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

FORM 10-Q

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

For the quarterly period ended May 31, 2026

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 1-05721

Jefferies Financial Group Inc.

(Exact name of registrant as specified in its charter)

New York	**13-2615557**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
520 Madison Avenue, New York, New York	**10022**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (212) 284-2300

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Voting Common Shares, par value $1 per share	JEF	New York Stock Exchange
4.850% Senior Notes Due 2027	JEF 27A	New York Stock Exchange
5.875% Senior Notes Due 2028	JEF 28	New York Stock Exchange
5.125% Senior Notes Due 2031	JEF 31	New York Stock Exchange
2.750% Senior Notes Due 2032	JEF 32A	New York Stock Exchange
6.200% Senior Notes Due 2034	JEF 34	New York Stock Exchange
5.500% Senior Notes Due 2036	JEF 36	New York Stock Exchange

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for 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, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of voting and non-voting common shares outstanding at June 30, 2026 were 193,742,690 and 36,809,581, respectively.

Jefferies Financial Group, Inc.

Index to Quarterly Report on Form 10-Q

May 31, 2026

PART I. FINANCIAL INFORMATION

	Page
Item 1. Financial Statements	**2**
Consolidated Statements of Financial Condition (Unaudited)	2
Consolidated Statements of Earnings (Unaudited)	3
Consolidated Statements of Comprehensive Income (Unaudited)	4
Consolidated Statements of Changes in Equity (Unaudited)	5
Consolidated Statements of Cash Flows (Unaudited)	6
Notes to Consolidated Financial Statements (Unaudited)	8
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	**47**
Item 3. Quantitative and Qualitative Disclosures About Market Risk	**69**
Item 4. Controls and Procedures	**69**

PART II. OTHER INFORMATION

Item 1. Legal Proceedings	**70**
Item 1A. Risk Factors	**70**
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	**70**
Item 5. Other Information	**70**
Item 6. Exhibits	**70**

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

Consolidated Statements of Financial Condition (Unaudited)

$ in thousands, except share and per share amounts		May 31, 2026		November 30, 2025
Assets				
Cash and cash equivalents	$	14,314,804	$	14,043,889
Cash and securities segregated and on deposit for regulatory purposes or deposited with clearing and depository organizations		1,135,859		917,697
Financial instruments owned, at fair value (includes securities pledged of $15,400,089 and $17,419,373)		28,038,115		27,722,739
Investments in and loans to related parties		1,555,117		1,496,125
Securities borrowed		9,729,918		8,295,161
Securities purchased under agreements to resell		9,407,203		8,449,107
Securities received as collateral, at fair value		310,813		200,495
Receivables:				
Brokers, dealers and clearing organizations		3,269,022		4,310,143
Customers		4,187,519		3,439,921
Fees, interest and other		848,830		806,324
Premises and equipment		1,190,750		1,246,470
Goodwill		1,725,481		1,837,570
Assets held for sale		295,156		—
Other assets (includes assets pledged of $717,897 and $627,259)		3,531,359		3,246,706
Total assets	**$**	**79,539,946**	**$**	**76,012,347**
Liabilities and Equity				
Short-term borrowings	$	1,603,482	$	1,767,206
Financial instruments sold, not yet purchased, at fair value		14,547,022		13,320,152
Securities loaned		3,104,614		2,540,759
Securities sold under agreements to repurchase		11,318,047		12,156,737
Other secured financings (includes $415,801 and $425,964 at fair value)		2,310,736		2,885,878
Obligation to return securities received as collateral, at fair value		310,813		200,495
Payables:				
Brokers, dealers and clearing organizations		6,385,622		6,955,100
Customers		7,122,654		5,216,714
Lease liabilities		550,928		594,097
Liabilities held for sale		299,760		—
Accrued expenses and other liabilities		3,337,495		3,836,709
Long-term debt (includes $3,860,273 and $3,734,843 at fair value)		18,040,982		15,895,891
Total liabilities		**68,932,155**		**65,369,738**
Mezzanine Equity				
Redeemable noncontrolling interests		406		406
Equity				
Series B preferred shares, par value of $1 per share, authorized 70,000 shares; 55,125 shares issued and outstanding		55		55
Voting common shares, par value $1 per share, authorized 552,264,500 and 565,000,000 shares; 194,145,489 and 206,296,167 shares issued and outstanding, after deducting 126,972,581 and 114,821,903 shares held in treasury		194,145		206,296
Non-voting common shares, par value $1 per share, authorized 47,735,500 and 35,000,000, shares; 9,247,081 and 0 shares issued and outstanding		9,247		—
Additional paid-in capital		1,915,162		2,177,954
Accumulated other comprehensive loss		(356,043)		(384,434)
Retained earnings		8,804,430		8,574,825
Total Jefferies Financial Group Inc. shareholders' equity		**10,566,996**		**10,574,696**
Noncontrolling interests		40,389		67,507
Total equity		**10,607,385**		**10,642,203**
Total liabilities and equity	**$**	**79,539,946**	**$**	**76,012,347**

See accompanying notes to consolidated financial statements.

Consolidated Statements of Earnings (Unaudited)

	Three Months Ended May 31,		Six Months Ended May 31,	
$ in thousands, except per share amounts	**2026**	**2025**	**2026**	**2025**
Revenues				
Investment banking	$ 1,209,625	$ 789,269	$ 2,227,909	$ 1,518,779
Principal transactions	488,666	338,507	976,164	745,737
Commissions and other fees	400,614	353,233	768,218	641,533
Asset management fees and revenues	9,788	20,076	77,150	105,484
Interest	853,962	878,025	1,667,081	1,723,196
Other	155,542	115,205	272,940	232,450
Total revenues	**3,118,197**	**2,494,315**	**5,989,462**	**4,967,179**
Interest expense	911,746	859,868	1,765,881	1,739,713
Net revenues	**2,206,451**	**1,634,447**	**4,223,581**	**3,227,466**
Non-interest expenses				
Compensation and benefits	1,188,245	854,839	2,274,135	1,695,966
Brokerage and clearing fees	147,446	129,745	280,578	239,181
Underwriting costs	26,858	14,525	58,241	32,371
Technology and communications	162,860	146,198	322,718	285,673
Occupancy and equipment rental	34,499	30,711	68,359	60,910
Business development	89,108	80,070	164,530	152,361
Professional services	98,707	77,768	175,651	150,234
Depreciation and amortization	47,328	52,253	104,193	83,241
Cost of sales	31,253	42,961	61,173	84,529
Other expenses	64,598	70,476	186,238	157,034
Total non-interest expenses	**1,890,902**	**1,499,546**	**3,695,816**	**2,941,500**
Earnings before income taxes	315,549	134,901	527,765	285,966
Income tax expense	65,571	43,506	118,441	57,722
Net earnings	**249,978**	**91,395**	**409,324**	**228,244**
Net losses attributable to noncontrolling interests	(5,440)	(7,668)	(21,298)	(14,651)
Preferred stock dividends	29,184	11,046	48,461	26,940
Net earnings attributable to common shareholders	**$ 226,234**	**$ 88,017**	**$ 382,161**	**$ 215,955**
Earnings per voting common share (1)				
Basic	$ 1.05	$ 0.41	$ 1.75	$ 1.01
Diluted	$ 1.02	$ 0.40	$ 1.70	$ 0.97
Basic weighted-average common shares outstanding	210,269	215,097	214,766	214,818
Diluted weighted-average common shares outstanding	216,744	221,897	221,947	222,383
Earnings per non-voting common share (1)				
Basic	$ 1.71	$ —	$ 3.04	$ —
Diluted	$ 1.13	$ —	$ 1.83	$ —
Basic weighted-average common shares outstanding	3,518	—	1,778	—
Diluted weighted-average common shares outstanding	31,081	—	29,341	—

(1) Although voting and non-voting common shares have identical dividend rates, basic and diluted earnings per common share differ due to the timing of share activity during the quarter. Refer to Note 16, Total Equity, for further discussion.

See accompanying notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income (Unaudited)

	Three Months Ended May 31,		Six Months Ended May 31,	
$ in thousands	**2026**	**2025**	**2026**	**2025**
Net earnings	**$ 249,978**	**$ 91,395**	**$ 409,324**	**$ 228,244**
Other comprehensive income (loss), net of tax:				
Currency translation adjustments and other (1)	(5,193)	46,769	3,986	31,447
Changes in fair value related to instrument-specific credit risk (2)	(36,481)	21,571	23,167	51,827
Cash flow hedges	(254)	—	(254)	—
Unrealized gains on available-for-sale-securities	908	37	1,492	162
Total other comprehensive income (loss), net of tax	**(41,020)**	**68,377**	**28,391**	**83,436**
Comprehensive income	208,958	159,772	437,715	311,680
Net losses attributable to noncontrolling interests	(5,440)	(7,668)	(21,298)	(14,651)
Preferred stock dividends	29,184	11,046	48,461	26,940
Comprehensive income attributable to common shareholders	**$ 185,214**	**$ 156,394**	**$ 410,552**	**$ 299,391**

(1) Includes income tax expense of $1.0 million and $5.5 million for the three and six months ended May 31, 2026, respectively, and income tax expense of $14.6 million and $10.1 million for the three and six months ended May 31, 2025, respectively.

(2) Includes income tax benefit of $11.2 million for the three months ended May 31, 2026 and income tax expense of $7.8 million for the six months ended May 31, 2026. Includes income tax expense of $7.9 million and $18.6 million for the three and six months ended May 31, 2025, respectively.

See accompanying notes to consolidated financial statements.

Consolidated Statements of Changes in Equity (Unaudited)

	Three Months Ended May 31,		Six Months Ended May 31,	
$ in thousands, except par value and per share amounts	**2026**	**2025**	**2026**	**2025**
Preferred shares $1 par value				
Balance, beginning of period	$ 55	$ 55	$ 55	$ 55
Balance, end of period	**$ 55**	**$ 55**	**$ 55**	**$ 55**
Voting common shares $1 par value				
Balance, beginning of period	$ 204,423	$ 206,250	$ 206,296	$ 205,504
Purchase of common shares for treasury	(3,962)	(23)	(6,958)	(719)
Exchange of 9,247,081 voting for non-voting common shares	(9,247)	—	(9,247)	—
Other	2,931	45	4,054	1,487
Balance, end of period	**$ 194,145**	**$ 206,272**	**$ 194,145**	**$ 206,272**
Non-voting common shares $1 par value				
Balance, beginning of period	$ —	$ —	$ —	$ —
Exchange of 9,247,081 voting for non-voting common shares	9,247	—	9,247	—
Balance, end of period	**$ 9,247**	**$ —**	**$ 9,247**	**$ —**
Additional paid-in capital				
Balance, beginning of period	$ 2,075,065	$ 2,094,138	$ 2,177,954	$ 2,104,199
Share-based compensation expense	22,925	18,193	73,597	53,830
Purchase of common shares for treasury	(193,449)	(1,227)	(364,756)	(56,849)
Dividend equivalents	5,513	8,354	16,421	16,951
Change in equity interest related to consolidated subsidiaries	—	(1,976)	4,606	(1,123)
Other	5,108	11,876	7,340	12,350
Balance, end of period	**$ 1,915,162**	**$ 2,129,358**	**$ 1,915,162**	**$ 2,129,358**
Accumulated other comprehensive loss, net of tax				
Balance, beginning of period	$ (315,023)	$ (408,072)	$ (384,434)	$ (423,131)
Other comprehensive (loss) income, net of taxes	(41,020)	68,377	28,391	83,436
Balance, end of period	**$ (356,043)**	**$ (339,695)**	**$ (356,043)**	**$ (339,695)**
Retained earnings				
Balance, beginning of period	$ 8,646,325	$ 8,311,857	$ 8,574,825	$ 8,270,145
Net earnings attributable to Jefferies Financial Group Inc.	255,418	99,063	430,622	242,895
Dividends - common shares ($0.40, $0.40, $0.80, $0.80 per share)	(86,293)	(90,860)	(178,967)	(181,955)
Dividends - preferred shares	(11,025)	(11,025)	(22,050)	(22,050)
Other	5	—	—	—
Balance, end of period	**$ 8,804,430**	**$ 8,309,035**	**$ 8,804,430**	**$ 8,309,035**
Total Jefferies Financial Group Inc. shareholders' equity	**$ 10,566,996**	**$ 10,305,025**	**$ 10,566,996**	**$ 10,305,025**
Noncontrolling interests				
Balance, beginning of period	$ 50,883	$ 64,211	$ 67,507	$ 68,215
Net losses attributable to noncontrolling interests	(5,440)	(7,668)	(21,298)	(14,651)
Contributions	562	17,350	681	17,454
Distributions	(5,911)	(1,528)	(7,429)	(4,323)
Other	295	4,784	928	10,454
Balance, end of period	**$ 40,389**	**$ 77,149**	**$ 40,389**	**$ 77,149**
Total equity	**$ 10,607,385**	**$ 10,382,174**	**$ 10,607,385**	**$ 10,382,174**

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows (Unaudited)

$ in thousands	Six Months Ended May 31, 2026	2025
Cash flows from operating activities:		
Net earnings	$ 409,324	$ 228,244
Adjustments to reconcile net earnings to net cash used in operating activities:		
Depreciation and amortization	82,305	88,454
Impairment of assets	65,413	—
Share-based compensation	73,597	53,830
Net bad debt expense	24,380	13,463
Income on investments in and loans to related parties	(46,289)	(15,162)
Distributions received on investments in related parties	26,846	28,593
Other adjustments	71,957	184,362
Net change in assets and liabilities:		
Receivables:		
Brokers, dealers and clearing organizations	1,035,793	(90,224)
Customers	(747,599)	(158,094)
Fees, interest and other	(82,695)	(143,594)
Securities borrowed	(1,440,729)	(622,392)
Financial instruments owned	(348,992)	(1,241,243)
Securities purchased under agreements to resell	(976,401)	(1,266,238)
Other assets	(253,766)	(205,378)
Payables:		
Brokers, dealers and clearing organizations	(562,978)	112,293
Customers	1,905,940	192,801
Securities loaned	569,268	(509,851)
Financial instruments sold, not yet purchased	1,250,926	727,110
Securities sold under agreements to repurchase	(828,336)	(217,150)
Lease liabilities	(41,903)	(33,240)
Accrued expenses and other liabilities	(323,925)	(770,081)
Net cash used in operating activities	**(137,864)**	**(3,643,497)**
Cash flows from investing activities:		
Contributions to investments in and loans to related parties	(210,679)	(111,087)
Capital distributions from investments and repayments of loans from related parties	111,385	47,190
Net payments on premises and equipment	(112,864)	(93,247)
Net cash used in investing activities	**(212,158)**	**(157,144)**
Cash flows from financing activities:		
Proceeds from short-term borrowings	4,191,712	4,744,829
Payments on short-term borrowings	(4,431,779)	(3,852,844)
Proceeds from issuance of long-term debt, net of issuance costs	4,818,221	2,635,540
Repayment of long-term debt	(2,668,443)	(960,857)
Purchase of common shares for treasury	(371,714)	(57,568)
Dividends paid to common and preferred shareholders	(184,596)	(187,054)
Net proceeds from (payments on) other secured financings	(569,215)	556,902
Net change in bank overdrafts	82,132	(22,945)
Proceeds from contributions of noncontrolling interests	681	16,354
Payments on distributions to noncontrolling interests	(7,429)	(3,223)
Other	16,000	16,134
Net cash provided by financing activities	**875,570**	**2,885,268**
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	**(4,836)**	**61,470**
Change in cash, cash equivalents, and restricted cash reclassified from (to) assets held for sale	(31,635)	—
Net increase (decrease) in cash, cash equivalents, and restricted cash	520,712	(853,905)
Cash, cash equivalents, and restricted cash at beginning of period	14,961,586	13,165,612
Cash, cash equivalents, and restricted cash at end of period	**$ 15,450,663**	**$ 12,311,707**

Consolidated Statements of Cash Flows (Unaudited)

$ in thousands	Six Months Ended May 31, 2026	2025
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	$ 1,693,886	$ 1,716,136
Income taxes, net (1)	180,350	53,197

(1) Includes the purchase of tax credits in the aggregate of $56.2 million for the six months ended May 31, 2026.

Noncash investing activities:

During the six months ended May 31, 2026, we exchanged real estate properties with a fair market value of $40.0 million.

During the six months ended May 31, 2025, we donated land with a fair market value of $5.7 million.

Cash, cash equivalents and restricted cash by category in our Consolidated Statements of Financial Condition:

$ in thousands	May 31, 2026	November 30, 2025
Cash and cash equivalents	$ 14,314,804	$ 14,043,889
Cash on deposit for regulatory purposes with clearing and depository organizations	1,135,859	917,697
Total cash, cash equivalents and restricted cash	**$ 15,450,663**	**$ 14,961,586**

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements
(Unaudited)

Index

	Page
Note 1. Organization and Basis of Presentation	9
Note 2. Summary of Significant Accounting Policies	9
Note 3. Accounting Developments	9
Note 4. Assets and Liabilities Held for Sale	10
Note 5. Fair Value Disclosures	11
Note 6. Derivative Financial Instruments	22
Note 7. Collateralized Transactions	25
Note 8. Securitization Activities	26
Note 9. Variable Interest Entities	27
Note 10. Investments	30
Note 11. Credit Losses on Financial Assets Measured at Amortized Cost	33
Note 12. Goodwill and Intangible Assets	33
Note 13. Revenues from Contracts with Customers	34
Note 14. Compensation Plans	35
Note 15. Borrowings	36
Note 16. Total Equity	38
Note 17. Income Taxes	41
Note 18. Commitments, Contingencies and Guarantees	41
Note 19. Regulatory Requirements	43
Note 20. Segment Reporting	43
Note 21. Related Party Transactions	45

Note 1. Organization and Basis of Presentation

Organization

Jefferies Financial Group Inc. is a U.S.-headquartered global investment banking and capital markets firm. The accompanying consolidated financial statements represent the accounts of Jefferies Financial Group Inc. and subsidiaries (together, the "Company," "we" or "us"). We, collectively with our consolidated subsidiaries and through our affiliates, deliver a broad range of financial services across investment banking, capital markets and asset management.

We operate in two reportable business segments: (1) Investment Banking and Capital Markets and (2) Asset Management. The Investment Banking and Capital Markets reportable business segment includes our capital markets activities and our investment banking business, which provides underwriting and financial advisory services to our clients. We operate in the Americas; Europe and the Middle East; and Asia-Pacific. Investment Banking and Capital Markets also includes our corporate lending joint venture ("Jefferies Finance LLC" or "Jefferies Finance"), and our commercial real estate joint venture ("Berkadia Commercial Mortgage Holding LLC" or "Berkadia"). The Asset Management reportable business segment provides alternative investment management services to investors globally and generates investment income from capital invested in and managed by us or our affiliated asset managers, and includes certain remaining businesses and assets of our legacy merchant banking portfolio.

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") and should be read in conjunction with our consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended November 30, 2025. Certain footnote disclosures included in our Annual Report on Form 10-K for the year ended November 30, 2025 have been condensed or omitted from the consolidated financial statements as they are not required for interim reporting under U.S. GAAP. The consolidated financial statements reflect all adjustments of a normal, recurring nature that are, in the opinion of management, necessary for the fair presentation of the results for the interim period. The results presented in our consolidated financial statements for interim periods are not necessarily indicative of the results for the entire year.

We have made a number of estimates and assumptions relating to the reporting of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses during the reporting period to prepare these consolidated financial statements in conformity with U.S. GAAP. The most important of these estimates and assumptions relate to fair value measurements, compensation and benefits, goodwill and intangible assets and the accounting for income taxes. Although these and other estimates and assumptions are based on the best available information, actual results could be materially different from these estimates.

Certain prior period amounts in our consolidated financial statements and respective notes have been reclassified to be consistent with the current period presentation. Such reclassifications had no impact on net earnings, total assets, total liabilities or stockholders' equity.

Consolidation

Our policy is to consolidate all entities that we control by ownership of a majority of the outstanding voting stock. In addition, we consolidate entities that meet the definition of a variable interest entity ("VIE") for which we are the primary beneficiary. The primary beneficiary is the party who has the power to direct the activities of a VIE that most significantly impact the entity's economic performance and who has an obligation to absorb losses of the entity or a right to receive benefits from the entity that could potentially be significant to the entity. For consolidated entities that are less than wholly-owned, the third-party's holding of equity interest is presented as Noncontrolling interests in our Consolidated Statements of Financial Condition and Consolidated Statements of Changes in Equity. The portion of net earnings attributable to the noncontrolling interests is presented as Net earnings (losses) attributable to noncontrolling interests in our Consolidated Statements of Earnings.

In situations in which we have significant influence, but not control, of an entity that does not qualify as a VIE, we apply either the equity method of accounting or fair value accounting pursuant to the fair value option election under U.S. GAAP, with our portion of net earnings or gains and losses recorded in Other revenues or Principal transactions revenues, respectively. We also have formed nonconsolidated investment vehicles with third-party investors that are typically organized as partnerships or limited liability companies and are carried at fair value. We act as general partner or managing member for these investment vehicles and have generally provided the third-party investors with termination or "kick-out" rights.

Intercompany accounts and transactions are eliminated in consolidation.

Note 2. Summary of Significant Accounting Policies

For a detailed discussion about the Company's significant accounting policies, refer to Note 2, Summary of Significant Accounting Policies in our consolidated financial statements included in Part II, Item 8 of our Annual Report on Form 10-K for the year ended November 30, 2025.

During the three and six months ended May 31, 2026, there were no significant changes made to the Company's significant accounting policies.

Note 3. Accounting Developments

Accounting Standards to be Adopted in Future Periods

Income Taxes. In December 2023, the FASB issued ASU No. 2023-09 ("ASU 2023-09"), Improvements to Income Tax Disclosures. The guidance is intended to improve income tax disclosure requirements by requiring (i) consistent categories and greater disaggregation of information in the rate reconciliation and (ii) the disaggregation of income taxes paid by jurisdiction. The guidance makes several other changes to the income tax disclosure requirements. The amendments in ASU 2023-09 are effective for fiscal years beginning after December 15, 2024 and are required to be applied prospectively with the option of retrospective application. We are evaluating the impact of the standard on our income tax disclosures.

Expenses. In November 2024, the FASB issued ASU No. 2024-03 ("ASU 2024-03"), Disaggregation of Income Statement Expenses. The guidance primarily will require enhanced disclosures about certain types of expenses. The amendments in ASU 2024-03 are effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027 and may be applied either on a prospective or retrospective basis. We are evaluating the impact of the standard on our disclosures.

Credit Losses. In July 2025, the FASB issued ASU No. 2025-05 ("ASU 2025-05"), Financial Instruments–Credit Losses. The guidance provides an optional practical expedient when applying the guidance related to the estimation of expected credit losses for current accounts receivable and current contract assets resulting from transactions arising from contracts with customers. The amendments in ASU 2025-05 are effective for fiscal years beginning after December 15, 2025, and interim reporting periods, with early adoption permitted. We are evaluating the impact of the standard on our financial statements.

Internal-Use Software. In September 2025, the FASB issued ASU No. 2025-06 ("ASU 2025-06"), Intangibles–Goodwill and Other–Internal-Use Software. The guidance modernizes and clarifies the threshold for when an entity is required to start capitalizing software costs and is based on when (i) management has authorized and committed to funding the software project and (ii) it is probable that the project will be completed and the software will be used to perform the function intended. The amendments in ASU 2025-06 are effective for fiscal years beginning after December 15, 2027, and interim reporting periods, with early adoption permitted. We are evaluating the impact of the standard on our financial statements.

Adopted Accounting Standards

Segment Reporting. In November 2023, the Financial Accounting Standards Board ("FASB") issued ASU No. 2023-07 ("ASU 2023-07"), Improvements to Reportable Segment Disclosures. The guidance primarily requires enhanced disclosures about significant segment expenses. We adopted the guidance beginning with our year ended November 30, 2025, which impacted our disclosures only. Refer to Note 20, Segment Reporting for additional information.

Note 4. Assets and Liabilities Held for Sale

Tessellis

During 2026, we accepted a binding offer from a third party for the sale of Tessellis. We expect the sale to close during the first quarter of 2027.

Assets held for sale are recorded initially at the lower of their carrying value or estimated fair value, less estimated costs to sell. Upon designation as an asset held for sale, we discontinue recording depreciation and amortization expense on such assets.

Tessellis is included within our asset management reportable segment.

Tessellis' major classes of assets and liabilities:

$ in thousands		**May 31, 2026**
Assets held for sale:		
Cash and cash equivalents	$	31,635
Investments in and loans to related parties		6,493
Other receivables		25,881
Premises and equipment, net		65,896
Goodwill		56,104
Other assets		109,147
Total assets held for sale	**$**	**295,156**
Liabilities held for sale:		
Short term borrowings	$	4,665
Lease liabilities		19,410
Accrued expenses and other liabilities		225,513
Long-term debt		50,172
Total liabilities held for sale	**$**	**299,760**

Note 5. Fair Value Disclosures

	May 31, 2026 (1)				
$ in thousands	Level 1	Level 2	Level 3	Counterparty and Cash Collateral Netting (2)	Total
Assets:					
Financial instruments owned:					
Corporate equity securities	$ 8,172,828	$ 230,866	$ 255,866	$ —	$ 8,659,560
Corporate debt securities	—	5,211,023	54,811	—	5,265,834
Collateralized debt obligations and collateralized loan obligations	—	650,379	62,546	—	712,925
U.S. government and federal agency securities	3,112,195	106,914	—	—	3,219,109
Municipal securities	—	649,349	—	—	649,349
Sovereign obligations	807,151	886,209	—	—	1,693,360
Residential mortgage-backed securities	—	1,906,714	5,376	—	1,912,090
Commercial mortgage-backed securities	—	9,768	235	—	10,003
Other asset-backed securities	—	780,516	190,089	—	970,605
Loans and other receivables	—	1,736,907	90,322	—	1,827,229
Derivatives	487	4,901,537	8,682	(3,475,770)	1,434,936
Investments at fair value	—	5,268	171,368	—	176,636
Total financial instruments owned, excluding Investments at fair value based on NAV	**$ 12,092,661**	**$ 17,075,450**	**$ 839,295**	**$ (3,475,770)**	**$ 26,531,636**
Securities received as collateral	$ 310,813	$ —	$ —	$ —	$ 310,813
Liabilities:					
Financial instruments sold, not yet purchased:					
Corporate equity securities	$ 7,243,037	$ 22,912	$ 169	$ —	$ 7,266,118
Corporate debt securities	—	3,026,509	571	—	3,027,080
U.S. government and federal agency securities	1,048,105	3	—	—	1,048,108
Sovereign obligations	733,221	698,985	—	—	1,432,206
Residential mortgage-backed and other asset-backed securities	—	9,000	—	—	9,000
Loans	—	148,729	1,352	—	150,081
Derivatives	246	5,193,630	22,223	(3,601,670)	1,614,429
Total financial instruments sold, not yet purchased	**$ 9,024,609**	**$ 9,099,768**	**$ 24,315**	**$ (3,601,670)**	**$ 14,547,022**
Other secured financings	$ —	$ 405,725	$ 10,076	$ —	$ 415,801
Obligation to return securities received as collateral	310,813	—	—	—	310,813
Long-term debt	—	2,790,159	1,070,114	—	3,860,273

(1) Excludes investments at fair value based on net asset value ("NAV") of $1.51 billion at May 31, 2026 by level within the fair value hierarchy.

(2) Represents counterparty and cash collateral netting across the levels of the fair value hierarchy for positions with the same counterparty.

	November 30, 2025 (1)				
$ in thousands	**Level 1**	**Level 2**	**Level 3**	**Counterparty and Cash Collateral Netting (2)**	**Total**
Assets:					
Financial instruments owned:					
Corporate equity securities	$ 7,664,824	$ 249,847	$ 218,853	$ —	$ 8,133,524
Corporate debt securities	—	5,367,201	37,578	—	5,404,779
Collateralized debt obligations and collateralized loan obligations	—	645,798	40,187	—	685,985
U.S. government and federal agency securities	2,342,718	106,633	—	—	2,449,351
Municipal securities	—	563,994	—	—	563,994
Sovereign obligations	860,832	815,722	—	—	1,676,554
Residential mortgage-backed securities	—	1,827,092	6,663	—	1,833,755
Commercial mortgage-backed securities	—	10,458	348	—	10,806
Other asset-backed securities	—	909,474	133,001	—	1,042,475
Loans and other receivables	—	2,111,517	127,720	—	2,239,237
Derivatives	72	5,519,463	10,311	(3,705,764)	1,824,082
Investments at fair value	—	13,567	163,107	—	176,674
Total financial instruments owned, excluding Investments at fair value based on NAV	**$ 10,868,446**	**$ 18,140,766**	**$ 737,768**	**$ (3,705,764)**	**$ 26,041,216**
Securities received as collateral	$ 200,495	$ —	$ —	$ —	$ 200,495
Liabilities:					
Financial instruments sold, not yet purchased:					
Corporate equity securities	$ 5,571,534	$ 47,631	$ 155	$ —	$ 5,619,320
Corporate debt securities	—	2,761,794	3,720	—	2,765,514
Collateralized debt obligations and collateralized loan obligations	—	627	—	—	627
U.S. government and federal agency securities	1,913,403	4	—	—	1,913,407
Sovereign obligations	796,564	540,555	—	—	1,337,119
Loans	—	184,391	9,757	—	194,148
Derivatives	24	5,429,227	45,953	(3,985,187)	1,490,017
Total financial instruments sold, not yet purchased	**$ 8,281,525**	**$ 8,964,229**	**$ 59,585**	**$ (3,985,187)**	**$ 13,320,152**
Other secured financings	$ —	$ 412,510	$ 13,454	$ —	$ 425,964
Obligation to return securities received as collateral	200,495	—	—	—	200,495
Long-term debt	—	2,671,485	1,063,358	—	3,734,843

(1) Excludes investments at fair value based on NAV of $1.68 billion at November 30, 2025 by level within the fair value hierarchy.

(2) Represents counterparty and cash collateral netting across the levels of the fair value hierarchy for positions with the same counterparty.

There have been no significant changes in valuation techniques and inputs used in measuring our financial assets and liabilities that are accounted for at fair value on a recurring basis. Refer to our consolidated financial statements included in Part II, Item 8 of our Annual Report on Form 10-K for the year ended November 30, 2025.

Investments at Fair Value

Investments at fair value includes investments in hedge funds, private equity funds, credit funds, real estate funds and other funds, which are measured at the NAV of the funds, provided by the fund managers and are excluded from the fair value hierarchy. Investments at fair value also include direct equity investments in private companies, which are measured at fair value using valuation techniques involving quoted prices of or market data for comparable companies, similar company ratios and multiples (*e.g.*, price/EBITDA, price/book value), discounted cash flow analyses and transaction prices observed for subsequent financing or capital issuance by the company. Direct equity investments in private companies are categorized within Level 2 or Level 3 of the fair value hierarchy.

Information about our investments in entities that have the characteristics of an investment company:

	May 31, 2026			
$ in thousands	**Fair Value (1)**	**Unfunded Commitments**	**Redemption Frequency**	**Redemption Notice Period**
Hedge Funds (2)	$ 725,883	$ —	Quarterly (37%) Monthly (42%) N/R (21%)	45 - 90 days 45 - 60 days N/R
Private Equity Funds (3)	65,920	22,990	N/R (100%)	N/R
Credit Funds (4)	435,715	23,847	Quarterly (48%) Monthly (3%) N/R (49%)	90 days 30 days N/R
Real Estate and Other Funds (5)	278,961	103,610	Quarterly (12%) N/R (88%)	90 days N/R
Total	**$ 1,506,479**	**$ 150,447**		

	November 30, 2025			
$ in thousands	**Fair Value (1)**	**Unfunded Commitments**	**Redemption Frequency**	**Redemption Notice Period**
Hedge Funds (2)	$ 888,880	$ —	Quarterly (42%) Monthly (41%) N/R (17%)	45 - 90 days 45 - 60 days N/R
Private Equity Funds (3)	66,476	26,828	N/R (100%)	N/R
Credit Funds (4)	490,321	23,847	Quarterly (56%) Monthly (2%) N/R (42%)	90 days 30 days N/R
Real Estate and Other Funds (5)	235,846	114,872	Quarterly (19%) N/R (81%)	90 days N/R
Total	**$ 1,681,523**	**$ 165,547**		

N/R - Not redeemable

(1) Where fair value is calculated based on NAV, fair value has been derived from each of the funds' capital statements.

(2) Includes investments in hedge funds that invest, long and short, primarily in both public and private equity securities in domestic and international markets, commodities and multi-asset securities.

(3) Includes investments in equity funds that invest in the equity of various U.S. and foreign private companies in a broad range of industries. These investments cannot be redeemed; instead, distributions are received through the liquidation of the underlying assets of the funds which are primarily expected to be liquidated in approximately one to nine years.

(4) Primarily includes investments in funds that invest in:

- Distressed and special situations long/short credit strategies across sectors and asset types;
- Short-term trade receivables and payables that are expected to generally be outstanding between 90 to 120 days; and
- Distressed and event-driven opportunities across structured credit, opportunistic credit, and private credit.

(5) Primarily includes investments in corporate real estate strategies focused on buying or building real estate businesses and investments in venture capital funds.

