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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2024

OR

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

For the transition period from ________to ________

001-32492
(Commission File Number)

LAZARD, INC.
(Exact name of registrant as specified in its charter)

Delaware	**98-0437848**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**

30 Rockefeller Plaza
New York, NY 10112
(Address of principal executive offices)

Registrant's telephone number: (212) 632-6000

Securities Registered Pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	LAZ	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, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

If the Registrant is 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 ☒

As of July 19, 2024, there were 112,766,091 shares of the Registrant's common stock outstanding (including 22,596,555 shares held by subsidiaries).

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On January 1, 2024, we completed our conversion (the "Conversion") from an exempted company incorporated under the laws of Bermuda named Lazard Ltd to a U.S. C-Corporation named Lazard, Inc., a company incorporated under the laws of the state of Delaware. Pursuant to the Conversion, each share of Lazard Ltd common stock was converted into one share of Lazard, Inc. common stock. This report includes the results of Lazard, Inc. following the Conversion and Lazard Ltd prior to the Conversion.

When we use the terms "Lazard", "we", "us", "our" and "the Company", we mean (i) Lazard, Inc. and its subsidiaries following the Conversion and (ii) Lazard Ltd and its subsidiaries prior to the Conversion. Lazard's subsidiaries include Lazard Group LLC, a Delaware limited liability company ("Lazard Group"), that is the current holding company for our businesses. Lazard's primary operating asset is its indirect ownership as of June 30, 2024 of all of the common membership interests in Lazard Group and its controlling interest in Lazard Group.

All references to common stock, or shares or per share amounts, prior to the Conversion refer to Class A common stock of Lazard Ltd. Unless otherwise noted, all references to common stock, or shares or per share amounts, following the Conversion refer to common stock of Lazard, Inc.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

LAZARD, INC.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
JUNE 30, 2024 AND DECEMBER 31, 2023
(UNAUDITED)
(dollars in thousands, except for per share data)

	June 30, 2024	December 31, 2023
ASSETS		
Cash and cash equivalents	$ 847,555	$ 971,316
Deposits with banks and short-term investments	203,809	219,576
Restricted cash	33,089	34,091
Receivables (net of allowance for credit losses of $29,686 and $28,503 at June 30, 2024 and December 31, 2023, respectively):		
Fees	554,596	560,552
Customers and other	170,892	201,767
	725,488	762,319
Investments	687,507	701,964
Property (net of accumulated amortization and depreciation of $424,128 and $414,547 at June 30, 2024 and December 31, 2023, respectively, including $70,002 and $72,921 of property held for sale at June 30, 2024 and December 31, 2023, respectively)	220,663	232,516
Operating lease right-of-use assets	451,707	407,213
Goodwill and other intangible assets (net of accumulated amortization of $67,711 and $67,681 at June 30, 2024 and December 31, 2023, respectively)	393,967	394,928
Deferred tax assets	507,572	497,340
Other assets	455,837	414,518
Total Assets	$ 4,527,194	$ 4,635,781

See notes to condensed consolidated financial statements.

LAZARD, INC.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
JUNE 30, 2024 AND DECEMBER 31, 2023
(UNAUDITED)
(dollars in thousands, except for per share data)

	June 30, 2024	December 31, 2023
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND STOCKHOLDERS' EQUITY		
Liabilities:		
Deposits and other customer payables	$ 382,115	$ 443,262
Accrued compensation and benefits	550,189	781,375
Operating lease liabilities	522,864	485,191
Tax receivable agreement obligation	84,137	115,087
Senior debt	1,852,149	1,690,200
Deferred tax liabilities	3,944	3,857
Other liabilities	536,675	546,947
Total Liabilities	3,932,073	4,065,919
Commitments and contingencies		
Redeemable noncontrolling interests	80,931	87,675
STOCKHOLDERS' EQUITY		
Preferred stock, par value $.01 per share; 15,000,000 shares authorized; no shares issued and outstanding at June 30, 2024 and December 31, 2023	–	–
Common stock:		
Par value $0.01 per share (500,000,000 shares authorized; 112,766,091 shares issued at June 30, 2024 and December 31, 2023, including shares held by subsidiaries)	1,128	1,128
Additional paid-in-capital	218,455	247,204
Retained earnings	1,382,703	1,402,636
Accumulated other comprehensive loss, net of tax	(306,293)	(289,950)
	1,295,993	1,361,018
Common stock held by subsidiaries, at cost (22,596,555 and 25,340,287 shares at June 30, 2024 and December 31, 2023, respectively)	(837,338)	(937,259)
Total Lazard Stockholders' Equity	458,655	423,759
Noncontrolling interests	55,535	58,428
Total Stockholders' Equity	514,190	482,187
Total Liabilities, Redeemable Noncontrolling Interests and Stockholders' Equity	$ 4,527,194	$ 4,635,781

See notes to condensed consolidated financial statements.

LAZARD, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024 AND 2023
(UNAUDITED)
(dollars in thousands, except for per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
REVENUE				
Investment banking and other advisory fees	$ 408,773	$ 350,104	$ 861,800	$ 627,512
Asset management fees	267,914	271,637	544,763	533,116
Interest income	12,854	10,946	24,325	23,553
Other	18,450	29,631	62,584	40,048
Total revenue	707,991	662,318	1,493,472	1,224,229
Interest expense	22,642	19,204	43,370	38,679
Net revenue	685,349	643,114	1,450,102	1,185,550
OPERATING EXPENSES				
Compensation and benefits	452,560	572,231	1,003,384	1,022,198
Occupancy and equipment	32,031	32,800	64,888	64,573
Marketing and business development	25,493	28,582	49,092	51,344
Technology and information services	46,406	51,370	91,323	95,410
Professional services	23,734	21,402	43,614	45,728
Fund administration and outsourced services	27,114	28,968	53,254	55,544
Amortization and other acquisition-related costs	68	95	136	143
Benefit pursuant to tax receivable agreement	–	–	–	(40,435)
Other	14,303	17,739	26,210	38,042
Total operating expenses	621,709	753,187	1,331,901	1,332,547
OPERATING INCOME (LOSS)	63,640	(110,073)	118,201	(146,997)
Provision (benefit) for income taxes	11,587	10,303	25,924	(11,422)
NET INCOME (LOSS)	52,053	(120,376)	92,277	(135,575)
LESS - NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	2,144	3,637	6,613	10,610
NET INCOME (LOSS) ATTRIBUTABLE TO LAZARD	$ 49,909	$ (124,013)	$ 85,664	$ (146,185)
ATTRIBUTABLE TO LAZARD COMMON STOCKHOLDERS:				
WEIGHTED AVERAGE SHARES OF COMMON STOCK OUTSTANDING:				
Basic	92,886,364	88,729,654	92,073,414	88,160,753
Diluted	100,627,867	88,729,654	99,989,817	88,160,753
NET INCOME (LOSS) PER SHARE OF COMMON STOCK:				
Basic	$ 0.53	$ (1.41)	$ 0.91	$ (1.68)
Diluted	$ 0.49	$ (1.41)	$ 0.84	$ (1.68)

See notes to condensed consolidated financial statements.

LAZARD, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024 AND 2023
(UNAUDITED)
(dollars in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
NET INCOME (LOSS)	$ 52,053	$ (120,376)	$ 92,277	$ (135,575)
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX:				
Currency translation adjustments	(4,572)	2,478	(20,834)	17,017
Employee benefit plans:				
Actuarial gain (loss) (net of tax expense (benefit) of $371 and $(479) for the three months ended June 30, 2024 and 2023, respectively, and $659 and $(1,074) for the six months ended June 30, 2024 and 2023, respectively)	789	(2,585)	1,604	(5,386)
Adjustment for items reclassified to earnings (net of tax expense of $455 and $385 for the three months ended June 30, 2024 and 2023, respectively, and $910 and $761 for the six months ended June 30, 2024 and 2023, respectively)	1,485	1,176	2,887	2,336
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX	(2,298)	1,069	(16,343)	13,967
COMPREHENSIVE INCOME (LOSS)	49,755	(119,307)	75,934	(121,608)
LESS - COMPREHENSIVE INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	2,144	3,635	6,613	10,609
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO LAZARD	$ 47,611	$ (122,942)	$ 69,321	$ (132,217)

See notes to condensed consolidated financial statements.

LAZARD, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTH PERIODS ENDED JUNE 30, 2024 AND 2023
(UNAUDITED)
(dollars in thousands)

	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ 92,277	$ (135,575)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization of property	18,319	21,660
Noncash lease expense	32,824	32,509
Amortization of deferred expenses and share-based incentive compensation	258,200	250,030
Amortization and other acquisition-related costs	136	143
Deferred tax benefit	(14,675)	(114,314)
Benefit pursuant to tax receivable agreement	–	(40,435)
Impairment of equity method investments and other receivables	–	22,981
Impairment of assets associated with cost-saving initiatives	–	7,490
Loss on LGAC liquidation	–	17,929
(Increase) decrease in operating assets and increase (decrease) in operating liabilities:		
Receivables-net	31,521	(18,079)
Investments	90,016	(112,661)
Other assets	(100,124)	(5,052)
Accrued compensation and benefits and other liabilities	(322,239)	(137,048)
Net cash provided by (used in) operating activities	86,255	(210,422)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property	(13,061)	(11,990)
Disposals of property	1,928	100
Purchase of investments	(98,350)	–
Acquisition of business, net of cash acquired	–	(10,516)
Net cash used in investing activities	(109,483)	(22,406)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from (payments for) customer deposits, net	10,840	(349,479)
Proceeds from:		
Issuance of senior debt, net of expenses	396,010	–
Contributions from noncontrolling interests	232	180
Payments for:		
Extinguishment of senior debt	(233,073)	–
Distributions to noncontrolling interests	(2,005)	(4,061)
Tax receivable agreement	(30,950)	(32,208)
Distribution to redeemable noncontrolling interests in connection with LGAC redemption	–	(585,891)
Purchase of common stock	(40,816)	(99,097)
Common stock dividends	(88,731)	(85,925)
Settlement of share-based incentive compensation in satisfaction of tax withholding requirements	(61,593)	(48,709)
LFI Consolidated Funds redemptions	(35,141)	(31,789)
Other financing activities	(8,898)	(7,209)
Net cash used in financing activities	(94,125)	(1,244,188)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	(23,177)	17,517
NET DECREASE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	(140,530)	(1,459,499)
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH— January 1	1,224,983	2,639,400
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH—June 30	$ 1,084,453	$ 1,179,901

See notes to condensed consolidated financial statements.

RECONCILIATION OF CASH AND CASH EQUIVALENTS AND RESTRICTED CASH WITHIN THE CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION:

	June 30, 2024	December 31, 2023
Cash and cash equivalents	$ 847,555	$ 971,316
Deposits with banks and short-term investments	203,809	219,576
Restricted cash	33,089	34,091
TOTAL CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	$ 1,084,453	$ 1,224,983

See notes to condensed consolidated financial statements.

LAZARD, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY AND REDEEMABLE NONCONTROLLING INTERESTS
FOR THE THREE MONTH PERIOD ENDED JUNE 30, 2024
(UNAUDITED)
(dollars in thousands)

	Common Stock		Additional Paid-In-Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss), Net of Tax	Common Stock Held By Subsidiaries		Total Lazard Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity	Redeemable Noncontrolling Interests
	Shares	$				Shares	$				
Balance - April 1, 2024	**112,766,091**	**$1,128**	**$134,573**	**$1,384,829**	**$ (303,995)**	**22,248,005**	**$(823,821)**	**$ 392,714**	**$ 55,817**	**$ 448,531**	**$ 88,475**
Comprehensive income (loss):											
Net income				49,909				49,909	1,683	51,592	461
Other comprehensive loss - net of tax					(2,298)			(2,298)	–	(2,298)	
Amortization of share-based incentive compensation			88,438					88,438	909	89,347	
Dividend equivalents			6,822	(7,019)				(197)	(2,109)	(2,306)	
Common stock dividends ($0.50 per share)				(45,016)				(45,016)		(45,016)	
Purchase of common stock						491,221	(18,811)	(18,811)		(18,811)	
Delivery of common stock in connection with share-based incentive compensation and related tax expense of $117			(11,378)			(142,815)	5,300	(6,078)	–	(6,078)	
Distributions to noncontrolling interests, net								–	(765)	(765)	
LFI Consolidated Funds								–	–	–	(8,005)
Other						144	(6)	(6)		(6)	
Balance - June 30, 2024	**112,766,091**	**$1,128**	**$218,455**	**$1,382,703**	**$ (306,293)**	**22,596,555**	**$(837,338)**	**$ 458,655**	**$ 55,535**	**$ 514,190**	**$ 80,931**

See notes to condensed consolidated financial statements.

LAZARD, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY AND REDEEMABLE NONCONTROLLING INTERESTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2024
(UNAUDITED)
(dollars in thousands)

	Common Stock		Additional Paid-In-Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss), Net of Tax	Common Stock Held By Subsidiaries		Total Lazard, Inc. Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity	Redeemable Noncontrolling Interests
	Shares	$				Shares	$				
Balance - January 1, 2024	**112,766,091**	**$1,128**	**$247,204**	**$1,402,636**	**$ (289,950)**	**25,340,287**	**$(937,259)**	**$ 423,759**	**$ 58,428**	**$ 482,187**	**$ 87,675**
Comprehensive income (loss):											
Net income				85,664				85,664	3,535	89,199	3,078
Other comprehensive loss - net of tax					(16,343)			(16,343)	–	(16,343)	
Amortization of share-based incentive compensation			158,211					158,211	1,334	159,545	
Dividend equivalents			16,263	(16,866)				(603)	(7,230)	(7,833)	
Common stock dividends ($1.00 per share)				(88,731)				(88,731)		(88,731)	
Purchase of common stock						1,055,913	(40,816)	(40,816)		(40,816)	
Delivery of common stock in connection with share-based incentive compensation and related tax expense of $881			(204,458)			(3,799,789)	140,743	(63,715)	1,241	(62,474)	
Business acquisitions and related equity transactions:											
Common stock issuable			1,235					1,235	–	1,235	–
Distributions to noncontrolling interests, net								–	(1,773)	(1,773)	
LFI Consolidated Funds								–	–	–	(9,822)
Other						144	(6)	(6)		(6)	
Balance - June 30, 2024	**112,766,091**	**$1,128**	**$218,455**	**$1,382,703**	**$ (306,293)**	**22,596,555**	**$(837,338)**	**$ 458,655**	**$ 55,535**	**$ 514,190**	**$ 80,931**

See notes to condensed consolidated financial statements.

LAZARD, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY AND REDEEMABLE NONCONTROLLING INTERESTS
FOR THE THREE MONTH PERIOD ENDED JUNE 30, 2023
(UNAUDITED)
(dollars in thousands)

	Common Stock		Additional Paid-In-Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss), Net of Tax	Common Stock Held By Subsidiaries		Total Lazard Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity	Redeemable Noncontrolling Interests
	Shares	$				Shares	$				
Balance - April 1, 2023	**112,766,091**	**$1,128**	**$ 94,312**	**$1,604,650**	**$ (282,957)**	**26,100,898**	**$(965,707)**	**$ 451,426**	**$ 56,983**	**$ 508,409**	**$ 89,472**
Comprehensive income (loss):											
Net income (loss)				(124,013)				(124,013)	1,034	(122,979)	2,603
Other comprehensive income (loss) - net of tax					1,071			1,071	(2)	1,069	
Amortization of share-based incentive compensation			79,072					79,072	1,662	80,734	
Dividend equivalents			5,842	(6,055)				(213)	(1,881)	(2,094)	
Common stock dividends ($0.50 per share)				(43,401)				(43,401)		(43,401)	
Purchase of common stock						5,466	(172)	(172)		(172)	
Delivery of common stock in connection with share-based incentive compensation and related tax benefit of $482			(11,023)			(214,903)	7,961	(3,062)	–	(3,062)	
Distributions to noncontrolling interests, net								–	(1,889)	(1,889)	
LFI Consolidated Funds								–	–	–	(8,492)
Other			(581)			5,240	(149)	(730)	–	(730)	
Balance - June 30, 2023	**112,766,091**	**$1,128**	**$167,622**	**$1,431,181**	**$ (281,886)**	**25,896,701**	**$(958,067)**	**$ 359,978**	**$ 55,907**	**$ 415,885**	**$ 83,583**

See notes to condensed consolidated financial statements.

LAZARD, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY AND REDEEMABLE NONCONTROLLING INTERESTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2023
(UNAUDITED)
(dollars in thousands)

	Common Stock		Additional Paid-In-Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss), Net of Tax	Common Stock Held By Subsidiaries		Total Lazard, Inc. Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity	Redeemable Noncontrolling Interests
	Shares	$				Shares	$				
Balance - January 1, 2023	**112,766,091**	**$ 1,128**	**$ 167,890**	**$ 1,676,713**	**$ (295,854)**	**26,814,213**	**$ (993,414)**	**$ 556,463**	**$ 118,936**	**$ 675,399**	**$ 583,471**
Comprehensive income (loss):											
Net income (loss)				(146,185)				(146,185)	1,810	(144,375)	8,800
Other comprehensive income (loss) - net of tax					13,968			13,968	(1)	13,967	
Amortization of share-based incentive compensation			147,583					147,583	3,685	151,268	
Dividend equivalents			12,961	(13,422)				(461)	(6,720)	(7,181)	
Common stock dividends ($1.00 per share)				(85,925)				(85,925)		(85,925)	
Purchase of common stock						2,697,627	(99,097)	(99,097)		(99,097)	
Delivery of Common stock in connection with share-based incentive compensation and related tax benefit of $90			(187,343)			(3,578,995)	133,060	(54,283)	5,664	(48,619)	
Business acquisitions and related equity transactions:											
Common stock issuable			1,775					1,775		1,775	
Delivery of common stock			(1,533)			(41,384)	1,533	–		–	
Distributions to noncontrolling interests, net								–	(3,881)	(3,881)	
LFI Consolidated Funds								–	(74,164)	(74,164)	76,614
Change in redemption value of redeemable noncontrolling interests			(412)					(412)	(177)	(589)	589
LGAC Liquidation:											
Distribution to redeemable noncontrolling interests											(585,891)
Reversal to net loss of amounts previously charged to additional paid-in-capital and noncontrolling interests			13,195					13,195	4,734	17,929	
Reversal of deferred offering costs liability			14,087					14,087	6,038	20,125	
Other			(581)			5,240	(149)	(730)	(17)	(747)	
Balance - June 30, 2023	**112,766,091**	**$ 1,128**	**$ 167,622**	**$ 1,431,181**	**$ (281,886)**	**$ 25,896,701**	**$ (958,067)**	**$ 359,978**	**$ 55,907**	**$ 415,885**	**$ 83,583**

See notes to condensed consolidated financial statements.

1. *ORGANIZATION AND BASIS OF PRESENTATION*

Organization

Lazard, Inc. is one of the world's preeminent financial advisory and asset management firms, incorporated in Delaware, that specializes in crafting solutions to the complex financial and strategic challenges of our clients. We serve a diverse set of clients around the world, including corporations, governments, institutions, partnerships, family offices and individuals.

On January 1, 2024, Lazard completed its conversion (the "Conversion") from an exempted company incorporated under the laws of Bermuda named Lazard Ltd to a U.S. C-Corporation named Lazard, Inc. Pursuant to the Conversion, each share of Lazard Ltd common stock was converted into one share of Lazard, Inc. common stock. References to "Lazard" or the "Company" refer to (i) Lazard, Inc. and its subsidiaries following the Conversion and (ii) Lazard Ltd and its subsidiaries prior to the Conversion. As the Conversion became effective on January 1, 2024, the accompanying financial statements and related notes as of December 31, 2023 and for the three month and six month periods ended June 30, 2023 reflect Lazard as an exempted company incorporated under the laws of Bermuda named Lazard Ltd.

Lazard, Inc. indirectly held 100% of all outstanding common membership interests of Lazard Group LLC, a Delaware limited liability company (collectively referred to, together with its subsidiaries, as "Lazard Group") as of June 30, 2024 and December 31, 2023. Lazard, Inc., through its control of the managing members of Lazard Group, controls Lazard Group, which is governed by an Amended and Restated Operating Agreement that is effective as of January 1, 2023 (the "Operating Agreement").

Lazard, Inc.'s primary operating asset is its indirect ownership of the common membership interests of, and managing member interests in, Lazard Group, whose principal operating activities are included in two business segments:

- Financial Advisory, which offers corporate, partnership, institutional, government, sovereign and individual clients across the globe a wide array of financial advisory services regarding strategic and mergers and acquisitions ("M&A") advisory, capital markets advisory, shareholder advisory, restructuring and liability management, sovereign advisory, geopolitical advisory and other strategic advisory matters and capital raising and placement, and
- Asset Management, which offers a broad range of global investment solutions and investment and wealth management services in equity and fixed income strategies, asset allocation strategies, alternative investments and private equity funds to corporations, public funds, sovereign entities, endowments and foundations, labor funds, financial intermediaries and private clients.

In addition, we record selected other activities in our Corporate segment, including management of cash, investments, deferred tax assets, outstanding indebtedness and certain contingent obligations.

Basis of Presentation

The accompanying condensed consolidated financial statements of Lazard have been prepared pursuant to the rules and regulations of the United States Securities and Exchange Commission (the "SEC") regarding interim financial reporting. Accordingly, they do not include all of the information and notes required by accounting principles generally accepted in the United States of America ("U.S. GAAP") for complete financial statements and should be read in conjunction with the audited consolidated financial statements and notes thereto included in Lazard, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2023. The accompanying December 31, 2023 unaudited condensed consolidated statement of financial condition data was derived from audited consolidated financial statements, but does not include all disclosures required by U.S. GAAP for annual financial statement purposes. The accompanying condensed consolidated financial statements reflect all adjustments that are, in the opinion of management, necessary for a fair presentation of the financial position, results of operations and cash flows for the interim periods presented.

Preparing financial statements requires management to make estimates and assumptions that affect the amounts that are reported in the condensed consolidated financial statements and the accompanying disclosures. For example, discretionary compensation and benefits expense for interim periods is accrued based on the year-to-date amount of revenue earned, and an estimated annual ratio of compensation and benefits expense to revenue, with the applicable amounts adjusted for certain items. Although these estimates are based on management's knowledge of current events and actions that Lazard may undertake in the future, actual results may differ materially from the estimates.

The condensed consolidated results of operations for the three month and six month periods ended June 30, 2024 are not indicative of the results to be expected for any future interim or annual period.

The condensed consolidated financial statements include Lazard, Inc. and its subsidiaries including Lazard Group and Lazard Group's principal operating subsidiaries: Lazard Frères & Co. LLC ("LFNY"), a New York limited liability company, along with its subsidiaries, including Lazard Asset Management LLC and its subsidiaries (collectively referred to as "LAM"); the French limited liability companies Compagnie Financière Lazard Frères SAS ("CFLF"), along with its subsidiaries, Lazard Frères Banque SA ("LFB") and Lazard Frères Gestion SAS ("LFG"), and Maison Lazard SAS and its subsidiaries; and Lazard & Co., Limited ("LCL"), through Lazard & Co., Holdings Limited ("LCH"), an English private limited company, together with their jointly owned affiliates and subsidiaries.

The Company's policy is to consolidate entities in which it has a controlling financial interest. The Company consolidates:

- Voting interest entities ("VOEs") where the Company holds a majority of the voting interest in such VOEs and
- Variable interest entities ("VIEs") where the Company is the primary beneficiary having the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and the obligation to absorb losses of, or receive benefits from, the VIE that could be potentially significant to the VIE (see Note 21).

When the Company does not have a controlling interest in an entity, but exerts significant influence over such entity's operating and financial decisions, the Company either (i) applies the equity method of accounting in which it records a proportionate share of the entity's net earnings or losses or (ii) elects the option to measure its investment at fair value.

Intercompany transactions and balances have been eliminated.

