Morgan Stanley

Net Stable Funding Ratio Disclosures Report

For the Quarterly Period Ended March 31, 2026 and

For the Quarterly Period Ended June 30, 2026

Morgan Stanley

NSFR DISCLOSURES REPORT

For the two quarterly periods ended March 31, 2026 and June 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. Net Stable Funding Ratio

The U.S. Net Stable Funding Ratio rule ("NSFR rule") requires certain U.S. banking organizations ("Covered Companies"), including the Firm and its U.S. Bank Subsidiaries, to maintain an amount of available stable funding ("ASF"), which is their regulatory capital and liabilities subject to standardized weightings, equal to or greater than their required stable funding ("RSF"), which is their projected minimum funding needs, over a one-year time horizon. The Firm, MSBNA and MSPBNA are required to maintain a minimum net stable funding ratio ("NSFR") of 100%.

A Covered Company's ASF amount, the numerator of the NSFR, measures the stability of a Covered Company's regulatory capital elements and liabilities. Regulatory capital elements and liabilities are each assigned an ASF factor in the NSFR rule, which represents the extent to which the capital element or liability is considered available for use by the Covered Company over a one-year time horizon. The ASF factors are scaled from zero (least stable) to 100 percent (most stable).

A Covered Company's RSF amount, the denominator of the NSFR, is based on the liquidity characteristics of its assets, commitments, and derivative exposures. The RSF factors are scaled from zero (most liquid and least likely to need ongoing funding during the one-year time horizon) to 100 percent (least liquid and most likely to need ongoing funding during the one-year time horizon).

The NSFR rule recognizes that, under certain circumstances, it may be necessary for a Covered Company's NSFR to fall temporarily below 100 percent. The NSFR rule establishes a framework for a flexible supervisory response when a Covered Company's NSFR falls below 100 percent. Under the NSFR rule, a Covered Company must notify the appropriate U.S. banking regulator (which is the Federal Reserve, in the case of the Firm) no later than 10 business days, following the date the shortfall occurred. In addition, if a Covered Company's NSFR is below 100 percent, the Covered Company must submit to its appropriate U.S. banking regulator a plan for remediation of the shortfall.

3. NSFR Disclosure Requirements

The NSFR rule requires the Firm to make quantitative and qualitative disclosures related to its NSFR calculations and liquidity management practices on a semiannual basis ("NSFR Disclosures"). This report contains the Firm's NSFR Disclosures for June 30, 2026 (the "current quarter", or "2Q 2026") and March 31, 2026 (the "prior quarter," or "1Q 2026").

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

4. NSFR Qualitative Disclosures

The main drivers of the net stable funding ratio

The Firm's NSFR quantitative disclosures, shown in Section 5, reflect the average daily value of each disclosure category across the quarter. When discussing the main drivers of the Firm's NSFR, we refer to these average daily values.

Our ASF for this and the prior quarter were principally driven by regulatory capital, unsecured borrowings, and retail deposits. Other ASF amount drivers are noted in Section 5.

Our RSF for the current and the prior quarters were principally driven by client loans, securities, and derivative assets, which primarily arose in connection with our Institutional Securities and Wealth Management business segments. Other RSF amount drivers are noted in Section 5.

These ASF and RSF amounts reflect prescribed, industry-wide mapping in the NSFR rule required to maintain sufficient stable funding in the Firm's business lines, activities and products, as measured over a one-year time horizon.

Changes in the net stable funding ratio over time and causes of such changes

The Firm's NSFR will fluctuate over time in response to changes in our funding profile, market conditions, client and counterparty behavior, monetary policy, legal or regulatory developments, or other factors in the markets in which we operate.

The Firm's decrease in NSFR from 1Q 2026 to 2Q 2026 and from 4Q 2025 to 1Q 2026 was primarily due to increased RSF (mainly increases in loans and securities) and was partially offset by increased ASF (mainly increases in unsecured borrowings, secured funding, brokered deposits and sweep deposits). As of June 30, 2026, and March 31, 2026, the Firm and its U.S. Bank Subsidiaries were compliant with the minimum required NSFR of 100%.

Concentration of funding sources and changes in funding structure

The Firm has adopted a comprehensive risk management program to ensure the durability of our funding, including concentration limits on certain funding sources. For the current and prior quarter, 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.

Concentrations of available and required stable funding within the Firm's corporate structure

Our ASF is principally driven by regulatory capital and securities, and retail deposits. Our borrowings are diversified across tenors, currencies and distribution channels and primarily issued by the parent company. The retail deposits, which are primarily sourced from our Wealth Management Clients and are primarily held by our U.S. Bank Subsidiaries"). For a discussion of our Funding Management, see "MD&A—Liquidity and Capital Resources—Liquidity Risk Management Framework—Liquidity Resources" in Part II, Item 7 of the 2025 Form 10-K.