Level 3 Rollforwards

Three Months Ended May 31, 2026

$ in thousands	Balance at February 28, 2026	Total gains/losses (realized and unrealized) (1)	Purchases	Sales	Settlements	Issuances	Net transfers into/ (out of) Level 3	Balance at May 31, 2026	For instruments still held at May 31, 2026, changes in unrealized gains (losses) included in: Earnings (1)	Other comprehensive income (loss) (1)
Level 3 assets:										
Financial instruments owned:										
Corporate equity securities	$ 218,483	$ 24,352	$ 14,242	$ (4,487)	$ (103)	$ —	$ 3,379	$ 255,866	$ 24,802	$ —
Corporate debt securities	50,755	(184)	4,717	(20)	(432)	—	(25)	54,811	267	—
CDOs and CLOs	61,455	(4,425)	37,442	(4,026)	—	—	(27,900)	62,546	(4,703)	—
RMBS	6,134	(443)	—	—	(315)	—	—	5,376	(443)	—
CMBS	355	(105)	—	—	—	—	(15)	235	(105)	—
Other ABS	244,714	(22,349)	25,936	(27,041)	(7,345)	—	(23,826)	190,089	(24,387)	—
Loans and other receivables	85,396	18,797	25,427	(28,760)	(7,607)	—	(2,931)	90,322	21,162	—
Investments at fair value	167,195	(1,100)	9,225	(685)	(3,267)	—	—	171,368	(1,387)	—
Level 3 liabilities:										
Financial instruments sold, not yet purchased:										
Corporate equity securities	$ 167	$ 2	$ —	$ —	$ —	$ —	$ —	$ 169	$ (2)	$ —
Corporate debt securities	555	—	—	—	—	—	16	571	—	—
Loans	921	135	—	375	—	—	(79)	1,352	(473)	—
Net derivatives (2)	28,562	2,873	(821)	—	(4,485)	—	(12,588)	13,541	(3,266)	—
Other secured financings	11,685	(245)	—	—	(1,364)	—	—	10,076	(72)	—
Long-term debt	1,024,067	(6,329)	—	—	—	29,344	23,032	1,070,114	40,009	(33,680)

Six Months Ended May 31, 2026

$ in thousands	Balance at November 30, 2025	Total gains/losses (realized and unrealized) (1)	Purchases	Sales	Settlements	Issuances	Net transfers into/ (out of) Level 3	Balance at May 31, 2026	For instruments still held at May 31, 2026, changes in unrealized gains (losses) included in: Earnings (1)	Other comprehensive income (loss) (1)
Assets:										
Financial instruments owned:										
Corporate equity securities	$ 218,853	$ 19,100	$ 25,895	$ (7,026)	$ (103)	$ —	$ (853)	$ 255,866	$ 19,153	$ —
Corporate debt securities	37,578	1,110	14,323	—	(1,061)	—	2,861	54,811	1,518	—
CDOs and CLOs	40,187	(9,155)	68,668	(15,658)	(23)	—	(21,473)	62,546	(7,648)	—
RMBS	6,663	(522)	—	—	(765)	—	—	5,376	(522)	—
CMBS	348	(98)	—	—	—	—	(15)	235	(98)	—
Other ABS	133,001	(67,663)	139,191	(34,939)	(10,264)	—	30,763	190,089	(69,823)	—
Loans and other receivables	127,720	22,225	76,044	(79,669)	(8,345)	—	(47,653)	90,322	23,736	—
Investments at fair value	163,107	3,536	9,475	(708)	(4,042)	—	—	171,368	2,484	—
Liabilities:										
Financial instruments sold, not yet purchased:										
Corporate equity securities	$ 155	$ 14	$ —	$ —	$ —	$ —	$ —	$ 169	$ (14)	$ —
Corporate debt securities	3,720	181	—	—	—	—	(3,330)	571	(232)	—
Loans	9,757	(345)	(697)	1,100	—	—	(8,463)	1,352	(1,805)	—
Net derivatives (2)	35,642	2,518	(1,492)	—	(3,125)	—	(20,002)	13,541	(3,494)	—
Other secured financings	13,454	(360)	—	120	(3,138)	—	—	10,076	36	—
Long-term debt	1,063,358	(25,949)	—	—	(23,695)	36,081	20,319	1,070,114	4,737	21,212

(1) Realized and unrealized gains/losses are primarily reported in Principal transactions revenues. Changes in instrument-specific credit risk related to structured notes within Long-term debt are presented net of tax in our Consolidated Statements of Comprehensive Income.

(2) Net derivatives represent Financial instruments owned—Derivatives and Financial instruments sold, not yet purchased—Derivatives.

Analysis of Level 3 Assets and Liabilities for the Three Months Ended May 31, 2026

Transfers of assets of $20.3 million from Level 2 to Level 3 of the fair value hierarchy are primarily attributed to:

- Loan and other receivables of $7.1 million, CDOs and CLOs of $5.0 million, Corporate equity securities of $4.3 million and Other ABS of $3.9 million due to reduced pricing transparency.

Transfers of assets of $71.6 million from Level 3 to Level 2 of the fair value hierarchy are primarily attributed to:

- CDOs and CLOs of $32.9 million, Other ABS of $27.7 million and Loans and other receivables of $10.0 million due to greater pricing transparency supporting classification into Level 2.

Transfers of liabilities of $40.3 million from Level 2 to Level 3 of the fair value hierarchy are primarily attributed to:

- Structured notes within Long-term debt of $31.3 million and Net derivatives transfers into Level 3 of $9.0 million due to reduced market and pricing transparency.

Transfers of liabilities of $30.0 million from Level 3 to Level 2 of the fair value hierarchy are primarily attributed to:

- Net derivatives of $21.5 million and Structured notes within Long-term debt of $8.3 million due to greater pricing and market transparency.

Net gains on Level 3 assets were $14.5 million and net gains on Level 3 liabilities were $3.6 million for the three months ended May 31, 2026. Net gains on Level 3 assets were primarily due to increased market values across Corporate equity securities and Loans and other receivables, partially offset by decreased market values of Other ABS, CDOs and CLOs and Investments at fair value. Net gains on Level 3 liabilities were primarily due to decreased valuations of structured notes within Long-term debt, partially offset by increases of certain Derivatives.

Analysis of Level 3 Assets and Liabilities for the Six Months Ended May 31, 2026

Transfers of assets of $80.8 million from Level 2 to Level 3 of the fair value hierarchy are primarily attributed to:

- Other ABS of $52.3 million, CDOs and CLOs of $17.0 million, Corporate debt securities of $8.1 million and Loan and other receivables of $3.3 million due to reduced pricing transparency.

Transfers of assets of $117.2 million from Level 3 to Level 2 of the fair value hierarchy are primarily attributed to:

- Loans and other receivables of $50.9 million, CDOs and CLOs of $38.5 million, Other ABS of $21.6 million and Corporate debt securities of $5.2 million due to greater pricing transparency supporting classification into Level 2.

Transfers of liabilities of $36.1 million from Level 2 to Level 3 of the fair value hierarchy are primarily attributed to:

- Structured notes within Long-term debt of $26.4 million and Net derivatives of $9.6 million due to reduced market and pricing transparency.

Transfers of liabilities of $47.6 million from Level 3 to Level 2 of the fair value hierarchy are primarily attributed to:

- Certain Derivatives of $29.6 million, Loans of $8.5 million and Structured notes within Long-term debt of $6.1 million due to greater pricing and market transparency.

Net losses on Level 3 assets were $31.5 million and net gains on Level 3 liabilities were $23.9 million for the six months ended May 31, 2026. Net losses on Level 3 assets were primarily due to decreased market values across Other ABS and CDOs and CLOs, partially offset by increases of Loans and other receivables, Corporate equity securities and Investments at fair value. Net gains on Level 3 liabilities were primarily due to decreased valuations of structured notes within Long-term debt, partially offset by increased market values of certain Derivatives.

Three Months Ended May 31, 2025

$ in thousands	Balance at February 28, 2025	Total gains/losses (realized and unrealized) (1)	Purchases	Sales	Settlements	Issuances	Net transfers into/ (out of) Level 3	Balance at May 31, 2025	For instruments still held at May 31, 2025, changes in unrealized gains (losses) included in: Earnings (1)	Other comprehensive income (loss) (1)
Assets:										
Financial instruments owned:										
Corporate equity securities	$ 212,409	$ 8,245	$ 2,482	$ (2,201)	$ —	$ —	$ 10,225	$ 231,160	$ 5,003	$ —
Corporate debt securities	25,925	2,547	18,805	(15,740)	(2,177)	—	15,322	44,682	2,194	—
CDOs and CLOs	71,827	(4,123)	35,644	(18,469)	(6,550)	—	(7,381)	70,948	(4,564)	—
RMBS	7,526	436	—	—	(15)	—	—	7,947	439	—
CMBS	471	34	—	—	—	—	—	505	34	—
Other ABS	147,319	6,814	27,523	(26,231)	(1,863)	—	119	153,681	5,985	—
Loans and other receivables	153,764	(7,236)	18,008	(39,475)	(13,063)	—	(19,830)	92,168	(10,875)	—
Investments at fair value	157,881	6,041	261	—	(804)	—	(10,000)	153,379	3,581	—
Liabilities:										
Financial instruments sold, not yet purchased:										
Corporate equity securities	$ 590	$ (256)	$ (173)	$ —	$ —	$ —	$ —	$ 161	$ 31	$ —
Corporate debt securities	1,113	222	(41,346)	41,436	(662)	—	(119)	644	(86)	—
RMBS	15	(15)	—	—	—	—	—	—	—	—
CMBS	1,154	(1)	—	35	—	—	(35)	1,153	1	—
Loans	848	(658)	(37)	—	183	—	(23)	313	(226)	—
Net derivatives (2)	42,076	(1,132)	—	—	(4)	—	(7,652)	33,288	(6,385)	—
Other secured financings	12,705	—	—	—	(2,360)	8,531	—	18,876	—	—
Long-term debt	860,684	34,729	—	—	(5,893)	93,570	8,066	991,156	(49,509)	14,781

Six Months Ended May 31, 2025

$ in thousands	Balance at November 30, 2024	Total gains/losses (realized and unrealized) (1)	Purchases	Sales	Settlements	Issuances	Net transfers into/ (out of) Level 3	Balance at May 31, 2025	For instruments still held at May 31, 2025, changes in unrealized gains (losses) included in: Earnings (1)	Other comprehensive income (loss) (1)
Assets:										
Financial instruments owned:										
Corporate equity securities	$ 239,364	$ 9,940	$ 7,049	$ (5,366)	$ 494	$ —	$ (20,321)	$ 231,160	$ 8,292	$ —
Corporate debt securities	24,931	2,147	37,129	(23,787)	(2,197)	—	6,459	44,682	2,419	—
CDOs and CLOs	63,976	(10,286)	52,875	(23,728)	(6,550)	—	(5,339)	70,948	(10,336)	—
Sovereign obligations	172	2	—	(174)	—	—	—	—	—	—
RMBS	7,714	269	—	—	(36)	—	—	7,947	279	—
CMBS	477	28	—	—	—	—	—	505	28	—
Other ABS	103,214	(264)	86,866	(30,929)	(4,175)	—	(1,031)	153,681	(565)	—
Loans and other receivables	152,586	(5,759)	72,851	(82,603)	(21,549)	3,670	(27,028)	92,168	(9,134)	—
Investments at fair value	137,865	6,434	21,549	—	(2,469)	—	(10,000)	153,379	3,974	—
Liabilities:										
Financial instruments sold, not yet purchased:										
Corporate equity securities	$ 208	$ 126	$ (173)	$ —	$ —	$ —	$ —	$ 161	$ (126)	$ —
Corporate debt securities	165	52	(135,198)	135,433	—	—	192	644	(123)	—
CMBS	1,153	—	—	35	—	—	(35)	1,153	—	—
Loans	16,864	(1,673)	(1,046)	—	698	—	(14,530)	313	39	—
Net derivatives (2)	22,286	(13,925)	—	22,588	(484)	—	2,823	33,288	5,076	—
Other secured financings	14,884	241	—	—	(4,780)	8,531	—	18,876	(241)	—
Long-term debt	821,903	(21,118)	—	—	(2,799)	218,124	(24,954)	991,156	(19,522)	40,640

(1) Realized and unrealized gains/losses are primarily reported in Principal transactions revenues. Changes in instrument-specific credit risk related to structured notes within Long-term debt are presented net of tax in our Consolidated Statements of Comprehensive Income.

(2) Net derivatives represent Financial instruments owned—Derivatives and Financial instruments sold, not yet purchased—Derivatives.

Analysis of Level 3 Assets and Liabilities for the Three Months Ended May 31, 2025

Transfers of assets of $31.5 million from Level 2 to Level 3 of the fair value hierarchy are primarily attributed to:

- Corporate debt securities of $15.9 million, Corporate equity securities of $11.1 million, Other ABS of $2.1 million and Loan and other receivables of $1.6 million due to reduced pricing transparency.

Transfers of assets of $43.0 million from Level 3 to Level 2 of the fair value hierarchy are primarily attributed to:

- Loans and other receivables of $21.5 million, Investments at fair value of $10.0 million, CDOs and CLOs of $8.0 million and Other ABS of $2.0 million due to greater pricing transparency supporting classification into Level 2.

Transfers of liabilities of $11.5 million from Level 2 to Level 3 of the fair value hierarchy are primarily attributed to:

- Structured notes within Long-term debt of $13.2 million, partially offset by net derivatives transfer into Level 3 of $2.0 million due to reduced market and pricing transparency.

Transfers of liabilities of $11.2 million from Level 3 to Level 2 of the fair value hierarchy are primarily attributed to:

- Net derivatives of $5.7 million and Structured notes within Long-term debt of $5.1 million due to greater pricing and market transparency.

Net gains on Level 3 assets were $12.8 million and net losses on Level 3 liabilities were $32.9 million for the three months ended May 31, 2025. Net gains on Level 3 assets were primarily due to increased market values across Corporate equity securities, Other ABS, Investments at fair value and Corporate debt securities, partially offset by decreased market values of Loans and other receivables and CDOs and CLOs. Net losses on Level 3 liabilities were primarily due to increased valuations of structured notes within Long-term debt, partially offset by decreased valuations of certain derivatives.

Analysis of Level 3 Assets and Liabilities for the Six Months Ended May 31, 2025

Transfers of assets of $71.8 million from Level 2 to Level 3 of the fair value hierarchy are primarily attributed to:

- Corporate equity securities of $30.3 million, Loan and other receivables of $27.1 million, Corporate debt securities of $8.0 million, Other ABS of $3.3 million and CDOs and CLOs of $3.0 million due to reduced pricing transparency.

Transfers of assets of $129.0 million from Level 3 to Level 2 of the fair value hierarchy are primarily attributed to:

- Loans and other receivables of $54.1 million, Corporate equity securities of $50.7 million, Investments at fair value of $10.0 million, CDOs and CLOs of $8.4 million and Other ABS of $4.4 million due to greater pricing transparency supporting classification into Level 2.

Transfers of liabilities of $7.9 million from Level 2 to Level 3 of the fair value hierarchy are primarily attributed to:

- Net derivatives of $3.9 million and structured notes within Long-term debt of $3.9 million due to reduced market and pricing transparency.

Transfers of liabilities of $44.4 million from Level 3 to Level 2 of the fair value hierarchy are primarily attributed to:

- Structured notes within Long-term debt of $28.8 million and Loans of $14.5 million due to greater pricing and market transparency.

Net gains on Level 3 assets were $2.5 million and net gains on Level 3 liabilities were $36.3 million for the six months ended May 31, 2025. Net gains on Level 3 assets were primarily due to increased market values across Corporate equity securities, Investments at fair value and Corporate debt securities, partially offset by decreased valuations of CDOs and CLOs and Loans and other receivables. Net gains on Level 3 liabilities were primarily due to decreased valuations of structured notes within Long-term debt, certain derivatives and loans.

Significant Unobservable Inputs used in Level 3 Fair Value Measurements

The tables below present information on the valuation techniques, significant unobservable inputs and their ranges for our financial assets and liabilities, subject to threshold levels related to the market value of the positions held, measured at fair value on a recurring basis with a significant Level 3 balance. The range of unobservable inputs could differ significantly across different firms given the range of products across different firms in the financial services sector. The inputs are not representative of the inputs that could have been used in the valuation of any one financial instrument (*i.e.,* the input used for valuing one financial instrument within a particular class of financial instruments may not be appropriate for valuing other financial instruments within that given class). Additionally, the ranges of inputs presented below should not be construed to represent uncertainty regarding the fair values of our financial instruments; rather, the range of inputs is reflective of the differences in the underlying characteristics of the financial instruments in each category.

For certain categories, we have provided a weighted average of the inputs allocated based on the fair values of the financial instruments comprising the category. We do not believe that the range or weighted average of the inputs is indicative of the reasonableness of uncertainty of our Level 3 fair values. The range and weighted average are driven by the individual financial instruments within each category and their relative distribution in the population. The disclosed inputs when compared to the inputs as disclosed in other periods should not be expected to necessarily be indicative of changes in our estimates of unobservable inputs for a particular financial instrument as the population of financial instruments comprising the category will vary from period to period based on purchases and sales of financial instruments during the period as well as transfers into and out of Level 3 each period.

	May 31, 2026				
Financial Instruments Owned	**Fair Value (in thousands)**	**Valuation Technique**	**Significant Unobservable Input(s)**	**Input / Range**	**Weighted Average**
Corporate equity securities	$ 255,866				
Non-exchange-traded securities		Market approach	Price	$0 - $486	$81
		Volatility benchmarking	Volatility	31%	—
Corporate debt securities	$ 54,811	Market approach	Price	$67 - $124	$92
		Discounted cash flows	Discount rate/yield	25% - 30%	26%
CDOs and CLOs	$ 51,753	Discounted cash flows	Constant prepayment rate	15% - 20%	18%
			Constant default rate	2%	—
			Loss severity	30%	—
			Discount rate/yield	12% - 16%	14%
		Market approach	Price	$100 - $117	$105
RMBS	$ 5,376	Discounted cash flows	Constant prepayment rate	10%	—
			Constant default rate	0.5%	—
			Loss severity	45%	—
			Discount rate/yield	20%	—
Other ABS	$ 185,232	Discounted cash flows	Discount rate/yield	15.5% - 16.1%	15.9%
			Cumulative loss rate	16.2% - 17.1%	16.6%
			Duration (years)	1.1 - 1.2	1.2
		Market approach	Price	$117 - $135	$130
		Scenario analysis	Estimated recovery percentage	56% - 58%	57%
Loans and other receivables	$ 90,322	Market approach	Price	$8 - $117	$103
		Scenario analysis	Estimated recovery percentage	7% - 100%	76%
Derivatives	$ 6,224				
Interest rate swaps		Market approach	Basis points upfront	0.2	—
Investments at fair value	$ 168,327				
Private equity securities		Market approach	Price	$0 - $170,363	$7,711
			Discount rate/yield	28%	—
			Estimated revenue	$30,087,431	—
Financial Instruments Sold, Not Yet Purchased:					
Derivatives	$ 22,223				
Equity options		Volatility benchmarking	Volatility	53%	—
Interest rate swaps		Market approach	Basis points upfront	6.9 - 22.2	13.9
Other secured financings	$ 10,076	Scenario analysis	Estimated recovery percentage	74% - 100%	96%
		Market approach	Price	$117 - $118	$118
Long-term debt	$ 1,070,114				
Structured notes		Market approach	Price	$64 - $120	$99

	November 30, 2025				
Financial Instruments Owned	**Fair Value (in thousands)**	**Valuation Technique**	**Significant Unobservable Input(s)**	**Input / Range**	**Weighted Average**
Corporate equity securities	$ 218,853				
Non-exchange-traded securities		Market approach	Price	$0 - $486	$85
		Volatility benchmarking	Volatility	44% - 48%	47%
Corporate debt securities	$ 37,578	Market approach	Price	$49 - $121	$72
		Discounted cash flows	Discount rate/yield	18% - 20%	19%
		Scenario analysis	Estimated recovery percentage	30%	—
CDOs and CLOs	$ 25,824	Discounted cash flows	Constant prepayment rate	20%	—
			Constant default rate	2%	—
			Loss severity	30%	—
			Discount rate/yield	17%	—
		Market approach	Price	$98 - $100	$99
RMBS	$ 6,663	Discounted cash flows	Constant prepayment rate	12%	—
			Constant default rate	0.3%	—
			Loss severity	20%	—
			Discount rate/yield	15%	—
Other ABS	$ 129,693	Discounted cash flows	Discount rate/yield	15.5% - 15.7%	15.6%
			Cumulative loss rate	16.0% - 16.4%	16.2%
			Duration (years)	1.1 - 1.2	1.1
		Market approach	Price	$116 - $133	$130
		Scenario analysis	Estimated recovery percentage	66%	—
Loans and other receivables	$ 127,720	Market approach	Price	$67 - $129	$97
		Scenario analysis	Estimated recovery percentage	8% - 100%	35%
Derivatives	$ 6,094				
Embedded options		Market approach	Basis points upfront	0.4 - 0.5	0.5
Equity options		Volatility benchmarking	Volatility	34%	—
Investments at fair value	$ 157,162				
Private equity securities		Market approach	Price	$0 - $27,989	$2,722
			Discount rate/yield	28%	—
			Estimated revenue	$29,818,082	—
Financial Instruments Sold, Not Yet Purchased:					
Corporate debt securities	$ 3,720	Scenario analysis	Estimated recovery percentage	30%	—
Loans	$ 9,757	Market approach	Price	$100 - $129	$117
		Scenario analysis	Estimated recovery percentage	30%	—
Derivatives	$ 45,953				
Equity options		Volatility benchmarking	Volatility	34% - 61%	58%
Embedded options		Market approach	Basis points upfront	0.0 - 21.0	13.3
Other secured financings	$ 13,454	Scenario analysis	Estimated recovery percentage	74% - 100%	96%
		Market approach	Price	$114 - $117	$115
Long-term debt	$ 1,063,358				
Structured notes		Market approach	Price	$72 - $120	$101

The fair values of certain Level 3 assets and liabilities that were determined based on third-party pricing information, unadjusted past transaction prices or a percentage of the reported enterprise fair value are excluded from the above tables. At May 31, 2026 and November 30, 2025, asset exclusions consisted of $21.4 million and $28.2 million, respectively, primarily composed of CDOs and CLOs, Investments at fair value, certain derivatives, other ABS and CMBS. At May 31, 2026 and November 30, 2025, liability exclusions consisted of $2.1 million and $0.2 million, respectively, primarily composed of loans, corporate equity securities and corporate debt securities.

Uncertainty of Fair Value Measurement from Use of Significant Unobservable Inputs

For recurring fair value measurements categorized within Level 3 of the fair value hierarchy, the uncertainty of the fair value measurement due to the use of significant unobservable inputs and interrelationships between those unobservable inputs (if any) are described below:

- Non-exchange-traded securities, corporate debt securities, CDOs and CLOs, loans and other receivables, other ABS, private equity securities, certain derivatives, other secured financings and structured notes using a market approach valuation technique. A significant increase (decrease) in the price of the private equity securities, nonexchange-traded securities, corporate debt securities, CDOs and CLOs, other ABS, loans and other receivables, other secured financings and structured notes would result in a significantly higher (lower) fair value measurement. A significant increase (decrease) in the revenue or revenue multiple related to private equity securities would result in a significantly higher (lower) fair value measurement. A significant increase (decrease) in the discount rate/security yield related to private equity securities would result in a significantly lower (higher) fair value measurement. Depending on whether we are a receiver or (payer) of basis points upfront, a significant increase in basis points would result in a significant increase (decrease) in the fair value measurement of options.
- Corporate debt securities, loans and other receivables, other ABS and other secured financings using a scenario analysis valuation technique. A significant increase (decrease) in the possible recovery rates underlying the financial instrument would result in a significantly higher (lower) fair value measurement for the financial instrument.
- CDOs and CLOs, corporate debt securities, RMBS and other ABS using a discounted cash flows valuation technique. A significant increase (decrease) in isolation in the constant default rate, loss severity or cumulative loss rate would result in a significantly lower (higher) fair value measurement. The impact of changes in the constant prepayment rate and duration would have differing impacts depending on the capital structure and type of security. A significant increase (decrease) in the discount rate/security yield would result in a significantly lower (higher) fair value measurement.
- Corporate equity securities and derivative equity options using volatility benchmarking. A significant increase (decrease) in volatility would result in a significantly higher (lower) fair value measurement.

Fair Value Option Election

For a description of our financial assets and liabilities for which we have elected the fair value option, refer to our consolidated financial statements included in Part II, Item 8 of our Annual Report on Form 10-K for the year ended November 30, 2025.

Fair value option gains (losses):

	Three Months Ended May 31,		Six Months Ended May 31,	
$ in thousands	**2026**	**2025**	**2026**	**2025**
Financial instruments owned:				
Loans and other receivables (1)	$ 8,506	$ 69,578	$ (32,588)	$ 103,854
Other secured financings (1)	6,100	(1,418)	5,791	(1,659)
Long-term debt:				
Changes in instrument-specific credit risk (2)	(47,715)	28,763	30,306	66,501
Other changes in fair value (1)	(1,226)	13,225	(52,838)	27,548

(1) Changes in fair value are included in Principal transactions revenues.

(2) Changes in fair value of structured notes related to instrument-specific credit risk are presented net of tax in our Consolidated Statements of Comprehensive Income.

Difference between contractual principal and fair value:

$ in thousands	May 31, 2026	November 30, 2025
Financial instruments owned:		
Loans and other receivables (1)	$ 1,392,673	$ 2,378,747
Loans and other receivables on nonaccrual status and/or 90 days or greater past due (1)	416,067	319,394
Loans and other receivables 90 days or greater past due (1)	79,757	100,300
Long-term debt	203,199	166,273
Other secured financings	1,302	237

(1) Interest income is recognized separately from other changes in fair value and is included in Interest revenues.

Fair value of loans and other receivables on nonaccrual status:

$ in thousands	May 31, 2026	November 30, 2025
Financial instruments owned:		
Loans and other receivables on nonaccrual status and/or 90 days or greater past due	$ 73,215	$ 119,900
Loans and other receivables 90 days or greater past due	53,157	47,000

Financial Instruments Not Measured at Fair Value

Certain of our financial instruments are not carried at fair value but are recorded at amounts that approximate fair value due to their liquid or short-term nature and generally negligible credit risk. These financial assets include Cash and cash equivalents and Cash and securities segregated and on deposit for regulatory purposes or deposited with clearing and depository organizations and would generally be presented within Level 1 of the fair value hierarchy.

We have equity securities without readily determinable fair values, which we account for at cost, minus impairment, which are presented within Other assets and were $21.9 million at both May 31, 2026 and November 30, 2025. There were no impairments or downward adjustments on these investments during both the three and six months ended May 31, 2026 and 2025.

Note 6. Derivative Financial Instruments

Our derivative activities are recorded at fair value in our Consolidated Statement of Financial Condition in Financial instruments owned and Financial instruments sold, not yet purchased, net of cash paid or received under credit support agreements and on a net counterparty basis when a legally enforceable right to offset exists under a master netting agreement. We enter into derivative transactions to satisfy the needs of our clients and to manage our own exposure to market and credit risks. In addition, we apply hedge accounting to: (1) interest rate swaps that have been designated as fair value hedges of the changes in fair value due to the benchmark interest rate for certain fixed rate senior long-term debt, (2) an interest rate swap designated as hedge to offset the variability in cash flows from floating rate debt due to contractually specified interest rate, and (3) forward foreign exchange contracts designated as hedges to offset the change in the value of certain net investments in foreign operations.

Derivatives are subject to various risks similar to other financial instruments, including market, credit and operational risk. The risks of derivatives should not be viewed in isolation, but rather should be considered on an aggregate basis along with our other trading-related activities. We manage the risks associated with derivatives on an aggregate basis along with the risks associated with proprietary trading as part of our firm wide risk management policies.

In connection with our derivative activities, we may enter into International Swaps and Derivatives Association, Inc. master netting agreements or similar agreements with counterparties.

	May 31, 2026 (1)			
	Assets		Liabilities	
$ in thousands	Fair Value	Number of Contracts (2)	Fair Value	Number of Contracts (2)
Derivatives designated as accounting hedges:				
Interest rate contracts:				
Cleared OTC	$ 632	3	$ 1,376	1
Bilateral OTC	—	—	254	1
Foreign exchange contracts:				
Bilateral OTC	12,991	7	17,050	8
Total derivatives designated as accounting hedges	**13,623**		**18,680**	
Derivatives not designated as accounting hedges:				
Interest rate contracts:				
Exchange-traded	1,139	31,873	316	30,588
Cleared OTC	246,988	8,849	244,768	9,260
Bilateral OTC	237,645	1,048	687,026	1,295
Foreign exchange contracts:				
Exchange-traded	—	46	—	69
Bilateral OTC	124,715	34,491	112,458	10,012
Equity contracts:				
Exchange-traded	1,706,606	2,346,548	1,433,972	1,826,167
Bilateral OTC	2,539,543	39,955	2,703,100	36,753
Commodity contracts:				
Exchange-traded	617	637	288	563
Bilateral OTC	6,563	11,809	2,631	5,458
Credit contracts:				
Cleared OTC	1,799	107	6,932	7
Bilateral OTC	31,468	19	5,928	24
Total derivatives not designated as accounting hedges	**4,897,083**		**5,197,419**	
Total gross derivative assets/liabilities:				
Exchange-traded	1,708,362		1,434,576	
Cleared OTC	249,419		253,076	
Bilateral OTC	2,952,925		3,528,447	
Amounts offset in our Consolidated Statements of Financial Condition (3):				
Exchange-traded	(705,242)		(705,242)	
Cleared OTC	(247,920)		(252,771)	
Bilateral OTC	(2,522,608)		(2,643,657)	
Net amounts per Consolidated Statements of Financial Condition (4)	**$ 1,434,936**		**$ 1,614,429**	

(1) Exchange-traded derivatives include derivatives executed on an organized exchange. Cleared OTC derivatives include derivatives executed bilaterally and subsequently novated to and cleared through central clearing counterparties. Bilateral OTC derivatives include derivatives executed and settled bilaterally without the use of an organized exchange or central clearing counterparty.

(2) The number of exchange-traded contracts may include open futures contracts. The unsettled fair value of these futures contracts is included in Receivables from/Payables to brokers, dealers and clearing organizations.

(3) Amounts netted include both netting by counterparty and for cash collateral paid or received.

(4) We have not received or pledged additional collateral under master netting agreements and/or other credit support agreements that is eligible to be offset beyond what has been offset in our Consolidated Statements of Financial Condition.

	November 30, 2025 (1)			
	Assets		Liabilities	
$ in thousands	Fair Value	Number of Contracts (2)	Fair Value	Number of Contracts (2)
Derivatives designated as accounting hedges:				
Interest rate contracts:				
Cleared OTC	$ —	—	$ 2,519	4
Foreign exchange contracts:				
Bilateral OTC	40,444	7	574	2
Total derivatives designated as accounting hedges	**40,444**		**3,093**	
Derivatives not designated as accounting hedges:				
Interest rate contracts:				
Exchange-traded	232	33,107	24	36,811
Cleared OTC	806,009	8,148	804,799	8,325
Bilateral OTC	285,053	1,576	614,104	823
Foreign exchange contracts:				
Bilateral OTC	115,068	34,418	103,297	12,028
Equity contracts:				
Exchange-traded	2,776,601	3,275,468	2,156,730	2,298,561
Bilateral OTC	1,367,089	57,254	1,670,215	36,481
Commodity contracts:				
Exchange-traded	452	627	73	668
Bilateral OTC	6,381	18,497	7,293	15,417
Credit contracts:				
Cleared OTC	10,960	58	17,120	13
Bilateral OTC	121,557	17	98,456	15
Total derivatives not designated as accounting hedges	**5,489,402**		**5,472,111**	
Total gross derivative assets/liabilities:				
Exchange-traded	2,777,285		2,156,827	
Cleared OTC	816,969		824,438	
Bilateral OTC	1,935,592		2,493,939	
Amounts offset in our Consolidated Statements of Financial Condition (3):				
Exchange-traded	(1,600,969)		(1,600,969)	
Cleared OTC	(815,810)		(819,548)	
Bilateral OTC	(1,288,985)		(1,564,670)	
Net amounts per Consolidated Statements of Financial Condition (4)	**$ 1,824,082**		**$ 1,490,017**	

(1) Exchange-traded derivatives include derivatives executed on an organized exchange. Cleared OTC derivatives include derivatives executed bilaterally and subsequently novated to and cleared through central clearing counterparties. Bilateral OTC derivatives include derivatives executed and settled bilaterally without the use of an organized exchange or central clearing counterparty.

(2) The number of exchange-traded contracts may include open futures contracts. The unsettled fair value of these futures contracts is included in Receivables from/Payables to brokers, dealers and clearing organizations.

(3) Amounts netted include both netting by counterparty and for cash collateral paid or received.

(4) We have not received or pledged additional collateral under master netting agreements and/or other credit support agreements that is eligible to be offset beyond what has been offset in our Consolidated Statements of Financial Condition.

Gains (losses) recognized in Interest expense related to fair value hedges:

$ in thousands	Three Months Ended May 31,		Six Months Ended May 31,	
Gains (Losses)	**2026**	**2025**	**2026**	**2025**
Interest rate swaps (1)	$ (29,405)	$ (415)	$ (28,284)	$ (6,043)
Long-term debt	19,391	(11,968)	8,475	(18,659)
Total	**$ (10,014)**	**$ (12,383)**	**$ (19,809)**	**$ (24,702)**

(1) Includes net settlements of $9.7 million and $19.3 million for the three and six months ended May 31, 2026, respectively, and $12.2 million and $24.1 million for the three and six months ended May 31, 2025, respectively.

Gains (losses) on our cash flow hedge recognized as a component of Other comprehensive income (loss) ("OCI"), in our Consolidated Statements of Comprehensive Income:

$ in thousands	Three Months Ended May 31,		Six Months Ended May 31,	
Gains (Losses)	**2026**	**2025**	**2026**	**2025**
Interest rate contracts				
Recognized in OCI	$ (254)	$ —	$ (254)	$ —
Net change included within AOCI	**$ (254)**	**$ —**	**$ (254)**	**$ —**

Gains (losses) on our net investment hedges recognized in Currency translation and other adjustments, a component of OCI, in our Consolidated Statements of Comprehensive Income:

$ in thousands	Three Months Ended May 31,		Six Months Ended May 31,	
Gains (Losses)	**2026**	**2025**	**2026**	**2025**
Foreign exchange contracts	$ 20,434	$ (90,986)	$ (7,531)	$ (74,132)
Total	**$ 20,434**	**$ (90,986)**	**$ (7,531)**	**$ (74,132)**

Unrealized and realized gains (losses) on derivative contracts recognized primarily in Principal transactions revenues, which are utilized in connection with our client activities and our economic risk management activities:

$ in thousands	Three Months Ended May 31,		Six Months Ended May 31,	
Gains (Losses)	**2026**	**2025**	**2026**	**2025**
Interest rate contracts	$ (80,358)	$ (8,710)	$ (80,091)	$ (31,212)
Foreign exchange contracts	3,178	21,645	1,447	16,770
Equity contracts	(221,296)	823,950	(340,671)	1,318,166
Commodity contracts	14,596	7,723	18,878	13,457
Credit contracts	(8,657)	653	(11,715)	1,704
Total	**$ (292,537)**	**$ 845,261**	**$ (412,152)**	**$ 1,318,885**

The net gains (losses) on derivative contracts in the table above are one of a number of activities comprising our business activities and are before consideration of economic hedging transactions, which generally offset the net gains (losses) included above. We substantially mitigate our exposure to market risk on our cash instruments through derivative contracts, which generally provide offsetting revenues, and we manage the risk associated with these contracts in the context of our overall risk management framework.

