treasuries, which were largely segregated for regulatory purposes as of March 31, 2022, as well as investments in bank loans and available-for-sale securities. In addition, on January 21, 2022, we completed our acquisition of Charles Stanley for £277 million (\$376 million as of January 21, 2022). Offsetting these cash outflows was the impact of positive net income during the period, as well as a significant increase in client cash balances which increased our brokerage client payables and bank deposits.

#### Sources of liquidity

Approximately \$2.23 billion of our total March 31, 2022 cash and cash equivalents included cash held at the parent company, which included cash loaned to RJ&A. These amounts include the impact of significant dividends from RJ&A during the three months ended March 31, 2022, as well as dividends from RJF's other subsidiaries. As of March 31, 2022, RJF had loaned \$1.67 billion 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.

<i>\$ in millions</i>	<b>March 31, 2022</b>
RJF	\$ 579
RJ&A	2,507
Raymond James Bank	869
Raymond James Ltd. ("RJ Ltd.")	974
Charles Stanley Group Limited	130
Raymond James Financial Services, Inc.	118
Carillon Tower Advisers	71
Other subsidiaries	467
<b>Total cash and cash equivalents</b>	<b>\$ 5,715</b>

RJF maintained depository accounts at Raymond James Bank with a balance of \$255 million as of March 31, 2022. The portion of this total that was available on demand without restrictions, which amounted to \$178 million as of March 31, 2022, is reflected in the RJF cash balance and excluded from the Raymond James Bank cash balance in the preceding table.

A large portion of the RJ Ltd. cash and cash equivalents balance as of March 31, 2022 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.

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### 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 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 March 31, 2022, 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 despite significant dividends to RJF during our fiscal second quarter of 2022. 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.

<i>\$ in millions</i>	March 31, 2022			Total number of arrangements
	RJ&A	RJF	Total	
<b>Financing arrangement:</b>				
Committed secured	\$ 100	\$ —	\$ 100	1
Committed unsecured	200	300	500	1
<b>Total committed financing arrangements</b>	<b>\$ 300</b>	<b>\$ 300</b>	<b>\$ 600</b>	<b>2</b>
<b>Outstanding borrowing amount:</b>				
Committed secured	\$ —	\$ —	\$ —	
Committed unsecured	—	—	—	
<b>Total outstanding borrowing amount</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	

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. The variable rate facility fee on our Credit Facility, which is applied to the committed amount, decreased to 0.150% per annum as of March 31, 2022 from 0.175% per annum as of September 30, 2021, as a result of Moody's Investor Services ("Moody's") upgrade of our credit ratings in February 2022. For additional details on our issuer and senior long-term debt ratings see our credit ratings table within this section below. 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 March 31, 2022, we had outstanding borrowings under two uncommitted secured borrowing arrangements out of a total of 12 uncommitted financing arrangements (eight 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.

<i>\$ in millions</i>	<b>March 31, 2022</b>
<b>Outstanding borrowing amount:</b>	
Uncommitted secured	<b>\$ 140</b>
Uncommitted unsecured	—
<b>Total outstanding borrowing amount</b>	<b>\$ 140</b>

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.

<b>For the quarter ended:</b> <i>(\$ in millions)</i>	<b>Repurchase transactions</b>			<b>Reverse repurchase transactions</b>		
	<b>Average daily balance outstanding</b>	<b>Maximum month-end balance outstanding during the quarter</b>	<b>End of period balance outstanding</b>	<b>Average daily balance outstanding</b>	<b>Maximum month-end balance outstanding during the quarter</b>	<b>End of period balance outstanding</b>
<b>March 31, 2022</b>	\$ 271	\$ 334	\$ 140	\$ 211	\$ 304	\$ 221
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

***Other borrowings and collateralized financings***

We had \$850 million in FHLB borrowings outstanding at March 31, 2022, 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 \$3.58 billion in immediate credit available from the FHLB as of March 31, 2022 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 \$285 million as of March 31, 2022 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 March 31, 2022, 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.