2. *RECENT ACCOUNTING DEVELOPMENTS*

Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures—In November 2023, the Financial Accounting Standards Board ("FASB") issued an accounting standard update to improve the disclosures about a public entity's reportable segments and address requests from investors for additional, more detailed information about each reportable segment's expenses. The amendments include new annual and interim disclosure requirements primarily related to significant segment expenses, reportable segments' profit or loss, and information on the chief operating decision maker. The new guidance is effective for annual periods beginning after December 15, 2023, and interim periods beginning after December 15, 2024. The amendments shall be applied retrospectively to all prior periods presented in the consolidated financial statements. The Company is currently evaluating the new guidance.

Income Taxes (Topic 740): Improvements to Income Tax Disclosures —In December 2023, the FASB issued an accounting standard update to enhance the transparency and decision usefulness of income tax disclosures. The amendments include new annual disclosure requirements related to the rate reconciliation, information about income taxes paid, and disaggregated information on pre-tax income or loss and income tax expense from continuing operations. The amendments also eliminated certain disclosure requirements. The new guidance is effective for annual periods beginning after December 15, 2024, and shall be applied on a prospective basis. The Company is currently evaluating the new guidance.

(dollars in thousands, except for per share data, unless otherwise noted)

Compensation – Stock Compensation (Topic 718): Scope Application of Profits Interest and Similar Awards — In March 2024, the FASB issued an accounting standard update that provides guidance in determining whether profits interest and similar awards should be accounted for as share-based arrangements within the scope of Topic 718. The amendments are effective for annual periods beginning after December 15, 2024, and shall be applied either retrospectively or prospectively. The Company is currently evaluating the new guidance.

3. REVENUE RECOGNITION

The Company disaggregates revenue based on its business segment results and believes that the following information provides a reasonable representation of how performance obligations relate to the nature, amount, timing and uncertainty of revenue and cash flows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net Revenue:				
Financial Advisory (a)	$ 411,308	$ 352,477	$ 864,815	$ 630,051
Asset Management:				
Management fees and other (b)	$ 281,892	$ 282,335	$ 568,432	$ 560,933
Incentive fees (c)	3,595	5,978	12,531	11,424
Total Asset Management	$ 285,487	$ 288,313	$ 580,963	$ 572,357

(a) Financial Advisory is comprised of a wide array of financial advisory services regarding M&A advisory, capital markets advisory, shareholder advisory, restructuring and liability management, sovereign advisory, geopolitical advisory and other strategic advisory and capital raising and placement work for clients. The benefits of these advisory services are generally transferred to the Company’s clients over time, and consideration for these advisory services typically includes transaction completion, transaction announcement and retainer fees. Retainer fees are generally fixed and recognized over the period in which the advisory services are performed. However, transaction announcement and transaction completion fees are variable and subject to constraints, and they are typically not recognized until there is an announcement date or a completion date, respectively, due to the uncertainty associated with those events. Therefore, in any given period, advisory fees recognized for certain transactions may relate to services performed in prior periods. The advisory fees that may be unrecognized as of the end of a reporting period, primarily comprised of fees associated with transaction announcements and transaction completions, generally remain unrecognized due to the uncertainty associated with those events.

(b) Management fees and other is primarily comprised of management services. The benefits of these management services are transferred to the Company’s clients over time. Consideration for these management services generally includes management fees, which are based on assets under management and recognized over the period in which the management services are performed. The selling or distribution of fund interests is a separate performance obligation within management fees and other, and the benefits of such services are transferred to the Company’s clients at the point in time that such fund interests are sold or distributed.

(c) Incentive fees is primarily comprised of management services. The benefits of these management services are transferred to the Company’s clients over time. Consideration for these management services is generally variable and includes performance or incentive fees. The fees allocated to these management services that are unrecognized as of the end of the reporting period are generally amounts that are subject to constraints due to the uncertainty associated with performance targets and clawbacks.

In addition to the above, contracts with clients include trade-based commission income, which is recognized at the point in time of execution and presented within other revenue. Such income may be earned by providing trade facilitation, execution, clearance and settlement, custody, and trade administration services to clients.

(dollars in thousands, except for per share data, unless otherwise noted)

With regard to the disclosure requirement for remaining performance obligations, the Company elected the practical expedients permitted in the guidance to (i) exclude contracts with a duration of one year or less; and (ii) exclude variable consideration, such as transaction completion and transaction announcement fees, that is allocated entirely to unsatisfied performance obligations. Excluded variable consideration typically relates to contracts with a duration of one year or less, and is generally constrained due to uncertainties.

At June 30, 2024, the Company had deferred revenue of $135,286 included in "other liabilities" on the condensed consolidated statements of financial condition. During the three month and six month periods ended June 30, 2024, the Company recognized $4,892 and $10,568 in revenue, respectively, that was included in the deferred revenue balance as of December 31, 2023 of $140,417.

4. RECEIVABLES AND ALLOWANCE FOR CREDIT LOSSES

The Company's receivables represent fee receivables, amounts due from customers and other receivables. Where applicable, receivables are stated net of an estimated allowance for credit losses determined in accordance with the current expected credit losses ("CECL") model.

Of the Company's fee receivables at June 30, 2024 and December 31, 2023, $123,124 and $113,929, respectively, represented financing receivables for our Private Capital Advisory fees.

At June 30, 2024 and December 31, 2023, customers and other receivables included $91,704 and $86,412, respectively, of customer loans provided by LFB to high net worth individuals and families, which are fully collateralized and monitored for counterparty creditworthiness, with such collateral having a fair value in excess of the carrying amount of the loans as of both June 30, 2024 and December 31, 2023.

The aggregate carrying amount of other fees and customers and other receivables was $510,660 and $561,978 at June 30, 2024 and December 31, 2023, respectively.

Activity in the allowance for credit losses for the three month and six month periods ended June 30, 2024 and 2023 was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Beginning Balance	$ 30,086	$ 24,929	$ 28,503	$ 17,738
Provision for credit losses, net of reversals	(75)	3,194	4,923	11,019
Charge-offs	(260)	(1,044)	(3,483)	(1,886)
Foreign currency translation and other adjustments	(65)	16	(257)	224
Ending Balance	$ 29,686	$ 27,095	$ 29,686	$ 27,095

The provision for credit losses, net of reversals represents the current period provision of expected credit losses and is included in "operating expenses-other" on the condensed consolidated statements of operations.

The allowance for credit losses is substantially all related to Financial Advisory fee receivables and other receivables.

(dollars in thousands, except for per share data, unless otherwise noted)

5. *INVESTMENTS*

The Company's investments consist of the following at June 30, 2024 and December 31, 2023:

	June 30, 2024	December 31, 2023
Debt	$ 99,254	$ 4,285
Equity	54,442	54,717
Funds:		
Alternative investments (a)	57,679	61,680
Debt (a)	145,151	191,325
Equity (a)	282,782	343,139
Private equity	48,199	46,818
Total funds	533,811	642,962
Investments, at fair value	$ 687,507	$ 701,964

(a) Interests in alternative investment funds, debt funds and equity funds include investments, including those held by LFI Consolidated Funds (see Note 21), with fair values of $22,807, $128,916 and $225,225, respectively, at June 30, 2024 and $27,454, $175,449 and $284,099, respectively, at December 31, 2023, held in order to satisfy the Company's obligation upon vesting of previously granted Lazard Fund Interests ("LFI") and other similar deferred compensation arrangements. LFI represent grants by the Company to eligible employees of interests in a number of Lazard-managed funds, subject to service-based vesting conditions (see Notes 7 and 13).

Debt securities primarily consists of U.S. Treasury securities with remaining maturities at time of purchase of greater than three months and less than one year and investments in government securities held within separately managed accounts in order to seed strategies in our Asset Management business.

Equity securities primarily consist of investments in marketable equity securities of large-, mid- and small-cap domestic, international and global companies held within separately managed accounts in order to seed strategies in our Asset Management business.

Alternative investment funds primarily consist of interests in various Lazard-managed hedge funds, funds of funds and mutual funds. Such amounts primarily consist of investments in funds in order to seed strategies in our Asset Management business, and amounts related to LFI discussed above.

Debt funds primarily consist of investments in debt securities in order to seed strategies in our Asset Management business and amounts related to LFI discussed above.

Equity funds primarily consist of investments in equity securities in order to seed strategies in our Asset Management business, and amounts related to LFI discussed above.

Private equity investments include those owned by Lazard and those consolidated but not owned by Lazard. Private equity investments owned by Lazard are primarily comprised of investments in private equity funds. Such investments primarily include (i) Edgewater Growth Capital Partners III, L.P. ("EGCP III"), a fund primarily making equity and buyout investments in middle market companies, (ii) a fund targeting significant noncontrolling-stake investments in established private companies and (iii) a seed investment in a fund that invests in sustainable private infrastructure opportunities.

Private equity investments consolidated but not owned by Lazard relate to the economic interests that are owned by the management team and other investors in the Edgewater Funds ("Edgewater").

(dollars in thousands, except for per share data, unless otherwise noted)

During the three month and six month periods ended June 30, 2024 and 2023, the Company reported in "revenue-other" on its condensed consolidated statements of operations net unrealized investment gains and losses pertaining to equity securities and trading debt securities still held as of the reporting date as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net unrealized investment gains (losses)	$ (10,248)	$ 13,643	$ 753	$ 38,430

6. FAIR VALUE MEASUREMENTS

Fair Value Hierarchy of Investments and Certain Other Assets and Liabilities—Lazard categorizes its investments and certain other assets and liabilities recorded at fair value into a three-level fair value hierarchy as follows:

Level 1. Assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that Lazard has the ability to access.

Level 2. Assets and liabilities whose values are based on (i) quoted prices for similar assets or liabilities in an active market, or quoted prices for identical or similar assets or liabilities in non-active markets, or (ii) inputs other than quoted prices that are directly observable or derived principally from, or corroborated by, market data.

Level 3. Assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect our own assumptions about the assumptions a market participant would use in pricing the asset or liability. Items included in Level 3 include securities or other financial assets whose trading volume and level of activity have significantly decreased when compared with normal market activity and there is no longer sufficient frequency or volume to provide pricing information on an ongoing basis.

The fair value of debt securities, including instruments reported as either cash and cash equivalents, deposits with banks and short-term investments, or investments, is classified as Level 1 when the fair values are based on unadjusted quoted prices in active markets, or Level 2 when based on one or more quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

The fair value of equity securities is classified as Level 1 or Level 3 as follows: marketable equity securities are classified as Level 1 and are valued based on the last trade price on the primary exchange for that security as provided by external pricing services; equity interests in private companies are generally classified as Level 3.

The fair value of investments in alternative investment funds, debt funds and equity funds is classified as Level 1 when the fair values are based on the publicly reported closing price for the fund, or Level 2 when based on one or more quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

The fair value of investments in certain private equity funds is classified as Level 3 for (i) certain investments that are valued based on the potential transaction value and (ii) when the acquisition price is considered the best measure of fair value.

The fair value of securities sold, not yet purchased, is classified as Level 1 when the fair values are based on unadjusted quoted prices in active markets.

The fair value of the contingent consideration liability is classified as Level 3. The contingent consideration liability is initially recorded at fair value on the acquisition date and is included in "other liabilities" on the condensed consolidated statements of financial condition. The fair value of the contingent consideration liability is remeasured at each reporting period. The inputs used to derive the fair value of the contingent consideration include the application of probabilities when assessing certain performance thresholds for the relevant periods. Any change in the fair value is recognized in "amortization and other acquisition-related costs" in the condensed consolidated statements of operations.

(dollars in thousands, except for per share data, unless otherwise noted)

Our business acquisitions may involve the potential payment of contingent consideration upon the achievement of certain performance thresholds.

The fair value of derivatives classified as Level 2 is based on the values of the related underlying assets, indices or reference rates as follows: the fair value of forward foreign currency exchange rate contracts is a function of the spot rate and the interest rate differential of the two currencies from the trade date to settlement date; the fair value of total return swaps is based on the change in fair value of the related underlying equity security, financial instrument or index and a specified notional holding; the fair value of interest rate swaps is based on the interest rate yield curve; and the fair value of derivative liabilities related to LFI and other similar deferred compensation arrangements is based on the value of the underlying investments, adjusted for forfeitures. See Note 7.

Investments Measured at Net Asset Value ("NAV")—As a practical expedient, the Company uses NAV or its equivalent to measure the fair value of certain investments. NAV is primarily determined based on information provided by external fund administrators. The Company's investments valued at NAV as a practical expedient in (i) alternative investment funds, debt funds and equity funds are redeemable in the near term, and (ii) private equity funds are not redeemable in the near term as a result of redemption restrictions.

The following tables present, as of June 30, 2024 and December 31, 2023, the classification of (i) investments and certain other assets and liabilities measured at fair value on a recurring basis within the fair value hierarchy and (ii) investments measured at NAV or its equivalent as a practical expedient:

	June 30, 2024				
	Level 1	Level 2	Level 3	NAV	Total
Assets:					
Cash and cash equivalents (a)	$ 69,495	$ –	$ –	$ –	$ 69,495
Deposits with banks and short-term investments (a)	24,488	–	–	–	24,488
Investments:					
Debt (a)	98,350	904	–	–	99,254
Equity	53,831	–	611	–	54,442
Funds:					
Alternative investments	10,540	–	–	47,139	57,679
Debt	130,409	14,739	–	3	145,151
Equity	282,733	–	–	49	282,782
Private equity	–	–	264	47,935	48,199
Derivatives	–	4,879	–	–	4,879
Total	$ 669,846	$ 20,522	$ 875	$ 95,126	$ 786,369
Liabilities:					
Securities sold, not yet purchased	$ 5,235	$ –	$ –	$ –	$ 5,235
Contingent consideration liability	–	–	4,389	–	4,389
Derivatives	–	274,033	–	–	274,033
Total	$ 5,235	$ 274,033	$ 4,389	$ –	$ 283,657

(a) Level 1 represents U.S. Treasury securities.

(dollars in thousands, except for per share data, unless otherwise noted)

	December 31, 2023				
	Level 1	Level 2	Level 3	NAV	Total
Assets:					
Investments:					
Debt	$ 4,285	$ –	$ –	$ –	$ 4,285
Equity	54,224	–	493	–	54,717
Funds:					
Alternative investments	15,676	–	–	46,004	61,680
Debt	180,907	10,413	–	5	191,325
Equity	343,094	–	–	45	343,139
Private equity	–	–	273	46,545	46,818
Derivatives	–	2,789	–	–	2,789
Total	$ 598,186	$ 13,202	$ 766	$ 92,599	$ 704,753
Liabilities:					
Securities sold, not yet purchased	$ 4,809	$ –	$ –	$ –	$ 4,809
Contingent consideration liability	–	–	6,583	–	6,583
Derivatives	–	368,673	–	–	368,673
Total	$ 4,809	$ 368,673	$ 6,583	$ –	$ 380,065

The following tables provide a summary of changes in fair value of the Company's Level 3 assets and liabilities for the three month and six month periods ended June 30, 2024 and 2023:

	Three Months Ended June 30, 2024					
	Beginning Balance	Net Unrealized/ Realized Gains/Losses Included In Earnings (a)	Purchases/ Issuances	Sales/ Settlements	Foreign Currency Translation Adjustments	Ending Balance
Assets:						
Investments:						
Equity	$ 475	$ 37	$ 109	$ –	$ (10)	$ 611
Private equity funds	267	–	–	–	(3)	264
Total Level 3 assets	$ 742	$ 37	$ 109	$ –	$ (13)	$ 875
Liabilities:						
Contingent consideration liability	$ 4,336	$ 53	$ –	$ –	$ –	$ 4,389
Total Level 3 liabilities	$ 4,336	$ 53	$ –	$ –	$ –	$ 4,389

(dollars in thousands, except for per share data, unless otherwise noted)

	Six Months Ended June 30, 2024					
	Beginning Balance	Net Unrealized/ Realized Gains/Losses Included In Earnings (a)	Purchases/ Issuances	Sales/ Settlements	Foreign Currency Translation Adjustments	Ending Balance
Assets:						
Investments:						
Equity	$ 493	$ 37	$ 109	$ –	$ (28)	$ 611
Private equity funds	273	–	–	–	(9)	264
Total Level 3 assets	$ 766	$ 37	$ 109	$ –	$ (37)	$ 875
Liabilities:						
Contingent consideration liability (b)	$ 6,583	$ 106	$ –	$ (2,300)	$ –	$ 4,389
Total Level 3 liabilities	$ 6,583	$ 106	$ –	$ (2,300)	$ –	$ 4,389

	Three Months Ended June 30, 2023					
	Beginning Balance	Net Unrealized/ Realized Gains/Losses Included In Earnings (a)	Purchases/ Issuances	Sales/ Settlements/ Transfers (c)	Foreign Currency Translation Adjustments	Ending Balance
Assets:						
Investments:						
Equity	$ 634	$ 13	$ –	$ –	$ (5)	$ 642
Private equity funds	19,139	–	–	(18,508)	(363)	268
Total Level 3 assets	$ 19,773	$ 13	$ –	$ (18,508)	$ (368)	$ 910
Liabilities:						
Contingent consideration liability	$ 6,342	$ 80	$ –	$ –	$ –	$ 6,422
Total Level 3 liabilities	$ 6,342	$ 80	$ –	$ –	$ –	$ 6,422

(dollars in thousands, except for per share data, unless otherwise noted)

	Six Months Ended June 30, 2023					
	Beginning Balance	Net Unrealized/ Realized Gains/Losses Included In Earnings (a)	Purchases/Acquisitions/ Issuances	Sales/ Settlements/ Transfers (c)	Foreign Currency Translation Adjustments	Ending Balance
Assets:						
Investments:						
Equities	$ 646	$ 14	$ –	$ –	$ (18)	$ 642
Private equity funds	18,772	–	–	(18,508)	4	268
Total Level 3 assets	$ 19,418	$ 14	$ –	$ (18,508)	$ (14)	$ 910
Liabilities:						
Contingent consideration liability (b)	$ –	$ 113	$ 7,754	$ (1,445)	$ –	$ 6,422
Total Level 3 liabilities	$ –	$ 113	$ 7,754	$ (1,445)	$ –	$ 6,422

(a) Earnings recorded in “other revenue” for investments in Level 3 assets for the three month and six month periods ended June 30, 2024 and 2023 include net unrealized gains of $37, $37, $13 and $14, respectively. Unrealized losses of $53, $106, $80 and $113 were recorded in “amortization and other acquisition-related costs” for the contingent consideration liability for the three month and six month periods ended June 30, 2024 and 2023, respectively.
(b) For the six month period ended June 30, 2023, acquisitions represent the initial recognition of the contingent consideration liability (noncash transaction). Settlements for the six month periods ended June 30, 2024 and 2023 represent aggregate cash and noncash settlement of contingent consideration after the acquisition date.
(c) Transfers out of Level 3 private equity funds in the three month and six month periods ended June 30, 2023 reflect investments valued at NAV as of June 30, 2023 that were previously valued based on the acquisition price.

There were no other transfers into or out of Level 3 within the fair value hierarchy during the three month and six month periods ended June 30, 2024 and 2023.

The following tables present, at June 30, 2024 and December 31, 2023, certain investments that are valued using NAV or its equivalent as a practical expedient in determining fair value:

	June 30, 2024				
				Investments Redeemable	
	NAV	Unfunded Commitments	% of NAV Not Redeemable	Redemption Frequency	Redemption Notice Period
Alternative investment funds:					
Hedge funds	$ 46,468	$ –	NA	(a)	30-60 days
Other	671	–	NA	(b)	<30-30 days
Debt funds	3	–	NA	(c)	<30 days
Equity funds	49	–	NA	(d)	<30-60 days
Private equity funds:					
Equity growth	47,935	5,487 (e)	100% (f)	NA	NA
Total	$ 95,126	$ 5,487			

(a) monthly (74%) and quarterly (26%)
(b) daily (4%) and monthly (96%)

(dollars in thousands, except for per share data, unless otherwise noted)

(c) daily (100%)
(d) monthly (32%) and annually (68%)
(e) Unfunded commitments to private equity investments consolidated but not owned by Lazard of $9,352 are excluded. Such commitments are required to be funded by capital contributions from noncontrolling interest holders.
(f) Distributions from each fund will be received as the underlying investments of the funds are liquidated.

	December 31, 2023				
				Investments Redeemable	
	NAV	Unfunded Commitments	% of NAV Not Redeemable	Redemption Frequency	Redemption Notice Period
Alternative investment funds:					
Hedge funds	$ 45,324	$ –	NA	(a)	30-60 days
Other	680	–	NA	(b)	<30-30 days
Debt funds	5	–	NA	(c)	<30 days
Equity funds	45	–	NA	(d)	<30-60 days
Private equity funds:					
Equity growth	46,545	5,505 (e)	100% (f)	NA	NA
Total	$ 92,599	$ 5,505			

(a) monthly (74%) and quarterly (26%)
(b) daily (4%) and monthly (96%)
(c) daily (100%)
(d) monthly (34%) and annually (66%)
(e) Unfunded commitments to private equity investments consolidated but not owned by Lazard of $9,605 are excluded. Such commitments are required to be funded by capital contributions from noncontrolling interest holders.
(f) Distributions from each fund will be received as the underlying investments of the funds are liquidated.

7. DERIVATIVES

The tables below present the fair value of the Company’s derivative instruments reported within “other assets” and “other liabilities” and the fair value of the Company’s derivative liabilities relating to its obligations pertaining to LFI and other similar deferred compensation arrangements reported within “accrued compensation and benefits” (see Note 13) on the accompanying condensed consolidated statements of financial condition as of June 30, 2024 and December 31, 2023. Notional amounts provide an indication of the volume of the Company's derivative activity.

Derivative assets and liabilities, as well as the related cash collateral from the same counterparty, have been netted on the condensed consolidated statements of financial condition where the Company has a right to set off under an enforceable master netting agreement.

In addition to the cash collateral received and transferred that is presented on a net basis with derivative assets and liabilities, the Company receives and transfers additional securities and cash collateral. These amounts mitigate counterparty credit risk associated with the Company's derivative instruments, but are not eligible for net presentation on the condensed consolidated statements of financial condition.

(dollars in thousands, except for per share data, unless otherwise noted)

	June 30, 2024			
	Derivative Assets		Derivative Liabilities	
	Fair Value	Notional	Fair Value	Notional
Forward foreign currency exchange rate contracts	$ 4,955	$ 294,029	$ 1,739	$ 147,889
Total return swaps and other	132	13,994	11,081	122,971
LFI and other similar deferred compensation arrangements	–	–	270,217	259,074
Total gross derivatives	5,087	$ 308,023	283,037	$ 529,934
Counterparty and cash collateral netting:				
Forward foreign currency exchange rate contracts	(77)		(77)	
Total return swaps and other	(131)		(8,927)	
Net derivatives in "other assets" and "other liabilities"	4,879		274,033	
Amounts not netted on the statement of financial condition (a):				
Cash collateral	–		(546)	
Securities collateral	–		–	
	$ 4,879		$ 273,487	

	December 31, 2023			
	Derivative Assets		Derivative Liabilities	
	Fair Value	Notional	Fair Value	Notional
Forward foreign currency exchange rate contracts	$ 3,400	$ 283,635	$ 1,847	$ 170,704
Total return swaps and other	133	4,478	12,290	117,139
LFI and other similar deferred compensation arrangements	–	–	365,420	352,891
Total gross derivatives	3,533	$ 288,113	379,557	$ 640,734
Counterparty and cash collateral netting:				
Forward foreign currency exchange rate contracts	(604)		(603)	
Total return swaps and other	(140)		(10,281)	
Net derivatives in "other assets" and "other liabilities"	2,789		368,673	
Amounts not netted on the statement of financial condition (a):				
Cash collateral	–		(243)	
Securities collateral	–		–	
	$ 2,789		$ 368,430	

(a) Amounts are subject to master netting arrangements but do not meet the criteria for netting on the condensed consolidated statements of financial condition under U.S. GAAP. For some counterparties, the amounts of securities and cash collateral pledged may exceed the derivative assets and derivative liabilities balances. Where this is the case, the amount of collateral offset within net derivatives is limited to the net derivative assets and net derivative liabilities balances with that counterparty.