OTC Derivatives

Remaining contract maturities at May 31, 2026:

	OTC Derivative Assets (1) (2) (3)				
$ in thousands	0 – 12 Months	1 – 5 Years	Greater Than 5 Years	Cross-Maturity Netting (4)	Total
Commodity swaps, options and forwards	$ 6,257	$ —	$ —	$ —	$ 6,257
Equity options and forwards	68,134	199,435	—	(3,825)	263,744
Credit default swaps	336	870	27,768	—	28,974
Total return swaps	550,180	78,174	—	(9,563)	618,791
Foreign currency forwards, swaps and options	75,153	6,248	—	—	81,401
Interest rate swaps, options and forwards	34,279	121,126	22,464	(26,994)	150,875
Total	**$ 734,339**	**$ 405,853**	**$ 50,232**	**$ (40,382)**	**1,150,042**
Cross-product counterparty netting					(39,665)
Total OTC derivative assets included in Financial instruments owned					**$ 1,110,377**

	OTC Derivative Liabilities (1) (2) (3)				
$ in thousands	0 – 12 Months	1 – 5 Years	Greater Than 5 Years	Cross-Maturity Netting (4)	Total
Commodity swaps, options and forwards	$ 2,325	$ —	$ —	$ —	$ 2,325
Equity options and forwards	80,693	123,522	—	(3,825)	200,390
Credit default swaps	36	1,712	4,421	—	6,169
Total return swaps	301,510	552,830	151	(9,563)	844,928
Foreign currency forwards, swaps and options	73,053	345	—	—	73,398
Fixed income forwards	5,471	—	—	—	5,471
Interest rate swaps, options and forwards	27,854	109,428	486,251	(26,994)	596,539
Total	**$ 490,942**	**$ 787,837**	**$ 490,823**	**$ (40,382)**	**1,729,220**
Cross-product counterparty netting					(39,665)
Total OTC derivative liabilities included in Financial instruments sold, not yet purchased					**$ 1,689,555**

(1) At May 31, 2026, we held net exchange-traded derivative assets and liabilities with a fair value of $1.00 billion and $729.3 million, respectively, which are not included in these tables.

(2) OTC derivative assets and liabilities in the tables above are gross of collateral pledged. OTC derivative assets and liabilities are recorded net of collateral pledged in our Consolidated Statements of Financial Condition. At May 31, 2026, cash collateral received and pledged was $678.6 million and $804.5 million, respectively.

(3) Derivative fair values include counterparty netting within product category.

(4) Amounts represent the netting of receivable balances with payable balances for the same counterparty within product category across maturity categories.

OTC derivative assets at May 31, 2026:

Counterparty credit quality (1):	***$ in thousands***
A- or higher	$ 530,743
BBB- to BBB+	88,586
BB+ or lower	236,089
Unrated	254,959
Total	**$ 1,110,377**

(1) We utilize internal credit ratings determined by our Risk Management department. Credit ratings determined by Risk Management use methodologies that produce ratings generally consistent with those produced by external rating agencies.

Credit Related Derivative Contracts

External credit ratings of the underlyings or referenced assets for our written credit related derivative contracts:

	May 31, 2026		
	External Credit Rating		
$ in millions	Investment Grade	Non-investment Grade	Total Notional
Credit protection sold:			
Index credit default swaps	$ 78.3	$ 796.7	$ 875.0

	November 30, 2025		
	External Credit Rating		
$ in millions	Investment Grade	Non-investment Grade	Total Notional
Credit protection sold:			
Index credit default swaps	$ 51.4	$ 873.2	$ 924.6

Contingent Features

Certain derivative instruments contain provisions that require us to either post additional collateral or immediately settle any outstanding liability balances upon a specific event related to our credit, primarily downgrades in our credit ratings. The following table presents the aggregate fair value of all derivative instruments with such credit-risk-related contingent features that are in a net liability position, the collateral amounts we have posted or received in the normal course of business and the potential collateral we could have been required to return and/or post additionally to our counterparties if the credit-risk-related contingent features underlying these agreements were triggered:

$ in millions	May 31, 2026	November 30, 2025
Derivative instrument liabilities with credit-risk-related contingent features	$ 311.7	$ 107.3
Collateral posted	(111.7)	(70.0)
Collateral received	699.7	343.3
Return of and additional collateral required in the event of a credit rating downgrade below investment grade (1)	899.7	380.5

(1) These potential outflows include initial margin received from counterparties at the execution of the derivative contract. The initial margin will be returned if counterparties elect to terminate the contract after a downgrade.

Note 7. Collateralized Transactions

We receive securities as collateral under resale agreements, securities borrowing transactions, customer margin loans, and in connection with securities-for-securities transactions in which we are the lender of securities. We also receive securities as initial margin on certain derivative transactions. In many instances, we are permitted by contract to rehypothecate the securities received as collateral. These securities may be used to secure repurchase agreements, enter into securities lending transactions, satisfy margin requirements on derivative transactions or cover short positions. At May 31, 2026 and November 30, 2025, the approximate fair value of securities received as collateral by us that may be sold or repledged was $72.04 billion and $49.68 billion, respectively. At May 31, 2026 and November 30, 2025, a substantial portion of the securities received by us had been sold or repledged.

	May 31, 2026			
$ in millions	Securities Lending Arrangements	Repurchase Agreements	Obligation to Return Securities Received as Collateral, at Fair Value	Total
Collateral Pledged:				
Corporate equity securities	$ 2,573.1	$ 1,774.8	$ 80.3	$ 4,428.2
Corporate debt securities	311.8	3,428.5	—	3,740.3
Mortgage-backed and asset-backed securities	186.3	2,114.6	—	2,300.9
U.S. government and federal agency securities	14.4	8,435.1	—	8,449.5
Municipal securities	—	430.9	—	430.9
Sovereign obligations	19.0	1,529.5	230.5	1,779.0
Loans and other receivables	—	786.6	—	786.6
Total	**$ 3,104.6**	**$ 18,500.0**	**$ 310.8**	**$ 21,915.4**

	November 30, 2025			
$ in millions	Securities Lending Arrangements	Repurchase Agreements	Obligation to Return Securities Received as Collateral, at Fair Value	Total
Collateral Pledged:				
Corporate equity securities	$ 1,875.2	$ 1,028.6	$ —	$ 2,903.8
Corporate debt securities	589.7	3,271.5	—	3,861.2
Mortgage-backed and asset-backed securities	—	2,062.6	—	2,062.6
U.S. government and federal agency securities	21.6	9,183.1	—	9,204.7
Municipal securities	—	422.3	—	422.3
Sovereign obligations	54.3	1,487.7	200.5	1,742.5
Loans and other receivables	—	805.4	—	805.4
Total	**$ 2,540.8**	**$ 18,261.2**	**$ 200.5**	**$ 21,002.5**

	May 31, 2026				
$ in millions	Overnight and Continuous	Up to 30 Days	31-90 Days	Greater than 90 Days	Total
Securities lending arrangements	$ 2,687.9	$ 236.3	$ 101.2	$ 79.2	$ 3,104.6
Repurchase agreements	2,007.7	8,299.2	4,116.7	4,076.4	18,500.0
Obligation to return securities received as collateral, at fair value	310.8	—	—	—	310.8
Total	**$ 5,006.4**	**$ 8,535.5**	**$ 4,217.9**	**$ 4,155.6**	**$ 21,915.4**

	November 30, 2025				
$ in millions	Overnight and Continuous	Up to 30 Days	31-90 Days	Greater than 90 Days	Total
Securities lending arrangements	$ 2,072.7	$ 123.8	$ 81.3	$ 263.0	$ 2,540.8
Repurchase agreements	2,108.1	9,569.4	2,959.8	3,623.9	18,261.2
Obligation to return securities received as collateral, at fair value	200.5	—	—	—	200.5
Total	**$ 4,381.3**	**$ 9,693.2**	**$ 3,041.1**	**$ 3,886.9**	**$ 21,002.5**

Securities Financing Agreements

To manage our exposure to credit risk associated with securities financing transactions, we may enter into master netting agreements and collateral arrangements with counterparties. Generally, transactions are executed under standard industry agreements, including, but not limited to, master securities lending agreements (securities lending transactions) and master repurchase agreements (repurchase transactions).

	May 31, 2026					
$ in millions	Gross Amounts	Netting in Consolidated Statements of Financial Condition	Net Amounts in Consolidated Statements of Financial Condition	Additional Amounts Available for Setoff (1)	Available Collateral (2)	Net Amount (3)
Assets:						
Securities borrowing arrangements	$ 9,729.9	$ —	$ 9,729.9	$ (882.0)	$ (2,149.8)	$ 6,698.1
Reverse repurchase agreements	16,589.2	(7,182.0)	9,407.2	(1,498.4)	(7,842.5)	66.3
Securities received as collateral, at fair value	310.8	—	310.8	—	(310.8)	—
Liabilities:						
Securities lending arrangements	$ 3,104.6	$ —	$ 3,104.6	$ (882.0)	$ (1,948.6)	$ 274.0
Repurchase agreements	18,500.0	(7,182.0)	11,318.0	(1,498.4)	(9,544.9)	274.7
Obligation to return securities received as collateral, at fair value	310.8	—	310.8	—	(310.8)	—

	November 30, 2025					
$ in millions	Gross Amounts	Netting in Consolidated Statements of Financial Condition	Net Amounts in Consolidated Statements of Financial Condition	Additional Amounts Available for Setoff (1)	Available Collateral (2)	Net Amount (4)
Assets:						
Securities borrowing arrangements	$ 8,295.2	$ —	$ 8,295.2	$ (512.3)	$ (1,913.5)	$ 5,869.4
Reverse repurchase agreements	14,553.6	(6,104.5)	8,449.1	(2,727.2)	(5,670.2)	51.7
Securities received as collateral, at fair value	200.5	—	200.5	—	(200.5)	—
Liabilities:						
Securities lending arrangements	$ 2,540.8	$ —	$ 2,540.8	$ (512.3)	$ (1,920.0)	$ 108.5
Repurchase agreements	18,261.2	(6,104.5)	12,156.7	(2,727.2)	(8,666.7)	762.8
Obligation to return securities received as collateral, at fair value	200.5	—	200.5	—	(200.5)	—

(1) Under master netting agreements with our counterparties, we have the legal right of offset with a counterparty, which incorporates all of the counterparty's outstanding rights and obligations under the arrangement. These balances reflect additional credit risk mitigation that is available by a counterparty in the event of a counterparty's default, but which are not netted in our Consolidated Statements of Financial Condition because other netting provisions of U.S. GAAP are not met.

(2) Includes securities received or paid under collateral arrangements with counterparties that could be liquidated in the event of a counterparty default and thus offset against a counterparty's rights and obligations under the respective repurchase agreements or securities borrowing or lending arrangements.

(3) Includes $6.62 billion of securities borrowing arrangements, for which we have received securities collateral of $6.44 billion, and $220.0 million of repurchase agreements, for which we have pledged securities collateral of $241.8 million, which are subject to master netting agreements, but we have not determined the agreements to be legally enforceable.

(4) Includes $5.81 billion of securities borrowing arrangements, for which we have received securities collateral of $5.69 billion, and $670.0 million of repurchase agreements, for which we have pledged securities collateral of $688.0 million, which are subject to master netting agreements, but we have not determined the agreements to be legally enforceable.

Note 8. Securitization Activities

We engage in securitization activities related to corporate loans, mortgage loans, consumer loans and mortgage-backed and other asset-backed securities. In our securitization transactions, we transfer these assets to special purpose entities ("SPEs") and act as the placement or structuring agent for the beneficial interests sold to investors by the SPE. A portion of our securitization transactions are the securitization of assets issued or guaranteed by U.S. government agencies. These SPEs generally meet the criteria of VIEs; however, we generally do not consolidate the SPEs as we are not considered the primary beneficiary for these SPEs. Refer to Note 9, Variable Interest Entities for further discussion on VIEs and our determination of the primary beneficiary.

We account for our securitization transactions as sales, provided we have relinquished control over the transferred assets. Transferred assets are carried at fair value with unrealized gains and losses reflected in Principal transactions revenues prior to the identification and isolation for securitization. Subsequently, revenues recognized upon securitization are reflected as net underwriting revenues. We generally receive cash proceeds in connection with the transfer of assets to an SPE. We may, however, have continuing involvement with the transferred assets, which is limited to retaining one or more tranches of the securitization (primarily senior and subordinated debt securities in the form of mortgage-backed and other-asset backed securities or CLOs). These securities are included in Financial instruments owned, at fair value and are generally initially categorized as Level 2 within the fair value hierarchy.

Securitizations that were accounted for as sales in which we had continuing involvement:

	Three Months Ended May 31,		Six Months Ended May 31,	
$ in millions	**2026**	**2025**	**2026**	**2025**
Transferred assets	$ 2,050.5	$ 2,591.4	$ 3,419.2	$ 2,633.4
Proceeds on new securitizations	2,050.5	2,591.4	3,419.2	2,633.4
Cash flows received on retained interests	10.1	6.5	24.8	11.1

We have no explicit or implicit arrangements to provide additional financial support to these SPEs, have no liabilities related to these SPEs and do not have any outstanding derivative contracts executed in connection with these securitization activities at May 31, 2026 and November 30, 2025.

Our retained interests in SPEs where we transferred assets and have continuing involvement and received sale accounting treatment:

$ in millions	May 31, 2026		November 30, 2025	
Securitization Type	**Total Assets**	**Retained Interests**	**Total Assets**	**Retained Interests**
U.S. government agency RMBS	$ 127.2	$ 2.5	$ 405.7	$ 4.0
U.S. government agency CMBS	692.7	1.0	1,108.2	1.1
CLOs	12,047.7	144.1	10,970.6	436.6
Consumer and other loans	2,878.2	104.8	2,596.7	104.9

Total assets represent the unpaid principal amount of assets in the SPEs in which we have continuing involvement and are presented solely to provide information regarding the size of the transactions and the size of the underlying assets supporting our retained interests and are not considered representative of the risk of potential loss. Assets retained in connection with a securitization transaction represent the fair value of the securities of one or more tranches issued by an SPE, including senior and subordinated tranches. Our risk of loss is limited to this fair value amount which is included in total Financial instruments owned in our Consolidated Statements of Financial Condition.

Although not obligated, in connection with secondary market-making activities we may make a market in the securities issued by these SPEs. In these market-making transactions, we buy these securities from and sell these securities to investors. Securities purchased through these market-making activities are not considered to be continuing involvement in these SPEs. To the extent we purchased securities through these market-making activities, and we are not deemed to be the primary beneficiary of the VIE, these securities are included in agency and non-agency mortgage-backed and asset-backed securitizations in the nonconsolidated VIEs section presented in Note 9, Variable Interest Entities.

If we have not relinquished control over the transferred assets, the assets continue to be recognized in Financial instruments owned and a corresponding liability is recognized in Other secured financings. The related liabilities do not have recourse to our general credit.

$ in millions	May 31, 2026	November 30, 2025
Financial instruments owned	$ —	$ 456.1
Other secured financings	—	456.1

Note 9. Variable Interest Entities

VIEs are entities in which equity investors lack the characteristics of a controlling financial interest. VIEs are consolidated by the primary beneficiary. The primary beneficiary is the party who has both (1) the power to direct the activities of a VIE that most significantly impact the entity's economic performance and (2) an obligation to absorb losses of the entity or a right to receive benefits from the entity that could potentially be significant to the entity.

Our variable interests in VIEs include debt and equity interests, commitments, guarantees and certain fees. Our involvement with VIEs arises primarily from:

- Purchases of securities in connection with our trading and secondary market making activities;
- Retained interests held as a result of securitization activities;
- Acting as placement agent and/or underwriter in connection with client-sponsored securitizations;
- Financing of agency and non-agency mortgage-backed and other asset-backed securities;
- Warehouse funding arrangements for client-sponsored consumer and mortgage loan vehicles and CLOs through participation agreements, forward sale agreements, reverse repurchase agreements, and revolving loan and note commitments; and
- Loans to, investments in and fees from various investment vehicles.

We determine whether we are the primary beneficiary of a VIE upon our initial involvement with the VIE and we reassess whether we are the primary beneficiary of a VIE on an ongoing basis. Our determination of whether we are the primary beneficiary of a VIE is based upon the facts and circumstances for each VIE and requires judgment. Our considerations in determining the VIE's most significant activities and whether we have power to direct those activities include, but are not limited to, the VIE's purpose and design and the risks passed through to investors, the voting interests of the VIE, management, service and/or other agreements of the VIE, involvement in the VIE's initial design and the existence of explicit or implicit financial guarantees. In situations where we have determined that the power over the VIE's significant activities is shared, we assess whether we are the party with the power over the most significant activities. If we are the party with the power over the most significant activities, we meet the "power" criteria of the primary beneficiary. If we do not have the power over the most significant activities or we determine that decisions require consent of each sharing party, we do not meet the "power" criteria of the primary beneficiary.

We assess our variable interests in a VIE both individually and in aggregate to determine whether we have an obligation to absorb losses of or a right to receive benefits from the VIE that could potentially be significant to the VIE. The determination of whether our variable interest is significant to the VIE requires judgment. In determining the significance of our variable interest, we consider the terms, characteristics and size of the variable interests, the design and characteristics of the VIE, our involvement in the VIE and our market-making activities related to the variable interests.

Consolidated VIEs:

	May 31, 2026 (1)	
$ in millions	Secured Funding Vehicles	Other
Cash	$ 0.1	$ 8.2
Financial instruments owned	2.7	185.7
Securities purchased under agreements to resell (2)	2,885.3	—
Receivables from brokers (3)	—	66.5
Other receivables	0.4	3.1
Other assets (4)	—	85.0
Total assets	**$ 2,888.5**	**$ 348.5**
Financial instruments sold, not yet purchased	$ —	$ 107.9
Other secured financings (5)	2,881.0	28.9
Other liabilities (6)	6.5	90.7
Long-term debt	—	70.2
Total liabilities	**$ 2,887.5**	**$ 297.7**

	November 30, 2025 (1)	
$ in millions	Secured Funding Vehicles	Other
Cash	$ —	$ 1.7
Segregated cash	—	1.4
Financial instruments owned	1.4	142.6
Securities purchased under agreements to resell (2)	3,043.4	121.5
Receivables from brokers (3)	—	104.1
Other receivables	—	3.1
Other assets (4)	—	87.1
Total assets	**$ 3,044.8**	**$ 461.5**
Financial instruments sold, not yet purchased	$ —	$ 83.8
Other secured financings (5)	3,042.4	21.6
Repurchase agreement	—	147.8
Other liabilities (6)	7.3	85.1
Long-term debt	—	70.2
Total liabilities	**$ 3,049.7**	**$ 408.5**

(1) Assets and liabilities are presented prior to consolidation and thus a portion of these assets and liabilities are eliminated in consolidation.

(2) Securities purchased under agreements to resell primarily represent amounts due under collateralized transactions on related consolidated entities, all of which are eliminated in consolidation.

(3) Includes $0.5 million and $0.5 million at May 31, 2026 and November 30, 2025, respectively, with related consolidated entities, which are eliminated in consolidation.

(4) Includes $3.0 million and $3.4 million at May 31, 2026 and November 30, 2025, respectively, with related consolidated entities, which are eliminated in consolidation.

(5) Includes $603.2 million and $780.5 million at May 31, 2026 and November 30, 2025, respectively, with related consolidated entities, which are eliminated in consolidation.

(6) Includes $89.3 million and $84.0 million at May 31, 2026 and November 30, 2025, respectively, with related consolidated entities, which are eliminated in consolidation.

Secured Funding Vehicles. We sell agency and non-agency residential and commercial mortgage loans, and asset-backed securities to asset-backed financing vehicles pursuant to the terms of a master repurchase agreement. Our variable interests in these vehicles consist of our collateral margin maintenance obligations under the master repurchase agreement, and retained interests in securities issued. The assets of these VIEs consist of reverse repurchase agreements, which are available for the benefit of the vehicle's debt holders. We also from time to time securitize other financial instruments and own variable interests in other securitization vehicles.

Other. We manage investment vehicles for external investors and for the benefit of our employees and we may also hold a controlling financial interest in investment vehicles managed by third parties. The assets of these VIEs consist primarily of equity securities and broker receivables. Our variable interests in these vehicles consist of equity securities, management and performance fees and revenue share arrangements. The creditors of these VIEs do not have recourse to our general credit and each such VIE's assets are not available to satisfy any other debt.

We are the primary beneficiary of a real estate syndication entity that develops multi-family residential property and manages the property. The assets of the VIE consist primarily of real estate and its liabilities primarily consist of accrued expenses and long-term debt secured by the real estate property. Our variable interest in the VIE primarily consists of our limited liability company interest, a sponsor promote and development and asset management fees for managing the project.

We are the primary beneficiary of special purpose vehicles that hold risk retention notes issued as part of unsecured loan asset- backed transactions. Our variable interests in the VIEs primarily consist of our ownership of certificates issued by the VIEs.

Nonconsolidated VIEs

	May 31, 2026			
	Carrying Amount		Maximum Exposure to	
$ in millions	Assets	Liabilities	Loss	VIE Assets
CLOs	$ 991.5	$ 4.2	$ 5,605.9	$ 18,305.4
Asset-backed vehicles	1,299.1	—	1,611.8	8,980.8
Related party private equity vehicles	3.9	—	13.7	72.0
Other investment vehicles	1,613.5	—	1,833.6	82,166.8
Total	**$ 3,908.0**	**$ 4.2**	**$ 9,065.0**	**$ 109,525.0**

	November 30, 2025			
	Carrying Amount		Maximum Exposure to	
$ in millions	Assets	Liabilities	Loss	VIE Assets
CLOs	$ 1,245.3	$ 96.5	$ 7,055.5	$ 17,600.4
Asset-backed vehicles	1,207.3	—	1,797.1	6,616.0
Related party private equity vehicles	3.5	—	14.3	57.7
Other investment vehicles	1,722.7	—	2,009.6	74,007.9
Total	**$ 4,178.8**	**$ 96.5**	**$ 10,876.5**	**$ 98,282.0**

Maximum Exposure to Loss

Maximum exposure to loss represents the total of the carrying value of our on-balance sheet interests in the unconsolidated VIEs and the notional amount of any unfunded off-balance sheet arrangements with the unconsolidated VIEs. With respect to CLOs and asset-backed vehicles, the off-balance sheet arrangements typically represent the undrawn notional amount of arrangements to finance the acquisition of assets during the warehousing and pre-closing phase of the vehicles. The maximum exposure to loss is based on the unlikely event that all of the assets in the VIEs become worthless and incorporates not only potential losses associated with the carrying amounts of assets recognized on the Consolidated Statements of Financial Condition but also potential losses associated with unfunded commitments and other contractual arrangements. The maximum exposure to loss does not include the offsetting benefit of any financial instruments that may be utilized to hedge the risks associated with our variable interests, is not reduced by the amount of collateral held as part of a transaction with a VIE and does not consider any executed forward sale agreements

where we have committed to sell ownership interests in any of the investment vehicles.

Collateralized Loan Obligations. Assets collateralizing the CLOs include bank loans, participation interests, sub-investment grade and senior secured U.S. loans, and senior secured Euro-denominated corporate leveraged loans and bonds. We underwrite securities issued in CLO transactions on behalf of sponsors and provide advisory services to the sponsors. We may also sell corporate loans to the CLOs. Our variable interests where we have been involved in providing underwriting and/or advisory services include:

- Forward sale agreements whereby we commit to sell, at a fixed price, corporate loans and ownership interests in a CLO;
- Warehouse funding arrangements in the form of:
  - Participation interests in corporate loans and commitments to fund such participation interests;
  - Reverse repurchase agreements and commitments to fund such reverse repurchase agreements;
  - Variable funding notes; and
  - Senior and subordinated notes issued in connection with CLO warehousing activities.
- Trading positions in securities issued in CLO transactions.

Asset-Backed Vehicles. We provide financing and lending related services to certain client-sponsored VIEs in the form of revolving funding note agreements, revolving credit facilities, forward purchase agreements and reverse repurchase agreements. We also may transfer originated corporate loans to certain VIEs and hold subordinated interests issued by the vehicle. The underlying assets, which are collateralizing the vehicles, are primarily composed of unsecured consumer loans, mortgage loans and corporate loans. In addition, we may provide structuring and advisory services and act as an underwriter or placement agent for securities issued by the vehicles. We do not control the activities of these entities.

Related Party Private Equity Vehicles. We have committed to invest in private equity funds, (the “JCP Funds”, including JCP Fund V (refer to Note 10, Investments for further information)) managed by Jefferies Capital Partners, LLC (the “JCP Manager”). Additionally, we have committed to invest in the general partners of the JCP Funds (the “JCP General Partners”) and the JCP Manager. Our variable interests consist of equity interests that, in total, provide us with limited and general partner investment returns of the JCP Funds, a portion of the carried interest earned by the JCP General Partners and a portion of the management fees earned by the JCP Manager. At May 31, 2026 and November 30, 2025, our remaining equity commitment in the JCP Entities was $8.8 million and $9.7 million, respectively. At May 31, 2026 and November 30, 2025, we also had remaining commitments of $0.3 million and $0.4 million, respectively, to a private equity fund managed by us for the benefit of our employees. The carrying value of our collective equity interests were $4.0 million and $3.4 million at May 31, 2026 and November 30, 2025, respectively. Our exposure to loss is limited to the total of our carrying value and unfunded equity commitment. The assets of the vehicles primarily consist of private equity and equity related investments.

Other Investment Vehicles. At May 31, 2026 and November 30, 2025, our remaining equity commitment in various other investment vehicles was $205.6 million and $282.2 million, respectively. The carrying value of our equity investments was $1.61 billion at $1.72 billion May 31, 2026 and November 30, 2025, respectively. Our exposure to loss is limited to the total of our carrying value and unfunded equity commitment. These investment vehicles have assets primarily consisting of private and public equity investments, debt instruments, trade and insurance claims, various oil and gas assets. Additionally, we hold an investment in an unconsolidated energy tax credit vehicle in the form of a limited partnership, which operates with the objective of generating a return derived from tax credits earned within the partnership. The proportional amortization method has been elected for this investment and the amortization of the investment and related income tax credits and other income tax benefits are recorded as a component of income tax expense.

$ in thousands		**May 31, 2026**
Carrying value (1)	$	33,462

$ in thousands		**Three and Six Months Ended May 31, 2026**
Income tax credits and other income tax benefits	$	30,828
Proportional amortization		(22,728)
Net benefits included in income tax expense	$	8,100

(1) Amounts presented within Other Assets in our Consolidated Statements of Financial Condition and Consolidated Statements of Cash Flows.

Mortgage-Backed and Other Asset-Backed Secured Funding Vehicles. In connection with our secondary trading and market-making activities, we buy and sell agency and non-agency mortgage-backed securities and other asset-backed securities, which are issued by third-party securitization SPEs and are generally considered variable interests in VIEs. Securities issued by securitization SPEs are backed by residential mortgage loans, U.S. agency collateralized mortgage obligations, commercial mortgage loans, CDOs and CLOs and other consumer loans, such as installment receivables, automobile loans and student loans. These securities are accounted for at fair value and included in Financial instruments owned. We have no other involvement with the related SPEs and therefore do not consolidate these entities.

We also engage in underwriting, placement and structuring activities for third-party-sponsored securitization trusts generally through agency (Fannie Mae, Federal Home Loan Mortgage Corporation (“Freddie Mac”) or Ginnie Mae) or non-agency-sponsored SPEs and may purchase loans or mortgage-backed securities from third-parties that are subsequently transferred into the securitization trusts. The securitizations are backed by residential and commercial mortgage, home equity and automobile loans. We do not consolidate agency-sponsored securitizations as we do not have the power to direct the activities of the SPEs that most significantly impact their economic performance. Further, we are not the servicer of non-agency-sponsored securitizations and therefore do not have power to direct the most significant activities of the SPEs and accordingly, do not consolidate these entities. We may retain unsold senior and/or subordinated interests at the time of securitization in the form of securities issued by the SPEs.

At May 31, 2026 and November 30, 2025, we held $1.16 billion and $1.06 billion of agency mortgage-backed securities, respectively, and $156.6 million and $156.3 million of non-agency mortgage-backed and other asset-backed securities, respectively, as a result of our secondary trading and market-making activities, and underwriting, placement and structuring activities. Our maximum exposure to loss on these securities is limited to the carrying value of our investments in these securities. These

mortgage-backed and other asset-backed secured funding vehicles discussed are not included in the above table containing information about our variable interests in nonconsolidated VIEs.

Note 10. Investments

Investments for which we exercise significant influence over the investee are accounted for under the equity method of accounting with our shares of the investees' earnings recognized in Other revenues. Equity method investments, including any loans to the investees, are reported within Investments in and loans to related parties.

$ in millions	May 31, 2026	November 30, 2025
Total Investments in and loans to related parties	$ 1,555.1	$ 1,496.1

	Three Months Ended May 31,		Six Months Ended May 31,	
$ in millions	2026	2025	2026	2025
Total equity method pickup earnings recognized in Other revenues	$ 21.8	$ 8.1	$ 46.3	$ 15.2

The following presents summarized financial information about our significant equity method investees. For certain investees, we receive financial information on a lag and the summarized information provided for these investees is based on the latest financial information available as of May 31, 2026.

Jefferies Finance

Jefferies Finance, our 50/50 joint venture with Massachusetts Mutual Life Insurance Company ("MassMutual") structures, underwrites and syndicates primarily senior secured loans to corporate borrowers; and manages proprietary and third-party investments in both broadly syndicated and direct lending loans. In connection with its Leveraged Finance business, loans are originated primarily through our investment banking efforts and Jefferies Finance typically syndicates to third-party investors substantially all of its arranged volume through us. The Asset Management business is a multi-strategy private credit platform that manages proprietary and third-party capital across commingled funds, funds-of-one, separately managed accounts, business development companies, CLOs and levered balance sheet funds. Broadly syndicated loan investments are sourced through transactions arranged by Jefferies Finance and third-party arrangers and managed through its subsidiary, Apex Credit Partners LLC. Direct lending investments are primarily sourced through us. Jefferies Finance and its subsidiaries that are involved in investment management are registered investment advisers with the SEC.

At May 31, 2026, we and MassMutual each had equity commitments to Jefferies Finance of $750.0 million, for a combined total commitment of $1.5 billion. The equity commitment is reduced quarterly based on our share of any undistributed earnings from Jefferies Finance and the commitment is increased only to the extent the share of such earnings are distributed. At May 31, 2026, our unfunded commitment to Jefferies Finance was $15.4 million. The investment commitment is scheduled to expire on March 1, 2027 with automatic one year extensions absent a 60 day termination notice by either party.

Jefferies Finance has executed a secured revolving credit facility with us and MassMutual, to be funded equally, to support loan underwritings by Jefferies Finance, which bears interest based on the interest rates of the related Jefferies Finance underwritten loans and is secured by the underlying loans funded by the proceeds of the facility. The total facility is a committed amount of $500.0 million at May 31, 2026. Advances are shared equally between us and MassMutual. The facility is scheduled to mature on March 1, 2027 with automatic one year extensions absent a 60 day termination notice by either party. At May 31, 2026, our $250.0 million commitment was undrawn.

Activity related to the facility:

	Three Months Ended May 31,		Six Months Ended May 31,	
$ in millions	2026	2025	2026	2025
Interest income	$ 0.2	$ —	$ 0.4	$ —
Unfunded commitment fees	$ 0.3	$ 0.3	$ 0.6	$ 0.6

Selected financial information for Jefferies Finance:

$ in millions	May 31, 2026	November 30, 2025
Total assets	$ 6,837.6	$ 7,356.1
Total liabilities	5,364.9	5,959.2
Total mezzanine equity	15.9	14.8

$ in millions	May 31, 2026	November 30, 2025
Our total investment balance	$ 728.5	$ 691.0

	Three Months Ended May 31,		Six Months Ended May 31,	
$ in millions	2026	2025	2026	2025
Net earnings (losses) attributable to members	$ 35.4	$ 0.1	$ 68.5	$ (1.6)

Activity related to our other transactions with Jefferies Finance:

	Three Months Ended May 31,		Six Months Ended May 31,	
$ in millions	2026	2025	2026	2025
Origination and syndication fee revenues (1)	$ 41.7	$ 58.4	$ 94.8	$ 118.6
Origination fee expenses (1)	11.0	13.9	29.6	32.4
CLO placement and structuring fee revenues (2)	1.9	1.3	2.9	1.5
Placement and referral fees (3)	7.5	9.4	13.8	10.0
Asset management fee revenues (4)	—	7.5	—	7.5
Underwriting revenues (expenses) (5)	(0.2)	—	(1.1)	—
Service fees (6)	25.8	22.7	91.4	77.1

(1) We engage in the origination and syndication of loans underwritten by Jefferies Finance. In connection with such services, we earned fees, which are recognized in Investment banking revenues. In addition, we paid fees to Jefferies Finance in respect of certain loans originated by Jefferies Finance, which are recognized as Business development expenses.

(2) We act as a placement and/or structuring agent for CLOs managed by Jefferies Finance, which are recognized as fees and included in Investment banking revenues.

(3) We act as a placement agent for investment funds managed by Jefferies Finance, which are recognized as fees and included in Commissions and other fees.

(4) Under a fee and revenue sharing agreement with Jefferies Finance, we receive fees, which are included in Asset management fees and revenues.

(5) We act as an underwriter in connection with term loans issued by Jefferies Finance.

(6) Under a service agreement, we charge Jefferies Finance for various administrative services provided.

Additional balances with Jefferies Finance as reported in our Consolidated Statements of Financial Condition.

$ in millions	May 31, 2026	November 30, 2025
Assets		
Financial instruments owned, at fair value (1)	$ 4.1	$ 10.9
Other assets (2)	6.2	7.0
Liabilities		
Financial instruments sold, not yet purchased, at fair value (1)	$ 1.6	$ 0.4
Payables:		
Brokers, dealers and clearing organizations (3)	17.7	17.2
Customers (4)	5.0	3.3

(1) In connection with our capital markets activities, from time to time we make a market in long-term debt securities and term loans of Jefferies Finance (i.e., we buy and sell debt securities and tern loans of Jefferies Finance).

(2) Receivable for services and certain fees from Jefferies Finance.

(3) Cash collateral received from Jefferies Finance on OTC foreign currency derivatives.

(4) Payable to Jefferies Finance in connection with loans originated by Jefferies Finance to borrowers who are investment banking clients of ours. We have also entered into an agreement to indemnify Jefferies Finance with respect to any foreign currency exposure on these loans.

Berkadia

Berkadia is a commercial real estate finance and investment sales joint venture that was formed by us and Berkshire Hathaway Inc. We are entitled to receive 45.0% of the profits of Berkadia. Berkadia originates commercial and multifamily real estate loans that are sold to U.S. government agencies or other investors with Berkadia retaining the servicing rights. Berkadia also provides advisory services in connection with sales of multifamily assets. Berkadia is a servicer of commercial real estate loans in the U.S., performing primary, master and special servicing functions for U.S. government agency programs and financial services companies.

Commercial paper issued by Berkadia is supported by a $1.50 billion surety policy issued by a Berkshire Hathaway insurance subsidiary, for which we receive a surety fee, and a corporate guaranty, and we have agreed to reimburse Berkshire Hathaway for one-half of any losses incurred thereunder. At May 31, 2026, the aggregate amount of commercial paper outstanding was $1.47 billion.

Selected financial information for Berkadia:

$ in millions	May 31, 2026	November 30, 2025
Total assets	$ 5,360.5	$ 5,269.8
Total liabilities	3,868.1	3,953.1
Total noncontrolling interest	540.1	369.0

$ in millions	May 31, 2026	November 30, 2025
Our total investment balance	$ 432.6	$ 429.7

	Three Months Ended May 31,		Six Months Ended May 31,	
$ in millions	2026	2025	2026	2025
Net earnings attributable to members	$ 26.5	$ 44.2	$ 66.9	$ 82.0

	Three Months Ended May 31,		Six Months Ended May 31,	
$ in millions	2026	2025	2026	2025
Distributions	$ 5.4	$ 10.9	$ 26.6	$ 27.0

At May 31, 2026 and November 30, 2025, we had commitments to purchase $9.0 million and $13.6 million, respectively, of agency CMBS from Berkadia.

