Morgan Stanley

Liquidity Coverage Ratio Disclosures Report

For the Quarterly Period Ended September 30, 2026

Morgan Stanley

LCR DISCLOSURES REPORT

For the quarterly period ended September 30, 2026

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1. Morgan Stanley

Morgan Stanley is a global financial services firm that, through its subsidiaries and affiliates, provides a wide variety of products and services to a large and diversified group of clients and customers, including corporations, governments, financial institutions, and individuals. Unless the context otherwise requires, the terms "Morgan Stanley," the "Firm," "us," "we," and "our" mean Morgan Stanley (the "Parent Company") together with its consolidated subsidiaries.

Morgan Stanley was originally incorporated under the laws of the State of Delaware in 1981, and its predecessor companies date back to 1924. The Firm is a financial holding company under the Bank Holding Company Act of 1956, as amended, and is subject to the regulation and oversight of the Board of Governors of the Federal Reserve System (the "Federal Reserve").

The Firm conducts its business from its headquarters in and around New York City, its regional offices and branches throughout the United States of America ("U.S."), and its principal offices in London, Tokyo, Hong Kong, and other world financial centers. The Federal Reserve establishes liquidity requirements for the Firm and evaluates the Firm's compliance with such liquidity requirements. The Office of the Comptroller of the Currency (the "OCC") establishes similar liquidity requirements and standards for the Firm's U.S. bank subsidiaries, Morgan Stanley Bank N.A. ("MSBNA") and Morgan Stanley Private Bank, National Association ("MSPBNA") (collectively, "U.S. Bank Subsidiaries").

Additional information related to the Firm's business is included under "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of the Firm's Annual Report on Form 10-K for the year ended December 31, 2025 ("2025 Form 10-K").

2. U.S. Liquidity Coverage Ratio

The U.S. Liquidity Coverage Ratio rule ("LCR rule") requires certain U.S. banking organizations ("Covered Companies"), including the Firm and its U.S. Bank Subsidiaries, to maintain on each business day an amount of high-quality liquid assets ("HQLA") that are unencumbered and controlled by the Covered Company's liquidity management function ("eligible HQLA") sufficient to meet their total stressed net cash outflows over a prospective 30 calendar-day period, as calculated in accordance with the LCR rule. The Firm, MSBNA and MSPBNA are required to maintain a minimum liquidity coverage ratio ("LCR") of 100%.

The LCR rule classifies HQLA into three categories of assets: Level 1, Level 2A, and Level 2B liquid assets. The LCR rule provides that Level 1 liquid assets, which are the highest quality and most liquid assets, are included in a Covered Company's eligible HQLA without a limit and without haircuts. The LCR rule treats Level 2A and 2B liquid assets as having characteristics that are associated with being relatively stable and significant sources of liquidity, but not to the same degree as Level 1 liquid assets. Accordingly, the LCR rule subjects Level 2A liquid assets to a 15 percent haircut and, when combined with Level 2B liquid assets, they may not exceed 40 percent of the total eligible HQLA. Level 2B liquid assets, which are associated with a lesser degree of liquidity and more volatility than Level 2A liquid assets, are subject to a 50 percent haircut and may not exceed 15 percent of the total eligible HQLA. All other classes of assets do not qualify as HQLA.

To be included in a Covered Company's eligible HQLA, which is the numerator of the LCR, Level 1, 2A or 2B assets must meet a variety of specific standards designed to ensure that such assets have robust liquidity characteristics. In general, however, Level 1 assets include central bank reserve balances, both domestic and foreign, that are withdrawable by a Covered Company without restriction; securities issued or guaranteed by the U.S. Treasury Department or, in some cases, by other agencies of the U.S. government; and certain other securities that are issued or guaranteed by non-U.S. sovereign governments, multilateral development banks and similar institutions. Level 2A assets include certain investment grade securities issued or guaranteed by U.S. government-sponsored enterprises and certain other securities that are issued or guaranteed by non-U.S. sovereign governments, multilateral development banks and similar institutions that do not meet Level 1 asset criteria. Level 2B assets include certain corporate debt and common equity securities that are not issued by financial sector entities and that meet a variety of eligibility criteria, including market price stability in periods of significant stress.