(dollars in thousands, except for per share data, unless otherwise noted)

Net gains (losses) with respect to derivative instruments (included in "revenue-other") and the Company's derivative liabilities relating to its obligations pertaining to LFI and other similar deferred compensation arrangements (included in "compensation and benefits" expense) as reflected on the accompanying condensed consolidated statements of operations for the three month and six month periods ended June 30, 2024 and 2023 were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Forward foreign currency exchange rate contracts	$ 1,894	$ (794)	$ 3,225	$ (700)
LFI and other similar deferred compensation arrangements	1,201	(9,675)	(8,172)	(26,128)
LGAC Warrants	–	–	–	115
Total return swaps and other	421	(5,020)	(5,943)	(11,430)
Total	$ 3,516	$ (15,489)	$ (10,890)	$ (38,143)

8. *PROPERTY, NET*

At June 30, 2024 and December 31, 2023, property consisted of the following:

	Estimated Depreciable Life in Years	June 30, 2024	December 31, 2023
Buildings (a)	33	$ 165,496	$ 170,830
Leasehold improvements (a)	3-20	233,598	233,732
Furniture and equipment	3-10	163,289	162,075
Computer software	3-5	68,474	68,638
Construction in progress		13,934	11,788
Total		644,791	647,063
Less - Accumulated depreciation and amortization (a)		424,128	414,547
Property, net		$ 220,663	$ 232,516

(a) The Company classified assets relating to an owned office building as held for sale as of June 30, 2024 and December 31, 2023, the carrying amount of which was $70,002 and $72,921 (net of accumulated depreciation), respectively. The property held for sale is reported within the Corporate segment. Effective January 1, 2024, depreciation expense is no longer being recorded on this asset. In addition, a $6,550 receivable (included in "other assets") related to operating lease income on the owned office building is classified as held for sale as of June 30, 2024 and December 31, 2023. On July 22, 2024, the Company completed the sale of the owned office building, including rights to the operating lease income, for gross proceeds of approximately $193,000 which resulted in a net pre-tax gain of approximately $95,000, which will be recognized in the three month and nine month periods ending September 30, 2024.

Effective June 30, 2024, in the table above, computer software is being reported separately. Computer software was previously included as a component of furniture and equipment. Prior year information has been recast to reflect the updated presentation.

(dollars in thousands, except for per share data, unless otherwise noted)

9. *GOODWILL AND OTHER INTANGIBLE ASSETS*

The components of goodwill and other intangible assets at June 30, 2024 and December 31, 2023 are presented below:

	June 30, 2024	December 31, 2023
Goodwill	$ 393,967	$ 394,898
Other intangible assets (net of accumulated amortization)	–	30
	$ 393,967	$ 394,928

Changes in the carrying amount of goodwill for the six month periods ended June 30, 2024 and 2023 are as follows:

	Six Months Ended June 30,					
	2024			2023		
	Financial Advisory	Asset Management	Total	Financial Advisory	Asset Management	Total
Balance, January 1	$ 313,628	$ 81,270	$ 394,898	$ 312,699	$ 64,541	$ 377,240
Acquisition of business	–	–	–	–	16,706	16,706
Foreign currency translation adjustments	(931)	–	(931)	676	–	676
Balance, June 30	$ 312,697	$ 81,270	$ 393,967	$ 313,375	$ 81,247	$ 394,622

10. *SENIOR DEBT*

Senior debt is comprised of the following as of June 30, 2024 and December 31, 2023:

				Outstanding as of					
				June 30, 2024			December 31, 2023		
	Initial Principal Amount	Maturity Date	Annual Interest Rate(b)	Principal	Unamortized Debt Costs	Carrying Value	Principal	Unamortized Debt Costs	Carrying Value
Lazard Group 2025 Senior Notes (a)	$ 400,000	2/13/25	3.75 %	$ 164,347	$ 121	$ 164,226	$ 400,000	$ 531	$ 399,469
Lazard Group 2027 Senior Notes	300,000	3/1/27	3.625 %	300,000	1,040	298,960	300,000	1,235	298,765
Lazard Group 2028 Senior Notes	500,000	9/19/28	4.50 %	500,000	3,586	496,414	500,000	4,012	495,988
Lazard Group 2029 Senior Notes	500,000	3/11/29	4.375 %	500,000	3,635	496,365	500,000	4,022	495,978
Lazard Group 2031 Senior Notes (a)	400,000	3/15/31	6.00 %	400,000	3,816	396,184	–	–	–
Total				$ 1,864,347	$ 12,198	$ 1,852,149	$ 1,700,000	$ 9,800	$ 1,690,200

(a) In March 2024, Lazard Group completed an offering of $400,000 aggregate principal amount of 6.00% senior notes due 2031. Interest on the 2031 Notes is payable semi-annually on March 15 and September 15 of each year, beginning

September 15, 2024. Lazard Group used a portion of the net proceeds from the 2031 Notes to purchase in a tender offer $235,653 aggregate principal amount of the 2025 Notes.

(b) The effective interest rates of the 2025 Notes, the 2027 Notes, the 2028 Notes, the 2029 Notes and the 2031 Notes are 3.78%, 3.76%, 4.67%, 4.53% and 6.14%, respectively.

The Company's senior debt is unsecured and is carried at its principal amount outstanding, net of unamortized debt costs. At June 30, 2024 and December 31, 2023, the fair value of such senior debt was approximately $1,823,000 and $1,652,000, respectively. The fair value of the Company's senior debt is based on market quotations. The Company's senior debt would be categorized within Level 2 of the hierarchy of fair value measurements if carried at fair value.

On June 6, 2023, Lazard Group entered into a Second Amended and Restated Credit Agreement with a group of lenders for a five-year, $200,000 senior revolving credit facility expiring in June 2028 (the "Second Amended and Restated Credit Agreement"). Borrowings under the Second Amended and Restated Credit Agreement generally will bear interest at adjusted term SOFR plus an applicable margin for specific interest periods determined based on Lazard Group's highest credit rating from an internationally recognized credit agency. The Second Amended and Restated Credit Agreement contains certain covenants, events of default and other customary provisions, including customary benchmark-replacement mechanics.

As of June 30, 2024, the Company had approximately $209,100 in unused lines of credit available to it, including the credit facility provided under the Second Amended and Restated Credit Agreement.

The Second Amended and Restated Credit Agreement and the indenture and the supplemental indentures relating to Lazard Group's senior notes contain certain covenants, events of default and other customary provisions, including a customary make-whole provision in the event of early redemption, where applicable.

11. COMMITMENTS AND CONTINGENCIES

Leases

In June 2024, the Company commenced a non-cancelable office lease with a lease term of approximately 15 years. Such lease has increased operating lease right-of-use assets and operating lease liabilities on the condensed consolidated statements of financial condition by $76,539 and $71,977, respectively, as of June 30, 2024, the initial recognition being a noncash transaction.

In July 2024, the Company signed a lease agreement for additional office facilities, with lease commencement anticipated in 2027. The lease term is 10 years and has undiscounted future lease payments of approximately $110,000.

Other Commitments

See Notes 6 and 14 for information regarding commitments relating to investment capital funding commitments and obligations to fund our pension plans, respectively.

The fulfillment of the commitments described herein should not have a material adverse effect on the Company's condensed consolidated financial position or results of operations.

Legal—The Company is involved from time to time in judicial, governmental, regulatory and arbitration proceedings and inquiries concerning matters arising in connection with the conduct of our businesses, including proceedings initiated by former employees alleging wrongful termination. The Company reviews such matters on a case-by-case basis and establishes any required accrual if a loss is probable and the amount of such loss can be reasonably estimated. The Company may experience significant variation in its revenue and earnings on a quarterly basis. Accordingly, the results of any pending matter or matters could be significant when compared to the Company's earnings in any particular quarter. The Company believes, however, based on currently available information, that the results of any pending matters, in the aggregate, will not have a material effect on its business or financial condition.

(dollars in thousands, except for per share data, unless otherwise noted)

12. *STOCKHOLDERS' EQUITY AND REDEEMABLE NONCONTROLLING INTERESTS*

Share Repurchase Program—The Board of Directors of Lazard authorized the repurchase of Lazard, Inc. common stock ("common stock") as set forth in the table below as of June 30, 2024:

Date	Repurchase Authorization	Expiration
February 2022	$ 300,000	December 31, 2024
July 2022	$ 500,000	December 31, 2024

The Company's purchases under the share repurchase program over time are used to offset dilution from the shares that have been or will be issued under Lazard's 2018 Incentive Compensation Plan, as amended (the "2018 Plan"). Pursuant to the share repurchase program, purchases have been made in the open market or through privately negotiated transactions. The rate at which the Company purchases shares in connection with the share repurchase program may vary from period to period due to a variety of factors. Purchases with respect to such program are set forth in the table below:

Six Months Ended June 30:	Number of Shares Purchased	Average Price Per Share
2023	2,697,627	$ 36.73
2024	1,055,913	$ 38.66

During the six month periods ended June 30, 2024 and 2023, certain of our executive officers received common stock in connection with the vesting or settlement of previously-granted deferred equity incentive awards. The vesting or settlement of such equity awards gave rise to a tax payable by the executive officers, and, consistent with our past practice, the Company purchased shares of common stock from certain of our executive officers equal in value to all or a portion of the estimated amount of such tax. The aggregate value of all such purchases during the six month periods ended June 30, 2024 and 2023 was approximately $11,200 and $11,100, respectively. Such shares of common stock are reported at cost, and are included in "common stock held by subsidiaries" on the accompanying condensed consolidated statements of financial condition.

As of June 30, 2024, a total of $159,278 of share repurchase authorization remaining available under Lazard, Inc.'s share repurchase program will expire on December 31, 2024.

In addition, on July 24, 2024, the Board of Directors authorized the repurchase of up to $200,000 of additional shares of common stock, which authorization will expire on December 31, 2026, bringing the total share repurchase authorization as of July 24, 2024 to approximately $360,000.

During the six month period ended June 30, 2024, Lazard, Inc. had in place trading plans under Rule 10b5-1 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), pursuant to which it effected stock repurchases in the open market.

(dollars in thousands, except for per share data, unless otherwise noted)

Accumulated Other Comprehensive Income (Loss) ("AOCI"), Net of Tax—The tables below reflect the balances of each component of AOCI at June 30, 2024 and 2023 and activity during the three month and six month periods then ended:

	Three Months Ended June 30, 2024				
	Currency Translation Adjustments	Employee Benefit Plans	Total AOCI	Amount Attributable to Noncontrolling Interests	Total Lazard, Inc. AOCI
Balance - April 1, 2024	$ (140,253)	$ (163,741)	$ (303,994)	$ 1	$ (303,995)
Activity:					
Other comprehensive income (loss) before reclassifications	(4,572)	789	(3,783)	–	(3,783)
Adjustments for items reclassified to earnings, net of tax	–	1,485	1,485	–	1,485
Net other comprehensive income (loss)	(4,572)	2,274	(2,298)	–	(2,298)
Balance, June 30, 2024	$ (144,825)	$ (161,467)	$ (306,292)	$ 1	$ (306,293)

	Six Months Ended June 30, 2024				
	Currency Translation Adjustments	Employee Benefit Plans	Total AOCI	Amount Attributable to Noncontrolling Interests	Total Lazard, Inc. AOCI
Balance - January 1, 2024	$ (123,991)	$ (165,958)	$ (289,949)	$ 1	$ (289,950)
Activity:					
Other comprehensive income (loss) before reclassifications	(20,834)	1,604	(19,230)	–	(19,230)
Adjustments for items reclassified to earnings, net of tax	–	2,887	2,887	–	2,887
Net other comprehensive income (loss)	(20,834)	4,491	(16,343)	–	(16,343)
Balance, June 30, 2024	$ (144,825)	$ (161,467)	$ (306,292)	$ 1	$ (306,293)

	Three Months Ended June 30, 2023				
	Currency Translation Adjustments	Employee Benefit Plans	Total AOCI	Amount Attributable to Noncontrolling Interests	Total Lazard, Inc. AOCI
Balance - April 1, 2023	$ (142,385)	$ (140,571)	$ (282,956)	$ 1	$ (282,957)
Activity:					
Other comprehensive income (loss) before reclassifications	2,478	(2,585)	(107)	(2)	(105)
Adjustments for items reclassified to earnings, net of tax	–	1,176	1,176	–	1,176
Net other comprehensive income (loss)	2,478	(1,409)	1,069	(2)	1,071
Balance, June 30, 2023	$ (139,907)	$ (141,980)	$ (281,887)	$ (1)	$ (281,886)

(dollars in thousands, except for per share data, unless otherwise noted)

	Six Months Ended June 30, 2023				
	Currency Translation Adjustments	Employee Benefit Plans	Total AOCI	Amount Attributable to Noncontrolling Interests	Total Lazard, Inc. AOCI
Balance - January 1, 2023	$ (156,924)	$ (138,930)	$ (295,854)	$ –	$ (295,854)
Activity:					
Other comprehensive income (loss) before reclassifications	17,017	(5,386)	11,631	(1)	11,632
Adjustments for items reclassified to earnings, net of tax	–	2,336	2,336	–	2,336
Net other comprehensive income (loss)	17,017	(3,050)	13,967	(1)	13,968
Balance, June 30, 2023	$ (139,907)	$ (141,980)	$ (281,887)	$ (1)	$ (281,886)

The table below reflects adjustments for items reclassified out of AOCI, by component, for the three month and six month periods ended June 30, 2024 and 2023:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Employee benefit plans:				
Amortization relating to employee benefit plans (a)	$ 1,940	$ 1,561	$ 3,797	$ 3,097
Less - related income taxes	455	385	910	761
Total reclassifications, net of tax	$ 1,485	$ 1,176	$ 2,887	$ 2,336

(a) Included in the computation of net periodic benefit cost (see Note 14). Such amounts are included in “operating expenses–other” on the condensed consolidated statements of operations.

Noncontrolling Interests—Noncontrolling interests principally represent (i) interests held in Edgewater’s management vehicles that the Company is deemed to control, but does not own, (ii) profits interest participation rights (see Note 13) and (iii) LGAC interests (see Note 21).

Redeemable Noncontrolling Interests—Redeemable noncontrolling interests principally represent consolidated VIE interests held by employees (vested LFI awards), which may be redeemed at any time at the option of the holder for cash, are recorded on the Company’s condensed consolidated statements of financial position at redemption value and classified as temporary equity. Changes in redemption value are recognized immediately as they occur and will adjust the carrying value of redeemable noncontrolling interests to equal the redemption value at the end of each reporting period (see Note 21).

Dividends Declared, July 24, 2024—On July 24, 2024, the Board of Directors of Lazard declared a quarterly dividend of $0.50 per share on our common stock. The dividend is payable on August 16, 2024, to stockholders of record on August 5, 2024.

13. INCENTIVE PLANS

Share-Based Incentive Plan Awards

Total shares available for issuance under incentive compensation plans are primarily from the 2018 Plan, which became effective on April 24, 2018 and was amended on May 9, 2024 to increase the aggregate number of shares authorized for issuance by 20,000,000 shares. The aggregate number of shares authorized for issuance under the 2018 Plan is 70,000,000. Such shares may be issued pursuant to the grant or exercise of stock options; stock appreciation rights;

(dollars in thousands, except for per share data, unless otherwise noted)

restricted stock units, restricted stock awards, and deferred stock units (collectively "RSUs"); performance-based restricted stock units ("PRSUs"); profits interest participation rights ("PIPRs"); and other share-based awards.

Expense

The following reflects the expense with respect to share-based incentive plans, which is primarily recorded within "compensation and benefits" expense in the Company's accompanying condensed consolidated statements of operations for the three month and six month periods ended June 30, 2024 and 2023:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Share-based incentive awards:				
RSUs	$ 67,419	$ 61,972	$ 128,539	$ 112,655
PRSUs	314	562	719	1,351
PIPRs	21,614	18,200	30,287	37,262
Total	$ 89,347	$ 80,734	$ 159,545	$ 151,268

Compensation and benefits expense relating to share-based awards with service and/or performance conditions is reversed if the awards are forfeited due to these conditions not being met. Compensation and benefits expense relating to share-based awards with market-based conditions is not reversed if these awards are forfeited based solely on failing to meet such market-based conditions.

The Company periodically assesses forfeiture rates, including as a result of any applicable performance conditions. A change in estimated forfeiture rates or performance results in a cumulative adjustment to compensation and benefits expense and also would cause the aggregate amount of compensation expense recognized in future periods to differ from the estimated unrecognized compensation expense described below.

The Company's share-based incentive plans and awards are described below.

RSUs and PRSUs

RSUs generally require future service as a condition for vesting (unless the recipient is then eligible for retirement under the Company's retirement policy or is a non-executive member of the Board of Directors) and convert into shares of common stock on a one-for-one basis after the stipulated vesting periods. The grant date fair value of the RSUs, net of an estimated forfeiture rate, is expensed over the requisite service periods (generally, one-third after two years and the remaining two-thirds after the third year), and is adjusted for actual forfeitures over such period.

RSUs generally include a dividend participation right during the applicable vesting period, which is payable in additional units. During the six month period ended June 30, 2024, dividend participation rights required the issuance of an aggregate 443,272 units of RSUs and the associated aggregate charge to "retained earnings" (with a corresponding credit to "additional paid-in-capital") was $16,263.

In connection with RSUs and PRSUs that settled during the six month period ended June 30, 2024, the Company satisfied its minimum statutory tax withholding requirements in lieu of delivering 1,561,290 and 29,690 shares, respectively, of common stock during such six month period. Accordingly, 2,169,708 and 33,479 shares, respectively, of common stock held by the Company were delivered during the six month period ended June 30, 2024.

PRSUs are a type of RSU that is incrementally subject to performance-based and service-based vesting conditions and a market-based condition. The number of shares of common stock that a recipient receives upon vesting of a PRSU is calculated by reference to certain performance-based and market-based metrics that relate to Lazard, Inc.'s performance over a three-year period. The target number of shares of common stock subject to each PRSU is one; however, based on the achievement of both the performance-based and market-based conditions, the number of shares of common stock that may be received will range from zero to 2.4 times the target number. PRSUs vest on a single date approximately three years following the date of the grant, provided the applicable service and performance conditions are satisfied. PRSUs include dividend participation rights that are subject to the same vesting restrictions (including performance conditions) as the underlying PRSUs to which they relate and are settled in cash at the same rate that dividends are paid on common stock. Compensation expense recognized for PRSU awards is determined by multiplying the number of shares of common stock underlying such awards that, based on the Company's estimate, are considered probable of vesting, by the grant date fair value.

(dollars in thousands, except for per share data, unless otherwise noted)

The following is a summary of activity relating to RSUs and PRSUs during the six month period ended June 30, 2024:

	RSUs		PRSUs	
	Units	Weighted Average Grant Date Fair Value	Units	Weighted Average Grant Date Fair Value
Balance, January 1, 2024	12,633,027	$ 36.16	125,465	$ 41.07
Granted (including 443,272 RSUs relating to dividend participation)	8,351,633	$ 38.70	–	$ –
Forfeited	(718,942)	$ 36.22	–	$ –
Settled	(3,730,998)	$ 38.64	(63,169)	$ 46.63
Balance, June 30, 2024	16,534,720	$ 36.88	62,296	$ 35.44

The weighted-average grant date fair value of RSUs granted in the six month period ended June 30, 2023 was $36.78.

As of June 30, 2024, the total estimated unrecognized compensation expense related to RSUs and PRSUs was $292,538 and $390, respectively. The Company expects to expense such amounts over weighted-average periods of approximately 1.0 and 0.2 years, respectively, subsequent to June 30, 2024.

Profits Interest Participation Rights

PIPRs are equity incentive awards that, subject to certain vesting and other conditions described below, may be exchanged for shares of common stock pursuant to the 2018 Plan. They are a class of membership interests in Lazard Group that are intended to qualify as "profits interests" for U.S. federal income tax purposes and are recorded as noncontrolling interests within stockholders' equity in the Company's condensed consolidated statements of financial condition until they are exchanged into common stock, at which time there is a reclassification to additional paid-in-capital.

PIPRs, with the exception of Stock Price PIPRs ("SP-PIPRs"), as explained below, generally provide for vesting approximately three years following the grant date, so long as applicable vesting and other conditions have been satisfied. PIPRs are subject to continued employment and other conditions and restrictions and are forfeited if those conditions and restrictions are not fulfilled.

A recipient generally realizes value from PIPRs only to the extent that applicable vesting and other conditions are satisfied, and an amount of economic appreciation in the assets of Lazard Group occurs as necessary to satisfy certain partnership tax rules (referred to as the "Minimum Value Condition"), otherwise the PIPRs will be forfeited. Upon satisfaction of such conditions, PIPRs that are in parity with the value of common stock will be exchanged on a one-for-one basis for shares of common stock. If forfeited based solely on failing to meet the Minimum Value Condition, or, if applicable, common stock price milestones as described below, the associated compensation expense would not be reversed.

All PIPR awards are subject to service-based vesting conditions. In addition to PIPR awards with only service based vesting conditions ("Ordinary PIPRs") granted to certain of our executive officers and a limited number of employees, the Company has granted the following types of PIPRs to certain of our executive officers, that are subject to additional vesting and market-based conditions:

(dollars in thousands, except for per share data, unless otherwise noted)

- Performance PIPRs ("P-PIPRs"), which are subject to service-based and performance-based vesting conditions and incremental market-based conditions.
- SP-PIPRs, which are subject to service-based vesting conditions and common stock price milestones and are eligible to vest in three tranches.

The number of shares of common stock that a recipient will receive upon the exchange of a P-PIPR award is calculated by reference to applicable performance-based vesting conditions and, beginning with P-PIPRs granted in 2021, incremental market-based conditions and only result in value to the recipient to the extent the vesting and other conditions are satisfied. The target number of shares of common stock subject to each P-PIPR is one. Based on the achievement of performance conditions, as determined and approved by the Compensation Committee, the number of shares of common stock that may be received in connection with the P-PIPR awards granted prior to February 2021 will range from zero to two times the target number. For the P-PIPR awards granted beginning in February 2021, subject to both performance-based and incremental market-based conditions, the number of shares that may be received will range from zero to 2.4 times the target number. Unless applicable vesting and other conditions are satisfied during the three-year performance period, and the Minimum Value Condition is satisfied within five years following the grant date, all P-PIPRs will be forfeited.

SP-PIPRs are eligible to vest in three tranches (each, a "Tranche") based on the achievement of service conditions and Tranche-specific common stock price milestones measured as of a specified anniversary of the date of grant, as described below. Their aggregate fair value at the grant date, which based on the estimated probability of achieving the common stock price milestones is approximately $33,900, is expensed over the requisite service periods.

SP-PIPRs will vest:

- 20% if, during the three years following the date of grant, the common stock price has appreciated 25% above the average trailing 30 consecutive day stock price preceding the date of grant (the "Grant Date Stock Price");
- 40% if, during the five years following the date of grant, the common stock price has appreciated 50% above the Grant Date Stock Price;
- 40% if, during the seven years following the date of grant, the common stock price has appreciated 100% above the Grant Date Stock Price.

Each Tranche is subject to the executive's continued employment through the applicable anniversary of the date of grant and requires that the applicable common stock price milestone is sustained for any 30 consecutive day period prior to the anniversary of the date of grant of the applicable Tranche (the "Expiration Date").

If the service conditions and common stock price milestones, as described above, are not achieved as of the Expiration Date, all SP-PIPRs in such Tranche will be forfeited.