<b>Rating Agency</b>	<b>Rating</b>	<b>Outlook</b>
Fitch Ratings, Inc.	A-	Stable
Moody’s <sup>(1)</sup>	A3	Stable
Standard & Poor’s Ratings Services <sup>(2)</sup>	BBB+	Positive

<sup>(1)</sup> In February 2022, Moody’s upgraded our senior debt and issuer credit rating to A3 from Baa1, which had a favorable impact on the interest rate and facility fee associated with our Credit Facility.

<sup>(2)</sup> In March 2022, Standard & Poor’s Rating Services revised their outlook to positive and affirmed our BBB+ issuer credit rating.

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 \$859 million as of March 31, 2022, comprised of \$538 million related to employee-directed plans and \$321 million related to company-directed plans, and we were able to borrow up to 90%, or \$773 million, of the March 31, 2022 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 March 31, 2022.

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 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

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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 shares of preferred stock of RJF. As of April 30, 2022, we had received approval to complete the transaction from the Board of Governors of the Federal Reserve System, the Pennsylvania Department of Banking and Securities, and FINRA, and TriState Capital received approval to complete the transaction from its shareholders. Subject to additional applicable closing conditions, we currently expect the transaction to close in our fiscal third quarter of 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.

On March 28, 2022, we announced we had reached an agreement to acquire SumRidge Partners, a technology-driven fixed income market maker specializing in investment-grade and high-yield corporate bonds, municipal bonds and institutional preferred securities. The transaction, which is subject to certain regulatory and other closing conditions, is currently expected to close in our fiscal fourth quarter of 2022. The acquisition of SumRidge Partners will add an institutional market-making operation, as well as additional trading technologies and risk management tools to our existing fixed income operations. We currently have the ability to utilize our cash on hand to fund 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 13 and 14 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 16 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 March 31, 2022, 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 March 31, 2022. 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 21 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 16 of the Notes to Condensed Consolidated Financial Statements of this Form 10-Q for information regarding legal and regulatory matter contingencies as of March 31, 2022.

***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 March 31, 2022.

**RECENT ACCOUNTING DEVELOPMENTS**

In March 2022, the Financial Accounting Standards Board issued new guidance related to troubled debt restructurings and disclosures regarding write-offs of financing receivables (ASU 2022-02), amending guidance related to the measurement of credit losses on financial instruments (ASU 2016-13). The amendment eliminates the accounting guidance for troubled debt restructurings for creditors, but requires enhanced disclosures for certain loan refinancings and restructurings by creditors when a borrower is experiencing financial difficulty, and requires disclosure of current-period gross write-offs by year of origination for financing receivables. This new guidance is effective for our fiscal year beginning on October 1, 2023 and will be applied on a prospective basis. Although permitted, we do not currently plan to early adopt. We do not expect the adoption of this new guidance to have a material impact on our financial position and results of operations.

**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, trade debt obligations and equity securities and maintain trading 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 primarily 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.

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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***

##### Trading activities

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 inventory 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.

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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.

\$ in millions	Six months ended March 31, 2022		Period-end VaR		\$ in millions	Three months ended March 31,		Six months ended March 31,	
	High	Low	March 31, 2022	September 30, 2021		2022	2021	2022	2021
Daily VaR	\$ 2	\$ 1	\$ 1	\$ 1	Average daily VaR	\$ 1	\$ 6	\$ 1	\$ 6

Average daily VaR was lower during the three and six months ended March 31, 2022 compared with the three and six months ended March 31, 2021 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 period.

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 and six months ended March 31, 2022, our regulatory-defined daily loss in our trading portfolios exceeded our predicted VaR on five occasions as a result of heightened market volatility during our fiscal second quarter.

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 securities held in the available-for-sale securities portfolio (primarily MBS and CMOs), 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.

## RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES

### Management's Discussion and Analysis

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 ( <i>\$ in millions</i> )	Projected change in net interest income
+200	\$1,277	25%
+100	\$1,228	20%
0	\$1,021	—%
-50	\$901	(12)%

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 March 31, 2022, 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.

<i>\$ in millions</i>	Due in			Total
	One year or less	> One year – five years	> Five years	
C&I loans	\$ 415	\$ 5,849	\$ 2,803	\$ 9,067
CRE loans	641	2,396	284	3,321
REIT loans	160	1,248	—	1,408
Tax-exempt loans	4	137	1,146	1,287
Residential mortgage loans	—	11	5,934	5,945
SBL and other	6,852	47	5	6,904
<b>Total loans held for investment</b>	<b>8,072</b>	<b>9,688</b>	<b>10,172</b>	<b>27,932</b>
Held for sale loans	—	—	279	279
<b>Total loans</b>	<b>\$ 8,072</b>	<b>\$ 9,688</b>	<b>\$ 10,451</b>	<b>\$ 28,211</b>

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 March 31, 2022.

<i>\$ in millions</i>	Interest rate type		
	Fixed	Adjustable	Total
C&I loans	\$ 357	\$ 8,295	\$ 8,652
CRE loans	164	2,516	2,680
REIT loans	—	1,248	1,248
Tax-exempt loans	1,283	—	1,283
Residential mortgage loans	211	5,734	5,945
SBL and other	—	52	52
<b>Total loans held for investment</b>	<b>2,015</b>	<b>17,845</b>	<b>19,860</b>
Held for sale loans	1	278	279
<b>Total loans</b>	<b>\$ 2,016</b>	<b>\$ 18,123</b>	<b>\$ 20,139</b>

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 March 31, 2022, our available-for-sale securities portfolio had a fair value of \$8.82 billion with a weighted-average yield of 1.30% 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.

## RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES

### *Management's Discussion and Analysis*

#### ***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 primarily comprised of investments in third-party funds. 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 \$1.38 billion and \$1.29 billion at March 31, 2022 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.

#### **Investments in foreign subsidiaries**

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.

At March 31, 2022, we had foreign exchange risk in our investment in RJ Ltd. of CAD 372 million and in our investment in Charles Stanley of £278 million, which were not hedged. All of our other investments in subsidiaries located in Europe 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 March 31, 2022. Foreign exchange gains/losses related to our foreign investments are primarily reflected in OCI on our Condensed Consolidated Statements of Income and Comprehensive Income. See Note 17 of the Notes to Condensed Consolidated Financial Statements of this Form 10-Q for further information regarding our components of OCI.

#### **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.

## RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES

### *Management's Discussion and Analysis*

#### ***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, derivative 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 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. 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.

# RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES

## Management's Discussion and Analysis

Our allowance for credit losses as a percentage of total bank loans held for investment was 1.17% and 1.27% at March 31, 2022 and September 30, 2021, respectively. The bank loan provision for credit losses for the three and six months ended March 31, 2022 was \$21 million and \$10 million, respectively, compared to a benefit for credit losses of \$32 million and \$18 million for the three and six months ended March 31, 2021, respectively. See further explanation of the credit loss provision 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.

<i>\$ in millions</i>	Three months ended March 31,				Six months ended March 31,			
	2022		2021		2022		2021	
	Net loan (charge-off)/recovery amount	% of avg. outstanding loans	Net loan (charge-off)/recovery amount	% of avg. outstanding loans	Net loan (charge-off)/recovery amount	% of avg. outstanding loans	Net loan (charge-off)/recovery amount	% of avg. outstanding loans
C&I loans	\$ (1)	0.05 %	\$ (2)	0.11 %	\$ (3)	0.07 %	\$ (2)	0.05 %
Residential mortgage loans	—	— %	—	— %	1	0.04 %	—	— %
<b>Total</b>	<b>\$ (1)</b>	<b>0.01 %</b>	<b>\$ (2)</b>	<b>0.04 %</b>	<b>\$ (2)</b>	<b>0.02 %</b>	<b>\$ (2)</b>	<b>0.02 %</b>

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.