The Firm's eligible HQLA under the LCR rule does not include our borrowing capacity at the Federal Reserve Bank of New York, the Federal Home Loan Banks, and non-U.S. central banks at which the Firm or its subsidiaries have borrowing capacity. In practice, the Firm could increase its available liquidity, if necessary, by exercising such borrowing rights on a secured basis against collateral meeting applicable standards, which vary by facility.

A Covered Company's total net cash outflow amount, which is the denominator of the LCR, is determined under the LCR rule by applying mandated outflow and inflow rates, which reflect certain prescribed, industry-wide stressed assumptions, against the balances of a Covered Company's funding sources, obligations, transactions, and assets over a prospective 30 calendar-day period. Inflows that can be included to offset outflows are limited to 75 percent of outflows to ensure that Covered Companies are maintaining sufficient on-balance sheet liquidity and are not overly reliant on inflows, which may not materialize in a period of stress. The total net cash outflow calculation also includes an add-on calculation that takes into account the largest daily

difference between certain outflows and inflows with set maturity dates. The inflow and outflow rates mandated by the LCR rule may be materially different from what actual inflow and outflow rates would be in a stress period.

The LCR rule recognizes that, under certain circumstances, it may be necessary for a Covered Company's LCR to fall temporarily below 100 percent to fund unanticipated liquidity needs. The LCR rule establishes a framework for a flexible supervisory response when a Covered Company's LCR falls below 100 percent. Under the LCR rule, a Covered Company must notify the appropriate U.S. banking regulator (which is the Federal Reserve, in the case of the Firm) on any business day that its LCR is less than 100 percent. In addition, if a Covered Company's LCR is below 100 percent for three consecutive business days, the Covered Company must submit to its appropriate U.S. banking regulator a plan for remediation of the shortfall.

For a further discussion of the regulatory liquidity framework applicable to the Firm, see "Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A")—Liquidity and Capital Resources—Regulatory Liquidity Framework" in the Firm's Annual Report on Form 10-K for the year ended December 31, 2025 ("2025 Form 10-K").

3. LCR Disclosure Requirements

The LCR rule requires the Firm to make quantitative and qualitative disclosures related to their LCR calculations and liquidity management practices on a quarterly basis ("LCR Disclosures"). This report contains the Firm's LCR Disclosures for the quarter ended September 30, 2026.

The Firm's LCR Disclosures are unaudited and may not be consistent with accounting principles generally accepted in the U.S. ("U.S. GAAP").

4. LCR Qualitative Disclosures

The main drivers of the liquidity coverage ratio

Our LCR quantitative disclosures, shown in the chart in Section 5, reflect the average daily value of each disclosure category across the quarter. When discussing the main drivers of our LCR, we refer to these average daily values.

Our cash outflow amounts this quarter were principally driven by secured wholesale funding (referred to herein as secured funding transactions) and asset exchange outflows, which were concentrated in our Institutional Securities business segment. Secured funding transactions include repurchase transactions, loans of collateral to customers to effect short positions, and other secured loans received by a Covered Company. Asset exchanges are transactions where the counterparties have previously exchanged non-cash assets and have agreed to return such assets to each other at a later date, but do not include secured funding and secured lending transactions.

Other outflow drivers are noted in the chart in Section 5. The Firm's main outflow drivers primarily arose in connection with our Institutional Securities business segment, except for non-operational funding and brokered deposit outflows, a substantial portion of which related to our Wealth Management business segment. These outflows reflect prescribed, industry-wide assumptions in the LCR rule about the liquidity risk in the Firm's business lines, activities and products, as measured for a projected 30-day stress period.