The following is a summary of activity relating to all PIPRs during the six month period ended June 30, 2024:

	Ordinary PIPRs (a)		P-PIPRs		SP-PIPRs	
	Units	Weighted Average Grant Date Fair Value	Units	Weighted Average Grant Date Fair Value	Units	Weighted Average Grant Date Fair Value
Balance, January 1, 2024	2,640,769	$ 36.19	1,958,829	$ 41.12	2,250,000	$ 15.06
Granted	1,368,964	$ 38.26	–	$ –	–	$ –
Forfeited	(61,878)	$ 35.85	–	$ –	–	$ –
Settled	(601,433)	$ 43.23	(995,169)	$ 46.63	–	$ –
Balance, June 30, 2024	3,346,422	$ 35.78	963,660	$ 35.44	2,250,000	$ 15.06

(dollars in thousands, except for per share data, unless otherwise noted)

(a) Includes PIPR awards with only service-based vesting conditions.

Fair values shown above represent the weighted average as of grant date. The weighted-average grant date fair value of ordinary PIPRs granted in the six month periods ended June 30, 2023 was $35.94.

Compensation expense recognized for ordinary PIPRs and P-PIPRs is determined by multiplying the number of shares of common stock underlying such awards that, based on the Company's estimate, are considered probable of vesting, by the grant date fair value. Compensation expense recognized for SP-PIPRs is determined by multiplying the number of shares of common stock underlying such awards by the grant date fair value. As of June 30, 2024, the total estimated unrecognized compensation expense of all profits interest participation rights was $76,635 and the Company expects to expense such amount over a weighted-average period of approximately 1.4 years subsequent to June 30, 2024.

LFI and Other Similar Deferred Compensation Arrangements

In connection with LFI and other similar deferred compensation arrangements, granted to eligible employees, which generally require future service as a condition for vesting, the Company records a prepaid compensation asset and a corresponding compensation liability on the grant date based upon the fair value of the award. The prepaid asset is amortized on a straight-line basis over the applicable requisite service periods (which are generally similar to the comparable periods for RSUs) and is charged to "compensation and benefits" expense within the Company's condensed consolidated statements of operations. LFI and similar deferred compensation arrangements that do not require future service are expensed immediately. The related compensation liability is accounted for at fair value as a derivative liability, which contemplates the impact of estimated forfeitures, and is adjusted for changes in fair value primarily related to changes in value of the underlying investments.

The following is a summary of activity relating to LFI and other similar deferred compensation arrangements during the six month period ended June 30, 2024:

	Prepaid Compensation Asset	Compensation Liability
Balance, January 1, 2024	$ 115,972	$ 365,420
Granted	40,227	40,227
Settled	–	(137,682)
Amortization and the impact of forfeitures	(62,348)	(4,243)
Change in fair value of underlying investments	–	8,172
Other	(77)	(1,677)
Balance, June 30, 2024	$ 93,774	$ 270,217

The amortization of the prepaid compensation asset will generally be recognized over a weighted average period of approximately 0.8 years subsequent to June 30, 2024.

(dollars in thousands, except for per share data, unless otherwise noted)

The following is a summary of the impact of LFI and other similar deferred compensation arrangements on “compensation and benefits” expense within the accompanying condensed consolidated statements of operations for the three month and six month periods ended June 30, 2024 and 2023:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Amortization and the impact of forfeitures	$ 22,406	$ 57,558	$ 58,105	$ 92,086
Change in the fair value of underlying investments	(1,201)	9,675	8,172	26,128
Total	$ 21,205	$ 67,233	$ 66,277	$ 118,214

Cash Retention Awards

In the first half of 2024, the Company granted and paid approximately $94,000 of cash retention awards that are subject to repayment in full in connection with a termination of employment for cause or resignation without good reason on or prior to the three-year service period.

In connection with these awards, the Company recorded a prepaid compensation asset on the grant date based upon the amount paid. The prepaid compensation asset is amortized over the requisite service period beginning on the grant date and is charged to “compensation and benefits” expense in the condensed consolidated statements of operations.

Amortization expense for the six months ended June 30, 2024 was approximately $32,000. The remaining prepaid compensation asset was approximately $61,000 as of June 30, 2024.

14. EMPLOYEE BENEFIT PLANS

The Company provides retirement and other post-retirement benefits to certain of its employees through defined benefit pension plans (the “pension plans”). The Company also offers defined contribution plans to its employees. The pension plans generally provide benefits to participants based on average levels of compensation. Expenses related to the Company’s employee benefit plans are included in “compensation and benefits” expense for the service cost component, and “operating expenses-other” for the other components of benefit costs on the condensed consolidated statements of operations.

Employer Contributions to Pension Plans—The Company’s funding policy for its U.S. and non-U.S. pension plans is to fund when required or when applicable upon an agreement with the plans’ trustees. Management also evaluates from time to time whether to make voluntary contributions to the plans.

(dollars in thousands, except for per share data, unless otherwise noted)

The following table summarizes the components of net periodic benefit cost (credit) related to the Company's pension plans for the three month and six month periods ended June 30, 2024 and 2023:

	Pension Plans	
	Three Months Ended June 30,	
	2024	2023
Components of Net Periodic Benefit Cost (Credit):		
Service cost	$ 245	$ 84
Interest cost	5,237	5,272
Expected return on plan assets	(6,565)	(6,032)
Amortization of:		
Prior service cost	131	27
Net actuarial loss (gain)	1,809	1,534
Settlement loss	–	783
Net periodic benefit cost (credit)	$ 857	$ 1,668

	Pension Plans	
	Six Months Ended June 30,	
	2024	2023
Components of Net Periodic Benefit Cost (Credit):		
Service cost	$ 328	$ 182
Interest cost	10,429	10,424
Expected return on plan assets	(13,076)	(11,848)
Amortization of:		
Prior service cost	264	53
Net actuarial loss	3,533	3,044
Settlement loss	–	1,542
Net periodic benefit cost (credit)	$ 1,478	$ 3,397

15. COST-SAVING INITIATIVES

The Company conducted firm-wide cost-saving initiatives over the course of 2023, which were completed during the first quarter of 2024.

Expenses and losses associated with the cost-saving initiatives for the six month period ended June 30, 2024 and for the three month and six month periods ended June 30, 2023 consisted of the following:

	Six Months Ended June 30, 2024			
	Financial Advisory	Asset Management	Corporate	Total
Severance and other employee termination expenses (included in "compensation and benefits" expense)	$ 32,773	$ 11,545	$ 2,292	$ 46,610
Other	708	14	1,397	2,119
Total	$ 33,481	$ 11,559	$ 3,689	$ 48,729

(dollars in thousands, except for per share data, unless otherwise noted)

	Three Months Ended June 30, 2023			
	Financial Advisory	Asset Management	Corporate	Total
Severance and other employee termination expenses (included in "compensation and benefits" expense)	$ 81,266	$ 29,533	$ 25,809	$ 136,608
Technology asset impairments (included in "technology and information services")	88	7,297	–	7,385
Other	522	280	1,910	2,712
Total	$ 81,876	$ 37,110	$ 27,719	$ 146,705

	Six Months Ended June 30, 2023			
	Financial Advisory	Asset Management	Corporate	Total
Severance and other employee termination expenses (included in "compensation and benefits" expense)	$ 90,043	$ 40,768	$ 26,537	$ 157,348
Technology asset impairments (included in "technology and information services")	88	7,297	–	7,385
Other	522	280	1,910	2,712
Total	$ 90,653	$ 48,345	$ 28,447	$ 167,445

Activity related to the obligations pursuant to the cost-saving initiatives during the six month period ended June 30, 2024 was as follows:

	Accrued Compensation and Benefits	Other	Total
Balance, January 1, 2024	$ 51,346	$ 952	$ 52,298
Total expenses	46,610	2,119	48,729
Less:			
Noncash expenses (a)	9,428	3,000	12,428
Payments and settlements	75,609	53	75,662
Balance, June 30, 2024	$ 12,919	$ 18	$ 12,937

(a) Noncash expenses reflected in "accrued compensation and benefits" activity principally represents accelerated amortization of deferred incentive compensation awards. Noncash expenses reflected in "other" activity principally relates to impairments of certain operating lease right-of-use assets and certain foreign exchange related losses.

16. INCOME TAXES

Following the Conversion on January 1, 2024, Lazard, Inc. is subject to U.S. federal income taxes on all its operating income and, through its subsidiaries, is also subject to state and local taxes on its income apportioned to various state and local jurisdictions. Lazard Group operates principally through subsidiary corporations including those domiciled outside the U.S. that are subject to local income taxes in foreign jurisdictions. In addition, Lazard Group is subject to Unincorporated Business Tax ("UBT") attributable to its operations apportioned to New York City.

(dollars in thousands, except for per share data, unless otherwise noted)

The Company recorded income tax provisions of $11,587 and $25,924 for the three month and six month periods ended June 30, 2024, respectively, and an income tax provision (benefit) of $10,303 and $(11,422) for the three month and six month periods ended June 30, 2023, respectively, representing effective tax rates of 18.2%, 21.9%, (9.4)% and 7.8%, respectively. The difference between the U.S. federal statutory rate of 21.0% and the effective tax rates reflected above principally relates to (i) the tax impact of differences in the value of share based incentive compensation, changes in judgment relating to uncertain tax positions and other discrete items, (ii) foreign source income (loss) not subject to U.S. income taxes, (iii) taxes payable to foreign jurisdictions that are not offset against U.S. income taxes, (iv) change in the U.S. federal valuation allowance affecting the provision for income taxes and (v) U.S. state and local taxes, which are incremental to the U.S. federal statutory tax rate.

17. NET INCOME (LOSS) PER SHARE OF COMMON STOCK

The Company is required to utilize the “two-class” method of computing basic and diluted net income per share because the Company issued certain PIPRs, including certain P-PIPRs, which are treated as participating securities.

The Company’s basic and diluted net income (loss) per share calculations using the “two-class” method for the three month and six month periods ended June 30, 2024 and 2023 are presented below:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income (loss) attributable to Lazard	$ 49,909	$ (124,013)	$ 85,664	$ (146,185)
Adjustment for earnings attributable to participating securities	(873)	(763)	(2,152)	(1,888)
Net income (loss) attributable to Lazard - basic	49,036	(124,776)	83,512	(148,073)
Adjustment for earnings attributable to participating securities	206	–	401	–
Net income (loss) attributable to Lazard - diluted	$ 49,242	$ (124,776)	$ 83,913	$ (148,073)
Weighted average number of shares of common stock outstanding	90,172,325	86,787,954	89,360,041	86,261,198
Weighted average number of shares of common stock issuable on a non-contingent basis	2,714,039	1,941,700	2,713,373	1,899,555
Weighted average number of shares of common stock outstanding - basic	92,886,364	88,729,654	92,073,414	88,160,753
Weighted average number of incremental shares of common stock issuable from share-based incentive compensation (a)	7,741,503	–	7,916,403	–
Weighted average number of shares of common stock outstanding - diluted	100,627,867	88,729,654	99,989,817	88,160,753
Net income (loss) attributable to Lazard per share of common stock:				
Basic	$ 0.53	$ (1.41)	$ 0.91	$ (1.68)
Diluted	$ 0.49	$ (1.41)	$ 0.84	$ (1.68)

(a) The aggregate weighted average number of incremental shares of common stock issuable from PIPRs for the three month and six month periods ended June 30, 2024 of 1,229,021 and 1,698,271, respectively, and from RSUs, PRSUs and PIPRs for the three month and six month periods ended June 30, 2023 of 3,427,886 and 4,737,193, respectively, that could be potentially dilutive in future periods, have been excluded from the computation of diluted net income (loss) per share as the effect would be antidilutive in the respective periods.

18. RELATED PARTIES

Sponsored Funds

The Company serves as an investment advisor for certain affiliated investment companies and fund entities and receives management fees and, for the alternative investment funds, performance-based incentive fees for providing such services. Asset management fees relating to such services were $133,630 and $267,850 for the three month and six month periods ended June 30, 2024, respectively, and $135,847 and $269,370 for the three month and six month periods ended June 30, 2023, respectively, and are included in “asset management fees” on the condensed consolidated statements of operations. Of such amounts, $51,345 and $67,598 remained as receivables at June 30, 2024 and December 31, 2023, respectively, and are included in “fees receivable” on the condensed consolidated statements of financial condition.

Tax Receivable Agreement

The Second Amended and Restated Tax Receivable Agreement, dated as of October 26, 2015 (the “TRA”), between Lazard and LTBP Trust, a Delaware statutory trust (the “Trust”), provides for the payment by our subsidiaries to the Trust of (i) approximately 45% of the amount of cash savings, if any, in U.S. federal, state and local income tax or franchise tax that we actually realize as a result of the increases in the tax basis of certain assets and of certain other tax benefits related to the TRA, and (ii) an amount that we currently expect will equal 85% of the cash tax savings that may arise from tax basis increases attributable to payments under the TRA. Our subsidiaries expect to benefit from the balance of cash savings, if any, in income tax that our subsidiaries realize from such tax basis increases. Any amount paid by our subsidiaries to the Trust will generally be distributed pro rata to the owners of the Trust, who include certain of our executive officers.

For purposes of the TRA, cash savings in income and franchise tax will be computed by comparing our subsidiaries’ actual income and franchise tax liability to the amount of such taxes that our subsidiaries would have been required to pay had there been no increase in the tax basis of certain assets of Lazard Group and had our subsidiaries not entered into the TRA. The term of the TRA will continue until approximately 2033 or, if earlier, until all relevant tax benefits have been utilized or expired.

The amount of the TRA liability is an undiscounted amount based upon current tax laws, the current structure of the Company and various assumptions regarding potential future operating profitability. The assumptions reflected in the estimate involve significant judgment and if our structure or actual income are different than our assumptions, we could be required to accelerate payments under the TRA. As such, the actual amount and timing of payments under the TRA could differ materially from our estimates. Any changes in the amount of the estimated liability would be recorded as a non-compensation expense in the condensed consolidated statements of operations. Adjustments, if necessary, to the related deferred tax assets would be recorded through the “provision (benefit) for income taxes”.

Pursuant to the periodic revaluation of the TRA liability and the assumptions reflected in the estimate, the revaluation had the effect in the six months ended June 30, 2023 of reducing the estimated liability under the TRA. As a result, the Company recorded a “benefit pursuant to tax receivable agreement” of $40,435 on the condensed consolidated statements of operations.

The cumulative liability relating to our obligations under the TRA as of June 30, 2024 and December 31, 2023 was $84,137 and $115,087, respectively, and is recorded in “tax receivable agreement obligation” on the condensed consolidated statements of financial condition.

Other

See Note 12 for information regarding related party transactions pertaining to shares repurchased from certain of our executive officers.

19. REGULATORY AUTHORITIES

LFNY is a U.S. registered broker-dealer and is subject to the net capital requirements of Rule 15c3-1 under the Exchange Act. Under the basic method permitted by this rule, the minimum required net capital, as defined, is a specified fixed percentage (6 2/3%) of total aggregate indebtedness recorded in LFNY's Financial and Operational Combined Uniform Single ("FOCUS") report filed with the Financial Industry Regulatory Authority ("FINRA"), or $5, whichever is greater. In addition, the ratio of aggregate indebtedness (as defined) to net capital may not exceed 15:1. At June 30, 2024, LFNY's regulatory net capital was $86,388, which exceeded the minimum requirement by $80,804. LFNY's aggregate indebtedness to net capital ratio was 0.97:1 as of June 30, 2024.

Certain U.K. subsidiaries of the Company, including LCL, Lazard Fund Managers Limited and Lazard Asset Management Limited (collectively, the "U.K. Subsidiaries") are regulated by the Financial Conduct Authority. At June 30, 2024, the aggregate regulatory net capital of the U.K. Subsidiaries was $171,625, which exceeded the minimum requirement by $98,640.

CFLF, under which asset management and commercial banking activities are carried out in France, is subject to regulation by the Autorité de Contrôle Prudentiel et de Résolution ("ACPR") for its banking activities conducted through its subsidiary, LFB. LFB, as a registered bank, is engaged primarily in commercial and private banking services for clients and funds managed by LFG (asset management) and other clients, and asset-liability management. The investment services activities exercised through LFB and other subsidiaries of CFLF, primarily LFG, also are subject to regulation and supervision by the Autorité des Marchés Financiers. At March 31, 2024, the consolidated regulatory net capital of CFLF was $153,263, which exceeded the minimum requirement set for regulatory capital levels by $54,335. In addition, pursuant to the consolidated supervision rules in the European Union, LFB, in particular, as a French credit institution, is required to be supervised by a regulatory body, either in the U.S. or in the European Union. LFB and certain other non-Financial Advisory subsidiaries of the Company in the European Union (referred to herein, on a combined basis, as the "combined European regulated group") is subject to consolidated supervision based on an agreement with the ACPR and under such rules is required to comply with minimum requirements for regulatory net capital. At March 31, 2024, the regulatory net capital of the combined European regulated group was $176,085, which exceeded the minimum requirement set for regulatory capital levels by $68,858. Additionally, the combined European regulated group, together with our Financial Advisory entities in the European Union, is required to perform an annual risk assessment and provide certain other information on a periodic basis.

Certain other U.S. and non-U.S. subsidiaries are subject to various capital adequacy requirements promulgated by various regulatory and exchange authorities in the countries in which they operate. At June 30, 2024, for those subsidiaries with regulatory capital requirements, their aggregate net capital was $107,788, which exceeded the minimum required capital by $84,389.

At June 30, 2024, each of these subsidiaries individually was in compliance with its regulatory capital requirements.

20. SEGMENT INFORMATION

The Company's reportable segments offer different products and services and are managed separately, as different levels and types of expertise are required to effectively manage the segments' transactions. Each segment is reviewed to determine the allocation of resources and to assess its performance. The Company's principal operating activities are included in its Financial Advisory and Asset Management business segments as described in Note 1. In addition, as described in Note 1, the Company records selected other activities in its Corporate segment.

The Company's segment information for the three month and six month periods ended June 30, 2024 and 2023 is prepared using the following methodology:

- Revenue and expenses directly associated with each segment are included in determining operating income.
- Expenses not directly associated with specific segments are allocated based on the most relevant measures applicable, including revenue, headcount, square footage and other factors.
- Segment assets are based on those directly associated with each segment, and include an allocation of certain assets relating to various segments, based on the most relevant measures applicable, including headcount, square footage and other factors.

(dollars in thousands, except for per share data, unless otherwise noted)

The Company records other revenue, interest income and interest expense among the various segments based on the segment in which the underlying asset or liability is reported.

Each segment's operating expenses include (i) compensation and benefits expenses incurred directly in support of the businesses and (ii) other operating expenses, which include directly incurred expenses for occupancy and equipment, marketing and business development, technology and information services, professional services, fund administration and outsourced services and indirect support costs (including compensation and other operating expenses related thereto) for administrative services. Such administrative services include, but are not limited to, accounting, tax, human resources, legal, information technology, facilities management and senior management activities.

Management evaluates segment results based on net revenue and operating income (loss) and believes that the following information provides a reasonable representation of each segment's contribution with respect to net revenue, operating income (loss) and total assets:

		Three Months Ended June 30,		Six Months Ended June 30,	
		2024	2023	2024	2023
Financial Advisory	Net Revenue	$ 411,308	$ 352,477	$ 864,815	$ 630,051
	Operating Expenses	370,824	439,445	798,832	768,180
	Operating Income (Loss)	$ 40,484	$ (86,968)	$ 65,983	$ (138,129)
Asset Management	Net Revenue	$ 285,487	$ 288,313	$ 580,963	$ 572,357
	Operating Expenses	235,405	269,219	497,085	517,270
	Operating Income	$ 50,082	$ 19,094	$ 83,878	$ 55,087
Corporate	Net Revenue (Loss)	$ (11,446)	$ 2,324	$ 4,324	$ (16,858)
	Operating Expenses	15,480	44,523	35,984	47,097
	Operating Loss	$ (26,926)	$ (42,199)	$ (31,660)	$ (63,955)
Total	Net Revenue	$ 685,349	$ 643,114	$ 1,450,102	$ 1,185,550
	Operating Expenses	621,709	753,187	1,331,901	1,332,547
	Operating Income (Loss)	$ 63,640	$ (110,073)	$ 118,201	$ (146,997)

	As Of	
	June 30, 2024	December 31, 2023
Total Assets		
Financial Advisory	$ 1,154,804	$ 1,154,483
Asset Management	1,126,422	1,232,364
Corporate	2,245,968	2,248,934
Total	$ 4,527,194	$ 4,635,781

(dollars in thousands, except for per share data, unless otherwise noted)

21. CONSOLIDATED VIEs

LFI Consolidated Funds

The Company's consolidated VIEs as of June 30, 2024 and December 31, 2023 include certain funds ("LFI Consolidated Funds") that were established for the benefit of employees participating in the Company's existing LFI deferred compensation arrangement. Lazard invests in these funds and is the investment manager and is therefore deemed to have both the power to direct the most significant activities of the funds and the right to receive benefits (or the obligation to absorb losses) that could potentially be significant to these funds. The assets of LFI Consolidated Funds, except as it relates to $73,053 and $113,174 of LFI held by Lazard Group as of June 30, 2024 and December 31, 2023, respectively, can only be used to settle the obligations of LFI Consolidated Funds. The Company's consolidated VIE assets and liabilities for LFI Consolidated Funds as reflected in the condensed consolidated statements of financial condition consist of the following at June 30, 2024 and December 31, 2023.

	June 30, 2024	December 31, 2023
ASSETS		
Cash and cash equivalents	$ 377	$ 4,627
Customers and other receivables	3,689	23,277
Investments	149,670	196,112
Other assets	724	683
Total assets	$ 154,460	$ 224,699
LIABILITIES		
Deposits and other customer payables	$ 109	$ 23,498
Other liabilities	367	353
Total liabilities	$ 476	$ 23,851

Lazard Growth Acquisition Corp. I

In addition, the Company's consolidated VIEs for the six month period ended June 30, 2023 included Lazard Growth Acquisition Corp. I ("LGAC"), a former special purpose acquisition company. The Company held a controlling financial interest in LGAC through a subsidiary's ownership of Class B founder shares of LGAC. As a result, both LGAC and the sponsor were consolidated in the Company's financial statements.

"Redeemable noncontrolling interests" of $583,471 associated with the publicly held LGAC Class A ordinary shares were recorded on the Company's consolidated statements of financial condition as of December 31, 2022 at redemption value and classified as temporary equity.

On February 23, 2023, LGAC redeemed all of its outstanding publicly held Class A ordinary shares as a result of LGAC not consummating a business combination within the time period required by its amended and restated memorandum and articles of association resulting in the distribution of $585,891 of the cash held in the trust account to the LGAC shareholders. The Company recognized $17,929 of losses on the liquidation of LGAC in "revenue-other" on the condensed consolidated statement of operations for the six month period ended June 30, 2023. In addition, $20,125 of non-cash deferred underwriting fees was no longer probable of being incurred and therefore was reversed from other liabilities to additional paid-in-capital.

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

The following discussion should be read in conjunction with Lazard's condensed consolidated financial statements and the related notes included elsewhere in this Quarterly Report on Form 10-Q (the "Form 10-Q"), as well as Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") included in our Annual Report on Form 10-K for the year ended December 31, 2023 (the "Form 10-K"). All references to "2024," "2023," "second quarter," "first half" or "the period" refer to, as the context requires, the three month and six month periods ended June 30, 2024 and 2023.

Forward-Looking Statements and Certain Factors that May Affect Our Business

Management has included in Parts I and II of this Form 10-Q, including in its MD&A, statements that are forward-looking statements. In some cases, you can identify these statements by forward-looking words such as "may," "might," "will," "should," "could," "would," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential," "target," "goal" or "continue," and the negative of these terms and other comparable terminology. These forward-looking statements, which are subject to known and unknown risks, uncertainties and assumptions about us, may include projections of our future financial performance based on our growth strategies, business plans and initiatives and anticipated trends in our business. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements. These factors include, but are not limited to, those discussed in our Form 10-K under the caption "Risk Factors," including the following:

- adverse general economic conditions or adverse conditions in global or regional financial markets;
- a decline in our revenues, for example due to a decline in overall mergers and acquisitions ("M&A") activity, our share of the M&A market or our assets under management ("AUM");
- losses caused by financial or other problems experienced by third parties;
- losses due to unidentified or unanticipated risks;
- a lack of liquidity, i.e., ready access to funds, for use in our businesses;
- competitive pressure on our businesses and on our ability to retain and attract employees at current compensation levels; and
- changes in relevant tax laws, regulations or treaties or an adverse interpretation of those items.