Revenues from other transactions with Berkadia for the six months ended May 31, 2025 were $0.1 million.

Real Estate Investments

Our real estate equity method investments primarily consist of our equity interests in Brooklyn Renaissance Plaza and Hotel and 54 Madison. Brooklyn Renaissance Plaza is composed of a hotel, office building complex and parking garage located in Brooklyn, New York. We have a 25.4% equity interest in the hotel and a 61.3% equity interest in the office building and garage. Although we have a majority interest in the office building and garage, we do not have control, but only have the ability to exercise significant influence on this investment. We are amortizing our basis difference between the estimated fair value and the underlying book value of Brooklyn Renaissance office building and garage over the respective useful lives (weighted average life of 39 years).

We own a 48.1% equity interest in 54 Madison, a fund that most recently owned an interest in one real estate project and the fund is in the process of being liquidated.

Selected financial information for the real estate investments:

$ in millions	May 31, 2026	November 30, 2025
Total assets	$ 310.0	$ 312.6
Total liabilities	463.6	470.7

	May 31, 2026	November 30, 2025
Our total investment balance	$ 100.0	$ 98.7

	Three Months Ended May 31,		Six Months Ended May 31,	
$ in millions	2026	2025	2026	2025
Net earnings (losses)	$ 1.0	$ (3.3)	$ 4.8	$ 1.3

	Three Months Ended May 31,		Six Months Ended May 31,	
$ in millions	2026	2025	2026	2025
Distributions we received from Brooklyn Renaissance Hotel	$ —	$ 1.2	$ —	$ 1.2

JCP Fund V

We have limited partnership interests of 11% and 50% in Jefferies Capital Partners V L.P. and Jefferies SBI USA Fund L.P. (together, “JCP Fund V”), respectively, which are private equity funds managed by a team led by our President and which are in the process of being fully liquidated. The amount of our investments in JCP Fund V included in Financial instruments owned, at fair value was $3.1 million and $2.8 million at May 31, 2026 and November 30, 2025, respectively. We account for these investments at fair value based on the NAV of the funds provided by the fund managers. The following summarizes the results from these investments which are included in Principal transactions revenues:

	Three Months Ended May 31,		Six Months Ended May 31,	
$ in millions	2026	2025	2026	2025
Net gains (losses) from our investments in JCP Fund V	$ 0.4	$ —	$ 0.3	$ (0.2)

At both May 31, 2026 and November 30, 2025, we were committed to invest equity of up to $85.0 million in JCP Fund V. At both May 31, 2026 and November 30, 2025, our unfunded commitment relating to JCP Fund V was $8.7 million. We do not expect any further capital to be called by JCP Fund V.

The following is a summary of the Net change in net assets resulting from operations for 100.0% of JCP Fund V, in which we owned effectively 35.2% at May 31, 2026 of the combined equity interests:

	Three Months Ended (1)			
$ in millions	March 31, 2026	December 31, 2025	March 31, 2025	December 31, 2024
Net increase (decrease) in net assets resulting from operations	$ 1.0	$ —	$ 0.1	$ (0.6)

(1) Financial information for JCP Fund V within our results of operations for the three and six months ended May 31, 2026 and 2025 is included based on the periods presented.

Hildene

In July 2024, we invested $25.0 million in the Class A Common Equity Units of Hildene Insurance Holdings, LLC (“Hildene Insurance”), an investment fund with insurance exposures. On March 1, 2025, we made an additional investment of $75.0 million in Hildene Insurance, which resulted in an increase of our effective ownership from 8.83% to 23.5%. The investment is accounted for under the equity method with a carrying amount of $120.0 million and $113.8 million at May 31, 2026 and November 30, 2025, respectively.

Selected financial information for Hildene Insurance:

$ in millions	March 31, 2026 (1)	September 30, 2025 (1)
Total assets	$ 560.7	$ 498.4
Total liabilities	0.4	0.7
Total members’ equity	560.3	497.7

	Three Months Ended (1)			
$ in millions	March 31, 2026	March 31, 2025	December 31, 2025	December 31, 2024
Net increase in members’ equity resulting from operations	$ 15.8	$ 27.5	$ 16.6	$ 8.4

(1) Financial information for Hildene Insurance Holdings, LLC included in our financial position at May 31, 2026 and November 30, 2025 is based on the dates presented, and in our results of operations for the three and six months ended May 31, 2026 and 2025 is based on the periods presented.

On December 9, 2025, we entered into an agreement to acquire a 50% interest in Hildene Holding Company, LLC, parent of Hildene Capital Management, LLC, a credit-focused asset manager and the parent of Hildene Insurance. We will contribute our existing revenue share, a portion of our interest in a Hildene-managed fund, and $340.0 million in cash. Hildene’s principals will contribute their ownership interests and approximately $250.0 million of the fund and related equity interests. Closing is targeted to occur in the third quarter of 2026, subject to customary approvals.

ApiJect

We own shares that represent a 37.9% and 33.6% economic interest in ApiJect at May 31, 2026 and November 30, 2025, respectively, which are accounted for at fair value by electing the fair value option available under U.S. GAAP, and are included within corporate equity securities in Financial instruments owned, at fair value. At both May 31, 2026 and November 30, 2025, the total fair value of our total equity investment in common shares of ApiJect was $97.9 million which is classified within Level 3 of the fair value hierarchy. Additionally, we own warrants to purchase up to 950,000 shares of common stock at any time or from time to time on or before April 15, 2032.

We also have a term loan agreement with a principal of ApiJect for $23.3 million, which matures on July 31, 2026. The loan is accounted for at amortized cost and is reported within Other assets. The loan has a fair value of $23.3 million at both May 31, 2026 and November 30, 2025, which would be classified as Level 3 in the fair value hierarchy.

We have purchased secured convertible promissory notes totaling $3.9 million in the second quarter of 2026, and $9.8 million in December 2025, from ApiJect. These promissory notes are accounted for at fair value in Financial instruments owned and classified within Level 3 of the fair value hierarchy.

Aircadia

In December 2023, Aircadia Leasing II LLC (“Aircadia”), a wholly owned subsidiary, purchased airplanes from one of our clients and simultaneously entered into a lease with the seller to lease the airplanes for a term of 42 months. The transaction was accounted for as a sale leaseback and the airplanes were recorded within Premises and equipment at $57.7 million. During the second quarter of 2025, we agreed to sell the airplanes and we recognized a loss of $12.8 million. The sale closed in the third quarter of 2025.

	Three Months Ended May 31,		Six Months Ended May 31,	
$ in millions	2026	2025	2026	2025
Operating lease income (1)	$ —	$ 1.3	$ —	$ 6.9

Also in December 2023, we provided a loan to the seller for $30.0 million, which was paid off on April 1, 2025. The loan was accounted for at amortized cost and included within Investments in and loans to related parties. We recognized interest income of $0.2 million and $1.0 million on the loan during the three and six months ended May 31, 2025, respectively. We also hold preferred shares in the seller, which are accounted for at fair value in Financial instruments owned with a fair value of $43.2 million at both May 31, 2026 and November 30, 2025, and are classified within Level 3 of the fair value hierarchy.

In September 2024, we provided a €15.0 million loan, maturing in July 15, 2026, to an individual related to the seller, secured by a privately owned aircraft and guaranteed by the individual. We recognized interest income of $0.5 million and $1.1 million for the three and six months ended May 31, 2026, respectively, and $0.5 million and $0.9 million during the three and six months ended May 31, 2025, respectively.

Note 11. Credit Losses on Financial Assets Measured at Amortized Cost

Secured Financing Receivables. In evaluating secured financing receivables (reverse repurchases agreements, securities borrowing arrangements, and margin loans), the underlying collateral maintenance provisions are taken into consideration. The underlying contractual collateral maintenance for significantly all of our secured financing receivables requires that the counterparty continually adjust the collateralization amount, securing the credit exposure on these contracts. Collateralization levels for our secured financing receivables are initially established based upon the counterparty, the type of acceptable collateral that is monitored daily and adjusted to mitigate the potential of any credit losses. Credit losses are not recognized for secured financing receivables where the underlying collateral's fair value is equal to or exceeds the asset's amortized cost basis. In cases where the collateral's fair value does not equal or exceed the amortized cost basis, the allowance for credit losses, if any, is limited to the difference between the fair value of the collateral at the reporting date and the amortized cost basis of the financial assets.

Broker Receivables. Our receivables from brokers, dealers, and clearing organizations include deposits of cash with exchange clearing organizations to meet margin requirements, amounts due from clearing organizations for daily variation settlements, securities failed-to-deliver or receive and receivables and payables for fees and commissions. These receivables generally do not give rise to material credit risk and have a remote probability of default either because of their short-term nature or due to the credit protection framework inherent in the design and operations of brokers, dealers and clearing organizations. As such, generally, no allowance for credit losses is held against these receivables.

Investment Banking Fee Receivables. Our allowance for credit losses on our investment banking fee receivables uses a provisioning matrix based on the shared risk characteristics and historical loss experience for such receivables. In some instances, we may adjust the allowance calculated based on the provision matrix to incorporate a specific allowance based on the unique credit risk profile of a receivable. The provisioning matrix is periodically updated to reflect changes in the underlying portfolio's credit characteristics and most recent historical loss data.

Allowance for credit losses for investment banking receivables:

	Three Months Ended May 31,		Six Months Ended May 31,	
$ in thousands	**2026**	**2025**	**2026**	**2025**
Beginning balance	$ 11,960	$ 2,046	$ 3,681	$ 5,277
Bad debt expense	4,255	1,472	14,419	2,818
Charge-offs	(16)	—	(16)	(3,076)
Recoveries collected	(1,670)	(1,203)	(3,555)	(2,704)
Ending balance (1)	**$ 14,529**	**$ 2,315**	**$ 14,529**	**$ 2,315**

(1) Substantially all of the allowance for doubtful accounts relate to mergers and acquisitions and restructuring fee receivables, which include recoverable expense receivables.

Other Financial Assets. For all other financial assets measured at amortized cost, we estimate expected credit losses over the financial assets' life as of the reporting date based on relevant information about past events, current conditions, and reasonable and supportable forecasts.

Note 12. Goodwill and Intangible Assets

Goodwill

	Six Months Ended May 31, 2026		
$ in thousands	Investment Banking and Capital Markets	Asset Management	Total
Balance, at beginning of period	$ 1,535,961	$ 301,609	$ 1,837,570
Currency translation and other adjustments	886	2,115	3,001
Impairment (1)	—	(58,240)	(58,240)
Reclassification to held for sale (1)	—	(56,850)	(56,850)
Balance, at end of period	**$ 1,536,847**	**$ 188,634**	**$ 1,725,481**

(1) Following the acceptance of a binding offer for Tessellis during the first quarter of 2026, we recorded a $58.2 million goodwill impairment charge. The remaining goodwill balance was reclassified as held for sale at May 31, 2026. See Note 4, Assets and Liabilities Held for Sale.

	Six Months Ended May 31, 2025		
$ in thousands	Investment Banking and Capital Markets	Asset Management	Total
Balance, at beginning of period	$ 1,533,013	$ 294,925	$ 1,827,938
Currency translation and other adjustments	4,457	7,917	12,374
Measurement period adjustments (1)	—	1,802	1,802
Balance, at end of period	**$ 1,537,470**	**$ 304,644**	**$ 1,842,114**

(1) Relates to a measurement period adjustment recorded during the second quarter of 2025 attributable to the Go Internet acquisition. Refer to Note 4, Business Acquisitions and Discontinued Operations in our consolidated financial statements included in Part II, Item 8 of our Annual Report on Form 10-K for the year ended November 30, 2025 for further discussion.

Carrying values of goodwill by reporting unit:

$ in millions	May 31, 2026	November 30, 2025
Investment banking	$ 702.5	$ 702.0
Equities and wealth management	256.0	255.9
Fixed income	578.3	578.0
Asset management	143.0	143.0
Other investments	45.7	158.7
Total	**$ 1,725.5**	**$ 1,837.6**

Intangible Assets

	May 31, 2026			
$ in thousands	Gross Cost	Accumulated Amortization	Net Carrying Amount	Weighted Average Remaining Lives (Years)
Customer relationships (1)	$ 127,611	$ (106,063)	$ 21,548	4.7
Trademarks and trade names (1)	128,953	(48,874)	80,079	21.8
Exchange and clearing organization membership interests and registrations	8,708	—	8,708	N/A
Other (1)	15,145	(14,446)	699	2.3
Total	**$ 280,417**	**$ (169,383)**	**$ 111,034**	

	November 30, 2025				
$ in thousands	Gross Cost	Assets Acquired	Accumulated Amortization	Net Carrying Amount	Weighted Average Remaining Lives (Years)
Customer relationships	$ 166,328	$ 622	$ (116,810)	$ 50,140	4.6
Trademarks and trade names	160,674	—	(55,948)	104,726	20.6
Exchange and clearing organization membership interests and registrations	8,717	—	—	8,717	N/A
Other	86,815	99	(47,920)	38,994	2.8
Total	**$ 422,534**	**$ 721**	**$ (220,678)**	**$ 202,577**	

(1) Following the acceptance of a binding offer for Tessellis during the first quarter of 2026, intangible assets of $82.7 million related to Tessellis were reclassified as held for sale at February 28, 2026. See Note 4, Assets and Liabilities Held for Sale.

Amortization Expense

For finite life intangible assets, we recognized aggregate amortization expense of $2.1 million and $10.6 million for the three and six months ended May 31, 2026, respectively, and $8.6 million and $16.4 million for the three and six months ended May 31, 2025, respectively. These expenses are included in depreciation and amortization.

Estimated future amortization expense for the next five fiscal years:

Year	*$ in thousands*
Remainder of fiscal year 2026	$ 4,354
Year ending November 30, 2027	8,685
Year ending November 30, 2028	8,567
Year ending November 30, 2029	8,380
Year ending November 30, 2030	8,322

Note 13. Revenues from Contracts with Customers

	Three Months Ended May 31,		Six Months Ended May 31,	
$ in thousands	**2026**	**2025**	**2026**	**2025**
Revenues from contracts with customers:				
Investment banking	$ 1,204,995	$ 785,455	$ 2,219,950	$ 1,511,116
Commissions and other fees	390,858	344,184	751,931	632,149
Asset management fees	3,593	7,495	10,492	53,303
Real estate revenues	2,295	16,211	4,541	27,292
Internet connection and broadband revenues	54,102	56,668	106,514	114,471
Other contracts with customers	18,967	16,791	37,032	32,899
Total revenue from contracts with customers	**1,674,810**	**1,226,804**	**3,130,460**	**2,371,230**
Other sources of revenue:				
Principal transactions	488,666	338,507	976,164	745,737
Revenues from strategic affiliates	19,075	21,336	88,367	64,785
Interest	853,962	878,025	1,667,081	1,723,196
Other	81,684	29,643	127,390	62,231
Total revenues	**$ 3,118,197**	**$ 2,494,315**	**$ 5,989,462**	**$ 4,967,179**

Disaggregation of Revenue

	Three Months Ended May 31, 2026		
$ in thousands	**Investment Banking and Capital Markets**	**Asset Management**	**Total**
Major business activity:			
Investment banking - Advisory	$ 674,118	$ —	$ 674,118
Investment banking - Underwriting	530,877	—	530,877
Equities (1)	389,218	—	389,218
Fixed income (1)	1,640	—	1,640
Asset management	—	3,593	3,593
Other investments	—	75,364	75,364
Total	**$ 1,595,853**	**$ 78,957**	**$ 1,674,810**
Primary geographic region:			
Americas	$ 1,161,291	$ 22,773	$ 1,184,064
Europe and the Middle East	277,424	55,131	332,555
Asia-Pacific	157,138	1,053	158,191
Total	**$ 1,595,853**	**$ 78,957**	**$ 1,674,810**

	Three Months Ended May 31, 2025		
$ in thousands	**Investment Banking and Capital Markets**	**Asset Management**	**Total**
Major business activity:			
Investment banking - Advisory	$ 457,725	$ —	$ 457,725
Investment banking - Underwriting	327,730	—	327,730
Equities (1)	342,179	—	342,179
Fixed income (1)	2,005	—	2,005
Asset management	—	7,495	7,495
Other investments	—	89,670	89,670
Total	**$ 1,129,639**	**$ 97,165**	**$ 1,226,804**
Primary geographic region:			
Americas	$ 788,139	$ 38,522	$ 826,661
Europe and the Middle East	238,528	57,695	296,223
Asia-Pacific	102,972	948	103,920
Total	**$ 1,129,639**	**$ 97,165**	**$ 1,226,804**

	Six Months Ended May 31, 2026		
$ in thousands	Investment Banking and Capital Markets	Asset Management	Total
Major business activity:			
Investment banking - Advisory	$ 1,201,246	$ —	$ 1,201,246
Investment banking - Underwriting	1,018,704	—	1,018,704
Equities (1)	748,599	—	748,599
Fixed income (1)	3,332	—	3,332
Asset management	—	10,492	10,492
Other investments	—	148,087	148,087
Total	**$ 2,971,881**	**$ 158,579**	**$ 3,130,460**
Primary geographic region:			
Americas	$ 2,204,238	$ 47,999	$ 2,252,237
Europe and the Middle East	514,719	108,655	623,374
Asia-Pacific	252,924	1,925	254,849
Total	**$ 2,971,881**	**$ 158,579**	**$ 3,130,460**

	Six Months Ended May 31, 2025		
$ in thousands	Investment Banking and Capital Markets	Asset Management	Total
Major business activity:			
Investment banking - Advisory	$ 855,505	$ —	$ 855,505
Investment banking - Underwriting	655,611	—	655,611
Equities (1)	628,229	—	628,229
Fixed income (1)	3,920	—	3,920
Asset management	—	53,303	53,303
Other investments	—	174,662	174,662
Total	**$ 2,143,265**	**$ 227,965**	**$ 2,371,230**
Primary geographic region:			
Americas	$ 1,536,814	$ 109,593	$ 1,646,407
Europe and the Middle East	411,649	116,488	528,137
Asia-Pacific	194,802	1,884	196,686
Total	**$ 2,143,265**	**$ 227,965**	**$ 2,371,230**

(1) Revenues from contracts with customers associated with the equities and fixed income businesses primarily represent commissions and other fee revenue.

Refer to Note 20, Segment Reporting, for a further discussion on the allocation of revenues to geographic regions.

Information on Remaining Performance Obligations and Revenue Recognized from Past Performance

We do not disclose information about remaining performance obligations pertaining to contracts that have an original expected duration of one year or less. The transaction price allocated to remaining unsatisfied or partially unsatisfied performance obligations with an original expected duration exceeding one year was not material at May 31, 2026. Investment banking advisory fees that are contingent upon completion of a specific milestone and fees associated with certain distribution services are also excluded as the fees are considered variable and not included in the transaction price.

During the three and six months ended May 31, 2026, we recognized $19.2 million and $25.2 million, respectively, compared with $10.1 million and $64.9 million during the three and six months ended May 31, 2025, respectively, of revenue related to performance obligations satisfied (or partially satisfied) in previous periods, mainly due to resolving uncertainties in variable consideration that was constrained in prior periods. In addition, three and six months ended May 31, 2026, we recognized $8.9 million and $16.6 million, respectively, compared with $7.7 million and $15.5 million during the three and six months ended May 31, 2025, respectively, of revenues primarily associated with distribution services, a portion of which relates to prior periods.

Contract Balances

The timing of our revenue recognition may differ from the timing of payment by our customers. We record a receivable when revenue is recognized prior to payment and we have an unconditional right to payment. Alternatively, when payment precedes the provision of the related services, we record deferred revenue until the performance obligations are satisfied.

Our deferred revenue primarily relates to retainer and milestone fees received in investment banking advisory engagements where the performance obligation has not yet been satisfied. Deferred revenue at May 31, 2026 and November 30, 2025 was $62.6 million and $92.3 million, respectively, which is recorded in Accrued expenses and other liabilities. During the three and six months ended May 31, 2026, we recognized revenues of $20.1 million and $61.1 million, respectively, compared with $25.5 million and $38.5 million for the three and six months ended May 31, 2025, respectively, that were recorded as deferred revenue at the beginning of the periods.

We had receivables related to revenues from contracts with customers of $433.6 million and $396.8 million at May 31, 2026 and November 30, 2025, respectively.

Contract Costs

We capitalize costs to fulfill contracts associated with investment banking advisory engagements where the revenue is recognized at a point in time and the costs are determined to be recoverable. Capitalized costs to fulfill a contract are recognized at the point in time that the related revenue is recognized.

At May 31, 2026 and November 30, 2025, capitalized costs to fulfill a contract were $5.6 million and $5.2 million, respectively, which are recorded in Receivables – Fees, interest and other. During the three and six months ended May 31, 2026 and, we recognized expenses of $1.7 million and $2.9 million, respectively, compared with $1.4 million and $1.7 million during the three and six months ended May 31, 2025, respectively, related to costs to fulfill a contract that were capitalized as of the beginning of the year. There were no significant impairment charges recognized in relation to these capitalized costs for the three and six months ended May 31, 2026 and May 31, 2025.

Note 14. Compensation Plans

For a description of Restricted Stock, Restricted Stock Units, the Senior Executive Compensation Plan and other compensation plans refer to Note 15. Compensation Plans in our consolidated financial statements included in Part II, Item 8 of our Annual Report on Form 10-K for the year ended November 30, 2025.

At May 31, 2026, there were approximately 2.1 million shares of restricted stock outstanding with future service required, 6.7 million RSUs outstanding with future service required (including target RSUs that may be issued under the senior executive compensation plan), 7.6 million RSUs outstanding with no future service required, and 5.1 million stock options outstanding. The maximum potential increase to common shares outstanding resulting from these outstanding awards is 19.3 million at May 31, 2026.

In December 2025, the Compensation Committee of our Board of Directors granted RSUs and performance stock units ("PSUs") to each of our senior executives as follows:

$ in millions	Grant Terms
RSUs	
Aggregate grant date fair value	$14.3
Vesting period	3-year cliff
PSUs	
Aggregate target fair value	$14.3
Service period	3 years
Performance period	Fiscal 2025 to Fiscal 2027
Performance target (1)	10% ROTE
Performance range (2)	7.5% - 15% ROTE

(1) ROTE is defined as return on tangible equity measured over three years.

(2) Performance below an ROTE of 7.5% results in forfeiture of all PSUs. An ROTE of 15% or greater results in earning 150% of target PSUs and between 7.5% to 15%, the level of earning PSUs is linearly interpolated.

In addition, we sponsor non-share-based compensation plans. Non-share-based compensation plans sponsored by us include a profit sharing plan and other forms of restricted cash awards. Restricted cash awards are subject to ratable vesting terms with service requirements. These awards are amortized as compensation expense over the relevant service period, which is generally considered to start at the beginning of the annual compensation year.

Components of total compensation cost associated with certain of our compensation plans:

	Three Months Ended May 31,		Six Months Ended May 31,	
$ in millions	**2026**	**2025**	**2026**	**2025**
Restricted cash awards	$ 124.9	$ 131.5	$ 257.5	$ 246.6
Restricted stock and RSUs (1)	22.9	18.2	73.6	53.8
Profit sharing plan	2.2	1.9	10.0	9.3
Total compensation cost	**$ 150.0**	**$ 151.6**	**$ 341.1**	**$ 309.7**

(1) Total compensation cost associated with restricted stock and RSUs includes the amortization of sign-on, retention and senior executive awards, less forfeitures and clawbacks.

Remaining unamortized amounts related to certain compensation plans at May 31, 2026:

$ in millions	Remaining Unamortized Amounts	Weighted Average Vesting Period (in Years)
Non-vested share-based awards	$ 216.7	3.3
Restricted cash awards (1)	1,110.0	2.7
Total	**$ 1,326.7**	

(1) The remaining unamortized amount is included within Other assets.

Note 15. Borrowings

Short-Term Borrowings

$ in thousands	May 31, 2026	November 30, 2025
Bank loans and other credit facilities	$ 454,453	$ 568,418
Fixed rate callable note	1,149,029	1,198,788
Total short-term borrowings (1)	**$ 1,603,482**	**$ 1,767,206**

(1) Short-term borrowings mature in one year or less and are recorded at cost, which is a reasonable approximation of their fair values due to their liquid and short-term nature.

At May 31, 2026 and November 30, 2025, the weighted average interest rate on bank loans outstanding is 4.79% and 4.92% per annum, respectively.

Our borrowings include credit facilities that contain certain covenants that, among other things, require us to maintain a specified level of tangible net worth, require a minimum regulatory net capital requirement for our U.S. broker-dealer, Jefferies LLC, and impose certain restrictions on the future indebtedness of certain of our subsidiaries that are borrowers. Interest is based on rates at spreads over the federal funds rate or other adjusted rates, as defined in the various credit agreements, or at a rate as agreed between the bank and us in reference to the bank's cost of funding. At May 31, 2026, we were in compliance with all covenants under these credit facilities.

Long-Term Debt

$ in thousands	Maturity (Fiscal Years)	May 31, 2026	November 30, 2025
Parent Co. unsecured borrowings			
Fixed rate	2026	$ 25	$ 869,461
	2027	1,119,684	1,117,106
	2028	995,548	1,029,501
	2029	589,966	586,495
	2030	1,052,182	1,063,637
	2031 and Later	7,381,048	4,782,178
Variable rate	2026	45,488	45,235
	2027	350,000	—
	2029	1,313	1,312
	2031 and Later	71,932	71,924
Structured notes (1)	2026	52,732	102,743
	2027	98,602	94,777
	2028	150,090	176,009
	2029	184,486	178,956
	2030	380,072	443,825
	2031 and Later	2,412,493	2,156,638
Total Parent Co. unsecured borrowings (2)		**14,885,661**	**12,719,797**
Subsidiaries secured borrowings			
Fixed rate	2026	93,558	166,414
	2027	646,710	630,114
	2028	750,692	746,556
	2029	260,596	191,068
Variable rate	2026	12,958	525,000
	2027	124,661	124,458
	2028	525,000	—
	2030 and Later	39,585	—
Total Subsidiaries secured borrowings		**2,453,760**	**2,383,610**
Subsidiaries unsecured borrowings			
Fixed rate	2029	—	3,937
	2030	—	1,416
	2031 and Later	647,970	633,372
Variable rate	2026	—	100,000
	2027	53,591	53,759
Total Subsidiaries unsecured borrowings		**701,561**	**792,484**
Total long-term debt (3)		**$ 18,040,982**	**$ 15,895,891**
Fair value		**$ 18,071,116**	**$ 16,122,970**
Weighted-average interest rate (4)		**5.20 %**	**5.11 %**
Interest rate range (4)		**0.00% - 7.40%**	**0.00% - 7.50%**

(1) Structured notes have various interest rate payment terms and are accounted for at fair value, with changes in fair value resulting from non-credit components recognized in Principal transactions revenues. The structured notes are classified as Level 2 or Level 3 in the fair value hierarchy. All of our long-term debt with exception of certain of the structured notes would be classified as Level 2 in the fair value hierarchy.

(2) Carrying values of certain borrowings, totaling $2.67 billion and $2.68 billion for May 31, 2026 and November 30, 2025, respectively, include cumulative hedging adjustments of $151.3 million and $142.8 million at May 31, 2026 and November 30, 2025, respectively, associated with interest rate swaps based on designation as fair value hedges.

(3) Carrying values include unamortized discounts and premiums, valuation adjustments and debt issuance costs. At May 31, 2026 and November 30, 2025, our borrowings under several credit facilities classified within Long-term debt amounted to $1.05 billion and $803.2 million, respectively. Interest on these credit facilities is based on an adjusted Secured Overnight Financing Rate (“SOFR”) plus a spread or other adjusted rates, as defined in the various credit agreements. Certain of our long-term borrowings are callable by us prior to maturity reflected at their contractual maturity dates. Additionally, certain of our borrowings are under agreements containing covenants that, among other things, require us to maintain specified levels of tangible net worth and liquidity amounts, certain credit and rating levels and impose certain restrictions on future indebtedness of and require specified levels of regulated capital and cash reserves for certain of our subsidiaries. At May 31, 2026, we were in compliance with all covenants under theses credit agreements.

(4) Interest rates exclude structured notes.

For the six months ended May 31, 2026, long-term debt increased by $2.15 billion to $18.04 billion at May 31, 2026, primarily due to proceeds of $2.81 billion from the issuances of unsecured senior notes, $350.0 million from a drawdown of a revolver, $89.8 million from net issuances of structured notes, $30.1 million from increased subsidiaries' borrowings, $26.4 million from valuation adjustments and $29.0 million from currency losses on foreign currency borrowings. These increases were partially offset by repayments of $1.12 billion on our unsecured senior notes and the reclassification of $51.9 million of Tessellis' borrowings to liabilities held for sale (refer to Note 4, Assets and Liabilities Held for Sale for further information).

On July 7, 2026, we priced €850.0 million aggregate principal amount of 4.500% Senior Unsecured Notes due 2033. The offering is expected to close several business days after the pricing date, subject to customary closing conditions.

Note 16. Total Equity

Preferred Shares

At May 31, 2026 and November 30, 2025, 6.0 million of preferred shares, par value $1.00 per share, were authorized.

On April 27, 2023, we established Series B Non-Voting Convertible Preferred Shares with a par value of $1.00 per share ("Series B Preferred Stock") and designated 70,000 shares as Series B Preferred Stock. The Series B Preferred Stock has a liquidation preference of $17,500 per share and rank senior to our voting common stock upon dissolution, liquidation or winding up of Jefferies Financial Group Inc. The Series B Preferred Stock participates in cash dividends and distributions alongside our voting common stock on an as-converted basis. Additionally, on April 27, 2023, we entered into an Exchange Agreement with Sumitomo Mitsui Banking Corporation's ("SMBC"), which entitles SMBC to exchange shares of our voting common stock for shares of the Series B Preferred Stock at a rate of 500 shares of voting common stock for one share of Series B Preferred Stock and SMBC is required to pay $1.50 per share of voting common stock exchanged. As of November 30, 2025, SMBC had exchanged approximately 27.6 million shares of voting common stock for 55,125 shares of Series B Preferred Stock.

On September 19, 2025, our Board of Directors established Series B-1 Non-Voting Convertible Preferred Shares with a par value of $1.00 per share ("Series B-1 Preferred Stock") and designated 17,500 shares as Series B-1 Preferred Stock with a liquidation preference of $500 per share. Additionally, on September 19, 2025, we entered into an amended and restated Exchange Agreement (the "Amended and Restated Exchange Agreement") with SMBC, which entitles SMBC to exchange shares of our voting common stock for shares of the Series B-1 Preferred Stock at a rate of 500 shares of voting common stock for one share of Series B-1 Preferred Stock. The Amended and Restated Exchange Agreement is limited to 17,500 shares of Series B-1 Preferred Stock. Under the Amended and Restated Exchange Agreement, SMBC is permitted to increase its economic ownership in the Company to up to 20% on an as-converted and fully diluted basis, while continuing to own less than 5% of a voting interest in the Company. As of May 31, 2026, there are currently no outstanding Series B-1 Preferred Stock.

Common Shares

Our Board of Directors has authorized two classes of common stock (i) voting and (ii) non-voting. The rights of the holders of each class of common stock are identical with the exception of voting rights.

May 31, 2026 (1)

Common Shares	Par Value	Authorized Shares	Outstanding Shares
Voting common shares	$1.00	552,264,500	194,145,489
Non-voting common shares	$1.00	47,735,500	9,247,081
Total		**600,000,000**	**203,392,570**

November 30, 2025

Common Shares	Par Value	Authorized Shares	Outstanding Shares
Voting common shares	$1.00	565,000,000	206,296,167
Non-voting common shares	$1.00	35,000,000	—
Total		**600,000,000**	**206,296,167**

(1) On March 26, 2026, shareholders approved an Amended and Restated Certificate of Incorporation, which authorized the issuance of 552,264,500 shares of voting common stock with a par value of $1.00 per share, and 47,735,500 shares of non-voting common stock with a par value of $1.00 per share.

On April 27, 2026, SMBC exchanged 9.2 million shares of Jefferies' voting common stock for shares of non-voting common stock on a one-for-one basis. The rights of voting and non-voting common shares are identical, except with respect to voting rights.

At May 31, 2026, SMBC owns approximately 18.7% of our common stock and 17.2% on a fully-diluted basis.

On June 30, 2026, SMBC converted 55,125 preferred shares for 27.6 million non-voting common shares in accordance with the Exchange Agreement.

During the six months ended May 31, 2026, we repurchased a total 7.0 million of our common shares for $371.7 million, or an average price of $53.42 per share, including 5.0 million of our common shares for $264.9 million in the open market under our share repurchase program, and 2.0 million of our common shares for $106.8 million in connection with net-share tax withholding under our equity compensation plan. In June 2026, the Board of Directors has authorized the repurchase of common stock up to $250.0 million under our share repurchase program.

Earnings Per Common Share

We compute basic and diluted earnings per share of voting and non-voting common stock using the two-class method. Under the two-class method, distributed and undistributed earnings are allocated to common shares and participating securities based on their respective rights to receive dividends or participate in undistributed earnings.

Basic earnings per share is calculated using the weighted-average number of common shares outstanding. Diluted earnings per share is computed using the weighted-average number of shares and the effect of potentially dilutive securities outstanding during the period.

The numerators and denominators used to calculate basic and diluted earnings per common share are as follows:

$ in thousands, except per share amounts	Three Months Ended May 31, 2026		Six Months Ended May 31, 2026	
	Voting	Non-Voting	Voting	Non-Voting
Basic net earnings per share:				
Numerator				
Allocation of distributed earnings (cash dividends paid)	$ 81,710	$ 3,699	$ 171,338	$ 3,699
Allocation of undistributed earnings	138,508	2,317	205,424	1,701
Net earnings attributable to common shareholders for basic earnings per share	$ 220,218	$ 6,016	$ 376,762	$ 5,400
Denominator				
Weighted average common shares outstanding	200,567	3,518	205,109	1,778
Weighted average shares of restricted stock outstanding with future service required	(2,080)	—	(2,114)	—
Weighted average RSUs outstanding with no future service required	11,782	—	11,771	—
Number of shares used in per share computation	210,269	3,518	214,766	1,778
Basic net earnings per share (1)	$ 1.05	$ 1.71	$ 1.75	$ 3.04
Diluted net earnings per share:				
Numerator				
Allocation of total earnings for basic computation	$ 220,218	$ 6,016	$ 376,762	$ 5,400
Reallocation of total earnings as a result of participating securities	3	—	—	—
Reallocation of total earnings as a result of conversion of preferred shares to non-voting common shares	—	29,181	—	48,414
Net earnings attributable to common shareholders for diluted earnings per share	$ 220,221	$ 35,197	$ 376,762	$ 53,814
Denominator				
Number of shares used in basic computation	210,269	3,518	214,766	1,778
Weighted average effect of dilutive securities:				
Add: Participating securities	5	—	—	—
Add: Conversion of preferred shares to non-voting common shares	—	27,563	—	27,563
Add: Stock options and other share-based awards	4,082	—	4,781	—
Add: Senior executive compensation plan restricted stock unit awards	2,388	—	2,400	—
Number of shares used in per share computation	216,744	31,081	221,947	29,341
Diluted net earnings per share (1)	$ 1.02	$ 1.13	$ 1.70	$ 1.83

(1) As a result of the timing of SMBC's exchange of 9.2 million shares of Jefferies' voting common stock for shares of non-voting common stock, basic and diluted earnings per share differ between the voting and non-voting common shares. Because non-voting shares were outstanding for only a portion of the three- and six month periods, their weighted share count amplified the impact of distributed dividends, and accordingly, the non-voting common shares reflect higher earnings per share than the voting common shares, despite both classes having identical dividend rates.