<i>\$ in millions</i>	March 31, 2022		September 30, 2021	
	Nonperforming loan balance	Allowance for credit losses balance	Nonperforming loan balance	Allowance for credit losses balance
C&I loans	\$ 57	\$ 195	\$ 39	\$ 191
CRE loans	31	71	20	66
REIT loans	—	25	—	22
Tax-exempt loans	—	2	—	2
Residential mortgage loans	16	32	15	35
SBL and other	—	3	—	4
<b>Total nonperforming loans held for investment <sup>(1)</sup></b>	<b>\$ 104</b>	<b>\$ 328</b>	<b>\$ 74</b>	<b>\$ 320</b>
Total nonperforming loans as a % of total bank loans	0.37 %		0.29 %	

<sup>(1)</sup> Total nonperforming loans held for investment at March 31, 2022 and September 30, 2021 included \$92 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 \$7 million and \$8 million as of March 31, 2022 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, when applicable, other real estate acquired in the settlement of residential mortgages, as a percentage of Raymond James Bank's total assets.

<i>\$ in millions</i>	March 31, 2022	September 30, 2021
Total nonperforming assets	\$ 104	\$ 74
Total nonperforming assets as a % of Raymond James Bank's total assets	0.27 %	0.20 %

Although our nonperforming assets as a percentage of Raymond James Bank's assets remained low as of March 31, 2022, any prolonged period of 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.

## RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES

### Management's Discussion and Analysis

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. The expiration of these provisions on January 1, 2022, did not have a significant impact on our results of operations or our credit metrics, including delinquencies or nonaccrual loans.

### 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.

### 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, 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.

### 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.

<i>\$ in millions</i>	Amount of delinquent residential loans			Delinquent residential loans as a percentage of outstanding residential mortgage loan balances		
	30-89 days	90 days or more	Total	30-89 days	90 days or more	Total
March 31, 2022	\$ 1	\$ 8	\$ 9	0.02 %	0.13 %	0.15 %
September 30, 2021	\$ 4	\$ 6	\$ 10	0.08 %	0.11 %	0.19 %

Our March 31, 2022 percentage compares favorably to the national average for over 30 day delinquencies of 2.57%, 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.

	March 31, 2022	
	Loans outstanding as a % of total residential mortgage loans	Loans outstanding as a % of total bank loans
CA	26.4%	5.6%
FL	17.2%	3.6%
TX	8.7%	1.8%
NY	8.3%	1.8%
CO	3.9%	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 March 31, 2022 and September 30, 2021, these loans totaled \$2.23 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 March 31, 2022, begins amortizing is seven years.

# RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES

## Management's Discussion and Analysis

### 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.

March 31, 2022		
	Loans outstanding as a % of total corporate bank loans	Loans outstanding as a % of total bank loans
Multi-family	6.4%	3.2%
Office real estate	6.3%	3.1%
Automotive/transportation	6.3%	3.1%
Consumer products and services	6.1%	3.0%
Industrial warehouse	5.7%	2.8%

While the impacts of the COVID-19 pandemic appear to be waning, certain sectors continue to be impacted by supply chain disruptions and changes in consumer behavior. In addition, the Ukraine conflict has further exacerbated supply chain stresses and inflation concerns. These and related factors could negatively impact our borrowers, particularly those in consumer-facing or supply-dependent industries. In addition, we continue to monitor our exposure to office real estate where trends have changed as a result of the COVID-19 pandemic.

### **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. Throughout the COVID-19 pandemic and in developing our plans to return to the office, 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. During the fiscal second quarter of 2022, we implemented our return to office strategy, which included more work location flexibility for our associates. We continue to monitor conditions and comply with all applicable laws, regulations, and Centers for Disease Control and Prevention guidelines, as applicable.