These risks and uncertainties are not exhaustive. Other sections of the Form 10-K and this Form 10-Q describe additional factors that could adversely affect our business and financial performance. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for our management to predict all risks and uncertainties, nor can management assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Although we believe the statements reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance, achievements or events. Moreover, neither we nor any other person assumes responsibility for the accuracy or completeness of any of these forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. We are under no duty to update any of these forward-looking statements after the date of this Form 10-Q to conform our prior statements to actual results or revised expectations and we do not intend to do so.

Forward-looking statements include, but are not limited to, statements about:

- financial goals, including ratios of compensation and benefits expense to adjusted net revenue;
- ability to deploy surplus cash through dividends, share repurchases and debt repurchases;
- ability to offset stockholder dilution through share repurchases;
- possible or assumed future results of operations and operating cash flows;
- strategies and investment policies;

- financing plans and the availability of short-term borrowing;
- competitive position;
- future acquisitions, including the consideration to be paid and the timing of consummation;
- potential growth opportunities available to our businesses;
- potential impact of investments in our technology infrastructure and data science capabilities;
- recruitment and retention of our managing directors and employees;
- potential levels of compensation expense, including adjusted compensation and benefits expense, and non-compensation expense;
- potential operating performance, achievements, productivity improvements, efficiency and cost reduction efforts;
- statements regarding environmental, social and governance ("ESG") goals and initiatives;
- likelihood of success and impact of litigation;
- ability to realize the anticipated benefits of Lazard's conversion to a U.S. C-Corporation (the " Conversion") and impact on the trading price of our stock;
- expected tax rates, including effective tax rates;
- changes in interest and tax rates;
- availability of certain tax benefits, including certain potential deductions;
- potential impact of certain events or circumstances on our financial statements and operations;
- changes in foreign currency exchange rates;
- expectations with respect to the economy, the securities markets, the market for mergers, acquisitions, restructuring and other financial advisory activity, the market for asset management activity and other macroeconomic, regional and industry trends;
- effects of competition on our business; and
- impact of new or future legislation and regulation, including tax laws and regulations, on our business.

The Company is committed to providing timely and accurate information to the investing public, consistent with our legal and regulatory obligations. To that end, Lazard and its operating companies use their websites, and other social media sites to convey information about their businesses, including the anticipated release of quarterly financial results, quarterly financial, statistical and business-related information, and the posting of updates of AUM in various mutual funds, hedge funds and other investment products managed by Lazard Asset Management LLC (together with its subsidiaries) ("LAM") and Lazard Frères Gestion SAS ("LFG"). Investors can link to Lazard, Inc., Lazard Group and their operating company websites through *http://www.lazard.com*. Our websites and social media sites and the information contained therein or connected thereto shall not be deemed to be incorporated into this Form 10-Q.

Business Summary

Lazard, one of the world's preeminent financial advisory and asset management firms, operates in North and South America, Europe, the Middle East, Asia and Australia. With origins dating to 1848, we have long specialized in crafting solutions to the complex financial and strategic challenges of a diverse set of clients around the world, including corporations, governments, institutions, partnerships, family offices and individuals.

Our primary business purpose is to serve our clients. Our deep roots in business centers around the world form a global network of relationships with key decision-makers in corporations, governments and investing institutions. This network is both a competitive strength and a powerful resource for Lazard and our clients. As a firm that competes on the quality of our advice, we have two fundamental assets: our people and our reputation.

We operate in cyclical businesses across multiple geographies, industries and asset classes. In recent years, we have deepened our sector expertise and enhanced our specialized insights in geopolitical advisory, private equity and capital solutions in our financial advisory business and we have invested in our global investment and distribution platform in our asset management business to further drive performance. Companies, government bodies and investors seek independent advice with a geographic perspective, deep understanding of capital structure, informed research and knowledge of global, regional and local economic conditions. We believe that our business model as an independent advisor will continue to create opportunities for us to attract new clients and key personnel.

Our principal sources of revenue are derived from activities in the following business segments:

- Financial Advisory, which offers corporate, partnership, institutional, government, sovereign and individual clients across the globe a wide array of financial advisory services regarding strategic and mergers and acquisitions ("M&A") advisory, capital markets advisory, shareholder advisory, restructuring and liability management, sovereign advisory, geopolitical advisory, and other strategic advisory matters and capital raising and placement, and
- Asset Management, which offers a broad range of global investment solutions and investment and wealth management services in equity and fixed income strategies, asset allocation strategies, alternative investments and private equity funds to corporations, public funds, sovereign entities, endowments and foundations, labor funds, financial intermediaries and private clients.

In addition, we record selected other activities in our Corporate segment, including the management of cash, investments, deferred tax assets, outstanding indebtedness and certain contingent obligations. We also invest our own capital from time to time, generally alongside capital of qualified institutional and individual investors in alternative investments or private equity investments, and make investments to seed our Asset Management strategies.

Our consolidated net revenue was derived from the following segments:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Financial Advisory	60 %	55 %	60 %	53 %
Asset Management	42	45	40	48
Corporate	(2)	–	–	(1)
Total	100 %	100 %	100 %	100 %

Business Environment and Outlook

Economic and global financial market conditions can materially affect our financial performance. As described above, our principal sources of revenue are derived from activities in our Financial Advisory and Asset Management business segments. Our Financial Advisory revenues are primarily dependent on the successful completion of merger, acquisition, sale, restructuring, capital raising or similar transactions, and our Asset Management revenues are primarily driven by the levels of assets under management ("AUM"). Weak global economic and financial market conditions can result in a challenging business environment for M&A and capital-raising activity as well as our Asset Management business, but may provide opportunities for our restructuring business.

The global macroeconomic environment is improving though a high degree of geopolitical uncertainty remains. During the first half of the year, headwinds for activity in our Financial Advisory business have tapered and deal financing has become more readily available. At the same time, the fundamental drivers of deal activity have continued including innovations driven by technology and generative AI, the energy transition, the biotech revolution, and shifts in supply chains globally. For the first half of the year, the "higher for longer" rate environment led to reduced allocations into most active equity strategies by reinforcing the appeal of money market investments and fixed income products.

Our outlook with respect to our Financial Advisory and Asset Management businesses is described below.

- Financial Advisory—M&A announcements for deals greater than $500 million are up year-over-year with 2023 being at their lowest levels in a decade. We remained actively engaged with our clients. The global scale and breadth of our Financial Advisory business, with particular strength in both the U.S. and Europe, enables us to advise on a wide range of strategic and restructuring transactions across a variety of industries. Throughout 2024, we continue to see increased M&A activity occurring alongside greater restructuring activity as rates remain high and debt maturities approach. In addition, we continue to invest in our Financial Advisory business by selectively hiring talented senior professionals in an effort to enhance our capabilities and sector expertise in M&A, capital structure, restructuring, and public and private capital markets.

- Asset Management—Given our diversified, actively managed investment platform and our ability to provide investment solutions for a global mix of clients, we believe we are positioned to benefit from opportunities across the asset management industry. We are continually developing new investment strategies that extend our existing platforms and assessing potential product acquisitions or other inorganic growth opportunities.

We operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge continuously, and it is not possible for our management to predict all risks and uncertainties, nor can we assess the impact of all potentially applicable factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. See Item 1A, “Risk Factors” in our Form 10-K. Furthermore, net income and revenue in any period may not be indicative of full-year results or the results of any other period and may vary significantly from year to year and quarter to quarter.

Overall, we continue to focus on the development of our business, including the generation of revenue growth, earnings growth and shareholder returns, the evaluation of potential growth opportunities, the investment in new technology to support the development of existing and new business opportunities, the prudent management of our costs and expenses, the efficient use of our assets and the return of capital to our shareholders.

Certain market data with respect to our Financial Advisory and Asset Management businesses is included below.

Financial Advisory

The following table sets forth global M&A and restructuring industry statistics for completed and announced M&A transactions and completed restructuring transactions.

	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	% Incr / (Decr)	2024	2023	% Incr / (Decr)
	($ in billions)					
Completed M&A Transactions:						
All deals:						
Value	$ 710	$ 601	18 %	$ 1,345	$ 1,339	– %
Number	7,058	9,596	(26)%	16,207	20,132	(19)%
Deals Greater than $500 million:						
Value	$ 572	$ 431	33 %	$ 1,041	$ 970	7 %
Number	233	207	13 %	469	463	1 %
Announced M&A Transactions:						
All deals:						
Value	$ 785	$ 742	6 %	$ 1,646	$ 1,369	20 %
Number	8,227	10,008	(18)%	17,814	20,477	(13)%
Deals Greater than $500 million:						
Value	$ 598	$ 554	8 %	$ 1,280	$ 996	29 %
Number	306	264	16 %	562	488	15 %
Completed Restructuring Transactions:						
All deals:						
Value	$ 177	$ 101	75 %	$ 281	$ 163	72 %
Number	63	88	(28)%	167	175	(5)%

Source: Dealogic as of July 3, 2024.

Another measure of global restructuring activity is the number of corporate defaults, which decreased during the first half of 2024 as compared to the first half of 2023. The number of defaulting issuers was 72 in the first half of 2024 according to Moody's Investors Service, Inc., as compared to 86 in the first half of 2023.

Net revenue trends in Financial Advisory are generally correlated to the level of completed industry-wide M&A transactions and restructuring transactions occurring subsequent to corporate debt defaults, respectively. However, deviations from this relationship can occur in any given year for a number of reasons. For instance, our results can diverge from industry-wide activity where there are material variances from the level of industry-wide M&A activity in a particular market where Lazard has greater or lesser relative market share, or regarding the relative number of our advisory engagements with respect to larger-sized transactions, and where we are involved in non-public or sovereign advisory assignments.

Asset Management

The percentage change in major equity market indices at June 30, 2024, as compared to such indices at March 31, 2024, December 31, 2023 and at June 30, 2023, is shown in the table below:

	Percentage Changes June 30, 2024 vs.		
	March 31, 2024	**December 31, 2023**	**June 30, 2023**
MSCI World Index	3 %	12 %	20 %
Euro Stoxx	(2)%	11 %	15 %
MSCI Emerging Market	5 %	7 %	13 %
S&P 500	4 %	15 %	25 %

The fees that we receive for providing investment management and advisory services are primarily driven by the level of AUM and the nature of the AUM product mix. Accordingly, market movements, foreign currency exchange rate volatility and changes in our AUM product mix will impact the level of revenues we receive from our Asset Management business when comparing periodic results. A substantial portion of our AUM is invested in equities. Movements in AUM during the period generally reflect the changes in equity market indices.

Financial Statement Overview

Net Revenue

The majority of Lazard's Financial Advisory net revenue historically has been earned from advice and other services provided in M&A transactions. The amount of the fee earned can vary depending upon the type, size and complexity of the transaction Lazard is advising on. M&A fees can be earned as a retainer, working fee, announcement fee, milestone fee, opinion fee or transaction completion fee. Most fees are paid upon completion of a transaction, the timing of which can be impacted by delays to securing financing, board approvals, regulatory approvals, shareholder votes, changing market conditions or other factors.

Our restructuring and liability management team advises on situations where our clients are financially distressed, providing advice on financial debt restructurings, liability management and M&A. Bankruptcy proceedings may require court approval of our fees. The capital markets advisory team advises both public and private issuers on the raising of capital, while the private capital advisory team provides fundraising and secondary advisory services for private equity, private credit, real estate and real assets-focused investment firms. Additionally, Lazard earns fees from providing strategic advice to clients, which may include shareholder advisory, geopolitical advisory and other strategic advisory matters, with such fees not being dependent on the completion of a transaction.

Our Financial Advisory businesses may be impacted by overall M&A activity levels in the market, the level of corporate debt defaults and the environment for capital raising activities, among other factors.

Significant fluctuations in Financial Advisory net revenue can occur over the course of any given year, because a significant portion of such net revenue is earned upon the successful completion of a transaction, restructuring or capital raising activity, the timing of which is uncertain and is not subject to Lazard's control.

Lazard's Asset Management segment principally includes LAM, LFG, Lazard Frères Banque SA ("LFB") and the Edgewater Funds ("Edgewater"). Asset Management net revenue is derived from fees for investment management and advisory services provided to clients. As noted above, the main driver of Asset Management net revenue is the level and product mix of AUM, which is generally influenced by the performance of the global equity markets and, to a lesser extent, fixed income markets as well as Lazard's investment performance, which impacts its ability to successfully attract and retain assets. As a result, fluctuations (including timing thereof) in financial markets and client asset inflows and outflows have a direct effect on Asset Management net revenue and operating income. Asset Management fees are generally based on the level of AUM measured daily, monthly or quarterly, and an increase or reduction in AUM, due to market price fluctuations, currency fluctuations, changes in product mix, or net client asset flows will result in a corresponding increase or decrease in management fees. Our investment advisory contracts are generally terminable at any time or on notice of 30 days or less. Institutional and individual clients, and firms with which we have strategic alliances, can terminate their relationship with us, reduce the aggregate amount of AUM or shift their funds to other types of accounts with different rate structures for a number of reasons, including investment performance, changes in prevailing interest rates and financial market performance. In addition, as Lazard's AUM includes significant amounts of assets that are denominated in currencies other than U.S. Dollars, changes in the value of the U.S. Dollar relative to foreign currencies will impact the value of Lazard's AUM and the overall amount of management fees generated by the AUM. Fees vary with the type of assets managed and the vehicle in which they are managed, with higher fees earned on equity assets and alternative investment funds, such as hedge funds and private equity funds, and lower fees earned on fixed income and cash management products.

The Company earns performance-based incentive fees on various investment products, including traditional products and alternative investment funds, such as hedge funds and private equity funds.

For hedge funds, incentive fees are calculated based on a specified percentage of a fund's net appreciation, in some cases in excess of established benchmarks or thresholds. The Company records incentive fees on traditional products and hedge funds at the end of the relevant performance measurement period, when potential uncertainties regarding the ultimate realizable amounts have been determined. The incentive fee measurement period is generally an annual period (unless an account terminates or redemption occurs during the year). The incentive fees received at the end of the measurement period are not subject to reversal or payback. Incentive fees on hedge funds are often subject to loss carryforward provisions in which losses incurred by the hedge funds in any year are applied against certain gains realized by the hedge funds in future periods before any further incentive fees can be earned.

For private equity funds, incentive fees may be earned in the form of a "carried interest" if profits arising from realized investments exceed a specified threshold. Typically, such carried interest is ultimately calculated on a whole-fund or investment by investment basis and, therefore, clawback of carried interest toward the end of the life of the fund can occur. As a result, the Company recognizes incentive fees earned on our private equity funds only when it is probable that a clawback will not occur.

Corporate segment net revenue consists primarily of investment gains and losses on the Company's investments to seed strategies in our Asset Management business, net of hedging activities, and principal investments in private equity funds, as well as gains and losses on investments held in connection with Lazard Fund Interests ("LFI") and interest income and interest expense. Corporate net revenue can fluctuate due to changes in the fair value of debt and equity securities, as well as due to changes in interest and currency exchange rates and the levels of cash, investments and indebtedness.

Corporate segment total assets represented 50% of Lazard's consolidated total assets as of June 30, 2024, which are attributable to cash and cash equivalents, investments in debt and equity securities, interests in alternative investment, debt, equity and private equity funds and deferred tax assets.

Operating Expenses

The majority of Lazard's operating expenses relate to compensation and benefits for managing directors and employees. Our compensation and benefits expense includes (i) salaries and benefits, (ii) amortization of the relevant portion of previously granted deferred incentive compensation awards, including (a) share-based incentive compensation under Lazard's 2018 Incentive Compensation Plan, as amended (the "2018 Plan") and (b) LFI and other similar deferred compensation arrangements (see Note 13 of Notes to Condensed Consolidated Financial Statements), (iii) a provision for discretionary or guaranteed cash bonuses and profit pools and (iv) when applicable, severance payments and cash retention awards. Compensation expense in any given period is dependent on many factors, including general economic and market conditions, our actual and forecasted operating and financial performance, staffing levels, estimated forfeiture rates, competitive pay conditions and the nature of revenues earned, as well as the mix between current and deferred compensation.

We use "adjusted compensation and benefits expense" and the ratio of "adjusted compensation and benefits expense" to "adjusted net revenue," both non-GAAP measures, for comparison of compensation and benefits expense between periods. For the reconciliations and calculations with respect to "adjusted compensation and benefits expense" and related ratios to "adjusted net revenue," see the table under "Consolidated Results of Operations" below.

Compensation and benefits expense is the largest component of our operating expenses. We seek to maintain discipline with respect to compensation, including the rate at which we award deferred compensation. We focus on a ratio of adjusted compensation and benefits expense to adjusted net revenue to manage costs, balancing a view of current conditions in the market for talent alongside our objective to drive long-term shareholder value. Our goal remains to deliver a ratio of adjusted compensation and benefits expense to adjusted net revenue over the cycle in the mid-to high-50s percentage range, while targeting a consistent deferral policy. While we have implemented policies and initiatives that we believe will assist us in maintaining ratios within this range, there can be no guarantee that we will be able to maintain such ratios, or that our policies or initiatives will not change, in the future. Our practice is to pay our employees competitively to foster retention and motivate performance and, in doing so, we look to the market for talent and other factors, which are typically correlated with industry revenues, but may vary year by year. At the same time, the amount of compensation we award in a particular year is, in part, deferred and amortized over the successive years. Increased competition for professionals, changes in the macroeconomic environment or the financial markets generally, lower adjusted net revenue resulting from, for example, a decrease in M&A activity, our share of the M&A market or our AUM levels, changes in the mix of revenues from our businesses, investments in our businesses or various other factors could prevent us from achieving this goal.

Our operating expenses also include “non-compensation expense”, which includes costs for occupancy and equipment, marketing and business development, technology and information services, professional services, fund administration and outsourced services, amortization and other acquisition-related costs and other expenses. Our occupancy costs represent a significant portion of our aggregate operating expenses and are subject to change from time to time, particularly as leases for real property expire and are renewed or replaced with new, long-term leases for the same or other real property.

We believe that “adjusted non-compensation expense”, a non-GAAP measure, when presented in conjunction with measures prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), provides a meaningful and useful basis for our investors to assess our operating results. For calculations with respect to “adjusted non-compensation expense”, see the table under “Consolidated Results of Operations” below. Our operating expenses also include our “benefit pursuant to tax receivable agreement”.

To the extent inflation continues to result in a higher interest rate environment or has other effects upon the securities markets or general macroeconomic conditions, it may adversely affect our financial position and results of operations by impacting overall levels of M&A activity, reducing our AUM or net revenue, increasing non-compensation expense, or otherwise.

Cost-Saving Initiatives

The Company conducted firm-wide cost-saving initiatives over the course of 2023, which were completed during the first quarter of 2024. See Note 15 of Notes to Condensed Consolidated Financial Statements.

Provision for Income Taxes

On January 1, 2024, we completed our Conversion from an exempted company incorporated under the laws of Bermuda named Lazard Ltd to a U.S C-Corporation named Lazard, Inc. Following the Conversion, all of our operating income will be subject to U.S. federal corporate income taxes, which we anticipate will increase our effective tax rate.

Lazard, Inc. is subject to U.S. federal income taxes on all of its operating income and, through its subsidiaries, is also subject to state and local taxes on its income apportioned to various state and local jurisdictions. Lazard Group operates principally through subsidiary corporations including through those domiciled outside the U.S. that are subject to local income taxes in foreign jurisdictions. In addition, Lazard Group is subject to Unincorporated Business Tax (“UBT”) attributable to its operations apportioned to New York City.

Additionally, the Organization for Economic Cooperation and Development (the “OECD”) reached agreement among various countries, including the EU member states, to establish a 15% minimum tax on certain multinational companies, commonly called “Pillar Two”. Many countries continue to announce changes in their tax laws and regulations to implement the OECD Pillar Two proposals. Lazard is continuing to evaluate the potential impact on future periods of the Pillar Two proposals, as new guidance becomes available.

See “Critical Accounting Policies and Estimates—Income Taxes” below and Notes 16 and 18 of Notes to Condensed Consolidated Financial Statements for additional information regarding income taxes, our deferred tax assets and the tax receivable agreement obligation.

Net Income Attributable to Noncontrolling Interests

Noncontrolling interests primarily consist of (i) amounts related to Edgewater's management vehicles that the Company is deemed to control but not own, (ii) profits interest participation rights, (iii) consolidated VIE interests held by employees and (iv) Lazard Growth Acquisition Corp. I ("LGAC") interests. See Notes 12 and 21 of Notes to Condensed Consolidated Financial Statements for information regarding the Company's noncontrolling interests and consolidated VIEs.

Consolidated Results of Operations

Lazard's condensed consolidated financial statements are presented in U.S. Dollars. Many of our non-U.S. subsidiaries have a functional currency (*i.e*., the currency in which operational activities are primarily conducted) that is other than the U.S. Dollar, generally the currency of the country in which the subsidiaries are domiciled. Such subsidiaries' assets and liabilities are translated into U.S. Dollars using exchange rates as of the respective balance sheet date, while revenue and expenses are translated at average exchange rates during the respective periods based on the daily closing exchange rates. Adjustments that result from translating amounts from a subsidiary's functional currency are reported as a component of stockholders' equity. Foreign currency remeasurement gains and losses on transactions in non-functional currencies are included in the condensed consolidated statements of operations.

The condensed consolidated financial statements are prepared in conformity with U.S. GAAP. Selected financial data derived from the Company's reported condensed consolidated results of operations is set forth below, followed by a more detailed discussion of both the consolidated and business segment results.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	($ in thousands)			
Net Revenue	$ 685,349	$ 643,114	$ 1,450,102	$ 1,185,550
Operating Expenses:				
Compensation and benefits	452,560	572,231	1,003,384	1,022,198
Non-compensation	169,149	180,956	328,517	350,784
Benefit pursuant to tax receivable agreement	–	–	–	(40,435)
Total operating expenses	621,709	753,187	1,331,901	1,332,547
Operating Income (Loss)	63,640	(110,073)	118,201	(146,997)
Provision (benefit) for income taxes	11,587	10,303	25,924	(11,422)
Net Income (Loss)	52,053	(120,376)	92,277	(135,575)
Less - Net Income Attributable to Noncontrolling Interests	2,144	3,637	6,613	10,610
Net Income (Loss) Attributable to Lazard	$ 49,909	$ (124,013)	$ 85,664	$ (146,185)
Operating Income (Loss), as a % of net revenue	9.3 %	(17.1)%	8.2 %	(12.4)%

The tables below describe the components of adjusted net revenue, adjusted compensation and benefits expense, adjusted non-compensation expense, adjusted operating income (loss) and related key ratios, which are non-GAAP measures used by the Company to manage its business. We believe such non-GAAP measures in conjunction with U.S. GAAP measures provide a meaningful and useful basis for comparison between present, historical and future periods, as described above.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	($ in thousands)			
Adjusted Net Revenue:				
Net revenue	$ 685,349	$ 643,114	$ 1,450,102	$ 1,185,550
Adjustments:				
Revenue related to noncontrolling interests (a)	(4,920)	(6,237)	(12,023)	(17,060)
(Gains) losses related to Lazard Fund Interests ("LFI") and other similar arrangements (b)	1,201	(9,675)	(8,172)	(26,128)
Distribution fees, reimbursable deal costs, provision for credit losses and other (c)	(19,588)	(26,338)	(42,537)	(53,019)
Interest expense (d)	22,600	19,162	43,250	38,572
Asset impairment charges	–	–	–	19,129
Losses associated with cost-saving initiatives (e)	–	–	587	–
Adjusted net revenue (f)	$ 684,642	$ 620,026	$ 1,431,207	$ 1,147,044

(a) Revenue or loss related to the consolidation of noncontrolling interests is excluded from adjusted net revenue because the Company has no economic interest in such amount.