In thousands, except per share amounts	Three Months Ended May 31, 2025	Six Months Ended May 31, 2025
Numerator for earnings per common share from continuing operations:		
Net earnings from continuing operations	$ 91,395	$ 228,244
Less: Net losses attributable to noncontrolling interests	(7,668)	(14,651)
Allocation of earnings to participating securities (1)	(11,046)	(26,940)
Net earnings from continuing operations attributable to common shareholders for basic earnings per share	$ 88,017	$ 215,955
Net earnings from continuing operations attributable to common shareholders for diluted earnings per share	$ 88,017	$ 215,955
Denominator for earnings per common share:		
Weighted average common shares outstanding	206,254	206,150
Weighted average shares of restricted stock outstanding with future service required	(2,248)	(2,276)
Weighted average RSUs outstanding with no future service required	11,091	10,944
Weighted average basic common shares	215,097	214,818
Stock options and other share-based awards	4,262	4,984
Senior executive compensation plan RSU awards	2,538	2,581
Weighted average diluted common shares (2)	221,897	222,383
Earnings per common share:		
Basic	$ 0.41	$ 1.01
Diluted	$ 0.40	$ 0.97

(1) Represents dividends declared during the period on participating securities plus an allocation of undistributed earnings to participating securities. Net losses are not allocated to participating securities. Participating securities represent certain preferred stock, restricted stock and RSUs for which requisite service has not yet been rendered and amounted to weighted average shares of 27.6 million for both the three and six months ended May 31, 2025. Dividends paid on participating securities were $11.0 million and $22.1 million for the three and six months ended May 31, 2025, respectively. Undistributed earnings are allocated to participating securities based upon their right to share in earnings if all earnings for the period had been distributed.

(2) Certain securities have been excluded as they would be antidilutive. However, these securities could potentially dilute earnings per share in the future. Antidilutive shares at May 31, 2025 were 13.4% of the weighted average common shares outstanding for three and six months ended May 31, 2025.

Dividends

Six Months Ended May 31, 2026

Declaration Date	Record Date	Payment Date	Per Common Share Amount
January 7, 2026	February 17, 2026	February 27, 2026	$0.40
March 25, 2026	May 18, 2026	May 29, 2026	$0.40

Six Months Ended May 31, 2025

Declaration Date	Record Date	Payment Date	Per Common Share Amount
January 8, 2025	February 14, 2025	February 27, 2025	$0.40
March 26, 2025	May 19, 2025	May 29, 2025	$0.40

On June 24, 2026, the Board of Directors declared a dividend of $0.40 per common share to be paid on August 28, 2026 to common shareholders of record at August 18, 2026.

During the both three and six months ended May 31, 2026 and 2025, we paid cash dividends related to the Series B Preferred stock of $11.0 million and $22.1 million, respectively.

The payment of dividends is subject to the discretion of our Board of Directors and depends upon general business conditions and other factors that our Board of Directors may deem to be relevant.

Accumulated Other Comprehensive Income (Loss)

$ in thousands	May 31, 2026	November 30, 2025
Net unrealized losses on available-for-sale securities	$ (304)	$ (1,796)
Net currency translation adjustments and other	(141,600)	(145,280)
Net unrealized losses related to instrument-specific credit risk	(177,521)	(200,688)
Net cash flow hedges	(254)	—
Net minimum pension liability	(36,364)	(36,670)
Total accumulated other comprehensive loss, net of tax	**$ (356,043)**	**$ (384,434)**

Amounts reclassified out of accumulated other comprehensive income (loss) to net earnings:

	Three Months Ended May 31,		Six Months Ended May 31,	
$ in thousands	2026	2025	2026	2025
Net unrealized gains on instrument-specific credit risk at fair value (1)	$ 2,483	$ 5,121	$ 5,790	$ 7,658
Amortization of defined benefit pension plan actuarial losses (2)	(156)	(67)	(311)	(826)
Total reclassifications for the period, net of tax	**$ 2,327**	**$ 5,054**	**$ 5,479**	**$ 6,832**

(1) The amounts include income tax expense of $0.8 million and $1.8 million for the three and six months ended May 31, 2026, respectively, compared with income tax expense of $1.8 million and $2.6 million for the three and six months ended May 31, 2025, respectively, which were reclassified to Principal transactions revenues.

(2) The amount includes income tax benefit of $0.1 million for the six months ended May 31, 2026, compared with an income tax benefit of $0.3 million for six months ended May 31, 2025, which were reclassified to Compensation and benefits expenses.

Note 17. Income Taxes

At May 31, 2026 and November 30, 2025, our total gross unrecognized tax benefits were $237.3 million and $241.6 million, respectively.

At May 31, 2026 and November 30, 2025, we had interest accrued of $191.5 million and $177.9 million, respectively, included in Accrued expenses and other liabilities.

The total amount of unrecognized tax benefits that, if recognized, would favorably affect the effective tax rate was $187.0 million and $190.9 million (net of Federal benefit) at May 31, 2026 and November 30, 2025, respectively.

We recognize interest and penalties, if any, related to unrecognized tax benefits in income tax expense.

We are currently under examination by a number of taxing jurisdictions. Though we do not expect that resolution of these examinations will have a material effect on our consolidated financial position, they may have a material impact on our consolidated results of operations for the period in which resolution occurs.

Earliest tax years that remain subject to examination in the major tax jurisdictions in which we operate:

Jurisdiction	Tax Year
United States	2022
New York State	2003
New York City	2006
United Kingdom	2023
Germany	2020
Hong Kong	2020

	Three Months Ended May 31,		Six Months Ended May 31,	
$ in millions	2026	2025	2026	2025
Income tax expense	$ 65.6	$ 43.5	$ 118.4	$ 57.7
Effective tax rate	20.8 %	32.3 %	22.4 %	20.2 %

Note 18. Commitments, Contingencies and Guarantees

Commitments

	Expected Maturity Date (Fiscal Years)					
$ in millions	2026	2027	2028 and 2029	2030 and 2031	2032 and Later	Maximum Payout
Equity commitments (1)	$ 13.9	$ 128.7	$ 80.1	$ 0.6	$ 101.9	$ 325.2
Loan commitments (1)	0.6	254.6	104.6	32.9	10.7	403.4
Loan purchase commitments (2)	3,836.4	—	—	—	—	3,836.4
Forward starting reverse repos (3)	2,888.2	—	—	—	—	2,888.2
Forward starting repos (3)	1,683.4	—	—	—	—	1,683.4
Other unfunded commitments (1)	316.3	1,248.0	2,066.4	—	—	3,630.7
Total commitments	$ 8,738.8	$ 1,631.3	$ 2,251.1	$ 33.5	$ 112.6	$ 12,767.3

(1) Equity, loan and other unfunded commitments are presented by contractual maturity date. The amounts, however, are available on demand.

(2) Loan purchase commitments consist of unfunded commitments to acquire secondary market loans. For the population of loans to be acquired under the loan purchase commitments, at May 31, 2026, Jefferies had also entered into back-to-back committed sale contracts aggregating to $3.43 billion.

(3) At May 31, 2026, all of the of the forward starting securities purchased under agreements to resell and all of the forward starting securities sold under agreements to repurchase settled within three business days.

Equity Commitments. Includes commitments to invest in our joint venture, Jefferies Finance, asset management funds and in Jefferies Capital Partners, LLC, a manager of private equity funds, which consists of a team led by our President and a director. At May 31, 2026, our outstanding commitments relating to Jefferies Capital Partners, LLC and its private equity funds were $9.7 million.

Additionally, at May 31, 2026, we had other outstanding equity commitments to invest up to $183.5 million with strategic affiliates and $116.6 million to various other investments.

Loan Commitments. From time to time, we make commitments to extend credit to clients and to strategic affiliates. These commitments and any related drawdowns of these facilities typically have fixed maturity dates and are contingent on certain representations, warranties and contractual conditions applicable to the borrower. At May 31, 2026, we had outstanding loan commitments of $150.2 million to a client and $3.2 million to strategic affiliates.

Loan commitments outstanding at May 31, 2026 also include our portion of the outstanding secured revolving credit facility provided to Jefferies Finance, to support loan underwritings by Jefferies Finance.

Underwriting Commitments. In connection with investment banking activities, we may from time to time provide underwriting commitments to our clients in connection with capital raising transactions.

Forward Starting Reverse Repos and Repos. We enter into commitments to take possession of securities with agreements to resell on a forward starting basis and to sell securities with agreements to repurchase on a forward starting basis that are primarily secured by U.S. government and agency securities.

Other Unfunded Commitments. Other unfunded commitments include obligations in the form of revolving notes, warehouse financings and debt securities to provide financing to asset-backed and CLO vehicles. Upon advancing funds, drawn amounts are collateralized by the assets of an entity. Other unfunded commitments also include written put options to certain bondholders of an equity method investee.

Guarantees

Derivative Contracts. As a dealer, we make markets and trade in a variety of derivative instruments. Certain derivative contracts that we have entered into meet the accounting definition of a guarantee under U.S. GAAP, including credit default swaps, written foreign currency options and written equity put options. On certain of these contracts, such as written interest rate caps and foreign currency options, the maximum payout cannot be quantified since the increase in interest or foreign exchange rates are not contractually limited by the terms of the contract. As such, we have disclosed notional values as a measure of our maximum potential payout under these contracts.

Notional amounts associated with our derivative contracts meeting the definition of a guarantee under U.S. GAAP at May 31, 2026:

	Expected Maturity Date (Fiscal Years)				
$ in millions	**2026**	**2027**	**2028 and 2029**	**2030 and 2031**	**Notional/ Maximum Payout**
Guarantee Type:					
Derivative contracts—non-credit related	$ 6,506.0	$ 16,334.2	$ 18,427.2	$ 1,459.0	$ 42,726.4
Total derivative contracts	**$ 6,506.0**	**$ 16,334.2**	**$ 18,427.2**	**$ 1,459.0**	**$ 42,726.4**

The derivative contracts deemed to meet the definition of a guarantee under U.S. GAAP are before consideration of hedging transactions and only reflect a partial or “one-sided” component of any risk exposure. Written equity options and written credit default swaps are often executed in a strategy that is in tandem with long cash instruments (*e.g.*, equity and debt securities). We substantially mitigate our exposure to market risk on these contracts through hedges, such as other derivative contracts and/or cash instruments, and we manage the risk associated with these contracts in the context of our overall risk management framework. We believe notional amounts overstate our expected payout and that fair value of these contracts is a more relevant measure of our obligations. At May 31, 2026, the fair value of derivative contracts meeting the definition of a guarantee, gross of any counterparty and cash collateral netting, is a liability of approximately $558.2 million.

HomeFed. For real estate development projects, we are generally required to obtain infrastructure improvement bonds at the beginning of construction work and warranty bonds upon completion of such improvements. These bonds are issued by surety companies to guarantee a municipality satisfactory completion of a project. As the planned area is developed and the municipality accepts the improvements, the bonds are released. At May 31, 2026, the aggregate amount of infrastructure improvement bonds outstanding was $72.3 million.

Standby Letters of Credit. At May 31, 2026, we provided guarantees to certain counterparties in the form of standby letters of credit in the amount of $345.5 million, with a weighted average maturity of less than one year. Standby letters of credit commit us to make payment to the beneficiary if the guaranteed party fails to fulfill its obligation under a contractual arrangement with that beneficiary. Since commitments associated with these collateral instruments may expire unused, the amount shown does not necessarily reflect the actual future cash funding requirement.

Other Guarantees. We are members of various exchanges and clearing houses. In the normal course of business, we provide guarantees to securities clearing houses and exchanges. These guarantees generally are required under the standard membership agreements, such that members are required to guarantee the performance of other members. Additionally, if a member becomes unable to satisfy its obligations to the clearing house, other members would be required to meet these shortfalls. To mitigate these performance risks, the exchanges and clearing houses often require members to post collateral. Our obligations under such guarantees could exceed the collateral amounts posted. Our maximum potential liability under these arrangements cannot be quantified; however, the potential for us to be required to make payments under such guarantees is deemed remote. Accordingly, no liability has been recognized for these arrangements. Additionally, we provide certain indemnifications in connection with third-party clearing and

execution arrangements whereby a third-party may clear and settle transactions on behalf of our clients. These indemnifications generally have standard contractual terms and are entered into in the ordinary course of business. Our obligations in respect of such transactions are secured by the assets in our client's account, as well as any proceeds received from the transactions cleared and settled on behalf of our client. However, we believe that it is unlikely we would have to make any material payments under these arrangements and no material liabilities related to these indemnifications have been recognized.

Note 19. Regulatory Requirements

Net Capital

Jefferies LLC is a broker-dealer registered with the SEC and a member firm of the Financial Industry Regulatory Authority ("FINRA") and is subject to the SEC Uniform Net Capital Rule ("Rule 15c3-1"), which requires the maintenance of minimum net capital, and has elected to calculate minimum capital requirements using the alternative method permitted by Rule 15c3-1 in calculating net capital. Jefferies LLC, as a dually-registered U.S. broker-dealer and futures commission merchant ("FCM"), is also subject to Regulation 1.17 of the Commodity Futures Trading Commission ("CFTC") under the Commodity Exchange Act, which sets forth minimum financial requirements. The minimum net capital requirement in determining excess net capital for a dually registered U.S. broker-dealer and FCM is equal to the greater of the requirement under Rule 15c3-1 or Regulation 1.17. FINRA is the designated examining authority for Jefferies LLC and the National Futures Association ("NFA") is the designated self-regulatory organization ("DSRO") for Jefferies LLC as an FCM. In June 2026, Jefferies LLC changed its registration status with the CFTC and the NFA from an FCM to an Introducing Broker.

Jefferies Financial Services, Inc. ("JFSI") is registered with the SEC as a Security-Based Swap Dealer ("SBS Dealer") and an OTC Derivatives Dealer ("OTCDD") subject to the SEC's SBS dealer regulatory rules and the SEC's net capital requirements. JFSI is also registered as a swap dealer with the CFTC and is subject to the CFTC's regulatory capital requirements pursuant to the minimum financial requirements for swap dealers. Additionally, as a registered member firm, JFSI is subject to the net capital requirements of the NFA. The SEC is the designated examining authority for JFSI in its capacity as an SBS Dealer and OTCDD, while the NFA is the DSRO for JFSI, as a CFTC registered swap dealer.

Certain non-U.S. subsidiaries are subject to capital adequacy requirements as prescribed by the regulatory authorities in their respective jurisdictions. This includes Jefferies International Limited ("JIL"), which is subject to the regulatory supervision and requirements of the Financial Conduct Authority in the U.K. and Jefferies GmbH, which is subject to the regulatory supervision of the German Federal Financial Supervisory Authority.

At May 31, 2026, net capital and excess net capital were as follows:

$ in thousands	Net Capital	Excess Net Capital
Jefferies LLC	$ 1,968,926	$ 1,748,341
JFSI - SEC	245,822	198,013
JFSI - CFTC	245,822	210,333
JIL (1)	2,079,901	1,032,004
Jefferies GmbH (1)	397,293	278,262

(1) Represents an equivalent capital requirement in the respective jurisdiction.

At May 31, 2026, Jefferies LLC, JFSI, JIL and Jefferies GmbH are in compliance with their applicable requirements.

The regulatory capital requirements referred to above may restrict our ability to withdraw capital from our regulated subsidiaries.

Customer Protection and Segregation Requirement

As a registered broker dealer that clears and carries customer accounts, Jefferies LLC is subject to the customer protection provisions under SEC Rule 15c3-3 and is required to compute a reserve formula requirement for customer accounts and deposit cash or qualified securities into a special reserve bank account for the exclusive benefit of customers. At May 31, 2026, Jefferies LLC had $219.1 million in cash and qualified U.S. Government securities on deposit in special reserve bank accounts for the exclusive benefit of customers.

As a registered broker dealer that clears and carries proprietary accounts of brokers or dealers (commonly referred to as "PAB"), Jefferies LLC is also required to compute a reserve requirement for PABs pursuant to SEC Rule 15c3-3. At May 31, 2026, Jefferies LLC had $264.9 million in cash and qualified U.S. Government securities in special reserve bank accounts for the exclusive benefit of PABs.

The qualified securities meeting the SEC Rule 15c3-3 customer and PAB requirements are included in Cash and securities segregated and Securities purchased under agreements to resell.

JFSI is exempt from the CFTC and SEC segregation rules.

Note 20. Segment Reporting

We operate in two reportable business segments: (1) Investment Banking and Capital Markets and (2) Asset Management. The Investment Banking and Capital Markets reportable business segment includes our capital markets activities and investment banking business, which is composed of financial advisory and underwriting activities. The Investment Banking and Capital Markets reportable business segment provides the sales, trading, origination and advisory effort for various fixed income, equity and advisory products and services. The Asset Management reportable business segment provides investment management services to investors globally and invests capital in hedge funds, separately managed accounts and third-party asset managers.

Our reportable business segment information is prepared using the following methodologies:

- Net revenues, expenses and income (loss) from equity method investments directly associated with each reportable business segment are included in determining earnings (losses) from continuing operations before income taxes.
- Net revenues and expenses not directly associated with specific reportable business segments are allocated based on the most relevant measures applicable, including each reportable business segment's net revenues, headcount and other factors.
- Reportable business segment assets include an allocation of indirect corporate assets that have been fully allocated to our reportable business segments, generally based on each reportable business segment's capital utilization.

Net revenues presented for our Investment Banking and Capital Markets reportable segment include allocations of interest income and interest expense as we assess the profitability of these businesses inclusive of the net interest revenue or expense associated with the respective activities, including the net interest cost of allocated long-term debt, which is a function of the mix of each business's associated assets and liabilities and the related funding costs.

Our Chief Executive Officer and President serve collectively as our chief operating decision maker ("CODM"). In this capacity, the CODM evaluates the performance of each business segment and allocates resources based on a variety of strategic and financial considerations. These considerations include measures of segment results and profitability, including net revenues and earnings before income taxes, which are calculated in accordance with U.S. GAAP and align with the amounts reported in our Consolidated Statements of Earnings. The CODM regularly reviews results and profitability measures to monitor budget versus actual results. Furthermore, the ongoing monitoring of budget versus actual results is used to assess the performance of each reportable business segment and significantly influences decisions about allocating resources.

Summary of our results by reportable business segment:

	Three Months Ended May 31,		Six Months Ended May 31,	
$ in millions	**2026**	**2025**	**2026**	**2025**
Investment Banking and Capital Markets:				
Revenues				
Non-interest revenues	$ 2,020.4	$ 1,413.8	$ 3,821.8	$ 2,817.5
Interest income	536.7	842.6	1,306.9	1,645.2
Total revenues (1)	**2,557.1**	**2,256.4**	**5,128.7**	**4,462.7**
Interest expense	551.0	786.0	1,326.6	1,593.5
Net revenues (1)	**2,006.1**	**1,470.4**	**3,802.1**	**2,869.2**
Non-interest expenses				
Compensation and benefits	1,108.2	786.1	2,129.4	1,555.2
Brokerage and clearing fees	132.7	119.6	254.6	219.8
Technology and communications	146.2	132.6	288.7	260.2
Business development	85.2	70.9	155.4	129.6
Other segment items (3) (4)	218.2	172.9	407.4	349.4
Total non-interest expenses	**1,690.5**	**1,282.1**	**3,235.5**	**2,514.2**
Earnings before income taxes	**$ 315.6**	**$ 188.3**	**$ 566.6**	**$ 355.0**
Asset Management:				
Revenues				
Non-interest revenues	$ 211.1	$ 193.1	$ 467.0	$ 414.8
Interest income	26.2	35.4	69.1	78.0
Total revenues (2)	**237.3**	**228.5**	**536.1**	**492.8**
Interest expense	49.6	73.9	128.1	146.4
Net revenues (2)	**187.7**	**154.6**	**408.0**	**346.4**
Non-interest expenses				
Compensation and benefits	80.1	68.7	144.7	140.7
Brokerage and clearing fees	14.7	10.2	26.0	19.4
Technology and communications	16.7	13.6	34.0	25.5
Business development	3.9	9.1	9.1	22.7
Cost of sales	31.3	43.0	61.2	84.6
Other segment items (3) (5)	53.8	72.8	185.3	134.4
Total non-interest expenses	**200.5**	**217.4**	**460.3**	**427.3**
Losses before income taxes (6) (7)	**$ (12.8)**	**$ (62.8)**	**$ (52.3)**	**$ (80.9)**
Total of Reportable Business Segments:				
Revenues				
Non-interest revenues	$ 2,231.5	$ 1,606.9	$ 4,288.8	$ 3,232.3
Interest income	562.9	878.0	1,376.0	1,723.2
Total revenues	**2,794.4**	**2,484.9**	**5,664.8**	**4,955.5**
Interest expense	600.6	859.9	1,454.7	1,739.9
Net revenues	**2,193.8**	**1,625.0**	**4,210.1**	**3,215.6**
Non-interest expenses				
Compensation and benefits	1,188.3	854.8	2,274.1	1,695.9
Brokerage and clearing fees	147.4	129.8	280.6	239.2
Technology and communications	162.9	146.2	322.7	285.7
Business development	89.1	80.0	164.5	152.3
Cost of sales	31.3	43.0	61.2	84.6
Other segment items (3)	272.0	245.7	592.7	483.8
Total non-interest expenses	**1,891.0**	**1,499.5**	**3,695.8**	**2,941.5**
Earnings before income taxes	**$ 302.8**	**$ 125.5**	**$ 514.3**	**$ 274.1**

(1) Includes total net earnings related to equity method investees of $17.9 million, $5.9 million, $38.2 million and $10.6 million, respectively.

(2) Includes total net earnings (losses) related to equity method investees of $3.8 million $2.2 million, $8.0 million and $4.6 million, respectively.

(3) Primarily consists of underwriting costs, occupancy and equipment rental, professional services, and depreciation and amortization.

(4) Includes depreciation and amortization of $34.2 million, $29.6 million, $67.7 million and $39.5 million, respectively.

(5) Includes depreciation and amortization of $13.1 million, $22.6 million, $36.5 million and $43.7 million, respectively.

(6) Consists of (losses) earnings before income taxes of $(35.7) million, $4.7 million, $44.3 million and $18.1 million, respectively, related to asset management fees and investment return and earnings (losses) before taxes of $22.9 million, $(67.5) million, $(96.7) million and $(99.1) million, respectively, related to Other investments.

(7) Includes losses before income taxes related to non-controlling interests of $5.4 million, $7.7 million, $21.3 million and $14.7 million, respectively.

Reconciliation of Reportable Segment Information:

	Three Months Ended May 31,		Six Months Ended May 31,	
$ in millions	**2026**	**2025**	**2026**	**2025**
Total revenues for reportable segments	**$ 2,193.8**	**$ 1,625.0**	**$ 4,210.1**	**$ 3,215.6**
Other revenues not allocated to segments	12.7	9.4	13.5	11.9
Total consolidated net revenues	**$ 2,206.5**	**$ 1,634.4**	**$ 4,223.6**	**$ 3,227.5**
Total earnings for reportable segments	**$ 302.8**	**$ 125.5**	**$ 514.3**	**$ 274.1**
Earnings not allocated to segments	12.7	9.4	13.5	11.9
Total consolidated earnings	**$ 315.5**	**$ 134.9**	**$ 527.8**	**$ 286.0**

Assets by reportable business segment:

$ in millions	**May 31, 2026**	**November 30, 2025**
Investment Banking and Capital Markets	$ 74,202.9	$ 70,335.5
Asset Management	5,337.0	5,676.8
Total assets	**$ 79,539.9**	**$ 76,012.3**

Net Revenues by Geographic Region

Net revenues for the Investment Banking and Capital Markets reportable business segment are recorded in the geographic region in which the position was risk-managed or, in the case of investment banking, in which the senior coverage banker is located. For the Asset Management reportable business segment, net revenues are allocated according to the location of the investment advisor or the location of the invested capital.

	Three Months Ended May 31,		Six Months Ended May 31,	
$ in millions	**2026**	**2025**	**2026**	**2025**
Americas (1)	$ 1,529.7	$ 990.3	$ 2,935.5	$ 2,097.3
Europe and the Middle East (2)	477.3	488.2	913.6	859.1
Asia-Pacific	199.5	155.9	374.5	271.1
Net revenues	**$ 2,206.5**	**$ 1,634.4**	**$ 4,223.6**	**$ 3,227.5**

(1) Primarily relates to U.S. results.

(2) Primarily relates to U.K. results.

Note 21. Related Party Transactions

Officers, Directors and Employees

The following sets forth information regarding related party transactions with our officers, directors and employees:

- At May 31, 2026 and November 30, 2025, we had $16.5 million and $19.2 million, respectively, of loans, net of allowance, outstanding to certain of our officers and employees (none of whom are executive officers or directors) that are included in Other assets.
- Receivables from and payables to customers include balances arising from officers', directors' and employees' individual security transactions. These transactions are subject to the same regulations as all customer transactions and are provided on substantially the same terms.
- Two of our directors and certain of our officers have total investments in entities managed by us of approximately $8.7 million and $10.4 million at May 31, 2026 and November 30, 2025, respectively.

SMBC

We have a strategic alliance with Sumitomo Mitsui Financial Group, Inc., Sumitomo Mitsui Banking Corporation ("SMBC") and SMBC Nikko Securities Inc. (together referred to as "SMBC Group") to collaborate on corporate and investment banking business opportunities as well as opportunities related to equity sales, trading and research.

The following tables summarize balances with SMBC as reported in our Consolidated Statements of Financial Condition and Consolidated Statements of Earnings. In addition, the synergies and value creation resulting from our strategic alliance with SMBC generate additive benefits for us, which are not necessarily reflected by the activity presented in the following tables.

$ in thousands	**May 31, 2026**	**November 30, 2025**
Assets		
Cash and cash equivalents	$ 352,961	$ 444,506
Cash and securities segregated and on deposit for regulatory purposes or deposited with clearing and depository organizations	26,337	27,975
Financial instruments owned, at fair value	7,426	395
Securities borrowed	5,403	3,872
Securities purchased under agreements to resell	210,919	357,261
Receivables:		
Brokers, dealers and clearing organizations	56,168	7,752
Customers	—	206
Fees, interest and other	6,263	5,438
Other assets	11,953	6,203
Total assets	**$ 677,430**	**$ 853,608**
Liabilities		
Financial instruments sold, not yet purchased, at fair value	$ 7,704	$ 6,763
Securities loaned	187,287	620
Securities sold under agreements to repurchase	574,516	638,581
Payables:		
Brokers, dealers and clearing organizations	688	470
Accrued expenses and other liabilities	26,090	9,537
Long-term debt (1)	350,000	—
Total liabilities	**$ 1,146,285**	**$ 655,971**

(1) We have credit facilities with SMBC totaling $1.15 billion with interest rates based on various benchmark rates and associated spreads.

	Three Months Ended May 31,		Six Months Ended May 31,	
$ in thousands	**2026**	**2025**	**2026**	**2025**
Revenues				
Investment banking	$ 4,933	$ 3,814	$ 8,262	$ 7,663
Principal transactions (1)	47,985	3,197	48,312	(995)
Commissions and other fees	877	752	1,400	1,401
Interest	4,883	7,117	9,408	14,734
Total revenues	**58,678**	**14,880**	**67,382**	**22,803**
Interest expense	9,292	10,844	16,240	21,716
Net revenues	**$ 49,386**	**$ 4,036**	**$ 51,142**	**$ 1,087**
Non-interest expenses				
Compensation and benefits	6	—	$ 1,250	$ —
Technology and communications	2,020	—	3,044	—
Business development	$ 18,540	$ 7,117	28,114	11,805
Other expenses	706	1	1,796	5
Total non-interest expenses	**$ 21,272**	**$ 7,118**	**$ 34,204**	**$ 11,810**

(1) Primarily represents net gains (losses) on interest rate derivatives executed with SMBC.

Other Related Party Transactions

We have other related party transactions with equity method investees. Refer to Note 10, Investments for further information.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

This report may contain or incorporate by reference certain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and/or the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements about our future and statements that are not historical or current facts. These forward-looking statements are often preceded by the words "should," "expect," "believe," "intend," "may," "will," "would," "could" or similar expressions. Forward-looking statements may contain expectations regarding revenues, earnings, operations and other results, and may include statements of future performance, plans and objectives. Forward-looking statements also include statements pertaining to our strategies for future development of our business and products. Forward-looking statements represent only our belief regarding future events, many of which by their nature are inherently uncertain. It is possible that the actual results may differ, possibly materially, from the anticipated results indicated in these forward-looking statements. Information regarding important factors that could cause actual results to differ, perhaps materially, from those in our forward-looking statements is contained in this report and other documents we file. You should read and interpret any forward-looking statement together with these documents, including the following:

- the description of our business and risk factors contained in our Annual Report on Form 10-K for the year ended November 30, 2025 and filed with the Securities and Exchange Commission ("SEC") on January 28, 2026;
- the discussion of our analysis of financial condition and results of operations contained in this report under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" herein;
- the discussion of our risk management policies, procedures and methodologies contained in this report under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations – Risk Management" herein;
- the consolidated financial statements and notes to the consolidated financial statements contained in this report; and
- cautionary statements we make in our public documents, reports and announcements.

Any forward looking statement speaks only as of the date on which that statement is made. We undertake no obligation to update any forward looking statement to reflect events or circumstances that occur after the date on which the statement is made, except as required by applicable law.

Our business, by its nature, does not produce predictable or necessarily recurring earnings. Our results in any given period can be materially affected by conditions in global financial markets, economic conditions generally and our own activities and positions.

Consolidated Results of Operations

Overview

	Three Months Ended May 31,		
$ in thousands	**2026**	**2025**	**% Change**
Net revenues	$ 2,206,451	$ 1,634,447	35.0 %
Non-interest expenses	1,890,902	1,499,546	26.1 %
Earnings before income taxes	315,549	134,901	133.9 %
Income tax expense	65,571	43,506	50.7 %
Net earnings	249,978	91,395	173.5 %
Net losses attributable to noncontrolling interests	(5,440)	(7,668)	(29.1)%
Preferred stock dividends	29,184	11,046	164.2 %
Net earnings attributable to common shareholders	226,234	88,017	157.0 %
Effective tax rate	20.8 %	32.3 %	

	Six Months Ended May 31,		
$ in thousands	**2026**	**2025**	**% Change**
Net revenues	$ 4,223,581	$ 3,227,466	30.9 %
Non-interest expenses	3,695,816	2,941,500	25.6 %
Earnings before income taxes	527,765	285,966	84.6 %
Income tax expense	118,441	57,722	105.2 %
Net earnings	409,324	228,244	79.3 %
Net losses attributable to noncontrolling interests	(21,298)	(14,651)	45.4 %
Preferred stock dividends	48,461	26,940	79.9 %
Net earnings attributable to common shareholders	382,161	215,955	77.0 %
Effective tax rate	22.4 %	20.2 %	

Executive Summary

Three Months Ended May 31, 2026 Versus May 31, 2025

Net earnings attributable to common shareholders were $226.2 million and $88.0 million for the three months ended May 31, 2026 and 2025, respectively.

Our effective tax rate was 20.8%, and 32.3% for the three months ended May 31, 2026 and 2025, respectively.

Six Months Ended May 31, 2026 Versus May 31, 2025

Net earnings attributable to common shareholders were $382.2 million and $216.0 million for the six months ended May 31, 2026 and 2025, respectively.

Our effective tax rate was 22.4%, and 20.2% for the six months ended May 31, 2026 and 2025, respectively.

The remainder of our "Consolidated Results of Operations" is presented on a detailed product and expense basis. Our "Revenues by Source" is reported along the following business lines: Investment Banking, Equities, Fixed Income and Asset Management.

At May 31, 2026, we had 7,371 employees globally across all of our consolidated subsidiaries within our Investment Banking and Capital Markets and Asset Management reportable segments, compared to 7,787 at November 30, 2025. Included within our global headcount are 1,334 employees at May 31, 2026 and 1,797 employees at November 30, 2025 of our Stratos, Tessellis, HomeFed and M Science subsidiaries.

Revenues by Source

We present our results as two reportable business segments: Investment Banking and Capital Markets and Asset Management. Additionally, corporate activities are fully allocated to each of these reportable business segments.

Net revenues presented for our Investment Banking and Capital Markets reportable segment include allocations of interest income and interest expense as we assess the profitability of these businesses inclusive of these costs, including the net interest cost of allocated short- and long-term debt, which is a function of the mix of each business's associated assets and liabilities and the related funding costs.

Debt valuation adjustments on derivative contracts, gains and losses on investments held in deferred compensation plans, foreign currency transaction gains or losses or certain other corporate income items are not considered by management in assessing the financial performance of our operating businesses and are, therefore, not reported as part of our business segment results.