Our cash inflow amounts this quarter were principally driven by secured lending and asset exchange cash inflows, which were concentrated in our Institutional Securities business segment. Secured lending transactions include reverse repurchase transactions and securities borrowed transactions. Other inflow amounts are noted in the chart in Section 5 of this document. The Firm's main inflow drivers primarily arose in connection with our Institutional Securities business segment.

The composition of eligible HQLA

As shown in the following chart, Level 1 assets constituted a significant portion of the Firm's total eligible HQLA in the quarter, on both an unweighted and a weighted basis. The Firm's Level 1 assets primarily include cash on deposit with central banks, U.S. Treasury securities and other high quality non-U.S. sovereign securities. The Firm's combined Level 2A and 2B assets are below the 40% cap for such assets under the LCR rule, and the Level 2B assets are below the rule's 15% cap. The Firm's Level 2A assets primarily include U.S. government-sponsored enterprise securities and certain non-U.S. sovereign securities, and the Level 2B assets include publicly traded corporate debt that are not issued by financial sector entities.

	HQLA Categories as Percentage of Firm's Total Eligible HQLA	
	Average Unweighted	Average Weighted
Level 1 assets	91%	92%
Level 2A assets	9%	8%
Level 2B assets	0%	0%

Our liquidity management function manages the composition of our eligible HQLA, taking into account the Firm's liquidity risk tolerance, as approved by our Board of Directors; liquidity risk limits established by the Liquidity Risk Department; the results of liquidity stress testing; regulatory requirements; and other relevant considerations.

Derivative exposures and potential collateral calls

The Firm is a participant in global derivatives markets. In some cases, our derivative counterparties have contractual rights that require us to post collateral to them in the event that credit rating agencies downgrade our credit rating. In measuring collateral call risks, we consider all amounts of collateral that we could be required to post in accordance with the terms and conditions of the downgrade trigger clauses found in applicable legal agreements. The impact of potential collateral calls related to our derivatives exposures is inherently uncertain and would depend on a number of interrelated factors, including, among others, the magnitude of the downgrade, the rating relative to peers, the rating assigned by the relevant agency pre-downgrade, individual client behavior and future mitigating actions we might take. We manage the risk of potential collateral calls on our derivative positions by employing a variety of risk mitigation strategies, including modeling the impact of credit rating agency downgrades in our liquidity stress test program, diversifying risk exposures, hedging, managing counterparty and product risk limits and maintaining eligible HQLA and substantial Liquidity Resources to enable us to meet unexpected collateral calls or other potentially adverse developments. For a discussion of our Liquidity Resources, see "MD&A—Liquidity and Capital Resources—Liquidity Risk Management Framework—Liquidity Resources" in Part II, Item 7 of the 2025 Form 10-K.

Currency mismatch in the liquidity coverage ratio

A significant portion of our business is conducted in currencies other than the U.S. dollar, and changes in foreign exchange rates relative to the U.S. dollar, therefore, can affect the value of non-U.S. dollar net assets, revenues and expenses. Potential exposures as a result of these fluctuations in currencies are closely monitored, and strategies can be adopted to reduce the impact of these fluctuations on our financial performance. These strategies may include the financing of non-U.S. dollar assets with direct or swap-based borrowings in the same currency and the use of currency forward contracts or the spot market in various hedging transactions related to net assets, revenues, expenses or cash flows. We actively monitor and manage risks associated with currency mismatch, and currency mismatch is not a main driver of our LCR.

Concentration of funding sources

The Firm has adopted a comprehensive risk management program to ensure the durability of our funding, including concentration limits on certain funding sources. As of September 30, 2026, our core sources of funding were borrowings, deposits, secured funding, and shareholders' equity. Our borrowings are diversified across tenors, currencies and distribution channels, and our deposits are diversified across millions of Wealth Management business segment household relationships. We execute our secured funding program in accordance with risk management principles that include risk limits on maturity and investor concentration.