(b) Represents changes in the fair value of investments held in connection with LFI and other similar deferred compensation arrangements, for which a corresponding equal amount is excluded from compensation and benefits expense.

(c) Represents certain distribution, introducer and management fees paid to third parties, reimbursable deal costs and provision for credit losses relating to fees and other receivables that are deemed uncollectible for which an equal amount is excluded for purposes of determining adjusted non-compensation expense.

(d) Interest expense (excluding interest expense incurred by LFB) is added back in determining adjusted net revenue because such expense relates to corporate financing activities and is not considered to be a cost directly related to the revenue of our business.

(e) Represents losses associated with the closing of certain offices as part of the cost-saving initiatives, including the reclassification of currency translation adjustments to earnings from accumulated other comprehensive loss.

(f) Adjusted net revenue is a non-GAAP measure.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	($ in thousands)			
Adjusted Compensation and Benefits Expense:				
Total compensation and benefits expense	$ 452,560	$ 572,231	$ 1,003,384	$ 1,022,198
Adjustments:				
Compensation and benefits expense related to noncontrolling interests (a)	(1,897)	(1,851)	(4,005)	(4,861)
(Charges) credits pertaining to LFI and other similar arrangements (b)	1,201	(9,675)	(8,172)	(26,128)
Expenses associated with cost-saving initiatives	–	(136,608)	(46,610)	(157,348)
Expenses associated with senior management transition (c)	–	–	–	(10,674)
Adjusted compensation and benefits expense (d)	$ 451,864	$ 424,097	$ 944,597	$ 823,187
Adjusted compensation and benefits expense, as a % of adjusted net revenue	66.0 %	68.4 %	66.0 %	71.8 %

(a) Expenses related to the consolidation of noncontrolling interests are excluded because Lazard has no economic interest in such amounts.
(b) Represents changes in the fair value of the compensation liability recorded in connection with LFI and other similar deferred incentive compensation awards, for which a corresponding equal amount is excluded from adjusted net revenue.
(c) Represents expenses associated with senior management transition reflecting the departure of certain executive officers.
(d) Adjusted compensation and benefits expense is a non-GAAP measure.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	($ in thousands)			
Adjusted Non-Compensation Expense:				
Total non-compensation expense	$ 169,149	$ 180,956	$ 328,517	$ 350,784
Adjustments:				
Non-compensation expense related to noncontrolling interests (a)	(881)	(749)	(1,407)	(1,590)
Distribution fees, reimbursable deal costs, provision for credit losses and other (b)	(19,588)	(26,338)	(42,537)	(53,019)
Amortization and other acquisition-related costs	(68)	(95)	(136)	(143)
Expenses associated with cost-saving initiatives	–	(10,097)	(1,532)	(10,097)
Adjusted non-compensation expense (c)	$ 148,612	$ 143,677	$ 282,905	$ 285,935
Adjusted non-compensation expense, as a % of adjusted net revenue	21.7 %	23.2 %	19.8 %	24.9 %

(a) Expenses related to the consolidation of noncontrolling interests are excluded because the Company has no economic interest in such amounts.
(b) Represents certain distribution, introducer and management fees paid to third parties, reimbursable deal costs and provision for credit losses relating to fees and other receivables that are deemed uncollectible for which an equal amount is included for purposes of determining adjusted net revenue.
(c) Adjusted non-compensation expense is a non-GAAP measure.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	($ in thousands)			
Adjusted Operating Income:				
Operating income (loss)	$ 63,640	$ (110,073)	$ 118,201	$ (146,997)
Deduct:				
Operating income related to noncontrolling interests	(2,142)	(3,637)	(6,611)	(10,609)
Interest expense	22,600	19,162	43,250	38,572
Amortization and other acquisition-related costs	68	95	136	143
Asset impairment charges	–	–	–	19,129
Losses associated with cost-saving initiatives	–	–	587	–
Expenses associated with cost-saving initiatives	–	146,705	48,142	167,445
Expenses associated with senior management transition	–	–	–	10,674
Benefit pursuant to tax receivable agreement obligation ("TRA") (a)	–	–	–	(40,435)
Adjusted operating income (b)	$ 84,166	$ 52,252	$ 203,705	$ 37,922
Adjusted operating income, as a % of adjusted net revenue	12.3 %	8.4 %	14.2 %	3.3 %

(a) Pursuant to the periodic revaluation of the TRA liability and the assumptions reflected in the estimate, the revaluation had the effect of reducing the estimated liability under the TRA.
(b) Adjusted operating income is a non-GAAP measure.

Headcount information is set forth below:

	As of		
	June 30, 2024	December 31, 2023	June 30, 2023
Headcount:			
Managing Directors:			
Financial Advisory	201	210	227
Asset Management	119	114	123
Corporate	21	26	23
Total Managing Directors	341	350	373
Other Business Segment Professionals and Support Staff:			
Financial Advisory	1,311	1,393	1,393
Asset Management	1,080	1,107	1,093
Corporate	432	441	462
Total	3,164	3,291	3,321

Operating Results

The Company's quarterly revenue and profits can fluctuate materially depending on the number, size and timing of completed transactions on which it advised, as well as seasonality, the performance of equity markets and other factors.

Accordingly, the revenue and profits in any particular quarter may not be indicative of future results. Lazard management believes that annual results are the most meaningful basis for comparison among present, historical and future periods.

Three Months Ended June 30, 2024 versus June 30, 2023

The Company reported net income attributable to Lazard of $50 million, as compared to net loss attributable to Lazard of $124 million in the 2023 period.

Net revenue increased $42 million, or 7%, with adjusted net revenue increasing $65 million, or 10%, as compared to the 2023 period. Fee revenue from investment banking and other advisory activities increased $59 million, or 17%, as compared to the 2023 period. Asset management fees, including incentive fees, decreased $4 million, or 1%, as compared to the 2023 period. In the aggregate, interest income, other revenue and interest expense decreased $13 million as compared to the 2023 period, the majority of which is recorded in the Corporate segment.

Compensation and benefits expense decreased $120 million, or 21%, as compared to the 2023 period which included $137 million associated with the cost-saving initiatives.

Adjusted compensation and benefits expense (which excludes certain items and which we believe allows for improved comparability between periods, as described above) was $452 million, an increase of $28 million, or 7%, as compared to $424 million in the 2023 period. The ratio of adjusted compensation and benefits expense to adjusted net revenue was 66.0% for the 2024 period, as compared to 68.4% for the 2023 period.

Non-compensation expense decreased $12 million, or 7%, as compared to the 2023 period which included $10 million associated with the cost-saving initiatives. Adjusted non-compensation expense increased $5 million, or 3%, as compared to the 2023 period primarily reflecting higher professional services and technology expenses. The ratio of adjusted non-compensation expense to adjusted net revenue was 21.7% for the 2024 period, as compared to 23.2% for the 2023 period.

The Company reported operating income of $64 million, as compared to an operating loss of $110 million in the 2023 period.

Adjusted operating income increased $32 million, or 61%, as compared to the 2023 period, and, as a percentage of adjusted net revenue, was 12.3% for the 2024 period, as compared to 8.4% in the 2023 period.

The provision for income taxes reflects an effective tax rate of 18.2%, as compared to (9.4)% for the 2023 period. The change in the effective tax rate principally relates to changes in the geographic mix of earnings inclusive of losses without tax benefits in 2023 and the impact of discrete items primarily relating to a favorable court decision in a longstanding tax matter during the second quarter of 2024.

Net income attributable to noncontrolling interests decreased $1 million, or 41% as compared to the 2023 period.

Six Months Ended June 30, 2024 versus June 30, 2023

The Company reported net income attributable to Lazard of $86 million, as compared to net loss attributable to Lazard of $146 million in the 2023 period.

Net revenue increased $265 million, or 22%, with adjusted net revenue increasing $284 million, or 25%, as compared to the 2023 period. Fee revenue from investment banking and other advisory activities increased $234 million, or 37%, as compared to the 2023 period. Asset management fees, including incentive fees, increased $12 million, or 2%, as compared to the 2023 period. In the aggregate, interest income, other revenue and interest expense increased $19 million, as compared to the 2023 period, the majority of which is recorded in the Corporate segment.

Compensation and benefits expense, which included $47 million associated with the cost-saving initiatives in the 2024 period, decreased $19 million, or 2%, as compared to the 2023 period which included $157 million associated with the cost-saving initiatives.

Adjusted compensation and benefits expense (which excludes certain items and which we believe allows for improved comparability between periods, as described above) was $945 million, an increase of $121 million, or 15%, as compared to $823 million in the 2023 period. The ratio of adjusted compensation and benefits expense to adjusted net revenue was 66.0% for the 2024 period, as compared to 71.8% for the 2023 period.

Non-compensation expense decreased $22 million, or 6%, as compared to the 2023 period which included $10 million associated with the cost-saving initiatives. Adjusted non-compensation expense decreased $3 million, or 1%, as compared to the 2023 period. The ratio of adjusted non-compensation expense to adjusted net revenue was 19.8% for the 2024 period as compared to 24.9% for the 2023 period.

The Company reported operating income of $118 million, as compared to an operating loss of $147 million in the 2023 period.

Adjusted operating income increased $166 million as compared to the 2023 period, and, as a percentage of adjusted net revenue, was 14.2% for the 2024 period, as compared to 3.3% in the 2023 period.

The provision for income taxes reflects an effective tax rate of 21.9%, as compared to 7.8% for the 2023 period. The change in the effective tax rate principally relates to changes in the geographic mix of earnings inclusive of losses without tax benefits in 2023 and the impact of discrete items primarily relating to a favorable court decision in a longstanding tax matter during the second quarter of 2024.

Net income attributable to noncontrolling interests decreased $4 million, or 38% as compared to the 2023 period.

Business Segments

The following is a discussion of net revenue and operating income (loss) for the Company's segments: Financial Advisory, Asset Management and Corporate. See Note 20 of Notes to Condensed Consolidated Financial Statements for further information regarding segments.

Financial Advisory

The following table summarizes the reported operating results attributable to the Financial Advisory segment:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	($ in thousands)			
Net Revenue	$ 411,308	$ 352,477	$ 864,815	$ 630,051
Operating Expenses (a)	370,824	439,445	798,832	768,180
Operating Income (Loss)	$ 40,484	$ (86,968)	$ 65,983	$ (138,129)
Operating Income (Loss), as a % of net revenue	9.8 %	(24.7)%	7.6 %	(21.9)%

(a) See Note 15 of Notes to Condensed Consolidated Financial Statements for information regarding cost-saving initiatives.

Certain Lazard fee and transaction statistics for the Financial Advisory segment are set forth below:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Lazard Statistics:				
Number of clients with fees greater than $1 million:				
Financial Advisory	79	73	161	140
Percentage of total Financial Advisory net revenue from top 10 clients	42%	41%	33%	28%
Number of M&A transactions completed with values greater than $500 million (a)	10	13	28	22

(a) Source: Dealogic as of July 3, 2024.

The geographical distribution of Financial Advisory net revenue is set forth below in percentage terms and is based on the Lazard offices that generate Financial Advisory net revenue, which are located in the Americas (primarily in the U.S.), EMEA (primarily in the U.K., France, Germany, Italy and Spain) and the Asia Pacific region and therefore may not be reflective of the geography in which the clients are located.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Americas	60 %	59 %	61 %	54 %
EMEA	40	40	39	45
Asia Pacific	–	1	–	1
Total	100 %	100 %	100 %	100 %

The Company's managing directors and many of its professionals have significant experience, and many of them are able to use this experience to advise on a combination of M&A, restructuring and other strategic advisory matters, depending on clients' needs. This adaptability enables Lazard to more effectively deploy its professionals to best advantage based on the often counter-cyclical nature of restructuring as compared to our M&A business. While Lazard measures revenue by practice area, Lazard does not separately measure the costs or profitability of M&A services as compared to restructuring or other services. Accordingly, Lazard measures performance in its Financial Advisory segment based on overall segment adjusted net revenue and operating income margins.

Financial Advisory Results of Operations

Financial Advisory's quarterly revenue and profits can fluctuate materially depending on the number, size and timing of completed transactions on which it advised, as well as seasonality and other factors. Accordingly, the revenue and profits in any particular quarter or period may not be indicative of future results. Lazard management believes that annual results are the most meaningful basis for comparison among present, historical and future periods.

Three Months Ended June 30, 2024 versus June 30, 2023

Financial Advisory net revenue increased $59 million, or 17%, as compared to the 2023 period, reflecting an increase in the industry-wide value of completed M&A transactions.

Operating expenses decreased $69 million, or 16%, as compared to the 2023 period which included $82 million associated with the cost-saving initiatives.

Financial Advisory operating income was $40 million as compared to an operating loss of $87 million in the 2023 period and, as a percentage of net revenue, was 9.8%, as compared to (24.7)% in the 2023 period.

Six Months Ended June 30, 2024 versus June 30, 2023

Financial Advisory net revenue increased $235 million, or 37%, as compared to the 2023 period. The increase in Financial Advisory net revenue was primarily driven by increased number of completed M&A transactions with values greater than $500 million as compared to the 2023 period, reflecting an increase in industry-wide completed M&A transactions.

Operating expenses increased $31 million, or 4%, as compared to the 2023 period primarily due to increased compensation and benefits expense associated with increased adjusted net revenue. In addition, operating expenses in the 2024 and 2023 periods include $33 million and $91 million, respectively, associated with the cost-saving initiatives.

Financial Advisory operating income was $66 million as compared to an operating loss of $138 million in the 2023 period and, as a percentage of net revenue, was 7.6%, as compared to (21.9)% in the 2023 period.

Asset Management

Assets Under Management

AUM primarily consists of debt and equity instruments, which have a value that is readily available based on either prices quoted on a recognized exchange or prices provided by external pricing services.

Prices of equity and debt securities and other instruments that comprise our AUM are provided by well-recognized, independent, third-party vendors. Such third-party vendors rely on prices provided by external pricing services which are obtained from recognized exchanges or markets, or, for certain fixed income securities, from evaluated bids or other similarly sourced price.

Either directly, or through our third-party vendors, we perform a variety of regular due diligence procedures on our pricing service providers.

The following table shows the composition of AUM for the Asset Management segment (see Item 1, "Business—Principal Business Lines—Asset Management—Investment Strategies"):

	As of	
	June 30, 2024	December 31, 2023
	($ in millions)	
AUM by Asset Class:		
Equity:		
Emerging Markets	$ 27,044	$ 25,288
Global	54,026	53,528
Local	52,738	52,208
Multi-Regional	56,618	59,114
Total Equity	190,426	190,138
Fixed Income:		
Emerging Markets	9,250	9,525
Global	11,167	10,762
Local	5,729	6,080
Multi-Regional	19,965	21,740
Total Fixed Income	46,111	48,107
Alternative Investments	2,897	3,330
Private Wealth Alternative Investments	3,033	2,799
Private Equity	1,501	1,623
Cash Management	702	654
Total AUM	$ 244,670	$ 246,651

Total AUM at June 30, 2024 was $245 billion, a decrease of $2 billion, or 1%, as compared to total AUM of $247 billion at December 31, 2023 due to net outflows and foreign exchange depreciation partially offset by market appreciation. Average AUM for the three month period ended June 30, 2024 increased 4% as compared to the three month period ended June 30, 2023 and increased 6% as compared to the six month period ended June 30, 2023.

As of June 30, 2024, approximately 84% of our AUM was managed on behalf of institutional and intermediary clients, including corporations, labor unions, public pension funds, insurance companies and banks, and through sub-advisory relationships, mutual fund sponsors, broker-dealers and registered advisors, compared to 85% as of December 31, 2023. As of June 30, 2024, approximately 16% of our AUM was managed on behalf of individual client relationships, compared to approximately 15% as of December 31, 2023.

As of June 30, 2024, AUM with foreign currency exposure represented approximately 60% of our total AUM as compared to 64% at December 31, 2023. AUM with foreign currency exposure generally declines in value with the strengthening of the U.S. Dollar and increases in value as the U.S. Dollar weakens, with all other factors held constant.

The following is a summary of changes in AUM by asset class for the three month and six month periods ended June 30, 2024 and 2023:

Three Months Ended June 30, 2024							
	AUM Beginning Balance	Inflows	Outflows	Net Flows	Market Value Appreciation/ (Depreciation)	Foreign Exchange Appreciation/ (Depreciation)	AUM Ending Balance
	($ in millions)						
Equity	$ 195,253	$ 6,549	$ (12,670)	$ (6,121)	$ 2,580	$ (1,286)	$ 190,426
Fixed Income	47,220	2,094	(2,400)	(306)	(409)	(394)	46,111
Other	7,959	320	(492)	(172)	361	(15)	8,133
Total	$ 250,432	$ 8,963	$ (15,562)	$ (6,599)	$ 2,532	$ (1,695)	$ 244,670

Net flows were primarily driven by outflows across the Global, Local and Multi-Regional platforms within the Equity asset class.

Six Months Ended June 30, 2024							
	AUM Beginning Balance	Inflows	Outflows	Net Flows	Market Value Appreciation/ (Depreciation)	Foreign Exchange Appreciation/ (Depreciation)	AUM Ending Balance
	($ in millions)						
Equity	$ 190,138	$ 10,576	$ (23,155)	$ (12,579)	$ 16,762	$ (3,895)	$ 190,426
Fixed Income	48,107	3,876	(3,971)	(95)	(608)	(1,293)	46,111
Other	8,406	595	(1,150)	(555)	349	(67)	8,133
Total	$ 246,651	$ 15,047	$ (28,276)	$ (13,229)	$ 16,503	$ (5,255)	$ 244,670

Net flows were primarily driven by outflows across all platforms within the Equity asset class.

Three Months Ended June 30, 2023							
	AUM Beginning Balance	Inflows	Outflows	Net Flows	Market Value Appreciation/ (Depreciation)	Foreign Exchange Appreciation/ (Depreciation)	AUM Ending Balance
	($ in millions)						
Equity	$ 178,628	$ 5,814	$ (7,128)	$ (1,314)	$ 8,097	$ (686)	$ 184,725
Fixed Income	45,461	1,758	(2,127)	(369)	708	51	45,851
Other	8,051	1,173	(487)	686	32	(5)	8,764
Total	$ 232,140	$ 8,745	$ (9,742)	$ (997)	$ 8,837	$ (640)	$ 239,340

Six Months Ended June 30, 2023							
	AUM Beginning Balance	Inflows	Outflows	Net Flows	Market Value Appreciation/ (Depreciation)	Foreign Exchange Appreciation/ (Depreciation)	AUM Ending Balance
	($ in millions)						
Equity	$ 167,395	$ 12,841	$ (14,417)	$ (1,576)	$ 18,847	$ 59	$ 184,725
Fixed Income	43,386	5,110	(4,749)	361	1,429	675	45,851
Other	5,344	4,454	(1,237)	3,217	181	22	8,764
Total	$ 216,125	$ 22,405	$ (20,403)	$ 2,002	$ 20,457	$ 756	$ 239,340

Inflows include approximately $3.9 billion related to a wealth management acquisition.

Average AUM for the three month and six month periods ended June 30, 2024 and 2023 for each significant asset class is set forth below. Average AUM generally represents the average of the monthly ending AUM balances for the period.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	($ in millions)			
Average AUM by Asset Class:				
Equity	$ 190,610	$ 181,066	$ 191,114	$ 178,218
Fixed Income	46,576	45,881	46,941	45,533
Alternative Investments	3,203	4,074	3,076	4,035
Private Wealth Alternative Investments	2,789	2,657	2,856	1,772
Private Equity	1,492	963	1,509	933
Cash Management	632	711	630	619
Total Average AUM	$ 245,302	$ 235,352	$ 246,126	$ 231,110

The following table summarizes the reported operating results attributable to the Asset Management segment:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	($ in thousands)			
Net Revenue	$ 285,487	$ 288,313	$ 580,963	$ 572,357
Operating Expenses (a)	235,405	269,219	497,085	517,270
Operating Income	$ 50,082	$ 19,094	$ 83,878	$ 55,087
Operating Income, as a % of net revenue	17.5 %	6.6 %	14.4 %	9.6 %

(a) See Note 15 of Notes to Condensed Consolidated Financial Statements for information regarding cost-saving initiatives.

The geographical distribution of Asset Management net revenue is set forth below in percentage terms, and is based on the Lazard offices that manage and distribute the respective AUM amounts. Such geographical distribution may not be reflective of the geography of the investment products or clients.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Americas	42 %	43 %	42 %	42 %
EMEA	46	45	46	45
Asia Pacific	12	12	12	13
Total	100 %	100 %	100 %	100 %

Asset Management Results of Operations

Asset Management's quarterly revenue and profits in any particular quarter or period may not be indicative of future results and may fluctuate based on the performance of the equity and other capital markets. Lazard management believes that annual results are the most meaningful basis for comparison among present, historical and future periods.

Three Months Ended June 30, 2024 versus June 30, 2023

Asset Management net revenue decreased $3 million, or 1%, as compared to the 2023 period. Management fees and other revenue was $282 million for both the 2024 and the 2023 periods. Incentive fees were $4 million, a decrease of $2 million as compared to $6 million in the 2023 period.

Operating expenses decreased $34 million, or 13%, as compared to the 2023 period which included $37 million associated with the cost-saving initiatives.

Asset Management operating income was $50 million, an increase of $31 million, or 162%, as compared to operating income of $19 million in the 2023 period and, as a percentage of net revenue, was 17.5%, as compared to 6.6% in the 2023 period.

Six Months Ended June 30, 2024 versus June 30, 2023

Asset Management net revenue increased $9 million, or 2%, as compared to the 2023 period. Management fees and other revenue was $568 million, an increase of $7 million, or 1%, as compared to $561 million in the 2023 period. Incentive fees were $13 million, an increase of $2 million as compared to $11 million in the 2023 period.

Operating expenses, which included $12 million associated with the cost-saving initiatives in the 2024 period, decreased $20 million, or 4%, as compared to the 2023 period which included $48 million associated with the cost-saving initiatives.

Asset Management operating income was $84 million, an increase of $29 million, or 52%, as compared to operating income of $55 million in the 2023 period and, as a percentage of net revenue, was 14.4%, as compared to 9.6% in the 2023 period.

Corporate

The following table summarizes the reported operating results attributable to the Corporate segment:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	($ in thousands)			
Interest income	$ 7,735	$ 3,326	$ 14,529	$ 10,645
Interest expense	(22,641)	(19,151)	(43,283)	(38,547)
Net Interest Expense	(14,906)	(15,825)	(28,754)	(27,902)
Other Revenue	3,460	18,149	33,078	11,044
Net Revenue (Loss)	(11,446)	2,324	4,324	(16,858)
Benefit pursuant to tax receivable agreement	–	–	–	(40,435)
Other operating expenses (a)	15,480	44,523	35,984	87,532
Operating Expenses	15,480	44,523	35,984	47,097
Operating Loss	$ (26,926)	$ (42,199)	$ (31,660)	$ (63,955)

(a) See Note 15 of Notes to Condensed Consolidated Financial Statements for information regarding cost-saving initiatives.

Corporate Results of Operations

Corporate operating results in any particular quarter or period may not be indicative of future results and may fluctuate based on a variety of factors. Lazard management believes that annual results are the most meaningful basis for comparison among present, historical and future periods.

Three Months Ended June 30, 2024 versus June 30, 2023

Net interest expense decreased $1 million, or 6%, as compared to the 2023 period.

Other revenue decreased $15 million as compared to the 2023 period primarily due to losses in the 2024 period as compared to gains in the 2023 period attributable to investments held in connection with LFI.

Operating expenses decreased $29 million, or 65%, as compared to the 2023 period which included $28 million associated with the cost-saving initiatives. Results also reflect a decrease in charges pertaining to LFI in the 2024 period as compared to the 2023 period.

Six Months Ended June 30, 2024 versus June 30, 2023

Net interest expense increased $1 million, or 3%, as compared to the 2023 period.