	Three Months Ended May 31,				
	2026		2025		
$ in thousands	Amount	% of Net Revenues	Amount	% of Net Revenues	% Change
Advisory	$ 674,118	30.6 %	$ 457,860	28.0 %	47.2 %
Equity underwriting	370,691	16.8	122,366	7.5	202.9
Debt underwriting	160,186	7.3	205,363	12.6	(22.0)
Other investment banking	1,825	—	(19,282)	(1.2)	N/M
Total Investment Banking	**1,206,820**	**54.7**	**766,307**	**46.9**	**57.5**
Equities	600,751	27.2	526,244	32.2	14.2
Fixed income	198,541	9.0	177,911	10.9	11.6
Total Capital Markets	**799,292**	**36.2**	**704,155**	**43.1**	**13.5**
Total Investment Banking and Capital Markets (1)	**2,006,112**	**90.9**	**1,470,462**	**90.0**	**36.4**
Asset management fees and revenues	15,169	0.7	20,766	1.3	(27.0)
Investment return	31,037	1.4	50,404	3.1	(38.4)
Allocated net interest (2)	(22,935)	(1.0)	(19,144)	(1.2)	19.8
Other investments, inclusive of net interest	164,447	7.5	102,595	6.3	60.3
Total Asset Management	**187,718**	**8.6**	**154,621**	**9.5**	**21.4**
Other	12,621	0.5	9,364	0.5	34.8
Net revenues	**$ 2,206,451**	**100.0 %**	**$ 1,634,447**	**100.0 %**	**35.0 %**

	Six Months Ended May 31,				
	2026		2025		
$ in thousands	Amount	% of Net Revenues	Amount	% of Net Revenues	% Change
Advisory	$ 1,201,246	28.4 %	$ 855,640	26.5 %	40.4 %
Equity underwriting	676,660	16.0	250,886	7.8	169.7
Debt underwriting	342,044	8.1	404,725	12.5	(15.5)
Other investment banking	4,163	0.2	(44,252)	(1.4)	N/M
Total Investment Banking	**2,224,113**	**52.7**	**1,466,999**	**45.4**	**51.6**
Equities	1,159,239	27.4	935,302	29.0	23.9
Fixed income	418,809	9.9	467,137	14.5	(10.3)
Total Capital Markets	**1,578,048**	**37.3**	**1,402,439**	**43.5**	**12.5**
Total Investment Banking and Capital Markets (1)	**3,802,161**	**90.0**	**2,869,438**	**88.9**	**32.5**
Asset management fees and revenues	85,079	2.0	109,396	3.4	(22.2)
Investment return	120,029	2.8	44,770	1.4	168.1
Allocated net interest (2)	(45,173)	(1.1)	(36,365)	(1.1)	24.2
Other investments, inclusive of net interest	248,045	5.9	228,535	7.1	8.5
Total Asset Management	**407,980**	**9.6**	**346,336**	**10.8**	**17.8**
Other	13,440	0.4	11,692	0.3	15.0
Net revenues	**$ 4,223,581**	**100.0 %**	**$ 3,227,466**	**100.0 %**	**30.9 %**

N/M — Not Meaningful

(1) Allocated net interest is not separately disaggregated for Investment Banking and Capital Markets. This presentation is aligned to our Investment Banking and Capital Markets internal performance measurement.

(2) Allocated net interest represents an allocation to Asset Management of our long-term debt interest expense, net of interest income on our Cash and cash equivalents and other sources of liquidity. Allocated net interest has been disaggregated to increase transparency and to make clearer actual Investment return. We believe that aggregating Investment return and Allocated net interest would obscure the Investment return by including an amount that is unique to our credit spreads, debt maturity profile, capital structure, liquidity risks and allocation methods.

Investment Banking Revenues

Investment banking is composed of revenues from:

- advisory services with respect to mergers and acquisitions, debt financing, restructurings and private capital transactions;
- underwriting services, which include debt underwriting, syndication and placement services related to investment grade debt, high yield bonds, leveraged loans, emerging market debt, global structured notes, municipal debt and mortgage-backed and asset-backed securities; and equity underwriting and placement services related to equity offerings, preferred stock and equity-linked securities;
- our 50% share of net earnings from our Jefferies Finance joint venture;
- our 45% share of net earnings from our commercial real estate joint venture, Berkadia, which includes commercial mortgage origination and servicing as well as investment sales;
- securities and loans received or acquired in connection with our investment banking activities; and
- certain revenue-sharing agreements with SMBC primarily associated with investment banking transactions.

	Deals Completed			
	Three Months Ended May 31,		Six Months Ended May 31,	
	2026	2025	2026	2025
Advisory transactions	118	84	217	176
Public and private equity and convertible offerings	74	45	130	80
Public and private debt financings	254	268	511	481

	Aggregate Value			
	Three Months Ended May 31,		Six Months Ended May 31,	
$ in billions	2026	2025	2026	2025
Advisory transactions	$ 180.8	$ 87.2	$ 268.3	$ 199.0
Public and private equity and convertible offerings	118.8	21.6	155.9	44.0
Public and private debt financings	62.1	100.3	206.0	247.5

Three Months Ended May 31, 2026 Versus May 31, 2025

Investment banking net revenues were $1.21 billion, up 57.5% compared to $766.3 million for the prior year quarter.

Advisory had its best quarter ever, with net revenues of $674.1 million, up 47.2% compared to $457.9 million for the prior year quarter, driven by market share gains and increased industry volumes.

Total underwriting net revenues were $530.9 million, up 62.0% from $327.7 million for the prior year quarter, primarily driven by market share gains and increased activity in Equity underwriting across most sectors. Debt underwriting remained solid, but decreased compared to the prior year quarter primarily due to lower deal values and lower origination of asset-backed securities.

Other investment banking net revenues were $1.8 million, compared to net revenues of $(19.3) million for the prior year quarter, with higher mark-to-market net gains on certain investment positions for the current quarter. Performance from our Jefferies Finance joint venture improved, while performance from our Berkadia joint venture declined from the prior year quarter.

Our investment banking backlog remains strong, although the extent and timing of its realization is always subject to change. Backlog snapshots are subject to limitations as the time frame for the realization of revenues from these expected transactions varies and is influenced by factors we do not control. Transactions not included in the estimate may occur, and expected transactions may be modified or cancelled.

Six Months Ended May 31, 2026 Versus May 31, 2025

Investment banking net revenues were $2.22 billion, up 51.6% compared to $1.47 billion for the prior year period.

Advisory net revenues were a record $1.20 billion and increased 40.4% compared to $855.6 million for the prior year period, driven by market share gains and increased overall market opportunity.

Total underwriting net revenues were $1.02 billion, up 55.4% compared to $655.6 million for the prior year period, primarily driven by market share gains and increased activity in Equity underwriting across a range of sectors and in a stronger issuance market. Debt underwriting remained solid but decreased compared to the prior year quarter primarily due to lower deal values.

Other investment banking net revenues were $4.2 million, compared to net revenues of $(44.3) million for the prior year period and include mark-to-market net gains on certain investment positions for the current quarter. Performance from our Jefferies Finance joint venture improved, while performance from our Berkadia joint venture declined from the prior year period.

Equities Net Revenues

Equities is composed of net revenues from:

- services provided to our clients for which we earn commissions or spread revenue by executing, settling and clearing transactions for clients;
- advisory services offered to clients;
- financing, securities lending and other prime brokerage services offered to clients, including capital introductions and outsourced trading;
- corporate equity derivative transactions; and
- wealth management services.

Three Months Ended May 31, 2026 Versus May 31, 2025

Equities net revenues were $600.8 million, up 14.2% from $526.2 million for the prior year quarter, marking our strongest quarter on record, due to market share gains and higher global trading volumes driving stronger results across most of our businesses, particularly within cash and electronic trading. Additionally, prime services continues to expand.

Six Months Ended May 31, 2026 Versus May 31, 2025

Equities net revenues were a record $1.16 billion, up 23.9% compared to $935.3 million for the prior year period, marking our strongest six months on record, due to market share gains and higher trading volumes driving stronger results across most of our businesses, particularly within cash and global electronic trading. Additionally, prime services continues to expand. Our equity options, convertibles, and corporate derivatives businesses also produced strong results.

Fixed Income Net Revenues

Fixed income is composed of net revenues from:

- executing transactions for clients and making markets in securitized products, investment grade, high-yield, distressed, emerging markets, municipal, sovereign and emerging markets securities and loans;
- customized products and corporate hedging and foreign currency solutions through derivative products; and
- financing and other structuring services.

Three Months Ended May 31, 2026 Versus May 31, 2025

Fixed income net revenues were $198.5 million, up 11.6% compared to $177.9 million for the prior year quarter. While both current and prior year quarters were impacted by major U.S. policy and geopolitical events, the markets were modestly more supportive in the current quarter, which supported improved results in our distressed, municipal securities and emerging markets businesses.

Six Months Ended May 31, 2026 Versus May 31, 2025

Fixed income net revenues were $418.8 million, down 10.3% compared to $467.1 million for the prior year period, as credit markets remained challenging in the current year for the products and services where we are most active, impacting the overall trading environment and several of our businesses. Strong performance in our municipal securities, distressed and emerging markets businesses was more than offset by lower results from our securitized products business, which includes a gross mark-to-market loss of $58.7 million associated with Market Financial Solutions during the current period.

Asset Management

We operate a diversified alternative asset management platform that provides institutional clients with a broad range of investment strategies, both directly and through our strategic affiliated asset managers. Certain affiliated managers also benefit from access to our global marketing and distribution platform, as well as operational infrastructure and support. Our asset management business makes seed and additional strategic investments directly in alternative asset management separately managed accounts and co-mingled funds where we act as the asset manager or in affiliated asset managers where we have strategic relationships and participate in the revenues or profits of the affiliated manager.

Asset management fees and revenues primarily consist of:

- Management and performance fees from funds and accounts managed by us;
- Placement and distribution fees for raising capital from investors; and
- Revenue from strategic affiliated asset managers where we are entitled to portions of their operating revenues and income based on our ownership interests in the affiliates.

Fees and revenues are generally tied to the value of assets under management and the performance of those assets. Performance-based fees are earned when returns exceed specified benchmarks or performance targets and are typically recognized annually generally in our first quarter, once they become fixed and determinable and are not subject to significant reversal.

We also generate an investment return from capital invested in our managed funds and in funds managed by our affiliated asset managers. Additionally, we earn revenues from other investments, including our portfolio of real estate development activities, foreign exchange trading, and telecommunications operations.

	Three Months Ended May 31,		
$ in thousands	**2026**	**2025**	**% Change**
Asset management fees and other	$ 3,593	$ 7,495	(52.1)%
Revenue from strategic affiliates (1)	11,576	13,271	(12.8)%
Total asset management fees and revenues	**15,169**	**20,766**	**(27.0)%**
Investment return	31,037	50,404	(38.4)%
Allocated net interest	(22,935)	(19,144)	19.8 %
Other investments	164,447	102,595	60.3 %
Total Asset Management	**$ 187,718**	**$ 154,621**	**21.4 %**

	Six Months Ended May 31,		
$ in thousands	**2026**	**2025**	**% Change**
Asset management fees and other	$ 10,492	$ 53,302	(80.3)%
Revenue from strategic affiliates (1)	74,587	56,094	33.0 %
Total asset management fees and revenues	**85,079**	**109,396**	**(22.2)%**
Investment return	120,029	44,770	168.1 %
Allocated net interest	(45,173)	(36,365)	24.2 %
Other investments	248,045	228,535	8.5 %
Total Asset Management	**$ 407,980**	**$ 346,336**	**17.8 %**

(1) Amounts include our share of fees received by affiliated asset management companies with which we have revenue and profit share arrangements, as well as earnings on our ownership interest in affiliated asset managers.

Three Months Ended May 31, 2026 Versus May 31, 2025

Asset management fees and revenues were $15.2 million, down 27.0% compared to $20.8 million for the prior year quarter, reflecting lower management fees on funds and accounts managed by us, primarily Point Bonita, as well as funds and accounts managed by our strategic affiliates.

Investment return was $31.0 million, down 38.4% compared to $50.4 million for the prior year quarter, as strong performance from strategies with a long equity bias was offset by lower performance across other fund strategies and the impact of reduced capital allocated to certain funds based on our strategy to reduce capital committed and reposition the business in recognition of our upcoming acquisition of Hildene Holdings.

Other investments net revenues were $164.4 million, up 60.3% compared to $102.6 million in the prior year quarter, primarily due to improved results from HomeFed and mark-to-market gains on certain investments.

Six Months Ended May 31, 2026 Versus May 31, 2025

Asset management fees and revenues were $85.1 million, down 22.2% compared to $109.4 million for the prior year period, as higher performance fees from funds and accounts managed by our strategic affiliates were offset by lower performance fees largely in respect of Point Bonita.

Investment return was $120.0 million, up 168.1% compared to $44.8 million for the prior year period, due to improved performance across several fund strategies, particularly those with a long-equity bias.

Other investments net revenues were $248.0 million, up 8.5% compared to $228.5 million for the prior year period, primarily due to improved results from HomeFed and mark-to-market gains on certain investments.

Assets Under Management

Assets under management ("AUM") represents the assets we manage or are managed by our affiliated asset managers with whom we have revenue sharing arrangements. AUM primarily refers to the basis of assets from which we are entitled to earn fees and revenues though the measure also includes funds and separately managed accounts for which we do not charge fees. AUM includes:

- the net asset value of a fund or separately managed account managed by us or our affiliated managers and may include an agreed target AUM utilizing leverage;
- unfunded capital commitments to a fund; and
- the fair value of any invested capital in our consolidated funds or separately managed accounts.

Net asset value generally refers to the fair value the assets less the liabilities of a fund or account.

Assets under management:

$ in millions	May 31, 2026	November 30, 2025
Net asset value seeded by us:		
Jefferies funds or separately managed accounts	$ 360	$ 358
Our affiliates funds or separately managed accounts	1,612	1,741
Total net asset value of Jefferies' invested capital (1)	1,972	2,099
Fair value of investment purchased with leverage	587	699
Total AUM attributed to Jefferies as investor	**$ 2,559**	**$ 2,798**
Net asset value of third-party investors:		
Jefferies funds or separately managed accounts (2)	1,261	2,462
Our affiliates funds or separately managed accounts (3)	28,487	25,387
Total AUM attributed to third-party investors	**$ 29,748**	**$ 27,849**
Unfunded capital commitments	183	195
Aggregated AUM	**$ 32,490**	**$ 30,842**

(1) Revenues related to the investments made by us are presented in Investment return within the results of our asset management businesses.

(2) We earn asset management fees as a result of the third-party investments, which are presented in Asset management fees and revenues within the results of our asset management business.

(3) Revenues from our share of fees received by affiliated asset managers are presented in Revenue from strategic affiliates within the results of our asset management business.

Our definition of assets under management may differ from the calculations of other asset managers; and as a result, this measure may not be comparable to similar measures presented by other asset managers. Our definition of AUM may differ from that referenced in any of our investment management agreements, differs from the manner in which "Regulatory Assets Under Management" is reported to the SEC on Form ADV, and includes assets for which we do not act as an asset manager.

In addition to our investments directly in Jefferies' and our strategic affiliates funds and separately managed accounts, we have capital invested in other equity method investees as part of our asset management business of $180.0 million and $174.0 million at May 31, 2026 and November 30, 2025, respectively.

Other

Other revenues include foreign currency transaction gains or losses, debt valuation adjustments on derivative contracts, gains and losses on investments held in deferred compensation plans or certain other corporate income items that are not attributed to business segments as management does not consider such amounts in assessing the financial performance of our operating businesses.

Non-interest Expenses

	Three Months Ended May 31,		
$ in thousands	**2026**	**2025**	**% Change**
Compensation and benefits	$ 1,188,245	$ 854,839	39.0 %
Brokerage and clearing fees	147,446	129,745	13.6
Underwriting costs	26,858	14,525	84.9
Technology and communications	162,860	146,198	11.4
Occupancy and equipment rental	34,499	30,711	12.3
Business development	89,108	80,070	11.3
Professional services	98,707	77,768	26.9
Depreciation and amortization	47,328	52,253	(9.4)
Cost of sales	31,253	42,961	(27.3)
Other	64,598	70,476	(8.3)
Total non-interest expenses	**$ 1,890,902**	**$ 1,499,546**	**26.1 %**

	Six Months Ended May 31,		
$ in thousands	**2026**	**2025**	**% Change**
Compensation and benefits	$ 2,274,135	$ 1,695,966	34.1 %
Brokerage and clearing fees	280,578	239,181	17.3
Underwriting costs	58,241	32,371	79.9
Technology and communications	322,718	285,673	13.0
Occupancy and equipment rental	68,359	60,910	12.2
Business development	164,530	152,361	8.0
Professional services	175,651	150,234	16.9
Depreciation and amortization	104,193	83,241	25.2
Cost of sales	61,173	84,529	(27.6)
Other	186,238	157,034	18.6
Total non-interest expenses	**$ 3,695,816**	**$ 2,941,500**	**25.6 %**

Total Non-interest Expenses

Three Months Ended May 31, 2026 Versus May 31, 2025

Non-interest expenses were $1.89 billion, an increase of 26.1%, compared to $1.50 billion for the prior year quarter, primarily due to an increase in compensation and benefits expenses attributable to higher net revenues and higher brokerage and clearing fees on increased equities trading volumes.

Six Months Ended May 31, 2026 Versus May 31, 2025

Non-interest expenses were $3.70 billion, an increase of 25.6%, compared to $2.94 billion for the prior year period, primarily due to an increase in compensation and benefits expenses attributable to higher net revenues and higher brokerage and clearing fees on increased equities trading volumes.

Compensation and Benefits

Compensation and benefits expense consists of salaries, benefits, commissions, annual cash compensation and share-based awards and the amortization of share-based and cash compensation awards to employees.

Cash and share-based awards granted to employees may contain provisions such that employees who terminate their employment or are terminated without cause may continue to vest in their awards, so long as those awards are not forfeited as a result of other forfeiture provisions (primarily non-compete clauses) of those awards. Accordingly, the compensation expense for a portion of awards granted at year end as part of annual compensation is recorded during the year of the award. Compensation and benefits expense includes amortization expense associated with these awards to the extent vesting is contingent on future service. In addition, certain awards to our Chief Executive Officer and our President contain performance conditions and the awards are amortized over their service periods.

Compensation and benefits expense for the current quarter and current year was $1.19 billion and $2.27 billion, respectively, compared to $854.8 million and $1.70 billion for the prior year quarter and prior year period, respectively. A significant portion of our compensation expense is highly variable with net revenues. Compensation and benefits expense as a percentage of Net revenues was 53.9% and 53.8% for the current quarter and current year, respectively, compared to 52.3% and 52.5% for the prior year quarter and prior year period, respectively.

Compensation expense related to the amortization of share- and cash-based awards amounted to $147.8 million and $331.1 million for the current quarter and current year, respectively, compared to $149.7 million and $300.4 million for the prior year quarter and prior year period, respectively.

At May 31, 2026, we had 7,371 employees globally across all of our consolidated subsidiaries within our Investment Banking and Capital Markets and Asset Management reportable segments, compared to 7,787 at November 30, 2025. Included within our global headcount are 1,334 employees at May 31, 2026 and 1,797 employees at November 30, 2025 of our Stratos, Tessellis, HomeFed, and M Science subsidiaries.

Non-interest Expenses (Excluding Compensation and Benefits)

Three Months Ended May 31, 2026 Versus May 31, 2025

Non-compensation expenses as a percentage of Net revenues was 31.8% compared to 39.4% for the current quarter and prior year quarter, respectively, and was impacted by the following:

- Brokerage and clearing fees were higher by $17.7 million primarily tied to strong equities revenue growth across regions.
- Technology and communication expenses were higher by $16.7 million related to the continued development of various trading and management systems as well as higher data related costs.

Six Months Ended May 31, 2026 Versus May 31, 2025

Non-compensation expenses as a percentage of Net revenues was 33.7% compared to 38.6% for the current year and prior year period, respectively, and was impacted by the following:

- Brokerage and clearing fees were higher by $41.4 million primarily tied to strong equities revenue growth across regions.
- Technology and communication expenses were higher by $37.0 million related to the continued development of various trading and management systems as well as higher data related costs.
- Other expenses were higher by $29.2 million compared to the prior year period, primarily due to the write-down of goodwill associated with the expected sale of Tessellis.

Income Taxes

Three Months Ended May 31, 2026 Versus May 31, 2025

The provision for income taxes on continuing operations was $65.6 million and $43.5 million for the three months ended May 31, 2026 and 2025, respectively, representing an effective tax rate of 20.8%, and 32.3%, respectively. The lower rate was primarily a result of investment tax credits and lower state and local taxes.

Six Months Ended May 31, 2026 Versus May 31, 2025

The provision for income taxes on continuing operations was $118.4 million and $57.7 million for the six months ended May 31, 2026 and 2025, respectively, representing an effective tax rate of 22.4%, and 20.2%, respectively. The lower rate last year was primarily a result of the partial resolution of certain state and local tax matters in the prior year period.

Accounting Developments

There are no accounting standard updates, except as discussed in Note 3, Accounting Developments in our consolidated financial statements including in this quarterly report on Form 10-Q which we have either determined are applicable or expected to have a material impact on our consolidated financial statements.

Critical Accounting Estimates

Our consolidated financial statements are prepared in conformity with U.S. generally accepted accounting principles ("U.S. GAAP"), which requires management to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and related notes. Actual results can and may differ from estimates. These differences could be material to our consolidated financial statements.

We believe our application of U.S. GAAP and the associated estimates are reasonable. Our accounting estimates are reevaluated, and adjustments are made when facts and circumstances dictate a change. Historically, we have found our application of accounting policies to be appropriate, and actual results have not differed materially from those determined using necessary estimates.

For further discussions of the following significant accounting policies and other significant accounting policies, refer to Note 2, Summary of Significant Accounting Policies, in our consolidated financial statements included in Part II, Item 8 of our Annual Report on Form 10-K for the year ended November 30, 2025.

Valuation of Financial Instruments

Financial instruments owned and Financial instruments sold, not yet purchased are recorded at fair value. The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (the exit price). Unrealized gains or losses are generally recognized in Principal transactions revenues.

Fair Value Hierarchy – In determining fair value, we maximize the use of observable inputs and minimize the use of unobservable inputs by requiring that observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect our assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. We apply a hierarchy to categorize our fair value measurements broken down into three levels based on the transparency of inputs, where Level 1 uses observable prices in active markets and Level 3 uses valuation techniques that incorporate significant unobservable inputs. Greater use of management judgment is required in determining fair value when inputs are less observable or unobservable in the marketplace, such as when the volume or level of trading activity for a financial instrument has decreased and when certain factors suggest that observed transactions may not be reflective of orderly market transactions. Judgment must be applied in determining the appropriateness of available prices, particularly in assessing whether available data reflects current prices and/or reflects the results of recent market transactions. Prices or quotes are weighed when estimating fair value with greater reliability placed on information from transactions that are considered to be representative of orderly market transactions.

Fair value is a market-based measure; therefore, when market observable inputs are not available, our judgment is applied to reflect those judgments that a market participant would use in valuing the same asset or liability. The availability of observable inputs can vary for different products. We use prices and inputs that are current as of the measurement date even in periods of market disruption or illiquidity. The valuation of financial instruments categorized within Level 3 of the fair value hierarchy involves the greatest extent of management judgment. (Refer to Note 2, Summary of Significant Accounting Policies, in our consolidated financial statements included in Part II, Item 8 of our Annual Report on Form 10-K for the year ended November 30, 2025 and Note 5, Fair Value Disclosures in our consolidated financial statements included in this Quarterly Report on Form 10-Q for further information on the definitions of fair value, Level 1, Level 2 and Level 3 and related valuation techniques).

For information on the composition of our Financial instruments owned and Financial instruments sold, not yet purchased recorded at fair value and the composition of activity of our Level 3 assets and Level 3 liabilities, refer to Note 5, Fair Value Disclosures in our consolidated financial statements included in this Quarterly Report on Form 10-Q.

Controls Over the Valuation Process for Financial Instruments – Our Independent Price Verification Group, independent of the trading function, plays an important role in determining that our financial instruments are appropriately valued and that fair value measurements are reliable. This is particularly important where prices or valuations that require inputs are less observable. In the event that observable inputs are not available, the control processes are designed to assure that the valuation approach utilized is appropriate and consistently applied and that the assumptions are reasonable. Where a pricing model is used to determine fair value, these control processes include reviews of the pricing model's theoretical soundness and appropriateness by risk management personnel with relevant expertise who are independent from the trading desks. In addition, recently executed comparable transactions and other observable market data are considered for purposes of validating assumptions underlying the model.

Income Taxes

Significant judgment is required in estimating our provision for income taxes. In determining the provision for income taxes, we must make judgments and interpretations about how to apply inherently complex tax laws to numerous transactions and business events. In addition, we must make estimates about the amount, timing and geographic mix of future taxable income, which includes various tax planning strategies to utilize tax attributes and deferred tax assets before they expire.

We record a valuation allowance to reduce our net deferred tax asset to the amount that is more likely than not to be realized. We are required to consider all available evidence, both positive and negative, and to weigh the evidence when determining whether a valuation allowance is required and the amount of such valuation allowance. Generally, greater weight is required to be placed on objectively verifiable evidence when making this assessment, in particular on recent historical operating results.

We also record reserves for unrecognized tax benefits based on our assessment of the probability of successfully sustaining tax filing positions. Management exercises significant judgment when assessing the probability of successfully sustaining tax filing positions, and in determining whether a contingent tax liability should be recorded and if so, estimating the amount. If our tax filing positions are successfully challenged, payments could be required that are in excess of reserved amounts or we may be required to reduce the carrying amount of our net deferred tax asset, either of which could be significant to our financial condition or results of operations.

Impairment of Equity Method Investments

We evaluate equity method investments for impairment when operating losses or other factors may indicate a decrease in value which is other than temporary. We consider a variety of

factors including economic conditions nationally and in an investment's geographic area of operation, adverse changes in the industry in which an investment operates, declines in business prospects, deterioration in earnings, increasing costs of operations and other relevant factors specific to the investee. Whenever we believe conditions or events indicate that one of these investments might be significantly impaired, we generally obtain from such investee updated cash flow projections and obtain other relevant information related to assessing the overall valuation of the investee. Utilizing this information, we assess whether the investment is considered to be other-than-temporarily impaired. To the extent an investment is deemed to be other-than-temporarily impaired, an impairment charge is recognized for the amount, if any, by which the investment's book value exceeds our estimate of the investment's fair value.

Goodwill

At May 31, 2026, goodwill of $1.73 billion (excluding goodwill classified as held for sale) represents 2.2% of total assets. The nature and accounting for goodwill is discussed in Note 2, Summary of Significant Accounting Policies in our consolidated financial statements included in Part II, Item 8 of our Annual Report on Form 10-K for the year ended November 30, 2025 and Note 12, Goodwill and Intangible Assets in our consolidated financial statements included in this Quarterly Report on Form 10-Q. Goodwill must be allocated to reporting units and tested for impairment at least annually, or when circumstances or events make it more likely than not that an impairment occurred. Goodwill is tested by comparing the estimated fair value of each reporting unit with its carrying value. Our annual goodwill impairment testing date for a substantial portion of our reporting units is August 1 and November 30 for other identified reporting units. The results of our annual tests did not indicate any goodwill impairment.

Estimating the fair value of a reporting unit requires management judgment and often involves the use of estimates and assumptions that could have a significant effect on whether or not an impairment charge is recorded and the magnitude of such a charge. Estimated fair values for our reporting units utilize market valuation methods that incorporate price-to-earnings and price-to-book multiples of comparable public companies and/or projected cash flows. Under the market valuation approach, the key assumptions are the selected multiples and our internally developed projections of future profitability, growth and return on equity for each reporting unit. The weight assigned to the multiples requires judgment in qualitatively and quantitatively evaluating the size, profitability and the nature of the business activities of the reporting units as compared to the comparable publicly-traded companies. Under the income approach, the key assumptions include our internally developed projections of future cash flows, growth rates and risk adjusted discount rates, which are sensitive to the interest rate environment and capital market conditions. The valuation methodologies for our reporting units are sensitive to management's forecasts of future profitability, which are a significant component of the valuation and come with a level of uncertainty regarding trading volumes and capital market transaction levels. In addition, as the fair values determined under the market valuation approach represent a noncontrolling interest, we apply a control premium to arrive at the estimate fair value of each reporting unit on a controlling basis.

We use allocated tangible equity plus allocated goodwill and intangible assets for the carrying amount of each reporting unit. The amount of tangible equity allocated to a reporting unit is based on our cash capital model deployed in managing our businesses, which seeks to approximate the capital a business would require if it were operating independently. For further information on our Cash Capital Policy, refer to the Liquidity, Financial Condition and Capital Resources section herein. Intangible assets are allocated to a reporting unit based on either specifically identifying a particular intangible asset as pertaining to a reporting unit or, if shared among reporting units, based on an assessment of the reporting unit's benefit from the intangible asset in order to generate results.

For certain of our reporting units included within Other investments we may first assess qualitative factors to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount. If we determine on the basis of this qualitative assessment that it is not more likely than not that a reporting unit's fair value is less than its carrying amount, we place reliance on our qualitative assessment and no quantitative calculation of the fair value of the reporting unit is performed.

Carrying values of goodwill by reporting unit:

$ in millions	May 31, 2026	November 30, 2025
Investment banking	$ 702.5	$ 702.0
Equities and wealth management	256.0	255.9
Fixed income	578.3	578.0
Asset management	143.0	143.0
Other investments	45.7	158.7
Total	**$ 1,725.5**	**$ 1,837.6**

The results of our annual assessments indicated that all of our reporting units had a fair value in excess of their carrying amounts. Our valuation methodologies and the assessment of qualitative factors are sensitive to management's forecasts of future probability. At May 31, 2026, our Stratos reporting unit with allocated goodwill of $5.5 million is highly sensitive to the forecast assumptions used in our market approach valuation. Reductions in trading volumes and/or a decline in performance from the expected levels assumed in our forecast could cause a decline in the estimated fair value of our Stratos reporting unit and a resulting impairment of a portion of our goodwill.

During the first quarter of 2026, a binding offer to sell our Tessellis reporting unit was accepted. We have evaluated the goodwill allocated to Tessellis and, based on the estimated sales proceeds, recorded an impairment to goodwill of $58.2 million in the first quarter of 2026, which is recognized within Other expenses. At May 31, 2026, the remaining goodwill allocated to our Tessellis reporting unit is $56.1 million.

Refer to Note 4, Assets and Liabilities Held for Sale and Note 12, Goodwill and Intangible Assets in our consolidated financial statements included in this Quarterly Report on Form 10-Q for further details on goodwill.

Liquidity, Financial Condition and Capital Resources

Our CFO and Global Treasurer are responsible for developing and implementing our liquidity, funding and capital management strategies. These policies are determined by the nature and needs of our day-to-day business operations, business opportunities, regulatory obligations, and liquidity requirements.

Our actual levels of capital, total assets and financial leverage are a function of a number of factors, including asset composition, business initiatives and opportunities, regulatory requirements, rating agency ratios and cost and availability of both long term and short-term funding. We have historically maintained a balance sheet consisting of a large portion of our total assets in cash and liquid marketable securities. The liquid nature of these assets provides us with flexibility in financing and managing our business.

We also own a legacy portfolio of businesses and investments that are reflected as consolidated subsidiaries, equity investments or securities. Over the most recent years, we completed several critical steps to substantially liquidate our legacy Other investments portfolio of businesses. During 2026, we announced the sale of our interest in Tessellis S.p.A., which we anticipate to close during the first quarter of 2027.

During the six months ended May 31, 2026, we repurchased a total 7.0 million of our common shares for $371.7 million, or an average price of $53.42 per share, comprised of 5.0 million of our common shares for $264.9 million in the open market under our share repurchase program, and 2.0 million of our common shares for $106.8 million in connection with net-share tax withholding under our equity compensation plan.

We maintain modest leverage to support our investment grade ratings. The growth of our balance sheet is supported by our equity and we have quantitative metrics in place to monitor leverage and double leverage. Our capital plan is robust, in order to sustain our operating model through stressed conditions. We maintain adequate financial resources to support business activities in both normal and stressed market conditions, including a buffer in excess of our regulatory, or other internal or external, requirements. Our access to funding and liquidity is stable and efficient to ensure that there is sufficient liquidity to meet our financial obligations in normal and stressed market conditions.

Our Balance Sheet

A business unit level balance sheet and cash capital analysis are prepared and reviewed with senior management on a weekly basis. As a part of this balance sheet review process, capital is allocated to all assets and gross balance sheet limits are adjusted, as necessary. This process ensures that the allocation of capital and costs of capital are incorporated into business decisions. The goals of this process are to protect the firm's platform, enable our businesses to remain competitive, maintain the ability to manage capital proactively and hold businesses accountable for both balance sheet and capital usage.

We actively monitor and evaluate our financial condition and the composition of our assets and liabilities. We continually monitor our overall securities inventory, including the inventory turnover rate, which confirms the liquidity of our overall assets. A significant portion of our financial instruments are valued on a daily basis and we monitor and employ balance sheet limits for our various businesses.

$ in millions		May 31, 2026		November 30, 2025	% Change
Total assets	$	79,539.9	$	76,012.3	4.6 %
Cash and cash equivalents		14,314.8		14,043.9	1.9
Cash and securities segregated and on deposit for regulatory purposes or deposited with clearing and depository organizations		1,135.9		917.7	23.8
Financial instruments owned		28,038.1		27,722.7	1.1
Financial instruments sold, not yet purchased		14,547.0		13,320.2	9.2
Total Level 3 assets		839.3		737.8	13.8
Securities borrowed	$	9,729.9	$	8,295.2	17.3 %
Securities purchased under agreements to resell		9,407.2		8,449.1	11.3
Total securities borrowed and securities purchased under agreements to resell	**$**	**19,137.1**	**$**	**16,744.3**	**14.3 %**
Securities loaned	$	3,104.6	$	2,540.8	22.2 %
Securities sold under agreements to repurchase		11,318.0		12,156.7	(6.9)
Total securities loaned and securities sold under agreements to repurchase	**$**	**14,422.6**	**$**	**14,697.5**	**(1.9)%**

Total assets at May 31, 2026 and November 30, 2025 were $79.54 billion and $76.01 billion, respectively, an increase of 4.6%. During the three and six months ended May 31, 2026, average total assets were higher by 9.2% and 8.7%, respectively, than total assets at May 31, 2026.

Our total Financial instruments owned inventory was $28.04 billion and $27.72 billion at May 31, 2026 and November 30, 2025, respectively. During the six months ended May 31, 2026, our total Financial instruments owned increased primarily due to increased U.S. government and agency securities and corporate equity securities, partially offset by a decrease in loans, derivative contracts and investments at fair value. Financial instruments sold, not yet purchased inventory was $14.55 billion at May 31, 2026, an increase of 9.2% from $13.32 billion at November 30, 2025, with the increase primarily driven by increases in corporate equity securities, corporate debt securities and derivative contracts, partially offset by a decrease in U.S. government and agency securities. Our overall net inventory position was $13.49 billion and $14.40 billion at May 31, 2026 and November 30, 2025, respectively, with the decrease primarily due to decreases in corporate equity securities, derivative contracts, corporate debt securities, loans and investments at fair value, partially offset by increases in U.S. government and agency securities.

Level 3 assets:

$ in millions		May 31, 2026	Percent		November 30, 2025	Percent
Investment Banking	$	120.3	14.3%	$	111.7	15.1%
Equities and Fixed Income		407.3	48.5		343.6	46.7
Asset Management (1)		248.3	29.6		230.5	31.2
Other		63.4	7.6		52.0	7.0
Total	**$**	**839.3**	**100.0%**	**$**	**737.8**	**100.0%**

(1) At May 31, 2026 and November 30, 2025, $214.9 million and $195.8 million, respectively, are attributed to Other investments within our Asset Management reportable segment.

Securities financing assets and liabilities include financing for our financial instruments trading activity, matched book transactions and mortgage finance transactions. Matched book transactions accommodate customers, as well as obtain securities for the settlement and financing of inventory positions.

Our average month end balance of total reverse repos and stock borrows during the three and six months ended May 31, 2026 was 24.1% and 13.9% higher, respectively, than the balance at May 31, 2026. Our average month end balance of total repos and stock loans during the three and six months ended May 31, 2026 was 32.7% and 34.6% higher, respectively, than the balance at May 31, 2026.