The centralized liquidity management function and its interaction with other functional areas

Our Board of Directors has adopted a formal liquidity risk management framework that assigns specific responsibilities to the centralized liquidity management function, including with respect to its interaction with other functional areas within the Firm. Under this framework, the Firm's Corporate Treasury and Bank Resource Management functions, together with our U.S. Bank Subsidiaries' Chief Investment Officer team, are the "first line of defense" with respect to liquidity risk management. Among other responsibilities, these functions are required to:

- Identify and assess the Firm's liquidity risks
- Incorporate identified liquidity risks into liquidity stress testing models and the risk management framework
- Conduct rigorous liquidity stress testing to measure liquidity risks over a range of scenarios and time horizons, enabling the Firm to determine liquidity and funding needs under adverse conditions
- Determine the size of the Firm's required liquidity in accordance with the Firm's liquidity risk tolerance and business needs
- Manage the Firm's liquidity resources, HQLA, and sources of funding, taking into account liquidity risk management limits and strategies, market conditions, client and counterparty behavior, monetary policy, legal or regulatory requirements and developments, or other factors in the markets in which we operate

The liquidity risk management framework adopted by our Board of Directors assigns "second line of defense" responsibilities to the Firm's Liquidity Risk Department and Model Risk Management function. Among other responsibilities, these functions are required to oversee the liquidity risk arising from business activities that are primarily managed by the first line of defense; review and approve all changes to liquidity stress test models, methodologies and assumptions; ensure the appropriateness and adequacy of liquidity stress test assumptions; and report the results of their independent identification, assessment and monitoring of liquidity risk and related limits across the Firm.

The Firm's Internal Audit function serves as the "third line of defense." Internal Audit's responsibilities with respect to liquidity risk management include auditing the Firm's compliance with internal guidelines set for liquidity risk management and liquidity risk monitoring; providing an independent assessment of liquidity and funding risks, controls and processes; and providing an independent assessment of whether the Firm's liquidity risk management

function complies with applicable regulatory standards and supervisory expectations.

Changes in the liquidity coverage ratio over time and causes of such changes

Morgan Stanley is a global financial services firm with operations in all major financial markets around the world. The Firm's LCR will fluctuate over time in response to changes in our liquidity risk profile, market conditions, client and counterparty behavior, liquidity risk management limits, monetary policy, legal or regulatory developments, or other factors in the markets in which we operate. Volatility may be material and under some circumstances may result in a ratio of less than 100 percent.

The increase in the Firm's average LCR in the current quarter is due to higher eligible HQLA partially offset by higher Net Cash Outflows. As of September 30, 2026, the Firm and its U.S. Bank Subsidiaries are compliant with the minimum required LCR of 100%.

5. LCR Quantitative Disclosures

In the following table, the figures reported in the "Average Weighted Amount" column reflect the prescribed, industry-wide assumptions and haircuts defined by the LCR rule to determine the Firm's eligible HQLA, cash outflow amounts and cash inflow amounts. The figures reported in the "Average Unweighted Amount" column reflect gross values that are not included in the calculation used to determine the Firm's compliance with LCR rule requirements.