Other revenue increased $22 million as compared to the 2023 period. The 2023 period included losses from the impairment of equity method investments and the liquidation of LGAC which did not recur. Additionally, there were lower gains in the 2024 period as compared to the 2023 period attributable to investments held in connection with LFI.

Operating expenses excluding the benefit pursuant to TRA, decreased $52 million, or 59%, as compared to the 2023 period reflecting $28 million associated with the cost-saving initiatives in the 2023 period and a decrease in charges pertaining to LFI in the 2024 period.

Cash Flows

The Company's cash flows are influenced primarily by the timing of the receipt of Financial Advisory and Asset Management fees, the timing of distributions to shareholders, payments of incentive compensation to managing directors and employees and purchases of common stock. M&A and other advisory and Asset Management fees are generally collected within 60 days of billing, while Restructuring fee collections may extend beyond 60 days, particularly those that involve bankruptcies with court-ordered holdbacks. Fees from our Private Capital Advisory activities are generally collected over a four-year period from billing and typically include an interest component.

The Company makes cash payments for a significant portion of its incentive compensation with respect to the prior year's results during the first three months of each calendar year. See the Condensed Consolidated Financial Statements—Consolidated Statements of Cash Flows for further detail.

Summary of Cash Flows:

	Six Months Ended June 30,	
	2024	**2023**
	($ in millions)	
Cash Provided By (Used In):		
Operating activities:		
Net income (loss)	$ 92	$ (136)
Adjustments to reconcile net income to net cash provided by operating activities (a)	295	198
Other operating activities (b)	(301)	(273)
Net cash provided by (used in) operating activities	86	(211)
Investing activities	(110)	(22)
Financing activities (c)	(94)	(1,244)
Effect of exchange rate changes	(23)	18
Net Decrease in Cash and Cash Equivalents and Restricted Cash	(141)	(1,459)
Cash and Cash Equivalents and Restricted Cash (d):		
Beginning of Period	1,225	2,639
End of Period	$ 1,084	$ 1,180

(a) Consists primarily of amortization of deferred expenses and share-based incentive compensation, noncash lease expenses, depreciation and amortization of property and deferred tax provision (benefit).
(b) Includes net changes in operating assets and liabilities.
(c) Consists primarily of purchases of shares of common stock, tax withholdings related to the settlement of vested RSUs and vested PRSUs, common stock dividends, changes in customer deposits, distributions to noncontrolling interest holders, activity related to borrowings (including in 2024, the issuance of the 2031 Notes and the partial redemption of the 2025 Notes), distributions to redeemable noncontrolling interests associated with LGAC's redemption of all its outstanding Class A ordinary shares in 2023.
(d) Consists of cash and cash equivalents, deposits with banks and short-term investments and restricted cash.

Liquidity and Capital Resources

Sources and Uses of Liquidity

Net revenue, operating income and cash receipts fluctuate significantly between periods and could be affected by various risks and uncertainties. While cash flow from Asset Management activities is relatively stable, in the case of Financial Advisory, fee receipts are generally dependent upon the successful completion of client transactions, the occurrence and timing of which is irregular and not subject to Lazard's control.

On July 22, 2024, the Company completed the sale of an owned office building for gross proceeds of approximately $193 million, subject to payment of taxes and other expenses. The resulting net proceeds will be used for general corporate purposes.

Liquidity is significantly impacted by cash payments for incentive compensation, a significant portion of which are made during the first three months of the year. As a consequence, cash on hand generally declines in the beginning of the year and gradually builds over the remainder of the year. We also make payments during the year on behalf of certain managing directors for their estimated taxes, which serve to reduce their respective incentive compensation payments. Additionally, we made payments in the first half of 2024 relating to severance and other employee termination costs associated with the cost-saving initiatives. (See Note 15 of Notes to Condensed Consolidated Financial Statements). Also see "Senior Debt" below for senior debt refinancing in the first quarter of 2024.

Liquidity is also affected by the level of LFB customer-related demand deposits, primarily from clients and funds managed by LFG. To the extent that such deposits rise or fall, and assuming unchanged asset allocation, this has a corresponding impact on liquidity held at LFB, with the majority of such amounts generally being recorded in "deposits with banks and short-term investments". LFB is subject to, and in compliance with, regulatory liquidity coverage ratios and liquidity levels are monitored on a daily basis.

We regularly monitor our liquidity position, including cash levels, lease obligations, investments, credit lines, principal investment commitments, interest and principal payments on debt, capital expenditures, dividend payments, purchases of shares of common stock, compensation and matters relating to liquidity and to compliance with regulatory net capital requirements. At June 30, 2024, Lazard had approximately $848 million of cash and cash equivalents, including approximately $434 million held at Lazard's operations outside the U.S. Lazard provides for income taxes on substantially all of its foreign earnings. We expect that no material amount of additional taxes would be recognized upon receipt of dividends or distributions of such earnings from our foreign operations.

As of June 30, 2024, the Company's remaining lease obligations were $41 million for 2024 (July 1 through December 31), $140 million from 2025 through 2026, $138 million from 2027 through 2028 and $325 million from 2029 through 2039.

As of June 30, 2024, Lazard had approximately $209 million in unused lines of credit available to it, including a $200 million, five-year, senior revolving credit facility under the Second Amended and Restated Credit Agreement.

The Second Amended and Restated Credit Agreement contains customary terms and conditions, including limitations on consolidations, mergers, indebtedness and certain payments, as well as financial condition covenants relating to leverage and interest coverage ratios. Lazard Group's obligations under the Second Amended and Restated Credit Agreement may be accelerated upon customary events of default, including non-payment of principal or interest, breaches of covenants, cross-defaults to other material debt, a change in control and specified bankruptcy events. Borrowings under the Second Amended and Restated Credit Agreement generally will bear interest at adjusted term SOFR plus an applicable margin for specific interest periods determined based on Lazard Group's highest credit rating from an internationally recognized credit agency.

The Second Amended and Restated Credit Agreement includes financial covenants that require that Lazard Group not permit (i) its Consolidated Leverage Ratio (as defined in the Second Amended and Restated Credit Agreement) for the 12-month period ending on the last day of any fiscal quarter to be greater than 3.25 to 1.00, provided that the Consolidated Leverage Ratio may be greater than 3.25 to 1.00 for four (consecutive or nonconsecutive) quarters so long as it is not greater than 3.50 to 1.00 on the last day of any such quarter, or (ii) its Consolidated Interest Coverage Ratio (as defined in the Second Amended and Restated Credit Agreement) for the 12-month period ending on the last day of any fiscal quarter to be less than 3.00 to 1.00. No amounts were outstanding under the Second Amended and Restated Credit Agreement as of June 30, 2024.

In addition, the Second Amended and Restated Credit Agreement contains certain other covenants (none of which relate to financial condition), events of default and other customary provisions. At June 30, 2024, the Company was in compliance with all financial and nonfinancial provisions.

Lazard's annual cash flow generated from operations historically has been sufficient to enable it to meet its annual obligations. We believe that the sources of liquidity described above should be sufficient for us to fund our current obligations for the next 12 months.

See also Notes 11, 13, 14, 16, 18 and 19 of Notes to Condensed Consolidated Financial Statements regarding information in connection with commitments, incentive plans, employee benefit plans, income taxes, tax receivable agreement obligations and regulatory requirements, respectively.

Senior Debt

The table below sets forth our corporate indebtedness as of June 30, 2024 and December 31, 2023. The agreements with respect to this indebtedness are discussed in more detail in our condensed consolidated financial statements and related notes included elsewhere in this Form 10-Q and in our Form 10-K.

		Outstanding as of					
		June 30, 2024			December 31, 2023		
Senior Debt	Annual Interest Rate	Principal	Unamortized Debt Costs	Carrying Value	Principal	Unamortized Debt Costs	Carrying Value
		($ in millions)					
Lazard Group 2025 Senior Notes	3.75 %	$ 164.3	$ 0.1	$ 164.2	$ 400.0	$ 0.5	$ 399.5
Lazard Group 2027 Senior Notes	3.625 %	300.0	1.1	298.9	300.0	1.3	298.7
Lazard Group 2028 Senior Notes	4.50 %	500.0	3.6	496.4	500.0	4.0	496.0
Lazard Group 2029 Senior Notes	4.375 %	500.0	3.6	496.4	500.0	4.0	496.0
Lazard Group 2031 Senior Notes	6.00 %	400.0	3.8	396.2	–	–	–
		$ 1,864.3	$ 12.2	$ 1,852.1	$ 1,700.0	$ 9.8	$ 1,690.2

In the first quarter of 2024, Lazard Group issued $400 million of 6.0% senior notes due March 2031 to refinance the upcoming maturity of our 2025 Notes. We used part of the net proceeds to purchase in a tender offer $236 million of the 2025 Notes ($164 million remains outstanding). We invested the net proceeds in U.S. Treasury securities which are included in cash and cash equivalents and investments on the condensed consolidated statements of financial condition as of June 30, 2024.

The indenture and supplemental indentures relating to Lazard Group's senior notes contain certain covenants (none of which relate to financial condition), events of default and other customary provisions. At June 30, 2024, the Company was in compliance with all of these provisions. We may, to the extent required and subject to restrictions contained in our financing arrangements, use other financing sources, which may cause us to be subject to additional restrictions or covenants.

See Note 10 of Notes to Condensed Consolidated Financial Statements for additional information regarding senior debt.

Stockholders' Equity

At June 30, 2024, total stockholders' equity was $514 million, as compared to $482 million at December 31, 2023, including $459 million and $424 million attributable to Lazard, Inc. on the respective dates. The net activity in stockholders' equity during the six month period ended June 30, 2024 is reflected in the table below (in millions of dollars):

Stockholders' Equity - January 1, 2024	$	482
Increase (decrease) due to:		
Net income (a)		89
Other comprehensive loss		(16)
Amortization of share-based incentive compensation		160
Purchase of common stock		(41)
Settlement of share-based incentive compensation (b)		(62)
Common stock dividends		(89)
Other - net		(9)
Stockholders' Equity - June 30, 2024	$	514

(a) Excludes net income associated with redeemable noncontrolling interests of $3 million in 2024.
(b) The tax withholding portion of share-based compensation is settled in cash, not shares.

See the Consolidated Financial Statements—Consolidated Statements of Changes in Stockholders' Equity and Redeemable Noncontrolling Interests for further detail.

The Board of Directors of Lazard has issued a series of authorizations to repurchase common stock, which help offset the dilutive effect of our share-based incentive compensation plans. The Company aims to repurchase shares to offset dilution from the shares it expects to issue pursuant to such compensation plans in respect of year-end incentive compensation over time. The rate at which the Company purchases shares in connection with this annual objective may vary from period to period due to a variety of factors. Purchases with respect to such program are set forth in the table below:

Six Months Ended June 30:	Number of Shares Purchased	Average Price Per Share
2023	2,697,627	$ 36.73
2024	1,055,913	$ 38.66

As of June 30, 2024, a total of $159 million of share repurchase authorization remaining available under Lazard, Inc.'s share repurchase program will expire on December 31, 2024.

In addition, on July 24, 2024, the Board of Directors authorized the repurchase of up to $200 million of additional shares of common stock, which authorization will expire on December 31, 2026, bringing the total share repurchase authorization as of July 24, 2024 to approximately $360 million.

During the six month period ended June 30, 2024, Lazard, Inc. had in place trading plans under Rule 10b5-1 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), pursuant to which it effected stock repurchases in the open market.

On July 24, 2024, the Board of Directors of Lazard declared a quarterly dividend of $0.50 per share on our common stock. The dividend is payable on August 16, 2024 to stockholders of record on August 5, 2024.

See Notes 12 and 13 of Notes to Condensed Consolidated Financial Statements for additional information regarding Lazard's stockholders' equity and incentive plans, respectively.

Regulatory Capital

We actively monitor our regulatory capital base. Our principal subsidiaries are subject to regulatory requirements in their respective jurisdictions to ensure their general financial soundness and liquidity, which require, among other things, that we comply with rules regarding certain minimum capital requirements. These regulatory requirements may restrict the flow of funds to and from affiliates. See Note 19 of Notes to Condensed Consolidated Financial Statements for further information. These regulations differ in the U.S., the U.K., France and other countries in which we operate. Our capital structure is designed to provide each of our subsidiaries with capital and liquidity consistent with its business and regulatory requirements. For a discussion of regulations relating to us, see Item 1, “Business—Regulation” included in our Form 10-K.

Critical Accounting Policies and Estimates

The preparation of Lazard’s condensed consolidated financial statements, in conformity with U.S. GAAP, requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, Lazard evaluates its estimates, including those related to revenue recognition, the allowance for credit losses, compensation liabilities, income taxes (including the impact on the tax receivable agreement obligation), and goodwill. Lazard bases these estimates on historical experience and various other assumptions that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments, including judgments regarding the carrying values of assets and liabilities, that are not readily apparent from other sources. Actual results may differ from these estimates.

The following is a description of Lazard’s critical accounting estimates and judgments used in the preparation of its condensed consolidated financial statements.

Revenue Recognition

Lazard generates substantially all of its revenue from providing Financial Advisory and Asset Management services to clients. Lazard recognizes revenue in accordance with the criteria in Note 2 of Notes to Consolidated Financial Statements in our Form 10-K.

Assessment of these criteria requires the application of judgment in determining the timing and amount of revenue recognized, including the probability of collection of fees.

Allowance for Credit Losses

We maintain an allowance for credit losses to provide coverage for estimated losses from our receivables. We determine the adequacy of the allowance under the current expected credit losses (“CECL”) guidance by (i) applying a charge-off rate based on historical credit loss experience; (ii) estimating the probability of loss based on our analysis of the client’s creditworthiness resulting in specific reserves against exposures where we determine the receivables are uncollectible, which may include situations where a fee is in dispute or litigation has commenced; and (iii) performing qualitative assessments to monitor economic risks that may require additional adjustments.

The allowance for credit losses involves judgment including the incorporation of historical loss experience and assessment of risk characteristics of our clients. The charge-off rate based on historical credit loss experience was an average annual rate estimated using the most recent two years of charge-off data. When assessing risk characteristics of individual clients, we considered the macroeconomic environment in the local market, our collection experience and recent communication with the client, as well as any potential future engagement with the client.

Compensation Liabilities

Annual discretionary compensation represents a significant portion of our annual compensation and benefits expense. We allocate the estimated amount of such annual discretionary compensation to interim periods in proportion to the amount of adjusted net revenue earned in such periods based on an estimated annual ratio of adjusted compensation and benefits expense to adjusted net revenue. See “Financial Statement Overview—Operating Expenses” for more information on our periodic compensation and benefits expense.

Income Taxes

As part of the process of preparing our consolidated financial statements, we estimate our income taxes for each of our tax-paying entities in its respective jurisdiction. In addition to estimating actual current tax liabilities for these jurisdictions, we also must account for the tax effects of differences between the financial reporting and tax reporting of items, such as basis adjustments, compensation and benefits expense, and depreciation and amortization. Differences which are temporary in nature result in deferred tax assets and liabilities. Significant judgment is required in determining our provision for income taxes, our deferred tax assets and liabilities, any valuation allowance recorded against our deferred tax assets and our unrecognized tax benefits.

We recognize a deferred tax asset if it is more likely than not (defined as a likelihood of greater than 50%) that a tax benefit will be accepted by the relevant taxing authority. The measurement of deferred tax assets and liabilities is based upon currently enacted tax rates in the applicable jurisdictions.

Subsequent to the initial recognition of deferred tax assets, we also must continually assess the likelihood that such deferred tax assets will be realized. If we determine that we may not fully derive the benefit from a deferred tax asset, we consider whether it would be appropriate to apply a valuation allowance against the applicable deferred tax asset, taking into account all available information. The ultimate realization of a deferred tax asset for a particular entity depends, among other things, on the generation of taxable income by such entity in the applicable jurisdiction.

We consider multiple possible sources of taxable income when assessing a valuation allowance against a deferred tax asset. See Note 2 of Notes to Consolidated Financial Statements in our Form 10-K for additional information on sources of taxable income, and the information considered when assessing whether a valuation allowance is required.

The weight we give to any particular item is, in part, dependent upon the degree to which it can be objectively verified. We give greater weight to the recent results of operations of a relevant entity. Pre-tax operating losses on a three year cumulative basis or lack of sustainable profitability are considered objectively verifiable evidence and will generally outweigh a projection of future taxable income.

Certain of our tax-paying entities have individually experienced losses on a cumulative three year basis or have tax attributes that may expire unused. In addition, some of our tax-paying entities have recorded a valuation allowance on substantially all of their deferred tax assets due to the combined effect of operating losses in certain subsidiaries of these entities as well as foreign taxes that together substantially offset any U.S. tax liability. Taking into account all available information, we cannot determine that it is more likely than not that deferred tax assets held by these entities will be realized. Consequently, we have recorded valuation allowances on deferred tax assets held by these entities as of December 31, 2023.

We record tax positions taken or expected to be taken in a tax return based upon our estimates regarding the amount that is more likely than not to be realized or paid, including in connection with the resolution of any related appeals or other legal processes. Accordingly, we recognize liabilities for certain unrecognized tax benefits based on the amounts that are more likely than not to be settled with the relevant taxing authority. Such liabilities are evaluated periodically as new information becomes available and any changes in the amounts of such liabilities are recorded as adjustments to “income tax expense”. Liabilities for unrecognized tax benefits involve significant judgment and the ultimate resolution of such matters may be materially different from our estimates.

In addition to the discussion above regarding deferred tax assets and associated valuation allowances, as well as unrecognized tax benefit liability estimates, other factors affect our provision for income taxes, including changes in the geographic mix of our business, the level of our annual pre-tax income, transfer pricing and intercompany transactions.

See Item 1A, “Risk Factors” in our Form 10-K and Note 16 of Notes to Condensed Consolidated Financial Statements for additional information related to income taxes.

Tax Receivable Agreement

The Second Amended and Restated Tax Receivable Agreement, dated as of October 26, 2015 (the “TRA”), between Lazard and LTBP Trust (the “Trust”) provides for payments by our subsidiaries to the owners of the Trust, who include certain of our executive officers.

The amount of the TRA liability is an undiscounted amount based upon current tax laws and the structure of the Company and various assumptions regarding potential future operating profitability. The assumptions reflected in the estimate involve significant judgment, and if our structure or actual income are different than our assumptions, we could be required to accelerate payments under the TRA. As such, the actual amount and timing of payments under the TRA could differ materially from our estimates. See Note 18 of Notes to Condensed Consolidated Financial Statements for additional information regarding the TRA.

Goodwill

Goodwill has an indefinite life and is tested for impairment annually, as of November 1, or more frequently if circumstances indicate impairment may have occurred. The Company performs a qualitative assessment about whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount in lieu of actually calculating the fair value of the reporting unit. The qualitative assessment includes significant judgment on the business outlook assumptions of each reporting unit based on historical data, current economic conditions, stock performance and industry trends. If events indicate that it is more likely than not that the reporting unit's fair value is less than its carrying value, the Company performs a quantitative assessment to determine the fair value of the reporting unit and compares it to its carrying values. If the carrying value of a reporting unit exceeds its fair value, the Company would recognize an impairment loss equal to the excess. The goodwill impairment tests indicated no reporting units were at risk of impairment. See Note 9 of Notes to Condensed Consolidated Financial Statements for additional information regarding goodwill.

Consolidation

The condensed consolidated financial statements include entities in which Lazard has a controlling financial interest. Lazard determines whether it has a controlling financial interest in an entity by first evaluating whether the entity is a voting interest entity ("VOE") or a variable interest entity ("VIE") under U.S. GAAP.

- Voting Interest Entities. VOEs are entities in which (i) the total equity investment at risk is sufficient to enable the entity to finance itself independently and (ii) the equity holders have the obligation to absorb losses, the right to receive residual returns and the right to make decisions about the entity's activities. Lazard is required to consolidate a VOE if it holds a majority of the voting interest in such VOE.
- Variable Interest Entities. VIEs are entities that lack one or more of the characteristics of a VOE. If Lazard has a variable interest, or a combination of variable interests, in a VIE, it is required to analyze whether it needs to consolidate such VIE. Lazard is required to consolidate a VIE if we are the primary beneficiary having (i) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and (ii) the obligation to absorb losses of, or receive benefits from, the VIE that could be potentially significant to the VIE.

Lazard's involvement with various entities that are VOEs or VIEs primarily arises from LFI investments, seed and other investments in our Asset Management business. Lazard consolidates these entities when it has a controlling financial interest.

The impact of seed and LFI investment entities that require consolidation on the condensed consolidated financial statements, including any consolidation or deconsolidation of such entities, is not material to our financial statements. Our exposure to loss from entities in which we have made such investments is limited to the extent of our investment in, or investment commitment to, such entities.

Generally, when the Company initially invests to seed an investment entity, the Company is the majority owner of the entity. Our majority ownership in seed investment entities represents a controlling financial interest, except when we are the general partner in such entities and the third-party investors have the right to replace the general partner. To the extent material, we consolidate seed and LFI investment entities in which we own a controlling financial interest, and we would deconsolidate any such entity when we no longer have a controlling financial interest in such entity.

Seed investments held in entities in which the Company maintained a controlling financial interest were $107 million in eleven entities as of June 30, 2024, as compared to $114 million in eleven entities as of December 31, 2023. LFI investments held in entities in which the Company maintained a controlling financial interest were $96 million in nine entities as of June 30, 2024, as compared to $144 million in nine entities as of December 31, 2023.

As of June 30, 2024 and December 31, 2023, the Company did not consolidate any seed investment entities or LFI investment entities, with the exception of the consolidation of certain LFI funds (see Note 21 of Notes to Condensed Consolidated Financial Statements). As such, seed investments and substantially all of LFI investments included in "investments" on the condensed consolidated statements of financial condition represented the Company's economic interest in the seed and LFI investments.

Risk Management

Investments

Investments consist primarily of debt and equity securities, and interests in alternative investment, debt, equity and private equity funds. These investments are carried at fair value on the condensed consolidated statements of financial condition, and any increases or decreases in the fair value of these investments are reflected in earnings. The fair value of investments is generally based upon market prices or the net asset value ("NAV") or its equivalent for investments in funds.

See Note 6 of Notes to Condensed Consolidated Financial Statements for additional information on the measurement of the fair value of investments.

Lazard is subject to market and other risks on investments held. As such, gains and losses on investment positions held, which arise from sales or changes in the fair value of the investments, are not predictable and can cause periodic fluctuations in net income.

Data relating to investments is set forth below:

	June 30, 2024	December 31, 2023
	($ in thousands)	
Seed investments by asset class:		
Debt	$ 904	$ 4,285
Equity (a)	110,929	112,807
Fixed income	16,220	15,860
Alternative investments	33,703	33,073
Private equity	18,911	19,361
Total seed investments	180,667	185,386
Other investments owned:		
Private equity	11,076	10,963
U.S. Treasury securities	98,350	–
Fixed income and other	2,254	2,119
Total other investments owned	111,680	13,082
Subtotal	292,347	198,468
Private equity consolidated, not owned	18,212	16,494
LFI	376,948	487,002
Total investments	$ 687,507	$ 701,964

(a) At June 30, 2024 and December 31, 2023, seed investments in directly owned equity securities were invested as follows:

	June 30, 2024	December 31, 2023
Percentage invested in:		
Financials	15 %	14 %
Consumer	32	32
Industrial	14	15
Technology	22	20
Other	17	19
Total	100 %	100 %

The Company makes investments primarily to seed strategies in our Asset Management business or to reduce exposure arising from LFI and other similar deferred compensation arrangements. The Company manages its net economic exposure to market and other risks arising from seed investments and other investments owned. The Company does not hedge investments associated with LFI and other similar deferred compensation arrangements, or investments in funds owned entirely by the noncontrolling interest holders as there is no net economic exposure.