Select information related to repurchase agreements:

$ in millions	Six Months Ended May 31, 2026	Year Ended November 30, 2025
Securities Purchased Under Agreements to Resell:		
Period end	$ 9,407	$ 8,449
Month end average	10,981	10,526
Maximum month end	13,280	14,927
Securities Sold Under Agreements to Repurchase:		
Period end	$ 11,318	$ 12,157
Month end average	15,571	16,497
Maximum month end	18,914	19,785

Fluctuations in the balance of our repurchase agreements from period to period and intraperiod are dependent on business activity in those periods. Additionally, the fluctuations in the balances of our securities purchased under agreements to resell are influenced in any given period by our clients' balances and our clients' desires to execute collateralized financing arrangements via the repurchase market or via other financing products. Average balances and period end balances will fluctuate based on market and liquidity conditions and we consider the fluctuations intraperiod to be typical for the repurchase market.

Leverage Ratios:

$ in millions	May 31, 2026	November 30, 2025
Total assets	$ 79,540	$ 76,012
Total equity	$ 10,607	$ 10,642
Total shareholders' equity	$ 10,567	$ 10,575
Deduct: Goodwill and intangible assets, net	(1,974)	(2,040)
Tangible shareholders' equity	**$ 8,593**	**$ 8,535**
Leverage ratio (1)	7.5	7.1
Tangible gross leverage ratio (2)	9.0	8.7

(1) Leverage ratio equals total assets divided by total equity.

(2) Tangible gross leverage ratio (a non-GAAP financial measure) equals total assets less goodwill and identifiable intangible assets, net divided by tangible shareholders' equity. The tangible gross leverage ratio is used by rating agencies in assessing our leverage ratio.

Liquidity Management

The key objectives of the liquidity management framework are to support the successful execution of our business strategies while ensuring sufficient liquidity through the business cycle and during periods of financial and idiosyncratic distress. Our liquidity management policies are designed to mitigate the potential risk that we may be unable to access adequate financing to service our financial obligations without material franchise or business impact.

The principal elements of our liquidity management framework are our Cash Capital Policy, our assessment of Modeled Liquidity Outflow ("MLO") and our Contingency Funding Plan ("CFP").

Liquidity Management Framework. Our Liquidity Management Framework is based on a model of a potential liquidity contraction over a one-year time period. This incorporates potential cash outflows during a market or our idiosyncratic liquidity stress event, including, but not limited to, the following:

- Repayment of all unsecured debt maturing within one year and no incremental unsecured debt issuance;
- Maturity rolloff of outstanding letters of credit with no further issuance and replacement with cash collateral;
- Higher margin requirements than currently exist on assets on securities financing activity, including repurchase agreements and other secured funding including central counterparty clearinghouses;
- Liquidity outflows related to possible credit downgrade;
- Lower availability of secured funding;
- Client cash withdrawals;
- The anticipated funding of outstanding investment and loan commitments; and
- Certain accrued expenses and other liabilities and fixed costs.

Cash Capital Policy. We maintain a cash capital model that measures long-term funding sources against requirements. Sources of cash capital include our equity, mezzanine equity and the noncurrent portion of long-term borrowings. Uses of cash capital include the following:

- Illiquid assets such as equipment, goodwill, net intangible assets, exchange memberships, deferred tax assets and certain investments;
- A portion of securities inventory and other assets not expected to be financed on a secured basis in a credit stressed environment (*i.e.*, margin requirements); and
- Drawdowns of unfunded commitments.

To ensure that we do not need to liquidate inventory in the event of a funding stress, we seek to maintain surplus cash capital. Our total long-term capital of $25.31 billion at May 31, 2026 exceeded our cash capital requirements.

MLO. Our businesses are diverse, and our liquidity needs are determined by many factors, including market movements, collateral requirements and client commitments, all of which can change dramatically in a difficult funding environment. During a liquidity stress, credit-sensitive funding, including unsecured debt and some types of secured financing agreements, may be unavailable, and the terms (*e.g.*, interest rates, collateral provisions and tenor) or availability of other types of secured financing may change. As a result of our policy to ensure we have sufficient funds to cover what we estimate may be needed in a liquidity stress, we hold more cash and unencumbered securities and have greater long-term debt balances than our businesses would otherwise require. As part of this estimation process, we calculate an MLO that could be experienced in a liquidity stress. MLO is based on a scenario that includes both a market-wide stress and firm-specific stress, characterized by some or all of the following elements:

- Global recession, default by a medium-sized sovereign, low consumer and corporate confidence, and general financial instability.

- Severely challenged market environment with material declines in equity markets and widening of credit spreads.
- Damaging follow-on impacts to financial institutions leading to the failure of a large bank.
- A firm-specific crisis potentially triggered by material losses, reputational damage, litigation, executive departure, and/or a ratings downgrade.

The following are the critical modeling parameters of the MLO:

- Liquidity needs over a 30-day scenario.
- A two-notch downgrade of our long-term senior unsecured credit ratings.
- No support from government funding facilities.
- A combination of contractual outflows, such as upcoming maturities of unsecured debt, and contingent outflows (*e.g.*, actions though not contractually required, we may deem necessary in a crisis). We assume that most contingent outflows will occur within the initial days and weeks of a stress.
- No diversification benefit across liquidity risks. We assume that liquidity risks are additive.

The calculation of our MLO under the above stresses and modeling parameters considers the following potential contractual and contingent cash and collateral outflows:

- All upcoming maturities of unsecured long-term debt, promissory notes and other unsecured funding products assuming we will be unable to issue new unsecured debt or rollover any maturing debt.
- Repurchases of our outstanding long-term debt in the ordinary course of business as a market maker.
- A portion of upcoming contractual maturities of secured funding activity due to either the inability to refinance or the ability to refinance only at wider haircuts (*i.e.*, on terms which require us to post additional collateral). Our assumptions reflect, among other factors, the quality of the underlying collateral and counterparty concentration.
- Collateral postings to counterparties due to adverse changes in the value of our over-the-counter ("OTC") derivatives and other outflows due to trade terminations, collateral substitutions, collateral disputes, collateral calls or termination payments required by a two-notch downgrade in our credit ratings.
- Variation margin postings required due to adverse changes in the value of our outstanding exchange-traded derivatives and any increase in initial margin and guarantee fund requirements by derivative clearing houses.
- Liquidity outflows associated with our prime services business, including withdrawals of customer credit balances, and a reduction in customer short positions.
- Liquidity outflows to clearing banks to ensure timely settlements of cash and securities transactions.
- Draws on our unfunded commitments considering, among other things, the type of commitment and counterparty.
- Other upcoming large cash outflows, such as employee compensation, tax and dividend payments, with no expectation of future dividends from any subsidiaries.

Based on the sources and uses of liquidity calculated under the MLO scenarios, we determine, based on a calculated surplus or deficit, additional long-term funding that may be needed versus funding through the repurchase financing market and consider any adjustments that may be necessary to our inventory balances and cash holdings. At May 31, 2026, we had sufficient excess liquidity to meet all contingent cash outflows detailed in the MLO for at least 30 days without balance sheet reduction. We regularly refine our model to reflect changes in market or economic conditions and our business mix.

CFP. Our CFP ensures the ability to access adequate liquid financial resources to meet liquidity shortfalls that may arise in emergency situations. The CFP triggers the following actions:

- Sets out the governance for managing liquidity during a liquidity crisis;
- Identifies key liquidity and capital early warning indicators that will help guide the response to the liquidity crisis;
- Identifies the actions and escalation procedures should we experience a liquidity crisis including coordination amongst senior management and the Board of Directors;
- Sets out the sources of funding available during a liquidity crisis;
- Sets out the communication plan during a liquidity crisis for key external stakeholders including regulators, relationship banks, rating agencies and funding counterparties; and
- Sets out an action plan to source additional funding.

Sources of Liquidity

Financial instruments that are cash and cash equivalents or are deemed by management to be generally readily convertible into cash, marginable or accessible for liquidity purposes within a relatively short period of time:

$ in millions	May 31, 2026	Average Balance Quarter Ended May 31, 2026 (1)	November 30, 2025
Cash and cash equivalents:			
Cash in banks	$ 4,741	$ 4,934	$ 3,904
Money market investments (2)	9,574	6,465	10,140
Total cash and cash equivalents	**14,315**	**11,399**	**14,044**
Other sources of liquidity:			
Debt securities owned and securities purchased under agreements to resell (3)	1,743	2,134	1,824
Other (4)	1,180	1,276	1,836
Total other sources	2,923	3,410	3,660
Total cash and cash equivalents and other liquidity sources	**$ 17,238**	**$ 14,809**	**$ 17,704**
Total cash and cash equivalents and other liquidity sources as % of Total assets	21.7 %		23.3 %
Total cash and cash equivalents and other liquidity sources as % of Total assets less goodwill and intangible assets	22.2 %		23.9 %

(1) Average balances are calculated based on weekly balances.

(2) At May 31, 2026 and November 30, 2025, $9.56 billion and $10.12 billion, respectively, was invested in U.S. government money funds that invest primarily in cash, securities issued by the U.S. government and U.S. government-sponsored entities, and repurchase agreements that are fully collateralized by cash or government securities. The remaining balances at May 31, 2026 and November 30, 2025 are primarily invested in AAA-rated prime money funds. The average balance of U.S. government money funds for the quarter ended May 31, 2026 was $6.46 billion.

(3) Consists of unencumbered high-quality sovereign government securities and reverse repurchase agreements collateralized by U.S. government securities and other high quality sovereign government securities; deposits with a central bank within the European Economic Area, United Kingdom, Canada, Australia, Japan, Switzerland or the U.S.; and securities issued by a designated multilateral development bank and reverse repurchase agreements with underlying collateral composed of these securities.

(4) Other includes unencumbered inventory representing an estimate of the amount of additional secured financing that could be reasonably expected to be obtained from our Financial instruments owned that are currently not pledged after considering reasonable financing haircuts.

In addition to the cash balances and liquidity pool presented above, the majority of financial instruments (both long and short) in our trading accounts are actively traded and readily marketable. At May 31, 2026, we had the ability to readily obtain repurchase financing for 76.7% of our inventory at haircuts of 10% or less, which reflects the liquidity of our inventory. In addition, as a matter of our policy, all of these assets have internal capital assessed, which is in addition to the funding haircuts provided in the securities finance markets. Additionally, certain of our Financial instruments owned primarily consisting of loans and investments are predominantly funded by long term capital. Under our cash capital policy, we model capital allocation levels that are more stringent than the haircuts used in the market for secured funding; and we maintain surplus capital at these more stringent levels. We continually assess the liquidity of our inventory based on the level at which we could obtain financing in the marketplace for a given asset. Assets are considered to be liquid if financing can be obtained in the repurchase market or the securities lending market at collateral haircut levels of 10% or less.

Financial instruments by asset class that we consider to be of a liquid nature and the amount of such assets that have not been pledged as collateral:

	May 31, 2026		November 30, 2025	
$ in millions	Liquid Financial Instruments	Unencumbered Liquid Financial Instruments (1)	Liquid Financial Instruments	Unencumbered Liquid Financial Instruments (1)
Corporate equity securities	$ 7,450	$ 1,456	$ 7,434	$ 2,715
Corporate debt securities	4,805	422	4,789	281
U.S. government, agency and municipal securities	3,868	200	3,013	56
Other sovereign obligations	1,558	1,532	1,461	1,731
Agency mortgage-backed securities (2)	3,589	—	3,060	—
Loans and other receivables	230	—	160	—
Total	**$ 21,500**	**$ 3,610**	**$ 19,917**	**$ 4,783**

(1) Unencumbered liquid balances represent assets that can be sold or used as collateral for a loan but have not been.

(2) Consists solely of agency mortgage-backed securities issued by the Federal Home Loan Mortgage Corporation (“Freddie Mac”), the Federal National Mortgage Association (“Fannie Mae”) and the Government National Mortgage Association (“Ginnie Mae”).

In addition to being able to be readily financed at reasonable haircut levels, we estimate that each of the individual securities within each asset class above could be sold into the market and converted into cash within three business days under normal market conditions, assuming that the entire portfolio of a given asset class was not simultaneously liquidated. There are no restrictions on the unencumbered liquid securities, nor have they been pledged as collateral.

Sources of Funding and Capital Resources

Our assets are funded by equity capital, senior debt, securities loaned, securities sold under agreements to repurchase, customer free credit balances, bank loans and other payables.

Secured Financing

We rely principally on readily available secured funding to finance our inventory of financial instruments owned and financial instruments sold. Our ability to support increases in total assets is largely a function of our ability to obtain short- and intermediate-term secured funding, primarily through securities financing transactions. We finance a portion of our long inventory and cover some of our short inventory by pledging and borrowing securities in the form of repurchase or reverse repurchase agreements (collectively “repos”), respectively. A portion of our cash and noncash repurchase financing activities is used as collateral that is considered eligible collateral by central clearing corporations. Central clearing corporations are situated between participating members who borrow cash and lend securities (or vice versa); accordingly, repo participants contract with the central clearing corporation and not one another individually. Therefore, counterparty credit risk is borne by the central clearing corporation which mitigates the risk through initial margin demands and variation margin calls from repo participants. The comparatively large proportion of our total repo activity that is eligible for central clearing reflects the high quality and liquid composition of the inventory we carry in our trading books. For those asset classes not eligible for central clearing house financing, we seek to execute our bi-lateral financings on an extended term basis and the tenor of our repurchase and reverse repurchase agreements generally exceeds the expected holding period of the assets we are financing. The weighted average maturity of cash and noncash repurchase agreements for non-clearing corporation eligible funded inventory is approximately seven months at May 31, 2026.

Our ability to finance our inventory via central clearinghouses and bi-lateral arrangements is augmented by our ability to draw bank loans on an uncommitted basis under our various banking arrangements. At May 31, 2026, short-term borrowings, which must be repaid within one year or less include bank loans, overdrafts and borrowings under revolving credit facilities. Letters of credit are used in the normal course of business mostly to satisfy various collateral requirements in favor of exchanges in lieu of depositing cash or securities. Average short-term borrowings outstanding were $1.75 billion and $1.78 billion for the three and six months ended May 31, 2026, respectively.

At May 31, 2026 and November 30, 2025, our borrowings under bank loans in Short-term borrowings were $454.5 million and $533.8 million, respectively. Our borrowings include credit facilities that contain certain covenants that, among other things, require us to maintain a specified level of tangible net worth, require a minimum regulatory net capital requirement for our U.S. broker-dealer, Jefferies LLC, and impose certain restrictions on the future indebtedness of certain of our subsidiaries that are borrowers. Interest is based on rates at spreads over the federal funds rate or other adjusted rates, as defined in the various credit agreements, or at a rate as agreed between the bank and us in reference to the bank’s cost of funding. At May 31, 2026, we were in compliance with all covenants under these credit facilities.

In addition to the above financing arrangements, we issue notes backed by eligible collateral under master repurchase agreements, which provide an additional financing source for our inventory (our "repurchase agreement financing program"). The notes issued under the program are presented within Other secured financings. At May 31, 2026, the outstanding notes totaled $2.28 billion, bear interest primarily at a spread over the Secured Overnight Funding Rate ("SOFR") and mature from June 2026 to October 2028.

Total Long-Term Capital

At May 31, 2026 and November 30, 2025, we had total long-term capital of $25.31 billion and $23.14 billion, respectively, resulting in a long-term debt to equity capital ratio of 1.390:1 and 1.17:1, respectively.

$ in thousands	May 31, 2026	November 30, 2025
Unsecured Long-Term Debt (1)	$ 14,702,686	$ 12,494,842
Total Mezzanine Equity	406	406
Total Equity	10,607,385	10,642,203
Total Long-Term Capital	**$ 25,310,477**	**$ 23,137,451**

(1) Amounts at May 31, 2026 and November 30, 2025 exclude our secured long-term debt, $741.3 million and $869.5 million, respectively, of our Callable Notes as the notes matured on January 15, 2027 and April 16, 2026, respectively, and $45.5 million and $45.2 million, respectively, of our Floating Senior Notes as the notes matured on June 19, 2026. The amounts at May 31, 2026 and November 30, 2025 also exclude $97.8 million and $102.7 million, respectively, of structured notes as the notes mature within one year.

Long-Term Debt

During the six months ended May 31, 2026, long-term debt increased by $2.15 billion to $18.04 billion at May 31, 2026, as presented in our Consolidated Statements of Financial Condition. This increase is primarily due to proceeds of $2.81 billion from the issuances of unsecured senior notes, $350.0 million from a drawdown of a revolver, $89.8 million from net issuances of structured notes, $30.1 million from increased subsidiaries' borrowings, $26.4 million from valuation adjustments and $29.0 million from currency losses on foreign currency borrowings. These increases were partially offset by repayments of $1.12 billion on our unsecured senior notes and the reclassification of $51.9 million of Tessellis' borrowings to liabilities held for sale (refer to Note 4, Assets and Liabilities Held for Sale for further information).

At May 31, 2026, our unsecured long-term debt has a weighted average maturity of approximately 7.5 years.

At May 31, 2026 and November 30, 2025, our borrowings under several credit facilities classified within Long-term debt in our Consolidated Statements of Financial Condition amounted to $1.05 billion and $803.2 million, respectively. Interest on these credit facilities is based on an adjusted SOFR plus a spread or other adjusted rates, as defined in the various credit agreements. The credit facility agreements contain certain covenants that, among other things, require us to maintain specified levels of tangible net worth and liquidity amounts, certain credit and rating levels and impose certain restrictions on future indebtedness of and require specified levels of regulated capital and cash reserves for certain of our subsidiaries. At May 31, 2026, we were in compliance with all covenants under theses credit facilities.

Long-term debt ratings:

	Rating	Outlook
Moody's Investors Service	Baa2	Stable
Standard & Poor's	BBB	Stable
Fitch Ratings	BBB+	Stable

	Jefferies LLC		Jefferies International Limited		Jefferies GmbH	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
Moody's Investors Service	Baa1	Stable	Baa1	Stable	Baa1	Stable
Standard & Poor's	BBB+	Stable	BBB+	Stable	BBB+	Stable

Access to external financing to finance our day-to-day operations, as well as the cost of that financing, is dependent upon various factors, including our debt ratings. Our current debt ratings are dependent upon many factors, including industry dynamics, operating and economic environment, operating results, operating margins, earnings trend and volatility, balance sheet composition, liquidity and liquidity management, our capital structure, our overall risk management, business diversification and our market share and competitive position in the markets in which we operate. Deterioration in any of these factors could impact our credit ratings. While certain aspects of a credit rating downgrade are quantifiable pursuant to contractual provisions, the impact on our business and trading results in future periods is inherently uncertain and depends on a number of factors, including the magnitude of the downgrade, the behavior of individual clients and future mitigating action taken by us.

On July 7, 2026, we priced €850.0 million aggregate principal amount of 4.500% Senior Unsecured Notes due 2033. The offering is expected to close several business days after the pricing date, subject to customary closing conditions.

Equity Capital

Preferred Shares

On April 27, 2023, we established Series B Non-Voting Convertible Preferred Shares with a par value of $1.00 per share ("Series B Preferred Stock") and designated 70,000 shares as Series B Preferred Stock. The Series B Preferred Stock has a liquidation preference of $17,500 per share and rank senior to our voting common stock upon dissolution, liquidation or winding up of Jefferies Financial Group Inc. The Series B Preferred Stock participates in cash dividends and distributions alongside our voting common stock on an as-converted basis. On April 27, 2023, we entered into an Exchange Agreement with Sumitomo Mitsui Banking Corporation's ("SMBC"), which entitles SMBC to exchange shares of our voting common stock for shares of the Series B Preferred Stock at a rate of 500 shares of voting common stock for one share of Series B Preferred Stock and SMBC is required to pay $1.50 per share of voting common stock so exchanged. As of November 30, 2025, SMBC had exchanged approximately 27.6 million shares of voting common stock for 55,125 shares of Series B Preferred Stock.

On September 19, 2025, our Board of Directors established Series B-1 Non-Voting Convertible Preferred Shares with a par value of $1.00 per share ("Series B-1 Preferred Stock") and designated 17,500 shares as Series B-1 Preferred Stock with a liquidation preference of $500 per share. Additionally, on September 19, 2025, we entered into an amended and restated Exchange Agreement (the "Amended and Restated Exchange Agreement") with SMBC, which entitles SMBC to exchange shares of our

voting common stock for shares of the Series B-1 Preferred Stock at a rate of 500 shares of voting common stock for one share of Series B-1 Preferred Stock. The Amended and Restated Exchange Agreement is limited to 17,500 shares of Series B-1 Preferred Stock. Under the Amended and Restated Exchange Agreement, SMBC is permitted to increase its economic ownership in the Company to up to 20% on an as-converted and fully diluted basis, while continuing to own less than 5% of a voting interest in the Company. As of May 31, 2026, there are no outstanding Series B-1 Preferred Stock.

Common Shares

Our Board of Directors has authorized two classes of common stock (i) voting and (ii) non-voting. The rights of the holders of each class of common stock are identical with the exception of voting rights.

Voting Common Shares

On March 26, 2026, shareholders approved an Amended and Restated Certificate of Incorporation, which decreased authorized voting common shares to 552,264,500 from 565,000,000.

At May 31, 2026 and November 30, 2025, we had 194,145,489 and 206,296,167 voting common shares outstanding, respectively.

At May 31, 2026, we had 16,746,087 share-based awards that do not require the holder to pay any exercise price and 5,064,740 stock options that require the holder to pay an exercise price of $22.69 per share.

During the six months ended May 31, 2026, we repurchased a total 7.0 million of our common shares for $371.7 million, or an average price of $53.42 per share, including 5.0 million of our common shares for $264.9 million in the open market under our share repurchase program, and 2.0 million of our common shares for $106.8 million in connection with net-share tax withholding under our equity compensation plan. In June 2026, the Board of Directors has authorized the repurchase of common stock up to $250.0 million under a share repurchase program.

Non-Voting Common Shares

On March 26, 2026, shareholders approved an Amended and Restated Certificate of Incorporation, which increased authorized non-voting common shares to 47,735,500 from 35,000,000.

On April 27, 2026, SMBC exchanged 9,247,081 voting common shares for non-voting common shares on a 1:1 basis.

At May 31, 2026, we had 9,247,081 non-voting common shares outstanding.

At May 31, 2026, SMBC owns approximately 18.7% of our common stock and 17.2% on a fully-diluted basis.

On June 30, 2026, SMBC converted 55,125 preferred shares into 27,562,500 non-voting common shares in accordance with the Exchange Agreement.

Dividends

We paid the following dividends to our voting and non-voting common stockholders and to our Series B Preferred stockholders:

Six Months Ended May 31, 2026

Declaration Date	Record Date	Payment Date	Per Common Share Amount
January 7, 2026	February 17, 2026	February 27, 2026	$0.40
March 25, 2026	May 18, 2026	May 29, 2026	$0.40

On June 24, 2026, the Board of Directors declared a dividend of $0.40 per common share to be paid on August 28, 2026 to common shareholders of record at August 18, 2026.

During both three and six months ended May 31, 2026 and 2025, we paid cash dividends with respect to the Series B Preferred stock of $11.0 million and $22.1 million, respectively.

The payment of dividends is subject to the discretion of our Board of Directors and depends upon general business conditions and other factors that our Board of Directors may deem to be relevant.

Net Capital

Jefferies LLC is a broker-dealer registered with the SEC and a member firm of the Financial Industry Regulatory Authority (“FINRA”) and is subject to the SEC Uniform Net Capital Rule (“Rule 15c3-1”), which requires the maintenance of minimum net capital, and has elected to calculate minimum capital requirements using the alternative method permitted by Rule 15c3-1 in calculating net capital. Jefferies LLC, as a dually-registered U.S. broker-dealer and futures commission merchant (“FCM”), is also subject to Regulation 1.17 of the Commodity Futures Trading Commission (“CFTC”) under the Commodity Exchange Act, which sets forth minimum financial requirements. The minimum net capital requirement in determining excess net capital for a dually registered U.S. broker-dealer and FCM is equal to the greater of the requirement under SEA Rule 15c3-1 or CFTC Regulation 1.17. FINRA is the designated examining authority for Jefferies LLC and the National Futures Association (“NFA”) is the designated self-regulatory organization (“DSRO”) for Jefferies LLC as an FCM. In June 2026, Jefferies LLC changed its registration status with the CFTC and the NFA from an FCM to an Introducing Broker.

Jefferies Financial Services, Inc. (“JFSI”) is registered with the SEC as a Security-Based Swap Dealer (“SBS Dealer”) and an OTC Derivatives Dealer (“OTCDD”) subject to the SEC’s SBS dealer regulatory rules and the SEC’s net capital requirements. JFSI is also registered as a swap dealer with the CFTC and is subject to the CFTC’s regulatory capital requirements pursuant to the minimum financial requirements for swap dealers. Additionally, as a registered member firm, JFSI is subject to the net capital requirements of the NFA. The SEC is the designated examining authority for JFSI in its capacity as an SBS Dealer and OTCDD, while the NFA is the DSRO for JFSI, as a CFTC registered swap dealer.

Certain non-U.S. subsidiaries are subject to capital adequacy requirements as prescribed by the regulatory authorities in their respective jurisdictions. This includes Jefferies International Limited (“JIL”), which is subject to the regulatory supervision and requirements of the Financial Conduct Authority in the U.K. and Jefferies GmbH, which is subject to the regulatory supervision of the German Federal Financial Supervisory Authority.

At May 31, 2026, net capital and excess net capital were as follows:

$ in thousands	Net Capital	Excess Net Capital
Jefferies LLC	$ 1,968,926	$ 1,748,341
JFSI - SEC	245,822	198,013
JFSI - CFTC	245,822	210,333
JIL (1)	2,079,901	1,032,004
Jefferies GmbH (1)	397,293	278,262

(1) Represents an equivalent capital requirement in the respective jurisdiction.

At May 31, 2026, Jefferies LLC, JFSI, JIL and Jefferies GmbH are in compliance with their applicable requirements.

The regulatory capital requirements referred to above may restrict our ability to withdraw capital from our regulated subsidiaries.

Customer Protection and Segregation Requirement

As a registered broker dealer that clears and carries customer accounts, Jefferies LLC is subject to the customer protection provisions under SEC Rule 15c3-3 and is required to compute reserve formula requirement for customer accounts and deposit cash or qualified securities into a special reserve bank account for the exclusive benefit of customers. At May 31, 2026, Jefferies LLC had $219.1 million in cash and qualified U.S. Government securities on deposit in special reserve bank accounts for the exclusive benefit of customers.

As a registered broker dealer that clears and carries proprietary accounts of brokers or dealers (commonly referred to as “PAB”), Jefferies LLC is also required to compute a reserve requirement for PABs pursuant to SEC Rule 15c3-3. At May 31, 2026, Jefferies LLC had $264.9 million in cash and qualified U.S. Government securities in special reserve bank accounts for the exclusive benefit of PABs.

The qualified securities meeting the 15c3-3 customer and PAB requirements are included in Cash and securities segregated and Securities purchased under agreements to resell.

JFSI is exempt from the CFTC and SEC segregation rules.

Other Developments

Following Russia’s 2022 invasion of Ukraine, the U.S., the U.K., and the European Union governments, among others, developed financial and economic sanctions targeting Russia that, in various ways, constrain transactions with numerous Russian entities, including major Russian banks and individuals; transactions in Russian sovereign debt; and investment, trade and financing to, from, or in Ukraine. We do not have any operations in Russia or any clients with significant Russian operations, and we have minimal market risk related to securities of companies either domiciled or operating in Russia. We continue to closely monitor the status of global sanctions and restrictions, trading conditions related to Russian securities and the credit risk and nature of our counterparties.

Global markets continue to experience disruption and volatility following the geopolitical instability from the ongoing conflicts along Israel’s border with the Gaza Strip and elsewhere in the Middle East, including the recent military conflict among the U.S., Israel, and Iran. Our investments and assets in our growing business in the Persian Gulf, Saudi Arabia and Israel, as well as the related global macroeconomic climate, could be negatively affected by consequences from the geopolitical instability, including disruptions in the Strait of Hormuz and military conflict throughout the region. We continue to monitor these and other geopolitical conflicts and assess their potential impact on our business.

Throughout 2025, the United States introduced actions through various means to increase import tariffs at various rates, including on certain products imported from almost all countries. Other countries have responded with retaliatory actions or plans for retaliatory actions. Some of these tariff announcements have since been followed by announcements of limited exemptions and temporary pauses, and wholly new arrangements with key trading partners of the United States. These actions, along with recent legal and policy developments, have led to increased economic uncertainty, and could negatively impact global supply chains and trade flow. The potential impact of tariffs on corporate earnings remains uncertain. We continue to closely monitor the impact of these matters on our business.

Beginning on September 24, 2025, First Brands Group, LLC and certain of its affiliates (“First Brands”) filed voluntary petitions for Chapter 11 bankruptcy protection. First Brands is an aftermarket auto parts manufacturer that sells its products to major auto-parts retailers (the “Obligors”). Point Bonita Capital, a division of Leucadia Asset Management (“LAM”), managed on behalf of third-party institutional and other investors an approximately $3 billion portfolio of trade-finance assets, which was supported by total invested equity of $1.9 billion, of which $113 million, or 5.9%, is owned by LAM. Since 2019, the portfolio has included purported accounts receivable purchased from First Brands and arising from the sale of First Brands’ products to Obligors. The purchase of receivables in this fashion is called factoring, and as of the Chapter 11 filing the Point Bonita portfolio had approximately $715 million in purported receivables due from retailers, including Walmart, AutoZone, NAPA, O’Reilly Auto Parts, and Advanced Auto Parts, with First Brands, as the servicer, responsible for collecting and remitting the Obligors’ payments to Point Bonita. For almost six years until September 15, 2025, Point Bonita had been paid on time and in full. On September 15, 2025, First Brands stopped directing timely transfers of funds to Point Bonita.

The First Brands bankruptcy proceedings have uncovered what is alleged to be a massive fraud that has resulted in the bankrupt estate bringing claims against its former CEO, its former Executive Vice President, one of its significant financing counterparties, and various related entities to recover billions of dollars in allegedly fraudulent transfers. As it relates to factoring, the alleged fraudulent activities included First Brands selling certain receivables more than once, selling receivables that had been inflated in amount, and selling fabricated receivables. The Company is exerting every effort to recover assets from First Brands and from the various Obligors. That process will take months to years to complete and, given the fraud, the recovery is highly uncertain. Our investment as it relates to exposure to First Brands as of this quarter has been valued at zero.

Separately, Apex Credit Partners LLC (“Apex”), a wholly owned subsidiary of Jefferies Finance, 50%-owned by us, manages on behalf of third-party institutional and other investors certain CLOs that invest in broadly syndicated loans with approximately $4.3 billion in assets under management. 12 CLOs managed by Apex own approximately $52 million in the aggregate of First Brands’ term loans (including PIK interest) and $10 million of First Brands’ debtor-in-possession term loans, which is approximately 1% of the CLO assets managed by Apex. Additionally, approximately, $1 million of First Brands’ term loans (including PIK interest) and $0.2 million of debt-in-possession term loans

were transferred from an Apex-managed CLO warehouse to Apex in anticipation of a CLO closing in January 2026. Apex beneficially owns a portion of the equity tranche and other senior tranches in an amount to comply with applicable securitization risk-retention rules and in certain instances such additional amounts which are not material.

Off-Balance Sheet Arrangements

We have contractual commitments arising in the ordinary course of business for securities loaned or purchased under agreements to resell, repurchase agreements, future purchases and sales of foreign currencies, securities transactions on a when-issued basis, purchases and sales of corporate loans in the secondary market and underwriting. Each of these financial instruments and activities contains varying degrees of off-balance sheet risk whereby the fair values of the securities underlying the financial instruments may be in excess of, or less than, the contract amount. The settlement of these transactions is not expected to have a material effect upon our consolidated financial statements.

In the normal course of business, we engage in other off balance-sheet arrangements, including derivative contracts. Neither derivatives' notional amounts nor underlying instrument values are reflected as assets or liabilities in our Consolidated Statements of Financial Condition. Rather, the fair values of derivative contracts are reported in our Consolidated Statements of Financial Condition as Financial instruments owned or Financial instruments sold, not yet purchased as applicable. Derivative contracts are reflected net of cash paid or received pursuant to credit support agreements and are reported on a net by counterparty basis when a legal right of offset exists under an enforceable master netting agreement. For additional information about our accounting policies and our derivative activities, refer to Note 2, Summary of Significant Accounting Policies, in our consolidated financial statements included in Part II, Item 8 of our Annual Report on Form 10-K for the year ended November 30, 2025 and Note 5, Fair Value Disclosures and Note 6, Derivative Financial Instruments in our consolidated financial statements included in this Quarterly Report on Form 10-Q.

Risk Management

Overview

Risk is an inherent part of our business and activities. The extent to which we properly and effectively identify, assess, monitor and manage each of the various types of risk involved in our activities is critical to our financial soundness, viability and profitability. Accordingly, we have a comprehensive risk management approach, with a formal governance structure and policies and procedures outlining frameworks and processes to identify, assess, monitor and manage risk. Principal risks involved in our business activities include market, credit, liquidity and capital, operational, model and strategic risk. Legal and compliance, new business and reputational risk are also included within our principal risks.

Risk management is a multifaceted process that requires communication, judgment and knowledge of financial products and markets. Our risk management process encompasses the active involvement of executive and senior management, and also many departments independent of the revenue-producing business units, including Risk Management, Operations, Information Technology, Compliance, Legal and Finance. Our risk management policies, procedures and methodologies are flexible in nature and are subject to ongoing review and modification.

In achieving our strategic business objectives, our risk appetite incorporates keeping our clients' interests as top priority and ensuring we are in compliance with applicable laws, rules and regulations, as well as adhering to the highest ethical standards. We undertake prudent risk-taking that protects the capital base and franchise, utilizing risk limits and tolerances that avoid outsized risk-taking. We maintain a diversified business mix and avoid significant concentrations to any sector, product, geography or activity and set quantitative concentration limits to manage this risk. We consider contagion, second order effects and correlation in our risk assessment process and actively seek out value opportunities of all sizes. We manage the risk of opportunities larger than our approved risk levels through risk sharing and risk distribution, sell-down and hedging as appropriate. We have a limited appetite for illiquid assets and complex derivative financial instruments. We maintain the asset quality of our balance sheet through conducting trading activity in liquid markets and generally ensure high turnover of our inventory. We subject less liquid positions and derivative financial instruments to particular scrutiny and use a wide variety of specific metrics, limits and constraints to manage these risks. We protect our reputation and franchise, as well as our standing within the market. We operate a federated approach to risk management and assign risk oversight responsibilities to a number of functions with specific areas of focus.

For discussion of liquidity and capital risk management, refer to the "Liquidity, Financial Condition and Capital Resources" section herein.

Governance and Risk Management Structure

For a discussion of our governance and risk management structure and our risk management framework, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Risk Management" in Part II, Item 7 of our Annual Report on Form 10-K for the year ended November 30, 2025.