Our RSF is principally driven by Client Loans and Securities which are diversified across both our Institutional Securities and Wealth Management business segments and diversified across the U.S. Bank Subsidiaries and non-bank entities both within the U.S. and international subsidiaries.

5. NSFR Quantitative Disclosures

In the following tables, the figures reported in the "Average Weighted Amount" column reflect the prescribed, industry-wide assumptions defined by the NSFR rule to determine the Firm's eligible ASF and RSF. The figures reported in the "Average Unweighted Amount" columns reflect gross values that are not included in the calculation used to determine the Firm's compliance with NSFR rule requirements.

NSFR Quantitative Disclosures
Quarter ended 06/30/2026

	$ in millions	Average Unweighted Amount					Average Weighted Amount
		Open Maturity	< 6 months	6 months to < 1 year	≥ 1 year	Perpetual	
ASF Item							
1	Capital and securities:	**-**	**28,909**	**23,501**	**333,670**	**115,151**	**460,571**
2	NSFR regulatory capital elements	-	-	-	10,508	115,151	125,658
3	Other capital elements and securities	-	28,909	23,501	323,162	-	334,912
4	Retail funding:	**289,272**	**28,944**	**17,621**	**71,825**	**-**	**325,451**
5	Stable deposits	28,516	-	-	-	-	27,090
6	Less stable deposits	111,014	1,443	264	79	-	101,521
7	Sweep deposits, brokered reciprocal deposits, and brokered deposits	138,275	21,713	16,554	63,073	-	183,475
8	Other retail funding	11,467	5,788	802	8,674	-	13,365
9	Wholesale funding:	**172,827**	**85,195**	**32,137**	**27,023**	**-**	**84,308**
10	Operational deposits	-	-	-	-	-	-
11	Other wholesale funding	172,827	85,195	32,137	27,023	-	84,308
	Other liabilities:						
12	NSFR derivatives liability amount					16,696	
13	Total derivatives liability amount					52,455	
14	All other liabilities not included in the above categories	149,945	73,184	588	19,297	-	-
15	**Total ASF[1]**						**787,900**
RSF Item							
16	Total high-quality liquid assets (HQLA)	**81,197**	**38,102**	**27,427**	**291,665**	**17,819**	**24,045**
17	Level 1 liquid assets	81,197	36,966	27,042	207,387	-	-
18	Level 2A liquid assets	-	615	301	78,410	-	11,899
19	Level 2B liquid assets	-	521	85	5,868	17,819	12,146
20	Zero percent RSF assets that are not level 1 liquid assets or loans to financial sector entities or their consolidated subsidiaries	**610**	**11,726**	-	-	-	-
21	Operational deposits placed at financial sector entities or their consolidated subsidiaries	**7,567**	-	-	-	-	**3,783**
22	Loans and securities:	**317,711**	**202,754**	**20,996**	**243,451**	**159,658**	**476,823**
23	Loans to financial sector entities secured by level 1 liquid assets	12,438	77,748	1,727	2,975	-	3,847
24	Loans to financial sector entities secured by assets other than level 1 liquid assets and unsecured loans to financial sector entities	154,978	90,890	9,817	51,447	-	93,236
25	Loans to wholesale customers or counterparties that are not financial sector entities and loans to retail customers or counterparties	146,183	32,959	9,406	68,549	-	152,538
26	Of which: With a risk weight no greater than 20 percent under Regulation Q (12 CFR part 217)	12,831	1,851	184	-	-	7,433
27	Retail mortgages	-	4	3	77,159	-	50,157
28	Of which: With a risk weight of no greater than 50 percent under Regulation Q (12 CFR part 217)	-	4	3	77,159	-	50,157
29	Securities that do not qualify as HQLA	4,112	1,153	42	43,322	159,658	177,044
	Other assets:						
30	Commodities					2,676	2,274
31	Assets provided as initial margin for derivative transactions and contributions to CCPs' mutualized loss-sharing arrangements					67,689	57,514
32	NSFR derivatives asset amount					-	-
33	Total derivatives asset amount					35,641	
34	RSF for potential derivatives portfolio valuation changes					121,491	6,075
35	All other assets not included in the above categories, including nonperforming assets	5,946	9,490	2,161	42,800	45,638	97,761
36	Undrawn commitments					**222,133**	**11,107**
37	**Total RSF prior to application of required stable funding adjustment percentage**						**679,382**
38	**Required stable funding adjustment percentage**						**100%**
39	**Total adjusted RSF**						**679,382**
40	**Net Stable Funding Ratio (%)[2]**						**116%**

[1] The amounts reported in this row may not equal the calculation of those amounts using component amounts reported in rows 1-14 due to technical factors such as total ASF excludes ASF held at subsidiaries after accounting for NSFR restrictions related to the transferability of ASF across subsidiaries.