Periods of severe market volatility can result in a significantly higher level of transactions on specific days, 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 six months ended March 31, 2022.

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.

# RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES

## Management's Discussion and Analysis

### **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 and six months ended March 31, 2022 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 six months ended March 31, 2022.

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 six months ended March 31, 2022.

	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
<b>First quarter</b>	<b>96,274</b>	<b>\$ 98.76</b>	<b>—</b>	
January 1, 2022 – January 31, 2022	787	\$ 109.57	—	\$1,000
February 1, 2022 – February 28, 2022	3,391	\$ 109.67	—	\$1,000
March 1, 2022 – March 31, 2022	—	\$ —	—	\$1,000
<b>Second quarter</b>	<b>4,178</b>	<b>\$ 109.65</b>	<b>—</b>	
<b>Fiscal year-to-date total</b>	<b>100,452</b>	<b>\$ 99.22</b>	<b>—</b>	

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.

**RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES**

**ITEM 6. EXHIBITS**

<b>Exhibit Number</b>	<b>Description</b>
2.1	<a href="#">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.</a>
3.1	<a href="#">Amended and Restated Articles of Incorporation of Raymond James Financial, Inc. as filed with the Secretary of State of Florida on February 28, 2022.</a>
3.2	<a href="#">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.</a>
31.1	<a href="#">Certification of Paul C. Reilly pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
31.2	<a href="#">Certification of Paul M. Shoukry pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
32	<a href="#">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.</a>
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: May 9, 2022

/s/ Paul C. Reilly

Paul C. Reilly  
Chair and Chief Executive Officer

Date: May 9, 2022

/s/ Paul M. Shoukry

Paul M. Shoukry  
Chief Financial Officer and Treasurer

**AMENDED AND RESTATED ARTICLES OF INCORPORATION  
OF  
RAYMOND JAMES FINANCIAL, INC.**

ARTICLE I

Name

The name of this corporation shall be: RAYMOND JAMES FINANCIAL, INC.

ARTICLE II

Term of Existence

The duration of this corporation is to be perpetual.

ARTICLE III

General Purpose

The general purpose for which this corporation is organized is the transaction of any and all lawful business for which corporations may be incorporated under the Florida Business Corporation Act, and any amendments thereto (the "FBCA"), and in connection therewith, this corporation shall have and may exercise any and all powers conferred from time to time by law upon corporations formed under the FBCA.

ARTICLE IV

Capital Stock

(A) Authorized Shares. The aggregate number of shares of stock which this corporation shall have authority to issue shall be six hundred sixty million (660,000,000), of which six hundred fifty million (650,000,000) shares shall be shares of common stock, each with a par value of one cent (\$.01) ("Common Stock") and ten million (10,000,000) shares shall be shares of preferred stock, each with a par value of ten cents (\$.10) ("Preferred Stock").

(B) Provisions Relating to Shares. The designation, relative rights, preferences and liabilities of each class of stock, itemized by class, shall be as follows:

(1) Provisions Relating to Shares of Common Stock.

(a) Each share of Common Stock shall have one vote, and, except as provided by resolution or resolutions adopted by the board of directors providing for the issue of any series of Preferred Stock, the exclusive voting power for all purposes shall be vested in the holders of the Common Stock.

(b) No holder of shares of Common Stock as such shall have any preemptive right to subscribe to or acquire (i) unissued or treasury shares of this corporation of any class, (ii) securities of this corporation convertible into or

carrying a right to acquire or subscribe to shares of any class or (iii) any other obligations, warrants, rights to subscribe to shares or other securities of this corporation of any class, in each case whether now or hereafter authorized.

(c) Subject to the provisions of law and to the provisions of any Preferred Stock that may be outstanding from time to time, dividends may be paid on the shares of Common Stock at such times and in such amounts as the board of directors may deem advisable.