The market risk associated with investments held in connection with LFI and other similar deferred compensation arrangements is equally offset by the market risk associated with the derivative liability with respect to awards expected to vest. The Company is subject to market risk associated with any portion of such investments that employees may forfeit. See "—Risk Management—Risks Related to Derivatives" for risk management information relating to derivatives.

Risk sensitivities include the effects of economic hedging. For equity market price risk, investment portfolios and their corresponding hedges are beta-adjusted to the All-Country World equity index. Interest rate and credit spread risk and foreign exchange rate risk are hedged using relevant benchmark indices. Private equity risk is not hedged due to lack of proxy hedging instruments. Fair value and sensitivity measurements presented herein are based on various portfolio exposures at a particular point in time and may not be representative of future results. Risk exposures may change as a result of ongoing portfolio activities and changing market conditions, among other things.

Equity Market Price Risk—At June 30, 2024 and December 31, 2023, the Company's exposure to equity market price risk in its investment portfolio, which primarily relates to investments in equity securities, equity funds and hedge funds, was approximately $149 million and $150 million, respectively. The Company hedges market exposure arising from a significant portion of our equity investment portfolios by entering into total return swaps. The Company estimates that a hypothetical 10% adverse change in market prices would result in a net decrease of approximately $0.7 million as of June 30, 2024 and a net increase of approximately $0.2 million as of December 31, 2023, in the carrying value of such investments, including the effect of the hedging transactions.

Interest Rate and Credit Spread Risk—At June 30, 2024 and December 31, 2023, the Company's exposure to interest rate and credit spread risk in its investment portfolio related to investments in debt securities or funds which invest primarily in debt securities was $118 million and $18 million, respectively. The Company hedges market exposure arising from a portion of our debt investment portfolios by entering into total return swaps. The Company estimates that a hypothetical 100 basis point adverse change in interest rates or credit spreads would result in a net decrease of approximately $0.3 million as of June 30, 2024 and would not result in a net change in the carrying value of such investments as of December 31, 2023, including the effect of the hedging transactions.

Foreign Exchange Rate Risk—At June 30, 2024 and December 31, 2023, the Company's exposure to foreign exchange rate risk in its investment portfolio, which primarily relates to investments in foreign currency denominated equity and debt securities and, at December 31, 2023, private equity investments, was $63 million and $69 million, respectively. A significant portion of the Company's foreign currency exposure related to our equity and debt investment portfolios is hedged through the aforementioned total return swaps. The Company estimates that a 10% adverse change in foreign exchange rates versus the U.S. Dollar would result in a net decrease of approximately $2.0 million in the carrying value of such investments as of both June 30, 2024 and December 31, 2023, including the effect of the hedging transactions.

Private Equity—The Company invests in private equity primarily as a part of its co-investment activities and in connection with certain legacy businesses. At both June 30, 2024 and December 31, 2023, the Company's exposure to changes in fair value of such investments was approximately $30 million. The Company estimates that a hypothetical 10% adverse change in fair value would result in a decrease of approximately $3.0 million in the carrying value of such investments as of both June 30, 2024 and December 31, 2023.

For additional information regarding risks associated with our investments, see Item 1A, "Risk Factors—Other Business Risks—Our results of operations may be affected by fluctuations in the fair value of positions held in our investment portfolios" in our Form 10-K.

Risks Related to Receivables

We maintain an allowance for credit losses to provide coverage for expected losses from our receivables. At June 30, 2024, total receivables amounted to $725 million, net of an allowance for credit losses of $30 million. As of that date, Financial Advisory and Asset Management fees, and customers and other receivables comprised 76% and 24% of total receivables, respectively. At December 31, 2023, total receivables amounted to $762 million, net of an allowance for credit losses of $29 million. As of that date, Financial Advisory and Asset Management fees, and customers and other receivables comprised 74% and 26% of total receivables, respectively. See also "Critical Accounting Policies and Estimates—Revenue Recognition" above and Note 4 of Notes to Condensed Consolidated Financial Statements for additional information regarding receivables.

LFG and LFB offer wealth management and banking services to high net worth individuals and families. At June 30, 2024 and December 31, 2023, customers and other receivables included $92 million and $86 million, respectively, of such LFB loans which are fully collateralized and monitored for counterparty creditworthiness, with such collateral having a fair value in excess of the carrying amount of the loans. Therefore, there was no allowance for credit losses required at those dates related to such receivables.

Credit Concentrations

The Company monitors its exposures to individual counterparties and diversifies where appropriate to reduce the exposure to concentrations of credit.

Risks Related to Derivatives

Lazard enters into forward foreign currency exchange contracts and interest rate swaps to hedge exposures to currency exchange rates and interest rates and uses total return swap contracts on various equity and debt indices to hedge a portion of its market exposure with respect to certain investments that seed strategies in our Asset Management business. Derivative contracts are recorded at fair value. In entering into derivative agreements, the Company is subject to counterparty risk. Net derivative assets amounted to $5 million and $3 million at June 30, 2024 and December 31, 2023, respectively, and net derivative liabilities, excluding the derivative liability arising from the Company's obligation pertaining to LFI and other similar deferred compensation arrangements amounted to $4 million and $3 million at June 30, 2024 and December 31, 2023, respectively.

The Company also records derivative liabilities relating to its obligations pertaining to LFI awards and other similar deferred compensation arrangements, the fair value of which is based on the value of the underlying investments, adjusted for estimated forfeitures. Changes in the fair value of the derivative liabilities are equally offset by the changes in the fair value of investments which are expected to be delivered upon settlement of LFI awards. Derivative liabilities relating to LFI amounted to $270 million and $365 million at June 30, 2024 and December 31, 2023, respectively.

Risks Related to Cash and Cash Equivalents and Corporate Indebtedness

A significant portion of the Company's indebtedness has fixed interest rates, while its cash and cash equivalents generally have market interest rates. Based on account balances as of June 30, 2024, Lazard estimates that its annual operating income relating to cash and cash equivalents would increase by approximately $8 million in the event interest rates were to increase by 1% and decrease by approximately $8 million if rates were to decrease by 1%.

As of June 30, 2024, the Company's cash and cash equivalents totaled approximately $848 million. Substantially all of the Company's cash and cash equivalents were invested in (i) highly liquid institutional money market funds (a significant majority of which were invested solely in U.S. Government or agency money market funds), (ii) in short-term interest bearing and non-interest bearing accounts at a number of leading banks throughout the world, (iii) in short-term certificates of deposit from such banks and (iv) short-term U.S. Treasury securities. Cash and cash equivalents are continuously monitored. On a regular basis, management reviews its investment profile as well as the credit profile of its list of depositor banks in order to adjust any deposit or investment thresholds as necessary.

Operational Risk

Operational risk is inherent in all of our businesses and may, for example, manifest itself in the form of errors, breaches in the system of internal controls, employee misconduct, business interruptions, fraud, including fraud perpetrated by third parties, legal actions due to operating deficiencies, noncompliance or cyber attacks. The Company maintains a framework including policies and a system of internal controls designed to monitor and manage operational risk and provide management with timely and accurate information. Management within each of our operating subsidiaries is primarily responsible for its operational risk programs. The Company has in place business continuity and disaster recovery programs that manage its capabilities to provide services in the case of a disruption. We purchase insurance policies designed to help protect the Company against accidental loss and losses that may significantly affect our financial objectives, personnel, property or our ability to continue to meet our responsibilities to our various stakeholder groups. See Item 1A, “Risk Factors” in our Form 10-K for more information regarding operational risk in our business and Item 1C, “Cybersecurity” in our Form 10-K for more information on the Company’s processes to identify, assess and manage cybersecurity risks.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Risk Management

Quantitative and qualitative disclosures about market risk are included under the caption “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Risk Management”.

Item 4. Controls and Procedures

Our management, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Exchange Act as of the end of the period covered by this quarterly report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this quarterly report, our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) are effective to ensure that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

In addition, no change in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) occurred during our most recent fiscal quarter that has materially affected, or is likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company is involved from time to time in judicial, governmental, regulatory and arbitration proceedings and inquiries concerning matters arising in connection with the conduct of our businesses, including proceedings initiated by former employees alleging wrongful termination. The Company reviews such matters on a case-by-case basis and establishes any required accrual if a loss is probable and the amount of such loss can be reasonably estimated. The Company may experience significant variation in its revenue and earnings on a quarterly basis. Accordingly, the results of any pending matter or matters could be significant when compared to the Company's earnings in any particular quarter. The Company believes, however, based on currently available information, that the results of any pending matters, in the aggregate, will not have a material effect on its business or financial condition.

Item 1A. Risk Factors

There were no material changes from the risk factors previously disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

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

None.

Issuer Repurchases of Equity Securities

The following table sets forth information regarding Lazard's purchases of its common stock on a monthly basis during the second quarter of 2024. Share repurchases are recorded on a trade date basis.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
April 1 – April 30, 2024				
Share Repurchase Program (1)	441,221	$ 38.27	441,221	$ 161.2 million
Employee Transactions (2)	8,476	$ 41.86	–	–
May 1 – May 31, 2024				
Share Repurchase Program (1)	50,000	$ 38.53	50,000	$ 159.3 million
Employee Transactions (2)	10,450	$ 41.37	–	–
June 1 – June 30, 2024				
Share Repurchase Program (1)	–	$ –	–	$ 159.3 million
Employee Transactions (2)	128,572	$ 40.23	–	–
Total				
Share Repurchase Program (1)	491,221	$ 38.30	491,221	$ 159.3 million
Employee Transactions (2)	147,498	$ 40.40	–	–

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(1) The Board of Directors of Lazard authorized the repurchase of common stock as set forth in the table below as of June 30, 2024.

Date	Repurchase Authorization ($ in thousands)	Expiration
February 2022	$ 300,000	December 31, 2024
July 2022	$ 500,000	December 31, 2024

The Company's purchases under the share repurchase program over time are used to offset dilution from the shares that have been or will be issued under the 2018 Plan. Purchases under the share repurchase program may be made in the open market or through privately negotiated transactions. The rate at which the Company purchases shares in connection with the share repurchase program may vary from period to period due to a variety of factors. Amounts shown in this line item include repurchases of common stock and exclude the shares of common stock withheld by the Company to meet the minimum statutory tax withholding requirements as described below. As of June 30, 2024, a total of $159 million of share repurchase authorization remained available under Lazard, Inc.'s share repurchase program.

In addition, on July 24, 2024, the Board of Directors authorized the repurchase of up to $200,000 of additional shares of common stock, which authorization will expire on December 31, 2026, bringing the total share repurchase authorization as of July 24, 2024 to approximately $360,000.

(2) Under the terms of the 2018 Plan, upon the settlement of RSUs and PRSUs, shares of common stock may be withheld by the Company to meet the minimum statutory tax withholding requirements. During the three month period ended June 30, 2024, the Company satisfied such obligations in lieu of issuing 147,498 shares of common stock upon the settlement of 290,313 of RSUs.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the three months ended June 30, 2024, no directors or executive officers of the Company entered into, modified or terminated, contracts, instructions or written plans for the sale or purchase of Lazard securities that were intended to satisfy the affirmative defense conditions of Rule 10b5-1 or that constituted non-Rule 10b5-1 trading arrangements (as defined in Item 408 of Regulation S-K of the Exchange Act).

PART IV

Item 6.	Exhibits
3.1	Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report (File No. 001-32492) on Form 8-K filed on January 2, 2024).
3.2	By-laws of the Registrant (incorporated by reference to Exhibit 3.2 to the Registrant's Current Report (File No. 001-32492) on Form 8-K filed on January 2, 2024).
4.1	Form of Stock Certificate for Common Stock (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report (File No. 001-32492) on Form 8-K filed on January 2, 2024).
4.2	Indenture, dated as of May 10, 2005, by and between Lazard Group LLC and The Bank of New York, as Trustee (incorporated by reference to Exhibit 4.1 to Lazard Group LLC's Registration Statement (File No. 333-126751) on Form S-4 filed on July 21, 2005).
4.3	Sixth Supplemental Indenture, dated as of February 13, 2015, between Lazard Group LLC and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K (File No. 001-32492) filed on February 13, 2015).
4.4	Seventh Supplemental Indenture, dated as of November 4, 2016, between Lazard Group LLC and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K (File No. 001-32492) filed on November 7, 2016).
4.5	Eighth Supplemental Indenture, dated as of September 19, 2018, between Lazard Group LLC and the Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K (File No. 001-32492) filed on September 19, 2018).
4.6	Ninth Supplemental Indenture, dated as of March 11, 2019, between Lazard Group LLC and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K (File No. 001-32492) filed on March 11, 2019).
4.7	Tenth Supplemental Indenture, dated as of March 12, 2024, between Lazard Group LLC and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K (File No. 001-32492) filed on March 12, 2024).
4.8	Form of Senior Note (included in Exhibits 4.3, 4.4, 4.5, 4.6 and 4.7).
10.1	Third Amended and Restated Operating Agreement of Lazard Group LLC, dated as of March 31, 2023 (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report (File No. 001-32492) on Form 10-Q filed on May 2, 2023).
10.2	Second Amended and Restated Tax Receivable Agreement, dated as of October 26, 2015, by and among Ltd Sub A, Ltd Sub B and LTBP Trust (incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report (File No. 001-32492) on Form 10-Q filed on October 28, 2015).
10.3	Lease, dated as of January 27, 1994, by and between Rockefeller Center Properties and Lazard Frères & Co. LLC (incorporated by reference to Exhibit 10.19 to the Registrant's Registration Statement (File No. 333-121407) on Form S-1/A filed on February 11, 2005).
10.4	Fourth Amendment dated as of February 16, 2011, by and among RCPI Landmark Properties, L.L.C. (as the successor in interest to Rockefeller Center Properties), RCPI 30 Rock 22234849, L.L.C. and Lazard Group LLC (as the successor in interest to Lazard Frères & Co. LLC), to the Lease dated as of January 27, 1994, by and among Rockefeller Center Properties and Lazard Frères & Co. LLC (incorporated by reference to Exhibit 10.16 to the Registrant's Quarterly Report (File No. 001-32492) on Form 10-Q filed on April 29, 2011).
10.5*	Lazard, Inc. 2008 Incentive Compensation Plan (incorporated by reference to Annex B to the Registrant's Definitive Proxy Statement on Schedule 14A (File No. 001-32492) filed on March 24, 2008).
10.6*	Lazard, Inc. 2018 Incentive Compensation Plan (incorporated by reference to Annex B to the Registrant's Definitive Proxy Statement on Schedule 14A (File No. 001-32492) filed on March 15, 2018).

10.7*	First Amendment to the Lazard, Inc. 2018 Incentive Compensation Plan (incorporated by reference to Annex B to the Registrant's Definitive Proxy Statement on Schedule 14A (File No. 001-32492) filed on March 16, 2021).
10.8*	Second Amendment to the Lazard, Inc. 2018 Incentive Compensation Plan (incorporated by reference to Exhibit 10.2 to the Registrant's Post-Effective Amendment No. 1 to Registration Statements on Form S-8 (File Nos. 333-154977, 333-193845, 333-217597, 333-224552 and 333-269977) filed on February 2, 2024).
10.9*	Third Amendment to the Lazard, Inc. 2018 Incentive Compensation Plan (incorporated by reference to Annex B to the Registrant's Definitive Proxy Statement on Schedule 14A (File No. 001-32492) filed on March 21, 2024).
10.10*	First Amendment to the Lazard, Inc. 2008 Incentive Compensation Plan (incorporated by reference to Exhibit 10.1 to the Registrant's Post-Effective Amendment No. 1 to Registration Statements on Form S-8 (File Nos. 333-154977, 333-193845, 333-217597, 333-224552 and 333-269977) filed on February 2, 2024).
10.11*	Amended and Restated Agreement relating to Retention and Noncompetition and Other Covenants, dated as of March 31, 2022, by and among the Registrant, Lazard Group LLC and Kenneth M. Jacobs (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-32492) filed on April 6, 2022).
10.12*	Amendment to Amended and Restated Agreement Relating to Retention and Noncompetition and Other Covenants, dated as of May 25, 2023, by and among the Registrant, Lazard Group LLC and Kenneth M. Jacobs (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-32492) filed on May 26, 2023).
10.13*	Amended and Restated Agreement relating to Retention and Noncompetition and Other Covenants, dated as of March 31, 2022, by and among the Registrant, Lazard Group LLC and Evan L. Russo (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K (File No. 001-32492) filed on April 6, 2022).
10.14*	Amendment to Amended and Restated Agreement Relating to Retention and Noncompetition and Other Covenants, dated as of May 25, 2023, by and among the Registrant, Lazard Group LLC and Evan L. Russo (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K (File No. 001-32492) filed on May 26, 2023).
10.15*	Amended and Restated Agreement relating to Retention and Noncompetition and Other Covenants, dated as of March 31, 2022, by and among the Registrant, Lazard Group LLC and Peter R. Orszag (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K (File No. 001-32492) filed on April 6, 2022).
10.16*	Amendment to Amended and Restated Agreement Relating to Retention and Noncompetition and Other Covenants, dated as of May 25, 2023, by and among the Registrant, Lazard Group LLC and Peter R. Orszag (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K (File No. 001-32492) filed on May 26, 2023).
10.17*	Amended and Restated Agreement relating to Retention and Noncompetition and Other Covenants, dated as of March 29, 2019, by and among the Registrant, Lazard Group LLC and Ashish Bhutani (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K (File No. 001-32492) filed on April 3, 2019).
10.18*	Resignation Letter Agreement, dated as of March 31, 2022, by and between the Registrant and Ashish Bhutani (incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K (File No. 001-32492) filed on April 6, 2022).
10.19*	Letter Agreement, dated as of January 1, 2023, by and between Lazard Asset Management LLC and Ashish Bhutani (incorporated by reference to Exhibit 10.13 to the Registrant's Quarterly Report (File No. 001-32492) on Form 10-Q filed on May 2, 2023.

10.20*	Amended and Restated Agreement relating to Retention and Noncompetition and Other Covenants, dated as of March 29, 2019, by and among the Registrant, Lazard Group LLC and Alexander F. Stern (incorporated by reference to Exhibit 10.5 to the Registrant's Current Report on Form 8-K (File No. 001-32492) filed on April 3, 2019).
10.21*	Resignation Letter Agreement, dated as of March 31, 2022, by and between the Registrant and Alexander F. Stern (incorporated by reference to Exhibit 10.5 to the Registrant's Current Report on Form 8-K (File No. 001-32492) filed on April 6, 2022).
10.22*	Letter Agreement, dated as of January 1, 2023, by and between Lazard Frères & Co. LLC and Alexander F. Stern (incorporated by reference to Exhibit 10.16 to the Registrant's Quarterly Report (File No. 001-32492) on Form 10-Q filed on May 2, 2023).
10.23*	Letter Agreement, dated as of July 23, 2022, by and between Lazard Group LLC and Mary Ann Betsch (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-32492) filed on July 28, 2022).
10.24*	Agreement relating to Retention and Noncompetition and Other Covenants, dated as of August 23, 2023, by and between the Registrant, Lazard Group LLC and Mary Ann Betsch (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K (File No. 001-32492) filed on August 25, 2023).
10.25*	Letter Agreement, dated as of June 29, 2023, by and between Lazard Frères & Co. LLC and Michael Gathy (incorporated by reference to Exhibit 10.22 to the Registrant's Quarterly Report (File No. 001-32492) on Form 10-Q filed on October 27, 2023).
10.26*	Amended and Restated Agreement relating to Retention and Noncompetition and Other Covenants, dated as of March 7, 2024, by and among the Registrant, Lazard & Co., Services Limited and Alexandra Soto (incorporated by reference to Exhibit 10.25 to the Registrant's Quarterly Report (File No. 001-32492) on Form 10-Q filed on April 26, 2024).
10.27*	Form of Award Letter for Annual Grant of Deferred Stock Units to Non-Executive Directors (incorporated by reference to Exhibit 99.1 to the Registrant's Current Report on Form 8-K (File No. 001-32492) filed on September 8, 2005).
10.28*	Directors' Fee Deferral Unit Plan (incorporated by reference to Exhibit 10.39 to the Registrant's Quarterly Report on Form 10-Q (File No. 001-32492) filed on May 11, 2006).
10.29	Second Amended and Restated Credit Agreement, dated as of June 6, 2023, among Lazard Group LLC, the Banks from time to time parties thereto, and Citibank, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.23 to the Registrant's Quarterly Report (File No. 001-32492) on Form 10-Q filed on July 31, 2023).
10.30*	Form of Agreement for Performance-Based Profits Interest Participation Right Units under the 2018 Incentive Compensation Plan (incorporated by reference to Exhibit 10.24 to the Registrant's Quarterly Report on Form 10-Q (File No. 001-32492) filed on April 30, 2019).
10.31*	Form of Agreement evidencing grant of Performance-Based Restricted Participation Units under the 2018 Incentive Compensation Plan (incorporated by reference to Exhibit 10.19 to the Registrant's Quarterly Report on Form 10-Q (File No. 001-32492) filed on May 4, 2021).
10.32*	Form of Agreement evidencing grant of Lazard Fund Interests to Named Executive Officers under the 2018 Incentive Compensation Plan (incorporated by reference to Exhibit 10.20 to the Registrant's Quarterly Report on Form 10-Q (File No. 001-32492) filed on May 4, 2021).
10.33*	Form of Agreement for Profits Interest Participation Right Units under the 2018 Compensation Plan (incorporated by reference to Exhibit 10.21 to the Registrant's Quarterly Report on Form 10-Q (File No. 001-32492) filed on May 4, 2021).
10.34*	Form of Agreement for Profits Interest Participation Right Units under the 2018 Incentive Compensation Plan (incorporated by reference to Exhibit 10.26 to the Registrant's Quarterly Report (File No. 001-32492) on Form 10-Q filed on May 2, 2023).

10.35*	Form of Agreement evidencing grant of Restricted Stock Units under the 2018 Incentive Compensation Plan (incorporated by reference to Exhibit 10.27 to the Registrant's Quarterly Report (File No. 001-32492) on Form 10-Q filed on May 2, 2023).
10.36*	Form of Agreement evidencing grant of Stock Performance Profits Interest Participation Rights Units under the 2018 Incentive Compensation Plan (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-32492) filed on August 25, 2023).
31.1	Rule 13a-14(a) Certification of Peter R. Orszag.
31.2	Rule 13a-14(a) Certification of Mary Ann Betsch.
32.1**	Section 1350 Certification for Peter R. Orszag.
32.2**	Section 1350 Certification for Mary Ann Betsch.
97.1	Incentive Compensation Recovery Policy (incorporated by reference to Exhibit 97.1 to the Registrant's Annual Report (File No. 001-32492) on Form 10-K filed on February 23, 2024).
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because iXBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

* Management contract or compensatory plan or arrangement.

** Furnished herewith. These exhibits shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that Section. Such exhibits shall not be deemed incorporated into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934.

SIGNATURES

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

Dated: July 26, 2024

LAZARD, INC.

By:	/s/ Mary Ann Betsch
Name:	Mary Ann Betsch
Title:	Chief Financial Officer
By:	/s/ Michael Gathy
Name:	Michael Gathy
Title:	Chief Accounting Officer

EXHIBIT 31.1

I, Peter R. Orszag, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 of Lazard, Inc. (the "Registrant");

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 26, 2024

/s/ Peter R. Orszag

Peter R. Orszag
Chief Executive Officer

EXHIBIT 31.2

I, Mary Ann Betsch, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 of Lazard, Inc. (the “Registrant”);

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 26, 2024

/s/ Mary Ann Betsch

Mary Ann Betsch
Chief Financial Officer

EXHIBIT 32.1

July 26, 2024
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Pursuant to 18 U.S.C. § 1350, the undersigned officer of Lazard, Inc. (the "Registrant") hereby certifies that the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Peter R. Orszag

Peter R. Orszag
Chief Executive Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.

EXHIBIT 32.2

July 26, 2024
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Pursuant to 18 U.S.C. § 1350, the undersigned officer of Lazard, Inc. (the “Registrant”) hereby certifies that the Registrant’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Mary Ann Betsch
Mary Ann Betsch
Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.