[2] The NSFR quarterly average represents the average of the daily NSFRs during the quarter.

NSFR Quantitative Disclosures
Quarter ended 03/31/2026

	$ in millions	Average Unweighted Amount					Average Weighted Amount
		Open Maturity	< 6 months	6 months to < 1 year	≥ 1 year	Perpetual	
ASF Item							
1	Capital and securities:	-	**24,738**	**20,809**	**321,988**	**112,889**	**445,281**
2	NSFR regulatory capital elements	-	-	-	11,730	112,889	124,618
3	Other capital elements and securities	-	24,738	20,809	310,258	-	320,663
4	Retail funding:	**286,883**	**24,198**	**17,401**	**65,477**	-	**313,963**
5	Stable deposits	25,259	-	-	-	-	23,996
6	Less stable deposits	111,506	1,289	324	76	-	101,875
7	Sweep deposits, brokered reciprocal deposits, and brokered deposits	134,934	21,253	16,709	56,678	-	175,126
8	Other retail funding	15,184	1,656	368	8,723	-	12,965
9	Wholesale funding:	**170,314**	**109,486**	**26,018**	**27,393**	-	**78,893**
10	Operational deposits	-	-	-	-	-	-
11	Other wholesale funding	170,314	109,486	26,018	27,393	-	78,893
	Other liabilities:						
12	NSFR derivatives liability amount					8,117	
13	Total derivatives liability amount					42,539	
14	All other liabilities not included in the above categories	130,110	68,758	869	22,634	-	-
15	**Total ASF[1]**						**745,258**
RSF Item							
16	Total high-quality liquid assets (HQLA)	**77,853**	**41,649**	**27,135**	**292,914**	**17,852**	**24,462**
17	Level 1 liquid assets	77,853	40,580	26,576	204,853	-	-
18	Level 2A liquid assets	-	622	482	82,637	-	12,561
19	Level 2B liquid assets	-	448	77	5,424	17,852	11,901
20	Zero percent RSF assets that are not level 1 liquid assets or loans to financial sector entities or their consolidated subsidiaries	**786**	**10,756**	-	-	-	-
21	Operational deposits placed at financial sector entities or their consolidated subsidiaries	**7,413**	-	-	-	-	**3,707**
22	Loans and securities:	**298,481**	**188,926**	**18,953**	**230,248**	**140,891**	**438,577**
23	Loans to financial sector entities secured by level 1 liquid assets	11,680	85,585	2,540	2,088	-	3,367
24	Loans to financial sector entities secured by assets other than level 1 liquid assets and unsecured loans to financial sector entities	144,094	73,049	7,496	56,486	-	92,805
25	Loans to wholesale customers or counterparties that are not financial sector entities and loans to retail customers or counterparties	141,177	29,404	8,911	56,016	-	137,360
26	Of which: With a risk weight no greater than 20 percent under Regulation Q (12 CFR part 217)	13,354	1,191	0	-	-	7,273
27	Retail mortgages	-	7	3	75,397	-	49,013
28	Of which: With a risk weight of no greater than 50 percent under Regulation Q (12 CFR part 217)	-	7	3	75,397	-	49,013
29	Securities that do not qualify as HQLA	1,531	881	3	40,261	140,891	156,031
	Other assets:						
30	Commodities					2,684	2,282
31	Assets provided as initial margin for derivative transactions and contributions to CCPs' mutualized loss-sharing arrangements					62,156	52,831
32	NSFR derivatives asset amount					-	-
33	Total derivatives asset amount					34,422	
34	RSF for potential derivatives portfolio valuation changes					110,762	5,538
35	All other assets not included in the above categories, including nonperforming assets	5,286	7,540	1,711	41,449	45,049	93,731
36	Undrawn commitments					**219,404**	**10,970**
37	**Total RSF prior to application of required stable funding adjustment percentage**						**632,097**
38	**Required stable funding adjustment percentage**						**100%**
39	**Total adjusted RSF**						**632,097**
40	**Net Stable Funding Ratio (%)[2]**						**118%**

[1] The amounts reported in this row may not equal the calculation of those amounts using component amounts reported in rows 1-14 due to technical factors such as total ASF excludes ASF held at subsidiaries after accounting for NSFR restrictions related to the transferability of ASF across subsidiaries.

[2] The NSFR quarterly average represents the average of the daily NSFRs 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 stability of our funding sources and minimum funding requirements across a range of scenarios may differ, possibly materially, from the reported ASF and RSF 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 NSFR; (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.