(d) Subject to the provisions of any Preferred Stock that may be outstanding from time to time, in the event of any liquidation, dissolution or winding up of this corporation, whether voluntary or involuntary, the holders of Common Stock shall be entitled, after payment or provision for payment of the debts and other liabilities of this corporation and the amounts to which holders of Preferred Stock shall be entitled, to the remaining net assets of this corporation.

## (2) Provisions Relating to Shares of Preferred Stock.

(a) The shares of Preferred Stock may be issued from time to time in one or more series, each such series to have such designations, preferences, limitations and special rights as are stated and expressed herein and in the resolution or resolutions providing for the issue of such series adopted by the board of directors as hereinafter provided.

(b) Authority is hereby expressly granted to the board of directors, subject to the provisions of this Article IV, to divide the Preferred Stock into one or more series and with respect to each series to fix and determine by resolution or resolutions providing for the issue of such series:

(i) The number of shares to constitute such series and the distinctive designation thereof;

(ii) The dividend rate or rates to which shares of such series shall be entitled and the restrictions, limitations and conditions upon the payment of such dividends, the date or dates from which dividends shall accumulate and the quarterly dates on which dividends, if declared, shall be payable;

(iii) Whether or not the shares of such series shall be redeemable, the limitations and restrictions with respect to such redemptions, the manner of selecting shares of such series for redemption if less than all shares are to be redeemed, and the amount, if any, in addition to any accrued dividends thereon which the holder of shares of such series shall be entitled to receive upon the redemption thereof, which amount may vary at different redemption dates and may be different with respect to shares redeemed through the operation of any retirement or sinking fund and with respect to shares otherwise redeemed;

(iv) The amount in addition to any accrued dividends thereon which the holders of shares of such series shall be entitled to receive upon the voluntary or involuntary liquidation, dissolution or winding up of this corporation, which amount may vary depending on whether such liquidation, dissolution or winding up is voluntary or involuntary and, if voluntary, may vary at different dates (the amount so payable upon such

involuntary liquidation, dissolution or winding up, exclusive of accrued dividends, being hereinafter sometimes called the “involuntary liquidation value”);

(v) Whether or not the shares of such series shall be subject to the operation of a purchase, retirement or sinking fund, and, if so, whether such purchase, retirement or sinking fund shall be cumulative or noncumulative, the extent to and the manner in which such fund shall be applied to the purchase or redemption of the shares of such series for retirement or to other corporate purposes and the terms and provisions relative to the operation thereof;

(vi) Whether or not the shares of such series shall be convertible into, or exchangeable for, shares of any other class or classes, or of any other series of the same class and, if so convertible or exchangeable, the price or prices or the rate or rates of conversion or exchange and the method, if any, of adjusting the same;

(vii) The voting powers, if any, of such series; and

(viii) Any other preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof as shall not be inconsistent with this Section (2).

(c) All shares of any one series of Preferred Stock shall be identical with each other in all respects, except that shares of any one series issued at different times may differ as to the dates from which dividends thereon shall be cumulative; and all series of Preferred Stock shall rank equally and be identical in all respects, except as permitted by the foregoing provisions of Section (B)(2)(b) of this Article IV.

(d) Unless otherwise specifically provided in the terms of the Preferred Stock, the holders of any class of Preferred Stock of this corporation shall have no preemptive right to subscribe to or acquire (i) unissued or treasury shares of this corporation of any class, (ii) securities of this corporation convertible into or carrying a right to acquire or subscribe to shares of any class, or (iii) any other obligations, warrants, rights to subscribe to shares or other securities of this corporation of any class, in each case whether now or hereafter authorized.

### (3) Provisions Relating to All Classes of Shares.

The Preferred Stock and Common Stock may be issued by this corporation from time to time for such consideration as may be determined from time to time by the board of directors subject to, and in accordance with the full discretion conferred upon the board of directors by, the FBCA. Any and all shares for which the consideration so determined shall have been paid or delivered shall be deemed fully paid shares and shall not be liable for any further call or assessment thereon; and the holders of such shares shall not be liable for any further payments in respect of such shares.