Risk Considerations

We apply a comprehensive framework of limits on a variety of key metrics to constrain the risk profile of our business activities. The size of the limits reflects our risk appetite for a certain activity under normal business conditions. Key metrics included in our risk management framework include inventory position and exposure limits on a gross and net basis, scenario analysis and stress tests, Value-at-Risk ("VaR"), sensitivities, exposure concentrations, aged inventory, Level 3 assets, counterparty exposure, leverage and cash capital.

Market Risk

Market risk is defined as the risk of loss due to fluctuations in the market value of financial assets and liabilities attributable to changes in market variables.

Our market risk principally arises from interest rate risk, from exposure to changes in the yield curve, the volatility of interest rates, and credit spreads, and from equity price risks from exposure to changes in prices and volatilities of individual equities, equity baskets and equity indices. In addition, commodity price risk results from exposure to the changes in prices and volatilities of individual commodities, commodity baskets and commodity indices, and foreign exchange risk results from changes in foreign currency rates.

Market risk is present in our capital markets business through market making, proprietary trading, underwriting and investing activities and is present in our asset management business through investments in separately managed accounts and direct investments in funds. Given our involvement in a broad set of financial products and markets, market risk exposures are diversified and economic hedges are established as appropriate.

Market risk is monitored and managed through a set of key risk metrics such as VaR, stress scenarios, risk sensitivities and position exposures. Limits are set on the key risk metrics to monitor and control the risk exposure ensuring that it is in line with our risk appetite. Our risk appetite, including the market risk limits, is periodically reviewed to reflect business strategy and market environment. Material risk changes, top/emerging risks and limit utilizations/breaches are highlighted through risk reporting and escalated as necessary.

Trading is principally managed through front office trader mandates, where each trader is provided a specific mandate in line with our product registry. Mandates set out the activities, currencies, countries and products that a desk is permitted to trade in and set the limits applicable to a desk. Traders are responsible for knowing their trading limits and trading in a manner consistent with their mandate.

VaR

VaR is a statistical estimate of the potential loss from adverse market movements over a specified time horizon within a specified probability (confidence level). It provides a common risk measure across financial instruments, markets and asset classes. We estimate VaR using a model that simulates revenue and loss distributions by applying historical market changes to the current portfolio. We calculate a one-day VaR using a one-year look-back period measured at a 95% confidence level.

		Daily Firmwide VaR		
$ in millions	VaR at May 31, 2026	Daily VaR for the Three Months Ended May 31, 2026		
Risk Categories		**Average**	**High**	**Low**
Interest Rates and Credit Spreads	$ 4.13	$ 5.44	$ 13.96	$ 0.96
Equity Prices	8.80	8.65	9.95	5.88
Currency Rates	1.90	2.61	3.08	1.90
Commodity Prices	0.85	0.64	1.21	0.21
Diversification Effect (1)	(4.65)	(7.03)	N/A	N/A
Firmwide VaR (2)	**$ 11.03**	**$ 10.31**	**$ 11.93**	**$ 8.09**

		Daily Firmwide VaR		
$ in millions	VaR at February 28, 2026	Daily VaR for the Three Months Ended February 28, 2026		
Risk Categories		**Average**	**High**	**Low**
Interest Rates and Credit Spreads	$ 3.18	$ 4.06	$ 8.05	$ 1.41
Equity Prices	8.24	8.45	11.85	5.13
Currency Rates	2.54	2.50	3.51	2.03
Commodity Prices	0.19	0.40	0.87	0.07
Diversification Effect (1)	(5.61)	(5.63)	N/A	N/A
Firmwide VaR (2)	**$ 8.54**	**$ 9.78**	**$ 13.07**	**$ 7.74**

(1) The diversification effect is not applicable for the maximum and minimum VaR values as the firmwide VaR and the VaR values for the four risk categories might have occurred on different days during the period.

(2) The aggregated VaR presented here is less than the sum of the individual components (*i.e.*, interest rate risk, foreign exchange rate risk, equity risk and commodity price risk) due to the benefit of diversification among the four risk categories. Diversification benefit equals the difference between aggregated VaR and the sum of VaRs for the four risk categories and arises because the market risk categories are not perfectly correlated.

VaR for our capital markets trading activities, which excludes the impact on VaR for each component of market risk from our asset management activities, by interest rate and credit spreads, equity, currency and commodity products:

		Daily Capital Markets VaR		
$ in millions	VaR at May 31, 2026	Daily VaR for the Three Months Ended May 31, 2026		
Risk Categories		**Average**	**High**	**Low**
Interest Rates and Credit Spreads	$ 3.90	$ 5.17	$ 13.99	$ 0.59
Equity Prices	4.20	3.99	5.15	3.00
Currency Rates	1.38	2.30	2.81	—
Diversification Effect (1)	(2.41)	(4.32)	N/A	N/A
Capital Markets VaR (2)	**$ 7.07**	**$ 7.14**	**$ 9.52**	**$ 5.25**

		Daily Capital Markets VaR		
$ in millions	VaR at February 28, 2026	Daily VaR for the Three Months Ended February 28, 2026		
Risk Categories		**Average**	**High**	**Low**
Interest Rates and Credit Spreads	$ 2.79	$ 3.90	$ 7.87	$ 1.26
Equity Prices	4.55	5.05	8.94	3.03
Currency Rates	2.30	2.10	2.97	1.56
Diversification Effect (1)	(3.03)	(3.81)	N/A	N/A
Capital Markets VaR (2)	**$ 6.61**	**$ 7.24**	**$ 9.74**	**$ 5.26**

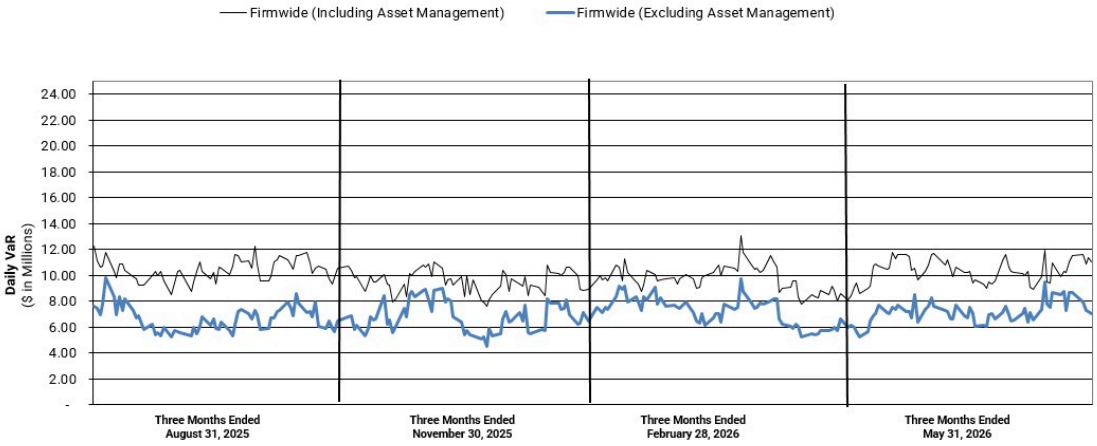
(1) The diversification effect is not applicable for the maximum and minimum VaR values as the capital markets VaR and the VaR values for the four risk categories might have occurred on different days during the period.

(2) The aggregated VaR presented here is less than the sum of the individual components (*i.e.*, interest rate risk, foreign exchange rate risk, equity risk and commodity price risk) due to the benefit of diversification among the four risk categories. Diversification benefit equals the difference between aggregated VaR and the sum of VaRs for the four risk categories and arises because the market risk categories are not perfectly correlated.

The efficacy of the VaR model is tested by comparing our actual daily net revenues for those positions included in the calculation of VaR with the daily VaR estimate. This evaluation is performed at various levels, from the overall level down to specific business lines. For the VaR model, revenue is defined as principal transactions revenues, trading related commissions, revenue from securitization activities and net interest income. VaR backtesting methodologies differ for regulated entities with approved capital models.

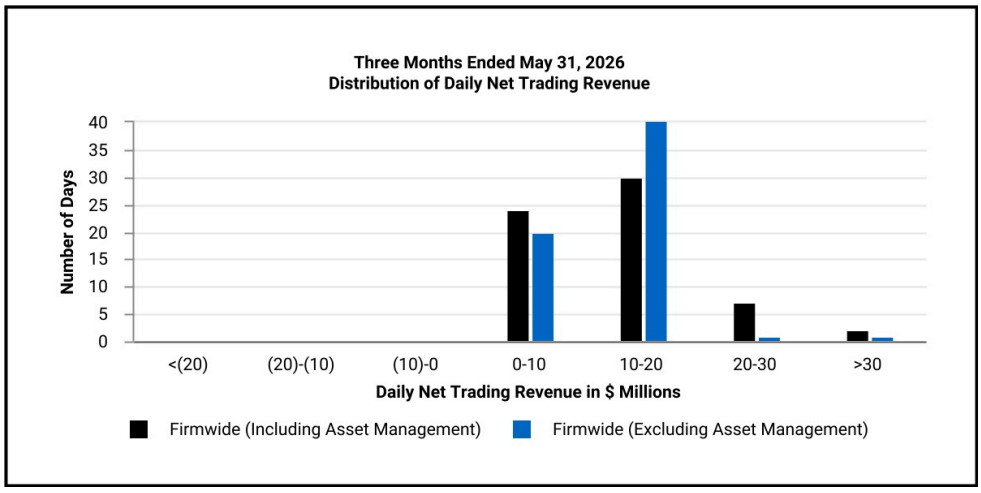
For a 95% confidence one day VaR model (*i.e.*, no intra-day trading), assuming current changes in market value are consistent with the historical changes used in the calculation, losses would not be expected to exceed the VaR estimates more than twelve times on an annual basis (*i.e.*, once in every 20 days). During the three months ended May 31, 2026, there were no days when the aggregate net trading loss exceeded the 95% one day VaR.

The chart below presents our daily firmwide and capital markets VaR over the last four quarters. The fluctuations in VaR during the first and second quarters of 2026 were primarily driven by volatility in the equity markets.



Daily Net Trading Revenue

There were no days with firmwide trading losses out of a total of 63 trading days during the three months ended May 31, 2026. The histogram below presents the distribution of our actual daily net trading revenue for substantially all of our trading activities:



Other Risk Measures

The VaR model does not include certain positions that are best measured and monitored using sensitivity analysis. Risk Management has additional procedures in place to assure that the level of potential loss driven by those positions not in the VaR model arising from market movements are within acceptable levels. Such procedures include performing stress tests and profit and loss analysis. The table below presents the potential reduction in earnings associated with a 10% stress of the fair value of the positions that are not included in the VaR model at May 31, 2026:

$ in thousands	**10% Sensitivity**
Investment in funds and other (1)	$ 136,931
Private investments	58,672
Corporate debt securities in default	17,163
Trade claims	8,086

(1) Primarily includes investments in hedge funds, fund of funds and private equity funds classified within Level 3 of the fair value hierarchy and excluded from the fair value hierarchy based on net asset value.

The impact of changes in our own credit spreads on our structured notes for which the fair value option was elected is not included in VaR. The estimated credit spread risk sensitivity for each one basis point widening in our own credit spreads on financial liabilities for which the fair value option was elected was an increase in value of approximately $2.0 million at May 31, 2026, which is included in other comprehensive income.

Other Risk

We are also subject to interest rate risk on our long-term fixed interest rate debt. Generally, the fair market value of debt securities with a fixed interest rate will increase as interest rates fall, and the fair market value will decrease as interest rates rise. The following table represents principal cash flows by expected maturity dates and the related weighted-average interest rate on those maturities for our consolidated long-term debt obligations, inclusive of any related interest rate hedges. For the variable rate borrowings, the weighted-average interest rates are based on the rates in effect at the reporting date. Our market risk with respect to foreign currency exposure on our long-term debt is also presented in the table below.

	Expected Maturity Date (Fiscal Years)							
$ in thousands	**2026**	**2027**	**2028**	**2029**	**2030**	**Thereafter**	**Total**	**Fair Value**
Rate Sensitive Liabilities:								
Fixed Interest Rate Borrowings	$ 141,328	$ 1,266,083	$ 1,313,842	$ 442,193	$ 1,426,224	$ 9,430,608	$ 14,020,278	$ 13,835,386
Weighted-Average Interest Rate	2.16%	5.81%	5.12%	5.17%	4.45%	5.59%		
Variable Interest Rate Borrowings	$ 13,000	$ 364,000	$ 525,000	$ 1,317	$ 1,642	$ 410,266	$ 1,315,225	$ 1,379,570
Weighted-Average Interest Rate	6.29%	5.24%	6.09%	4.62%	4.53%	5.87%		
Borrowings with Foreign Currency Exposure	$ 45,490	$ 636,791	$ 583,200	$ 583,200	$ —	$ 1,175,848	$ 3,024,529	$ 2,856,160
Weighted-Average Interest Rate	4.23%	3.03%	3.37%	4.05%	—%	5.68%		

Stress Tests and Scenario Analysis

Stress tests are used to analyze the potential impact of specific events or extreme market moves on the current portfolio both firm-wide and within business segments. Stress testing is an important part of our risk management approach because it allows us to quantify our exposure to tail risks, highlight potential loss concentrations, undertake risk/reward analysis, set risk controls and overall assess and mitigate our risk.

We employ a range of stress scenarios, which comprise both historical market price and rate changes and hypothetical market environments, and generally involve simultaneous changes of many risk factors. Indicative market changes in the scenarios include, but are not limited to, a large widening of credit spreads, a substantial decline in equities markets, significant moves in selected emerging markets, large moves in interest rates and changes in the shape of the yield curve.

Unlike our VaR, which measures potential losses within a given confidence interval, stress scenarios do not have an associated implied probability. Rather, stress testing is used to estimate the potential loss from market moves that tend to be larger than those embedded in the VaR calculation. Stress testing complements VaR to cover for potential limitations of VaR such as the breakdown in correlations, non-linear risks, tail risk and extreme events and capturing market moves beyond the confidence levels assumed in the VaR calculations.

Stress testing is performed and reported at least weekly as part of our risk management process and on an ad hoc basis in response to market events or concerns. Current stress tests provide estimated revenue and loss of the current portfolio through a range of both historical and hypothetical events. The stress scenarios are reviewed and assessed at least annually so that they remain relevant and up to date with market developments. Additional hypothetical scenarios are also conducted on a sub-portfolio basis to assess the impact of any relevant idiosyncratic stress events as needed.

Counterparty Credit Risk

Credit risk is the risk of loss due to adverse changes in a counterparty's credit worthiness or its ability or willingness to meet its financial obligations in accordance with the terms and conditions of a financial contract.

We are exposed to credit risk as a trading counterparty to other broker-dealers and customers, as a counterparty to derivative contracts, as a direct lender and through extending loan commitments and providing securities-based lending and as a member of exchanges and clearing organizations. Credit exposure exists across a wide range of products, including cash and cash equivalents, loans, securities finance transactions and over-the-counter derivative contracts. The main sources of credit risk are:

- Loans and lending arising in connection with our investment banking and capital markets activities, which reflects our exposure at risk on a default event with no recovery of loans. Current exposure represents loans that have been drawn by the borrower and lending commitments that are outstanding. In addition, credit exposures on forward settling traded loans are included within our loans and lending exposures for consistency with the balance sheet categorization of these items. Loans and lending also arise in connection with our portion of a Secured Revolving Credit Facility that is with us and Massachusetts Mutual Life Insurance Company, to be funded equally, to support loan underwritings by Jefferies Finance. For further information on this facility, refer to Note 10, Investments in our consolidated financial statements included in this Quarterly Report on Form 10-Q.
- Securities and margin financing transactions, which reflect our credit exposure arising from reverse repurchase agreements, repurchase agreements and securities lending agreements to the extent the fair value of the underlying collateral differs from the contractual agreement amount and from margin provided to customers.
- OTC derivatives, which are reported net by counterparty when a legal right of setoff exists under an enforceable master netting agreement. OTC derivative exposure is based on a contract at fair value, net of cash collateral received or posted under credit support agreements. In addition, credit exposures on forward settling trades are included within our derivative credit exposures.
- Cash and cash equivalents, which includes both interest-bearing and non-interest-bearing deposits at banks.

Credit is extended to counterparties in a controlled manner and in order to generate acceptable returns, whether such credit is granted directly or is incidental to a transaction. All extensions of credit are monitored and managed as a whole to limit exposure to loss related to credit risk. Credit risk is managed according to the Credit Risk Management Policy, which sets out the process for identifying counterparty credit risk, establishing counterparty limits, and managing and monitoring credit limits. The policy includes our approach for:

- Client on-boarding and approving counterparty credit limits;
- Negotiating, approving and monitoring credit terms in legal and master documentation;
- Determining the analytical standards and risk parameters for ongoing management and monitoring credit risk books;
- Actively managing daily exposure, exceptions and breaches; and
- Monitoring daily margin call activity and counterparty performance.

Counterparty credit exposure limits are granted within our credit ratings framework, as detailed in the Credit Risk Management Policy. The Credit Risk Department assesses counterparty credit risk and sets credit limits at the counterparty master agreement level. Limits must be approved by appropriate credit officers and initiated in our credit and trading systems before trading commences. All credit exposures are reviewed against approved limits on a daily basis.

Our Secured Revolving Credit Facility, which supports loan underwritings by Jefferies Finance, is governed under separate policies other than the Credit Risk Management Policy and is approved by our Board. The loans outstanding to certain of our officers and employees are extended pursuant to a review by our most senior management.

Current counterparty credit exposures at May 31, 2026 and November 30, 2025 are summarized in the tables below and provided by credit quality, region and industry. Credit exposures presented take netting and collateral into consideration by counterparty and master agreement. Collateral taken into consideration includes both collateral received as cash as well as collateral received in the form of securities or other arrangements. Current exposure is the loss that would be incurred on a particular set of positions in the event of default by the counterparty, assuming no recovery. Current exposure equals the fair value of the positions less collateral. Issuer risk is the credit risk arising from inventory positions (for example, corporate debt securities and secondary bank loans). Issuer risk is included in our country risk exposure within the following tables.

Counterparty Credit Exposure by Credit Rating

	Loans and Lending		Securities and Margin Finance		OTC Derivatives		Total		Cash and Cash Equivalents		Total with Cash and Cash Equivalents	
	At		At		At		At		At		At	
$ in millions	May 31, 2026	November 30, 2025	May 31, 2026	November 30, 2025	May 31, 2026	November 30, 2025	May 31, 2026	November 30, 2025	May 31, 2026	November 30, 2025	May 31, 2026	November 30, 2025
AAA Range	$ —	$ —	$ 1.1	$ 10.7	$ —	$ —	$ 1.1	$ 10.7	$ 9,573.7	$ 10,140.1	$ 9,574.8	$ 10,150.8
AA Range	92.6	91.1	295.5	218.8	47.8	270.5	435.9	580.4	67.7	156.8	503.6	737.2
A Range	28.5	24.5	1,502.5	1,081.5	112.0	173.6	1,643.0	1,279.6	4,325.9	3,514.5	5,968.9	4,794.1
BBB Range	266.3	263.7	332.3	166.7	7.7	20.2	606.3	450.6	346.6	232.5	952.9	683.1
BB or Lower	39.9	38.4	46.7	42.6	43.0	173.8	129.6	254.8	0.9	—	130.5	254.8
Unrated	238.7	279.5	—	—	4.0	9.9	242.7	289.4	—	—	242.7	289.4
Total	**$ 666.0**	**$ 697.2**	**$ 2,178.1**	**$ 1,520.3**	**$ 214.5**	**$ 648.0**	**$ 3,058.6**	**$ 2,865.5**	**$ 14,314.8**	**$ 14,043.9**	**$ 17,373.4**	**$ 16,909.4**

Counterparty Credit Exposure by Region

	Loans and Lending		Securities and Margin Finance		OTC Derivatives		Total		Cash and Cash Equivalents		Total with Cash and Cash Equivalents	
	At		At		At		At		At		At	
$ in millions	May 31, 2026	November 30, 2025	May 31, 2026	November 30, 2025	May 31, 2026	November 30, 2025	May 31, 2026	November 30, 2025	May 31, 2026	November 30, 2025	May 31, 2026	November 30, 2025
Asia-Pacific/Latin America/Other	$ 17.3	$ 15.8	$ 411.2	$ 234.6	$ 7.8	$ 0.4	$ 436.3	$ 250.8	$ 532.2	$ 766.3	$ 968.5	$ 1,017.1
Europe and the Middle East	1.2	1.7	578.2	426.5	48.7	88.4	628.1	516.6	65.0	71.3	693.1	587.9
North America	647.5	679.7	1,188.7	859.2	158.0	559.2	1,994.2	2,098.1	13,717.6	13,206.3	15,711.8	15,304.4
Total	**$ 666.0**	**$ 697.2**	**$ 2,178.1**	**$ 1,520.3**	**$ 214.5**	**$ 648.0**	**$ 3,058.6**	**$ 2,865.5**	**$ 14,314.8**	**$ 14,043.9**	**$ 17,373.4**	**$ 16,909.4**

Counterparty Credit Exposure by Industry

	Loans and Lending		Securities and Margin Finance		OTC Derivatives		Total		Cash and Cash Equivalents		Total with Cash and Cash Equivalents	
	At		At		At		At		At		At	
$ in millions	May 31, 2026	November 30, 2025	May 31, 2026	November 30, 2025	May 31, 2026	November 30, 2025	May 31, 2026	November 30, 2025	May 31, 2026	November 30, 2025	May 31, 2026	November 30, 2025
Asset Managers, Funds and Investment Advisors (1)	$ 446.0	$ 438.6	$ 60.1	$ 83.6	$ 0.2	$ —	$ 506.3	$ 522.2	$ 9,573.8	$ 10,140.1	$ 10,080.1	$ 10,662.3
Banks, Broker-Dealers	13.6	5.7	1,189.4	863.8	175.0	478.9	1,378.0	1,348.4	4,741.0	3,903.8	6,119.0	5,252.2
Corporates	147.2	145.3	—	—	37.5	165.8	184.7	311.1	—	—	184.7	311.1
As Agent Banks	—	—	752.6	529.9	—	—	752.6	529.9	—	—	752.6	529.9
Other	59.2	107.6	176.0	43.0	1.8	3.3	237.0	153.9	—	—	237.0	153.9
Total	**$ 666.0**	**$ 697.2**	**$ 2,178.1**	**$ 1,520.3**	**$ 214.5**	**$ 648.0**	**$ 3,058.6**	**$ 2,865.5**	**$ 14,314.8**	**$ 14,043.9**	**$ 17,373.4**	**$ 16,909.4**

(1) Includes a $250.0 million secured revolving credit facility to Jefferies Finance at both May 31, 2026 and November 30, 2025.

Country Risk Exposure

Country risk is the risk that events or developments that occur in the general environment of a country or countries due to economic, political, social, regulatory, legal or other factors, will affect the ability of obligors of the country to honor their obligations. We define the country of risk as the country of jurisdiction or domicile of the obligor and monitor country risk resulting from both trading positions and counterparty exposure, which may not include the offsetting benefit of any financial instruments utilized to manage market risk. The following tables reflect our top ten exposures at May 31, 2026 and November 30, 2025 to the sovereign governments, corporations and financial institutions in those non- U.S. countries in which we have net long issuer and counterparty exposure:

May 31, 2026

	Issuer Risk			Counterparty Risk				Issuer and Counterparty Risk	
$ in millions	Fair Value of Long Debt Securities	Fair Value of Short Debt Securities	Net Derivative Notional Exposure	Loans and Lending	Securities and Margin Finance	OTC Derivatives	Cash and Cash Equivalents	Excluding Cash and Cash Equivalents	Including Cash and Cash Equivalents
United Kingdom	$ 1,822.2	$ (932.9)	$ (215.6)	$ 1.1	$ 128.7	$ 45.9	$ 10.2	$ 849.4	$ 859.6
Germany	2,768.3	(2,530.3)	42.2	—	112.1	0.1	19.7	392.4	412.1
France	987.4	(889.3)	3.3	0.1	197.3	0.7	2.2	299.5	301.7
Taiwan	2,555.8	(2,794.5)	297.3	—	196.6	—	—	255.2	255.2
India	24.7	(26.7)	9.6	—	—	—	222.4	7.6	230.0
Hong Kong	65.7	(49.9)	6.6	—	72.8	—	132.8	95.2	228.0
Spain	783.1	(660.0)	43.9	—	58.6	0.5	1.7	226.1	227.8
Japan	3,186.9	(2,987.5)	(154.2)	—	80.1	0.7	95.5	126.0	221.5
Canada	167.5	(87.4)	(38.8)	0.4	63.6	114.0	0.4	219.3	219.7
Italy	1,405.9	(1,331.7)	92.8	—	0.8	—	1.8	167.8	169.6
Total	**$ 13,767.5**	**$ (12,290.2)**	**$ 87.1**	**$ 1.6**	**$ 910.6**	**$ 161.9**	**$ 486.7**	**$ 2,638.5**	**$ 3,125.2**

November 30, 2025

	Issuer Risk			Counterparty Risk				Issuer and Counterparty Risk	
$ in millions	Fair Value of Long Debt Securities	Fair Value of Short Debt Securities	Net Derivative Notional Exposure	Loans and Lending	Securities and Margin Finance	OTC Derivatives	Cash and Cash Equivalents	Excluding Cash and Cash Equivalents	Including Cash and Cash Equivalents
Canada	$ 175.2	$ (152.5)	$ 46.3	$ —	$ 56.9	$ 373.3	$ —	$ 499.2	$ 499.2
United Kingdom	1,391.5	(806.6)	(260.2)	0.9	44.6	84.1	7.8	454.3	462.1
Hong Kong	54.6	(41.0)	1.7	—	24.3	—	294.9	39.6	334.5
Australia	837.8	(611.8)	(87.4)	—	11.6	0.2	92.8	150.4	243.2
France	628.5	(405.8)	(131.4)	0.9	149.2	—	0.1	241.4	241.5
Japan	1,570.6	(1,929.7)	364.7	—	67.6	0.1	140.0	73.3	213.3
Spain	546.6	(341.8)	(76.3)	—	74.9	0.2	1.1	203.6	204.7
India	19.9	(17.8)	0.6	—	—	—	198.9	2.7	201.6
Sweden	250.9	(168.4)	52.7	—	—	—	10.5	135.2	145.7
Taiwan	1,119.2	(903.9)	(172.2)	—	101.5	—	—	144.6	144.6
Total	**$ 6,594.8**	**$ (5,379.3)**	**$ (261.5)**	**$ 1.8**	**$ 530.6**	**$ 457.9**	**$ 746.1**	**$ 1,944.3**	**$ 2,690.4**

Operational Risk

Operational risk is the risk of financial or non-financial impact, resulting from inadequate or failed internal processes, people and systems or from external events. We interpret this definition as including not only financial loss or gain but also other negative impacts to our objectives such as reputational impact, legal/regulatory impact and impact on our clients. Third-party risk is also included as a subset of operational risk and is defined as the potential threat presented to us, our employees or clients from our supply chain and other third parties used to perform a process, service or activity on our behalf.

Our Operational Risk framework includes governance as well as operational risk processes, comprises operational risk event capture and analysis, risk and control self-assessments, operational risk key indicators, action tracking, risk monitoring and reporting, deep dive risk assessments, new business approvals and vendor risk management. Each revenue producing and support department is responsible for the management and reporting of operational risks and the implementation of the Operational Risk Management Policy and processes within the department with regular operational risk training provided to our employees.

Operational risk events are mapped to risk categories used for the consistent classification of risk data to support root cause and trend analysis, which includes:

- Fraud and Theft
- Clients and Business Practices
- Market Conduct / Regulatory Compliance
- Business Disruption
- Technology
- Data Protection and Privacy
- Trading
- Transaction and Process Management
- People
- Cybersecurity
- Vendor Risk

Our Operational Risk Management Policy and operational risk management framework, infrastructure, methodology, processes, guidance and oversight of the operational risk processes are centralized and consistent firmwide and, additionally, subject to regional and legal entity operational risk governance, as required.

We also maintain a Third-Party ("Vendor") Risk Management Policy and Framework to ensure adequate control and monitoring over our critical third parties, which includes processes for conducting periodic reviews covering areas of risk including financial health, information security, privacy, business continuity management, disaster recovery and operational risk of our vendors.

Model Risk

Model risk refers to the risk of loss resulting from decisions that are based on the output of models, due to errors or weaknesses in the design and development, implementation or improper use of models. We use quantitative models primarily to value certain financial assets and liabilities and to monitor and manage our risk. Model risk is a function of the model materiality, frequency of use, complexity and uncertainty around inputs and assumptions used in a given model. Robust model risk management is a core part of our risk management approach and is overseen through our risk governance structure and risk management controls.

Legal and Compliance Risk

Legal and compliance risk includes the risk of noncompliance with applicable legal and regulatory requirements. We are subject to extensive regulation in the different jurisdictions in which we conduct our business. We have various procedures addressing issues such as regulatory capital requirements, sales and trading practices, use of and safekeeping of customer funds, credit granting, collection activities, anti-money laundering and record keeping. These risks also reflect the potential impact that changes in local and international laws and tax statutes have on the economics and viability of current or future transactions. In an effort to mitigate these risks, we continuously review new and pending regulations and legislation and participate in various industry interest groups. We also maintain an anonymous hotline for employees or others to report suspected inappropriate actions by us or by our employees or agents.

New Business Risk

New business risk refers to the risks of entering into a new line of business or offering a new product. By entering a new line of business or offering a new product, we may face risks that we are unaccustomed to dealing with and may increase the magnitude of the risks we currently face. The New Business Committee reviews proposals for new businesses and new products to determine if we are prepared to handle the additional or increased risks associated with entering into such activities.

Reputational Risk

We recognize that maintaining our reputation among clients, investors, regulators and the general public is an important aspect of minimizing legal and operational risks. Maintaining our reputation depends on a large number of factors, including the selection of our clients and the conduct of our business activities. We seek to maintain our reputation by screening potential clients and by conducting our business activities in accordance with high ethical standards. Our reputation and business activity can be affected by statements and actions of third parties, even false or misleading statements by them. We actively monitor public comment concerning us and are vigilant in seeking to assure accurate information and perception prevails.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Quantitative and qualitative disclosures about market risk are set forth under "Management's Discussion and Analysis of Financial Condition and Results of Operations —Risk Management" in Part I, Item 2 of this Form 10-Q.

Item 4. Controls and Procedures

Our Management, under the direction of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of May 31, 2026. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures as of May 31, 2026 are functioning effectively to provide reasonable assurance that the information required to be disclosed by us in reports filed under the Securities Exchange Act of 1934 is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding disclosure. A controls system cannot provide absolute assurance that the objectives of the controls system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.

No change in our internal control over financial reporting occurred during the quarter ended May 31, 2026 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Many aspects of our business involve substantial risks of legal and regulatory liability. In the normal course of business, we have been named as defendants or co-defendants in lawsuits involving primarily claims for damages. We are also involved in a number of judicial and regulatory matters, including exams, investigations and similar reviews, arising out of the conduct of our business. Based on currently available information, we do not believe that any matter will have a material adverse effect on our consolidated financial statements. Included among those matters were certain legal proceedings that, for prior quarters, we listed in this section. Because, as noted in those filings, we believe those matters will have no material adverse effect on our financial statements, we have removed them.

Item 1A. Risk Factors

Information regarding our risk factors appears in Item 1A. of our Annual Report on Form 10-K for the year ended November 30, 2025. These risk factors describe some of the assumptions, risks, uncertainties and other factors that could adversely affect our business or that could otherwise result in changes that differ materially from our expectations.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(a) We did not have any unregistered sales of equity securities during the three months ended May 31, 2026.

(c) Issuer Purchases of Equity Securities.

Purchases of our common shares during the three months ended May 31, 2026:

$ in thousands, except share and per share amounts	(a) Total Number of Shares Purchased (1)	(b) Average Price Paid per Share (2)	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (2)
March 1, 2026 to March 31, 2026	19,718	$ 37.52	—	$ 250,000
April 1, 2026 to April 30, 2026	2,167,641	$ 47.99	2,166,000	$ 146,052
May 1, 2026 to May 31, 2026	1,774,307	$ 51.86	334,000	$ 129,555
Total	**3,961,666**	**$ 49.67**	**2,500,000**	

(1) An aggregate 1,461,666 shares repurchased other than as part of our publicly announced Board authorized repurchase program. We repurchased securities in connection with our share compensation plans which allow participants to satisfy certain tax liabilities arising from the vesting of restricted shares and the distribution of restricted share units with shares.

(2) Average price paid per share excludes the 1% excise tax on the net amount of our share repurchases required by the Inflation Reduction Act of 2022.

Item 5. Other Information

Rule 10b5-1 Trading Plans

During the three months ended May 31, 2026, no directors or executive officers entered into, modified or terminated, contracts, instructions or written plans for the sale or purchase of the Company's securities that were intended to satisfy the affirmative defense conditions of Rule 10b5-1.

Item 6. Exhibits

Exhibit No.	Description
3.1	Restated Certificate of Incorporation of Jefferies Financial Group Inc. is incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K filed on March 31, 2026. *
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. **
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. **
101	Interactive Data Files pursuant to Rule 405 of Regulation S-T, formatted in Inline Extensible Business Reporting Language (iXBRL).
104	Cover page interactive data file pursuant to Rule 406 of Regulation S-T, formatted in iXBRL (included in exhibit 101)

* Incorporated by reference.

** Furnished herewith pursuant to item 601(b) (32) of Regulation S-K.

Signatures

Pursuant to the requirements of Section 13 or 15(d) 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.

Jefferies Financial Group Inc.

/s/ MATT LARSON

Matt Larson
Executive Vice President and Chief Financial Officer

Dated: July 9, 2026

Exhibit 31.1

CERTIFICATION

I, Richard B. Handler, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Jefferies Financial Group 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 the 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: July 9, 2026

By: /s/ Richard B. Handler

Name: Richard B. Handler
Title: Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Matt Larson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Jefferies Financial Group 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 the 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: July 9, 2026

By: /s/ Matt Larson

Name: Matt Larson
Title: Chief Financial Officer

Exhibit 32.1

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

I, Richard B. Handler, as Chief Executive Officer of Jefferies Financial Group Inc. (the "Company"), certify, as of the date hereof and solely for purposes of and pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Quarterly Report on Form 10-Q for the period ending May 31, 2026 as filed with the U.S. Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 9, 2026

By: /s/ Richard B. Handler
Name: Richard B. Handler
Title: Chief Executive Officer

Exhibit 32.2

CERTIFICATION

PURSUANT TO 18 U.S.C. SECTION 1350,

AS ADOPTED BY SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Matt Larson, as Chief Financial Officer of Jefferies Financial Group Inc. (the "Company"), certify, as of the date hereof and solely for purposes of and pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Quarterly Report on Form 10-Q for the period ending May 31, 2026 as filed with the U.S. Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 9, 2026

By: /s/ Matt Larson

Name: Matt Larson
Title: Chief Financial Officer