Period: July 01, 2026 to September 30, 2026 *$ in millions*		Average Unweighted Amount	Average Weighted Amount
High-Quality Liquid Assets (HQLA)			
1	**Total eligible high-quality liquid assets (HQLA), of which:**	**352,107**	**347,337**
2	Eligible level 1 liquid assets	320,682	320,682
3	Eligible level 2A liquid assets	31,265	26,575
4	Eligible level 2B liquid assets	159	80
Cash Outflow Amounts			
5	Deposit outflow from retail customers and counterparties, of which:	**412,509**	**72,092**
6	Stable retail deposit outflow	35,040	1,051
7	Other retail funding	127,669	33,944
8	Brokered deposit outflow	249,800	37,097
9	Unsecured wholesale funding outflow, of which:	**90,033**	**57,098**
10	Operational deposit outflow	-	-
11	Non-operational funding outflow	82,728	49,792
12	Unsecured debt outflow	7,306	7,306
13	Secured wholesale funding and asset exchange outflow	**786,187**	**306,169**
14	Additional outflow requirements, of which:	**314,593**	**97,257**
15	Outflow related to derivative exposures and other collateral requirements	60,841	38,752
16	Outflow related to credit and liquidity facilities including unconsolidated structured transactions and mortgage commitments	253,752	58,505
17	Other contractual funding obligation outflow	**1,809**	**1,809**
18	Other contingent funding obligations outflow	**389,760**	**14,329**
19	**Total Cash Outflow**	**1,994,891**	**548,753**
Cash Inflow Amounts			
20	Secured lending and asset exchange cash inflow	**962,147**	**255,314**
21	Retail cash inflow	**1,084**	**542**
22	Unsecured wholesale cash inflow	**21,323**	**18,643**
23	Other cash inflows, of which:	**23,657**	**23,657**
24	Net derivative cash inflow	10,889	10,889
25	Securities cash inflow	2,624	2,624
26	Broker-dealer segregated account inflow	10,145	10,145
27	Other cash inflow	-	-
28	**Total Cash Inflow**	**1,008,212**	**298,157**

		Average Amount[1]
29	**HQLA Amount**	**347,337**
30	**Total Net Cash Outflow Amount Excluding The Maturity Mismatch Add-On**	**250,597**
31	**Maturity Mismatch Add-On**	**10,612**
32	**Total Unadjusted Net Cash Outflow Amount**	**261,208**
33	**Outflow Adjustment Percentage**	**100%**
34	**Total Adjusted Net Cash Outflow Amount**	**261,208**
35	**Liquidity Coverage Ratio (%)[2]**	**133%**

[1] The amounts reported in this column may not equal the calculation of those amounts using component amounts reported in rows 1-28 due to technical factors such as the application of the level 2 liquid asset caps and the total inflow cap.
[2] The LCR quarterly average represents the average of the daily LCRs during the quarter.

6. Forward-Looking Statements

We have included in this report, and our management may make, certain statements that may *constitute* "forward-looking statements" within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are not historical facts and represent only our beliefs regarding future events, many of which, by their nature, are inherently uncertain and beyond our control.

The risks and uncertainties involved in our businesses could affect the matters referred to in such statements, and it is possible that the cash outflows and inflows, HQLA and stability of our funding sources across a range of scenarios may differ, possibly materially, from the reported LCR and other anticipated results indicated in these forward-looking statements. Important factors that could cause actual results to differ from those in the forward-looking statements include, without limitation: (i) the effect of market conditions; (ii) changes and fluctuations to the main drivers of our LCR; (iii) changes to our funding profile, including to our core sources of funding: borrowings, deposits, secured funding and shareholders' equity; (iv) the level and volatility of equity, fixed income and commodity prices, interest rates, inflation and currency values, other market indices or other market factors, such as market liquidity; (v) our ability to effectively manage our capital and liquidity, including under stress tests designed by our banking regulators; (vi) the future state of our liquidity ratios; (vii) the impact of current, pending and future legislation or changes thereto, regulation (including capital, leverage, funding, liquidity, consumer protection, and recovery and resolution requirements) and our ability to address such requirements; (viii) uncertainty concerning fiscal or monetary policies established by central banks and financial regulators, government shutdowns, debt ceilings or funding; and (ix) other risks and uncertainties detailed under "Risk Factors" in our annual report on Form 10-K for the year ended December 31, 2025.

We undertake no obligation to update publicly or revise any forward-looking statements to reflect the impact of circumstances or events that arise after the dates they are made. You should, however, consult further disclosures we may make in future filings of our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K and any amendments thereto or in future press releases or other public statements.