(C) Treasury Stock. The board of directors of this corporation shall have the authority to acquire by purchase and hold from time to time any shares of its issued and outstanding capital stock for such consideration and upon such terms and conditions as the board of directors in its discretion shall deem proper and reasonable in the interests of this corporation.

## ARTICLE V

### Vote to Effect Business Combination

The affirmative vote of two-thirds (2/3) of all the shares outstanding and entitled to vote shall be required to approve any of the following:

- (A) any merger or consolidation of the corporation with or into any other corporation;
- (B) any share exchange in which a corporation, person, or entity acquires the issued or outstanding shares of stock of this corporation pursuant to a vote of stockholders;
- (C) any sale, lease, exchange or other transfer of all, or substantially all, of the assets of this corporation to any other corporation, person or entity;
- (D) any transaction similar to, or having a similar effect as, any of the foregoing transactions.

Such affirmative vote shall be in lieu of the vote of stockholders otherwise required by law.

## ARTICLE VI

### Directors

- (A) Number

The business of this corporation shall be managed by or under the direction of a board of directors. The exact number of directors shall be fixed from time to time as provided in the by-laws of this corporation. No decrease in the number of directors shall have the effect of shortening the term of any incumbent director.

- (B) Interested Directors

No contract or other transaction between this corporation and any other corporation, whether or not a majority of the shares of the capital stock of such other corporation is owned by this corporation, and no act of this corporation, shall in any way be affected or invalidated by the fact that any of the directors of this corporation are pecuniarily or otherwise interested in, or are directors or officers of, such other corporation. Any director individually, or any firm of which such director may be a member, may be a party to, or may be pecuniarily or otherwise interested in, any contract or transaction of this corporation, provided that the fact that he or such firm is so interested shall be disclosed or shall have been known to the board of directors, or a majority thereof. Any director of this corporation who is also a director or officer of such other corporation, or who is so interested, may be counted in determining the existence of a quorum at any meeting of the board of directors of this corporation that shall authorize such contract or transaction, and may vote thereat to authorize such contract or transaction, with like force and effect as if he were not such director or officer of such other corporation or not so interested.

- (C) Authority to Make Long-Term Employment Contracts

The board of directors may authorize this corporation to enter into employment contracts with any executive officer for periods longer than one year, and any charter or by-law provision

for annual election shall be without prejudice to the contract rights, if any, of any executive officer under such contract.

(D) Reliance on Corporation Books

Each officer, director, or member of any committee designated by the board of directors shall, in the performance of his duties, be fully protected in relying in good faith upon the books of account or reports made to this corporation by any of its officials or by an independent public accountant or by an appraiser selected with reasonable care by the board of directors or by any such committee, or in relying in good faith upon other records of this corporation.

ARTICLE VII

Amendment

This corporation reserves the right to amend, alter, change or repeal any provisions contained in these Amended and Restated Articles of Incorporation in the manner now or hereafter prescribed by statute, and all rights conferred upon the shareholders herein are subject to this reservation. Every amendment shall be approved by the board of directors, proposed by them to the shareholders, and approved at a shareholders' meeting by the affirmative vote of a majority of the stock entitled to vote thereon; provided, however, that the provisions set forth in Article V may not be altered, amended or repealed unless such alteration, amendment or repeal is approved by the affirmative vote of two-thirds (2/3) of all of the shares outstanding and entitled to vote.



**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: May 9, 2022

/s/ PAUL C. REILLY

Paul C. Reilly

Chair 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: May 9, 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 March 31, 2022 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

Chair and Chief Executive Officer

May 9, 2022

/s/ PAUL M. SHOUKRY

Paul M. Shoukry

Chief Financial Officer and Treasurer

May 9, 2022